

WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORP  
Form DEF 14A  
April 16, 2007

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

(Rule 14a-101)

**SCHEDULE 14A INFORMATION**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES**

**EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
  - Definitive Proxy Statement
  - Definitive Additional Materials
  - Soliciting Material under sec.240.14a-12
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**WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**

(NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

(NAME OF PERSON(S) FILING PROXY STATEMENT, IF OTHER THAN THE REGISTRANT)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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(1) Amount Previously Paid:

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(3) Filing Party:

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(4) Date Filed:

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**Notice of Annual Meeting May 16, 2007**

**and Proxy Statement**

**WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**

1001 Air Brake Avenue

Wilmerding, Pennsylvania 15148

Dear Stockholder:

We invite you to attend the annual meeting of stockholders of Westinghouse Air Brake Technologies Corporation, doing business as Wabtec Corporation, on May 16, 2007 at 12:00 p.m. in Pittsburgh, Pennsylvania.

This booklet includes the formal notice of the meeting and the proxy statement. The proxy statement tells you more about the items upon which we will vote at the meeting. It also explains how the voting process works and gives information about our director candidates.

Whether or not you plan to attend, please promptly complete, sign, date and return your proxy card in the enclosed envelope, or you may vote over the Internet or by telephone by following the instructions found on the proxy card. Regardless of the method used, please vote your shares so that enough shares are represented to allow us to conduct the business of the annual meeting. Mailing your proxy or voting over the Internet or by telephone does not affect your right to vote in person if you attend the annual meeting.

Sincerely yours,

Alvaro Garcia-Tunon

Senior Vice President,

Chief Financial Officer and

Secretary

April 16, 2007

## WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION

1001 Air Brake Avenue

Wilmerding, Pennsylvania 15148

### NOTICE OF 2007 ANNUAL MEETING

#### Date, Time and Place

May 16, 2007

12:00 p.m.

Duquesne Club, Walnut Room, 4<sup>th</sup> Floor, 325 Sixth Avenue, Pittsburgh, Pennsylvania 15222

#### Purpose

Elect three directors for a term of three years

Conduct other business if properly raised

#### Procedures

If you own stock directly, please complete the enclosed proxy card requested by the Board.

Only stockholders of record on March 26, 2007 receive notice of and may vote at the meeting.

**Your vote is important. Please complete, sign, date, and return your proxy card promptly in the enclosed envelope or vote over the Internet or by telephone.**

Alvaro Garcia-Tunon

Senior Vice President,

Chief Financial Officer and

Secretary

April 16, 2007

# Contents

<b>General</b>	<b>1</b>
<b><u>Common Stock Ownership</u></b>	<b>2</b>
<u>Director and Executive Officer Stock Ownership</u>	2
<u>Other Owners of More Than 5%</u>	3
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	3
<b><u>Proposal 1 Election of Directors</u></b>	<b>4</b>
<u>Director Nominees to Serve for a Three-Year Term Expiring in 2010</u>	4
<u>Continuing Directors with a Three-Year Term Expiring in 2009</u>	5
<u>Continuing Directors with a Three-Year Term Expiring in 2008</u>	5
<u>The Board and Committees</u>	5
<u>The Nominating and Corporate Governance Committee</u>	6
<u>The Audit Committee</u>	7
<u>Audit Committee Report</u>	7
<u>The Compensation Committee</u>	8
<u>Compensation Committee Interlocks and Insider Participation</u>	9
<u>Compensation Committee Report</u>	9
<u>Compensation Discussion and Analysis</u>	9
<u>Summary Compensation Table</u>	15
<u>2006 Grants of Plan Based Awards</u>	17
<u>2006 Outstanding Equity Awards at Fiscal Year-End</u>	18
<u>Option Exercises and Stock Vested</u>	19
<u>Pension Benefits</u>	20
<u>Potential Payments Upon Termination or Change of Control</u>	21
<u>Director Compensation</u>	22
<u>Fees to Independent Registered Public Accounting Firm</u>	23
<u>Audit Fees</u>	23
<u>Audit-Related Fees</u>	23
<u>Tax Fees</u>	23
<u>All Other Fees</u>	23
<u>Audit Committee Pre-Approval Policies and Procedures</u>	23
<u>Business Relationships and Related Party Transactions</u>	24
<b><u>Other Information</u></b>	<b>25</b>
<u>Independent Registered Public Accounting Firm</u>	25
<u>Code of Ethics</u>	25
<u>Other Corporate Governance Information</u>	25
<u>Other Business</u>	25
<u>Communication with the Board</u>	25
<u>Expenses of Solicitation</u>	25
<u>Stockholder Proposals for Next Year</u>	25

## General

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We have sent you this booklet and proxy on or about April 16, 2007 because the Board of Directors of Westinghouse Air Brake Technologies Corporation, doing business as Wabtec Corporation ( Wabtec ), is soliciting your proxy to vote at the company's 2007 annual meeting of stockholders.

### Who May Vote

Stockholders of Wabtec as reflected in our stock records at the close of business on March 26, 2007 may vote. You have one vote for each share of Wabtec common stock you own.

### How to Vote

You may vote in person at the meeting or by proxy. Most stockholders of record have a choice of voting by proxy over the Internet, by telephone, or by using a traditional proxy card. Please check your proxy card or the information forwarded by your bank, stockbroker or other holder of record to see which options are available to you. We recommend you vote by proxy even if you plan to attend the meeting. You can always change your vote at the meeting.

### How a Proxy Works

Giving us a proxy means you authorize us to vote your shares in accordance with your directions. If you do not make any selections, your shares will be voted in favor of our director candidates.

You may receive more than one proxy or voting card depending on how you hold your shares. Shares registered in your name are generally covered by one card. If you hold shares through someone else, such as a bank or stockbroker, you may get material from them asking how you want to vote.

### Changing Your Vote

You may revoke your proxy before it is voted by submitting a new proxy with a later date, by voting in person at the meeting or by notifying Wabtec's Secretary in writing.

### Common Stock Outstanding

As of the close of business on March 26, 2007, approximately 49,335,828 shares of Wabtec common stock were issued and outstanding.

### Quorum and Voting Information

To conduct the business of the meeting, we must have a quorum. This means at least a majority of the outstanding shares eligible to vote must be represented at the meeting, either in person or by proxy. You are considered a part of the quorum if you submit a properly signed proxy card, vote over the Internet or vote by telephone.

If a quorum is present at the meeting, the three director candidates receiving the most votes will be elected to fill the three open seats on the Board of Directors. Abstentions and broker non-votes are not relevant to the election of directors.

Approval of any other matter that properly comes before the annual meeting requires the favorable vote of a majority of shares present in person or by proxy, unless the matter requires more than a majority vote under statute or our by-laws.

Because the total shares voted for, against, or abstain are considered shares present, they are counted to determine the minimum votes required for approval of other proposals. Therefore, if you abstain from voting, it has the same legal effect as a vote against any other proposal. Broker

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non-votes will not be counted as a vote or used to determine the favorable votes required to approve any other proposal.

A broker non-vote occurs when a broker limits the number of shares voted on a proposal on its proxy card or indicates the shares represented by the proxy card are not being voted on a proposal.

## Common Stock Ownership

### Director and Executive Officer Stock Ownership

Under the proxy rules of the Securities and Exchange Commission, a person beneficially owns Wabtec common stock if the person has the power to vote or dispose of the shares, or if such power may be acquired, by exercising options or otherwise, within 60 days. The table below shows how much Wabtec common stock is beneficially owned as of March 15, 2007 by our directors, nominees for director, Chief Executive Officer, Chief Financial Officer and the three other most highly paid executive officers, other than the Chief Executive Officer and Chief Financial Officer. Each person has sole voting power and sole dispositive power with respect to the shares listed unless indicated otherwise. No shares have been pledged as security by the named executive officers, directors, director candidates or the directors and executive officers as a group.

Executive Officer	Shares Owned	Percent of Class
Albert J. Neupaver (1)	160,500(2)	*
Alvaro Garcia-Tunon	91,779(2)(3)	*
Barry L. Pennypacker	122,631(2)(3)	*
Timothy J. Logan	118,330(2)(3)	*
Anthony J. Carpani	36,246(2)(3)	*
Director/Nominee	Shares Owned	Percent of Class
William E. Kassling	1,734,872(3)(4)	3.5%
Robert J. Brooks	400,650(3)(5)	*
Emilio A. Fernandez	666,541(3)(6)	1.3%
Lee B. Foster, II	54,405(3)(7)	*
Michael W.D. Howell	12,346(3)(8)	*
Nicholas Vande Steeg	0	*
James V. Napier	42,599(3)(9)	*
Gary C. Valade	10,999(3)	*
Directors and Executive Officers as a Group (20 persons)	3,636,868(3)	7.2%

\* Less than 1%

- (1) Effective February 1, 2006, Mr. Neupaver replaced Mr. Kassling as President and Chief Executive Officer of Wabtec.
- (2) Includes restricted shares as follows: Mr. Garcia-Tunon 18,000; Mr. Logan 15,000; Mr. Pennypacker 16,500; Mr. Neupaver 150,500; Mr. Carpani 15,000; and all directors and executive officers as a group 259,000. The restricted stockholders have sole voting power with respect to the restricted shares but do not have sole or shared dispositive power until the restricted shares vest.
- (3) Includes options that are exercisable on or within 60 days of March 15, 2007 as follows: Mr. Brooks 93,999; Mr. Fernandez 3,333; Mr. Foster 19,999; Mr. Garcia-Tunon 56,667; Mr. Howell 3,333; Mr. Kassling 338,333; Mr. Logan 88,333; Mr. Napier 24,999; Mr. Pennypacker 93,333; Mr. Carpani 10,001; Mr. Valade 2,999; and all directors and executive officers as a group 831,180.
- (4) Includes 11,953 shares owned by Mr. Kassling. Also includes 1,382,946 shares owned by Davideco, a Delaware corporation, and 1,640 shares owned by Mr. Kassling's wife. Mr. Kassling disclaims beneficial ownership of the shares held by his wife.
- (5) Includes 38,949 shares owned by Mr. Brooks. Also includes 267,702 shares owned by Suebro, Inc., a Delaware holding company.
- (6) Includes 406,033 shares owned by Mr. Fernandez. Also includes 257,175 shares owned by Mr. Fernandez's wife. Mr. Fernandez disclaims beneficial ownership of the shares held by his wife.
- (7) Includes 27,806 shares owned by Mr. Foster and 6,600 shares held by Foster Holdings, Inc.
- (8) Includes 6,513 shares owned by Mr. Howell and 2,500 shares held by Hilliard Lyons, Inc. as custodian for Mr. Howell's retirement account.
- (9) Includes 17,100 shares owned by Mr. Napier and 500 shares held in Mr. Napier's Keogh account.



### **Other Owners of More Than 5%**

Based on our review of the filings required to be made with the Securities and Exchange Commission on Schedule 13G and Schedule 13D, there were no beneficial owners of more than 5% of Wabtec's common stock as of December 31, 2006.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and executive officers to file reports of beneficial ownership and changes in beneficial ownership of Wabtec stock. Directors and officers must furnish us with copies of these reports. Based on these copies and directors' and executive officers' representations we believe all directors and executive officers complied with the requirements of Section 16(a) in 2006.

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## Proposal 1 Election of Directors

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Wabtec's Board of Directors currently has nine members and three vacant seats. The Board is divided into three classes whose terms of office end in successive years. Robert J. Brooks, William E. Kassling and Albert J. Neupaver, whose terms of office are expiring, have been nominated to serve for new terms ending in 2010. The Board may act at a future date to fill the three remaining vacancies or reduce the size of the Board. All nominations were made by the Nominating and Corporate Governance Committee, as further described under "Nominating and Corporate Governance Committee" on page 6, and approved by the entire Board of Directors. Mr. Vande Steeg was appointed to Wabtec's Board in February of 2007 to fill the vacancy created by the resignation of Mr. Davis.

### Vote Required

Your proxy will be voted for the election of these nominees unless you withhold authority to vote for any one or more of them. If any nominee is unable or unwilling to stand for election, your proxy authorizes us to vote for a replacement nominee if the Board names one.

Only votes for a candidate are counted in the election of directors. The three nominees who receive the most votes will be elected as directors.

**The Board recommends you vote FOR each of the following candidates.**

### Director Nominees to Serve for a Three-Year Term Expiring in 2010

Robert J. Brooks

Age 63

Director since 1990

Executive Vice President of Wabtec from November 1999 to March 2004; Chief Financial Officer and Secretary of Wabtec since prior to 1997 to March 2003.

William E. Kassling

Age 63

Director since 1990

Director of Crucible Materials Corporation.

Chairman of Wabtec since prior to 1997; Chief Executive Officer of Wabtec from May 2004 to January 2006 and from prior to 1997 to February 2001; President of Wabtec from May 2004 to January 2006 and from prior to 1997 to February 1998.

Albert J. Neupaver

Age 56

Director since 2006

Director of SmartOps, Inc., Pittsburgh Penguins Inc. and Parker-Hannifin Corporation.

President and Chief Executive Officer since February 2006. President of the Electromechanical Group of AMETEK, Inc. from 1998 to February 2006.

**Continuing Directors with a Three-Year Term Expiring in 2009**

Nickolas Vande Steeg

Age 64

Director since 2007

Michael W. D. Howell

Age 59

Director since 2003

Member of the Board of Directors of Trimble Navigation Limited since 2003; retired in December 2006 from Parker-Hannifin Corporation as President, Chief Operating Officer and Director after 35 years with the company.

Chief Executive Officer of Transport Initiatives Edinburgh (tie) Limited from May 2002 to July 2006; Chairman of FPT Group Limited from April 1998 to March 2002.

Chairman of Trustees of City & Guilds of London Institute since September 2006; Member of Court of Clothworkers Company; Governor of Clothworkers Foundation, London; Director of Arlington Capital Partners Limited, Guernsey; Director of Hutchison China Meditech Limited, Hong Kong.

Gary C. Valade

Age 63

Director since 2005

Member of the Board of Management and Executive Vice President of Global Procurement and Supply for DaimlerChrysler from 1998 until his retirement in 2003; Executive Vice President and Chief Financial Officer and member of the Office of the Chairman of Chrysler Corporation from 1993 to 1998.

**Continuing Directors with a Three-Year Term Expiring in 2008**

Emilio A. Fernandez

Age 62

Director since 1995

Lee B. Foster, II

Age 60

Director since 1999

Vice Chairman of Wabtec since March 1998; Executive Vice President of Wabtec from prior to 1997 to February 1998.

Chairman of L. B. Foster Company since 1998; Chief Executive Officer of L. B. Foster Company from prior to 1997 to 2002; President of L. B. Foster Company from prior to 1997 to 2000.

Director of L.B. Foster Company, Capital Guidance Ltd. and Dakota, Minnesota & Eastern Railroad.

James V. Napier

Age 70

Director since 1995

Chairman of Scientific Atlanta, Inc. from prior to 1997 to November 2000.

Director of Vulcan Materials Company, McKesson Corporation and Intelligent Systems, Inc.

**The Board and Committees**

The Board met 8 times during 2006. All directors attended all meetings of the Board and the committees on which they served in 2006. The Board committees that help the Board fulfill its duties

include the Nominating and Corporate Governance Committee, the Audit Committee and the Compensation Committee. The Board also holds regularly scheduled meetings of non-employee directors. Mr. Fernandez presides at these meetings.

In addition to the independence requirements set forth in the listing standards of the New York Stock Exchange (the NYSE), the Board has adopted categorical standards to assist it in determining whether its members meet the independence requirements of the NYSE. These standards provide that the following relationships are deemed to be immaterial and would not in and of themselves impair a director's independence:

a director or an immediate family member is an executive officer or employee of a company that makes payments to, or receives payments from, Wabtec or any of its subsidiaries for property or services in an amount which in any single fiscal year does not exceed the greater of \$1 million or 2% of such other company's consolidated gross revenue;

a director beneficially owns less than 10% of Wabtec's issued and outstanding common stock; and

a director serves as an executive officer of a charitable organization and Wabtec's charitable contributions to the charitable organization in any fiscal year are not more than the greater of \$1 million or 2% of the charitable organization's consolidated gross revenues.

The Board has reviewed the independence of its members considering these standards and any other commercial, legal, accounting and familial relationships between the directors and Wabtec and has determined that a majority of its members are independent. Specifically, none of the following directors, Mr. Fernandez, Mr. Foster, Mr. Napier, Mr. Howell, Mr. Valade, Mr. Brooks and Mr. Vande Steeg, has a material relationship with Wabtec, and each such director meets the Board's categorical independence standards and the independence requirements of the NYSE listing standards. Mr. Davis, who resigned from Wabtec's Board in February of 2007, was also determined to be independent.

It is the company's policy that all directors attend the annual meeting of stockholders if reasonably possible. All directors then serving, other than Mr. Howell, attended the 2006 annual meeting of stockholders.

## **The Nominating and Corporate Governance Committee**

The Nominating and Corporate Governance Committee reviewed and approved an amended and restated charter at its February 20, 2007 meeting. A current copy of the amended charter is available on Wabtec's website at <http://www.wabtec.com>, and is available in print to any stockholder who requests it. The principal functions of the Nominating and Corporate Governance Committee are to:

identify the skills and characteristics to be found in candidates to be considered to serve on Wabtec's Board of Directors and to use such to select nominees;

recommend nominees for each Board committee;

oversee the corporate governance of Wabtec; and

to recommend changes to Wabtec's corporate governance guidelines.

The Committee met 4 times during 2006. The members of the Nominating and Corporate Governance Committee in 2006 were Mr. Davis, Mr. Fernandez and Mr. Howell, who were each independent, as independence for such members is defined in the listing standards of the NYSE. Mr. Fernandez is the Chairman of the Nominating and Corporate Governance Committee.

The Committee will consider director nominees recommended by stockholders. Stockholders wishing to recommend a director candidate for consideration by the Committee can do so by writing the Secretary of Wabtec at 1001 Air Brake Avenue, Wilmerding, PA 15148; giving the candidate's name, biographical data and qualifications. Any such recommendation should be accompanied by a written statement from the individual of his or her consent to be named as a candidate and, if nominated and elected, to serve as a director. No candidates for Board membership have been put forward by stockholders for election at the 2007 annual meeting of stockholders.

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In evaluating candidates for the Board, the Nominating and Corporate Governance Committee considers the entirety of each candidate's credentials. The Committee is guided by the objective set forth in its charter of ensuring that the Board consists of individuals from diverse educational and professional experiences and backgrounds who collectively

provide meaningful counsel to management. The Committee considers the candidate's character, integrity, experience, understanding of strategy and policy-setting and reputation for working well with others. In connection with this evaluation, the Nominating and Corporate Governance Committee determines whether to interview the prospective nominee, and if warranted, one or more members of the committee, and others as appropriate, interview prospective nominees. After completing this evaluation and interview, the Nominating and Corporate Governance Committee makes a recommendation to the full Board as to the persons who should be nominated by the Board, and the Board determines the nominees after considering the recommendation and report of the Nominating and Corporate Governance Committee. If candidates are recommended by the company's stockholders, such candidates will be evaluated using the same criteria. With respect to nomination of continuing directors for re-election, the individual's contributions to the Board are also considered.

Pursuant to authority granted under its charter, the Nominating and Corporate Governance Committee consulted with a search firm in 2006 for assistance with identifying and evaluating potential candidates for Board positions.

### **The Audit Committee**

The Audit Committee acts under a written charter, which was amended and restated by the Board of Directors on February 18, 2004. The Audit Committee reviewed and approved the continued use of its written charter at its February 20, 2007 meeting. A current copy of the charter is available on Wabtec's website at <http://www.wabtec.com> and is available in print to any stockholder who requests it.

The Audit Committee provides assistance to the Board in fulfilling its oversight responsibility to stockholders, the investment community and others relating to the integrity of Wabtec's financial statements, its financial reporting process, its systems of internal accounting and financial controls, the performance of Wabtec's internal audit function and independent registered public accountants, the independent registered public accountant's qualifications and independence, and Wabtec's compliance with ethics policies and legal and regulatory requirements. The Committee is directly

responsible for appointing, compensating, retaining and overseeing the work of the independent registered public accounting firm engaged by Wabtec. The Audit Committee has established procedures for the receipt, retention and treatment of complaints received by Wabtec regarding accounting, internal controls or auditing matters and the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

The Audit Committee met 8 times in 2006. The current Audit Committee members are Mr. Fernandez, Mr. Foster, Mr. Howell and Mr. Valade, who are each independent, as independence is defined in the rules of the Securities and Exchange Commission and in the listing standards of the NYSE. The Board has determined that Mr. Valade, the Audit Committee's Chairman, qualifies as an audit committee financial expert as defined in the regulations of the Securities and Exchange Commission.

### **Audit Committee Report**

The Audit Committee is responsible for reviewing Wabtec's financial reporting process on behalf of the Board of Directors. Management of the company has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. In the performance of our oversight function, we meet with management periodically to consider the adequacy of the company's internal controls and the objectivity of its financial reporting. We meet privately with the independent registered public accountants, who have unrestricted access to the audit committee. Specifically, we have reviewed and discussed with management and the independent registered public accountants the company's consolidated financial statements as of and for the fiscal year ended December 31, 2006.

We have also discussed with the independent registered public accountants the matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees*, as currently in effect.

Furthermore, we have received and reviewed the written disclosures and the letter from the independent registered public accountants required by Independence Standards Board Standard No. 1,

*Independence Discussions with Audit Committees*, as currently in effect, and have discussed with the independent registered public accountants their independence.

Based on the review and discussions referred to above, we recommended to the Board of Directors that Wabtec's audited financial statements, as of and for the fiscal year ended December 31, 2006, be included in the company's Annual Report on Form 10-K, for the year ended December 31, 2006, to be filed with the Securities and Exchange Commission.

Respectfully submitted,

Gary C. Valade, Chairman

Emilio A. Fernandez

Lee B. Foster, II

Michael W. D. Howell

## **The Compensation Committee**

The Compensation Committee provides assistance to the Board relating to the compensation of Wabtec's officers and directors. The Compensation Committee has authority, pursuant to its charter, to make recommendations to the Board, which then establishes compensation. The Compensation Committee's principal responsibilities include:

reviewing and approving goals and objectives for the Chief Executive Officer and determining the Chief Executive Officer's compensation;

reviewing and recommending compensation of all directors and officers; and

recommending incentive compensation plans and equity-based plans.

The Compensation Committee members in 2006 were: Mr. Davis, Mr. Fernandez, Mr. Foster and Mr. Napier, who were each independent, as independence for such members is defined in the listing standards of the NYSE. Mr. Foster serves as the Compensation Committee's Chairman. Our Nominating and Governance Committee of our Board of Directors recommends the Compensation Committee members who are approved by the full Board of Directors. The Compensation Committee met 4 times in 2006. The Compensation Committee reviewed and approved an amendment of its written charter at its February 20, 2007 meeting. A copy of

the written charter is available on Wabtec's website at <http://www.wabtec.com> and is available in print to any stockholder who requests it.

The Compensation Committee recommends executive compensation to the Board, which then establishes these items. Base salaries are established at the beginning of the fiscal year and bonuses are awarded after fiscal year results are available. Base salaries depend mainly on the executive officer's office and responsibility, while bonuses are based on pre-established performance factors. These factors are established at the beginning of the year and include (i) a financial performance factor measuring earnings before interest and taxes and working capital management and (ii) a personal performance factor which measures whether the individual executive attained certain quantitative and measureable goals established for that executive.

Executive officers also receive long-term incentive compensation. With respect to the long-term incentive portion of executive compensation, the Compensation Committee has discretion to grant long-term incentive awards under the 2000 Stock Incentive Plan. Such awards take the form of stock options, performance units and restricted share awards. The Compensation Committee bases the amount of the award upon the executive's job level, as well as other factors. These factors include benchmarking the total compensation an executive may earn to ensure it is competitive, compensating executives in a pay for performance manner and aligning the interests of the executives with the interests of the shareholders. The Committee also reviews the ratio of total compensation to total target cash compensation to ensure that the mix of long term compensation is appropriate for each executive.



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The Chief Executive Officer and the Vice President of Human Resources suggest guidelines in discussions with the Compensation Committee regarding executive compensation. They provide recommendations and information regarding the competitiveness of the industry, key employees, performance of individuals, succession planning and other relevant data to the committee. Neither the Chief Executive Officer nor the Chairman is present during any discussions concerning their compensation. The Compensation Committee also has the authority to retain compensation consultants

as it deems necessary and has the sole authority to approve such consultants' fees. At the beginning of 2006, Wabtec utilized a compensation consultant to provide assistance in setting long-term economic profit goals as part of the long-term incentive plan for the 2006-2008 performance period under the plan.

During 2006, the Compensation Committee agreed to a recommendation to change the compensation pay structure for the non-employee directors effective May 2006. Wabtec monitored and benchmarked the directors' pay to ensure that Wabtec was competitive. The company used surveys by the National Association of Corporate Directors (NACD) and surveys from the Conference Board to ensure competitiveness. In addition, the company created an independent index of similar sized publicly held manufacturing companies. These companies include: Tecumseh Products, Briggs and Stratton, Thomas and Betts, Regal Beloit, Woodward Governor, IDEX Corp., Sauer-Danfoss, Milacron, Stewart and Stevenson, Kennametal, Trinity Industries, Flowserve and Greenbrier Companies. As a result, the Compensation Committee agreed with management recommendations to increase the cash retainer for non-employee directors from \$25,000 to \$35,000 to ensure that Wabtec can continue to attract new, and retain existing, non-employee directors. This increase places Wabtec near the 3<sup>rd</sup> Quartile in cash compensation for similar sized publicly held manufacturing companies and Wabtec's total compensation paid to directors would be above the index average. The benchmarking study also noted that the trend in director compensation reflected significant increases in compensation over the past few years and Wabtec's practice of paying both a cash and a stock retainer is considered a best practice by the NACD.

### **Compensation Committee Interlocks and Insider Participation**

During 2006, Wabtec had no interlocking relationships in which (i) an executive officer of Wabtec served as a member of the compensation committee of another entity, one of whose executive officers served on the Compensation Committee of Wabtec; (ii) an executive officer of Wabtec served as a director of another entity, one of whose executive officers served on the Compensation Committee of Wabtec; or (iii) an executive officer of Wabtec

served as a member of the compensation committee of another entity, one of whose executive officers served as a director of Wabtec. No member of the Compensation Committee was at any time during the 2006 fiscal year or at any other time an officer or employee of the company, and no member had any relationship with us requiring disclosure under Item 404 of Securities and Exchange Commission Regulation S-K.

### **Compensation Committee Report**

The Compensation Committee of the Board of Directors has reviewed and discussed the Compensation Discussion and Analysis included on pages 9 through 14 of this proxy statement with management.

Based on this review and discussion, the Compensation Committee recommends to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Respectfully submitted,

Lee B. Foster, II, Chairman

Emilio A. Fernandez

James V. Napier

Kim G. Davis

### **Compensation Discussion and Analysis**

**Overview.** This compensation discussion describes the material elements of compensation awarded to, earned by, or paid to each of our executive officers who served as named executive officers during 2006. This discussion focuses primarily on the fiscal year 2006 information contained in the following tables and related footnotes and narrative. We discuss compensation actions taken prior to 2006 if we believe it provides relevant information.

The principal elements of our executive compensation program are base salary, annual cash incentives, and long-term equity incentives in the form of restricted stock, stock options and performance units. Our other benefits and perquisites consist of life and health insurance benefits, financial planning services, social and health club dues, automobile allowances for certain executive officers, tax gross-up payments and a qualified 401(k) savings or comparable foreign plan (including company matching contributions). Our philosophy is to position the aggregate

of these

elements at the average of that paid to executives with similar responsibilities. To ensure that the company is able to attract and retain high potential executives, the company benchmarks executive compensation using compensation surveys of similar sized companies and also using an index average of similar sized manufacturing companies. This index includes the following companies: Tecumseh Products, Briggs and Stratton, Thomas and Betts, Regal Beloit, Woodward Governor, IDEX Corp., Sauer-Danfloss, Milacron, Stewart and Stevenson, Kennametal, Trinty Industries, Flowserve and Greenbrier Companies.

**Objectives and Philosophy.** The overall objectives of our executive compensation program are to (i) enable us to attract, motivate and retain key executive talent

essential to the achievement of our short-term and long-term business objectives; (ii) provide compensation competitive with others in our industry; (iii) reward senior executive officers in a pay for performance manner for accomplishment of pre-defined business goals and objectives; and (iv) align the interests of our executives with our stockholders. A significant portion of total executive compensation is variable compensation linked to corporate, business unit and individual performance. Our objective is to provide between 22% and 33% of an executive's total compensation as salary with the remainder contingent upon achieving established performance goals. In regard to compensation based on performance, our objective is to provide between 50% and 67% in the form of equity awards.

In 2006, our named executive officers compensation broke down as follows:

Name	Salary	Annual Incentive Award	Long-Term Incentive Award
William E. Kassling	27.59%	16.11%	56.30%
Albert J. Neupaver (1)	50.90%	49.10%	%
Alvaro Garcia-Tunon	26.84%	23.41%	49.75%
Barry L. Pennypacker	31.58%	27.93%	40.48%
Timothy J. Logan	30.63%	23.45%	45.92%
Anthony J. Carpani	28.08%	27.59%	44.33%

- (1) Mr. Neupaver was not a recipient of the awards of restricted stock made to the named executive officers under the 2000 Stock Incentive Plan in February of 2006 for the 2004-2006 performance cycle because his employment with Wabtec began in February of 2006.

Generally, the compensation of our executive officers is composed of a base salary, an annual incentive compensation award and long-term incentive awards in the form of restricted stock, stock options or performance units. In setting base salaries at the beginning of the year, the Compensation Committee generally reviews information about compensation practices and levels in Wabtec's industry and the office and responsibility of the particular executive. The Company uses benchmarking to establish base salaries as discussed below. The annual incentive award for 2006 is a cash award determined by the Compensation Committee based on pre-established performance factors. These factors are established at the beginning of the year and include (i) a financial performance factor measuring earnings before interest and taxes and working capital management and (ii) a personal performance factor which measures whether the individual executive attained certain goals established for that executive. Long-

term incentives in the form of stock options, restricted stock and performance units are granted to provide the opportunity for long-term compensation based upon the performance of the company's common stock and based upon the performance of the company and its ability to meet its long term goals and objectives.

#### **Compensation Process.**

**Compensation Committee.** Executive officer compensation is administered by the Compensation Committee of our Board of Directors, which is composed of 4 members. Those members during 2006 were Messrs. Davis, Fernandez, Foster and Napier. The Compensation Committee recommends base salaries and bonuses of executive officers to the Board, which then approves these items. Messrs. Davis, Fernandez, Foster

and Napier approved the 2006 compensation arrangements described in this compensation discussion and analysis and

recommended them to the full board, which then approved them. Mr. Napier served as Chairman of the Compensation Committee from January to May of 2006; Mr. Foster served as Chairman of the Compensation Committee from May to December 2006. Our Board of Directors delegates to the Compensation Committee the direct responsibility for, among other matters:

reviewing and approving goals and objectives for the Chief Executive Officer and determining the Chief Executive Officer's compensation;

reviewing and recommending compensation of all directors and executive officers; and

recommending incentive compensation plans and equity-based plans.

*Role of Compensation Experts.* Pursuant to its charter, the Compensation Committee is authorized to engage compensation consultants to assist it with its duties. The Compensation Committee has the sole authority to retain and terminate any outside counsel or other experts or consultants to assist it in the evaluation of compensation of our directors and executive officers, including the sole authority to approve such consultants' fees and other retention terms. The company utilized a compensation consultant in conjunction with determining long-term goals and objectives as part of the company's long-term incentive compensation plan for the 2006-2008 performance period. The Compensation Committee may also obtain advice from legal, accounting, human resources and other advisors as it considers issues.

*Role of Our Executive Officers in the Compensation Process.* The Chief Executive Officer and the Vice President of Human Resources suggest guidelines in discussions with the Compensation Committee regarding executive compensation. They provide recommendations and information regarding the competitiveness of the industry, key employees, performance of individuals, succession planning and other relevant data to the committee. Neither the Chief Executive Officer nor the Chairman is present during any discussions concerning their compensation.

#### ***Components of Compensation.***

Our 2006 compensation program elements were primarily structured to reward our executive officers for achieving certain financial and business objectives.

*Base Salaries.* Base salaries for our executive officers are reviewed annually and depend mainly on their office and responsibility and are based on the competitive average for executives with similar responsibilities in peer group companies. In this regard, the company uses two different benchmarks, one a broader benchmark study based on manufacturing companies that are between \$1.0 billion and \$1.9 billion in revenue size and a second study that is an index average of specific manufacturing companies that are similar to the company in size, geography, and industry. In this context, similar companies are defined as those that are comparable to us in size and scope, and in the nature of their businesses. This specific index includes the following companies: Tecumseh Products, Briggs and Stratton, Thomas and Betts, Regal Beloit, Woodward Governor, IDEX Corp., Sauer-Danfoss, Milacron, Stewart and Stevenson, Kennametal, Trinity Industries, Flowserve and Greenbrier Companies. The average base salary increase for executive officers in 2006 was 4.09%. Individual salaries may be above or below the competitive average based on the individual's contribution to business results, capabilities and qualifications, potential and the importance of the individual's position to our success.

For fiscal year 2006, the base salary increases of our named executive officers ranged from 0% to 5.60%, excluding Mr. Kassling as discussed further below. These increases are discussed further in connection with the Summary Compensation Table which follows.

*Annual Cash Incentive Awards.* Our annual incentive award plan is intended to: (i) compensate participants directly if strategic and financial performance targets are achieved and (ii) reward participants for performance on those activities that are most directly under their control and for which they are held accountable. Corporate, business unit and individual performance goals under the annual incentive plan are linked to the annual business plan and budget. Bonuses are a function of the company's overall financial performance, the participant's individual performance and Board approval. Bonuses are based upon the success of two factors: a financial performance factor or FPF (ranging from 0 to 1.5 maximum), which measures earnings before interest and taxes and working capital management; and a personal performance factor or PPF (ranging from



0 to 1.5 maximum) which measures whether the executive has attained certain goals agreed to by the executive, his supervisor, and the Board. The bonus formula is based on the product of the participant's base salary, the participant's target bonus percentage, the FPF and the PPF. To qualify for a minimum payout under the bonus plan, the business unit must achieve at least 80% of its plan's EBIT and 90% of its working capital plan target for the year. We believe that this philosophy encourages Wabtec and our executives to establish ambitious goals and that it promotes teamwork, productivity and profitability. Overall, total cash compensation (the sum of salary and bonus) for our executive officers are competitive with market practice for similar executive positions in similar companies when performance goals under

the annual bonus plan are achieved. Target bonuses and performance factors were approved by the Compensation Committee at its meeting in February 2006. For 2006, the company achieved a financial performance factor of 1.2545 based on exceeding EBIT and working capital plan targets. The personal performance factors achieved by each of our named executive officers were the following: Albert J. Neupaver 1.378, Alvaro Garcia-Tunon 1.348, Barry Pennypacker 1.355, Anthony J. Carpani 1.451, Timothy J. Logan 1.178. If both the financial performance factor and the applicable personal performance factor were achieved, the named executive officers would earn 100% of their target bonus.

The bonus targets for 2006 for each of the named executive officers as a percentage of base salary were:

Name	Target
Albert J. Neupaver	50%
Alvaro Garcia-Tunon	50%
Barry L. Pennypacker	50%
Timothy J. Logan	50%
Anthony J. Carpani	50%

Mr. Neupaver, Mr. Garcia-Tunon, Mr. Pennypacker, Mr. Logan and Mr. Carpani each participated in the annual incentive plan and each of them, due to their individual performance and the company's performance, exceeded their target bonus. The bonuses received as a result are reflected in the non-equity incentive plan compensation column of the Summary Compensation Table below. Mr. Kassling did not participate in the annual bonus program; instead the Compensation Committee awarded him an annual bonus for 2006 equal to \$300,000 based on his leadership and his performance as Chairman of Wabtec during 2006.

*Long-Term Incentive Compensation.* We currently administer our long-term incentive compensation through the 2000 Stock Incentive Plan under which we grant stock options, restricted stock and performance units. A total of 2,424,012 shares of common stock are available for issuance under the plan. The plan is administered by the Compensation Committee. During 2006, stock options to purchase 7,500 shares of common stock, 197,500 shares of restricted stock and 90,500 performance units were granted under the plan. In the past years, options

were generally granted to employees, including our executive officers, each February. Restricted stock was granted to certain officers as part of their long term compensation. As discussed below, in February of 2006, restricted stock grants were made to the named executive officers rather than options. Performance units are generally awarded each year for a 3-year performance period and were granted in February of 2006. The primary purposes of the long-term incentive program are to align the interests of executive officers and other key employees with those of our stockholders and to attract and retain key executive talent and to provide an incentive to meet and exceed long-term financial goals. Employees eligible for the long-term incentive program include those who are determined by the Compensation Committee to be in key policy-setting and decision-making roles, and to have responsibilities that contribute significantly to achieving our earnings goals. The size of an individual's long-term incentive award is based primarily on individual performance, the individual's responsibilities and position with our company. Long-term incentive award values are competitive with market practice for similar executive positions in similar companies.



Stock options are a part of our long-term incentive compensation program that seeks to align the interests of our executives with our stockholders. We have typically granted stock options in February of the applicable year. However, in 2006, no stock options were awarded to named executive officers of the company. We have historically awarded stock options to purchase our common stock to executive officers at the fair market value of our common stock at the grant date. We have not back-dated any option awards. The vesting schedule for each grant is determined by the Compensation Committee and has typically been in one-third increments over a 3-year period.

Restricted stock also plays a role in our long-term incentive program. In February of 2006, we granted restricted stock to all named executive officers. The Compensation Committee decided to utilize restricted stock instead of stock options as a means of delivering long-term compensation and use it as a means of more readily determining the total value of compensation for each executive officer. The company intends to continue to use restricted stock as a more integral part of its compensation program. In February of 2007, we again granted restricted stock to our named executive officers as part of their long term compensation with the company.

We granted 90,000 shares of restricted stock to Mr. Neupaver upon execution of his employment agreement in February 2006. Mr. Neupaver's shares of restricted stock vest in annual 25% increments from February 1, 2006, so that 22,500 shares vest on each of February 1, 2007, February 1, 2008, February 1, 2009 and February 1, 2010. If Mr. Neupaver voluntarily terminates his employment from Wabtec or is terminated for cause, he will receive only the portion of his restricted stock that has vested. If he is terminated for other than cause, he will receive the entire amount of the restricted stock granted, regardless of its vesting status. The Compensation Committee approved this grant of restricted stock which was designed to compensate Mr. Neupaver for unvested stock options and restricted stock he lost upon his departure from AMETEK, Inc.

In addition, in 2004, the company implemented a 3-year long-term incentive program. This plan is designed to reward executives on meeting or exceeding economic profit growth goals. The plan is structured as a rolling 3-year plan, meaning each year would start a new performance cycle, i.e. (2004

2006), (2005-2007), (2006-2008). For each executive selected to participate in this plan we establish a target grant of performance units at the beginning of each 3-year performance cycle. A performance unit is equal to a share of Wabtec common stock. If Wabtec achieves its 3-year cumulative economic profit goal, then participants will earn the target grant of performance units. In general, the goals increase each year taking into account expected market conditions, and are intended to reflect a superior performance by management. If Wabtec achieves the maximum 3-year cumulative economic profit goal, a participant will earn a maximum number (equal to 2 times the target level) of performance units. If Wabtec achieves the threshold 3-year cumulative economic profit goal, a participant will earn a threshold number (equal to one-half of the target level) of performance units. No performance units will be earned for performance below the 3-year cumulative economic profit threshold and no additional performance units will be earned for performance exceeding the 3-year cumulative economic profit maximum. This plan is intended to encourage the long-term stability of Wabtec's management by establishing ambitious goals designed to promote the long-term productivity and profitability of the company. If a plan participant leaves the company voluntarily, or is terminated for cause, prior to the end of the performance period, he or she is not eligible to receive any performance units he or she may have earned under the plan. If a plan participant otherwise leaves the company, his or her payout will be pro-rated in accordance with the amount of time he or she participated in the plan relative to the performance period. For the 2006-2008 performance cycle, the Compensation Committee approved target goals based on cumulative economic profit for the performance period. These goals were based on a range of considerations including expected demand in Wabtec's key end user markets, investor expectations and management's business plan which includes year over year growth. During 2006, Wabtec exceeded its target 3-year performance goals for the 2004-2006 performance cycle, which resulted in the following payouts in March 2007:

Mr. Kassling	33,726 shares of Wabtec common stock with a value at payout of \$1,057,141
Mr. Garcia-Tunon	18,742 shares of Wabtec common stock with a value at payout of \$587,468

Mr. Pennypacker	11,245 shares of Wabtec common stock with a value at payout of \$352,475
Mr. Logan	11,245 shares of Wabtec common stock with a value at payout of \$352,475
Mr. Carpani	11, 245 shares of Wabtec common stock with a value at payout of \$352,475

*Stock Ownership Requirements.* In February 2007, Wabtec approved stock ownership guidelines for executive management and for non-employee board members. These guidelines were established to encourage our key employees and board members to own and retain shares of stock. These ownership guidelines are to be achieved in 3-5 years and are defined as a multiple of base salary for executives and a multiple of cash compensation for the non-employee board members. As of March 15, 2007, our directors and executive officers as a group owned approximately 7.2% of our outstanding common stock.

*Perquisites and Other Personal Benefits.* Supplemental benefits are offered to selected executive officers with the goal of attracting and retaining key executive talent. We provide the following perquisites to our executive officers: life and health insurance benefits, financial planning

services, social and health club dues, automobile allowances for certain executive officers, and tax gross-up payments.

***Post-termination Compensation.***

The company does not generally provide employment, severance or change in control agreements to its executive officers. As discussed below certain of our benefit plans contain provisions that address termination of an individual or a change in control of the company. Mr. Neupaver, however, was granted post-termination benefits in his employment agreement effective February 1, 2006. The terms of this agreement were approved by the Compensation Committee and are discussed under Potential Payment on Termination or Change in Control on page 21 of this proxy statement.

***Tax Implications of Executive Compensation.*** Our aggregate deductions for each named executive officer's compensation are potentially limited by Section 162(m) of the Internal Revenue Code of 1986, as amended, to the extent the aggregate amount paid to an executive officer exceeds \$1.0 million, unless it is paid under a predetermined objective performance plan meeting certain requirements, or satisfies one of various other exceptions specified in the Internal Revenue Code.

## Summary Compensation Table

This table shows the compensation for each person who served as Wabtec's Chief Executive Officer in 2006, Wabtec's Chief Financial Officer and the 3 other most highly paid executive officers, other than the Chief Executive Officer and Chief Financial Officer in 2006.

Name and Principal Position	Year	Salary	Bonus	Stock Awards (2)	Option Awards (3)	Non-Equity Incentive Plan Compensation (4)	All Other Compensation (5)	Total
William E. Kassling (1) Chairman and Former Chief Executive Officer and President	2006	\$ 513,846	\$ 300,000	\$ 775,613	\$ 202,246		\$ 103,874	\$ 1,895,579
Albert J. Neupaver (1) Chief Executive Officer and President	2006	\$ 537,692		\$ 2,416,389		\$ 518,582	\$ 122,396	\$ 3,595,059
Alvaro Garcia-Tunon Senior Vice President, Chief Financial Officer and Secretary	2006	\$ 313,460		\$ 458,452	\$ 78,859	\$ 273,458	\$ 63,491	\$ 1,187,720
Barry L. Pennypacker Vice President and Group Executive	2006	\$ 271,960		\$ 401,945	\$ 72,967	\$ 240,515	\$ 37,923	\$ 1,025,310
Timothy J. Logan Vice President and Group Executive	2006	\$ 232,538		\$ 384,212	\$ 71,789	\$ 178,065	\$ 29,292	\$ 895,896
Anthony J. Carpani Vice President and Group Executive	2006	\$ 220,837		\$ 376,612	\$ 74,145	\$ 216,937	\$ 36,359	\$ 924,890

(1) Mr. Kassling served as President and Chief Executive Officer from May 19, 2004 through January 31, 2006. Mr. Kassling continues to serve as Chairman of Wabtec and has held this position since 1990. Effective as of February 1, 2006, Albert J. Neupaver became the President and Chief Executive Officer of Wabtec.

(2) Reflects the dollar amount recognized in Wabtec's financial statements for fiscal year 2006 in accordance with FAS 123R related to the awards of restricted stock made to the named executive officers under the 2000 Stock Incentive Plan in February of 2006, long-term incentive awards granted to the named executive officers in fiscal year 2004 for the 2004-2006 performance period, long-term incentive awards granted to the named executive officers in fiscal year 2005 for the 2005-2007 performance period, long-term incentive awards granted to the named executive officer in fiscal year 2006 for the 2006-2008 performance period, and restricted stock granted to Mr. Neupaver in connection with his employment agreement in February of 2006. For the assumptions used in the calculation of this amount under FAS 123R, see Note 13 of the Notes to the Consolidated Financial Statements in Wabtec's Annual Report on Form 10-K for the year ended December 31, 2006.

(3) Reflects the dollar amount recognized in Wabtec's financial statements for fiscal year 2006 in accordance with FAS 123R related to the named executive officers that had stock options that vested during the year. For the assumptions used in the calculation of this amount under FAS 123R, see Note 13 of the Notes to the Consolidated Financial Statements in Wabtec's Annual Report on Form

10-K for the year ended December 31, 2006.

- (4) Reflects amounts earned by the named executive officers for fiscal year 2006 under Wabtec's annual incentive award plan. Payment for 2006 performance was made in March of 2007.

(5) The following table sets forth a detailed breakdown of the items which compose All Other Compensation .

Name	Financial and Estate Planning, Tax Preparation Services and Miscellaneous	Tax Gross Up Payments	Car Allowances	Social and Health Club Dues	Company Matching Contribution to 401(k) Plan	Imputed Group Term Life Insurance Premium Payments	Total
William E. Kassling	\$ 40,000	\$ 37,252	\$ 12,896	\$ 1,583	\$ 6,600	\$ 5,543	\$ 103,874
Albert J. Neupaver	\$ 40,000	\$ 45,727	\$ 23,416	\$ 3,458	\$ 6,600	\$ 3,195	\$ 122,396
Alvaro Garcia-Tunon	\$ 15,000	\$ 22,706	\$ 9,995	\$ 8,211	\$ 6,600	\$ 979	\$ 63,491
Barry L. Pennypacker		\$ 12,175	\$ 18,563		\$ 6,600	\$ 585	\$ 37,923
Timothy J. Logan		\$ 8,909	\$ 13,030		\$ 6,600	\$ 753	\$ 29,292
Anthony J. Carpani		\$ 8,442	\$ 18,423		\$ 9,494(1)		\$ 36,359

(1) For Mr. Carpani, the contribution was made to the Australian super annuation fund.

Wabtec's named executive officers do not generally have employment agreements. However, Albert J. Neupaver became President and Chief Executive Officer of Wabtec effective February 1, 2006. In connection with this appointment Wabtec entered into an employment agreement, effective February 1, 2006, with Mr. Neupaver. Pursuant to the agreement, Mr. Neupaver receives a salary of \$600,000 and is entitled to participate in Wabtec's annual incentive plan, long-term incentive plan and stock incentive plan. Mr. Neupaver was also granted 90,000 shares of restricted stock, which vest in annual 25% increments from February 1, 2006 so that 22,500 shares vest on each of February 1, 2007, February 1, 2008, February 1, 2009 and February 1, 2010. The Compensation Committee approved this grant of restricted stock which was designed to compensate

Mr. Neupaver for unvested stock options and restricted stock he lost upon his departure from AMETEK, Inc. Mr. Neupaver is also entitled to executive perquisites such as a company car, club memberships and reimbursement for tax preparation and estate planning services. As discussed above, under the terms of the agreement, if Mr. Neupaver is terminated during his first 2 years of employment for reasons other than cause, death or disability, he is entitled to receive 24 months base salary and his target bonus, and is entitled to participate in Wabtec's benefit programs for 2 years from his termination date.

Mr. Kassling's salary was adjusted from \$700,000 to \$480,000 in connection with his departure from the office of Chief Executive Officer.

For 2006, the base salary increases of our named executive officers resulting from the process described in the Compensation Discussion and Analysis for the other named executive officers ranged from 4.10% to 5.60% as follows:

Mr. Garcia-Tunon	4.84%
Mr. Pennypacker	5.60%
Mr. Logan	4.78%
Mr. Carpani	4.10%

The average increase for executive officers for 2006 was 4.09%. Mr. Pennypacker and Mr. Logan both had increased responsibilities during the year.

## 2006 Grants of Plan Based Awards

This table shows the equity based awards granted in 2006 to each person serving as Wabtec's Chief Executive Officer in 2006, Wabtec's Chief Financial Officer and the three most highly paid executive officers, other than the Chief Executive Officer and the Chief Financial Officer in 2006.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units (3)	Grant Date Fair Value of Stock and Option Awards (4)
		Threshold	Target	Maximum	Threshold	Target	Maximum		
Mr. Kassling	5/16/06				5,000	10,000	20,000		\$ 253,333
Mr. Neupaver			\$ 300,000	\$ 675,000					
	5/16/06				13,750	27,500	55,000		\$ 696,667
	2/16/06							32,500	\$ 1,058,525
	2/1/06							90,000	\$ 2,910,600
Mr. Garcia-Tunon			\$ 162,500	\$ 365,625					
	5/16/06				2,500	5,000	10,000		\$ 126,667
	2/16/06							9,000	\$ 293,130
Mr. Pennypacker			\$ 141,500	\$ 318,375					
	5/16/06				2,250	4,500	9,000		\$ 114,000
	2/16/06							9,000	\$ 293,130
Mr. Logan			\$ 120,500	\$ 271,125					
	5/16/06				1,900	3,800	7,600		\$ 96,267
	2/16/06							9,000	\$ 293,130
Mr. Carpani			\$ 119,185	\$ 268,165					
	5/16/06				1,750	3,500	7,000		\$ 88,667
	2/16/06							9,000	\$ 293,130

(1) Reflects the possible payments under Wabtec's annual incentive award plan.

(2) Reflects the grant of performance units for the 3-year performance period of 2006-2008 under Wabtec's 2000 Stock Incentive Plan approved by the Compensation Committee in May 2006. These columns reflect the range of payouts possible for this grant. A performance unit is equal to a share of Wabtec common stock. If Wabtec achieves its 3-year cumulative economic profit goal, then participants will earn the target number of performance units. In general, the goals increase each year taking into account expected market conditions, and are intended to reflect a superior performance by management. If Wabtec achieves the maximum 3-year cumulative economic profit goal, a participant will earn a maximum number (equal to 2 times the target level) of performance units. If Wabtec achieves the threshold 3-year cumulative economic profit goal, a participant will earn a threshold number (equal to one-half of the target level) of performance units. No performance units will be earned for performance below the 3-year cumulative economic profit threshold and no additional performance units will be earned for performance exceeding the 3-year cumulative economic profit maximum. Payouts for these awards, if any, will be made in the first quarter of 2009. The dollar amount recognized by Wabtec in its financial statements for fiscal year 2006 is included in the Summary Compensation Table in the column titled "Stock Awards".

(3) Reflects the grant of restricted stock to the named executive officers on February 16, 2006 under Wabtec's 2000 Stock Incentive Plan which vest in one-third increments on February 16, 2008, February 16, 2009 and February 16, 2010. Mr. Neupaver's 90,000 shares of restricted stock granted on February 1, 2006 in connection with his employment agreement vest in annual 25% increments from February 1, 2006, so that 22,500 shares vest on each of February 1, 2007, February 1, 2008, February 1, 2009 and February 1, 2010.

- (4) Reflects the grant date fair value computed in accordance with FAS 123R.

## 2006 Outstanding Equity Awards at Fiscal Year-End

This table provides information concerning unexercised options, unvested stock and equity incentive plan awards outstanding as of December 31, 2006 for each person serving as Wabtec's Chief Executive Officer in 2006, Wabtec's Chief Financial Officer and the three most highly paid executive officers, other than the Chief Executive Officer and the Chief Financial Officer.

Name	Option Awards					Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
	Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested		
William E. Kassling								40,000(1)	\$ 1,215,200
	100,000		\$ 9.535	12/5/2010					
	100,000		\$ 12.13	1/7/2012					
	75,000		\$ 10.77	2/24/2013					
	20,000	10,000(3)	\$ 16.33	2/17/2014					
	16,666	33,334(3)	\$ 17.07	2/24/2015					
Albert J. Neupaver								27,500(1)	\$ 835,450
					90,000(2)	\$ 2,734,200			
					32,500(2)	\$ 987,350			
Alvaro Garcia-Tunon								17,000(1)	\$ 516,460
					9,000(2)	\$ 273,420			
	40,000		\$ 10.77	2/24/2013					
	0	3,334(4)	\$ 16.33	2/17/2014					
	6,666	13,334(4)	\$ 17.07	2/24/2015					
Barry L. Pennypacker								16,500(1)	\$ 501,270
					9,000(2)	\$ 273,420			
	15,000		\$ 12.75	1/25/2010					
	25,000		\$ 9.875	7/31/2010					
	15,000		\$ 12.13	1/7/2012					
	15,000		\$ 10.77	2/24/2013					
	6,666	3,334(5)	\$ 16.33	2/17/2014					
	6,666	13,334(5)	\$ 17.07	2/24/2015					
Timothy J. Logan								15,800(1)	\$ 480,004
					9,000(2)	\$ 273,420			
	5,000		\$ 20.00	10/9/2008					
	10,000		\$ 12.75	1/25/2010					
	25,000		\$ 9.535	12/5/2010					
	15,000		\$ 12.13	1/7/2012					
	10,000		\$ 10.77	2/24/2013					
	6,666	3,334(6)	\$ 16.33	2/17/2014					
	6,666	13,334(6)	\$ 17.07	2/24/2015					
Anthony J. Carpani								15,500(1)	\$ 470,890
					9,000(2)	\$ 273,420			
		3,334(7)	\$ 16.33	2/17/2014					
		13,334(7)	\$ 17.07	2/24/2015					

(1)



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This represents the aggregate number of target performance units that would be paid out upon the company meeting financial goals relative to both the 2005-2007 and 2006-2008 long-term incentive plan.

- (2) This represents the number of restricted shares of Wabtec stock that were granted to the executive under the 2000 Stock Incentive Plan and that remain unvested as of December 31, 2006 and will vest in one-third increments on February 16, 2008, February 16, 2009 and February 16, 2010. Mr. Neupaver's shares of restricted stock granted on February 1, 2006 in connection with his employment agreement vest in annual 25% increments from February 1, 2006, so that 22,500 shares vest on each of February 1, 2007, February 1, 2008, February 1, 2009 and February 1, 2010.

- (3) Mr. Kassling s 10,000 options vested February 17, 2007 and 16,667 of his 33,334 options vested February 24, 2007. His remaining options vest on February 24, 2008.
- (4) Mr. Garcia-Tunon s 3,334 options vested on February 17, 2006 and 6,667 of his 13,334 options vested on February 24, 2007. His remaining options vest on February 24, 2008.
- (5) Mr. Pennypacker s 3,334 options vested on February 17, 2007 and 6,667 of his 13,334 options vested on February 24, 2007. His remaining options vest on February 24, 2008.
- (6) Mr. Logan s 3,334 options vested on February 17, 2007 and 6,667 of his 13,334 options vested on February 24, 2007. His remaining options vest on February 24, 2008.
- (7) Mr. Carpani s 3,334 options vested on February 17, 2007 and 6,667 of his 13,334 options vested on February 24, 2007. His remaining options vest on February 24, 2008.

### Option Exercises and Stock Vested

This table provides information concerning each exercise of stock options, SARs and similar instruments and each vesting of stock, including restricted stock, restricted stock units and similar instruments, during 2006 for each person serving as Wabtec s Chief Executive Officer, Wabtec s Chief Financial Officer and the three most highly paid executive officers, other than the Chief Executive Officer and the Chief Financial Officer on an aggregate basis.

Name	Option Awards	
	Number of Shares	Value Realized on Exercise(2)
	Acquired on Exercise	
William E. Kassling	106,880(1)	\$ 767,351
Albert J. Neupaver		
Alvaro Garcia-Tunon	21,833(1)	\$ 426,584
Barry L. Pennypacker		
Timothy J. Logan	53,440(1)	\$ 886,794
Anthony J. Carpani	33,332(1)	\$ 781,713

- (1) Option exercises were cashless exercises such that all shares of Wabtec s common stock acquired on exercise were sold in connection with the exercise.
- (2) Calculated by multiplying the number of shares by the difference between the market price of Wabtec common stock and the exercise price of the option(s) on the exercise date.

## Pension Benefits

The following table provides information about qualified and non-qualified benefits from pension and supplemental executive retirement plans as of or for the year ended December 31, 2006 for the individuals named in the Summary Compensation Table.

Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit as of December 31, 2006	Payments During 2006
William E. Kassling (1)	Wabtec Consolidated Pension Plan	28	\$ 108,239	\$ 0
Albert J. Neupaver				
Alvaro Garcia-Tunon				
Barry L. Pennypacker				
Timothy J. Logan				
Anthony J. Carpani				

- (1) Mr. Kassling was a participant in the former WABCO Cash Balance Pension Plan which was frozen as of March 1995. This was a non-contributory plan and Mr. Kassling will be entitled to his accumulated benefit upon retirement or termination from Wabtec. No other named executive officers participated in this or any other Wabtec pension plan.

## Potential Payments Upon Termination or Change in Control

### Mr. Neupaver's Employment Agreement

Under Mr. Neupaver's employment agreement, if Mr. Neupaver is terminated during his first 2 years of employment for reasons other than cause, death or disability, he is entitled to receive 24 months base salary and his target bonus, and is entitled to participate in Wabtec's benefit programs for 2 years from his termination date. Such benefits are consistent with the company's compensation philosophy, as they are similar to post-termination provisions for similarly situated chief executive officers and, as such, were a key element in attracting Mr. Neupaver's services. This post-termination benefit package is similar to the post-termination benefit received by the Chief Executive Officer and President of Freightcar America Corp., Mr. John E. Carroll, Jr. (which provides for 3 years of salary, bonus, and benefits upon termination for Good Reason), which is a company in the company's peer group. Not all companies in Wabtec's peer group provide for post-termination benefits. If Mr. Neupaver had been terminated at December 31,

2006 for reasons other than cause, death or disability, the value of this benefit to be paid to him would have been approximately \$1,518,000. Additionally, under the terms of the employment agreement, if Mr. Neupaver voluntarily terminates his employment from Wabtec or if he is terminated for cause, he will receive only the portion of his restricted stock that has vested. If he is terminated for other than cause, he will receive the entire amount of the restricted stock granted, regardless of its vesting status. If Mr. Neupaver had been terminated other than for cause at December 31, 2006, the value of this benefit to him would have been \$2,734,200, based on Wabtec's closing stock price of \$30.38 on December 29, 2006, as none of the 90,000 shares had vested. If Mr. Neupaver is terminated due to a change of control, his severance would be equal to 2 times his base and target bonus and he would be eligible to participate in Wabtec's medical benefit program for 2 years from his termination date. If Mr. Neupaver had been terminated due to a change of control at December 31, 2006, the value of the benefit to him would have been \$1,518,000.

### 2000 Stock Incentive Plan

Under the 2000 Stock Incentive Plan, in instances of disability, death during employment or a Section 8 Event as defined in the Plan, which generally includes a change of control of Wabtec, all outstanding options become exercisable even if not otherwise exercisable. In instances of a Section 8 Event only, all restrictions on restricted stock lapse. For performance units, in instances of a Section 8 Event, all performance units are deemed to have been fully earned regardless of the attainment of performance targets. The following table provides the value of such benefits for each of our named executive officers as if the applicable event occurred on December 31, 2006:

Name	Disability	Death During Employment	Section 8 Event
Mr. Kassling			
Options	\$ 6,522,275	\$ 6,522,275	\$ 6,522,275
Restricted Stock			
Performance Units(2)		(1)	\$ 3,542,060
Mr. Neupaver			
Options			
Restricted Stock			\$ 3,740,538
Performance Units(2)		(1)	\$ 1,679,425
Mr. Garcia-Tunon			
Options	\$ 1,107,259	\$ 1,107,259	\$ 1,107,259
Restricted Stock			\$ 274,815
Performance Units(2)		(1)	\$ 1,648,890
Mr. Pennypacker			
Options	\$ 1,767,175	\$ 1,767,175	\$ 1,767,175
Restricted Stock			\$ 274,815
Performance Units(2)		(1)	\$ 1,374,075
Mr. Logan			
Options	\$ 1,640,600	\$ 1,640,600	\$ 1,640,600
Restricted Stock			\$ 274,815

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Performance Units(2)			(1)	\$ 1,331,326
Mr. Carpani				
Options	\$ 226,902	\$ 226,902		\$ 226,902
Restricted Stock				\$ 274,815
Performance Units(2)			(1)	\$ 1,313,005

- (1) The Compensation Committee has discretion in instances of death during employment, voluntary termination with consent and retirement to decide to pay all or part of a performance award based on a variety of factors which may result in an incremental benefit to a named executive officer. The incremental benefit would be the same as that disclosed under Section 8 Event if the Compensation Committee decided to pay all of the award.
- (2) Assumes maximum number of units are paid and includes units which were vested as of December 31, 2006 but were not yet paid to participants.

## Director Compensation

The following table provides information concerning the compensation of our non-employee directors for the period January 1, 2006 through December 31, 2006:

Name	Fees			Total
	Earned or Paid in Cash	Stock Awards (1)(3)	Option Awards (2)(4)(5)	
Robert J. Brooks	\$ 44,500	\$ 54,405	\$ 29,543	\$ 128,448
Kim G. Davis	\$ 53,500	\$ 54,405	\$ 30,554	\$ 138,459
Emilio Fernandez	\$ 71,000	\$ 54,405	\$ 30,554	\$ 155,959
Lee B. Foster, II	\$ 68,000	\$ 54,405	\$ 30,554	\$ 152,959
Michael W. D. Howell	\$ 59,000	\$ 54,405	\$ 30,230	\$ 143,635
James V. Napier	\$ 50,500	\$ 54,405	\$ 30,554	\$ 135,459
Gary V. Valade	\$ 68,000	\$ 54,405	\$ 30,728	\$ 153,133

- (1) Reflects the dollar amount recognized in Wabtec's financial statements for fiscal year 2006 in accordance with FAS 123R related to the awards of stock to the directors under the 1995 Non-Employee Directors' Fee and Stock Option Plan.
- (2) Reflects the dollar amount recognized in Wabtec's financial statements for fiscal year 2006 in accordance with FAS 123R related to the awards of stock options to the directors under the 1995 Non-Employee Directors' Fee and Stock Option Plan.
- (3) Except for Mr. Vande Steeg, each non-employee director received an award of 1,500 shares of Wabtec common stock with a grant date fair value computed in accordance with FAS 123R of \$54,405. This stock award and all prior director stock awards are fully vested.
- (4) The grant date fair value with regard to each director's grant of stock options computed in accordance with FAS 123R is \$106,640 valued on January 3, 2006.
- (5) The aggregate number of stock options outstanding as of December 31, 2006 for each non-employee director is as follows: Robert J. Brooks 98,000, Kim G. Davis 7,334, Emilio Fernandez 7,334, Lee B. Foster, II 24,000, Michael W. D. Howell 7,334, James V. Napier 29,000, Nicholas Vande Steeg 0, and Gary V. Valade 9,000.

During 2006, Wabtec implemented changes to its compensation structure for non-employee directors. In summary each non-employee director of Wabtec receives an annual cash retainer equal to \$35,000 for their services as a director. In addition, each director is entitled to receive \$1,500 for each Board meeting or Board committee meeting that they attend in person and \$1,000 for each Board meeting or Board committee meeting in which they participate by telephone. All directors are reimbursed for their out-of-pocket expenses incurred in connection with attendance at meetings and other activities relating to the Board or its committees.

In addition, the non-employee directors also participate in the Amended and Restated 1995 Non-Employee Directors' Fee and Stock Option Plan. Under this plan, newly elected directors are eligible to receive 5,000 stock options (vesting one-third on each subsequent anniversary date) and

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1,500 shares of Wabtec common stock upon their initial election to the Board (unless his or her first election was at an annual meeting or within 3 months prior to the anniversary date of the last annual meeting).

Each non-employee director is entitled to receive 1,500 shares of Wabtec common stock annually on the first

business day following the annual meeting of stockholders. Each non-employee director serving on the Board at that time received 1,500 shares of Wabtec common stock on May 17, 2006. Each non-employee director also receives 4,000 stock options each January 2nd during the term of his or her service on the Board. Such grants are priced at the average of the high and low stock price on the date granted. On January 3,

2006, each non-employee director serving on the Board at that time received 4,000 options at a grant price of \$26.66. These options vest over a 3-year period. The committee administering the plan has authority to modify the number of options granted upon election and annually as well as the vesting periods of these options.

## Fees to the Independent Registered Accounting Firm

The following table shows the aggregate fees for services provided by Ernst & Young LLP for the fiscal years ended December 31, 2006 and December 31, 2005:

	2006	2005
Audit Fees	\$ 1,811,300	\$ 1,878,000
Audit-Related Fees	\$ 20,450	\$ 23,500
Tax Fees	\$ 171,780	\$ 461,140
All Other Fees	\$ 0	\$ 0
<b>Total Fees</b>	<b>\$ 2,003,530</b>	<b>\$ 2,362,640</b>

### Audit Fees

Audit fees include fees for audit services in connection with Wabtec's annual financial statements, review of financial statements included in Wabtec's quarterly reports on Form 10-Q and Securities and Exchange Commission filings, and audit of internal control over financial reporting.

### Audit-Related Fees

Audit-related fees include fees for services related to the audits of employee benefit plans, international accounting issues and implementation of rules related to the Sarbanes-Oxley Act of 2002.

### Tax Fees

Tax fees include fees for services related to tax return preparation, tax compliance and tax planning.

### All Other Fees

This category includes the aggregate fees billed for products and services provided by the independent accountants that are not reported above under Audit Fees, Audit-Related Fees, or Tax Fees. We were not billed any fees in this category during either 2006 or 2005.

The Audit Committee considered the compatibility of the non-audit-related services provided by and fees paid to Ernst & Young LLP in 2006 and the proposed services for 2007 and determined that such services and fees are compatible with the independence of Ernst & Young LLP.

## Audit Committee Pre-Approval Policies and Procedures

The Audit Committee is responsible for the appointment, compensation and oversight of the work of the independent registered public accounting firm. As part of this responsibility, the Audit Committee is required to pre-approve the audit and non-audit services performed by the independent registered public accounting firm to assure that the provision of such services does not impair the independent registered public



accounting firm's independence.

The annual audit services engagement terms and fees are subject to the specific pre-approval of the Audit Committee. All other permitted services are also pre-approved by the Audit Committee. The Audit Committee approved a list of pre-approved services. Unless a type of service has received pre-approval by inclusion on the list, it will require specific pre-approval by the Audit Committee. The Chief Financial Officer determines whether services to be provided require specific pre-approval or are included within the list of pre-approved services.

The Audit Committee has delegated its pre-approval authority to its Chairman, if the fee to be approved does not exceed \$100,000.

All services provided by Ernst & Young LLP for fiscal year 2006 were pre-approved by the Audit Committee.

## **Business Relationships and Related Party Transactions**

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Pursuant to the terms of Wabtec's amended and restated by-laws, William E. Kassling and Emilio A. Fernandez will be members of the Board so long as each person is able and willing to serve and each person beneficially owns a certain percentage of Wabtec common stock.

***Related Party Transaction Approval Policy.*** It is our policy that the Nominating and Corporate Governance Committee review and approve in advance all related party transactions that are required to be disclosed pursuant to Item 404 of Regulation S-K promulgated by the Securities and Exchange Commission. If advance approval is not feasible, the Nominating and Corporate Governance Committee must approve or ratify the transaction at its next scheduled meeting. Transactions required to

be disclosed pursuant to Item 404 include any transaction between Wabtec and any officer, director or certain affiliates of Wabtec that has a value in excess of \$120,000. In reviewing related party transactions, the Nominating and Corporate Governance Committee evaluates all material facts about the transaction, including the nature of the transaction, the benefit provided to Wabtec, whether the transaction is on commercially reasonable terms that would have been available from an unrelated third-party and any other factors necessary to its determination that the transaction is fair to Wabtec. Our board of directors has adopted written Related Party Transaction Policies and Procedures, a copy of which is available on Wabtec's website at <http://www.wabtec.com> and is available in print to any stockholder who requests it.

## Other Information

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### Independent Registered Public Accounting Firm

As negotiations with Ernst & Young LLP for the 2007 audit fees have not been completed, the Audit Committee has not appointed an independent registered public accounting firm to audit our financial statements for the fiscal year ended December 31, 2007.

Ernst & Young LLP served as our independent registered public accounting firm for the fiscal year ended December 31, 2006. A representative of Ernst & Young LLP is expected to be present at the annual meeting of stockholders to answer appropriate questions and make a statement if they so desire.

### Code of Ethics

Wabtec has adopted a Code of Ethics for executive officers that includes the provisions required under applicable Securities and Exchange Commission regulations for a code of ethics. A copy of the Code of Ethics for executive officers is posted on our website at <http://www.wabtec.com> and is available in print to any stockholder who requests it. In the event that we make any amendments to or waivers from this code, we will disclose the amendment or waiver and the reasons for such on our website.

### Other Corporate Governance Information

Wabtec has adopted Corporate Governance Guidelines and a Code of Conduct that is applicable to all directors, officers and employees, each of which includes the provisions required under the NYSE regulations. Copies of our Corporate Governance Guidelines and Code of Conduct are posted on our website at <http://www.wabtec.com> and are available in print to any stockholder who requests them.

### Other Business

We do not expect any business to come before the annual meeting other than the election of directors. If other business is properly raised, your proxy authorizes its holder to vote according to their best judgment.

### Communication with the Board

The Board provides a process for interested parties to send communications to the Board or any of the directors of Wabtec. Communications to the Board or any director should be sent c/o the Secretary of Wabtec, 1001 Air Brake Avenue, Wilmerding, PA 15148. All such communications will be compiled by the Secretary of Wabtec and submitted to the Board or the individual director at the next regularly scheduled meeting of the Board. Interested parties may also communicate directly with the non-employee directors at the email address [nonmanagementdirectors@wabtec.com](mailto:nonmanagementdirectors@wabtec.com).

### Expenses of Solicitation

Wabtec pays the cost for proxy solicitation. In addition to mailing, officers and employees may solicit proxies in person by telephone or facsimile. Wabtec will pay approximately \$17,000 to LaSalle Bank Shareholder Services for sending the proxy materials and the 2006 Annual Report to stockholders. We will also reimburse other nominees, custodians or fiduciaries who forward these materials to stockholders for their reasonable expenses in doing so.

### Stockholder Proposals for Next Year

To be eligible for inclusion in next year's proxy for the 2008 annual meeting, the deadline for stockholder proposals is December 13, 2007. Additionally, the advance notice provision in our by-laws requires that notice must be submitted to us between December 13, 2007 and February 11, 2008 for business to be properly brought before the 2008 annual meeting of stockholders. Stockholder proposals should be sent c/o the Secretary of Wabtec, 1001 Air Brake Avenue, Wilmerding, PA 15148.

By order of the Board of Directors,

Alvaro Garcia-Tunon

Senior Vice President, Chief Financial Officer and

Secretary

**THIS PROXY WILL BE VOTED AS DIRECTED, OR IF NO DIRECTION IS INDICATED, WILL BE VOTED FOR ITEM 1.**

Mark Here  
for  
Address  
Change or  
Comments  
**PLEASE SEE REVERSE  
SIDE**

**The Board of Directors recommends a vote**

**FOR Item 1.**

1. Election of the following three Directors

for a term expiring in 2010:

Nominees:

			FOR
01-Robert J.	FOR	WITHHOLD	ALL
	ALL	FOR ALL	EXCEPT
Brooks,	••	••	••

02-William E.

Kassling, and

03-Albert J.

Neupaver

A vote FOR includes discretionary authority to vote for a substituted nominee if any of the nominees listed becomes unable to serve or for good cause will not serve.

(To withhold authority to vote for one or more such nominees, write such nominee's name(s) on the line above.)

Signature \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Please date and sign exactly as your name appears hereon and return in the enclosed envelope. If acting as attorney, executor, administrator, guardian or trustee, please so indicate with your full title when signing. If a corporation, please sign in full corporate name, by duly authorized officer. If shares are held jointly, each stockholder named should sign.

Δ FOLD AND DETACH HERE Δ

**WE ENCOURAGE YOU TO TAKE ADVANTAGE OF INTERNET OR TELEPHONE VOTING,**

**BOTH ARE AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.**

**Internet and telephone voting is available through 11:59 PM Eastern Time**

**on May 15.**

**Your Internet or telephone vote authorizes the named proxies to vote your shares in the**

**same manner**

**as if you marked, signed and returned your proxy card.**

**Internet**

**<http://www.proxyvoting.com/wab>**

Use the internet to vote your proxy.

Have your proxy card in hand

when you access the web site.

If you vote your proxy by Internet or by telephone, you do NOT need to mail back your proxy

card.

**Telephone**

**1-866-540-5760**

Use any touch-tone telephone to

vote your proxy. Have your proxy

card in hand when you call.

To vote by mail; mark, sign and date your proxy card and return it in the enclosed postage-paid

envelope.

**WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION**

**Voting Instructions for the Annual Meeting of Stockholders**

**Solicited by the Board of Directors**

**Duquesne Club, Walnut Room, 4th Floor, Pittsburgh, Pennsylvania**

**Wednesday, May 16, 2007 12:00 p.m. (local time)**

The undersigned stockholder of WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION (the Company) does hereby appoint William E. Kassling, Albert J. Neupaver and Alvaro Garcia-Tunon, or any one or all of them, with full power of substitution, as proxies of the undersigned to vote at the Annual Meeting of Stockholders of the Company, to be held May 16, 2007 (the Annual Meeting), and at all adjournments thereof, all the shares of Common Stock of the Company which the undersigned may be entitled to vote, on the matters set out on the reverse side of this proxy card and described in the Proxy Statement and, at their discretion, on any other business which may properly come before the Annual Meeting.

The undersigned stockholder hereby revokes all previous proxies for the Annual Meeting and acknowledges receipt of the Notice of Annual Meeting of Stockholders and Proxy Statement, both dated April 16, 2007, and of the Annual Report to Stockholders for 2006.

You are urged to promptly return this proxy card in the enclosed envelope whether or not you expect to attend the Annual Meeting in person so that your shares may be voted in accordance with your wishes and in order that the presence of a quorum may be assured at the Annual Meeting.

The shares represented by this proxy card will be voted as directed by the stockholder. If this proxy card is executed but no direction is given, such shares will be voted FOR Item 1.

*(Continued and to be signed on reverse side)*

**Address Change/Comments (Mark the corresponding box on the reverse side)**

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△ FOLD AND DETACH HERE △

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**Westinghouse Air Brake Technologies Corporation**

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