

International Engine Group Announces Sourcing For MaxxForce™ Big Bore Engine Blocks

MWM International's Santa Amaro Plant to Machine CG Iron Blocks

Warrenville, Illinois - June 27, 2007

International Truck and Engine Corporation, a Navistar company (Other OTC: NAVZ), today announced that its Brazilian subsidiary MWM International Motores, and Brazil-based supplier Tupy, will provide compacted-graphite iron (CG Iron) cylinder blocks for the new MaxxForce™ 11 and MaxxForce™ 13 big bore diesel engines.

Tupy will cast the advanced CG Iron cylinder blocks at its plant in Sao Paulo, Brazil, and MWM International will machine the blocks at its Santo Amaro plant, also in Sao Paulo. The machined blocks will be shipped from South America to International's new engine plant in Huntsville, Ala., where the MaxxForce™ big bore engines will be assembled.

"Our ability to source globally and utilize MWM International for the machining of this new innovative block design demonstrates our commitment to integration and growth as a global company," said Persio Lisboa, vice president, purchasing and logistics, International Engine Group. "This also allows us the opportunity to leverage our assets to serve the North American market, while creating a competitive advantage for our MaxxForce™ big bore engines."

Waldey Sanchez, president and CEO, MWM International, added: "We knew the big bore team was focused on finding the highest-quality machining source that was cost-competitive globally. Our Santo Amaro plant offers cost, quality, and logistical advantages that helped us get selected over other worldwide competitors. We are very proud to have been chosen."

In late 2006, Huntsville was selected as the site for the assembly of the new engines. To accommodate the work, a new state-of-the-art plant is being built near International's current manufacturing facility in Huntsville. Production in Huntsville will begin in spring 2008. Initial engines will be partially assembled in Germany and finished and trimmed in Huntsville.

The MaxxForce™ 11 and MaxxForce™ 13, which will provide owners and operators with outstanding fuel economy, excellent power characteristics, low noise vibration and harshness, and high strength without added weight, will be offered in International® ProStar™ line-haul tractors, TranStar™ regional-haul tractors, and WorkStar™ severe service vehicles in the U.S. and Canada beginning later this year.

"The MaxxForce™ 11 and MaxxForce™ 13 will be the first heavy-duty diesel engines in North America to leverage advances in manufacturing technology to offer an engine block cast from CG Iron," said Jacob Thomas, vice president, big bore business unit. "The use of this material allows us to provide a high-strength block without added weight - a valuable attribute for our truck customers."

Created by a very precise procedure, which involves adding magnesium to molten gray iron at a specific point in the casting process, compacted-graphite iron offers significant advantages over traditional gray iron. CG Iron is 70 percent stronger and 40 percent stiffer, and provides double the fatigue limit of gray iron. In addition, CG Iron's unique molecular structure resists fractures.

International is a leading diesel-engine maker. In North America, it 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, it accounts for nearly 40 percent of all diesel engines produced.

For information on MaxxForce™ big bore engines and the entire line of MaxxForce™ commercial diesel engines, visit www.maxxforce.com. The Web site for MWM International is <http://www.nav-international.com.br>.

A wholly owned subsidiary of Navistar International Corporation (Other OTC:NAVZ), International Truck and Engine Corporation is a leading producer of medium trucks, heavy trucks, severe service vehicles, mid-range diesel engines, parts and service. International and its affiliates sell their products, parts and services through a network of nearly 1,000 dealer outlets in the United States, Canada, Brazil and Mexico and from more than 60 dealers in 90 countries throughout the world. Additional information is available at: www.navistar.com.

Photos of the new MaxxForce™ 11 and MaxxForce™ 13 diesel engines are available at

<http://www.maxxforce.com/news-room>.
