

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

(Amounts in millions)	<u>Three Months Ended June 30,</u>	
	<u>2010</u>	<u>2009</u>
Operating activities:		
Net loss including noncontrolling interest	\$ (362,4)	\$ (17,4)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:		
Depreciation	16,4	17,2
Amortization of capitalized software and other intangibles	4,1	6,3
Fair value adjustment of the noncontrolling interest prior to taking control	-	12,1
Equity in earnings of unconsolidated joint ventures, net of dividends received	(0,1)	(3,4)
Non-cash stock compensation	3,4	3,0
Loss on sale or disposal of facilities	0,2	0,4
Gain on divestitures	-	0,8
European Commission fine indemnification	400,4	-
Changes in assets and liabilities:		
Accounts receivable	46,9	41,1
Inventories	(8,4)	21,8
Accounts payable	8,4	(4,6)
Other accrued liabilities and taxes	23,1	(9,5)
Post-retirement benefits	-	(3,1)
Other current and long-term assets	(42,6)	1,0
Other long-term liabilities	0,1	(4,6)
Net cash provided by operating activities	<u>89,5</u>	<u>61,1</u>
Investing activities:		
Purchases of property, plant and equipment	(12,7)	(13,5)
Investments in capitalized software	(1,9)	(4,2)
(Acquisitions)/divestitures, net	-	(7,4)
Net cash used in investing activities	<u>(14,6)</u>	<u>(25,1)</u>
Financing activities:		
Net repayments of long-term debt	(0,1)	-
Net repayments of revolving credit facilities	(10,0)	(21,0)
Net (repayments)/borrowings of short-term debt	(1,4)	9,0
Dividends to non-controlling interest holders	(1,8)	-
Proceeds from exercise of stock options	1,3	-
Net cash used by financing activities:	<u>(12,0)</u>	<u>(12,0)</u>
Effect of exchange rate changes on cash and cash equivalents	(29,4)	22,5
Net increase in cash and cash equivalents	33,5	46,5
Cash and cash equivalents at beginning of period	346,0	326,1
Cash and cash equivalents at end of period	<u>\$ 379,5</u>	<u>\$ 372,6</u>