

# FINAL TRANSCRIPT

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## **ARM - ArvinMeritor Conference Call & Web Cast**

**Event Date/Time: May. 06. 2008 / 8:00AM ET**

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## PRESENTATION

**Operator**

Good day, ladies and gentlemen, and welcome to the Light Vehicle Systems spinoff conference call. At this time, all participants are on a listen-only mode. We will be facilitating a question-and-answer session towards the end of today's conference. (OPERATOR INSTRUCTIONS). As a reminder, this conference call is being recorded for replay purposes. I will now turn your call over to Mr. Terry Hutch, Director of Investor Relations. Please proceed.

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**Terry Huch** - *ArvinMeritor, Inc. - Director of IR*

Thank you, operator. Good morning, everyone, and welcome to the ArvinMeritor conference call. On the call today we have Chip McClure, our Chairman, CEO and President; Phil Martens, our Senior Vice President and President of Light Vehicle Systems; Jim Donlon, our designated CFO for Arvin Innovation; Carsten Reinhardt, President of our Commercial Vehicle Systems business; Rakesh Sachdev, our President for Asia-Pacific business; and Jay Craig, who was announced this morning as the incoming CFO.

The slides accompanying today's call are available at ArvinMeritor.com. We will refer to the slides in our discussion this morning. The content of this call, which we are recording, is the property of ArvinMeritor Inc.; is protected by U.S. and international copyright law; and may not be rebroadcast without the express written consent of ArvinMeritor. We continue to consider your continued participation to be your consent to our recording.

Our discussion may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Let me refer you to slide two for a more complete disclosure of the risks that could affect our results. To the extent we refer to any non-GAAP measures in our call, you'll find the reconciliation to GAAP in the slides on our website. Now I would like to turn the call over to Chip.

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**Chip McClure** - *ArvinMeritor, Inc. - Chairman, President & CEO*

Thank you Terry, and thank you everyone for joining us on such short notice for this morning's call. Let's first turn to slide three. As you read in this morning's news release, today we announced that our Board of Directors has approved a plan to spin off our Light Vehicles Systems business into a separate publicly traded company to be named Arvin Innovation Inc. The Commercial Vehicle Systems business will remain with ArvinMeritor.

Today we'd like to outline the rationale for the spinoff of our Light Vehicle Systems business, discuss the strengths of this business group and what we envision as the future for LVS, and reiterate our vision for a redefined ArvinMeritor and the direction in which we are taking our company.

As many of you know, for the last several years, we have been executing our 3R strategy to rationalize, refocus, and regenerate. Today's announcement represents another major step to refocus our company and continue our ongoing corporate transformation. In the face of growing challenges in an ever-changing global economy, as well as dramatic changes in the global automotive marketplace, it's no longer adequate to simply anticipate change and react accordingly. It's critical for us to not simply survive but to thrive over the long haul.

To ensure we're one of the companies that thrive, we continue to transform our business. Moreover, we're proactive in managing change. This is why we decided to separate our two businesses. We believe this separation will provide each of these businesses with the capabilities to thrive in each of their business segments. We're confident that this transaction will not only enhance long-term shareholder value but it will also significantly strengthen the competitive positions of both companies. In addition, it will better align them with their respective customer bases.

We are creating two strong independent companies. This will allow each to grow and prosper in a way that is consistent with the business mix and industry opportunities of each company. Each separate company will benefit from a greater strategic focus on its core business, expertise, and potential growth opportunities; increased recognition in each of their global market segments; a more attractive and targeted investment opportunity with incentives for management and employees that are more closely aligned with company performance and shareholder interest; the ability to more effectively allocate capital to better focus on industry specific needs thereby enhancing customer relationships. We are also confident this transaction will unlock shareholder value and improve each company's interface with the customers in its respective market segments.

Turning to slide four, you'll note that we expect the spinoff to be implemented through a pro rata taxfree stock dividend to ArvinMeritor shareholders. Upon completion of the spinoff, ArvinMeritor shareholders will own 100% of the common stock of

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Arvin Innovation. We expect the spinoff to be completed within the next 12 months. This is, however, contingent upon satisfactory financial and automotive market conditions.

The spinoff is also subject to customary approval, including final approval by ArvinMeritor's Board of Directors, completion of all required activities with employee representatives, an effective registration statement with the Securities and Exchange Commission, receipt of a tax ruling from the IRS, and approval of applicable regulatory authorities. We have applied for a listing on the NASDAQ for Arvin Innovation under the symbol of ARVI.

Now turn to slide five. We're confident that the new company, Arvin Innovation, is well positioned to win in the global automotive industry. It's a premier \$2.2 billion globally integrated tier one systems supplier. It has the right management team, a solid financial structure, strong brands and market leading positions in many of its product lines, a strong diversified global customer mix, an extensive global sourcing and manufacturing footprint, and the global reach to grow this new company as a market leader going forward.

Turn to slide six. Arvin Innovation's vision for the future is to collaborate, creating a high-performance team partnering and working together with customers, joint ventures, suppliers, and employees. To innovate, changing the game through original thinking and continuing to create value-added next generation technologies. And finally, to grow, continuing to add value for shareholders, employees, customers, and in the communities where we operate.

Turn to slide seven, please. As you can see from these charts, the new company will have a strong competitive advantage because of its diverse geographic, customer, and product segment mix. This business has improved and diversified its customer profile over the last few years, which we all know is key to continued growth in this industry.

Only 20% of our light vehicle sales are to the domestic automotive manufacturers in North America. We're not only experiencing growth of Asian OEMs, we're moving aggressively into emerging markets. More than 60% of our light vehicles business is outside of North America. This geographic diversity and strong customer mix will help the new company weather the storm in the current turbulent U.S. market.

Turning to slide eight, improving the dynamics of the LVS organization Phil and his team consolidated their product portfolio into two growing product segments. They consolidated their door and roof businesses into one global organization called Body Systems and they're currently consolidating their wheels and chassis business into one global group called Chassis Systems. These actions support the LVS strategy to better focus and reposition the LVS business. The goal is to develop and deliver value-added products with better margins around the world.

Let's turn to slide nine. LVS also has been consolidating its global manufacturing footprint and has closed and consolidated many of its high-cost sites, while at the same time opening facilities and expanding its presence in regions with lower manufacturing costs such as Central and Eastern Europe, Asia-Pacific, primarily in India and China, and in South America.

As you can see from this slide, LVS is truly a global business with the majority of its 42 facilities and approximately 9,000 employees located primarily in Europe, as well as other parts of the world. And as a new company we'll benefit from its global diversification strategy, which is proven to be successful over the years. We're confident that an ongoing transition to leading cost-competitive countries will continue to provide an advantage to the business, as well as to our customers.

Turning to slide 10. As I said earlier, our Light Vehicle business groups has consistently and prudently invested in next-generation technologies with a keen focus on products that our customers want, are willing to pay for, and that offer us the best margins. This business has good brands and is a market leader in many of the product categories it serves. The LVS organization is focused predominantly on Smart Systems Technologies. Smart Systems Technologies include high value-added controls and electronics, which LVS is currently offering in door motors and latches, as well as chassis systems.

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This team also has strengthened and enhanced its relationship with current partners. This includes our joint venture partners throughout the world. Just to name a few we have partnered with Gabriel in Venezuela, where we're partnered to sell Gabriel aftermarket parts, which is a well-recognized brand with an outstanding heritage of building shocks and struts. Chery, one of the fastest-growing OEMs in China, where LVS is partnered to build chassis systems from a new plant in Wuhu.

MSSC, a premier Asian global undercarriage partner. Pyeong Hwa automotive, where we have a strong relationship selling products to Hyundai worldwide. And Tata Consultancy Services in India. This is multi-year agreement we recently announced to enhance our light vehicle engineering capabilities, including product development and support for our product lines in Asia-Pacific.

The light vehicle wheels business operating out of Brazil is one of the best in the industry. This business has a successful 60-year history under the well-recognized premier global brand name Fomagalli. Traditionally this has been a light vehicle wheels business, but we recently expanded this product offering into the medium-duty truck market segment. This business offers a huge opportunity for us, especially as we continue our global expansion.

In addition, we are moving our global sunroof programs from high-cost to leading cost-competitive countries, including expanding our manufacturing footprint into Eastern Europe and China, which will benefit our business overall.

Turning to slide 11. Our growth prospects in LVS are clear and achievable. Over the last several years, LVS has spent considerable time expanding our business in China. As a result of our efforts, we are now able to offer our full product portfolio throughout that region. But we're not stopping there. We'll be launching new programs in China this year, building three new plants, and expanding our engineering capability.

China has always been a huge growth opportunity for us and we are focused on continuing to capitalize on the opportunities we see there. South America also creates significant new opportunities for us. Since the beginning of the year, sales are up more than 30%. As we see it, LVS has the potential to double its business within a region and further leverage its existing footprint. The new company's strength lies not only in geographic diversity but also in the strength of its product and in its customer relationships. As I mentioned earlier, our light vehicle business is using its Smart Systems to improve vehicle performance and integration.

Looking ahead we believe our light vehicle business will be able to leverage its existing customer relationships. LVS continues to make progress at Hyundai supplying body systems on a global basis. To name a few more globally, ArvinMeritor is growing with Honda, building relationships with Toyota, Nissan, and Dacia, and growing with Chery and other emerging OEMs.

Our light vehicle team is getting significant recognition from its customers, receiving seven customer awards in just the last several months. These include the excellent "Quality in Service" award from Honda, "Zero Defect Award" from Nissan, and the "Target Value for Quality" award from Toyota.

Turning to slide 12, you'll see the new management team for Arvin Innovation. After the spinoff is completed, I will remain as ArvinMeritor's Chairman, CEO, and President. Jim Marley, who is currently a member of the ArvinMeritor Board, will lead Arvin Innovation's Board of Directors as non-executive chairman. Until the spin is completed, he will remain a member of our Board.

Jim has served as a member of our Board since the ArvinMeritor merger in 2000 and, before the merger, he was a Director of the Meritor Board. He has been an outstanding contributor to our Board, serving as Chairman of the Compensation and Management Development Committee, as well as the Environmental and Social Responsibility Committee.

He's the retired Chairman of the Board of AMP, Inc., a global provider of electrical and electronic components and cabling products for consumers and industrial customers. He served in this position from 1993 to 1998. With his years of experience as a leader of a publicly traded company, we believe he'll bring the skills necessary to successfully launch Arvin Innovation as a new independent tier one supplier.

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Phil Martens, who is currently our Senior Vice President and President of LVS, will become the President and CEO of Arvin Innovation. Jim Donlon, currently our company CFO will become Executive Vice President and CFO of the new company. Jim will immediately begin supporting the light vehicles business in the capacity of CFO as it prepares to become an independent company. Rakesh Sachdev, is Senior Vice President of ArvinMeritor and President of Asia-Pacific, will become Executive Vice President, Chief Administrative Officer and Managing Director of Emerging Markets for the new company.

Until a successor is named, however, he will continue to be responsible for ArvinMeritor's Asia-Pacific region. We believe we've assembled an extraordinary team for the new Arvin Innovation organization. The new company will have one of the most experienced and talented leadership teams in the industry. Phil is truly a car guy with more than 25 years experience as a senior leader in the automotive industry. He is a visionary, strategic, and drives an organization to create innovative products for the future.

Jim is one of the most respected CFOs in business today. With more than 30 years as a top finance leader in the automotive industry, he will be an excellent addition to Phil and his team as they move forward in creating a leading tier one supplier company. Rakesh Sachdev, with more than 30 years of automotive experience, will also bring bench strength to the new organization. Rakesh brings a deep knowledge of finance, strategy, and operations to the new organization.

Phil also has a deep and experienced bench of other senior managers that will help the new company succeed. Over the past year, these leaders have been making significant improvements in the fundamentals of this business, which is proof that this is the right team to successfully lead this new organization into the future. The LVS management team has unparalleled expertise in their field and we're confident they'll succeed in their endeavors to make this business thrive.

Let's turn to slide 13. Arvin Innovation will continue to be a leading global supplier of dynamic motion and control automotive systems. It will continue to concentrate on providing customers with cost-effective, highly-engineered automotive systems that enhance vehicle functionality and performance. Let me take a moment to briefly talk about some of the achievements that have positioned LVS well to stand on their own.

Along with ArvinMeritor's overall performance plus strategy to continue to reduce overall cost and drive growth, LVS in particular has taken aggressive steps to improve its business. They have been relentless in their efforts to reduce costs and drive a profitable growth strategy. They have been focused on investing solely in core areas that offer the best opportunities. The restructuring actions executed over the past few years have set LVS on the right path and they continue to show strong forward momentum.

As I said earlier, they have been aggressive in their restructuring efforts to shift their manufacturing and engineering footprint to leading cost-competitive countries that will continue to improve their cost structure.

Slide 14 shows our expectations for LVS to continue to grow and expand its margins over time. This year, we expect LVS sales to grow by about 7% compared to last year. Some of that is due to currency exchange, but it's also an environment where light vehicle production in North America is down significantly.

The key for growth this year, and into the future, is winning new programs with growing OEMs. LVS has done so well that we are now able to forecast a 7% to 10% annual growth rate over the next two years with virtually all of that business already booked. And that growth is coming on the right platforms with the right OEMs using new higher value-added products. Combined with the powerful cost-reduction momentum that the performance plus initiative has helped to provide, this new high-quality business puts LVS in a position to continue to expand its margins.

Our three to five year target for LVS EBITDA margins is 7% to 8%. Margins grew by almost 1% in 2007. Slide 15 shows that, for the six months of this fiscal year, they would have grown again by the same amount if it weren't for some non-recurring items that we did not exclude from our results. I won't belabor the data on this slide, which we included in the appendix of our earnings deck last week, but it does show that we've had a number of items in LVS's results this year that are not indicative of its earning power and trend. Without these items you would be able to see improvements of about one percentage point per year continuing.

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Going forward we believe that the LVS team can continue on this pace as cost reductions are reflected more fully, as the business mix improves, and as growth continues in all of the right places. We also believe that this performance will be accompanied by positive cash flow in 2009 and 2010.

Although it's too early to make any specific announcements, our philosophy calls for a responsible capital structure for Arvin Innovation. We will decide exactly what is appropriate, based on market conditions, when we get closer to the spin date. You can be sure that the capital structure we employ will provide enough liquidity to support the Company's existing business, win new business, fund profitable growth initiatives, and pursue appropriate productivity enhancements. We believe that the mechanisms we are working on will give us the flexibility to complete the spinoff under a variety of market conditions.

Turn to slide 16, let's cover ArvinMeritor's remaining business. First I'd like to acknowledge that we also announced today that Jay Craig will replace Jim Donlon as ArvinMeritor's Senior Vice President and Chief Financial Officer, which is effective immediately. Jay will also continue in his current role as Controller until a successor is named. And when the spinoff is completed Carsten Reinhardt will become the Senior Vice President and Chief Operating Officer of ArvinMeritor. Carson is a real truck guy and has bench strength in manufacturing and operations. He has a strong team of commercial vehicle executives who are experts in the field.

In addition, Mary Lehmann, currently the Company's Senior Vice President, Strategic Initiatives, and Treasurer, will expand her responsibilities to include Information Services, M&A activities and Investor Relations. Vernon Baker, currently Senior Vice President, General Counsel, with overall legal responsibility for all of ArvinMeritor's global operations and its subsidiaries and environmental and health and safety will also assume responsibility for human resources. This is a strong team to continue to drive the momentum we're already seeing in our commercial vehicle systems business.

As you saw in our last earnings report, our commercial vehicle systems business is now delivering strong results. Owing to our global market presence and our first-class products, we've been able to succeed even in the face of a downturn in the North American heavy-truck market. As we mentioned last week in our earnings call, we improved our CVS margin by 1.5 percentage points in the second quarter compared to a year ago. This increase reflects improvements in pricing, higher sales in our specialty business, higher truck sales in Europe and South America, and cost reductions associated with our performance plus program.

We have also made substantial progress in the growth of our profitable commercial vehicle aftermarket business. We are poised to continue our global expansion in the commercial vehicle market, which we are confident will support sustained success. We remain focused on innovation and technology in the areas of safety, mobility, and the environment for our best-in-class products, and our financial discipline has never been stronger. We have a strong CVS management team with years of experience in the truck industry. We are well-positioned to benefit from the significant operating improvements this team has achieved when the expected truck and trailer market rebounds in North America.

When the spin is complete ArvinMeritor will continue to trade as ARM on the New York Stock Exchange and our management is recommending to the Board that we maintain the current dividend policy until the spin is completed.

Turning to slide 17. We've been on track with creating shareowner value by executing our aggressive 3R strategy over the last few years. We have made significant progress on our second R -- to refocus the Company. We successfully divested several businesses that were no longer a fit with our strategic direction. We sold the roll coater business, we have refocused the LVS business by exiting non-core and low margin businesses including selling the light vehicle aftermarket and emissions technologies business. Divesting these businesses supported our efforts to improve our investment efficiency while reducing and retiming our debt. We have noticeably improved and diversified our customer profile, which we all know is key to continue growth.

Now I would like to conclude by saying that I see today's announcement as a win-win for all of our key stakeholders. Shareholders will benefit as owners of two independent, financially sound, and growing businesses. Both companies will be better aligned with and positioned to serve their respective customer bases. Employees will have new and enhanced opportunities to grow with customer leaders and communities will benefit as jobs are created and local organizations are supported.

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Over the years, we've followed through on our 3R strategy and we've driven a cultural transformation by developing and implementing our performance plus program, which is one of the most aggressive cost reduction and growth initiatives in the industry. The LVS spinoff is a big part of this continuing transformation of refocusing our company and driving shareholder value.

Before I turn the call over to Phil, I'd like to take a minute to thank our thousands of dedicated and hard-working employees around the world who have made ArvinMeritor into the company it is today. Phil?

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**Phil Martens** - *ArvinMeritor, Inc. - SVP, President of LVS*

Thank you, Chip. Good morning, everyone. As you can imagine, this is an exciting time for all of us, especially for the LVS team. For the last several months, we have diligently reviewed every aspect of this important undertaking. Our collective findings have proven that Arvin Innovation as a stand-alone organization has tremendous potential to be a leading player in the global light vehicle market.

The entire LVS organization has been working very hard to build a good business. The significant cost savings identified by our Performance Plus initiatives have helped us operate more efficiently while improving our financial performance. As Chip said, our differentiator over most of our competitors in this industry is our strong diversified customer portfolio, our extensive global presence, and our substantial product offerings. Over the last several months, we have reviewed and benchmarked companies that were most successful after being spun off. What we found was that the new companies that demonstrated the most success were relentlessly focused in driving the fundamentals of their business during the first 12 to 24 months.

We, therefore, know that going forward we must be aggressive in strengthening our balance sheet. We must continually reduce debt and cut costs. We need to improve our operations through the ArvinMeritor Production System initiatives, and we must continually improve our customer base through a selective process that identifies those brands that offer the most promising future.

While we are all excited about this opportunity and accept the challenge, we are also aware that the manufacturing sector is facing tremendous pressure like we have never seen before. We must, therefore, strive for continuous improvement in every aspect of our business. We must be lean, we must be nimble, and we must prepare to act on and quickly react to any and all events that can impact our business globally. For the next year, our number one priority will be to remain focused on improving the fundamentals of our business.

We have an empowered management team, and we will provide them with the information necessary to fulfill our strategic vision, goals and objectives. We are proud that Chip and the ArvinMeritor Board of Directors have the confidence in the LVS team to allow us the opportunity to operate as an independent entity. I speak for the entire LVS organization by accepting this challenge and embrace this opportunity with confidence in our ability to profitably grow this business and deliver real value to our shareholders going forward.

Now I would like to turn the call back to Chip.

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**Chip McClure** - *ArvinMeritor, Inc. - Chairman, President & CEO*

Thank you, Phil. I hope you can feel the excitement we have for this new opportunity. The new leadership team that I announced to you today is with me here to help answer your questions, including Phil, Jim, Rakesh, Jay and Carsten.

Now I would like to turn it back to you for questions. Operator?

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## QUESTIONS AND ANSWERS

### Operator

(OPERATOR INSTRUCTIONS) Jonathan Steinmetz, Morgan Stanley.

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### Jonathan Steinmetz - Morgan Stanley - Analyst

Good morning, everyone. A few questions. I know you did comment that you wouldn't give a lot of details on some of the breakout of debt or OPEB or that sort of thing, but can you just talk on the OPEB maybe what proportion of it currently resides or is sort of owed to former employees on the light vehicle side versus the commercial vehicle side?

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### Jim Donlon - ArvinMeritor, Inc. - CFO

Jonathan, this is Jim Donlon. It is mostly on the CVS side and stems from earlier pieces of the Rockwell before it turned to Meritor time period. So it would stay with the Arvin -- the majority of it would stay with the ArvinMeritor piece.

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### Jonathan Steinmetz - Morgan Stanley - Analyst

I know you have been talking about trying to find a solution on that in terms of buying it down at a discount. Does this split change anything with regards to that thinking?

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### Jim Donlon - ArvinMeritor, Inc. - CFO

No change on the thinking from our part. Discussions ongoing that may or may not be fruitful, and it is too early to know whether that will pan out or not. But we would still be desirous of that, but it may not be possible.

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### Jonathan Steinmetz - Morgan Stanley - Analyst

Okay. Any impact on guidance from anything we are hearing today?

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### Jim Donlon - ArvinMeritor, Inc. - CFO

Right now, the plan for the current guidance for this year is steady as she goes, and we have all efforts inside the Company toward showing you our best foot forward during these next coming months, and we are holding where we are, if not better.

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### Chip McClure - ArvinMeritor, Inc. - Chairman, President & CEO

The only thing that may be added to that, Jonathan, obviously there will be some costs associated with putting the spin together. But other than that, I would support what Jim has just said.

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### Jonathan Steinmetz - Morgan Stanley - Analyst

Okay, so those could be called out as one-time, so to speak, and not be a factor in the guidance, or you would have some cost savings that would offset these --?

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**Jim Donlon** - *ArvinMeritor, Inc. - CFO*

No, I think we'd call those out as special items.

**Jonathan Steinmetz** - *Morgan Stanley - Analyst*

Okay. I guess lastly when you think about ArvinMeritor post this, any increase -- or I guess on the light vehicle side as well, any major increase in R&D or engineering type expense that would come about as a separation? In other words, in the past you have talked about some commonality and some sharing. So I'm just trying to figure out whether those separate companies would have an increase?

**Chip McClure** - *ArvinMeritor, Inc. - Chairman, President & CEO*

Well, obviously as we talked before, I think one of the real advantages of this is we are really going to be looking at a focus on both the ArvinMeritor that exists after the spin and Arvin Innovations that exist after the spin. And part of that focus will be kind of an increased focused effort in the areas for R&D.

So I would expect actually that in the areas that we are going to be looking at, that you would actually see an increased emphasis on those areas. As we've kind of indicated, some of that we're doing with existing technology centers. Some of those, quite frankly, we have been doing as we have expanded our engineering capabilities in India, China and other low-cost areas to do that.

So yes, I would expect on a go-forward basis that we would look to continue to devote the resources to make sure we can provide the product for our customers in the future.

**Jonathan Steinmetz** - *Morgan Stanley - Analyst*

Okay. I guess maybe one more quick one. Why not sort of a sale of some of these businesses as compared to a spin?

**Chip McClure** - *ArvinMeritor, Inc. - Chairman, President & CEO*

Well, as we went through that, we actually as we looked at it from a shareholder's perspective, we felt that as we went through this complete analysis, a spin was the preferred path to do that and felt that from unlocking shareholder value that the spin was the preferred route for that.

**Jonathan Steinmetz** - *Morgan Stanley - Analyst*

Okay, thank you.

**Operator**

Robert Sherefkin, Automotive News.

**Robert Sherefkin** - *Automotive News - Media*

Chip, hi. Sorry I lost my connection here, so I'm not sure if this question has been asked. But is there any effort, any plans to sell any of the businesses, any of the business units?

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**Chip McClure** - ArvinMeritor, Inc. - Chairman, President & CEO

Well, actually your question was just asked about, and as we'd indicated, we actually went through a detailed strategic review internally with the management team and then subsequently reviewed with the Board is that we felt that the preferred route at this point as we indicated is to go with the spin.

**Robert Sherefkin** - Automotive News - Media

Any response from your customers over this?

**Chip McClure** - ArvinMeritor, Inc. - Chairman, President & CEO

As a matter of fact, we've just announced this this morning, so we're just contacting them at this point. And I think that's it is safe to say -- maybe I will let Carsten kind of weigh in. I know he has talked to a couple of customers on the commercial vehicle side, but obviously as we talk about being able to better focus with the customers, it has been positively received that way. But Carsten, if you want to just talk. I know you have reached out to some of the customers over in Europe.

**Carsten Reinhardt** - ArvinMeritor, Inc. - SVP, President of CVS

I think the first feedback is that I would say on both sides our customers are excited about the news and look forward to seeing these two companies get more focused on their individual segments.

**Robert Sherefkin** - Automotive News - Media

Thank you very much.

**Operator**

Eric Selle, JPMorgan.

**Eric Selle** - JPMorgan - Analyst

Hello, good morning. I was calling to see if there was any consideration of the debt? Is there going to be any debt traveling to the new spin co?

**Jim Donlon** - ArvinMeritor, Inc. - CFO

We will be putting forward our base plan on that as a part of the upcoming filing of a Form 10 within the next few weeks. We are looking toward a very careful definition of the capital structure for both sides of the transaction and have been working to identify range of circumstances that would keep us in a good position for both companies.

At this point, it looks like there could be a small amount of debt that might move to the new company, but that is going to be defined in more detail as we come out with the Form 10 within the next few weeks.

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**Eric Selle** - JPMorgan - Analyst

That is great. As so far I am looking at it, are there any restrictions in the bond or bank that you would see as covenants that would be troublesome to that? The way I look at them, I don't see a ton, but I just wondered what's your perspective on the bank and bond covenants. Is there anything in there that would prevent this occurring?

**Jim Donlon** - ArvinMeritor, Inc. - CFO

We will be working with our bank group. You know that currently at ArvinMeritor, we have a bank credit line and they have worked with us over the last few years, making adjustments as business conditions have changed. We will be referring and working with our bank group again, and we anticipate that they will be supportive toward a couple of adjustments that would go into our current bank line that would continue on with ArvinMeritor.

We will also be working with our bank team on the liquidity arrangements for Arvin Innovation, and we are quite confident with what we have seen so far that that will work out just fine when we get into more details with the group.

**Eric Selle** - JPMorgan - Analyst

Sounds great. Thank you for your time.

**Operator**

John Murphy, Merrill Lynch.

**John Murphy** - Merrill Lynch - Analyst

Good morning, guys. Just to beat a dead horse on the capitalization, I am just wondering if you could just expand maybe more theoretically or philosophically how you view the capitalization of Arvin Innovations in the context of potentially being sort of a consolidator in the supply base on the light vehicle side of the business. Or potentially maybe capitalizing it more as a going concern and potentially be something that would sell off or pair off some non-core businesses over time.

**Chip McClure** - ArvinMeritor, Inc. - Chairman, President & CEO

We are looking to get it into position for an ongoing forward success of the business, not overloaded with commitments that it cannot handle. We are looking for the appropriate liquidity for its day-to-day needs and for handling enough that it can handle some amount of growth and repositioning of the business as we would see opportunities. The balance sheet will be designed for the strength for a stand-alone entity with comfort in today's difficult markets. And we have done enough modeling that we feel we have got some room to work here so that both sides could have a good capital structure.

**John Murphy** - Merrill Lynch - Analyst

So if we think about the Arvin Innovations going forward, do you see opportunities to buy distressed assets or any other assets out there that would fit well and potentially bolster the business further?

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**Phil Martens** - ArvinMeritor, Inc. - SVP, President of LVS

As I said when we started out, what we have done is extensive benchmarking of (inaudible), and the fundamentals of success are the first 12 to 24 months; our focusing on making sure the business runs well, you have got your cost structure in place, and everything is actually functioning as we want it to be.

I can tell you over time beyond that time frame, sure, we are going to look I wouldn't say at distressed assets, but probably we are going to look at what it takes for us to continue our profitable expansion in the Asia-Pacific region and also into other growing parts of the world, including South America. And at some point in time, we would like to look into Russia, but that is a ways away. But the focus upfront first and fundamentally is on the basic fundamentals of running the business well.

**John Murphy** - Merrill Lynch - Analyst

Lastly, Chip, on the spin, were any of these assets ever shopped in parts or in a whole to other strategic buyers, and was there any interest? Or is this, just in working through the process, the best solution you could find not doing by not going through the -- if you didn't go through the sale process?

**Chip McClure** - ArvinMeritor, Inc. - Chairman, President & CEO

Well, as you know, we continually evaluate all of our businesses and hopefully we have demonstrated over the past that we have the willingness where it made sense for shareholder value to do that. But we really do believe as we looked at this and went through the process here that there is really more value in the whole as opposed to in pieces.

So as we went forward with this process and we evaluated all the different alternatives internally, we just felt that there was more value to be had for the shareholders doing this as a whole as opposed to in pieces.

**John Murphy** - Merrill Lynch - Analyst

Great, thank you very much.

**Operator**

David Cullen, Fleet Owner Magazine.

**David Cullen** - Fleet Owner Magazine - Media

Basically, I had a pretty specific operational question. I'm curious that once the spinoff is complete, will there be any overlap in terms of the growing light commercial market, and how would you address that; some form of liaison between the two companies or --?

**Chip McClure** - ArvinMeritor, Inc. - Chairman, President & CEO

Well, obviously as you look at that -- and I will let Carsten weigh in in a moment. But as we look at that, there has been some small overlap in the commercial vehicle aftermarket side of that, and wouldn't rule out anything in the future as far as if it makes sense for us to, kind of an arm's length type of relationship to be buying the components from them to take care of our customers. Again, we would consider that as we look at anything out there in the market arena for products, whether it is in the medium our heavy truck side of it.

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I would say that our real focus, obviously, as we continue to focus the Company, is going to be more in the commercial vehicle space. So I think it is safe to say the majority of the focus is going to be that way. I don't know, Carsten, if you want to weigh in at all?

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**Carsten Reinhardt** - ArvinMeritor, Inc. - SVP, President of CVS

There's nothing else to add. No, I think it is clear that our strategy begins really in the medium-duty segment, heavy-duty, and then what you would call super heavy-duty or off-highway specialty segment. So I see very little overlap there. If there are joint opportunities, we will explore those, but at this point we don't believe that there is a lot.

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**Chip McClure** - ArvinMeritor, Inc. - Chairman, President & CEO

I think it is safe to say that part of the reason for the spin is there really is a fairly clear line of demarcation between, as Carsten said, the medium, heavy and off-highway or super heavy compared to the light vehicle and automotive side. And that was one of the factors we looked at the spin to better provide focus to the customers in the marketplace that way.

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**David Cullen** - Fleet Owner Magazine - Media

Okay, thank you.

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**Operator**

Jeff Skoglund, UBS.

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**Jeff Skoglund** - UBS - Analyst

Good morning. Jim, I was wondering from your comments earlier, it sounds like there is still a few moving pieces that you want to tie down before you file this Form 10 and finalize the cap structure here. But just based on your earlier comments, I just want to confirm it sounds like the plan is to keep the current bonds in place with the ArvinMeritor business. Is that, in fact, the case?

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**Jim Donlon** - ArvinMeritor, Inc. - CFO

That is the base plan, and we see that under each of these scenarios that we have been outlining.

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**Jeff Skoglund** - UBS - Analyst

Is there a plan to pay down any of that, those bonds as a result of this transaction?

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**Jim Donlon** - ArvinMeritor, Inc. - CFO

It could happen to a very small amount, but basically right now, there is a restriction on that with our current bank group, and unless we were to develop some new arrangement with the bank group, there would only be -- we would only be allowed to do a very small amount of that.

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**Jeff Skoglund** - UBS - Analyst

What do you think the appropriate leverage is for the CVS business?

**Jim Donlon** - ArvinMeritor, Inc. - CFO

We see it -- over time it will work its way back into the two to three range, and initially it might be slightly higher than that. But we would believe that with the forward momentum that the business has and with the outlook for some higher volumes ahead of the next emission standards that we would get into the desired range within a matter of few months.

**Jeff Skoglund** - UBS - Analyst

Are you prepared to comment on where it would be at the outset right now?

**Jim Donlon** - ArvinMeritor, Inc. - CFO

Not at this point in time. We will be able to give you some better view on that when the actual final financing for this transaction settles in just a little bit more than it is right now. We have done a series of alternatives, and now we have to narrow it down based on the exact market conditions.

**Jeff Skoglund** - UBS - Analyst

Lastly, on overhead costs I was wondering if you could maybe talk a little bit about how those will be allocated or split up post spinoff, and if there is any incremental costs that the businesses on a collective basis are going to incur as a result?

**Chip McClure** - ArvinMeritor, Inc. - Chairman, President & CEO

Jeff, this is Chip. I'm going to turn it over to Jay Craig in a moment, because he has been helping to drive this and we have actually gone through a fairly detailed analysis literally person by person and position by position. Maybe if I could, I'd ask Jay to kind of walk through some of the details on that, both some of the opportunities we look at and some of the areas we are kind of focusing on.

**Jay Craig** - ArvinMeritor, Inc. - VP & Controller

To give you some idea of the rigor we expect over the next day or so, each of our employees, in what we call shared activities or what you would think of as corporate activities, will actually be receiving personal communication of their new role with either the Arvin Innovation or ArvinMeritor. So we have gotten down into this at a detailed level.

We expect that we will be able to reduce the cost on the ArvinMeritor side that was previously allocated to LVS, but they in turn will have to build up a similar size staff to function as a separate corporate entity. So overall, we expect it to be relatively neutral between the two organizations.

**Jeff Skoglund** - UBS - Analyst

Okay, thank you.

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**Operator**

Jonathan Reiskin, Transport Topics Newspaper.

**Jonathan Reiskin** - *Transport Topics Newspaper - Media*

Good morning. Just five years ago, you all were trying to buy Dana Corporation, and now with your 3R process, you have really paired things down as you have already discussed. Looking at it from the commercial vehicle side after the spinoff, is there anything under the 3R program that is left to pare down? Is there anything else to sell or spin off? And conversely, is there anything that makes sense from a merger acquisition standpoint that you would like to go after and acquire?

**Chip McClure** - *ArvinMeritor, Inc. - Chairman, President & CEO*

There is no question as you look at the last couple of years as part of the refocus, we have really been paring down those assets to better focus the Company that way. If I look at it on a go-forward basis, Jonathan, what we are really looking at, at least in the short term, is a lot of good organic growth prospects going forward. As we have kind of indicated, we also wouldn't rule out where appropriate if there are the appropriate bolt-on type acquisitions.

But the areas we are focusing on will be in the area of Asia, really both for ArvinMeritor and Arvin Innovation, but I know your question was specifically on the ArvinMeritor commercial vehicle side. We have had a very strong presence in India for a number of years with a very successful operation with AAL, which supports the on-highway business. We've had a very successful off-highway business in China with Xuzhou -- or in Xuzhou. So I see both of those as big growth opportunities that way.

Also look at it in the area of specialty. As you know, a lot of the focus has been there in the military side. And then the other area that we have got focus on and actually announced a small bolt-on acquisition at the end of last year is the commercial vehicle aftermarket business, where at the end of last year we announced the acquisition of Mascot, which further expands our presence in the remanufacturing business.

So as I look at it, yes, going forward kind of in the, if you will, the third R regenerate, we do see a lot of opportunities that way. And again, by having a focused company with a focused customer base and focused management team, we feel there are a lot of good growth opportunities in those areas.

**Jonathan Reiskin** - *Transport Topics Newspaper - Media*

If I may do one follow-up?

**Chip McClure** - *ArvinMeritor, Inc. - Chairman, President & CEO*

Sure.

**Jonathan Reiskin** - *Transport Topics Newspaper - Media*

Obviously, the cost of commodities and supplies from your vendors is very important. In the recent quarterly report, you noted the cost of things. Are you as appealing as a customer to your vendors with this new size as compared to the current size? Does this affect in any way your ability to acquire things in terms of components of production, raw materials and things?

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**Chip McClure** - *ArvinMeritor, Inc. - Chairman, President & CEO*

No, actually when you look at it, a lot of them are fairly unique as us, a customer, to our current supply base. When you look at the product portfolio that exists on the light vehicle side versus commercial vehicle side, I think it is safe to say that they are fairly different in not just their size but the kind of components we are looking at.

So, no, I don't really see that changing at all as far as us being a customer to our suppliers. We've continued really on both the commercial vehicle side and the light vehicle side to make sure we develop those global supply base on that, so no, I don't see a change in that.

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**Jonathan Reiskin** - *Transport Topics Newspaper - Media*

Thank you.

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**Operator**

Brett Hoselton, KeyBanc Capital Markets.

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**Brett Hoselton** - *KeyBanc Capital Markets - Analyst*

Good morning, gentlemen. A couple of quick questions here. First of all, Chip, just as a general overall question, why now? You clearly have a lot going on. There's a lot going on in the industry, there is a lot going on with your new company. Why is now the time to make this split, in your opinion?

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**Chip McClure** - *ArvinMeritor, Inc. - Chairman, President & CEO*

As you look at that, I think it really goes along with what we have been doing for the last couple of years as part of our 3R strategy going forward. It is strategic as far as us continuing to focus on it. As you know, we have been going through that the last couple of years on that, and I kind of outlined some of the other things we have done strategically.

And then specifically, why now add to this next step, if you will. If you look at our most recent quarterly results, obviously when I look at CVS in particular, even though the heavy truck market here in North America is now more than 30% year-over-year, the fact that we've had a more global footprint on the commercial vehicle side, the fact of the focus on specialty, both military and off-highway, and the continued strength of the commercial vehicle aftermarket business, both here in North America and the rest of the world, we were able to show a 1.5% increase in our EBITDA margin even with a down market.

So if I went back historically, we had a great deal of concern about the cyclical nature of the North American market. So on the CVS side, I think part of your answer to the question why now is because we have those things in place that allow us to, if you will, weather these cycles in different markets. Then if I look at LVS on the LVS side, as Phil has kind of indicated, it has become very global; more than 60% of the business outside of North America.

As you look at the improvement year-over-year on the LVS side, I think as you look at it now, we have got two good businesses. And I think thirdly when I look at it, we have got two solid management teams on both sides. Phil heading up the LVS side and Carsten heading up the CVS side, and at the end of the day it has got to be the management team that makes it happen.

So as I look at it, all of those things that have been part of our cadent strategic focus we have been looking at as part of the 3R's in the last couple years. As I have looked at the last couple of quarters, we have shown the performance both on the CVS and LVS side to make it even somewhat -- I don't want to say totally independent, but able to weather the softness or downturns in local markets.

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And then thirdly, with the management team we have got in place, I feel very good about moving forward with the program.

**Brett Hoselton** - KeyBanc Capital Markets - Analyst

You have got a pretty -- the Performance Plus cost initiative, it is a pretty complex initiative, pretty overarching, a lot of things to do there, a lot of objectives to meet and so forth. This seems to add another layer of complexity on top of that. How should we think about that?

That seems as though you could almost overwhelm a management team with all of the things that are going on at ArvinMeritor.

**Chip McClure** - ArvinMeritor, Inc. - Chairman, President & CEO

One of the things we did with Performance Plus if you remember, we centralized that to start. We put the discipline in place, and over the last six months or so we have really been starting to put it back into the business units. It is literally embedded back into the business units. As an example, on the manufacturing side Phil has got his team driving what we've put together as an ArvinMeritor production system.

So really to have done it in the first year when we launched Performance Plus, you might have been right. Because I look at the last six months or so, six plus months, it has now been embedded back into the organization as part of the DNA of LVS and CVS. You look at the ArvinMeritor production system. Phil has got a team on the LVS side that is driving that. Carsten has got a team driving on the CVS side.

Within the direct material optimization and materials side, we again have moved those back into the organizations, into the associated organization. So there is a whole lot of those moving forward that way. And as I say, if I then overlap on the fact that it provides focus to the organization, I think it is actually a good time to be able to do that.

**Brett Hoselton** - KeyBanc Capital Markets - Analyst

And then going forward after the spinoff takes place, there is effectively going to be no links between the companies?

**Chip McClure** - ArvinMeritor, Inc. - Chairman, President & CEO

Correct. Well, except day one when you have got the shareholders. There will probably be some technical service or transition service agreement type of things for a period of time, just to help with the transition. But long-term, no, I do not see a link. And as I say, day one, the shareholders of ArvinMeritor will be the 100% shareholders of Arvin Innovation and we will have the transition service agreements in there. But essentially as it moves forward from that, they will become separate businesses.

**Brett Hoselton** - KeyBanc Capital Markets - Analyst

Jim, this Form 10 that you're speaking of, how much detail is going to be provided about the capital structure of these two entities in that form? Is it going to be fairly innocuous, preliminary, or are we actually going to find a fair amount of detail there?

**Jim Donlon** - ArvinMeritor, Inc. - CFO

There will be quite a bit in our first filing of this. I will comment to you that in the typical fashion, there is an initial filing and we will lay out our proposed game plan at that point with quite a bit of detail. There will be adjustments that will be made as we go through the process, and the filing will be updated, and that will react to whenever there might be in the way of capital

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markets adjustments or something. But to answer your question, the initial one will have quite a bit of detail about the base plan that we're planning to go with.

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**Brett Hoselton** - KeyBanc Capital Markets - Analyst

Finally, Chip, as we think about CVS and then Arvin Innovation -- well, I guess as we think about ArvinMeritor and Arvin Innovation as two separate entities, each of these companies or business segments have (inaudible) some various trajectories. We kind of have a sense of where each of them are heading.

What would you say would be maybe the one or two changes in those trajectories that will take place as a result of this split between the two?

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**Chip McClure** - ArvinMeritor, Inc. - Chairman, President & CEO

I don't know that there would really be any changes in that, Brett. I think as Phil kind of laid out, for the first 12 to 24 months really on both sides, both the Arvin Innovation and ArvinMeritor, we are going to continue what we have been doing as far as focusing on strengthening the balance sheet and that type of thing. But if I think about the trajectories, in both cases as we have kind of indicated the last couple of years, we're going to continue to globalize as we look at that.

The light vehicle system side has already more than 60% outside of North America, and commercial vehicle is pretty close to 50% that way. So as you look at it in both cases, I think the trajectory is going to be more globalization. And the expression I often use is not in lieu of business here in the United States or Western Europe, but in addition to.

If I then look at the commercial vehicle or ArvinMeritor side as I indicated, we will continue to expand more into the specialty side and commercial vehicle aftermarket side, but that is kind of unique to ArvinMeritor on that side. But really in both cases, I think it is going to be that kind of more in the globalization in that way.

Another thing is you look at it from a restructuring point of view, I think it is safe to say that a lot more of that focus has been on the LVS side. That is why we feel comfortable about moving forward with that, and it will continue to be the continuation of the other activities in Performance Plus, both on the commercial vehicle and the light vehicle side.

So a lot of the things are going to be the same trajectories that were in place before. I think what this spinoff is really allowing is even further focus from capital allocation, the management, etc., going forward.

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**Brett Hoselton** - KeyBanc Capital Markets - Analyst

Thank you very much, gentlemen.

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**Operator**

Peter Nesvold, Bear Stearns.

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**Peter Nesvold** - Bear Stearns - Analyst

First, a backward-looking question. These two businesses have been together for less than a decade, albeit they were put together by a different CEO. Can you remind us what was the business rationale originally for putting them together? And where did the rationale not play out?

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**Chip McClure** - *ArvinMeritor, Inc. - Chairman, President & CEO*

Actually, what I would say is -- let me walk through the rationale and if I go back to the beginning of this decade when Arvin and Meritor brought together, there was a lot of good rationale for that. And the reason was back then if I look at the commercial vehicle side of it for a moment, it was very tied to North America, very tied to the cycles of the heavy truck business here in North America. And part of the strategy of the previous management, which as I look on that made a lot of sense at the time, was the fact that you wanted to find some things that were countercyclical through that.

If I look at the Arvin side which was more much more light vehicle focused, you know, they were trying to -- they were very dependent at the time on what we refer to as the domestic Big 3 here. They were trying to find another type of countercyclical type of match in the business. So at the time back at the beginning of this decade when it occurred, both the individual businesses were in very highly cyclical business and were looking for counter-cyclicity, which I think helped to do -- which I think the merger helped to do that.

If I now fast forward to 2008, I think the big difference is first and foremost in both businesses, the commercial vehicle and the light vehicle business, they are both global. So we are not as dependent in either space to what happens here in North America. So as you look at it that way, that I think is one of the things that has really changed that way.

Second in the commercial vehicle side is the fact that the other product portfolio we talked about, as far as specialty and CVA, again gives some other things to, if you will, counter the cycle that way. And then on the LVS side as you look at it in addition to being geographically more diversified, they are much more customer diversified. I think Phil and his team has spent a lot of time -- spending time focusing on the Asian OEMs, both that they do business here in North America and Europe and in Asia.

So although even when I go back into Meritor a long time ago, Meritor did have a little bit of LVS business. I know people tend to associate most of Meritor's commercial vehicle and Arvin with light vehicle. There was some overlap that way. But at the end of the day, Peter, if I fast forward to today, I think the big difference is the market conditions have changed, but more importantly ArvinMeritor has changed. And I think the past couple of quarters have kind of demonstrated our capability to do that.

**Peter Nesvold** - *Bear Stearns - Analyst*

That is helpful. I think a forward-looking question now. I think the question we have to ask ourselves is what's the earnings power of the individual companies? And in the slides you said that the three- to five-year EBITDA margin target for the LVS business is 7% 8%. What can you tell us about on the CVS side? And maybe combined with that question, how much of the Performance Plus targets accrue specifically to CVS versus LVS, etc.? Sorry, go ahead.

**Chip McClure** - *ArvinMeritor, Inc. - Chairman, President & CEO*

I'm sorry. Go ahead, Peter.

**Peter Nesvold** - *Bear Stearns - Analyst*

I guess maybe as another kind of folding question to that, when you say that the target is 7% to 8% on the LVS side, how much Performance Plus is already in that number?

**Chip McClure** - *ArvinMeritor, Inc. - Chairman, President & CEO*

Obviously, and I'll talk in a moment and then I will probably turn it over to Jay on the CVS side, and then perhaps Jim on the LVS side to kind of give a little bit more clarity on that. But when I look at that, the Performance Plus, really part of our strategy

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going back as I said six plus months ago to start migrating it back into the business units was to make sure that there was enough traction within that to start showing those kind of savings that way.

Jay, I don't know if you want to kind of weigh in a little bit as to some of the targets we look at in the short, medium and long-term for CVS?

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**Jay Craig** - ArvinMeritor, Inc. - VP & Controller

I think, Peter, as we have stated even when we kicked off the Performance Plus program, that was a program to get us into top-tier performance in our category, which we think is in the mid-teens on ROIC. Certainly, from a financial modeling perspective, we can back that into operating profit margins and EBITDA margins.

I think from an EBITDA margin perspective for us to achieve that goal, I think as we publicly stated previously, that was somewhere north of 10 as our long-term objective for EBITDA margin.

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**Peter Nesvold** - Bear Stearns - Analyst

Is that for the combined company at the time that you did --?

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**Jay Craig** - ArvinMeritor, Inc. - VP & Controller

That is certainly what we will be looking for from the CVS side. It is what we announced previously overall for ArvinMeritor in the Performance Plus program. I think at this point, Jim wanted to just make a couple comments on the LVS side.

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**Jim Donlon** - ArvinMeritor, Inc. - CFO

Peter, on the LVS side we aspire to get toward being a top tier of the LVS suppliers which, as we have indicated on prior calls, would imply an EBITDA margin in the range of 10% or 11%. It is difficult to get to that level, and I think our intermediate-term goal that we showed here reflects for us kind of our trend and our progress that we are able to make of clawing our margins back basically as the rate of 1% per year, getting up into a better territory.

So we aspire to something better. We think this is an intermediate-term goal that we can achieve, and we are showing that we can achieve that. And that is what we are aiming at for the intermediate-term.

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**Peter Nesvold** - Bear Stearns - Analyst

Then one last quick follow-up. Are there any NOLs that have been accrued to the Company, and how does that work in a spinoff scenario? Does it remain with the parent company; does it get spun off; do they remain intact, etc.?

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**Jim Donlon** - ArvinMeritor, Inc. - CFO

There are NOLs and those are positioned out around the globe with various of our entities around the globe. And as we do this break-apart, some of those will flow over to the LVS side and some will remain with the ArvinMeritor side. And we will have a better picture of that for you when we file the Form 10 probably within the next couple of weeks -- next two, three weeks.

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**Peter Nesvold** - *Bear Stearns - Analyst*

Is the inquiry that you go through there, where were the NOLs originated, number one? Number two, what is the likelihood of them being realized? Then third, I just want to make sure that we aren't losing any of these NOLs as the results of the spin.

**Jay Craig** - *ArvinMeritor, Inc. - VP & Controller*

Peter, I think what -- we are working through all the details of this, and obviously there have been addition to the U.S. tax ruling. We need tax rulings from various jurisdictions around the world. But most of the NOLs arose from the CVS side, and it is possible through the spin transaction we will actually utilize many of these NOLs as we work through the spin transaction.

But as you can appreciate, it does require still a lot of detailed rulings from various jurisdictions, and we will be giving further information as we go through the effectiveness of the Form 10.

**Peter Nesvold** - *Bear Stearns - Analyst*

Okay, thank you.

**Operator**

Ladies and gentlemen, due to time constraints, Mr. Terry Huch will be closing for closing remarks.

**Terry Huch** - *ArvinMeritor, Inc. - Director of IR*

I would just like to thank everyone for joining our call today. We certainly look forward to entertaining any further questions you have through Investor Relations or communications contacts. Thank you and goodbye.

**Operator**

Thank you for your participation in today's conference. This concludes our presentation, and you may now disconnect. Have a great day.

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