

U.S. Marine Corps Award \$8.5 Million Contract for Category II Mine-Resistant Ambush Protected (MRAP) Vehicles to International Military and Government, LLC

Navistar Company Wins Second MRAP Vehicle Contract in Three Weeks to Protect U.S. Military Personnel

Warrenville, Illinois - June 19, 2007

Navistar International Corporation (Other OTC: NAVZ) announced today that its military subsidiary, International Military and Government, LLC, has been awarded a \$8.5 million contract by the U.S. Marine Corps to provide 16 Category II Mine-Resistant Ambush Protected (MRAP) vehicles to be delivered by the end of September 2007. This is the second MRAP contract awarded to the Navistar subsidiary. On May 31, 2007, International Military and Government won an MRAP contract for 1,200 Category I MRAP vehicles called MaxxPro™.

"The U.S. military needs quality armored vehicles right now and we are prepared to provide them as soon as possible," said Daniel C. Ustian, chairman, president and chief executive officer of Navistar. "As a prime supplier of tactical wheeled vehicles, Navistar's military subsidiary, International Military and Government, stands ready to deliver quality vehicles to meet the needs of our military forces."

According to the U.S. Department of Defense, MRAP vehicles are required to increase survivability and mobility of troops operating in a hazardous fire area against known threats such as small arms fire, rocket propelled grenades, and improvised explosive devices.

"We surprised many people when we were awarded the contract for 1,200 Category I MRAP Vehicles last month," said Archie Massicotte, president of International Military and Government, LLC. "But our mission isn't accomplished. We continue to work hard to develop military vehicles that meet the rigorous specifications of the U.S. military. We are leveraging our expertise in commercial truck design, our immediate production capacity at our U.S. facilities, our armoring partnerships and our global support network to provide the best mine-resistant vehicle for our men and women serving overseas."

The larger Category II vehicle is called the MaxxPro™ XL and shares a common platform with International's Category I vehicle the MaxxPro™.

The MaxxPro™ XL, powered by an International MaxxForce™ turbocharged diesel engine, was designed around the following:

- **Crew survivability.** International's MaxxPro™ XL features unique and advanced armoring and design technology to protect occupants on the battlefield from today's threats.
- **Mission accomplishment.** International designed the MaxxPro™ XL vehicle with protection, versatility and reliability in mind.
- **Capability for immediate high rate of production.** As one of the largest commercial truck and engine manufacturers, International has a dedicated integration facility for military vehicle production and is able to rapidly ramp up production to meet the military's desired levels.
- **Ease of service and superior life cycle value.** It is vital for U.S. forces on the battlefield to get vehicles maintained and returned to action as quickly as possible. International's MRAP vehicles were designed with operational readiness in mind. Commonality and utilization of readily available and well proven truck components helps reduce the logistical footprint for parts and service which maximizes uptime.

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 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.
