

WABCO



SEPTEMBER 8, 2011 CONFERENCE CALL



JACQUES ESCULIER
Chairman & Chief Executive Officer
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FORWARD LOOKING STATEMENTS

Comments in this document contain certain forward-looking statements, which are based on management's good faith expectations and beliefs concerning future developments. Actual results may differ materially from these expectations as a result of many factors. These factors include, but are not limited to, the risks and uncertainties described in the "Risk Factors" section and the "Forward Looking Statements" section of WABCO's Form 10-K, as well as in the "Management's Discussion and Analysis of Financial Condition and Results of Operations - Information Concerning Forward Looking Statements" section of WABCO's Form 10-Q Quarterly Reports. WABCO does not undertake any obligation to update such forward-looking statements. All market and industry data are based on Company estimates.

This presentation contains certain non-GAAP financial measures as that term is defined by the SEC. EBIT and sales excluding the effects of foreign exchange are non-GAAP financial measures. Additionally, gross profit, gross profit margin, operating income, operating income margin, EBIT, EBIT margin, net income and net income per diluted share on a "performance basis" are non-GAAP financial measures that exclude separation and streamlining items, the EC fine indemnification, and one-time and discrete tax items, as applicable. Free cash flow presents our net cash provided by operating activities less net purchases of property, plant, equipment and computer software. These measures should be considered in addition to, not as a substitute for, GAAP measures. Management believes that presenting these non-GAAP measures is useful to shareholders because it enhances their understanding of how management assesses the operating performance of the Company's business. Certain non-GAAP measures may be used, in part, to determine incentive compensation for current employees. Reconciliations of the non-GAAP financial measures to the most comparable GAAP measures are available in WABCO's quarterly results presentations posted on the company's website.

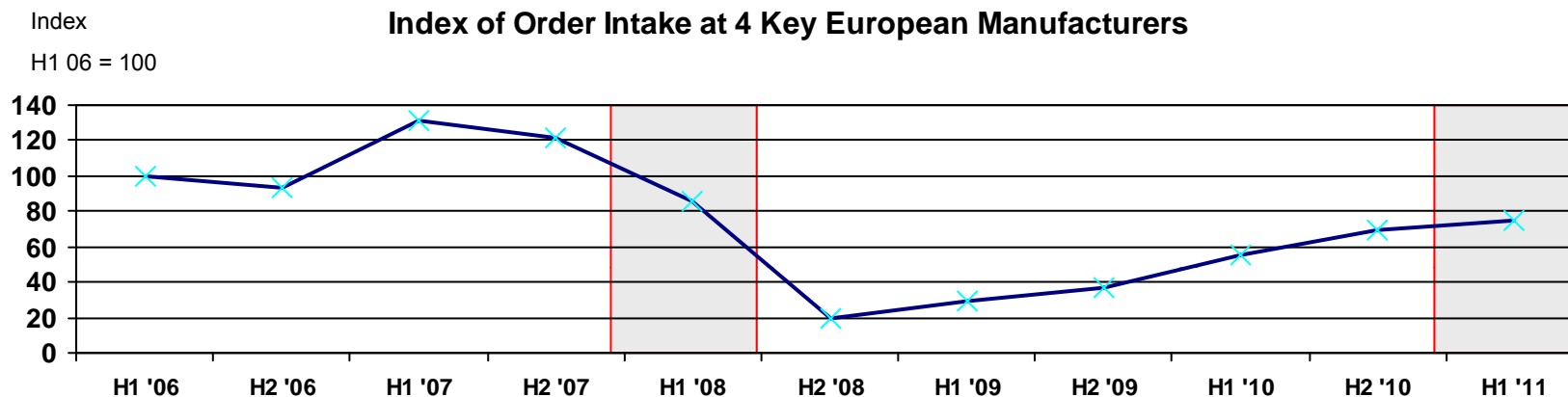
TODAY'S PRESENTATION: PURPOSE

To address the concerns and questions from the investment community:

- **Share current view of the commercial vehicle markets**
- **Provide insight regarding WABCO's leading indicators for the market**
- **Provide status and trend of WABCO's order book**
- **Reiterate our 2011 financial guidance**
- **Update on our share buyback program**

CURRENT VIEW: EUROPEAN MARKET

- Truck order intake of major European OE's continues positive trend through 2011 and remains well below 2007 peak level



- 2011 production estimates still 21% below 2008 peak
- Daimler announces hiring of 1,000 employees in Europe in H1 2012 to support a full order book
- Volvo new truck deliveries continue to rise through July 2011
- Recent input from European customer:
 - Dealer inventories at normal levels
 - Still three month lead time for new truck orders
 - No sign of pending crisis
- Input from fleets indicates a strong used truck market with high prices

European Market Remains Positive With Room to Grow

CURRENT VIEW: OTHER MARKETS

ASIA

- Truck production in China has bottomed in August and is seen increasing in September and sequentially from Q3 to Q4 2011 by ~5%
- Japan/Korea production levels recover in Q3 from Q2 lows and continue further recovery in Q4 2011
- Outlook for production in India continues favorable trend for the remainder of 2011

NORTH AMERICA

- Replacement demand drives continued growth in truck production
- Class 8 orders still show increasing trend; Class 5-7 order intake stable
- Supply chain sets the limit on production
- 2011 production forecast still 42% below 2006 peak

China Better Than Anticipated; North America on Track

WABCO LEADING INDICATORS

TRAILER

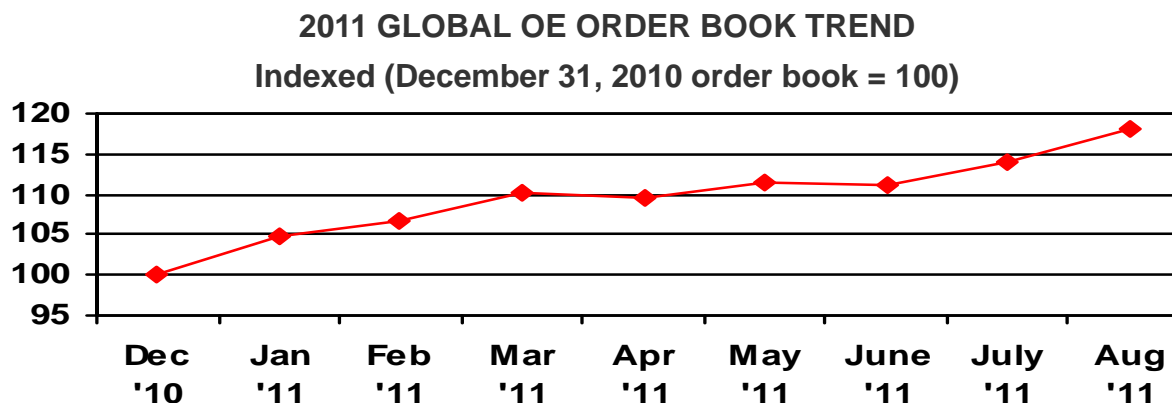
- In 2008, sales began to strongly decline 5 to 6 months ahead of the drop in truck production
- In 2011, sales continue to increase and our order book is now 23% higher than at the end of last year
- Trailer manufacturers convey confidence about their H2 '11 order book
- No signs evident that a crisis is looming

AFTERMARKET

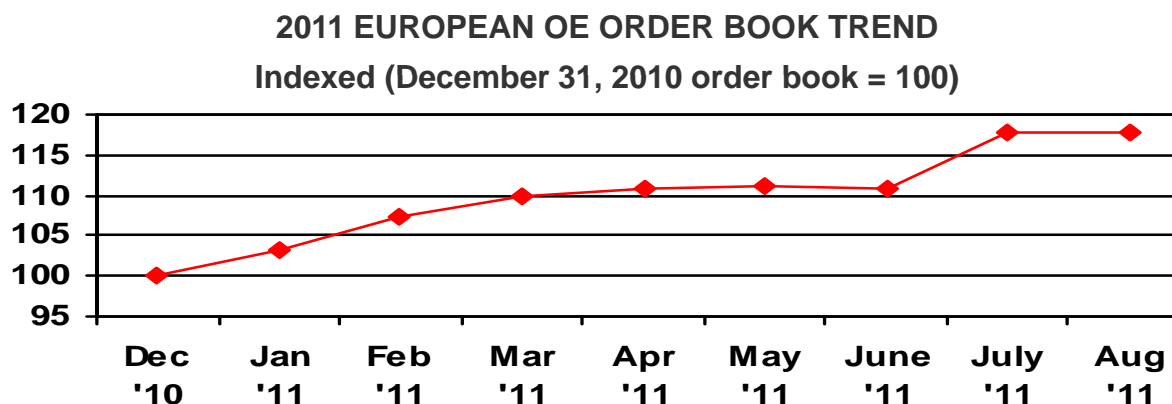
- In 2008, sales dropped 2 to 3 months ahead of the drop in truck production
- Order book currently at record level and continued increasing monthly into the third quarter
- Order intake remains in line with previous expectation
- No signs evident that a crisis is looming

Leading Indicators Remain Positive

CURRENT VIEW: WABCO



- WABCO's global OE order book has consistently grown throughout the year with an increase of 7% in the past two months



- WABCO's order book from major European OEM's has consistently grown throughout the year with an increase of 6% in the past two months

WABCO's Global Order Book Grows Strongly

FY 2011 GUIDANCE

2011 Guidance as Upgraded July 28, 2011

(\$ Millions, except per share data)

	(1 EURO = 1.42 USD) Low End – High End
Sales	\$2,840 - \$2,900 22% - 25% ⁽⁴⁾
Performance Op Margin ⁽¹⁾	13.2% – 13.8%
Performance EPS ⁽²⁾	\$4.55 - \$4.80
Free Cash Flow Conversion ⁽³⁾	80% - 90% (Excluding Stream. & Separation)

Key Inputs

- Annual price erosion <1.5%
- Maintaining strong levels of productivity
- <2.5% higher materials cost from raw materials inflation
- Operating margin guidance would be 13.5% – 14.1% at previous FX rate
- Performance tax rate of ~15%
- 2011 weighted average shares at 69.7M
- Streamlining & separation cash payments: ~\$15M

Refer to Slide #11 for Footnotes

Maintaining Full Year 2011 Guidance

SUMMARY

- **European market continues to show strength with no signs of weakness**
- **Leading indicators for WABCO remain favorable**
- **WABCO order book continues to show positive trend**
- **Maintaining full year 2011 financial guidance**
- **Repurchased ~\$100M worth of shares since early June and continuing to buyback**

APPENDIX

RECONCILIATIONS OF NON-GAAP MEASURES TO GAAP MEASURES

Footnotes, Tables & Definitions

Footnotes

1. Adjusted for streamlining and separation costs
2. Adjusted for streamlining, separation and one-time tax and discrete tax items
3. Net cash provided by operating activities less net cash used in investing activities
4. Adjusted for currency translation

Tables

The tables that follow provide the reconciliations of the non-GAAP financial measures to the most comparable US GAAP measures.

Definitions

- **Separation costs** include all the incremental costs to establish WABCO as a stand-alone separate independent company. It also includes the costs associated with certain liabilities, including contingent liabilities, that have been assumed by WABCO from Trane, formerly American Standard, in the separation but are not related to the Vehicle Controls Business. These costs would include the (i) periodic adjustments to the carrying values of the liability, (ii) interest on certain liabilities and (iii) costs to defend certain of these assumed liabilities.
- **Streamlining costs** are those costs that help adjust the company's workforce and other resources to changing market requirements.

WABCO HOLDINGS INC.
Reconciliation of GAAP to Non-GAAP Financial Measures for Full Year 2011 Guidance
(Unaudited)

(Amounts in millions, except per share data)

	Full Year 2011 Guidance
Operating Income	
Reported Operating Income Margin	12.8% - 13.4%
Streamlining cost, impact to margin	0.3%
Separation costs, impact to margin	0.1%
Performance Operating Income Margin	13.2% - 13.8%
<u>Net Income</u>	
Reported Net Income	\$349.4 - \$366.9
Streamlining cost, net of tax	7.0
Tax items	(20.5)
Separation costs, net of tax and separation related taxes	(19.0)
Performance Net Income	\$316.9 - \$334.4
Reported Net Income per Diluted Common Share	\$5.01 - \$5.26
Performance Net Income per Diluted Common Share	\$4.55 - \$4.80
Diluted common shares outstanding	69.7

Note: The presentation of performance net income and performance net income per diluted common share is not in conformity with generally accepted accounting principles (GAAP). These measures may not be comparable to similar measures of other companies as not all companies calculate these measures in the same manner.