

Navistar Defense Vehicle Platform Provides Strong Foundation for Future Growth

TACOM Awards \$79 Million Contract for WorkStar® Based Vehicles



WARRENVILLE, Ill. (January 15, 2008) The U.S. Army TACOM Life Cycle Management Command awarded Navistar Defense, LLC nearly \$79 million to provide 605 vehicles for Operation Iraqi Freedom. The award demonstrates the company's ability to leverage its existing commercial vehicle platforms for continued success.

The company also received a new foreign sales award from Canada on January 9, 2009, to provide up to 1,300 military vehicles. The Canadian Department of National Defence contract was Navistar's first award in 2009 for vehicles based on the WorkStar platform.

"Navistar's core strength is its ability to leverage its engineering, manufacturing and sustainment expertise across a large portfolio of products," said Archie Massicotte, president, Navistar Defense. "Our existing commercial platforms allow us to rapidly modify vehicles for the military, as well as customize them for specific mission types."

Navistar International Corporation's growth strategy is to grow in sectors beyond the company's core commercial truck market. As part of this strategy, Navistar Defense will continue to pursue new U.S. and foreign military sales to sustain a \$2 billion business annually. Navistar has already won military contracts to provide vehicles to U.S. allies such as Israel, Taiwan and Canada.

Since 2004, Navistar has delivered thousands of units based on the WorkStar. While this commercial platform has played a significant role in the company's success, other adaptable vehicle platforms offered by Navistar Defense include the International® PayStar® and MXT™. Navistar also produces multiple variants of its International® MaxxPro® MRAP vehicles, which are also built on the WorkStar base.

Under the new contract, Navistar will provide the Army with 328 fuel trucks and 277 water tankers - all customized from the WorkStar platform. Work for the contract will be performed at the company's West Point, Miss., plant. Approximately 40 percent of the order will be delivered in 2009 with the remaining units to be delivered by the end of July 2010. The award is in addition to the \$2.3 billion in military contracts for 2009 announced on January 5.

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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