

First Student Takes Delivery of First Wave of New School Buses from Navistar's IC Bus

CINCINNATI, Ohio (September 3, 2008) Students in nearly 50 public and private school districts will be riding new buses as First Student, Inc., North America's leader in student transportation, takes delivery of nearly 2,000 brand new school buses. The buses are part of the first wave of school bus fleet purchases First Student will make by the end of 2008 under a recently announced agreement with Navistar's IC Bus, LLC.

Through the agreement valued at up to \$1.2 billion, IC Bus will supply First Student with conventional front-engine mounted CE Series school buses through 2010, with an option to provide additional buses through 2012.

"At First Student, our commitment to providing school districts and surrounding communities with safe, efficient and reliable transportation means we must keep our school bus fleet updated," said Mike Murray, CEO of Operations for FirstGroup America. "These new buses are more fuel efficient and environmentally advanced than any before them with technology features to help ensure the safety of the children we transport."

The average age of First Student's active fleet is six years old, which compares favorably to the industry's national average of nine years. In some districts these new buses will replace older vehicles First Student is taking out of service. Others will be used to serve districts recently added as new First Student customers.

The EPA-certified MaxxForce™ diesel engines that power the new IC Bus CE Series school buses are 7 to 13 percent more fuel efficient than 2006 International® engines and have even lower emissions than required under 2007 EPA emissions standards. CE Series school buses are among the

cleanest buses on the road today and are renowned for their durability, reliability, and serviceability, while providing the latest innovation for passenger and driver protection and comfort.

“We’re proud of the advancements we continue to make in improving our CE Series school buses to meet our high standards and those of our customers for safety, quality and environmental impact,” adds John McKinney, vice president and general manager, IC Bus.

All of the buses delivered to First Student are built to its school district customers’ specifications and are equipped with front safety crossing gates, electronic child check reminder system, and steering wheel mounted door and warning light controls to meet First Student’s mandatory safety requirements. Global positioning systems are also being installed over the next two years on all First Student buses.

First Student operates 60,000 yellow school buses in North America, transporting 4 million students to and from school every day. In the U.S., 25 million children ride in school buses daily. According to the National Highway Traffic Safety Administration, school buses are the safest way for children to get to and from school – as much as 13 times safer than other forms of transportation, including the family car. School bus transportation also plays an important part in ensuring all children have access to education, since for many, it is their only means of getting to school.

Locations receiving new buses include:

St. Margarets, CA

Grand Junction, CO

Trumbull, CT

Farmington, IL

Northbrook, IL
DeKalb, IL
Joliet, IL
Schaumburg, IL
Charlton, MA
Las Cruces, NM
Missouri City, TX
LaCrosse, WI
Kenosha, WI
Milwaukee, WI

About First Student, Inc.

First Student, Inc., a part of Cincinnati-based FirstGroup America, is the leader in safe, reliable, sustainable transportation and is the largest provider of transportation services in North America. First Student safely transports more than 3 million students with a fleet of 49,000 yellow school buses in the U.S. In Canada, First Student operates 11,000 buses and transports 700,000 children to and from school each day. First Student is dedicated to providing the safest and most efficient student transportation service in North America. For more information, please visit www.firststudentinc.com.

About IC Bus, LLC

IC Bus, LLC of Warrenville, Ill., is an affiliate of Navistar International Corporation (NYSE: NAV). The nation's largest manufacturer of school buses, IC Bus is a leader in passenger protection, chassis design, engines and ergonomics. The company is also a producer of commercial buses. All IC buses are sold, serviced and supported through a renowned dealer network that offers an integrated customer program encompassing parts, training and service.

Editor's Note: Photo available upon request.

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