

President Obama Lauds Navistar for Advancing Clean Vehicle Technologies

All-Electric Commercial Vehicle Expected To Be the First To Market



WAKARUSA, Ind. (August 5, 2009) – Hundreds of Navistar employees today welcomed President Barack Obama to its Wakarusa, Ind., manufacturing facility to celebrate the award of a \$39 million federal grant to develop and build all-electric delivery vehicles and bring jobs to the Elkhart County, Ind., communities.

Through this U.S. Department of Energy grant, Navistar intends to build 400 all-electric vehicles in 2010 and expects that within a couple of years to be producing several thousand vehicles annually. Navistar anticipates hiring additional workers immediately as it ramps up production of the all-electric

delivery vehicle. As volumes increase and the market grows, the company estimates opportunities for several hundred more people in the Elkhart area. The grant application calls for the creation of up to 700 jobs, which includes Navistar employees and suppliers.

“The all-electric delivery vehicle is a concrete example of what business and government can do when we work together,” said Dan Ustian, Navistar chairman, president and chief executive officer. “The future is now with this electric vehicle. In fact, we already have interested customers, including some of the most respected names in the industry.”

Navistar is in the process of finalizing a joint venture with Modec Ltd. of the United Kingdom to produce and sell electric Class 2c-3 commercial vehicles in North, Central and South America. This zero emission all-electric delivery vehicle would primarily be used by drivers for local deliveries where stop and go driving would otherwise consume a large amount of fuel.

Navistar has three manufacturing facilities in the area: the Monaco RV facility in Wakarusa, Ind., another facility recently purchased from Monaco in Elkhart City, Ind., and the Workhorse Custom Chassis facility in Union City, Ind.

“Navistar is keenly aware of our fiscal and social responsibilities as we stand here today in a facility that Navistar bought from a bankrupt entity,” said Ustian. “Navistar believes in its people and products, and that is why the company is investing in the Elkhart area. We have already added jobs since we bought some of the assets of Monaco out of bankruptcy.”

Earlier this year, Navistar purchased certain assets of the recreational vehicle (RV) manufacturing business of Monaco Coach Corporation, one of the nation’s leading recreational vehicle manufacturers.

Navistar's commitment to innovation is embedded in its DNA. The company's foundations were laid in 1831 when Cyrus McCormick invented the mechanical reaper, creating a new industry, modern agriculture, which allowed farmers to expand America westward. The company's reputation for bringing new technologies to market has deep historical roots. The development of an all-electric commercial vehicle would be the latest in clean technologies for the truck and engine market that Navistar has been first to market with.

Hybrid School Bus and Truck and Military Vehicles on Display

Also on display for President Obama was the company's hybrid electric plug-in school bus, its hybrid International® DuraStar®, the Mine Resistant Ambush Protected® (MRAP) vehicle and the International® Husky Tactical Support Vehicle (TSV). Navistar was also the first to enter line production of commercial diesel hybrid trucks and school buses. In addition to hybrid-electric trucks and buses, the conventional line-up of International brand commercial trucks is among the most aerodynamic, fuel efficient in the industry.

Advancing Clean Diesel Technologies

For decades, Navistar has demonstrated a commitment to clean diesel technologies that benefit the environment and its customers. In 1989, Navistar was the first original equipment manufacturer to release the smokeless diesel engine and, in 2001, Navistar was the first engine manufacturer to gain certification from the U.S. Environmental Protection Agency (EPA) for meeting particulate and hydrocarbon emissions standards – six years ahead of schedule.

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