

A world map is visible in the background on the left side, rendered in a dark purple/blue color. The rest of the background features a grid of semi-transparent circles in various colors including purple, blue, orange, and white, creating a decorative pattern.

FY 2008 First Quarter Earnings Presentation

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ArvinMeritorTM

Forward-Looking Statements

This presentation contains statements relating to future results of the company (including certain projections and business trends) that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by words or phrases such as “believe,” “expect,” “anticipate,” “estimate,” “should,” “are likely to be,” “will” and similar expressions. Actual results may differ materially from those projected as a result of certain risks and uncertainties, including but not limited to global economic and market cycles and conditions; the demand for commercial, specialty and light vehicles for which the company supplies products; risks inherent in operating abroad (including foreign currency exchange rates and potential disruption of production and supply due to terrorist attacks or acts of aggression); availability and cost of raw materials, including steel and oil; OEM program delays; demand for and market acceptance of new and existing products; successful development of new products; reliance on major OEM customers; labor relations of the company, its suppliers and customers, including potential disruptions in supply of parts to our facilities or demand for our products due to work stoppages; the financial condition of the company’s suppliers and customers, including potential bankruptcies; possible adverse effects of any future suspension of normal trade credit terms by our suppliers; potential difficulties competing with companies that have avoided their existing contracts in bankruptcy and reorganization proceedings; successful integration of acquired or merged businesses; the ability to achieve the expected annual savings and synergies from past and future business combinations and the ability to achieve the expected benefits of restructuring actions; success and timing of potential divestitures; potential impairment of long-lived assets, including goodwill; potential adjustment of the value of deferred tax assets; competitive product and pricing pressures; the amount of the company’s debt; the ability of the company to continue to comply with covenants in its financing agreements; the ability of the company to access capital markets; credit ratings of the company’s debt; the outcome of existing and any future legal proceedings, including any litigation with respect to environmental or asbestos-related matters; product liability and warranty and recall claims; rising costs of pension and other post-retirement benefits and possible changes in pension and other accounting rules; as well as other risks and uncertainties, including but not limited to those detailed herein and from time to time in other filings of the company with the SEC. These forward-looking statements are made only as of the date hereof, and the company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by law.

Q1 Highlights









- Earned \$0.08 per share from continuing operations before special items ⁽¹⁾
- Sales up \$95 million year-over-year for the quarter
- Increased CVS margins in the first quarter of fiscal year 2008 over the same quarter last year, while N.A. Class 8 volumes were down about 50%
 - Saw meaningful improvements to Europe supply and operational challenges
- Acquired Mascot Truck Parts, supporting the company's strategy to grow its Commercial Vehicle Aftermarket business
- Received new business awards to supply window regulator motors, latches and door modules to Hyundai worldwide
- Amended the company's senior secured credit facility to offer greater flexibility and access to increased liquidity

(1) GAAP diluted earnings/(loss) per share from continuing operations was (\$0.01); see Appendix – “Non-GAAP Financial Information”

2008 Outlook

- FY 2008 EPS guidance before special items of \$1.40 to \$1.60, unchanged from previous outlook
- Performance Plus cost reductions of \$75 million per year in 2008 and 2009 on track
- Sales forecast raised to range of \$6.9 billion to \$7.1 billion as growth outside the U.S. continues to be strong
- Expecting cash flow of negative \$75 to \$125 million for FY 2008 due to working capital investments for growing businesses outside the U.S. (previous guidance was slightly positive)

Satisfying CVS Europe Customer Demand

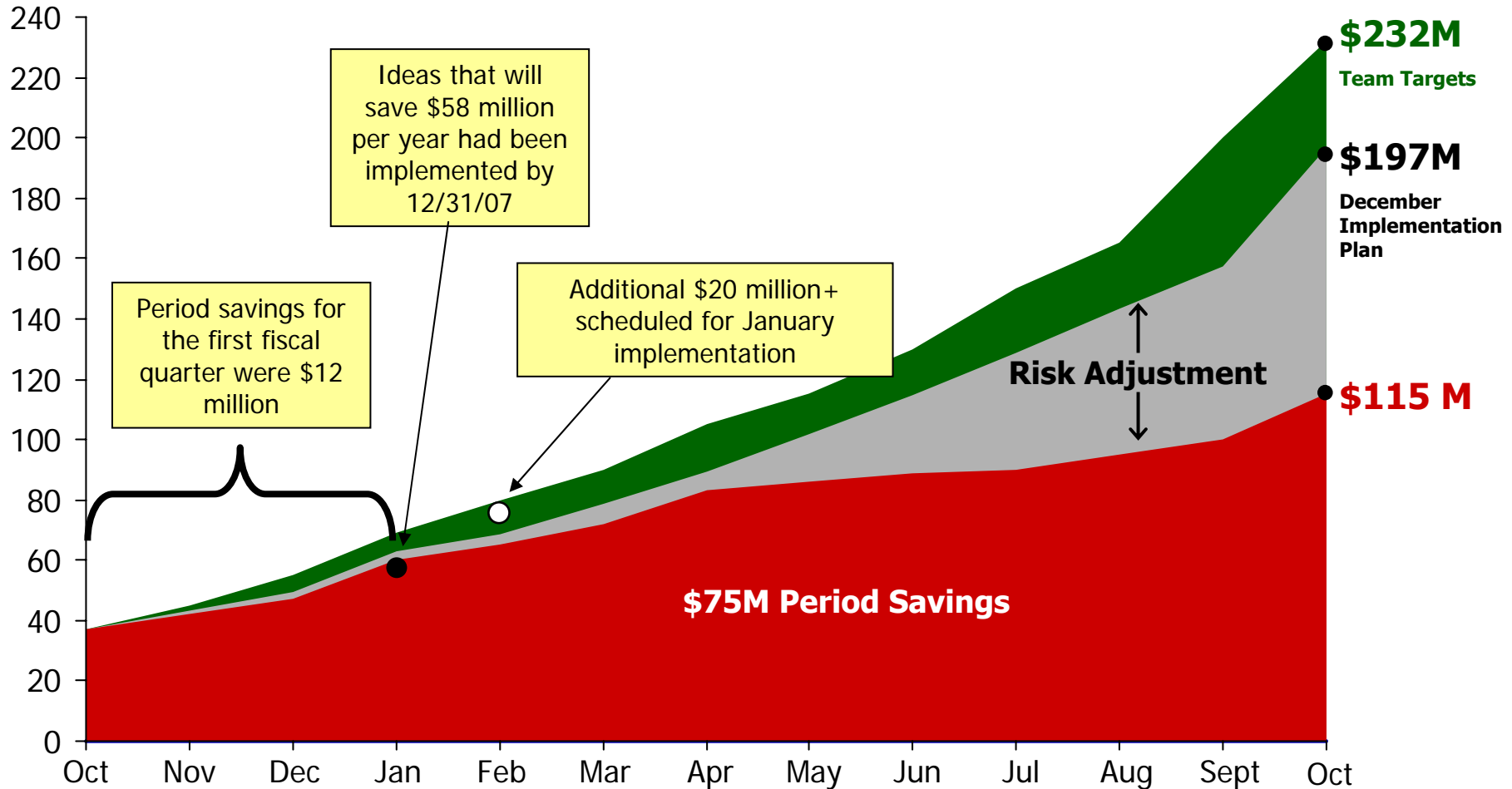
Action	Completion
Execute lean manufacturing in constraint operations	
Re-charge lean manufacturing at other facilities	
Ramp up existing suppliers and JVs in LCCCs	
Launch new suppliers as necessary	
Leverage internal and external NA capacity	
Work with customers to optimize schedules	
Make capital investment to increase capacity and capabilities	
Develop talent base and fill key leadership positions	

 Changes since December 11

Performance Plus Achievement of Run-Rate Savings in 2008

Annualized EBITDA Impact from Cost Saving Actions

\$ Millions



CVS Margins vs. Prior Year

FY 2008 Q1 Segment EBITDA Margin vs. FY 2007 Q1

	Segment EBITDA Margin⁽¹⁾
FY 2007 Q1	6.0%
North America OE production volume	(3.5)
Europe class 5-8 production volume	1.4
Smaller supply and operational issues in Europe	2.0
Performance Plus and other cost savings	1.0
Changes in certain employee benefits policies	0.9
Central costs previously unallocated	(0.5)
Other	(0.7)
FY 2008 Q1	<u>6.6%</u>

(1) ArvinMeritor uses EBITDA as the primary basis for the chief operating decision maker to evaluate the performance of each of the company's reportable segments. See slide 12 and the appendix for consolidation and comparison to GAAP measures. EBITDA margin equals EBITDA divided by sales.

LVS Margins vs. Prior Year

FY 2008 Q1 Segment EBITDA Margin vs. FY 2007 Q1

	Segment EBITDA Margin ⁽¹⁾
FY 2007 Q1	3.1%
North America volume and mix	(0.7)
Europe and South America volume and mix	1.5
Performance Plus and other cost savings	1.1
Legal and commercial dispute with a customer	(1.7)
Changes in certain employee benefits policies	0.3
Central costs previously unallocated	(0.5)
Administrative costs of restructuring	(0.4)
Other	(0.6)
FY 2008 Q1	<u><u>2.1%</u></u>

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Strategic Growth: Partnership with Asian-based OEMs

Three major awards from Hyundai in the last two months

- Window Regulator Motors
 - Over four million smart systems™ NGM2 worldwide per year starting in early 2010
- Plastic Door Module
 - Innovative module replaces the current steel version on Sonata platform in early 2010, saving up to 25% in weight
 - First application of plastic door module technology at Hyundai
 - First such ArvinMeritor product in North America
- Next Generation Global Latch
 - Also for Sonata platform
 - Annual volume of over 700k

Balancing for Current and Future Prosperity

Tough Actions Where Needed

- Net hiring freeze
- Tighter expense controls
- Accelerated turnaround actions for challenged businesses
 - Administrative & engineering staff consolidations
 - Facility consolidations
 - Purchasing consolidation
- New customer agreements for sharing of commodity costs
- New labor agreements to regain competitiveness
- Timing and amount of annual pay changes
- Moving to address structure of pensions & retiree health care

Smart Investment for Future Growth

- Four new plants in LCCCs (China, India, Romania, Mexico)
- Two other expansions in Asia
 - China off-highway
 - India axles
- Organic growth in South America, including significant business wins in Venezuela
- Launch and expansion of technical centers in Asia
- Capacity investments to support key customers in Europe

First Quarter Income Statement from Continuing Operations – Before Special Items (1)

(in millions, except per share amounts)

	Three Months Ended December 31,			
	2007	2006	Better/(Worse)	
			\$	%
Sales	\$ 1,663	\$ 1,568	\$ 95	6%
Cost of Sales	(1,533)	(1,462)	(71)	-5%
Gross Margin	130	106	24	23%
SG&A and other	(92)	(71)	(21)	-30%
Operating Income	38	35	3	9%
Equity in Earnings of Affiliates	11	7	4	57%
Interest Expense, Net	(27)	(27)	-	0%
Income Before Income Taxes	22	15	7	47%
Provision for Income Taxes	(13)	(1)	(12)	-1200%
Minority Interests	(3)	(2)	(1)	-50%
Income (Loss) from Continuing Operations before Special Items ⁽²⁾	\$ 6	\$ 12	\$ (6)	-50%
Diluted Earnings (Loss) Per Share from Continuing Operations ⁽²⁾	\$ 0.08	\$ 0.17	\$ (0.09)	-53%

(1) See Appendix – “Non-GAAP Financial Information”

(2) GAAP Income (Loss) from Continuing Operations was \$(1) million and \$10 million for quarters ended December 31, 2007 and 2006, or \$(0.01) and \$0.14 on a per diluted share basis

First Quarter Segment EBITDA Before Special Items⁽¹⁾

(in millions)

	Three Months Ended December 31, Better/(Worse)			
	2007	2006	\$	%
EBITDA				
Commercial Vehicle Systems	\$ 71	\$ 63	\$ 8	13%
Light Vehicle System	12	16	(4)	-25%
Segment EBITDA	<u>83</u>	<u>79</u>	<u>4</u>	5%
Unallocated Corporate Costs	(1)	-	(1)	-100%
ET Corporate Allocations	-	(7)	7	100%
Total EBITDA ⁽²⁾	<u>\$ 82</u>	<u>\$ 72</u>	<u>\$ 10</u>	14%
EBITDA Margins				
Commercial Vehicle Systems	6.6%	6.0%	0.6 pts	
Light Vehicle System	2.1%	3.1%	-1.0 pts	
Segment EBITDA Margins	5.0%	5.0%	0.0 pts	
Total EBITDA Margins ⁽²⁾	4.9%	4.6%	0.3 pts	

(1) See Appendix – “Non-GAAP Financial Information”

(2) ArvinMeritor uses EBITDA as the primary basis for the chief operating decision maker to evaluate the performance of each of the company's reportable segments. EBITDA margin equals EBITDA divided by sales. GAAP Operating Income was \$28 million and \$33 million for quarters ended December 31, 2007 and 2006, or 1.7% and 2.1% as a percentage of revenue.

Free Cash Flow

(In millions)

	Quarter Ended December 31,	
	2007	2006
Income (loss) from continuing operations	\$ (1)	\$ 10
Net spending (D&A less capital expenditures)	(2)	10
Pension and retiree medical, net of expense	4	(6)
Performance working capital ⁽¹⁾	(352)	(8)
Off balance sheet securitization and factoring	115	3
Other changes, including restructuring & discontinued operations	(69)	(73)
Free Cash Flow ⁽²⁾	\$ (305)	\$ (64)

(1) Change in receivables, payables, inventory and customer tooling

(2) Comprises cash used for operating activities of \$(271) million and \$(33) million and capital expenditures (including discontinued operations) of \$(34) million and \$(31) million for the periods ending 2007 and 2006

Increase in Working Capital

- Inventories increased by \$28 million
 - Acquisition of Mascot added \$11 million
 - Seasonal pattern in preparation for higher builds in spring
 - Slight improvement in turnover ratio sequentially
- Accounts receivable increased by \$104 million (excluding the effect factoring and securitization)
 - Largely explained by regional sales mix
 - Issues with specific calendar days for key customers
- Accounts payable decreased by \$226 million
 - Paying more expeditiously than past practice
 - Working toward terms that meet supplier needs, including some early payments to support distressed vendors
 - Seasonal pattern of payments
 - Timing of work flow within the quarter

Fiscal Year 2008 Outlook

Continuing Operations Before Special Items

(in millions except tax rate and EPS)

FY 2008 Full Year Outlook ⁽¹⁾

Sales	\$ 6,900	–	\$ 7,100
EBITDA	385	–	405
Interest Expense	(95)	–	(105)
Effective Tax Rate	20%	–	24%
Income from Continuing Operations	\$ 104	–	\$ 118
Diluted Earnings Per Share	1.40	–	1.60
Free Cash Flow	\$ (75)	–	\$ (125)

(1) Excluding gains or losses on divestitures, restructuring costs, and other special items

2008 Planning Assumptions

Calendar Year Basis

North America		Other Regions/Metrics	
U.S. GDP growth	2.2%	Europe GDP growth	1.9%
U.S. light vehicle industry sales (millions)	15.5	W. Europe light vehicle industry sales (millions)	17.1
Class 8 truck production (000)	235-255	Europe medium & heavy truck production (000)	540-550
Class 5-7 truck production (000)	180	Europe trailer production	165
Trailer production (000)	250	Asia medium & heavy truck production (000)	1,340
CV aftermarket industry growth rate ex. pricing	Flat	Steel price change	Increasing
MRAP production	11,900	S. America light vehicle production (millions)	3.8

Appendix

Items of a Non-Recurring Nature Included in Results

EPS Impact

Change in certain employee benefit policies	0.13
Legal and commercial dispute with a customer	(0.09)
Income tax items	(0.08)
Credit line amendment costs	(0.03)

Use of Non-GAAP Financial Information

In addition to the results reported in accordance with accounting principles generally accepted in the United States (“GAAP”) included throughout this presentation, the Company has provided information regarding income from continuing operations and diluted earnings per share before special items, which are non-GAAP financial measures. These non-GAAP measures are defined as reported income or loss from continuing operations and reported diluted earnings or loss per share from continuing operations plus or minus special items. Other non-GAAP financial measures include “EBITDA” and “free cash flow”. EBITDA before special items is defined as earnings before interest, taxes, depreciation and amortization, and losses on sales of receivables, plus or minus special items. Free cash flow represents net cash provided by operating activities less capital expenditures.

Management believes that the non-GAAP financial measures used in this presentation are useful to both management and investors in their analysis of the Company’s financial position and results of operations. In particular, management believes that free cash flow is useful in analyzing the Company’s ability to service and repay its debt. EBITDA is a meaningful measure of performance commonly used by management, the investment community and banking institutions to analyze operating performance and entity valuation. Further, management uses these non-GAAP measures for planning and forecasting in future periods. The company uses EBITDA as the primary basis for the chief operating decision maker to evaluate the performance of each of the company’s reportable segments.

These non-GAAP measures should not be considered a substitute for the reported results prepared in accordance with GAAP. Free cash flow should be considered substitutes for cash provided by operating activities or other balance sheet or cash flow statement data prepared in accordance with GAAP or as a measure of financial position or liquidity. In addition, the calculation of free cash flow does not reflect cash used to service debt and thus, does not reflect funds available for investment or other discretionary uses. EBITDA should not be considered an alternative to operating income as an indicator of operating performance or to cash flows as a measure of liquidity. These non-GAAP financial measures, as determined and presented by the Company, may not be comparable to related or similarly titled measures reported by other companies.

Set forth on the following slides are reconciliations of these non-GAAP financial measures, if applicable, to the most directly comparable financial measures calculated and presented in accordance with GAAP.

Non-GAAP Financial Information

Income Statement Special Items Walk 1Q 2008

<i>(in millions)</i>	GAAP Q1 2008	Restructuring	Tax Impact	Before Special Items Q1 2008
Sales	\$ 1,663	\$ -	\$ -	\$ 1,663
Gross Margin	130	-	-	130
Operating Income	28	10	-	38
Income (Loss) From Continuing Operations	(1)	6	1	6
DILUTED EARNINGS (LOSS) PER SHARE				
Continuing Operations	\$ (0.01)	\$ 0.08	\$ 0.01	\$ 0.08
EBITDA				
Commercial Vehicle Systems	\$ 71	\$ -	\$ -	\$ 71
Light Vehicle Systems	2	10	-	12
Segment EBITDA	73	10	-	83
Unallocated Corporate Costs	(1)	-	-	(1)
Total EBITDA	\$ 72	\$ 10	\$ -	\$ 82
EBITDA Margins				
Commercial Vehicle Systems	6.6%			6.6%
Light Vehicle Systems	0.3%			2.1%
Segment EBITDA Margins	4.4%			5.0%

Non-GAAP Financial Information

Income Statement Special Items Walk 1Q 2007

<i>(in millions)</i>	<u>GAAP Q1 2007</u>	<u>Product Disruptions</u>	<u>Tax Impact</u>	<u>Before Special Items Q1 2007</u>
Sales	\$ 1,568	\$ -	\$ -	\$ 1,568
Gross Margin	104	2	-	106
Operating Income	33	2	-	35
Income From Continuing Operations	10	1	1	12
DILUTED EARNINGS PER SHARE				
Continuing Operations	\$ 0.14	\$ 0.02	\$ 0.01	\$ 0.17
EBITDA				
Commercial Vehicle Systems	\$ 63	\$ -	\$ -	\$ 63
Light Vehicle Systems	14	2	-	16
Segment EBITDA	77	2	-	79
ET Corporate Allocations	(7)	-	-	(7)
Total EBITDA	<u>\$ 70</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 72</u>
EBITDA Margins				
Commercial Vehicle Systems	6.0%			6.0%
Light Vehicle Systems	2.7%			3.1%
Segment EBITDA Margins	4.9%			5.0%

Non-GAAP Financial Information

EBITDA Reconciliation

	Quarter Ended December 31,	
	2007	2006
Total EBITDA - Before Special Items	\$ 82	\$ 72
Restructuring Costs	(10)	-
Product Disruptions	-	(2)
Loss on Sale of Receivables	(4)	(2)
Depreciation and Amortization	(32)	(30)
Interest Expense, Net	(27)	(27)
Provision for Income Taxes	(10)	(1)
Income (Loss) From Continuing Operations	\$ (1)	\$ 10

Non-GAAP Financial Information

Free Cash Flow

(in millions)	Quarter Ended December 31,	
	<u>2007</u>	<u>2006</u>
Cash used for operating activities	\$ (271)	\$ (33)
Less: Capital expenditures (1)	<u>(34)</u>	<u>(31)</u>
Free Cash Flow	<u>\$ (305)</u>	<u>\$ (64)</u>

(1) Includes capital expenditures of discontinued operations.

The logo for ArvinMeritor is centered on a white background. It features the word "ArvinMeritor" in a bold, italicized, red sans-serif font. The letters "A" and "M" are significantly larger than the other letters. A small "TM" trademark symbol is located at the bottom right of the word. The logo is overlaid on a grid of light gray circles. The top row of circles has a red outline, while the other circles have a light gray outline.

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