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NAVISTAR FIRST TRUCK AND BUS MAKER TO RECEIVE HYBRID CERTIFICATION FROM CALIFORNIA AIR RESOURCES BOARD

- *International® DuraStar® Hybrid box van, utility truck and IC Bus CE Series hybrid bus certified*
- *Customers who purchase certified International and IC Bus vehicles receive additional \$5,000 voucher under state program*

WARRENVILLE, Ill. (April 27, 2009) – Navistar (NYSE: NAV) continues to blaze new trails through the hybrid landscape, becoming the first truck and bus manufacturer to receive total hybrid vehicle certification from the California Air Resources Board (CARB) for improving fuel economy and overall emissions.

The innovative integration of an optimized engine and hybrid system makes total vehicle certification of the International® DuraStar® Hybrid box van and utility truck, and the IC Bus CE Series hybrid bus a reality.

On Friday, April 24, 2009 the CARB voted to implement a \$25 million voucher incentive program as part of California Assembly Bill (AB) 118 to accelerate the deployment of about 1,000 medium- and heavy-duty diesel hybrid trucks and buses in California. Purchasers of commercial hybrid vehicles under this program will receive incentives ranging from \$10,000 to \$35,000 per vehicle depending on weight class. In addition, purchasers of CARB-certified International DuraStar Hybrid models and IC Bus hybrid buses will receive vouchers worth another \$5,000 per vehicle under the incentive.

“This is a win-win for everyone in California,” said Jack Allen, Navistar president, North American truck group. “By working together we created the opportunity to put more clean diesel hybrid trucks and buses on California’s roads, and we’re proud that Navistar’s hybrid leadership directly puts money back in our customers’ pockets.”

In addition to commercial hybrid trucks, Navistar is an industry leader in hybrid school buses. In August 2007, Navistar’s IC Bus subsidiary delivered the first hybrid diesel school bus to the Napa Valley Unified School District in California. While most diesel-only powered school buses achieve an average of six to seven miles per gallon, the fuel efficiency of the IC Bus plug-in hybrid electric school bus nearly doubled the average to 13 miles per gallon.

AB 118, authored and championed by former California State Assembly Speaker Fabian Nunez, aims to reduce greenhouse gases from California's transportation sector, and was signed by Governor Schwarzenegger on Oct. 14, 2007.

Environmental Innovations

For decades, Navistar has demonstrated a commitment to clean technologies that benefit the environment and its customers. In 1989, Navistar was the first original equipment manufacturer to release the smokeless diesel engine and, in 2001, Navistar was the first engine manufacturer to gain certification from the U.S. Environmental Protection Agency (EPA) for meeting particulate and hydrocarbon emissions standards – six years ahead of schedule. Navistar was also the first to enter line production of commercial diesel hybrid trucks and school buses.

Most Fuel Efficient Heavy Trucks

In addition to hybrid-electric trucks and buses, the conventional line-up of International brand commercial trucks is among the most aerodynamic, fuel efficient in the industry. Navistar recently became the first OEM to receive dual certification through the U.S. EPA SmartWay Program for helping to reduce greenhouse gas emissions. Navistar produces two industry-leading Class 8 trucks with SmartWay certification — International LoneStar® and International ProStar® — a distinction they received for their superior aerodynamics and fuel economy. While the aerodynamic ProStar Class 8 tractor is the market leader in fuel-efficiency, in June 2008, the groundbreaking LoneStar became the first classic-styled Class 8 tractor to receive the SmartWay certification.

Award-winning Environmental Leadership

For its ongoing leadership, Navistar was honored with 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. For more information on Navistar's legacy of environmental leadership, visit www.greendieseltechnology.com.

About the California Air Resources Board

The Air Resources Board is a department of the California Environmental Protection Agency. The CARB oversees all air pollution control efforts in California to attain and maintain health-based air quality standards.

About Navistar

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 Bus 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.