

U.S. Marine Corps Awards \$623 Million Contract for Mine-Resistant Ambush Protected (MRAP) Vehicles to International Military and Government, LLC

Navistar Company Delivering 1,200 Units to Help Protect U.S. Military Personnel

Warrenville, Illinois - May 31, 2007

Navistar International Corporation (OTC: NAVZ) announced today that its military subsidiary, International Military and Government, LLC, has been awarded a \$623 million contract by the U.S. Marine Corps to provide 1,200 Category I Mine-Resistant Ambush Protected (MRAP) vehicles to be delivered by the end of February 2008. The vehicle is called the International® MaxxPro™ and recent estimates value the total military MRAP procurement at more than \$8 billion and in excess of 7,700 units.

"The opportunity to provide U.S. Armed Forces with protected vehicles is a great privilege," said Daniel C. Ustian, Chairman, President and Chief Executive Officer of Navistar International Corporation. "A U.S. military vehicle order of this magnitude re-establishes Navistar as a prime supplier of tactical wheeled vehicles under the International brand. Our employees at U.S. plants nationwide will take pride in providing these military vehicles to help protect our forces overseas. The award fits with our strategy of leveraging our existing assets to achieve growth in markets outside of our traditional core businesses. We remain committed to investing in products that give us a sustainable competitive advantage at all points of the truck cycle and increasing our volume to give us better scale."

International delivered four units to the Marine Corps in March 2007 for extensive testing at the Aberdeen Proving Grounds to evaluate crew survivability and performance. The MaxxPro™ powered by an International MaxxForce™ turbocharged diesel engine was designed around the following:

- Crew survivability. International's MaxxPro™ features unique and advanced armoring and design technology to protect occupants on the battlefield from today's threats.
- Mission accomplishment. International designed the MaxxPro™ vehicle with protection, versatility and reliability in mind.
- Capability for immediate high rate of production. As one of the largest commercial truck and engine manufacturers, International has a dedicated integration facility for military vehicle production and is able to rapidly ramp up production to meet the military's desired levels.
- Ease of service and superior life cycle value. It is vital for U.S. forces on the battlefield to get vehicles maintained and returned to action as quickly as possible. International's MRAP vehicles were designed with operational readiness in mind. Commonality and utilization of readily available and well proven truck components helps reduce the logistical footprint for parts and service which maximizes uptime.

With vehicles needed urgently on the battlefield, International's proven production capabilities and exemplary performance for delivering quality products on time will be a key consideration by the U.S. Military for any future procurements against the contract.

"We are proud to be supplying MRAP vehicles to the Department of Defense," said Archie Massicotte, President of International Military and Government, LLC. "We understand the urgency of delivering these 1,200 units and welcome the opportunity to demonstrate our production capabilities for producing high-quality, lifesaving units to an aggressive timetable."

International utilizes a modular concept, developed in conjunction with armor solutions provider Plasan Sasa, to armor its MaxxPro™ vehicles. The design positions the v-shaped crew compartment on top of International's proven heavy-duty truck chassis. The v-shaped hull is designed to deflect blasts from underneath the truck to dissipate around the crew area, minimizing damage.

"Our nation's heroes are the men and women in the U.S. Armed Forces who risk their lives daily for our freedom," said Massicotte. "We've made it our mission to develop military vehicles that will keep them safer, so they can return home to their families when their mission is accomplished. The efforts and dedication of the government's MRAP program team during this procurement has been outstanding and they need to be commended for getting our forces the best possible vehicles for the task at hand. We at International are poised and ready to deliver."

About International Military and Government, LLC

International Military and Government LLC is a wholly-owned subsidiary of International Truck and Engine Corporation. IMG was established to focus on military and government opportunities.

<https://news.international.com/news?item=33>