

Sept. 8, 2016

Greetings to all NICARC members,

Summer is nearly over! I can't believe how fast time flies. I hope you all had a fun and safe summer, in spite of the spells of excessive heat and humidity. Fall weather will soon be here—my favorite time of year.

I am pleased to announce that **Terry Anderson** has joined the NICARC Board. Terry brings a wealth of experience with IH / Navistar and will be a welcome addition to the Board. Terry served as a retail clerk for many years, followed by Business Administrator positions at 3 different company-owned dealerships. Then she worked for 3 years for the Corporate Controller's Office in the role of a Marketing Accounting Systems Analyst. Next, Terry worked on the Internal Audit staff and later as an Audit Manager until she retired in 2000. Subsequent to retirement, Terry worked for several consulting firms in audit, fraud detection and prevention, procurement contract administration and other things. Welcome, Terry!

We encourage others to join the Board too. If you think you might be interested, please join us at the next board meeting (October 5 at 10 a.m. at Navistar Headquarters in Lisle) and check us out. You are welcome to meet the Board Members and observe the meeting. Your input would be welcome. If you think you might be coming, let me know so that I can make sure that Corporate Security has your visitor badge ready.

Watch for an invitation to our **Holiday Luncheon to be held on Dec. 7** at Drury Lane. We have some great entertainment lined up for you. Come enjoy reconnecting with old friends and business associates. You should receive your invitation in mid-October. Feel free to pass it along to others who might not yet be members of the Navistar International Chicago Area Retiree club, but might like to come.

Here are some recent news items about Navistar:

- Today Navistar announced **3rd quarter results**: \$34 million net loss on \$2.1 billion of sales. Navistar's **2nd quarter results** reported a net income of \$4 million on revenues of \$2.2 billion. The Parts Segment achieved record quarterly profits. While the Company was net income positive in Q2, it does not expect to be profitable for the full year given the tougher than anticipated market conditions, primarily in class 8 industry volumes.
- On Sept. 6, Navistar announced that it has formed a wide-ranging strategic **alliance with Volkswagen Truck & Bus**, which includes an equity investment in Navistar by Volkswagen Truck & Bus and framework agreements for strategic technology and supply collaboration and a procurement joint venture. As part of the agreement, VW will gain a minority interest in Navistar of 16% and will have two seats on the Board of Directors. There will be no change in the Navistar organizational structure or management team or current employees. When the two new directors come in from VW, current board members, James Keyes and Michael Hammes, will retire as directors.
- On September 1, International Truck announced an **integrated marketing partnership** that will name them the official equipment truck of the **Big Ten Conference and Big Ten Network (BTN)**

for the 2016 and 2017 football seasons. The featured International DuraStar will make its debut on September 24 at Michigan State University in the conference game against Wisconsin. The vehicle will be configured to suit the typical pickup-and delivery customer, POWERED BY CUMMINS® ISX6.7 engine paired with an Eaton® Procion™ transmission.

- On August 25, **IC Bus** announced it will complete an order of 149 CE Series school buses by Durham School Services, powered by the Power Solutions International (PSI) 8.8-liter LP propane engine. The new buses will serve the community and families of Waterbury Public Schools in Connecticut.
- On August 25, International Truck announced the availability of the International® **DuraStar® Integrated Powertrain Warranty Package**, an exclusive, best-in-class, 4-year/unlimited miles and hours integrated powertrain warranty on new orders of its DuraStar model POWERED BY CUMMINS® ISB and configured with an Eaton® Procion™ transmission, Dana Spicer® axles and drive shafts. International is offering this program to businesses in the pick-up and delivery segments as a testament of its confidence in the quality and performance of their medium-duty product.
- On July 13, International Truck announced it now offers new, **predictive cruise control technology** on its International® ProStar® and LoneStar® Class 8 on-highway trucks. Unlike conventional predictive cruise technology, International predictive cruise control uses preinstalled GPS maps and the latest commercial route data to make adjustments to cruising speed without the need to pre-drive the route.
- **Dan Ustain**, Former CEO of Navistar who resigned in 2012, is fighting a federal lawsuit by the SEC that claims he repeatedly lied to investors about the status of an engine technology that Navistar failed to develop after it failed to meet EPA standards as promised. Navistar itself settled the dispute with the SEC by paying a \$7.5 million fine, with no admission of guilt. But the SEC is still going after Ustain personally.
- On July 28, Navistar announced it will provide service departments at all 700 International Truck and IC Bus locations with its **“Accelerator Write-up”**, a first-of-its-kind mobile application that will expedite customers’ service visits by streamlining the write-up and diagnostic process.
- **Orders for new heavy-duty trucks** hit a nearly 6-year low in June, indicating that trucking companies expect little relief from a weak freight market and sluggish economic growth. Navistar currently has 9.1 % of the Class 8 market.

Don’t forget to check out our club website at www.navistarretiree.org to see photos from previous luncheons, find obituaries, club bylaws, board members, sign-up form and various announcements. Also, remember the club’s email address: nicarcboard@gmail.com. We would love to hear from you. Also, please invite others to join the club. Those who had an opportunity to join previously, but did not, are no longer on our mailing list and may have forgotten that the club exists.

That’s it for now. I hope you are all doing well and aging gracefully! Hope to see you all in December.

Sincerely,

Linda Waggoner,
President, NICARC