

**WABTEC CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2014 AND 2013**  
**(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA,**  
**(UNAUDITED))**

	Second Quarter <u>2014</u>	Second Quarter <u>2013</u>	For the Six Months <u>2014</u>	For the Six Months <u>2013</u>
Net sales	\$ 731,068	\$ 638,002	\$ 1,426,317	\$ 1,253,512
Cost of sales	<u>(506,410)</u>	<u>(445,121)</u>	<u>(992,090)</u>	<u>(877,743)</u>
Gross profit	224,658	192,881	434,227	375,769
<i>Gross profit as a % of Net Sales</i>	30.7%	30.2%	30.4%	30.0%
Selling, general and administrative expenses	(72,982)	(63,874)	(143,063)	(128,174)
Engineering expenses	(14,221)	(11,280)	(27,167)	(22,614)
Amortization expense	<u>(5,132)</u>	<u>(5,173)</u>	<u>(9,828)</u>	<u>(8,760)</u>
Total operating expenses	(92,335)	(80,327)	(180,058)	(159,548)
<i>Operating expenses as a % of Net Sales</i>	12.6%	12.6%	12.6%	12.7%
Income from operations	132,323	112,554	254,169	216,221
<i>Income from operations as a % of Net Sales</i>	18.1%	17.6%	17.8%	17.2%
Interest (expense) income, net	(4,525)	(3,271)	(8,975)	(6,885)
Other income (expense), net	<u>243</u>	<u>406</u>	<u>226</u>	<u>(175)</u>
Income from operations before income taxes	128,041	109,689	245,420	209,161
Income tax expense	<u>(39,336)</u>	<u>(35,051)</u>	<u>(76,581)</u>	<u>(64,910)</u>
<i>Effective tax rate</i>	30.7%	32.0%	31.2%	31.0%
Net income attributable to Wabtec shareholders	<u>\$ 88,705</u>	<u>\$ 74,638</u>	<u>\$ 168,839</u>	<u>\$ 144,251</u>
<b>Earnings Per Common Share</b>				
<b>Basic</b>				
Net income attributable to Wabtec shareholders	\$ 0.92	\$ 0.78	\$ 1.76	\$ 1.51
<b>Diluted</b>				
Net income attributable to Wabtec shareholders	\$ 0.91	\$ 0.77	\$ 1.74	\$ 1.49
Weighted average shares outstanding				
Basic	<u>96,048</u>	<u>95,762</u>	<u>95,674</u>	<u>95,243</u>
Diluted	<u>97,058</u>	<u>97,102</u>	<u>96,827</u>	<u>96,606</u>
<b>Sales by Segment</b>				
Freight Group	\$ 411,502	\$ 354,857	\$ 797,008	\$ 668,536
Transit Group	<u>319,566</u>	<u>283,145</u>	<u>\$ 629,309</u>	<u>\$ 584,976</u>
Total	<u>\$ 731,068</u>	<u>\$ 638,002</u>	<u>\$ 1,426,317</u>	<u>\$ 1,253,512</u>