International Newsroom

Navistar Defense Adds New Foreign Business With First Canadian Military Contract

Award is Part of Canada's MSVS Project to Strengthen Domestic Operations

WARRENVILLE, Ill. (January 12, 2009) Navistar Defense, LLC received its first Canadian military contract to date to provide the Canadian Department of National Defence with Military Commercial off the Shelf (MILCOTS) vehicles. The vehicles are the first element of Canada's Medium Support Vehicle System (MSVS) project, which will invest in medium sized logistics trucks to support domestic operations and sustain deployed forces. The C$275 million (~US$231 million) award will provide up to 1,300 vehicles and utilize the Canadian organization and dealer network of Navistar Canada, Inc for training, delivery, parts and maintenance support.

This award positions the company well for future opportunities under MSVS such as the replacement of Standard Military Pattern (SMP) medium lift trucks and trailers. As part of the MSVS project, SMP replacement is estimated to be more than 1,500 units.

"MILCOTS vehicles provide a strong area of growth for Navistar," said Archie Massicotte, president, Navistar Defense. "While our militarized commercial off the shelf trucks are built to help effectively perform various missions, our existing Canadian dealer network will provide quick parts and maintenance support for domestic missions."

The MILCOTS order will allow the Canadian military to customize vehicle variants based off the International® WorkStar® platform. Optional upgrades and additional military components will let Canada further tailor its vehicles for domestic mission use. Under the multi-year contract, six vehicle variants will be provided including General Troop Transporters, ISO (International

Organization for Standardization) container transporters, as well as additional equipment such as augers and cranes.

Navistar's extensive Canadian dealer network includes 93 dealerships. Approximately 600 units of the MILCOTS order will be delivered during fiscal year 2009 with the remaining units to be delivered in fiscal year 2010.

Navistar will continue to pursue new foreign military sales as part of its growth strategy. Since 2004, the company has won contracts to provide more than 7,000 units to U.S. allies such as Israel, Taiwan and the United Kingdom. In late 2008, the U.K. selected Navistar to compete in the next phase of its Operational Utility Vehicle Systems (OUVS) program. Navistar is also in negotiations with the U.K. to provide a portion of the needed Tactical Support Vehicles (TSV) for the Husky division. The U.K. Ministry of Defence announced in late October that it had earmarked £350 million (~US$530 million) for 400 TSV units.

Navistar Defense is an affiliate of Navistar International Corporation (NYSE: NAV), a holding company whose subsidiaries and affiliates produce International® brand commercial and military trucks, MaxxForce™ brand diesel engines, IC brand school and commercial buses, 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.

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