Navistar International Corporation Wins Prestigious Blue Sky Award

WestStart-CALSTART Recognizes Company's Diesel-Hybrid Leadership

Warrenville, Illinois - August 20, 2007

Navistar International Corporation, a leading truck and engine producer, announced today that it is the recipient of the 2007 Blue Sky Award from WestStart-CALSTART for its contributions to the commercial development of diesel-hybrid technology. This preeminent award is presented each year by WestStart-CALSTART, the nation's leading advanced transportation technology industry organization working to support and accelerate the growth of companies developing clean and energy-efficient transportation technologies.

Navistar's contributions to advanced diesel-hybrid technology include:

- Bus subsidiary IC Corporation's partnership with Enova Systems, Inc., to develop the nation's first hybrid school bus. Coupling an International® MaxxForce™ 7 engine with an 80 kW diesel-electric hybrid powertrain, the bus can use both diesel and electric power in a highly efficient manner.
- IC's securing the contract to supply the nation's first commercially available hybrid school buses from the Advanced Energy consortium, which represents school districts, state energy agencies and student transportation providers in 11 states.
- IC's announcement in October 2006 that it is launching a new line of diesel-electric hybrid commercial buses that use the Enova system.
- Navistar's partnership 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.
- Navistar's development with Eaton of the International® Diesel-Electric Hybrid Truck, which uses an
 electrified power supply that allows the vehicle to be driven in electric-only mode. This hybrid
 commercialization project, which brought together truck fleet users, truck makers, technology companies,
 and the U.S. military, was sponsored by the Hybrid Truck Users Forum (HTUF) established by WestStartCALSTART.

"The Blue Sky Award™ spotlights those who are ahead of the pack in moving clean, efficient fuels and vehicles to market," said John Boesel, president and CEO of WestStart-CALSTART.

"Navistar has invested the engineering, development and field assessment time earlier – and faster – than its competitors to make hybrids into a commercial product. Just as important, it is moving this technology into the truck world, which on a per-vehicle basis has a huge air quality and climate change impact."

"We are honored to receive this prestigious award," said Dee Kapur, president of the International's Truck Group. "It underscores that diesel-hybrid technology is now commercially available on a mass scale. Thanks to the energy efficiency and the emissions reductions made possible by diesel-hybrid vehicles, truck and bus customers will be able to save thousands of dollars in fuel costs per vehicle each year, while knowing that they are delivering significant clean-air benefits as well."

International's diesel-hybrid vehicles emit 40 percent less carbon dioxide (CO2) than conventional diesel engines, which significantly reduces emissions of this greenhouse gas. Independent test results also verify that use of diesel-hybrid vehicles can reduce the amount of fuel used by 40 to 60 percent, which, at \$3.00 per gallon, could lead to savings of \$4,500 to \$5,000 a year per vehicle.

The award will be presented to International at The Blue Sky Award™ ceremony and luncheon, to be held this year at the California Institute of Technology's Atheneum facility in Pasadena. Attended by the industry's top companies and leading policymakers, the luncheon serves as the advanced transportation industry's annual clean awards event.

WestStart-CALSTART presents the Blue Sky Award™ to individuals and companies to recognize – and reward – outstanding contributions not only to develop clean vehicles and technologies, but also to actively bring them to the marketplace. Past honorees include General Motors, Toyota, Honda, Los Angeles County MTA, Clean Energy, Federal Express, George Survant (Florida Power and Light), ISE Corp, Assemblywoman Fran Pavley, and the California Fuel Cell Partnership.

Navistar International Corporation (Other OTC:NAVZ), and its wholly-owned subsidiary, International Truck and Engine Corporation, is a leading producer of medium trucks, heavy trucks, severe service vehicles, mid-range diesel engines, parts and service. International and its affiliates sell their products, parts and services through a network of nearly 1,000 dealer outlets in the United States, Canada, Brazil and Mexico and from more than 60 dealers in 90 countries throughout the world. Additional information is available at: www.navistar.com.

About WestStart-CALSTART

WestStart-CALSTART is North America's leading advanced transportation technologies consortium. It is a participant-supported organization of approximately 140 firms and organizations worldwide, dedicated to expanding and supporting a high-tech transportation industry that cleans the air, creates jobs and improves energy efficiency. It serves as a strategic broker to spur advanced transportation technologies, systems and the companies that make them.