

WABTEC CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2012 AND 2011
(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)
(UNAUDITED)

	Fourth Quarter <u>2012</u>	Fourth Quarter <u>2011</u>	For the Year Ended <u>2012</u>	For the Year Ended <u>2011</u>
Net sales	\$ 610,400	\$ 534,639	\$ 2,391,122	\$ 1,967,637
Cost of sales	<u>(429,920)</u>	<u>(387,305)</u>	<u>(1,696,555)</u>	<u>(1,397,213)</u>
Gross profit	180,480	147,334	694,567	570,424
<i>Gross profit as a % of Net Sales</i>	29.6%	27.6%	29.0%	29.0%
Selling, general and administrative expenses	(64,774)	(61,099)	(245,709)	(247,534)
Engineering expenses	(10,260)	(9,279)	(41,307)	(37,193)
Amortization expense	<u>(4,984)</u>	<u>(4,447)</u>	<u>(15,272)</u>	<u>(14,996)</u>
Total operating expenses	(80,018)	(74,825)	(302,288)	(299,723)
<i>Operating expenses as a % of Net Sales</i>	13.1%	14.0%	12.6%	15.2%
Income from operations	100,462	72,509	392,279	270,701
<i>Income from operations as a % of Net Sales</i>	16.5%	13.6%	16.4%	13.8%
Interest (expense) income, net	(3,948)	(3,766)	(14,251)	(15,007)
Other income (expense), net	<u>614</u>	<u>1,099</u>	<u>(670)</u>	<u>(380)</u>
Income from operations before income taxes	97,128	69,842	377,358	255,314
Income tax expense	<u>(32,363)</u>	<u>(23,579)</u>	<u>(125,626)</u>	<u>(85,165)</u>
<i>Effective tax rate</i>	33.3%	33.8%	33.3%	33.4%
Net income attributable to Wabtec shareholders	<u>\$ 64,765</u>	<u>\$ 46,263</u>	<u>\$ 251,732</u>	<u>\$ 170,149</u>
Earnings Per Common Share				
Basic				
Net income attributable to Wabtec shareholders	\$ 1.35	\$ 0.96	\$ 5.24	\$ 3.54
Diluted				
Net income attributable to Wabtec shareholders	\$ 1.34	\$ 0.96	\$ 5.19	\$ 3.51
Weighted average shares outstanding				
Basic	<u>47,577</u>	<u>47,690</u>	<u>47,734</u>	<u>47,820</u>
Diluted	<u>48,341</u>	<u>48,268</u>	<u>48,371</u>	<u>48,329</u>
Sales by Segment				
Freight Group	\$ 342,258	\$ 349,330	\$ 1,501,911	\$ 1,210,059
Transit Group	<u>268,142</u>	<u>185,309</u>	<u>\$ 889,211</u>	<u>\$ 757,578</u>
Total	<u>\$ 610,400</u>	<u>\$ 534,639</u>	<u>\$ 2,391,122</u>	<u>\$ 1,967,637</u>