WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2018 AND 2017 (AMOUNTS IN THOUSANDS EXCEPT PER SHARE DATA) (UNAUDITED)

		Second Quarter 2018		Second Quarter 2017		For the Six Months 2018		For the Six Months 2017
Net sales Cost of sales	\$	1,111,680 (787,713)	\$	932,253 (658,290)	\$	2,167,857 (1,533,009)	\$	1,848,287 (1,304,617)
Gross profit Gross profit as a % of Net Sales		323,967 29.1%		273,963 29.4%		634,848 29.3%		543,670 29.4%
Selling, general and administrative expenses Engineering expenses Amortization expense		(171,157) (19,388) (9,899)		(127,918) (23,338) (9,350)		(318,358) (41,437) (20,251)		(250,605) (46,802) (18,394)
Total operating expenses Operating expenses as a % of Net Sales		(200,444) 18.0%	_	(160,606) 17.2%		(380,046) 17.5%		(315,801) 17.1%
Income from operations Income from operations as a % of Net Sale:		123,523 11.1%		113,357 12.2%		254,802 11.8%		227,869 12.3%
Interest expense, net Other (expense) income, net		(31,920) 2,171		(17,564) 936		(52,204) 4,757		(37,422) 5,747
Income from operations before income taxes		93,774	_	96,729		207,355		196,194
Income tax expense Effective tax rate		(10,503) 11.2%	_	(24,569) 25.4%		(36,627) 17.7%		(52,030) 26.5%
Net Income		83,271		72,160		170,728		144,164
Less: Net Loss (Gain) attributable to noncontrolling interest		1,145	_	(135)		2,054		1,750
Net income attributable to Wabtec shareholders	\$	84,416	\$	72,025	\$	172,782	\$	145,914
Earnings Per Common Share Basic								
Net income attributable to Wabtec shareholders	\$	0.88	\$	0.75	\$	1.80	\$	1.52
Diluted Net income attributable to Wabtec shareholders	\$	0.87	\$	0.75	\$	1.79	\$	1.52
Weighted average shares outstanding Basic		95.992	_	95.641		95.867		95.370
Diluted		96,575	_	96,284	-	96,471	-	96,071
Segment Information Freight Net Sales	\$	412,258	\$	344,828	\$	791,812	\$	692,774
Freight Income from Operations Freight Operating Margin	\$	84,347 20.5%	\$	63,165 18.3%	\$	153,970 19.4%	\$	134,387 19.4%
Transit Net Sales Transit Income from Operations Transit Operating Margin	\$ \$	699,422 57,975 8.3%	\$	587,425 59,050 10.1%	\$ \$	1,376,045 126,059 9.2%	\$ \$	1,155,513 108,025 9.3%
Backlog Information (Note: 12-month is a sub-set of total)		June 30, 2018		March 31, 2018				
Freight Total Transit Total	\$	649,268 4,011,993	\$	631,558 4,265,552				
Wabtec Total	\$	4,661,261	\$	4,897,110				
Freight 12-Month Transit 12-Month	\$	464,295 2,044,437	\$	501,374 1,976,307				
Wabtec 12-Month	\$	2,508,732	\$	2,477,681				

Set forth below is the calculation of the non-GAAP performance measures included in this press release. We believe that these measures provide useful supplemental information to assess our operating performance and to evaluate period-to-period comparisons. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Wabtec's reported results prepared in accordance with GAAP.

Wabtec Corporation																		
Reconciliation of Reported Results to Adjusted Results																		
(in millions)	Second Quarter 2018																	
		Gross Operating Income from Interest & Minority Wa								abtec								
	1	<u>Profit</u>	<u>E</u> :	xpenses	Ope	erations	Otl	er Exp		Tax	Net	<u>Income</u>	In	terest	Net	Income]	EPS
Reported Results	\$	324.0	\$	(200.4)	\$	123.5	\$	(29.7)	\$		\$	83.3	\$	1.1	\$	84.4	\$	0.87
Restructuring costs add-back		1.0		2.8		3.8		-		(0.9)		2.9		-		2.9	\$	0.03
GE transaction costs		-		9.2		9.2		11.6		(4.9)		15.9		-		15.9	\$	0.16
India Goods and Service tax law change				4.0		4.0		-		(0.9)		3.1		-		3.1	\$	0.03
Tax adjustment related to 2017 U.S. tax law change		-		-		-		-		(13.0)		(13.0)		-		(13.0)	\$	(0.13)
Adjusted Results	\$	325.0	\$	(184.4)	\$	140.5	\$	(18.1)	\$	(30.2)	\$	92.2	\$	1.1	\$	93.3	\$	0.96
Fully Diluted Shares Outstanding																		96.6

Wabtec Corporation Reconciliation of Reported Results to Adjusted Res	culte												
(in millions)						Yea	r-to-	Date 2018	8				
		Gross Profit	•	perating xpenses	me from erations	erest & ier Exp		Tax	Net	Income	nority terest	Vabtec Income	EPS
Reported Results	\$	634.9	\$	(380.0)	\$ 254.8	\$ (47.4)	\$	(36.6)	\$	170.7	\$ 2.1	\$ 172.8	\$ 1.79
Restructuring costs add-back		1.2		3.2	4.4	-		(1.1)		3.3	-	3.3	\$ 0.03
GE transaction costs		-		9.2	9.2	11.6		(4.9)		15.9	-	15.9	\$ 0.16
India Goods and Service tax law change				4.0	4.0	-		(0.9)		3.1	-	3.1	\$ 0.03
Tax adjustment related to 2017 U.S. tax law change		-		-	-	-		(13.0)		(13.0)	-	(13.0)	\$ (0.13)
Adjusted Results	\$	636.1	\$	(363.6)	\$ 272.4	\$ (35.8)	\$	(56.5)	\$	180.0	\$ 2.1	\$ 182.1	\$ 1.88
Fully Diluted Shares Outstanding													96.5

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION CONDENSED CONSOLIDATED BALANCE SHEETS

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	<u> </u>	December 31, 2017		
In thousands				
Cash and cash equivalents	\$	245,574	\$	233,401
Receivables, net		1,213,234		1,166,787
Inventories		863,793		742,634
Current assets - other		124,286		122,291
Total current assets		2,446,887		2,265,113
Property, plant and equipment, net		555,834		573,972
Goodwill		2,428,591		2,460,103
Other intangibles, net		1,174,400		1,204,432
Other long term assets		71,894		76,360
Total assets	\$	6,677,606	\$	6,579,980
Current liabilities	\$	1,606,468	\$	1,573,330
Long-term debt		1,857,806		1,823,303
Long-term liabilities - other		338,704		354,815
Total liabilities		3,802,978		3,751,448
Shareholders' equity		2,857,280		2,808,868
Non-controlling interest		17,348		19,664
Total shareholders' equity	\$	2,874,628	\$	2,828,532
Total Liabilities and Shareholders' Equity	\$	6,677,606	\$	6,579,980

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited Six Months Ended June 30,

		<u>2017</u>				
In thousands						
Net cash provided by (used in) operating activities	\$	67,904	\$	(13,703)		
Net cash used in investing activities		(69,100)		(884,629)		
Net cash provided by financing activities		22,764		41,590		
Effect of changes in currency exchange rates		(9,395)		42,032		
Increase (decrease) in cash		12,173		(814,710)		
Cash, beginning of period		233,401		1,143,232		
Cash, end of period	\$	245,574	\$	328,522		