

MERITOR INC
Form FWP
May 29, 2013

Issuer Free Writing Prospectus
Filed by: Meritor, Inc.
Pursuant to Rule 433 under the Securities Act of 1933
Registration Statement on Form S-3: No. 333-179405
May 28, 2013

Meritor, Inc.
Pricing Term Sheet

This Pricing Term Sheet is qualified in its entirety by reference to the Preliminary Prospectus Supplement dated May 28, 2013 (the "Preliminary Prospectus Supplement") filed with the Securities and Exchange Commission by Meritor, Inc. (the "Issuer"). The information in this Pricing Term Sheet supplements the Preliminary Prospectus Supplement and supersedes the information in the Preliminary Prospectus Supplement to the extent it is inconsistent with the information in the Preliminary Prospectus Supplement. Capitalized terms used in this Pricing Term Sheet but not defined have the meanings given them in the Preliminary Prospectus Supplement.

Issuer:	Meritor, Inc.
Guarantees:	Each of the Issuer's subsidiaries from time to time guaranteeing its senior secured credit facility, as it may be amended, extended, replaced or refinanced, or any subsequent credit facility (other than one subsidiary that currently has minimal assets, which the Issuer plans to dissolve after obtaining all required approvals) will guarantee the Notes on a senior unsecured basis. These guarantees will remain in effect until the earlier to occur of payment in full of the Notes or termination or release of the applicable corresponding guarantee under the Issuer's senior secured credit facility, as it may be amended, extended, replaced or refinanced, or any subsequent credit facility. The guarantees will rank equally with existing and future senior unsecured indebtedness of such subsidiaries. The guarantees will be effectively subordinated to all of the existing and future secured indebtedness of such subsidiaries, to the extent of the value of the assets securing such indebtedness.
Security:	6-3/4% Notes due 2021
Size:	\$275,000,000
Maturity:	June 15, 2021
Coupon:	6-3/4%
Offering Price:	100.000%
Yield to Maturity:	6-3/4%
Spread to Benchmark Treasury:	501 basis points
Benchmark Treasury:	U.S. Treasury 3.125% due May 15, 2021
Interest Payment Dates:	June 15 and December 15, commencing December 15, 2013
Record Dates:	June 1 and December 1

Gross Proceeds: \$275,000,000

Net Proceeds to the Issuer (Before Expenses): \$270,187,500

Redemption Provisions:

Make-Whole Call:

Prior to June 15, 2016, the Issuer may redeem, at its option, from time to time, any of the Notes, in whole or in part, at the redemption price calculated as described in the Preliminary Prospectus Supplement under "Description of the notes" Optional redemption Make-whole redemption. For purposes of such calculation, the applicable premium shall mean, with respect to a Note at any redemption date, the greater of (i) 1.0% of the principal amount of such Note and (ii) the excess of (A) the present value at such redemption date of (1) the redemption price of such Note at June 15, 2016 (as set forth below under "Redemption Prices") plus (2) all remaining required interest payments due on such Note through June 15, 2016 (excluding accrued and unpaid interest, if any, to the redemption date), computed using a discount rate equal to the Treasury rate plus 50 basis points, over (B) 100% of the principal amount of such Note.

Redemption Prices:

On or after June 15, 2016, the Issuer may redeem, at its option, from time to time, the Notes, in whole or in part, at the redemption prices (expressed as percentages of the principal amount of the Notes to be redeemed) set forth below, plus accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the right of holders of record on the relevant regular record date to receive interest due on an interest payment date that is on or prior to the redemption date) on the Notes to be redeemed, if redeemed during the 12-month period beginning on June 15 of the years indicated below:

Year	Redemption price
2016	105.063%
2017	103.375%
2018	101.688%
2019 and thereafter	100.000%

Redemption With Proceeds of Equity Offering:

Prior to June 15, 2016, the Issuer may redeem, at its option, from time to time, up to 35% of the aggregate principal amount of the Notes issued on May 31, 2013 with the net cash proceeds of one or more public sales of the Issuer's common stock at a redemption price equal to 106.75% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the right of holders of record on the relevant regular record date to receive interest due on an interest payment date that is on or prior to the redemption date) on the Notes to be redeemed; *provided* that at least 65% of the aggregate principal amount of Notes originally issued on May 31, 2013 remains outstanding after each such redemption and notice of any such redemption is mailed within 90 days of any such sale of common stock.

Edgar Filing: MERITOR INC - Form FWP

Change of Control:	If a change of control (as defined in the Preliminary Prospectus Supplement) occurs, unless the Issuer has exercised its right to redeem the Notes, each holder of Notes may require the Issuer to repurchase some or all of such holder's Notes at a purchase price equal to 101% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest, if any, to, but not including, the payment date (subject to the right of holders of record on the relevant regular record date to receive interest due on an interest payment date that is on or prior to the payment date) on the Notes to be repurchased.
Trade Date:	May 28, 2013
Settlement (T+3):	May 31, 2013
Denominations:	\$1,000 and integral multiples of \$1,000 in excess thereof
CUSIP:	59001K AB6
ISIN:	US59001KAB61
Form of Offering:	SEC Registered (Registration No. 333-179405)
Joint Book-Running Managers:	Citigroup Global Markets Inc. J.P. Morgan Securities LLC Merrill Lynch, Pierce, Fenner & Smith Incorporated RBS Securities Inc. UBS Securities LLC
Co-Managers:	BNP Paribas Securities Corp. PNC Capital Markets LLC Comerica Securities, Inc. The Huntington Investment Company Deutsche Bank Securities Inc. Fifth Third Securities, Inc.

The issuer has filed a registration statement (including a prospectus and prospectus supplement) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by contacting Citigroup Global Markets Inc. toll-free at 877-858-5407.