MERITOR®

Fiscal Year 2012 Second Quarter Earnings Presentation

Chip McClure, Chairman, CEO & President
Jay Craig, Senior VP & CFO

May 2, 2012

Forward-Looking Statements

This 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 our ability to successfully manage rapidly changing volumes in the commercial truck markets and work with our customers to adjust their demands in view of rapid change in production levels; availability and sharply rising costs of raw materials, including steel, and our ability to manage or recover such costs; level production for certain military programs and the return of volumes of selected long-term military contracts to more normalized levels; global economic and market cycles and conditions, including the recent global economic crisis; risks inherent in operating abroad (including foreign currency exchange rates, implications of foreign regulations relating to pensions and potential disruption of production and supply due to terrorist attacks or acts of aggression); rising costs of pension and other postretirement benefits; the ability to achieve the expected benefits of restructuring actions; the demand for commercial and specialty vehicles for which we supply products; whether the liquidity of the company will be affected by declining vehicle productions in the future; OEM program delays; demand for and market acceptance of new and existing products; successful development of new products; reliance on major OEM customers and possible negative outcomes from contract negotiations with our major 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; 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, warranty and recall claims; and possible changes in accounting rules; as well as other substantial costs, 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.

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 generally 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.

Business Highlights

- Pricing negotiations completed contributing to margin expansion in Q2 FY12

- European footprint rationalization contributed to margin expansion in Q2 FY12
  - Sale of St. Priest facility to Renault effective January 2, 2012

- S&P rating changes as of February 13, 2012
  - Raised corporate rating outlook to Positive from Stable
  - Raised senior secured credit rating to BB- from B+
  - Raised senior unsecured credit rating to B- from CCC+

- Amended and extended a $515 million bank lending facility, including $100 million term loan, due April 2017 (1)

1) Provided that if aggregate outstanding principal of 2015 senior notes >$100M on 6/1/15, maturity would be 6/10/15 and if aggregate outstanding principal amount of 2026 convertible notes >$100M on 11/1/15 & conversion price is greater than company's equity price, then maturity would be 11/15/15

Sequential Performance (1)

(in millions except EPS)

	Q1 2012	Q2 2012	Comments
Sales	$1,159	$1,160	Flat to Q1 FY12 as expected
Adjusted EBITDA ***Margin***	$79 ***6.8%***	$95 ***8.2%***	Increased 20% from Q1 FY12 reflecting completion of execution items
Adjusted Income from Cont. Ops.(2)	$11	$32	Increased 191% from Q1 FY12
Adjusted EPS from Cont. Ops.(2)	$0.12	$0.33	Significant improvement from Q1 FY12 due to higher earnings and more normalized tax rate
Free Cash Flow(2)	($20)	($69)	Q2 FY12 performance due primarily to unwind of factoring programs with reduction in European volumes

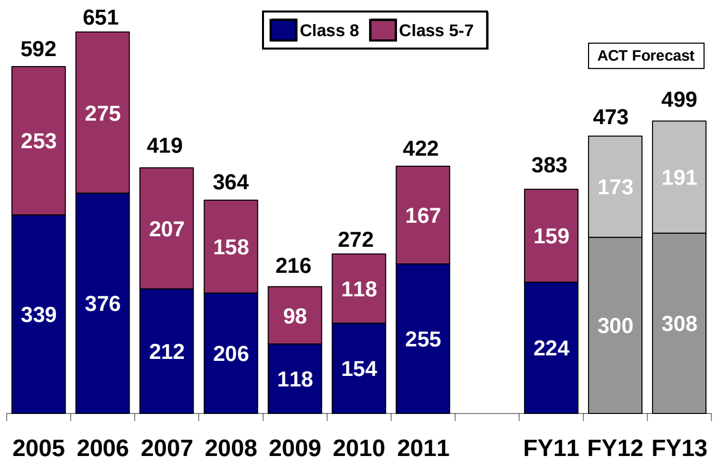
1) See Appendix – “Non-GAAP Financial Information.”
2) GAAP net income (loss) attributable to Meritor, Inc. was ($22) million for Q1 FY12 and $20 million for Q2 FY12. GAAP income (loss) from continuing operations attributable to Meritor, Inc. was ($13) million for Q1 FY12 and $29 million for Q2 FY12. GAAP diluted earnings (loss) per share from continuing operations attributable to Meritor, Inc. ($0.13) for Q1 FY12 and $0.30 for Q2 FY12. Cash flow provided (used) by operations was $5 million for Q1 FY12 and ($51) million for Q2 FY12.

MERITOR®

Industry Update

North America

Class 8 & 5-7 Production (000)
Calendar Year History & Fiscal Year Forecast



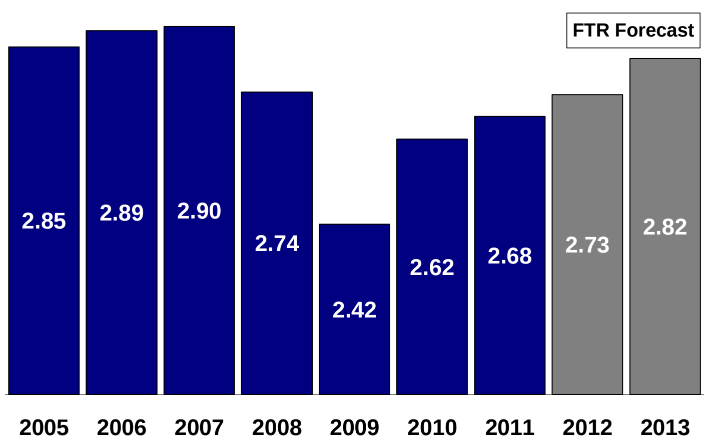
Source: ACT Research

	2010	2011				2012				
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Class 5-7	33	40	45	42	41	45	46	41	41	FY12 300k
Class 8	44	51	61	68	75	76	76	74	74	
Total	76	91	105	110	115	121	122	115	115	

- Strong fundamentals to support growth:
  - High fleet age at 6.7 years
  - Strong average used retail truck prices
  - Healthier financial condition of fleets
  - Increased capital budgets for fleets
  - Stable U.S. economy

U.S. Truck Freight Ton Miles

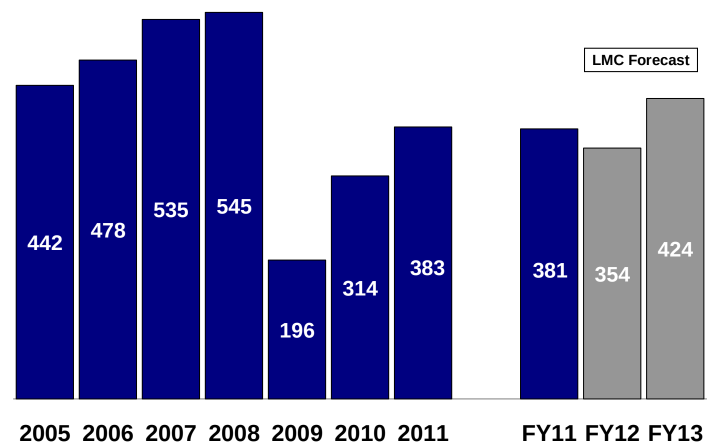
Seasonally Adjusted (trillions)
Calendar Year



Source: FTR Associates

Western Europe

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



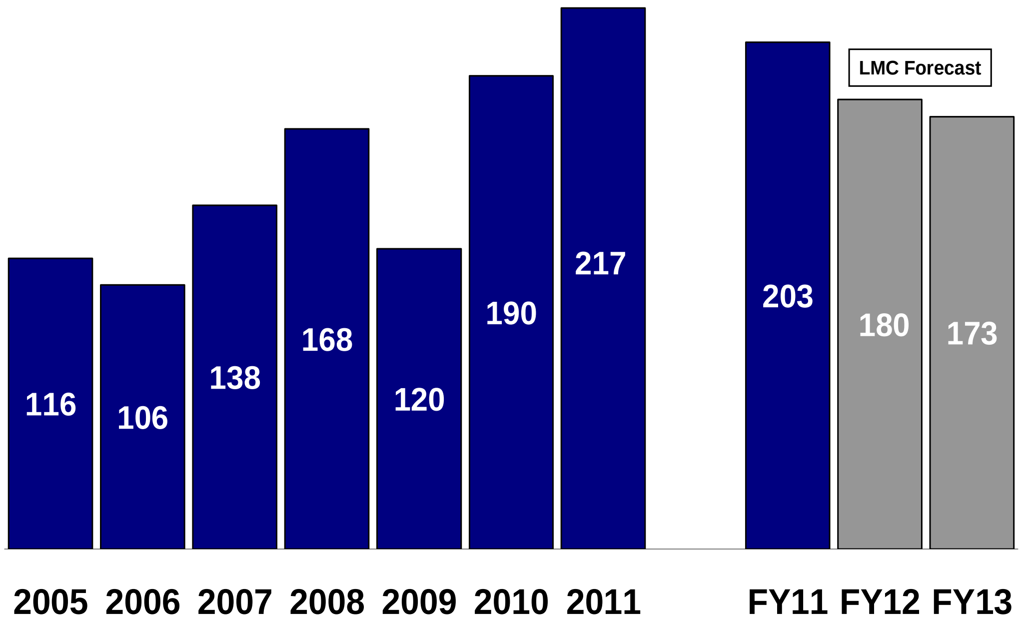
Source: LMC Automotive (formerly JD Power)

MERITOR®

Industry Update

South America

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



Source: LMC Automotive (formerly JD Power)

New government incentives expected to support South America growth starting in Q4 FY12:

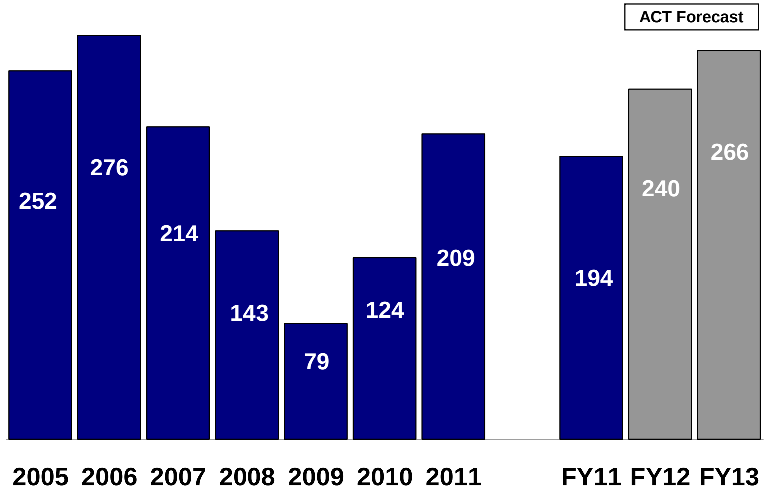
- Financing incentives (PSI-4): BNDES plans to increase the credit availability as well as reduce interest rates and extend terms.
- FX measures: government emphasized commitment to use additional tools to manage the appreciation of the BRL above the R$1.80 level.
- Taxation measures: announced tax reductions including labor force and import tax.

MERITOR

Industry Update[(1)]

North America Trailer Production

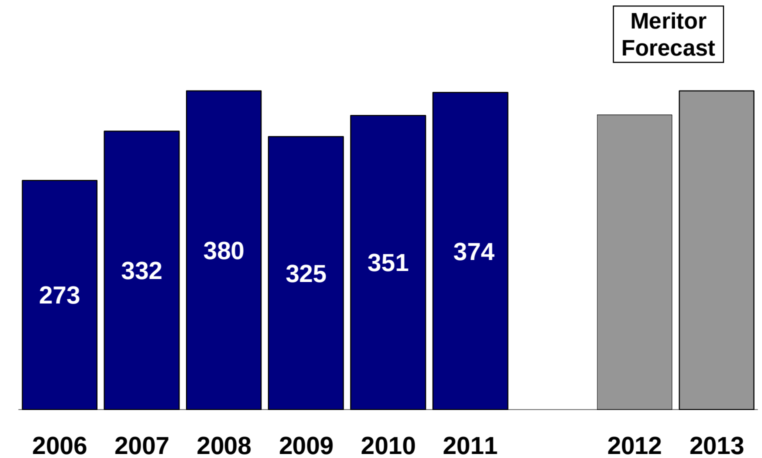
Calendar Year History & Fiscal Year Forecast (000)



Source: ACT Research

China Construction Production

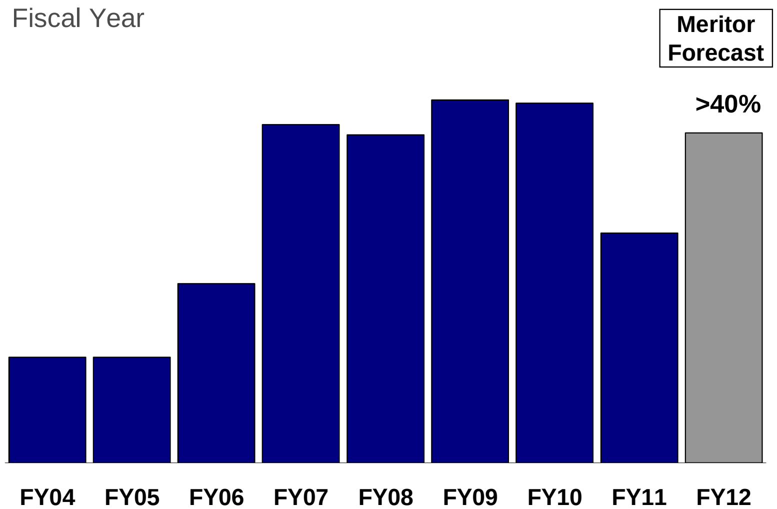
Calendar Year History & Meritor Forecast (000)



Source: MillMark & Associates

FMTV Production

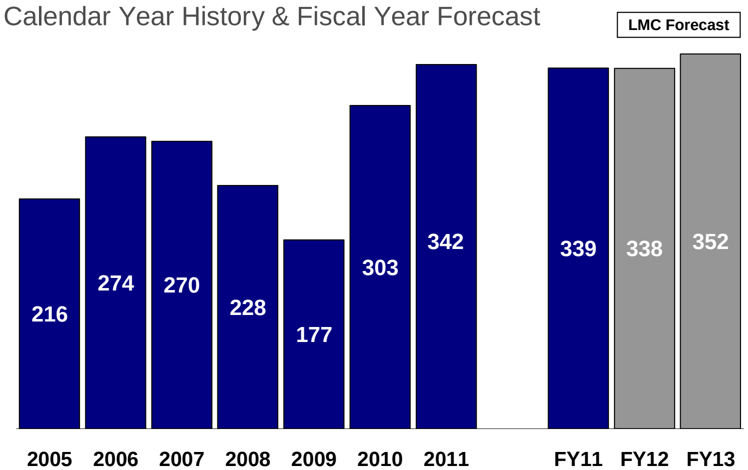
Fiscal Year



India Truck Production

GVW>6t (000)

Calendar Year History & Fiscal Year Forecast

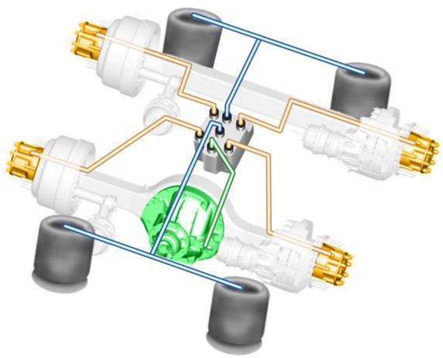


Source: LMC Automotive (formerly JD Power)

1) Meritor forecast based on management's current planning assumptions and other factors. Actual results may differ materially from projections as a result of risks and uncertainties. Please see slide "Forward Looking Statements."

Technology Leadership Driving Improved Efficiency for our Customers

DRIVETRAIN OPTIMIZATION



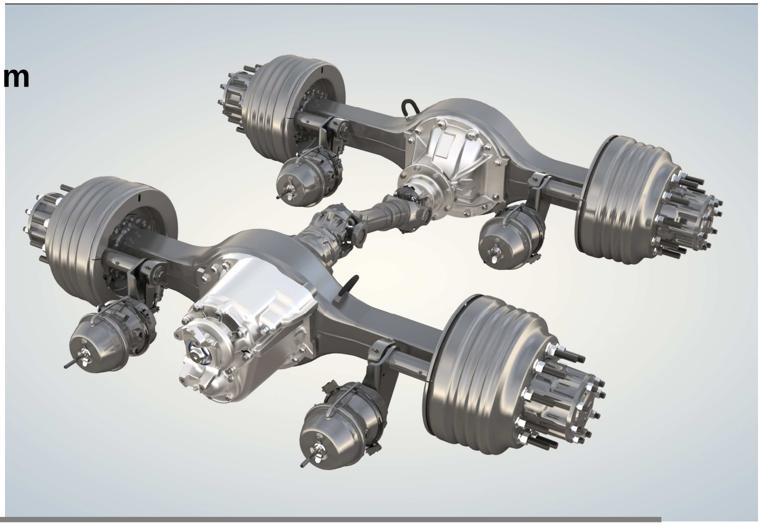
SMARTandem

- 6x2 system with enhancements to approach 6x4 traction performance
- >2% fuel efficiency benefit over 6x4
- ~ 400 lbs weight reduction
- Start of production in 2012

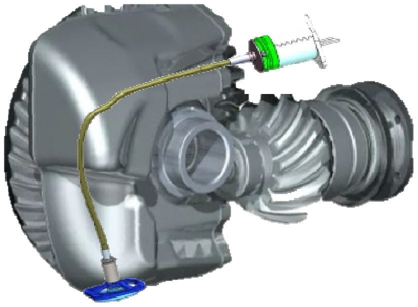
CARRIER WEIGHT REDUCTION

14X Aluminum

- 103 lbs tandem weight savings
- Start of production in 2013



PARASITIC LOSS REDUCTION

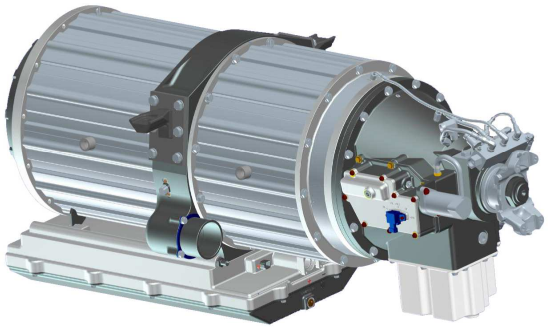


LogixDrive

- Reduction in splash losses = > 0.5% fuel efficiency
- Further technologies for:
  - Bearings
  - Lube type
  - Gear finishing
  - Seal drag
- Start of production in 2013

SUPERTRUCK

- Dual mode hybrid system
- Trailer weight reduction
- Regen braking systems and lighter brakes
- Drivelines
- Front and rear SMARTandem axles
- Tire monitoring and inflation, ABS, air systems and stability control
- 2015 demonstration program



Meritor providing technologies to improve drivetrain efficiencies by 10 to 15 percent

MERITOR

Technology Leadership Driving Improved Safety for Drivers

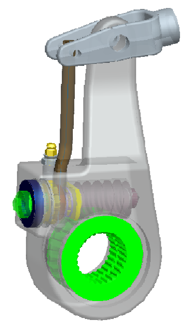
Meritor Brake Technology

FMVSS 121 launch

- Enhanced drum brakes meet new FMVSS 121 stopping distances

Next-generation automatic slack adjuster development

- Improved packaging
- Reduced part count
- Start of production in 2013



Air disc brake

- Expanding product portfolio with start of production in 2013

MERITOR

MERITOR WABCO
Safety Strong. Efficiency Smart.

Collision Safety System

Stability Control Systems
Anti-lock Braking Systems/Automatic Traction Control

SmartTrac™
Stability Control Systems

Automatic Traction Control (ATC)

Roll Stability System for Trailer

Roll Stability and Electronic Stability Controls

ABS

Second Quarter Income Statement from Continuing Operations

(in millions, except per share amounts)

	Three Months Ended March 31,		
	2012	2011 (2)	Better / (Worse)
Sales	$ 1,160	$ 1,176	$ (16)
Cost of Sales	(1,026)	(1,058)	32
Gross Margin	134	118	16
SG&A	(72)	(70)	(2)
Restructuring Costs	(3)	(5)	2
Other Operating Expense	(1)	(2)	1
Operating Income	58	41	17
Other Income (Expense), net	1	(2)	3
Equity in Earnings of Affiliates	14	17	(3)
Interest Expense, Net	(23)	(24)	1
Income Before Income Taxes	50	32	18
Provision for Income Taxes	(17)	(21)	4
Income From Continuing Operations	33	11	22
Noncontrolling Interests	(4)	(5)	1
Income From Continuing Operations	$ 29	$ 6	$ 23
Adjustments:			
Restructuring Costs	3	5	(2)
Other Loss Related to LVS Divestitures	-	2	(2)
Adjusted Income From Continuing Operations(1)	$ 32	$ 13	$ 19
DILUTED ADJUSTED EARNINGS PER SHARE(1)(3)	$ 0.33	$ 0.13	$ 0.20
Diluted Shares Outstanding	97.2	96.9	

1) See Appendix – "Non-GAAP Financial Information."
2) Prior period amounts have been recast to reflect our European Trailer business as discontinued operations.
3) GAAP diluted earnings per share from continuing operations attributable to Meritor, Inc. was $0.30 for Q2 FY12 and $0.06 for Q2 FY11.

MERITOR

Commercial Truck Segment Results

(in millions)

	Three Months Ended Mar 31,			
	2012	2011	Better/(Worse) $	Better/(Worse) %
Sales	$ 693	$ 693	$ -	0%
Segment EBITDA[(1)]	49	40	9	23%
% of Sales	7.1%	5.8%	1.3 pts	

- Sales flat to prior year as growth in North America offset decreases in Brazil and Europe.
- EBITDA increase due to implementation of North America pricing actions and Europe footprint rationalization, offsetting weaker geographic mix, unfavorable FX and lower affiliate earnings.

MERITOR

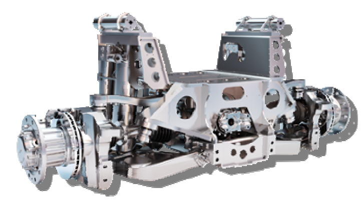
1) Meritor uses Segment EBITDA as the primary basis for the chief operating decision maker to evaluate the performance of each of the company's reportable segments.

Industrial Segment Results

(in millions)

	Three Months Ended Mar 31,						
	2012		2011		Better/(Worse)		
					$		%
Sales	$	289	$	306	$	(17)	-6%
Segment EBITDA[1]		22		18		4	22%
% of Sales		7.6%		5.9%		1.7	pts

- Sales decrease primarily due to reduction in Caiman shipments and other non-FMTV defense orders as well as slightly weaker Asia Pacific sales, partially offset by increase in FMTV.
- EBITDA increased despite decrease in sales with improved military mix and no Caiman launch costs in 2012.



MERITOR

1) Meritor uses Segment EBITDA as the primary basis for the chief operating decision maker to evaluate the performance of each of the company's reportable segments.

Aftermarket & Trailer Segment Results

(in millions)

	Three Months Ended Mar 31, 2012	2011 (2)	Better/(Worse) $	%
Sales	$ 263	$ 257	$ 6	2%
Segment EBITDA(1)	28	29	(1)	-3%
% of Sales	10.6%	11.3%	(0.7) pts	

- Sales increase primarily due to growth in North America Aftermarket which more than offset the declines in Europe.
- EBITDA decreased mostly due to lower Trailer affiliate earnings in Brazil.

1) Meritor uses Segment EBITDA as the primary basis for the chief operating decision maker to evaluate the performance of each of the company's reportable segments.
2) Prior period amounts have been recast to reflect our European Trailer business as discontinued operations.

Second Quarter EBITDA Walk

(in millions, except margin %)

	Sales	Adjusted EBITDA[1]	
Q1 FY 2012	**$1,159**	**$79**	***6.8%***
Volume, mix and pricing		15	
Material economic recoveries and premium cost reductions		5	
Charge for litigation contingency		(5)	
Q1 gain on the sale of Gabriel India shares		(3)	
Other including European footprint rationalization		4	
Q2 FY 2012	**$1,160**	**$95**	***8.2%***

Better/(Worse): **$1** **$16**

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

FY 2012 Q2 Income Tax Expense

Continuing Operations

Second Quarter FY12 *(in millions)*	Income (Loss) Before Taxes	Income Tax Expense (Benefit)	Effective Rate
Income not subject to VA	$49	$14	29%
Income subject to VA[1]	1	-	
Other[2]	-	3	
Sub-total	**$50**	**$17**	**34%**

1) Tax expense on income is not realized due to the valuation allowances established in fiscal year 2009.
2) Relates to tax contingencies and other tax adjustments.

Free Cash Flow(1) (3)

(in millions)

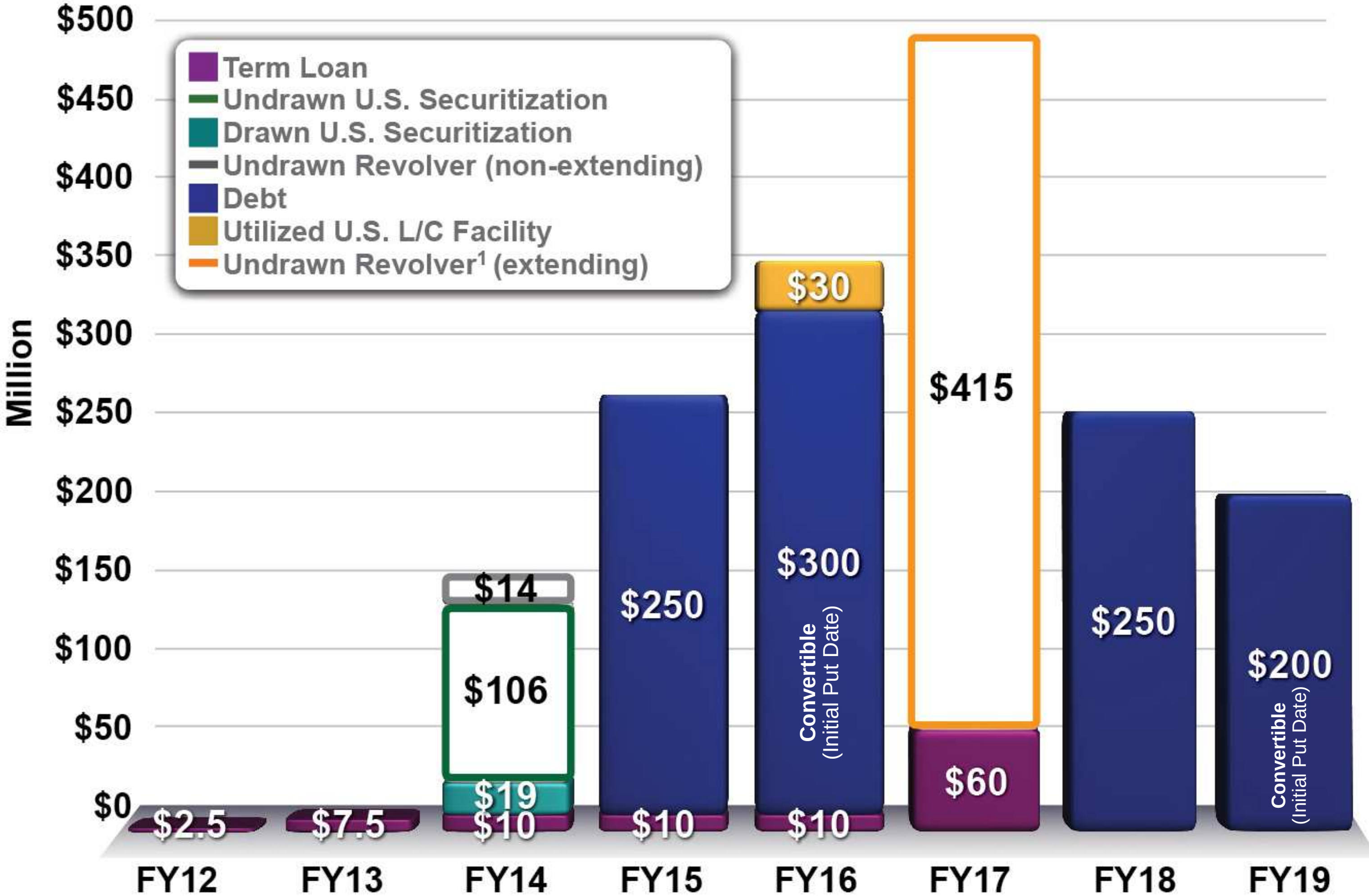
	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Income From Continuing Operations	$ 33	$ 11
Net Spending (D&A less Capital Expenditures)	(2)	(6)
Pension and Retiree Medical, Net of Expense	(13)	(1)
Performance Working Capital (2)	1	(23)
Off-Balance Sheet Accounts Receivable Securitization and Factoring	(69)	13
Cash Interest	(41)	(41)
Other	30	39
Free Cash Flow from Continuing Operations before Restructuring	$ (61)	$ (8)
Restructuring Payments	(3)	(3)
Discontinued Operations Free Cash Flow	(5)	(7)
Free Cash Flow	$ (69)	$ (18)
Memo: Cash Flow Provided (Used) by Operations	$ (51)	$ 5

1) See Appendix – "Non-GAAP Financial Information."
2) Change in payables less changes in receivables and inventory.
3) Prior period amounts have been recast to reflect our European Trailer business as discontinued operations.

MERITOR®

Proforma Debt Maturity Profile

As of March 31, 2012



[1] Provided that if aggregate outstanding principal of 2015 senior notes >$100M on 6/1/15, maturity would be 6/10/15 and if aggregate outstanding principal amount of 2026 convertible notes >$100M on 11/1/15 & conversion price is greater than company's equity price, then maturity would be 11/15/15.

MERITOR®

FY 2012 Planning Assumptions[1]

Continuing Operations

(in millions)	FY 2012 Full Year Est.
Capital Expenditures	\$100 - \$110
Interest Expense	\$85 - \$95
Cash Interest	\$75 - \$85
Cash Income Taxes	\$65 - \$80 (Previously \$75 - \$95)
Restructuring Cash	~ \$20

1) Based on management's current planning assumptions and other factors. Actual results may differ materially from projections as a result of risks and uncertainties. Please see slide "Forward Looking Statements."

MERITOR®

FY 2012 Outlook[1]

Continuing Operations

(in millions)	FY 2012 Outlook[1]
Sales	~ $4,800
Adjusted EBITDA Margin	8.2% - 8.6%
Adjusted Income from Cont. Ops.	$105 - $135
Adjusted Earnings per Share from Continuing Operations	$1.08 - $1.39
Free Cash Flow from Continuing Operations before Restructuring	$0 - $50 (Previously $25 - $75)
Effective Tax Rate	~40%

Key Assumptions
- Brazil commercial truck recovery in the Q4 FY12
- Spring seasonal uptick in China off-highway
- Spring seasonal uptick and emerging market growth in Aftermarket

1) Based on management's current planning assumptions and other factors. Actual results may differ materially from projections as a result of risks and uncertainties. Please see slide "Forward Looking Statements."

2012 Priorities

- Execute EBITDA margin enhancing strategies
- Secure pricing equal to Meritor's value proposition
- Invest to alleviate premium costs
- Continue collaboration with customers and suppliers to profitably address demand
- Continue to drive new product development
- Reduce debt and implement other appropriate balance sheet strategies

In Process

MERITOR®

Appendix

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 press release, the company has provided information regarding Adjusted income or loss from continuing operations, Adjusted diluted earnings per share from continuing operations, Adjusted EDITDA, free cash flow and free cash flow from continuing operations before restructuring payments which are non-GAAP financial measures.

Adjusted income (loss) from continuing operations and Adjusted diluted earnings (loss) per share from continuing operations are defined as reported income or loss from continuing operations and reported diluted earnings or loss per share from continuing operations before restructuring expenses, asset impairment charges and other special items as determined by management. Adjusted EBITDA is defined as income (loss) from continuing operations before interest, income taxes, depreciation and amortization, non-controlling interests in consolidated joint ventures, loss on sale of receivables, restructuring expenses, asset impairment charges and other special items as determined by management. Free cash flow is defined as cash flows provided by (used for) operating activities less capital expenditures.

Management believes that the non-GAAP financial measures used in this press release 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 Adjusted EBITDA is a meaningful measure of performance as it is commonly utilized by management and the investment community to analyze operating performance in our industry. Further, management uses Adjusted EBITDA for planning and forecasting in future periods. Management believes that free cash flow is useful in analyzing our ability to service and repay debt.

Adjusted income (loss) from continuing operations, Adjusted diluted earnings (loss) per share from continuing operations and Adjusted EBITDA should not be considered a substitute for the reported results prepared in accordance with GAAP and should not be considered as an alternative to net income as an indicator of our operating performance or to cash flows as a measure of liquidity. Free cash flow should not be considered a substitute for cash provided by (used for) operating activities, or other cash flow statement data prepared in accordance with GAAP, or as a measure of financial position or liquidity. In addition, these non-GAAP cash flow measures do not reflect cash used to service debt or cash received from the divestitures of businesses or sales of other assets and thus do not reflect funds available for investment or other discretionary uses. 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 pages are reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP.

Non-GAAP Financial Information

EBITDA Reconciliation

	Three Months Ended		
	March 31, 2012	December 31, 2011	March 31, 2011 (1)
Adjusted EBITDA	$ 95	$ 79	$ 82
Depreciation and Amortization	(16)	(17)	(17)
Interest Expense, Net	(23)	(24)	(24)
Provision for Income Taxes	(17)	(20)	(21)
Non-controlling Interests	(4)	(4)	(5)
Loss on Sale of Receivables	(3)	(3)	(2)
Restructuring Costs	(3)	(24)	(5)
Other Loss Related to LVS Divestitures	-	-	(2)
Income (Loss) From Continuing Operations Attributable to Meritor, Inc	29	(13)	6
Income (Loss) From Discontinued Operations Attributable to Meritor, Inc	(9)	(9)	11
Net Income (Loss) Attributable to Meritor, Inc.	$ 20	$ (22)	$ 17
Adjusted EBITDA Margin	8.2%	6.8%	7.0%

1) Amounts have been recast to reflect our European Trailer business as discontinued operations.

Memo: Adjusted EBITDA margin equals Adjusted EBITDA divided by consolidated sales.

MERITOR®

Non-GAAP Financial Information

Income from Continuing Operations Reconciliation

	Three Months Ended		
	March 31, 2012	December 31, 2011	March 31, 2011 (1)
Income (Loss) From Continuing Operations Attributable to Meritor, Inc.	29	(13)	6
Adjustments:			
Restructuring Costs	3	24	5
Other Loss Related to LVS Divestitures	-	-	2
Adjusted Income From Continuing Operations	$ 32	$ 11	$ 13
Adjusted Earnings Per Share From Continuing Operations	$ 0.33	$ 0.12	$ 0.13
Diluted Shares Outstanding	97.2	94.5	96.9

1) Amounts have been recast to reflect our European Trailer business as discontinued operations.

Non-GAAP Financial Information

Free Cash Flow Reconciliation

	Three Months Ended		
	March 31, 2012	December 31, 2011	March 31, 2011 (1)
Cash provided by (used for) operating activities - continuing operations	$ (46)	$ 8	$ 12
Capital expenditures - continuing operations	(18)	(25)	(23)
Free cash flow - continuing operations	(64)	(17)	(11)
Cash used for operating activities - discontinued operations	(5)	(3)	(7)
Capital expenditures - discontinued operations	-	-	-
Free cash flow - discontinued operations	(5)	(3)	(7)
Free cash flow - total company	$ (69)	$ (20)	$ (18)
Free cash flow - continuing operations	$ (64)	$ (17)	$ (11)
Restructuring payments	3	7	3
Free cash flow from continuing operations before restructuring payments	$ (61)	$ (10)	$ (8)

1) Amounts have been recast to reflect our European Trailer business as discontinued operations.

Completed Management Execution Actions Driving EBITDA Margin Expansion

- Pricing
- European footprint rationalization
- Lagging material recoveries
  - *Assumes steel remains stable*
- Europe Trailer closure
- Military product mix with return to peak FMTV production
- Executive staff reductions

MERITOR®