

**WABTEC CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2015 AND 2014**  
**(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA**  
**(UNAUDITED))**

	Fourth Quarter <u>2015</u>	Fourth Quarter <u>2014</u>	For the Year Ended <u>2015</u>	For the Year Ended <u>2014</u>
Net sales	\$ 832,849	\$ 820,866	\$ 3,307,998	\$ 3,044,454
Cost of sales	<u>(565,221)</u>	<u>(566,569)</u>	<u>(2,260,182)</u>	<u>(2,108,472)</u>
Gross profit	267,628	254,297	1,047,816	935,982
<i>Gross profit as a % of Net Sales</i>	32.1%	31.0%	31.7%	30.7%
Selling, general and administrative expenses	(91,404)	(93,117)	(347,373)	(324,539)
Engineering expenses	(19,361)	(18,328)	(71,213)	(61,886)
Amortization expense	<u>(5,654)</u>	<u>(5,889)</u>	<u>(21,663)</u>	<u>(22,448)</u>
Total operating expenses	(116,419)	(117,334)	(440,249)	(408,873)
<i>Operating expenses as a % of Net Sales</i>	14.0%	14.3%	13.3%	13.4%
Income from operations	151,209	136,963	607,567	527,109
<i>Income from operations as a % of Net Sales</i>	18.2%	16.7%	18.4%	17.3%
Interest expense, net	(4,190)	(4,005)	(16,888)	(17,574)
Other (expense) income, net	<u>2,379</u>	<u>(1,752)</u>	<u>(5,311)</u>	<u>(1,680)</u>
Income from operations before income taxes	149,398	131,206	585,368	507,855
Income tax expense	<u>(47,619)</u>	<u>(38,520)</u>	<u>(186,740)</u>	<u>(156,175)</u>
<i>Effective tax rate</i>	31.9%	29.4%	31.9%	30.8%
Net income attributable to Wabtec shareholders	<u>\$ 101,779</u>	<u>\$ 92,686</u>	<u>\$ 398,628</u>	<u>\$ 351,680</u>
<b>Earnings Per Common Share</b>				
<b>Basic</b>				
Net income attributable to Wabtec shareholders	<u>\$ 1.06</u>	<u>\$ 0.96</u>	<u>\$ 4.14</u>	<u>\$ 3.66</u>
<b>Diluted</b>				
Net income attributable to Wabtec shareholders	<u>\$ 1.05</u>	<u>\$ 0.95</u>	<u>\$ 4.10</u>	<u>\$ 3.62</u>
Weighted average shares outstanding				
Basic	<u>95,367</u>	<u>95,894</u>	<u>96,074</u>	<u>95,781</u>
Diluted	<u>96,278</u>	<u>97,056</u>	<u>97,006</u>	<u>96,885</u>
<b>Net Sales by Segment</b>				
Freight Group	\$ 500,981	\$ 481,140	\$ 2,054,715	\$ 1,731,477
Transit Group	<u>331,868</u>	<u>339,726</u>	<u>1,253,283</u>	<u>1,312,977</u>
Total	<u>\$ 832,849</u>	<u>\$ 820,866</u>	<u>\$ 3,307,998</u>	<u>\$ 3,044,454</u>