

Meritor remains comm global off-highway mar

By K. Gopalakrishnan

In January 2011 ArvinMeritor announced a name change from ArvinMeritor Inc. to Meritor Inc. "The company is taking the action because the Meritor name is recognized by our commercial vehicle and industrial customers around the world," said Mr. Chip McClure, Chairman of the Board, CEO and President, ArvinMeritor, Inc. "We are now organized to focus entirely on innovative products and technologies that offer superior

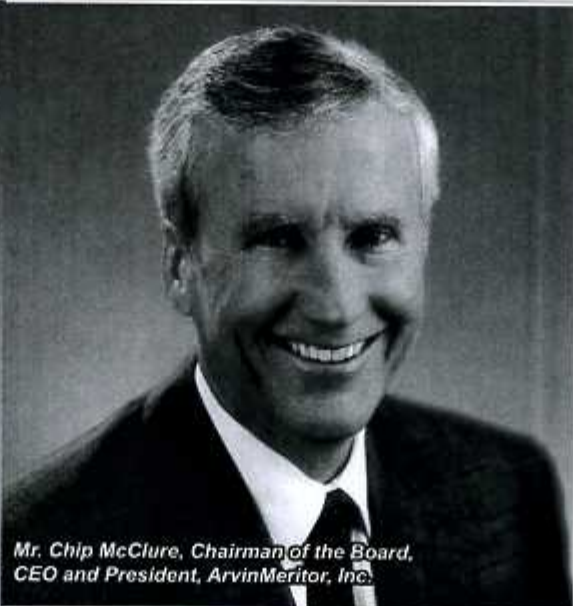
performance, energy efficiency and reliability."

Mr. McClure continued, "Changing the name back to Meritor gives us the opportunity to leverage the strong reputation we've developed, and to build on it as we continue to define ourselves as the recognized leader in drivetrain, mobility, braking and aftermarket solutions in commercial vehicle and industrial markets."

Meritor has put in place a well-

defined strategy to grow its off-highway business to meet the expected growth in demand in the coming years. The company is investing in product design and development, as well as in manufacturing capacity, while simultaneously executing successful production launches for its growing customer base.

In 2009, ArvinMeritor announced its intention to re-enter the off-highway market in North America and Europe. Since then,



*Mr. Chip McClure, Chairman of the Board,
CEO and President, ArvinMeritor, Inc.*

Off-highway construction equipment production is expected to remain strong as China embarks on its latest Five-Year Plan to invest \$1-2 billion on rural urbanization and transportation construction from 2011 to 2015.

Fuelling the expansion is a customer-focused strategy that provides unmatched

highway drive systems solution.

With its long history of expertise in designing and manufacturing heavy-duty axles for commercial vehicle customers, and the strong off-highway capabilities developed in China, Meritor is prepared to grow this business and seize global market opportunities.

The company manufactures its off-highway drivetrain components in Xuzhou, China, in a joint venture with its long-term partner, Xuzhou Construction Machinery Group (XCMG), and at its manufacturing facility in Newark, Ohio. Meritor is a leading producer of off-highway axles in China with a strategic priority to expand in all major regions of the world.

The joint venture, Xuzhou Meritor Axle Co. Ltd. (XMAL), plans to invest an additional \$17.3 million to expand its manufacturing capability with an additional 26,000 sq. metres of capacity. These investments will facilitate expansion of the on-highway business in China, as well as the growth of the off-highway capabilities in the largest commercial vehicle market in the world.

speed-to-market, unique customization capabilities and superior quality and durability – supported by global engineering and manufacturing resources, in addition to a well-known and trusted aftermarket parts and service network.

Using a modular design approach for carriers, wheel-ends and braking systems, the company is engineering products that offer customized solutions – and doing so with lead times the company believes to be approximately 50 per cent less than its competitors.

Beginning with design flexibility and modularity for off-highway customization, Meritor now fabricates, instead of casting, its axle housing components allowing size variations without retooling – a major contributor to lower cost production and significantly reduced lead times.

The company also uses its advanced gear manufacturing technology to meet its customers' needs for planetary wheel-ends and differentials in cranes, terminal tractors, loaders, mining trucks and fork lifts. ♦

the company has developed an initial product portfolio and signed contracts to supply North American customers. It is now working to re-establish its off-highway market share in North America and Europe and expects to grow this business in South America and expand its leadership position in Asia Pacific. Additionally, the company is looking to leverage adjacent off-highway products to better serve its customers with a complete off-