Navistar, American LaFrance Plan Vocational Truck Joint Venture

Warrenville, Ill. (August 6, 2008) Two leaders in commercial transportation have new plans to work together to develop, manufacture and support low cab-over engine (LCOE) vocational trucks.

Navistar, Inc. and American LaFrance, LLC today announced plans to launch a joint venture that will combine the strengths and resources of both companies to manufacture and distribute vocational trucks for domestic and global markets.

The initial product focus will target the refuse and construction segments with future products planned for additional vocational markets. Through the venture, the American LaFrance Summerville, SC, manufacturing facility will become the manufacturing hub for the new products.

“We believe the strengths of our vocational line are exponentially enhanced when combined with the proprietary components, engines and distribution of Navistar,” said Patriarch Partners Chief Executive Lynn Tilton. “This will be an exciting journey to build a broad global product offering and we are honored to combine the talents and names of Navistar and American LaFrance.”

The joint venture will build upon the engineering platform of American LaFrance and further enhance the product offering with proprietary Navistar components. Navistar engines will be incorporated within the product offering providing a clear advantage for the new line of trucks heading into the 2010 EPA emission requirements.

“Working with American LaFrance is another example of Navistar’s strategy of growth through leveraging our own assets and those that others have built,”

said Daniel C. Ustian, Navistar chairman, president and CEO. “This relationship provides us with a new opportunity to further grow our business globally and meet the needs of customers through a new line of vocational vehicles.”

The companies have commissioned teams to focus on truck and engine opportunities. The initiatives contemplated by the Term Sheet are subject to completion of due diligence, execution of definitive agreements and regulatory approvals.

About American LaFrance
American LaFrance, LLC, is a leading manufacturer of fire, rescue and vocational vehicles. Through its predecessor entities, the Company is one of the oldest fire apparatus manufacturers in the United States, dating back to its founding in 1832. The Company operates four manufacturing facilities with over 200 dealership locations throughout North America.

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