BAE Systems and Navistar Unveil Joint Light Tactical Vehicle Prototype at AUSA Winter Symposium

Design optimizes payload, protection and performance

For downloadable photos and more visit www.baesystemspresskit.com/jltv.

FT. LAUDERDALE, Fla. (February 27, 2008) BAE Systems and teammate Navistar International Corporation today unveiled a fully-operational system the team will use for the competitive Joint Light Tactical Vehicle (JLTV) program. JLTV is the U.S. multi-service initiative for fielding a family of future light tactical vehicles.

"Our approach to the JLTV program is focused on the Warfighter," said Matt Riddle, vice president of Wheeled Vehicles at BAE Systems. "The BAE Systems-Navistar JLTV team has taken a warrior-centric design approach that provides the foundation for a future family of vehicles that will meet the Joint Services' light tactical vehicle requirements for decades to come."

The BAE Systems-Navistar JLTV design optimizes what's referred to as the "iron triangle" - payload, protection and performance - to meet all requirements of the JLTV program. The 16,000-pound vehicle incorporates lessons learned from the U.S. Department of Defense's Mine Resistant Ambush Protected (MRAP) vehicle program and features the latest in lightweight, advanced armor and a v-shaped hull design to provide unmatched crew protection. The vehicle will out-perform existing tactical systems by providing exportable power that exceeds JLTV requirements and existing MRAP capabilities. Its modular design maximizes commonality across JLTV variants and enables the seamless integration of future technologies.

BAE Systems and Navistar announced their collaboration in October 2007 to take advantage of combined capabilities that most effectively support the JLTV program.

"BAE Systems' proven combat vehicle design excellence combined with Navistar's world class supply chain management, logistics and production capabilities provides unmatched JLTV design, production and support capability from concept to combat," said Archie Massicotte, president of Navistar Defense, an affiliate of Navistar International Corporation.

The teaming arrangement builds off the two company's current leadership in armored and tactical vehicle development and support, which includes the team working together for the benefit of the joint U.S customer on programs like MRAP. Combined, the BAE-Navistar team maximizes JLTV program value through proven capabilities, lean manufacturing and extensive worldwide logistics support. The BAE Systems-Navistar team combined has received nearly three-quarters of all MRAP vehicle orders.

Navistar is the highest-volume MRAP supplier while BAE Systems provides the most MRAP variants.

On average, Navistar produces more than 100,000 vehicles per year and produced more than a half-million engines in 2007 while BAE Systems has successfully produced and supported more than 200,000 combat and tactical vehicles - making them the largest non-governmental producer of armored vehicles in the world.

The JLTV will be on display in booth number 2411 during the AUSA Winter Symposium at the Broward County Convention Center in Fort Lauderdale, Fla.

About BAE Systems

BAE Systems is the premier global defense and aerospace company delivering a full range of products and services for air, land and naval forces, as well as advanced electronics, information technology solutions and customer support services. With 96,000 employees worldwide, BAE Systems' sales exceeded \$27 billion in 2006*.

*On a pro forma basis, assuming BAE Systems had owned Armor Holdings Inc, for the whole of 2006.

About Navistar International Corporation

Navistar International Corporation (Other OTC: NAVZ) is a holding company whose wholly owned subsidiaries produce International® brand commercial and military vehicles, MaxxForce™ brand diesel engines, IC brand school and commercial buses, and Workhorse brand chassis for motor homes and step vans. It also is a private-label designer and manufacturer of diesel engines for the pickup truck, van and SUV markets. The company also provides truck and diesel engine parts and service. Another wholly owned subsidiary offers financing

services.

For further information, please contact:

Garrie Dornan, BAE Systems

Tel: 717-225-8004 Mobile: 717-818-7401

garrie.dornan@baesystems.com

Tim Touhy, Navistar International Corporation Tel: 630-753-3869 Mobile: 630-730-1749

tim.touhy@navistar.com

www.baesystems.com www.navistar.com