

Navistar and Modec Sign Joint Venture to Produce and Market All-Electric Truck

All-Electric Trucks Will Further Expand Navistar's Clean Technology Portfolio



WARRENVILLE, Ill. (Dec. 2, 2009) – Navistar International Corporation (NYSE: NAV) announced today that one of its wholly owned affiliates has signed a joint venture agreement with Modec Limited of the United Kingdom to create the Navistar-Modec EV Alliance, LLC. The joint venture will produce Class 2c-3 all-electric commercial trucks for sale in North, Central and South America.

The trucks are designed and purpose-built to be electrically driven. Intended for urban applications involving heavy stop-and-go driving, they are aerodynamically styled with a two-ton plus carrying capacity, rely solely on plug-in power, and are projected to have a range of up to 100 miles per charge. They produce zero tailpipe emissions and are the latest in a series of advanced, clean technology vehicles that have become part of Navistar's portfolio.

In August, President Obama announced that Navistar would receive a federal grant of \$39.2 million in government stimulus funding from the Department of Energy to develop and build all-electric trucks. These trucks will be produced in Elkhart County, Ind. Navistar intends to produce 400 electric vehicles in 2010, and expects to be producing several thousand annually within two years. As volumes grow, Navistar anticipates the creation of up to 700 new jobs, including suppliers and employees.

The collaboration between Navistar and the Department of Energy demonstrates the importance of business and government working together to make energy efficient vehicles a reality, and the continued need for research and development of advanced commercial vehicle technologies.

"The commercial market is ready for electric vehicle technology to advance," said Dee Kapur, president, Navistar Truck Group. "This vehicle is road ready for fleets to implement as a practical solution for many applications. It has an excellent, eye-catching design that says, 'this is something different, the future is now.' We see this as an ideal vehicle for the U.S. urban markets. We already have interested customers, including some of the most respected names in the industry."

"We are very pleased to partner with Navistar in this new venture," said Bill Gillespie, Modec chief executive officer. "Navistar's commercial truck market leadership, coupled with their proven track record of clean vehicle technology, makes them the perfect partner."

"Working with Modec is another example of Navistar's strategy of growth through leveraging our own assets and those that others have built," Kapur added. "This joint venture further enhances our ability to provide customers with the best technology available, while also reducing America's dependence on foreign oil and preserving our environment." By one internal estimate, depending on the source of electricity, each zero-emissions electric truck could prevent as much as 20,000 lbs. of carbon dioxide from being released into the atmosphere annually when compared to a fossil fuel powered truck with a similar duty cycle.

Most Fuel Efficient Heavy Trucks

In addition to all-electric and hybrid-electric trucks and buses, the conventional line-up of International® brand commercial trucks is among the most aerodynamic, fuel efficient in the industry. Navistar recently became the first original equipment manufacturer (OEM) to receive dual certification through the U.S. Environmental Protection Agency (EPA) SmartWay Program for helping to reduce greenhouse gas emissions. Navistar produces two industry-leading Class 8 trucks with SmartWay certification — International LoneStar® and International ProStar® — a distinction they received for their superior aerodynamics and fuel economy. While the aerodynamic ProStar Class 8 tractor is the market leader in fuel-efficiency, in June 2008 the groundbreaking LoneStar became the first classic-styled Class 8 tractor to receive the SmartWay certification.

Environmental Innovations

For decades, Navistar has demonstrated a commitment to clean technologies that benefit the environment and its customers. In 1989, Navistar was the first OEM to release the smokeless diesel engine and, in 2001, Navistar was the first engine manufacturer to gain certification from the EPA for meeting reduced particulate and hydrocarbon emissions standards – six years ahead of schedule. Navistar was also the first to enter line production of commercial diesel hybrid trucks and school buses.

About Navistar

Navistar International Corporation (NYSE: NAV) is a holding company whose wholly owned subsidiaries and affiliates produce International® brand commercial and military trucks, MaxxForce® brand diesel engines, IC Bus™ brand school and commercial buses, Monaco RV brands of recreational vehicles, 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 affiliate offers financing services. Additional information is available at www.Navistar.com/newsroom.

About Modec

Modec was founded in 2004 by a team of automotive engineering experts lead by Lord Borwick; its vehicles were launched in 2007.

Heralded as the future of urban commercial transport, the Modec is the first purpose designed and built vehicle of its kind. Quiet, efficient and stylish, it harnesses the power of world leading battery technology and revolutionary LEAN manufacturing techniques to deliver a range of commercial vehicles that are perfect for use in city environments.

Modec is expanding rapidly. Modec dealers are now established in France, Netherlands, Spain, Germany, and Ireland. This growth is set to not only transform the commercial vehicle sector, but the whole automotive industry.

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