

**WABTEC CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015**  
**(AMOUNTS IN THOUSANDS EXCEPT PER SHARE DATA**  
**(UNAUDITED)**

	Second Quarter <u>2016</u>	Second Quarter <u>2015</u>	For the Six Months <u>2016</u>	For the Six Months <u>2015</u>
Net sales	\$ 723,601	\$ 847,028	\$ 1,495,632	\$ 1,665,622
Cost of sales	<u>\$ (486,212)</u>	<u>(579,264)</u>	<u>(1,003,063)</u>	<u>(1,142,503)</u>
Gross profit	237,389	267,764	492,569	523,119
<i>Gross profit as a % of Net Sales</i>	32.8%	31.6%	32.9%	31.4%
Selling, general and administrative expenses	(80,610)	(88,992)	(170,361)	(173,763)
Engineering expenses	(18,029)	(17,750)	(35,982)	(34,613)
Amortization expense	<u>(5,466)</u>	<u>(5,162)</u>	<u>(10,761)</u>	<u>(10,463)</u>
Total operating expenses	(104,105)	(111,904)	(217,104)	(218,839)
<i>Operating expenses as a % of Net Sales</i>	14.4%	13.2%	14.5%	13.1%
Income from operations	133,284	155,860	275,465	304,280
<i>Income from operations as a % of Net Sales</i>	18.4%	18.4%	18.4%	18.3%
Interest expense, net	(4,969)	(4,041)	(9,840)	(8,347)
Other income(expense), net	<u>(1,229)</u>	<u>(1,887)</u>	<u>(1,075)</u>	<u>(4,753)</u>
Income from operations before income taxes	127,086	149,932	264,550	291,180
Income tax expense	<u>(36,601)</u>	<u>(48,428)</u>	<u>(79,902)</u>	<u>(93,512)</u>
<i>Effective tax rate</i>	28.8%	32.3%	30.2%	32.1%
Net income attributable to Wabtec shareholders	<u>\$ 90,485</u>	<u>\$ 101,504</u>	<u>\$ 184,648</u>	<u>\$ 197,668</u>
<b>Earnings Per Common Share</b>				
<b>Basic</b>				
Net income attributable to Wabtec shareholders	<u>\$ 1.00</u>	<u>\$ 1.05</u>	<u>\$ 2.03</u>	<u>\$ 2.05</u>
<b>Diluted</b>				
Net income attributable to Wabtec shareholders	<u>\$ 1.00</u>	<u>\$ 1.04</u>	<u>\$ 2.02</u>	<u>\$ 2.03</u>
Weighted average shares outstanding				
Basic	<u>89,846</u>	<u>96,338</u>	<u>90,832</u>	<u>96,066</u>
Diluted	<u>90,559</u>	<u>97,435</u>	<u>91,628</u>	<u>97,112</u>
<b>Net Sales by Segment</b>				
Freight Group	\$ 397,067	\$ 534,674	\$ 839,736	\$ 1,046,561
Transit Group	<u>326,534</u>	<u>312,354</u>	<u>655,896</u>	<u>619,061</u>
Total	<u>\$ 723,601</u>	<u>\$ 847,028</u>	<u>\$ 1,495,632</u>	<u>\$ 1,665,622</u>