



A NAVISTAR COMPANY

FAQ

▶ **Why is Navistar introducing a new emissions technology?**

We believe that In-Cylinder Technology Plus (ICT+) is an appropriate path to take at this time. It will provide immediate certainty for our customers, dealers, investors, suppliers and employees. Plus, the progress we've made developing our MaxxForce Advanced EGR in-cylinder technology, combined with a proven liquid-based aftertreatment, will serve as the foundation for our next generation of clean engine technology. ICT+ will not only allow us to meet 2010 .2g NOx requirements, it will position us to meet greenhouse gas (GHG) rules in advance of 2014 and 2017 requirements.

▶ **Is Navistar abandoning its in-cylinder Advanced EGR emissions technology?**

No, ICT+ is the best of both worlds. Essentially, it's a new technology that combines our leading in-cylinder technology with a proven liquid aftertreatment system.

▶ **What has been the response of the EPA and California Air Resources Board (CARB)?**

We have shared our technical direction with both the EPA and CARB. They are encouraged by our direction, and by our potential to achieve or exceed future emission standards in advance of the regulations going into effect.

▶ **When will ICT+ be available, and on which products?**

The initial launch of our new emissions technology will focus on the MaxxForce big bore family, beginning with our 13L engine. We are confident that the transition to ICT+ will be seamless. The first 13L engine with ICT+ will go into production in early 2013.

▶ **How will you manage through the transition?**

During the transition, we will use emission credits that we accumulated through early achievement of NOx standards in years past, as well as non-conformance penalties (NCPs) to extend those credits in states that don't accept them at this time. We have been assured by both the EPA and CARB that they are willing to engage in more detailed discussions on the performance of our system.

▶ **What will happen to current orders for trucks equipped with Advanced EGR?**

All current orders meet EPA regulatory requirements. Until ICT+ is available in early 2013, we will continue to rely on a mix of credits and NCPs to satisfy customer demand, and we will continue to ship engines that meet EPA regulatory requirements.

▶ **While you are working toward a resolution with the EPA, what is the impact on your financial situation and liquidity?**

We are working diligently to create a path forward with the EPA, which will not only bring clarity to the market, but will help us execute our business plan and achieve our goals. At this time, we believe it would be best to allow the process with the EPA to come to completion before we comment further on our financial forecasts. As to liquidity, our current position remains stable, and we believe we have access to additional financing sources if appropriate.