International Newsroom

International Truck and Engine Corporation to Build New Class 8 Diesel Engines in Alabama

New State-of-the-Art Assembly Plant Will Create More Than 175 Jobs

Warrenville, Illinois - October 25, 2006
International Truck and Engine Corporation, the principal operating subsidiary of Navistar International Corporation (NYSE: NAV), today announced it will build new, modern Class 8 "big-bore" diesel engines in Huntsville, Ala.

The new engines, the largest in the MaxxForce™ family of commercial-truck diesel engines, will be built at a new assembly plant in Huntsville. The investment cost is not being disclosed.

More than 175 employees are expected to work at the new facility. Full production at Huntsville will begin in spring 2008. Initial engines will be partially assembled in Germany and finished and trimmed in Huntsville and will be available beginning in fall 2007.

The new facility will be an assembly only operation. Core engine components will be sourced globally from suppliers and shipped to the plant.

"Huntsville was selected to produce these new 'big-bore' truck diesel engines because of our strong workforce in Huntsville and its clear track record of building high-quality engines at a competitive cost," said Dan Ustian, chairman, president and chief executive officer, Navistar International Corporation.

"These new Class 8 truck diesel engines are big news," said Alabama Gov. Bob Riley, who made the announcement with International officials in Huntsville. "The State of Alabama is proud to be a part of this. Today truly is a terrific day for Alabama, Huntsville and International Truck and Engine Corporation."

Branded MaxxForce 11 and MaxxForce 13, the engines are an Inline 6-cylinder big-bore design in the 11-to 13-liter displacement class. The engines will serve the Class 8 truck market, which is the largest commercial truck segment in North America.

The International big-bore class of engines will be offered exclusively in International® ProStar™ line-haul tractors, International® 8600 regional-haul tractors and International® 7000 Series severe service trucks.

"The MaxxForce 11 and MaxxForce 13 big-bore products are yet another example of our strategy at International to deliver great products to our customers at a competitive cost structure to assure profitable growth for our company and its shareholders," said Jack Allen, president, Engine Group, International Truck and Engine Corporation.

"This is the first heavy-duty Class 8 truck engine designed in and for the 21st century, taking advantage of recent materials and technology advances," said Jacob Thomas, vice president, Big Bore Diesel Engines Business Unit, International Engine Group.

"We are integrating an industry-leading big-bore engine that features outstanding fuel economy, excellent power characteristics and low noise, vibration and harshness with an aerodynamic International cab and rock-solid chassis that together will set a new benchmark in the Class 8 market," said Thomas.

International's current Huntsville plant – International Diesel of Alabama, LCC – produces engines for International® trucks, as well as Ford trucks and vans.

"Since we began operations in Huntsville in 2002, we've built more than 375,000 V-6 and V-8 diesel engines," said Donna Miller, plant manager of International Diesel of Alabama. "We have a world-class team dedicated to building the best-quality engines. Now we're proud to be home to MaxxForce 11 and MaxxForce 13."

International is the world's No. 1 diesel-engine maker across the 160 to 350 horsepower range. In North America, International has nearly a 50 percent share of the diesel pickup engine market and 40 percent of the market for medium-duty commercial trucks and buses. In South America, International has more than a 50 percent market share in the mid-sized pickup/SUV segment and accounts for nearly 40 percent of all diesel engines produced.

Beginning in January, MaxxForce will become the signature brand of International's family of global on-highway commercial truck engines.

Forward Looking Statements
Information provided and statements contained in the presentation 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 the presentation 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," "estimate" or similar expressions. These statements are not guarantees of performance or results and they involve risks, uncertainties and assumptions , including 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, impacts and period resulting from such review, if any, nor can there be any assurance that additional adjustments to the financial statements of the company will not be identified.

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