

Navistar International Corporation and BAE Systems Announce They Will Team For Joint Light Tactical Vehicles

Warrenville, Illinois - October 09, 2007

BAE Systems and International Military and Government, LLC, an affiliate of Navistar International Corporation (Other OTC: NAVZ), announced they will team to produce a platform for the Joint Light Tactical Vehicle (JLTV) program. This dynamic team will also be investigating other global opportunities for success with militaries around the world.

The JLTV program is a multi-service initiative for a family of future light tactical vehicles being developed as a joint system between the U.S. Army and the Marine Corps.

The JLTV Family of Vehicles provides integrated and scalable personnel protection, vehicle agility and mobility, while retaining the payload and transport capabilities of the light tactical vehicles fleet. The JLTV will also reduce fleet lifecycle cost by the extensive use of common spare and repair parts at the sub-assembly and component level. The new JLTV fleet of vehicles is intended to replace the Humvee (High Mobility Multi-purpose Wheeled Vehicle).

International Military and Government, LLC will harness the company's expertise in vehicle and engine design, world class manufacturing and its extensive service and support network to establish a strong basis for the team to design, build, deliver and ultimately support the JLTV.

"We are committed to providing military vehicles to the U.S. Armed Forces featuring state of the art survivability and mobility solutions," said Daniel C. Ustian, Chairman, President and Chief Executive Officer of Navistar International Corporation. "Teaming with BAE Systems, a well respected and global reaching company is an exciting milestone in our company's growth plans for our military business."

Archie Massicotte, President of International Military and Government, LLC said, "JLTV is an important program for the military. Our knowledge base obtained from our success with the Future Tactical Truck System demonstrator will dovetail well with BAE Systems and our joint vision to ultimately develop a very capable vehicle for the Armed Forces."

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. Additional information is available at www.InternationalMilitaryandGovernment.com.

Navistar International Corporation (Other OTC: NAVZ) is a holding company whose wholly owned subsidiaries produce International® brand commercial trucks, MaxxForce brand diesel engines, IC brand school and commercial buses, and Workhorse brand chassis for motor homes and step vans. It also is a private-label designer and manufacturer of diesel engines for the pickup truck, van and SUV markets. The company also provides truck and diesel engine parts and service. Another wholly owned subsidiary offers financing services. Additional information is available at www.Navistar.com.
