

WABTEC CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2011 AND 2010
(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

| | Fourth Quarter <u>2011</u> | Fourth Quarter <u>2010</u> | For the Year Ended <u>2011</u> | For the Year Ended <u>2010</u> |
|---|----------------------------------|----------------------------------|--------------------------------------|--------------------------------------|
| Net sales | \$ 534,639 | \$ 393,241 | \$ 1,967,637 | \$ 1,507,012 |
| Cost of sales | <u>(387,305)</u> | <u>(275,253)</u> | <u>(1,397,213)</u> | <u>(1,057,934)</u> |
| Gross profit | 147,334 | 117,988 | 570,424 | 449,078 |
| <i>Gross profit as a % of Net Sales</i> | 27.6% | 30.0% | 29.0% | 29.8% |
| Selling, general and administrative expenses | (61,099) | (53,414) | (247,534) | (195,892) |
| Engineering expenses | (9,279) | (9,721) | (37,193) | (40,203) |
| Amortization expense | <u>(4,447)</u> | <u>(3,504)</u> | <u>(14,996)</u> | <u>(10,173)</u> |
| Total operating expenses | (74,825) | (66,639) | (299,723) | (246,268) |
| <i>Operating expenses as a % of Net Sales</i> | 14.0% | 16.9% | 15.2% | 16.3% |
| Income from operations | 72,509 | 51,349 | 270,701 | 202,810 |
| <i>Income from operations as a % of Net Sales</i> | 13.6% | 13.1% | 13.8% | 13.5% |
| Interest (expense) income, net | (3,766) | (3,923) | (15,007) | (15,923) |
| Other income (expense), net | <u>1,099</u> | <u>366</u> | <u>(380)</u> | <u>(60)</u> |
| Income from operations before income taxes | 69,842 | 47,792 | 255,314 | 186,827 |
| Income tax expense | <u>(23,579)</u> | <u>(16,812)</u> | <u>(85,165)</u> | <u>(63,728)</u> |
| <i>Effective tax rate</i> | 33.8% | 35.2% | 33.4% | 34.1% |
| Net income attributable to Wabtec shareholders | <u>\$ 46,263</u> | <u>\$ 30,980</u> | <u>\$ 170,149</u> | <u>\$ 123,099</u> |
| Earnings Per Common Share | | | | |
| Basic | | | | |
| Net income attributable to Wabtec shareholders | \$ 0.96 | \$ 0.64 | \$ 3.54 | \$ 2.57 |
| Diluted | | | | |
| Net income attributable to Wabtec shareholders | \$ 0.96 | \$ 0.64 | \$ 3.51 | \$ 2.56 |
| Weighted average shares outstanding | | | | |
| Basic | <u>47,690</u> | <u>47,683</u> | <u>47,820</u> | <u>47,597</u> |
| Diluted | <u>48,268</u> | <u>48,143</u> | <u>48,329</u> | <u>48,005</u> |
| Sales by Segment | | | | |
| Freight Group | \$ 349,330 | \$ 220,820 | \$ 1,210,059 | \$ 784,504 |
| Transit Group | <u>185,309</u> | <u>172,421</u> | <u>\$ 757,578</u> | <u>\$ 722,508</u> |
| Total | <u>\$ 534,639</u> | <u>\$ 393,241</u> | <u>\$ 1,967,637</u> | <u>\$ 1,507,012</u> |