

WABCO HOLDINGS INC.
Consolidated Statement of Cash Flows
(Unaudited)

(Amounts in millions)	<u>Three Months Ended December 31,</u>	
	<u>2009</u>	<u>2008</u>
Operating activities:		
Net income including noncontrolling interest	\$ 41,3	\$ 21,0
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	20,6	13,3
Amortization of capitalized software and other intangibles	5,2	5,5
Equity in earnings/(loss) of unconsolidated joint ventures, net of dividends received	(0,4)	1,6
Non-cash stock compensation	4,1	2,0
Deferred income taxes	(27,1)	9,9
Loss on disposal of facilities	1,2	0,8
Changes in assets and liabilities:		
Accounts receivable	(4,9)	106,4
Inventories	10,5	18,8
Accounts payable	(4,2)	(57,3)
Other accrued liabilities and taxes	(26,0)	(64,2)
Post-retirement benefits	(1,3)	(3,1)
Other current and long-term assets	(8,6)	7,7
Other long-term liabilities	8,5	16,7
Net cash provided by operating activities	<u>18,9</u>	<u>79,1</u>
Investing activities:		
Purchases of property, plant and equipment	(25,6)	(20,3)
Investments in capitalized software	(0,9)	(1,1)
Net cash used in investing activities	<u>(26,5)</u>	<u>(21,4)</u>
Financing activities:		
Net repayments of long-term debt	(1,0)	-
Net repayments of revolving credit facilities	(7,2)	(29,1)
Net (repayments)/borrowings of short-term debt	(13,8)	66,3
Purchases of treasury stock	-	(2,7)
Dividend payments	-	(4,5)
Dividend payments to non-controlling interests	(2,1)	-
Proceeds from exercise of stock options	0,2	-
Net cash (used)/provided by financing activities:	<u>(23,9)</u>	<u>30,0</u>
Effect of exchange rate changes on cash and cash equivalents	(4,8)	(1,8)
Net (decrease)/increase in cash and cash equivalents	(36,3)	85,9
Cash and cash equivalents at beginning of period	386,5	306,9
Cash and cash equivalents at end of period	<u>\$ 350,2</u>	<u>\$ 392,8</u>