

CEO CFO

NavStar Technologies, Inc.
800 South Harbor Boulevard, Suite 220
Anaheim, CA 92805
Phone: 714-502-6900

Issue:
November 6, 2009
All rights reserved!
ceocfointerviews.com

The Most Powerful Name In Corporate News and Information

With 20,000 Units Of Service In The United States, Venezuela, Brazil, China And Canada, NavStar Technologies, Inc. Is Providing The GPS Technology, With Wireless Technology And Location Based Services Necessary For Trucking Companies To Track And Monitor Their High-Value Cargo And Assets



Technology
Logistics Tracking
(NVS-OTCPK)



N. Douglas Pritt
Chairman and CEO

BIO:

Chairman & CEO N. Douglas Pritt has 30 years experience at senior level positions in the telecommunications industry. Mr. Pritt has served as President & CEO of OnFiber Communications, Senior VP of Business Development at Sprint PCS, and various senior level management positions at Lucent Technology.

Company Profile:

Founded in 2003, NavStar Technologies, Incorporated (www.navstarinc.com) is a rapidly-growing provider of asset tracking products and services in the United

States and in emerging countries around the World.

The Company's current structure is the result of the July 2008 merger of NavStar, a wireless tracking software application provider, and Argo Navigation (also founded in 2003), an industry leader in the design and development of asset tracking hardware. The combined Company is now focused on developing technologies that address an immediate need for tracking and monitoring "at risk" assets, including vehicles, trailers, and valuable cargo, in addition to establishing de novo markets for tracking people and pets.

Synergies between NavStar and Argo have been leveraged to maximize management and technological strengths in select high-value regions and to take advantage of explosive growth in demand for Location Based Services (LBS). The Company will pursue "first to market" opportunities by offering some of the industry's most advanced asset tracking and theft recovery solutions in concentrated, strategic geographies, and by introducing annuity-based software services that complement its renowned line of products and hardware.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Pritt, what was the vision when NavStar Technologies started and where are you today?

Mr. Pritt: Our vision is to leverage GPS technology with wireless technology and Location Based Services, and to focus on

the business sector rather than the consumer sector. So we were not going to try and compete with Garmin, Tom Tom and Magellan, in the consumer markets. We would take that same technology and offer valuable services to business customers.

CEOCFO: Would you tell us about your product offering today, who is using it and where?

Mr. Pritt: We have about 20,000 units of service around the country in Venezuela, Brazil, China, US and Canada. Currently it is a small box, 2 inches by 3 inches by 1 inch that goes under the dash of a vehicle, generally a truck; it has a modem in it for transmission of information between the unit and a server, where we collect data and it has a GPS antenna to track and monitor the asset. The basic service is as simple as tracking, monitoring, and shutting it down a vehicle if stolen, which is low end of the service applications. The other end of the service spectrum is to track and monitor my high-value cargo and to provide information to the owner about excessive braking, idle time, excessive speed, the temperature of the refrigeration unit, and just about anything, they want monitored. We provide a piece of hardware and a range of services that is customized to match individual customer needs.

CEOCFO: What is your geographic footprint?

Mr. Pritt: In the US and Canada we sell our product on productivity and efficiency because assets on cargo are not at risk in those countries. To go to third-world countries like Ecuador, Brazil, Venezuela, or Chile, we sell our product on

safety and security of your vehicle and your driver. So in a foreign country like Ecuador we try to go find a partner who already has some knowledge of GPS, wireless or fixed wireless or some technology that is similar to ours and we make them the NavStar “in country” distribution partner. We then depend upon him to sell and leverage our product in that country based on what he knows about that particular country. In Ecuador, we are selling to the government and he has strong ties there, so that is why we chose him to pursue that opportunity for us in Ecuador. So our model is to go in a country and find a distribution partner who has knowledge and can sell and distribute our product for us. We provide the hardware, the server, and the application.

CEO CFO: Would you tell us a little about the industry in general?

Mr. Pritt: Our business GPS/Location Based Services sector of the industry is large and in the early stage of growth. Today, about 10% of the fleet in the US has some tracking and monitoring system, so it is very low-penetration. In foreign countries there is even less penetration. Several analysts believe that the commercial GPS/Location industry is a \$3 billion business by 2011. They expect growth similar to what the consumer GPS industry has experienced in the past 5 years.

CEO CFO: Do most people realize the need and just have not gotten around to it, or do they really still need to be educated on why they should be doing this?

Mr. Pritt: They are in the early education stage. The rapid growth of consumer GPS products and services in the past several years has awakened business customers as to the potential value that a combination of wireless and GPS technology can provide. The business sector is now trying to understand how they can leverage that technology for themselves and become more productive, efficient, and secure. It is still a challenge, but the expectations are that business owners “get it” and they are now beginning to understand the value of it especially at the price points that we are talking about,

it can be a very affordable solution for them.

CEO CFO: You mentioned how you sell in US and Canada on the quality of your products, what sets NavStar apart?

Mr. Pritt: We make a very high quality piece of hardware and offer our customers applications customized to their specific needs. If you think about the cab of a truck and how these units are “bounced around”, it explains the need for a very high quality piece of hardware. However, our real distinction is the value added services and application that we provide. We do not just track, monitor and display where a vehicle is, we also monitor that vehicle and provide data that will make the driver and cargo more secure or provide information that will make the owner more productive or cost efficient. Therefore, our big differentiation is providing both the hardware and the service.

Our vision is to leverage GPS technology with wireless technology and Location Based Services, and to focus on the business sector rather than the consumer sector. So we were not going to try and compete with Garmin, Tom Tom and Magellan, in the consumer markets. We would take that same technology and offer valuable services to business customers. - N. Douglas Pritt

CEO CFO: What would a business customer find when they have NavStar?

Mr. Pritt: We can actually monitor up to twelve attributes of a vehicle, so if a customer is interested in idle time, we can provide data on how long a vehicle is idling and not moving. We can provide data to show how long a vehicle is idling with the radio on. We can report on excessive speed or excessive braking. We can provide an alert when a vehicle is outside the geographic area that the owner established. Our “stick” is to understand what a customer wants to know about their vehicle or other assets and to provide applications that match their specific needs.

CEO CFO: Do you find much driver resistance to being monitored?

Mr. Pritt: We do not really hear it directly but I am sure fleet managers do. They sell the tracking and monitoring

service to the drivers based on safety. If you are held-up, hijacked or in trouble, it is nice to know you can contact somebody in a non-discreet way and get help. I don’t think drivers feel that ‘someone is watching them all the time’, because they understand the need for productivity and efficiency improvements. With our system, a dispatcher could view a screen all of his trucks and know right where they are. Maybe he has a pick-up that needs to be made and he can find what vehicle is closer to that customer and dispatch that driver to that pick-up. They understand the need for that kind of service to be competitive.

CEO CFO: What is happening in the Philippines?

Mr. Pritt: In the Philippines, we just announced a relationship with a major distribution partner who will represent us as I mentioned has excellent marketing and distribution contacts. They will be our in-country distribution partner. The business relationship will probably be a joint venture where we will form a NavStar/Philippines company and we will each own a portion of that entity. We will provide the hardware, the applications software; all the things it takes to make the product function. Their job will be to sell, distribute, and market the product. We have been working on it for probably for ninety days and we think it is a significant win for us.

CEO CFO: What is the revenue model?

Mr. Pritt: The revenue model for us is hardware margin, in the 40% range and the recurring software/services revenue. It is just like the model for the wireless phone companies. The physical phone is important but the real value is the \$39 a month. Our margin is significant on the software side and reasonable on the hardware side.

CEO CFO: What is the financial picture like at NavStar today?

Mr. Pritt: We have raised in the past probably an excess of \$5 million to get where we are today. We are out now looking for another \$2 to \$3 million to finalize our business model. We have a ton of opportunity and need operating

funds to fulfill the contracts that we have won.

CEO CFO: What has been the affect of the economic scenario?

Mr. Pritt: It has been terrible; no one wanted to do anything. If GM is selling for \$3, then it makes it difficult to convince someone to invest in a new start-up company. Some people are starting to invest again. I noticed in the last sixty days a loosening of the purse strings with investors. There is a lot more interest and a lot more second and third conversations about funding. So I definitely see it shifting, but it has been a matter of survival for the last eighteen months. We have managed to keep the lights on, win some business and to live for a better day.

CEO CFO: Does that apply to customers as well?

Mr. Pritt: Customers are always receptive to solutions that provide safety or save them money. We found more receptivity in Latin American countries than we have in the U.S. Obviously safety for drivers and cargo is an issue in Latin and South America. So customers are interested but slow to commit because of the economy.

CEO CFO: As far as the industry itself, are there any big players, or is it pretty fragmented?

Mr. Pritt: It is fragmented. There are no huge players in the commercial market, there is no Garmin or Magellan like there is on the consumer side. The commercial/business market is made up of smaller companies with a specific focus either on a country or a vertical market. We compete well, we show our investors a feature function chart on how we compare with our competitors, and we stack up pretty good against them. I would say the major companies that we compete with are Numerex, Sky Patrol, and Tremble. But again our feature set is much more robust and our price point is at or below theirs. So we think that is a good sales proposition.

CEO CFO: How do you get potential customers to pay attention and how do you get investors to pay attention?

Mr. Pritt: We are just tenacious. We have a viable product and we know it has been successful in the field. We know that the economy is going to change and be more receptive. We are winning a lot of work and I think 2010 is going to be huge for us. We have been very successful in putting our product/service proposition

in front of customers in third world countries. I think that we are going to be successful in this business.

CEO CFO: In closing, what should potential investors remember most about NavStar Technologies and what might they not understand that they should?

Mr. Pritt: What they should remember is that we are a company with experience, and we already have 20,000 units in the field. We are not developing something in our garage that we hope works, we already know it works because we already have products in service. Our "stick" and our differentiation is the robust hardware and the customized service that we provide for our individual customers. We provide customized reports and we monitor and track attributes that they want. This combination of GPS and wireless technology with a focus on the commercial side opens up a many new creative ideas for location based services. What you can do with that information and intelligence is going to be exciting to watch in the next couple of years.



NavStar Technologies, Inc.
800 South Harbor Boulevard, Suite 220
Anaheim, CA 92805
Phone: 714-502-6900