International Truck and Engine First Company to Enter Hybrid Commercial Truck Production

Navistar's Truck Company, Bus company Firt to Enter "Line Production" of Hybrid Vehicles

WARRENVILLE, Ill. (November 8, 2007) – The road to a better environment will now include greener commercial vehicles. International Truck and Engine Corporation, a Navistar company (OTC: NAVZ), announced today that it is the first company to enter line production of hybrid commercial trucks. As diesel fuel prices continue their volatility and engine emissions requirements tighten, International Truck and Engine is now producing the International® DuraStar™ Hybrid, a diesel hybrid electric medium-duty truck that provides customers with improved fuel efficiency and reduced engine emissions.

“We believe that hybrid technology is an important development for the commercial transportation sector,” said Daniel C. Ustian, President and Chief Executive Officer, Navistar International Corporation. “Increasing fuel efficiency and reducing emissions for the nation’s commercial trucks results in significant benefits for all of us. We strive to be the leader in developing energy efficient transportation solutions in the commercial truck, commercial bus and school bus industries.”

The International DuraStar Hybrid diesel hybrid electric truck has the proven capability to provide dramatic fuel savings from 30-40 percent on a standard in-city pickup and delivery applications. The fuel efficiency can increase to more than 60 percent in utility-type applications when the engine can be shut off, but electric power still operates the vehicle. Diesel emissions are completely eliminated when the hybrid truck operates equipment (like overhead utility booms) solely on the truck’s battery power, instead of allowing the engine to idle.

“In our continued quest to be the first to market with new truck technologies, we are taking the next major step in bringing a medium-duty diesel hybrid electric vehicle into the marketplace,” said Dee Kapur, Truck Group President, International Truck and Engine. “The hybrid combination of the diesel engine and electric battery provides and number of advantages for many truck customers.”

In 2006, International built and delivered 24 developmental hybrid units to 14 major utility companies across North America with overwhelmingly positive results.

“These units are now successfully operating giving us confidence in the quality and reliability of our new hybrid electric product,” said Jim Williams, Director of Sales & Distribution, New Products, International Truck and Engine. “As part of this development process, we have teamed with the Hybrid Truck Users Forum (HTUF), which is a consortium of utility industry customers, Eaton Corporation, the Federal Government and the Weststart/Calstart organization. This was necessary to assist us with the cost of bringing this new technology to market. It also has given us the direct customer feedback and support that is required to make the program a success. The prototype phase is done -- International is now building hybrid trucks.”

One customer has tested the International hybrid truck for the past several months and has experienced the advantages first-hand.

“We tested International the hybrid truck for almost a year and it has provided substantial savings in diesel fuel,” said George Servant at Florida Power & Light. “Plus, the truck’s boom can operate on battery power instead of the engine, which results in less fuel consumed, less emissions released into the air and reduced noise in the neighborhoods where we work.”

The Hybrid Truck Users Forum estimates that nearly 1,000 gallons of fuel can be saved annually on utility trucks. With almost 100,000 new medium-duty commercial trucks expected to be sold in 2007, even if a portion of those trucks sold are International's hybrid trucks, the overall fuel savings could be substantial.

The key challenge facing the trucking industry is the high initial cost to bring the hybrid technology to market. As International builds scale, hybrid truck prices are expected to decrease dramatically, similar to price reduction in computer technology and home electronics equipment over the years. Many customers have also been working to secure government funding to help offset the cost of the new technology. The Energy Policy Act of 2005 can provide tax credits of up to $12,000 per unit.

This production announcement comes on the heels of Navistar receiving the 2007 Blue Sky Award from WestStart-CALSTART for its contributions to the commercial development of diesel-hybrid technology. This preeminent award is presented each year by WestStart-CALSTART, the nation's leading advanced transportation technology industry organization working to support and accelerate the growth of companies developing clean and energy-efficient transportation technologies.

In addition to production of the International DuraStar diesel hybrid, Navistar's contributions to advanced diesel-hybrid technology include:
• IC Corporation, the nation's largest school bus and commercial bus manufacturer and a whole-owned affiliate of Navistar, recently announced it is the first and only bus manufacturer to begin production hybrid school buses in partnership with Enova Systems. The buses improve fuel efficiency by 70-100 percent while reducing emissions by up to 90 percent.
• Scheduled delivery of the nation's first 19 plug-in hybrid school buses from IC Corporation to 11 states under the efforts of Advanced Energy, a non-profit

consortium of school districts, state energy agencies and student transportation providers.
• IC Corporation’s announcement in October 2006 that it is launching a new line of diesel-electric hybrid commercial buses that use the Enova system.
• Navistar’s partnership with the U.S. Environmental Protection Agency (EPA), the U.S. Army, UPS and Eaton Corporation to develop the first-ever series diesel hydraulic hybrid urban delivery vehicle.
For more information about ordering hybrid trucks, interested customers can visit www.InternationalTrucks.com.

About International Truck and Engine Corporation
International Truck and Engine Corporation, a Navistar company, is a leading producer of medium trucks and heavy trucks for various markets including over-the-road, pickup and delivery, construction, utility and governments. Based in Warrenville, Ill., International offers its products, parts and services through a network of nearly 1,000 dealer outlets North America and from more than 60 dealers in 90 countries throughout the world. Additional information is available at www.InternationalTrucks.com.

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