WABCO Holdings Inc.
Form 10-Q
July 26, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549
FORM 10-Q
x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013
OR
o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to .
Commission file number 1-33332
WABCO Holdings Inc.
(Exact name of Registrant as specified in its charter)

Delaware	20-8481962
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Chaussee de Wavre, 1789 1160 Brussels, Belgium	
One Centennial Avenue, P.O. Box 6820, Piscataway, NJ	08855-6820
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code +32 2 663 98 00
Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes o No
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). x Yes o No
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one).

Large Accelerated Filer x	Accelerated Filer o
Non-Accelerated Filer o	Smaller Reporting Company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). o Yes x No
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.
Common stock, $.01 par value, outstanding at

July 25, 2013	62,602,194 shares

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

WABCO HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(Amounts in millions, except share and per share data)	2013	2012	2013	2012
Sales	$678.2	$635.2	$1,322.9	$1,292.5
Cost of sales	471.6	441.5	918.6	902.6
Gross Profit	206.6	193.7	404.3	389.9
Costs and expenses:				
Selling and administrative expenses	89.2	74.0	171.7	153.1
Product engineering expenses	29.5	26.1	59.8	52.2
Other operating expense, net	1.5	0.8	4.6	2.3
Operating income	86.4	92.8	168.2	182.3
Equity income of unconsolidated joint ventures, net	5.3	4.8	8.2	9.7
Other non-operating income/(expense), net	4.0	(0.6)	3.7	(1.3)
Interest expense, net	(0.2)	(0.5)	(0.5)	(0.8)
Income before income taxes	95.5	96.5	179.6	189.9
Income tax expense	9.7	17.6	17.8	19.0
Net income	85.8	78.9	161.8	170.9
Less: net income attributable to noncontrolling interests	2.6	3.3	4.9	6.1
Net income attributable to Company	$83.2	$75.6	$156.9	$164.8
Net income attributable to Company per common share				
Basic	$1.33	$1.18	$2.50	$2.56
Diluted	$1.31	$1.15	$2.46	$2.50
Cash dividends per share of common stock	$—	$—	$—	$—
Weighted average common shares outstanding				
Basic	62,673,044	64,288,346	62,795,504	64,467,425
Diluted	63,500,403	65,625,136	63,790,312	66,010,308

See Notes to Condensed Consolidated Financial Statements.

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WABCO HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(Amounts in millions)	2013	2012	2013	2012
Comprehensive income	$63.9	$41.9	$131.9	$147.4
Less: comprehensive (loss)/income attributable to noncontrolling interests	(1.6)	(0.4)	$1.0	$3.4
Comprehensive income attributable to Company	$65.5	$42.3	$130.9	$144.0

See Notes to Condensed Consolidated Financial Statements.

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WABCO HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in millions, except share data)	June 30, 2013 (unaudited)	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$166.4	$ 175.0
Accounts receivable, less allowance for doubtful accounts of $4.3 in 2013 and $3.6 in 2012	347.8	301.5
Inventories:		
Finished products	92.0	76.9
Products in process	8.2	7.1
Raw materials	106.5	107.8
Taxes receivable on income	3.3	—
Future income tax benefits	10.7	13.8
Restricted cash	31.1	26.0
Guaranteed notes receivable	55.9	41.2
Other current assets	43.7	43.3
Total current assets	865.6	792.6
Property, plant and equipment, less accumulated depreciation	370.9	389.0
Goodwill	363.7	371.7
Long-term future income tax benefits	92.2	91.5
Investments in unconsolidated joint ventures	20.5	20.5
Intangible assets, net	40.5	39.4
Other assets	41.3	42.3
TOTAL ASSETS	$1,794.7	$ 1,747.0
LIABILITIES AND EQUITY		
Current liabilities:		
Loans payable to banks	$23.8	$ 76.2
Accounts payable	159.6	115.4
Accrued payroll	106.1	94.2
Current portion of warranties	29.3	33.8
Taxes payable	—	5.7
Other accrued liabilities	117.6	120.4
Total current liabilities	436.4	445.7
Post-retirement benefits	424.5	430.6
Deferred tax liabilities	29.9	29.9
Long-term income tax liabilities	47.5	47.7
Other liabilities	59.8	64.4
Total liabilities	998.1	1,018.3
Shareholders' equity:		
Preferred stock, 4,000,000 shares authorized; none issued and outstanding	—	—
Common stock, $.01 par value, 400,000,000 shares authorized; shares issued: 77,079,903 in 2013; 75,755,306 in 2012; and shares outstanding: 62,603,883 in 2013; 62,747,151 in 2012	0.7	0.7
Capital surplus	776.2	735.5
Treasury stock, at cost: 14,476,020 shares in 2013; 13,008,155 shares in 2012	(757.8)	(655.8)
Retained earnings	875.5	718.6

Accumulated other comprehensive income:		
Foreign currency translation adjustments	(44.7)	(15.4)
Unrealized losses on benefit plans, net of tax	(103.9)	(107.2)
Total shareholders’ equity	746.0	676.4
Noncontrolling interests	50.6	52.3
Total equity	796.6	728.7
TOTAL LIABILITIES AND EQUITY	1,794.7	1,747.0

See Notes to Condensed Consolidated Financial Statements.

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WABCO HOLDINGS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2013	2012
(Amounts in millions)		
Operating activities:		
Net income	$161.8	$170.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	37.2	33.3
Amortization of intangibles	6.0	5.4
Equity in earnings of unconsolidated joint ventures, net of dividends received	0.1	(2.5)
Non-cash stock compensation	6.6	7.6
Deferred income tax expense	(0.1)	(2.8)
Loss on sale or disposal of property, plant and equipment	0.1	—
Changes in assets and liabilities:		
Accounts receivable, net	(54.7)	(29.1)
Inventories	(21.7)	(9.6)
Accounts payable	48.4	11.2
Other accrued liabilities and taxes	2.1	(9.1)
Other current and long-term assets	(26.0)	14.4
Other long-term liabilities	(3.7)	(20.2)
Net cash provided by operating activities	156.1	169.5
Investing activities:		
Purchases of property, plant and equipment	(33.8)	(36.0)
Investments in capitalized software	(7.2)	(4.6)
Net cash used in investing activities	(41.0)	(40.6)
Financing activities:		
Net (repayments)/borrowings of revolving credit facilities	(45.8)	15.0
Net repayments of short-term debt	(5.9)	(4.3)
Purchases of treasury stock	(100.7)	(99.8)
Dividends to noncontrolling interest holders	(2.7)	(2.9)
Proceeds from exercise of stock options	35.7	14.2
Net cash used in financing activities	(119.4)	(77.8)
Effect of exchange rate changes on cash and cash equivalents	(4.3)	(3.7)
Net (decrease)/increase in cash and cash equivalents	(8.6)	47.4
Cash and cash equivalents at beginning of period	175.0	102.4
Cash and cash equivalents at end of period	$166.4	$149.8
Cash paid during the period for:		
Interest	$0.2	$0.5
Income taxes	$24.3	$14.8
Non cash items for the period:		
Treasury stock purchase accrual	$3.8	$3.0

See Notes to Condensed Consolidated Financial Statements.

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WABCO HOLDINGS INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2013
(Unaudited)

NOTE 1. Basis of Financial Statement Presentation

WABCO Holdings Inc. and its subsidiaries (collectively “WABCO” or the “Company”) develops, manufactures and sells advanced braking, stability, suspension and transmission control systems primarily for commercial vehicles. WABCO’s largest selling products are pneumatic anti-lock braking systems (“ABS”), electronic braking systems (“EBS”), automated manual transmission systems, air disc brakes and a large variety of conventional mechanical products such as actuators, air compressors and air control valves for heavy and medium-sized trucks, trailers and buses. WABCO sells its products to four groups of customers around the world: truck and bus original equipment manufacturers (“OEMs”), trailer OEMs, aftermarket distributors of replacement parts and services and automotive OEMs.

The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments, including normal recurring items, considered necessary for a fair presentation of financial data have been included. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the entire year. The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying notes for the year ended December 31, 2012, included in the Company’s Annual Report on Form 10-K.

Based on the organizational structure, as well as the nature of financial information available and reviewed by the Company’s chief operating decision maker to assess performance and make decisions about resource allocations, the Company has concluded that its total WABCO operations represent one reportable segment and that WABCO’s performance and future net cash flow perspectives are best understood and assessed as such. All majority-owned subsidiaries of WABCO are included in the consolidated financial statements and intercompany transactions are eliminated upon consolidation. WABCO’s investments in unconsolidated joint ventures are included at cost plus its equity in undistributed earnings less dividends and changes in foreign currency in accordance with the equity method of accounting and reflected as investments in unconsolidated joint ventures in the consolidated balance sheet.

Preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Management believes the most complex and sensitive judgments, because of their significance to the condensed consolidated financial statements, result primarily from the need to make estimates about the effects of matters that are inherently uncertain. Management’s Discussion and Analysis of Financial Condition and Results of Operations and Notes 2 and 14 to the Consolidated Financial Statements for the year ended December 31, 2012, in the Company’s Annual Report on Form 10-K, describe the most significant accounting estimates and policies used in the preparation of the Consolidated Financial Statements. Actual results in these areas could differ materially from management’s estimates. There have been no significant changes in the Company’s assumptions regarding critical accounting estimates during the first six months of 2013.

NOTE 2. Recently Issued Accounting Standards

The adoption of recently issued accounting standards did not have a material impact on the condensed consolidated financial statements, nor do we expect the pending adoption of recently issued accounting standards to have a material impact on the condensed consolidated financial statements.

In 2013, the FASB issued Accounting Standards Update 2013-02 Reporting of Amounts Reclassified out of Accumulated Other Comprehensive Income ("ASU 2013-02") .

ASU 2013-02 aims to improve the reporting of reclassifications out of accumulated other comprehensive income. The entities are required to report the effect of significant reclassifications out of accumulated other comprehensive income on the respective line items in net income.
We adopted the provisions of ASU 2013-02 as of March 31, 2013.

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NOTE 3. Comprehensive Income

Total comprehensive income attributable to the Company consisted of the following (amounts in millions):

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2013	2012	2013	2012
Net income	$85.8	$78.9	$161.8	$170.9
Foreign currency translation losses	(21.6)	(40.3)	(33.2)	(26.1)
Unrealized (losses) / gains on benefit plans, net	(0.3)	3.3	3.3	2.6
Comprehensive income	63.9	41.9	131.9	147.4
Less: Net income attributable to noncontrolling interests	2.6	3.3	4.9	6.1
Less: Foreign currency translation losses, attributable to noncontrolling interests	(4.2)	(3.7)	(3.9)	(2.7)
Comprehensive income attributable to Company	$65.5	$42.3	$130.9	$144.0

The table below presents the rollforward of Accumulated Other Comprehensive Income for the six month period ended June 30, 2013 (amounts in millions).

	Accumulated Other Comprehensive Income			
	Foreign Currency Translation	Losses on Intra-entity transactions (1)	Unrealized Losses on Benefit Plans, net of tax	Total
Beginning balance as of Dec 31, 2012	(9.5)	(5.9)	(107.2)	(122.6)
Other comprehensive income before reclassifications	(27.9)	(1.4)	1.1	(28.2)
Amounts reclassified from accumulated other comprehensive income	—	—	2.2 (2)	2.2
Net current period other comprehensive income	(27.9)	(1.4)	3.3	(26.0)
Ending Balance as of June 30, 2013	(37.4)	(7.3)	(103.9)	(148.6)

(1) Relates to intra-entity foreign currency transactions that are of a long term investment nature, when the entities to the transaction are consolidated, combined or accounted for by the equity method in the Company's financial statements.
(2) This accumulated other comprehensive income component, net of $0.9 million in tax, is included in the computation of net periodic pension cost. See Note 13 Post-retirement Benefits for additional details.

NOTE 4. Accounts Receivable Securitization Program & Financing Receivables

On September 23, 2009, the Company established an accounts receivable securitization program (the “Accounts Receivable Securitization Program”) with Société Générale Bank Nederland N.V. The maximum funding from receivables that may be sold into the Accounts Receivable Securitization Program and outstanding at any point in time is €80 million; however, there can be no assurance that the Company will generate sufficient eligible receivables to access the maximum availability. The original term of the Accounts Receivable Securitization Program was for one year, with the possibility of four additional annual extensions, assuming the Company and the participating sellers are

in compliance with the applicable covenants. The Company extended the Accounts Receivable Securitization Program in September 2012 for one additional year.

During the six months ended June 30, 2013, the Company sold all of its eligible receivables into the Accounts Receivable Securitization Program. The receivables were removed from the balance sheet in accordance with the guidance under ASC topic 860, Transfers and Servicing. The total amount of receivables sold under the Accounts Receivable Securitization Program during the six months ended June 30, 2013 was €381.6 million ($501.2 million at weighted average June 30, 2013 year-to-date exchange rates). The amount of eligible receivables sold and outstanding as of June 30, 2013

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amounted to €76.6 million ($99.9 million at June 30, 2013 exchange rates). As a result of the sale, accounts receivable decreased by $99.9 million and cash and cash equivalents increased by $59.7 million. The remaining amount of proceeds of $40.2 million is a subordinated deposit with Société Générale Bank Nederland N.V. at June 30, 2013. The fair value of the receivables sold equaled the carrying cost at time of sale, and no gain or loss was recorded as a result of the sale. The Company estimated the fair value of sold receivables using Level 3 inputs and based the estimate on historical and anticipated performance of similar receivables, including historical and anticipated credit losses (if any). As part of the Accounts Receivable Securitization Program, the Company continues to service the receivables. The Company sells the receivables at face value, but receives actual funding net of the subordinated deposit account until collections are received from customers for the receivables sold. The Company is exposed to the credit losses of sold receivables up to the amount of its subordinated deposit account at each settlement date. Credit losses for receivables sold and past due amounts outstanding at June 30, 2013 were both immaterial. Servicing fees paid for the program were $0.4 million and $0.5 million for the six months ended June 30, 2013 and June 30, 2012 respectively.

In addition to the above, the Company has the ability to access cash on a daily basis related to collections on sold receivables, which provided the Company with $29.3 million of additional cash as of June 30, 2013. Of these cash receipts, $20.2 million is classified on the consolidated balance sheet as loans payable to bank and $9.1 million reduced the subordinated deposit, which is classified as restricted cash on the consolidated balance sheet as of June 30, 2013, to $31.1 million. Also, the Company has pledged unsold receivables under the Accounts Receivable Securitization Program of €10.2 million ($13.3 million at June 30, 2013 exchange rates).

On April 15, 2009, the Company entered into a €35 million factoring program, which has a term of five years, in respect to accounts receivable from one of our customers. To date, we have not utilized this facility.

Other receivables available for financing include receivables from reputable state owned and public enterprises in China that are settled through bankers acceptance drafts, which are registered and endorsed to the Company. These drafts are fully guaranteed by banks and generally have contractual maturities of six months or less, but the ultimate recourse remains against the trade debtor. These guaranteed drafts are available for discounting with banking institutions in China or transferring to suppliers to settle liabilities. The total amount of notes receivable discounted or transferred for the first six months of 2013 and 2012 were $16.4 million and $21.3 million, respectively. There were no expenses for the six months ended June 30, 2013, compared to $0.1 million for the six months ended June 30, 2012. The carrying amounts of these guaranteed notes receivable are $55.9 million and $41.2 million as of June 30, 2013 and December 31, 2012, respectively.

The Company monitors the credit quality of both the drawers of the draft and guarantors on a monthly basis by reviewing various factors such as payment history, level of state involvement in the institution, size, national importance as well as current economic conditions in China. Since the Company has not experienced any historical losses nor is expecting future credit losses based on a review of the various credit quality indicators described above, we have not established a loss provision against these receivables as of June 30, 2013 or December 31, 2012.

NOTE 5. Net Income Attributable to Company per Share

Basic net income attributable to Company per share has been computed using the weighted average number of WABCO common shares outstanding. The average number of outstanding shares of common stock used in computing diluted net income attributable to Company per share includes weighted average incremental shares when the impact is not anti-dilutive. The weighted average incremental shares represent the net amount of shares the Company would issue upon the assumed exercise of in-the-money stock options and vesting of restricted stock units (“RSUs”) after assuming that the Company would use the proceeds from the exercise of options to repurchase stock. Anti-dilutive shares, if applicable, are excluded and represent those options and RSU’s whose assumed proceeds were greater than the average price of the Company’s common stock.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Weighted average incremental shares included	827,359	1,336,790	994,808	1,542,883

Shares excluded due to anti-dilutive effect	50,296	500,765	231,000	435,080

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NOTE 6. Capital Stock

The following is a summary of net shares outstanding and shares issued or reacquired during the six month period ended June 30, 2013.

	Number of Shares of Common Stock		
	Total Shares	Treasury Shares	Net Shares Outstanding
Balance, December 31, 2012	75,755,306	(13,008,155)	62,747,151
Shares issued upon exercise of stock options	1,213,479	—	1,213,479
Shares issued upon vesting of RSUs	111,118	—	111,118
Shares purchased for treasury	—	(1,467,865)	(1,467,865)
Balance, June 30, 2013	77,079,903	(14,476,020)	62,603,883

The Company accounts for purchases of treasury stock under the cost method with the costs of such share purchases reflected in treasury stock in the accompanying condensed consolidated balance sheets. When treasury shares are reissued, they are recorded at the average cost of the treasury shares acquired since the inception of the share buy back programs, net of shares previously reissued and the Company reflects the difference between the average cost paid and the amount received for the reissued shares in capital surplus. As of June 30, 2013, no shares have been reissued.

On May 26, 2011, the Board of Directors approved the purchase of shares in an amount not to exceed $400 million, which expired on May 31, 2013. On October 26, 2012, the Board of Directors authorized the Company to enter into an additional share repurchase program. This board authorization allows for the repurchase of an additional $400 million of common shares at the discretion of management for a period until December 31, 2014. As of June 30, 2013, the Company had repurchased shares for a total amount of $481.4 million, leaving an unexpended balance of $318.6 million available to repurchase shares in the future. Subsequent to June 30, 2013, the Company has repurchased 105,000 additional shares for $8.3 million. The Company plans to continue to purchase shares at prevailing market prices. The timing and amount of share repurchases, if any, will depend on a variety of factors, including, among other things, share price, market conditions and applicable regulatory requirements.

NOTE 7. Stock-Based Compensation

The Company records stock-based compensation based on the estimated fair value of the award at the grant date and recognizes that as an expense in the condensed consolidated statements of income over the requisite service period. Commencing in 2013, the Company has replaced the stock options component of the equity incentive awards with performance stock units, the vesting of which would occur, if at all, and at levels depending upon, the achievement of a three-year cumulative earnings metric. Total stock-based compensation cost recognized during the three and six month periods ended June 30, 2013 and 2012 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Stock-based compensation	$3.4	$4.0	$6.6	$7.6

The total number and type of awards granted during the periods presented and the related weighted-average grant-date fair values were as follows:

	Six Months Ended June 30, 2013			Six Months Ended June 30, 2012		
	Underlying Shares	Weighted-Average Exercise Price	Weighted Average Grant Date Fair Value	Underlying Shares	Weighted-Average Exercise Price	Weighted Average Grant Date Fair Value
Options Granted	—			274,505	$58.72	$23.11
RSUs Granted	109,668	$—	$67.98	129,877	$—	$58.48
PSUs Granted	94,364		68.10	—		—

Total Awards	204,032	404,382

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There were no stock options granted in the six months ended June 30, 2013. In the six months ended June 30, 2012, a total of 274,505 options were granted of which all are exercisable in equal installments over a period of three years. In the first six months of 2013, a total of 109,668 RSUs were granted of which 900 vest immediately, 101,814 vest in equal annual installments over a period of three years and 3,068 vest after three years. Of the remaining 3,886 RSUs granted in 2013 66% vest after two years and 34% vest after three years. In the first six months of 2012, a total of 129,877 RSUs were granted of which 10,027 vest immediately, 101,722 vest in equal annual installments over a period of three years and 12,746 vest after three years. Of the remaining 5,382 RSUs granted in 2012 66% vest after two years and 34% vest after three years.

In the first six months of 2013, a total of 94,364 PSUs were granted, the vesting of which would occur, if at all, and at levels depending upon, the achievement of a certain three-year cumulative earnings per share goal.

The weighted average grant date fair value for stock options was calculated under the Black-Scholes option-pricing model. The following table summarizes the significant assumptions used for the grants during the six month periods ended June 30, 2013 and 2012:

Assumption	June 30, 2013	June 30, 2012	
Risk-free interest rate	N/A	0.81	%
Expected volatility	N/A	44.48	%
Expected holding period	N/A	5 Years	
Expected forfeiture rate	N/A	2.3	%
Expected dividend yield	N/A	—	%

The risk free interest rate is based on the yield of U.S. Treasury securities that correspond to the expected holding period of the options. WABCO reviewed the historic volatility of its common stock over a four-year period, the common stock of its peer group over a three-year period, and the implied volatility for at-the-money options to purchase shares of its common stock. Based on this data, the Company chose to use a weighted average of the implied volatility of WABCO, the most recent four-year historical volatility of WABCO and the median most recent three-year historical volatility of WABCO’s peer group prior to the spin-off date. The expected holding period was calculated by reviewing the historical exercise pattern of all holders that were granted options and the exercise behavior of officers versus non-officers. The results of the analysis supported one expected holding period for all groups of employees. The expected forfeiture rate was determined based on the historical stock option forfeiture data of the Company.

NOTE 8. Debt

On July 8, 2011, the Company entered into a $400 million multi-currency five-year senior unsecured revolving credit facility (the "Facility") with the lenders and agent banks party thereto, including Banc of America Securities Limited as agent, issuing bank and swingline lender, and Banc of America Securities Limited, Citigroup Global Markets Limited, Fortis Bank S.A./N.V., ING Belgium SA/NV, Société Générale Corporate & Investment Banking, The Bank of Tokyo-Mitsubishi UFJ, Ltd and The Royal Bank of Scotland NV, (Belgium) Branch, as mandated lead arrangers and bookrunners and Credit Lyonnais and Unicredit Bank AG as lead arrangers.

As of June 30, 2013, the Facility is our principal bank credit facility, and it will expire on September 1, 2016. It replaced the $800 million multi-currency five-year senior unsecured revolving credit facility entered into by WABCO on May 31, 2007 with, among others, J.P. Morgan Securities, Inc. as lead arranger and bookrunner and JPMorgan Chase Bank, N.A., as agent, issuing bank and swingline lender.

Under the Facility, the Company may borrow, on a revolving basis, loans in an aggregate principal amount at any one time outstanding not in excess of $400 million. Up to $50 million under the Facility may be used for issuing letters of credit, of which $48.8 million was unused as of June 30, 2013, and up to $50 million is available in the form of swingline loans, of which $50.0 million was unused as of June 30, 2013. There was no outstanding balance on the Facility as of June 30, 2013, and the balance of letters of credit issued was $1.2 million.

The proceeds of the borrowings under the Facility will be available to repurchase WABCO shares, finance acquisitions, refinance existing indebtedness and meet general financing requirements.

Interest on loans under the Facility will be calculated at a rate per annum equal to an applicable margin, which can vary from 0.80% to 1.55% based on the Company's leverage ratio, plus LIBOR for loans denominated in U.S. Dollars,

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EURIBOR for loans denominated in Euros, HIBOR for loans denominated in Hong Kong Dollars and SIBOR for loans denominated in Singapore Dollars, plus mandatory costs, if any.

The Facility contains terms and provisions (including representations, covenants and conditions) customary for transactions of this type. Our primary financial covenant is a leverage test which requires net indebtedness not to exceed three times adjusted four quarter trailing EBITDA (earnings before interest, taxes, depreciation and amortization adjusted for certain items). Additional financial covenants include an interest coverage test and a maximum subsidiary indebtedness test. The interest coverage test requires three times interest expense not to exceed adjusted four quarter trailing EBITDA. The maximum subsidiary indebtedness test limits the total aggregate amount of indebtedness of WABCO's subsidiaries, excluding indebtedness under the Facility, to $400 million, of which not more than $150 million may be secured. At June 30, 2013 the Company had the ability to borrow an incremental $398.8 million under the Facility and was in compliance with all the covenants.
Financial covenants, as determined on the date the Facility was signed, are not subject to any future changes in U.S. GAAP accounting standards and all cash on the balance sheet can be deducted for net indebtedness purposes. In addition, expenses and payments related to any streamlining of WABCO’s operations are excluded when calculating the four quarter trailing adjusted EBITDA. Other covenants include delivery of financial reports and other information, compliance with laws including environmental laws and permits, ERISA and U.S. regulations, limitations on liens, mergers and sales of assets and change of business.
Also, various subsidiaries had borrowings from banks totaling $23.8 million, of which $20.2 million relates to our Accounts Receivable Securitization Program referred to in Note 4 above. The remaining $3.6 million supports local working capital requirements.

NOTE 9. Warranties, Guarantees, Commitments and Contingencies
Warranties
Products sold by WABCO are covered by a basic limited warranty with terms and conditions that vary depending upon the product and country in which it was sold. The limited warranty covers the equipment, parts and labor (in certain cases) necessary to satisfy the warranty obligation generally for a period of two years. Estimated product warranty expenses are accrued in cost of goods sold at the time the related sale is recognized. Estimates of warranty expenses are based primarily on warranty claims experience and specific customer contracts. Warranty expenses include accruals for basic warranties for product sold, as well as accruals for product recalls, service campaigns and other related events when they are known and estimable. To the extent WABCO experiences changes in warranty claim activity or costs associated with servicing those claims, its warranty accrual is adjusted accordingly. Warranty accrual estimates are updated based upon the most current warranty claims information available.
The following is a summary of changes in the Company’s product warranty liability for the three and six month periods ended June 30, 2013 and 2012 (amounts in millions).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Balance of warranty costs accrued, beginning of period	$51.2	$57.7	$55.2	$52.6
Warranty costs accrued	4.9	7.6	9.8	17.5
Warranty claims settled	(6.3)	(9.9)	(13.9)	(15.9)
Foreign exchange translation effects	0.5	(3.3)	(0.8)	(2.1)
Balance of warranty costs accrued, end of period	$50.3	$52.1	$50.3	$52.1
Current liability, included in current portion of warranties	$29.3	$41.0	$29.3	$41.0
Long-term liability, included in other liabilities	$21.0	$11.1	$21.0	$11.1

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Guarantees and Commitments

The Company has bank guarantees for $25.8 million which is comprised of uncollateralized bank guarantees, of which $20.5 million is related to tax and other litigation, $1.2 million is related to letters of credit and $4.1 million is related to other items.

The Company has inventory and receivables that are pledged against a local bank facility in India to support local working capital requirements of $7.5 million. Also, the Company has pledged unsold receivables under the Accounts Receivable Securitization Program of €10.2 million ($13.3 million at June 30, 2013 exchange rates).

Contingencies

General

We are subject to proceedings, lawsuits and other claims related to products and other matters. We are required to assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable and reasonably possible losses. A determination of the amount of liability to be recorded, if any, for these contingencies is made after careful analysis of each individual issue.

Litigation

On June 23, 2010, the European Commission (the “Commission”) issued a decision imposing a total of €326.1 million in fines, or approximately $400 million on the date of assessment (the “EC Fine”), on the former American Standard Companies Inc. (now Trane Inc., hereinafter referred to as “American Standard” or “Trane”), and certain of its European subsidiaries engaged in the Bath and Kitchen business and successor entities for infringements of European Union competition rules relating to the distribution of bathroom fixtures and fittings in a number of European countries. Pursuant to our Indemnification and Cooperation Agreement with Trane, WABCO Europe BVBA (an indirect wholly-owned subsidiary of WABCO) is responsible for, and is liable to indemnify Trane Inc. and Ideal Standard International (representing the successor to the Bath and Kitchen business, and owner of certain of the former American Standard subsidiaries) and their owners against the EC Fine.

As required by the Indemnification and Cooperation Agreement, WABCO paid the fine amount into escrow on August 30, 2010, using €230.0 million of cash on hand and €96.1 million of additional borrowings. The funds were subsequently released from escrow and paid to the Commission. After reviewing all of the elements of the case, WABCO decided to appeal the decision in order to try to have the fine reduced. On September 8, 2010, WABCO filed its appeal in the General Court of the European Union, located in Luxembourg. On March 27, 2012, the oral hearing for the appeal took place before the court. This was the final step in the procedure before a judgment is handed down. The Company now believes that a decision on the appeal will be made within the next six months.

Other

In conjunction with the Tax Sharing Agreement, as further discussed in "Note 11. Tax and Indemnification Liabilities Transferred from Trane to WABCO", WABCO is responsible for certain tax and indemnification liabilities. These liabilities include indemnification liabilities to Trane of $12.8 million as of June 30, 2013. It is reasonably possible that the Company could incur losses in excess of the amount accrued. Although this amount cannot be estimated, we believe that any additional losses would not have a material adverse impact on the condensed consolidated financial statements.

NOTE 10. Income Taxes

The income tax expense for the six months ended June 30, 2013 was $17.8 million on pretax income of $179.6 million before adjusting for noncontrolling interest. Income tax expense is the net result of taxes on earnings in profitable jurisdictions, income offset by fully valued net operating losses, the accrual of interest on uncertain tax positions, and certain foreign tax planning. In addition, the Company recognized a tax benefit of $2.4 million during the first quarter due to the impact of U.S. tax legislation enacted in January 2013.

The accompanying June 30, 2013 condensed consolidated balance sheet continues to reflect a full valuation allowance for certain foreign tax loss carryforwards due to a continued cumulative loss position and an uncertain level of earnings in Europe. As a result of anticipated profitability for the year and positive trends in the foreseeable future in Europe, we may release all or a portion of this valuation allowance by the end of 2013. However, the exact timing and amount of the valuation allowance released are subject to change based on the level of profitability that we are able to

actually achieve for the

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year and our visibility into future period results. The potential release of this valuation allowance by the end of 2013 would have a material impact on our recorded tax expense in the period of reversal. We will release this valuation allowance when management determines that it is more likely than not that our deferred tax asset will be realized.
Unrecognized tax benefits at June 30, 2013 amounted to $46.1 million related to the WABCO business and $1.4 million related to WABCO obligations directly to tax authorities for Trane's Bath and Kitchen business as further discussed in "Note 11. Tax and Indemnification Liabilities Transferred from Trane to WABCO". Moreover, $47.5 million of the unrecognized tax benefits are classified as long-term liabilities. The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense. No material penalties have been accrued related to these unrecognized tax benefits.
The Company is subject to taxation in the U.S. and various states and foreign jurisdictions. With no material exceptions, the Company is no longer subject to U.S. federal, state, local or foreign examinations by tax authorities for years before 2007.

NOTE 11. Tax and Indemnification Liabilities Transferred from Trane to WABCO
Pursuant to the Tax Sharing Agreement between Trane and WABCO, entered into on July 16, 2007, and other agreements with Trane as filed in WABCO's Form 10 prior to its spin-off from Trane, WABCO is responsible for certain tax contingencies and indemnification liabilities. As noted in "Note 10. Income Taxes", the liabilities as of June 30, 2013 include $1.4 million related to non-U.S. entities of Trane's former Bath and Kitchen business but for which WABCO entities have obligations directly to non-U.S. tax authorities. In addition, as of June 30, 2013, the Company had indemnification liabilities of $12.8 million which is classified within long-term liabilities on the balance sheet.
During the second quarter of 2013, approximately $3.8 million of indemnification liabilities was released in the statement of income due to the settlement of a foreign tax audit.
Under an indemnification agreement, WABCO Brazil is responsible for certain claims related to its business for periods prior to the spin-off of WABCO from American Standard. In particular, there are tax claims pending in various stages of the Brazilian legal process related to income, social contribution and/or value added taxes for which a contingency exists and which may or may not ultimately be incurred by the Company. The estimated total amount of the contingency as of June 30, 2013 is $42.6 million including interest. However, based on management's assessment and advice of our external legal counsel, the Company believes that it has valid arguments in all of these cases and thus no accrual is required at this time.

NOTE 12. Streamlining Expenses
The Company accounts for employee-related streamlining charges as either a one-time benefit arrangement or an ongoing benefit arrangement as appropriate. From time to time the Company also has streamlining charges that are not related to employees, such as facility exit costs.
Based on market declines occurring in the fourth quarter of 2008, we commenced a streamlining program on October 28, 2008 (the "2008/2009 Program"), which began with a consultative process with works councils and employee representatives globally. The 2008/2009 Program reduced our global workforce by approximately 1,800 employees. This level of reduction in workforce brought our capacity in line with market demand, while still allowing us to continue our focus on core strategies, including technology, new products, globalization, and quality and productivity initiatives. We believe the completion of these actions created sufficient flexibility in production and helped us to cope with anticipated demand volatility. The Company does not expect to incur any further charges on the 2008/2009 Program.
Based on the Company's efforts to maintain our global footprint, the Company will periodically enter into other streamlining programs as deemed necessary ("Other Programs").
The following is a summary of changes in the Company's streamlining program liabilities for the six month period ended June 30, 2013 (amounts in millions). Activity for the period consisted primarily of termination payments and employee-related charges.

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2008 / 2009 Program	
Balance as of December 31, 2012	$10.2
Charges during the first six months of 2013	—
Payments during the first six months of 2013	(2.4)
Balance as of June 30, 2013	$7.8
Other Programs	
Balance as of December 31, 2012	$9.9
Charges during the first six months of 2013	9.8
Payments during the first six months of 2013	(5.1)
Balance as of June 30, 2013	$14.6
Foreign exchange translation effects	$—
Total streamlining liability as of June 30, 2013	$22.4

A balance of $13.8 million is classified as long term and is included in other liabilities. The remaining $8.6 million is classified as short term and is included in other accrued liabilities as of June 30, 2013.

The following is a summary of current and cumulative streamlining costs.

	Charges for three months Ended June 30, 2013		Charges for six months Ended June 30, 2013		Cumulative Charges as of June 30, 2013	
	2008/2009 Program	Other Programs	2008/2009 Program	Other Programs	2008/2009 Program	Other Programs
Employee-related charges – cost of sales	$—	$0.3	$—	$3.2	$45.7	$13.2
Employee-related charges – selling and administrative	—	4.3	—	6.5	45.8	16.1
Asset write-offs	—	0.1	—	0.1	—	1.1
Total program costs	$—	$4.7	$—	$9.8	$91.5	$30.4

NOTE 13. Post-retirement Benefits

Post-retirement pension, health and life insurance costs had the following components for the three and six month period ended June 30, 2013 and 2012 (amounts in millions):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2013 Pension Benefits	2013 Health & Life Ins. Benefits	2012 Pension Benefits	2012 Health & Life Ins. Benefits	2013 Pension Benefits	2013 Health & Life Ins. Benefits	2012 Pension Benefits	2012 Health & Life Ins. Benefits
Service cost-benefits earned during period	$3.2	$—	$2.3	$—	$6.4	$—	$4.5	$—
Interest cost on the projected benefit obligation	5.1	0.1	5.9	0.1	10.2	0.2	11.9	0.2
Plan amendments	—	—	(4.3)	—	—	—	(4.3)	—
Less assumed return on plan assets	(2.2)	—	(2.2)	—	(4.5)	—	(4.4)	—
Amortization of net loss	1.5	0.1	0.6	0.1	3.1	0.2	1.2	0.2
Defined benefit plan cost	$7.6	$0.2	$2.3	$0.2	$15.2	$0.4	$8.9	$0.4

The Company makes contributions to funded pension plans that, at a minimum, meet all statutory funding requirements. Contributions in 2013, as well as payments of benefits incurred by unfunded plans were in line with the expectations for 2013 and also in line with the contributions made during 2012.
Defined benefit plan cost is included in selling and administrative expenses and cost of sales on the Condensed Consolidated Statements of Income.

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NOTE 14. Derivative Instruments and Hedging Activities

ASC topic 815, Derivatives and Hedging, requires a company to recognize all of its derivative instruments as either assets or liabilities on the balance sheet at fair value. The accounting for changes in the fair value of a derivative instrument depends on whether it qualifies and has been designated as a relationship hedge. For those derivative instruments that are designated and qualify as hedging instruments, a company must designate the hedging instrument, based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation.

The Company recognizes all derivative financial instruments in the consolidated balance sheet at fair value using Level 2 inputs and these are classified as “other current assets,” “other assets,” “other accrued liabilities” or “other liabilities” on the consolidated balance sheet. Level 2 inputs used by the Company in valuing its derivative instruments include model-based valuation techniques for which all significant assumptions are observable in the market.

The earnings impact resulting from changes in the fair value of derivative instruments is recorded in the same line item in the consolidated statement of operations as the underlying exposure being hedged or in accumulated other comprehensive income ("AOCI") for derivatives that qualify and have been designated as cash flow hedges or hedges of a net investment in a foreign operation. Any ineffective portion of a financial instrument's change in fair value is recognized in earnings together with changes in the fair value of any derivatives not designated as relationship hedges.

Foreign exchange contracts are used by the Company to offset the earnings impact relating to the variability in exchange rates on certain assets and liabilities denominated in non-functional currencies and have not been designated as relationship hedges. As of June 30, 2013, forward contracts for an aggregate notional amount of €71.5 million ($93.3 million at June 30, 2013 exchange rates) were outstanding with an average duration of one month. These foreign exchange contracts have offset the revaluation of assets and liabilities. The combined net non-operating gain/(loss) for the six months ended June 30, 2013 was $0.2 million. The majority of these exchange contracts were entered into on June 27, 2013. The fair value of the derivatives was $0.1 million at June 30, 2013.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations
Executive Overview

In the second quarter of 2013, the production of new trucks and buses greater than six tons declined in most markets, while China and South America experienced significant increases year over year. WABCO’s sales in the same period increased by 6.8%, both on a reported basis and excluding foreign currency translation effects, compared to one year ago.

WABCO's global aftermarket sales increased by 8.1% (8.3% excluding foreign currency translation effects) in the second quarter of 2013. This performance demonstrates the continued success of the Company's aftermarket strategies initiated several years ago.

During the second quarter of 2013, WABCO's Operating System continued to enable fast and flexible responses to major market changes, delivering $20.7 million of materials and conversion productivity, a record amount for WABCO. Gross materials productivity represented 4.8% of total materials cost, while the impact of commodity inflation reduced net materials productivity to 4.5%. Conversion productivity represented 6.2%, another robust result.
Results of Operations

Approximately 89% of our sales are outside the United States, and therefore changes in exchange rates can have a significant impact on the reported results of our operations, which are presented in U.S. dollars. Quarter-over-quarter changes in sales, gross profit, expenses, pre-tax income and net income attributable to Company for 2013 compared with 2012 are presented both with and without the effects of foreign currency translation. Changes in sales, gross profit, expenses, pre-tax income and net income attributable to Company excluding foreign exchange effects are calculated using current year sales, gross profit, expenses, pre-tax income and net income attributable to Company translated at prior year exchange rates. Presenting changes in sales, gross profit, expenses, pre-tax income and net income attributable to Company excluding the effects of foreign currency translation is not in conformity with U.S. GAAP, but management analyzes the data in this manner because it is useful to us in understanding the operating performance of our business. We believe this data is also useful to shareholders for the same reason. The changes in sales, gross profit, expenses, pre-tax income and net income attributable to

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Company excluding the effects of foreign exchange translation are not meant to be a substitute for measurements prepared in conformity with U.S. GAAP, nor to be considered in isolation. Management believes that presenting these non-U.S. GAAP financial measures is useful to shareholders because it enhances their understanding of how management assesses the operating performance of the Company's business.

Second Quarter Results of Operations for 2013 Compared with 2012
(amounts in millions)

	Three Months Ended June 30,			Excluding foreign exchange translation (a)	
	2013	2012	% change reported	2013 adjusted amount	% change adjusted
Sales	$678.2	$635.2	6.8%	$678.2	6.8%
Cost of sales	471.6	441.5	6.8%	473.4	7.2%
Gross profit	206.6	193.7	6.7%	204.8	5.7%
Operating expenses	120.2	100.9	19.1%	118.9	17.8%
Operating income	86.4	92.8	(6.9)%	85.9	(7.4)%
Equity income of unconsolidated joint ventures	5.3	4.8	10.4%	5.3	10.4%
Other non-operating income/(expense), net	4.0	(0.6)	*	3.8	*
Interest expense, net	(0.2)	(0.5)	(60.0)%	(0.2)	(60.0)%
Income before income taxes	95.5	96.5	(1.0)%	94.8	(1.8)%
Income tax expense	9.7	17.6	(44.9)%	9.8	(44.3)%
Net income	85.8	78.9	8.7%	85.0	7.7%
Less: net income attributable to noncontrolling interests	2.6	3.3	(21.2)%	2.7	(18.2)%
Net income attributable to Company	$83.2	$75.6	10.1%	$82.3	8.9%

* Percentage change not meaningful

(a) The 2013 amounts adjusted for foreign currency translation were calculated using average exchange rates for the three month period ending June 30, 2012.

Sales

Our sales for the second quarter of 2013 were $678.2 million, an increase of 6.8% (6.8% excluding foreign currency translation effects) from $635.2 million in 2012. The increase, excluding foreign currency translation effects, was predominately driven by increased WABCO content per vehicle, growth in our aftermarket sales and increases in the production of new trucks and buses greater than six tons in China and South America. Total sales in Europe, our largest market, increased approximately 7.4% (5.6% excluding foreign currency translation effects) for the second quarter of 2013, driven mainly by increased WABCO content per vehicle, partially offset by lower levels of truck, bus and trailer production. Total sales decreased 4.0% in North America, despite a nearly 9% decline in commercial vehicle production, due to increased WABCO content per vehicle. Total sales in Asia increased 0.8% (5.6% excluding foreign currency translation effects). The sales increase in Asia included an increase of sales in China of 25.9% (22.5% excluding foreign currency translation effects) helped by the recovery in commercial vehicle production, an increase in total sales in Korea of 7.4% (4.8% excluding foreign currency translation effects), partially offset by a decrease in total sales in Japan of 20.4% (2.4% excluding foreign currency translation effects) and a decrease in total sales in India of 13.5% (10.6% excluding foreign currency translation effects). Total sales in South America increased 49.9% (58.1% excluding foreign currency translation effects) driven by the recovery in production of new trucks and buses in Brazil. WABCO's aftermarket sales, included in the geographic numbers provided above, increased by 8.1% (8.3% excluding foreign currency translation effects), as we continued to benefit from the continued success of the

Company's aftermarket strategies initiated several years ago.

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Cost of Sales and Gross Profit

Our cost of sales for the second quarter of 2013 was $471.6 million, an increase of $30.1 million ($31.9 million excluding foreign currency translation effects) from $441.5 million in 2012. Within cost of sales, our largest expense is material costs, which mainly represents the purchase of components and parts. Our continued focus on productivity generated 4.8% of material savings, before the 0.3% negative impact of commodity inflation, bringing net materials productivity to 4.5% for the quarter. This productivity achievement resulted in $14.3 million of material cost savings. Our second largest expense within the cost of sales is for labor and other costs associated with converting our purchased components and parts into finished goods. Labor and other cost escalations increased conversion costs by approximately $3.5 million, while our productivity efforts generated $6.4 million of savings, or 6.2% of the conversion costs. Warranty expenses were lower compared to the second quarter of 2012 by $1.3 million, driven by an improvement in warranty claims experience. Absorption of overhead and other costs were favorable by $9.2 million versus the prior year. Volume and mix increased cost of sales by $48.5 million, but contributed $1.6 million to improvement of gross profit. Sales price reductions had a negative impact of $7.6 million on gross profit, or 1.1% of sales. Streamlining expenses reduced cost of sales by $1.6 million. Foreign currency translation effects decreased cost of sales by $1.8 million and combined with translation effects on sales they improved gross profit by $1.8 million. Foreign currency transaction impacts increased cost of sales by $12.7 million and negatively affected gross profit in the amount of $12.2 million. The net result of all these changes was an increase in gross profit of $12.9 million ($11.1 million excluding foreign currency translation effects).

Operating Expenses

Operating expenses, which include selling and administrative expenses, product engineering expenses and other operating expenses, increased by $19.3 million ($18.0 million excluding foreign currency translation effects). The increase excluding foreign currency translation effects comprises increases in research and development investment of $3.1 million, in labor inflation and other costs of $2.9 million, in pension costs of $4.3 million (due to 2012 reduction in our UK pension obligation), in incentive compensation of $5.2 million and in streamlining and separation expenses of $2.5 million.

Equity Income of Unconsolidated Joint Ventures

Equity in net income of unconsolidated joint ventures increased by $0.5 million to $5.3 million in 2013 as compared to $4.8 million in 2012, primarily driven by higher income from our North American joint venture.

Other Non-Operating Income/(Expense), net

The increase in non-operating income of $4.6 million compared to an expense of $0.6 million in the quarter ended June 30, 2012 was primarily driven by the release of tax indemnification liabilities, due to settlement of a foreign tax audit.

Income Taxes

The income tax expense for the second quarter of 2013 was $9.7 million on pre-tax income of $95.5 million before adjusting for noncontrolling interest, compared with a provision of $17.6 million on a pre-tax income of $96.5 million before adjusting for noncontrolling interest in the second quarter of 2012.

In the three months ended June 30, 2013 and June 30, 2012 the income tax expense is primarily the net result of taxes on earnings in profitable jurisdictions offset by fully valued net operating losses, the accrual of interest on uncertain tax positions, the benefit from the release of an uncertain tax position due to the settlement of a foreign tax audit, and certain foreign tax planning. In addition, the tax expense for the three months ended June 30, 2012 included a tax charge of $2.2 million as a consequence of the settlement of a foreign tax audit and the accrual of interest on uncertain tax positions.

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Year to Date Results of Operations for 2013 Compared with 2012
(amounts in millions)

	Six Months Ended June 30,			Excluding foreign exchange translation (a)	
	2013	2012	% change reported	2013 adjusted amount	% change adjusted
Sales	$ 1,322.9	$ 1,292.5	2.4 %	$ 1,331.3	3.0 %
Cost of sales	918.6	902.6	1.8 %	927.5	2.8 %
Gross profit	404.3	389.9	3.7 %	403.8	3.6 %
Operating expenses	236.1	207.6	13.7 %	235.3	13.3 %
Operating income	168.2	182.3	(7.7)%	168.5	(7.6)%
Equity income of unconsolidated joint ventures	8.2	9.7	(15.5)%	8.2	(15.5)%
Other non-operating income/(expense), net	3.7	(1.3)	*	3.6	*
Interest expense, net	(0.5)	(0.8)	(37.5)%	(0.5)	(37.5)%
Income before income taxes	179.6	189.9	(5.4)%	179.8	(5.3)%
Income tax expense	17.8	19.0	(6.3)%	18.3	(3.7)%
Net income	161.8	170.9	(5.3)%	161.5	(5.5)%
Less: net income attributable to noncontrolling interests	4.9	6.1	(19.7)%	5.1	(16.4)%
Net income attributable to Company	$ 156.9	$ 164.8	(4.8)%	$ 156.4	(5.1)%

* Percentage change not meaningful

(a) The 2013 amounts adjusted for foreign currency translation were calculated using average exchange rates for the six month period ending June 30, 2012.

Sales

Our sales for the first six months of 2013 were $1,322.9 million, an increase of 2.4% (3.0% excluding foreign currency translation effects) from $1,292.5 million in 2012. The increase, excluding foreign currency translation effects, was predominately driven by increased WABCO content per vehicle and growth in our aftermarket sales, partially offset by a decline in the global production of trucks and buses greater than six tons. Total sales in Europe, our largest market, increased approximately 2.5% (1.4% excluding foreign currency translation effects) for the first six months of 2013, driven mainly by increased WABCO content per vehicle, which more than offset the impact from the decline in production of trucks and buses greater than six tons. Total sales decreased 4.6% in North America, despite a more significant decline in commercial vehicle production, due to increased WABCO content per vehicle. Total sales in Asia decreased 7.4% (2.5% excluding foreign currency translation effects). The sales reduction in Asia primarily included a decrease in total sales in India of 24.1% (19.6% excluding foreign currency translation effects) and a decrease in total sales in Japan of 22.4% (7.4% excluding foreign currency translation effects), partially offset by an increase of sales in China of 14.6% (12.3% excluding foreign currency translation effects) and an increase in total sales in Korea of 2.9% (flat excluding foreign currency translation effects). Total sales in South America increased 36.3% (48.7% excluding foreign currency translation effects) driven by the recovery in production of new trucks and buses in Brazil as well as increased WABCO content per vehicle. WABCO's aftermarket sales, included in the geographic numbers provided above, increased by 7.7% (8.5% excluding foreign currency translation effects), as we continued to benefit from the success of the Company's aftermarket strategies initiated several years ago.

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Cost of Sales and Gross Profit

Our cost of sales for the first six months of 2013 was $918.6 million, an increase of $16.0 million ($24.9 million excluding foreign currency translation effects) from $902.6 million in 2012. Within cost of sales, our largest expense is material costs, which mainly represents the purchase of components and parts. Our continued focus on productivity generated 4.9% of material savings before the 0.4% negative impact of commodity inflation, bringing net materials productivity to 4.5% for the first six months of 2013. This productivity achievement resulted in $27.0 million of material cost savings. Our second largest expense within the cost of sales is for labor and other costs associated with converting our purchased components and parts into finished goods. Labor and other cost escalations increased conversion costs by approximately $7.0 million, while our productivity efforts generated $12.5 million of savings, or 6.1% of the conversion costs. Warranty expenses were lower compared to the first six months 2012 by $6.3 million driven by an improvement in warranty claims experience. Absorption of overhead and other costs were favorable by $16.0 million versus the prior year. Volume and mix increased cost of sales by $62.9 million, but contributed $10.7 million to the decline of gross profit. Sales price reductions had a negative impact of $14.0 million on gross profit, or 1.0% of sales. Streamlining expenses added $1.3 million to cost of sales. Foreign currency translation effects decreased cost of sales by $8.9 million and combined with translation effects on sales they positively affected gross profit in the amount of $0.5 million. Foreign currency transaction impacts increased cost of sales by $15.5 million and negatively impacted gross profit by $14.9 million. The net result of all these changes was an increase in gross profit of $14.4 million ($13.9 million excluding foreign currency translation effects).

Operating Expenses

Operating expenses, which include selling and administrative expenses, product engineering expenses and other operating expenses, increased by $28.5 million ($27.7 million excluding foreign currency translation effects). The increase excluding foreign currency translation effects comprises increases in research and development investment of $7.3 million, in labor inflation and other costs of $6.3 million, in pension costs of $4.3 million (due to 2012 reduction in our UK pension obligation), in incentive compensation of $6.1 million and in streamlining and separation expenses of $3.7 million.

Equity Income of Unconsolidated Joint Ventures

Equity in net income of unconsolidated joint ventures decreased by $1.5 million to $8.2 million in 2013 as compared to $9.7 million in 2012, driven by lower income from our North American and South African joint ventures.

Other Non-Operating Income/(Expense), net

The increase in non-operating income of $5.0 million compared to an expense of $1.3 million in the six months ended June 30, 2012 was primarily driven by the release of tax indemnification liabilities, due to settlement of a foreign tax audit.

Income Taxes

The income tax expense for the first six months of 2013 was $17.8 million on pre-tax income of $179.6 million before adjusting for noncontrolling interest, compared with a provision of $19.0 million on a pre-tax income of $189.9 million before adjusting for noncontrolling interest in the first six months of 2012.

In the six months ended June 30, 2013 and June 30, 2012 the income tax expense is primarily the net result of taxes on earnings in profitable jurisdictions offset by fully valued net operating losses, the accrual of interest on uncertain tax positions, the benefit from the release of an uncertain tax position due to the settlement of a foreign tax audit, and certain foreign tax planning. In addition, the income tax expense for the first six months ended June 30, 2013 is partially offset by a tax benefit of $2.4 million due to the impact of U.S. tax legislation enacted in January 2013. Also, the tax expense for the first six months ended June 30, 2012 was largely offset by the release of tax accruals of approximately $13.6 million due to certain government filings submitted in January 2012.

Liquidity and Capital Resources

We employ several means to manage our liquidity, and we are not dependent upon any one source of funding. Our sources of financing include cash flows from operations, cash and cash equivalents, the Revolving Credit Facility, the Accounts Receivable Securitization Program and the use of operating leases.

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Cash Flows for the Six Months Ended June 30, 2013

Net cash provided by operating activities was $156.1 million for the first six months of 2013. This compared with net cash provided by operating activities of $169.5 million for the first six months of 2012.

The Company recorded net income of $161.8 million for the first six months of 2013 compared with net income of $170.9 million for the first six months of 2012. Net income attributable to the Company for the first six months of 2013 included noncash elements such as depreciation and amortization of $43.2 million. Our working capital increased due to an increase in business activity as well as from seasonal activity. This resulted in a higher level of accounts receivable and to a lesser extent inventory, partially offset by a higher level of accounts payable. Working capital increase of $28.0 million for the six months ended June 30, 2013 was however only slightly higher than the $27.5 million increase for the six months ended June 30, 2012.

Other accrued liabilities and taxes increased $2.1 million for the first six months of 2013 compared to a decrease of $9.1 million for the first six months of 2012. The major drivers of this change were accruals for incentive compensation and payroll related items, partially offset by a decrease in the short term portion of our warranty accruals and decreases of end of the period accruals for invoices not received. Other current and long-term assets for the first six months of 2013 increased $26.0 million compared to a decrease of $14.4 million for the first six months of 2012. The main drivers of this change were increases in notes receivable from our Chinese operations and an increase in the subordinated account under our Accounts Receivables Securitization Program. Other long-term liabilities for the first six months of 2013 decreased $3.7 million compared to a decrease of $20.2 million for the first six months of 2012, and the main driver of this change was the payment and release of the remaining accrual for tax indemnification liabilities due to the settlement of a foreign tax audit.

The net cash used in investing activities amounted to $41.0 million in the first six months of 2013 compared to net cash used in investing activities of $40.6 million in the first six months of 2012. The net cash usage for 2013 includes capital expenditures of $17.2 million of investments in tooling, $16.6 million in plant and equipment and $7.2 million in software. This compared with $19.5 million of investments in tooling, $16.5 million in plant and equipment and $4.6 million in software during the first six months of 2012.

The net cash used by financing activities during the first six months of 2013 amounted to $119.4 million compared to net cash used by financing activities of $77.8 million during the first six months of 2012.

Our total third party debt was $23.8 million as of June 30, 2013 compared to $87.7 million as of June 30, 2012. The decrease during the first six months of 2013 is primarily driven by repayments of the revolving credit facility.

We received $35.7 million of stock option proceeds during 2013 compared with $14.2 million in 2012. The number of stock options exercised in the first six months of 2013 and 2012 were 1,213,479 and 777,638, respectively.

On May 26, 2011, the Board of Directors approved the purchase of shares in an amount not to exceed $400 million, which expired on May 31, 2013. On October 26, 2012, the Board of Directors authorized the Company to enter into an additional share repurchase program. This board authorization allows for the repurchase of an additional $400 million of common shares at the discretion of management for a period until December 31, 2014. During the first six months of 2013, the Company repurchased shares for a total amount of $102.0 million of which $3.8 million was not settled until after June 30, 2013. As of June 30, 2013, the Company had repurchased shares for a total amount of $481.4 million and had the authority to make an additional $318.6 million of share repurchases.

Credit Facility

On July 8, 2011, the Company entered into a $400 million multi-currency five-year senior unsecured revolving credit facility (the "Facility") with the lenders and agent banks party thereto, including Banc of America Securities Limited as agent, issuing bank and swingline lender, and Banc of America Securities Limited, Citigroup Global Markets Limited, Fortis Bank S.A./N.V., ING Belgium SA/NV, Société Générale Corporate & Investment Banking, The Bank of Tokyo-Mitsubishi UFJ, Ltd and The Royal Bank of Scotland NV, (Belgium) Branch, as mandated lead arrangers and bookrunners and Credit Lyonnais and Unicredit Bank AG as lead arrangers.

As of June 30, 2013, the Facility is our principal bank credit facility, and it will expire on September 1, 2016. It replaced the $800 million multi-currency five-year senior unsecured revolving credit facility entered into by WABCO

on May 31, 2007 with, among others, J.P. Morgan Securities, Inc. as lead arranger and bookrunner and JPMorgan Chase Bank, N.A., as agent, issuing bank and swingline lender.

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Under the Facility, the Company may borrow, on a revolving basis, loans in an aggregate principal amount at any one time outstanding not in excess of $400 million. Up to $50 million under the Facility may be used for issuing letters of credit, of which $48.8 million was unused as of June 30, 2013, and up to $50 million is available in the form of swingline loans, of which $50.0 million was unused as of June 30, 2013. There was no outstanding balance on the Facility as of June 30, 2013, and the balance of letters of credit issued was $1.2 million.

The proceeds of the borrowings under the Facility will be available to repurchase WABCO shares, finance acquisitions, refinance existing indebtedness and meet general financing requirements.

Interest on loans under the Facility will be calculated at a rate per annum equal to an applicable margin, which can vary from 0.80% to 1.55% based on the Company's leverage ratio, plus LIBOR for loans denominated in U.S. Dollars, EURIBOR for loans denominated in Euros, HIBOR for loans denominated in Hong Kong Dollars and SIBOR for loans denominated in Singapore Dollars, plus mandatory costs, if any.

The Facility contains terms and provisions (including representations, covenants and conditions) customary for transactions of this type. Our primary financial covenant is a leverage test which requires net indebtedness not to exceed three times adjusted four quarter trailing EBITDA (earnings before interest, taxes, depreciation and amortization adjusted for certain items). Additional financial covenants include an interest coverage test and a maximum subsidiary indebtedness test. The interest coverage test requires three times interest expense not to exceed adjusted four quarter trailing EBITDA. The maximum subsidiary indebtedness test limits the total aggregate amount of indebtedness of WABCO's subsidiaries, excluding indebtedness under the Facility, to $400 million, of which not more than $150 million may be secured. At June 30, 2013 the Company had the ability to borrow an incremental $398.8 million under our principal credit facility and was in compliance with all the covenants.

Financial covenants are not subject to any future changes in U.S. GAAP accounting standards and all cash on the balance sheet can be deducted for net indebtedness purposes. In addition, expenses and payments related to any streamlining of WABCO’s operations are excluded when calculating the four quarter trailing adjusted EBITDA. Other covenants include delivery of financial reports and other information, compliance with laws including environmental laws and permits, ERISA and U.S. regulations, limitations on liens, mergers and sales of assets and change of business.

Also, various subsidiaries had borrowings from banks totaling $23.8 million, of which $20.2 million relates to our Accounts Receivable Securitization Program referred to in Note 4 above. The remaining $3.6 million supports local working capital requirements.

Accounts Receivable Securitization Program

As discussed above, we have the ability to use our Accounts Receivable Securitization Program as one of several means to manage our liquidity. Under the terms of the Accounts Receivable Securitization Program that we entered into with Société Générale on September 23, 2009, we have the ability to sell our accounts receivable directly to Société Générale. The maximum funding from receivables that may be sold into the Accounts Receivable Securitization Program and outstanding at any point in time is €80 million; however, there can be no assurance that the Company will generate sufficient eligible receivables to access the maximum availability. The original term of the Accounts Receivable Securitization Program was for one year, with the possibility of four additional annual extensions, assuming the Company and the participating sellers are in compliance with the applicable covenants. The Company extended the Receivables Program in September 2012 for one additional year.

During the six months ended June 30, 2013, the Company sold all of its eligible receivables into the Accounts Receivable Securitization Program. The receivables were removed from the balance sheet in accordance with the guidance under ASC topic 860, Transfers and Servicing. The total amount of receivables sold under the Accounts Receivable Securitization Program during the six months ended June 30, 2013 was €381.6 million ($501.2 million at weighted average June 30, 2013 year-to-date exchange rates). The amount of eligible receivables sold and outstanding

at June 30, 2013 amounted to €76.6 million ($99.9 million at June 30, 2013 exchange rates). As a result of the sale, accounts receivable decreased by $99.9 million and cash and cash equivalents increased by $59.7 million. The remaining amount of proceeds of $40.2 million is a subordinated deposit with Société Générale Bank Nederland N.V. at June 30, 2013.

The fair value of the receivables sold equaled the carrying cost at time of sale, and no gain or loss was recorded as a result of the sale. The Company estimated the fair value of sold receivables using Level 3 inputs and based the estimate on historical and anticipated performance of similar receivables, including historical and anticipated credit losses (if any). As part of the Accounts Receivable Securitization Program, the Company continues to service the receivables. The Company sells the

receivables at face value, but receives actual funding net of the subordinated deposit account until collections are received from customers for the receivables sold. The Company is exposed to the credit losses of sold receivables up to the amount of its subordinated deposit account at each settlement date. Credit losses for receivables sold and past due amounts outstanding at June 30, 2013 were both immaterial. Servicing fees for the program were $0.4 million for the six months ended June 30, 2013.

Factoring Program

On April 15, 2009, we entered into a €35 million factoring program, which has a term of five years, with respect to accounts receivable from one of our customers. To date, we have not utilized this program.

Derivative Instruments and Hedging Activities

The Company recognizes all derivative financial instruments in the consolidated balance sheet at fair value using Level 2 inputs and these are classified as "other current assets," "other assets," "other accrued liabilities" or "other liabilities" on the consolidated balance sheet. Level 2 inputs used by the Company in valuing its derivative instruments include model-based valuation techniques for which all significant assumptions are observable in the market. The earnings impact resulting from changes in the fair value of derivative instruments is recorded in the same line item in the consolidated statement of operations as the underlying exposure being hedged or in accumulated other comprehensive income ("AOCI") for derivatives that qualify and have been designated as cash flow hedges or hedges of a net investment in a foreign operation. Any ineffective portion of a financial instrument's change in fair value is recognized in earnings together with changes in the fair value of any derivatives not designated as relationship hedges.

Foreign exchange contracts are used by the Company to offset the earnings impact relating to the variability in exchange rates on certain assets and liabilities denominated in non-functional currencies and have not been designated as relationship hedges. As of June 30, 2013, forward contracts for an aggregate notional amount of €71.5 million ($93.3 million at June 30, 2013 exchange rates) were outstanding with an average duration of one month. These foreign exchange contracts have offset the revaluation of assets and liabilities and result in a net non-operating gain/(loss) of $0.2 million as per June 30, 2013. The majority of these exchange contracts were entered into on June 27, 2013. The fair value of the derivatives was $0.1 million as of June 30, 2013.

Off-Balance Sheet Arrangements

Please see the disclosure above in "Accounts Receivable Securitization Program."

Aggregate Contractual Obligations

The Company has contractual obligations for debt, operating leases, tax indemnifications, purchase obligations, unfunded pension and post-retirement benefit plans and tax liabilities that were summarized in a table of aggregate contractual obligations for the year ended December 31, 2012 disclosed in the Annual Report on Form 10-K. There have been no other material changes to those obligations since December 31, 2012.

Information Concerning Forward Looking Statements

Certain of the statements contained in this report (other than the historical financial data and other statements of historical fact), including, without limitation, statements as to management's expectations and beliefs, are forward-looking statements. These forward-looking statements were based on various facts and were derived utilizing numerous important assumptions and other important factors, and changes in such facts, assumptions or factors could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements include the information concerning our future financial performance, financial condition, liquidity, business strategy, projected plans and objectives. Statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "strategies," "prospects," "intends," "projects," "estimates," "plans," "may increase," "may fluctuate,' expression or future or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward looking i nature and not historical facts. This report includes important information as to risk factors in "Item 1A. Risk Factors", and "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations." Many important factors could cause actual results to differ materially from management's expectations, including:

• the actual level of commercial vehicle production in our end-markets;

- adverse developments in the business of our key customers;
- periodic changes to contingent liabilities, including those associated with litigation matters and government investigations;
- our ability to access credit markets or capital markets on a favorable basis or at all;
- adverse developments in general business, economic and political conditions or any outbreak or escalation of hostilities on a national, regional or international basis;
- changes in international or U.S. economic conditions, such as inflation, interest rate fluctuations, foreign exchange rate fluctuations or recessions in our markets;
- unpredictable difficulties or delays in the development of new product technology;
- pricing changes to our supplies or products or those of our competitors, and other competitive pressures on pricing and sales;
- our ability to receive component parts from our suppliers;
- changes in the environmental regulations that affect our current and future products;
- competition in our existing and future lines of business and the financial resources of competitors;
- our failure to comply with regulations and any changes in regulations;
- our failure to complete potential future acquisitions or to realize benefits from completed acquisitions;
- our inability to implement our growth plan;
- the loss of any of our senior management;
- difficulties in obtaining or retaining the management and other human resource competencies that we need to achieve our business objectives;
- labor relations; and
- risks inherent in operating in foreign countries, including exposure to local economic conditions, government regulation, currency restrictions and other restraints, changes in tax laws, expropriation, political instability and diminished ability to legally enforce our contractual rights.

We undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless we are required to do so by law.

Critical Accounting Policies and Estimates

Preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Management believes the most complex and sensitive judgments, because of their significance to the consolidated financial statements, result primarily from the need to make estimates about the effects of matters that are inherently uncertain. Management’s Discussion and Analysis and Notes 2 and 14 to the Consolidated Financial Statements for the year ended December 31, 2012 in the Company’s Annual Report on Form 10-K, describe the most significant accounting estimates and policies used in preparation of the Consolidated Financial Statements. Actual results in these areas could differ materially from management’s estimates. There have been no significant changes in the Company’s assumptions regarding critical accounting estimates during the first six months of 2013.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There were no material changes to the disclosure on this matter for the year ended December 31, 2012 made in the Company’s Annual Report on Form 10-K.

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Item 4. Controls and Procedures

The Company has established a Disclosure Controls Committee that assists the Chief Executive Officer and Chief Financial Officer in their evaluation of the Company's disclosure controls and procedures. Our Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of the end of the period covered by this report, that our disclosure controls and procedures, as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Rule 13a-15(e), are effective to ensure that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and (ii) is accumulated and communicated to the Company's management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in the Company's internal control over financial reporting during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings
These are further described in "Note 9. Warranties, Guarantees, Commitments and Contingencies."

Item 1A. Risk Factors
There have been no new material risks identified that were not disclosed in the Company’s risk factor disclosure in its Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The Company's Board of Directors has approved two programs to purchase shares of the Company's common stock. A summary of the repurchase activity for the first six months of 2013 follows:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (a)
Total through December 31, 2012	7,051,349	$53.82	7,051,349	$420,555,846
January 1 - January 31	10,000	$62.54	10,000	$419,930,456
February 1 - February 28	226,603	$67.93	226,603	$404,537,006
March 1 - March 31	509,144	$70.56	509,144	$368,613,986
Total first quarter	745,747	$69.65	745,747	$368,613,986
Total through March 31, 2013	7,797,096	$55.33	7,797,096	$368,613,986
April 1 - April 30	469,018	$66.59	469,018	$337,380,432
May 1 - May 31	—	$—	—	$337,380,432
June 1 - June 30	253,100	$74.32	253,100	$318,570,675
Total second quarter	722,118	$69.30	722,118	$318,570,675
Total through June 30, 2013	8,519,214	$56.52	8,519,214	$318,570,675

(a) On May 26, 2011, the Board of Directors approved the purchase of shares in an amount not to exceed $400 million, which expired on May 31, 2013. On October 26, 2012, the Board of Directors authorized the Company to enter into an additional share repurchase program. This board authorization allows for the repurchase of a further $400 million of common shares at the discretion of management for a period until December 31, 2014.
The unexpended balance of $318.6 million under that authorization as of June 30, 2013 will continue to be used to repurchase shares in the future.
All share repurchases were effected in accordance with the safe harbor provisions of Rule 10b-18 of the Exchange Act.

Item 6. Exhibits

The exhibits listed on the accompanying Index to Exhibits are filed as part of this quarterly report on Form 10-Q.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WABCO HOLDINGS INC.

/S/ JASON CAMPBELL
Jason Campbell
Vice President and Controller
(Principal Accounting Officer)
July 26, 2013

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WABCO HOLDINGS INC. AND SUBSIDIARIES
INDEX TO EXHIBITS
(The File Number of the Registrant, WABCO Holdings Inc., is 1-33332)

Exhibit No.	Description
10.1	Amended and Restated WABCO Holdings Inc. 2009 Omnibus Incentive Plan (incorporated by reference to Appendix C to the Company’s definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission on April 19, 2013).
10.2	Form of Deferred Stock Unit Award Agreement for Directors
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from WABCO Holdings, Inc.'s Quarterly Report on Form 10-Q for the period ended June 30, 2013, filed with the SEC on July 26, 2013, formatted in Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Statements of Income for the three and six month periods ended June 30, 2013 and 2012, (ii) the Condensed Consolidated Statements of Comprehensive Income for the three and six month periods ended June 30, 2013 and 2012, (iii) the Condensed Consolidated Balance Sheet at June 30, 2013 and December 31, 2012, (iv) the Condensed Consolidated Statement of Cash Flows for the six months ended June 30, 2013 and 2012 and (v) Notes to Consolidated Financial Statements.*

* Pursuant to Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be deemed part of a registration statement, prospectus or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filings.