International Newsroom

Navistar Reorganizes Truck Business

Focus On Great Products, Streamlined Cost Structure, Profitable Global Growth

North American Truck – Global Truck – Global Bus – Navistar Defense

WARRENVILLE, Ill. (November 10, 2008) - **Navistar International Corporation (NYSE:NAV)** To propel momentum of its business strategy around customers, products and growth opportunities, Navistar will organize its truck segment into four business units: North American Truck Operations, Global Truck Operations, Global Bus Operations and Navistar Defense.

The reorganization enhances the company's competitiveness around the world and strengthens its core businesses in North America, said Dan Ustian, Navistar chairman, president and chief executive officer.

"We are organizing our truck segment to better capitalize on the momentum and opportunities ahead for Navistar in our core markets and around the world," said Ustian. "Just a few years ago we set the goal to double our revenue to become a $15 billion company by 2009, and we are on the brink of achieving that mark despite one of the worst North American truck markets in recent history and the overall hardship of the U.S. economy. We must look at ways to continue our forward momentum around customers, new products and growth opportunities."

• **North American Truck Operations** – Customers in Navistar's core markets in North America will be served by a team with a singular focus on products, operations and sales for the U.S., Canada and Mexico. An array of new, innovative and fuel efficient products are setting new standards in the industry – from the International® ProStar™ and LoneStar® long-haul trucks to diesel

hybrid medium trucks – and more innovations are coming.

• **Global Truck Operations** – Customers in markets outside of North America will see products developed specifically for their unique needs by a team focused on global product development, sales and operations. These efforts will include expanding Navistar's export operations and further development and implementation of Navistar's joint venture with Mahindra as well as a proposed joint venture with Caterpillar.

• **Global Bus Operations** – Will lead all commercial and school bus product development, operations and sales throughout the world. For instance, a subsidiary of Navistar based in Mexico and a Brazilian bus body builder are exploring a joint venture to manufacture commercial bus bodies to be distributed as commercial integrated buses through the IC Bus Dealer channel beginning in 2009. In addition, the Bus team is delivering school buses to First Student as part of an agreement valued at up to $1.2 billion for CE Series school buses through 2010, with an option to provide additional buses through 2012.

• **Navistar Defense** – As a sustainable $2 billion annual business, Navistar Defense will continue its success converting commercial truck platforms, engines and components into specialized vehicles for the U.S. military and allied countries. In 2005, Navistar re-established its place in the defense sector and quickly emerged as one of the Top 100 defense contractors in the U.S. highlighted by its MaxxPro™ Mine Resistant Ambush Protected (MRAP) vehicle and Medium Tactical Vehicles (MTV) built off the International® WorkStar® truck platform.

Further definition of the new organization structure and appointment of

executives will take place over the next two months. The changes will involve some targeted job reductions as functions are consolidated and streamlined to align with market conditions, but numbers have not been determined.

---

https://news.international.com/news?item=211