

Deutsche Bank Global Auto Industry Conference

January 12, 2011

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ArvinMeritorTM

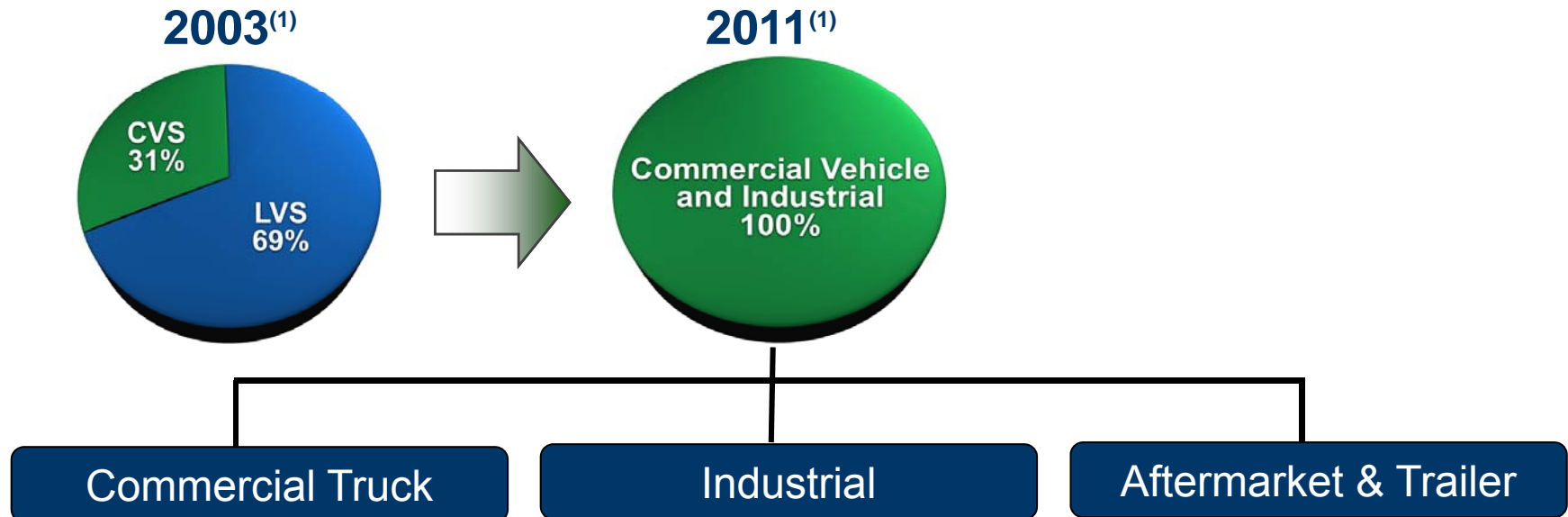
Forward-Looking Statements

This press release 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, including the recent global economic crisis; 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); whether our liquidity will be affected by declining vehicle production volumes in the future; reduced production for certain military programs and the return of volumes of selected long-term military contracts to more normalized levels; availability and sharply rising cost of raw materials, including steel and oil; OEM program delays; demand for and market acceptance of new and existing products; successful development of new products; reliance on major OEM customers; labor relations of the company, its suppliers and customers, including potential disruptions in supply of parts to our facilities or demand for our products due to work stoppages; the financial condition of the company’s suppliers and customers, including potential bankruptcies; possible adverse effects of any future suspension of normal trade credit terms by our suppliers; potential difficulties competing with companies that have avoided their existing contracts in bankruptcy and reorganization proceedings; successful integration of acquired or merged businesses; the ability to achieve the expected annual savings and synergies from past and future business combinations and the ability to achieve the expected benefits of restructuring actions; the ability to achieve anticipated or continued cost savings from reduction 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; the outcome of actual and potential product liability and warranty and recall claims; rising costs of pension and other post-retirement benefits and possible changes in pension and other accounting rules; as well as other risks and uncertainties, including but not limited to those detailed from time to time in 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.

All earnings per share amounts are on a diluted basis. The company's fiscal year ends on the Sunday nearest Sept. 30, and its fiscal quarters end on the Sundays nearest Dec. 31, March 31 and June 30. All year and quarter references relate to the company's fiscal year and fiscal quarters, unless otherwise stated.

Transformation Complete

- Completed sale of Body Systems to an affiliate of Inteva Products, LLC on January 3, 2011
- Estimated purchase price at closing was \$27.27 million
 - \$12.27 million in cash at closing (adjusted for estimated balances in working capital and other items at the time of the closing), and further subject to adjustment for actual balances in working capital and other items
 - \$15 million promissory note
- Now focused solely on the commercial vehicle and industrial markets



(1) Continuing Operations

Business Segment Overview

Commercial Truck

- Drivetrain systems and components including axles, drivelines, braking and suspension systems
- Medium and heavy duty trucks in NA, SA and Europe



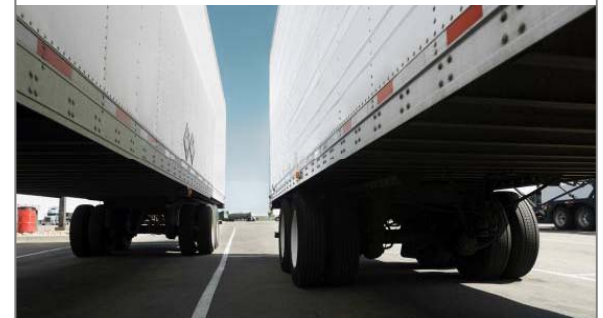
Industrial

- Drivetrain systems including axles, brakes, drivelines and suspensions
- Off-highway, defense, construction, bus and coach, fire and emergency
- On- and off-highway activities in Asia Pacific









Aftermarket & Trailer

- Axles, brakes, suspension and transmissions to aftermarket customers
- Wide variety of undercarriage products and systems for trailer applications



Market Leadership Positions⁽¹⁾

Category	Asia Pacific	Europe	North America	South America
Truck drive axle ⁽²⁾ 	#1 India & Australia	#1	#1	#1
Truck air brake 	Strategic Priority	#2	#1	#1 Joint Venture
Trailer axle 	Developing for Asia Pacific	#3	#1	#1 Joint Venture
Aftermarket 	Strategic Priority	#3 Path to #1	#1	Strategic Priority
Off-highway axle ⁽²⁾ 	#1 China Strategic Priority for Asia Pacific	Strategic Priority		
Military drivetrain, suspension & brakes 	Tactical Opportunity Australia & India	Tactical Opportunity	#1	Tactical Opportunity

⁽¹⁾ Based on market data and management estimates

⁽²⁾ Independent, non-captive, supplier

2011 Strategic Priorities

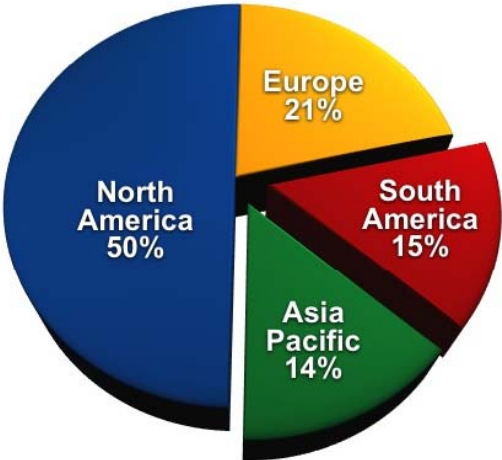
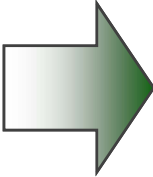
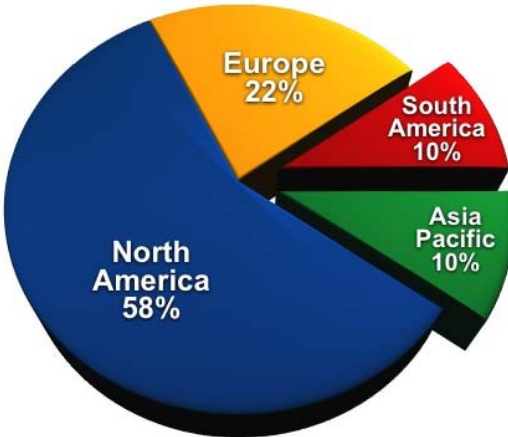
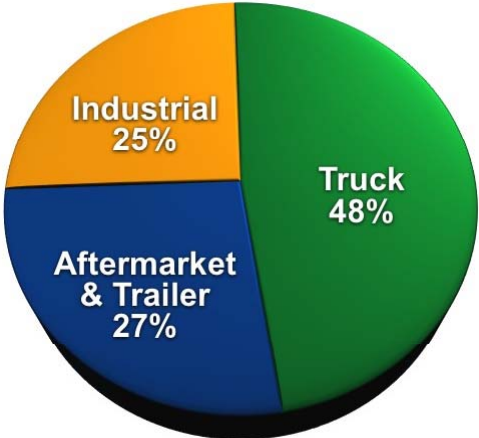
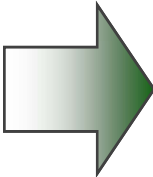
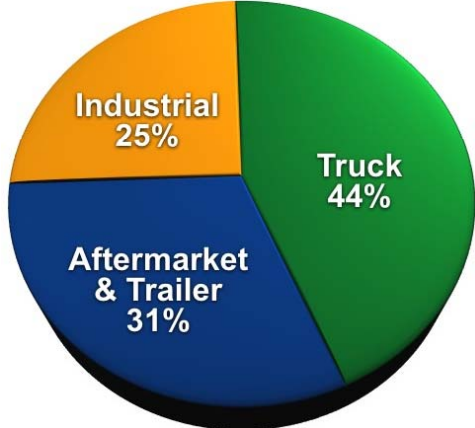
- Maintain focus on sustainable profitable growth
- Successfully execute as global markets recover
- Drive innovation – accelerating new products and advanced fuel efficient technologies
- Achieve EBITDA margin targets and sustain momentum of cash flow conversion
- Continue focus on strengthening the balance sheet



Segment and Regional Mix

2009 Sales: \$3.1 billion

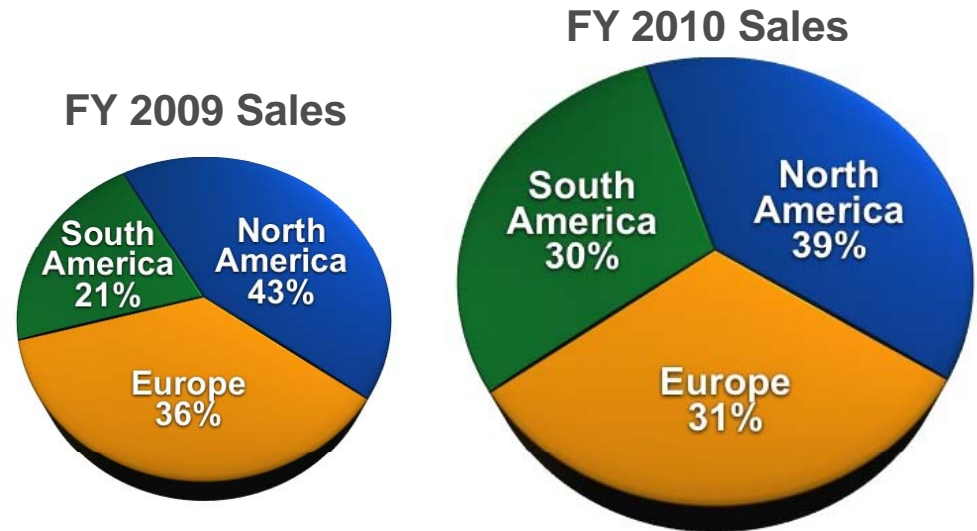
2010 Sales: \$3.6 billion



Emerging markets up 74%

Commercial Truck

- Well-positioned to benefit from rebound in global commercial truck markets in North America and Europe
- Established position in South America
- Strong product portfolio and customer relationships
- Building on strong position to diversify customer mix
- Aggressive product launch cadence in 2011/2012/2013
- Designing products for vehicle efficiency

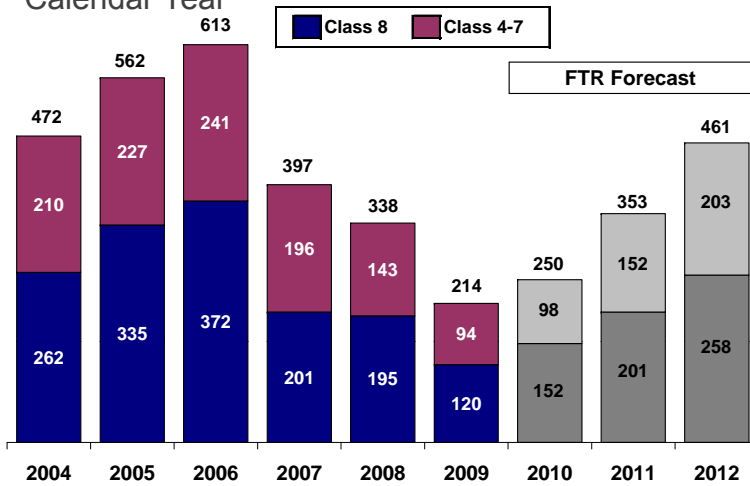


Top Truck Customers 2010			
Customer	North America	South America	Europe
	✓	✓	✓
NAVISTAR®	✓		
DAIMLER	✓	✓	✓
		✓	
IVECO		✓	✓
PACCAR	✓		✓
	✓	✓	✓
	✓		

Commercial Truck

North America

Class 8 & 4-7 Production (000)
Calendar Year

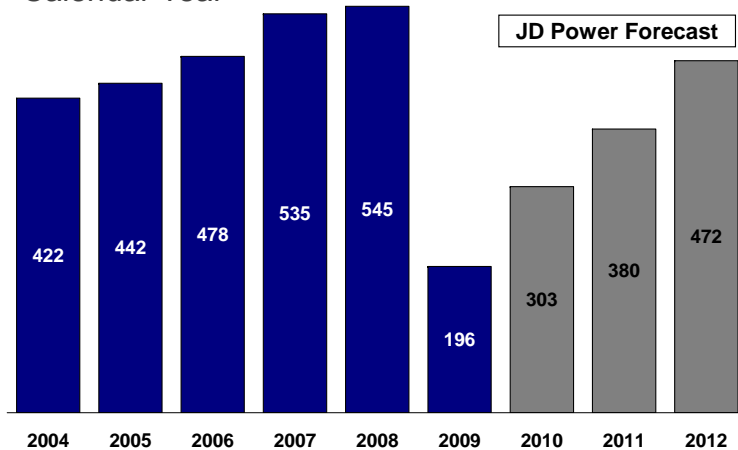


Source: FTR Associates

- NA recovery steadily progresses
 - FY11 Class 8 estimates range from ~190-210k
- Continued growth in Europe despite sovereign debt concerns
- Brazil continues at strong volumes

Western Europe

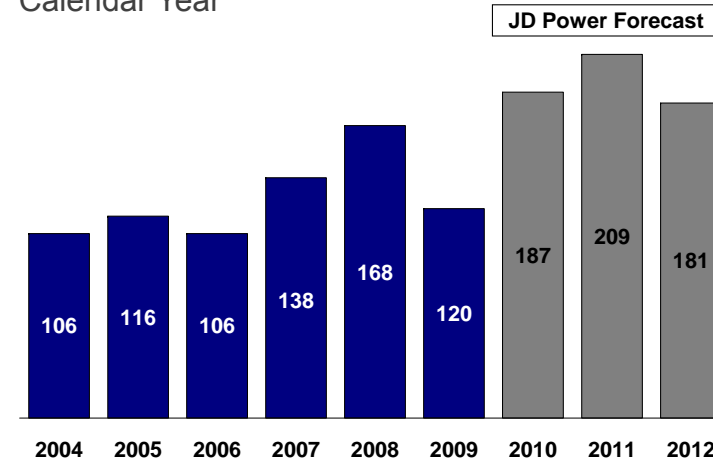
Med. & Heavy Production GVW>6t (000)
Calendar Year



Source: J.D. Power and Associates

South America

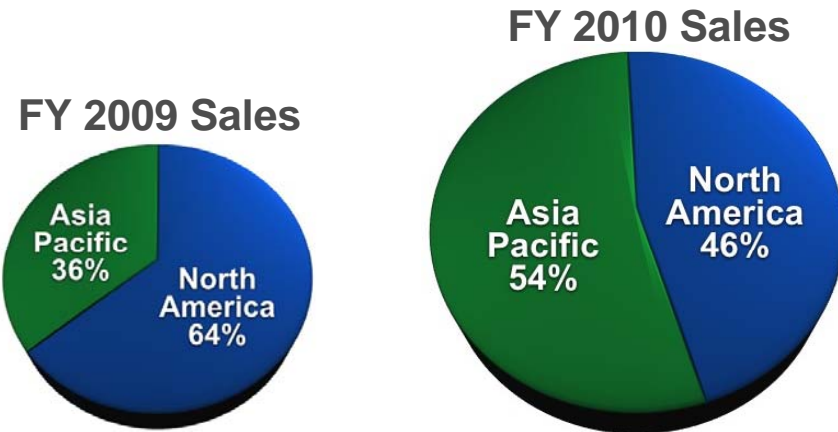
Med. & Heavy Production GVW>6t (000)
Calendar Year



Source: J.D. Power and Associates

Industrial and Asia Pacific

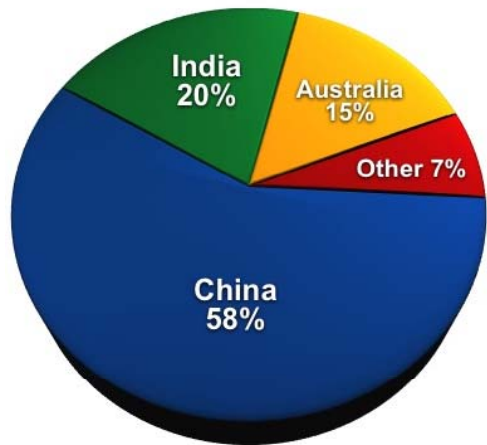
- Off-Highway
 - Leading independent off-highway axle supplier in China
 - Leveraging scale and technology to grow business globally
- Defense
 - Largest independent drivetrain producer for tactical wheeled vehicles globally
- Commercial Vehicle
 - Largest independent axle producer in India
 - Producer of drum and disc brakes for the market in China
- Specialty
 - Growing market position in premium bus & coach market in China and India
 - Leader in bus & coach, custom fire truck, & vocational AWD market in the U.S.



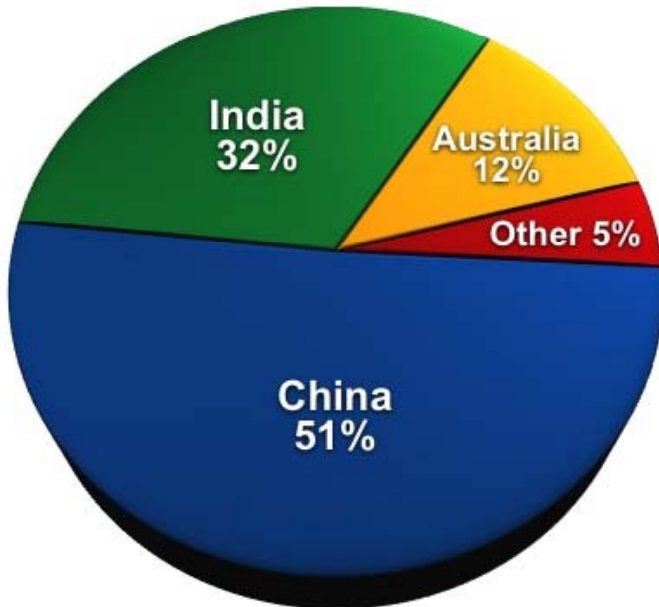
Top Customers 2010					
Customer	China	India	Australia	Japan	North America
XCMG	✓				
CATERPILLAR SEM	✓				✓
SANY	✓				
YUTONG	✓				
ASHOK LEYLAND		✓			
TATA		✓			
PACCAR			✓		
ISUZU				✓	
BAE SYSTEMS					✓
OSHKOSH					✓
NAVISTAR		✓			✓
DAIMLER					✓

Asia Pacific

FY 2009 Sales

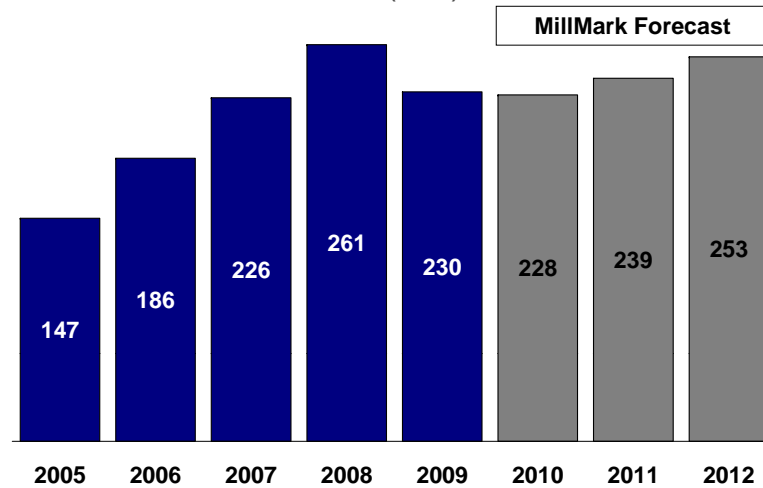


FY 2010 Sales



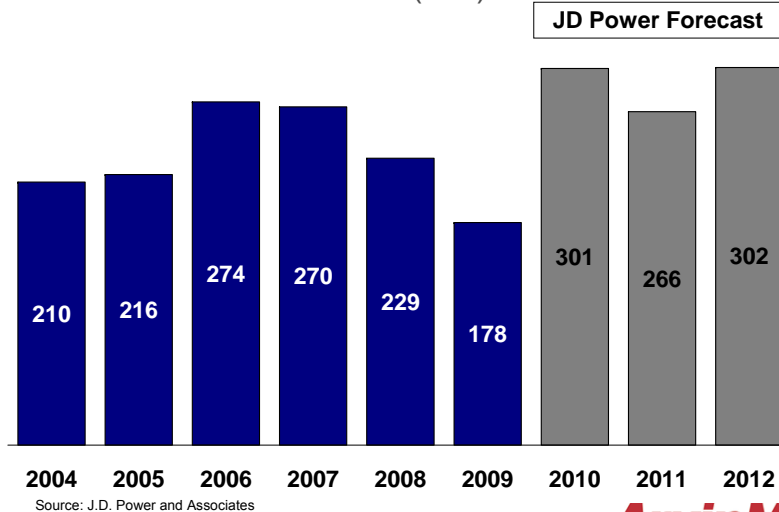
China

Construction Production (000)



India

Truck Production GVW>6t (000)



Defense Wheeled Vehicle Leadership

On Contract

FMTV

- On contract through 2015
- Transitioning from BAE to OSK

MXT

- Production contract with British MoD
- ProTec Series 30 / 40 High Mobility Independent Suspension (HMIS)

Caiman MTV

- On contract for 1,700 vehicles in FY11
- Government contract option for 1,100 in FY12
- ProTec Series 50 HMIS

Heavy Tactical Trucks

- Freightliner on contract through 2011

Aftermarket Service for All Models



MXT



CAIMAN MTV



FMTV

Defense Wheeled Vehicle Leadership

Potential Future Programs

Active Development

Joint Light Tactical Vehicle (JLTV)

- HMMWV replacement, production SOP 2014
- Partnered with two of three current contractors
- ProTec Series 30 HMIS

Marine Personnel Carrier (MPC)

- Next generation Light Armored Vehicle (LAV)
- Participating to build a technology demonstration vehicle, production est. 2015
- ProTec Series 40 HMIS

Future Development

HMMWV Recap

- HMMWV upgrade program, SOP TBD
- Actively developing solutions

FMTV HMIS

- Participating in government testing to evaluate suspension upgrade options



JLTV



Marine Personnel Carrier TD



HMMWV Recap

Aftermarket & Trailer Segment

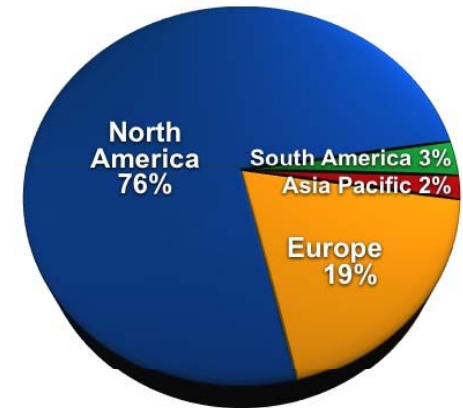
Global Aftermarket Business

- Well-known brand portfolio and product life-cycle service and support
- World-class packaging and distribution
- Remanufacturing global enterprise
- Extensive product portfolio including competitor product lines
- Industry-wide leader in customer service

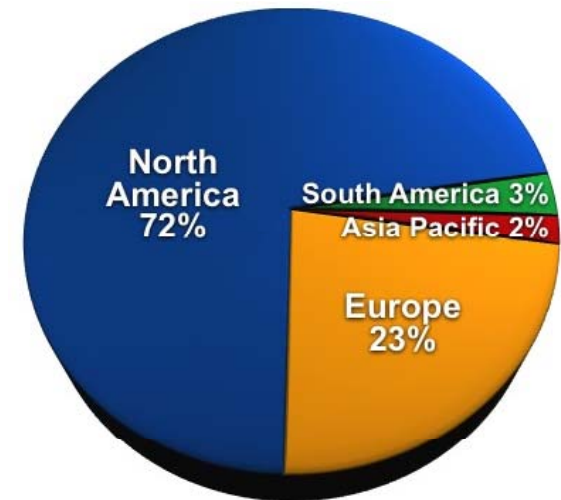
Global Trailer Business

- Full-line axle, wheel-end and suspension supplier
- Established footprint in North America and Europe
- Leading market position with joint venture in South America
- Distribution in Asia Pacific

FY 2009 Sales

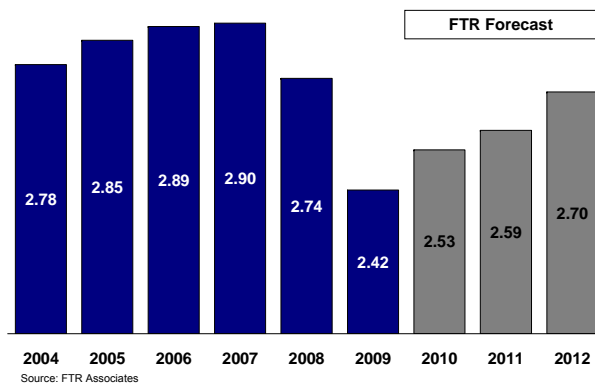


FY 2010 Sales



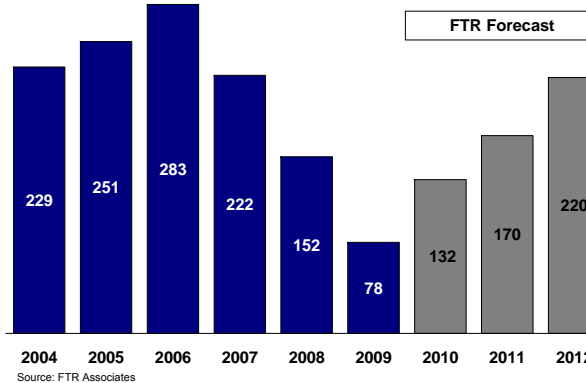
U.S. Truck Freight Ton Miles

Seasonally Adjusted (trillions)



North America Trailer Production

Calendar Year (thousands)

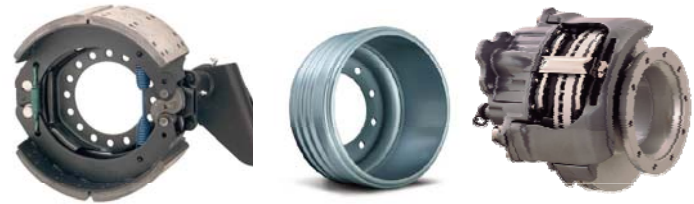


Product Development Focus Areas

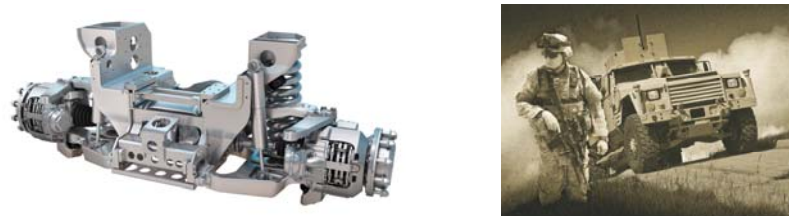
High-efficiency products to improve fuel economy



Advancements in brake technology to maintain global leadership positions



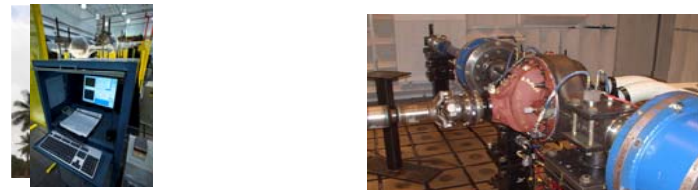
Suspension portfolio delivers maximum maneuverability in extreme combat environment



Control and electronics for value-added functionality



Global investment in talent, equipment and tools



2010 Financial Highlights⁽¹⁾⁽²⁾⁽³⁾

(in millions except EPS)

	Q3 Recast	Q4	Full Year	FY Comments
Sales	\$966	\$956	\$3,590	Increased 17% from 2009
Adjusted EBITDA ⁽¹⁾⁽⁴⁾	\$66	\$70	\$248	Increased 42% from 2009
Adjusted Income (Loss) from Cont. Ops. ⁽²⁾	\$(6)	\$8	\$4	\$34 million improvement compared to 2009
Adjusted EPS from Cont. Ops. ⁽²⁾	\$(0.06)	\$0.08	\$0.05	Achieved positive earnings per share for 2010
FCF before Factoring and Restructuring ⁽¹⁾	\$17	\$34	\$70	\$159 million improvement compared to 2009
Free Cash Flow ⁽¹⁾⁽²⁾	\$33	\$42	\$122	\$551 million improvement compared to 2009

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

(2) GAAP net income/(loss) was \$2 million for Q4 2010 and \$(3) million for Q3 2010. GAAP income/(loss) from continuing operations was \$1 million for Q4 2010 and \$(6) million for Q3 2010. GAAP diluted income/(loss) per share from continuing operations was \$0.01 for Q4 2010 and \$(0.06) for Q3 2010. Cash flow provided by (used for) operations was \$72 million for Q4 2010 and \$47 million for Q3 2010. GAAP net income/(loss) was \$12 million for FY 2010. GAAP income/(loss) from continuing operations was \$(2) million for FY 2010. GAAP diluted income/(loss) per share from continuing operations was \$(0.02) for FY 2010. Cash flow provided by (used for) operations was \$211 million for FY 2010.

(3) Amounts have been recast to reflect LVS as discontinued operations.

(4) Adjusted for noncontrolling interest in consolidated joint ventures.

2010 GAAP Income Tax Expense

(in millions)

Continuing Operations

Q410	PBT Inc./ (Exp.)	Inc. Tax Exp	Effective Rate
Income not subject to VA	\$ 56	\$ 13	23.2%
Income subject to VA ⁽¹⁾	(35)	-	
Other ⁽²⁾	-	4	
Total	\$ 21	\$ 17	

FY10	PBT Inc./ (Exp.)	Inc. Tax Exp	Effective Rate
Income not subject to VA	\$ 206	\$ 57	27.7%
Income subject to VA ⁽³⁾	(146)	-	
Other ⁽²⁾	-	(9)	
Total	\$ 60	\$ 48	

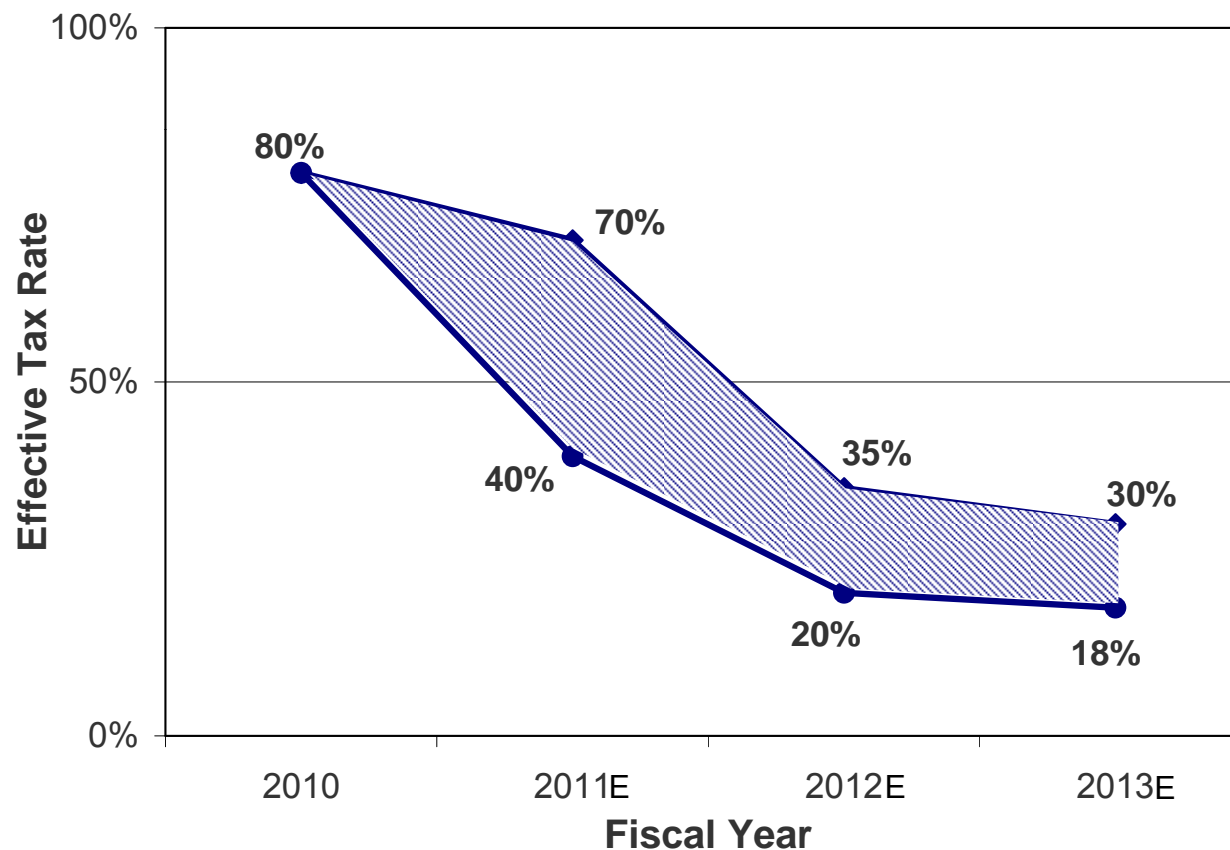
(1) Expected ~\$11 million benefit on losses (approx. 30% statutory rate) not realized in Q4 2010 due to valuation allowances established in fiscal year 2009.

(2) Primarily relates to discrete adjustments to tax contingencies.

(3) Expected ~\$44 million benefit on losses (approx. 30% statutory rate) not realized in FY 2010 due to valuation allowances established in fiscal year 2009.

Tax Rate Forecast⁽¹⁾

- Tax expense difficult to forecast since the company has not been able to record tax benefits in jurisdictions with valuation allowances
- NA and EU market recovery to more normalized levels, and specific initiatives identified to improve effectiveness in utilizing tax assets, will drive effective tax rate lower

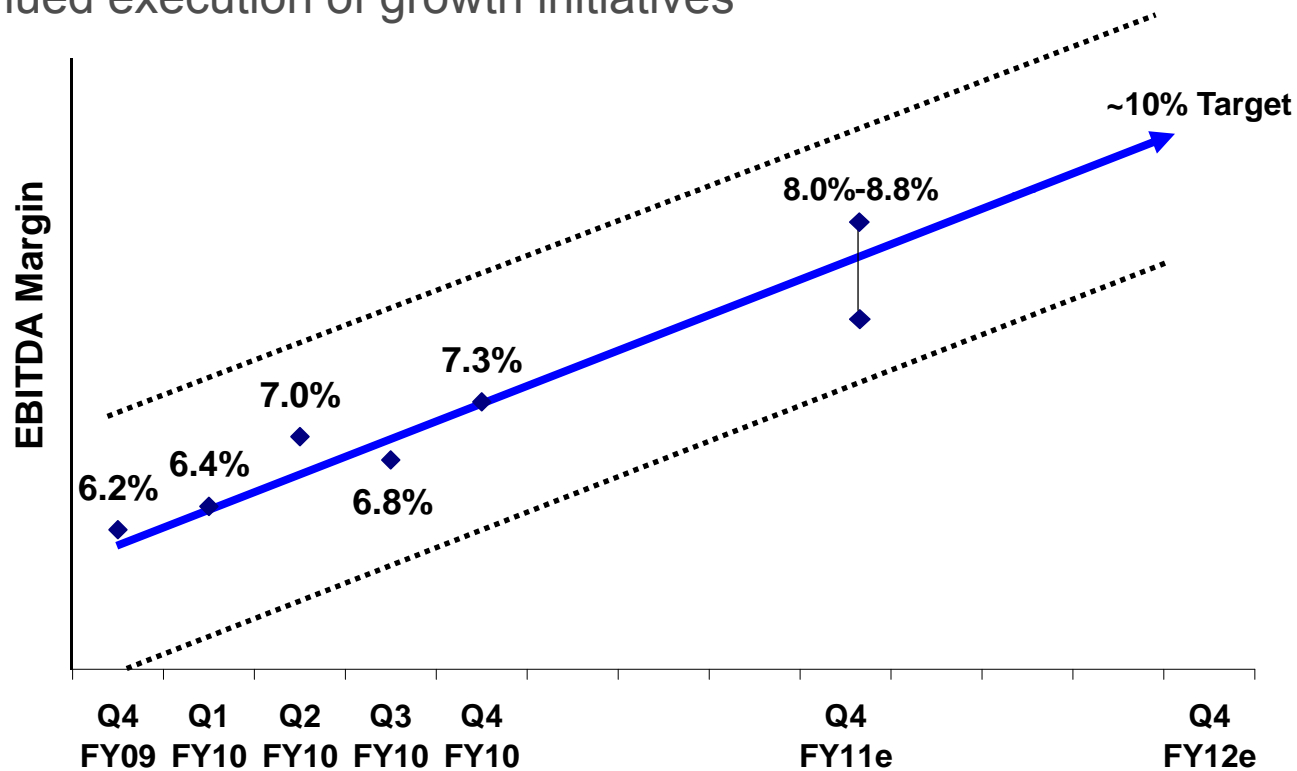


(1) Actual results may differ materially from projections as a result of risks and uncertainties. Please see slide "Forward Looking Statements."

Path to Long-Term EBITDA Margin Target⁽¹⁾⁽²⁾⁽³⁾

Requirements to Achieve Target

- Recovery of global commercial vehicle markets to reasonable levels of demand
- Maintain structural cost reductions as commercial vehicle industries rebound
- Continued execution of growth initiatives



Sales:	\$697	\$800	\$868	\$966	\$956	\$1.1-\$1.2B	~\$1.3B
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(1) See Appendix – “Non-GAAP Financial Information.”

(2) Adjusted EBITDA target of 10% average through the cycle; based on management’s long-term planning assumptions. Actual results may differ materially from projections as a result of risks and uncertainties. Please see slide “Forward Looking Statements.”

(3) Amounts have been recast to reflect LVS as discontinued operations.



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Use of Non-GAAP Financial Information

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

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

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

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

In addition, financial data may be provided on a “trailing twelve month basis,” which equates to the sum of the measure in question for the four most recent quarters.

Non-GAAP Financial Information

EBITDA Reconciliation⁽²⁾

	Three Months Ended September 30, 2010	Three Months Ended June 30, 2010	Three Months Ended March 31, 2010	Three Months Ended December 31, 2010	Three Months Ended September 30, 2009
Adjusted EBITDA	\$ 70	\$ 66	\$ 61	\$ 51	\$ 43
Loss on Sale of Receivables	(1)	(1)	(1)	(1)	-
Depreciation and Amortization	(16)	(18)	(18)	(18)	(19)
Interest Expense, Net ⁽¹⁾	(25)	(27)	(31)	(23)	(23)
Restructuring Costs	(5)	(1)	-	-	(6)
Asset Impairment Charges	(2)	-	-	-	-
Benefit (Provision) for Income Taxes	(17)	(21)	-	(10)	(27)
Non-controlling Interests	(3)	(4)	(4)	(3)	(4)
Income (Loss) From Continuing Operations					
Attributable to ArvinMeritor, Inc	1	(6)	7	(4)	(36)
Income (Loss) From Discontinued Operations					
Attributable to ArvinMeritor, Inc	1	3	6	4	22
Net Income (Loss) Attributable to ArvinMeritor, Inc.	\$ 2	\$ (3)	\$ 13	\$ -	\$ (14)
Memo: Sales	956	966	868	800	697

(1) Amounts for fiscal year 2009 have been restated for the adoption of FASB guidance on convertible debt.

(2) Amounts have been recast to reflect LVS as discontinued operations.

Non-GAAP Financial Information

EBITDA Reconciliation⁽²⁾

	Twelve Months Ended September 30, 2010	Twelve Months Ended September 30, 2009
Adjusted EBITDA	\$ 248	\$ 175
Loss on Sale of Receivables	(4)	(5)
Depreciation and Amortization	(70)	(70)
Interest Expense, Net ⁽¹⁾	(106)	(93)
Restructuring Costs	(6)	(61)
Asset Impairment Charges	(2)	(14)
Benefit (Provision) for Income Taxes	(48)	(670)
Non-controlling Interests	(14)	(9)
Income (Loss) From Continuing Operations		
Attributable to ArvinMeritor, Inc	(2)	(747)
Income (Loss) From Discontinued Operations		
Attributable to ArvinMeritor, Inc	14	(441)
Net Income (Loss) Attributable to ArvinMeritor, Inc.	\$ 12	\$ (1,188)
Memo: Sales	3,590	3,075

(1) Amounts for fiscal year 2009 have been restated for the adoption of FASB guidance on convertible debt.

(2) Amounts have been recast to reflect LVS as discontinued operations.

Non-GAAP Financial Information

Free Cash Flow

	Three Months Ended		Twelve Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
Cash provided by (used for) operating activities	\$ 72	\$ 46	\$ 211	\$ (295)
Capital expenditures - continuing operations	(23)	(7)	(56)	(82)
Capital expenditures - discontinued operations	(7)	(17)	(33)	(52)
Free cash flow	<u>\$ 42</u>	<u>\$ 22</u>	<u>\$ 122</u>	<u>\$ (429)</u>
Free cash flow	\$ 42	\$ 22	\$ 122	\$ (429)
Restructuring payments - continuing operations	3	5	14	28
Restructuring payments - discontinued operations	1	5	8	37
Changes in receivables securitization and factoring (1) (2)	(12)	15	(74)	275
Free cash flows from operations before restructuring and changes in off-balance sheet factoring and securitization	<u>\$ 34</u>	<u>\$ 47</u>	<u>\$ 70</u>	<u>\$ (89)</u>

(1) Includes changes in receivables securitization and factoring for the three months ended September 30, 2010 and September 30, 2009 of \$(5) and \$12 for continuing operations, respectively and \$(7) and \$3 for discontinued operations, respectively.

(2) Includes changes in receivables securitization and factoring for the twelve months ended September 30, 2010 and September 30, 2009 of \$(60) and \$257 for continuing operations, respectively and \$(14) and \$18 for discontinued operations, respectively.



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