

Navistar Expands Military Applications by Leveraging Commercial Vehicle Platforms

Contracts totaling \$60.4 million to produce buses and trucks for Iraq and Afghanistan



WARRENVILLE, Ill. (October 8, 2008 - Navistar International Corporation NYSE) Navistar Defense, LLC continues to significantly expand its defense products and services by integrating commercial truck and bus platforms for military applications in Afghanistan and Iraq.

Two contracts totaling \$60.4 million were awarded to Navistar Defense today. The contracts were awarded by the U.S. Army TACOM Life Cycle Management Command: one calling for 289 passenger buses and the other for 196 refrigerator trucks.

Navistar, long known for its commercial and school bus leadership, now uses that same expertise in its defense business. The buses produced for the first contract, worth \$31.6 million, will be based on the IC Bus CE 300 school bus platform and will be powered by MaxxForce DT engines. Work will be conducted at the company's Conway, Ark., bus plant with deliveries beginning in late February 2009 to be completed by the end of June 2010.

"Navistar's sustainability in the defense industry is strong thanks to our long history of commercial expertise," said Bob Walsh, vice president, Navistar Defense. "Not only can we provide vehicle variants of our existing military platforms to meet mission needs, but we continue to utilize our commercial expertise to expand our defense portfolio."

The second \$28.8 million contract from TACOM for refrigerator trucks will be based on the International® WorkStar® platform and will run on the MaxxForce family of engines. Deliveries will begin in January 2009 and will be completed by late August 2009.

"The integration of Navistar's commercial and military platforms is the key to our success in sustaining revenue of at least \$2 billion a year," said Walsh. "We are actively pursuing new business with these platforms with multiple U.S. allies and using our engineering expertise to compete for the upcoming Joint Light Tactical Vehicle program."

Also contributing to Navistar's success in the defense industry is yesterday's \$35.8 million contract award for engineering changes to the MaxxPro™ Mine Resistant Ambush Protect (MRAP) vehicle. The award, granted by the U.S. Marine Corps, is part of the ongoing sustainment of the MaxxPro to improve its capabilities as needed. Work will be performed in West Point, Miss., and is expected to be completed in April 2009.

In addition, the company has begun transitioning its production of MaxxPro MRAP vehicles to the lighter and more mobile MaxxPro Dash, designed for the unique conditions in Afghanistan. Full production of the Dash, which is also built off the company's commercial severe service platform, is scheduled to begin in mid-October. In early September, Navistar was awarded a \$735 million contract to produce 822 units of the MaxxPro Dash.

Navistar Defense is an affiliate of Navistar International Corporation (NYSE: NAV), a holding company whose 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/newsroom.

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