

PASSION
POWER

WABCO INNOVATION AND TECHNOLOGY BREAKTHROUGHS

2008

- TRAILER TELEMATICS
- HIGH OUTPUT COMPRESSOR
- OPTIDRIVE™ MODULAR TRANSMISSION AUTOMATION SYSTEM

PARTNERSHIP

2007

- RSSPLUS™ ROLL MITIGATION SYSTEM
- WORLDWIDE MODULAR COMPRESSOR

GLOBAL

2006

- TRAILER EBS-E
- TWO STAGE COMPRESSOR

LEAN

2004

- NEW GENERATION AIR DISC BRAKE
- AIR SYSTEM PROTECTOR
- HYDRAULIC TRANSMISSION AUTOMATION SYSTEM

2003

- INTEGRATED VEHICLE TIRE MONITORING (IVTM)

2001

- ECAS FOR CARS, SUVs, LIGHT COMMERCIAL VEHICLES

- ADAPTIVE CRUISE CONTROL

- ELECTRONIC STABILITY CONTROL

2000

- ROLL STABILITY SUPPORT (RSS) FOR TRAILERS

1998

- TRAILER EBS

1996

- ELECTRONIC BRAKING SYSTEM (EBS)

1986

- ELECTRONICALLY CONTROLLED AIR SUSPENSION (ECAS)

- PNEUMATIC TRANSMISSION AUTOMATION SYSTEM

- TRACTION CONTROL SYSTEM

1981

- ANTI-LOCK BRAKING SYSTEM (ABS)

WABCO Vehicle Control Systems (NYSE: WBC) is a leading supplier of safety and control systems for commercial vehicles. For over 140 years, WABCO has pioneered breakthrough electronic, mechanical and mechatronic technologies for braking, stability, and transmission automation systems supplied to the world's leading commercial truck, trailer, and bus manufacturers. With 7,200 employees in 31 countries and sales of \$2.6 billion in 2008, WABCO is headquartered in Brussels, Belgium. For more information, visit www.wabco-auto.com

HOSHIN

- NEW GENERATION IVTM
- ONGUARDMAX™ AUTONOMOUS EMERGENCY BRAKING SYSTEM

VALUE STREAMS

- ONGUARD™ COLLISION MITIGATION SYSTEM

155 NEW PATENTS GRANTED TO WABCO IN 2008

POWER TO INNOVATE

2008 was an unprecedented year. The global commercial vehicle industry experienced boom and bust, side by side, as never before.

WABCO entered 2008 facing the challenges of continued growth: deepening connectivity with customers, applying enormous energy to build up capacity, boosting manufacturing efficiencies, raising standards of excellence in execution and improving profitability.

As of March 2008, we had achieved a record level of first quarter sales. In the second quarter of 2008, we set another record for quarterly sales, an increase of 16 percent. Altogether, during the first half of 2008, WABCO's sales grew by 14 percent; all organic growth, all in local currencies, maintaining the company's long track record of outpacing the industry's growth. It was full steam ahead.

In the third quarter of 2008, our sales growth slowed to 2 percent. Nonetheless, it marked a record level of third quarter sales and the company's 27th consecutive quarter of growth. However, we anticipated something disruptive: market demand would change and it would

change for the worse. We also anticipated that it would happen fast. WABCO decided to switch gears overnight.

Suddenly, after nearly 7 years of uninterrupted growth, we began shifting down our entire organization. We reversed steam: efficiently, under control with maximum flexibility. Early in the third quarter, we took measures to achieve \$20 million in cost savings for the rest of 2008. In fact, between July and December, we achieved an exceptional \$45 million in cost savings, more than double our target for profit improvement in that period.

And then what we anticipated actually happened: market downturn.

In the fourth quarter of 2008, WABCO's sales declined by 25 percent year on year, reflecting a drop in the commercial vehicle market that was unprecedented for its combined speed, steepness and global sweep.

WABCO's sales totaled \$2.6 billion for full year 2008, a level that is flat in local currencies compared with a year ago. But 2008 was anything but flat: fast growing market conditions in the first half of the year sharply contrasted with suddenly severe slowing down in the second half.

18.4% INCREASE IN NET INCOME IN 2008 ON PERFORMANCE BASIS

Rising to the challenge, we demonstrated our ability to adapt efficiently and execute with excellence no matter what the market conditions. For example, we gained \$72 million in materials and conversion productivity in 2008 through our WABCO Operating System, one of the most advanced management environments in our industry.

We achieved an outstanding full year 2008 performance EBIT (earnings before interest and taxes), an increase of 8 percent. Net income rose by 18 percent. We returned \$153 million to shareholders through repurchased shares. Marking another outstanding achievement, we set a full year record for earnings per share, up 25 percent.

Throughout 2008, we responded and adapted with creativity, speed and flexibility.

TECHNOLOGY, GLOBAL EXPANSION, AND EXECUTION

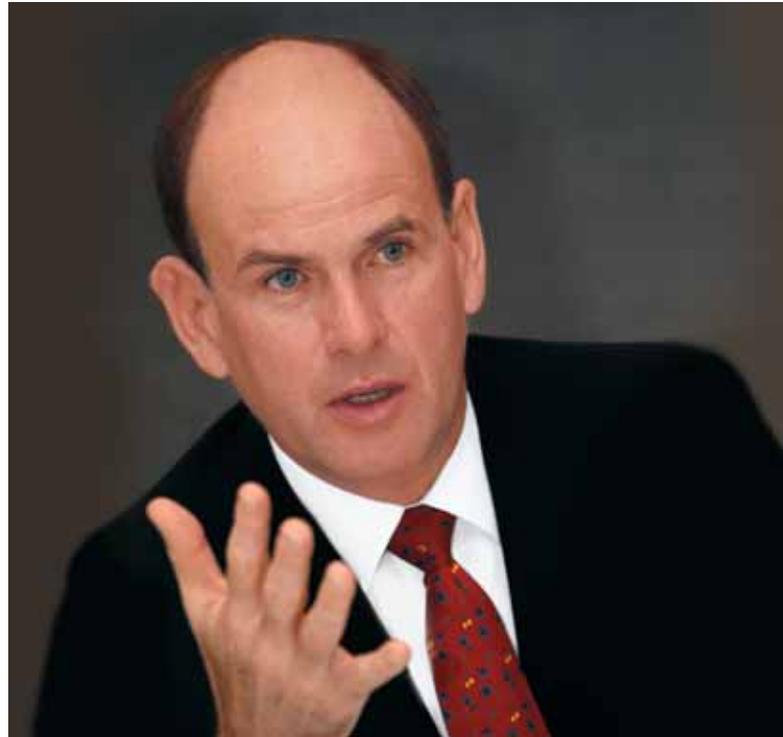
Facing adverse market conditions and drawing on our passion to continually innovate every aspect of our business, we have added a short term focus to mitigate these conditions. Moving forward, our realignment involves additional cost reduction programs and a streamlining program that we initiated in the fourth quarter of 2008 to proactively reduce our workforce and size the company for a new level of market demand that has significantly less volume. We have also made room for sufficient flexibility to exploit any market opportunities in a global commercial vehicle industry that is highly volatile and uncertain.

However, we will not drive these necessary efforts to the detriment of the long term fundamentals that have anchored our company at the leading edge of our industry. We will, indeed, pursue our three strategic objectives: technology leadership, global expansion and excellence in execution.

The success of our company is rooted in the robust growth of our exceptional engineering capabilities no matter what climate prevails in the global commercial vehicle industry.

In our culture of innovation honed during decades of engineering excellence, we have pioneered many of the breakthrough electronic, mechanical, and mechatronic technologies in systems such as braking, stability, air suspension and transmission automation.

In the latter part of 2008, even as our industry started feeling the pain of shrinking market demand, WABCO introduced a powerful suite of 14 new technologies and innovative



systems. Further demonstrating our passion to innovate, we announced two breakthrough technologies: one in driver assistance systems, another in transmission automation. With these major advancements in 2008, we added to our long list of innovation and technology breakthroughs that spans decades.

In December 2008, we furthered our global expansion when we began supplying OptiDrive™ – our new modular automated manual transmission system – to CNHTC, the largest producer of heavy duty trucks in China and the world's first truck maker to adopt this highly advanced system in volume production. CNHTC launched its new flagship HOWO heavy truck series, featuring WABCO's new OptiDrive system, one of the most creatively engineered products in our portfolio.

In another major development of global expansion in 2008, we agreed to form a joint venture for production of air disc brakes in China with Fuwa, the world's largest manufacturer of commercial trailer axles. It marks our continued success in globalizing our reach and growing our presence

25% INCREASE IN EPS (EARNINGS PER SHARE) IN 2008 ON PERFORMANCE BASIS

across the world. Our ambition is to manufacture air disc brakes in China to equip up to 250,000 axles annually.

2009 will mark another milestone in our development in Asia as we take majority control of our joint venture in India. It will give us additional access to unique resources and capabilities in manufacturing, sourcing, and engineering.

Our WABCO Operating System remains at the leading edge of our industry through continuous improvements in quality, cost, delivery, service and connectivity with customers in every region of the world, and in 2008, we continued to make significant progress on every dimension.

Entering 2009, we have added a short term focus to mitigate adverse market conditions, without compromising our commitment to our strategy of technology leadership, global expansion and excellence in execution.

For example, we introduced production of our OptiDrive system, one of the most complex technologies in our portfolio, at our factory in Qingdao, China, fully adhering to our breakthrough concept of lean manufacturing. This factory, a pilot site for lean manufacturing, demonstrated yet another exceptional level of quality in 2008: only 2.6 defects out of every million parts produced for ABS valves, a world class achievement in our industry. Our factory in Wroclaw, Poland, expanded its breakthrough mixed model assembly lines in 2008 to cover 40 percent of the value of its production using lean manufacturing. This transformational approach has now been introduced into other factories in Europe and Brazil.

In Hanover, Germany, we conducted in 2008 several major Kaizen events, a Japanese improvement method. This factory is now preparing for its path of full transformation through implementation of lean manufacturing, assisted by a team of experts who promote lean methodologies.

Entering 2009, we have focused 100 of our 1,000 engineers worldwide on cost reduction programs aimed at cutting material costs while boosting manufacturing efficiency. Through such innovations we will further reduce costs while continuing to drive the company's strategic projects.

Today, the world is focused on containing an unprecedented crisis that is significantly impacting – and even restating – the market for commercial vehicles. However, this down cycle will reverse and the market will trend upward. It will be accelerated by economic stimulus packages currently being implemented in all areas of the world. In China alone, we are already seeing significant growth coming from ambitious construction projects launched in the western part of the country.

The commercial vehicle industry should be at the leading edge of the recovery in the economy. First, aftermarket revenues will rise driven by the increased activity of existing trucks and trailers. This growth will be rapidly followed by demand for the new vehicles necessary to replace a fast aging fleet, especially in the United States. WABCO is ready to fully benefit from any increase in demand for new commercial vehicles. We are also continuing to grow our capabilities in the aftermarket space, adding new products and services to our offering and further expanding geographically.

PASSION IS POWER

Passion is power. The same passion that propelled us during times of industry growth will also power us when markets slump. We will harness the same power that we demonstrated in 2008 but deploy it in different ways during 2009, rising to new challenges.

We are proud of our employees in 31 countries as they adapt and execute what is necessary in the short term while preserving the integrity of the company's capabilities and long term growth potential. Everyone in our organization across the world is passionate about securing the future success of WABCO.



Jacques Esculier
Chief Executive Officer

The Automotive Distribution Federation (ADF) in the United Kingdom named WABCO as Commercial Vehicle Parts **SUPPLIER OF THE YEAR 2008**, marking the third year in a row that WABCO has earned this award from the ADF, the UK trade association representing over 80 percent of parts distributors in the independent automotive aftermarket as well as parts manufacturers and importers.

At IAA 2008, the world's largest trade show for commercial vehicles, WABCO introduced two breakthrough technologies. OnGuardMax™ is a revolutionary driver assistance technology and the commercial vehicle industry's first system for autonomous emergency braking that reacts to stationary vehicles. Our new OptiDrive automated manual transmission system is another technology breakthrough.

At IAA 2008, WABCO introduced its **TRAILER TELEMATICS SYSTEM** for original equipment manufacturers and aftermarket applications. This new telematics technology further improves operating efficiency, resulting in significant cost savings for fleet operators, freight agents and logistics managers. Vehicle data can be accessed in real time from any location via an easy-to-use internet portal.



POWER FOR



WABCO and Truck Race Team Allgäuer are partners in the **EUROPEAN TRUCK RACING CHAMPIONSHIP**, the industry's leading and most competitive truck racing contest worldwide. WABCO has been supplying Team Allgäuer with state-of-the-art braking technology since 2001.

843,000 TRAILER ELECTRONIC BRAKING SYSTEMS SOLD SINCE INTRODUCTION 10 YEARS AGO

During 2008, WABCO continued as a **BRAND OF REFERENCE** everywhere trucks, buses and trailers are built and used in the world. Our **STRATEGY** remains focused on three **POWERFUL** levers: constant flow of innovation and technology breakthroughs, greater global expansion, and further extension and development of our aftermarket business.

GROWTH

As of 2008, total sales have expanded over the last five years at a compound annual growth rate of approximately 8 percent, driven by strong growth in global demand for commercial vehicles, except during the second half of 2008 when market conditions suddenly deteriorated.

Moving forward, the power of WABCO will allow us to take advantage of any change in demand that could be accelerated by government economic stimulus programs that are being implemented in our key markets. These programs emphasize industrial activity, goods transport and infrastructure building, creating new demand for trucks, buses and trailers.

Over the years, our growth has been outperforming the market, powered by an increasing average content per vehicle for our products and systems. The powerful suite of 14 new technologies and innovative systems that we introduced in 2008 will continue to provide new opportunities for additional revenues.

In Western Europe, WABCO's applicable content per vehicle exceeds \$3,000 and continues to grow due to adoption of advanced technology and high penetration of on-board electronics. In North America, WABCO's applicable content per vehicle is under \$1,000 while in emerging markets such as China it is under \$300. WABCO's content per vehicle will grow as these regions continue to adopt our technologies to make vehicles safer, more fuel efficient and

more environmentally friendly. For example, our latest introduction of new technologies such as automated manual transmissions or advanced compressors creates powerful opportunities for growth.

In India, a market that offers significant opportunities for growth, we set the stage in 2008 for an effective transition to WABCO's majority control of the WABCO-TVS joint venture, a leading player in the local commercial vehicle market. At the same time, it will add an advanced engineering center and three world-class factories to WABCO's global capabilities, further enhancing the company's already broad footprint in Asia.

In September 2008, we inaugurated an extension to our test track located near Hanover, Germany. A new vehicle dynamics area expands our global capabilities for stability testing. WABCO pioneered electronic stability control (ESC) for commercial vehicles in 2001 and we have continued to drive ESC ever since. A European Union mandate to equip commercial vehicles with ESC technology starting in 2011 will result in a sharp increase in the number of certification tests.

In 2008, our aftermarket team continued to expand its global reach through a service network covering 107 countries. We broadened our product offerings and added new services in diagnostic capabilities and technical training. In 2008, WABCO University trained more than 13,500 customers from 32 countries, an increase of 23 percent.

We intensified our commitment to **ENGINEERING EXCELLENCE** in 2008: further strengthening the company's global engineering network, devising innovation strategy from deeper understanding of very diverse **CUSTOMER ROADMAPS**. As more projects increasingly involve cross-border teams, we harness the **POWER OF ONE** common development process worldwide.

POWER FROM

WABCO continues to power its success through exceptional engineering capabilities which have pioneered many of the fundamental innovations in commercial vehicle systems that generate, manage and utilize compressed air, as well as other electronics and controls. WABCO has a track record of technology leadership and industry breakthroughs:

- First anti-lock braking system in 1981
- First electronically controlled air suspension system in 1986
- First automated manual transmission system in 1986
- First electronic braking system in 1996
- First electronic stability control system in 2001
- First collision mitigation system with active braking in 2007 and introduced as OnGuard™

At IAA 2008, the world's largest trade show for commercial vehicles, WABCO introduced a powerful suite of 14 new technologies and innovative systems, including two breakthrough technologies:

- OnGuardMax™ is the commercial vehicle industry's first system for autonomous emergency braking in collision imminent situations with moving or stopped vehicles. It represents a revolutionary advance in driver assistance systems.
- WABCO's OptiDrive, one of the most creatively engineered products in our portfolio, is a breakthrough in transmission automation. A high degree of modularity

means faster time to market for vehicle and transmission manufacturers.

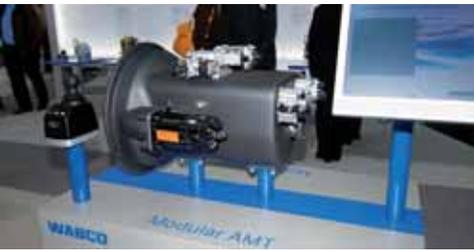
At IAA 2008, we demonstrated power from technology by introducing new telematics technology for trailers, new high output compressors, a new generation of air disc brakes based on unique and patented single-piston technology for heavy duty trucks and buses, and an updated trailer electronic braking system, among other improved and innovative systems and products.

WABCO's engineering excellence is powered by the passion and outstanding talents of our 1,000 engineers working from three different continents. They develop and deploy new and improved products to meet the needs of a global customer base comprising every major manufacturer of trucks, buses and trailers.

In 2008, we made significant progress in harnessing the power of one WABCO engineering resource. We strengthened our global engineering network, for example, through more effective application of expert competencies such as software engineering and mechatronics expertise. We clarified and quickened interfaces across globally distributed locations. We further standardized processes for product development and program management through our WABCO Operating System, resulting in better cross-functional connectivity and deeper systemization with customers.

10.3% INCREASE IN R&D INVESTMENT IN 2008

At IAA 2008, WABCO introduced OPTIDRIVE AUTOMATED MANUAL TRANSMISSION (AMT) SYSTEM, continuing the company's 20-year track record of technology leadership in transmission automation. The new system's high degree of modularity means faster time to market for vehicle and transmission manufacturers.



WABCO has been pioneering Electronic Stability Control (ESC) for commercial vehicles since 2001. This ESC CONTROL UNIT features innovative circuit board technology and the most advanced micro-machined inertial sensors, providing measurements of lateral acceleration and yaw rate.

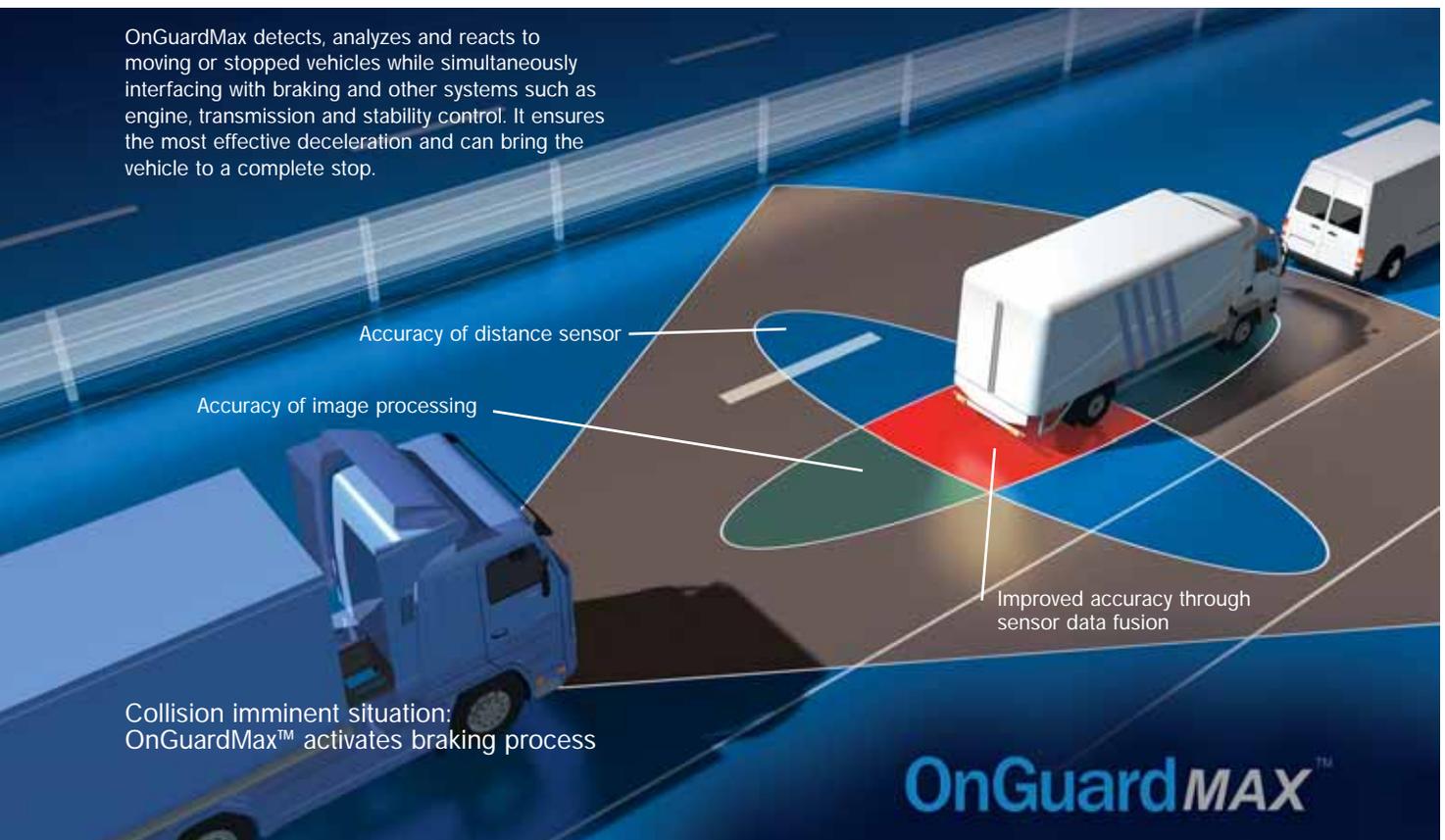


At IAA 2008, WABCO introduced NG22MAX, a new generation of air disc brakes for heavy duty trucks and buses. It delivers high performance at lowest weight based on advanced and patented single-piston technology and compact caliper design.



TECHNOLOGY

OnGuardMax detects, analyzes and reacts to moving or stopped vehicles while simultaneously interfacing with braking and other systems such as engine, transmission and stability control. It ensures the most effective deceleration and can bring the vehicle to a complete stop.



OnGuardMax is a breakthrough in driver assistance technology for commercial vehicles. It is the industry's first system for AUTONOMOUS EMERGENCY BRAKING (AEB) in collision imminent situations with moving or stopped vehicles.

1,243 WABCO SERVICE CENTERS AND SERVICE POINTS WORLDWIDE

Fuwa is the largest manufacturer of commercial trailer axles in China and in the world. WABCO and Fuwa agreed in 2008 to form a **JOINT VENTURE** for production of air disc brakes in China, expected in the coming years to equip up to 250,000 axles.

CNHTC is China's largest producer of heavy duty trucks. WABCO began supplying CNHTC in 2008 with its new OptiDrive system. CNHTC will market its gearbox as "SmartShift® with WABCO."

In 2008, WABCO-TVS earned a "Zero PPM" quality award (zero defective parts-per-million) from TATA MOTORS, India's largest manufacturer of commercial vehicles. This award for manufacturing excellence focuses on performance over the past three years.



POWER ACROSS



Equipped with WABCO's new OptiDrive system, the new HOWO series of trucks combines more efficient performance, further vehicle safety and increased driver comfort, according to CNHTC, China's largest manufacturer of heavy duty trucks.

Throughout 2008, our **PASSION** continued to fuel the power of our talented local teams in 31 countries backed by aftermarket service in 107 countries. Such **POWER** across the world is linked to our ability to perform as an organization that closely connects with, understands and adapts to **LOCAL CUSTOMERS** in every region.

THE WORLD

In 2008, we further enhanced the talent level of our senior leadership, once again adding rich backgrounds and broad experience to our already diverse, high performance global leadership team. With an executive team consisting of 10 different nationalities from four continents, WABCO's cultural diversity allows us to connect increasingly deeper with local customers while constantly building better understanding of global market opportunities.

In December 2008, WABCO marked another milestone as a global technology leader when China National Heavy Truck Corporation began equipping their new flagship truck series with our OptiDrive system. CNHTC is the largest producer of heavy duty trucks in China and the world's first original equipment manufacturer to adopt WABCO's highly advanced OptiDrive system in volume production. This successful national launch with CNHTC, an outstanding achievement, highlights WABCO's creativity and flexibility as we focus on customers to anticipate and meet their needs while serving them in their language and native culture.

Our partnership with CNHTC also exemplifies the power of WABCO's globally connected teams. Our teamwork aligns and integrates engineers, marketing and account managers, manufacturing experts, sourcing specialists, business leaders and other colleagues who collaborate from Asia and Europe.

Also in December 2008, we further demonstrated the power of WABCO's global expansion when we agreed with Guangdong Fuwa Heavy Industry Company to form a joint venture for production of air disc brakes in China. Fuwa is the largest manufacturer of commercial trailer axles in China and in the world. Encompassing manufacturing, assembly, and testing, this powerful joint venture is expected to manufacture air disc brakes to equip up to 250,000 axles for commercial trailers annually.

Our partnership with Fuwa is another mark of WABCO's continued success in globalizing our reach and growing our presence across the world. Our joint manufacturing facility establishes a major footprint for our air disc brakes in China as well as Asia, further ensuring that WABCO can meet the future needs of local and regional customers.

Across the world, we are supported by a continuously expanding network of manufacturing, sourcing and local engineering capabilities. For example, together with our WABCO-TVS joint venture partner, we announced in 2008 the opening of two manufacturing facilities in India. We also doubled the capacity of our software design center in Tidel Park, India's largest information technology park. Our engineers develop embedded software for applications in electronic braking, stability, transmission and climate control. By expanding engineering and production capabilities in India, we can continually improve our supply chain and better serve customers locally as well as globally.

19 QUALITY AND EXCELLENCE AWARDS WON BY WABCO AND JOINT VENTURE PARTNERS

Our **WABCO OPERATING SYSTEM**, one of the most advanced management environments in our industry, transforms how we do business: total **EMPLOYEE INVOLVEMENT**, organizational development across the value chain, true **CUSTOMER PARTNERSHIPS**, fast and flexible product development, and Six Sigma Lean processes from suppliers through to customers.

POWER THRO

Throughout 2008, we further energized our WABCO Operating System by intensifying our focus on lean manufacturing and value streams, executing with excellence on all of the steps from suppliers through to our customers. For example, in Wroclaw, Poland, mixed model assembly lines produced an array of valves that serve customers in Europe, Brazil and North America. Six different product families are built using three mixed model lines, replacing nine conventional lines. This factory produced 700,000 ABS valves in 2008 with zero defects, a world class achievement in our industry.

Our factory in Qingdao, China, has manufactured more than 2.2 million ABS valves since its inauguration in 2007, including 1.3 million in 2008, serving Asia and North America. Through lean manufacturing, quality performance continued to excel at world class standards. The factory achieved a quality level of 2.6 ppm, which is less than three defects out of every million parts produced.

Furthermore, in 2008, we introduced manufacturing in India and China for clutch servos that improve clutch operation in trucks and buses. By extending localized production of clutch servos into Asia, we better serve regional customers.

Kaizen is a Japanese improvement method that integrates capacity, space, utilization, productivity and quality. In 2008, we executed 120 major Kaizen events in our factories around the world, more than double the number a year ago.

We conducted 31 workshops with materials suppliers and other supply chain partners to reinforce lean initiatives and further boost quality. We also started to apply Hoshin, a Japanese management method that aligns our entire organization to drive change and reach breakthrough objectives.

Safety in the workplace is an integral part of our WABCO Operating System. We recorded an incident rate of occupational injury or illness at less than 0.70 per 100 full-time workers during 2008, a superlative result in safety performance.

WABCO and our joint venture partners won 19 major awards from customers and industry institutions in Brazil, North America, Europe and Asia. They commend outstanding quality, reliability, service, and other achievements in recognition of excellence in execution.

For example, WABCO earned a Top Quality award from KAMAZ, Russia's largest manufacturer of commercial vehicles. WABCO also won a Top Supplier award from Volkswagen commercial vehicles in Brazil. The Beijing Public Transport Corporation, operator of the world's largest municipal bus service, honored WABCO for Best Aftermarket Service before and during 2008 Olympic activities. In 2008, WABCO-TVS earned a Zero PPM Quality award (zero defective parts-per-million over the past three years) from Tata Motors, India's largest manufacturer of commercial vehicles.

During 2008, WABCO produced more than 100,000 units on its air compressor line in Qingdao, China.

WABCO implements **SIX SIGMA LEAN** methodologies across its worldwide manufacturing network, resulting in continuous improvements in quality, productivity and customer satisfaction, among other benefits.

WABCO's **DAILY ROUTINE MANAGEMENT (DRM)** addresses deviations from production targets such as those associated with standards for safety, quality, productivity and delivery. DRM ensures continuous and immediate correction of manufacturing performance. A team at WABCO's factory in Campinas, Brazil, works through their DRM.

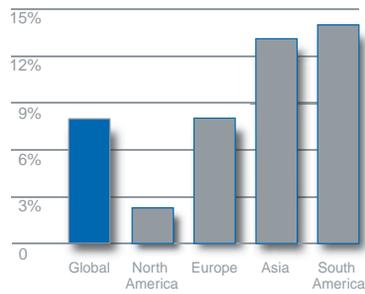
WABCO uses pilot lines for new products as an integral part of product development. **PILOT LINES** produce new product prototypes and optimize manufacturing processes, prior to volume production. WABCO's factory in Hanover, Germany, operates two pilot lines.



UGH EXECUTION

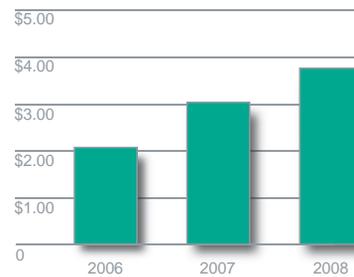


Using **LEAN MANUFACTURING METHODS** to assemble ABS modulator valves, this production line in Wrocław, Poland, combines high flexibility with the most simple and effective technical solutions. It produces for Europe and Brazil.

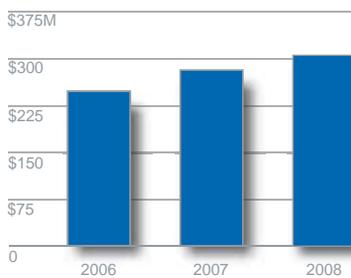
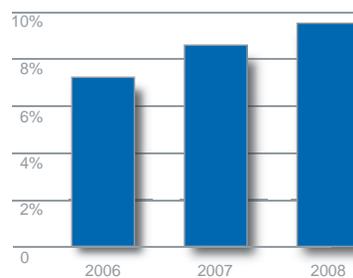
WABCO SALES
5-YEAR CAGR*

*Compound annual growth rate in local currencies from 2003 to 2008

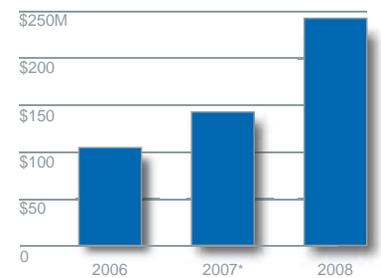
PERFORMANCE EPS



PERFORMANCE EBIT

PERFORMANCE NET INCOME
AS A PERCENTAGE OF SALES

FREE CASH FLOW



*Excludes \$216M negative impact from elimination of accounts receivable securitization programs at spin-off

POWER TO PERFORM

Our sales for 2008 were a record \$2.6 billion, flat in local currencies year on year. However, 2008 was anything but flat: growth of 14 percent in the first half; sudden severe slowdown in the second half due to an unprecedented decline in the global commercial vehicle industry.

Despite such an industry slowdown, we had an outstanding year in 2008. Performance EBIT increased to \$301 million, a record level and up 8 percent year on year. Performance net income margin increased to 9.5 percent, up 91 basis points year on year. We also set a record for reported diluted earnings per share of \$3.24 and diluted earnings per share on a performance basis of \$3.75, up 25 percent year on year.

We generated \$241 million in free cash flow, representing 113 percent of net income. Also in 2008, we made a record contribution to our shareholders: we returned \$172 million in cash by paying dividends and buying back shares in 2008, bringing the total

shares repurchased to 6.0 million since commencing the program in 2007.

We continued to invest in our future. In 2008, we spent \$93 million in research and development, an increase of 10 percent year on year.

Our WABCO Operating System, one of the most advanced management environments in our industry, demonstrated excellent results. For example, we gained \$72 million in materials and conversion productivity in 2008. We also continued to improve the efficiency of the company's capital expenditures. In 2008, we increased capital expenditures by \$8 million but – for a third consecutive year – we succeeded in keeping these expenditures more than 10 percent below depreciation and amortization.

Moving forward, we have sized our organization for a restated level of market demand. We are well prepared and sufficiently flexible across our supply chain to continuously align with the market and take full advantage of an upturn.

BOARD OF DIRECTORS

JAMES HARDYMON
Non-Executive Chairman
of the Board
Former Chairman and
Chief Executive Officer of
Textron, Inc.^(A)

JACQUES ESCULIER
Chief Executive Officer of
WABCO

G. PETER D'ALOIA
Former Senior Vice President
and Chief Financial Officer of
Trane Inc. (now Ingersoll Rand)

JOHN F. FIEDLER
Former Chairman of
the Board of Directors of
BorgWarner, Inc.^(C)

JUERGEN W. GROMER
Board Member of
Tyco Electronics
Former President of
Tyco Electronics^(C)

KENNETH J. MARTIN
Former Chief Financial Officer
and Vice Chairman of Wyeth
Chairman of Audit Committee^(A)

MICHAEL T. SMITH
Former Chairman of the
Board and Chief Executive
Officer of Hughes
Electronics Corporation
Chairman of Compensation,
Nominating and Governance
Committee^(C)

DONALD J. STEBBINS
Chairman and Chief Executive
Officer of Visteon Corporation^(A)

BOARD COMMITTEES

^(A) Audit
^(C) Compensation, Nominating & Governance

EXECUTIVES

JACQUES ESCULIER
Chief Executive Officer*

ULRICH MICHEL
Chief Financial Officer*

PETER BAL
Chief Information Officer

PRATIP DASTIDAR
Vice President
Six Sigma Lean and Quality

ALFRED FARHA
Chief Legal Officer and
Secretary*

ROBERT FARRELL
Vice President
General Auditor

**JEAN-CHRISTOPHE
FIGUEROA**
Vice President
Vehicle Dynamics and Control*

MALCOLM GILBERT
Treasurer

KURT LEHMANN
Vice President
Product Engineering

LEON LIU
President
Asia Pacific

EKKEHARD PETZOLD
Vice President
Global Sourcing and Purchasing

NICK RENS
Vice President
Trailer Systems and Aftermarket

DANIEL SAMSON
Vice President
Manufacturing and Logistics
Vice President
Car Systems and Products

HANS-JÜRGEN SANDER
Vice President
Driveline Control

KEVIN TARRANT
Chief Human Resources Officer*

MICHAEL E. THOMPSON
Vice President
Strategy and Investor Relations

NIKHIL VARTY
Vice President
Compression and Braking*

TODD WEINBLATT
Vice President and Controller,
Assistant Secretary*

CHRISTIAN WIEHEN
Chief Technology Officer

* Corporate Officer

GLOBAL HEADQUARTERS

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ANNUAL SHAREHOLDERS MEETING

WABCO Holdings Inc.
Will be held:
May 28, 2009 10:00 a.m.
Eastern Daylight Time (EDT)
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STOCK EXCHANGE LISTING

New York Stock Exchange
Ticker Symbol: WBC

Form 10-K is available from
the Securities and Exchange
Commission. You may also print
a copy from the company's
website or request one from:

INVESTOR RELATIONS

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CHARITY IN SICHUAN, CHINA

WABCO's Board of Directors approved a donation of \$50,000 to help provide relief for the people of Sichuan province after the earthquake in May 2008. It mainly funds WABCO China's long-term commitment to sponsor living costs of 20 orphans from the earthquake zone for the next 10 years. The company also matched cash contributions from employees in the region and internationally, raising more than \$120,000 for WABCO's China Earthquake pledge. All funds were donated to the Sichuan Province Red Cross.



CHILDREN IN HANOVER AND MANNHEIM, GERMANY

WABCO held a Children's Day in April 2008 in Hanover, Germany. Boys and girls of employees visited the company's manufacturing, research and development facility for a look at the future world of work. "Company kids" learn about engineering and technical occupations in the world of technology for commercial vehicles. Employees in Mannheim, Germany, have supported children with leukemia since 2001. Employees donated more than \$12,000 in 2008 for this cause, including support for a local hospice for children.



RECYCLING KITCHEN OIL IN BRAZIL

During 2008, WABCO Brazil continued its successful kitchen oil recycling project. Employees bring used household cooking oil to the company where it is batched and forwarded to a local cooperative that filters, cleans and reprocesses it into bio-fuel. This environmentally friendly fuel is used to power the vehicles of the Campinas city council. For every 2.6 gallons (10 liters) of used kitchen oil that it contributes, WABCO Brazil receives 2.2 pounds (1 kilogram) of non-perishable food to donate to a non-profit organization that helps people in need.



POWER OF SHARING

'SAFE WAY TO SCHOOL' IN WROCLAW, POLAND

The Police Department in Wroclaw, Poland, conducts "A Safe Way to School," an annual traffic safety program for primary schoolchildren. Youngsters learn how to cross the street safely and arrive at school while raising their awareness for safety in street traffic. WABCO Poland sponsored the 2008 program and the "Lion" commissioner (official police mascot) presented the prizes at the program's closing event on September 25, 2008 at Primary School Nr 85.

SHARING IN ACTION

In Charleston, South Carolina, USA, WABCO sponsored two special drives in 2008: providing back-to-school supplies for underprivileged children as well as raising more than 1,600 pounds (over 700 kilograms) of food for a local food bank. In Collegno, Italy, WABCO joined a municipal initiative in 2008 to help disabled persons by preparing a specially equipped transport van and donating this vehicle to the city. As the heat rose during summer in Brazil, employees and their children enjoyed family attractions on a "wet and wild" day at a local water park.

SPORTS FOR YOUTH IN BRUSSELS, BELGIUM

WABCO continued in 2008 as a silver sponsor of the Brussels Sports Association, a non-profit volunteer organization offering recreational team sports for youth aged 4 to 15 during soccer, basketball and baseball seasons. Children in the international and local communities in Brussels learn basic athletic skills, experience a sense of fair play and contribute to team spirit. More than 1,000 children representing over 45 different nationalities participate each year.

WABCO