

FY 2008 Second Quarter Earnings Presentation

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ArvinMeritor™

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 sharply rising 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.

Q2 Highlights

- Earned \$0.37 per share from continuing operations before special items ⁽¹⁾
- Sales up approximately \$150 million year-over-year due to currency exchange
- Cash flow from operations net of capital expenditures of \$134 million
- Increased CVS margins before special items by 1.5 percentage points in the first quarter of fiscal year 2008 compared to the same quarter last year, despite significantly lower industry sales in North America
- Continued profitable expansion of Commercial Vehicle Aftermarket unit
 - Announced significant multi-year contract to provide remanufactured transmissions and axle carriers to Navistar Parts
 - Opened Commercial Vehicle Aftermarket office in Moscow, Russia, to support new business in the region

(1) GAAP diluted earnings per share from continuing operations was \$0.33; see Appendix – “Non-GAAP Financial Information”

Q2 Highlights (continued)

- Entered into multi-year agreement with Tata Consultancy Services in India to enhance LVS engineering capabilities
- Re-established off-highway original equipment and aftermarket components business
- Awarded new business in conjunction with 2,200 new MRAP orders
- Booked new business with Asian manufacturer to supply window regulator motors in China beginning in mid-2008
- Announced new latch products designed specifically for the Asian market
- Constructing three new light vehicle manufacturing plants in Asia Pacific to support increased business in the region.
- Began production at the LVS doors facility in Salonta, Romania

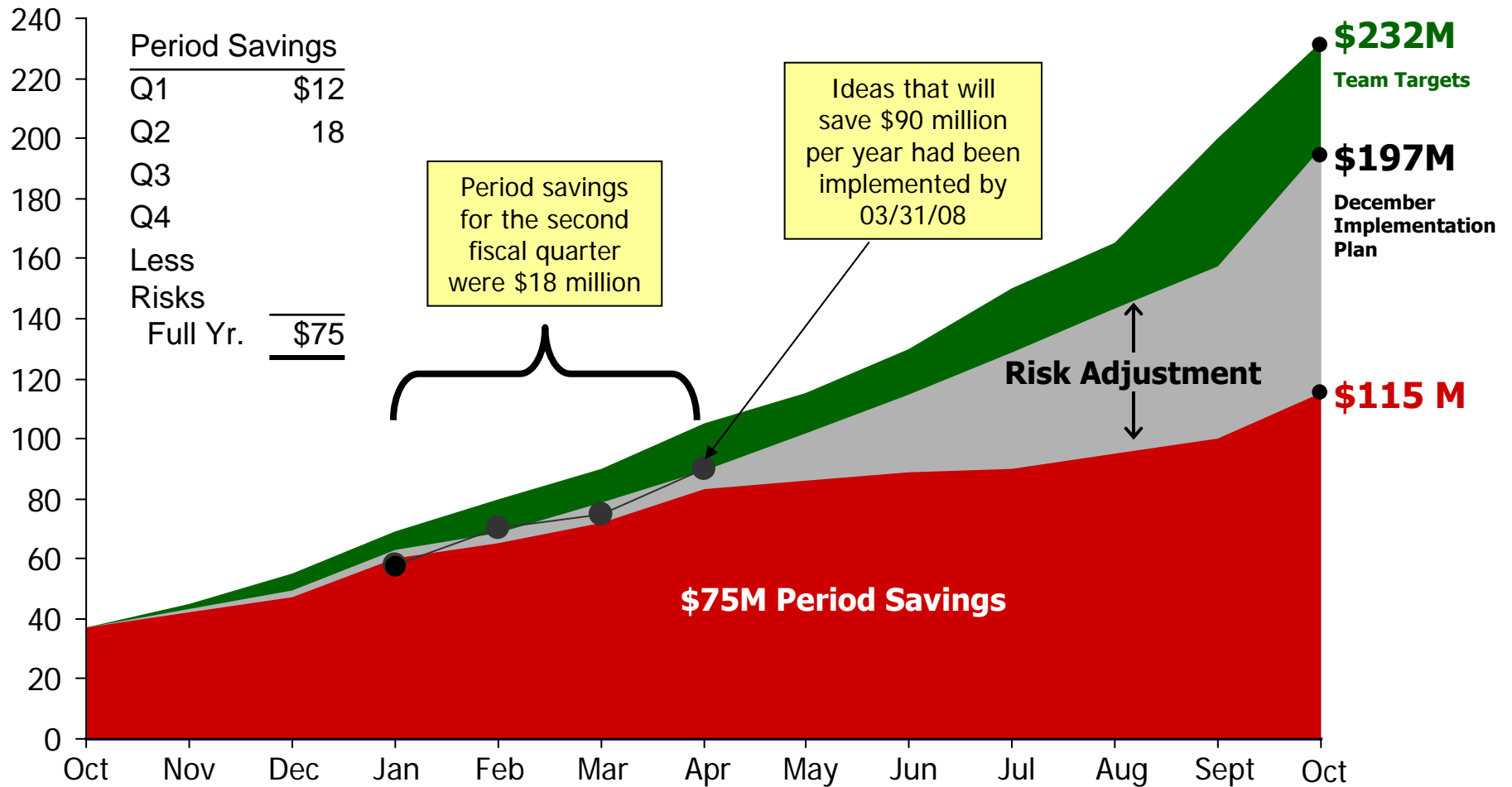
2008 Outlook

- 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 \$7.1 billion to \$7.3 billion due to currency exchange rates and continued growth outside the U.S.
- Reiterating cash flow guidance of negative \$75 to \$125 million for FY 2008

Performance Plus Achievement of Run-Rate Savings in 2008

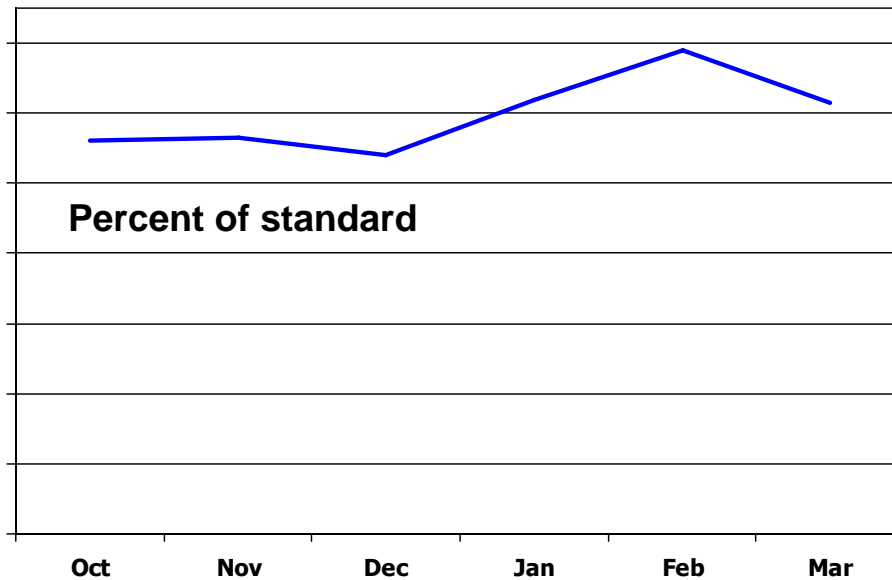
Annualized EBITDA Impact from Cost Saving Actions

\$ Millions



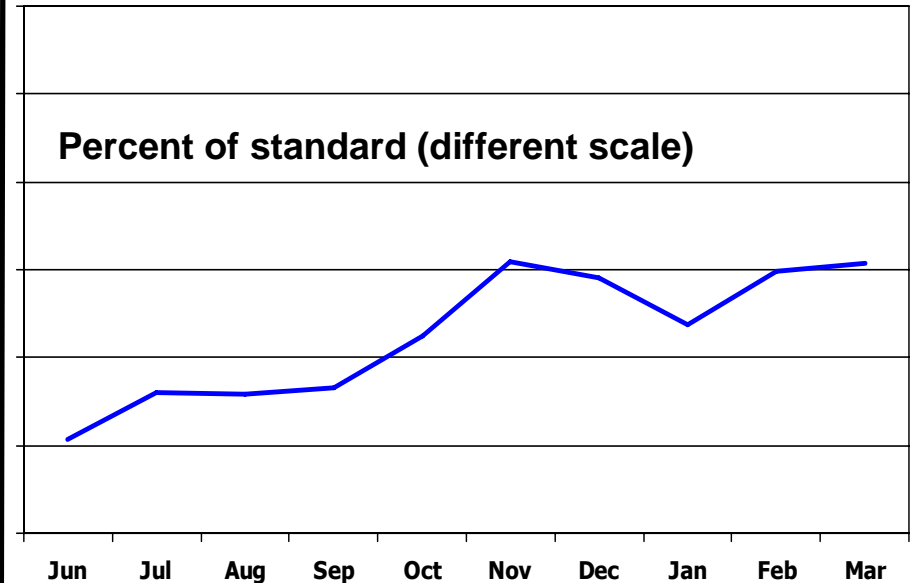
CVS Europe Labor Productivity

Truck Axle Productivity (Three Primary Plants)



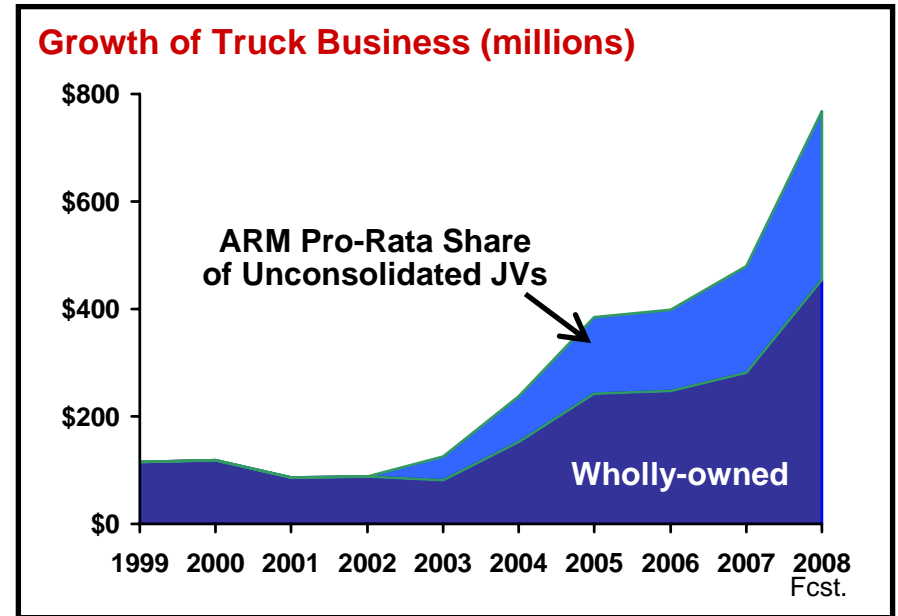
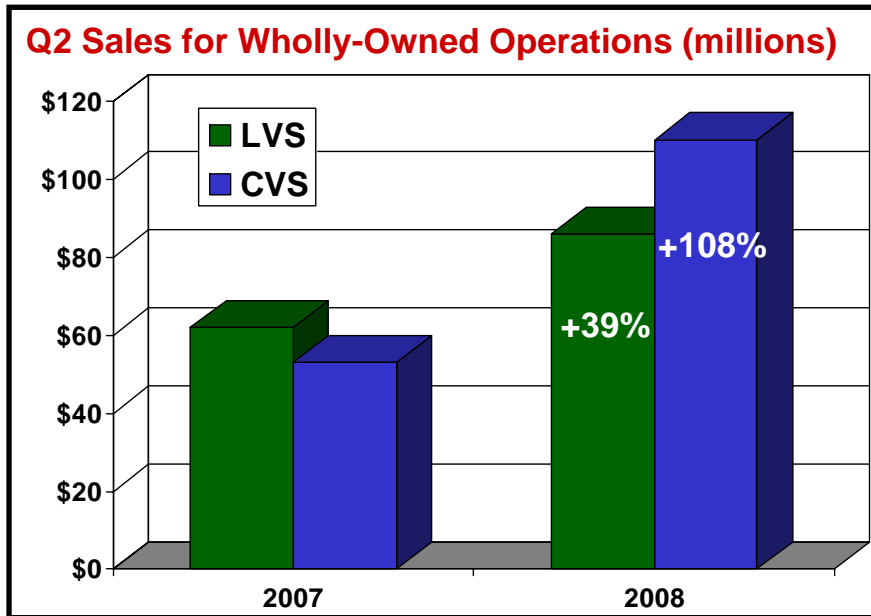
- **Continued improvement for the quarter**

Trailer Axle Productivity (Cwmbran)



- **Dramatic improvement in the second half of CY 2007 has been sustained**
- **Some material shortages impacted January**

South America Spotlight



- Two wholly-owned plants and three large joint ventures supplying wheels, body systems, axles, brakes and trailer products
- Long relationships with excellent JV partners
- Leading supplier of steel wheels in the region through the Fumagalli brand
- Contracts to provide the majority of drive axles to 4 of the top 6 heavy truck manufacturers

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

(in millions, except per share amounts)

	Three Months Ended March 31,			
	2008	2007	Better/(Worse)	
			\$	%
Sales	\$ 1,781	\$ 1,627	\$ 154	9%
Cost of Sales	(1,614)	(1,490)	(124)	-8%
Gross Margin	167	137	30	22%
SG&A and other	(106)	(99)	(7)	-7%
Operating Income	61	38	23	61%
Equity in Earnings of Affiliates	6	7	(1)	-14%
Interest Expense, Net	(20)	(28)	8	29%
Income Before Income Taxes	47	17	30	176%
Provision for Income Taxes	(16)	(2)	(14)	-700%
Minority Interests	(4)	(3)	(1)	-33%
Income from Continuing Operations before Special Items ⁽²⁾	\$ 27	\$ 12	\$ 15	125%
Diluted Earnings Per Share from Continuing Operations ⁽²⁾	\$ 0.37	\$ 0.17	\$ 0.20	118%

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

(2) GAAP Income (Loss) from Continuing Operations was \$24 million and \$(13) million for quarters ended March 31, 2008 and 2007, respectively, or \$0.33 and \$(0.19) on a per diluted share basis.

Second Quarter Segment EBITDA – Before Special Items⁽¹⁾

(in millions)

	Three Months Ended March 31, Better/(Worse)			
	2008	2007	\$	%
EBITDA				
Commercial Vehicle Systems	\$ 84	\$ 59	\$ 25	42%
Light Vehicle Systems	24	30	(6)	-20%
Segment EBITDA	<u>108</u>	<u>89</u>	<u>19</u>	21%
Unallocated Corporate Costs	(4)	(1)	(3)	-300%
ET Corporate Allocations	-	(11)	11	100%
Total EBITDA ⁽²⁾	<u>\$ 104</u>	<u>\$ 77</u>	<u>\$ 27</u>	35%
EBITDA Margins				
Commercial Vehicle Systems	7.0%	5.5%	1.5 pts	
Light Vehicle Systems ⁽³⁾	4.1%	5.2%	-1.1 pts	
Segment EBITDA Margins	6.1%	5.4%	0.7 pts	
Total EBITDA Margins ⁽²⁾	5.8%	4.7%	1.1 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 \$56 million and \$17 million for quarters ended March 31, 2008 and 2007, respectively, or 3.1% and 1.0% as a percentage of revenue.

(3) Prior year LVS margins are adjusted to reflect the impact of reduced volumes in our Brussels operations.

CVS Margins vs. Prior Year

FY 2008 Q2 Segment EBITDA Margin vs. FY 2007 Q2

	Segment EBITDA Margin⁽¹⁾
FY 2007 Q2	5.5%
North America OE production volume	(1.8)%
Europe OE production volume	1.0%
South America production volume	1.1%
Specialty production volume	1.3%
Performance Plus and other cost savings	1.1%
Steel and other raw material economics	(1.0)%
Central costs previously unallocated	(0.6)
Other	0.4
FY 2008 Q2	<u>7.0%</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 10 and the appendix for consolidation and comparison to GAAP measures. EBITDA margin equals EBITDA divided by sales.

LVS Margins vs. Prior Year

FY 2008 Q2 Segment EBITDA Margin vs. FY 2007 Q2

	Segment EBITDA Margin ⁽¹⁾
FY 2007 Q2	5.2%
North America volume	(0.5)%
Other volume and mix	0.5%
Performance Plus and other cost savings	1.2%
Steel and other raw material economics	(0.8)%
Commercial settlement with a supplier	(0.4)%
Non-recurrence of prior period pricing adjustment	(0.5)%
Corporate costs previously unallocated	(0.6)%
Administrative costs of restructuring	(0.3)%
Other	0.3%
FY 2008 Q2	4.1%

(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 10 and the appendix for consolidation and comparison to GAAP measures. EBITDA margin equals EBITDA divided by sales.

Free Cash Flow

(In millions)

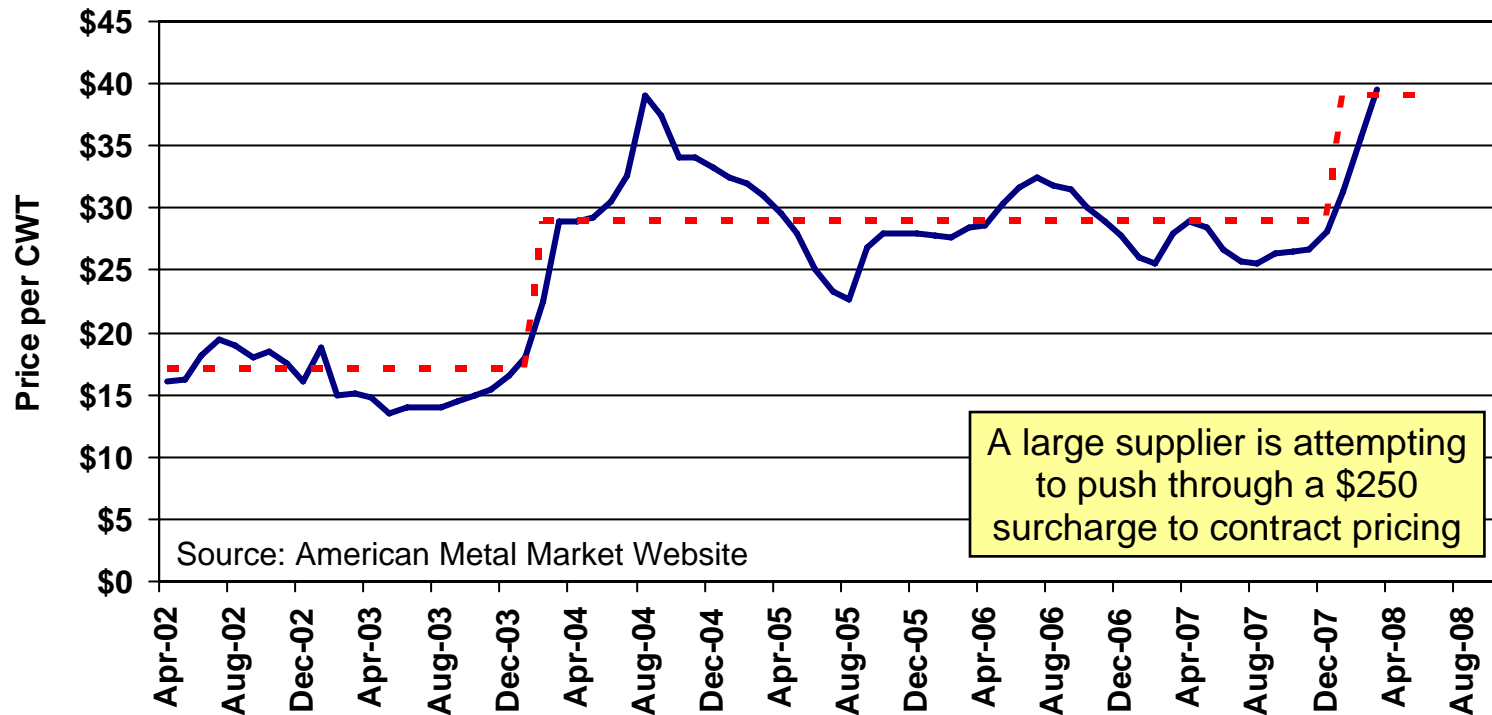
	Quarter Ended March 31,	
	2008	2007
Income (loss) from continuing operations	\$ 24	\$ (13)
Net spending (D&A less capital expenditures)	7	6
Pension and retiree medical, net of expense	5	(63)
Performance working capital ⁽¹⁾	(21)	(8)
Other changes, including restructuring & discontinued operations	37	(10)
Free cash flow before non-recourse sales of receivables	\$ 52	\$ (88)
Non-recourse sales of receivables	82	17
Free cash flow ⁽²⁾	<u>\$ 134</u>	<u>\$ (71)</u>

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

(2) Comprises cash provided by (used for) operating activities of \$163 million and \$(30) million and capital expenditures (including discontinued operations) of \$(29) million and \$(41) million for the periods ending 2008 and 2007.

Steel Spot Prices

American Metals Market Index – Hot Rolled Sheet Steel



ArvinMeritor Planned Responses

1. Supplier negotiations and re-sourcing
2. Customer pass-through negotiations where indexing is not in place
3. Examine details where indexing is in place
 - Extraordinary pass-through for extraordinary surcharges
 - Acceleration of pass-through where lag times are unacceptable
4. Address remaining lag (but not base) with incremental cost reductions

Fiscal Year 2008 Outlook

Continuing Operations Before Special Items

(in millions except tax rate and EPS)

	FY 2008	
	Full Year Outlook ⁽¹⁾	
Sales	\$ 7,100	– \$ 7,300
EBITDA	390	– 410
Interest Expense	(90)	– (100)
Effective Tax Rate	22%	– 26%
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

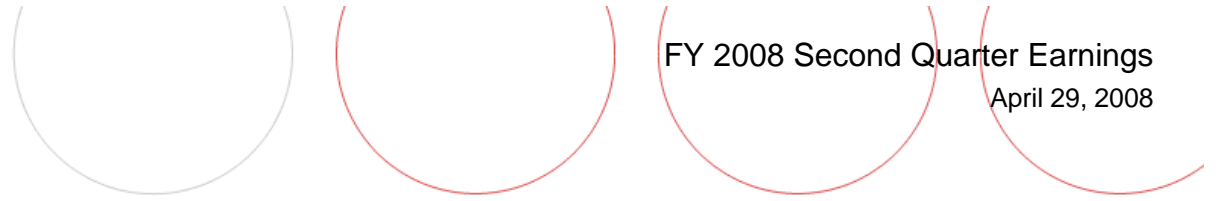
2008 Planning Assumptions

Calendar Year Basis

North America		Other Regions/Metrics	
U.S. GDP growth	1.4%	Europe GDP growth	1.6%
U.S. light vehicle industry sales (millions)	15.2	W. Europe light vehicle industry sales (millions)	17.1
Class 8 truck production (000)	220-240	Europe medium & heavy truck production (000)	580-590
Class 5-7 truck production (000)	160-175	Europe trailer production	180-195
Trailer production (000)	195-210	Asia medium & heavy truck production (000)	1,340
CV aftermarket industry growth rate ex. pricing	Flat	Steel price change	Much Worse
MRAP production	14,200	S. America light vehicle production (millions)	4.0

Summary

- Rising steel prices are a major issue for FY 2009, and our new #1 priority
- Quarterly results were good, and we reiterate 2008 full-year guidance for both earnings and cash flow
- Even with the North America commercial truck market down more than 30% year-over-year, CVS margins before special items still were up by 1.5 percentage points
- LVS business is improving as restructuring savings and Performance Plus cost reductions flow, but non-recurring items and lower production in North American mask the underlying improvement



Appendix

Items of a Non-Recurring Nature Included in Results

**EPS Impact
for FQ2 2008**

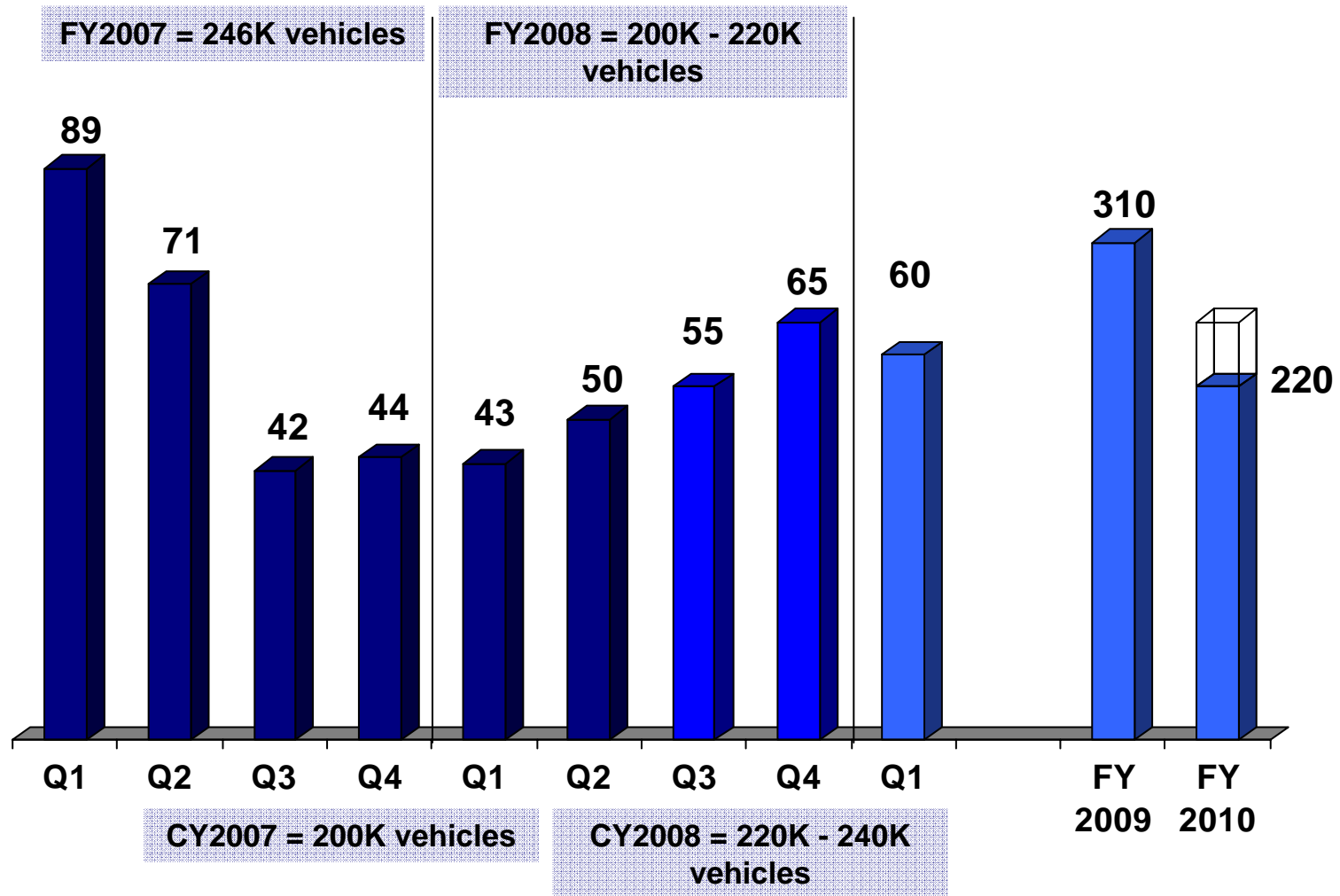
Commercial settlement with a supplier

\$(0.02)

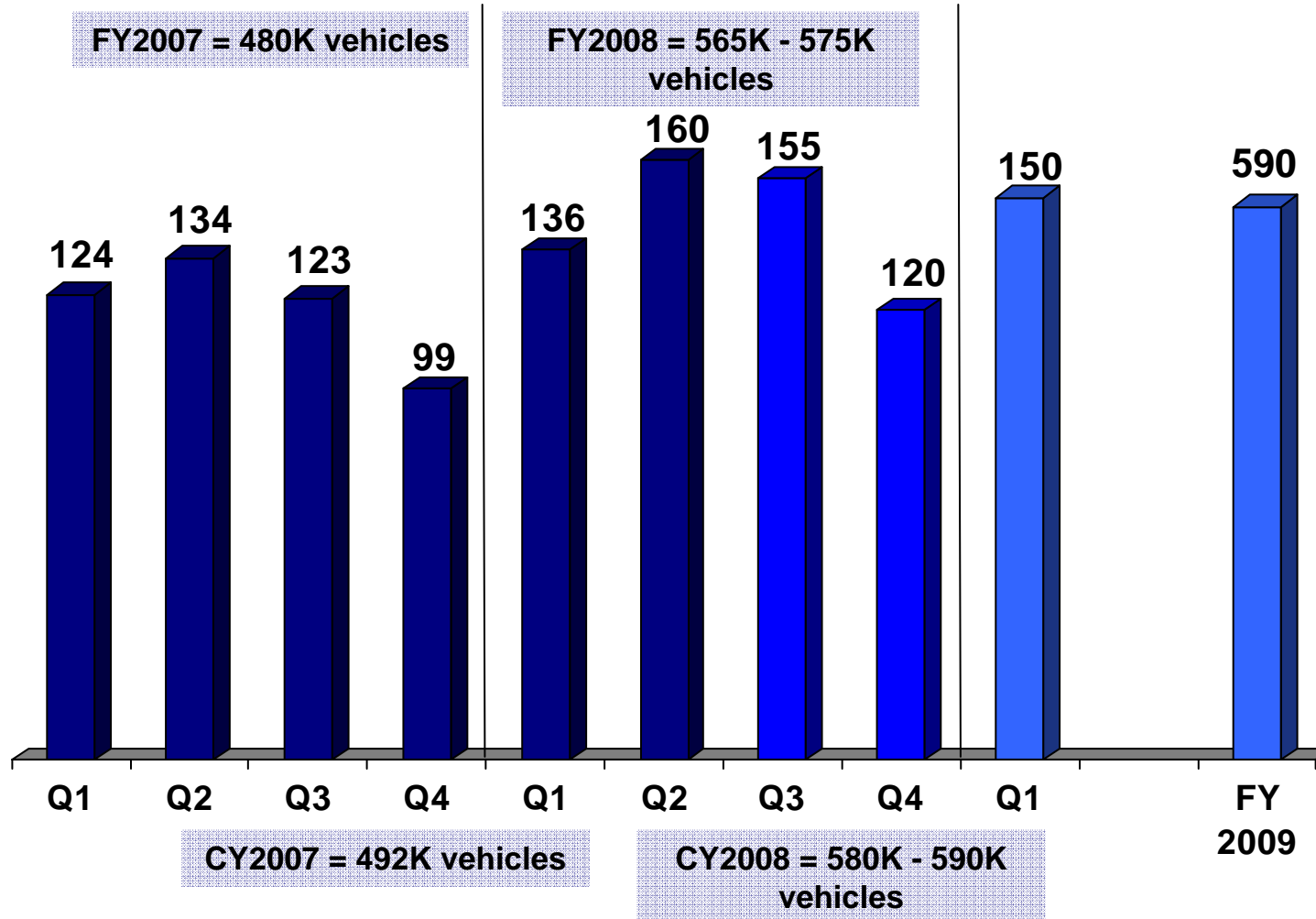
Discrete income tax items

(0.02)

North America Class 8 Production



Europe Medium and Heavy Truck Production



LVS EBITDA Excluding Non-Recurring Items

	2008 FYTD	2007 FYTD	2008 Better/Worse Than 2007
EBITDA Before Special Items as Reported ⁽¹⁾	\$ 36	\$ 46	\$ (10)
Changes to Certain Benefit Programs	(2)	-	(2)
Legal/Commercial Dispute with Customer	9	-	9
Commercial Settlement with Supplier	2	-	2
ET Corporate Allocations	5	-	5
Adjustments to Pricing Reserves	-	(5)	5
Adjusted EBITDA on a Comparable Basis	\$ 50	\$ 41	\$ 9

(1) See Slide 23 – “Non-GAAP Financial Information”

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 2Q 2008

<i>(in millions)</i>	Q2 FY 08		Q2 FY 08	
	Reported	Restructuring	Before Special Items	
Sales	\$ 1,781	\$ —	\$ 1,781	
Gross Margin	167	—	167	
Operating Income	56	5	61	
Income from Continuing Operations	24	3	27	
Diluted Earnings Per Share – Continuing Operations	\$ 0.33	\$ 0.04	\$ 0.37	
Segment EBITDA:				
Commercial Vehicle Systems	\$ 84	\$ —	\$ 84	
Light Vehicle Systems	19	5	24	
Total Segment EBITDA	\$ 103	\$ 5	\$ 108	
Segment EBITDA Margins				
Commercial Vehicle Systems	7.0%		7.0%	
Light Vehicle Systems	3.2%		4.1%	
Total Segment EBITDA Margins	5.8%		6.1%	

For a reconciliation of EBITDA to its closest GAAP equivalent, see slide 28. EBITDA margin equals EBITDA divided by sales.

Non-GAAP Financial Information

Income Statement Special Items Walk 2Q 2007

<i>(in millions)</i>	<u>Q2 FY 07 Reported</u>	<u>Ride Control Fair Value Adjustments</u>	<u>Product Disruptions</u>	<u>Restructuring</u>	<u>Debt Extinguishment</u>	<u>Income Taxes</u>	<u>Q2 FY 07 Before Special Items</u>
Sales	\$ 1,627	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,627
Gross Margin	143	—	(6)	—	—	—	137
Operating Income	17	(10)	(6)	37	—	—	38
Income (Loss) from Continuing Operations	(13)	(6)	(4)	23	4	8	12
Diluted Earnings (Loss) Per Share – Continuing Operations	\$ (0.19)	\$ (0.08)	\$ (0.05)	\$ 0.32	0.06	\$ 0.11	\$ 0.17
Segment EBITDA:							
Commercial Vehicle Systems	\$ 60	\$ —	\$ (9)	\$ 8	\$ —	\$ —	\$ 59
Light Vehicle Systems	<u>8</u>	<u>(10)</u>	<u>3</u>	<u>29</u>	<u>—</u>	<u>—</u>	<u>30</u>
Total Segment EBITDA	<u>\$ 68</u>	<u>\$ (10)</u>	<u>\$ (6)</u>	<u>\$ 37</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 89</u>
Segment EBITDA Margins							
Commercial Vehicle Systems	5.6%						5.5%
Light Vehicle Systems (1)	1.4%						5.2%
Total Segment EBITDA Margins	4.2%						5.4%

(1) LVS margins before special items are adjusted to reflect the impact of reduced volumes in our Brussels operation.

Non-GAAP Financial Information Income Statement Special Items Walk 6 Months 2008

<i>(in millions)</i>	Q2 YTD FY 08		Tax		Q2 YTD FY 08
	Reported	Restructuring	Impact		Before Special Items
Sales	\$ 3,444	\$ -	\$ -	\$ -	\$ 3,444
Gross Margin	297	-	-	-	297
Operating Income	84	15	-	-	99
Income Before Income Taxes	54	15	-	-	69
Income From Continuing Operations	23	9	1	-	33
DILUTED EARNINGS PER SHARE					
Continuing Operations	\$ 0.32	\$ 0.13	\$ 0.01	\$ -	\$ 0.46
Segment EBITDA					
Commercial Vehicle Systems	\$ 155	\$ -	\$ -	\$ -	\$ 155
Light Vehicle Systems	21	15	-	-	36
Segment EBITDA	<u>176</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>191</u>
EBITDA Margins					
Commercial Vehicle Systems	6.8%				6.8%
Light Vehicle Systems	1.8%				3.1%
Total Segment Operating Margins	5.1%				5.5%

Non-GAAP Financial Information Income Statement Special Items Walk 6 Months 2007

<i>(in millions)</i>	Q2 YTD FY 07 Reported	Ride Control Fair Value Adjustment	Product Disruptions	Restructuring	Debt Extinguishment	Tax Impact	Q2 YTD FY 07 Before Special Items
Sales	\$ 3,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,195
Gross Margin	247	-	(4)	-	-	-	243
Operating Income	50	(10)	(4)	37	-	-	73
Income (Loss) Before Income Taxes	3	(10)	(4)	37	6	-	32
Income (Loss) From Continuing Operations	(3)	(6)	(3)	23	4	9	24
DILUTED EARNINGS (LOSS) PER SHARE							
Continuing Operations	\$ (0.04)	\$ (0.08)	\$ (0.04)	\$ 0.32	\$ 0.05	\$ 0.13	\$ 0.34
EBITDA							
Commercial Vehicle Systems	\$ 123	\$ -	\$ (9)	\$ 8	\$ -	\$ -	\$ 122
Light Vehicle Systems	22	(10)	5	29	-	-	46
Segment EBITDA	145	(10)	(4)	37	-	-	168
EBITDA Margins							
Commercial Vehicle Systems	5.8%						5.8%
Light Vehicle Systems	2.0%						4.3%
Segment Operating Margins	4.5%						5.3%

Non-GAAP Financial Information

EBITDA Reconciliation

(in millions)

	Quarter Ended March 31,		Six Months Ended March 31,	
	2008	2007	2008	2007
Total EBITDA - Before Special Items	\$ 104	\$ 77	\$ 186	\$ 149
Restructuring Costs	(5)	(37)	(15)	(37)
Fair Value Adjustment	-	10	-	10
Impact of Work Stoppages	-	6	-	4
Loss on Sale of Receivables	(5)	(1)	(9)	(3)
Depreciation and Amortization	(36)	(34)	(68)	(64)
Interest Expense, Net	(20)	(34)	(47)	(61)
Provision for Income Taxes	(14)	-	(24)	(1)
Income (Loss) From Continuing Operations	\$ 24	\$ (13)	\$ 23	\$ (3)

Non-GAAP Financial Information

Free Cash Flow

<i>(in millions)</i>	Quarter Ended March 31,	
	<u>2008</u>	<u>2007</u>
Cash provided by (used for) operating activities	\$ 163	\$ (30)
Less: Capital expenditures (1)	<u>(29)</u>	<u>(41)</u>
Free cash flow	<u>\$ 134</u>	<u>\$ (71)</u>

(1) Includes capital expenditures of discontinued operations of \$13 million in the prior year.

The image features the ArvinMeritor logo in a bold, italicized red font, centered horizontally. The logo is overlaid on a grid of light gray circles. The top row consists of four red circles, while the remaining circles are light gray. The logo text is positioned across the middle row of circles.

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