

Navistar in talks on GM medium truck unit buy

CHICAGO — Navistar International Corp., Warrenville, Ill., is in advanced talks with General Motors Corp., Detroit, to buy the automaker's medium truck business, including the right to manufacture GMC and Chevrolet trucks.

Navistar executives disclosed the negotiations in regulator filings for a restatement of three years of results. The company later told investors, analysts and reporters in a briefing that the talks could result in a sale agreement soon.

Navistar has proposed selling a line of GMC and Chevrolet medium trucks and (See **NAVISTAR**, page 4)

Navistar in talks to buy GM unit

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service parts through GM's dealer network in the United States and Canada, Daniel C. Ustian, Navistar's chairman, president and chief executive officer, said. Such an agreement would leverage Navistar's commercial truck and engine strength and build scale to reduce costs.

"General Motors would entrust Navistar to support two of its most important brands because of the depth of our experience and

success in the medium truck business," Ustian said.

Navistar executives described recent North American truck demand as "extremely weak," noting that a downturn in North American truck sales this year was greater than the company had expected. However, a rebound is anticipated next year if the wider economy doesn't deteriorate, they said.

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