

Shares of Navistar Gain on New Deal

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Shares of **Navistar International Corp.** rose in morning trading Monday after its subsidiary won a \$413.9 million contract late Friday to build an additional 755 armored vehicles for American soldiers in Iraq.

While shares of Warrenville, Ill.-based Navistar rose \$2.45, or 3.5 percent, to \$72.45 in morning trading, shares of competitor **Force Protection** (nasdaq: [FRPT](#) - [news](#) - [people](#)) Industries Inc. fell \$1.47, or 7.6 percent, to \$17.76. Shares of Navistar traded between \$23 and \$74.60 over the last 52-week period.

This is the third contract awarded by the Pentagon to Navistar's subsidiary International Military and Government LLC under the Mine Resistant Ambush Protected, or MRAP, vehicle program. In May, the Marine Corps awarded the company a \$623.1 million contract to build 1,200 MRAPs. The vehicles are designed with a V-shaped hull to repel improvised explosive devices and roadside bombs.

Wachovia (nyse: [WB](#) - [news](#) - [people](#)) Securities analyst Andrew Casey wrote in a note to clients that the latest MRAP award to Navistar is a positive sign for the company, given declines in demand for its core commercial truck products from customers.

"The most recent contract win suggests Navistar is better positioned than some of its competitors to produce MRAP vehicles quickly and meet quick delivery requirements," said Casey.

The Pentagon is considering shifting \$1.2 billion in its current budget to pay for more MRAP vehicles.

<http://www.forbes.com/feeds/ap/2007/07/23/ap3940914.html>