

Q2 2015 EARNINGS RELEASE July 24, 2015



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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. 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.

Q2 Performance Summary

Second Quarter 2015

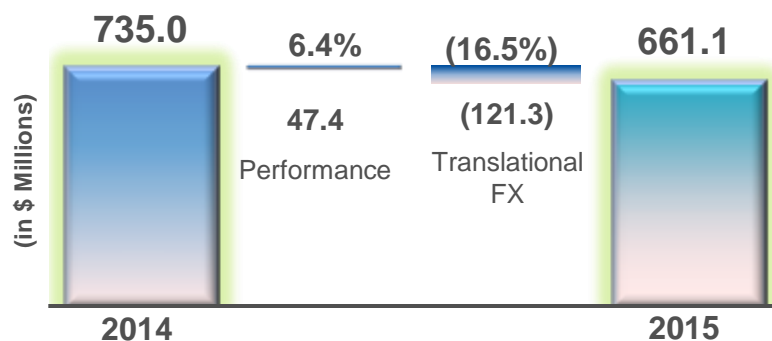
- Sales of \$661.1M; Up 6.4% in local currencies or down 10.1% reported
- Performance gross profit margin⁽¹⁾ at 31.6% vs 31.6% in Q2'14; Reported gross profit margin of 31.4% vs. 31.3% in Q2'14
- Performance operating income⁽¹⁾ margin of 13.9% vs. 13.4% in Q2'14; Reported operating income margin of 12.2% vs. 12.3% in Q2'14
- Performance EPS⁽²⁾ of \$1.40 vs. \$1.42 in '14; Reported EPS of \$1.12 vs. \$1.23 in '14
- Free Cash Flow⁽³⁾ of \$56.1M excluding streamlining, separation and acquisition payments in the Quarter
- Returned \$63M cash to shareholders; Repurchased 501k shares
- Updates full year 2015 guidance

Solid execution amid currently weakening global market & adverse FX

WABCO

Q2 '15 Sales Performance & Market Trends

Q2 '15 Sales Bridge



Q2 '15 YoY Sales Growth ⁽⁴⁾ By Channel

OE	4%	<ul style="list-style-type: none"> OE T&B market down by 10% YoY Increased content per vehicle
Aftermarket	7%	<ul style="list-style-type: none"> Transics growth of 12% Strong performance in Asia, MEA and the European IAM channel Market headwinds from Russia and Brazil
Sales to JVs	23%	<ul style="list-style-type: none"> Strong market growth in US Higher T&B and Trailer content per vehicle

Q2 '15 YoY Truck&Bus Sales Growth⁽⁴⁾ vs. Estimated Production Growth By Region

	WABCO	Estimated Production	Comments
Europe	9%	2%	• Europe: Favorable regional mix, increased content per vehicle
North America	20%	11%	• N.America: Higher content per vehicle from OnGuard™ and AMT
South America	(35)%	(40)%	• S.America: Further weakening of economic environment
Japan/Thailand/ Korea	(7)%	(5)%	• Korea: demand impacted by lower exports to Russia
China	(2)%	(27)%	• China: Increased penetration ABS & SOM gain in ADB, compressors and EBS
India	20%	20%	• India: added content per vehicle offset by unfavorable vehicle mix YoY

Continued outperformance in volatile global market down 10%

WABCO

Financial Performance Q2 2015

(in \$ Millions except per share data)

Profit and Loss Statement Highlights

	Q2 Reported	(1),(2) Q2 Performance	(5) Performance vs 2014 in local curr.	Performance Drivers
Sales	\$661.1	\$661.1	6.4%	<ul style="list-style-type: none"> • Sales up 2.9% vs. Q1'15 - order book +1% vs. Mar'15 • Price erosion \$(11.6) or (1.5)%
Gross Profit	207.5 31.4%	208.7 31.6%	7.0% 17 bps	<ul style="list-style-type: none"> • Volume, mix and absorption \$12.8 • Materials productivity \$10.7 (5.5% gross. 4.4% net) • Conversion productivity \$7.2 (6.5%) • Labor inflation \$(8.2) • Net investments in R&D and others \$(3.0) • Pension \$(4.4) • Opex savings \$4.8 • Transactional FX favorably impacts Op Income \$3.3
OPEX & Other	(126.9) (19.2%)	(117.1) (17.7%)	4.4% (35) bps	
Operating Income	80.6 12.2%	91.6 13.9%	10.6% 52 bps	
Equity Income Non-controlling Int. Exp.	8.0 (2.5)	8.0 (2.5)		<ul style="list-style-type: none"> • Equity Income up from \$5.8 in Q2'14 • Non-controlling Interest down from (2.9) in Q2'14
EBIT	\$85.2 12.9%	\$96.7 14.6%		<ul style="list-style-type: none"> • Streamlining \$(7.2) vs. \$(4.0) in Q2'14 • Separation & other perf. adj. (\$4.3) vs. \$(3.9) Q2'14
Taxes	(18.5)	(14.1)		<ul style="list-style-type: none"> • ~14.7% Performance tax rate for Q2'15
Net Income*	\$65.8	\$81.7		<ul style="list-style-type: none"> • Performance Net Income down from \$86.6 in Q2'14
EPS	\$1.12	\$1.40		<ul style="list-style-type: none"> • Reported EPS of \$1.23 and Performance EPS of \$1.42 in Q2'14

Refer to Slide #13 for Footnotes

15% incremental margin⁽⁶⁾ with 6.4% sales growth

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Cash Flow Summary Q2 2015

(in \$ Millions)	Free Cash Flow
Cash Provided by Operating Activities:	
• Net Income including non-controlling interest	68.3
• Depreciation & amortization	23.9
• Working capital	(18.6)
• Changes in other assets & liabilities	4.9
Net Cash Provided by Operating Activities	78.5
Purchases of PP&E, Tooling & Computer Software	(27.6)
Free Cash Flow⁽³⁾ reported	50.9
• <i>Streamlining, separation & acquisition payments</i>	(5.2)
Free Cash Flow⁽³⁾ performance excluding streamlining, separation, & acquisition payments	56.1

- Working capital increased due to higher business activity versus Q1 and the timing of AR collections
- Secured long term funding of \$500m at very attractive fixed rates
- Repurchased 501k shares in Q2 at a cost of \$63M

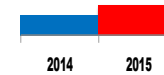
YTD 79% Conversion of Performance Net Income into Free Cash Flow

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Market Dynamics

% of WABCO Sales

Q2 '15 Global T&B Production




57% 54% 20%

Europe  


- May YTD new registrations of heavy trucks up 17% vs. 2014; FY expected to be up 11%
- Q2 T&B production up 2% vs. 2014 and up 10% vs. Q1 2015
- **2015 T&B production outlook up +3% to +7%: CIS continues to deteriorate, offsetting Western Europe further recovery**

14% 18% 21%

North America 


- Production up 11% in Q2 vs. 2014 and up 9% vs. Q1 2015
- **2015 T&B production outlook up +5 to +10% of which class 8 is expected to grow double-digit**

8% 9% 33%

China 

- Q2 '15 production down 27% YoY and down 3% vs. Q1 '15
- **2015 T&B production outlook down -18% to -23% due to lower investment on real estate and infrastructure**

5% 6% 12%

India 

- Q2 '15 T&B production up 20% YoY and down 8% vs. Q1 '15 thanks to pickup in infrastructure projects and industrial activity
- **2015 T&B production outlook up +20 to +25%**

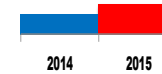
Uncertainty in markets prevails

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Market Dynamics

% of WABCO Sales

Q2 '15 Global T&B Production



Japan & Korea

6% 6% 10%



- Q2'15 T&B production down 5% YoY and down 2% vs. Q1'15
- Korea down 6% in Q2 '15 due to lower exports to Russia
- **2015 T&B production outlook (incl. Thailand) flat to down -5%**

Brazil

6% 4% 4%



- Q2'15 T&B production down -40% YoY and down -19% vs. Q1 '15 impacted by continued weak economic environment
- Economical and political situation worsening
- **2015 T&B production outlook down -30 to -40%**

Aftermarket

26% 26%



- **2015 outlook up ~ 7%**
- Transics growth above expectations
- Russian sanctions affecting transportation & investments
- Brazilian economy dampening sales growth

Trailer

10% 10%



- Q2 '15 Global production down 8% YoY and down -3% vs. Q1 '15; driven by NAFTA up 13%, Brazil down -44% and Eastern Europe down -30%
- **2015 global production outlook down -5 to -10% with negative impact from Brazil and Eastern Europe more than offsetting North American growth**

Uncertainty in markets prevails

WABCO

Focusing on Core Strategies

Globalization

- **All Local Commercial Vehicle Makers in India Rely on WABCO's Test Track in Chennai to Homologate Anti-Lock Braking Systems:** Truck and bus ABS mandate in effect October 1, 2015
- **Development Agreement with Major Original Equipment Manufacturer to Adopt OptiDrive™ Automated Manual Transmission (AMT):** Existing European customer plans OptiDrive for medium-duty truck driveline alongside current supply of other AMT products
- **Long-Term Supply Agreements for Air-Disc Systems and Other Braking Technologies with New Customer Based in China:** Major truck maker expanding into heavy-duty truck segment

New Technologies & Products

- **Long-Term Supply Agreement with Leading Trailer Manufacturer Based in U.S.:** Preferred supplier for roll stability control and anti-lock braking technologies on selected trailer product lines
- **U.S. National Highway Traffic Safety Administration Issues Final Rule Requiring Electronic Stability Control (ESC) Systems on Truck Tractors and Large Buses by mid 2017:** WABCO was first to market with ESC in 2003 and today 262,000 vehicles in over 220 fleets are so equipped
- **U.S. National Transportation Safety Board Recommends Adoption of Forward Collision Warning and Autonomous Emergency Braking Systems for Trucks and Buses:** WABCO is North America's leading supplier of these technologies that vastly improve vehicle and road safety

Execution

- **Meritor WABCO Receives Award for Excellence in Quality from Hino Motors U.S.A.:** Top recognition for zero defects per 1 million parts produced and 100% on-time deliveries in 2014
- **WABCO Operating System Continues to Deliver Strong Results in Q2 2015:**
 - Delivered \$17.9 million gain in materials and conversion productivity, another robust result
 - Generated gross materials productivity of 5.5% and conversion productivity of 6.5%
 - Included in results is \$7.2 million gain in conversion productivity, new quarterly record amount

Continued success in executing core strategies

WABCO

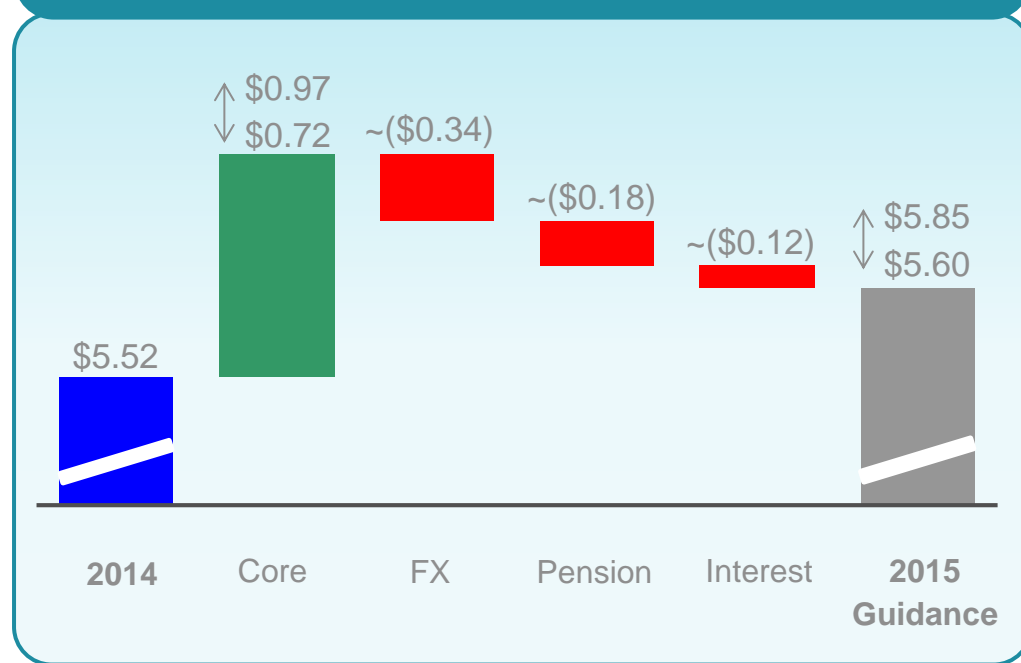
FY 2015 Guidance

(\$ Millions, except per share data)

Guidance as of July 24, 2015

	Prior	Updated
Sales Growth (4)	5% - 10% (in local currencies)	6% - 9% (in local currencies)
Reported Sales	\$2,560 - \$2,700 1 Euro = 1.08 USD	\$2,620 - \$2,700 1 Euro = 1.10 USD
Performance Op Margin (1)	14.2% - 15.1%	14.0% - 14.5%
Performance EPS (2)	\$5.60 - \$6.00	\$5.60 - \$5.85
Free Cash Flow Conversion (3)	80% - 90% (excl. Stream., Separ. and acquisition items)	80% - 90% (excl. Stream., Separ. and acquisition items)

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

- Transactional FX vs. '14 rates positively affecting profits by \$30 to \$35M YoY, down \$10M vs. prior guidance
- Performance tax rate ~14.5%
- Average diluted shares ~58M

Operating system delivers amid non-operating headwinds

WABCO

Summary

- During Q2'15, delivered continued and robust outperformance and strong incremental margin in a declining global market
- WABCO Operating System continues to propel productivity gains and ensure agility across the supply chain
- Generated \$56.1M of Free Cash Flow⁽³⁾ excluding streamlining, separation and acquisition payments leading to 79% YTD-conversion of Performance Net Income into Free Cash Flow
- Updated Full Year 2015 Guidance integrating further headwinds from FX and 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

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 June 30, 2015 Data Supplement Sheet (Unaudited)

	Three Months Ended June 30,					
	2015	% of Sales/ Adj Sales	2014	% of Sales/ Adj Sales	Chg vs. 2014	% Chg vs. 2014
<i>(Amounts in millions, except per share data)</i>						
Sales						
Reported	\$ 661.1		\$ 735.0		\$ (73.9)	-10.1%
Foreign exchange translational effects	121.3		-		121.3	
Adjusted Sales	\$ 782.4		\$ 735.0		\$ 47.4	6.4%
Gross Profit						
Reported	\$ 207.5	31.4%	\$ 229.7	31.3%	\$ (22.2)	-9.7%
Streamlining costs	1.0		2.3		(1.3)	
Separation costs	0.2		0.1		0.1	
Performance Gross Profit	\$ 208.7	31.6%	\$ 232.1	31.6%	\$ (23.4)	-10.1%
Foreign exchange translational effects	39.7		-		39.7	
Adjusted Gross Profit	\$ 248.4	31.7%	\$ 232.1	31.6%	\$ 16.3	7.0%
Selling, Administrative, Product Engineering Expenses and Other						
Reported	\$ 126.9	19.2%	\$ 139.3	19.0%	\$ (12.4)	-8.9%
Streamlining costs	(6.2)		(1.7)		(4.5)	
Separation costs	(0.9)		(0.9)		-	
Indirect tax related costs	(0.6)		-		(0.6)	
Acquisition related costs	(2.1)		(2.8)		0.7	
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 117.1	17.7%	\$ 133.9	18.2%	\$ (16.8)	-12.6%
Foreign exchange translational effects	22.7		-		22.7	
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 139.8	17.9%	\$ 133.9	18.2%	\$ 5.9	4.4%
Operating Income						
Reported	\$ 80.6	12.2%	\$ 90.4	12.3%	\$ (9.8)	-10.8%
Streamlining costs	7.2		4.0		3.2	
Separation costs	1.1		1.0		0.1	
Indirect tax related costs	0.6		-		0.6	
Acquisition related costs	2.1		2.8		(0.7)	
Performance Operating Income	\$ 91.6	13.9%	\$ 98.2	13.4%	\$ (6.6)	-6.8%
Foreign exchange translational effects	17.0		-		17.0	
Adjusted Operating Income	\$ 108.6	13.9%	\$ 98.2	13.4%	\$ 10.4	10.6%

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

	Three Months Ended June 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>EBIT (Earnings Before Interest and Taxes)</u>						
Reported Net Income Attributable to Company	\$ 65.8		\$ 75.0		\$ (9.2)	-12.3%
Income tax expense	18.5		17.9		0.6	
Interest (expense)/income, net	(0.9)		0.1		(1.0)	
EBIT	\$ 85.2	12.9%	\$ 92.8	12.6%	\$ (7.6)	-8.2%
Streamlining costs	7.2		4.0		3.2	
Separation costs	1.6		1.0		0.6	
Indirect tax related costs	0.6		-		0.6	
Acquisition related costs	2.1		2.9		(0.8)	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 96.7	14.6%	\$ 100.7	13.7%	\$ (4.0)	-4.0%
<u>Pre-Tax Income</u>						
EBIT	\$ 85.2		\$ 92.8		\$ (7.6)	
Interest (expense)/income, net	(0.9)		0.1		(1.0)	
Pre-Tax Income	\$ 84.3		\$ 92.9		\$ (8.6)	
Streamlining costs	7.2		4.0		3.2	
Separation costs	1.6		1.0		0.6	
Indirect tax related costs	0.6		-		0.6	
Acquisition related costs	2.1		2.9		(0.8)	
Performance Pre-Tax Income	\$ 95.8		\$ 100.8		\$ (5.0)	
Tax rate on a performance basis	14.7%		14.1%			
<u>Net Income Attributable to Company</u>						
Reported Net Income Attributable to Company	\$ 65.8		\$ 75.0		\$ (9.2)	
Streamlining costs, net of tax	5.5		0.4		5.1	
Separation costs, net of tax	1.2		0.8		0.4	
Indirect tax related costs, net of tax	0.5		-		0.5	
Acquisition related costs, net of tax	1.4		1.9		(0.5)	
Tax items	7.3		8.5		(1.2)	
Performance Net Income Attributable to Company	\$ 81.7		\$ 86.6		\$ (4.9)	
Performance Net Income Attributable to Company per Diluted Common Share	\$ 1.40		\$ 1.42			
Common Shares Outstanding - Diluted	58.5		61.0			
<u>Incremental Gross Profit and Operating Income Margin</u>						
	Gross Profit		Operating Income			
Increase in adjusted sales from '14	47.4		47.4			
Increase in adjusted income from '14	16.3		10.4			
Incremental Income as a % of Sales	34.4%		22.0%			
YoY Transactional Foreign Exchange (FX) Impact			(3.3)			
Increase in adjusted income from '14 excluding transactional FX impact			7.1			
Incremental income excluding transactional FX as a % of Sales			15.0%			

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

	Six Months Ended June 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	\$ 1,313.3		\$ 1,464.5		\$ (151.2)	-10.3%
Foreign exchange translational effects	226.3		-		226.3	
Adjusted Sales	\$ 1,539.6		\$ 1,464.5		\$ 75.1	5.1%
Gross Profit						
Reported	\$ 421.1	32.1%	\$ 447.5	30.6%	\$ (26.4)	-5.9%
Streamlining costs	2.9		5.3		(2.4)	
Separation costs	0.4		0.4		-	
Performance Gross Profit	\$ 424.4	32.3%	\$ 453.2	30.9%	\$ (28.8)	-6.4%
Foreign exchange translational effects	77.6		-		77.6	
Adjusted Gross Profit	\$ 502.0	32.6%	\$ 453.2	30.9%	\$ 48.8	10.8%
Selling, Administrative, Product Engineering Expenses and Other						
Reported	\$ 255.0	19.4%	\$ 272.9	18.6%	\$ (17.9)	-6.6%
Streamlining costs	(6.5)		(2.3)		(4.2)	
Separation costs	(1.6)		(1.7)		0.1	
Indirect tax related costs	(2.8)		-		(2.8)	
Acquisition related costs	(4.7)		(3.8)		(0.9)	
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 239.4	18.2%	\$ 265.1	18.1%	\$ (25.7)	-9.7%
Foreign exchange translational effects	43.9		-		43.9	
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 283.3	18.4%	\$ 265.1	18.1%	\$ 18.2	6.9%
Operating Income						
Reported	\$ 166.1	12.6%	\$ 174.6	11.9%	\$ (8.5)	-4.9%
Streamlining costs	9.5		7.6		1.9	
Separation costs	2.0		2.1		(0.1)	
Indirect tax related costs	2.8		-		2.8	
Acquisition related costs	4.7		3.8		0.9	
Performance Operating Income	\$ 185.1	14.1%	\$ 188.1	12.8%	\$ (3.0)	-1.6%
Foreign exchange translational effects	33.7		-		33.7	
Adjusted Operating Income	\$ 218.8	14.2%	\$ 188.1	12.8%	\$ 30.7	16.3%

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

	Six Months Ended June 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>EBIT (Earnings Before Interest and Taxes)</u>						
Reported Net Income Attributable to Company	\$ 137.7		\$ 144.4		\$ (6.7)	-4.6%
Income tax expense	37.0		33.7		3.3	
Interest (expense)/income, net	(1.6)		0.2		(1.8)	
EBIT	\$ 176.3	13.4%	\$ 177.9	12.1%	\$ (1.6)	-0.9%
Streamlining costs	9.5		7.6		1.9	
Separation costs	1.1		2.9		(1.8)	
Indirect tax related costs	2.8		-		2.8	
Acquisition related costs	4.7		5.4		(0.7)	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 194.4	14.8%	\$ 193.8	13.2%	\$ 0.6	0.3%
<u>Pre-Tax Income</u>						
EBIT	\$ 176.3		\$ 177.9		\$ (1.6)	
Interest (expense)/income, net	(1.6)		0.2		(1.8)	
Pre-Tax Income	\$ 174.7		\$ 178.1		\$ (3.4)	
Streamlining costs	9.5		7.6		1.9	
Separation costs	1.1		2.9		(1.8)	
Indirect tax related costs	2.8		-		2.8	
Acquisition related costs	4.7		5.4		(0.7)	
Performance Pre-Tax Income	\$ 192.8		\$ 194.0		\$ (1.2)	
Tax rate on a performance basis	14.5%		14.5%			
<u>Net Income Attributable to Company</u>						
Reported Net Income Attributable to Company	\$ 137.7		\$ 144.4		\$ (6.7)	
Streamlining costs, net of tax	7.1		2.9		4.2	
Separation costs, net of tax	0.5		2.3		(1.8)	
Indirect tax related costs, net of tax	1.9		-		1.9	
Acquisition related costs, net of tax	3.1		3.8		(0.7)	
Tax items	14.5		12.5		2.0	
Performance Net Income Attributable to Company	\$ 164.8		\$ 165.9		\$ (1.1)	
Performance Net Income Attributable to Company per Diluted Common Share	\$ 2.81		\$ 2.70			
Common Shares Outstanding - Diluted	58.7		61.5			
<u>Incremental Gross Profit and Operating Income Margin</u>						
	Gross Profit		Operating Income			
Increase in adjusted sales from '14	75.1		75.1			
Increase in adjusted income from '14	48.8		30.7			
Incremental Income as a % of Sales	65.0%		40.8%			
YoY Transactional Foreign Exchange (FX) Impact			(14.1)			
Increase in adjusted income from '14 excluding transactional FX impact			16.6			
Incremental income excluding transactional FX as a % of Sales			22.1%			

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

<i>(Amounts in millions)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net Cash Provided by Operating Activities	\$ 78.5	\$ 116.7	\$ 165.0	\$ 162.7
Deductions or Additions to Reconcile to Free Cash Flow:				
Net purchases of property, plant, equipment and computer software	(27.6)	(27.9)	(43.5)	(51.1)
Free Cash Flow	\$ 50.9	\$ 88.8	\$ 121.5	\$ 111.6
Less: Streamlining & separation payments	(4.9)	(4.0)	(8.7)	(8.7)
Less: Acquisition related payments	(0.3)	(0.7)	(0.4)	(1.2)
Free Cash Flow excluding streamlining, separation & acquisition related payments	\$ 56.1	\$ 93.5	\$ 130.6	\$ 121.5

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. 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	12.9% - 13.4%
Streamlining cost, impact to margin	0.7%
Separation costs, impact to margin	0.1%
Indirect tax related costs, impact to margin	0.1%
Acquisition related items, impact to margin	0.2%
Performance Operating Income Margin	14.0% - 14.5%
Net Income Attributable to Company	
Reported Net Income Attributable to Company	\$283.3 - \$297.8
Streamlining cost, net of tax	18.8
Separation costs, net of tax	2.3
Indirect tax related costs, net of tax	2.1
Acquisition related items, net of tax	6.0
Tax items	12.4
Performance Net Income Attributable to Company	\$324.8 - \$339.3
Reported Net Income Attributable to Company per Diluted Common Share	\$4.89 - \$5.14
Performance Net Income Attributable to Company per Diluted Common Share	\$5.60 - \$5.85
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