

**Q4 – 2016
EARNINGS RELEASE
February 17, 2017**



a **WORLD** of
DIFFERENCE

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Chairman & Chief Executive Officer

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Chief Financial Officer

Forward Looking Statements and Non-GAAP Financial Measures

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-K Report. 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. Sales, gross profit, operating expenses and operating income, which exclude the effects of foreign exchange, as well as EBIT and pre-tax income attributable to company, are non-GAAP financial measures. Additionally, gross profit, operating expenses, operating income, operating income margin, EBIT, tax rate, pre-tax income attributable to company, 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 items for separation, streamlining and acquisition, discrete and one-time tax items and a non-cash out-of-period correction to our non-controlling interest, and other items that may mask the underlying operating results of the company, as applicable. Our tax rate guidance for the full year is presented only on a performance basis as reconciliation to an expected tax rate on a reported basis would not be meaningful due to the complex nature of such an estimate. 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.

Free cash flow presents our net cash provided by operating activities less net purchases of property, plant, equipment and computer software. Performance free cash flow presents our net cash provided by operating activities less net purchases of property, plant, equipment and computer software; and excludes streamlining, separation, acquisition and certain indirect tax-related payments. Management believes that presenting free cash flow and performance free cash flow is useful to shareholders because it demonstrates our ability to generate cash and the health of our business. Free cash flow and performance free cash flow does not represent residual cash flow available for discretionary purposes since it may not include a deduction for mandatory debt service requirements and other non-discretionary expenditures.

All of the Non-GAAP financial measures presented herein should be considered in addition to, not as a substitute for, GAAP measures. These measures may not be comparable to similar measures of other companies as not all companies calculate these measures in the same manner. 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 included herein and are available in WABCO's quarterly results presentations posted on the company's website.

Q4 and FY 2016 Performance Summary

Fourth Quarter 2016

- Sales of \$713.7M; Up 8.3% in local currencies; up 6.4% reported
- Performance operating income⁽¹⁾ of \$100.1M vs. \$87.8M in Q4'15; Reported operating income of \$91.1M vs. \$74.9M in Q4'15
- Performance EPS⁽²⁾ of \$1.47 vs. \$1.43 in Q4'15; Reported EPS of \$1.15 vs. \$1.71 in Q4'15
- Returned \$62.5M cash to shareholders; Repurchased 609k shares

Full Year 2016

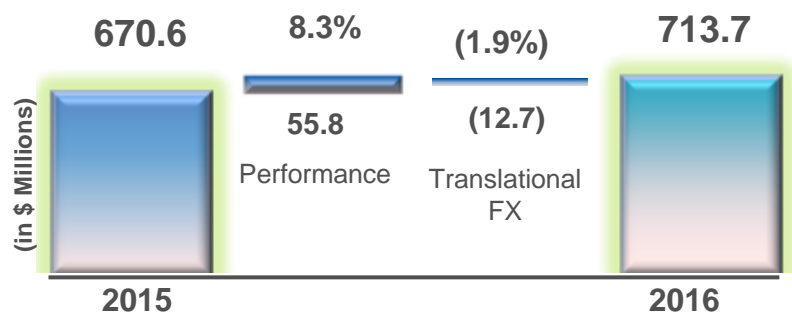
- Sales of \$2,810.0M; Up 8.7% in local currencies; up 6.9% reported
- Performance operating income⁽¹⁾ of \$389.4M vs. \$ 354.4M in '15; Reported operating income of \$355.9M vs. \$270.9M in '15
- Performance EPS⁽²⁾ of \$5.80 vs. \$5.62 in '15; Reported EPS of \$3.98 vs. \$4.72 in '15
- Performance Free Cash Flow⁽⁷⁾ of \$328M equivalent to 101% conversion rate
- Returned \$250M cash to shareholders by repurchasing 2,512k shares

Continuously delivering in a difficult market

WABCO

Q4 '16 Sales Performance & Market Trends

Q4 '16 Sales Bridge



Q4 '16 YoY Sales Growth ⁽⁴⁾ By Channel

OE	11%	<ul style="list-style-type: none"> OE T&B markets up following a strong increase in China Increased content per vehicle in key markets MICO and Laydon acquisition contributing 2.0% of total WABCO revenues
Aftermarket	9%	<ul style="list-style-type: none"> Strong performance across most regions Indian market affected by demonetization
Sales to JVs	(18)%	<ul style="list-style-type: none"> US market down with stronger decline in HD

Q4 '16 YoY T&B Sales Growth⁽⁴⁾ vs. Estimated Production Growth By Region

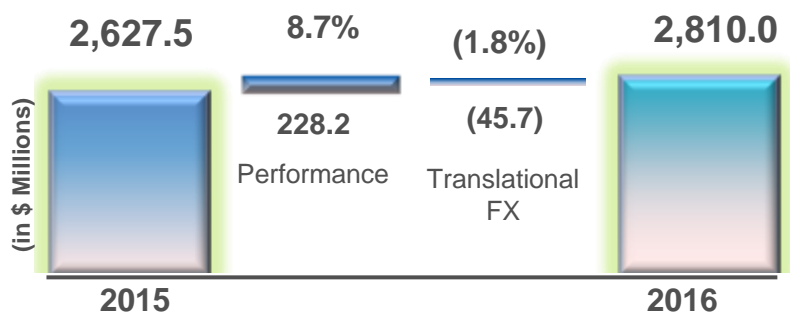
	WABCO	Estimated Production	Comments
Europe	(1)%	(7)%	• Europe: SOM gains for AMT, ADB and sizable new positions in Russia
North America	(32)%	(24)%	• N. America: Heavily affected by (33)% in HD segment
South America	14%	12%	• S. America: Benefiting from Tristop and APU launches earlier in the year
Japan/Thailand/ Korea	0%	(1)%	• Japan/Korea: Favorable vehicle mix and higher share of domestic production
China	60%	51%	• China: ABS mandate LD and MD trucks
India	5%	7%	• India: Unfavorable vehicle mix as an effect of demonetization

Continuously outperforming global market

WABCO

2016 Sales Performance & Market Trends

2016 Sales Bridge



2016 YoY Sales Growth ⁽⁴⁾ By Channel

OE	14%	<ul style="list-style-type: none"> Global weighted average T&B production flat Increased content per vehicle in Europe and all emerging markets Acquisitions contributed 1.9% to WABCO
Aftermarket	6%	<ul style="list-style-type: none"> Solid performance despite some regional headwinds
Sales to JVs	(25)%	<ul style="list-style-type: none"> US Heavy Duty market down 30%

2016 YoY T&B Sales Growth⁽⁴⁾ vs. Estimated Production Growth By Region

	WABCO	Estimated Production	Comments
Europe	8%	1%	• Europe: SOM gains for AMT and ADB and higher AEBS content
North America	(27)%	(18)%	• N. America: Heavily affected by (30)% in HD segment
South America	2%	(15)%	• S. America: New business launches on Tristop & APU and AMT penetration increase
Japan/Thailand/Korea	(2)%	(4)%	• Japan/Korea: Favorable vehicle mix
China	30%	27%	• China: ABS mandate LD and MD trucks
India	40%	10%	• India: ABS mandate traction

Continuously outperforming global market

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Financial Performance Q4 2016

(\$ Millions, except per share data)

Profit and Loss Statement Highlights

	Q4 Reported	(1),(2) Q4 Performance	(5) Performance vs. 2015 in local curr.	Performance Drivers
Sales	\$713.7	\$713.7	8.3%	<ul style="list-style-type: none"> Sales 9.0% vs. Q3'16 Price erosion \$(9.1) or (1.2)%
Gross Profit	217.9 30.5%	225.1 31.5%	10.7% 68 Bps	<ul style="list-style-type: none"> Volume, mix and absorption \$7.5 Materials productivity \$13.6 (5.5% gross, 5.7% net) Conversion productivity \$8.0 (7.9%)
OPEX & Other	(126.8) (17.8%)	(125.0) (17.5%)	6.0% (38) bps	<ul style="list-style-type: none"> Labor inflation \$(6.7) Net R&D and other investments \$(0.7) Opex from Acquisitions \$(3.1)
Operating Income	91.1 12.8%	100.1 14.0%	17.1% 106 Bps	<ul style="list-style-type: none"> Transactional FX favorably impacts Op Income \$4.6
Equity Income Non-controlling Int. Exp.	5.9 (14.7)	5.9 (2.4)		<ul style="list-style-type: none"> Equity Income down from \$8.1 in Q4'15 Non-controlling Interest down from \$(2.9) in Q4'15
EBIT	\$83.4 11.7%	\$104.8 14.7%		<ul style="list-style-type: none"> Streamlining \$(5.3) vs. \$(11.5) in Q4'15 Separation & other perf. adj. (\$16.1) vs. \$(1.1) Q4'15
Taxes	(16.7)	(20.3)		<ul style="list-style-type: none"> 20% Performance tax rate, up from 9.8% in Q4'15 Full year performance tax rate 16.9%
Net Income*	\$63.1	\$80.9		<ul style="list-style-type: none"> Performance Net Income down from \$82.1 in Q4'15
EPS	\$1.15	\$1.47		<ul style="list-style-type: none"> Reported EPS of \$1.71 and Performance EPS of \$1.43 in Q4'15

*Represents net income attributable to company

Incremental margin⁽⁶⁾ of 18.6% with 8.3% sales growth

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Financial Performance FY 2016

(\$ Millions, except per share data)

Profit and Loss Statement Highlights

	FY Reported	(1),(2) FY Performance	(5) Performance vs. 2015 in local curr.	Performance Drivers
Sales	\$2,810.0	\$2,810.0	8.7%	<ul style="list-style-type: none"> Price erosion \$(46.6) or (1.6)%
Gross Profit	874.1 31.1%	888.1 31.6%	8.5% (7) bps	<ul style="list-style-type: none"> Volume, mix and absorption \$44.5 Materials productivity \$55.0 (5.5% gross, 5.9% net) Conversion productivity \$28.0 (7.0%) Labor inflation \$(27.7) Net R&D and other investments \$(3.6) Opex from Acquisition \$(11.3)
OPEX & Other	(518.2) (18.4%)	(498.7) (17.7%)	6.0% (45) bps	
Operating Income	355.9 12.7%	389.4 13.9%	11.8% 39 bps	
Equity Income Non-controlling Int. Exp.	24.8 (24.3)	24.8 (12.0)		<ul style="list-style-type: none"> Equity Income down from \$32.1 in '15 Non-controlling Interest up from \$10.8 in '15
EBIT	\$357.5 12.7%	\$403.3 14.4%		<ul style="list-style-type: none"> Streamlining \$(15.8) vs. \$(68.7) in '15 Separation & other perf. adj. (\$30.0) vs. \$(13.8) '15
Taxes	(121.8)	(66.0)		<ul style="list-style-type: none"> Full year performance tax rate adjusted to ~16.9%
Net Income*	\$223.0	\$324.6		<ul style="list-style-type: none"> Performance Net Income down from \$327.4 in '15
EPS	\$3.98	\$5.80		<ul style="list-style-type: none"> Reported EPS of \$4.72 and Performance EPS of \$5.62 in '15

*Represents net income attributable to company

Solid financial performance

WABCO

Cash Flow Summary 2016

(in \$ Millions)

Free Cash Flow

Cash Provided by Operating Activities:

- | | |
|--|---------------|
| • Net Income including non-controlling interest | 247.3 |
| • Depreciation & amortization | 98.0 |
| • Working capital | (43.7) |
| • Changes in other assets & liabilities | 103.8 |

includes: Provision for EC claw back of EPR benefits \$69M

Net Cash Provided by Operating Activities	405.4
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Net Purchases of PP&E, Tooling & Computer Software	(107.0)
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Free Cash Flow⁽³⁾ reported	298.4
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- | | |
|--|---------------|
| • <i>Streamlining, separation & acquisition related payments</i> | <i>(30.0)</i> |
|--|---------------|

Performance Free Cash Flow⁽⁷⁾	328.4
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- Very strong cash generation from operating activities
- Working capital growth in line with sales growth
- Repurchased 2,512k shares in 2016 at a cost of \$250M

101% of Perf. Net Income⁽²⁾ converted into Perf. Free Cash Flow⁽⁷⁾

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Focusing on Core Strategies

Globalization

- **New Long-Term Agreement with Shaanxi Fast Gear, World's Largest Manufacturer of Heavy-Duty Transmissions:** WABCO to continue to develop and supply automated manual transmission technology, expanding strategic partnership with this major existing customer.
- **Extension of Long-Term Supply Agreement for Advanced Technologies with KAMAZ, Russia's Largest Maker of Heavy-Duty Trucks:** Expanding existing partnership, this new deal will result in incremental business, including WABCO as sole supplier for newest vehicle platform.

New Technologies & Products

- **Record Quarterly Number of WABCO's Transics TX-SKY™ Onboard Computer Systems Delivered Along With Record Annual Number of Transics TX-TRAILERGUARD™ Fleet Management Solutions:** WABCO uniquely connects trucks, trailers, cargo, drivers, business partners and fleet operators in real time, resulting in safer, more efficient fleet performance.
- **Breakthrough Air Suspension Technology for Premium Electric Vehicles for Major German Passenger Car Maker:** WABCO remains industry's sole supplier of electronic air supply systems. Separately, WABCO expanded supply of vacuum pumps for two leading car makers, sourcing from China for U.S. and from India for India and elsewhere in Asia.

Execution

- **WABCO Has Won, So Far, 25 Supplier Awards from Customers for Superlative Performance in 2016:** Recognized for overall excellence and commended with top honors for technology innovation, quality, delivery, service and cost excellence, among other differentiated distinctions.
- **WABCO Operating System Continued to Deliver Robust Results in 2016:**
 - Delivered productivity gain of \$83.0 million, an increase of 14.5% year on year
 - Generated gross materials productivity of 5.5%, a continued strong annual gain
 - Generated conversion productivity of 7.0% in our factories, an annual record

Continued success in executing core strategies



WABCO

9

Market Dynamics




56% 56% 20%

Europe  


- New registrations of Western Europe heavy trucks up 5% in Q4 and 12% for FY 2016
- Total Europe Q4 T&B production down 7%, while FY up 1%
- 2017 new registrations Western Europe expected to be flattish
- **2017 production outlook flat to +5%**

17% 15% 16%

North America 


- Production down 24% in Q4 vs. 2015
- Total year 2016 production was down 18% with Heavy Duty down 30%
- Inventory reduction trend continued
- **2017 T&B production outlook -8% to -3% with class 8 expected to decrease further**

9% 10% 39%

China 

- Q4 '16 production up 51% vs. Q4 '15
- Total year 2016 production up 27% vs. 2015
- Enforcement in dimensions and loading limits for trucks supports growth
- **2017 T&B production outlook -5% to +5%**

6% 7% 13%

India 

- Q4 '16 T&B production up 7% vs. Q4 '15
- Total year 2016 production up 10% vs. 2015
- Positive economic sentiments from beginning of the year partially offset by stock levels and uncertainty from recent economic measures.
- **2017 T&B production outlook -3% to +3%**

Large production swings in key markets





Market Dynamics

6% 6% **9%** **Japan & Korea**  

- Q4 '16 T&B production down 1% vs. Q4 '15
- Full year 2016 down 4% vs. 2015
- Korea down 19% in 2016 due to softness in exports to Russia and Middle East
- **2017 T&B production outlook (incl. South East Asia) -3% to +2%**

3% 3% **3%** **Brazil** 

- Q4 '16 T&B production up 12% vs. Q4 '15
- Total year 2016 production down 15% vs. 2015
- Inventory levels now normalized
- Early indicators of potential economic recovery
- **2017 T&B production outlook 5% to +15%**

26% 26% **Aftermarket** 

- Q4 '16 Up 9% YoY
- 2016 growth at 6% despite headwinds, from instability in Middle East & Turkey, mining in China and India demonetization
- **2017 outlook up by ~ 8%**

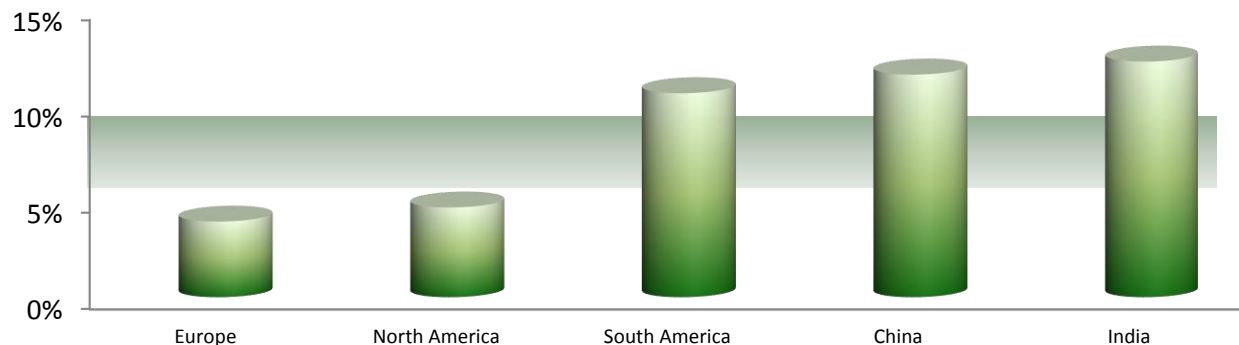
10% 10% **Trailers** 

- Q4 '16 Global production down 2% YoY with growth in China and Europe offset by North America
- Total year 2016 production down 3% YoY with major negative impact from North America, Brazil and Middle East
- **2017 global production outlook -5% to -10%**

Uncertainty in markets prevails

Outperformance Framework Update

Average 2011-2016 T&B Outperformance by Region



Over the 2011-'16 period:

- Truck & Bus market growth CAGR **-2%**
- WABCO sales growth CAGR **+5%**

2011 Framework assumptions

Status

Regional content per vehicle gap will continue to close



Outperformance objective expressed over a 5-year period



New business wins (penetrations and share of market)



Double-digit outperformance in BRIC regions



Approx. 2-3% global market growth for the next 5 years expected to benefit from favorable HD mix



T&B market CAGR -2% causes HD adverse mix effect on outperformance close to 1%

BRIC markets expected to grow significantly



2011-'16 BRIC T&B market CAGR -4% adversely impacting outperformance by close to 1%

Objective to outperform global T&B by 6-10% on average over 5 years

WABCO

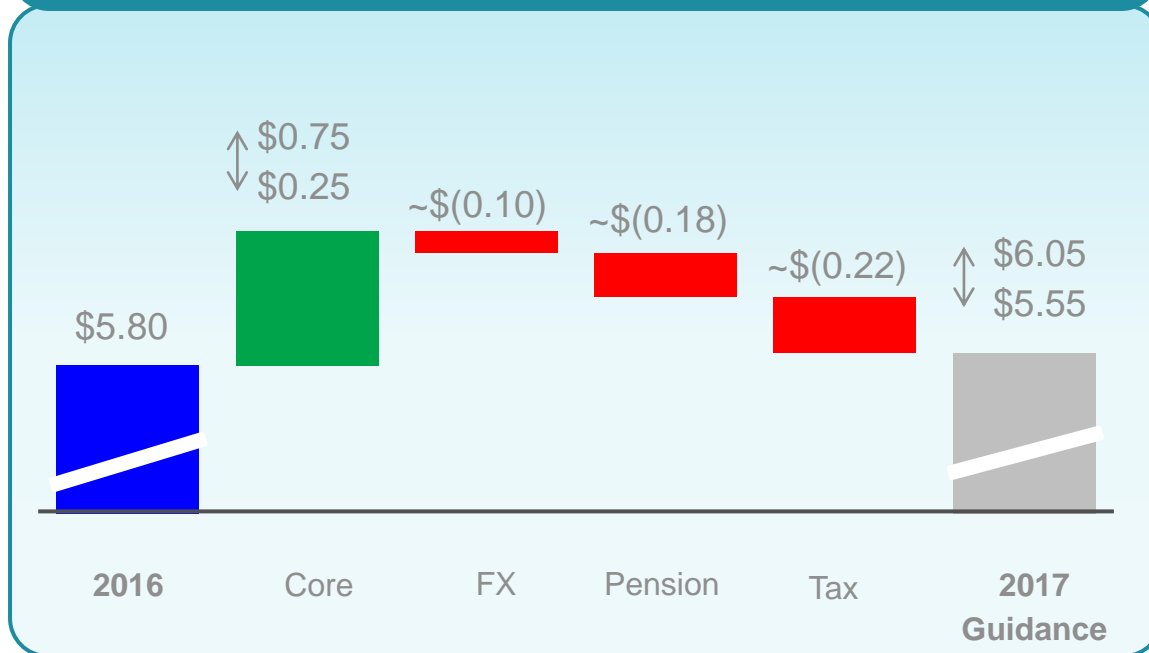
FY 2017 Guidance

(\$ Millions, except per share data)

As of Feb 17, 2017

	2017
Sales Growth ⁽⁴⁾	4.0% - 9.0% (in local currencies)
Reported Sales	\$2,850 - \$2,990 1 Euro = 1.06 USD
Performance Op Margin ⁽¹⁾	13.5% - 13.9%
Performance EPS ⁽²⁾	\$5.55 - \$6.05
Performance Free Cash Flow ⁽⁷⁾	80% - 90%

2017 Performance EPS⁽²⁾ Guidance Range



- Annual price erosion: 1.5% to 2.0%
- Raw material: ~0.4% unfavorable to material costs
- Conversion Productivity at record levels

- Transactional FX vs 2016 rates positively affecting pre-tax profits by ~\$3M YoY
- Performance tax rate ~20%
- Average diluted shares ~54M

Core growing 9% at mid-point of sales growth

WABCO

Summary

- Outperformed in 2016 despite volatile global market leading to a new record in Full Year earnings
 - Full Year Performance EPS⁽²⁾ of \$5.80
 - Generated \$328M of Performance Free Cash Flow⁽⁷⁾ representing 101% conversion
- New acquisitions support strategy to further expand high quality revenues
- Share buy-back program continues to return value to shareholders
- Continuous growth for WABCO in 2017 driven by outperformance

APPENDIX

RECONCILIATIONS OF NON-GAAP MEASURES TO GAAP MEASURES

Footnotes, Tables & Definitions

Footnotes

1. Adjusted for streamlining and separation costs, acquisition and indirect tax related costs
2. Adjusted for streamlining, separation, one-time tax & discrete tax items, acquisition, indirect tax related costs and the out-of-period non-controlling interest correction
3. Net cash provided by operating activities less net purchases of property, plant, equipment and computer software
4. Adjusted for currency translation
5. Adjusted for currency translation, streamlining and separation costs, acquisition and indirect tax related costs
6. Adjusted for currency translation, transactional FX and streamlining, separation costs and acquisition related costs
7. Free Cash Flow ⁽³⁾ excluding streamlining, separation, indirect tax and acquisition related payments

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.
- **Acquisition related costs** cover costs related to acquiring a business and non-cash expenses associated with purchase accounting including amortization of identifiable intangible assets.
- **Indirect tax related costs** pertain to costs recorded in 2015 unrelated to the company's current business operations
- **Out-of-period non-controlling interest correction:** is a one-time non-cash 2016 expense to correct non-controlling interest related to a consolidated partnership

WABCO HOLDINGS INC. AND SUBSIDIARIES
Three Months Ended December 31, 2016 Data Supplement Sheet (Unaudited)

	Three Months Ended December 31,					
	2016	% of Sales/ Adj Sales	2015	% of Sales/ Adj Sales	Chg vs. 2015	% Chg vs. 2015
(Amounts in millions, except per share data)						
Sales						
Reported	\$ 713.7		\$ 670.6		\$ 43.1	6.4%
Foreign exchange translational effects	12.7		-		12.7	
Adjusted Sales	<u>\$ 726.4</u>		<u>\$ 670.6</u>		<u>\$ 55.8</u>	8.3%
Gross Profit						
Reported	\$ 217.9	30.5%	\$ 199.8	29.8%	\$ 18.1	9.1%
Streamlining costs	7.0		7.7		(0.7)	
Separation costs	0.2		0.2		-	
Acquisition related costs	-		-		-	
Performance Gross Profit	<u>\$ 225.1</u>	31.5%	<u>\$ 207.7</u>	31.0%	<u>\$ 17.4</u>	8.4%
Foreign exchange translational effects	4.8		-		4.8	
Adjusted Gross Profit	<u>\$ 229.9</u>	31.6%	<u>\$ 207.7</u>	31.0%	<u>\$ 22.2</u>	10.7%
Operating Expenses						
Reported	\$ 126.8	17.8%	\$ 124.9	18.6%	\$ 1.9	1.5%
Streamlining income/(costs)	1.7		(3.8)		5.5	
Separation costs	(0.4)		(0.6)		0.2	
Indirect tax related costs	-		1.7		(1.7)	
Acquisition related costs	(3.1)		(2.3)		(0.8)	
Performance Operating Expenses	<u>\$ 125.0</u>	17.5%	<u>\$ 119.9</u>	17.9%	<u>\$ 5.1</u>	4.3%
Foreign exchange translational effects	2.1		-		2.1	
Adjusted Operating Expenses	<u>\$ 127.1</u>	17.5%	<u>\$ 119.9</u>	17.9%	<u>\$ 7.2</u>	6.0%
Operating Income						
Reported	\$ 91.1	12.8%	\$ 74.9	11.2%	\$ 16.2	21.6%
Streamlining costs	5.3		11.5		(6.2)	
Separation costs	0.6		0.8		(0.2)	
Indirect tax related costs/(income)	-		(1.7)		1.7	
Acquisition related costs	3.1		2.3		0.8	
Performance Operating Income	<u>\$ 100.1</u>	14.0%	<u>\$ 87.8</u>	13.1%	<u>\$ 12.3</u>	14.0%
Foreign exchange translational effects	2.7		-		2.7	
Adjusted Operating Income	<u>\$ 102.8</u>	14.2%	<u>\$ 87.8</u>	13.1%	<u>\$ 15.0</u>	17.1%

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. AND SUBSIDIARIES
Three Months Ended December 31, 2016 Data Supplement Sheet (Unaudited)

	Three Months Ended December 31,					
	2016	% of Sales/ Adj Sales	2015	% of Sales/ Adj Sales	Chg vs. 2015	% Chg vs. 2015
EBIT (Earnings Before Interest and Taxes)						
Reported Net Income Attributable to Company	\$ 63.1		\$ 98.7		\$ (35.6)	-36.1%
Income tax expense/(benefit)	16.7		(20.3)		37.0	
Interest expense, net	3.6		2.6		1.0	
EBIT	\$ 83.4	11.7%	\$ 81.0	12.1%	\$ 2.4	3.0%
Streamlining costs	5.3		11.5		(6.2)	
Separation costs	0.7		0.5		0.2	
Indirect tax related costs/(income)	-		(1.7)		1.7	
Acquisition related costs	3.1		2.3		0.8	
Out-of-period noncontrolling interest correction	12.3		-		12.3	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 104.8	14.7%	\$ 93.6	14.0%	\$ 11.2	12.0%
Pre-Tax Income						
Reported Net Income Attributable to Company	\$ 63.1		\$ 98.7		\$ (35.6)	
Income tax expense/(benefit)	16.7		(20.3)		37.0	
Pre-Tax Income Attributable to Company	\$ 79.8		\$ 78.4		\$ 1.4	
Streamlining costs	5.3		11.5		(6.2)	
Separation costs	0.7		0.5		0.2	
Indirect tax related costs/(income)	-		(1.7)		1.7	
Acquisition related costs	3.1		2.3		0.8	
Out-of-period noncontrolling interest correction	12.3		-		12.3	
Performance Pre-Tax Income Attributable to Company	\$ 101.2		\$ 91.0		\$ 10.2	
Tax rate on a reported basis	17.7%		-25.0%			
Tax rate on a performance basis	20.1%		9.8%			
Net Income Attributable to Company						
Reported Net Income Attributable to Company	\$ 63.1		\$ 98.7		\$ (35.6)	
Streamlining cost	5.3		11.5		(6.2)	
Separation costs	0.7		0.5		0.2	
Indirect tax related costs/(income)	-		(1.7)		1.7	
Acquisition related costs	3.1		2.3		0.8	
Out-of-period noncontrolling interest correction	12.3		-		12.3	
Tax items (1)	(3.6)		(29.2)		25.6	
Performance Net Income Attributable to Company	<u>\$ 80.9</u>		<u>\$ 82.1</u>		<u>\$ (1.2)</u>	
Net Income Attributable to Company per Diluted Common Share	\$ 1.15		\$ 1.71			
Performance Net Income Attributable to Company per Diluted Common Share	\$ 1.47		\$ 1.43			

Common Shares Outstanding - Diluted

55.1

57.6

(1) The tax impacts calculated are based on the statutory tax rate applicable to the item being adjusted for the jurisdiction from which the adjustment arises.

Incremental Gross Profit and Operating Income Margin	Gross Profit	Operating Income
Increase in adjusted sales from '15	55.8	55.8
Increase in adjusted income from '15	22.2	15.0
Incremental Income as a % of Sales	39.8%	26.9%
Less: YoY Transactional Foreign Exchange (FX) Impact		(4.6)
Increase in adjusted income from '15 excluding transactional FX impact		10.4
Incremental income excluding transactional FX as a % of Sales		18.6%

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. AND SUBSIDIARIES
Twelve Months Ended December 31, 2016 Data Supplement Sheet (Unaudited)

	Twelve Months Ended December 31,					
	2016	% of Sales/ Adj Sales	2015	% of Sales/ Adj Sales	Chg vs. 2015	% Chg vs. 2015
(Amounts in millions, except per share data)						
Sales						
Reported	\$ 2,810.0		\$ 2,627.5		\$ 182.5	6.9%
Foreign exchange translational effects	45.7		-		45.7	
Adjusted Sales	<u>\$ 2,855.7</u>		<u>\$ 2,627.5</u>		<u>\$ 228.2</u>	8.7%
Gross Profit						
Reported	\$ 874.1	31.1%	\$ 785.5	29.9%	\$ 88.6	11.3%
Streamlining costs	12.0		44.9		(32.9)	
Separation costs	1.1		0.9		0.2	
Acquisition related costs	0.9		-		0.9	
Performance Gross Profit	<u>\$ 888.1</u>	31.6%	<u>\$ 831.3</u>	31.6%	<u>\$ 56.8</u>	6.8%
Foreign exchange translational effects	13.5		-		13.5	
Adjusted Gross Profit	<u>\$ 901.6</u>	31.6%	<u>\$ 831.3</u>	31.6%	<u>\$ 70.3</u>	8.5%
Operating Expenses						
Reported	\$ 518.2	18.4%	\$ 514.6	19.6%	\$ 3.6	0.7%
Streamlining costs	(3.8)		(23.8)		20.0	
Separation costs	(2.9)		(3.6)		0.7	
Indirect tax related costs	-		(1.1)		1.1	
Acquisition related costs	(12.8)		(9.2)		(3.6)	
Performance Operating Expenses	<u>\$ 498.7</u>	17.7%	<u>\$ 476.9</u>	18.2%	<u>\$ 21.8</u>	4.6%
Foreign exchange translational effects	6.7		-		6.7	
Adjusted Operating Expenses	<u>\$ 505.4</u>	17.7%	<u>\$ 476.9</u>	18.2%	<u>\$ 28.5</u>	6.0%
Operating Income						
Reported	\$ 355.9	12.7%	\$ 270.9	10.3%	\$ 85.0	31.4%
Streamlining costs	15.8		68.7		(52.9)	
Separation costs	4.0		4.5		(0.5)	
Indirect tax related costs	-		1.1		(1.1)	
Acquisition related costs	13.7		9.2		4.5	
Performance Operating Income	<u>\$ 389.4</u>	13.9%	<u>\$ 354.4</u>	13.5%	<u>\$ 35.0</u>	9.9%
Foreign exchange translational effects	6.8		-		6.8	
Adjusted Operating Income	<u>\$ 396.2</u>	13.9%	<u>\$ 354.4</u>	13.5%	<u>\$ 41.8</u>	11.8%

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. AND SUBSIDIARIES
Twelve Months Ended December 31, 2016 Data Supplement Sheet (Unaudited)

	Twelve Months Ended December 31,					
	2016	% of Sales/ Adj Sales	2015	% of Sales/ Adj Sales	Chg vs. 2015	% Chg vs. 2015
(Amounts in millions, except per share data)						
EBIT (Earnings Before Interest and Taxes)						
Reported Net Income Attributable to Company	\$ 223.0		\$ 275.2		\$ (52.2)	-19.0%
Income tax expense	121.8		11.5		110.3	
Interest expense, net	12.7		7.1		5.6	
EBIT	\$ 357.5	12.7%	\$ 293.8	11.2%	\$ 63.7	21.7%
Streamlining costs	15.8		68.7		(52.9)	
Separation costs	4.0		3.5		0.5	
Indirect tax related costs	-		1.1		(1.1)	
Acquisition related costs	13.7		9.2		4.5	
Out-of-period noncontrolling interest correction	12.3		-		12.3	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 403.3	14.4%	\$ 376.3	14.3%	\$ 27.0	7.2%
Pre-Tax Income						
Reported Net Income Attributable to Company	\$ 223.0		\$ 275.2		\$ (52.2)	
Income tax expense	121.8		11.5		110.3	
Pre-Tax Income Attributable to Company	\$ 344.8		\$ 286.7		\$ 58.1	
Streamlining costs	15.8		68.7		(52.9)	
Separation costs	4.0		3.5		0.5	
Indirect tax related costs	-		1.1		(1.1)	
Acquisition related costs	13.7		9.2		4.5	
Out-of-period noncontrolling interest correction	12.3		-		12.3	
Performance Pre-Tax Income	\$ 390.6		\$ 369.2		\$ 21.4	
Tax rate on a reported basis	33.0%		3.9%			
Tax rate on a performance basis	16.9%		11.3%			
Net Income Attributable to Company						
Reported Net Income Attributable to Company	\$ 223.0		\$ 275.2		\$ (52.2)	
Streamlining cost	15.8		68.7		(52.9)	
Separation costs	4.0		3.5		0.5	
Indirect tax related costs	-		1.1		(1.1)	
Acquisition related costs	13.7		9.2		4.5	
Out-of-period noncontrolling interest correction	12.3		-		12.3	
Tax items (1)	55.8		(30.3)		86.1	
Performance Net Income Attributable to Company	\$ 324.6		\$ 327.4		\$ (2.8)	
Net Income Attributable to Company per Diluted Common Share	\$ 3.98		\$ 4.72			
Performance Net Income Attributable to Company per Diluted Common Share	\$ 5.80		\$ 5.62			
Common Shares Outstanding - Diluted	56.0		58.3			

(1) The tax impacts calculated are based on the statutory tax rate applicable to the item being adjusted for the jurisdiction from which the adjustment arises.

	Gross Profit	Operating Income
Increase in adjusted sales from '15	228.2	228.2
Increase in adjusted income from '15	70.3	41.8
Incremental Income as a % of Sales	30.8%	18.3%
Less: YoY Transactional Foreign Exchange (FX) Impact		(9.7)
Increase in adjusted income from '15 excluding transactional FX impact		32.1
Incremental income excluding transactional FX as a % of Sales		14.1%

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

<i>(Amounts in millions)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
Net Cash Provided by Operating Activities	\$ 116.8	\$ 116.9	\$ 405.4	\$ 400.3
Deductions or Additions to Reconcile to Free Cash Flow:				
Net purchases of property, plant, equipment and computer software	(31.9)	(33.0)	(107.0)	(100.6)
Free Cash Flow	\$ 84.9	\$ 83.9	\$ 298.4	\$ 299.7
Less: Streamlining & separation payments	(10.9)	(8.3)	(33.4)	(25.7)
Less: Indirect tax related payments	-	-	-	(0.3)
Less: Acquisition related receipts/(payments)	4.5	(0.2)	3.4	(0.7)
Performance Free Cash Flow	\$ 91.3	\$ 92.4	\$ 328.4	\$ 326.4

Note: This statement reconciles net cash provided by operating activities to free cash flow. Management believes that presenting free cash flow and performance free cash flow is useful to shareholders because it demonstrates our ability to generate cash and the health of our business. Free cash flow is also one of the several measures used to determine incentive compensation for certain employees.

WABCO HOLDINGS INC. AND SUBSIDIARIES
Reconciliation of GAAP to Non-GAAP Financial Measures for Full Year 2017 Guidance
(Unaudited)

(Amounts in millions, except per share data)

	Full Year 2017 Guidance
<u>Sales</u>	
Reported Sales	\$2,850.0 - \$2,990.0 <i>(1 Euro = 1.06 USD)</i>
<u>Operating Income</u>	
Reported Operating Income Margin	12.7% - 13.1%
Streamlining cost, impact to margin	0.3%
Separation costs, impact to margin	0.1%
Acquisition related items, impact to margin	0.4%
Performance Operating Income Margin	13.5% - 13.9%
<u>Net Income Attributable to Company</u>	
Reported Net Income Attributable to Company	\$280.5 - \$307.3
Streamlining cost	10.0
Separation costs	4.0
Acquisition related items	12.0
Tax items ⁽¹⁾	(9.0)
Performance Net Income Attributable to Company	\$297.5 - \$324.3
Reported Net Income Attributable to Company per Diluted Common Share	\$5.23 - \$5.73
Performance Net Income Attributable to Company per Diluted Common Share	\$5.55 - \$6.05
Diluted common shares outstanding	~ 54

⁽¹⁾ Includes the tax impacts of the above items, calculated based on the statutory tax rates applicable to each adjustment for the jurisdiction from which the adjustment arises.

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.

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