

**WABTEC CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015**  
**(AMOUNTS IN THOUSANDS EXCEPT PER SHARE DATA)**  
**(UNAUDITED)**

	First Quarter <u>2016</u>	First Quarter <u>2015</u>
Net sales	\$ 772,031	\$ 818,594
Cost of sales	<u>(516,851)</u>	<u>(563,239)</u>
Gross profit	255,180	255,355
<i>Gross profit as a % of Net Sales</i>	33.1%	31.2%
Selling, general and administrative expenses	(89,751)	(84,771)
Engineering expenses	(17,953)	(16,863)
Amortization expense	<u>(5,295)</u>	<u>(5,301)</u>
Total operating expenses	(112,999)	(106,935)
<i>Operating expenses as a % of Net Sales</i>	14.6%	13.1%
Income from operations	142,181	148,420
<i>Income from operations as a % of Net Sales</i>	18.4%	18.1%
Interest expense, net	(4,871)	(4,306)
Other income(expense), net	<u>154</u>	<u>(2,866)</u>
Income from operations before income taxes	137,464	141,248
Income tax expense	<u>(43,301)</u>	<u>(45,084)</u>
<i>Effective tax rate</i>	31.5%	31.9%
Net income attributable to Wabtec shareholders	<u>\$ 94,163</u>	<u>\$ 96,164</u>
<b>Earnings Per Common Share</b>		
<b>Basic</b>		
Net income attributable to Wabtec shareholders	<u>\$ 1.03</u>	<u>\$ 1.00</u>
<b>Diluted</b>		
Net income attributable to Wabtec shareholders	<u>\$ 1.02</u>	<u>\$ 0.99</u>
Weighted average shares outstanding		
Basic	<u>91,258</u>	<u>96,243</u>
Diluted	<u>92,149</u>	<u>97,385</u>
<b>Net Sales by Segment</b>		
Freight Group	\$ 442,669	\$ 511,887
Transit Group	<u>329,362</u>	<u>306,707</u>
Total	<u>\$ 772,031</u>	<u>\$ 818,594</u>