

Navistar Extends Its Tax Asset Protection Plan To November 3, 2014

LISLE, Ill., Aug. 29, 2014 /[PRNewswire](#)/ -- Navistar International Corporation (NYSE: NAV) announced today that its Board of Directors approved an amendment to its Tax Asset Protection Plan that extends the expiration of the plan to November 3, 2014. The Tax Asset Protection Plan was adopted in June 2014 to protect the long-term value of Navistar's substantial net operating losses and was set to expire on September 1, 2014.

"Following the adoption of the Tax Asset Protection Plan this past June, Navistar's Board of Directors has further reviewed and studied the status of the company's net operating losses and other carryforwards to determine the alignment of the plan with the best interests of the company," said James Keyes, Navistar's Board of Directors non-executive chairman. "As a result of the Board of Directors' review, we believe it is appropriate at this time to extend the expiration of the Tax Asset Protection Plan to November 3, 2014."

The Tax Asset Protection Plan was adopted on June 17, 2014, to protect Navistar's valuable tax assets by reducing the likelihood of an unintended "ownership change" under IRS guidelines. This plan is similar to tax protection plans adopted by other public companies with significant tax attributes. As of October 31, 2013, Navistar had a federal net operating loss carryforward of approximately \$1.7 billion.

Under Section 382 of the Internal Revenue Code, the use of the company's net operating loss and other carryforwards would be limited in the event of an "ownership change," which is defined as a cumulative change of more than 50 percent during any three year period by stockholders owning 5 percent or more of the company's stock.

The Tax Asset Protection Plan is designed to discourage any person or group from becoming a 5 percent stockholder, thereby reducing the risk of such an

ownership change. There is no guarantee, however, that the plan will prevent the company from experiencing an ownership change, and the company may pursue additional means of protecting this substantial asset.

Existing stockholders holding 4.99 percent or more of the company's outstanding shares of common stock are exempt from the provisions of the plan unless they make additional purchases.

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