

Q4 – 2014 EARNINGS RELEASE February 13, 2015



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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, the European Commission fine reimbursement, acquisition related expenses 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 and FY 2014 Performance Summary

Fourth Quarter 2014

- Sales of \$679.1M; Up 1.6% in local currencies or down (5.7%) reported
- Performance operating income⁽¹⁾ of \$88.6M vs. \$86.5M in Q4'13; Reported operating income of \$68.7M vs. \$76.8M in Q4'13
- Performance EPS⁽²⁾ of \$1.38 vs. \$1.29 in '13; Reported EPS of \$1.10 vs. \$6.65 in '13
- Returned \$50M cash to shareholders; Repurchased 512k shares

Full Year 2014

- Sales of \$2,851.0M; Up 6.0% in local currencies or 4.8% reported
- Performance operating income⁽¹⁾ of \$371.4M vs. \$355.4M in '13; Reported operating income of \$331.0M vs. \$331.9M in '13
- Performance EPS⁽²⁾ of \$5.52 vs. \$5.01 in '13; Reported EPS of \$4.81 vs. \$10.31 in '13
- Free Cash Flow⁽³⁾ of \$275.8M excluding payments associated with expiration of A/R securitization, streamlining, separation and acquisition activities equivalent to 83% conversion rate

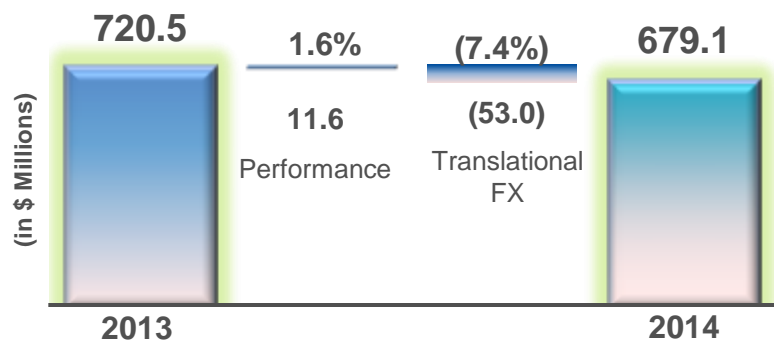
Refer to Slide #15 for Footnotes

Achieved new record in annual performance earnings

WABCO

Q4 '14 Sales Performance & Market Trends

Q4 '14 Sales Bridge



Q4 '14 YoY Sales Growth ⁽⁴⁾ By Channel

Channel	YoY Sales Growth	Comments
OE	(6%)	<ul style="list-style-type: none"> OE T&B market down 6% YoY with Europe down 18% Increased content per vehicle
Aftermarket	17%	<ul style="list-style-type: none"> Strong growth in Asia Strong performance from Transics New logistic warehouse in Russia
Sales to JVs	20%	<ul style="list-style-type: none"> Strong market growth in US Higher T&B and Trailer content per vehicle

Q4 '14 YoY T&B Sales Growth⁽⁴⁾ vs. Estimated Production Growth By Region

Region	WABCO	Estimated Production	Comments
Europe	(16%)	(18%)	•Europe: Increased penetration (ESC, ADAS)
North America	22%	20%	•N.America: Higher content per vehicle (OnGuard™ and AMT)
South America	(21%)	(31%)	•S.America: ABS introduction and higher penetration of Tristop and ECAS
Japan/Korea	6%	1%	•Japan: Favorable vehicle mix
China	(9%)	(16%)	•China: SOM increase (ABS) and increased penetration of EBS/ESC
India	77%	52%	•India: New product introductions and favorable vehicle mix

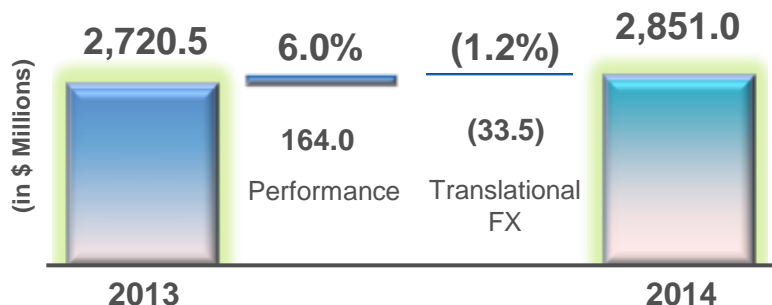
Refer to Slide #15 for Footnotes

Continued outperformance with every region contributing

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2014 Sales Performance & Market Trends

2014 Sales Bridge



2014 YoY Sales Growth ⁽⁴⁾ By Channel

OE	2%	<ul style="list-style-type: none"> OE T&B market down 2% with Europe down 9% Increased content per vehicle
Aftermarket	13%	<ul style="list-style-type: none"> Transics growth exceeds business plan Strong sales in Asia & South America Weak economy and geo-political tensions in Europe
Sales to JVs	22%	<ul style="list-style-type: none"> Strong market growth in US Higher T&B and Trailer content per vehicle

2014 YoY T&B Sales Growth ⁽⁴⁾ vs. Estimated Production Growth By Region

	WABCO	Estimated Production	Comments
Europe	(7%)	(9%)	•Europe: Increased penetration (ESC, ADAS)
North America	29%	17%	•N.America: Higher content per vehicle (OnGuard™ and AMT)
South America	(12%)	(23%)	•S.America: ABS introduction and higher penetration of Tristop and ECAS
Japan/Korea	13%	3%	•Japan: Favorable vehicle mix
China	11%	(5%)	•China: ABS SOM increase and vehicle model mix
India	32%	12%	•India: New products introductions and favorable vehicle mix

Refer to Slide #15 for Footnotes

Strong outperformance in weak market with every region contributing

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Financial Performance Q4 2014

(in \$ Millions except per share data)

Profit and Loss Statement Highlights

	Q4 Reported	(1),(2) Q4 Performance	(5) Performance vs 2013 in local curr.	Performance Drivers
Sales	\$679.1	\$679.1	1.6%	<ul style="list-style-type: none"> • (4.0)% vs. Q3'14, order book +8% vs. Sept '14 • Price erosion \$(10.3) or (1.4)%
Gross Profit	204.2 30.1%	209.7 30.9%	8.5% 190 bps	<ul style="list-style-type: none"> • Volume, mix and absorption: \$8.6 • Materials productivity: \$11.7 (5.5% gross, 4.9% net) • Conversion productivity: \$6.7 (6.5%) • Labor inflation: (\$6.5) • Investments in R&D and others (\$3.0) • OPEX savings \$3.2 • Incentive compensation \$3.5 • Transics OPEX (\$9.3) • Transactional FX favorably impacts margin by 47 bps
OPEX & Other	(135.5) (20.0%)	(121.1) (17.8%)	7.4% 99 bps	
Operating Income	68.7 10.1%	88.6 13.0%	9.9% 100 bps	
Equity Income Non-controlling Int. Exp.	6.0 (1.8)	6.0 (1.8)		<ul style="list-style-type: none"> • Equity Income up from \$4.9 in Q4 '13 • Non-controlling Int. up from (1.3) vs. Q4 '13
EBIT	\$77.4 11.4%	\$93.2 13.7%		<ul style="list-style-type: none"> • Streamlining (\$16.1) vs. (\$6.2) in '13 • Separation & other perf. adj. \$0.3 vs. \$280.2 in '13
Taxes	(12.4)	(11.7)		<ul style="list-style-type: none"> • ~12.47% Performance tax rate for Q4 '14
Net Income*	\$65.1	\$81.6		<ul style="list-style-type: none"> • Perf. Net Income up from \$80.6 in Q4'13
EPS	\$1.10	\$1.38		<ul style="list-style-type: none"> • Versus '13 Reported of \$6.65 and Performance of \$1.29

Refer to Slide #15 for Footnotes

Increased profitability in flattish environment

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Financial Performance FY 2014

(in \$ Millions except per share data)

Profit and Loss Statement Highlights

	FY Reported	(1),(2) FY Performance	(5) Performance vs 2013 in local curr.	Performance Drivers
Sales	\$2,851.0	\$2,851.0	6.0%	<ul style="list-style-type: none"> Order book +8% vs. Sept '14 Price erosion (\$35.2) or (1.2)%
Gross Profit	871.7 30.6%	883.2 31.0%	9.0% 90 bps	<ul style="list-style-type: none"> Volume, mix and absorption: \$51.6 Materials productivity: \$49.3 (5.4% gross, 5.1% net) Conversion productivity: \$27.2 (6.4%) Labor inflation: (\$27.0) Investments in R&D and others (\$17.3) OPEX savings \$6.5 Incentive compensation \$6.3 Transics OPEX (\$34.8) Transactional FX unfavorably impacts margin by 12bps
OPEX & Other	(540.7) (19.0%)	(511.8) (18.0%)	11.4% 80 bps	
Operating Income	331.0 11.6%	371.4 13.0%	5.9% (10) bps	
Equity Income Non-controlling Int. Exp.	23.8 (9.7)	23.8 (9.7)		<ul style="list-style-type: none"> Equity Income up from \$17.7 in '13 Non-controlling Int. up from (8.7) vs. '13
EBIT	\$346.9 12.2%	\$384.7 13.5%		<ul style="list-style-type: none"> Streamlining (\$26.9) vs. (\$18.0) in '13 Separation & other perf. adj. \$(10.9) vs. \$280.9 in '13
Taxes	(55.6)	(50.9)		<ul style="list-style-type: none"> Perf. Tax rate ~13.25% for full year
Net Income*	\$291.5	\$334.0		<ul style="list-style-type: none"> Perf. Net Income up from \$317.4 in '13
EPS	\$4.81	\$5.52		<ul style="list-style-type: none"> Versus '13 Reported of \$10.31 and Performance of \$5.01

Refer to Slide #15 for Footnotes

15% Incremental Margin⁽⁶⁾ excl. Transaction FX, at 6% sales growth

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Cash Flow Summary FY 2014

(in \$ Millions)	Free Cash Flow
Cash Provided by Operating Activities:	
• Net Income including non-controlling interest	301.2
• Depreciation & amortization	101.6
• Working capital (excluding securitization)	(33.0)
• Securitization (program expired September 2014)	(73.5)
• Changes in other assets & liabilities	18.0
Net Cash Provided by Operating Activities	314.4
Purchases of PP&E, Tooling & Computer Software	(135.9)
Free Cash Flow⁽³⁾	178.5
• Streamlining & separation payments	22.4
• Acquisition-related costs	1.4
• Payments due to expiration of securitization program	73.5
Free Cash Flow⁽³⁾ excl. securitization expiration, streamlining, separation & acquisition payments	275.8

- Capex investments include a major capacity expansion in Eastern Europe
- Lower AP levels from very high December '13 due pre-buy manufacturing activity
- Repurchased 3.4M shares in 2014 at a cost of ~\$351M

Refer to Slide #15 for Footnotes

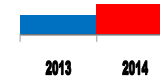
83% Conversion of Performance Net Income into Free Cash Flow


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Market Dynamics


% of WABCO Sales

2014 Global T&B Production




61% 58% **18%** Europe 


- New registrations of heavy trucks down 6% in 2014 with Q4 down 22% due to pre-buy in Q4 2013
- Q4 T&B production down 18% versus 2013 and up 3% vs. Q3 while FY down 9%
- 2015 new registrations expected to be up 7% (3% above average of last 3 years)
- **2015 production outlook up +4% to +9%**

11% 14% **18%** North America 

- Production up 20% in Q4 vs. 2013
- Total year 2014 production was up 17%
- **2015 T&B production outlook up +7 to +12%**

7% 8% **39%** China 

- Q4'14 market down 16% vs. Q4 '13
- Total year 2014 production down 5% vs. 2013
- **2015 T&B production outlook down -5% to -15%**

4% 5% **9%** India 

- Q4 '14 T&B production up 52% vs. Q4 '13
- Total year 2014 production up 12% vs. 2013
- **2015 T&B production outlook up +7 to +12%**

Continued strength in US market and growth in European production



Market Dynamics

% of WABCO Sales

2014 Global T&B Production



Japan & Korea



Japan & Korea



- Q4 '14 T&B production up 1% vs. 2013
- Full Year 2014 up 3% vs. 2013
- **2015 T&B production outlook flattish**

Brazil

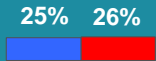


Brazil



- Q4 '14 T&B production down 31% vs. 2013 and down 26% vs. Q3'14 impacted by continued weak economic environment
- Total year 2014 production down 23% vs. 2013
- **2015 T&B production outlook -3% to -8%**

Aftermarket

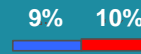


Aftermarket



- Q4 '14 Sales up 17% incl. Transics, 5% organically vs. Q4 '13
- 2014 sales growth up 13% incl. Transics, 3% organically vs. 2013
- **2015 outlook up ~ 8%**

Trailer



Trailer



- Q4 '14 Global production up 11% YoY
- Total year 2014 production up 7% YoY with major growth from North America
- **2015 global production outlook flat to +5%**

Uncertainty in markets prevails

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Focusing on Core Strategies

Globalization

- **WABCO India Continues as Official Braking Technology Partner for Tata Motors T1 PRIMA Truck-Racing Championship:** For second year in a row, WABCO supplies all competing trucks with high-performance braking technologies, including anti-lock braking systems (ABS).
- **WABCO Supplies Advanced Safety and Efficiency Technologies to KAMAZ-master Team, Winner of 2015 Dakar Heavy-Duty Truck Rally:** KAMAZ teams won 1st, 2nd and 3rd places.

New Technologies & Products

- **WABCO As Industry's First Supplier of Advanced Emergency Braking System (AEBS) Homologated in Europe:** OnGuardPLUS™ for major truck maker meets EU rule now in effect.
- **Transics Wins New Contract to Supply ASKO Group, Norway's Largest Grocery Company, With Industry-Leading Fleet Management Solutions (FMS):** Transics to equip entire fleet of 700 trucks and trailers with advanced FMS to enhance safety and improve operational efficiency.
- **For Full Year 2014, WABCO Increases Sales of Advanced Vehicle Technologies in North America:** Automated manual transmission (AMT) systems up by 100% and OnGuard™ collision mitigation system (CMS) up by 49% as global truck makers and national fleets boost adoption.

Execution

- **As of Q4 2014, WABCO Wins 17 Awards from 8 Major Customers in China:** Recognized for superlative achievements in quality, innovation, service, on-site support and supplier excellence.
- **CEO Ranks Among 'Top 3' in Institutional Investor Magazine's All-America Executive Team:** Named in "Best CEO" category in WABCO's sector for third year in a row.
- **WABCO Operating System Continued to Deliver Solid Results in Full Year 2014:**
 - Delivered \$76.5 million of materials and conversion productivity, a continued robust gain
 - Generated gross materials productivity of 5.4%, a further robust gain
 - Generated conversion productivity of 6.4%, another annual all-time record

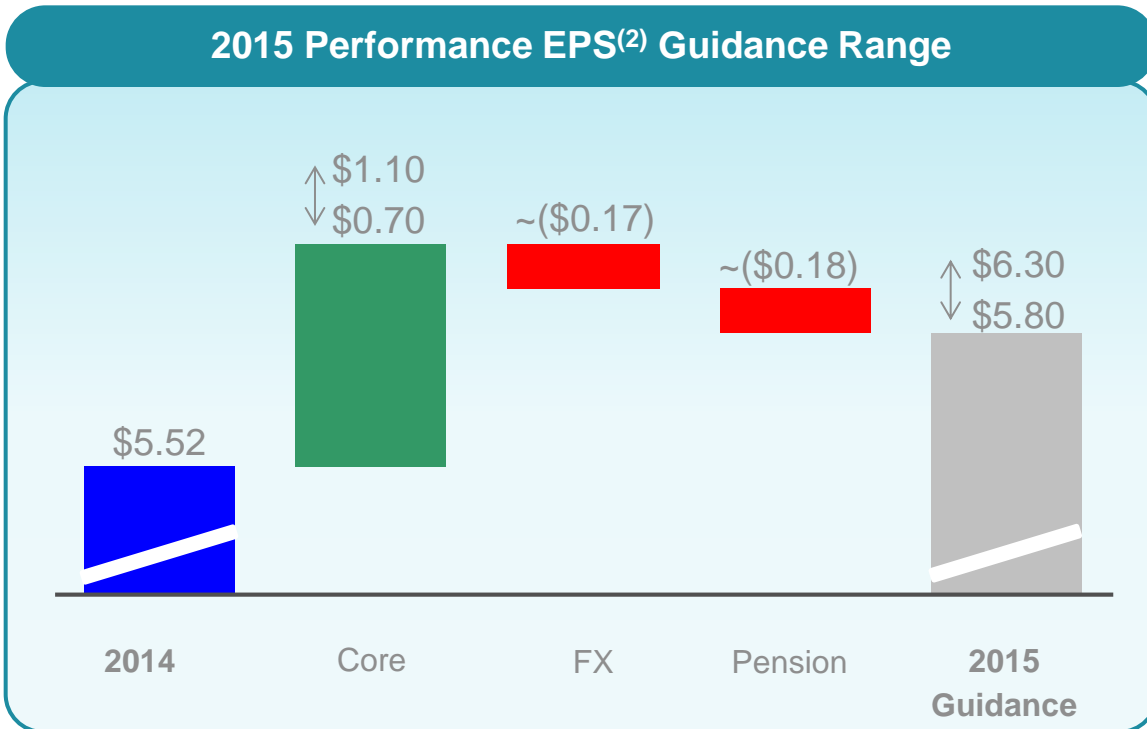
Continued success in executing core strategies

WABCO

FY 2015 Guidance

(\$ Millions, except per share data)

As of Feb 13, 2015	
	2015
Sales Growth ⁽⁴⁾	6% - 11% (in local currencies)
Reported Sales	\$2,720 - \$2,860 1 Euro = 1.156 USD
Performance Op Margin ⁽¹⁾	14.2% - 15.1%
Performance EPS ⁽²⁾	\$5.80- \$6.30
Free Cash Flow Conversion ⁽³⁾	80% - 90% (excl. Stream. & Separation)



- Annual price erosion: 1.3% to 1.7%
- Raw material inflation: ~0.5% of material costs
- Productivity levels in line with past performance
- Transactional FX vs. 2014 rates positively affecting profits by \$25 to \$30M YoY
- Performance tax rate ~15%
- Average diluted shares ~58M

Refer to Slide #15 for Footnotes

Organic growth driven by outperformance



Summary

- During 2014, delivered strong outperformance and incremental margin in a still volatile global market, leading to a new record in Full Year earnings
 - Yearly Performance EPS ⁽²⁾ of \$5.52
 - Generated \$275.8M of Free Cash Flow ⁽³⁾ excluding streamlining & separation and acquisition payments representing 83% conversion
- Continuous growth for WABCO in 2015 driven by outperformance
- Share buy-back program continues to return value to shareholders

Refer to Slide #15 for Footnotes

WABCO continues to drive profitable growth in declining market

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APPENDIX

RECONCILIATIONS OF NON-GAAP MEASURES TO GAAP MEASURES

Footnotes, Tables & Definitions

Footnotes

1. Adjusted for streamlining and separation costs, EC fine reimbursement and acquisition related expenses
2. Adjusted for streamlining, separation, one-time tax & discrete tax items and '13 EC fine reimbursement and acquisition related expenses
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, separation costs and acquisition related expenses
6. Adjusted for currency translation, transactional FX and streamlining, separation costs and acquisition related expenses

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 expenses:** covers costs related to acquiring a business and non-cash expenses associated with purchase accounting including amortization of identifiable intangible assets

WABCO HOLDINGS INC. AND SUBSIDIARIES
Three months ended December 31, 2014 Data Supplement Sheet (Unaudited)

(Amounts in millions, except per share data)	Three Months Ended December 31					
	2014	% of Sales/ Adj Sales	2013	% of Sales/ Adj Sales	Chg vs. 2013	% Chg vs. 2013
Sales						
Reported	\$ 679.1		\$ 720.5		\$ (41.4)	-5.7%
Foreign exchange translational effects	53.0		-		53.0	
Adjusted Sales	\$ 732.1		\$ 720.5		\$ 11.6	1.6%
Gross Profit						
Reported	\$ 204.2	30.1%	\$ 205.3	28.5%	\$ (1.1)	-0.5%
Streamlining costs	5.1		2.7		2.4	
Separation costs	0.4		0.2		0.2	
Acquisition related costs	-		-		-	
Performance Gross Profit	\$ 209.7	30.9%	\$ 208.2	28.9%	\$ 1.5	0.7%
Foreign exchange translational effects	16.1		-		16.1	
Adjusted Gross Profit	\$ 225.8	30.8%	\$ 208.2	28.9%	\$ 17.6	8.5%
Selling, Administrative, Product Engineering Expenses and Other						
Reported	\$ 135.5	20.0%	\$ 128.5	17.8%	\$ 7.0	5.4%
Streamlining costs	(11.0)		(3.5)		(7.5)	
Separation costs	(0.8)		(3.3)		2.5	
Acquisition related costs	(2.6)		-		(2.6)	
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 121.1	17.8%	\$ 121.7	16.9%	\$ (0.6)	-0.5%
Foreign exchange translational effects	9.6		-		9.6	
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 130.7	17.9%	\$ 121.7	16.9%	\$ 9.0	7.4%
Operating Income						
Reported	\$ 68.7	10.1%	\$ 76.8	10.7%	\$ (8.1)	-10.5%
Streamlining costs	16.1		6.2		9.9	
Separation costs	1.2		3.5		(2.3)	
Acquisition related costs	2.6		-		2.6	
Performance Operating Income	\$ 88.6	13.0%	\$ 86.5	12.0%	2.1	2.4%
Foreign exchange translational effects	6.5		-		6.5	
Adjusted Operating Income	\$ 95.1	13.0%	\$ 86.5	12.0%	\$ 8.6	9.9%

WABCO HOLDINGS INC. AND SUBSIDIARIES
Three months ended December 31, 2014 Data Supplement Sheet (Unaudited)

(Amounts in millions, except per share data)

	Three Months Ended December 31					
	2014	% of Sales/ Adj Sales	2013	% of Sales/ Adj Sales	Chg vs. 2013	% Chg vs. 2013
<u>EBIT (Earnings Before Interest and Taxes)</u>						
Reported Net Income Attributable to Company	\$ 65.1		\$ 416.3		\$ (351.2)	
Income tax expense/(benefit)	12.4		(46.8)		59.2	
Interest income, net	0.1		5.6		(5.5)	
EBIT	\$ 77.4	11.4%	\$ 363.9	50.5%	\$ (286.5)	-78.7%
Streamlining costs	16.1		6.2		9.9	
Separation income	(3.0)		(0.7)		(2.3)	
European Commission fine reimbursement	-		(279.5)		279.5	
Acquisition related items	2.7		-		2.7	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 93.2	13.7%	\$ 89.9	12.5%	\$ 3.3	3.7%
<u>Pre-Tax Income</u>						
EBIT	\$ 77.4		\$ 363.9		\$ (286.5)	
Interest income, net	0.1		5.6		(5.5)	
Pre-Tax Income	\$ 77.5		\$ 369.5		\$ (292.0)	
Streamlining costs	16.1		6.2		9.9	
Separation income	(3.0)		(5.1)		2.1	
European Commission fine reimbursement	-		(279.5)		279.5	
Acquisition related costs	2.7		-		2.7	
Performance Pre-Tax Income	\$ 93.3		\$ 91.1		\$ 2.2	
Tax rate on a performance basis	12.5%		11.5%			
<u>Net Income Attributable to Company</u>						
Reported Net Income Attributable to Company	\$ 65.1		\$ 416.3		\$ (351.2)	
Streamlining costs, net of tax	12.1		5.4		6.7	
Separation income, net of tax	(3.4)		(5.3)		1.9	
European Commission fine reimbursement	-		(279.5)		279.5	
Acquisition related costs, net of tax	1.8		-		1.8	
Tax items	6.0		(56.3)		62.3	
Performance Net Income Attributable to Company	\$ 81.6		\$ 80.6		\$ 1.0	
Performance Net Income Attributable to Company per Diluted Common Share	\$ 1.38		\$ 1.29			
Common Shares Outstanding - Diluted	59.2		62.6			

<u>Incremental Gross Profit and Operating Income Margin</u>	Gross Profit	Operating Income
Increase in adjusted sales from '13	11.6	11.6
Increase in adjusted income from '13	17.6	8.6
Incremental Income as a % of Sales	151.7%	74.1%
YoY Transactional Foreign Exchange (FX) Impact		(3.2)
Increase in adjusted income from '13 excluding transactional FX impact		5.4
Incremental income excluding transactional FX as a % of Sales		46.6%

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. AND SUBSIDIARIES
Twelve months ended December 31, 2014 Data Supplement Sheet (Unaudited)

	Twelve Months Ended December 31,					
	2014	% of Sales/ Adj Sales	2013	% of Sales/ Adj Sales	Chg vs. 2013	% Chg vs. 2013
<i>(Amounts in millions, except per share data)</i>						
Sales						
Reported	\$ 2,851.0		\$ 2,720.5		\$ 130.5	4.8%
Foreign exchange translational effects	33.5		-		33.5	
Adjusted Sales	\$ 2,884.5		\$ 2,720.5		\$ 164.0	6.0%
Gross Profit						
Reported	\$ 871.7	30.6%	\$ 809.1	29.7%	\$ 62.6	7.7%
Streamlining costs	10.7		6.9		3.8	
Separation costs	0.8		1.0		(0.2)	
Acquisition related costs	-		-		-	
Performance Gross Profit	\$ 883.2	31.0%	\$ 817.0	30.0%	\$ 66.2	8.1%
Foreign exchange translational effects	7.0		-		7.0	
Adjusted Gross Profit	\$ 890.2	30.9%	\$ 817.0	30.0%	\$ 73.2	9.0%
Selling, Administrative, Product Engineering Expenses and Other						
Reported	\$ 540.7	19.0%	\$ 477.2	17.5%	\$ 63.5	13.3%
Streamlining costs	(16.2)		(11.1)		(5.1)	
Separation costs	(3.8)		(4.6)		0.8	
Acquisition related costs	(8.9)		-		(8.9)	
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 511.8	18.0%	\$ 461.5	17.0%	\$ 50.3	10.9%
Foreign exchange translational effects	2.2		-		2.2	
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 514.0	17.8%	\$ 461.5	17.0%	\$ 52.5	11.4%
Operating Income						
Reported	\$ 331.0	11.6%	\$ 331.9	12.2%	\$ (0.9)	-0.3%
Streamlining costs	26.9		18.0		8.9	
Separation costs	4.6		5.5		(0.9)	
Acquisition related costs	8.9		-		8.9	
Performance Operating Income	\$ 371.4	13.0%	\$ 355.4	13.1%	16.0	4.5%
Foreign exchange translational effects	4.8		-		4.8	
Adjusted Operating Income	\$ 376.2	13.0%	\$ 355.4	13.1%	\$ 20.8	5.9%

WABCO HOLDINGS INC. AND SUBSIDIARIES
Twelve months ended December 31, 2014 Data Supplement Sheet (Unaudited)

(Amounts in millions, except per share data)

	Twelve Months Ended December 31,					
	2014	% of Sales/ Adj Sales	2013	% of Sales/ Adj Sales	Chg vs. 2013	% Chg vs. 2013
<u>EBIT (Earnings Before Interest and Taxes)</u>						
Reported Net Income Attributable to Company	\$ 291.5		\$ 653.2		\$ (361.7)	
Income tax expense/(benefit)	55.6		(21.0)		76.6	
Interest income, net	0.2		4.9		(4.7)	
EBIT	\$ 346.9	12.2%	\$ 627.3	23.1%	\$ (280.4)	-44.7%
Streamlining costs	26.9		18.0		8.9	
Separation costs/(income)	0.2		(1.4)		1.6	
European Commission fine reimbursement	-		(279.5)		279.5	
Acquisition related costs	10.7		-		10.7	
Performance EBIT (Earnings Before Interest and Taxes)	\$ 384.7	13.5%	\$ 364.4	13.4%	\$ 20.3	5.6%
<u>Pre-Tax Income</u>						
EBIT	\$ 346.9		\$ 627.3		\$ (280.4)	
Interest income, net	0.2		4.9		(4.7)	
Pre-Tax Income	\$ 347.1		\$ 632.2		\$ (285.1)	
Streamlining costs	26.9		18.0		8.9	
Separation costs/(income)	0.2		(5.8)		6.0	
European Commission fine reimbursement	-		(279.5)		279.5	
Acquisition related costs	10.7		-		10.7	
Performance Pre-Tax Income	\$ 384.9		\$ 364.9		\$ 20.0	
Tax rate on a performance basis	13.2%		13.0%			
<u>Net Income Attributable to Company</u>						
Reported Net Income Attributable to Company	\$ 291.5		\$ 653.2		\$ (361.7)	
Streamlining costs, net of tax	19.2		14.1		5.1	
Separation income, net of tax	(1.0)		(6.7)		5.7	
European Commission fine reimbursement	-		(279.5)		279.5	
Acquisition related costs, net of tax	7.3		-		7.3	
Tax items	17.0		(63.7)		80.7	
Performance Net Income Attributable to Company	\$ 334.0		\$ 317.4		\$ 16.6	
Performance Net Income Attributable to Company per Diluted Common Share	\$ 5.52		\$ 5.01			
Common Shares Outstanding - Diluted	60.5		63.4			

<u>Incremental Gross Profit and Operating Income Margin</u>	Gross Profit	Operating Income
Increase in adjusted sales from '13	164.0	164.0
Increase in adjusted income from '13	73.2	20.8
Incremental Income as a % of Sales	44.6%	12.7%
YoY Transactional Foreign Exchange (FX) Impact		3.4
Increase in adjusted income from '13 excluding transactional FX impact		24.2
Incremental income excluding transactional FX as a % of Sales		14.8%

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

(Amounts in millions)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Net Cash Provided by Operating Activities	\$ 103.5	\$ 417.7	\$ 314.4	\$ 665.8
Deductions or Additions to Reconcile to Free Cash Flow:				
Net purchases of property, plant, equipment and computer software	<u>(46.6)</u>	<u>(53.8)</u>	<u>(135.9)</u>	<u>(121.5)</u>
Free Cash Flow	<u>\$ 56.9</u>	<u>\$ 363.9</u>	<u>\$ 178.5</u>	<u>\$ 544.3</u>
Less: Streamlining & separation payments	(7.9)	(2.9)	(22.4)	(20.1)
Less: EC fine reimbursement (A)	-	283.7	-	283.7
Less: A/R securitization related payments	-	-	(73.5)	-
Less: Acquisition related payments	<u>-</u>	<u>-</u>	<u>(1.4)</u>	<u>-</u>
Free Cash Flow excluding streamlining, separation, securitization & acquisition related payments	<u>\$ 64.8</u>	<u>\$ 83.1</u>	<u>\$ 275.8</u>	<u>\$ 280.7</u>

(A) Represents EUR 205.8 million reimbursement from the European Commission made on Oct 28, 2013 translated at a Euro to USD rate of approximately 1.37855 on the date of payment.

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.

**Reconciliation of GAAP to Non-GAAP Financial Measures for Full Year 2014 Guidance
(Unaudited)**

(Amounts in millions, except per share data)

	Full Year 2015 Guidance
<u>Operating Income</u>	
Reported Operating Income Margin	13.2% - 14.1%
Streamlining cost, impact to margin	0.7%
Separation costs, impact to margin	0.1%
Acquisition related items, impact to margin	0.2%
Performance Operating Income Margin	14.2% - 15.1%
Net Income Attributable to Company	
Reported Net Income Attributable to Company	\$295.1 - \$324.1
Streamlining cost, net of tax	18.8
Tax items	12.4
Acquisition related items, net of tax	6.7
Separation costs, net of tax and separation related taxes	3.4
Performance Net Income Attributable to Company	\$336.4 - \$365.4
Reported Net Income Attributable to Company per Diluted Common Share	\$5.09 - \$5.59
Performance Net Income Attributable to Company per Diluted Common Share	\$5.80 - \$6.30
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