

Navistar Says Operating Company Will Resume Production of Diesel Engines for Ford Under Temporary Court Order That Also Requires Ford to Pay For Engines Shipped

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Navistar International Corporation (OTC: NAVZ) said today that it will resume production of Power Stroke® diesel engines used by Ford Motor Company in its heavy duty pickup truck line. The announcement is in response to a temporary order issued by Judge John J. McDonald of the Circuit Court of Oakland County, Michigan.

Judge McDonald issued the temporary order late Wednesday afternoon and scheduled a hearing for both companies Wednesday, March 7.

Under Judge McDonald's order, Ford will be required to pay, without deductions, for all diesel engines it receives from International Truck and Engine Corporation, Navistar's principal operating company.

"We have a great engine that has been met with very positive initial reviews from customers, Ford dealers and media, and we are anxious for it to get out into the marketplace," said Jack Allen, president of International's engine group.

Navistar announced Monday that it was immediately suspending production of the new 6.4L Power Stroke® diesel engine because Ford had stopped honoring the terms of agreement under which the engines were built.

International currently produces Power Stroke® 6.4L diesel engines that meet 2007 emissions standards while increasing performance, durability and fuel economy at its engine plants in Indianapolis, Ind., and Huntsville, Ala.,

Navistar International Corporation (OTC: NAVZ) is the parent company of International Truck and Engine Corporation. The company produces International® brand commercial trucks, mid-range diesel engines and IC brand school buses, Workhorse brand chassis for motor homes and step vans, and is a private label designer and manufacturer of diesel engines for the pickup truck, van and SUV markets. Navistar is also a provider of truck and diesel engine parts. A wholly owned subsidiary offers financing services. Additional information is available at: www.navistar.com.
