

WABCO
FOURTH QUARTER 2009

Q4 2009 EARNINGS RELEASE

February 4, 2010



JACQUES ESCULIER
Chairman & Chief Executive Officer
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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-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, one-time impact from the Indian joint venture transactions, and one-time and discrete tax items, as applicable. Lastly, "free cash flow" presents our net cash provided by operating activities less 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 2009 PERFORMANCE SUMMARY

- **Fourth Quarter 2009**

- Sales of \$459.6 Million; Up 1% Reported or Down 9% in Local Currencies
- EBIT of \$24.6 Million vs. \$15.2 Million in Q4 '08; Performance EBIT⁽¹⁾ of \$26.5 Million vs. \$43.3 Million in Q4 '08
- EPS Reported of \$0.59, Performance EPS⁽²⁾ \$0.36; Down from \$0.62 in 2008
- Free Cash Flow⁽³⁾ of Negative \$7.6 Million, Positive \$2.6 Million Excluding Payments for Streamlining

- **Full Year 2009**

- Sales of \$1.5B; Down 42% Reported or 39% in Local Currencies
- EBIT of \$7.6 Million vs. \$247.8 in 2008; Performance EBIT⁽¹⁾ of \$38.9 Million vs. \$301.1 Million in 2008
- EPS Reported of \$0.29, Performance EPS⁽²⁾ \$0.40; Down from \$3.75 in 2008
- Free Cash Flow⁽³⁾ of \$78.8 Million, \$118.8 Million Excluding Payments for Streamlining

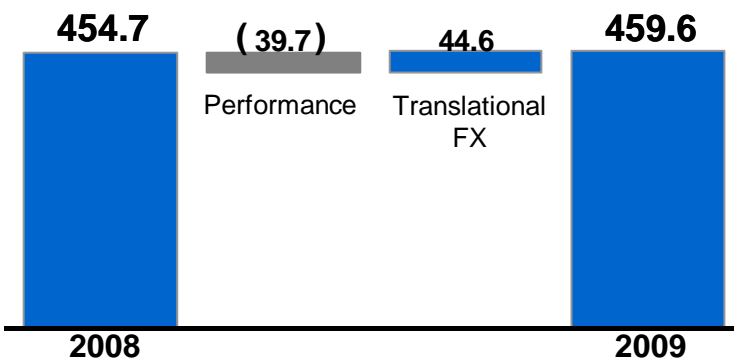
Refer to Slide #16 for Footnotes

Difficult Year Ends With a Strong Fourth Quarter Performance

SALES PERFORMANCE & MARKET TRENDS

Q4 Sales Bridge

(in \$ Millions)



Q4 YoY Sales Growth⁽⁴⁾ By Channel

OEMs	-13%*	<ul style="list-style-type: none"> Up 16% vs. Q3 '09 Western Europe T&B Production Incrementally Better from Q3 '09 Emerging Markets Improved
* -22% excluding India transaction		
Aftermarket	13%*	<ul style="list-style-type: none"> Up 13% vs. Q3 '09 Demand Improving from Q3 '09 Leading the recovery ahead of OE
* 6% excluding India transaction		
Sales to JVs	-18%*	<ul style="list-style-type: none"> Up 6% vs. Q3 '09 Pre-Buy Contributing to Increase from Q3 '09
* -19% excluding India transaction		

Q4 T&B Sales Growth⁽⁴⁾ vs. Estimated Production Growth By Region

	WABCO	Estimated Production	Comments
Europe	(43%)	(50%)	<ul style="list-style-type: none"> Production Levels in Europe Improve but Still Impacted by Inventory Sell Off
North America	26%	(22%)	<ul style="list-style-type: none"> US Compressor Sales Benefit from Engine Pre-Buy Ahead of 2010 EPA Regulation
South America	(15%)	(3%)	<ul style="list-style-type: none"> In South America, Total Production Down 3% but Heavy Trucks Down 15%
Japan/Korea	2%	(6%)	
China	100%	136%	<ul style="list-style-type: none"> Demand Continues to Improve in China But for Less Sophisticated Equipment

Refer to Slide #16 for Footnotes

Significant Improvement in T&B Production in Emerging Countries

FINANCIAL PERFORMANCE Q4 2009

(In \$ Millions except per share data)

	Q4 Reported	Q4 Performance ^{(1),(2)}	Performance vs. 2008 In Local Curr. ⁽⁵⁾	Performance Drivers
Sales	\$459.6	\$459.6	(8.7%)	<ul style="list-style-type: none"> +17% versus Q3 '09 Order Book at \$637, Slightly Up from Q3 '09 Price: (\$6.7) or (1.6%)
Gross Profit	115.3 25.1%	116.4 25.3%	(12.1%) (97 bps)	<ul style="list-style-type: none"> Productivity: <ul style="list-style-type: none"> – Materials & Conversion: \$18.0 – OH Absorption: (\$1.2)
OPEX & Other	(89.6) (19.5%)	(87.9) (19.1%)	(3.5%) (227 bps)	<ul style="list-style-type: none"> (\$5.4) Warranty Impact in Q4 '09 OPEX & Other: (\$1.1): <ul style="list-style-type: none"> – Savings: \$9.4 – '08 Bonus Reversal: (\$7.5) – India Opex: (\$3.0) FX Transactional: (\$4.7) or 113 bps Unfavorable
Operating Income	25.7 5.6%	28.5 6.2%	(40.2%) (324 bps)	<ul style="list-style-type: none"> Meritor WABCO JV Up \$0.9M Versus Last Year
Equity Income	1.0	1.0		<ul style="list-style-type: none"> Streamlining (\$1.3) vs. (\$25.9) in '08 Separation (\$0.6) in '09 and '08
EBIT	\$24.6 5.4%	\$26.5 5.8%		<ul style="list-style-type: none"> \$13M Tax Reserve Reversal in Q4 '09
Taxes	(14.4)	3.0		
Net Income	\$38.7	\$23.2		
EPS	\$0.59	\$0.36		<ul style="list-style-type: none"> Versus '08 Reported of \$0.33 and Performance of \$0.62

Refer to Slide #16 for Footnotes

Results Continue to Improve

CASH FLOW SUMMARY Q4 2009

(in \$ Millions)

Free Cash Flow

Cash Provided by Operating Activities

Net Income including noncontrolling interest	41.3	Receivables (\$4.9) Inventory \$10.5 Payables (\$4.2)
Depreciation & Amortization	25.8	
Working Capital	1.4	
Changes in Other Assets & Liabilities	(49.6)	Indemnification & tax related items (\$30.0) Streamlining & other employee costs (\$17.0)

Net Cash Provided by Operating Activities **18.9**

Purchases of PP&E, Tooling and Computer Software **(26.5)**

Free Cash Flow⁽³⁾ **(7.6)**

- Receivables overall rise from increased sales, reduction in days sales outstanding and improvement in past due receivables freed up \$28M in cash
- Increased capital investments in support of new products and transfers
- Results include \$10.2M of streamlining payments

Refer to Slide #16 for Footnotes

Free Cash Flow Well Ahead of Expectations

FY 2009 FINANCIAL SUMMARY

(in \$ Millions except per share data)	FY 2009	FY 2008	Growth	Performance Drivers
Sales	\$1,491.5	\$2,588.0	(42%)	(39%) in Local Currencies
Performance Op. Income ⁽¹⁾	42.8	298.2	(86%)	<ul style="list-style-type: none"> - Flexed Labor in Line with Volume - \$57M of Materials & Conversion Productivity - Over \$100M of Opex & Indirect Manufacturing Cost Savings
	2.9%	11.5%	(899 bps)	
Equity Income	3.1	8.1		
Performance EBIT ⁽¹⁾	38.9	301.1	(87%)	
	2.6%	11.6%	(909 bps)	
Performance Net Income ⁽²⁾	25.7	246.8	(90%)	Low Profits in Europe Increase Performance Tax Rate from 19% in '08 to 35% in '09
	1.7%	9.5%	(793 bps)	
Diluted Shares	65.0	65.9		
Performance EPS⁽²⁾	0.40	3.75	(90%)	

- **Nearly 50% sales decline in 1H'09 followed by sequential improvement in 2H '09**
- **Timely & decisive actions initiated in 2H '08 limited full year decremental operating margin to 23%**

Refer to Slide #16 for Footnotes

Remarkable Profitability Given Severe Industry Slump

CASH FLOW SUMMARY Full Year 2009

(in \$ Millions)

Free Cash Flow

Cash Provided by Operating Activities

Net Income including noncontrolling interest	23.9	Receivables \$68.3
Depreciation & Amortization	89.6	Inventory \$23.0
Working Capital	78.2	Payables (\$13.1)
Changes in Other Assets & Liabilities	(46.5)	Indemnification & tax related items (\$28.9)
		Streamlining, vacation reduction & other employee related costs (\$17.9)
Net Cash Provided by Operating Activities	145.2	
Purchases of PP&E, Tooling and Computer Software	(66.4)	
Free Cash Flow⁽³⁾	78.8	

- Customer credit management drives receivables collections; reduction in days sales outstanding and improvement in past due receivables freed up \$94M in cash
- Reduced operational Inventory by \$47M or 29% and invested \$24M in safety stock to mitigate supplier risk and support transfers
- Spending on PP&E, tooling & computer software 18% lower than previous year, while building two new factories in China
- Results include \$40M of streamlining payments

Refer to Slide #16 for Footnotes

Delivered Nearly \$80 Million of Free Cash Flow

ORGANIZATION REALIGNMENT UPDATE

Streamlining Program

	Previous Target*	Achievement to Date**
Manufacturing Positions	1,570	1,501
OPEX Positions	230	228
Total Positions	1,800	1,729
Estimated Total Cost	\$80M - \$85M	\$78M
Estimated Annualized Savings	\$80M - \$90M	\$82M

*Exchange Rate: 1 Euro = \$1.36 US

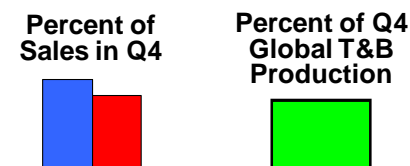
**Exchange Rate: 1 Euro = \$1.39US

Q4 Results & Status of Additional Actions

- Execution of Germany agreement as planned; further actions dependent on market conditions in early 2010
- UK factory closure postponed further to Q2 2010 due to increased demand for vacuum pumps
- Actions completed without disrupting the business

Realignment to Market Essentially Complete

MARKET DYNAMICS



Europe

10%

- New truck inventory close to normal levels
- Q4 Registrations down 48% yoy; production down 52% yoy
- Estimate Q4 '09 fleet utilization 10-15% below '08 up from ~20% in Q1 '09
- Expect T&B production to grow ~15% full year 2010 based on flattish demand



North America

10%

- Industry showing positive signs, enhanced by pre-buy of trucks & engines
- Economic recovery should begin to drive freight demand
- ~15% T&B production increase expected for 2010



China

50%

- Q4 T&B production up 136% vs. Q4 '08 & up 60% vs. Q1 '09; helped by government stimulus packages
- Exports improving sequentially but down an estimated 30% Q4 '09 vs. Q4 '08
- Volatile & hard to predict market but ~5% T&B production growth expected for 2010



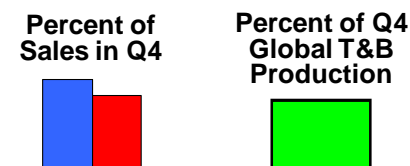
India

11%

- Q4 T&B production up 130% vs. Q4 '08 & up 90% vs. Q1 '09
- Economic stimulus from government helps drive growth
- 2010 T&B growth of ~20% vs. '09
- Numerous projects by Western manufacturers to develop value trucks

Recovery Progressing in All Major Regions

MARKET DYNAMICS



- Stimulus packages in both countries helped drive H2 '09 economic recovery
- T&B Production up 60% vs. Q1 '09, back to Q4 '08 level
- Exports are recovering
- 2010 T&B production growth expected to be ~20% vs. '09



- Exports dropped ~60% in 2009 compared to 2008
- H2 '09 benefitted from government stimulus program in the CV industry
- Q4 T&B Production up 45% vs. Q1 '09, back to Q4 '08 level
- 2010 growth expected to be ~15% vs. '09



- Q4 '09 sales up 23% vs. Q1 '09 and 13% vs. Q4 '08
- Impacted early on downside but now recovering earlier than OE
- Back to normal annual sales growth level of ~10%



- Most severely impacted segment in industry, down 2/3 from 2007 peak in Europe/US
- Q4 '09 production down 20% vs. Q1 '09 and 32% vs. Q4 '08 for Europe/US
- Production outlook for 2010 indicates modest growth in major markets

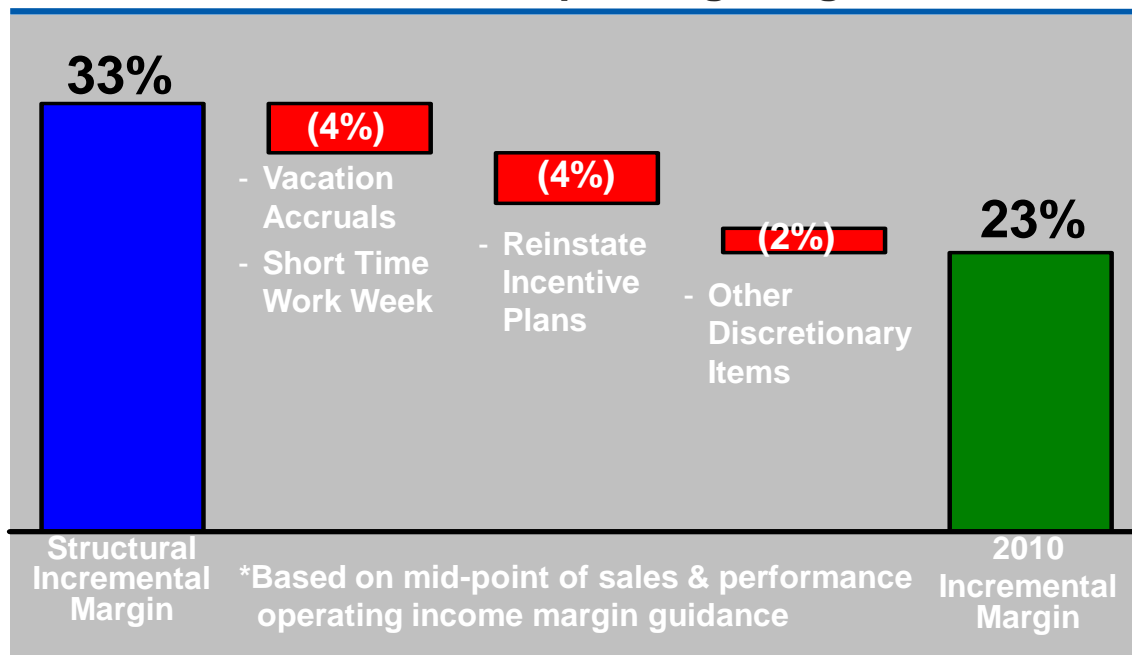
Aftermarket Growth Leading Indicator for Market Recovery

FY 2010 GUIDANCE

Full Year Guidance

Sales⁽⁴⁾ vs. '09	15% – 20%
Perf. Op Margin⁽¹⁾	5% – 7%
Perf. EPS⁽²⁾	\$1.00 – \$1.40
Free Cash Flow Conversion⁽³⁾	80% - 90% (Excluding Stream. & Separation)

Incremental Operating Margin*



Key Inputs

- Maintaining price erosion at '09 level of 1.7% or better
- Maintaining strong levels of productivity
- Raw materials pricing at levels above 2009
- Net interest expense at current rates
- Performance tax rate around 20%
- Streamlining & separation cash payments: \$55M to 65M
- Impact from EC fine not included

Refer to Slide #16 for Footnotes

Returning to Solid Growth in 2010

FOCUSING ON CORE STRATEGIES

Globalization

- **Major New Contract in China:** Long term development and supply contract with Yuchai for twin-cylinder compressors for engines on heavy duty trucks
- **WABCO-TVS Factory Wins Top Award in India:** Chennai site honored with Super Platinum distinction for its India Manufacturing Excellence Award (IMEA)
- **Development of Two New Factories in China:** Supporting JV with FUWA for air disc brakes and one to supply the expanding relationship with CNHTC

New Technologies & Products

- **OptiDrive™ System Named PACE™ Award Finalist:** Our breakthrough modular automated manual transmission technology named finalist for 2010 Automotive News PACE Award, industry's benchmark for innovation
- **Daimler Trucks North America (DTNA):** New System Saver 1200 Plus air dryers will be standard on all truck models of DTNA as of January 2010.
- **Audi's New Flagship Luxury Sedan:** Developed and furnishing high performance air supply system with breakthrough electronic control technology for state-of-the-art air suspension system on new 2010 Audi A8

Execution

- **WABCO Operating System Results**
 - CRP initiative contributing to record level of material productivity
 - Technical PPM reduced 63% year over year
 - Successful integration of WABCO-TVS subsidiary in India
 - Operating at better than world class safety level in our factories

Continued Success in Executing Core Strategies

SUMMARY

- **Fourth Quarter 2009**
 - Sales 17% Above Q3 2009
 - Cost Reduction Programs & Productivity Enable Performance Operating Margin⁽¹⁾ expansion to 6.2%
- **Full Year 2009**
 - Achieved Performance EPS⁽²⁾ of \$0.40, While Losing 42% of Sales
 - Delivered \$118.8M of Free Cash Flow⁽³⁾ Excl. Restructuring Payments
 - Successfully Right sized the Company
 - While Advancing on Our Three Core Strategies
- **Full Year 2010**
 - Improving Market Conditions Across Major Regions
 - Seizing Growth Opportunities in All Global Markets
 - Efficient Cost Structure Will Support Strong Incremental Margin

Refer to Slide #16 for Footnotes

Superbly Positioned to Fully Benefit From Global Opportunities

APPENDIX

RECONCILIATIONS OF NON-GAAP MEASURES TO GAAP MEASURES

Footnotes, Tables & Definitions

Footnotes

1. Adjusted for streamlining, separation items and one-time impact from the Indian joint venture transactions
2. Adjusted for streamlining, separation, one-time impact from the India joint venture transactions and one-time tax and discrete tax items
3. Net cash provided by operating activities less net cash used for purchases of property, plant, equipment and computer software
4. Adjusted for currency translation
5. Adjusted for currency translation, streamlining and separation items

Tables

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

Definitions

- **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.

WABCO HOLDINGS Inc.
Reconciliation of Net Income to Performance Net Income and Performance Net Income per Diluted Common Share
(Unaudited)

(Amounts in millions, except per share data)

	Three Months Ended Dec. 31,		Twelve Months Ended Dec. 31,	
	2009	2008	2009	2008
Net Income	\$ 38.7	\$ 21.2	\$ 18.8	\$ 213.3
Adjustments:				
Streamlining cost, net of tax	(2.3)	17.2	46.4	27.1
Tax items	(13.9)	(0.5)	(11.5)	1.4
Separation costs, net of tax and separation related taxes	0.7	0.4	(37.8)	3.8
One-time impact from adoption of FAS 141R	-	1.2	-	1.2
Impact from India JV Transaction, net of tax	-	-	9.8	-
Performance Net Income	<u>\$ 23.2</u>	<u>\$ 39.5</u>	<u>\$ 25.7</u>	<u>\$ 246.8</u>
Performance Net Income per Diluted Common Share	\$ 0.36	\$ 0.62	\$ 0.40	\$ 3.75
Common Shares Outstanding - Diluted	65.4	64.0	65.0	65.9

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.

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

(Amounts in millions)

	<u>Three Months Ended December 31,</u>		<u>Twelve Months Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Net Cash Provided by Operating Activities	\$ 18.9	\$ 79.1	\$ 145.2	\$ 324.8
Deductions or Additions to Reconcile to Free Cash Flow:				
Purchases of property, plant, equipment and computer software	<u>(26.5)</u>	<u>(21.4)</u>	<u>(66.4)</u>	<u>(83.6)</u>
Free Cash Flow	<u>\$ (7.6)</u>	<u>\$ 57.7</u>	<u>\$ 78.8</u>	<u>\$ 241.2</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.
Q4 2009 Data Supplement Sheet
(Unaudited)

(Amounts in millions)	Quarter Ended December 31,				
	2009	% of Sales/ Adj Sales	2008	% of Sales/ Adj Sales	% Chg vs. 2008
Sales					
Reported	\$ 459.6		\$ 454.7		1.1%
Foreign exchange translational effects	(44.6)		-		
Adjusted Sales	\$ 415.0		\$ 454.7		-8.7%
Gross Profit					
Reported	\$ 115.3	25.1%	\$ 111.0	24.4%	3.9%
Streamlining costs	0.8		8.5		
Separation costs	0.3		0.3		
Performance Gross Profit	\$ 116.4	25.3%	\$ 119.8	26.3%	-2.8%
Foreign exchange translational effects	(11.1)		-		
Adjusted Gross Profit	\$ 105.3	25.4%	\$ 119.8	26.3%	-12.1%
Selling, Administrative, Product Engineering Expenses and Other					
Reported	\$ 89.6	19.5%	\$ 94.7	20.8%	-5.4%
Streamlining costs	(0.5)		(17.4)		
Separation costs	(1.2)		(0.3)		
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 87.9	19.1%	\$ 77.0	16.9%	14.2%
Foreign exchange translational effects	(8.2)		-		
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 79.7	19.2%	\$ 77.0	16.9%	3.5%
Operating Income					
Reported	\$ 25.7	5.6%	\$ 16.3	3.6%	57.7%
Streamlining costs	1.3		25.9		
Separation costs	1.5		0.6		
Performance Operating Income	\$ 28.5	6.2%	42.8	9.4%	-33.4%
Foreign exchange translational effects	(2.9)		-		
Adjusted Operating Income	\$ 25.6	6.2%	\$ 42.8	9.4%	-40.2%

WABCO HOLDINGS INC.
Q4 2009 Data Supplement Sheet
(Unaudited)

(Amounts in millions)	Quarter Ended December 31,				
	2009	% of Sales/ Adj Sales	2008	% of Sales/ Adj Sales	% Chg vs. 2008
<u>Equity in Income/(Loss) of Unconsolidated Joint Ventures</u>					
Reported	1.0		\$ (0.1)		
Foreign exchange translational effects	-		-		
Adjusted Equity in Income/(Loss) of Unconsolidated Joint Ventures	\$ 1.0		\$ (0.1)		
<u>EBIT (Earnings Before Interest and Taxes)</u>					
Reported Net Income	\$ 38.7		\$ 21.2		
Adjust for taxes	(14.4)		(5.1)		
Adjust for interest expense/(income)	0.3		(0.9)		
EBIT	\$ 24.6	5.4%	\$ 15.2	3.3%	61.8%
Streamlining costs	1.3		25.9		
Separation costs	0.6		0.6		
One-time impact from adoption of FAS 141R	-		1.6		
Performance EBIT (Earnings Before Interest and Taxes)	\$ 26.5	5.8%	\$ 43.3	9.5%	-38.8%
Foreign exchange translational effects	(2.9)		-		
Adjusted EBIT (Earnings Before Interest and Taxes)	\$ 23.6	5.7%	\$ 43.3	9.5%	-45.5%

WABCO HOLDINGS INC.
Twelve Months Ended December 2009 Data Supplement Sheet
(Unaudited)

(Amounts in millions)	Twelve Months Ended December 31,				
	2009	% of Sales/ Adj Sales	2008	% of Sales/ Adj Sales	% Chg vs. 2008
Sales					
Reported	\$ 1,491.5		\$ 2,588.0		-42.4%
Foreign exchange translation effects	77.2		-		
Adjusted Sales	\$ 1,568.7		\$ 2,588.0		-39.4%
Gross Profit					
Reported	\$ 327.8	22.0%	\$ 694.0	26.8%	-52.8%
Streamlining costs	37.0		10.5		
Separation costs	1.0		1.1		
Performance Gross Profit	\$ 365.8	24.5%	\$ 705.6	27.3%	-48.2%
Foreign exchange translational effects	18.0		-		
Adjusted Gross Profit	\$ 383.8	24.5%	\$ 705.6	27.3%	
<u>Selling, Administrative, Product Engineering Expenses and Other</u>					
Reported	\$ 342.7	23.0%	\$ 447.5	17.3%	-23.4%
Streamlining costs	(19.7)		(26.4)		
Separation costs	-		(13.7)		
Performance Selling, Administrative, Product Engineering Expenses and Other	\$ 323.0	21.7%	\$ 407.4	15.7%	-20.7%
Foreign exchange translational effects	19.4		-		
Adjusted Selling, Administrative, Product Engineering Expenses and Other	\$ 342.4	21.8%	\$ 407.4	15.7%	-16.0%
<u>Operating (Loss)/Income</u>					
Reported	\$ (14.9)	-1.0%	\$ 246.5	9.5%	-106.0%
Streamlining costs	56.7		36.9		
Separation costs	1.0		14.8		
Performance Operating Income	\$ 42.8	2.9%	298.2	11.5%	-85.6%
Foreign exchange translational effects	(1.4)		-		
Adjusted Operating Income	\$ 41.4	2.6%	\$ 298.2	11.5%	-86.1%

WABCO HOLDINGS INC.
Twelve Months Ended December 2009 Data Supplement Sheet
(Unaudited)

(Amounts in millions)	Twelve Months Ended December 31,				
	2009	% of Sales/ Adj Sales	2008	% of Sales/ Adj Sales	% Chg vs. 2008
<u>Equity in Income of Unconsolidated Joint Ventures</u>					
Reported	\$ 3.1		\$ 8.1		
Foreign exchange translational effects	(0.1)		-		
Adjusted Equity in Income of Unconsolidated Joint Ventures	\$ 3.0		\$ 8.1		-63.0%
<u>EBIT (Earnings Before Interest and Taxes)</u>					
Reported Net Income	\$ 18.8		\$ 213.3		
Adjust for taxes	(10.7)		38.2		
Adjust for interest (income)/expense	(0.5)		(3.7)		
EBIT	\$ 7.6	0.5%	\$ 247.8	9.6%	-96.9%
Streamlining costs	56.7		36.9		
Separation costs	(36.4)		14.8		
One-time impact from adoption of FAS 141R	-		1.6		
Impact from India JV transaction	11.0		-		
Performance EBIT (Earnings Before Interest and Taxes)	\$ 38.9	2.6%	\$ 301.1	11.6%	-87.1%
Foreign exchange translational effects	(2.1)		-		
Adjusted EBIT (Earnings Before Interest and Taxes)	\$ 36.8	2.3%	\$ 301.1	11.6%	-87.8%

WABCO HOLDINGS INC.
Reconciliation of GAAP to Non-GAAP Financial Measures for Full Year 2010 Guidance
(Unaudited)

(Amounts in millions, except per share data)

	Twelve Months Ended Dec. 31, 2010 Projected
<u>Operating Income</u>	
Reported Operating Income Margin	4.5% - 6.5%
Separation costs, impact to margin	0.5%
Performance Operating Income Margin	5.0% - 7.0%
<u>Net Income</u>	
Reported Net Income	\$57.0 - \$83.0
Tax items	2.0
Separation costs, net of tax and separation related taxes	6.5
Performance Net Income	\$65.5 - \$91.5
Reported Net Income per Diluted Common Share	\$0.87 - \$1.27
Performance Net Income per Diluted Common Share	\$1.00 - \$1.40
Diluted common shares outstanding	65.4