

International Newsroom

Navistar to Establish State-Of-The-Art Testing and Validation Center in Melrose Park Company Will Renovate Historic Facility for High-Tech Commercial Truck and Engine Development

MELROSE PARK, Ill. (Oct. 29, 2010)—Navistar International Corporation (NYSE: NAV) announced the company's intent to locate a new testing and validation center in Melrose Park at a facility that has been part of Navistar's history for nearly 65 years.

Daniel C. Ustian, Navistar chairman, president and chief executive officer, said the company plans to invest up to \$90 million in the 80-acre campus over the next several years to create a state-of-the-art technology center that celebrates the company's heritage while developing leading-edge commercial truck and diesel engine solutions to meet the needs of today's—and tomorrow's—customers.

The Melrose Park facility is intended to complement Navistar's integrated product development center that will be located at the former Alcatel-Lucent East campus in Lisle, as announced last month.

Ustian credited Illinois Gov. Pat Quinn and Attorney General Lisa Madigan with clearing a path for the company to retain or create nearly 3,000 permanent jobs between the two campuses over the next several years along with more than 600 construction jobs. Gov. Quinn directed the Department of Commerce and Economic Opportunity to work with Navistar on a package of incentives including the EDGE program, which provides tax credits for firms creating/retaining jobs and making significant capital investments. In all, the Quinn administration committed an investment package of nearly \$65 million.

Cook County Board President Todd Stroger and the Cook County Board of

Commissioners were also instrumental in helping to solidify Navistar's long-term commitment to Melrose Park. They unanimously approved issuance of \$90 million in recovery zone facility revenue bonds to provide Navistar with access to cost-effective financing to support improvements at the Melrose Park facility.

The Cook County bonds were issued at the same time as \$135 million of recovery zone facility revenue bonds issued by the Illinois Finance Authority (IFA) for the purpose of financing Navistar's Lisle facility and Joliet Parts Distribution Center. The IFA recovery zone bonds pooled volume cap allocations from several sources across Illinois and demonstrated the power of state, regional and local government partnerships.

"We're creating economic opportunity for the whole region at a time of substantial unemployment in Illinois," Ustian said. "Without the investment package from Gov. Quinn's administration and the governor's personal commitment to see this project through, the creation of the Lisle campus and Melrose Park facility renovation would not be possible."

Final plans for the facility are contingent upon UAW ratification of new labor contracts this weekend.

"The only way we are going to get our economy back on track is by creating—and keeping—good jobs right here in Illinois," said Governor Quinn. "That's why it is so important that we continue working to put together incentive packages like these that are keeping major companies like Navistar in our state, and our hard workers employed."

"With so many older manufacturing plants shutting down across the country, Navistar sees an opportunity to leverage our assets and reinvest in an existing facility to enable our growth as a company," said Navistar Chief Information

Officer Don Sharp, the project leader for the company's local development efforts. "This investment solidifies our partnership with the UAW, our commitment to Melrose Park and the state of Illinois, where we've built a reputation as a good neighbor and trusted business partner. We're here to stay."

Constructed in 1941, the Melrose Park facility originally was operated by Buick to build engines for the B-24 Liberator bomber. In 1946, Navistar's precursor, International Harvester, purchased the plant to build construction equipment and engines. Currently, the facility is home to Navistar's Engine Group headquarters, I-6 engine manufacturing operations and powertrain product development.

The company's plans for Melrose Park will enable Navistar to expand its leadership as a heavy duty, environmentally concerned vehicle manufacturer. A portion of the campus will be dedicated to creating the next generation of commercial trucks and buses, including hybrid and electric vehicles, state-of-the-art emissions controls and the latest in diesel engine technology. Consistent with Navistar's reputation as an environmental leader, the facility's exterior will include new green space, walking trails and approximately 10 acres of restored native prairie land. The building also will house a museum that will highlight the company's rich and storied history.

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