



WABCO
SECOND QUARTER 2012

Q2-2012 EARNINGS RELEASE JULY 27, 2012



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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 attributable to company and net income attributable to company per diluted share on a "performance basis" are non-GAAP financial measures that exclude separation and streamlining items, the one-time impact from the UK pension adjustment, 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.

Q2 2012 PERFORMANCE SUMMARY

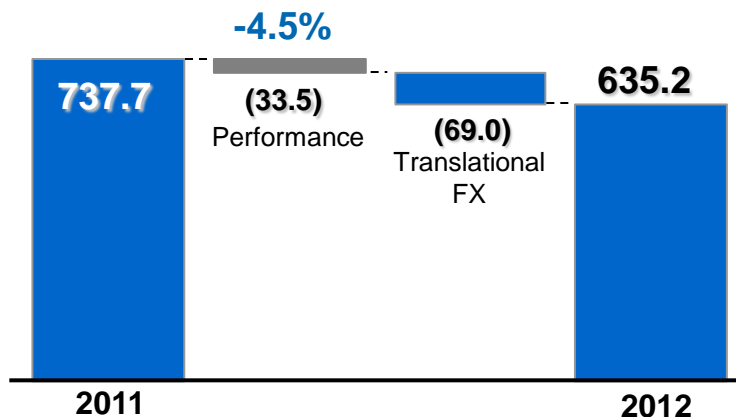
- **Second Quarter Sales of \$635.2 Million; Down 4.5% in Local Currencies or Down 13.9% Reported**
- **Performance Gross Profit Margin⁽¹⁾ of 30.8% vs. 29.6% in Q2 '11; Reported Gross Profit Margin of 30.5% vs. 29.5% in Q2 '11**
- **Performance Operating Income⁽¹⁾ of \$92.8 Million vs. \$100.2 Million in Q2 '11; Reported Operating Income of \$92.8 Million vs. \$99.0 Million in Q2 '11**
- **Performance EPS⁽²⁾ \$1.19 vs. \$1.23 in Q2 '11, Reported EPS \$1.15 vs. \$1.26 in Q2 '11**
- **Free Cash Flow⁽³⁾ of \$56.6 Million, Excluding Streamlining & Separation Payments in the Quarter**
- **Returned \$52M Cash to Shareholders; Repurchased 963K Shares**
- **Maintaining Full Year 2012 Guidance on a Performance Basis**

Refer to Slide #13 for Footnotes

Q2 SALES PERFORMANCE & MARKET TRENDS

Q2 Sales Bridge

(in \$ Millions)



Q2 YoY Sales Growth⁽⁴⁾ By Channel

OE	(9%)	<ul style="list-style-type: none"> Down 5% vs. Q1 '12 Strong Slow Down in Emerging Markets
Aftermarket	1%	<ul style="list-style-type: none"> 7% Decline in Europe Offset by Growth in Rest of World, including Americas +17%, India +22% & China +13%
Sales to JVs	39%	<ul style="list-style-type: none"> Supporting Continued Growth in T&B and Trailer Production in the US

Q2 T&B Sales Growth⁽⁴⁾ vs. Estimated Production Growth By Region

	WABCO	Estimated Production	Comments
Europe	(9%)	(7%)	<ul style="list-style-type: none"> Manufacturing of compressors for North American OEM shifted from Europe to North America
North America	25%	23%	<ul style="list-style-type: none"> Partial dual sourcing of EBS by European OEM decided in 2005
South America	(30%)	(38%)	<ul style="list-style-type: none"> Increased value per vehicle in the Americas
Japan/Korea	6%	45%	<ul style="list-style-type: none"> Growth in Korea driven by export vehicles with lower content; No loss of market share
China	(8%)	(23%)	<ul style="list-style-type: none"> Performance vs. market in Japan strongly skewed by impacts of natural disaster in 2011
India	(10%)	(13%)	<ul style="list-style-type: none"> Increased ABS penetration in China

Refer to Slide #13 for Footnotes

Volatile Global T&B Market Showing 9% Decline in Q2

FINANCIAL PERFORMANCE Q2 2012

(in \$ Millions except per share data)

	Q2 Reported	Q2 Performance ^{(1),(2)}	Performance vs. 2011 In Local Curr. ⁽⁵⁾	Performance Drivers
Sales	\$635.2	\$635.2	(4.5)%	<ul style="list-style-type: none"> -1% versus Q1 '12 \$1.1B Order Book, Flat to Q1 '12 and Up 5% vs. Q2 '11 Price: (\$4.4) or (0.6%)
Gross Profit	193.7	195.9	0.0%	<ul style="list-style-type: none"> Volume & Mix: (\$11.8) Productivity: <ul style="list-style-type: none"> -Materials: \$11.0 (5.4% gross, 4.3% net) -Conversion: \$7.0 (7.3%) -OH absorption & other: (\$9.7)
OPEX & Other	(100.9)	(103.1)	3.6%	
	(15.9%)	(16.2%)	-15 bps	
Operating Income	92.8	92.8	4.2%	<ul style="list-style-type: none"> OPEX and Other: \$4.5
	14.6%	14.6%	+124 bps	
Equity Income	4.8	4.8		<ul style="list-style-type: none"> Meritor WABCO JV up \$1.1 vs. '11
Noncontrolling Int. Exp.	(3.3)	(3.3)		<ul style="list-style-type: none"> Versus (\$1.3) in Q2 '11
EBIT	\$93.7	\$94.2		<ul style="list-style-type: none"> Separation (\$1.1) vs. (\$1.3) in '11 Streamlining (\$3.1) vs. (\$0.2) in '11
	14.8%	14.8%		
Taxes	17.6	15.5		<ul style="list-style-type: none"> FY Performance Tax Rate ~16.5%
Net Income*	\$75.6	\$78.2		<ul style="list-style-type: none"> Down from \$86.1M in Q2 2011
EPS	\$1.15	\$1.19		<ul style="list-style-type: none"> Versus '11 Reported of \$1.26 and Performance of \$1.23

*Represents net income attributable to company

Refer to Slide #13 for Footnotes

Setting a New Record in Performance Operating Margin⁽¹⁾

CASH FLOW SUMMARY Q2 2012

(in \$ Millions)

Free Cash Flow

Cash Provided by Operating Activities

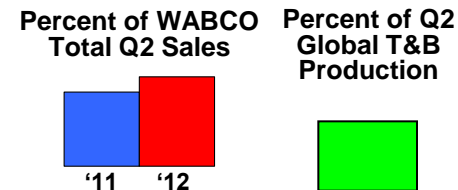
Net Income including noncontrolling interest	78.9	
Depreciation & amortization	19.3	Receivables (\$16.1)
Working capital	(18.6)	Inventory \$14.9
Changes in other assets & liabilities	(4.4)	Payables (\$17.4)
Net Cash Provided by Operating Activities	75.2	
Purchases of PP&E, Tooling & Computer Software	21.7	
Free Cash Flow⁽³⁾	53.5	
Less: Streamlining & separation payments	3.1	
Free Cash Flow⁽³⁾ excl. streamlining & separation payments	56.6	

- Capex slightly above D&A and in line with expectations, supporting new programs and globalization
- Free cash flow conversion of 72% excluding streamlining & separation payments
- Repurchased 963K shares in Q2 at a cost of ~\$52M

Refer to Slide #13 for Footnotes

Strong YTD Cash Conversion of 87%

MARKET DYNAMICS



Europe

- 6 months 2012 heavy duty truck registrations down 6% compared to 2011
- Current OE order book 3% below end of April
- Uncertainty remains in market evolution
- 2012 T&B production estimate: Down ~5% to ~10% (2% improvement vs. Q1 view)



North America

- Q2 '12 production growth up 23%
- Slowdown in GDP growth impacts rate of T&B production growth
- Heavy trucks growing faster than medium trucks in FY 2012
- 2012 T&B production estimate: Up ~12% to ~17% (2% improvement vs. Q1 view)



China

- Q2 '12 T&B production 23% below last year and 20% lower than Q1 '12
- Increased ABS penetration by ~10% vs. Q2 '11
- 2012 T&B production estimate: Down ~15% to ~20% with Q3/Q4 flat with Q2 level (5% decline vs. Q1 view)

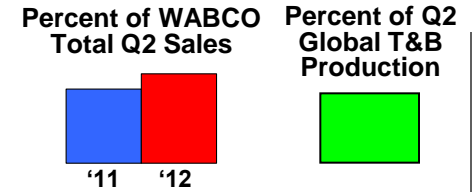


India

- Q2 '12 T&B production 13% below last year
- Rising interest rates and contracting industrial production impacting CV industry
- 2012 T&B production estimate: Down ~8% to ~13% (13% decline vs. Q1 view)

Uncertainty in Market Remains

MARKET DYNAMICS



6% 7% **Japan/Korea** 11%

- Q2 '12 T&B production up 45% vs. very low Q2 '11, which was impacted by natural disaster
- Q2 '12 T&B production on Q1 level
- Korea: Strong growth in export vehicles while domestic HD declined
- 2012 T&B production estimate: Up ~10% to ~15% (No change from Q1 view)

7% 6% **Brazil** 6%

- Q2 '12 T&B production 38% below last year but up 9% from Q1 '12
- 2nd half year production to recover versus first half as new truck inventory has been significantly reduced
- 2012 T&B production estimate: Down ~27% to ~32% (12% decline vs. Q1 view)

22% 23% **Aftermarket**

- Q2 growth of 1% negatively impacted by European macroeconomic headwinds
- 2012 Outlook: Up ~5% (Low end of Q1 view)

10% 10% **Trailer**

- Q2 '12 production in Europe down 9% from last year and up 5% versus Q1
- 2012 global trailer production estimate: Flat to down ~5% (No change from Q1 view)

Uncertainty in Market Remains

FOCUSING ON CORE STRATEGIES

Globalization

- **Multi-Year Contract with IVECO for Anti-Lock Braking in South America:** Supply ABS systems for light- and medium-duty trucks produced in Brazil from 2013 by global truck and bus maker IVECO per new national ABS legislation
- **Contract to Supply Chrysler Cars in North America, Europe and Asia:** Multi-year supply agreement for industry-leading vacuum pump technology

New Technologies & Products

- **New MAXXUS™ Air Disc Brakes for Daimler Trucks North America:** Series production starting in July 2012 using breakthrough MAXXUS technology, the lightest and highest performing single-piston air disc brake in North America
- **Meritor WABCO Anti-Lock Braking System Named Standard at Navistar:** International ProStar+ and Lone Star Class 8 trucks feature WABCO ABS along with optional electronic stability control (ESC) and OnGuard™ safety systems
- **Kögel Adopts TrailerGUARD™ Telematics for Fleet Management:** Expanded supply agreement with one of Europe's largest manufacturers of commercial trailers for award-winning, state-of-the-art telematics technology

Execution

- **WABCO Wins Top Award for Outstanding Support from Ashok Leyland:** India's second largest manufacturer of commercial vehicles recognizes WABCO for zero-defect installation of braking products and top service quality
- **WABCO Operating System Continues to Deliver Strong Results:**
 - Generated 5.4% gross materials productivity in Q2 2012 and 4.3% net after commodity inflation
 - 7.3% conversion productivity in Q2 2012, a new record

Continued Success in Executing Core Strategies

FY 2012 GUIDANCE

2012 Guidance

(\$ Millions, except per share data)

Sales Growth	⁽⁴⁾ (2.0)% - 3.0% <i>(in local currencies)</i>
Sales at 1 EURO = 1.27 USD	\$2,510 – 2,650
Performance Op Margin⁽¹⁾	12.8% – 13.8%
Performance EPS⁽²⁾	\$4.30 - \$4.80
Free Cash Flow Conversion⁽³⁾	80% - 90% <i>(Excluding Stream. & Separation)</i>

Key Inputs

- Full year Euro to USD FX assumption of 1.27 includes H2 '12 at 1.24
- Continued outperformance of the market
- Annual price erosion below 1%
- Raw material inflation: below 1.5% of materials cost
- Productivity levels in line with past performance
- Performance tax rate ~16.5%
- ~65.5M average diluted shares

Refer to Slide #13 for Footnotes

Confirming Previous Performance Guidance

SUMMARY

- **Second Quarter Sales Down 4.5% in Local Currencies; Impacted by Global Market Slowdown**
- **Delivered Record Performance Operating Margin⁽¹⁾ of 14.6%**
- **Achieved \$1.19 of Performance EPS⁽²⁾**
- **Generated \$56.6M of Free Cash Flow⁽³⁾ Excluding Streamlining & Separation Payments**
- **Maintaining Full Year 2012 Performance Guidance**
 - **Sales Down 2% to Up 3% in Local Currencies**
 - **Performance Operating Margin⁽¹⁾ between 12.8% & 13.8%**
 - **Performance EPS⁽²⁾ Between \$4.30 and \$4.80**
 - **Free Cash Flow Conversion between 80% and 90% Excluding Streamlining & Separation Payments**
- **Continuing to Buyback Shares**

Refer to Slide #13 for Footnotes

APPENDIX

RECONCILIATIONS OF NON-GAAP MEASURES TO GAAP MEASURES

Footnotes, Tables & Definitions

Footnotes

1. Adjusted for streamlining and separation costs and the UK pension adjustment
2. Adjusted for streamlining, separation, the UK pension adjustment 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.
Q2 2012 Data Supplement Sheet (Unaudited)



(Amounts in millions, except per share data)

	2012	% of Sales/ Adj Sales	Quarter Ended 2011	June 30, % of Sales/ Adj Sales	Chg vs. 2011	% Chg vs. 2011
Sales						
Reported	\$ 635.2		\$ 737.7		\$ (102.5)	-13.9%
Foreign exchange translational effects	69.0		-		69.0	
Adjusted Sales	\$ 704.2		\$ 737.7		\$ (33.5)	-4.5%
Gross Profit						
Reported	\$ 193.7	30.5%	\$ 217.7	29.5%	\$ (24.0)	-11.0%
Streamlining costs	2.0		0.2		1.8	
Separation costs	0.2		0.3		(0.1)	
Performance Gross Profit	\$ 195.9	30.8%	\$ 218.2	29.6%	\$ (22.3)	-10.2%
Foreign exchange translational effects	22.2		-		22.2	
Adjusted Gross Profit	\$ 218.1	31.0%	\$ 218.2	29.6%	\$ (0.1)	0.0%
Selling, Administrative, Product Engineering Expenses and Other						
Reported	\$ 100.9	15.9%	\$ 118.7	16.1%	\$ (17.8)	-15.0%
Streamlining costs	(1.7)		-		(1.7)	
Separation costs	(0.4)		(0.7)		0.3	
UK pension adjustment	4.3		-		4.3	
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 103.1	16.2%	\$ 118.0	16.0%	\$ (14.9)	-12.6%
Foreign exchange translational effects	10.6		-		10.6	
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 113.7	16.1%	\$ 118.0	16.0%	\$ (4.3)	-3.6%
Operating Income						
Reported	\$ 92.8	14.6%	\$ 99.0	13.4%	\$ (6.2)	-6.3%
Streamlining costs	3.7		0.2		3.5	
Separation costs	0.6		1.0		(0.4)	
UK pension adjustment	(4.3)		-		(4.3)	
Performance Operating Income	\$ 92.8	14.6%	\$ 100.2	13.6%	\$ (7.4)	-7.4%
Foreign exchange translational effects	11.6		-		11.6	
Adjusted Operating Income	\$ 104.4	14.8%	\$ 100.2	13.6%	\$ 4.2	4.2%

(Amounts in millions, except per share data)

	2012	% of Sales/ Adj Sales	Quarter Ended 2011	June 30, % of Sales/ Adj Sales	Chg vs. 2011	% Chg vs. 2011
EBIT (Earnings Before Interest and Taxes)						
Reported Operating Income/(Loss)	\$ 92.8		\$ 99.0		\$ (6.2)	
Equity in Income of Unconsolidated Joint Venture	4.8		3.8		1.0	
Other non-operating expenses, net	(0.6)		(1.6)		1.0	
Net income attributable to noncontrolling interest	(3.3)		(1.3)		(2.0)	
EBIT	\$ 93.7	14.8%	\$ 99.9	13.5%	\$ (6.2)	-6.2%
Streamlining costs	3.7		0.2		3.5	
Separation costs	1.1		1.3		(0.2)	
UK pension adjustment	(4.3)		-		(4.3)	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 94.2	14.8%	\$ 101.4	13.7%	\$ (7.2)	-7.1%
Foreign exchange translational effects	10.9		-		10.9	
Adjusted EBIT (Earnings Before Interest and Taxes)	\$ 105.1	14.9%	\$ 101.4	13.7%	\$ 3.7	3.6%
Pre-Tax Income						
EBIT	\$ 93.7		\$ 99.9		\$ (6.2)	
Interest (expense)/income, net	(0.5)		(0.7)		0.2	
Pre-Tax Income	\$ 93.2		\$ 99.2		\$ (6.0)	
Streamlining costs	3.7		0.2		3.5	
Separation costs	1.1		1.3		(0.2)	
UK pension adjustment	(4.3)		-		(4.3)	
Performance Pre-Tax Income	\$ 93.7		\$ 100.7		\$ (7.0)	
Tax rate on a performance basis	16.5%		14.5%			
Net Income Attributable to Company						
Reported Net Income Attributable to Company	\$ 75.6		\$ 88.6		\$ (13.0)	
Streamlining cost, net of tax	3.1		0.2		2.9	
Tax items	1.9		(3.6)		5.5	
Separation costs, net of tax and separation related taxes	0.8		0.9		(0.1)	
UK pension adjustment, net of tax	(3.2)		-		(3.2)	
Performance Net Income Attributable to Company	\$ 78.2		\$ 86.1		\$ (7.9)	
Performance Net Income Attributable to Company per Diluted Common Share	\$ 1.19		\$ 1.23			
Common Shares Outstanding - Diluted	65.6		70.1			

Note: The presentation of the performance measures above are 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.

WABCO HOLDINGS INC.
Six Months Ended June 30, 2012 Data Supplement Sheet
(Unaudited)



(Amounts in millions, except per share data)

	2012	% of Sales/ Adj Sales	Six Months Ended June 30, 2011	% of Sales/ Adj Sales	Chg vs. 2011	% Chg vs. 2011
<u>Sales</u>						
Reported	\$ 1,292.5		\$ 1,415.9		\$ (123.4)	-8.7%
Foreign exchange translational effects	93.1		-		93.1	
Adjusted Sales	\$ 1,385.6		\$ 1,415.9		\$ (30.3)	-2.1%
<u>Gross Profit</u>						
Reported	\$ 389.9	30.2%	\$ 414.0	29.2%	\$ (24.1)	-5.8%
Streamlining costs	2.0		1.3		0.7	
Separation costs	0.4		0.5		(0.1)	
Performance Gross Profit	\$ 392.3	30.4%	\$ 415.8	29.4%	\$ (23.5)	-5.7%
Foreign exchange translational effects	30.0		-		30.0	
Adjusted Gross Profit	\$ 422.3	30.5%	\$ 415.8	29.4%	\$ 6.5	1.6%
<u>Selling, Administrative, Product Engineering Expenses and Other</u>						
Reported	\$ 207.6	16.1%	\$ 227.0	16.0%	\$ (19.4)	-8.5%
Streamlining costs	(2.9)		-		(2.9)	
Separation costs	(0.8)		(1.5)		0.7	
UK pension adjustment	4.3		-		4.3	
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 208.2	16.1%	\$ 225.5	15.9%	\$ (17.3)	-7.7%
Foreign exchange translational effects	14.5		-		14.5	
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 222.7	16.1%	\$ 225.5	15.9%	\$ (2.8)	-1.2%
<u>Operating Income</u>						
Reported	\$ 182.3	14.1%	\$ 187.0	13.2%	\$ (4.7)	
Streamlining costs	4.9		1.3		3.6	
Separation costs	1.2		2.0		(0.8)	
UK pension adjustment	(4.3)		-		(4.3)	
Performance Operating Income	\$ 184.1	14.2%	\$ 190.3	13.4%	\$ (6.2)	-3.3%
Foreign exchange translational effects	15.5		-		15.5	
Adjusted Operating Income	\$ 199.6	14.4%	\$ 190.3	13.4%	\$ 9.3	4.9%

WABCO HOLDINGS INC.
Six Months Ended June 30, 2012 Data Supplement Sheet
(Unaudited)

(Amounts in millions, except per share data)

	2012	% of Sales/ Adj Sales	Six Months Ended June 30, 2011	% of Sales/ Adj Sales	Chg vs. 2011	% Chg vs. 2011
<u>EBIT (Earnings Before Interest and Taxes)</u>						
Reported Operating Income	\$ 182.3		\$ 187.0		\$ (4.7)	
Equity in Income of Unconsolidated Joint Venture	9.7		8.6		1.1	
Other non-operating expenses, net	(1.3)		(1.8)		0.5	
EC fine	-		-		-	
Indemnification and Other settlements	-		23.1		(23.1)	
Net income attributable to noncontrolling interest	(6.1)		(4.9)		(1.2)	
EBIT	\$ 184.6	14.3%	\$ 212.0	15.0%	\$ (27.4)	-12.9%
Streamlining costs	4.9		1.3		3.6	
Separation costs	2.0		(20.2)		22.2	
UK pension adjustment	(4.3)		-		(4.3)	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 187.2	14.5%	\$ 193.1	13.6%	\$ (5.9)	-3.1%
Foreign exchange translational effects	14.6		-		14.6	
Adjusted EBIT (Earnings Before Interest and Taxes)	\$ 201.8	14.6%	\$ 193.1	13.6%	\$ 8.7	4.5%
<u>Pre-Tax Income/(Loss)</u>						
EBIT	\$ 184.6		\$ 212.0		\$ (27.4)	
Interest expense, net	(0.8)		(1.2)		0.4	
Pre-Tax Income/(Loss)	\$ 183.8		\$ 210.8		\$ (27.0)	
Streamlining costs	4.9		1.3		3.6	
Separation costs	2.0		(20.2)		22.2	
UK pension adjustment	(4.3)		-		(4.3)	
Performance Pre-Tax Income	\$ 186.4		\$ 191.9		\$ (5.5)	
Tax rate on a performance basis	16.5%		15.0%			
<u>Net Income Attributable to Company</u>						
Reported Net Income Attributable to Company	\$ 164.8		\$ 203.3		\$ (38.5)	
Streamlining cost, net of tax	4.3		1.3		3.0	
Tax items	(11.6)		(20.6)		9.0	
Separation costs, net of tax and separation related taxes	1.5		(20.9)		22.4	
UK pension adjustment, net of tax	(3.2)		-		(3.2)	
Performance Net Income	\$ 155.7		\$ 163.1		\$ (7.4)	
Performance Net Income per Diluted Common Share	\$ 2.36		\$ 2.33			
Common Shares Outstanding - Diluted	66.0		69.9			

Note: The presentation of the performance measures above are 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.

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

(Amounts in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net Cash Provided by Operating Activities	\$ 75.2	\$ 71.2	\$ 169.5	\$ 142.3
Deductions or Additions to Reconcile to Free Cash Flow:				
Net purchases of property, plant, equipment and computer software	<u>(21.7)</u>	<u>(22.1)</u>	<u>(40.6)</u>	<u>(36.5)</u>
Free Cash Flow	<u>\$ 53.5</u>	<u>\$ 49.1</u>	<u>\$ 128.9</u>	<u>\$ 105.7</u>
Less: Streamlining & separation payments	<u>\$ (3.1)</u>	<u>\$ (4.3)</u>	<u>\$ (6.5)</u>	<u>\$ (9.0)</u>
Free Cash Flow excluding streamlining & separation payments	<u>\$ 56.6</u>	<u>\$ 53.4</u>	<u>\$ 135.4</u>	<u>\$ 114.7</u>

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 2012 Guidance
(Unaudited)

(Amounts in millions, except per share data)

	Full Year 2012 Guidance
Operating Income	
Reported Operating Income Margin	12.5% - 13.5%
Streamlining cost, impact to margin	0.4%
Separation costs, impact to margin	0.1%
UK pension adjustment, impact to margin	(0.2%)
Performance Operating Income Margin	12.8% - 13.8%
 <u>Net Income Attributable to Company</u>	
Reported Net Income Attributable to Company	\$289.4 - \$322.1
Streamlining cost, net of tax	8.0
Tax items	(15.6)
Separation costs, net of tax and separation related taxes	3.1
UK pension adjustment, net of tax	(3.2)
Performance Net Income Attributable to Company	\$281.7 - \$314.4
 Reported Net Income Attributable to Company per Diluted Common Share	 \$4.42 - \$4.92
Performance Net Income Attributable to Company per Diluted Common Share	\$4.30 - \$4.80
 Diluted common shares outstanding	 ~65.5

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.