

UAW Notifies International Truck and Engine Corporation of "Break" from Negotiations

Warrenville, Illinois - October 04, 2007

International Truck and Engine Corporation has been notified by the UAW that it has chosen "to take a break from bargaining" in order to conduct a detailed examination of International's proposals, the company reported today.

"We are disappointed in the union's decision to break because timely resolution of these issues is critical to our union plants," said Jeff Bowen, vice president, human resources, International Truck and Engine Corporation. "Changes we've proposed are already in place at other UAW-represented manufacturers in our industry."

For more than two years, the company and union have engaged in various periods of negotiations, attempting to reach agreement on changes that would improve the competitiveness of International's UAW-represented facilities.

Negotiations most recently began on August 27, 2007, and have proceeded continuously until today when the UAW chose to take this break. UAW-represented employees have continued to work without a contract since the prior contracts expired October 1.

"We need to continue to negotiate to come to resolution," Bowen said.

The company said its proposals would maintain a good quality of life for employees and retirees and improve non-competitive issues at its union plants.

The UAW represents approximately 3,700 employees at nine International Truck and Engine facilities in Indianapolis, Ind. (engine assembly and foundry), Melrose Park, Ill. (engine assembly and engine engineering), Springfield, Ohio (truck assembly), Atlanta, York (Pa.) and Dallas (parts distribution centers) and Fort Wayne, Ind. (truck engineering). Total worldwide employment at the company is 16,000.

For more information on Navistar's negotiations, visit: www.navistar.com/negotiations.

Navistar International Corporation (Other OTC: NAVZ) is the parent company of International Truck and Engine Corporation. The company produces 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 is also 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. A wholly owned subsidiary offers financing services. Additional information is available at: www.navistar.com.

Forward Looking Statements

Information provided and statements contained in this news release 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 this news release 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," "goal," "estimate" or similar expressions. These statements are not guarantees of performance or results and they involve risks, uncertainties and assumptions, including the risk that a prolonged work stoppage might affect production schedules, as well as 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 or impacts resulting from such review.

