International Newsroom

$1.2 BILLION AWARD FROM U.S. MARINE CORPS TO NAVISTAR AFFILIATE FOR MORE MAXXPRO™ MRAP VEHICLES

Largest Single Order to Date of 1,500 MaxxPro MRAP Vehicles; Navistar Captures Nearly 50 Percent of Military's Orders

WARRENVILLE, Ill. – December 18, 2007 – Making its largest single order to date of Mine Resistant Ambush Protected (MRAP) vehicles, the U.S. Marine Corps today ordered 1,500 additional MRAP vehicles valued at nearly $1.2 billion from International Military and Government, LLC, a wholly owned affiliate of Navistar International Corporation (Other OTC: NAVZ).

Navistar captured nearly 50 percent of the industry-wide orders announced by the military today. Overall, Navistar's MRAP orders total nearly $3 billion since the first contract was awarded in May.

The new order increases Category I MRAP vehicle orders to 4,471 to be delivered by the end of July 2008.The new order totals $1,183,141,218.40. MaxxPro MRAP vehicles are designed to protect troops from roadside bombs and other threats. This contract award also includes funding for Navistar's parts and support programs for MRAP vehicles.

A revised engineering design of the Category I MaxxPro MRAP vehicle increases protection and expands payload for greater mission flexibility such as more cargo and crew capacity and vehicle applications.

As orders continue for these vehicles, Navistar has delivered 60,000 parts pieces, components and other field support services to keep the more than 700 MaxxPro MRAP vehicles in theater mission ready. Parts and service contracts thus far total nearly $300 million. In recent months, the Tank-Automotive and Armament Command (TACOM) of the U.S. Army has also awarded the company nearly $80 million in truck orders including water and fuel tankers. Overall, more than 90 percent of Navistar's total military sales are non-MRAP vehicles to both the U.S. military and U.S. allies.

"Navistar's global scale and array of truck products offers the U.S. military and our allies unique advantages from design and manufacturing to parts and support services," said Archie Massicotte, president of International Military and Government LLC. "We know we're doing our part to help protect the troops with the MaxxPro MRAP vehicle, and it's a privilege."

With dealerships in Iraq and Afghanistan, Navistar has nearly 1,000 dealership locations worldwide with facilities in 75 countries outside North America.

"All Navistar support solutions are available to sustain these vehicles at home and abroad," said Massicotte. "Monthly production of MaxxPro MRAP vehicles continues to increase; we will be at 500 units per month by February."

In the past, Navistar has built more than 160,000 commercial trucks and school buses and 560,000 diesel engines in a 12-month period.

Forward Looking Statements

Information provided and statements contained in this news release that are not purely historical are forward -looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act, and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements only speak as of the date of this news release and the company assumes no obligation to update the information included in the presentation. Such forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These statements often include words such as "believe," "expect," "anticipate," "intend," "plan," "goal," "estimate" or similar expressions. These statements are not guarantees of performance or results and they involve risks, uncertainties and assumptions, including the risk that a prolonged strike might affect production schedules,as well as the risk of continued delay in the completion of our financial statements and the consequences thereof, the availability of funds, either through cash on hand or the company's other liquidity sources, to repay any amounts due should any of the company's debt become accelerated, and decisions by suppliers and other vendors to restrict or eliminate customary trade and other credit terms for the company's future orders and other services, which would require the company to pay cash and which could have a material adverse effect on the company's liquidity position and financial condition. Although we believe that these forward-looking statements are based on reasonable assumptions, there are many factors that could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. For a further description of these factors, see Exhibit 99.1 to our Form 8-K filed on April 12, 2006. In addition, until the previously announced review by the company of its accounts is concluded, no assurance can be given with respect to the financial statement adjustments or impacts resulting from such review

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