

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

(Amounts in millions)	<u>Three Months Ended December 31,</u>	
	<u>2007</u>	<u>2006</u>
<b>Operating activities:</b>		
Net income	\$ 54,4	\$ 24,6
<u>Adjustments to reconcile net income to net cash provided by operating activities:</u>		
Depreciation	16,9	13,4
Amortization of capitalized software and other intangibles	6,5	7,5
Equity in earnings of unconsolidated joint ventures, net of dividends received	0,5	1,8
Non-cash stock compensation	1,4	0,8
Deferred income taxes	0,4	(15,7)
Loss on disposal of property, plant and equipment	0,3	0,5
<u>Changes in assets and liabilities:</u>		
Accounts receivable	(15,6)	16,9
Inventories	12,6	14,2
Accounts payable	(4,3)	(9,0)
Other accrued liabilities and taxes	(13,5)	(2,4)
Post-retirement benefits	(1,3)	(10,8)
Other current and long-term assets	10,4	(18,2)
Other long-term liabilities	7,8	12,0
<b>Net cash provided by operating activities</b>	<b><u>76,5</u></b>	<b><u>35,6</u></b>
<b>Investing activities:</b>		
Purchases of property, plant and equipment	(31,7)	(29,4)
Investments in capitalized software	(0,9)	(1,5)
Proceeds from disposal of property, plant and equipment	1,9	-
<b>Net cash used in investing activities</b>	<b><u>(30,7)</u></b>	<b><u>(30,9)</u></b>
<b>Financing activities:</b>		
Repayments of long-term debt	-	(37,6)
Net borrowing/(payments) of short-term debt	51,6	(31,4)
Purchases of treasury stock	(93,6)	-
Dividend payments	(4,7)	-
Proceeds from exercise of stock options	13,7	-
Net change in balance due from/to American Standard or American Standard affiliated entities	-	56,5
<b>Net cash used in financing activities:</b>	<b><u>(33,0)</u></b>	<b><u>(12,5)</u></b>
Effect of exchange rate changes on cash and cash equivalents	5,3	1,2
Net increase/(decrease) in cash and cash equivalents	18,1	(6,6)
Cash and cash equivalents at beginning of period	165,1	41,4
<b>Cash and cash equivalents at end of period</b>	<b><u>\$ 183,2</u></b>	<b><u>\$ 34,8</u></b>