

UAW Members Choose to Strike Against International Truck and Engine Corporation

Union unwilling to make competitive changes to secure employees' future; Company activates contingency production plans to serve customers

WARRENVILLE, Ill.--(October, 23, 2007)

International Truck and Engine Corporation announced today that the United Auto Workers union (UAW) has elected to strike the company. The UAW represents approximately 3,700 employees at nine company facilities that are covered by multi-site contracts that expired on October 1.

In response, International has activated a series of production continuation measures designed to provide uninterrupted delivery of products and services to its customers. "We expect our customers to continue to receive their orders in a timely manner," said Jeff Bowen, vice president of human resources at International.

For more than two years, the company and union have engaged in various periods of "early" negotiations attempting to reach agreement on changes that would improve the competitiveness of International's UAW-represented facilities. In June 2006, the company and UAW leadership reached a tentative agreement on new contracts, but 84 percent of the voting UAW membership rejected it.

Negotiations began again on August 27, 2007, and have continued past the expiration of the labor agreements until today when the UAW chose to strike.

"The union's decision to strike is disappointing," Bowen said. "All of the changes we have been discussing are already in place at other UAW-represented manufacturers in our industry. We've been bargaining in good faith for over two years, and we continue to work very hard to reach a positive outcome for our business and our employees. This strike is unfortunate, but it does not change our goals."

International remains committed to continue negotiating to reach an agreement that improves the competitive position of its UAW-represented facilities and maintains a good quality of life for its employees and retirees. "Most important, during these times of high emotion and uncertainty, we're asking that safety and respect continue to be top-of-mind for all employees," Bowen said. "We remain ready to continue bargaining in good faith to reach an agreement."

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 strike 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.
