



WABCO
SECOND QUARTER 2011

Q2-2011 EARNINGS RELEASE
JULY 28, 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 EC fine indemnification, 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.

Q2 2011 PERFORMANCE SUMMARY

- **Second Quarter Sales of \$737.7 Million; Up 29% in Local Currencies or 44% Reported**
- **Performance Gross Profit Margin⁽¹⁾ of 29.6% vs. 29.3% in Q2 '10; Reported Gross Profit Margin of 29.5% vs. 29.1% in Q2 '10**
- **Performance Operating Income⁽¹⁾ of \$100.2 Million vs. \$52.6 Million in Q2 '10; Reported Operating Income of \$99.0 Million vs. 50.1 Million in Q2 '10**
- **Performance EPS⁽²⁾ \$1.23 vs. \$0.63 in Q2 '10, Reported EPS \$1.26 vs. a Loss of (\$5.68) in Q2 '10**
- **Free Cash Flow⁽³⁾ of \$53 Million, Excluding Streamlining & Separation Payments in the Quarter**
- **Repurchased 794k Shares During June**
- **Raising Full Year 2011 Guidance**

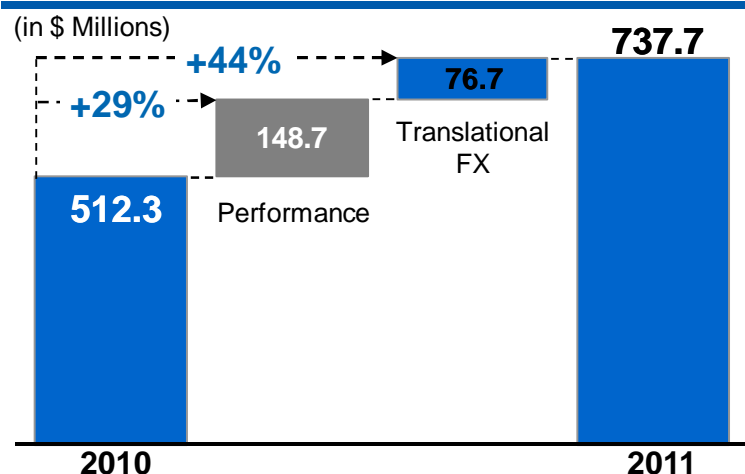
Refer to Slide #14 for Footnotes

3

Continued Strong Organic Growth; New Record Profitability

SALES PERFORMANCE & MARKET TRENDS

Q2 Sales Bridge



Q2 YoY Sales Growth⁽⁴⁾ By Channel

OEMs	33%	<ul style="list-style-type: none"> • Up 5% vs. Q1 '11 • Increased Content per Vehicle • Strong Growth Continues in Developed Markets
Aftermarket	13%	<ul style="list-style-type: none"> • Strong Demand in Eastern Europe & Middle East/Africa
Sales to JVs	39%	<ul style="list-style-type: none"> • Up 4% vs. Q1 '11 • Continued improvement in Trailer Production in US

Q2 T&B Sales Growth⁽⁴⁾ vs. Estimated Production Growth By Region

	WABCO	Estimated Production	Comments
Europe	45%	41%	<ul style="list-style-type: none"> • Stronger growth in heavy truck segment compared to medium trucks, except in China
North America	58%	52%	<ul style="list-style-type: none"> • Record production levels in South America
South America	19%	15%	<ul style="list-style-type: none"> • Increased content per vehicle, particularly high in all of Asia
Japan/Korea	10%	(13%)	<ul style="list-style-type: none"> • Japanese T&B production down 22%
China	(12%)	(22%)	<ul style="list-style-type: none"> • Heavy truck production down more than medium truck in China
India	18%	10%	

Refer to Slide #14 for Footnotes

Another Strong Quarter of Market Outperformance Globally

FINANCIAL PERFORMANCE Q2 2011

(in \$ Millions except per share data)

	Q2 Reported	Q2 Performance ^{(1),(2)}	Performance vs. 2010 In Local Curr. ⁽⁵⁾	Performance Drivers
Sales	\$737.7	\$737.7	29.0%	<ul style="list-style-type: none"> +3% versus Q1 '11 Order Book at \$1.2B, Up 29% YoY Price: (\$7.4) or (1.1%)
Gross Profit	217.7	218.2	30.2%	<ul style="list-style-type: none"> Volume & Mix: \$32.2 Productivity: <ul style="list-style-type: none"> –Materials: \$8.9 (5.0% gross, 2.7% net) –Conversion: \$6.4 (5.6%) –OH absorption & other: \$17.7
	29.5%	29.6%	+27 bps	
OPEX & Other	(118.7)	(118.0)	(8.8%)	<ul style="list-style-type: none"> OPEX & Other: (\$8.7): <ul style="list-style-type: none"> –R&D investment: (\$4.5) –Investment in global expansion: (\$1.9) –Incentive compensation: (\$0.6) –Labor & other inflation: (\$1.7) Transactional foreign exchange: (\$9.7)
	(16.1%)	(16.0%)	+298 bps	
Operating Income	99.0	100.2	69.9%	
	13.4%	13.6%	+325 bps	
Equity Income	3.8	3.8		<ul style="list-style-type: none"> Meritor WABCO JV up \$1.2 vs. '10
Noncontrolling Int. Exp.	(1.3)	(1.3)		<ul style="list-style-type: none"> Versus '10 of (\$3.0)
EBIT	\$99.9	\$101.4		<ul style="list-style-type: none"> Separation (\$1.3) vs. (\$402.1) in '10 Streamlining (\$0.2) vs. (\$1.0) in '10
	13.5%	13.7%		
Taxes	10.6	14.6		<ul style="list-style-type: none"> ~15% Performance tax rate full year
Net Income	\$88.6	\$86.1		<ul style="list-style-type: none"> Net Income more than double 2010
EPS	\$1.26	\$1.23		<ul style="list-style-type: none"> Versus '10 Reported of (\$5.68) and Performance of \$0.63

Refer to Slide #14 for Footnotes

5

30% Incremental Gross Margin; 25% Incremental Operating Margin⁽¹⁾

CASH FLOW SUMMARY Q2 2011

(in \$ Millions)

Free Cash Flow

Cash Provided by Operating Activities		
Net Income including noncontrolling interest	89.9	} Receivables (\$19.1) Inventory (\$12.2) Payables (\$12.7)
Depreciation & amortization	19.2	
Working capital	(44.0)	
Changes in other assets & liabilities	6.1	
Net Cash Provided by Operating Activities	71.2	
Purchases of PP&E, Tooling & Computer Software	(22.1)	
Free Cash Flow⁽³⁾	49.1	
Less: Streamlining & separation payments	(4.3)	
Free Cash Flow⁽³⁾ excl. streamlining & separation payments	53.4	

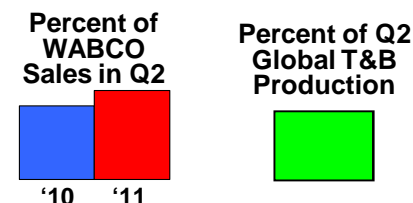
- Increased business volumes drove working capital higher, while past dues were kept at historically low levels and inventory turns remained flat
- Capex above D&A to support market growth and new programs
- Free cash flow conversion of 62% excluding streamlining & separation payments
- Repurchased 794k shares in June at a cost of \$51M

Refer to Slide #14 for Footnotes

NEW \$400M REVOLVING CREDIT FACILITY

- **5 year multi-currency unsecured credit facility through September 1, 2016**
- **Purpose: general financing as replacement for expiring \$800M facility**
- **Multi-currency and multi-borrower flexibility**
- **The applicable fee and margin range from 0.80% to 1.80% based on WABCO's leverage ratio. Currently the applicable margin is 0.80%**
- **Financial covenants include:**
 - **Maximum net debt to EBITDA of 3**
 - **Minimum EBITDA to net interest of 3**
- **Improvements from previous credit facility include:**
 - **Full offset between cash and gross debt to determine net debt**
 - **No liquidity reserve required**
 - **Streamlining expenses and cash payments excluded from EBITDA**
 - **Any future changes to US GAAP throughout the life of the facility will not impact the calculations under this agreement**
 - **Increased flexibility on subsidiary indebtedness and currencies**

MARKET DYNAMICS



- June YTD heavy duty truck registrations up 56% compared to 2010
- WABCO's order book at high stable level
- Expect T&B production to grow ~+30% full year '11



- High average truck age driving replacement cycle
- Order book remains high but capacity in supply chain limiting vehicle production
- 2011 T&B production estimate: Up 50% to 60%



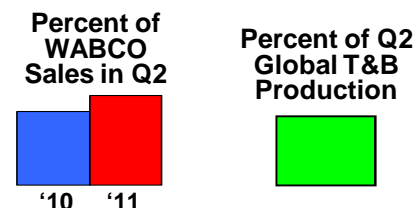
- Q2 '11 T&B production 22% below last year and 21% lower than Q1 '11
- ABS at higher penetration levels than 2010
- Still most challenging market to predict
- 2011 T&B production estimate: Down (20%) to (25%)



- Market growth expectations attract global OE's establishing local production
- ABS penetration continues to improve
- 2011 T&B production estimate: Up 10% to 15%

Stronger Europe More than Offsets Erosion in China

MARKET DYNAMICS



7% 6% **Japan/Korea** 8%

- Impact on Japan T&B production from natural disaster less than previously expected
- Production in Korea remains above '10
- 2011 T&B production estimate: Flat to Up 5%

8% 8% **Brazil** 8%

- Government stimulus to CV industry extended through 2011
- Pre-buy expected ahead of Euro 5 emission mandate for 2012
- 2011 T&B production estimate: Up ~15%

26% 23% **Aftermarket**

- European utilization rates continue at normal levels
- 2011 Outlook: Around 10% sales growth

6% 8% **Trailer**

- Maintaining strong outlook for US production
- Most other markets currently stable
- 2011 global production estimate: Up 30% to 35%

Japanese Market Recovering Faster Than Anticipated

FOCUSING ON CORE STRATEGIES

Globalization

- **Breakthrough Braking Technology for Hyundai Motor:** Agreement with South Korea's largest maker of commercial vehicles to develop and supply OnGuardPLUS™ advanced emergency braking system in 2013
- **Vacuum Pump Technology for U.S. Car Makers:** Contracts to supply two leading U.S. global automakers with WABCO's mechanical vacuum pumps manufactured in China for cars to be produced in N. America, Europe and Asia

New Technologies & Products

- **New Air Disc Brakes for Trucks in Test in North America:** MAXXUS, new generation of single-piston, 22-inch air disc brakes entering pilot program on trucks at one of North America's largest company-owned transport fleets
- **Innovations Added to Award-Winning TrailerGUARD™ Telematics:** Three new functions boost value of WABCO technology for trailer fleet management
- **New Generation of Trailer Air Disc Brakes for One of Europe's Largest Manufacturers of Commercial Trailers:** New technology for 22-inch trailer brakes covers trailer axle applications up to 10 tons; series production in 2013

Execution

- **'Supplier of the Year' and 'Best Delivery and Capacity' from Cummins:** Two major awards for outstanding performance during 2010 as global supplier
- **WABCO Operating System Maintains Strong Results:** Continues to provide flexibility for fast changing, high growth market environment:
 - Generated 5.0% gross materials productivity in Q2 2011 and 2.7% net after commodity inflation
 - 5.6% conversion productivity in Q2 2011

Continued Success in Executing Core Strategies

FY 2011 GUIDANCE

Updated 2011 Guidance

(\$ Millions, except per share data)

	Previous (1 EURO = 1.37 USD)	Revised (1 EURO = 1.42 USD)
	Low End – High End	Low End – High End
Sales	\$2,700 - \$2,800 <i>20% - 25%</i> ⁽⁴⁾	\$2,840 - \$2,900 <i>22% - 25%</i> ⁽⁴⁾
Performance Op Margin ⁽¹⁾	12.8% – 13.8%	13.2% – 13.8%
Performance EPS ⁽²⁾	\$4.15 - \$4.55	\$4.55 - \$4.80
Free Cash Flow Conversion ⁽³⁾	80% - 90% (Excluding Stream. & Separation)	80% - 90% (Excluding Stream. & Separation)

Key Inputs

- Annual price erosion <1.5%
- Maintaining strong levels of productivity
- <2.5% higher materials cost from raw materials inflation
- Operating margin guidance would be 13.5% – 14.1% at previous FX rate
- Performance tax rate of ~15%
- 2011 weighted average shares at 69.7M
- Streamlining & separation cash payments: ~\$15M

Refer to Slide #14 for Footnotes

Raising Full Year 2011 Guidance

SUMMARY

- **Second Quarter Sales up 29% in Local Currencies**
- **Continued to Outperform the Market in Every Region**
- **Delivered Record Performance Operating Margin⁽¹⁾ of 13.6%**
- **Achieved \$1.23 of Performance EPS⁽²⁾ vs. \$0.63 in Q2 '10**
- **Generated \$53M of Free Cash Flow⁽³⁾ Excluding Streamlining & Separation Payments**
- **Raising Full Year 2011 Guidance**
 - **Sales up 22% to 25% in Local Currencies**
 - **Performance Operating Margin⁽¹⁾ between 13.2% & 13.8%**
 - **Performance EPS⁽²⁾ Between \$4.55 and \$4.80**

Refer to Slide #14 for Footnotes

12

Another Quarter of Record Profitability; Raised Outlook for 2011

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 cash used in investing activities
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.

WABCO HOLDINGS INC.
Q2 2011 Data Supplement Sheet (Unaudited)



(Amounts in millions, except per share data)

	Quarter Ended June 30,					
	2011	% of Sales/ Adj Sales	2010	% of Sales/ Adj Sales	Chg vs. 2010	% Chg vs. 2010
Sales						
Reported	\$ 737.7		\$ 512.3		\$ 225.4	44.0%
Foreign exchange translational effects	(76.7)		-		(76.7)	
Adjusted Sales	\$ 661.0		\$ 512.3		\$ 148.7	29.0%
Gross Profit						
Reported	\$ 217.7	29.5%	\$ 149.3	29.1%	\$ 68.4	45.8%
Streamlining costs	0.2		0.5		(0.3)	
Separation costs	0.3		0.2		0.0	
Performance Gross Profit	\$ 218.2	29.6%	\$ 150.0	29.3%	\$ 68.1	45.4%
Foreign exchange translational effects	(22.8)		-		(22.8)	
Adjusted Gross Profit	\$ 195.4	29.6%	\$ 150.0	29.3%	\$ 45.3	30.2%
Selling, Administrative, Product Engineering Expenses and Other						
Reported	\$ 118.7	16.1%	\$ 99.2	19.4%	\$ 19.5	19.7%
Streamlining costs	-		(0.7)		0.7	
Separation costs	(0.7)		(1.1)		0.3	
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 118.0	16.0%	\$ 97.4	19.0%	\$ 20.6	21.1%
Foreign exchange translational effects	(12.0)		-		(12.0)	
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 106.0	16.0%	\$ 97.4	19.0%	\$ 8.6	8.8%
Operating Income						
Reported	\$ 99.0	13.4%	\$ 50.1	9.8%	\$ 48.9	97.6%
Streamlining costs	0.2		1.2		(1.0)	
Separation costs	1.0		1.3		(0.3)	
Performance Operating Income	\$ 100.2	13.6%	52.6	10.3%	47.6	90.4%
Foreign exchange translational effects	(10.8)		-		(10.8)	
Adjusted Operating Income	\$ 89.4	13.5%	\$ 52.6	10.3%	\$ 36.8	69.9%

WABCO HOLDINGS INC.
Q2 2011 Data Supplement Sheet (Unaudited)



(Amounts in millions, except per share data)

	Quarter Ended June 30,					
	2011	% of Sales/ Adj Sales	2010	% of Sales/ Adj Sales	Chg vs. 2010	% Chg vs. 2010
<u>EBIT (Earnings Before Interest and Taxes)</u>						
Reported Operating Income/(Loss)	\$ 99.0		\$ 50.1		\$ 48.9	
Equity in Income of Unconsolidated Joint Venture	3.8		1.9		1.9	
Other non-operating expenses, net	(1.6)		(1.6)		-	
EC fine	-		(400.4)		400.4	
Indemnification and Other settlements	-		-		-	
Net income attributable to noncontrolling interest	(1.3)		(3.0)		1.7	
EBIT	\$ 99.9	13.5%	\$ (353.0)	-68.9%	\$ 452.9	+++
Streamlining costs	0.2		1.2		(1.0)	
Separation costs	1.3		1.9		(0.7)	
EC fine	-		400.4		(400.4)	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 101.4	13.7%	\$ 50.5	9.9%	\$ 50.8	100.6%
Foreign exchange translational effects	(10.7)		-		(10.7)	
Adjusted EBIT (Earnings Before Interest and Taxes)	\$ 90.7	13.7%	\$ 50.5	9.9%	\$ 40.1	79.4%
<u>Pre-Tax Income</u>						
EBIT	\$ 99.9		\$ (353.0)		\$ 452.9	
Interest (expense)/income, net	(0.7)		(0.3)		(0.4)	
Pre-Tax Income	\$ 99.2		\$ (353.3)		\$ 452.5	
Streamlining costs	0.2		1.2		(1.0)	
Separation costs	1.3		1.9		(0.7)	
EC fine	-		400.4		(400.4)	
Performance Pre-Tax Income	\$ 100.7		\$ 50.2		\$ 50.4	
Tax rate on a performance basis	14.5%		17.3%			
<u>Net Income</u>						
Reported Net Income	\$ 88.6		\$ (365.4)		\$ 454.0	
Streamlining cost, net of tax	0.2		1.0		(0.8)	
Tax items	(3.6)		3.8		(7.4)	
Separation costs, net of tax and separation related taxes	0.9		1.7		(0.8)	
EC fine	-		400.4		(400.4)	
Performance Net Income	\$ 86.1		\$ 41.5		\$ 44.6	
Performance Net Income per Diluted Common Share	\$ 1.23		\$ 0.63			
Common Shares Outstanding - Diluted	70.1		66.1			
<u>Incremental Gross Profit and Operating Income Margin</u>						
Increase in adjusted sales from '10		148.7		148.7		
Increase in adjusted income from '10		45.3		36.8		
Incremental Income as a % of Sales		30%		25%		

*** Percentage Not Meaningful

WABCO HOLDINGS INC.
Six Months Ended June 30, 2011 Data Supplement Sheet
(Unaudited)



(Amounts in millions, except per share data)

	Six Months Ended June 30,					
	2011	% of Sales/ Adj Sales	2010	% of Sales/ Adj Sales	Chg vs. 2010	% Chg vs. 2010
Sales						
Reported	\$ 1,415.9		\$ 1,003.3		\$ 412.6	41.1%
Foreign exchange translational effects	(88.4)		-		(88.4)	
Adjusted Sales	\$ 1,327.5		\$ 1,003.3		\$ 324.2	32.3%
Gross Profit						
Reported	\$ 414.0	29.2%	\$ 289.4	28.8%	\$ 124.6	43.1%
Streamlining costs	1.3		0.4		0.9	
Separation costs	0.5		0.5		0.0	
Performance Gross Profit	\$ 415.8	29.4%	\$ 290.3	28.9%	\$ 125.5	43.2%
Foreign exchange translational effects	(23.3)		-		(23.3)	
Adjusted Gross Profit	\$ 392.5	29.6%	\$ 290.3	28.9%	\$ 102.2	35.2%
Selling, Administrative, Product Engineering Expenses and Other						
Reported	\$ 227.0	16.0%	\$ 196.1	19.5%	\$ 30.9	15.8%
Streamlining costs	-		(0.8)		0.8	
Separation costs	(1.5)		(2.2)		0.6	
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 225.5	15.9%	\$ 193.1	19.2%	\$ 32.3	16.7%
Foreign exchange translational effects	(12.1)		-		(12.1)	
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 213.4	16.1%	\$ 193.1	19.2%	\$ 20.2	10.5%
Operating Income/(Loss)						
Reported	\$ 187.0	13.2%	\$ 93.3	9.3%	\$ 93.7	
Streamlining costs	1.3		1.2		0.1	
Separation costs	2.0		2.7		(0.7)	
Performance Operating Income	\$ 190.3	13.4%	97.2	9.7%	93.1	95.8%
Foreign exchange translational effects	(11.2)		-		(11.2)	
Adjusted Operating Income	\$ 179.1	13.5%	\$ 97.2	9.7%	\$ 81.9	84.3%

WABCO HOLDINGS INC.
Six Months Ended June 30, 2011 Data Supplement Sheet
(Unaudited)



(Amounts in millions, except per share data)

	2011	% of Sales/ Adj Sales	2010	% of Sales/ Adj Sales	Chg vs. 2010	% Chg vs. 2010
<u>EBIT (Earnings Before Interest and Taxes)</u>						
Reported Operating Income/(Loss)	\$ 187.0		\$ 93.3		\$ 93.7	
Equity in Income of Unconsolidated Joint Venture	8.6		3.7		4.9	
Other non-operating expenses, net	(1.8)		(4.9)		3.1	
EC fine	-		(400.4)		400.4	
Indemnification and Other settlements	23.1		-		23.1	
Net income attributable to noncontrolling interest	(4.9)		(5.9)		1.0	
EBIT	\$ 212.0	15.0%	\$ (314.2)	-31.3%	\$ 526.2	+++
Streamlining costs	1.3		1.1		0.2	
Separation costs	(20.2)		5.5		(25.7)	
EC fine	-		400.4		(400.4)	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 193.1	13.6%	\$ 92.8	9.2%	\$ 100.2	108.0%
Foreign exchange translational effects	(11.8)		-		(11.8)	
Adjusted EBIT (Earnings Before Interest and Taxes)	\$ 181.3	13.7%	\$ 92.8	9.2%	\$ 88.5	95.3%
<u>Pre-Tax (Loss)/Income</u>						
EBIT	\$ 212.0		\$ (314.2)		\$ 526.2	
Interest (expense)/income, net	(1.2)		(0.7)		(0.5)	
Pre-Tax (Loss)/Income	\$ 210.8		\$ (314.9)		\$ 525.7	
Streamlining costs	1.3		1.1		0.2	
Separation costs	(20.2)		5.5		(25.7)	
EC fine	-		400.4		(400.4)	
Performance Pre-Tax Income	\$ 191.9		\$ 92.1		\$ 99.7	
Tax rate on a performance basis	15.0%		18.5%			
<u>Net Loss/(Income)</u>						
Reported Net Loss/(Income)	\$ 203.3		\$ (334.7)		\$ 538.0	
Streamlining cost, net of tax	1.3		1.0		0.3	
Tax items	(20.6)		3.8		(24.4)	
Separation costs, net of tax and separation related taxes	(20.9)		4.6		(25.5)	
EC fine	-		400.4		(400.4)	
Performance Net Income	\$ 163.1		\$ 75.1		\$ 88.0	
Performance Net Income per Diluted Common Share	\$ 2.33		\$ 1.14			
Common Shares Outstanding - Diluted	69.9		65.9			
<u>Incremental Gross Profit and Operating Income Margin</u>						
Increase in adjusted sales from '10	324.2		324.2			
Increase in adjusted income from '10	102.2		81.9			
Incremental Income as a % of Sales	32%		25%			

*** Percentage Not Meaningful

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



(Amounts in millions)

	Three Months Ended June 30,	
	2011	2010
Net Cash Provided by Operating Activities	\$ 71.2	\$ 89.5
Deductions or Additions to Reconcile to Free Cash Flow:		
Net purchases of property, plant, equipment and computer software	<u>(22.1)</u>	<u>(14.6)</u>
Free Cash Flow	<u>\$ 49.1</u>	<u>\$ 74.9</u>
Less: Streamlining & separation payments	<u>\$ (4.3)</u>	<u>\$ (6.4)</u>
Free Cash Flow excluding streamlining & separation payments	<u>\$ 53.4</u>	<u>\$ 81.4</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 2011 Guidance
(Unaudited)



(Amounts in millions, except per share data)

	Previous Full Year 2011 Guidance	Revised Full Year 2011 Guidance
Operating Income		
Reported Operating Income Margin	12.4% - 13.4%	12.8% - 13.4%
Streamlining cost, impact to margin	0.3%	0.3%
Separation costs, impact to margin	0.1%	0.1%
Performance Operating Income Margin	12.8% - 13.8%	13.2% - 13.8%
Net Income		
Reported Net Income	\$319.0 - \$346.6	\$349.4 - \$366.9
Streamlining cost, net of tax	7.0	7.0
Tax items	(17.9)	(20.5)
Separation costs, net of tax and separation related taxes	(21.7)	(19.0)
Performance Net Income	\$286.4 - \$314.0	\$316.9 - \$334.4
Reported Net Income per Diluted Common Share	\$4.62 - \$5.02	\$5.01 - \$5.26
Performance Net Income per Diluted Common Share	\$4.15 - \$4.55	\$4.55 - \$4.80
Diluted common shares outstanding	69.0	69.7

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.