

WABCO
THIRD QUARTER 2010



Q3 2010 EARNINGS RELEASE

October 29, 2010



JACQUES ESCULIER
Chairman & Chief Executive Officer
ULRICH MICHEL
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 European Commission fine indemnification, one-time impact from the Indian joint venture transactions, 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. Free cash flow on a performance basis excludes net cash used for the European Commission fine indemnification, the impact from the company's asset securitization program and net payments for streamlining activities. 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.

PERFORMANCE SUMMARY Q3 2010

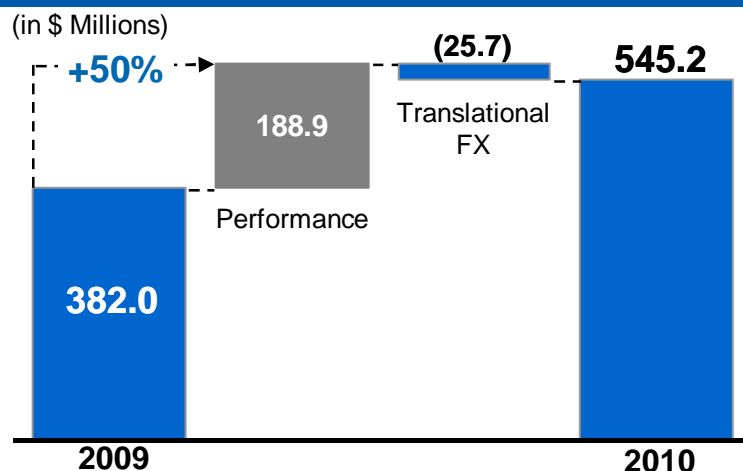
- **Third Quarter Sales of \$545.2 Million; Up 50% in Local Currencies or 43% Reported**
- **Performance Gross Profit Margin⁽¹⁾ of 27.7% vs. 25.7% in Q3 '09; Reported Gross Profit Margin of 27.2% vs. 22.7% in Q3 '09**
- **Performance Operating Income⁽¹⁾ of \$56.4 Million vs. \$17.0 Million in Q3 '09; Reported Operating Income of \$54.8 Million vs. (\$3.0) Million in Q3 '09**
- **Performance EPS⁽²⁾ \$0.71 vs. \$0.19 in Q3 '09, Reported EPS \$0.66 vs. \$0.52 in Q3 '09**
- **Free Cash Flow⁽³⁾ of \$52.4 Million, Excluding the EC Fine Indemnification & Other Non-Operational Items in the Quarter**
- **Raising Full Year 2010 Guidance**

Refer to Slide #13 for Footnotes

Continuing Our Path of Strong Growth in Sales & Profit

SALES PERFORMANCE & MARKET TRENDS

Q3 Sales Bridge



Q3 YoY Sales Growth⁽⁴⁾ By Channel

OEMs	59%	<ul style="list-style-type: none"> • Up 7% vs. Q2 '10 • Increased Content per Vehicle • Strong Growth Continues in Europe & South America
Aftermarket	25%	<ul style="list-style-type: none"> • Higher Fleet Utilization Rates • Leading Indicator for OE Growth • All Time Record in Revenues
Sales to JVs	74%	<ul style="list-style-type: none"> • 82% Increase in Trailer Production in US • Preparing for Accelerated Truck Builds in Q4 '10 and 2011

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

	WABCO	Estimated Production	Comments
Europe	78%	64%	<ul style="list-style-type: none"> • Stronger Growth in Heavy Truck Segment Compared to Medium Trucks
North America	38%	12%	<ul style="list-style-type: none"> • Record Production Levels in South America
South America	79%	65%	<ul style="list-style-type: none"> • Increased Content per Vehicle in Korea Offset by Unfavorable Mix in Japan Driven by Exports
Japan/Korea	25%	26%	<ul style="list-style-type: none"> • Favorable Vehicle Mix and Continued Penetration of New Products in China and India
China	32%	9%	
India	55%	38%	

Refer to Slide #13 for Footnotes

Another Quarter of Exceptional Sales Growth in All Regions

FINANCIAL PERFORMANCE Q3 2010

(In \$ Millions except per share data)

	Q3 Reported	Q3 Performance ^{(1),(2)}	Performance vs. 2009 In Local Curr. ⁽⁵⁾	Performance Drivers
Sales	\$545.2	\$545.2	49.5%	<ul style="list-style-type: none"> +4% versus Q2 '10 Order Book at \$1,022M, Up 65% YoY Price: (\$9.5) or (1.6%)
Gross Profit	148.2	150.8	62.7%	<ul style="list-style-type: none"> Volume & Mix: \$37.8 Productivity: <ul style="list-style-type: none"> –Materials: \$5.8 (5.2% gross, 2.7% net) –Conversion: \$5.3 (5.7%) –OH absorption & other: \$17.5 OPEX & Other: (\$17.1): <ul style="list-style-type: none"> –Reinstate suspended costs: (\$4.2) –Labor & other inflation: (\$2.2) –Bonus accrual above target: (\$3.6) –New investments/one-time items: (\$7.1)
	27.2%	27.7%	+227 bps	
OPEX & Other	(93.4)	(94.4)	(24.4%)	
	(17.1%)	(17.3%)	+356 bps	
Operating Income	54.8	56.4		
	10.1%	10.3%	+583 bps	
Equity Income	3.2	3.2		<ul style="list-style-type: none"> Meritor WABCO JV up \$1.5 vs. '09
Noncontrolling Int. Exp.	(3.2)	(3.2)		<ul style="list-style-type: none"> Versus '09 of (\$1.7)
EBIT	\$54.9	\$57.3		<ul style="list-style-type: none"> Separation (\$1.7) vs. \$35.9 in '09 Streamlining (\$0.7) vs. (\$18.6) in '09
	10.1%	10.5%		
Taxes	10.4	9.7		<ul style="list-style-type: none"> ~18% Performance tax rate full year
Net Income	\$44.0	\$47.1		<ul style="list-style-type: none"> Includes low net interest expense
EPS	\$0.66	\$0.71		<ul style="list-style-type: none"> Versus '09 Reported of \$0.52 and Performance of \$0.19

Refer to Slide #13 for Footnotes

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33% Incremental Gross Profit & 22% Incremental Operating Income⁽¹⁾

CASH FLOW SUMMARY Q3 2010

(in \$ Millions)

Free Cash Flow

Cash Provided by Operating Activities

Net Income including noncontrolling interest	47.2	} Receivables (\$8.5) Inventory (\$23.8) Payables \$18.0
Depreciation & amortization	22.0	
Working capital	(14.3)	
Payment of EC fine indemnification	(437.2)	326M Euro at 1.341 FX rate on payment date
Changes in other assets & liabilities	0.6	

Net Cash Used From Operating Activities (381.7)

Net Purchases of PP&E, Tooling & Computer Software (12.1)

Free Cash Flow⁽³⁾ (393.8)

One-time non-operational items

EC fine indemnification	(437.2)
Asset securitization impact	(7.5)
Net streamlining payments	(1.5)

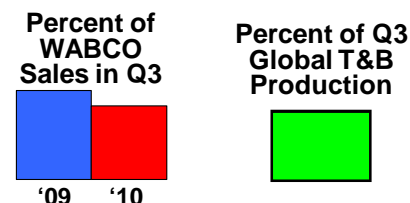
Free Cash Flow⁽³⁾ on a Performance Basis 52.4

- Working capital impacted by increased business volumes and safety stock build to help mitigate supplier risks
- Paid out \$4.5M of streamlining and received \$3.0M from sale of UK facility as part of the streamlining program

Refer to Slide #13 for Footnotes

Remarkable Operational Cash Conversion⁽³⁾; 119% of Net Income

MARKET DYNAMICS



61% 59%

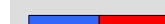


Europe

17%

- WABCO's order book continues to increase (+9% in last 3 months)
- Increasing truck orders from export markets and domestic demand recovery
- Expect T&B production to grow ~ 55% full year '10
- Initial 2011 T&B production estimate: ~+15%

9% 9%

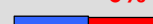


North America

8%

- Freight demand is still increasing
- Strong orders from Mexico and export markets
- ~15% T&B production increase expected for 2010
- Initial 2011 T&B production estimate: ~+40%

7% 6%



China

44%

- T&B production from ~400K in Q2 to ~300K in Q3 as anticipated; Q4 flat to Q3
- Government stimulus declines, slowing demand for construction vehicles
- 2010 T&B production estimate: +35%
- Initial 2011 T&B production estimate: Flat to negative ~(-5%)

7% 7%



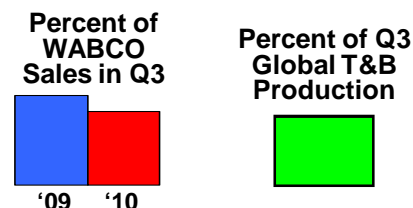
India

12%

- Q3 T&B production up 9% from Q2
- Several global OE's establishing local production
- 2010 T&B growth of ~50% vs. '09, with Q4 down ~15% from Q3 (pre-buy)
- Initial 2011 T&B production estimate: Up 10% to 15%

European Recovery in Line with Expectations

MARKET DYNAMICS



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

- Q3 T&B production stable over Q2
- In Q4, slight erosion in Japan after pre-buy; slight increase in Korea
- 2010 T&B production growth expected to be ~35% vs. '09
- Initial 2011 T&B production estimate: ~+5%

7% 8% **Brazil** 9%

- Government stimulus continues to help the CV industry in Q3 '10
- Q4 T&B production estimated lower, mainly from seasonal manufacturers' vacation in December
- 2010 growth expected to be ~50% vs. '09
- Initial 2011 T&B production estimate: Flat to up 5%

32% 26% **Aftermarket**

- Leading indicator for continuous growth in Europe and N. America
- European utilization rates continue at normal levels
- ~20% sales growth anticipated for 2010
- 2011: Back to normal ~10% sales growth

7% 9% **Trailer**

- Q3 '10 production on Q2 '10 level but 65% above '09
- Markets currently stable
- 2010 growth expected to be ~60% vs. '09
- Initial 2011 global production estimate: ~+20%

Market Demand Continues Growing

FOCUSING ON CORE STRATEGIES

Globalization

- **OptiDrive™ at Ashok Leyland to Cover Medium Duty Vehicles:** Existing application expands from heavy duty to cover medium duty trucks and buses
- **Five-Year Extension of Supply Agreement with Cummins:** WABCO air compressors for applications in trucks and buses in 190 countries
- **Long-Term Agreement with IVECO:** Mechanical air processing units for series production in 2011, adding new business to existing broad relationship

New Technologies & Products

- **WABCO at IAA Commercial Vehicles 2010:** Presented suite of 10 new products from our global engineering network to address advanced vehicle safety and efficiency, environmental sustainability and driver effectiveness
- **Breakthrough OnGuardPLUS™ Technology:** At IAA 2010, conducted live demonstrations of advanced emergency braking system (AEBS); industry's first system to comply with European Union's expected regulation for mandatory AEBS on new heavy commercial vehicles from November 2013
- **2010 Telematics Award for TrailerGUARD™:** State-of-the-art telematics technology for improved trailer management wins top industry honor
- **Intelligent Trailer Program Wins 2011 Trailer Innovation Award:** Industry recognition for set of technologies that improve trailer safety and efficiency

Execution

- **WABCO Operating System Continues Strong Results:** Provides flexibility for fast changing, high growth market environment:
 - Generated 5.3% gross materials productivity; 2.7% after commodity inflation
 - Matched record of 5.7% conversion productivity

Continued Success in Executing Core Strategies

FY 2010 GUIDANCE

Updated 2010 Guidance

(\$ Millions, except per share data)

	Prior <small>(1 EURO = 1.28 USD)</small>	Revised <small>(1 EURO = 1.325 USD)</small>
	Low End – High End	Low End – High End
	Sales	\$1,930 - \$2,000 35% - 40% ⁽⁴⁾
Performance Op Margin ⁽¹⁾	8.5% – 9.5%	9.7% - 10.0%
Performance EPS ⁽²⁾	\$1.95 - \$2.20	\$2.47 - \$2.57
FCF Conversion ⁽³⁾	80% - 90% <small>(Excl. Stream. & Separation)</small>	80% - 90% <small>(Excl. Stream. & Separation)</small>

Q4 2010 Guidance

(\$ Millions, except per share data)

	YTD Q3 Actuals <small>(1 EURO = 1.32 USD)</small>	Q4 Projections <small>(1 EURO = 1.35 USD)</small>
		Low End – High End
	Sales	\$1,549 50% ⁽⁴⁾
Performance Op Margin ⁽¹⁾	9.9%	9% – 10%
Performance EPS ⁽²⁾	\$1.85	\$0.62 - \$0.72

Refer to Slide #13 for Footnotes

Raising Full Year 2010 Guidance

SUMMARY

- **Third Quarter Sales up 50% in Local Currencies, Double Digit Growth in All Regions**
- **Continued Outperforming the Commercial Vehicle Market**
- **Achieved \$0.71 of Performance EPS⁽²⁾ vs. \$0.19 in Q3 '09**
- **Another Strong Conversion of Net Income to Free Cash Flow⁽³⁾**
- **Raising Full Year 2010 Guidance**
 - **Sales up 46% to 47% in Local Currencies**
 - **Performance Operating Margin⁽¹⁾ between 9.7% & 10.0%**
 - **Performance EPS⁽²⁾ Between \$2.47 and \$2.57**
- **Global Commercial Vehicle Market to Continue Improving in 2011, Assuming no Disruptive Macroeconomic Developments**

Refer to Slide #13 for Footnotes

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Strong Momentum on Profitable Growth Path

APPENDIX

RECONCILIATIONS OF NON-GAAP MEASURES TO GAAP MEASURES

Footnotes, Tables & Definitions

Footnotes

1. Adjusted for streamlining and separation items
2. Adjusted for streamlining, separation, EC fine and one-time tax and discrete tax items
3. Net cash provided by operating activities less net cash used for net purchases of property, plant, equipment and computer software
4. Adjusted for currency translation
5. Adjusted for currency translation, streamlining, separation items and the EC fine
6. Represents sales growth of WABCO-TVS (April/May '09 sales not included in WABCO's Q2 '09 consolidated sales)

Tables

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

Definitions

- **Separation items** include all the incremental items necessary 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 items 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.
- **Incremental Margin** is calculated by dividing the change in performance gross profit or operating income year over year, by the change in sales year over year, excluding the effects from translational foreign exchange

WABCO HOLDINGS INC.
Q3 2010 Data Supplement Sheet (Unaudited)

(Amounts in millions, except per share data)

	<u>2010</u>	<u>% of Sales/ Adj Sales</u>	<u>Quarter Ended September 30, 2009</u>	<u>% of Sales/ Adj Sales</u>	<u>Chg vs. 2009</u>	<u>% Chg vs. 2009</u>		
<u>Sales</u>								
Reported	\$ 545.2		\$ 382.0		\$ 163.2	42.7%		
Foreign exchange translational effects	25.7		-		25.7			
Adjusted Sales	<u>\$ 570.9</u>		<u>\$ 382.0</u>		<u>\$ 188.9</u>	49.5%		
<u>Gross Profit</u>								
Reported	\$ 148.2	27.2%	\$ 86.8	22.7%	\$ 61.4	70.7%		
Streamlining costs	2.3		11.0		(8.7)			
Separation costs	0.3		0.3		-			
Performance Gross Profit	<u>\$ 150.8</u>	27.7%	<u>\$ 98.1</u>	25.7%	<u>\$ 52.7</u>	53.7%		
Foreign exchange translational effects	8.8		-		-			
Adjusted Gross Profit	<u>\$ 159.6</u>	28.0%	<u>\$ 98.1</u>	25.7%	<u>\$ 61.5</u>	62.7%	228	bps
<u>Selling, Administrative, Product Engineering Expenses and Other</u>								
Reported	\$ 93.4	17.1%	\$ 89.8	23.5%	\$ 3.6	4.0%		
Streamlining costs	1.6		(7.6)		9.2			
Separation costs	(0.6)		(1.1)		0.5			
Performance Selling, Administrative, Product Engineering Expenses and Other	<u>\$ 94.4</u>	17.3%	<u>\$ 81.1</u>	21.2%	<u>\$ 13.3</u>	16.4%		
Foreign exchange translational effects	6.5		-		-			
Adjusted Selling, Administrative, Product Engineering Expenses and Other	<u>\$ 100.9</u>	17.7%	<u>\$ 81.1</u>	21.2%	<u>\$ 19.8</u>	24.4%	-356	bps
<u>Operating Income/(Loss)</u>								
Reported	\$ 54.8	10.1%	\$ (3.0)	-0.8%	\$ 57.8	+++	1,084	bps
Streamlining costs	0.7		18.6		(17.9)			
Separation costs	0.9		1.4		(0.5)			
Performance Operating Income	<u>\$ 56.4</u>	10.3%	<u>17.0</u>	4.5%	<u>39.4</u>	+++	589	bps
Foreign exchange translational effects	2.3		-		-			
Adjusted Operating Income	<u>\$ 58.7</u>	10.3%	<u>\$ 17.0</u>	4.5%	<u>\$ 41.7</u>	+++	583	bps

WABCO HOLDINGS INC.
Q3 2010 Data Supplement Sheet (Unaudited)

(Amounts in millions, except per share data)

	Quarter Ended September 30,					
	2010	% of Sales/ Adj Sales	2009	% of Sales/ Adj Sales	Chg vs. 2009	% Chg vs. 2009
EBIT (Earnings Before Interest and Taxes)						
Reported Operating Income/(Loss)	\$ 54.8		\$ (3.0)		\$ 57.8	
Equity in Income of Unconsolidated Joint Venture	3.2		1.6		1.6	
Other non-operating expenses, net	0.1		(4.5)		4.6	
Indemnification and Other settlements	-		41.3		(41.3)	
Impact from India JV transaction	-		0.6		(0.6)	
Net income attributable to noncontrolling interest	(3.2)		(1.7)		(1.5)	
EBIT	\$ 54.9	10.1%	\$ 34.3	9.0%	\$ 20.6	60.1%
Streamlining costs	0.7		18.6		(17.9)	
Separation costs	1.7		(35.9)		37.6	
Impact from India JV transaction	-		(0.6)		0.6	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 57.3	10.5%	\$ 16.4	4.3%	\$ 40.9	+++
Foreign exchange translational effects	2.2		-			
Adjusted EBIT (Earnings Before Interest and Taxes)	\$ 59.5	10.4%	\$ 16.4	4.3%	\$ 43.1	+++
Pre-Tax Income						
EBIT	\$ 54.9		\$ 34.3		\$ 20.6	
Interest (expense)/income, net	(0.5)		0.2		(0.7)	
Pre-Tax Income	\$ 54.4		\$ 34.5		\$ 19.9	
Streamlining costs	0.7		18.6		(17.9)	
Separation costs	1.7		(35.9)		37.6	
Impact from India JV transaction	-		(0.6)		0.6	
Performance Pre-Tax Income	\$ 56.8		\$ 16.6		\$ 40.2	
Net Income						
Reported Net Income	\$ 44.0		\$ 33.8		\$ 10.2	
Streamlining cost, net of tax	0.5		15.5		(15.0)	
Tax items	1.1		0.2		0.9	
Separation costs, net of tax and separation related taxes	1.5		(36.4)		37.9	
Impact from India JV transaction	-		(0.6)		0.6	
Performance Net Income	\$ 47.1		\$ 12.5		\$ 34.6	
Performance Net Income per Diluted Common Share	\$ 0.71		\$ 0.19			
Common Shares Outstanding - Diluted	66.5		64.8			
Incremental Gross Profit and Operating Income Margin						
Increase in adjusted sales from '09		Gross Profit		Operating Income		
		188.9		188.9		
Increase in adjusted income from '09		61.5		41.7		
Incremental Income as a % of Sales		33%		22%		

*** Percentage Not Meaningful

WABCO HOLDINGS INC.
Nine Months Ended September 2010 Data Supplement Sheet
(Unaudited)

(Amounts in millions, except per share data)

	Nine Months Ended September 30,							
	2010	% of Sales/ Adj Sales	2009	% of Sales/ Adj Sales	Chg vs. 2009	% Chg vs. 2009		
Sales								
Reported	\$ 1,548.5		\$ 1,031.9		\$ 516.6	50.1%		
Foreign exchange translational effects	(2.5)		-		(2.5)			
Adjusted Sales	\$ 1,546.0		\$ 1,031.9		\$ 514.1	49.8%		
Gross Profit								
Reported	\$ 437.6	28.3%	\$ 212.5	20.6%	\$ 225.1	+++		
Streamlining costs	2.7		36.2		(33.5)			
Separation costs	0.8		0.9		(0.1)			
Performance Gross Profit	\$ 441.1	28.5%	\$ 249.6	24.2%	\$ 191.5	76.7%		
Foreign exchange translational effects	2.4		-					
Adjusted Gross Profit	\$ 443.5	28.7%	\$ 249.6	24.2%	\$ 193.9	77.7%	450	bps
Selling, Administrative, Product Engineering Expenses and Other								
Reported	\$ 289.5	18.7%	\$ 253.1	24.5%	\$ 36.4	14.4%		
Streamlining costs	0.8		(19.3)		20.1			
Separation costs	(2.8)		1.3		(4.1)			
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 287.5	18.6%	\$ 235.1	22.8%	\$ 52.4	22.3%		
Foreign exchange translational effects	4.4		-					
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 291.9	18.9%	\$ 235.1	22.8%	\$ 56.8	24.2%	-390	bps
Operating Income/(Loss)								
Reported	\$ 148.1	9.6%	\$ (40.6)	-3.9%	\$ 188.7	+++	1,350	bps
Streamlining costs	1.9		55.5		(53.6)			
Separation costs	3.6		(0.4)		4.0			
Performance Operating Income	\$ 153.6	9.9%	14.5	1.4%	139.1	+++	851	bps
Foreign exchange translational effects	(2.0)		-					
Adjusted Operating Income	\$ 151.6	9.8%	\$ 14.5	1.4%	\$ 137.1	+++	840	bps

WABCO HOLDINGS INC.
Nine Months Ended September 2010 Data Supplement Sheet
(Unaudited)

(Amounts in millions, except per share data)

	Nine Months Ended September 30,							
	2010	% of Sales/ Adj Sales	2009	% of Sales/ Adj Sales	Chg vs. 2009	% Chg vs. 2009		
<u>EBIT (Earnings Before Interest and Taxes)</u>								
Reported Operating Income/(Loss)	\$ 148.1		\$ (40.6)		\$ 188.7			
Equity in Income of Unconsolidated Joint Venture	6.9		2.1		4.8			
Other non-operating expenses, net	(4.8)		(5.9)		1.1			
EC fine	(400.4)		-		(400.4)			
Indemnification and Other settlements	-		41.3		(41.3)			
Impact from India JV transaction	-		(11.5)		11.5			
Net income attributable to noncontrolling interest	(9.1)		(2.5)		(6.6)			
EBIT	\$ (259.3)	-16.7%	\$ (17.1)	-1.7%	\$ (242.2)		+++	-1,509 bps
Streamlining costs	1.9		55.6		(53.7)			
Separation costs	7.2		(36.9)		44.1			
EC fine	400.4		-		400.4			
Impact from India JV transaction	-		11.0		(11.0)			
Performance EBIT (Earnings Before Interest and Taxes)	\$ 150.2	9.7%	\$ 12.6	1.2%	\$ 137.6		+++	848 bps
Foreign exchange translational effects	(1.7)		-		-			
Adjusted EBIT (Earnings Before Interest and Taxes)	\$ 148.5	9.6%	\$ 12.6	1.2%	\$ 135.9		+++	838 bps
<u>Pre-Tax (Loss)/Income</u>								
EBIT	\$ (259.3)		\$ (17.1)		\$ (242.2)			
Interest (expense)/income, net	(1.2)		0.9		(2.1)			
Pre-Tax Loss	\$ (260.5)		\$ (16.2)		\$ (244.3)			
Streamlining costs	1.9		55.6		(53.7)			
Separation costs	7.2		(36.9)		44.1			
EC fine	400.4		-		400.4			
Impact from India JV transaction	-		11.0		(11.0)			
Performance Pre-Tax Income	\$ 149.0		\$ 13.5		\$ 135.5			
<u>Net Loss</u>								
Reported Net Loss	\$ (290.7)		\$ (19.9)		\$ (270.8)			
Streamlining cost, net of tax	1.6		48.6		(47.0)			
Tax items	4.9		2.4		2.5			
Separation costs, net of tax and separation related taxes	6.0		(38.4)		44.4			
EC fine	400.4		-		400.4			
Impact from India JV transaction	-		9.8		(9.8)			
Performance Net Income	\$ 122.2		\$ 2.5		\$ 119.7			
Performance Net Income per Diluted Common Share	\$ 1.85		\$ 0.04					
Common Shares Outstanding - Diluted	66.2		64.0					

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

(Amounts in millions)

	Three Months Ended September 30,	
	2010	2009
Net Cash (Used in) / Provided by Operating Activities	\$ (381.7)	\$ 31.4
Deductions or Additions to Reconcile to Free Cash Flow:		
Net purchases of property, plant, equipment and computer software	(12.1)	(11.7)
Free Cash Flow	\$ (393.8)	\$ 19.7
Impact from EC fine indemnification payment (A)	(437.2)	-
Impact from accounts receivables sold into securitization program	(7.5)	-
Impact from streamlining payments, net	(1.5)	(10.5)
Free Cash Flow on a Performance Basis	\$ 52.4	\$ 30.2

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

Note: This statement reconciles net cash provided by operating activities to free cash flow on a performance basis. 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 Quarter Ended December 31, Full Year 2010 Guidance
(Unaudited)

(Amounts in millions, except per share data)

	Previous Full Year 2010 Estimate	Revised Full Year 2010 Estimate	Quarter Ended December 31, 2010 Estimate
Operating Income			
Reported Operating Income Margin	8.2% - 9.2%	9.4% - 9.7%	8.9% - 9.9%
Streamlining cost, impact to margin	0.1%	0.1%	0.1%
Separation costs, impact to margin	0.2%	0.2%	-
Performance Operating Income Margin	8.5% - 9.5%	9.7% - 10.0%	9.0% - 10.0%
Net Income			
Reported Net Income	(280.8) - (\$264.4)	(247.9) - (\$241.3)	43.0 - \$49.7
Streamlining cost, net of tax	1.0	2.0	0.4
Tax items	2.0	2.0	(2.9)
EC fine	400.4	400.4	-
Separation costs, net of tax and separation related taxes	6.5	7.0	1.0
Performance Net Income	\$129.1 - \$145.5	\$163.5 - \$170.1	\$41.5 - \$48.2
Reported Net Income per Diluted Common Share	(\$4.36) - (\$4.11)	(\$3.85) - (\$3.75)	\$0.64 - \$0.74
Performance Net Income per Diluted Common Share	\$1.95 - \$2.20	\$2.47 - \$2.57	\$0.62 - \$0.72
Diluted common shares outstanding (Reported)	64.4	64.4	67.0
Diluted common shares outstanding (Performance)	66.2	66.2	67.0

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.