

Navistar, Engine Customers Confident On Emissions Technology Path

- *MaxxForce™ engine volume, owner satisfaction support in-cylinder solution for 2010*
- *Expansionary business offsetting weakness in U.S. pickup truck market*

MELROSE PARK, Ill. (June 24, 2008) Since January 2007, when the latest EPA emissions standards went into effect, Navistar® Engine Group has produced more than 300,000 emissions-compliant diesel engines for medium- and heavy-duty commercial trucks and buses. These MaxxForce™ brand engines – equipped with integrated system technologies including advanced fuel, air, combustion and electronic-calibration strategies – have been well received by International® dealers and proven successful by owners and operators.

“We have been very pleased with the performance of our 2007 emissions-compliant engines,” said Jack Allen, president, Navistar Engine Group.

“Testimonials from owners and operators have indicated positive results with regard to key value drivers including improved fuel economy, performance, reliability and durability.”

The success of 2007-compliant MaxxForce engines validates the company’s path of full 2010 emissions compliance using proven in-cylinder NOx-reduction solutions rather than add-on aftertreatment systems. “Our approach to NOx reduction not only helps the environment, but also helps International Truck customers, who will not be burdened with increased operating, service and maintenance requirements associated with additional aftertreatment,” Allen said.

Expansionary Business Offsetting Weak Pickup Truck Market in U.S.

Current economic conditions in the United States, particularly the high cost of fuel, are having a significant impact on automotive and light-duty truck sales – light truck manufacturers have seen sales drop 15-25 percent or more compared with a year ago. Despite these factors, Navistar's overall engine business is doing well this year.

Navistar has anticipated the decline in the pickup truck market in earlier investor guidance and has taken steps to offset this decline with new, expansionary business. Navistar is not changing its guidance for its global engine shipments in 2008.

“We have taken many steps to build a healthy engine business by executing a strategy focused on global growth and diversification so that we are not overly reliant on any one customer or market segment,” Allen said. “The strength of our inline business and South America performance has helped to counteract the decline in other areas. For example, in April, we raised our schedule at our Melrose Park (Ill.) plant by 35 percent and hired about 50 people in response to International® brand truck orders, new military truck orders, strong demand in Mexico in advance of emissions changes and record demand for industrial engines. In South America, we are seeing peak demand and are operating our Santo Amaro plant seven days a week, 24 hours a day to meet it. We also are successfully pursuing new engine business in India, China and Eastern Europe.”

Continued Leadership and Emissions Solution Confidence

Navistar Engine Group is a worldwide leader in diesel engine technology and production, and has always been ahead of the curve in meeting EPA emissions regulations as they continue to descend to near-zero levels. As 2010 approaches, Navistar is confident that the technology path that avoids additional after-treatment will be the best, customer-focused path providing

engines that are in full emissions compliance.

“Going forward into 2010, the evolution of today’s integrated system technologies of advanced fuel, air, combustion and electronic controls is the emissions solution commercial truck owners and operators can have confidence in because it’s a proven, effective technology that is well understood, simple to maintain and provides a lower cost of ownership,” Allen said. “Moving forward into 2010 and beyond, Navistar will continue to deliver an unmatched integrated truck and engine package and provide its customers with outstanding product solutions.”

The V-8 turbo MaxxForce 7 powers Class 5-7 International® DuraStar™ series medium-duty trucks. The MaxxForce DT is built on Navistar’s legendary DT 466 in-line 6-cylinder platform and powers Class 6-8 International DuraStar and WorkStar™ trucks. The full line of MaxxForce on-highway diesel engines used in International brand on-highway commercial trucks will be fully certified and compliant to the EPA 2010 emission standards.

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