

Industry-First Hybrid Battery Lease, Other Incentives Power Navistar's Diesel Hybrid Leadership

International® DuraStar™ Hybrid Customers Will Save up to \$16,000 Helping to Offset High Price of Diesel Fuel



DALLAS (August 21, 2008) Navistar (NYSE: NAV) is extending its hybrid leadership among commercial truck manufacturers with innovative new programs designed to further cut the cost of ownership for its hybrid trucks at a time of extraordinarily high diesel prices.

Navistar announced today at the Great American Truck Show here that it is offering customers extra savings and peace of mind when buying the International® DuraStar™ Hybrid medium-duty truck – a \$6,000 tax-match incentive, a 60-month fair market value lease and a 60-month battery-lease program, a first of its kind in the North American commercial truck industry that results in an additional \$10,000 off the purchase price of the truck.

“These three new programs are for customers who are feeling the pinch of fuel prices and who are looking for a greener alternative,” said James L. Hebe, senior vice president, North American sales operations, Navistar. “These new programs help give customers a shorter payback period to realize their return on investment.”

The DuraStar Hybrid offers up to 30-60 percent fuel savings over traditional diesel-powered trucks. At today’s high diesel prices, that equates to a savings of nearly \$4,000 in fuel per truck annually. It also results in annual greenhouse gas reductions of 11 to 16.5 tons of carbon dioxide per unit.

The fuel savings of the DuraStar Hybrid recently qualified the truck for federal tax credits of \$3,000 to \$12,000, depending on application and GVW, for most customers. In addition to these tax credits, International is offering an additional \$6,000 matching “Green” credit for qualifying buyers.

Navistar is also introducing two new leasing programs on DuraStar Hybrid. Navistar is offering a 60-month fair market value lease on the DuraStar Hybrid, in which qualifying customers will have the option when the lease expires to either purchase the truck or just walk away. In addition, Navistar is offering a simple, 60-month battery-lease program for the DuraStar Hybrid—the first of its kind in the North American commercial truck industry. The customer will receive an additional \$10,000 off the purchase price of the vehicle in exchange for paying 60 monthly lease payments on the truck battery.

Over the past several years, Navistar has been the leader among truck makers in bringing forward hybrid technology to the market:

- In 2007 Navistar became the first commercial truck manufacturer to enter into line production of diesel electric hybrid trucks with the International® DuraStar™ Hybrid.
- IC Bus, the nation’s largest school bus and commercial bus manufacturer and a whole-owned affiliate of Navistar, became in 2007 the first and only bus manufacturer to begin production hybrid school buses in partnership with Enova Systems.
- IC Bus launched in October 2006 a new line of diesel-electric hybrid commercial buses that use the Enova system.
- Navistar also has partnered 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.

“As diesel prices quickly approach \$5.00 per gallon and as customers ask for products that reduce their fleet’s impact on the environment, we have not been caught off guard,” Hebe said. “The DuraStar Hybrid is one of many International products that are built for this new reality,”

All three programs run through December 31, 2008. Truck customers seeking more information about these programs should contact their local International dealers.

About Navistar

Navistar International Corporation (NYSE: NAV) is a holding company whose wholly owned subsidiaries and affiliates produce International® brand commercial and military trucks, MaxxForce™ brand diesel engines, IC

brand school and commercial buses, and Workhorse® brand chassis for motor homes and step vans. It also is a private-label designer and manufacturer of diesel engines for the pickup truck, van and SUV markets. The company also provides truck and diesel engine parts and service. Another affiliate offers financing services. Additional information is available at www.Navistar.com.

Media Contacts:

Mark Johnson
Navistar
(630) 753-3518
Mark.Johnson@Navistar.com

Dane Roth
Ketchum
(312) 228-6843
Dane.Roth@ketchum.com
