NYSE: ARM

Overview

Chip McClure
Chairman, CEO and President

ArvinMeritor

www.arvinmeritor.com

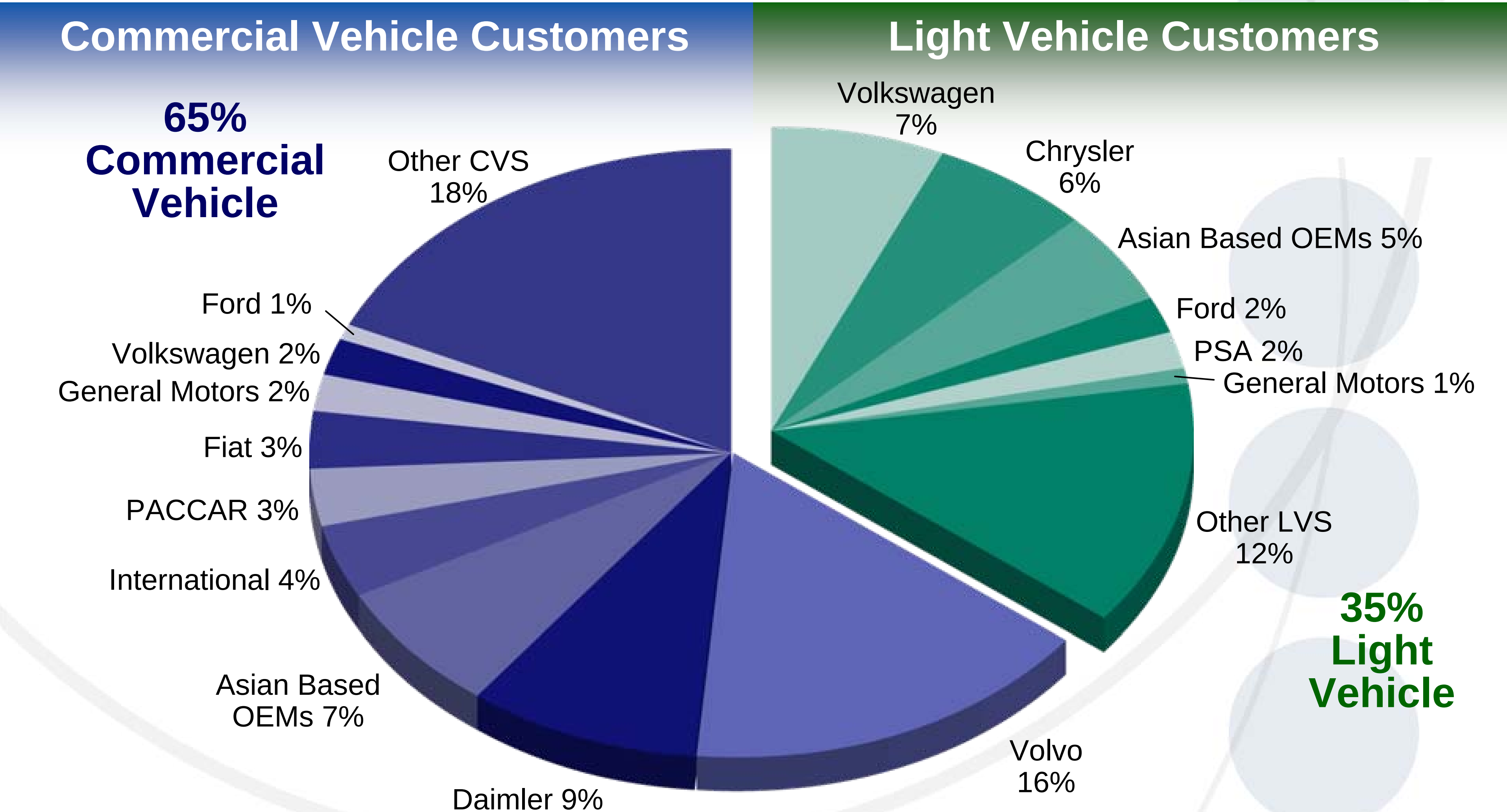
Forward-Looking Statements

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; 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.

Key Messages

- Reaffirming 2008 guidance at $1.40 - $1.60 and taking tough actions to offset known risks
- Driving significant year-over-year improvement in Europe through Performance Plus cost and revenue actions, while volumes grow
  - Lean manufacturing efforts are making a meaningful difference
- Continuing successes of Asia expansion strategy
  - Expanding axle manufacturing in India
- Proceeding with key growth initiatives
  - Full ahead with Chery JV and other business
  - Continuing to win new business with valued partner Hyundai
  - Announcing expansion of CV remanufacturing through acquisition of Mascot
- Planning for continued margin expansion in LVS
- Reaffirming positive cash flow plan, but with outflow in fiscal Q1
- Announcing a major enhancement to liquidity through simplified credit line covenants

Customer Base
2007 Sales



ArvinMeritor

Challenges

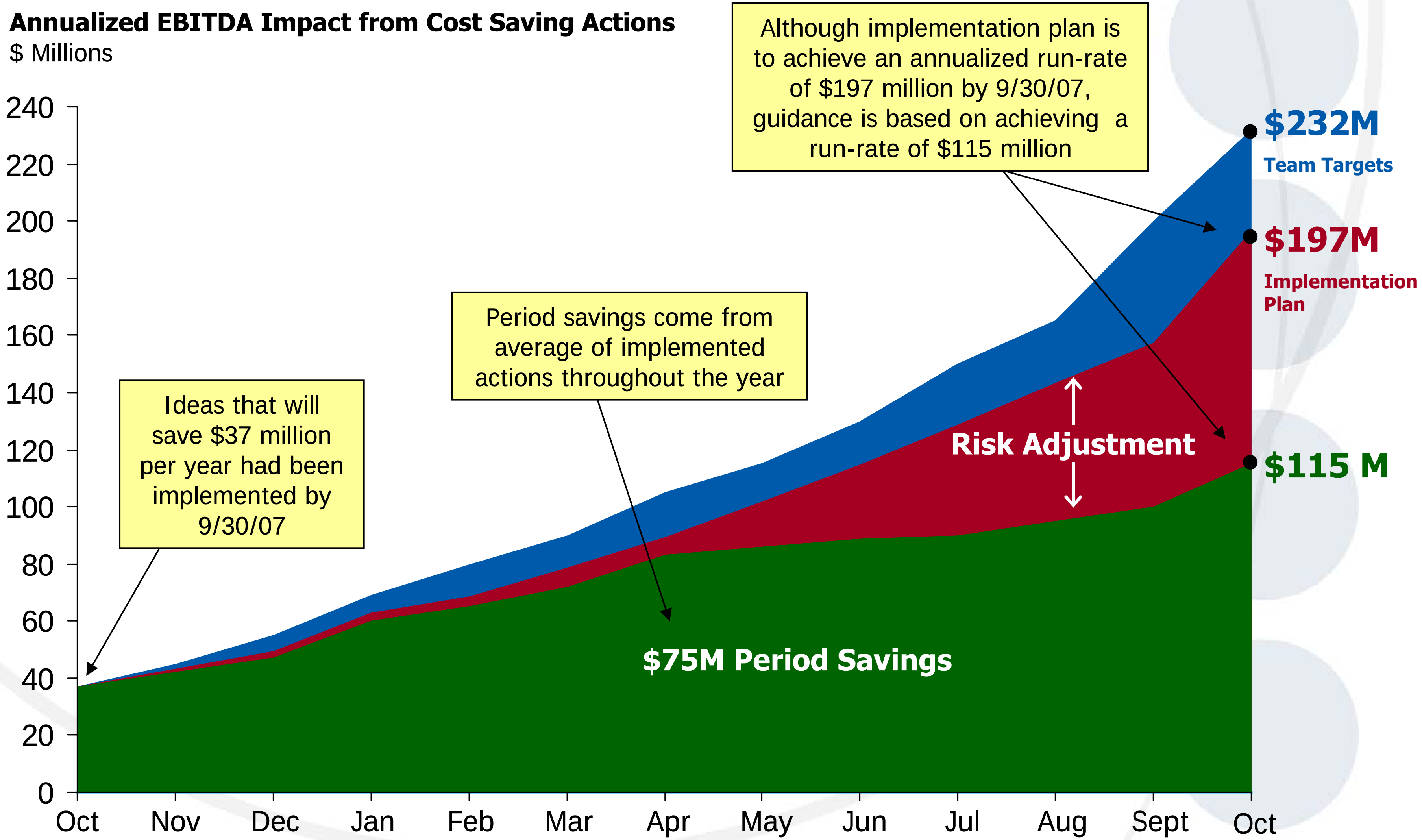
- North American economic outlook
  - Weak growth
  - Uncertainty about second half of the year
- Fully loaded management agenda
  - Performance Plus implementation
  - Execution of European operational improvements
  - Capacity additions
  - Continuing efforts to right-size
- Allocating capital resources among high-return projects
  - Capacity, efficiency actions, new ventures , new products

Opportunities

- Capitalize on growth in European commercial truck market
- Prepare for upturn in North America
- Leverage assets and team in Asia to improve business structure globally
- Pursue OPEB funding deal

Performance Plus Achievement of Run-Rate Savings in 2008

Annualized EBITDA Impact from Cost Saving Actions
$ Millions



Profit Improvements Not Linked to U.S. Economic Growth

- Performance Plus Overhead initiatives – not volume-dependent
- Performance Plus Direct Material Optimization – shifting resources to implement Europe actions first
- Performance Plus Footprint Optimization – announced closure of Brussels and Frankfurt and opening of new plant in Romania as part of Body Systems transformation
- Performance Plus Lean Manufacturing – accelerated implementation in Europe to support higher volume requirements
- Capacity actions – will increase European operational efficiency in second half of the year
- Performance Plus Product Strategy – improvements in terms with some customers outside the U.S.
- Expansion of axles joint venture in India
- Launch of Chery joint venture
- Strong growth in China off-highway axles and brakes
- MRAP and other military and government business awards

Additional Actions Taken to Offset Potential Downside Scenarios

- Defined contribution plan versus defined benefit plan, effective January 1st
- Alternative approaches for restructuring
- Supplier price-downs to support restructuring
- Lowered approval levels for capital spending
- Customer sharing of premium costs
- Optimization of employee benefit programs
- Severance cost efficiencies
- Hiring restrictions
- All employees flying coach for all air travel, including international

Value Derived from Joint Ventures

Millions for Fiscal Year, Except Percents

Consolidated Joint Ventures	Business	Country	Owner-ship	2007 Sales	Profitability
Meritor Suspension Systems Co.	LVS Chassis	U.S. & Canada	57%	$ 199	Improving
Meritor HVS (India) Ltd.	CVS Axles	India	51%	170	Adequate
Xuzhou Meritor Axle Co. Ltd.	CVS Axles	China	60%	110	Strong
Gabriel de Venezuela, C.A.	LVS Chassis	Venezuela	51%	100	Strong
Total Including Intercompany Sales				$ 640	

Unconsolidated Joint Ventures	Business	Country	Owner-ship	2007 Sales	Profitability
Sistemas Automotrices de Mexico SA de CV	CVS Axles	Mexico	49%	$ 335	Adequate
Suspensys Sistemas Automotivos Limitada	CVS Suspensions	Brazil	50% economic	270	Strong
Meritor WABCO Vehicle Control Systems	CVS Brakes	U.S.	50%	200	Adequate
Automotive Axles Limited	CVS Axles	India	36%	150	Strong
Masters Sistemas Automotivas Limitada	CVS Brakes	Brazil	49%	135	Strong
Total Including Others				$1,180	

2007 minority interest in consolidated JVs was $15 million; equity in earnings of unconsolidated affiliates was $34 million

Asia Pacific

Rakesh Sachdev

President, Asia Pacific

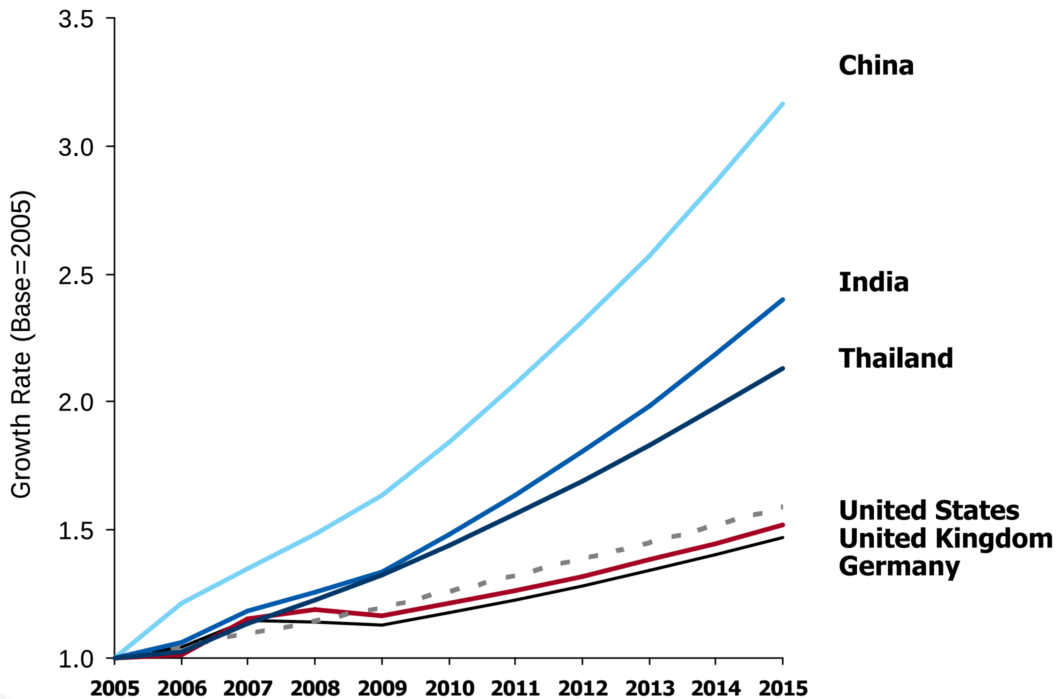
NYSE: ARM NYSE: ARM NYSE: ARM

ArvinMeritor

www.arvinmeritor.com

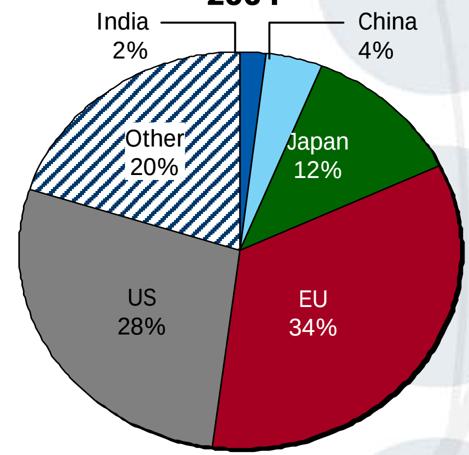
In Future, China and India Are Projected to Account for Half of the Global GDP

Real GDP Growth 2005-2015

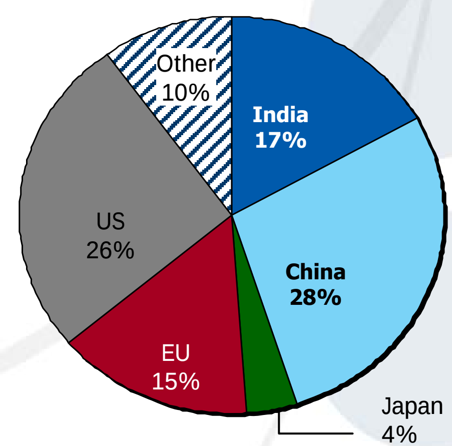


Regional Share of World Gross Domestic Product

2004



2050 Estimate



Source: Economist Intelligence Unit "Emerging Economies Market Indicators"; BAH Analysis

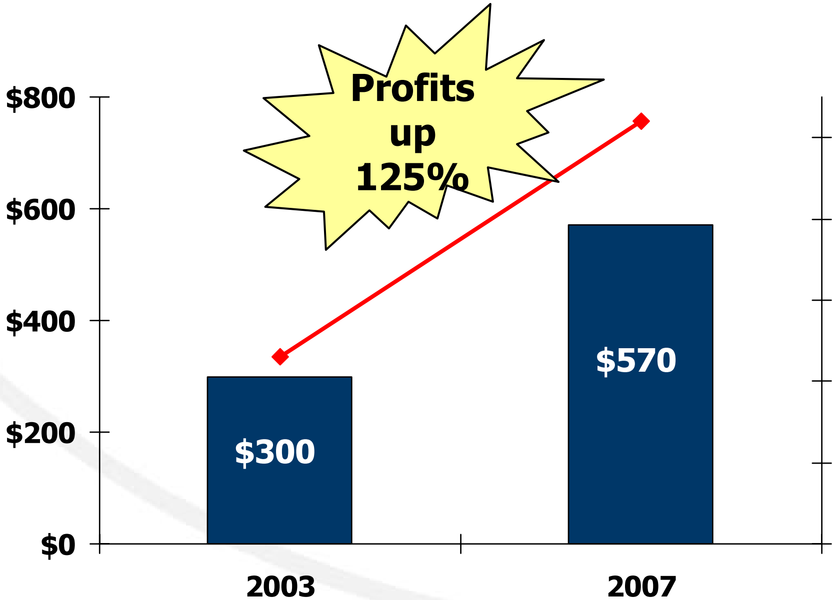
Source: Business Week August 22/29, 2005

Asia Pacific Business Overview

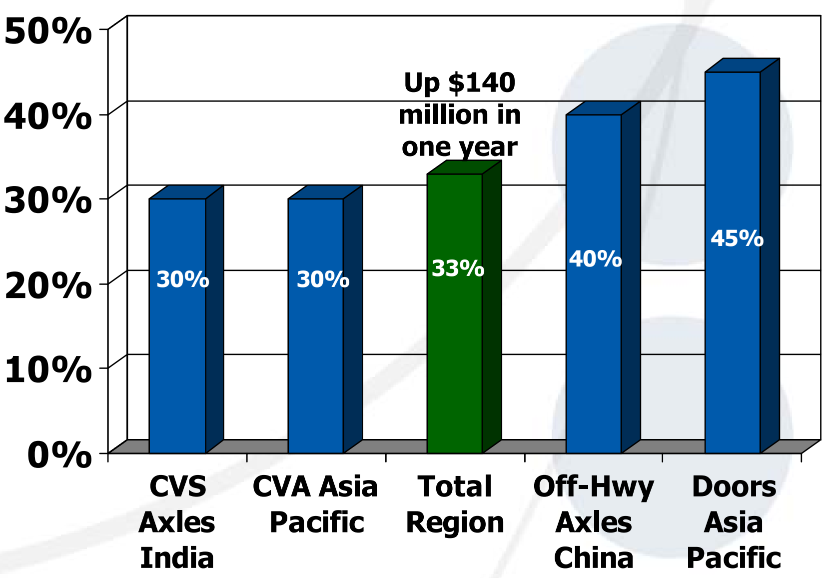
Region
- Asia Pacific Region formed in 2007
- Management team and focus firmly in place

Operations
- 8 wholly owned operations
- 7 joint ventures
- 5 sales/service and technical centers
- 700 salaried; 1800 hourly personnel

Consolidated Sales and Operating Profits Up Sharply Since 2003



2007 Organic Growth of 33%; Expecting 25% in 2008

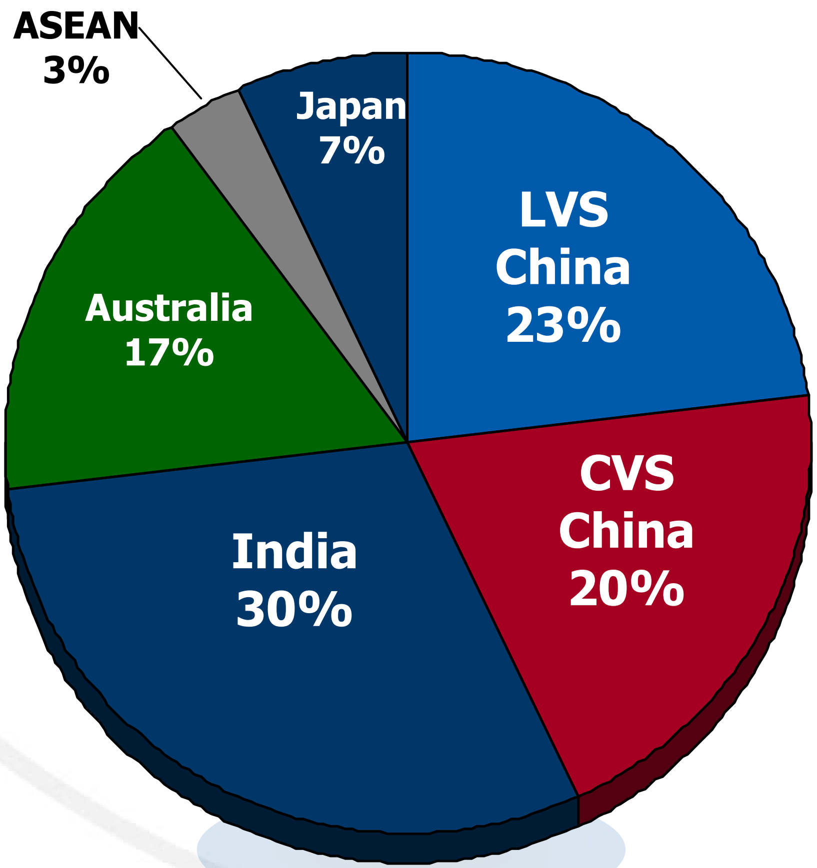


Business Composition

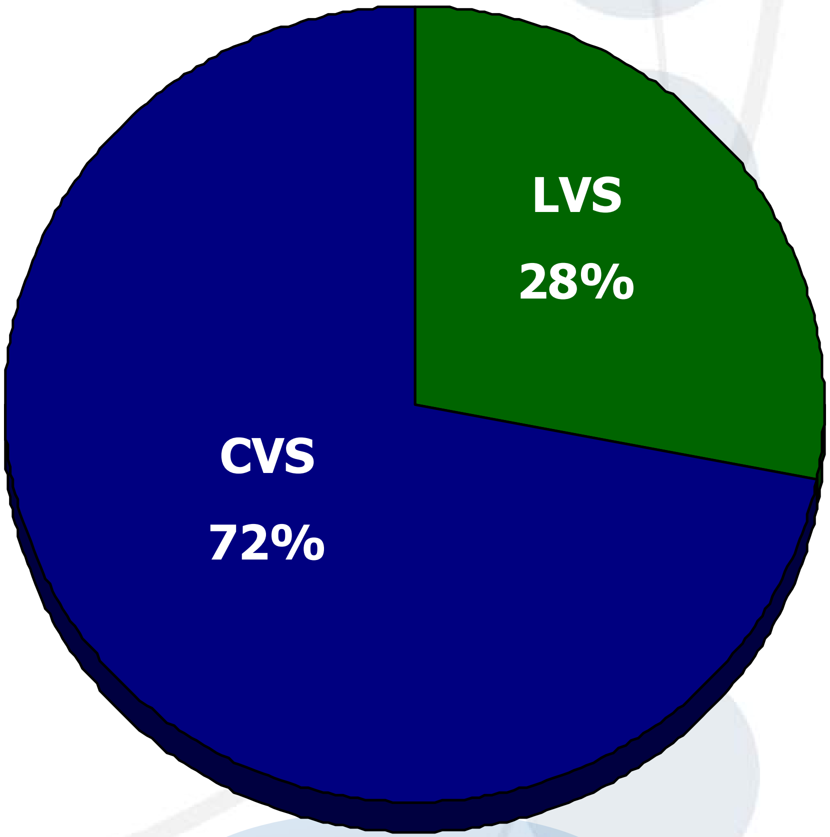
2007 Sales (1)

$570 Million

Country Mix



Business Unit Mix

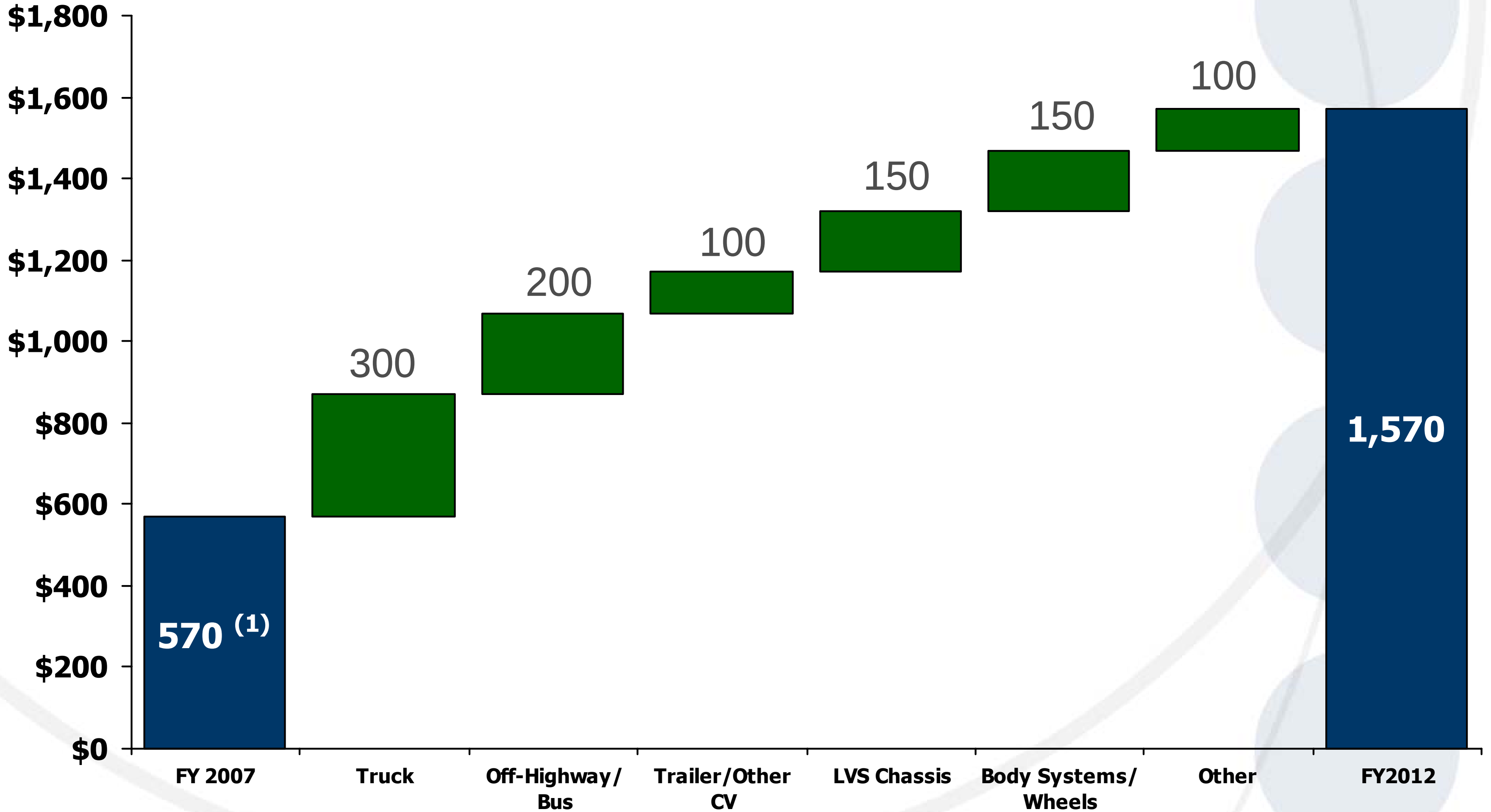


(1) Consolidated entities including intercompany sales

Key Initiatives in 2008

- Target and prioritize growth initiatives in the region
- Continue to develop and expand supply base in the region to deliver cost savings
- Focus on major commitments
  - CV Axle expansion in India
  - Off highway Axle/Brake expansion in China
  - Bus & Coach Axle/Brake expansion in China
  - Truck Axle growth in Japan and Korea
  - Chery Chassis JV in China
  - New Roofs plant in Shanghai
  - Unannounced plants
  - New and expanded tech centers in China and India
- Build technical capabilities
- Build a strong organization

$1 Billion Asia Pacific Growth Target
In Millions



(1) Consolidated entities including intercompany sales

Drivers for ArvinMeritor CV Axle Growth in India

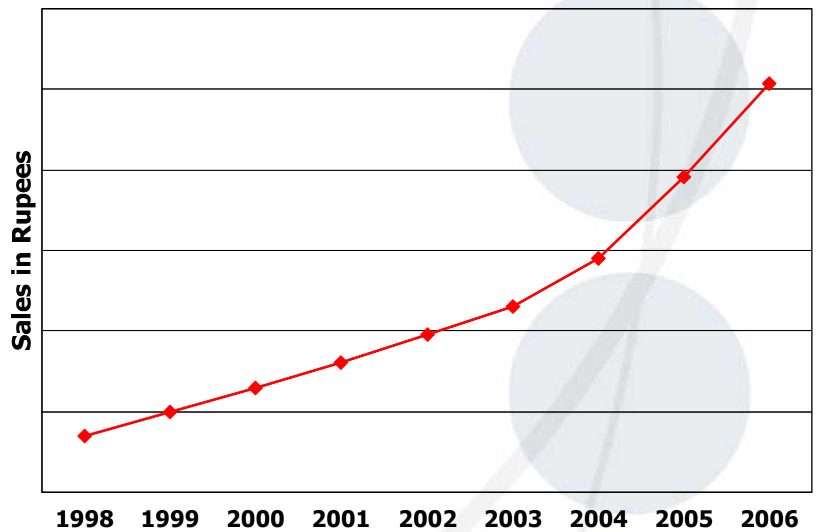
- Continued growth in road and construction sector
  - 60% of road network yet to be upgraded to 4/6 lane roadways
  - Increasing share of heavy duty tractors as roads improve
  - Heavier trucks replacing current off- highway dumpers in mining sector

- Tandem axle market growing rapidly
  - ArvinMeritor is market leader for tandem axles
  - Initially introduced as rigid trucks; now typically used as on/off highway tipper, transit mixers, bulk hauler etc.

Growth of ArvinMeritor Truck Axles in India

- ArvinMeritor JV (AAL) is the largest commercial vehicle axle manufacturer in India
- Traded on the Indian Stock Exchange
- Customers include Ashok Leyland, Tata, Mahindra & Mahindra
- FY 2008 projected sales of $225M +
- Capacity expansion planned to support strong market and customer growth in India and elsewhere in Asia

Automotive Axles, Ltd.



Plan to add $200M+ in revenues by 2012

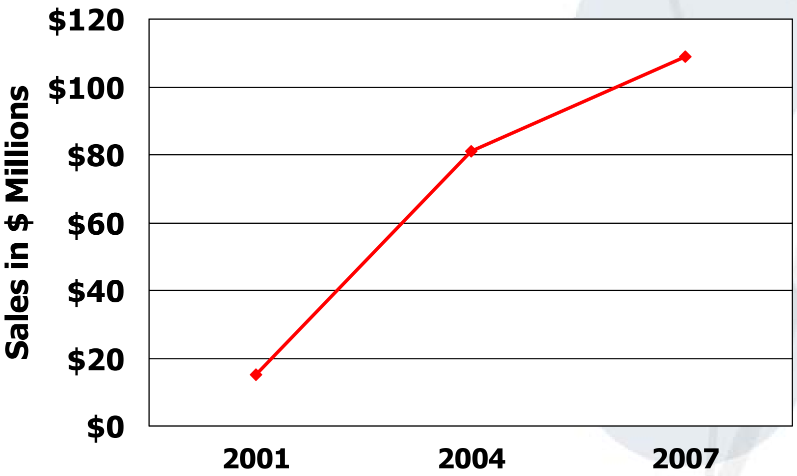
ArvinMeritor

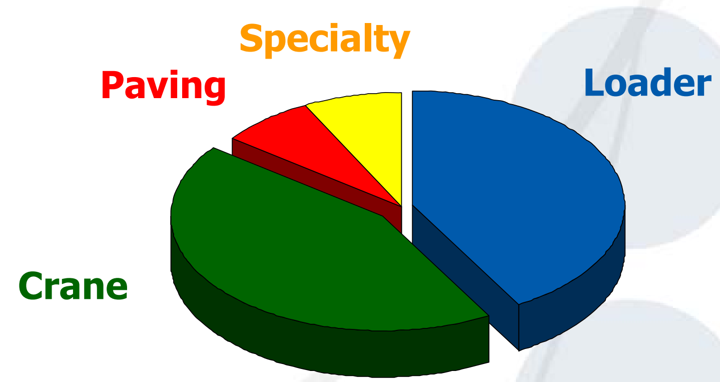
Automotive Axles Ltd. Facility

New gear-cutting equipment

ArvinMeritor Off-highway Axle Business in China

- JV with Xuzhou Construction Machinery Group (XCMG); largest construction equipment manufacturer in China
- Largest independent axle manufacturer in China for construction machinery and specialty vehicles
- ArvinMeritor owns 60%
- Total Employees: 800+
- Integrated manufacturing operation





Plan to double sales to $200M+ in China by 2012

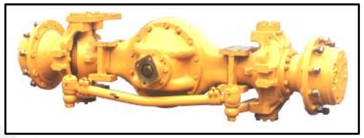
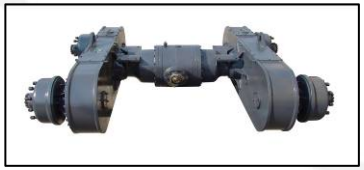
Xuzhou Joint Venture Facility

ArvinMeritor

Off Highway/Specialty Applications - China



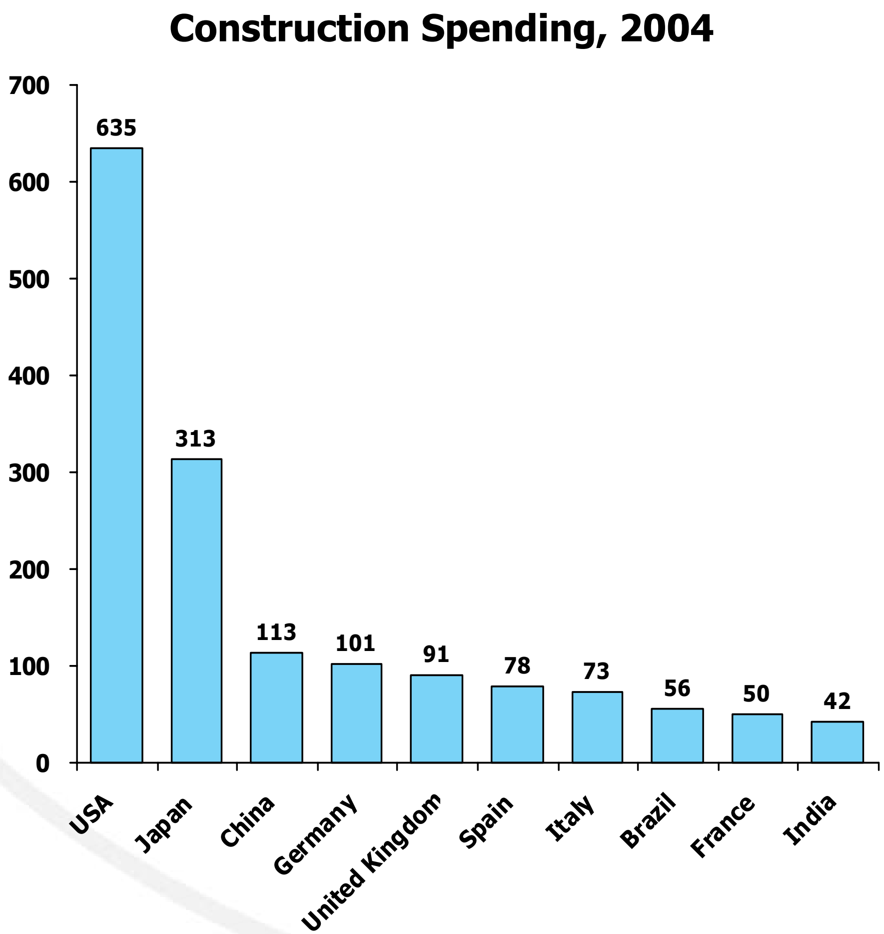


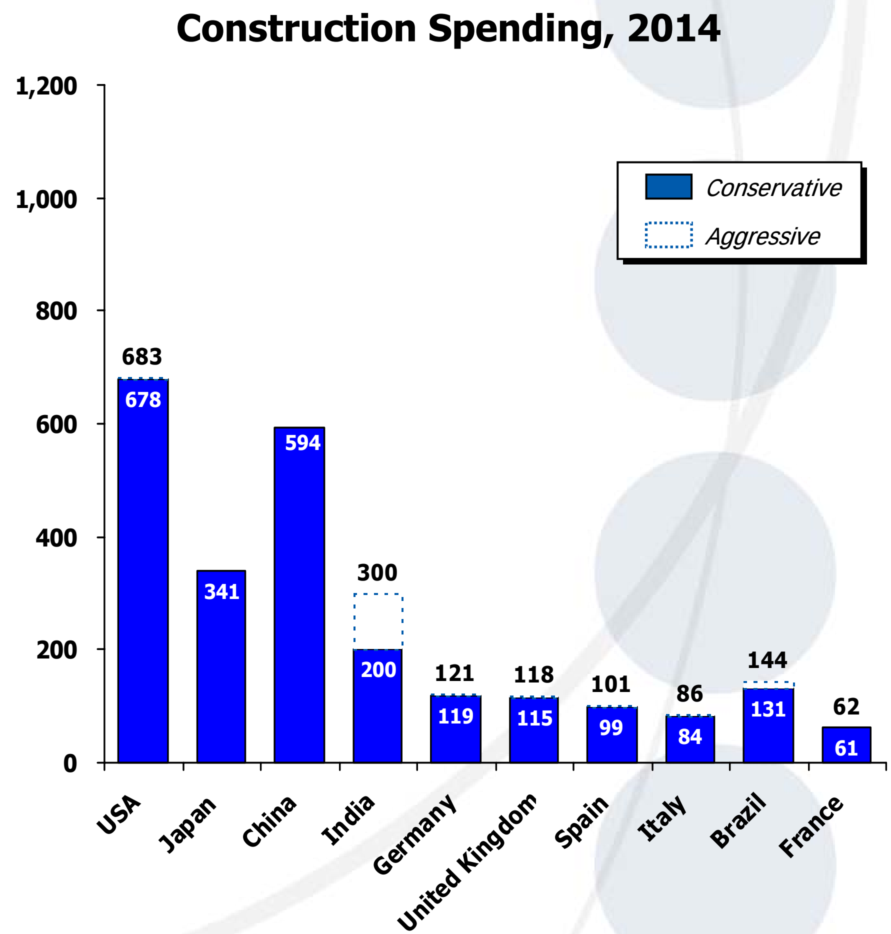




- **Loader Axles**
  - Front End Loader
  - Under Ground Mining Loader
- **Crane Axles**
  - Truck Crane
  - Seaport/River-port Crane
  - All-Terrain Crane
- **Specialty**
  - Dump Truck
  - Concrete Mixer Chassis
  - Oil Field Vehicle/Desert Truck
  - Well Drill Rig and Well Repairing Vehicle
  - Geophysical Exploration
  - Airport Vehicle
  - City Service Vehicle
  - Express Way Maintenance Vehicle
- **Paving :**
  - Vibratory Compactor
  - Pneumatic Roller
  - Stabilizer
  - Grader




China and India to be Among the Largest Construction Markets in the World





Source: Euromonitor, Goldman Sachs BRICs report, WMRC, EIU, Booz Allen analysis

Asia Pacific – Five Year Goals

- Add $1 billion+ in profitable revenues in the region
- Increase sourcing from the region to $1 billion+
- Enhance engineering and product development footprint to provide for over a third of all ArvinMeritor's global requirements

Light Vehicle Systems

Phil Martens

President, Light Vehicle Systems

ArvinMeritor

www.arvinmeritor.com

NYSE: ARM

Light Vehicle Systems
is a **globally** integrated
Tier 1 systems supplier with
a robust business portfolio
that limits geographic and
customer risk exposure

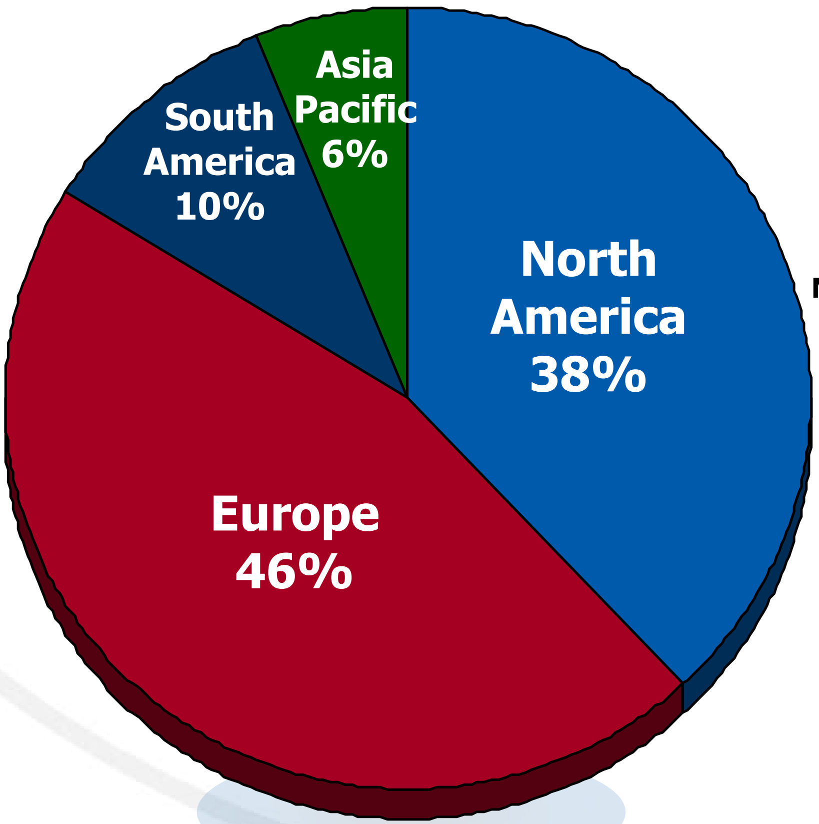
smart systems™

Globally Diverse Business Portfolio

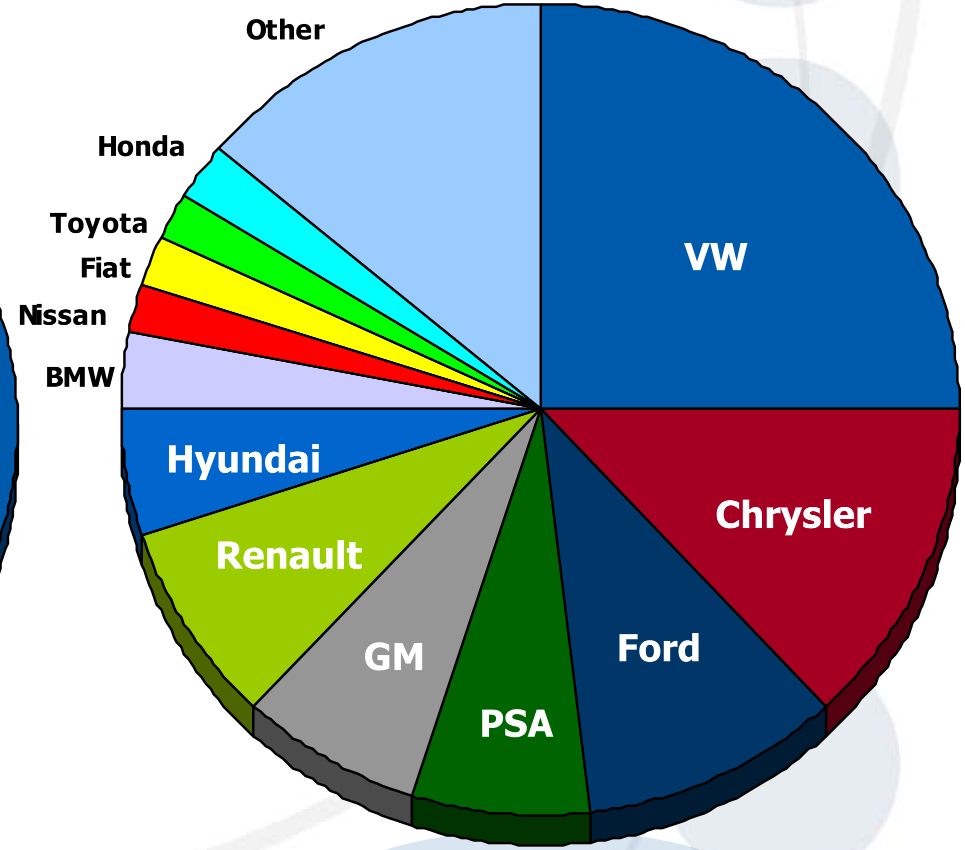
2007 Sales

$2.6 Billion

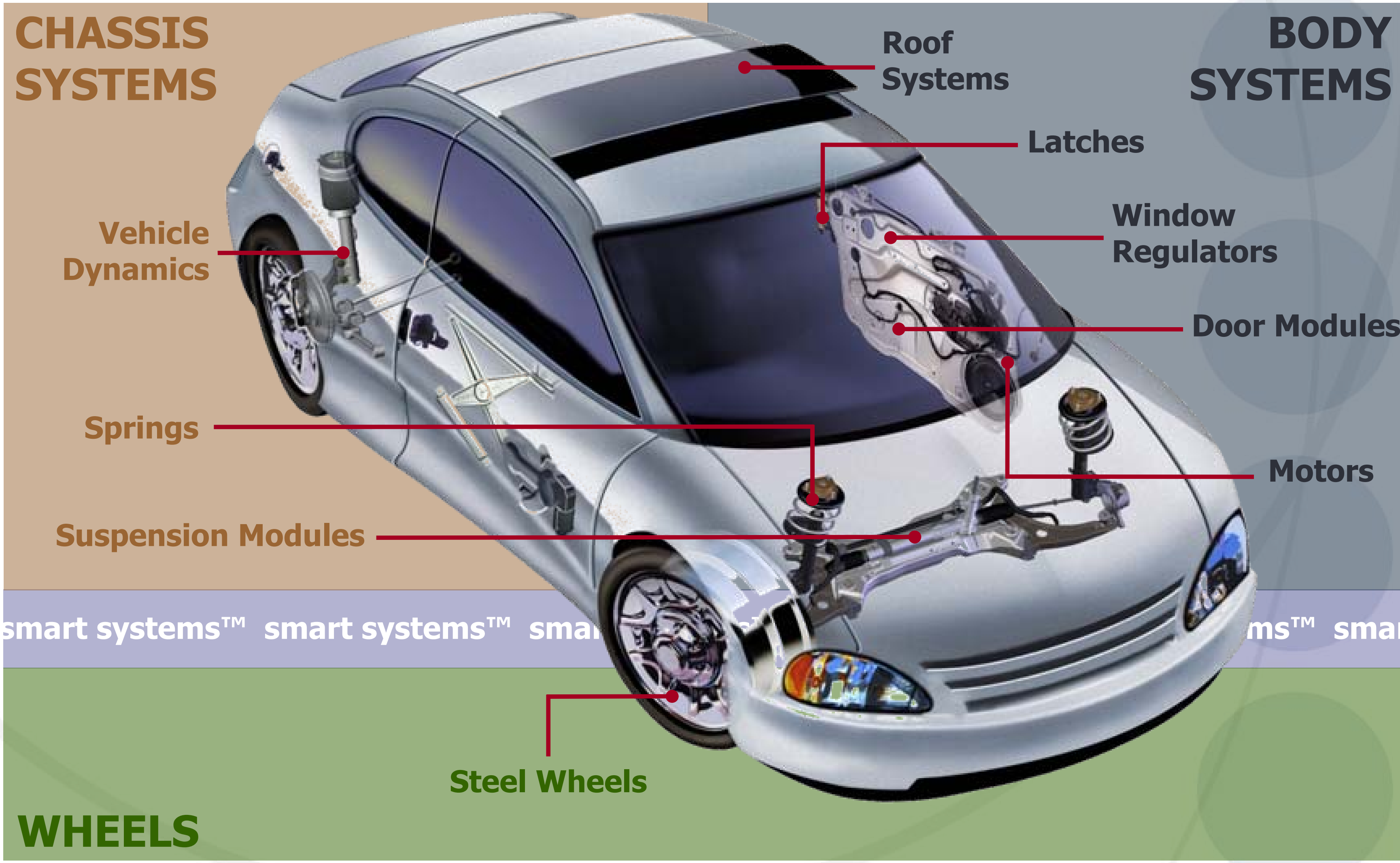
Geographic Mix
(Value-Added Sales)



Customer Mix
(Value-Added Sales)



Light Vehicle Systems



Industry Production by Region

	2008 FY	H/(L) than 2007
North America	14.6 million (1)	(3.2)%
Europe	21.6 million	2.3%
South America	3.8 million	15.2%
Asia Pacific	28.8 million	8.0%

Source: CSM Production; Nov. 14, 2007

(1) Corresponds to sales of 15.7 million units

North America

Value-Added Sales

$761 million (38%)

Footprint Changes

- Announced closure of Toronto and Chickasha ride control facilities
- Expanding two plants in Mexico
- Agreed improvements to certain labor agreements

Major Launches

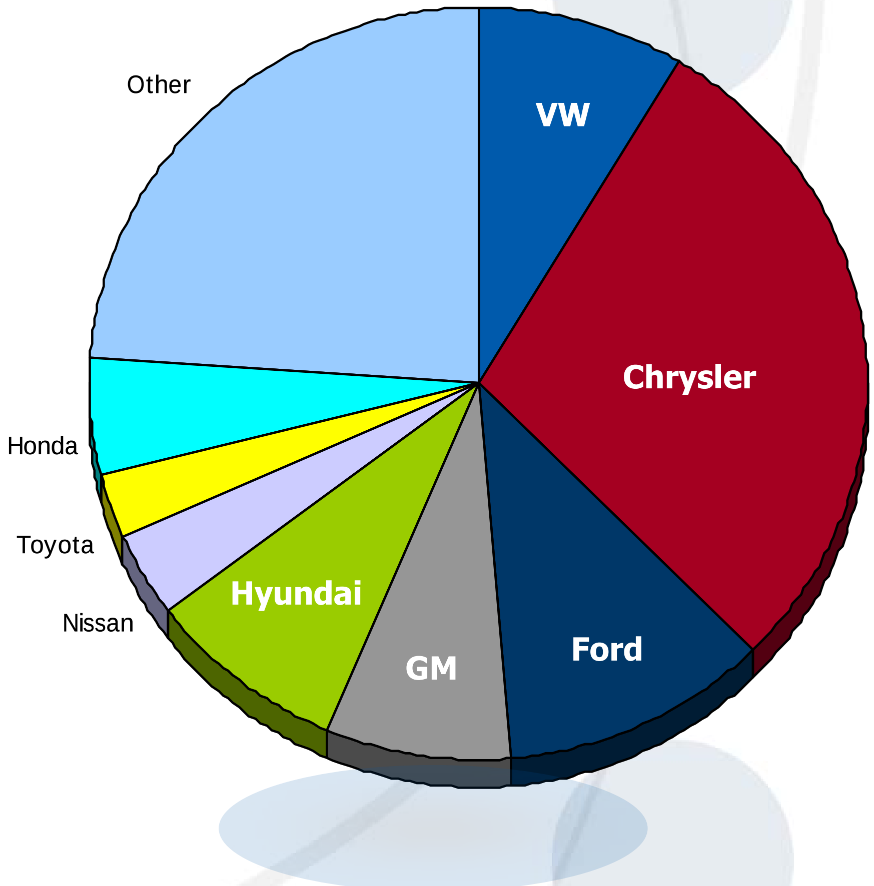
- Medium-duty wheels; global sunroof program

Opportunities

- Continue to leverage global program integration capabilities
- Reintroduce LVS products

Challenges

- Lower economic growth



South America

Value-Added Sales	$210 million (10%)
Footprint Changes	• None
Major Launches	• 13” Fiat wheels; 15” and 16” Toyota wheels; GM suspension module
Opportunities	• Leverage Gabriel de Venezuela JV to continue growth in the chassis systems business • Introduce other LVS products in South America

Europe

Value-Added Sales	$937 million (46%)
Footprint Changes	• Announced closure of Frankfurt roof systems facility • Expanded roof systems plant in Slovakia • Announced new door systems plant in Romania • Announced European JV with TRW to distribute aftermarket shocks
Major Launches	• Highly Integrated Plastic (HIP) door module; global sunroof program
Opportunities	• Continued cost structure improvements • Convert development contracts into production contracts

Asia Pacific

Value-Added Sales

$127 million (6%)

Footprint Changes

- Launching Chery joint venture
- Growing SAIC JV to support global roof systems customers
- Studying wheels manufacturing options

Launches

- Global sunroof program; new Asian latch

Opportunities

- Expand product offerings with new customers
- Continue to increase sourcing to local suppliers

Challenges

- Balance speed versus discipline
- Region demand outstrips ability to supply

LVS Business Transformation

Phase 1 **Operational Effectiveness**	Phase 2 **Market Growth**	Phase 3 **New Products**
Improve earnings power of existing revenue base by institutionalizing Performance Plus processes	**Expand our reach into new markets and with system-based applications**	**Launch new products and expand and create new alliances**

Body Systems Integration

FY06	FY07	Actions	FY08	FY09>

Roof Systems
Door Systems
	Body Systems	• Reprioritized product programs to top four OEMs
		• **Capture synergies** in redundant functions and processes
		  • One global engineering and purchasing team
		  • One global manufacturing and quality team
		• **Fully integrated organization**
		• Consolidated shared services (HR, IS, Finance)
		• **Further consolidate manufacturing in LCCC**; close Frankfurt
			Enhance profitability
			• Reduce Western European manufacturing footprint
			• Expand LCCC footprint in Romania and India
			• Expanding engineering presence in India
				• **Net new business** with VW, BMW and other OEMs
				• **Introduce game changing technologies**
				  • Light weight materials
				  • Electronics and controls
				• **Launch smart systems™**
				  • LER
				  • NAM
				  • HIP
				• Most manufacturing located in LCCC
				• **50% parts sourced to LCCC**

Margin Barometer

Chassis Systems Integration

FY06

- **LV aftermarket**
- **MSSC**
- **CV ride control**
- **Advanced Products**
- **Suspension Modules**

FY07

Chassis Systems

Actions

- Reprioritized product programs
- **Capture synergies** in redundant functions and processes
  - One global engineering and purchasing team
  - One global manufacturing and quality team
- **Restructure labor arrangements** with unions
- **Consolidate manufacturing and distribution** into Mexico; close Toronto and Chickasha
  - Outsource aftermarket distribution to 3rd party logistics
- Convert from mechanical to electronic

FY08

Fully integrated organization

- Implement product standardization
- Launch Chery program
- Realize procurement synergies
- Capitalize on TRW JV and global positioning of Gabriel brand

FY09>

- **Introduce game changing technologies**
  - Light weight materials
  - Electronics and controls
- **Launch smart systems™**
  - Active air suspension
  - Adaptive damping
- **Increase level of chassis system integration**

Margin Barometer

Wheels Expansion

FY07	Actions	FY08	FY09>
Wheels	• **Continue to outperform the competition** with relentless focus on cost and productivity • Mexican plant expansion adding medium-duty capacity • **Broaden market** by capitalizing on BRIC opportunities (China and India) • Developing lighter weight steel applications • **Offering highly-styled wheel options** through cladding and full-face applications	• **Grow with commercial vehicle applications** • Increase business through diversified customer and geographic presence	• **Introduce game changing technologies** • Light weight materials

Margin Barometer

Re-energizing Margin Growth

- Reap benefits of prior restructuring actions and continue to implement planned initiatives
- Shift more production to cost-competitive countries
  – Romania, Slovakia, India, China, Mexico
- Launch new JVs, new business alliances and new products
- Achieve accelerated cost reductions through Performance Plus
  – Overhead ($5 million)
  – Direct Material Optimization ($10 million)
  – Footprint/Lean ($10 million)

Romania Plant

- Capture growing Eastern European market share
  - Supply latches and window regulators to Dacia
    - Renault and Dacia dominate Romanian car market with 30.8% market share
- Accelerate market competitiveness by continuing to develop low-cost production sources
  - Produce door system components in Romania for Western OEMs
- Further enhance company's presence in Eastern Europe with 5,400 square meters facility
  - Expected to reach 200 employees by 2009

Source: Business Monitor International, June 2006 and IKB Deutsche Industriebank.

Performance Plus Overhead Savings
Reduce Labor and Burden Variance

- Program description: Identify key operation bottlenecks that generate waste in the system
- Plant: Liberec, Czech Republic
- Activities: LVS Lean Team facilitated a “fresh-eyes approach” to the identification and correction of operational bottlenecks
- Results: By improving efficiency in the bottleneck areas, throughput improved resulting in a $3 million labor and burden savings

Performance Plus Overhead Savings:
North America Plant Energy Usage Audit

Prior State

Plants independently managed energy usage and cost savings projects

Actions

1. ✓ Team of experienced energy savings experts audited every plant in North America
2. ✓ Generated $6.4 million of energy savings projects
3. ✓ Approved capital expenditures and kicked off all projects with less than 12 month pay-back -- $2.4 million annual savings
4. Planning to implement all actions with 12 to 24 month pay-back periods in fiscal Q3

	Energy to-do list for Milton and Hopkinsville
1.	Add air curtain to furnace
	openings -- $225k/year
2.	Automatic nighttime HVAC
	controls -- $100k/year
3.	Use exhaust air to pre-heat
	combustion air -- $100k/yr
4.	Combine air compressor
	systems -- $90k/year
5.	Replace paint burners used
	to clean hooks with lower-
	energy method -- $60k/yr

Priorities for 2008

1. Radically improve cost base through restructuring of supply chain and manufacturing network.
2. Improve Free Cash Flow by institutionalizing ArvinMeritor Production System (APS), program management and working capital improvement programs.
3. Capitalize on aggressive growth opportunities in emerging regions with profitable expansion plans.
4. Global alignment of LVS businesses with market-leading OEMs.
5. Improve long-term earnings power of portfolio through launch of smart systems™ applications.

Constancy of Purpose

Break

Commercial Vehicle Systems

Carsten Reinhardt

President, Commercial Vehicle Systems

NYSE: ARM NYSE: ARM NYSE: ARM

ArvinMeritor

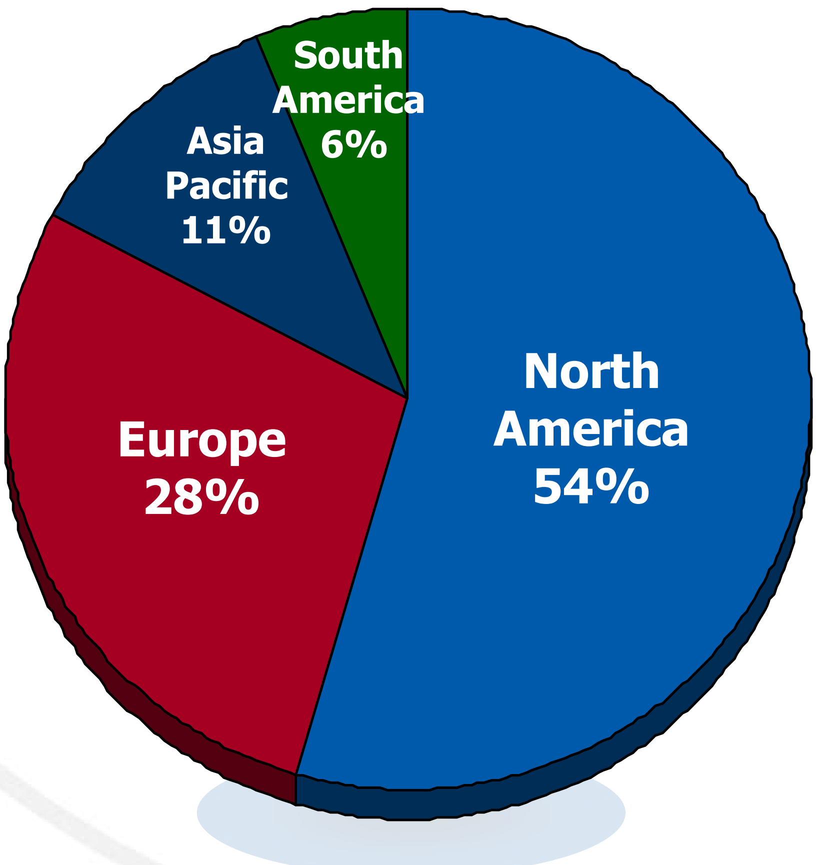
www.arvinmeritor.com

Globally Diverse Business Portfolio

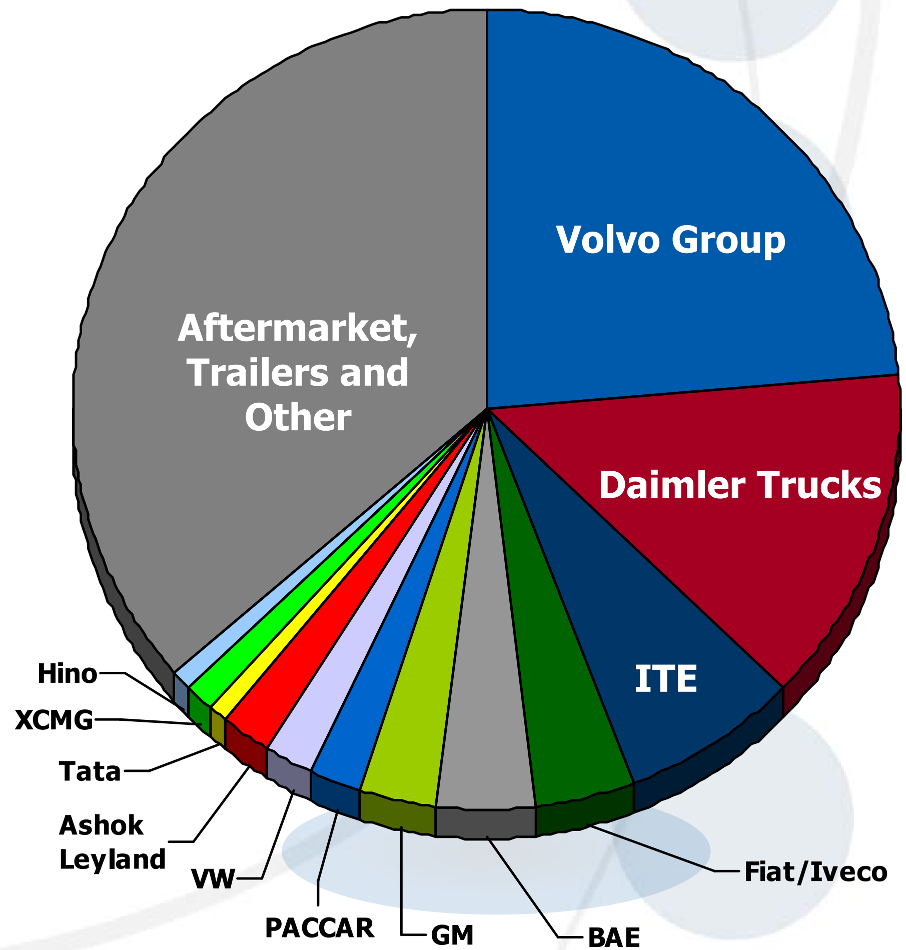
2007 Sales

$4.2 Billion

Geographic Mix



Customer Mix



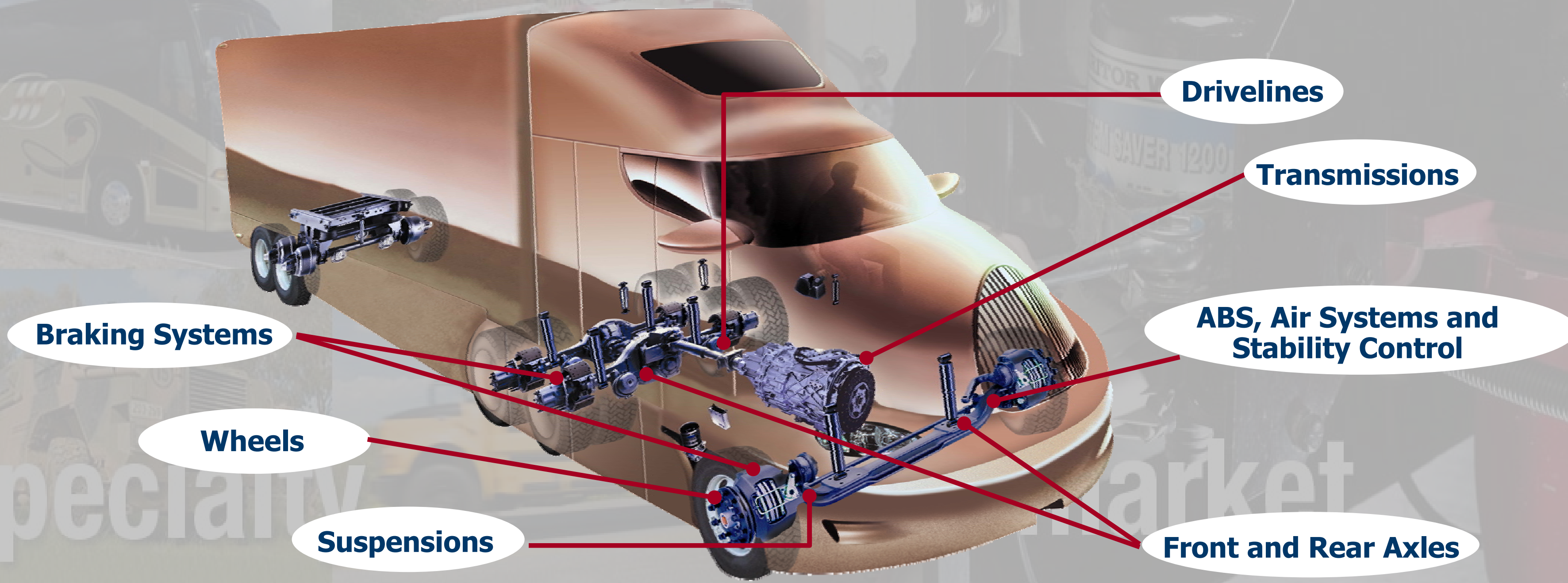

Truck
Trailer
Specialty
Aftermarket

Customers

Most major Class 5-8 OEMs

Applications

Truckload, LTL, regional, private fleet, lease, bulk haulers and vocational vehicles

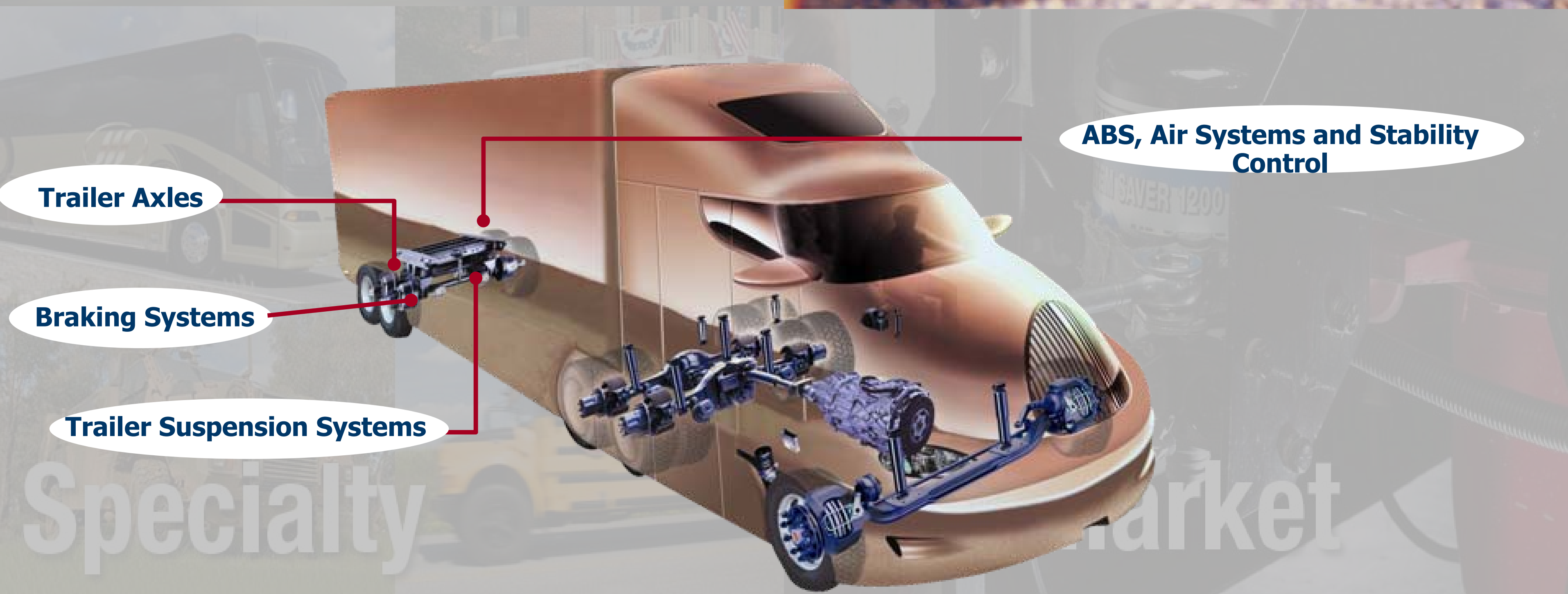


Customers

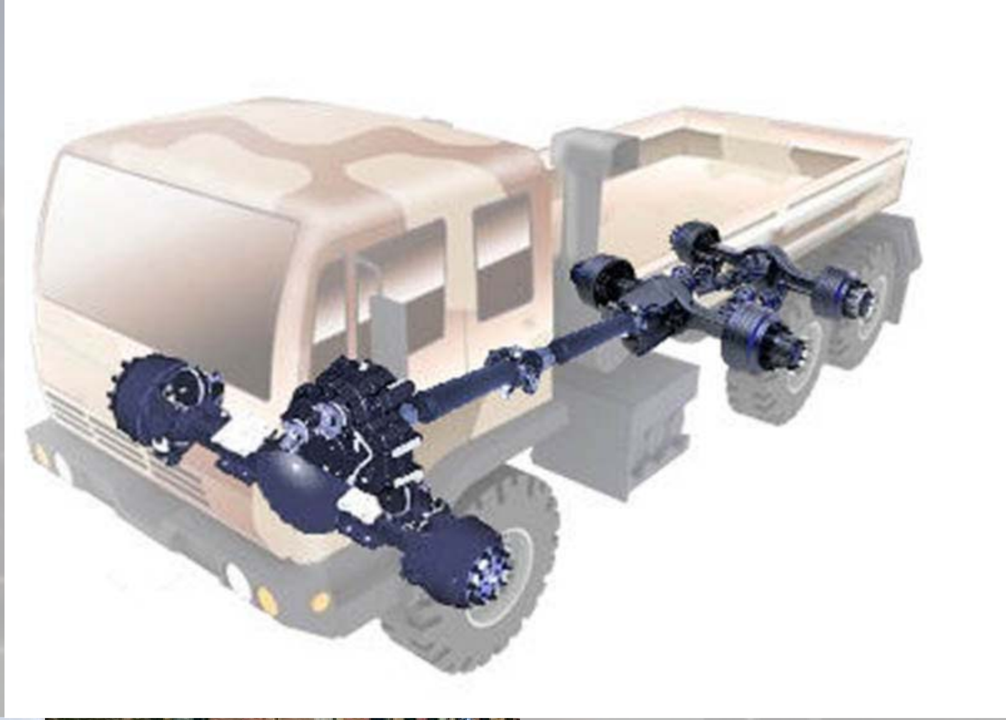
Wabash, Great Dane, CIMC, UTILITY, Kögel, many others throughout the world

Applications

Dry vans, refrigerated vans, platforms, tanks, inter-modal, specialty



ArvinMeritor provides Specialty “Systems Solutions”



Axles
Brakes
Drivelines
T-Cases
Suspensions
Trailers

Customers

BAE, International, Bluebird, XCMG, Pierce, many others

Applications

Military, government, construction & utility, fire / emergency and bus & motor coach

Customers

OEMs, OEM dealer networks, independent distributors

Applications

21 product lines covering vehicle undercarriage and drivetrain components – all makes and price point, including private label and remanufacturing

Premium Brands

ArvinMeritor™

Truck

MERITOR®

an ArvinMeritor brand

EUCLID

an ArvinMeritor brand

MERITOR WABCO

Gabriel®

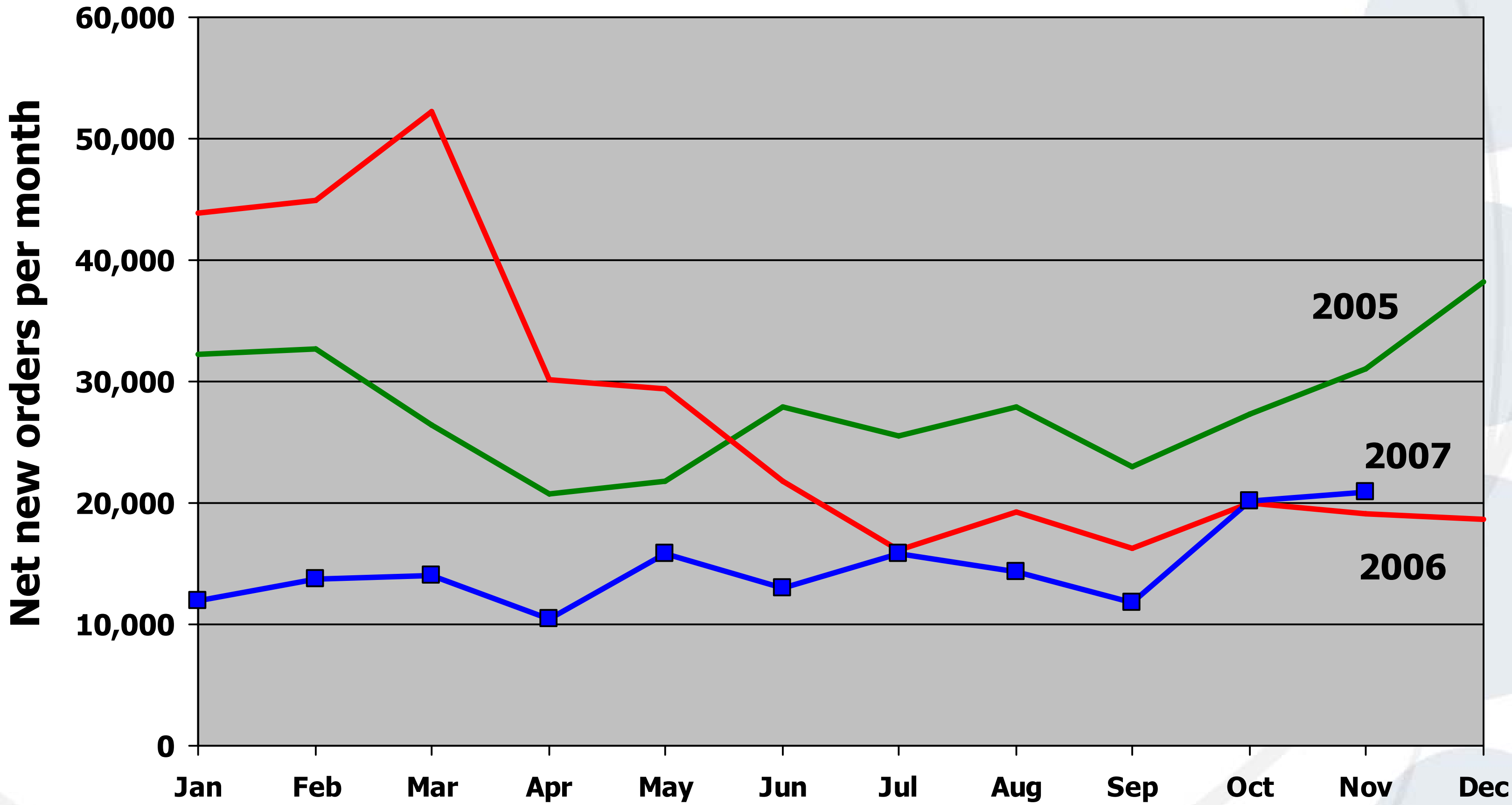
COMMERCIAL VEHICLE

an ArvinMeritor brand

Specialty

MASCOT TRUCK PARTS

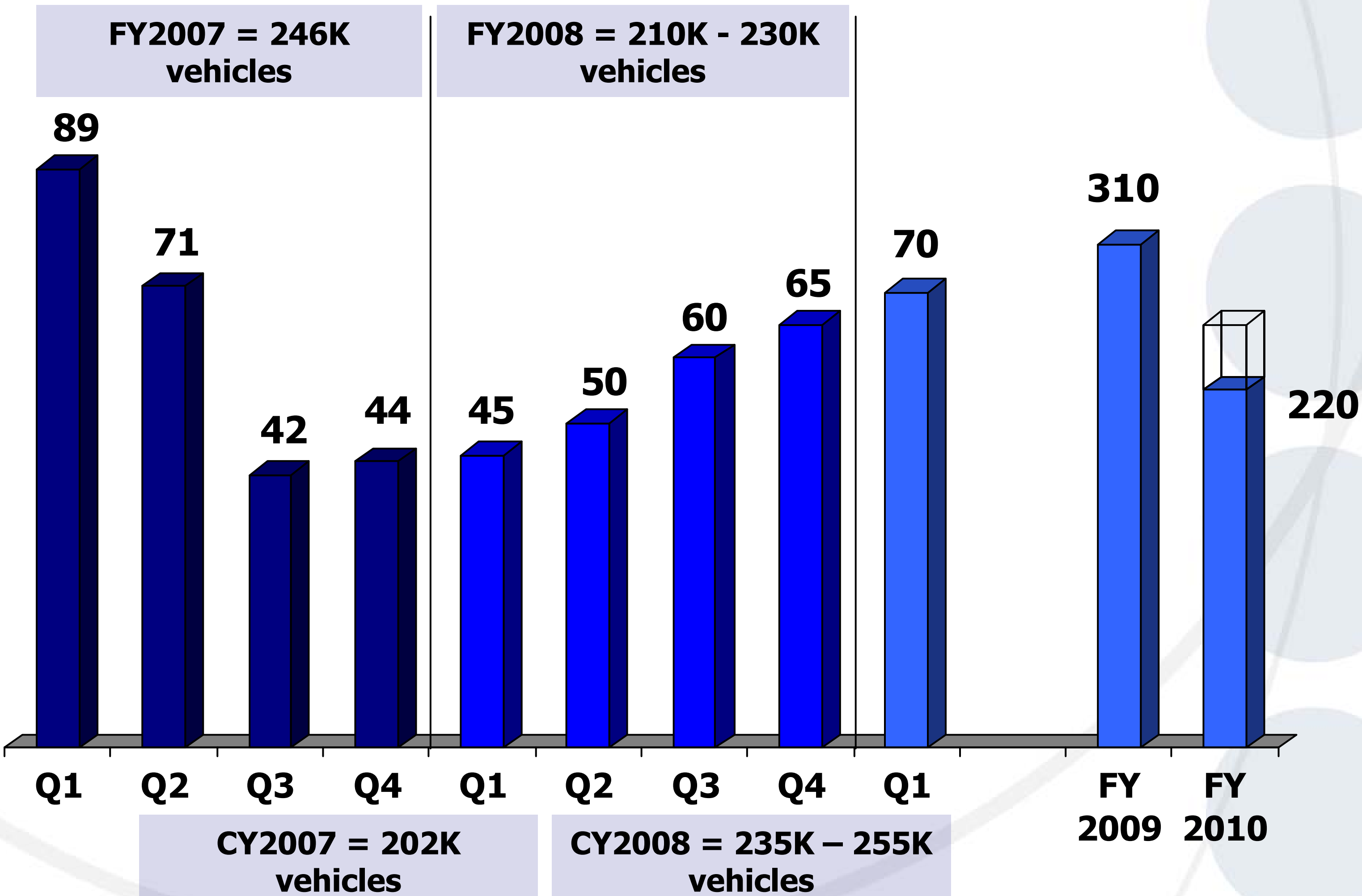
North America Class 8 Truck Net New Orders



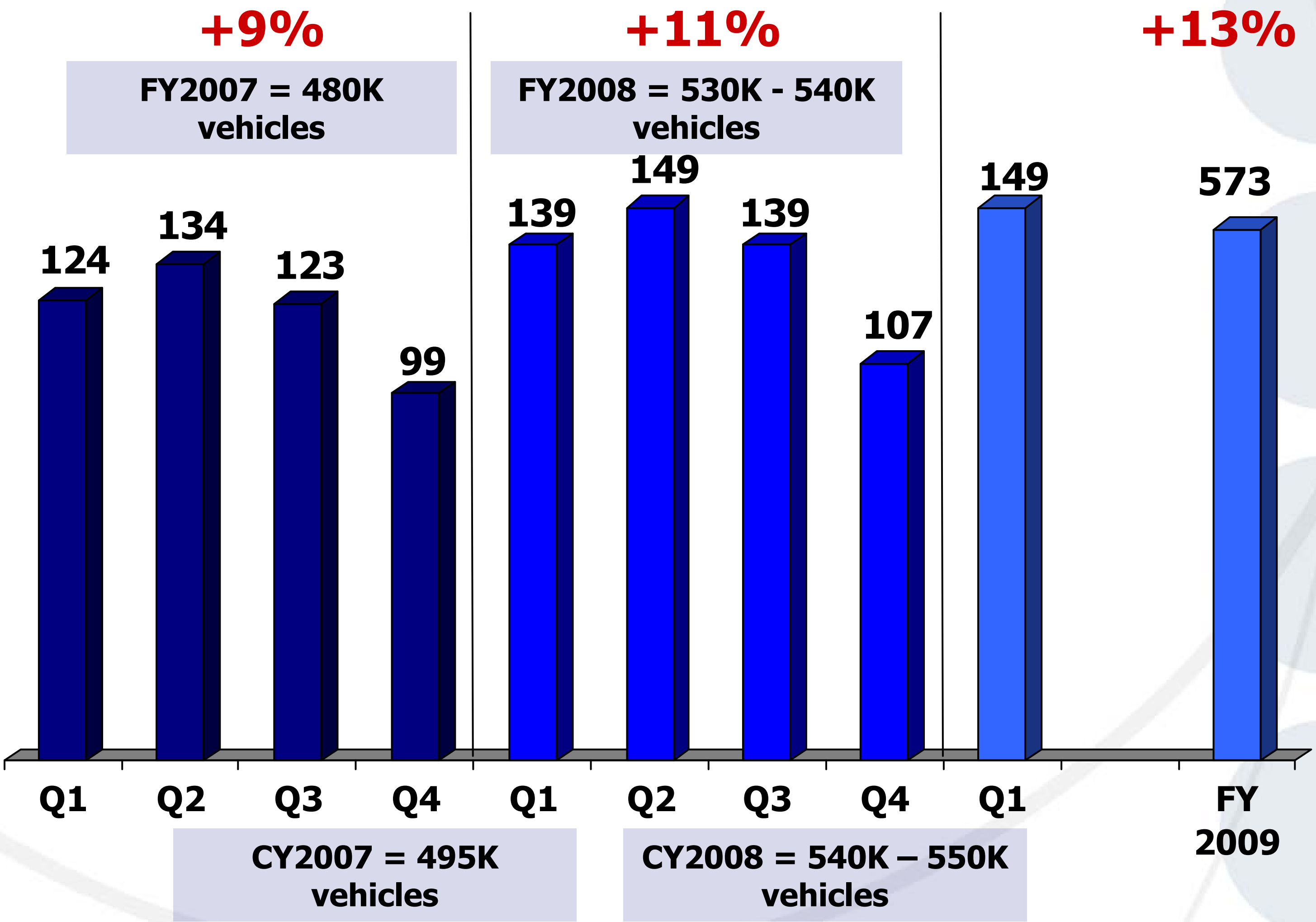
Although choppy, an improving trend is underway

Source: ACT Research

North America Class 8 Production



Europe Medium and Heavy Truck Production



Performance Plus Overhead Savings: Maintenance, Repair and Other (MRO)

Prior State

Plants independently purchasing 64,000 different part numbers through 1,500 different vendors in North America

Actions

1. ✓ Consolidate to 14 vendors for standard parts and <30 for gases and other specialty products
2. ✓ Negotiate volume discounts (actual result: double-digit percent average reduction)
3. Force 50% reduction in part numbers available through vendors
4. Implement "autocrib" for improved tracking and control of usage
5. Repeat process for Europe (currently 3,400 vendors)

$12 million annual savings

$8 million annual savings

MRO supplies

Autocrib

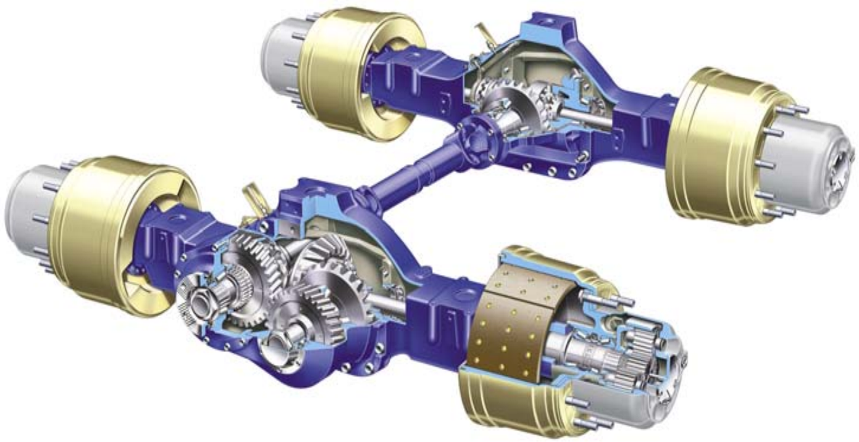
Performance Plus DMO Europe Savings: MT610 Cluster Program

Prior State

Manufacturing a legacy hub-reduction axle designed at a time when relative prices of material and processing were different and advanced CAD tools were not available

Actions

1. ✓ Performed tear-downs of competitor and other ARM products
2. ✓ Engineered and tested design changes to optimize weight and material
3. Engage in clean-sheet negotiations with suppliers of both carry-over and redesigned components
4. Where significant gaps remained, re-source parts to LCCC suppliers
5. Launch changes in production over the next two years



Total opportunity: $20 million

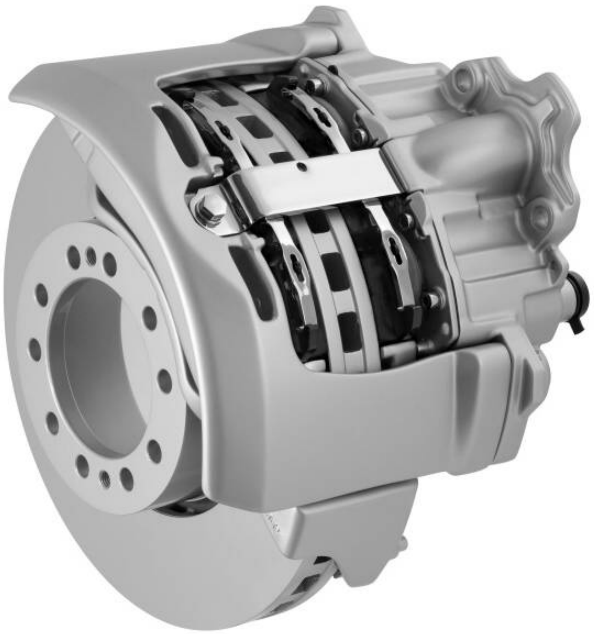
Performance Plus DMO Europe Savings: Elsa 225 ADB for Trailer Applications

Prior State

European customers utilized a heavy truck version of the Elsa 225 Brake product

Actions

1. Reconfigured a specific trailer version of the Elsa 225 design
2. Informed customers of product change
3. Began to fill supply chain pipeline with material
4. Phase one implementation begins January 2008
   – 1,500 units per month
5. Phase two implementation begins April 2008
   – 3,700 units per month



Total projected 2008 savings: $1.5 million

Performance Plus DMO Savings: Axle Housing Casting

$2.7 million projected savings for 2008

$4.5 million for future years

Prior State

High direct material cost for a commonly used casting

Discovery

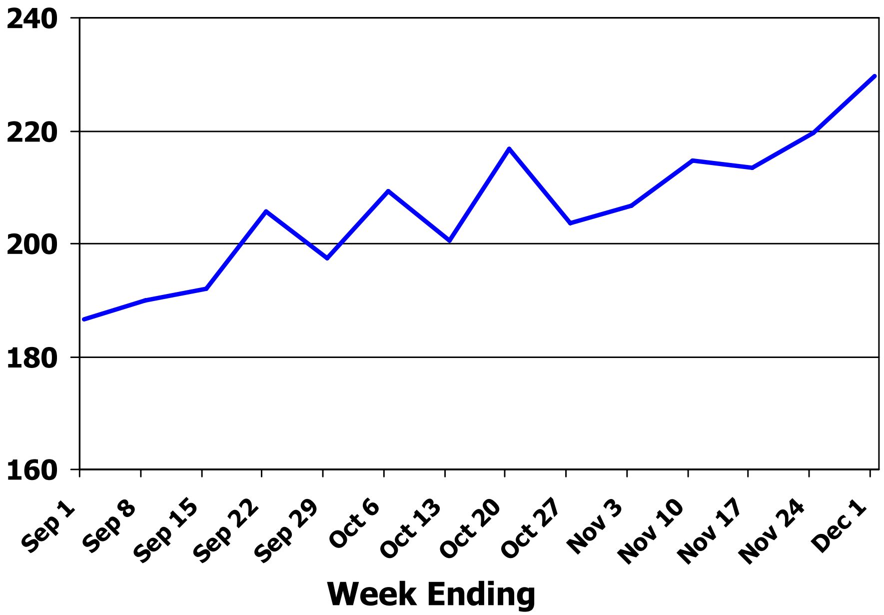
- Clean sheet process revealed large gap to “should cost”
- Supplier did not close the gap
- Performed RFQ to over 30 suppliers
- Selected new supplier in leading cost-competitive country

Actions

1. Thorough process to qualify supplier’s process capability and product attributes
2. Sourced supplier and committed tooling
3. Complete production implementation in Q2

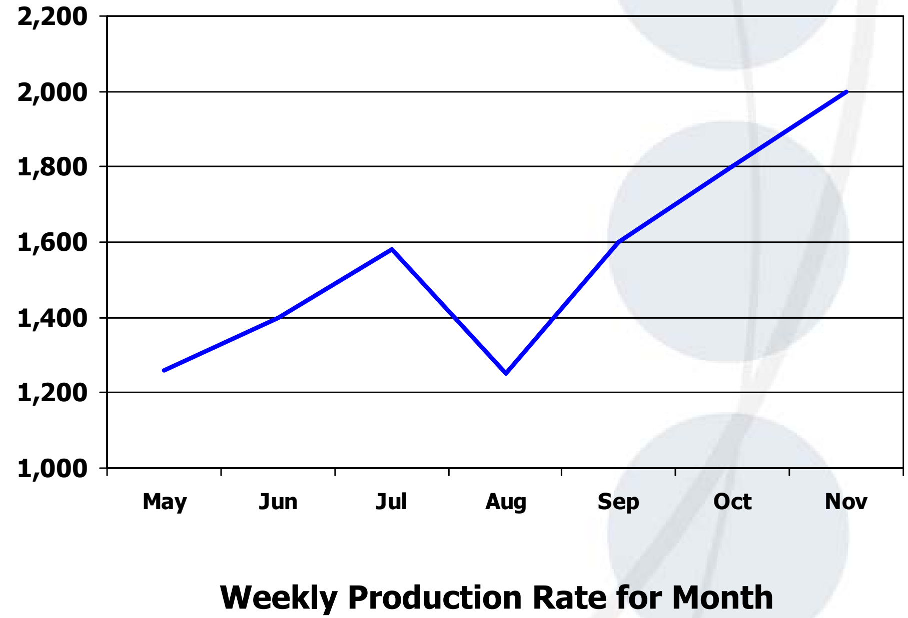
Performance Plus Lean Manufacturing Savings: European Axle Throughput

Truck Axle Production: St. Priest



- 30% increase in component manufacturing and paint productivity
- 25% increase in axle output

Trailer Axle Production: Cwmbran



- 60% increase in output since May
- No weekend production in November
- Simultaneously reduced inventory by $4 million

Performance Plus - Specialty Products Growth

- Secured 50+% of MRAP drivetrain awards!
- Solid growth in North American Class 6/7/8 AWD market share – ARM is #1
- Continuing to defend our #1/#2 position in North- American market in Bus/Coach, Fire/Emergency, and Construction/Utility
- Significant growth in our Chinese Off-Highway JV
- Working with multiple OEM's on new JLTV (Joint Light Tactical Vehicle)

Performance Plus - Aftermarket Growth: Expanding in Europe

Prior State

- No all-makes, no price point, no private label
- 98% of sales in ARM products
- Constrained internal supply due to rapid growth in OE market

Actions

✓ 1. Launch 7 new product ranges
✓ 2. Solutions for Capacity constraints – Plant Productivity, New Sources
✓ 3. Expand offering of all-makes products
✓ 4. Add 16 marketing and sales professionals to cultivate markets, with added focus on Eastern Europe.
✓ 5. Leveraging our OE customers expansion into EE
✓ 6. Leveraging Export of NA Used Trucks into EE
7. Remanufacturing Growth

Performance Plus – Aftermarket Growth: Mascot Remanufacturing Acquisition

Overview

- A Canadian remanufacturer with 70 years experience in heavy-duty truck parts
- 6 production facilities and 25 distribution points in Canada and the U.S.
- Products include all-makes remanufactured drive axle carriers, transmissions, steering gears and drivelines
- Ship-direct programs with major OEMs

MASCOT TRUCK PARTS

Strategic Fit – Key ARM Needs Addressed

1. Capability and IP to remanufacture non-ARM components
2. Optimal regional distribution points to improve next-day availability
3. Supply base for reman components
4. Improved access to non-ARM cores

Wrap-Up

CVS Turnaround is on Track

1. Significant operational improvements taking hold in European and NA locations – APS roll-out and Footprint Restructuring plan on track.
2. Major focus on improvement of our Supply Chain processes, improved Capacity management.
3. DMO – over 600 initiatives in process, strong initial traction. Implementation over next 2 years.
4. Strong Growth in our Specialty segment with recent MRAP awards.
5. Aggressive Aftermarket expansion strategy beginning to unfold with Mascot acquisition, and organic growth initiatives.

Financial Review

Jay Craig

Senior Vice President and Controller

NYSE: ARM NYSE: ARM NYSE: ARM

ArvinMeritor™

www.arvinmeritor.com

Fiscal Year 2008 Outlook
Continuing Operations Before Special Items

(in millions except tax rate and EPS)	FY 2008 Full Year Outlook (1)		
Sales	$ 6,750	–	$ 6,950
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	Positive		

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

FY 2008 Guidance Compared to FY 2007

Diluted EPS for Continuing Operations Before Special Items

FY 2007 Actual [1]	$0.53
1H flowthrough of Q4 operational issues	(0.10) - (0.15)
North America CVS net volume and mix	(0.05) - (0.10)
North America LVS net volume and mix	(0.05) - (0.10)
Europe LVS net volume and mix	0.05 - 0.10
Performance Plus cost savings	0.70 - 0.75
Performance Plus product & growth actions including improved customer terms	0.25 - 0.35
Pension and retiree medical	0.10 - 0.15
FY 2008 Guidance	**$1.40 - $1.60**

(1) See Appendix – "Non-GAAP Financial Information"

ArvinMeritor

2008 Planning Assumptions
Calendar Year Basis

North America		Other Regions/Metrics	
U.S. GDP growth	2.2%	Europe GDP growth	2.2%
U.S. light vehicle industry sales (millions)	15.7	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 ex. pricing	Flat	Steel price change	Increasing
MRAP production	8,800+		

Factors Affecting Expected FY 2008 Earnings

Diluted EPS for Continuing Operations Before Special Items (1)

Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007
$0.17	$0.17	$0.25	($0.06)	$0.53

Q1 2008	Q2 2008	Q3 2008	Q4 2008
Reduced North America light vehicle production	Reduced North America light vehicle production	Reduced North America light vehicle production	Reduced North America light vehicle production
	Higher Europe light vehicle production	Higher Europe light vehicle production	Higher Europe light vehicle production
Continued N.A. heavy truck market downturn	Continued N.A. heavy truck market downturn	Gradually improving N.A. truck market compared to downturn in 2007	Gradually improving N.A. truck market compared to downturn in 2007
Higher Europe heavy truck production	Higher Europe heavy truck production	Higher Europe heavy truck production	Higher Europe heavy truck production
CVS Europe operational inefficiencies	CVS Europe operational inefficiencies		Capacity in place to produce more efficiently
Net positive savings thru Performance Plus	Increasing savings thru Performance Plus	Increasing savings thru Performance Plus	Increasing savings thru Performance Plus
Lower pension and OPEB costs	Lower pension and OPEB costs	Lower pension and OPEB costs	Lower pension and OPEB costs

RED = Decreases

GREEN = Increases

(1) See Appendix – "Non-GAAP Financial Information"

Risks and Opportunities

Risks	Millions
Class 8 production at ACT's previous forecast of 198,000	$(12)
Corresponding reduction in medium duty, trailer and aftermarket	(12)

Opportunities/Other Actions	Millions
CVS pricing	$10
Hiring freeze	5
Additional benefits and severance cost efficiencies	5
Performance Plus overachievement	TBD

Balance Sheet Review

Mary Lehmann

Senior Vice President, Strategic Initiatives and Treasurer

ArvinMeritor

www.arvinmeritor.com

NYSE: ARM NYSE: ARM NYSE

Free Cash Flow (1)
Millions

	Year Ended September 30, 2007	Year Ended September 30, Est. 2008
EBITDA, before special items	$ 281	$385 – 405
Capital Expenditures	(120)	(150) – (170)
Restructuring Cash	(32)	(100)
Interest	(111)	(95) – (105)
Pension and Retiree Medical Net of Expense	(73)	0 – 5
Cash Taxes, net	(48)	TBD
Performance Working Capital (2)	10	0
Off Balance Sheet Securitization and Factoring	139	30 - 50
Discontinued Operations and Other	(159)	TBD
Free Cash Flow	$ (113)	Positive

(1) See Appendix – "Non-GAAP Financial Information"

(2) Change in payables less changes in receivables, inventory and customer tooling

Pension Update

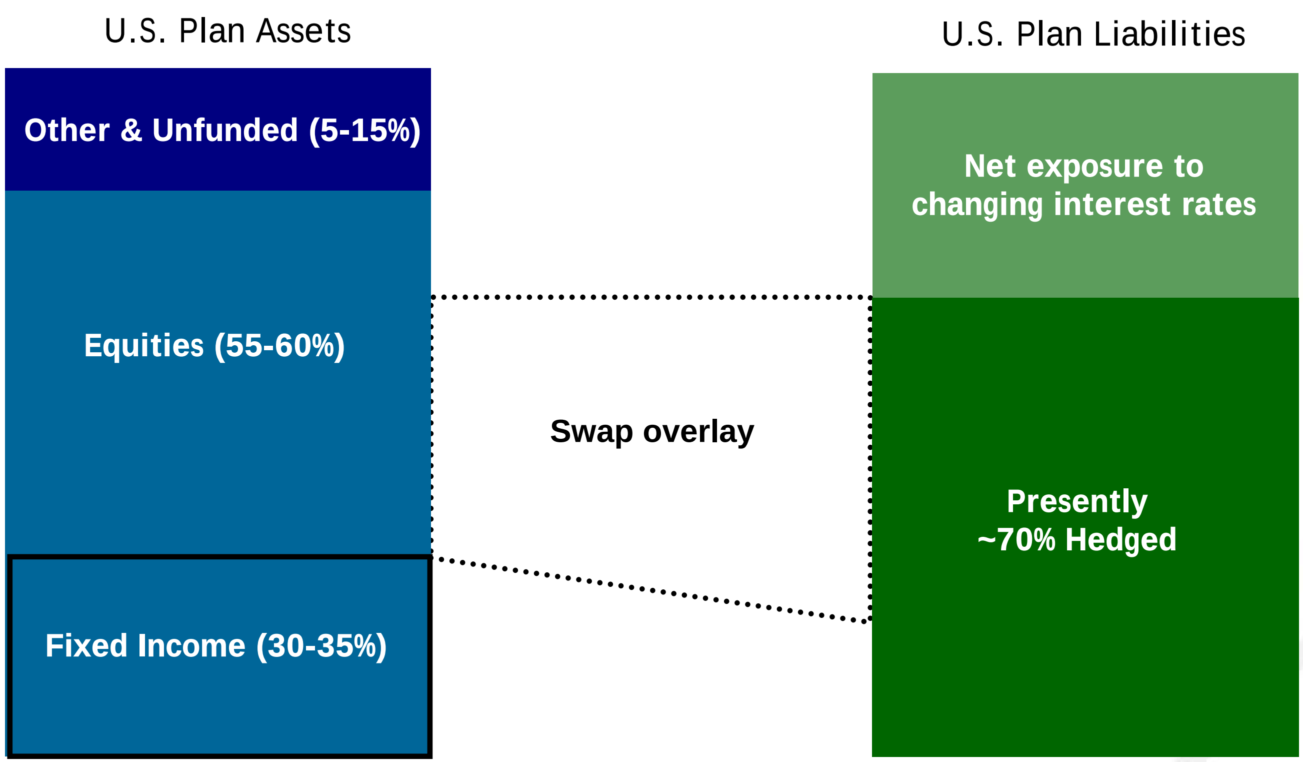
Millions

	Actual			Projected	
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Unfunded Status	$659	$409	$181	$174	$167
Expense	$78	$95	$72 (1)	$44	$29
Contributions	$102	$58	$151	$44	$44

Discount Rate	
U.S. (FY07/08)	Discount rate assumption currently at 6.35%
Asset Returns	
U.S.	Long-term return assumption currently at 8.5%

(1) Excludes pension curtailment gain of approximately $16 million triggered by sale of company's Emissions Technologies business and recorded in discontinued operations

U.S. Qualified Pension Plan Interest Rate Hedging Program



Plan's sensitivity to interest rate volatility has been dramatically reduced

Retiree Healthcare Update

Millions

	Actual			Projected	
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Retiree Medical Liability	$455	$600[1]	$576	$561	$553
Expense	$32	$47	$57	$58	$54
Contributions	$62	$56	$51	$53	$46

Discount Rate assumption currently at 6.3%

Majority of expense potentially addressable through a VEBA arrangement

(1) Includes $168 million of reinstated plan benefits

Revolving Credit Amendment

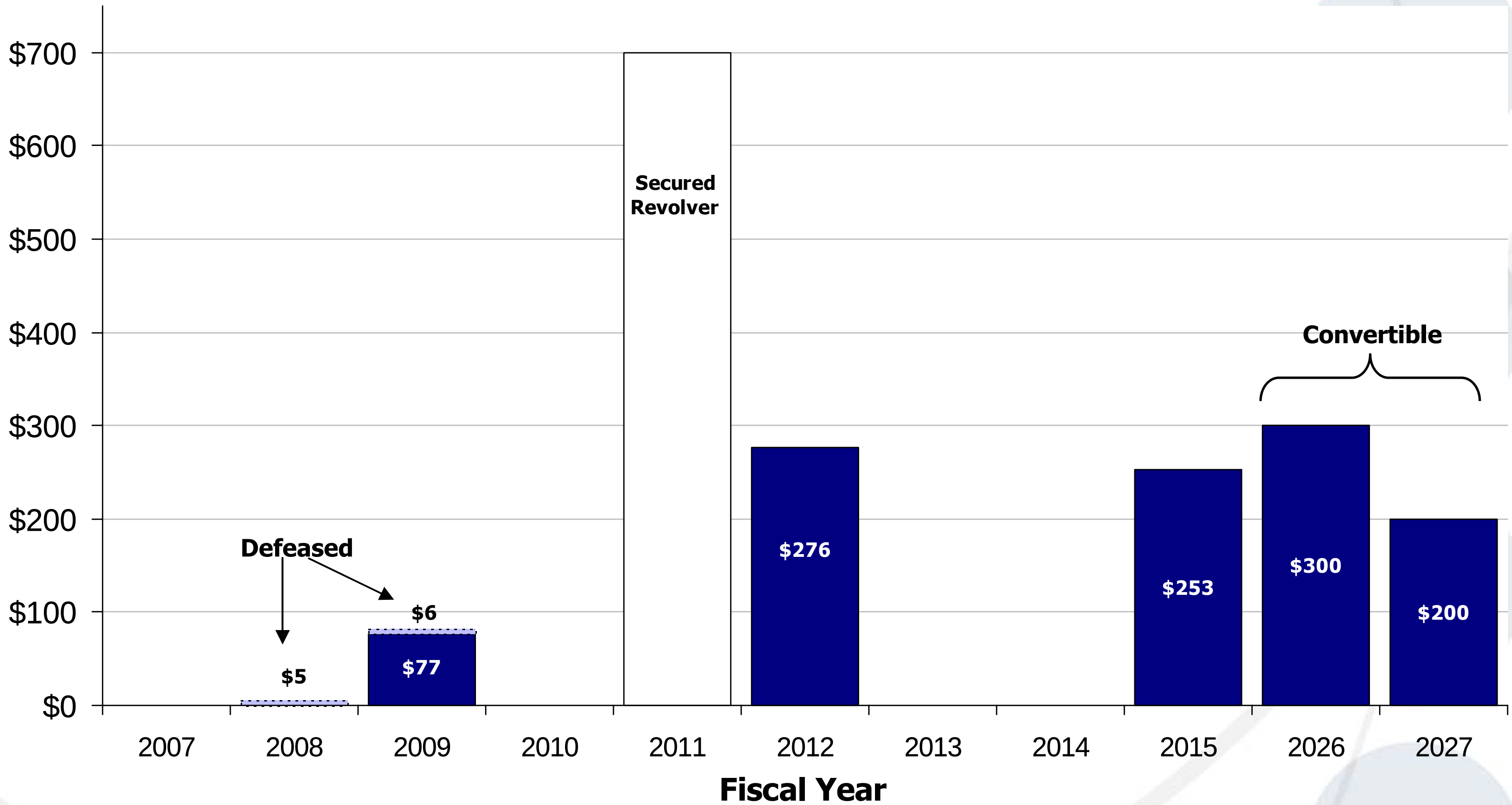
- Amended covenants significantly enhance quarter-end liquidity
  - Company has always had complete access to revolver on an intra-quarter basis
  - However, covenant performance impaired availability at quarter ends
  - Company approached lenders to provide a structure that alleviated quarter-end limitations

<u>New Structure</u>

- One financial maintenance covenant
  - 2.5x Senior Secured Debt (i.e., revolver borrowings) / EBITDA
  - Steps down to 2.0x at 6/30/2009
- Improves flexibility to execute capital and restructuring plans
- Facility size is reduced from $900 million to $700 million
  - Much better and more consistent availability under a variety of business conditions
  - Gained flexibility to opportunistically top-off liquidity with additional unsecured debt

Lenders approved amendments on December 10

Long-Term Debt
Millions



Balance sheet remains extremely strong with very low near-term maturities

Wrap-Up

Chip McClure
Chairman, CEO and President

ArvinMeritor
www.arvinmeritor.com

NYSE: ARM NYSE: ARM NYSE: ARM

Medium-term Investment Thesis Intact

- Strong commercial vehicle volumes
  - Solid 2H 2008 in North America, followed by 2009 pre-buy
  - Continuing strong industry in Europe, with improving ability to capitalize
  - Continuing rapid growth in Asia
- Performance Plus profit improvement plan
  - $75 million projected cost reductions in 2008 and $150 million in 2009
  - At least $30 million projected 2008 contribution from growth initiatives
- Solid balance sheet
  - No significant near-term maturities of term debt
  - Very strong liquidity as result of simplified covenants

ArvinMeritor: Managed for Success

Strategic Focus

- Improved focus through divestitures of RollCoater, LVA and Emissions
- Growing with a purpose in key segments and geographies
- Poised to profit from rebound in U.S. truck market and strength in Europe
- Constantly review portfolio of businesses for optimal mix

Performance Improvement

- Performance Plus restructuring and other projected cost savings of $75 million in 2008 and $150 million in 2009
- Growth initiatives to expand in Asia and the most profitable segments
- Strong new management to address underperforming operations

Shareholder Alignment

- Short-term compensation: EBITDA and cash flow
- Long-term compensation: ROIC and total returns to shareholders
- Strong executive ownership guidelines
- Board composition: Chairman + 9 outside directors

Attention to Balance Sheet

- Reduced net debt by $700 million in three years
- No significant maturities before 2012
- Reduced pension underfunding from $659 million to $181 million over 2 yrs
- Potential opportunity to address retiree healthcare through VEBA trust

Appendix

Non-GAAP Information

ArvinMeritor

www.arvinmeritor.com

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," "net debt" and "free cash flow". EBITDA is defined as earnings before interest, taxes, depreciation and amortization, and losses on sales of receivables, plus or minus special items. Net debt is defined as total debt less the fair value adjustment of notes due to interest rate swaps, less cash. 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 net debt is an important indicator of the Company's overall leverage and 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.

These non-GAAP measures should not be considered a substitute for the reported results prepared in accordance with GAAP. Neither net debt nor free cash flow should be considered substitutes for debt, 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 net 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 FY 2007

ArvinMeritor

(in millions, except per share amounts)		Twelve Months Reported 9/30/07		Ride Control Fair Value Adjustments		Restructuring		Other (1)		Debt Extinguishment		Income Taxes		Before Special Items 9/30/07
Sales	$	6,449	$	-	$	-	$	-	$	-	$	-	$	6,449
Gross Margin		492		-		-		7		-		-		499
Operating Income		53		(10)		71		12		-		-		126
Income (Loss) From Continuing Operations		(30)		(6)		44		8		4		18		38
DILUTED EARNINGS (LOSS) PER SHARE														
Continuing Operations	$	(0.43)	$	(0.08)	$	0.62	$	0.11	$	0.05	$	0.26	$	0.53

(1) Other includes costs associated with product disruptions, supplier reorganizations, environmental remediations and other.

Non-GAAP Financial Information
Income Statement Special Items Walk Q2 2007

(in millions, except per share amounts)	Q2 FY 07 Reported	Ride Control Fair Value Adjustments	Product Disruptions	Restructuring	Debt Extinguishment	Income Taxes	Q2 FY 07 Before Special Items
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

Non-GAAP Financial Information
Income Statement Special Items Walk Q3 2007

(in millions, except per share amounts)	Q3 FY 07 Reported	Product Disruptions	Restructuring	Income Taxes	Q3 FY 07 Before Special Items
Sales	$ 1,662	$ -	$ -	$ -	$ 1,662
Gross Margin	136	2	-	-	138
Operating Income	19	2	24	-	45
Income (Loss) From Continuing Operations	(4)	1	15	6	18
Diluted Earnings (Loss) Per Share - Continuing Operations	$ (0.06)	$ 0.02	$ 0.21	$ 0.08	$ 0.25

Non-GAAP Financial Information
Income Statement Special Items Walk Q4 2007

(in millions, except per share amounts)	Q4 FY 07 Reported	Restructuring	Other (1)	Income Taxes	Q4 FY 07 Before Special Items
Sales	$ 1,592	$ -	$ -	$ -	$ 1,592
Gross Margin	109	-	9	-	118
Operating Income (Loss)	(16)	10	14	-	8
Loss From Continuing Operations	(23)	6	9	4	(4)
DILUTED EARNINGS (LOSS) PER SHARE Continuing Operations	$ (0.32)	$ 0.08	$ 0.12	$ 0.06	$ (0.06)

(1) Other includes costs associated with product disruptions, supplier reorganizations, environmental remediations and other.

ArvinMeritor

Non-GAAP Financial Information
Income Statement Special Items Walk FY 2006

(in millions, except per share amounts)	Twelve Months Reported 9/30/06	Gains on Divestitures	Restructuring	Tilbury Work Stoppage	Environmental, Severance Other	Retiree Medical	Debt Extinguishment	Taxes, other	Before Special Items 9/30/06
Sales	$ 6,415	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,415
Gross Margin	505	-	-	45	3	5	-	-	558
Operating Income	171	(28)	18	45	12	5	-	-	223
Income From Continuing Operations	112	(17)	11	28	8	3	6	(58)	93
DILUTED EARNINGS (LOSS) PER SHARE Continuing Operations	$ 1.60	$ (0.24)	$ 0.16	$ 0.40	$ 0.11	$ 0.04	$ 0.08	$ (0.83)	$ 1.32

Non-GAAP Financial Information
EBITDA Reconciliation

	Twelve Months Ended September 30, 2007	
Total EBITDA - Before Special Items	$	281
Restructuring Costs		(71)
Reversal of Impairment Reserves		12
Other (1)		(12)
Loss on Sale of Receivables		(9)
Depreciation and Amortization		(129)
Interest Expense, Net and other		(110)
Income Tax Benefit		8
Loss From Continuing Operations	$	(30)

(1) Other includes costs associated with product disruptions, supplier reorganizations, environmental remediation and other.

Non-GAAP Financial Information
Free Cash Flow

	Twelve Months Ended September 30, 2007
Cash provided by operating activities	$ 36
Less: Capital expenditures (1)	(149)
Free Cash Flow	$ (113)

(1) Includes capital expenditures of discontinued operations.