

Navistar And Ford Agree To New Process For Dispute Resolution

Warrenville, Illinois - March 08, 2007

– Navistar International Corporation (OTC: NAVZ) announced today that it has entered into a consent injunction with Ford Motor company in which Navistar's operating company will continue shipping 6.4L Power Stroke® diesel engines and Ford will pay, without deductions, for each engine.

International Truck and Engine Corporation, Navistar's principal operating company, has been the exclusive diesel engine supplier for Ford's Super Duty pickup trucks since 1979 and last month launched a new 6.4L Power Stroke® for Ford's new Super Duty.

According to Navistar, International suspended production on February 26 because Ford had stopped honoring the terms under which the engines were built. Ford sought a temporary restraining order from Judge John J. McDonald of the Circuit Court of Oakland County, Michigan.

Judge McDonald issued an order on February 28 that required International to resume production and Ford to pay with no withholding until a hearing was held. The hearing was held yesterday and Judge McDonald asked the two companies to continue discussion to determine whether an agreement can be reached prior to a trial. The companies met and as a result, Judge McDonald issued today's consent injunction that supersedes the temporary restraining order. The new order also requires officers from both companies to meet in an effort to resolve the dispute.