Navistar Awarded Department Of Energy Funding to Develop Aerodynamic Trailers

Expertise in Truck Aerodynamics to be Leveraged for Trailers

WARRENVILLE, III., (December 16, 2008) – With a reputation for designing and building the most aerodynamic, fuel-efficient trucks in the industry, Navistar (NYSE: NAV) will apply its aerodynamic leadership to develop advanced aerodynamic trailers.

Navistar was recently selected by the U.S. Department of Energy (DOE) to participate in an alternative-vehicle technology project aimed at accelerating the development, evaluation and deployment of advanced, aerodynamic trailers to significantly reduce fuel consumption by heavy-duty tractor trailers. The DOE will contribute half of the \$2 million cost of the 30-month project.

The DOE project is aimed at protecting U.S. national and economic security by promoting a diverse supply and delivery of reliable, affordable and environmentally sound alternative energy. In total, the DOE will invest more than \$14.5 million over three years in alternative-vehicle technology projects in three diverse topic areas: lithium-ion battery materials and manufacturing; thermoelectric heating, ventilation and air conditioning; and aerodynamic heavy-duty truck trailers.

"Navistar is proud to work with the Department of Energy on a project that will help reduce tractor-trailer fuel consumption and reduce the country's dependence on foreign oil," said Jack Allen, Navistar's president of North American truck operations. "Over the last several years, we've developed some of the most fuel-efficient, aerodynamic trucks on the road and we're excited to apply the aerodynamic breakthroughs of our trucks into a complete tractor-trailer combination."

Navistar, along with Frito Lay, Kentucky Trailer, Freight Wing, Michelin and the DOE's Lawrence Livermore National Laboratory, will work together to bring to market a tractor-trailer combination and tire package that can reduce the fuel consumption of a heavy vehicle by at least 15 percent. Following development, a commercial fleet will evaluate the benefits of the new technology package through real-world use. After completion of the project, the team members will make this fuel-efficient technology package available for sale.

Research conducted by Navistar shows that an aerodynamic tractor helps improve the performance of trailer aero devices. As part of this project, an optimal integrated aero package will be built around the International® ProStar®, the industry's most aerodynamic heavy-duty truck.

Navistar International Corporation (NYSE: NAV) is a holding company whose wholly owned subsidiaries 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.

Media contact: Roy Wiley, 630-753-2627 Investor contact: Heather Kos, 630-753-2406 Web site: www.Navistar.com/newsroom