

Navistar Marks 75 Years of Diesel Leadership

Celebratory Event Highlights Navistar Engine Group's Diesel Engine Leadership And Global Capability

HUNTSVILLE, Ala., September 23, 2008 – During a special event today, Navistar® Engine Group celebrated the 75th anniversary of its first production diesel engine, the D-40, with the dedication of the facility that will build its newest diesel engine family, MaxxForce™ Big Bore. Additionally, the event highlighted the company's scope and reach — engine offerings ranging from 50-475 hp for use in on- and off-highway, agricultural, industrial, defense and stationary power applications — as well as plans for global expansion.

Navistar Chairman, President and CEO Dan Ustian, and Engine Group President Jack Allen, spoke to a crowd of global OEM customers and prospects, local dignitaries, Navistar employees and local and trade press, delivering a retrospective look at the company's 75 years of diesel engine production leadership and a visionary look forward at where the diesel technology global leader is heading.

“This milestone is about much more than an anniversary,” said Ustian. “This is about our scientists, designers, engineers and manufacturing personnel around the world, who for decades have been responsible for the performance and quality that made reaching this point possible.”

In 1933 Navistar, then International Harvester, launched its first production diesel, a 50 horsepower four-cylinder engine for stationary and agricultural applications, and effectively began its legacy. For the next 75 years the company shaped and developed the diesel industry and established itself as a

leader, producing innovative engines for agricultural, construction, military and on-highway applications. Significant milestones during those years include the introduction of the DT 466, the Ford Power Stroke® Diesel, the first smokeless diesel engine, the first fully electronically controlled mid-range commercial diesel and the Green Diesel Technology® platform which led the way for today's advanced clean diesel technologies.

Over 15 million engines later, Navistar today focuses exclusively on high-performance diesel engines for a blue-chip roster of customers around the world. Its on-road automotive customers include Ford Motor Company, General Motors, Volkswagen, Volvo and Land Rover, which use Navistar diesels to power commercial trucks, pickups, vans, and sport utility vehicles. Navistar also produces diesel power plants for commercial off-road vehicles and equipment for agriculture, mining, construction, power-generation and materials handling across the globe.

The company commands 42 percent of the mid-range diesel engine market and 64 percent of the school bus engine market in North America. In South America, Navistar Engine Group commands more than 50 percent market share of the mid-size pickup and SUV segment, and accounts for nearly 40 percent of all commercial and consumer diesel engines produced. And Navistar continues to grow rapidly on other continents, especially in India, China and Eastern Europe.

“Our growth has given Navistar Engine Group the scale to realize big competitive advantages on the global stage,” said Jack Allen, president, Navistar Engine Group, “including broader supply base choices, recruitment of top industry talent, competitive cost structure, and more depth in technical expertise and facilities. This all fuels our ability to deliver great products that

meet the demands of customers for clean air and the attributes they value the most — capability, performance, reliability and durability.”

MaxxForce™ Big Bore Assembly Facility

The MaxxForce Big Bore Assembly facility is the newest addition to Navistar’s roster of first-class global engine facilities. With operations now underway, the 300,000 square foot state-of-the-art plant produces the technologically advanced MaxxForce 11 and MaxxForce 13.

“Huntsville was selected to produce these new big bore diesel engines because of our talented and dedicated workforce in Huntsville and its clear track record of building high-quality engines at a competitive cost,” said Allen.

Designed specifically for International® Class 8 trucks, with a combination of technologically advanced materials and components, the MaxxForce 11 and MaxxForce 13 engines deliver significant advantages over other competitive engines. They are available in International® WorkStar® severe service, TranStar® regional-haul and ProStar® long-haul commercial vehicles.

Adding to the competitive advantages of the MaxxForce™ big bore engines are their compacted graphite iron (CGI) blocks, which are cast by Brazil-based supplier Tupy and machined by the Navistar affiliate, MWM International at its Santo Amaro plant in Sao Paulo.

“Our ability to source globally and utilize MWM International for the machining of this new innovative block design demonstrates our commitment to

integration and growth as a global company,” said Allen. “This also allows us the opportunity to leverage our assets to serve the North American market, while creating a competitive advantage for our MaxxForce big bore engines.”

Navistar’s six other engine-manufacturing and technical centers around the world include Melrose Park, Ill. (USA); Indianapolis, Ind. (USA); Huntsville, Ala. (USA); Santo Amaro, Sao Paulo (Brazil); Jesus Maria, Cordoba (Argentina); and Canoas, Rio Grande do Sol (Brazil). The South American facilities operate as MWM International Industria de Motores da America do Sul Ltda., a wholly owned subsidiary of Navistar.

As a part of a joint venture with Mahindra & Mahindra, Navistar is also building a plant in India that will soon begin production of diesel engines for commercial, consumer and off-highway vehicles. Additionally, Dong Feng, a leading automotive manufacturer in China, has licensed a Navistar diesel engine design for use in commercial trucks in the Far East.

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