International Newsroom

GM and Navistar Reach Tentative Agreement on Medium Duty Truck Business

NEW YORK/WARRENVILLE, Ill. (December 20, 2007) General Motors Corporation (NYSE: GM) and International Truck and Engine Corporation, the principal operating subsidiary of Navistar International Corporation (Other OTC: NAVZ), have entered into a non-binding memorandum of understanding under which Navistar would purchase certain assets, intellectual property and distribution rights for GM's medium-duty truck business, the two companies announced today.

As proposed, Navistar would acquire GM's medium-duty truck business, which includes assets and intellectual property rights to manufacture GMC and Chevrolet brand vehicles in the class 4-8 gross vehicle weight range. It also includes purchase of the related service parts business. Navistar would sell a competitive line of Chevrolet and GMC vehicles and service parts through GM's proprietary dealer network in the United States and Canada.

The agreement is another step in GM's plan to focus on designing, manufacturing and selling cars and light trucks globally. The deal would leverage Navistar's strengths in commercial trucks and engines, and advance its strategy to build scale and reduce costs.

Troy Clarke, president of GM North America, said, "Navistar's expertise in building International® brand commercial trucks and its track record in the medium-duty segment makes them an excellent choice to acquire and continue growing the business. We intend to work closely with Navistar to make this transition seamless to our dealers and customers."

"This is another example of how we're strategically growing our business for trucks, engines and parts, building scale and reducing costs," said Daniel C. Ustian, chairman, president and CEO, Navistar International Corporation. "We are proud to incorporate the GM truck brands into our portfolio, and will utilize the scale to build on the success of both the International and GM product lines and their respective distribution networks."

Navistar would add the GMC® TopKick and Chevrolet® Kodiak truck brands to its growing portfolio of brands, which currently includes International® brand trucks and tractors, IC® brand buses, Workhorse® brand chassis for motor homes and step vans, and MaxxForce® brand engines.

When a deal is definitively concluded, production of the vehicles would move from GM's plant in Flint, Mich., to a Navistar facility to be named. GM would retain ownership of its Flint plant and continue to build other products at the facility.

GM will continue its medium-duty truck relationship with Isuzu to market W-Series trucks through GM's medium-duty dealer network.

The deal is expected to close in 2008 subject to completion of satisfactory due diligence, the negotiation of a definitive purchase agreement, customary regulatory clearance and board approval. Upon closing, transition of the business could take several months to conclude.

General Motors Corp. (NYSE: GM), the world's largest automaker, has been the annual global industry sales leader for 76 years. Founded in 1908, GM today employs about 284,000 people around the world. With global headquarters in Detroit, GM manufactures its cars and trucks in 33 countries. In 2006, nearly 9.1 million GM cars and trucks were sold globally under the following brands: Buick, Cadillac, Chevrolet, GMC, GM Daewoo, Holden, HUMMER, Opel, Pontiac, Saab, Saturn and Vauxhall. GM's OnStar subsidiary is the industry leader in vehicle safety, security and information services. More information on GM can be found at www.gm.com.

Forward Looking Statements

Information provided and statements contained in this news release that are not purely historical are forward -looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act, and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements only speak as of the date of this news release and the company assumes no obligation to update the information included in the presentation. Such forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These statements often include words such as "believe," "expect," "anticipate," "intend," "plan," "goal," "estimate" or similar expressions. These statements are not guarantees of performance or results and they involve risks, uncertainties and assumptions. Although we believe that these forward-looking statements are based on reasonable assumptions, there are many factors that could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. For a further description of these factors, please see Item 1A of our Annual Report on Form 10-K for the fiscal year ended October, 31, 2005 filed with the Securities and Exchange Commission on December 10, 2007.

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