

WABTEC CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010
(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

| | Third Quarter <u>2011</u> | Third Quarter <u>2010</u> | For the Nine Months <u>2011</u> | For the Nine Months <u>2010</u> |
|---|---------------------------------|---------------------------------|---------------------------------------|---------------------------------------|
| Net sales | \$ 498,840 | \$ 375,707 | \$ 1,432,998 | \$ 1,113,771 |
| Cost of sales | <u>(351,689)</u> | <u>(266,470)</u> | <u>(1,009,908)</u> | <u>(782,681)</u> |
| Gross profit | 147,151 | 109,237 | 423,090 | 331,090 |
| <i>Gross profit as a % of Net Sales</i> | 29.5% | 29.1% | 29.5% | 29.7% |
| Selling, general and administrative expenses | (57,676) | (46,604) | (186,435) | (142,478) |
| Engineering expenses | (9,894) | (9,362) | (27,914) | (30,482) |
| Amortization expense | <u>(4,128)</u> | <u>(2,638)</u> | <u>(10,549)</u> | <u>(6,669)</u> |
| Total operating expenses | (71,698) | (58,604) | (224,898) | (179,629) |
| <i>Operating expenses as a % of Net Sales</i> | 14.4% | 15.6% | 15.7% | 16.1% |
| Income from operations | 75,453 | 50,633 | 198,192 | 151,461 |
| <i>Income from operations as a % of Net Sales</i> | 15.1% | 13.5% | 13.8% | 13.6% |
| Interest (expense) income, net | (3,764) | (3,996) | (11,241) | (12,000) |
| Other income (expense), net | <u>(1,529)</u> | <u>(791)</u> | <u>(1,479)</u> | <u>(426)</u> |
| Income from operations before income taxes | 70,160 | 45,846 | 185,472 | 139,035 |
| Income tax expense | <u>(23,560)</u> | <u>(15,302)</u> | <u>(61,586)</u> | <u>(46,916)</u> |
| <i>Effective tax rate</i> | 33.6% | 33.4% | 33.2% | 33.7% |
| Net income attributable to Wabtec shareholders | <u>\$ 46,600</u> | <u>\$ 30,544</u> | <u>\$ 123,886</u> | <u>\$ 92,119</u> |
| Earnings Per Common Share | | | | |
| Basic | | | | |
| Net income attributable to Wabtec shareholders | \$ 0.97 | \$ 0.64 | \$ 2.58 | \$ 1.93 |
| Diluted | | | | |
| Net income attributable to Wabtec shareholders | \$ 0.96 | \$ 0.63 | \$ 2.56 | \$ 1.92 |
| Weighted average shares outstanding | | | | |
| Basic | <u>47,874</u> | <u>47,677</u> | <u>47,827</u> | <u>47,577</u> |
| Diluted | <u>48,366</u> | <u>48,064</u> | <u>48,327</u> | <u>47,956</u> |
| Sales by Segment | | | | |
| Freight Group | \$ 315,837 | \$ 208,566 | \$ 860,729 | \$ 563,684 |
| Transit Group | <u>183,003</u> | <u>167,141</u> | <u>\$ 572,269</u> | <u>\$ 550,087</u> |
| Total | <u>\$ 498,840</u> | <u>\$ 375,707</u> | <u>\$ 1,432,998</u> | <u>\$ 1,113,771</u> |