

WABCO



ROBERT W. BAIRD 2012 INDUSTRIAL CONFERENCE



JACQUES ESCULIER
Chairman & Chief Executive Officer
November 6, 2012

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.

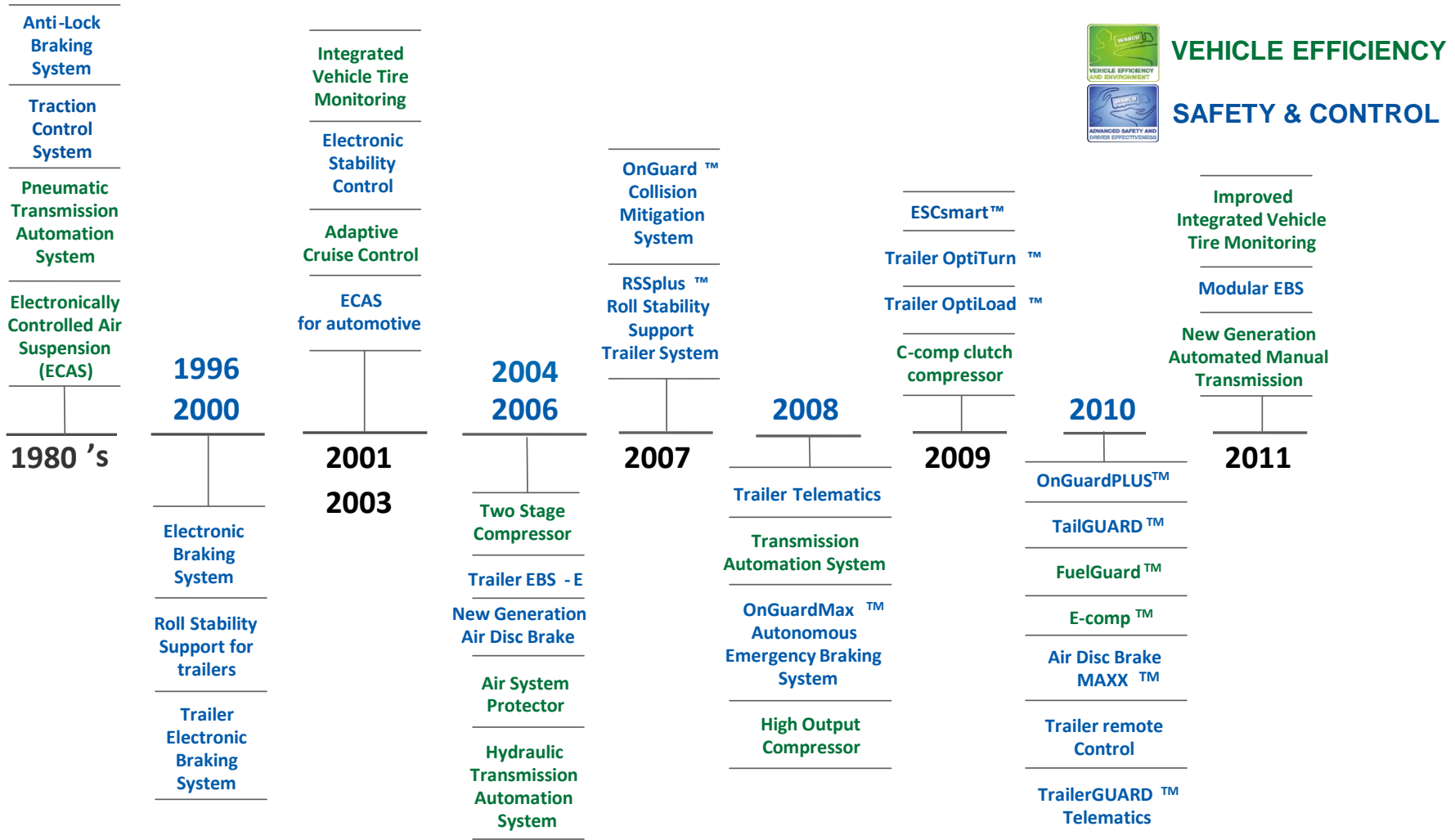
GLOBAL TECHNOLOGY LEADER in commercial vehicle industry

Sales of **\$2.8 BILLION** in 2011

Over **11,000 EMPLOYEES** in 31 countries; **1,600 ENGINEERS**







18 MANUFACTURING LOCATIONS on 4 continents

Listed on NYSE with the stock symbol **WBC**



TRUCK & BUS REGIONAL ATTRIBUTES

\$ Estimated content per vehicle based on total applicable market | \$K Typical heavy truck price in market

<p>NORTH AMERICA <\$1,000 \$80K</p> <ul style="list-style-type: none"> Less advanced technology vs. Western Europe Large OEMs: Daimler, Volvo, PACCAR, ITE Large fleets, able to influence OEM design 	<p>SOUTH AMERICA <\$1,500 \$65K</p> <ul style="list-style-type: none"> Less advanced technology – mostly from Brazil Main OEMs: Daimler, VW, Volvo, Scania 
<p>WESTERN EUROPE >\$3,000 \$130K</p> <ul style="list-style-type: none"> Advanced technology, high electronics penetration 6 OEMs: Daimler, Volvo, MAN, Iveco, PACCAR, Scania Few large, pan European fleets 	<p>JAPAN & KOREA <\$1,000 \$80K</p> <ul style="list-style-type: none"> Technology moving towards Western Europe Main OEMs: Hyundai, Hino, Isuzu, ND Targeting global market 
<p>EASTERN EUROPE <\$500 \$70K</p> <ul style="list-style-type: none"> Expected to Return to Fast growing production in the Future Improving quality and safety Global and local OEMs: KamAZ, MAZ, 	<p>CHINA & INDIA <\$300 \$30K</p> <ul style="list-style-type: none"> Basic technology; advanced technology penetration under 10% of total market Large OEMs: FAW, DFM, CNHTC in China; TATA Motors & Ashok Leyland in India 



- **INNOVATION/TECHNOLOGY LEADERSHIP**
 - Bring value as a development/systems integration partner
 - Integration solutions provider
 - Vehicle efficiency and environment
 - Advanced safety and driver effectiveness



- **GLOBAL CAPABILITY**
 - Connect with customers in every region
 - Leverage global operations/expertise
 - #1 position in all Asia countries, especially in India and China



- **EXCELLENCE IN EXECUTION**
 - Differentiate WABCO through
 - service and quality excellence
 - breakthrough performance in cost-reduction
 - maximum operational efficiency (backbone is Six Sigma Lean)

BRINGING VALUE TO CUSTOMERS

Increasing mobility

Availability of natural resources

Growing need for environmental care

Growing demand for safety and security

Shift of economic power among regions

Truck/Bus-Specific Trends

Fuel Efficiency

Energy Recovery

Weight Reduction



Stability control

Braking systems

Suspension control

ADAS

Local Market Connectivity

- All regions managed by local teams
- Leadership team comprises 10 Nationalities from 4 continents
- #1 Position in all Asia countries notably in China and India
- #1 Position in South America

Local Manufacturing

- 4 factories in China
 - Benchmark Lean processes
- 4 factories in India
 - Multiple Award Winning
- 1 Factory in Brazil
 - Lean transformation under way

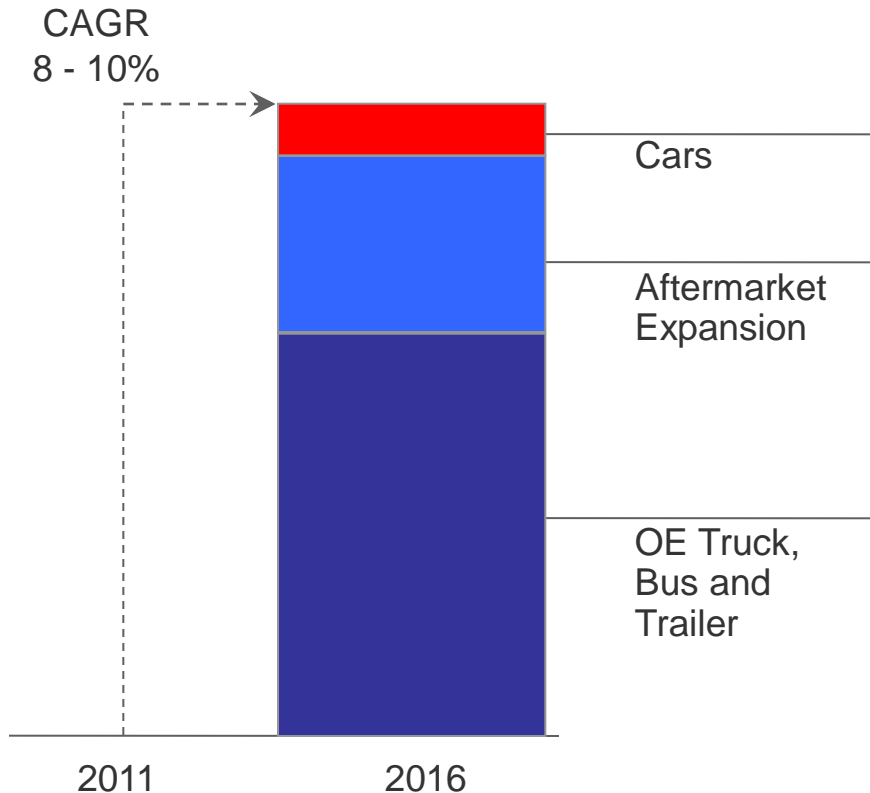
Local Supply Chain

- Local strategic sourcing teams connected to global commodities
- Strong supply base covers core commodities
- Local supplier management
- Leveraging BCC capabilities for global manufacturing network

Product Development

- Hub in India addresses emerging country specificity and conventional product design (150 engineers)
- Software development center in Chennai (85 engineers)
- Test & design center in Poland to support Hanover hub (100 engineers)

ABOVE MARKET SALES GROWTH THROUGH 2016*



OE TRUCK, BUS AND TRAILER

INCREASING VALUE PER VEHICLE

- Air Disc Brakes
- Transmission Automation Controls
- Electronic Stability Control
- Driver Assistance Systems

GLOBALIZATION

- China
- Eastern Europe / Russia
- India

AFTERMARKET EXPANSION

- Enhanced Penetration
- 10% Year-of-year
- WABCO Reman Solutions
- New Product Ranges
- New Services (e.g. Diagnostics, Training)
- East Europe, North America and Asia

AUTOMOTIVE PENETRATION

- Electronic Air Suspension
- Vacuum Pumps

*Assumes commercial vehicle production flat at 2011 levels

FINANCIAL PERFORMANCE Q3 2012

(in \$ Millions except per share data)

	Q3 Reported	Q3 Performance ^{(1),(2)}	Performance vs. 2011 In Local Curr. ⁽⁵⁾	Performance Drivers
Sales	\$588.3	\$588.3	(7.2%)	<ul style="list-style-type: none"> -6% versus Q2 '12 \$1.1B Order Book, Down 5% vs. Q2 '12 Price: (\$4.3) or (0.6%)
Gross Profit	175.2	177.0	(3.5%)	<ul style="list-style-type: none"> Volume & Mix: (\$8.4)
	29.8%	30.1%	+117 bps	<ul style="list-style-type: none"> Productivity:
OPEX & Other	(102.0)	(100.6)	(0.6%)	<ul style="list-style-type: none"> -Materials: \$11.5 (5.3% gross, 4.6% net) -Conversion: \$5.6 (6.1%) -OH absorption & other: (\$8.6)
	(17.3%)	(17.1%)	-133 bps	
Operating Income	73.2	76.4	(8.4%)	<ul style="list-style-type: none"> Labor & other inflation: (\$6.0)
	12.4%	13.0%	-16 bps	<ul style="list-style-type: none"> Lower operating expenses: \$1.3 15.4% operating decremental margin
Equity Income	4.1	4.1		<ul style="list-style-type: none"> Meritor WABCO JV down \$0.4 vs. '11
Noncontrolling Int. Exp.	(2.0)	(2.0)		<ul style="list-style-type: none"> Versus (\$3.1) in Q3 '11
EBIT	\$74.5	\$78.1		<ul style="list-style-type: none"> Separation (\$1.0) vs. (\$0.8) in '11 Streamlining (\$2.6) vs. (\$1.0) in '11
	12.7%	13.3%		
Taxes	(3.3)	11.5		<ul style="list-style-type: none"> FY Performance Tax Rate ~16% ~\$15M Discrete & other tax items
Net Income*	\$77.5	\$66.3		<ul style="list-style-type: none"> Down from \$81.9M in Q3 2011
EPS	\$1.19	\$1.02		<ul style="list-style-type: none"> Versus '11 Reported of \$1.22 and Performance of \$1.19

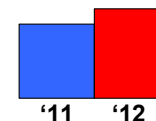
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Refer to Slide #17 for Footnotes

Mitigating Impact of Sales Decline on Margins

MARKET DYNAMICS

Percent of WABCO
Total Q3 Sales



Percent of Q3
Global T&B
Production



61% 60%

Europe

21%

- September HDT registrations down 14%; YTD down 8% compared to 2011
- Q4 OE T&B order book currently down 3% vs. Q3 sales
- 2012 T&B production estimate: Down ~7% to ~10%
- 2013 Initial outlook: Flat to down ~10%; H1 down more than H2 (anticipating pre-buy)

10% 12%

North America

16%

- Sudden reversal of growth trend: Q3 '12 production down 2% vs. last year and down 16% vs. Q2 '12
- Further decline expected in Q4
- 2012 T&B production estimate: Up ~8% to ~11%
- 2013 Initial outlook: Flat to down ~5%

4% 6%

China

33%

- Q3 '12 T&B production 17% below last year and 11% lower than Q2 '12
- Biggest decline in HDT; Long haul more severely impacted than construction
- 2012 T&B production estimate: Down ~21% to ~24%
- 2013 Initial outlook: Flattish

7% 6%

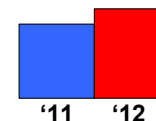
India

12%

- Q3 '12 T&B production 11% below last year and up 8% vs. Q2 '12
- Acceleration in GDP growth and slow down in inflation expected in '13
- 2012 T&B production estimate: Down ~5% to ~8%
- 2013 Initial outlook: Flat to Up ~5%

MARKET DYNAMICS

Percent of WABCO
Total Q3 Sales



Percent of Q3
Global T&B
Production



7% 7% **Japan/Korea** 10%

- Q3 '12 T&B production up 1% vs. last year but 9% below Q2 '12
- 2012 Growth driven by MDT export from Japan
- 2012 T&B production estimate: Up ~15% to ~18%
- 2013 Initial outlook: Down ~3 to ~8%

8% 6% **Brazil** 7%

- Q3 '12 T&B production 32% below last year but up 18% from Q2 '12
- H2 production up 18% vs. H1; production now in line with demand
- 2012 T&B production estimate: Down ~32% to ~35%
- 2013 Initial outlook: Up ~10 to ~15%

23% 26% **Aftermarket**

- Q3 7% Growth helped by European OE field service campaign, replacing a competitor's ADB
- 2012 Outlook: Up ~5%
- 2013 Initial outlook: Up ~5%

10% 9% **Trailer**

- Q3 '12 Production in Europe down 13% from last year and down 11% versus Q2
- 2012 Global trailer production estimate: down ~5 to ~8%
- 2013 Initial global trailer production outlook flattish (WE and NA slightly down)

FY 2012 GUIDANCE

2012 Guidance as of November 2, 2012

Key Inputs

(\$ Millions, except per share data)

	Prior	Updated
Sales Growth ⁽⁴⁾	(2)% - 3% <i>(in local currencies)</i>	(5)% - (4)% <i>(in local currencies)</i>
Reported Sales	\$2,510 – 2,650 <i>1 Euro = 1.27 USD</i>	\$2,450 – 2,475 <i>1 Euro = 1.28 USD</i>
Performance Op Margin ⁽¹⁾	12.8% – 13.8%	13.4% – 13.6%
Performance EPS ⁽²⁾	\$4.30 - \$4.80	\$4.28 - \$4.38
Free Cash Flow Conversion ⁽³⁾	80% - 90% <i>(Excluding Stream. & Separation)</i>	~90% <i>(Excluding Stream. & Separation)</i>

- Full year Euro to USD FX assumption of 1.28 includes Q4 '12 at 1.25
- Initiated \$30M of profit improvement in H2 '12 to mitigate the sales drop from last guidance
- Annual price erosion below 0.8%
- Raw material inflation: below 1.2% of materials cost
- Productivity levels toward upper end of past performance
- Performance tax rate ~16% or better
- ~65.3M average diluted shares

Note: Guidance as announced on November 2, 2012. Inclusion of this information in this presentation is not an update or reaffirmation of those financial assumptions
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New Guidance Reflects Sudden Market Degradation

An industry **GLOBAL** leader

- We continue to be well prepared and sufficiently **FLEXIBLE** to take advantage of the global demand for new commercial vehicles in 2012, while meeting our commitment to long term growth

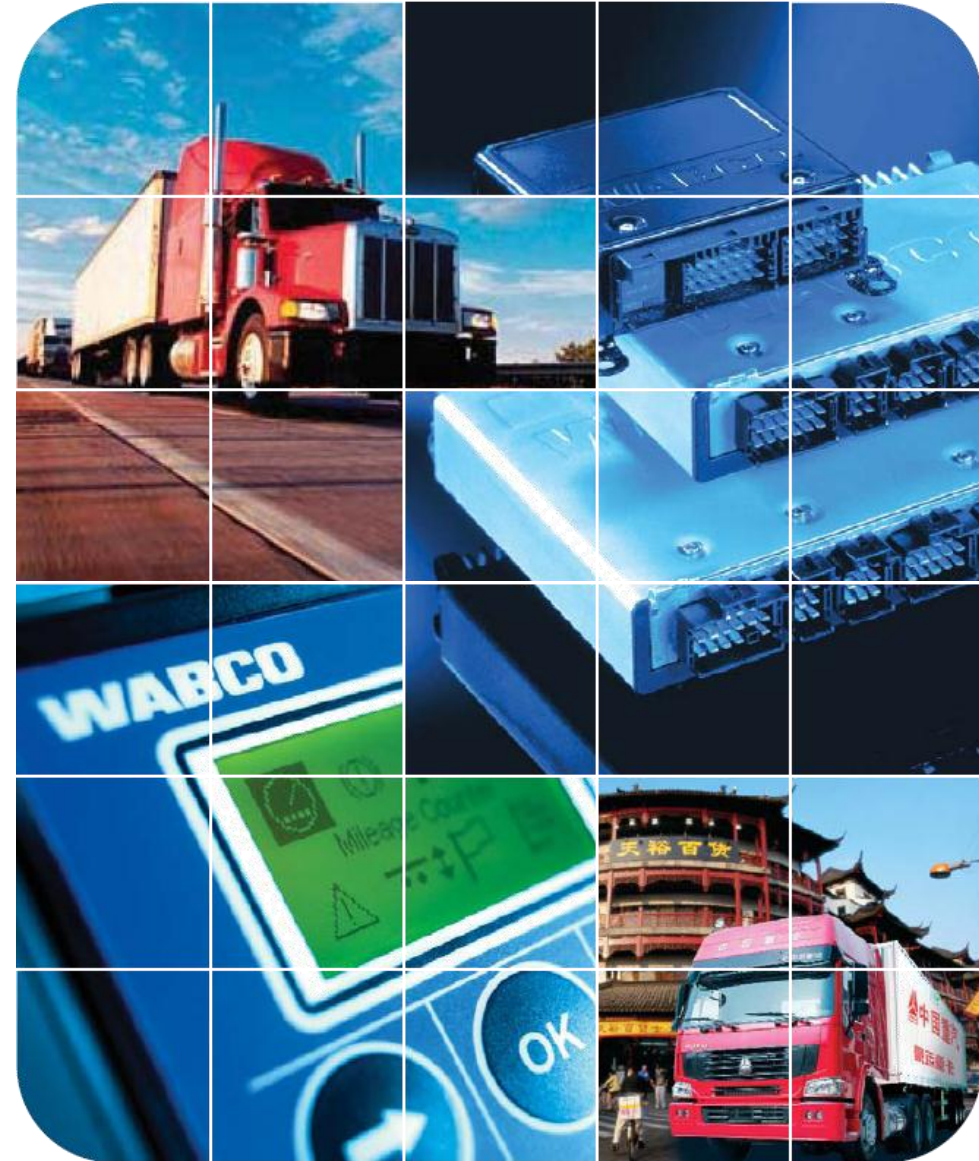
The **TECHNOLOGY** leader

- Continuously adding **BREAKTHROUGHS** to our portfolio of technologies and products for full connectivity to all markets

Advanced **MANAGEMENT ENVIRONMENTS**

- Applied globally, the WABCO Operating System, delivers continuous **OPERATIONAL** improvements

We drive **PERFORMANCE** by connecting with and adapting to **CUSTOMERS** everywhere in the world and continuing to anticipate and satisfy their needs



WABCO

PASSION

APPENDIX

RECONCILIATIONS OF NON-GAAP MEASURES TO GAAP MEASURES

Footnotes, Tables & Definitions

Footnotes

1. Adjusted for streamlining and separation costs
2. Adjusted for streamlining, separation and one-time tax and discrete tax items
3. Net cash provided by operating activities less net purchases of purchases of property, plant, equipment and computer software
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.

(Amounts in millions, except per share data)

	2012	% of Sales/ Adj Sales	Quarter Ended September 30, 2011	% of Sales/ Adj Sales	Chg vs. 2011	% Chg vs. 2011
Sales						
Reported	\$ 588.3		\$ 706.3		\$ (118.0)	-16.7%
Foreign exchange translational effects	66.9		-		66.9	
Adjusted Sales	\$ 655.2		\$ 706.3		\$ (51.1)	-7.2%
Gross Profit						
Reported	\$ 175.2	29.8%	\$ 204.4	28.9%	\$ (29.2)	-14.3%
Streamlining costs	1.6		0.5		1.1	
Separation costs	0.2		0.3		(0.1)	
Performance Gross Profit	\$ 177.0	30.1%	\$ 205.2	29.1%	\$ (28.2)	-13.7%
Foreign exchange translational effects	21.0		-		21.0	
Adjusted Gross Profit	\$ 198.0	30.2%	\$ 205.2	29.1%	\$ (7.2)	-3.5%
Selling, Administrative, Product Engineering Expenses and Other						
Reported	\$ 102.0	17.3%	\$ 112.0	15.9%	\$ (10.0)	-8.9%
Streamlining costs	(1.0)		(0.5)		(0.5)	
Separation costs	(0.4)		(0.8)		0.4	
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 100.6	17.1%	\$ 110.7	15.7%	\$ (10.1)	-9.1%
Foreign exchange translational effects	10.8		-		10.8	
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 111.4	17.0%	\$ 110.7	15.7%	\$ 0.7	0.6%
Operating Income						
Reported	\$ 73.2	12.4%	\$ 92.4	13.1%	\$ (19.2)	-20.8%
Streamlining costs	2.6		1.0		1.6	
Separation costs	0.6		1.1		(0.5)	
Performance Operating Income	\$ 76.4	13.0%	\$ 94.5	13.4%	(18.1)	-19.2%
Foreign exchange translational effects	10.2		-		10.2	
Adjusted Operating Income	\$ 86.6	13.2%	\$ 94.5	13.4%	\$ (7.9)	-8.4%

(Amounts in millions, except per share data)

	2012	% of Sales/ Adj Sales	Quarter Ended September 30, 2011	% of Sales/ Adj Sales	Chg vs. 2011	% Chg vs. 2011
<u>EBIT (Earnings Before Interest and Taxes)</u>						
Reported Operating Income/(Loss)	\$ 73.2		\$ 92.4		\$ (19.2)	
Equity in Income of Unconsolidated Joint Venture	4.1		3.9		0.2	
Other non-operating expenses, net	(0.8)		0.1		(0.9)	
Net income attributable to noncontrolling interest	(2.0)		(3.1)		1.1	
EBIT	\$ 74.5	12.7%	\$ 93.3	13.2%	\$ (18.8)	-20.2%
Streamlining costs	2.6		1.0		1.6	
Separation costs	1.0		0.8		0.2	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 78.1	13.3%	\$ 95.1	13.5%	\$ (17.0)	-17.9%
Foreign exchange translational effects	9.8		-		9.8	
Adjusted EBIT (Earnings Before Interest and Taxes)	\$ 87.9	13.4%	\$ 95.1	13.5%	\$ (7.2)	-7.6%
<u>Pre-Tax Income</u>						
EBIT	\$ 74.5		\$ 93.3		\$ (18.8)	
Interest (expense)/income, net	(0.3)		(0.4)		0.1	
Pre-Tax Income	\$ 74.2		\$ 92.9		\$ (18.7)	
Streamlining costs	2.6		1.0		1.6	
Separation costs	1.0		0.8		0.2	
Performance Pre-Tax Income	\$ 77.8		\$ 94.7		\$ (16.9)	
Tax rate on a performance basis	14.8%		13.5%			
<u>Net Income Attributable to Company</u>						
Reported Net Income Attributable to Company	\$ 77.5		\$ 83.8		\$ (6.3)	
Streamlining cost, net of tax	2.2		0.8		1.4	
Tax items	(14.3)		(3.1)		(11.2)	
Separation costs, net of tax and separation related taxes	0.9		0.4		0.5	
Performance Net Income Attributable to Company	\$ 66.3		\$ 81.9		\$ (15.6)	
Performance Net Income Attributable to Company per Diluted Common Share	\$ 1.02		\$ 1.19			
Common Shares Outstanding - Diluted	64.9		68.7			
<u>Incremental Gross Profit and Operating Income Margin</u>						
Increase in adjusted sales from '11			Gross Profit		Operating Income	
Increase in adjusted income from '11			(51.1)		(51.1)	
Incremental Income as a % of Sales			(7.2)		(7.9)	
			14.1%		15.4%	

WABCO HOLDINGS INC.
Nine Months Ended September 30, 2012 Data Supplement Sheet
(Unaudited)



(Amounts in millions, except per share data)

	Nine Months Ended September 30,					
	2012	% of Sales/ Adj Sales	2011	% of Sales/ Adj Sales	Chg vs. 2011	% Chg vs. 2011
Sales						
Reported	\$ 1,880.8		\$ 2,122.2		\$ (241.4)	-11.4%
Foreign exchange translational effects	160.0		-		160.0	
Adjusted Sales	\$ 2,040.8		\$ 2,122.2		\$ (81.4)	-3.8%
Gross Profit						
Reported	\$ 565.0	30.0%	\$ 618.5	29.1%	\$ (53.5)	-8.6%
Streamlining costs	3.7		1.8		1.9	
Separation costs	0.6		0.8		(0.2)	
Performance Gross Profit	\$ 569.3	30.3%	\$ 621.1	29.3%	\$ (51.8)	-8.3%
Foreign exchange translational effects	51.0		-		51.0	
Adjusted Gross Profit	\$ 620.3	30.4%	\$ 621.1	29.3%	\$ (0.8)	-0.1%
Selling, Administrative, Product Engineering Expenses and Other						
Reported	\$ 309.5	16.5%	\$ 339.0	16.0%	\$ (29.5)	-8.7%
Streamlining costs	(3.9)		(0.5)		(3.4)	
Separation costs	(1.2)		(2.2)		1.0	
UK pension adjustment	4.3		-		4.3	
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 308.7	16.4%	\$ 336.3	15.8%	\$ (27.6)	-8.2%
Foreign exchange translational effects	25.3		-		25.3	
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 334.0	16.4%	\$ 336.3	15.8%	\$ (2.3)	-0.7%
Operating Income						
Reported	\$ 255.5	13.6%	\$ 279.5	13.2%	\$ (24.0)	
Streamlining costs	7.6		2.3		5.3	
Separation costs	1.8		3.0		(1.2)	
UK pension adjustment	(4.3)		-		(4.3)	
Performance Operating Income	\$ 260.6	13.9%	\$ 284.8	13.4%	\$ (24.2)	-8.5%
Foreign exchange translational effects	25.7		-		25.7	
Adjusted Operating Income	\$ 286.3	14.0%	\$ 284.8	13.4%	\$ 1.5	0.5%

WABCO HOLDINGS INC.
 Nine Months Ended September 30, 2012 Data Supplement Sheet
 (Unaudited)



(Amounts in millions, except per share data)

	2012		Nine Months Ended September 30,		Chg vs. 2011	% Chg vs. 2011
			2011	% of Sales/ Adj Sales		
<u>EBIT (Earnings Before Interest and Taxes)</u>						
Reported Operating Income	\$	255.5	\$	279.5	\$	(24.0)
Equity in Income of Unconsolidated Joint Venture	\$	13.8		12.4		1.4
Other non-operating expenses, net	\$	(2.0)		(1.7)		(0.3)
Indemnification and Other settlements	\$	-		23.1		(23.1)
Net income attributable to noncontrolling interest	\$	(8.1)		(8.0)		(0.1)
EBIT	\$	259.2	13.8%	\$ 305.3	14.4%	\$ (46.1)
Streamlining costs		7.6		2.3		5.3
Separation costs		3.0		(19.5)		22.5
UK pension adjustment		(4.3)		-		(4.3)
Performance EBIT (Earnings Before Interest and Taxes)	\$	265.5	14.1%	\$ 288.1	13.6%	\$ (22.6)
Foreign exchange translational effects		24.5		-		24.5
Adjusted EBIT (Earnings Before Interest and Taxes)	\$	290.0	14.2%	\$ 288.1	13.6%	\$ 1.9
<u>Pre-Tax Income/(Loss)</u>						
EBIT	\$	259.2		305.3		(46.1)
Interest expense, net		(1.2)		(1.6)		0.4
Pre-Tax Income/(Loss)	\$	258.0		\$ 303.7		\$ (45.7)
Streamlining costs		7.6		2.3		5.3
Separation costs		3.0		(19.5)		22.5
UK pension adjustment		(4.3)		-		(4.3)
Performance Pre-Tax Income	\$	264.3		\$ 286.5		\$ (22.2)
Tax rate on a performance basis		16.0%		15.0%		
<u>Net Income Attributable to Company</u>						
Reported Net Income Attributable to Company	\$	242.3		287.1		(44.8)
Streamlining cost, net of tax		6.5		2.3		4.2
Tax items		(26.0)		(23.9)		(2.1)
Separation costs, net of tax and separation related taxes		2.4		(20.5)		22.9
UK pension adjustment, net of tax		(3.2)		-		(3.2)
Performance Net Income	\$	222.0		\$ 245.0		\$ (23.0)
Performance Net Income per Diluted Common Share	\$	3.38		\$ 3.53		
Common Shares Outstanding - Diluted		65.6		69.5		

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)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Net Cash Provided by Operating Activities	\$ 112.6	\$ 103.8	\$ 282.1	\$ 246.0
Deductions or Additions to Reconcile to Free Cash Flow:				
Net purchases of property, plant, equipment and computer software	<u>(26.7)</u>	<u>(29.1)</u>	<u>(67.3)</u>	<u>(65.6)</u>
Free Cash Flow	<u>\$ 85.9</u>	<u>\$ 74.7</u>	<u>\$ 214.8</u>	<u>\$ 180.4</u>
Less: Streamlining & separation payments	<u>\$ (4.3)</u>	<u>\$ (4.3)</u>	<u>\$ (10.7)</u>	<u>\$ (9.0)</u>
Free Cash Flow excluding streamlining & separation payments	<u>\$ 90.2</u>	<u>\$ 79.0</u>	<u>\$ 225.5</u>	<u>\$ 189.4</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)

	Previous Full Year 2012 Guidance	Updated Full Year 2012 Guidance
<u>Operating Income</u>		
Reported Operating Income Margin	12.5% - 13.5%	13.1% - 13.3%
Streamlining cost, impact to margin	0.4%	0.4%
Separation costs, impact to margin	0.1%	0.1%
UK pension adjustment, impact to margin	(0.2%)	(0.2%)
Performance Operating Income Margin	12.8% - 13.8%	13.4% - 13.6%
<u>Net Income Attributable to Company</u>		
Reported Net Income Attributable to Company	\$289.4 - \$322.1	\$296.3 - \$302.8
Streamlining cost, net of tax	8.0	9.4
Tax items	(15.6)	(26.2)
Separation costs, net of tax and separation related taxes	3.1	3.2
UK pension adjustment, net of tax	(3.2)	(3.2)
Performance Net Income Attributable to Company	\$281.7 - \$314.4	\$279.5 - \$286.0
Reported Net Income Attributable to Company per Diluted Common Share	\$4.42 - \$4.92	\$4.54 - \$4.64
Performance Net Income Attributable to Company per Diluted Common Share	\$4.30 - \$4.80	\$4.28 - \$4.38
Diluted common shares outstanding	~65.5	~65.3

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.