



**WABCO**  
FOURTH QUARTER 2010

# Q4 2010 EARNINGS RELEASE

## February 11, 2011



**JACQUES ESCULIER**  
Chairman & Chief Executive Officer  
**ULRICH MICHEL**  
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-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 and net income per diluted share on a "performance basis" are non-GAAP financial measures that exclude separation and streamlining items, the European Commission fine indemnification, one-time impact from the Indian joint venture transactions, the one-time impact from an adjustment to the UK pension plan, 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.

## Q4 & FY 2010 PERFORMANCE SUMMARY

### ● Fourth Quarter 2010

- Sales of \$627.2 Million; Up 41% in Local Currencies or 37% Reported
- Performance Operating Income<sup>(1)</sup> of \$76.9 Million vs. \$28.5 Million in Q4 '09; Reported Operating Income of \$69.5 Million vs. \$25.7 Million in Q4 '09
- Performance EPS<sup>(2)</sup> of \$1.01 EPS vs. \$0.36 in '09; Reported EPS of \$0.96, up from \$0.59 in '09
- Free Cash Flow<sup>(3)</sup> of \$49 Million, Excluding Streamlining Payments in the Quarter

### ● Full Year 2010

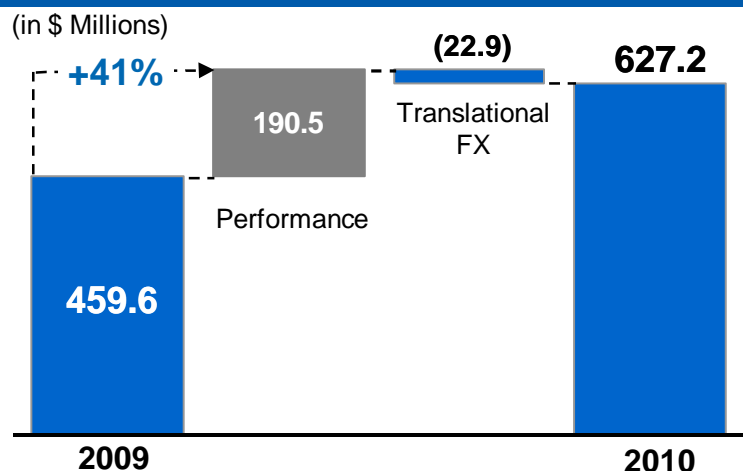
- Sales of \$2.2B; Up 47% in Local Currencies or 46% Reported
- Performance Operating Income<sup>(1)</sup> of \$230.5 Million vs. \$42.8 in 2009; Reported Operating Income of \$217.6 Million vs. a Loss of \$14.9 Million in 2009
- Performance EPS<sup>(2)</sup> \$2.86 vs. \$0.40 in 2009; Reported EPS Negative \$3.50 (including Negative \$6.02 From EC Fine Indemnification) Compared to \$0.29 in 2009
- Free Cash Flow<sup>(3)</sup> of \$142 Million, Excluding the EC Fine Indemnification, Streamlining Payments & Benefits From Accounts Receivable Securitization

Refer to Slide #16 for Footnotes

*Another Superb Quarter Tops Strong Year of Performance*

# Q4 SALES PERFORMANCE & MARKET TRENDS

## Q4 Sales Bridge



## Q4 YoY Sales Growth<sup>(4)</sup> By Channel

<b>OEMs</b>	56%	<ul style="list-style-type: none"> <li>• Up 14% vs. Q3 '10</li> <li>• Increased Content per Vehicle</li> <li>• Continued Strong Growth in Europe &amp; China</li> </ul>
<b>Aftermarket</b>	12%	<ul style="list-style-type: none"> <li>• All Time Record in Revenues</li> <li>• Higher Fleet Utilization Rates</li> <li>• Leading Indicator for OE Growth</li> </ul>
<b>Sales to JVs</b>	59%	<ul style="list-style-type: none"> <li>• 116% Increase in Trailer Production in US</li> <li>• Preparing for Accelerated Truck Builds into 2011</li> </ul>

## Q4 T&B Sales Growth<sup>(4)</sup> vs. Estimated Production Growth By Region

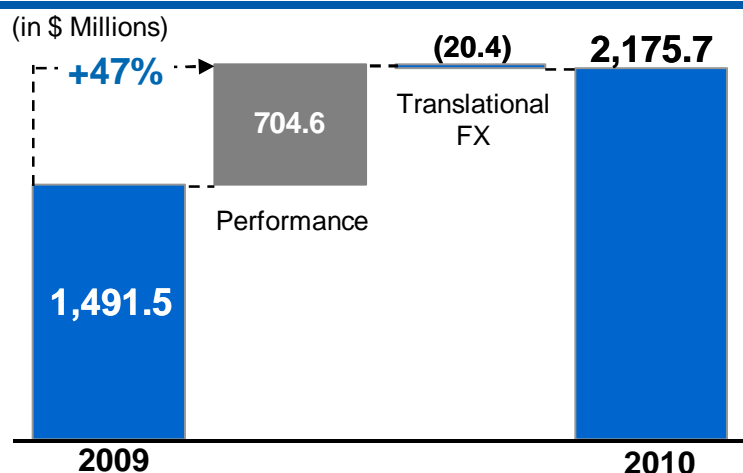
	WABCO	Estimated Production	Comments
<b>Europe</b>	89%	86%	• Stronger Growth in Heavy Truck Segment Compared to Medium Trucks
<b>North America</b>	13%	7%	• South America excludes impact from currency related pricing adjustments
<b>South America</b>	28%	26%	
<b>Japan/Korea</b>	16%	13%	• Increased Adoption of EBS in Japan
<b>China</b>	61%	33%	• Continued Penetration of New Products in China and India
<b>India</b>	24%	13%	• Strong Increase in Position at FAW in China

Refer to Slide #16 for Footnotes

**Another Strong Quarter of Market Outperformance in All Regions**

# FY SALES PERFORMANCE & MARKET TRENDS

## FY 2010 Sales Bridge



## FY 2010 Sales Growth<sup>(4)</sup> By Channel

<b>OEMs</b>	58%	<ul style="list-style-type: none"> <li>Increased Content per Vehicle</li> <li>Strong Growth in All Regions and Customer Segments (T&amp;B and Trailers)</li> </ul>
*53% excluding India transaction		
<b>Aftermarket</b>	22%	<ul style="list-style-type: none"> <li>All Time Record in Revenues</li> <li>Higher Fleet Utilization Rates</li> <li>Leading Indicator for OE Growth</li> </ul>
*20% excluding India transaction		
<b>Sales to JVs</b>	74%	<ul style="list-style-type: none"> <li>77% Increase in Trailer Production in US</li> <li>Preparing for Accelerated Truck Builds into 2011</li> </ul>

## FY 2010 T&B Sales Growth<sup>(4)</sup> vs. Estimated Production Growth By Region

	WABCO	Estimated Production	Comments
<b>Europe</b>	60%	52%	<ul style="list-style-type: none"> <li>Stronger Growth in Heavy Truck Segment Compared to Medium Trucks</li> </ul>
<b>North America</b>	31%	13%	<ul style="list-style-type: none"> <li>Increased Content per Vehicle</li> </ul>
<b>South America</b>	66%	54%	<ul style="list-style-type: none"> <li>New Business and Record Production Levels in China and South America</li> </ul>
<b>Japan/Korea</b>	46%	37%	<ul style="list-style-type: none"> <li>Favorable Vehicle Mix and Continued Penetration of New Products in India</li> </ul>
<b>China</b>	69%	44%	
<b>India</b>	77% <sup>(6)</sup>	55%	

Refer to Slide #16 for Footnotes

***A Year of Exceptional Market Outperformance in All Regions***

# FINANCIAL PERFORMANCE Q4 2010

(In \$ Millions except per share data)

	Q4 Reported	Q4 Performance <sup>(1),(2)</sup>	Performance vs. 2009 In Local Curr. <sup>(5)</sup>	Performance Drivers
Sales	\$627.2	\$627.2	41.4%	<ul style="list-style-type: none"> <li>+10% versus Q3 '10</li> <li>Order Book at \$1,026M, Up 68% YoY</li> <li>Price: (\$7.1) or (1.1%)</li> </ul>
Gross Profit	177.5 28.3%	179.1 28.6%	61.9% +367 bps	<ul style="list-style-type: none"> <li>Volume &amp; Mix: \$32.2</li> <li>Productivity:                             <ul style="list-style-type: none"> <li>–Materials: \$8.2 (5.3% gross, 3.0% net)</li> <li>–Conversion: \$5.5 (6.0%)</li> <li>–OH absorption &amp; other: \$28.0</li> </ul> </li> </ul>
OPEX & Other	(108.0) (17.2%)	(102.2) (16.3%)	(22.5%) +256 bps	<ul style="list-style-type: none"> <li>OPEX &amp; Other: (\$19.9):                             <ul style="list-style-type: none"> <li>–Reinstate suspended costs: (\$4.5)</li> <li>–Inflation &amp; higher bonus accrual: (\$3.8)</li> <li>–New investments: (\$7.5)</li> <li>–Lower reimbursements: (\$4.1)</li> </ul> </li> </ul>
Operating Income	69.5 11.1%	76.9 12.3%	183.5% +623 bps	
Equity Income	3.0	3.0		<ul style="list-style-type: none"> <li>Meritor WABCO JV up \$2.1 vs. '09</li> </ul>
Noncontrolling Int. Exp.	(2.8)	(2.8)		<ul style="list-style-type: none"> <li>Versus '09 of (\$2.6)</li> </ul>
EBIT	\$72.3 11.5%	\$77.3 12.3%		<ul style="list-style-type: none"> <li>Separation \$1.6 vs. (\$0.6) in '09</li> <li>Streamlining (\$1.3) vs. (\$1.3) in '09</li> <li>UK pension adj. of (\$5.3) in '10</li> </ul>
Taxes	6.7	8.3		<ul style="list-style-type: none"> <li>Adj. to FY '10 performance rate of ~15.6%</li> </ul>
Net Income	\$64.6	\$68.0		
<b>EPS</b>	<b>\$0.96</b>	<b>\$1.01</b>		<ul style="list-style-type: none"> <li>Versus '09 Reported of \$0.59 and Performance of \$0.36</li> </ul>

Refer to Slide #16 for Footnotes

6

**38% Incremental Gross Profit & 28% Incremental Operating Income<sup>(1)</sup>**

# CASH FLOW SUMMARY Q4 2010

(in \$ Millions)

## Free Cash Flow

Cash Provided by Operating Activities		
Net Income including noncontrolling interest	67.4	
Depreciation & amortization	19.8	Receivables \$19.0
Working capital	21.9	Inventory \$2.8
Changes in other assets & liabilities	(34.8)	Payables \$0.1
		(\$18) – Securitization program restricted cash
		(\$20) – Tax related items
<b>Net Cash Provided by Operating Activities</b>	<b>74.3</b>	
<b>Net Purchases of PP&amp;E, Tooling &amp; Computer Software</b>	<b>(31.7)</b>	
<b>Free Cash Flow<sup>(3)</sup></b>	<b>42.6</b>	

- Accounts receivable past dues at record low level
- Worked through holiday season and maintained high inventory levels to meet strong demand for early part of 2011
- Seasonally high capital expenditures
- Free cash flow conversion of 75% excluding streamlining payments of \$6.8M

Refer to Slide #16 for Footnotes

***Solid Cash Conversion in High Growth Environment***



# FINANCIAL PERFORMANCE FY 2010

(In \$ Millions except per share data)

	FY 2010 Reported	FY 2010 Performance <sup>(1),(2)</sup>	Performance vs. 2009 In Local Curr. <sup>(5)</sup>	Performance Drivers
Sales	\$2,175.7	\$2,175.7	47.2%	<ul style="list-style-type: none"> <li>All markets improving since 2009</li> <li>Price: (\$29.8) or (1.3%)</li> </ul>
Gross Profit	615.1	620.1	72.7%	<ul style="list-style-type: none"> <li>Volume &amp; Mix: \$142.2</li> <li>Productivity:                             <ul style="list-style-type: none"> <li>–Materials: \$34.5 (5.6% gross, 3.9% net)</li> <li>–Conversion: \$19.8 (5.8%)</li> <li>–OH absorption &amp; other: \$82.6</li> </ul> </li> </ul>
OPEX & Other	(397.5)	(389.6)	(23.7%)	<ul style="list-style-type: none"> <li>–Reinstate suspended costs: (\$24.0)</li> <li>–Labor inflation &amp; India: (\$12.4)</li> <li>–Bonus accrual above target: (\$14.3)</li> <li>–New investments: (\$23.5)</li> </ul>
Operating Income	217.6	230.5	+++	
	28.3%	28.5%	+425 bps	
	(18.3%)	(17.9%)	+346 bps	
Equity Income	9.9	9.9		<ul style="list-style-type: none"> <li>Meritor WABCO JV up \$6.8 vs. '09</li> </ul>
Noncontrolling Int. Exp.	(11.9)	(11.9)		<ul style="list-style-type: none"> <li>Versus '09 of (\$5.1)</li> </ul>
EBIT	(\$187.0)	\$227.6		<ul style="list-style-type: none"> <li>EC Fine/Separation (\$406.1) vs. \$36.4 in '09</li> <li>Streamlining (\$3.2) vs. (\$56.7) in '09</li> <li>UK pension adj. of (\$5.3) in '10</li> </ul>
	(8.6%)	10.5%		
Taxes	36.9	35.2		<ul style="list-style-type: none"> <li>~15.6% Performance tax rate</li> </ul>
Net (Loss)/Income	(\$226.1)	\$190.2		<ul style="list-style-type: none"> <li>Interest: (\$2.2) in '10 vs. \$0.5 in '09</li> </ul>
<b>EPS</b>	<b>(\$3.50)</b>	<b>\$2.86</b>		<ul style="list-style-type: none"> <li>Versus '09 Reported of \$0.29 and Performance of \$0.40</li> </ul>

Refer to Slide #16 for Footnotes

8

**38% Incremental Gross Profit & 27% Incremental Operating Income<sup>(1)</sup>**



# CASH FLOW SUMMARY FY 2010

(in \$ Millions)

## Free Cash Flow

### Cash Provided by Operating Activities

Net loss including noncontrolling interest	(214.2)	Receivables (\$3.8)
Depreciation & amortization	83.3	Inventory (\$41.8)
Working capital	4.7	Payables \$50.3
Changes in other assets & liabilities	(63.8)	(\$52): Restricted cash - securitization program (\$37): FX impact of EC fine indemnification \$25: Incentive compensation accruals

**Net Cash Used From Operating Activities** (190.0)

**Purchases of PP&E, Tooling & Computer Software** (73.7)

**Free Cash Flow<sup>(3)</sup>** (263.7)

### One-time non-operational items

EC fine indemnification & streamlining payments	(465.4)	
Accounts receivable securitization	59.6	\$111.4 AR decrease & \$51.8 restricted cash increase

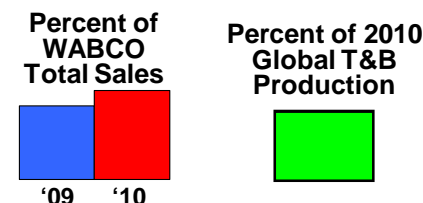
**Free Cash Flow<sup>(3)</sup> adjusted** 142.1

- Working capital reduced through new receivables securitization program
- Past dues on accounts receivables reduced by \$10M to record low level
- Inventory improved by 2 turns compared to 2009
- Capital expenditures maintained below depreciation & amortization

Refer to Slide #16 for Footnotes

**82% Conversion Along With 47% Sales Growth**

# MARKET DYNAMICS



- Q4 heavy duty truck registrations up 67% YoY in EU countries; FY up 8% YoY
- 2010 T&B production: up 52%
- Growth increasingly driven by demand from EU countries versus exports
- 2011 T&B production estimate: ~+23%



- Freight demand is still increasing
- High average truck age
- 2010 T&B production: up 13%
- Q4 order intake highest since 2006
- 2011 T&B production estimate: ~+30%



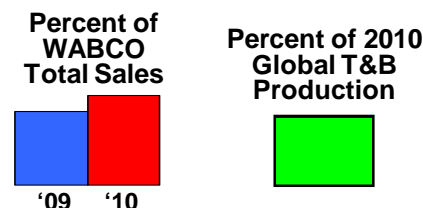
- 2010 T&B production estimate: up 44%
- Current production at peak level
- Still most challenging market to predict
- ABS seems to gain momentum
- 2011 T&B production estimate: Flat to negative ~(-5%)



- Several global OEMs establishing local production
- 2010 T&B production: up 55%
- 2011 T&B production estimate: Up 10% to 15%

***Strong Growth Expected in the Western World***

# MARKET DYNAMICS



- In Q4, slight erosion in Japan following Q2/Q3 pre-buy; slight increase in Korea
- 2010 T&B production growth up 37%
- Japan back on a double digit growth curve
- 2011 T&B production estimate: ~+10%



- 2010 T&B production growth: +54%
- Government stimulus extended into Q1 2011
- Pre-buy expected in 2H 2011
- 2011 T&B production estimate: up >5%



- European utilization rates continue at normal levels
- 2010 growth: 22%
- 2011: Back to normal ~10% sales growth



- 2010 production growth: ~75% vs. '09
- Markets stabilizing
- Initial 2011 global production estimate: ~+10%

**Market Demand Continues Growing**

# FOCUSING ON CORE STRATEGIES

## Globalization

- **Multiple Top Supplier Awards from CNHTC in China:** WABCO wins supplier excellence and quality improvement recognition for third year in a row
- **India Manufacturing Excellence Award (IMEA):** Super Platinum distinction for third year marking WABCO in India as best in class versus global standards
- **2010 Environmental Conservation Award from Ford Brazil:** Recognizes supplier with production processes that benefit products and society

## New Technologies & Products

- **OnGuard™ and SmartTrac™ on North America's Leading Fleets:** New systems adopted by national truck fleets including Walmart and US Xpress
- **Advanced Air and Water Management Technology for Daimler Trucks North America:** Innovative valves on Freightliner and Western Star models with diesel engines using selective catalytic reduction after treatment
- **Vacuum Pumps for Passenger Cars at Volkswagen Group:** Innovative technology – improved fuel efficiency and reduced emissions – for two diesel engine programs: 1.6 liter from Volkswagen and 3.0 liter V6 from Audi

## Execution

- **Special Best Supplier Award in Brazil from Mercedes-Benz:** Recognizes performance during 2010 to support series production of trucks and buses with attributes such as innovation and high quality products and services
- **WABCO Operating System Maintains Strong Results:** Continues to provide flexibility for fast changing, high growth market environment:
  - Generated 5.3% gross materials productivity in Q4 '10; 3.0% after commodity inflation
  - A new record of 6.0% conversion productivity in Q4 '10

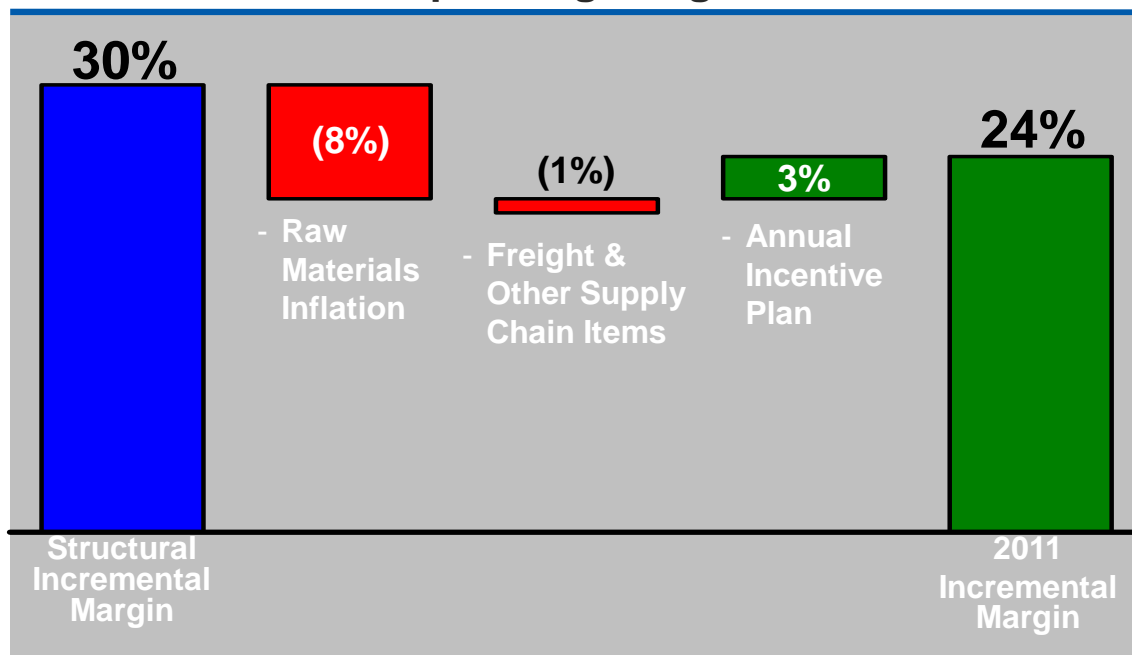
***Continued Success in Executing Core Strategies***

# FY 2011 GUIDANCE

## Full Year Guidance

<b>Sales<sup>(4)</sup> vs. '10</b>	<b>18% – 23%</b>
<b>Perf. Op Margin<sup>(1)</sup></b>	<b>12.6% – 13.6%</b>
<b>Perf. EPS<sup>(2)</sup></b>	<b>\$3.75 – \$4.15</b>
<b>Free Cash Flow Conversion<sup>(3)</sup></b>	<b>80% - 90%</b> (Excluding Stream. & Separation)

## Incremental Operating Margin at Mid-Point\*



## Key Inputs

- Annual price erosion around 1.5%
- Maintaining strong levels of productivity
- 2.5% higher materials cost from raw material inflation
- Net interest expense at current rates
- Performance tax rate same as 2010
- 2011 weighted average shares at 69M
- Streamlining & separation cash payments: ~\$15M

Refer to Slide #16 for Footnotes

***Strong continuity in growth, productivity and profitability***

# SUMMARY

- **Fourth Quarter 2010**
  - Sales up 41% vs. 2009; 10% Above Q3 2010
  - Outperformed All Markets Globally
  - Superb Performance Operating Income Margin<sup>(1)</sup> of 12.3%
- **Full Year 2010**
  - Sales Growth of 47% in Local Currencies; Outperformed All Markets Across the World
  - Achieved Performance EPS<sup>(2)</sup> of \$2.86 vs. \$0.40 from 2009
  - Continued with Major Advances on Our Three Core Strategies
- **Full Year 2011**
  - Another Year of Double Digit Sales Growth
  - Cost Structure Remains Highly Flexible and Efficient
  - Continue to Deliver Strong Incremental Operating Margin
  - Targeted to Achieve Record Levels of Profitability

Refer to Slide #16 for Footnotes

***Another Year of Strong Performance Anticipated in 2011***

# **APPENDIX**

## **RECONCILIATIONS OF NON-GAAP MEASURES TO GAAP MEASURES**



# Footnotes, Tables & Definitions

## Footnotes

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1. Adjusted for streamlining, separation items and the one-time impact from the UK pension adjustment
2. Adjusted for streamlining, separation, one-time impact from the UK pension adjustment, EC fine and one-time tax and discrete tax items
3. Net cash provided by operating activities less net cash used for net purchases of property, plant, equipment and computer software
4. Adjusted for currency translation
5. Adjusted for currency translation, streamlining, separation items, UK pension adjustment and the EC fine
6. Represents sales growth of WABCO-TVS (January/May '09 sales not included in WABCO's full year 2009 consolidated sales)

## Tables

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The tables that follow provide the reconciliations of the non-GAAP financial measures to the most comparable US GAAP measures.

## Definitions

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- **Separation items** include all the incremental items necessary 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 items 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.
- **Incremental Margin** is calculated by dividing the change in performance gross profit or operating income year over year, by the change in sales year over year, excluding the effects from translational foreign exchange

WABCO HOLDINGS INC.  
Q4 2010 Data Supplement Sheet (Unaudited)



(Amounts in millions, except per share data)

	2010	% of Sales/ Adj Sales	Quarter Ended December 31, 2009	% of Sales/ Adj Sales	Chg vs. 2009	% Chg vs. 2009		
<b>Sales</b>								
Reported	\$ 627.2		\$ 459.6		\$ 167.6	36.5%		
Foreign exchange translational effects	22.9		-		22.9			
<b>Adjusted Sales</b>	<b>\$ 650.1</b>		<b>\$ 459.6</b>		<b>\$ 190.5</b>	<b>41.4%</b>		
<b>Gross Profit</b>								
Reported	\$ 177.5	28.3%	\$ 115.3	25.1%	\$ 62.2	53.9%		
Streamlining costs	1.3		0.8		0.5			
Separation costs	0.3		0.3		-			
<b>Performance Gross Profit</b>	<b>\$ 179.1</b>	<b>28.6%</b>	<b>\$ 116.4</b>	<b>25.3%</b>	<b>\$ 62.7</b>	<b>53.9%</b>		
Foreign exchange translational effects	9.4		-		9.4			
<b>Adjusted Gross Profit</b>	<b>\$ 188.5</b>	<b>29.0%</b>	<b>\$ 116.4</b>	<b>25.3%</b>	<b>\$ 72.1</b>	<b>61.9%</b>	<b>367</b>	<b>bps</b>
<b>Selling, Administrative, Product Engineering Expenses and Other</b>								
Reported	\$ 108.0	17.2%	\$ 89.6	19.5%	\$ 18.4	20.5%		
Streamlining costs	-		(0.5)		0.5			
Separation costs	(0.5)		(1.2)		0.7			
UK pension adjustment	(5.3)		-		(5.3)			
<b>Performance Selling, Administrative, Product Engineering Expenses and Other</b>	<b>\$ 102.2</b>	<b>16.3%</b>	<b>\$ 87.9</b>	<b>19.1%</b>	<b>\$ 14.3</b>	<b>16.3%</b>		
Foreign exchange translational effects	5.5		-		5.5			
<b>Adjusted Selling, Administrative, Product Engineering Expenses and Other</b>	<b>\$ 107.7</b>	<b>16.6%</b>	<b>\$ 87.9</b>	<b>19.1%</b>	<b>\$ 19.8</b>	<b>22.5%</b>	<b>-256</b>	<b>bps</b>
<b>Operating Income</b>								
Reported	\$ 69.5	11.1%	\$ 25.7	5.6%	\$ 43.8	170.4%	549	bps
Streamlining costs	1.3		1.3		-			
Separation costs	0.8		1.5		(0.7)			
UK pension adjustment	5.3		-		5.3			
<b>Performance Operating Income</b>	<b>\$ 76.9</b>	<b>12.3%</b>	<b>28.5</b>	<b>6.2%</b>	<b>48.4</b>	<b>169.8%</b>	<b>606</b>	<b>bps</b>
Foreign exchange translational effects	3.9		-		3.9			
<b>Adjusted Operating Income</b>	<b>\$ 80.8</b>	<b>12.4%</b>	<b>\$ 28.5</b>	<b>6.2%</b>	<b>\$ 52.3</b>	<b>183.5%</b>	<b>623</b>	<b>bps</b>

WABCO HOLDINGS INC.  
Q4 2010 Data Supplement Sheet (Unaudited)



(Amounts in millions, except per share data)

	Quarter Ended December 31,					
	2010	% of Sales/ Adj Sales	2009	% of Sales/ Adj Sales	Chg vs. 2009	% Chg vs. 2009
<b><u>EBIT (Earnings Before Interest and Taxes)</u></b>						
Reported Operating Income/(Loss)	\$ 69.5		\$ 25.7		\$ 43.8	
Equity in Income of Unconsolidated Joint Venture	3.0		1.0		2.0	
Other non-operating expenses, net	2.6		0.5		2.1	
Indemnification and Other settlements	-		-		-	
Impact from India JV transaction	-		-		-	
Net income attributable to noncontrolling interest	(2.8)		(2.6)		(0.2)	
<b>EBIT</b>	<b>\$ 72.3</b>	<b>11.5%</b>	<b>\$ 24.6</b>	<b>5.4%</b>	<b>\$ 47.7</b>	<b>193.9%</b>
Streamlining costs	1.3		1.3		-	
Separation costs	(1.6)		0.6		(2.2)	
Impact from India JV transaction	-		-		-	
UK pension adjustment	5.3		-		5.3	
<b>Performance EBIT (Earnings Before Interest and Taxes)</b>	<b>\$ 77.3</b>	<b>12.3%</b>	<b>\$ 26.5</b>	<b>5.8%</b>	<b>\$ 50.8</b>	<b>191.7%</b>
Foreign exchange translational effects	4.3		-		4.3	
<b>Adjusted EBIT (Earnings Before Interest and Taxes)</b>	<b>\$ 81.6</b>	<b>12.6%</b>	<b>\$ 26.5</b>	<b>5.8%</b>	<b>\$ 55.1</b>	<b>207.9%</b>
<b><u>Pre-Tax Income</u></b>						
EBIT	\$ 72.3		\$ 24.6		\$ 47.7	
Interest (expense)/income, net	(1.0)		(0.3)		(0.7)	
<b>Pre-Tax Income</b>	<b>\$ 71.3</b>		<b>\$ 24.3</b>		<b>\$ 47.0</b>	
Streamlining costs	1.3		1.3		-	
Separation costs	(1.6)		0.6		(2.2)	
UK pension adjustment	5.3		-		5.3	
<b>Performance Pre-Tax Income</b>	<b>\$ 76.3</b>		<b>\$ 26.2</b>		<b>\$ 50.1</b>	
<b><u>Net Income</u></b>						
Reported Net Income	\$ 64.6		\$ 38.7		\$ 25.9	
Streamlining cost, net of tax	1.1		(2.3)		3.4	
Tax items	0.4		(13.9)		14.3	
Separation costs, net of tax and separation related taxes	(1.9)		0.7		(2.6)	
UK pension adjustment, net of tax	3.8		-		3.8	
<b>Performance Net Income</b>	<b>\$ 68.0</b>		<b>\$ 23.2</b>		<b>\$ 44.8</b>	
<b>Performance Net Income per Diluted Common Share</b>	<b>\$ 1.01</b>		<b>\$ 0.36</b>			
<b>Common Shares Outstanding - Diluted</b>	<b>67.6</b>		<b>65.4</b>			
<b><u>Incremental Gross Profit and Operating Income Margin</u></b>						
Increase in adjusted sales from '09		<b>190.5</b>		<b>190.5</b>		
Increase in adjusted income from '09		<b>72.1</b>		<b>52.3</b>		
<b>Incremental Income as a % of Sales</b>		<b>38%</b>		<b>28%</b>		

**WABCO HOLDINGS INC.**  
**Twelve Months Ended December 31 2010 Data Supplement Sheet**  
**(Unaudited)**



(Amounts in millions, except per share data)

	Twelve Months Ended December 31,							
	2010	% of Sales/ Adj Sales	2009	% of Sales/ Adj Sales	Chg vs. 2009	% Chg vs. 2009		
<b>Sales</b>								
Reported	\$ 2,175.7		\$ 1,491.5		\$ 684.2	45.9%		
Foreign exchange translational effects	20.4		-		20.4			
<b>Adjusted Sales</b>	<b>\$ 2,196.1</b>		<b>\$ 1,491.5</b>		<b>\$ 704.6</b>	<b>47.2%</b>		
<b>Gross Profit</b>								
Reported	\$ 615.1	28.3%	\$ 327.8	22.0%	\$ 287.3	87.6%		
Streamlining costs	4.0		37.0		(33.0)			
Separation costs	1.0		1.0		-			
<b>Performance Gross Profit</b>	<b>\$ 620.1</b>	<b>28.5%</b>	<b>\$ 365.8</b>	<b>24.5%</b>	<b>\$ 254.3</b>	<b>69.5%</b>		
Foreign exchange translational effects	11.8		-		11.8			
<b>Adjusted Gross Profit</b>	<b>\$ 631.9</b>	<b>28.8%</b>	<b>\$ 365.8</b>	<b>24.5%</b>	<b>\$ 266.1</b>	<b>72.7%</b>	<b>425</b>	<b>bps</b>
<b>Selling, Administrative, Product Engineering Expenses and Other</b>								
Reported	\$ 397.5	18.3%	\$ 342.7	23.0%	\$ 54.8	16.0%		
Streamlining costs	0.8		(19.7)		20.5			
Separation costs	(3.4)		-		(3.4)			
UK pension adjustment	(5.3)		-		(5.3)			
<b>Performance Selling, Administrative, Product Engineering Expenses and Other</b>	<b>\$ 389.6</b>	<b>17.9%</b>	<b>\$ 323.0</b>	<b>21.7%</b>	<b>\$ 66.6</b>	<b>20.6%</b>		
Foreign exchange translational effects	9.9		-		9.9			
<b>Adjusted Selling, Administrative, Product Engineering Expenses and Other</b>	<b>\$ 399.5</b>	<b>18.2%</b>	<b>\$ 323.0</b>	<b>21.7%</b>	<b>\$ 76.5</b>	<b>23.7%</b>	<b>-346</b>	<b>bps</b>
<b>Operating Income/(Loss)</b>								
Reported	\$ 217.6	10.0%	\$ (14.9)	-1.0%	\$ 232.5		1,100	bps
Streamlining costs	3.2		56.7		(53.5)			
Separation costs	4.4		1.0		3.4			
UK pension adjustment	5.3		-		5.3			
<b>Performance Operating Income</b>	<b>\$ 230.5</b>	<b>10.6%</b>	<b>42.8</b>	<b>2.9%</b>	<b>187.7</b>		<b>+++</b>	<b>772</b> bps
Foreign exchange translational effects	1.9		-		1.9			
<b>Adjusted Operating Income</b>	<b>\$ 232.4</b>	<b>10.6%</b>	<b>\$ 42.8</b>	<b>2.9%</b>	<b>\$ 189.6</b>		<b>+++</b>	<b>771</b> bps

**WABCO HOLDINGS INC.**  
**Twelve Months Ended December 31 2010 Data Supplement Sheet**  
**(Unaudited)**



(Amounts in millions, except per share data)

	2010	% of Sales/ Adj Sales	2009	% of Sales/ Adj Sales	Chg vs. 2009	% Chg vs. 2009
<b>EBIT (Earnings Before Interest and Taxes)</b>						
Reported Operating Income/(Loss)	\$ 217.6		\$ (14.9)		\$ 232.5	
Equity in Income of Unconsolidated Joint Venture	9.9		3.1		6.8	
Other non-operating expenses, net	(2.2)		(5.3)		3.1	
EC fine	(400.4)		-		(400.4)	
Indemnification and Other settlements	-		41.3		(41.3)	
Impact from India JV transaction	-		(11.5)		11.5	
Net income attributable to noncontrolling interest	(11.9)		(5.1)		(6.8)	
<b>EBIT</b>	<b>\$ (187.0)</b>	<b>-8.6%</b>	<b>\$ 7.6</b>	<b>0.5%</b>	<b>\$ (194.6)</b>	<b>+++ -910 bps</b>
Streamlining costs	3.2		56.7		(53.5)	
Separation costs	5.7		(36.4)		42.1	
EC fine	400.4		-		400.4	
Impact from India JV transaction	-		11.0		(11.0)	
UK pension adjustment	5.3		-		5.3	
<b>Performance EBIT (Earnings Before Interest and Taxes)</b>	<b>\$ 227.6</b>	<b>10.5%</b>	<b>\$ 38.9</b>	<b>2.6%</b>	<b>\$ 188.7</b>	<b>+++ 785 bps</b>
Foreign exchange translational effects	(0.3)		-		(0.3)	
<b>Adjusted EBIT (Earnings Before Interest and Taxes)</b>	<b>\$ 227.3</b>	<b>10.4%</b>	<b>\$ 38.9</b>	<b>2.6%</b>	<b>\$ 188.4</b>	<b>+++ 774 bps</b>
<b>Pre-Tax (Loss)/Income</b>						
EBIT	\$ (187.0)		\$ 7.6		\$ (194.6)	
Interest (expense)/income, net	(2.2)		0.5		(2.7)	
<b>Pre-Tax (Loss)/Income</b>	<b>\$ (189.2)</b>		<b>\$ 8.1</b>		<b>\$ (197.3)</b>	
Streamlining costs	3.2		56.7		(53.5)	
Separation costs	5.7		(36.4)		42.1	
EC fine	400.4		-		400.4	
Impact from India JV transaction	-		11.0		(11.0)	
UK pension adjustment	5.3		-		5.3	
<b>Performance Pre-Tax Income</b>	<b>\$ 225.4</b>		<b>\$ 39.4</b>		<b>\$ 186.0</b>	
<b>Net Loss/(Income)</b>						
Reported Net Loss/(Income)	\$ (226.1)		\$ 18.8		\$ (244.9)	
Streamlining cost, net of tax	2.8		46.4		(43.6)	
Tax items	5.2		(11.5)		16.7	
Separation costs, net of tax and separation related taxes	4.1		(37.8)		41.9	
EC fine	400.4		-		400.4	
Impact from India JV transaction, net of tax	-		9.8		(9.8)	
UK pension adjustment, net of tax	3.8		-		3.8	
<b>Performance Net Income</b>	<b>\$ 190.2</b>		<b>\$ 25.7</b>		<b>\$ 164.5</b>	
<b>Performance Net Income per Diluted Common Share</b>	<b>\$ 2.86</b>		<b>\$ 0.40</b>			
<b>Common Shares Outstanding - Diluted</b>	<b>66.5</b>		<b>65.0</b>			
<b>Incremental Gross Profit and Operating Income Margin</b>						
Increase in adjusted sales from '09	<b>704.6</b>		<b>704.6</b>			
Increase in adjusted income from '09	<b>266.1</b>		<b>189.6</b>			
<b>Incremental Income as a % of Sales</b>	<b>38%</b>		<b>27%</b>			

\*\*\* Percentage Not Meaningful

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



(Amounts in millions)

	<b>Three Months Ended December 31,</b>		<b>Twelve Months Ended December 31,</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Net Cash Provided by / (Used) in Operating Activities</b>	\$ 74.3	\$ 18.9	\$ (190.0)	\$ 146.4
<b>Deductions or Additions to Reconcile to Free Cash Flow:</b>				
Net purchases of property, plant, equipment and computer software	<u>(31.7)</u>	<u>(26.5)</u>	<u>(73.7)</u>	<u>(66.4)</u>
<b>Free Cash Flow</b>	<u>\$ 42.6</u>	<u>\$ (7.6)</u>	<u>\$ (263.7)</u>	<u>\$ 80.0</u>
Less: EC fine indemnification payment	-	-	(437.2)	-
Less: Streamlining payments	(6.8)	(10.2)	(28.2)	(40.1)
Less: One-time impact from implementation of accounts receivable securitization program	<u>-</u>	<u>-</u>	<u>59.6</u>	<u>-</u>
<b>Free Cash Flow excluding streamlining payments</b>	<u>\$ 49.4</u>	<u>\$ 2.6</u>	<u>\$ 142.1</u>	<u>\$ 120.1</u>

**WABCO HOLDINGS INC.**  
**Reconciliation of GAAP to Non-GAAP Financial Measures for Full Year 2011 Guidance**  
**(Unaudited)**



(Amounts in millions, except per share data)

	<b>12 Months Ended December 31, 2011 Estimate</b>
<b>Operating Income</b>	
Reported Operating Income Margin	12.2% - 13.2%
Streamlining cost, impact to margin	0.3%
Separation costs, impact to margin	0.1%
<b>Performance Operating Income Margin</b>	<b>12.6% - 13.6%</b>
<b><u>Net Income</u></b>	
Reported Net Income	\$266.8 - \$294.5
Streamlining cost, net of tax	6.3
Tax items	3.0
Separation costs, net of tax and separation related taxes	(17.4)
<b>Performance Net Income</b>	<b>\$258.7 - \$286.4</b>
<b>Reported Net Income per Diluted Common Share</b>	<b>\$3.87 - \$4.27</b>
<b>Performance Net Income per Diluted Common Share</b>	<b>\$3.75 - \$4.15</b>
Diluted common shares outstanding	69.0