China's DCD Produces First Diesel Engine Under Navistar Licensing Pact

Advanced NGD3.0E turbodiesel to power SUVs, pickup trucks, and light commercial vehicles in China

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CHAOYANG, LIAONING PROVINCE, China — Dongfeng Chaoyang Diesel Engine Co. Ltd. (DCD), one of China's largest diesel engine makers, today began full-scale production of an advanced 3.0-liter automotive diesel engine licensed from an affiliate of MWM INTERNATIONAL Industria de Motores da America do Sul Ltda., a Brazilian affiliate of Navistar International Corporation.

The in-line four-cylinder turbocharged design features a piezo-injector common-rail fuel system that provides fuel-efficient, low-emissions diesel performance. The engine, manufactured at DCD's Chaoyang plant, will power SUVs, pickups and light commercial vehicles. Initial estimated annual volumes are projected to be 40,000 to 50,000 engines per year.

"Today's start-up is Job 1 in our long-term commitment not only to our working relationship with DCD but to the China automotive market," said Waldey Sanchez, president and CEO of São Paulo, Brazil-based MWM INTERNATIONAL (MWMI). "We're honored to work with DCD to collaboratively offer the most advanced diesel technologies for low-cost, clean-burning, on-road vehicle operation."

MWMI and its affiliate, and DCD are looking for opportunities to cooperate in the areas of engine development and vehicle application for diesel engines in Chinese manufactured vehicles. This type of cooperation may be extended to other engine families and other countries in the region.

The NGD 3.0E turbodiesel provides 140-185 horsepower [104-138 kW of power] and 340-440 N. m of torque.

"Our customers demand the very best, and we have always delivered," said Mr. Zhao Zhuang, president of DCD. "With engine performance and environmental needs continuing to advance, this new engine provides our customers with a new level of technology. Our relationship with MWM International ensures that we'll offer the best diesel power for future needs as well."

About Dongfeng Chaoyang Diesel Engine

Located in Chaoyang, Liaoning Province, Dongfeng Chaoyang Diesel Co., LTD is a large-scale vehicle diesel engine manufacturer. It developed and manufactured the first high-speed diesel engine for vehicular application in China The company is a supplier to multiple key automobile manufacturers, including Dongfeng Automobile and Jianghuai Automobile. Its products are exported to more than 40 countries and areas, and its output has surpassed 1.1 million units in China. For more information, please visit <u>http://www.dcd.com.cn</u>

About MWM International

MWMI produces a broad line of medium- and heavy-duty diesel engines ranging from 50 to 375 horsepower for use in pickups, SUVs, vans, light, semi and heavy trucks, and buses as well as agricultural, marine and electric generator applications. OEM customers include Ford, General Motors, Land Rover, Volkswagen, Volvo, Nissan, CNH and AGCO. MWMI is part of Navistar's U.S.-based International Engine Group, which is the world's leading mid-range diesel engine maker. In North America, International and its affiliates have nearly 50 percent share of the diesel pickup engine market, and 40 percent of the market for medium-duty commercial trucks and buses. Additional information is available at <u>www.InternationalEngines.com</u> or <u>www.mwm-international.com.br</u>.