

Navistar, JAC Receive Joint Venture Approval

Chinese Government Approves Engine Joint Venture Business License for Navistar, Chinese Truck Maker Anhui Jianghuai Automobile Co. Ltd. (JAC)

JV Will Leverage Navistar's Fuel Efficient Advanced 'Clean Engine' Emissions Technology for Chinese Commercial Truck Market; Companies to Submit Application for Truck JV this Fall

BEIJING, Aug. 22, 2012 [/PRNewswire/](#) -- Navistar International Corporation (NYSE: NAV) and Chinese truck maker Anhui Jianghuai Automobile Co. Ltd. (JAC) announced this week that the two companies have received formal approval from the Chinese government to move forward with their commercial engine joint venture. The joint venture will focus on meeting the emerging needs of the Chinese commercial truck market by providing JAC with access to Navistar's Euro IV and Euro V compliant technology. The JV also sets the stage for global export opportunities of JAC's light-, medium- and heavy-duty commercial trucks.

(Logo: <http://photos.prnewswire.com/prnh/20120127/MM32830LOGO-a>)

"Our joint venture with JAC represents a significant step in Navistar's global growth," said Troy Clarke, president Navistar Truck & Engine. "Consistent with our strategy, this partnership will leverage the assets and capabilities of both companies. We recognize the importance of the Chinese market and our joint venture with a strong partner such as JAC enables us to establish an immediate presence in China as we grow our business in the Asia Pacific region."

"Our partnership with Navistar will bring cutting-edge diesel and commercial truck technology to our customers, as we deliver on our mission to make better products while we build a better society," said Mr. An Jin, chairman,

JAC. "Durable, fuel efficient products will enable JAC to continue leading in the commercial vehicle market in China and to export globally."

Navistar and JAC signed their joint venture agreements in September 2010 and since that time the companies have been setting things in motion for a swift and smooth launch upon formal government approval. Navistar has established a central China office in Shanghai, as well as satellite offices in Beijing and Hefei with a well-rounded team of Chinese nationals and U.S. and Brazilian employees who work closely with their JAC counterparts, gaining insight and understanding of the Chinese market. In Hefei, product development engineers from both companies have been collaborating on engine and vehicle design. Additionally, construction has started on a 93,000m² machining and assembly facility, research and development center, and administrative offices in Hefei to support the new venture.

Global Collaboration

The engine joint venture represents the first phase of global collaboration between Navistar and JAC. The companies plan to formally submit their commercial truck joint venture application to the Chinese government later this fall. In addition, earlier this spring the two companies signed letters of intent (LOIs) to collaborate on design and production of light-duty commercial truck export opportunities for Navistar dealers in Brazil and Mexico.

"We look forward to continuing our collaboration with Navistar beyond just our joint venture, but to create a truly 'global' partnership," Chairman An added. "By taking the best of both companies, together we can develop products in China for China, and in China for other markets around the world."

Products

The products slated for the joint venture include Navistar's MaxxForce® 3.2, 4.8, 7.2 and JAC's 2.8 4DA1 liter engines. The engines offer up to 118 kW

power and 45.9 kgf.m torque @ 1,500-2,200 rpm; 140 kW power and 73.4 kgf.m torque @ 1,200-1,600 rpm, 243 kW / 132.6 kgf.m @ 1,200-1,600 rpm, and 88kW/28.5 kgf.m @ 2,000-2,200 rpm respectively. All engines deliver quiet, fuel efficient operation.

"From medium trucks to heavy trucks, from 2.8-liter engines on up to 15-liter engines, cab-over trucks to aero-nose trucks, Navistar has global expertise in a comprehensive portfolio of products," Clarke added. "Navistar has an array of truck and engine designs that will serve the Chinese commercial vehicle market today and innovative technologies for tomorrow as China's infrastructure and logistics needs continue to grow in the future."

** In September 2010, Navistar signed a joint venture agreement with JAC to develop, build and market advanced diesel commercial engines in China. In August 2012, Navistar and JAC announced that they received formal approval from China's National Development and Reform Commission (NDRC) on the engine joint venture and the JV has received its business license. Later this fall, the two companies will submit their commercial truck joint venture for formal approval. Formation of the truck joint venture is subject to finalization of certain procedural steps and the finalization of certain ancillary commercial agreements among the parties.*

About JAC

Anhui Jianghuai Automobile Co. Ltd. (JAC) is principally engaged in the development, manufacture and sale of sport recreational vehicles, passenger cars, commercial vehicles and related parts. The company offers business vehicles under the brand name of Refine, light and heavy trucks, sports recreation vehicles (SRVs) under the brand name of Rein, carriage chassis and cars. <http://jacen.jac.com.cn>.

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