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Navistar International Comments on 2001 Truck Volume

CHICAGO, June 22 -- Navistar International Corporation (NYSE: NAV) today issued the following statement in response to published reports about lower 2001 truck industry volume:

"Despite the likelihood of lower industry volume in 2001, we plan to continue raising the incentive compensation goal from this year's 15.5 percent ROE level to 17.5 percent after tax return on equity average over the business cycle.

"We have made substantial investments in our very successful and growing diesel engine and parts businesses and our more stable school bus, medium truck, and finance business operations and look forward to the future with confidence.

"We plan for the fact that our heavy truck business is cyclical. While we cannot control market conditions, we can control how we respond and are confident that our operations will continue to improve next year.

"We are still in the planning stage and have not yet formalized our forecast for truck volume for our 2001 fiscal year. However, based on current higher fuel prices and interest rates and lower value for used trucks, industry unit demand in the United States and Canada could decline as much as 20 percent with most of the decline in heavy trucks. Forecasts of 2001 earnings estimates in First Call have anticipated an industry downturn for some time.

"Our forecast for the current year ending October 31, 2000 remains unchanged at 405,000 units and while our current production schedules are based on the 405,000 level in order to reduce dealer inventory levels, actual industry sales could be as high as 419,000 units."

Navistar International Corporation (NYSE: NAV) is the parent company of International Truck and Engine Corporation, a leading producer of medium trucks, school buses, heavy trucks, severe service vehicles, mid-range diesel engines and parts and service sold under the International® brand. The company also is a private label designer and manufacturer of diesel engines for the pickup truck, van and SUV markets. With world headquarters in Chicago, Navistar had 1999 sales and revenues of \$8.6 billion. Additional information can be found on the company's web site at www.nav-international.com. SOURCE Navistar International Corporation