

# Navistar News

October 2012

## Plethora of good news from Navistar



"We contend that the stock market has woefully ignored the plethora of positive developments of Navistar over the past few months. Cummins 15-liter engine, dropped EGR strategy, new CEO Lewis Campbell has the right focus, activist shareholders received board representation, market share stabilized over the past two months, suggesting nameplate hasn't been abandoned. With these positives in store, we believe Navistar shares could move higher toward our fair value estimate."

Source: Morningstar, Analyst Perspective October 8<sup>th</sup>, 2012

[http://www.internationaltrucks.com/vgn-ext-templating/itrucks/assets/docs/NAV\\_Morningstar\\_10-25-12.pdf](http://www.internationaltrucks.com/vgn-ext-templating/itrucks/assets/docs/NAV_Morningstar_10-25-12.pdf)

## Navistar stock offering oversubscribed



REUTERS

"The company's share price, however, did not see any steep fall on the day of the announcement, indicating the offering is seen as a positive for Navistar. The proceeds of the offering could provide the truck maker with a cushion to liquidity in the event of a severe downturn in demand."

Source: Reuters <http://www.reuters.com/article/2012/10/24/navistar-publicoffering-idUSL3E8LO5UQ20121024>

"The offering was well oversubscribed. This will give those that follow us a comfort level on our available liquidity. We have enough to weather any storm and stop the worrying about our cash position as we go into our launches."

Source: Navistar

## Navistar to end year at high end of cash guidance

Jefferies

"Offering alleviates cash concerns in a downside scenario. Management indicated that it will end the year with ~\$1bn of cash, near the high end of the \$875-1,025mn guidance given on the F3Q call in early September. In particular, it noted partial receipt of rolling chassis receivables and better than expected sales performance. This suggests that cash burn has been significantly less

than feared."

Source: Jefferies Flash Note, October 24, 2012

[http://www.internationaltrucks.com/vgn-ext-templating/itrucks/assets/docs/NAV\\_Jefferies\\_10-24-12.pdf](http://www.internationaltrucks.com/vgn-ext-templating/itrucks/assets/docs/NAV_Jefferies_10-24-12.pdf)

## October order receipts trending above forecast

NAVISTAR®

Navistar indicated that preliminary indications are that October orders are double September orders, stretching production well into late December/January.

Source: Jefferies Flash Note, October 24, 2012 Via Navistar

[http://www.internationaltrucks.com/vgn-ext-templating/itrucks/assets/docs/NAV\\_Jefferies\\_10-24-12.pdf](http://www.internationaltrucks.com/vgn-ext-templating/itrucks/assets/docs/NAV_Jefferies_10-24-12.pdf)

## Dealer's commitment and confidence

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FINANCE

"When complete, the newly acquired dealership locations will operate within our Rush Truck Centers' Navistar Division, said W. M. "Rusty" Rush, Chief Executive Officer and President of Rush Enterprises, Inc. "We are excited to not only expand

our Navistar Division, but also bring our philosophy and service commitment to customers in Ohio as well as add service points to our network," Rusty Rush added.

Source: Yahoo Finance

<http://finance.yahoo.com/news/rush-enterprises-inc-reports-third-212522268.html>

