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International Truck and Engine to Offer School Bus Customers New Diesel Solution to Meeting Clean Air Requirements

Green Diesel Technology™ Will Be Available on an International® School Bus; Emissions Are at or Below Emissions Levels of Alternative Fuels

LOS ANGELES--May 16, 2000--Working to provide a solution to California's and the nation's air quality problems, International Truck and Engine Corp. today announced that it will produce a school bus next year that features an engine with diesel's power and with low emissions once thought possible only with alternative fuel.

At a demonstration at Don Bosco Technical Institute in East Los Angeles, the company said that International® Green Diesel Technology™, previously only demonstrated, will be made available in summer 2001 on the International rear engine school bus with an International 530E engine.

"With Green Diesel Technology, bus customers retain the power, reliability and durability of diesel engines and meet upcoming emissions requirements," said Patrick E. Charbonneau, vice president of engine engineering for International's engine group. "It's a win-win situation for the environment as well as the customer."

Charbonneau said the Green Diesel Technology school bus will have a 275 horsepower International diesel engine equipped with a catalyzed particulate filter and fueled with ultra-low-sulfur fuel (under 15 parts per million sulfur content).

Several oil companies have already committed to produce ultra-low-sulfur fuel. Centrally fueled fleet customers with access to ultra-low-sulfur fuel can order the buses for delivery in the summer of 2001.

According to Charbonneau, International's new technology will save school bus customers money when compared with alternative fuel options.

"In California and around the country, it is becoming increasingly important to be able to provide our customers with a diesel product that accelerates clean air solutions," he explained. "Diesel fuel is the choice for the long term because it is safe and economical, and it already has a delivery infrastructure in place."

"Now, our advanced diesel technology, combined with the availability of ultra-low-sulfur diesel fuel, can meet the demands of our bus customers who are faced with new emissions requirements or demands to switch to other fuels."

International unveiled its Green Diesel Technology platform in June 1999 with demonstrations that showed particulate emissions 50 percent lower than the best compressed natural gas engine. Hydrocarbons were reduced below measurable levels, eliminating the odor often associated with diesel engines. Overall, the technology reduced particulate emissions by more than 90 percent.

Green Diesel Technology will provide bus customers with engine technology that will reach particulate matter, hydrocarbon and carbon monoxide levels below the best natural gas engines. The particulate emissions are also below the standards being discussed by the U.S. Environmental Protection Agency (EPA) for 2007.

Current thinking is that the EPA standards will be in the range of .01 to .02 grams per brake horsepower hour (gr/bhp-hr) and International has demonstrated particulate emissions of .005 grams per gr/bhp-hr with ultra-low-sulfur fuel.

"Ultra-low-sulfur diesel fuel is a technology enabler and is critical to the continued improvements in diesel engine emissions technology," Charbonneau said.

According to Charbonneau, the need for ultra-low-sulfur fuel is similar to what occurred when lead was forced out of gasoline because it was damaging the expensive catalytic converters that the auto companies were required to install on new cars to comply with new smog control laws. The removal of lead from gasoline began in 1975 and the phase-out was completed by 1986.

Charbonneau noted that today, current diesel engines emit approximately 40 percent less carbon dioxide, which is linked directly to global warming, than their gasoline counterparts. Additionally, diesel engines get 40 percent to 60 percent better fuel

economy.

"With ultra-low-sulfur fuel, diesel engines can be the solution to clean air concerns," Charbonneau said.

International Green Diesel Technology is based on a history of innovations. In 1989, International demonstrated its smokeless diesel technology, five years ahead of the EPA's mandated deadline. In 1994, International introduced its low-pressure common rail fuel-delivery system, which provides a virtually smokeless exhaust, again setting an industry benchmark for emissions technology.

International Truck and Engine is the operating company of Chicago-based Navistar International Corp. (NYSE:NAV), which had 1999 sales and revenues of \$8.6 billion. International Truck and Engine is a leading producer of medium trucks, school buses, heavy trucks, severe service vehicles, mid-range diesel engines and parts and services sold under the International® brand.

The company also is a private-label designer and manufacturer of diesel engines for the pickup truck, van and SUV markets. Through its finance subsidiary, the company also provides financing and liability insurance for its dealers and customers. Additional information can be found on the company's Web site at www.InternationalDelivers.com.