

Q3 2015 EARNINGS RELEASE October 22, 2015



JACQUES ESCULIER

Chairman & Chief Executive Officer

PRASHANTH MAHENDRA-RAJAH

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-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. 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, acquisition related costs, discrete and one-time tax items, and other items that may mask the underlying operating results of the company, as applicable. Performance Free cash flow presents our net cash provided by operating activities less net purchases of property, plant, equipment and computer software and excluding streamlining, separation, indirect tax and acquisition related payments. 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.

Q3 Performance Summary

Third Quarter 2015

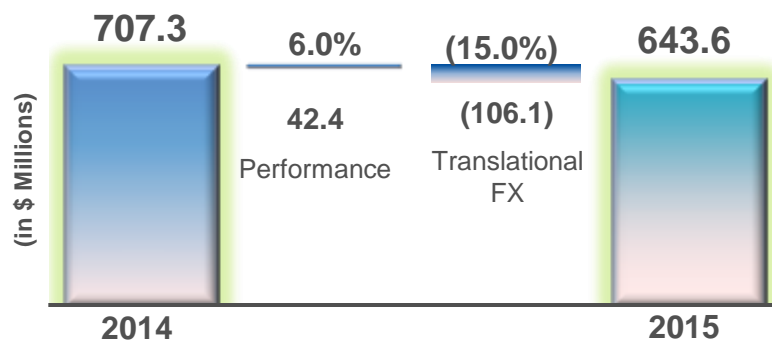
- Sales of \$643.6M; Up 6.0% in local currencies or down 9.0% reported
- Performance gross profit margin⁽¹⁾ at 31.0% vs 31.2% in Q3'14; Reported gross profit margin of 25.6% vs. 31.1% in Q3'14
- Performance operating income⁽¹⁾ margin of 12.7% vs. 13.4% in Q3'14; Reported operating income margin of 4.6% vs. 12.4% in Q3'14
- Performance EPS⁽²⁾ of \$1.39 vs. \$1.44 in Q3'14; Reported EPS of \$0.67 vs. \$1.37 in Q3'14
- Performance Free Cash Flow⁽⁷⁾ of \$98.3M in the Quarter representing 122% conversion or 93% year to date
- Returned \$62M cash to shareholders; Repurchased 528k shares
- Updates full year 2015 guidance

Another strong market outperformance with robust Free Cash Flow

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Q3 '15 Sales Performance & Market Trends

Q3 '15 Sales Bridge



Q3 '15 YoY Sales Growth ⁽⁴⁾ By Channel

OE	4%	<ul style="list-style-type: none"> OE T&B market down by 7% YoY Increased content per vehicle
Aftermarket	5%	<ul style="list-style-type: none"> Strong performance in Eastern Europe and South America (excl. Brazil) Market headwinds from Brazil, China and Korea
Sales to JVs	24%	<ul style="list-style-type: none"> Higher T&B and Trailer content per vehicle Positive vehicle mix in US

Q3 '15 YoY Truck&Bus Sales Growth⁽⁴⁾ vs. Estimated Production Growth By Region

	WABCO	Estimated Production	Comments
Europe	9%	3%	• Europe: Favorable regional mix, increased content per vehicle with AEBS
North America	18%	2%	• N. America: Higher content per vehicle from OnGuard™ and AMT
South America	(50)%	(50)%	• S.America: Mitigating the dramatic drop in demand
Japan/Thailand/Korea	(11)%	(4)%	• Korea: demand still impacted by lower exports to Russia and phase-out of wedge brake technology
China	(5)%	(22)%	• China: Increased penetration ABS & SOM gain in ADB, compressors and EBS
India	36%	33%	• India: Industry pre-buy ahead of ABS mandate

Continued outperformance in volatile global market down 7%

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Financial Performance Q3 2015

(in \$ Millions except per share data)

Profit and Loss Statement Highlights

	Q3 Reported	(1),(2) Q3 Performance	(5) Performance vs 2014 in local curr.	Performance Drivers
Sales	\$643.6	\$643.6	6.0%	<ul style="list-style-type: none"> Sales down (2.7%) vs. Q2'15 - order book (1.4%) vs. Jun'15 Price erosion \$(11.7) or (1.5)%
Gross Profit	164.6 25.6%	199.2 31.0%	5.0% (30) bps	<ul style="list-style-type: none"> Volume, mix and absorption \$10.9 Materials productivity \$10.7 (4.6% gross, 4.1% net) Conversion productivity \$7.1 (6.3%)
OPEX & Other	(134.7) (20.9%)	(117.7) (18.3%)	9.4% 56 bps	<ul style="list-style-type: none"> Labor inflation \$(8.0) Net R&D and other investments \$(4.2) Pension and others \$(7.0) Transactional FX favorably impacts Op Income \$0.6
Operating Income	29.9 4.6%	81.5 12.7%	(0.8)% (86) Bps	
Equity Income Non-controlling Int. Exp.	9.5 (2.5)	9.5 (2.5)		<ul style="list-style-type: none"> Equity Income up from \$6.3 in Q3'14 Non-controlling Interest flat vs. Q3'14
EBIT	\$36.5 5.7%	\$88.4 13.7%		<ul style="list-style-type: none"> Streamlining \$(47.9) vs. \$(3.2) in Q3'14 Separation & other perf. adj. (\$4.0) vs. \$(3.1) Q3'14
Taxes	5.2	(5.0)		<ul style="list-style-type: none"> Full year performance tax rate adjusted to ~11.8%
Net Income*	\$38.8	\$80.5		<ul style="list-style-type: none"> Performance Net Income down from \$86.5 in Q3'14
EPS	\$0.67	\$1.39		<ul style="list-style-type: none"> Reported EPS of \$1.37 and Performance EPS of \$1.44 in Q3'14

Refer to Slide #13 for Footnotes

Taken proactive steps to sustain future competitiveness

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Cash Flow Summary Q3 2015

(in \$ Millions)	Free Cash Flow
Cash Provided by Operating Activities:	
• Net Income including non-controlling interest	41.3
• Depreciation & amortization	25.2
• Working capital	(3.0)
• Changes in other assets & liabilities	49.9
Net Cash Provided by Operating Activities	113.4
Purchases of PP&E, Tooling & Computer Software	(24.1)
Free Cash Flow⁽³⁾ reported	89.3
• <i>Streamlining, separation, indirect tax-related & acquisition payments</i>	<i>(9.0)</i>
Performance Free Cash Flow⁽⁷⁾	98.3

- Proactive focus on China and Brazil receivables
- Accrued \$43m related to European manufacturing streamlining
- Repurchased 528k shares in Q3 at a cost of \$62M

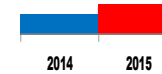
YTD 93% Conversion of Performance Net Income into Free Cash Flow⁽⁷⁾



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Market Dynamics


% of WABCO Sales

Q3 '15 Global T&B Production




56% 55% **21%** Europe  


- August YTD new registrations of heavy trucks up 20% vs. 2014; FY expected to be up 15%
- Q3 T&B production up 3% vs. 2014 and down 6% vs. Q2 2015
- **2015 T&B production outlook up +3 to +7%**
- **2016 initial production outlook flat to +5%**

15% 18% **22%** North America 

- Production up 2% in Q3 vs. 2014 and down 5% vs. Q2 2015
- Build up of inventory at dealers
- **2015 T&B production outlook up +5 to +10% of which class 8 is expected to grow double-digit**
- **2016 initial outlook -3 to -8%**

7% 8% **29%** China 

- Q3 '15 production down 22% YoY and down 15% vs. Q2 '15
- **2015 T&B production outlook down -22% to -27% with H1 stronger than H2**
- **2016 initial outlook flat to +5%**

5% 7% **14%** India 

- Q3 '15 T&B production up 33% YoY and up 12% vs. Q2 '15 driven by pre-buy effect for introduction of ABS regulation from Q4 2015 and continuous strong economic growth
- **2015 T&B production outlook up +20 to +25%**
- **2016 initial outlook +5 to +10%**

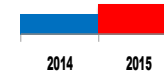
Uncertainty in markets prevails

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Market Dynamics

% of WABCO Sales

Q3 '15 Global T&B Production



Japan & Korea

7% 6% 11%



- Q3'15 T&B production down 4% YoY and up 5% vs. Q2'15
- Japan down 11% in Q3 '15 due to lower export demand in ASEAN region
- **2015 T&B production outlook (incl. Thailand) down -2 to -7%**
- **2016 initial outlook flattish**

Brazil

7% 3% 4%



- Q3'15 T&B production down -50% YoY and down -11% vs. Q2 '15 impacted by continued weak economic environment
- Economical and political situation worsening
- **2015 T&B production outlook down -40 to -45%**
- **2016 initial outlook flattish**

Aftermarket

26% 26%



- **2015 outlook up ~ 6%**
- Strong IAM growth globally except Brazil
- Brazilian economy dampening sales growth
- **2016 initial outlook ~ 7%**

Trailer

10% 10%



- Q3 '15 Global production down 9% YoY and down -5% vs. Q2 '15; driven by Brazil down -40% and Eastern Europe down -28%
- **2015 global production outlook down -2 to -7% with negative impact from Brazil, China and Eastern Europe**
- **2016 initial outlook flattish production**

Uncertainty in markets prevails

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Focusing on Core Strategies

Globalization

- **New Long-Term Agreement With One of Russia's Largest Heavy-Duty Commercial Vehicle Makers:** Further expansion of partnership as major supplier for comprehensive range of advanced and conventional technologies in braking systems and stability controls, among other products.
- **New Facility in Chennai, India Expands Software Engineering and Global Shared Services Capabilities:** Supports global product design and development of advanced technologies and helps to continuously improve cost effectiveness and efficiency of business operations worldwide.

New Technologies & Products

- **Thomas Built Buses, World's Leading School Bus Manufacturer, First to Factory-Install SmartTrac™ Electronic Stability Control:** Further safety on Saf-T-Liner® C2 school buses.
- **GAZ Group, Russia's Largest Maker of Commercial Vehicles, Adopts Industry-Leading MAXX™ Air Disc Brakes on New Truck Platforms:** Represents additional major supply contract.
- **Transics Equips Hödlmayr International With Advanced Fleet Management Solutions:** Entire fleet of over 600 auto transport vehicles operating in Western and Eastern Europe to be upgraded.
- **OnGuard™ Collision Mitigation System (CMS) Now Available on Freightliner Medium-Duty Trucks:** Another "industry first" for North America's leading CMS, currently serving over 200 fleets.

Execution

- **Tata Motors Recognizes WABCO India With 'The Supplier of the Year' Award, Its Top Honor**
- **Wabash National, the Leading U.S. Manufacturer of Semi-Trailers, Grants '2015 Platinum Supplier' Award:** One of two suppliers to win this award six times, most of any Wabash supplier.
- **WABCO Operating System Continues to Deliver Strong Results in Q3 2015:**
 - Delivered \$17.8 million gain in materials and conversion productivity, another robust result
 - Generated gross materials productivity of 4.6% while also delivering conversion productivity of 6.3% in our factories, a continued robust result

Continued success in executing core strategies

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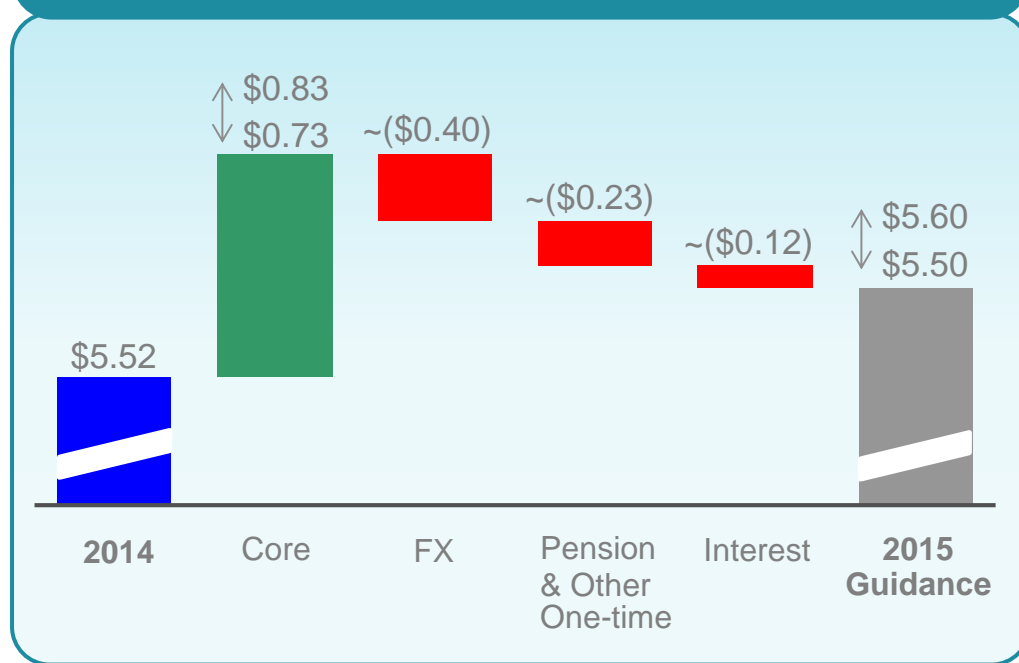
FY 2015 Guidance

(\$ Millions, except per share data)

Guidance as of Oct 22, 2015

	Prior	Updated
Sales Growth (4)	6% - 9% (in local currencies)	5.5% - 6.5% (in local currencies)
Reported Sales	\$2,620 - \$2,700 1 Euro = 1.10 USD	\$2,605 - \$2,635 1 Euro = 1.12 USD
Performance Op Margin (1)	14.0% - 14.5%	13.4% - 13.7%
Performance EPS (2)	\$5.60 - \$5.85	\$5.50 - \$5.60
Performance Free Cash Flow (7)	80% - 90% Conversion rate	> 85% Conversion rate

2015 Performance EPS⁽²⁾ Guidance Range



- Annual price erosion: 1.3% to 1.5%
- Raw material inflation: ~1.0% of material costs
- Productivity levels in line with past performance

- Positive \$25 to \$30M transactional FX vs. '14 rates, partially mitigating negative translational FX impact
- Performance tax rate ~12%
- Average diluted shares ~58M

Operating system delivers amid non-operating headwinds

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Summary

- During Q3'15, delivered continued and robust outperformance in a highly volatile and declining global market
- WABCO Operating System continues to propel productivity gains and ensure agility across the global supply chain
- Generated \$98.3M of Performance Free Cash Flow⁽⁷⁾ leading to 93% YTD-conversion of Performance Net Income into Free Cash Flow⁽⁷⁾
- Updated Full Year 2015 Guidance integrating further and faster market changes
- Share buy-back program continues to return value to shareholders

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 and indirect tax related costs
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 unrelated to the company's current business operations.

WABCO HOLDINGS INC. AND SUBSIDIARIES
Three months ended September 30, 2015 Data Supplement Sheet (Unaudited)

	Three Months Ended September 30,					
	2015	% of Sales/ Adj Sales	2014	% of Sales/ Adj Sales	Chg vs. 2014	% Chg vs. 2014
(Amounts in millions, except per share data)						
Sales						
Reported	\$ 643.6		\$ 707.3		\$ (63.7)	-9.0%
Foreign exchange translational effects	106.1		-		106.1	
Adjusted Sales	\$ 749.7		\$ 707.3		\$ 42.4	6.0%
Gross Profit						
Reported	\$ 164.6	25.6%	\$ 220.0	31.1%	\$ (55.4)	-25.2%
Streamlining costs	34.4		0.3		34.1	
Separation costs	0.2		0.1		0.1	
Performance Gross Profit	\$ 199.2	31.0%	\$ 220.4	31.2%	\$ (21.2)	-9.6%
Foreign exchange translational effects	32.2		-		32.2	
Adjusted Gross Profit	\$ 231.4	30.9%	\$ 220.4	31.2%	\$ 11.0	5.0%
Selling, Administrative, Product Engineering Expenses and Other						
Reported	\$ 134.7	20.9%	\$ 132.3	18.7%	\$ 2.4	1.8%
Streamlining costs	(13.5)		(2.9)		(10.6)	
Separation costs	(1.3)		(1.3)		-	
Acquisition related costs	(2.2)		(2.5)		0.3	
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 117.7	18.3%	\$ 125.6	17.8%	\$ (7.9)	-6.3%
Foreign exchange translational effects	19.7		-		19.7	
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 137.4	18.3%	\$ 125.6	17.8%	\$ 11.8	9.4%
Operating Income						
Reported	\$ 29.9	4.6%	\$ 87.7	12.4%	\$ (57.8)	-65.9%
Streamlining costs	47.9		3.2		44.7	
Separation costs	1.5		1.4		0.1	
Acquisition related costs	2.2		2.5		(0.3)	
Performance Operating Income	\$ 81.5	12.7%	\$ 94.8	13.4%	\$ (13.3)	-14.0%
Foreign exchange translational effects	12.5		-		12.5	
Adjusted Operating Income	\$ 94.0	12.5%	\$ 94.8	13.4%	\$ (0.8)	-0.8%

WABCO HOLDINGS INC. AND SUBSIDIARIES
Three months ended September 30, 2015 Data Supplement Sheet (Unaudited)

	Three Months Ended September 30,					
	2015	% of Sales/ Adj Sales	2014	% of Sales/ Adj Sales	Chg vs. 2014	% Chg vs. 2014
(Amounts in millions, except per share data)						
EBIT (Earnings Before Interest and Taxes)						
Reported Net Income Attributable to Company	\$ 38.8		\$ 82.0		\$ (43.2)	-52.7%
Income tax (benefit)/expense	(5.2)		9.5		(14.7)	
Interest expense, net	(2.9)		(0.1)		(2.8)	
EBIT	\$ 36.5	5.7%	\$ 91.6	13.0%	\$ (55.1)	-60.2%
Streamlining costs	47.9		3.2		44.7	
Separation costs	1.8		0.5		1.3	
Acquisition related costs	2.2		2.6		(0.4)	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 88.4	13.7%	\$ 97.9	13.8%	\$ (9.5)	-9.7%
Pre-Tax Income						
EBIT	\$ 36.5		\$ 91.6		\$ (55.1)	
Interest expense, net	(2.9)		(0.1)		(2.8)	
Pre-Tax Income	\$ 33.6		\$ 91.5		\$ (57.9)	
Streamlining costs	47.9		3.2		44.7	
Separation costs	1.8		0.5		1.3	
Acquisition related costs	2.2		2.6		(0.4)	
Performance Pre-Tax Income	\$ 85.5		\$ 97.8		\$ (12.3)	
Tax rate on a performance basis	5.8%		11.6%			
Net Income Attributable to Company						
Reported Net Income Attributable to Company	\$ 38.8		\$ 82.0		\$ (43.2)	
Streamlining cost, net of tax	37.6		2.4		35.2	
Separation costs, net of tax	1.3		0.1		1.2	
Acquisition related costs, net of tax	1.5		1.8		(0.3)	
Tax items	1.3		0.2		1.1	
Performance Net Income Attributable to Company	\$ 80.5		\$ 86.5		\$ (6.0)	
Performance Net Income Attributable to Company per Diluted Common Share	\$ 1.39		\$ 1.44			
Common Shares Outstanding - Diluted	58.0		60.0			

Incremental Gross Profit and Operating Income Margin	Gross Profit	Operating Income
Increase in adjusted sales from '14	42.4	42.4
Increase in adjusted income from '14	11.0	(0.8)
Incremental Income as a % of Sales	25.9%	-1.9%
YoY Transactional Foreign Exchange (FX) Impact		(0.6)
Increase in adjusted income from '14 excluding transactional FX impact		(1.4)
Incremental income excluding transactional FX as a % of Sales		-3.3%

WABCO HOLDINGS INC. AND SUBSIDIARIES
Nine months ended September 30, 2015 Data Supplement Sheet (Unaudited)

	Nine Months Ended September 30,					
	2015	% of Sales/ Adj Sales	2014	% of Sales/ Adj Sales	Chg vs. 2014	% Chg vs. 2014
(Amounts in millions, except per share data)						
<u>Sales</u>						
Reported	\$ 1,956.9		\$ 2,171.8		\$ (214.9)	-9.9%
Foreign exchange translational effects	332.5		-		332.5	
Adjusted Sales	\$ 2,289.4		\$ 2,171.8		\$ 117.6	5.4%
<u>Gross Profit</u>						
Reported	\$ 585.7	29.9%	\$ 667.5	30.7%	\$ (81.8)	-12.3%
Streamlining costs	37.3		5.6		31.7	
Separation costs	0.6		0.5		0.1	
Performance Gross Profit	\$ 623.6	31.9%	\$ 673.6	31.0%	\$ (50.0)	-7.4%
Foreign exchange translational effects	110.0		-		110.0	
Adjusted Gross Profit	\$ 733.6	32.0%	\$ 673.6	31.0%	\$ 60.0	8.9%
<u>Selling, Administrative, Product Engineering Expenses and Other</u>						
Reported	\$ 389.7	19.9%	\$ 405.2	18.7%	\$ (15.5)	-3.8%
Streamlining costs	(20.0)		(5.2)		(14.8)	
Separation costs	(3.0)		(3.0)		-	
Indirect tax related costs	(2.8)		-		(2.8)	
Acquisition related costs	(6.9)		(6.3)		(0.6)	
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 357.0	18.2%	\$ 390.7	18.0%	\$ (33.7)	-8.6%
Foreign exchange translational effects	63.8		-		63.8	
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 420.8	18.4%	\$ 390.7	18.0%	\$ 30.1	7.7%
<u>Operating Income</u>						
Reported	\$ 196.0	10.0%	\$ 262.3	12.1%	\$ (66.3)	-25.3%
Streamlining costs	57.3		10.8		46.5	
Separation costs	3.6		3.5		0.1	
Indirect tax related costs	2.8		-		2.8	
Acquisition related costs	6.9		6.3		0.6	
Performance Operating Income	\$ 266.6	13.6%	\$ 282.9	13.0%	\$ (16.3)	-5.8%
Foreign exchange translational effects	46.2		-		46.2	
Adjusted Operating Income	\$ 312.8	13.7%	\$ 282.9	13.0%	\$ 29.9	10.6%

WABCO HOLDINGS INC. AND SUBSIDIARIES
Nine months ended September 30, 2015 Data Supplement Sheet (Unaudited)

	Nine Months Ended September 30,					
	2015	% of Sales/ Adj Sales	2014	% of Sales/ Adj Sales	Chg vs. 2014	% Chg vs. 2014
(Amounts in millions, except per share data)						
EBIT (Earnings Before Interest and Taxes)						
Reported Net Income Attributable to Company	\$ 176.5		\$ 226.4		\$ (49.9)	-22.0%
Income tax expense	31.8		43.3		(11.5)	
Interest (expense)/income, net	(4.5)		0.1		(4.6)	
EBIT	\$ 212.8	10.9%	\$ 269.6	12.4%	\$ (56.8)	-21.1%
Streamlining costs	57.3		10.8		46.5	
Separation costs	2.9		3.3		(0.4)	
Indirect tax related costs	2.8		-		2.8	
Acquisition related costs	6.9		8.0		(1.1)	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 282.7	14.4%	\$ 291.7	13.4%	\$ (9.0)	-3.1%
Pre-Tax Income						
EBIT	\$ 212.8		\$ 269.6		\$ (56.8)	
Interest (expense)/income, net	(4.5)		0.1		(4.6)	
Pre-Tax Income	\$ 208.3		\$ 269.7		\$ (61.4)	
Streamlining costs	57.3		10.8		46.5	
Separation costs	2.9		3.3		(0.4)	
Indirect tax related costs	2.8		-		2.8	
Acquisition related costs	6.9		8.0		(1.1)	
Performance Pre-Tax Income	\$ 278.2		\$ 291.8		\$ (13.6)	
Tax rate on a performance basis	11.8%		13.5%			
Net Income Attributable to Company						
Reported Net Income Attributable to Company	\$ 176.5		\$ 226.4		\$ (49.9)	
Streamlining cost, net of tax	44.7		7.1		37.6	
Separation costs, net of tax	1.8		2.4		(0.6)	
Indirect tax related costs, net of tax	1.9		-		1.9	
Acquisition related costs, net of tax	4.5		5.5		(1.0)	
Tax items	15.9		11.0		4.9	
Performance Net Income Attributable to Company	\$ 245.3		\$ 252.4		\$ (7.1)	
Performance Net Income Attributable to Company per Diluted Common Share	\$ 4.20		\$ 4.14			
Common Shares Outstanding - Diluted	58.5		61.0			

Incremental Gross Profit and Operating Income Margin	Gross Profit	Operating Income
Increase in adjusted sales from '14	117.6	117.6
Increase in adjusted income from '14	60.0	29.9
Incremental Income as a % of Sales	51.0%	25.4%
YoY Transactional Foreign Exchange (FX) Impact		(14.9)
Increase in adjusted income from '14 excluding transactional FX impact		15.0
Incremental income excluding transactional FX as a % of Sales		12.8%

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

<i>(Amounts in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net Cash Provided by Operating Activities	\$ 113.4	\$ 48.0	\$ 278.4	\$ 210.8
Deductions or Additions to Reconcile to Free Cash Flow:				
Net purchases of property, plant, equipment and computer software	(24.1)	(38.3)	(67.6)	(89.3)
Free Cash Flow	\$ 89.3	\$ 9.7	\$ 210.8	\$ 121.5
Less: Streamlining & separation payments	(8.7)	(5.8)	(17.4)	(14.5)
Less: A/R securitization related payments	-	(73.5)	-	(73.5)
Less: Indirect tax related payments	(0.2)	-	(0.3)	-
Less: Acquisition related payments	(0.1)	(0.3)	(0.5)	(1.4)
Performance Free Cash Flow	\$ 98.3	\$ 89.3	\$ 229.0	\$ 210.9

Note: This statement reconciles net cash provided by operating activities to performance free cash flow. Management uses performance free cash flow, which is not defined by US GAAP, to measure the Company's operating performance. Performance 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 2015 Guidance
(Unaudited)

(Amounts in millions, except per share data)

	Full Year 2015 Guidance
<u>Operating Income</u>	
Reported Operating Income Margin	10.4% - 10.7%
Streamlining cost, impact to margin	2.4%
Separation costs, impact to margin	0.2%
Indirect tax related costs, impact to margin	0.1%
Acquisition related items, impact to margin	0.3%
Performance Operating Income Margin	13.4% - 13.7%
<u>Net Income Attributable to Company</u>	
Reported Net Income Attributable to Company	\$238.9 - \$244.7
Streamlining cost, net of tax	49.6
Separation costs, net of tax	2.8
Indirect tax related costs, net of tax	1.9
Acquisition related items, net of tax	5.9
Tax items	19.9
Performance Net Income Attributable to Company	\$319.0 - \$324.8
Reported Net Income Attributable to Company per Diluted Common Share	\$4.12 - \$4.22
Performance Net Income Attributable to Company per Diluted Common Share	\$5.50 - \$5.60
Diluted common shares outstanding	~ 58

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.



A WORLD OF DIFFERENCE