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## **International Truck and Engine Partners with U.S. Army to Unveil SmarTruck III and International Commercial Utility Vehicle**

### **Dual-Use Platform Addresses Critical Needs of U.S. Troops, Delivers New Concept to Commercial Market**

DETROIT, Mar 8, 2004 (BUSINESS WIRE) -- International Truck and Engine Corporation and the U.S. Army today unveiled the next generation of military and commercial vehicles at the Society of Automotive Engineers (SAE) 2004 World Congress. The two new concept vehicles - the SmarTruck III and a new International(R) Commercial Utility Vehicle - are both built off of an International(R) High Performance four-wheel-drive medium truck platform.

SmarTruck III, a collaboration of the U.S. Army's National Automotive Center and International Truck and Engine Corporation, will offer the military advanced capabilities in state-of-the-art communications and detection systems while offering improved fuel economy and increased armor protection to better withstand roadside attacks. A commercial version of the SmarTruck III, the International Commercial Utility Vehicle, can be modified to serve a range of potential customers, from the U.S. Border Patrol, to the Department of Homeland Security to applications in the construction industry. Both prototypes are the first vehicles launched from International's new military business operation and represent International's commitment to growth in this market.

"The demands of today's soldiers mandate that we build vehicles that offer greater functionality, protection and mobility," said Daniel C. Ustian, chairman, president and chief executive officer of Navistar International Corporation, the parent company of International Truck and Engine Corporation. "And as the leading manufacturer of medium trucks and mid-range diesel engines, International has the capability to deliver and the scale to provide a more affordable solution."

Ustian said the two new prototypes are an example of a number of growth opportunities that are part of Navistar's core growth plans to become a \$15 billion company by the next industry cycle.

Archie Massicotte, vice president of military business at International, said that SmarTruck III offers the latest advances in communications, defense and occupant protection, and field intelligence. The vehicle also can be outfitted with advanced telematics technology that will allow military command centers to know in real time where the vehicles are located, and with remote diagnostics, how they are performing.

With a new International(R) VT275 diesel engine, which is a 4.5-liter V6, and a hybrid hydraulic launch assist for power at startup, the technologies used in the concept vehicles also allow for better fuel economy, said Massicotte.

"By building an affordable commercially based vehicle with improved fuel economy, SmarTruck III answers the budgetary concerns of the U.S. military and the American taxpayers," said Massicotte.

On the commercial side, the International Commercial Utility Vehicle is a modified, simpler version of SmarTruck III that can be used by various government agencies like the Department of Homeland Security and the U.S. Border Patrol or non-government customers such as construction or utility companies.

Massicotte sees the concept vehicles as significant opportunities for International to demonstrate its capabilities to develop vehicles that can be configured for a range of applications in the Class 4-5 market. In addition to the government uses of the International Commercial Utility Vehicle, International also anticipates that many customers in the private sector will be interested in utilizing a commercial fleet of trucks that are more durable, exhibit superior performance and are cost-effective.

International Truck and Engine Corporation is the operating company of Navistar International Corporation (NYSE:NAV). The company produces International(R) brand commercial trucks, mid-range diesel engines and IC brand school buses and is a private label designer and manufacturer of diesel engines for the pickup truck, van and SUV markets. With the broadest distribution network in North America, the company also provides financing for customers and dealers. Additionally, through a joint venture with Ford Motor Company, the company builds medium commercial trucks and sells truck and diesel engine service parts. Additional information is available at [www.internationaldelivers.com](http://www.internationaldelivers.com).

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