

IC Bus on Track with 2010 Engines; Bus Prices to Increase \$6,000

IC Bus Brand Buses Will Meet Latest Emissions Requirements Through Advanced EGR

WARRENVILLE, Ill. (June 16, 2009) – The U.S. Environmental Protection Agency (EPA) will implement more stringent emissions requirements for on-highway diesel engines beginning in January 2010. As a result, the price of buses built by Navistar (NYSE: NAV) subsidiary IC Bus with these new engines coming in 2010 will increase \$6,000 per unit.

“IC Bus understands that many bus customers have fixed budgets and we recognize that a price increase will have an impact on them,” said John McKinney, president, IC Bus. “Through more efficient sourcing and manufacturing operations we have worked diligently to minimize the design and development costs so that 2010 engine prices are as manageable as possible for our customers. And, while our engines will not have the addition of extra aftertreatment equipment like competitors choosing SCR, we’ve invested heavily into the development of a non-urea solution and meeting the stricter emissions levels carries a higher price.”

“We’ve already heard from some school bus customers that are looking forward to having the cleaner engines in their fleet,” added McKinney. “We’re excited about our progress in bringing to market some of the cleanest, most energy-efficient buses ever produced.”

To meet the 2010 EPA emissions requirements for on-highway diesel engines, IC Bus school and commercial buses will be powered by MaxxForce® Advanced EGR (exhaust gas recirculation) engines with proven technologies including advanced fuel injection, air management, electronic controls and proprietary combustion technology.

Other bus manufacturers are choosing to meet 2010 emissions through urea-based Selective Catalytic Reduction (SCR), which requires the use of the fluid, urea, as well as significant aftertreatment equipment which will require complex packaging beneath the bus body.

MaxxForce Advanced EGR engines do not require the use of urea or the addition of bulky on-vehicle urea storage tanks, converters, heaters, and the additional electronics required by SCR systems. MaxxForce Advanced EGR engines set IC Bus apart from the competition with a no-hassle, business-as-usual solution that will deliver lower total operating costs for customers.

“Unlike some of our competitors, we believe that the involvement of the bus driver, the reliability of very complex technologies or the impact of severe climates conditions should not be a factor in meeting emissions requirements,” added McKinney. “Our engines will provide bus customers with a simple and straightforward solution that places the burden of emissions compliance on us, not the customer.”

This pricing impacts all IC Bus school bus models (the BE Series, CE Series, FE Series and RE Series) and commercial models (including the HC Series and LC Series).

About IC Bus

IC Bus, LLC of Warrenville, Ill., is a wholly-owned subsidiary of Navistar, Inc. (NYSE: NAV). The nation’s largest integrated manufacturer of school busses, IC Bus is a global leader in passenger protection, chassis design, engines and ergonomics. The company is also a producer of commercial buses. All IC Bus buses are sold, serviced and supported through a renowned dealer network that offers an integrated customer program encompassing parts, training and service. Additional information is available at www.icbus.com.

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