

NAVISTAR INTERNATIONAL CORP
Form 8-K
January 24, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 8-K
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): January 19, 2007**

NAVISTAR INTERNATIONAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

1-9618
(Commission File No.)

36-3359573
(I.R.S. Employer
Identification No.)

4201 Winfield Road, P.O. Box 1488, Warrenville, Illinois
(Address of principal executive offices)

60555
(Zip Code)

Registrant's telephone number, including area code (630) 753-5000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
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ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT

On January 19, 2007, Navistar International Corporation (the “company”) signed a definitive loan agreement for a five-year senior unsecured term loan facility and synthetic revolving facility in the aggregate principle amount of \$1.5 billion (the “facilities”). The facilities were arranged by J.P. Morgan Chase Bank and a group of lenders that includes Credit Suisse, Banc of America Securities and Citigroup Global Markets. The facilities are guaranteed by International Truck and Engine Corporation, the principal operating subsidiary of the company. On January 19, 2007 Navistar also borrowed an aggregate principle amount of \$1.33 billion under the facilities; the proceeds of which were used to repay the amount outstanding under the company’s existing senior unsecured \$1.5 billion Credit Agreement and certain fees incurred in connection with the foregoing and the facilities.

The facilities replace the company's existing senior unsecured \$1.5 billion Credit Agreement. All borrowings under the facilities will accrue interest at a rate equal to a base rate or an adjusted LIBOR rate plus a spread. The spread, which will be based on the company’s credit rating in effect from time to time, ranges from 300 basis points to 400 basis points. The loan facilities contain customary provisions for financings of this type, including, without limitation, representations and warranties, affirmative and negative covenants and events of default. All draws under the loan facilities are subject to the satisfaction of customary conditions precedent for financings of this type, including, without limitation, certain officers’ certificates and opinions of counsel and the absence of any material adverse change since October 31, 2004.

ITEM 8.01 OTHER EVENTS

On January 22, 2007 the company issued a press release announcing the \$1.5 billion definitive loan agreement mentioned above, which is attached as Exhibit 99.1 to this Report and incorporated by reference herein.

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ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

The following Exhibits are deemed to be filed under the Securities Exchange Act of 1934, as amended.

(c) Exhibits

| Exhibit No. | Description | Page |
|-------------|---|------|
| 99.1 | Navistar Finalizes \$1.5 Billion Loan Agreement | E-1 |

Forward Looking Statements

Information provided and statements contained in this report 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 report and the company assumes no obligation to update the information included in this report. 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, including 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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NAVISTAR INTERNATIONAL CORPORATION
Registrant

Date: January 23, 2007 /s/ William A. Caton
William A. Caton
Executive Vice President and Chief Financial
Officer