

WABCO
THIRD QUARTER 2011



**Q3-2011 EARNINGS RELEASE
OCTOBER 27, 2011**



JACQUES ESCULIER
Chairman & Chief Executive Officer
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Chief Financial Officer

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.

Q3 2011 PERFORMANCE SUMMARY

- **Third Quarter Sales of \$706.3 Million; Up 20% in Local Currencies or 30% Reported**
- **Performance Gross Profit Margin⁽¹⁾ of 29.1% vs. 27.7% in Q3 '10; Reported Gross Profit Margin of 28.9% vs. 27.2% in Q3 '10**
- **Performance Operating Income⁽¹⁾ of \$94.5 Million vs. \$56.4 Million in Q3 '10; Reported Operating Income of \$92.4 Million vs. \$54.8 Million in Q3 '10**
- **Performance EPS⁽²⁾ \$1.19 vs. \$0.71 in Q3 '10, Reported EPS \$1.22 vs. \$0.66 in Q3 '10**
- **Free Cash Flow⁽³⁾ of \$83.1 Million, Excluding Streamlining & Separation Payments in the Quarter**
- **Repurchased 1.6M Shares in Q3 2011**
- **Maintaining Full Year 2011 Guidance**

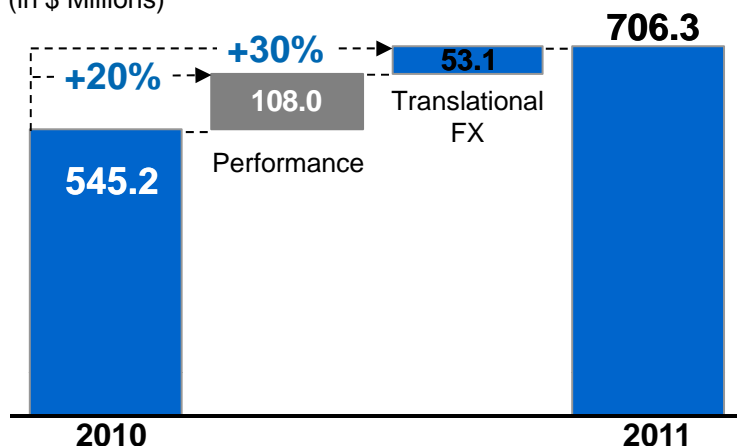
Refer to Slide #14 for Footnotes

Continuing Our Path of Strong Growth in Sales & Profit

SALES PERFORMANCE & MARKET TRENDS

Q3 Sales Bridge

(in \$ Millions)



Q3 YoY Sales Growth⁽⁴⁾ By Channel

OEMs	25%	<ul style="list-style-type: none"> Increased Content per Vehicle Strong Growth Continues in Developed Markets
Aftermarket	3%	<ul style="list-style-type: none"> Seasonally Down, Off of Record Levels Slow Start in Reman Business
Sales to JVs	28%	<ul style="list-style-type: none"> Up 26% vs. Q2 '11 Continued improvement in Trailer Production in US

Q3 T&B Sales Growth⁽⁴⁾ vs. Estimated Production Growth By Region

	WABCO	Estimated Production	Comments
Europe	30%	26%	<ul style="list-style-type: none"> Stronger growth in heavy truck segment compared to medium trucks, except in China
North America	36%	61%	<ul style="list-style-type: none"> High inventory levels of WABCO products in N. America
South America	26%	16%	<ul style="list-style-type: none"> Record production levels in South America
Japan/Korea	33%	8%	<ul style="list-style-type: none"> Increased content per vehicle, particularly high in all of Asia and S. America
China	(22%)	(13%)	
India	12%	8%	<ul style="list-style-type: none"> Japanese T&B production up 11% vs. Q3 '10 and 58% up vs. Q2 '11, recovering from natural disaster

Refer to Slide #14 for Footnotes

Continuing to Outperform the Overall Market Globally

FINANCIAL PERFORMANCE Q3 2011

(in \$ Millions except per share data)

	Q3 Reported	Q3 Performance ^{(1),(2)}	Performance vs. 2010 In Local Curr. ⁽⁵⁾	Performance Drivers
Sales	\$706.3	\$706.3	19.8%	<ul style="list-style-type: none"> -3% versus Q2 '11 driven by Seasonality \$1.3B Order Book, +13% YoY & +8% v. Q2 Price: (\$5.5) or (0.8%)
Gross Profit	204.4	205.2	26.1%	<ul style="list-style-type: none"> Volume & Mix: \$18.4 Productivity: <ul style="list-style-type: none"> -Materials: \$10.3 (4.9% gross, 3.1% net) -Conversion: \$7.0 (6.3%) -OH absorption & other: \$11.4
	28.9%	29.1%	+145 bps	
OPEX & Other	(112.0)	(110.7)	(8.7%)	<ul style="list-style-type: none"> -OPEX & Other: (\$8.4): <ul style="list-style-type: none"> -R&D investment: (\$6.5) -Labor & other inflation: (\$1.7) Transactional foreign exchange: \$0.7
	(15.9%)	(15.7%)	+161 bps	
Operating Income	92.4	94.5	55.3%	
	13.1%	13.4%	+306 bps	
Equity Income	3.9	3.9		<ul style="list-style-type: none"> Meritor WABCO JV up \$0.5 vs. '10
Noncontrolling Int. Exp.	(3.1)	(3.1)		<ul style="list-style-type: none"> Versus '10 of (\$3.2)
EBIT	\$93.3	\$95.1		<ul style="list-style-type: none"> Separation (\$0.8) vs. (\$1.7) in '10 Streamlining (\$1.0) vs. (\$0.7) in '10
	13.2%	13.5%		
Taxes	9.1	12.8		<ul style="list-style-type: none"> ~14.5% Performance tax rate full year
Net Income	\$83.8	\$81.9		<ul style="list-style-type: none"> Up from \$47.1M in Q3 2010
EPS	\$1.22	\$1.19		<ul style="list-style-type: none"> Versus '10 Reported of \$0.66 and Performance of \$0.71

Refer to Slide #14 for Footnotes

36% Incremental Gross Margin; 29% Incremental Operating Margin⁽¹⁾

CASH FLOW SUMMARY Q3 2011

(in \$ Millions)

Free Cash Flow

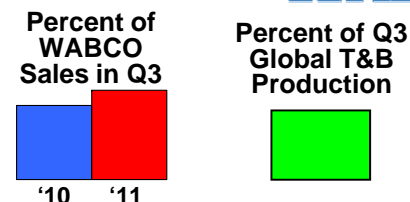
Cash Provided by Operating Activities		
Net Income including noncontrolling interest	86.9	} Receivables \$3.5 Inventory (\$8.7) Payables (\$4.1)
Depreciation & amortization	19.5	
Working capital	(9.3)	
Changes in other assets & liabilities	6.6	
Net Cash Provided by Operating Activities	103.7	
Purchases of PP&E, Tooling & Computer Software	(29.1)	
Free Cash Flow⁽³⁾	74.6	
Less: Streamlining & separation payments	(8.5)	
Free Cash Flow⁽³⁾ excl. streamlining & separation payments	83.1	

- Capex above D&A to support market growth and new programs
- Free cash flow conversion of 101% excluding streamlining & separation payments
- Repurchased 1,604k shares in Q3 '11 at a cost of \$80M

Refer to Slide #14 for Footnotes

Free Cash Flow Conversion of 101%

MARKET DYNAMICS



- September YTD heavy duty truck registrations up 44% compared to 2010
- Expect FY '11 T&B production: Up ~30%
- Conflicting signals from the market
- 4% decrease in order book during October but still at high level – Q1 '12 orders +5% vs. Q4 '11
- Initial 2012 T&B production estimate: Flat to Down ~10%



- High average truck age driving replacement cycle
- 2011 T&B production estimate: Up ~55%
- Initial 2012 T&B production estimate: Up ~15% to ~20%



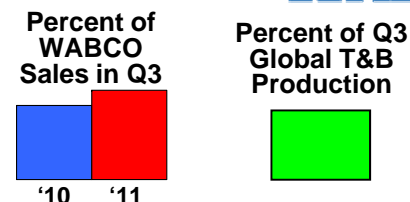
- Q3 '11 T&B production 13% below last year and 17% lower than Q2 '11
- ABS at higher penetration levels than PY
- 2011 T&B production estimate: Down ~20%
- Initial 2012 T&B production estimate: Flat to up ~5%, with H1 down vs. '11



- Market growth expectations attract global OE's establishing local production
- ABS penetration continues to improve
- 2011 T&B production estimate: Up ~12%
- Initial 2012 T&B production estimate: Up ~5% to ~10%

Increased Market Uncertainty in Europe

MARKET DYNAMICS



7% 7% **Japan/Korea** 9%

- Impact on Japan T&B production from natural disaster nearly caught up in Q3
- Production in Korea remains above '10
- 2011 T&B production estimate: Up ~5%
- Initial 2012 T&B production estimate: Up ~10% to ~15%

8% 8% **Brazil** 10%

- Government stimulus to CV industry extended through 2011
- Pre-buy expected ahead of Euro 5 emission mandate for 2012
- 2011 T&B production estimate: Up ~15%
- Initial 2012 T&B production estimate: Down ~10% to ~15%

26% 23% **Aftermarket**

- European utilization rates continue at normal levels
- Distributors destocking as a precaution
- 2011 Outlook: Around 8% sales growth
- Initial 2012 Outlook: Up ~5% to ~10%

7% 8% **Trailer**

- Production in Europe & US remaining at high level in Q4 but lower than previous expectation
- 2011 global production estimate: Up ~22%
- In Europe, orders placed on shorter notice
- Initial 2012 Trailer production estimate: Flat to Down ~5%

Leading Indicators Point to Potential Softening in Europe

WHAT THIS COULD MEAN FOR WABCO

- **Current flexibility in direct labor:**
 - Above 30% temporary employees in high cost countries
 - Above 50% in best cost countries
- **Current footprint in best cost countries:**
 - Above 60% of manufacturing workforce
 - Above 40% of materials sourced
 - Above 40% of engineers
- **Range of previously described 2012 market assumptions still leads to some revenue growth for WABCO with continued ability to outperform the market**
- **Margin expectations relative to sales growth:**
 - Stable margins at around 3% to 5% growth
 - Margin erosion below 3% and expansion above 5% growth

FOCUSING ON CORE STRATEGIES

Globalization

- **Advanced Anti-Lock Braking (ABS) for KAMAZ in Russia:** New agreement to supply ABS integrated with anti-slip controls (ASR). KAMAZ is the largest manufacturer of commercial vehicles in the Russian Federation.
- **‘Excellence in Technology and Innovation’ and ‘Excellence in Quality’:** Two awards from TATA Motors in India, world’s fourth largest truck maker

New Technologies & Products

- **Anti-Lock Braking (ABS) with Breakthrough ESCsmart™ for IVECO:** ESCsmart, industry’s first system of its kind to homologate electronic stability control (ESC), for series production in Europe as of 2013 on Eurocargo trucks
- **Breakthrough Air Compressor Technology for Global Customer:** c-comp™ clutchable compressors for delivery worldwide at one of world’s largest truck makers starting in 2013 to equip truck engines for Euro VI emission standards
- **New and Unique IVTM System, a Breakthrough for Integrated Monitoring of Tire Pressure:** Up to 2% fuel savings; up to 20% longer lifetime of tires

Execution

- **Sustainability Award for WABCO in Brazil:** Best sustainable practices and results awarded by ZF, global supplier of driveline and chassis technology
- **WABCO Operating System Continues to Deliver Strong Results:**
 - Generated 4.9% gross materials productivity in Q3 2011 and 3.1% net after commodity inflation
 - 6.3% conversion productivity in Q3 2011, a new quarterly record

Continued Success in Executing Core Strategies

FY 2011 GUIDANCE

2011 Guidance as of October 27, 2011

(\$ Millions, except per share data)

Sales Growth	22% - 25% ⁽⁴⁾ <i>(in local currencies)</i>
Performance Op Margin ⁽¹⁾	13.2% – 13.8%
Performance EPS ⁽²⁾	\$4.55 - \$4.80
Free Cash Flow Conversion ⁽³⁾	80% - 90% <i>(Excluding Stream. & Separation)</i>

Key Inputs

FY Sales Sensitivities to Foreign Exchange	
(1 EURO = 1.40 USD)	(1 EURO = 1.42 USD)
\$2,800 - \$2,860	\$2,840 - \$2,900

- Annual price erosion <1.5%
- <2.5% higher materials cost from raw materials inflation
- Performance tax rate of ~14.5%
- <69.7M average diluted shares
- Streamlining & separation cash payments: ~\$20M

Refer to Slide #14 for Footnotes

Maintaining Full Year 2011 Guidance

SUMMARY

- **Third Quarter Sales up 20% in Local Currencies**
- **Delivered Performance Operating Margin⁽¹⁾ of 13.4%**
- **Achieved \$1.19 of Performance EPS⁽²⁾ vs. \$0.71 in Q3 '10**
- **Generated \$83M of Free Cash Flow⁽³⁾ Excluding Streamlining & Separation Payments, a Conversion Rate of 101%**
- **Maintaining Full Year 2011 Guidance**
 - **Sales up 22% to 25% in Local Currencies**
 - **Performance Operating Margin⁽¹⁾ between 13.2% & 13.8%**
 - **Performance EPS⁽²⁾ Between \$4.55 and \$4.80**
- **Built-in Flexibility to Address Market Fluctuations**
- **Continuing to Buyback Shares**

Refer to Slide #14 for Footnotes

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Delivered Another Great Quarter; Prepared for Market Uncertainty

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
5. Adjusted for currency translation, streamlining and separation costs

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.
Q3 2011 Data Supplement Sheet (Unaudited)



(Amounts in millions, except per share data)

	Quarter Ended September 30,					
	2011	% of Sales/ Adj Sales	2010	% of Sales/ Adj Sales	Chg vs. 2010	% Chg vs. 2010
Sales						
Reported	\$ 706.3		\$ 545.2		\$ 161.1	29.5%
Foreign exchange translational effects	(53.1)		-		(53.1)	
Adjusted Sales	\$ 653.2		\$ 545.2		\$ 108.0	19.8%
Gross Profit						
Reported	\$ 204.4	28.9%	\$ 148.2	27.2%	\$ 56.2	37.9%
Streamlining costs	0.5		2.3		(1.8)	
Separation costs	0.3		0.3		(0.0)	
Performance Gross Profit	\$ 205.2	29.1%	\$ 150.8	27.7%	\$ 54.4	36.0%
Foreign exchange translational effects	(15.0)		-		(15.0)	
Adjusted Gross Profit	\$ 190.2	29.1%	\$ 150.8	27.7%	\$ 39.4	26.1%
Selling, Administrative, Product Engineering Expenses and Other						
Reported	\$ 112.0	15.9%	\$ 93.4	17.1%	\$ 18.6	19.9%
Streamlining costs	(0.5)		1.6		(2.1)	
Separation costs	(0.8)		(0.6)		(0.2)	
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 110.7	15.7%	\$ 94.4	17.3%	\$ 16.3	17.3%
Foreign exchange translational effects	(8.1)		-		(8.1)	
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 102.6	15.7%	\$ 94.4	17.3%	\$ 8.2	8.7%
Operating Income						
Reported	\$ 92.4	13.1%	\$ 54.8	10.1%	\$ 37.6	68.6%
Streamlining costs	1.0		0.7		0.3	
Separation costs	1.1		0.9		0.2	
Performance Operating Income	\$ 94.5	13.4%	56.4	10.3%	38.1	67.5%
Foreign exchange translational effects	(6.9)		-		(6.9)	
Adjusted Operating Income	\$ 87.6	13.4%	\$ 56.4	10.3%	\$ 31.2	55.3%

WABCO HOLDINGS INC.
Q3 2011 Data Supplement Sheet (Unaudited)



(Amounts in millions, except per share data)

	Quarter Ended September 30,					
	2011	% of Sales/ Adj Sales	2010	% of Sales/ Adj Sales	Chg vs. 2010	% Chg vs. 2010
<u>EBIT (Earnings Before Interest and Taxes)</u>						
Reported Operating Income/(Loss)	\$ 92.4		\$ 54.8		\$ 37.6	
Equity in Income of Unconsolidated Joint Venture	3.9		3.2		0.7	
Other non-operating expenses, net	0.1		0.1		-	
EC fine	-		-		-	
Indemnification and Other settlements	-		-		-	
Net income attributable to noncontrolling interest	(3.1)		(3.2)		0.1	
EBIT	\$ 93.3	13.2%	\$ 54.9	10.1%	\$ 38.4	69.9%
Streamlining costs	1.0		0.7		0.3	
Separation costs	0.8		1.7		(1.0)	
EC fine	-		-		-	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 95.1	13.5%	\$ 57.3	10.5%	\$ 37.7	65.8%
Foreign exchange translational effects	(6.9)		-		(6.9)	
Adjusted EBIT (Earnings Before Interest and Taxes)	\$ 88.2	13.5%	\$ 57.3	10.5%	\$ 30.8	53.7%
<u>Pre-Tax Income</u>						
EBIT	\$ 93.3		\$ 54.9		\$ 38.4	
Interest (expense)/income, net	(0.4)		(0.5)		0.1	
Pre-Tax Income	\$ 92.9		\$ 54.4		\$ 38.5	
Streamlining costs	1.0		0.7		0.3	
Separation costs	0.8		1.7		(1.0)	
EC fine	-		-		-	
Performance Pre-Tax Income	\$ 94.7		\$ 56.8		\$ 37.8	
Tax rate on a performance basis	13.5%		17.1%			
<u>Net Income</u>						
Reported Net Income	\$ 83.8		\$ 44.0		\$ 39.8	
Streamlining cost, net of tax	0.8		0.5		0.3	
Tax items	(3.1)		1.1		(4.2)	
Separation costs, net of tax and separation related taxes	0.4		1.5		(1.1)	
EC fine	-		-		-	
Performance Net Income	\$ 81.9		\$ 47.1		\$ 34.8	
Performance Net Income per Diluted Common Share	\$ 1.19		\$ 0.71			
Common Shares Outstanding - Diluted	68.7		66.5			
<u>Incremental Gross Profit and Operating Income Margin</u>						
Increase in adjusted sales from '10	108.0		108.0			
Increase in adjusted income from '10	39.4		31.2			
Incremental Income as a % of Sales	36%		29%			

*** Percentage Not Meaningful

WABCO HOLDINGS INC.
Nine Months Ended September 30, 2011 Data Supplement Sheet
(Unaudited)



(Amounts in millions, except per share data)

	Nine Months Ended September 30,					
	2011	% of Sales/ Adj Sales	2010	% of Sales/ Adj Sales	Chg vs. 2010	% Chg vs. 2010
Sales						
Reported	\$ 2,122.2		\$ 1,548.5		\$ 573.7	37.0%
Foreign exchange translational effects	(141.4)		-		(141.4)	
Adjusted Sales	\$ 1,980.8		\$ 1,548.5		\$ 432.3	27.9%
Gross Profit						
Reported	\$ 618.5	29.1%	\$ 437.6	28.3%	\$ 180.9	41.3%
Streamlining costs	1.8		2.7		(0.9)	
Separation costs	0.8		0.8		(0.0)	
Performance Gross Profit	\$ 621.1	29.3%	\$ 441.1	28.5%	\$ 180.0	40.8%
Foreign exchange translational effects	(38.4)		-		(38.4)	
Adjusted Gross Profit	\$ 582.7	29.4%	\$ 441.1	28.5%	\$ 141.6	32.1%
Selling, Administrative, Product Engineering Expenses and Other						
Reported	\$ 339.0	16.0%	\$ 289.5	18.7%	\$ 49.5	17.1%
Streamlining costs	(0.5)		0.8		(1.3)	
Separation costs	(2.2)		(2.8)		0.6	
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 336.3	15.8%	\$ 287.5	18.6%	\$ 48.8	17.0%
Foreign exchange translational effects	(20.3)		-		(20.3)	
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 316.0	16.0%	\$ 287.5	18.6%	\$ 28.5	9.9%
Operating Income						
Reported	\$ 279.5	13.2%	\$ 148.1	9.6%	\$ 131.4	
Streamlining costs	2.3		1.9		0.4	
Separation costs	3.0		3.6		(0.6)	
Performance Operating Income	\$ 284.8	13.4%	153.6	9.9%	131.2	85.4%
Foreign exchange translational effects	(18.1)		-		(18.1)	
Adjusted Operating Income	\$ 266.7	13.5%	\$ 153.6	9.9%	\$ 113.1	73.6%

WABCO HOLDINGS INC.
Nine Months Ended September 30, 2011 Data Supplement Sheet
(Unaudited)



(Amounts in millions, except per share data)

	2011	% of Sales/ Adj Sales	Nine Months Ended September 30,		Chg vs. 2010	% Chg vs. 2010
	2011	% of Sales/ Adj Sales	2010	% of Sales/ Adj Sales	2010	2010
<u>EBIT (Earnings Before Interest and Taxes)</u>						
Reported Operating Income/(Loss)	\$ 279.5		\$ 148.1		\$ 131.4	
Equity in Income of Unconsolidated Joint Venture	12.4		6.9		5.5	
Other non-operating expenses, net	(1.7)		(4.8)		3.1	
EC fine	-		(400.4)		400.4	
Indemnification and Other settlements	23.1		-		23.1	
Net income attributable to noncontrolling interest	(8.0)		(9.1)		1.1	
EBIT	\$ 305.3	14.4%	\$ (259.3)	-16.7%	\$ 564.6	+++
Streamlining costs	2.3		1.9		0.4	
Separation costs	(19.5)		7.2		(26.7)	
EC fine	-		400.4		(400.4)	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 288.1	13.6%	\$ 150.2	9.7%	\$ 137.9	91.8%
Foreign exchange translational effects	0.8		-		0.8	
Adjusted EBIT (Earnings Before Interest and Taxes)	\$ 288.9	14.6%	\$ 150.2	9.7%	\$ 138.7	92.3%
<u>Pre-Tax Income/(Loss)</u>						
EBIT	\$ 305.3		\$ (259.3)		\$ 564.6	
Interest (expense)/income, net	(1.6)		(1.2)		(0.4)	
Pre-Tax Income/(Loss)	\$ 303.7		\$ (260.5)		\$ 564.2	
Streamlining costs	2.3		1.9		0.4	
Separation costs	(19.5)		7.2		(26.7)	
EC fine	-		400.4		(400.4)	
Performance Pre-Tax Income	\$ 286.5		\$ 149.0		\$ 137.5	
Tax rate on a performance basis	14.5%		18.0%			
<u>Net Income/(Loss)</u>						
Reported Net Income/(Loss)	\$ 287.1		\$ (290.7)		\$ 577.8	
Streamlining cost, net of tax	2.3		1.6		0.7	
Tax items	(23.9)		4.9		(28.8)	
Separation costs, net of tax and separation related taxes	(20.5)		6.0		(26.5)	
EC fine	-		400.4		(400.4)	
Performance Net Income	\$ 245.0		\$ 122.2		\$ 122.8	
Performance Net Income per Diluted Common Share	\$ 3.53		\$ 1.85			
Common Shares Outstanding - Diluted	69.5		66.2			
<u>Incremental Gross Profit and Operating Income Margin</u>						
Increase in adjusted sales from '10	432.3		432.3			
Increase in adjusted income from '10	141.6		113.1			
Incremental Income as a % of Sales	33%		26%			

*** Percentage Not Meaningful

WABCO HOLDINGS INC.
Reconciliation of Net Cash Provided
By Operating Activities to Free Cash Flow
(Unaudited)



(Amounts in millions)

	Three Months Ended September 30,	
	2011	2010
Net Cash Provided by Operating Activities	\$ 103.7	\$ (381.7)
Deductions or Additions to Reconcile to Free Cash Flow:		
Net purchases of property, plant, equipment and computer software	(29.1)	(12.1)
Free Cash Flow	<u>\$ 74.6</u>	<u>\$ (393.8)</u>
Less: EC fine indemnification payment (A)	\$ -	\$ (437.2)
Less: accounts receivable sold into securitization program	\$ -	\$ (7.5)
Less: Streamlining & separation payments	<u>\$ (8.5)</u>	<u>\$ (1.5)</u>
Free Cash Flow excluding streamlining & separation payments	<u>\$ 83.1</u>	<u>\$ 52.4</u>

(A) Represents 326 million Euro payment made in September 2010 translated at a Euro to USD rate of approx. 1.34 on the date of payment.

Note: This statement reconciles net cash provided by operating activities to free cash flow. Management uses free cash flow, which is not defined by US GAAP, to measure the Company's operating performance. Free cash flow is also one of the several measures used to determine incentive compensation for certain employees.

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