Navistar Announces Receipt of Requisite Consents Relating to Tender Offer and Consent Solicitations

Extends 8% Notes Tender Offer and Consent Solicitation and 9 3/8% Notes Consent Solicitation

WARRENVILLE, Ill., May 24, 2004 (BUSINESS WIRE) -- Navistar International Corporation (the "Company") (NYSE:NAV) announced today that holders of a majority of the Company's 8% Senior Subordinated Notes (CUSIP: 638901AP3, the "8% Notes") have tendered their bonds (the "8% Notes Tender") and consented to certain proposed amendments (the "8% Proposed Amendments") to the indenture (the "8% Notes Indenture") governing the 8% Notes.

In order to provide additional time for the remaining holders of the 8% Notes to tender their notes and receive the applicable Consent Fee, the Company has extended the time period in which the 8% Note holders have to consent to the solicitation of the 8% Proposed Amendments from 5:00 p.m. EDT on May 24, 2004 to 5:00 p.m. EDT on May 26, 2004. When effective, the 8% Proposed Amendments will eliminate or modify substantially all of the restrictive covenants and certain events of default provisions in the 8% Notes Indenture.

In addition, the Company further announced today that holders of a majority of the Company's 9 3/8% Senior Notes due 2006 (CUSIP No. 63934EAE8, the "9 3/8% Notes") have consented to the solicitation of certain proposed amendments (the "9 3/8% Proposed Amendments") to the indenture (the "9 3/8% Notes Indenture") governing the 9 3/8% Notes. The Company announced today that it has also increased the 9 3/8% Notes solicitation consent payment from $5.00 to $10.00 in cash for each $1,000 of principal amount of the 9 3/8% Notes.

The 9 3/8% Proposed Amendments will allow the Company to (i) refinance the 8% Notes in a capital markets transaction, (ii) assume its finance subsidiary's 4.75% Subordinated Exchangeable Notes due 2009 and (iii) amend certain covenants of the 9 3/8% Notes Indenture. In order to give holders of the 9 3/8% Notes additional time in which to deliver their consents and receive the applicable Consent Fee, the Company further announced that it has extended the time period for holders of the Company's 9 3/8% Notes to consent to the 9 3/8% Proposed Amendments from 5:00 p.m. EDT on May 24, 2004 to 5:00 p.m. EDT on May 26, 2004.

Navistar International Corporation has engaged JPMorgan to act as dealer manager in connection with the 8% Notes tender offer and as solicitation agent in connection with the solicitations of consent with respect to the 9 3/8% Notes and the 8% Notes. Questions regarding the 8% Notes tender offer or the 9 3/8% Notes or the 8% Notes consent solicitations may be directed to JPMorgan at (800) 245-8812 (toll-free) or (212) 270-1200. The terms of the 9 3/8% Notes consent solicitation are described in Navistar International Corporation's Consent Solicitation Statement dated May 11, 2004 as modified herein, and the terms of the 8% Notes consent solicitation and the 8% Note tender offer are described in Navistar International Corporation's Offer to Purchase and Consent Solicitation Statement dated May 11, 2004 as modified herein, which may be obtained from Global Bondholder Services, at (866) 857-2200 (toll-free) or (212) 430-3774.

This announcement is not an offer to purchase, a solicitation of an offer to purchase or a solicitation of consent to any securities. The 9 3/8% Notes consent solicitation is being made solely by the Consent Solicitation Statement, dated May 11, 2004, and the 8% Notes consent solicitation and the 8% Note tender offer is being made solely by the Offer to Purchase and Consent Solicitation Statement, dated May 11, 2004.

Navistar International Corporation (NYSE:NAV) is the parent company of International Truck and Engine Corporation. The company produces International(R) brand commercial trucks, mid-range diesel engines and IC brand school buses and is a private label designer and manufacturer of diesel engines for the pickup truck, van and SUV markets. With the broadest distribution network in North America, the company also provides financing for customers and dealers. Additionally, through a joint venture with Ford Motor Company, the company builds medium commercial trucks and sells truck and diesel engine service parts. Additional information is available at www.nav-international.com.

Forward Looking Statements

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 we assume no obligation to update the information included in this news release. 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," "estimate" or similar expressions. These statements are not...
guarantees of performance or results and they involve risks, uncertainties and assumptions. 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 10-K for the fiscal year ended October 31, 2003

SOURCE: Navistar International Corporation

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