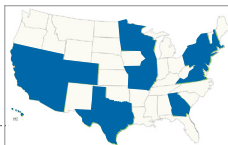


MaxxPower™ Solves Anti-Idle Dilemma




It's a blustery January night in Colorado, and John, an owner-operator hauling a load from Wisconsin, is idling his truck to keep the cab warm while he sleeps. Unfortunately, John is in for a rude awakening – in this part of the state, allowing an engine to idle for even five minutes of one hour can land offenders in jail.

While John is fictional, the law is not. Municipalities throughout North America now prohibit commercial vehicle idling. In fact, 21 U.S. states have anti-idle laws on the books.

Although the laws vary from country to country, state to state, and even city to city, most stipulate vehicles may not idle for more than three to five minutes, and stem from concerns that idling contributes to air pollution and noise.

In addition to environmental concerns, the rising cost of fuel is a driving factor in the anti-idle campaign. According to the Department of Energy, excessive idling across the industry consumes more than 900 million gallons of diesel fuel annually, and with the pump price for diesel soaring, it doesn't take long for this to add up to serious money – at more than \$5.00 per gallon, idling costs add up to billions of dollars per year.

Facing rising fuel costs and a growing array of anti-idle regulations, many of our customers are searching for a way to still provide the comfort levels needed for safe and efficient operation. Navistar's answer is the MaxxPower™ auxiliary power unit (APU). At a rate of one gallon burned an hour while idling, MaxxPower can save nearly \$7,600 in fuel annually. The only fully-integrated OEM line-produced and emissions-compliant APU, the MaxxPower arrives in fall 2008. 




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ISSUES

Economic Stimulus Act Could Boost '08 Truck Sales

If the U.S. financial state has some asking "Why buy a truck now?," the Economic Stimulus Act of 2008 is the federal government's answer. The act increases the depreciation provision for new truck purchases in 2008 from 30 percent to 50 percent, making the prospect of purchasing a commercial truck that much more attractive to potential buyers.

This "bonus depreciation" will reduce a buyer's 2008 federal business tax liability by thousands of dollars for each new truck placed into service during the year.

If a new truck purchase meets the requirements, the owner is entitled to deduct 50 percent of the adjusted basis of the property in 2008. The remaining 50 percent of the adjusted basis of the property is depreciated over the ordinary tax depreciation schedule. 



Navistar Truck Group has developed an online destination to learn more and share information about the benefits of this new law at www.InternationalTrucks.com/TaxSavings.

Rising Diesel Fuel Prices

If you cringe when you fill up your 28-mpg, four-door sedan for \$45 twice a week, imagine pulling up to the pump in a big rig and bracing your wallet for a \$1,000 hit.

For those in the trucking industry, where the average fully-loaded tractor trailer gets six to nine miles to the gallon and diesel's U.S. average is more than \$5.00 a gallon*, the climbing price of fuel is truly a growing concern. (* As of June 18, 2008)

Analysts say prices at the pump are being driven largely by the dramatic rise in world crude oil prices. Laurie Falter, an economist with the U.S. Department of Energy, says a drop in diesel imports from Europe is also partly to blame.

"In Europe, their economy is still going really strong, and their vehicle fleet is transitioning more towards diesel," Falter recently told National Public Radio. "So, all of the excess diesel supply is being sucked into Europe and there isn't as much available for us to import."

With the needs of our customers in mind, Navistar has responded to rising fuel prices by offering several product solutions, including




See how owner-operators feel at www.standaloneinternationaltrucks.com.

the most fuel-efficient class 8 truck on the road, the International® ProStar™, and the first OEM-produced diesel hybrid commercial truck, the

International® DuraStar™. Respectively, these two leaders in the field offer \$3,900 and \$5,700 savings at the pump annually.

We've also taken the lead in developing fuel-efficient solutions for the medium-duty truck market by offering 2008 DuraStar models with new MaxxForce™ engines – a product duo providing customers with as much as 9 to 13 percent fuel savings compared to previous models.

In fact, we are so certain customers who purchase a qualifying new International DuraStar powered by a MaxxForce™ 7 or MaxxForce DT engine will experience improved fuel-economy that, after six months, if the customer has not seen at least a 7 percent fuel-economy improvement compared to their previous qualifying truck, the customer will receive a \$1,000 fuel card.


We're also putting our money where our mouth is with several other vehicles. Customers who spec any 2009 model year International® LoneStar®, International® TranStar®, International ProStar or 9000 Series unit with pre-determined specifications to maximize fuel efficiency, will be eligible to receive a \$1,000 voucher for the cost of the truck. 

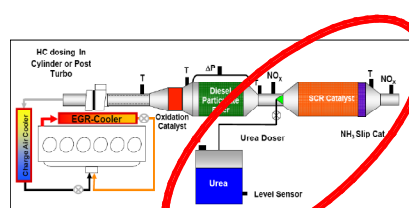
Emissions Reduction Technology Decoded

While many of our competitors have announced they will use SCR technology after-treatment in conjunction with the EGR technology they use today to achieve the stringent 2010 emissions standards, Navistar has broken away from the pack, choosing a solution focused on advanced, in-cylinder technologies to help reduce nitrogen oxide (NOx) emissions. This approach eliminates the need for additional after-treatment in 2010.

The story behind the acronyms: Engines using selective catalytic reduction (SCR) technology inject urea (a mixture of ammonia and water) from a separate mounted tank into the engine exhaust stream, where it converts NOx into nitrogen and water. Complex electronic calibrations are also required to use SCR technology properly. Navistar uses proprietary in-cylinder combustion designs, high-pressure fuel injection and electronic calibrations to advance the capability of engine-cooled exhaust gas recirculation (EGR) to reduce NOx emissions.

Why in-cylinder solutions? The in-cylinder solution chosen by Navistar eliminates the need for additional hardware, fluids, tanks, gauges, sensors and electronics. Our approach is customer focused. It takes the burden of meeting emissions off customers, who must maintain an additional fluid to operate their vehicles equipped with SCR technology.

Due to the auxiliary tank and components, SCR technology could add as much as 500 pounds to a vehicle, and could cost as much as \$5,000. In addition, there is currently no urea distribution network in North America, nor any program in place to regulate its use after the 2010 emissions standards goes into effect. Finally, with the large array of vocations our products serve, Truck Equipment Manufacturers do not have to re-engineer bodies and functional components with this approach as they will for those manufacturers who use an SCR solution. 



Additional systems/
components required for
SCR