

ARVINMERITOR INC  
Form 10-K/A  
December 22, 2008

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-K/A (Amendment no. 1)**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934**

**For the Fiscal Year Ended September 28, 2008**

**Commission file number 1-15983**

**ARVINMERITOR, INC.**

**(Exact name of registrant as specified in its charter)**

<b>Indiana</b> <b>(State or other jurisdiction of incorporation or organization)</b>	<b>38-3354643</b> <b>(I.R.S. Employer Identification No.)</b>
<b>2135 West Maple Road</b> <b>Troy, Michigan</b> <b>(Address of principal executive offices)</b>	<b>48084-7186</b> <b>(Zip Code)</b>

**Registrant's telephone number, including area code: (248) 435-1000**

**SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:**

<b>Title of each class</b>	<b>Name of each exchange on which registered</b>
<b>Common Stock, \$1 Par Value (including the associated Preferred Share Purchase Rights)</b>	<b>New York Stock Exchange</b>

**SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None**

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates of the registrant on March 28, 2008 (the last business day of the most recently completed second fiscal quarter) was approximately \$894.7 million.

73,762,081 shares of the registrant's Common Stock, par value \$1 per share, were outstanding on November 30, 2008.

**DOCUMENTS INCORPORATED BY REFERENCE**

Certain information contained in the Proxy Statement for the Annual Meeting of Shareowners of the registrant to be held on January 30, 2009 is incorporated by reference into Part III of the Annual Report on Form 10-K for the fiscal year ended September 28, 2008.



**Explanatory Note - Amendment**

ArvinMeritor, Inc. (the “company” or “ArvinMeritor”) is filing this Form 10-K/A to include in its Annual Report on Form 10-K for the fiscal year ended September 28, 2008 (the “Annual Report”), pursuant to Rule 3-09 of Regulation S-X under the Securities Exchange Act of 1934, financial statements and related notes of Meritor WABCO Vehicle Control Systems (“Meritor WABCO”), an unconsolidated joint venture in which the company owns a 50% interest.

Rule 3-09 of Regulation S-X provides that if a 50% or less owned person accounted for by the equity method meets the first or third condition of the significant subsidiary tests set forth in Rule 1-02(w), substituting 20% for 10%, separate financial statements for such 50% or less owned person shall be filed. Meritor WABCO did meet such test as of and for the year ended October 1, 2006 and the company has included in this Form 10-K/A the required audited financial statements for that period. However, as Meritor WABCO did not meet the significance test as of and for the years ended September 28, 2008 and September 30, 2007, ArvinMeritor is only required to file unaudited financial statements for those periods. ArvinMeritor has included in this Form 10-K/A Meritor WABCO’s unaudited financial statements for the years ended September 28, 2008 and September 30, 2007. Item 15 is the only portion of the Annual Report being supplemented or amended by this Form 10-K/A.

Additionally, in connection with the filing of this Form 10-K/A and pursuant to Securities and Exchange Commission (“SEC”) rules, ArvinMeritor is including currently dated certifications. This Form 10-K/A does not otherwise update any exhibits as originally filed and does not otherwise reflect events occurring after the original filing date of the Annual Report. Accordingly, this Form 10-K/A should be read in conjunction with ArvinMeritor’s filings with the SEC subsequent to the filing of the Annual Report.

**PART IV**

**Item 15. Exhibits and Financial Statement Schedules.**

(a) Financial Statements, Financial Statement Schedules and Exhibits.

(1) Financial Statements.

**ArvinMeritor**

The following financial statements and related notes were filed as part of the Annual Report filed with the SEC on November 21, 2008 (all financial statements listed below are those of the company and its consolidated subsidiaries):

Consolidated Statement of Operations, years ended September 30, 2008, 2007 and 2006.

Consolidated Balance Sheet, September 30, 2008 and 2007.

Consolidated Statement of Cash Flows, years ended September 30, 2008, 2007 and 2006.

Consolidated Statement of Shareowners' Equity, years ended September 30, 2008, 2007 and 2006.

Notes to Consolidated Financial Statements.

Report of Independent Registered Public Accounting Firm.

**Meritor WABCO**

The following financial statements and related notes of Meritor WABCO Vehicle Control Systems are included in this Form 10-K/A pursuant to Rule 3-09 of Regulation S-X:

Financial Statements as of and for the years ended September 30, 2008 and 2007 (As Restated) (Unaudited)

Financial Statements as of and for the year ended September 30, 2006 and Independent Auditors' Report

Meritor WABCO  
Vehicle Control  
Systems

Financial Statements as of and for the Years  
Ended September 30, 2008 and 2007 (As Restated) (Unaudited)

**MERITOR WABCO VEHICLE CONTROL SYSTEMS****BALANCE SHEETS****AS OF SEPTEMBER 30, 2008 AND 2007 (As Restated) (Unaudited)**

	<b>2008</b>		<b>2007</b> (As Restated, see Note 9)
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash	\$ 861,498	\$	2,288,727
Accounts receivable:			
Trade – net of allowance for doubtful accounts of \$215,600 and \$180,043 as of September 30, 2008 and 2007, respectively	17,382,262		19,165,962
Related Parties:			
Meritor Brake Systems, Inc.	3,372,216		3,410,732
WABCO Automotive Control Systems, Inc.	31,207		897
Inventories	24,501,800		25,163,321
Prepaid and other current assets	522,969		158,377
Total current assets	46,671,952		50,188,016
<b>PROPERTY AND EQUIPMENT:</b>			
Machinery and equipment	4,554,053		4,548,533
Autos and trailers	1,086,413		879,902
Furniture and fixtures	3,781,866		3,712,511
Facility improvements	1,143,988		1,144,895
Construction in progress	49,027		14,615
Total property and equipment	10,615,347		10,300,456
Less accumulated depreciation	(9,118,119)		(8,129,587)
Property and equipment - net	1,497,228		2,170,869
OTHER ASSETS	33,334		133,333
<b>TOTAL ASSETS</b>	<b>\$ 48,202,514</b>	<b>\$</b>	<b>52,492,218</b>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable:			
Trade	\$ 1,873,792	\$	2,387,036
Related parties:			
Meritor Brake Systems, Inc.	2,595,015		2,888,798
WABCO Automotive Control Systems, Inc.	17,867,545		20,598,174
Accrued liabilities:			
Warranty and Policy	1,600,000		1,600,000
Compensation	1,178,205		1,303,546
Customer incentives	299,444		173,268
Other	699,761		644,520
Total current liabilities	26,113,762		29,595,342
<b>COMMITMENTS AND CONTINGENCIES (Notes 6 and 8)</b>			
<b>PARTNER'S CAPITAL:</b>			
Meritor Brake Systems, Inc.	11,044,376		11,448,438
WABCO Automotive Control Systems, Inc.	11,044,376		11,448,438
Total partners' capital	22,088,752		22,896,876
<b>TOTAL LIABILITIES AND PARTNERS' CAPITAL</b>	<b>\$ 48,202,514</b>	<b>\$</b>	<b>52,492,218</b>

See notes to unaudited financial statements.

## MERITOR WABCO VEHICLE CONTROL SYSTEMS

STATEMENTS OF NET INCOME  
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007 (As Restated) (Unaudited)

	2008		2007 (As Restated, see Note 9)
NET SALES	\$ 176,439,441	\$	204,676,673
COST OF GOODS SOLD	151,375,369		176,542,922
GROSS PROFIT	25,064,072		28,133,751
OPERATING EXPENSES:			
Services purchased from related parties:			
Salary and benefits	9,152,880		9,082,055
Selling and promotion	2,250,505		2,100,455
Research and development	1,369,367		460,432
Rent	394,075		389,951
Other	775,910		947,557
Total services purchased from related parties	13,942,737		12,980,450
Selling and promotion	1,292,530		908,150
Supplies	842,490		654,943
Travel	847,395		731,087
Other purchased services	2,696,143		2,324,468
Depreciation and amortization	246,259		199,332
Other operating expenses	1,299,776		1,442,878
Total operating expenses	21,167,330		19,241,308
INCOME FROM OPERATIONS	3,896,742		8,892,443
OTHER INCOME	1,295,134		1,340,985
NET INCOME	\$ 5,191,876	\$	10,233,428

See notes to unaudited financial statements.



**MERITOR WABCO VEHICLE CONTROL SYSTEMS****STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007 (As Restated) (Unaudited)**

	<b>2008</b>		<b>2007</b> (As Restated, see Note 9)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income	\$ 5,191,876	\$	10,233,428
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,164,188		1,233,541
Loss on disposal of assets	—		478
Provision for doubtful accounts	101,667		86,600
Change in assets and liabilities provided by (used in) cash:			
Trade and related-party accounts receivable	1,690,239		7,485,545
Inventories	661,521		6,827,267
Prepaid and other current assets	(364,592)		(14,602)
Trade and related-party accounts payable	(3,537,656)		(8,652,558)
Accrued liabilities	56,076		(818,254)
Net cash provided by operating activities	4,963,319		16,381,445
<b>CASH FLOWS FROM INVESTING ACTIVITIES –</b>			
Acquisition of property and equipment	(390,548)		(526,797)
<b>CASH FLOWS FROM FINANCING ACTIVITIES –</b>			
Partners' distributions:			
Meritor Brake Systems, Inc.	(3,000,000)		(10,000,000)
WABCO Automotive Control Systems, Inc.	(3,000,000)		(10,000,000)
Net cash used in financing activities	(6,000,000)		(20,000,000)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,427,229)</b>		<b>(4,145,352)</b>
<b>CASH AND CASH EQUIVALENTS – Beginning of year</b>	<b>2,288,727</b>		<b>6,434,079</b>
<b>CASH AND CASH EQUIVALENTS – End of year</b>			