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International Truck and Engine Corporation and Eaton Corporation Selected for Largest U.S. Diesel-Electric Hybrid Truck Pilot Program

Industry Testing Signals Significant Step Towards Commercial Availability

KALAMAZOO, Mich., Oct 15, 2004 (BUSINESS WIRE) -- International Truck and Engine Corporation and Eaton Corporation have been selected to manufacture diesel-electric hybrid trucks for a national pilot program serving the utility industry. The pilot truck program is the largest in the nation to date and will test a minimum of 20 factory-built International(R) utility trucks featuring an integrated hybrid powertrain solution jointly developed by the two companies.

The program was announced today at the Hybrid Truck Users Forum (HTUF) operated by WestStart, an advanced technology consortium bringing together truck fleet users, truck makers, technology companies, and the U.S. military. WestStart will be administering the pilot program through the support of the U.S Army's National Automotive Center, the Army's official link to working with commercial and academic partners. The center's director, Dennis J. Wend, believes diesel-electric hybrid technology built on a commercial truck platform will benefit utilities and other commercial customers and can be rapidly transferred to military applications.

"This agreement is another example of International's commitment to environmental leadership and delivering value to our customers," said Tom Cellitti, vice president and general manager, Medium Vehicle Center, International Truck and Engine Corporation. "International believes that diesel-electric hybrid technology can be made commercially viable and be developed for military customers. We appreciate the shared vision of the utility companies involved, WestStart and the U.S. Army's National Automotive Center to prove out this technology on a broader scale."

"Together, International and Eaton are delivering an integrated solution that allows the customer to attain a 40 to 60 percent increase in fuel economy and exceed new standards for fuel emissions," said Kevin Beaty, Hybrid Business Unit manager for Eaton Corporation.

Both International and Eaton believe that diesel-electric hybrid technology holds significant promise. If the pilot program is successful and customer needs are met, International is prepared produce diesel-electric hybrid trucks as early as 2006.

"What we will deliver is a complete package to the customer," said VK Sharma, director of engineering, International Truck and Engine. "Our hybrid truck will take International's leading product to the next level, building on our advancements in telematics and body integration made possible by our Diamond Logic(TM) electrical system."

The initial powertrain will couple an International(R) DT 466 in-line six-cylinder diesel engine with an Eaton hybrid-electric drivetrain, incorporating a transmission, batteries and permanent magnet motor. Power from the engine is converted directly into electrical energy, which then incorporates the conventional drivetrain to power the truck. The system recovers kinetic energy during braking, charging the batteries while the truck is slowing down. This provides additional power for acceleration, making the hybrid trucks ideal for in-city driving situations with frequent starting and stopping. Additionally, the hybrid truck used in the pilot will operate the utility bucket in an electric-only mode, with the engine shut off, for up to 2 hours and provide electric power during idling for added fuel saving benefits.

The diesel-electric hybrid test vehicles, which are International(R) 4000 Series medium trucks, will be manufactured at International's Springfield, Ohio, truck assembly plant. The International Dealer Network, along with a team of specialists from both International and Eaton, will provide field support for the units.

"We are pleased to be working with International and Eaton in this endeavor," said George Survant, director of fleet services, Florida Power and Light Company, and the chairperson of the HTUF Utility Working Group of WestStart. "When you combine International's leadership in the medium truck and mid-range diesel engines and Eaton's reputation as a leading powertrain supplier, you've built a great platform for success."

About International Truck and Engine Corporation

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.

About Eaton Corporation

Eaton Corporation is a diversified industrial manufacturer with 2003 sales of \$8.1 billion. Eaton is a global leader in fluid power systems and services for industrial, mobile and aircraft equipment; electrical systems and components for power quality, distribution and control; automotive engine air management systems, powertrain solutions and specialty controls for performance, fuel economy and safety; and intelligent truck drivetrain systems for safety and fuel economy. Eaton has 55,000 employees and sells products to customers in more than 100 countries. For more information, visit www.eaton.com.

About WestStart-CALSTART

WestStart-CALSTART is 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. It plays a national role in efforts to advance the use of hybrid technologies in trucks. Over 115 companies and agencies are WestStart-CALSTART participating organizations. Its California operating division does business as CALSTART. For more information on this non-profit organization, visit www.weststart.org.

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