



WABCO

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Merrill Lynch Growth Industrials Conference

13 December 2007

Forwarding 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 Information Statement included in the Form 10 filing made in connection with WABCO's spinoff from American Standard Companies Inc., 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 Report for the Quarter Ended September 30, 2007. WABCO does not undertake any obligation to update such forward-looking statements. All market and industry data are based on Company estimates.

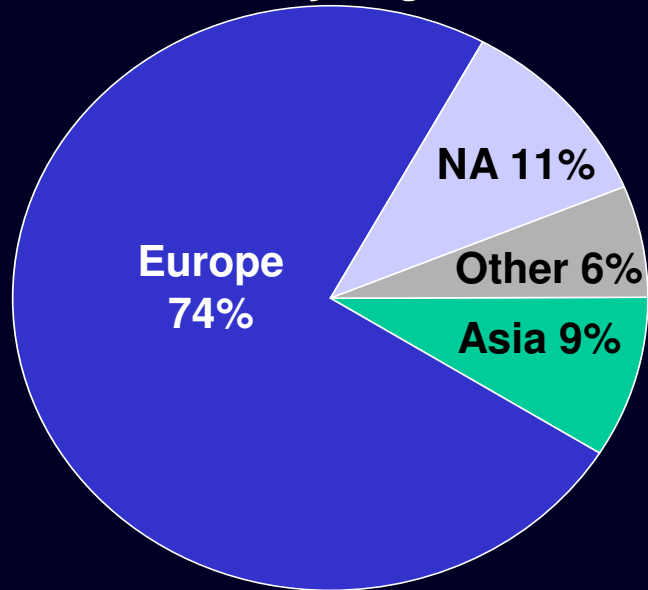
This presentation contains certain non-GAAP financial measures as that term is defined by the SEC. Non-GAAP financial measures in this presentation are generally identified by the terms "adjusted" or "performance". These measures should be considered in addition to, not as a substitute for, GAAP measures. Reconciliations of the non-GAAP financial measures to the most comparable GAAP measures are set forth in the Appendix of WABCO's Q3 Earnings Presentation and is available on WABCO's website.

[Additional information is available at http://ir.wabco-auto.com/](http://ir.wabco-auto.com/)

Vehicle Controls Business

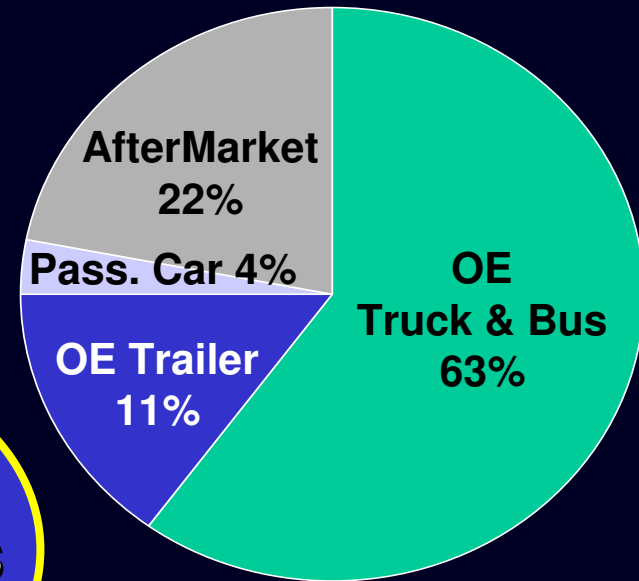
Traditional Strength in Europe ...

Sales by Region



Commercial Vehicles Focus...

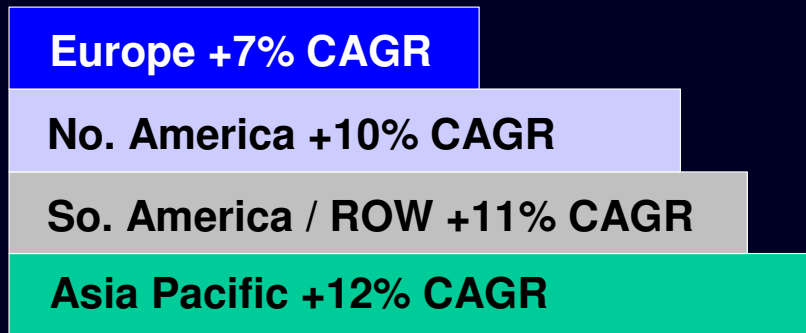
Sales by Customer Type



**2006
Total Sales
\$2.1B**

...Growing Global Presence

Sales Growth '01 to '06, Constant FX



... Broad Customer Base

of Customers

- Truck & Bus Manufacturers 30+
- Trailer Manufacturers ~2,000
- Car Manufacturers 10
- Aftermarket Customers ~3,000+

Global Presence, Diverse and Growing

Technology & Product Overview

Commercial Vehicle Air Cycle



Generates and Pressurizes the Air to Be Used in the Braking System and Other Air-Based Applications

Dries, Cleans, Stores and Distributes the Compressed Air to Enable Proper System Operation Under all Conditions

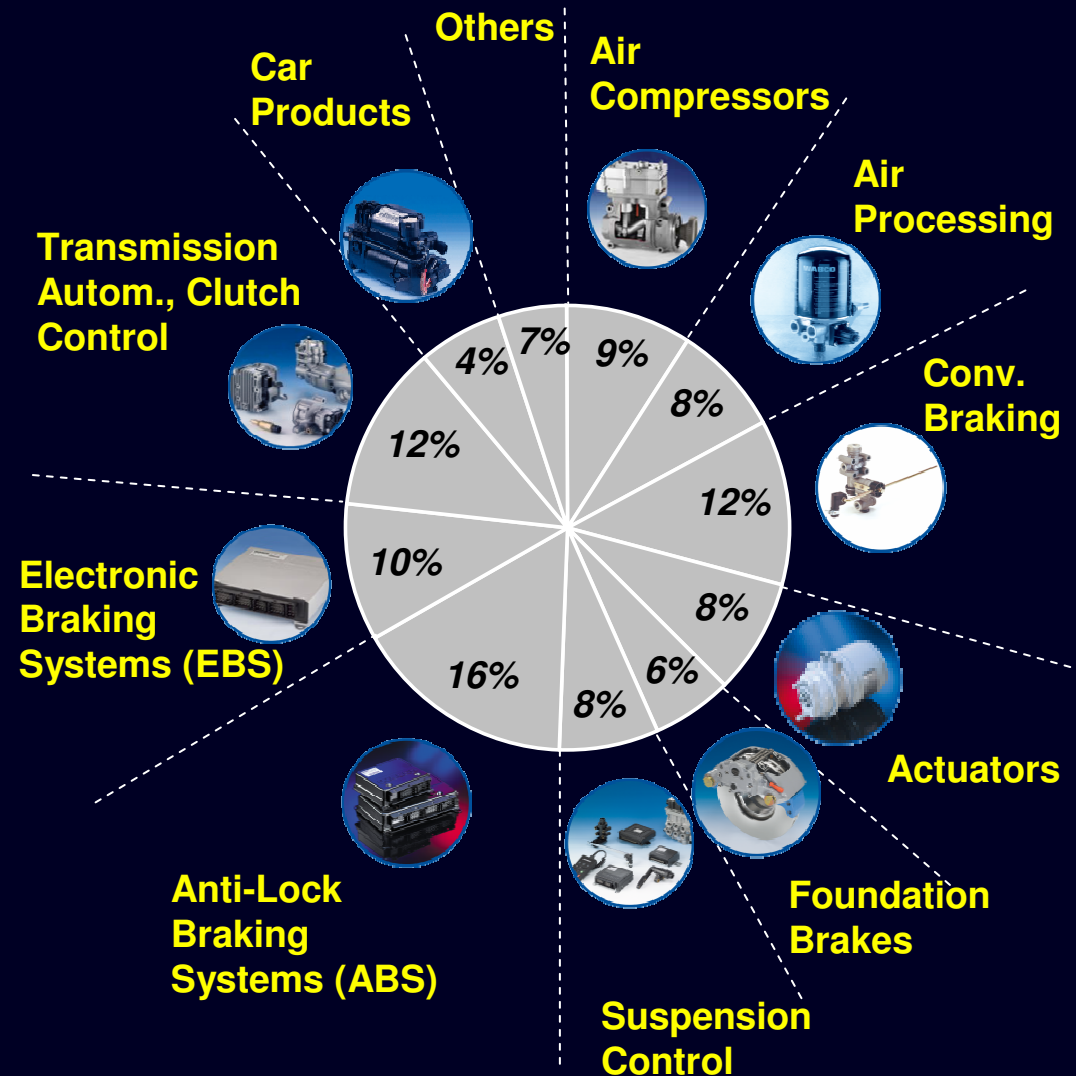
Mechanical

- Conventional Products (Service Brakes, Parking Brakes, etc.)
- Actuators
- Foundation Brakes

Elec. / Electro-Mechanical

- Anti-lock Braking Systems (ABS)
- Electronic Braking Systems (EBS)
- Transmission Automation
- Elec. Suspension Control

Main Products & Systems



We Play in Technology Sweet-Spot for Commercial Vehicles

Competitive Overview

KNORR

- Technical Capabilities Similar to WABCO
- No Position in Transmission Automation or Cars
- Strong Position in North America Following BENDIX Acquisition
- Trailing in Emerging Markets

HALDEX

- Challenger Position – Mainly Trailer and Aftermarket
- Lower Electronics Capabilities Compared to WABCO and KNORR
- Strong Automatic Slack Adjuster Business

LCC competitors

- Strong Low Cost / Low Tech. Solutions
- Mainly Mechanical Capabilities
- Targeting Specific Markets with Specific Product Ranges
- Low Price Strategy in Aftermarket

<i>(2006 Estimated CV Sales)</i>	WABCO <i>(~\$2.1B)</i>	KNORR <i>(~\$2.5B)</i>	HALDEX <i>(~\$0.7B)</i>	LCC competitors <i>(All Under ~\$0.1B)</i>
• Anti-lock Braking Systems	✓✓✓	✓✓✓	✓✓	✓
• Electronic Braking Systems	✓✓✓	✓✓✓	✓	✗
• Conventional Products	✓✓✓	✓✓✓	✓✓	✓
• Transmission Automation	✓✓✓	✗	✗	✗
• Air Compressors	✓✓✓	✓✓✓	✓✓	✓
• Air Processing	✓✓✓	✓✓✓	✓✓	✓
• Actuators	✓✓✓	✓✓✓	✓✓	✓
• Suspension Control	✓✓✓	✓✓✓	✓	✓
• Foundation Brakes	✓✓	✓✓✓	✓✓	✓

✓✓✓: Complete Offering ✓✓: Partial Offering ✓: Niche Offering ✗: No Offering

One Global Competitor with Similar Capabilities

Truck & Bus Regional Attributes

North America

- Less Advanced Technology Compared to Western Europe
- Large OEMs : DC, VOLVO, PACCAR, ITE
- Large Fleets, Able to Influence OEM Design

\$80K

\$750



Grow Market Penetration

Western Europe

- Advanced Technology, High Electronics Penetration
- 6 Large OEMs : DC, VOLVO, MAN, IVECO, PACCAR, SCANIA
- Few Large, Pan-European Fleets

\$130K

\$3,000



Defend Strong Position
Address New Opportunities

Eastern Europe

- Fast Growing CV Production
- Improve Quality and Safety
- Global and Local OEM's
- KamAZ, MAZ, GAZ, RusBus, Tatra, Roman,...

\$70K

\$300



Establish Strong Position
Grow Product Awareness

South America

- Less Advanced Technology - Mostly Originating from Brazil
- Main OEMs : DC, VW, VOLVO, SCANIA

\$65K

\$1,100



Defend Position, Grow Awareness of Advanced Products

Japan & Korea

- Technology Moving Towards Western Europe
- Main OEMs : HYUNDAI, HINO, ISUZU, ND. Targeting Global Market.

\$80K

\$800



Support OEMs Global Ambitions

China

- Basic Technology. Advanced Technology Penetration Under 10% of Total Market
- 3 Large OEMs (FAW, DFM, CNHTC), Many Small...

\$30K

\$100



Grow Awareness & Penetration of Advanced Products

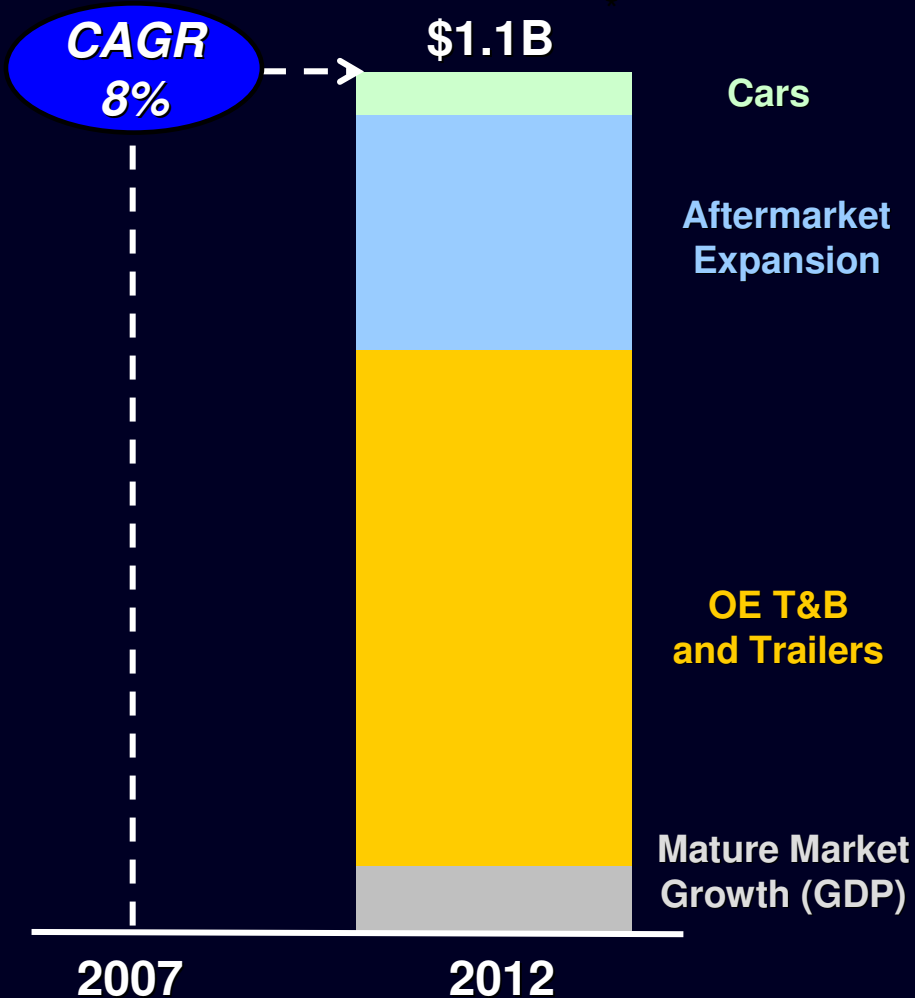
\$X Indicative Heavy Truck Price in Market (2006, \$US)

\$ Estimated Applicable Content per Vehicle (2006, \$US)

Strategies Tailored to Each Region

Passion for Growth

We Expect Sales Growth of \$1.1B by 2012



OE Truck & Bus

- Increasing Value Per Vehicle
 - Air Disc Brakes
 - Automated Manual Transmission Controls
 - Stability Control
 - Driver Assistance Systems
- Globalization
 - China
 - Eastern Europe
 - India

Aftermarket Expansion

- Enhanced Penetration
- New Product Ranges
- New Services (e.g.: Diagnostics, Training)
- East Europe, North America and APAC

Cars

- Air Suspension & Vacuum Pumps

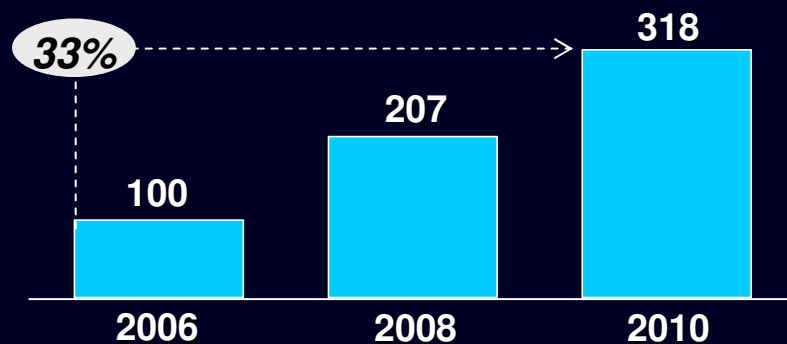
Multiple Levers to Drive Above-Market Growth

Global Market Expansion

China

- Globalization Effort since 2004
- Accelerating our Strategy Following Legislative Changes Around Safety Products
- Built a Regional Business Team to Develop Market Presence and Relationships & Leverage Local Sourcing Opportunities
- Built Factory in Qingdao in 2005 to Produce Advanced Products for Local and Export Markets
- Strong Marketing Initiative Launched in 2006 to Develop Safety Products Awareness

WABCO Growth Outlook for China (2006 Index)



India

- Market Presence in India Since 1962 Through a Joint Venture with the TVS Group (~ \$120M Related to the Brake Business)
- De-Merger of the Brake Business in Progress
- Our Strategy
 - Increase our Participation in the Local Market and Further Grow our Business in India
 - Create a Platform to Source Products & Leverage Local Engineering and Software Capabilities

Eastern Europe

- Economic Growth and Infrastructure Investments Driving Increasing Demand for Western European Trucks
- Local Truck Manufacturers Upgrading their Capabilities and Adopting Basic Safety Systems
 - Need Development Partners in Critical Systems
- Large Independent Aftermarket Opportunities
 - Growing Market Presence
 - Offering Local OEMs Replacement Parts

Capturing Opportunities Worldwide

Change in Industry Differentiation

Historical Sources of Differentiation

Pioneering New Technologies

“Engineering driven”

Relationship Driven

“Emphasis on individual relationships”

Reactivity to Fixing Customer Issues (e.g., Quality, Delivery)

“Industry less demanding”

Current Sources of Differentiation

Customer-Driven Product & Technology Development

- Harmonized Technology Roadmaps
- Deep Understanding of Customer Strategies, Needs from Suppliers and CTQs
- Clearly Defined Value to Customers for all New Products & Features

Customer Connectivity & Partnership

- Routine Collaboration and Integration of Efforts
- Preferred Supplier Status Reflecting Trust & Confidence of Capabilities and Performance
- Benefits Sharing to Enable Lowest Possible Total Cost

Excellence Across Value Chain

- Roll-Out of the WABCO Operating System (WOS)
- Migration to a Lean Culture
- Productivity Improvements as a Source of Value and Competitive Advantage

Execution Critical to Future Growth

Excellence in Execution

WABCO OPERATING SYSTEM (WOS)

Organization Development



Vision

Accountability & Alignment Across the Value Chain

6Sigma Lean



Integrated Supply Chain Supported by Lean Processes from Suppliers to Customers

CDP Improvement



Processes Based on DFSS Processes Driving Speed and Reliability

Customer Partnership



Establishing "Partnership" as Competitive Differentiator

TEI / Management Operating System



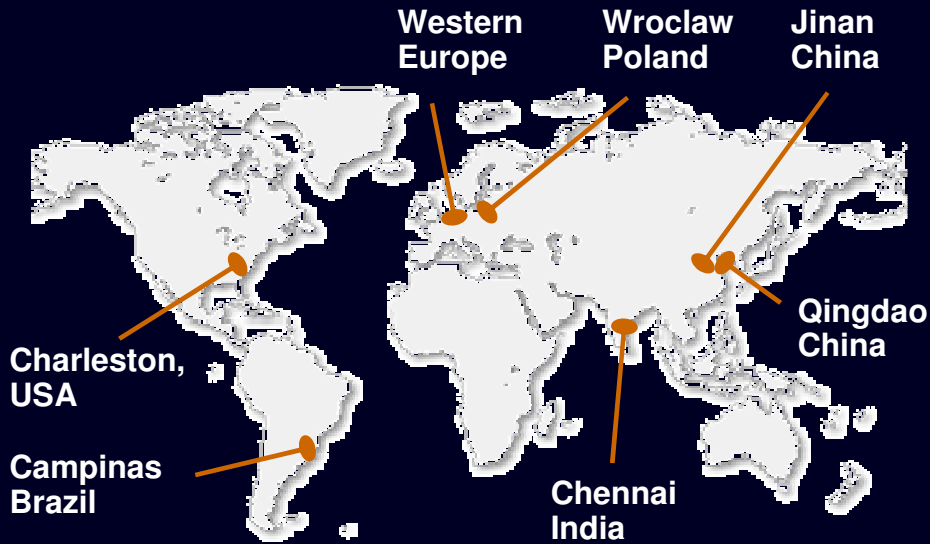
"Hoshin" Like Management System in Place

2006

2007

Transforming How WABCO Operates and Performs

Supply Chain Globalization



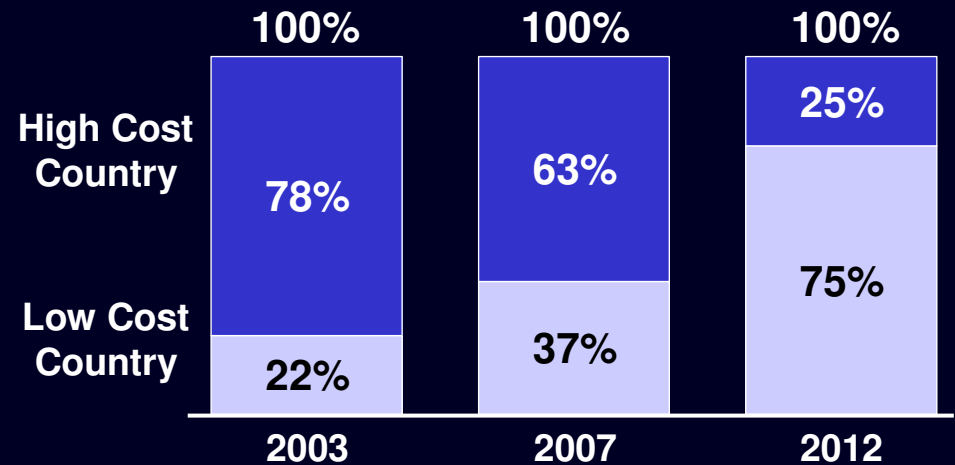
Global Supply Chain Strategy

- Support Local Markets from Local Factories
- Leverage Manufacturing Capabilities in China and India to Lower Costs
- Focus Western European Factories on More Complex Technologies
- Accelerate 6 Sigma Lean Deployment in all Facilities

Global Manufacturing Base

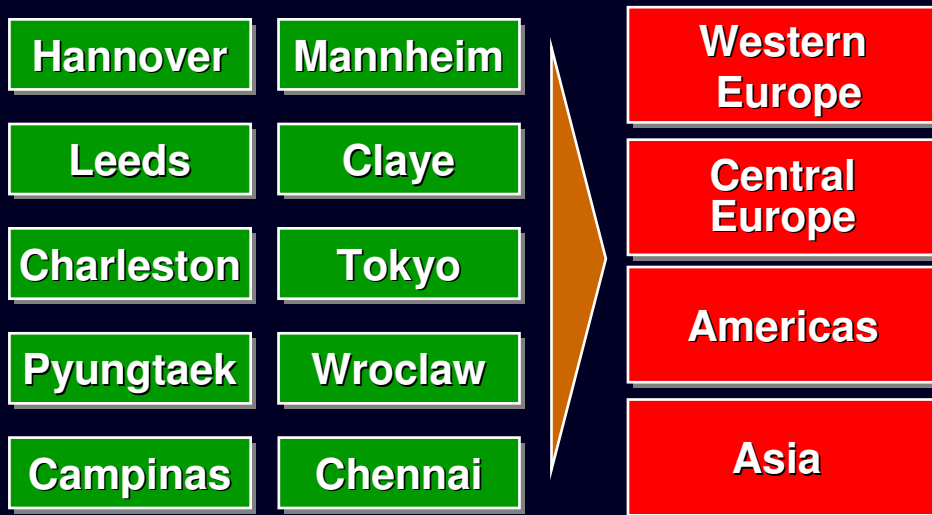
	<i>Number of Facilities</i>	<i>LCC Facilities</i>	<i>LCC Workforce (% of Total)</i>
1999	18	2	12%
2003	10	3	36%
2007	12	5	46%
2011	TBD	6	72%

Supply Base by Region (% of Total)



Expanding our Global Network

Engineering Globalization



Global Engineering Strategy

Western Europe

- Connectivity to European OEM development
- Advanced products & systems
- Program management of advanced systems
- Technology, process, data & systems

Central Europe

- Conventional products
- Design support
- Standard, material & requalification test center

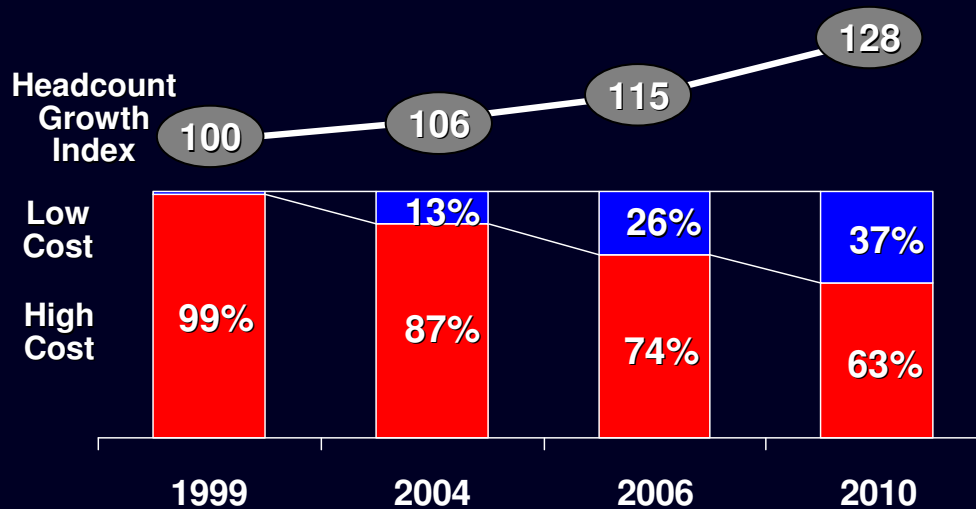
Americas

- Connectivity to US and South American OEMs
- Development of regional variants
- Application development
- Supplier qualification

Asia

- Conventional products for local and APAC market
- Support development of more complex products (software, design, tooling support, etc.)
- Local supplier development

Engineering Growth and Share By Region



Driving Efficient Use of our Engineering Resources

2007 Full Year Outlook

(in Millions, except per share data)

	2007 Q1-Q3	2007 Q4 Projections	Updated FY Guidance
Sales	\$1,737	\$653	\$2,390
Performance Op Income⁽¹⁾	194 11.2%	78 11.9%	272 11.4%
Equity Income	7	3	10
Performance EBIT⁽¹⁾	193	78	271
Interest Expense	(5)	--	(5)
Performance Net Income⁽²⁾	\$139	\$58	\$197
Diluted Shares	69.6	68.5	69.1
Performance EPS⁽²⁾	\$2.00	\$0.85	\$2.85

(1) Adjusted for streamlining and separation costs

(2) Adjusted for streamlining, separation and 1-time tax & discrete tax items

Projections & Guidance Imply a Range

Confirming Prior Guidance for Q4 & Full Year

WABCO Summary

- Industry Leader in Commercial Vehicle Controls
- Broad Range of Technologies & Products
- Growth Outpacing the Market via Technology Leadership & Globalization
- Transforming Company Using the WABCO Operating System
- Confirming Outlook for 2007 of \$2.85 EPS on a Performance Basis⁽¹⁾

(1) Adjusted for streamlining, separation and 1-time tax & discrete tax items

Strong Business...Leading Position...Great Future

Appendix

RECONCILIATION

WABCO HOLDINGS INC.

Reconciliation of Net Income to Performance Net Income and Performance Net Income per Diluted Common Share (Unaudited)

Dollars in millions
Except per share data

	9 Months Ended Sept 30, 2007	Q4 Projected	Full Year Projected
Operating Income - Reported	\$ 167.0	\$ 73.9	\$ 240.9
Streamlining costs	11.3	1.5	12.8
Separation costs	15.3	2.6	17.9
Operating Income - Performance	<u>\$ 193.6</u>	<u>\$ 78.0</u>	<u>\$ 271.6</u>
Earnings Before Interest and Taxes - (EBIT) - Reported	\$ 166.3	\$ 73.9	\$ 240.2
Streamlining costs	11.3	1.5	12.8
Separation costs	15.3	2.6	17.9
Earnings Before Interest and Taxes - Performance	<u>\$ 192.9</u>	<u>\$ 78.0</u>	<u>\$ 270.9</u>
Net income - GAAP	\$ 71.1	\$ 54.2	\$ 125.3
Streamlining costs, net of tax	8.4	1.1	9.5
Tax Items	2.0	0.0	2.0
Separation costs, net of tax and separation related taxes	57.5	2.7	60.2
Net Income - Performance	<u>\$ 139.0</u>	<u>\$ 58.0</u>	<u>\$ 197.0</u>
Reported Diluted Shares	69.6		
Projected Diluted Shares		68.5	69.1
GAAP Net Income per Diluted Share	\$ 1.02	\$ 0.79	\$ 1.81
Performance Net Income per Diluted Common Share	\$ 2.00	\$ 0.85	\$ 2.85

Note: The presentation of 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.