

EPA and CARB Present Proposals to Reconsider 2010 SCR Engine Certification Requirements

Navistar Will Continue to Work with Agencies to Close Pollution Loopholes

EL MONTE, Calif. (July 20, 2010) – Navistar International Corporation (NYSE: NAV) said from a workshop today that the U.S. Environmental Protection Agency (EPA) and the California Air Resources Board (CARB) presented preliminary proposals aimed at the compliance loopholes found in current 2010 liquid-based SCR systems.

“Navistar first identified these loopholes to the agencies and also presented our concerns at today’s workshop,” said Jack Allen, president of Navistar’s North American truck group. “We will be working with the EPA and CARB to ensure full environmental compliance.”

At today’s joint CARB and EPA workshop, Navistar’s concerns about environmental compliance were backed up by independent test findings that show new commercial vehicles that must contain liquid urea to meet federal NOx emissions standards continue to operate effectively when urea is not present. At such times, Navistar said, the vehicles throw off levels of NOx as much as 10 times higher or more than when urea is present.

The research was conducted by EnSIGHT, an independent environmental consulting firm, using two long-haul vehicles and one heavy-duty pickup, all of which use Selective Catalytic Reduction (SCR) technology that relies on liquid urea to clean up NOx emissions after they leave the engine.

EnSIGHT’s research showed that when liquid urea was not present, there was little or no effect on the vehicles’ operations. This included long periods of time when the vehicles’ urea tanks were empty or were refilled with water instead of urea. One truck tested appears to operate indefinitely with water and as a result without any functioning SCR NOx control. That truck has accumulated more than 13,000 miles with its SCR NOx emission control turned off.

European research also has shown that even with a full tank of liquid urea, the SCR NOx emission control system does not turn on when exhaust temperatures are not hot enough. This occurs during stop-and-go traffic. That means that there is frequently no SCR NOx control when these trucks are operating in urban areas as well as in any other congested traffic situation.

Navistar, which commissioned EnSIGHT’s work, joined two prominent environmental groups, the Coalition for Clean Air and Environment Now, in calling on the EPA and CARB to eliminate the loopholes and the resulting excessive NOx emissions.

“Truck owners are paying a substantial price to comply with 2010 NOx requirements,” said Allen. “They, and the public, deserve to know that the new equipment they are purchasing actually works as promised to curb pollution. It’s obvious, however, that these trucks can operate effectively without liquid urea, and that under these and other conditions, SCR NOx emission control is turned off. We’re calling on the EPA and CARB to assure that all vehicles, not just ours, work when they are supposed to be working.”

About Navistar

Navistar International Corporation (NYSE: NAV) is a holding company whose subsidiaries and affiliates produce International® brand commercial and military trucks, MaxxForce® brand diesel engines, IC Bus™ brand school and commercial buses, Monaco® RV brands of recreational vehicles, and Workhorse® brand chassis for motor homes and step vans. The company also provides truck and diesel engine service parts. Another affiliate offers financing services. Additional information is available at www.Navistar.com/newsroom.

About EnSIGHT, LLC

EnSIGHT, LLC, is an environmental consulting company focusing on a range of environmental and energy-related issues, including exposure evaluations, emissions monitoring and quantification, and evaluation of emissions reduction strategies and technology. EnSIGHT has worked closely with regulatory agency staff and has participated actively in a number of diesel-related regulatory issues, including the CARB Airborne Toxic Control Measure and Diesel Risk Reduction Program.

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