

International Newsroom

Global Growth Drives Navistar Engine Group to Form Three Regional Business Units, Name Leaders

MELROSE PARK, Ill., (July 09, 2009) – Navistar Engine Group, a global leader in diesel engine production, has created three regional business units to better focus on its expanding customer base around the world. The three units – North America, South America and Global – will be led by a team of Navistar veterans:

- Eric Tech becomes president, Navistar Engine Group, from vice president and general manager, leading the growth of this multi-national business.
- Andy Dondlinger becomes vice president and general manager of North American business operations, from general manager, Vee and Inline Business Units.
- Waldey Sanchez continues as president and CEO of Navistar's South American engine operation, MWM-International.
- Jose Eduardo Luzzi, formerly director of sales and marketing for MWM-International, becomes vice president and general manager of Navistar's Global Operations.
- David LaPalomente becomes vice president of Global Integration, from vice president of worldwide sales and marketing.
- Jim Jesionowski becomes director, Global Manufacturing Engineering and Quality.

“This is a significant next step in achieving our vision to transform Navistar Engine Group into a thriving global business that will provide clean diesel solutions wherever there's a need for power,” said Tech. The new business unit leaders report directly to Tech.

The reorganization supports a number of strategic business goals: Ensure the continued delivery of innovative MaxxForce® brand engines to the North American on-highway marketplace, including MaxxForce Advanced EGR

emissions technology for 2010 and beyond; grow in other automotive and industrial segments in NAFTA countries; partner with new OEM customers in established and emerging markets under Euro emissions regulations; create a global platform for continuous improvement in product quality, performance and fuel-efficiency; develop common quality and manufacturing processes across our multi-national engine operations and joint ventures; support Navistar Global Truck Group and Navistar Global Bus division in non-NAFTA growth areas.

Navistar has been a leader in the engine business for more than 100 years, producing gasoline, kerosene, methane and diesel engines stretching back to the company's early days as International Harvester. The company built its first engine, a 1-horsepower gasoline unit for powering U.S. farm equipment, around the turn of the twentieth century.

Today, more than 15 million engines later, Navistar focuses exclusively on high-performance diesel engines with outputs as high as 475 hp (355 kW). Its blue-chip roster of global customers includes International® brand trucks and IC Bus in North America. In South America, MAN Latin America, Volvo, Ford Motor Company, General Motors, Marcopolo Buses, Case New Holland. Valtra and Massey Ferguson wheel tractors are powered by Navistar diesels.

In addition to on-highway power, Navistar also produces diesel engines for agricultural equipment, construction and defense vehicles, stationary power gen-sets, and a variety of other on-road and off-road vehicles and equipment.

The company commands 42 percent of the midrange diesel engine market and 64 percent of the school bus engine market in North America. In South America, Navistar Engine Group commands more than 57 percent market share of the wheel tractor segment, 22 percent market share of commercial vehicles segment, and accounts for nearly 35 percent of all commercial and

consumer diesel engines produced. And Navistar continues to grow rapidly on other continents, especially in Asia and Eastern Europe.

“Our growth has given Navistar Engine Group the scale to realize big competitive advantages on the global stage,” said Tech, “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 for a growing number of customers that value low emissions as well as capability, performance, reliability and durability.”

Navistar currently operates five engine manufacturing plants around the world. It produces in-line six-cylinder diesels in Melrose Park, Illinois (USA); V8 and V6 turbodiesels and 11- and 13-liter “big bore” engines in Huntsville, Alabama (USA); in-line four and six-cylinder diesels in Santo Amaro, Sao Paulo (Brazil); engine components in Jesus Maria, Cordoba (Argentina); and in-line four and six-cylinder diesels in Canoas, Rio Grande do Sul (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. And Navistar recently signed an agreement to develop diesel engines for Daewoo brand buses in Korea.

Navistar Engine Group is a leading manufacturer of diesel engines for commercial and consumer vehicles for on-highway, off-road and industrial markets around the world. The operating unit of Navistar, Inc. (NYSE: NAV) operates manufacturing plants in North and South America, and offers diesels

in the 37-355 kW (50-475 hp) range.

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