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Independent Testing of International Truck and Engine Corporation Diesel- Electric Hybrid Utility Truck Affirms Promise of Hybrid Commercial Trucks

Business Case for Hybrid in Commercial Market Continues to Grow

LOUISVILLE, Ky., Sept 28, 2005 /PRNewswire via COMTEX/ -- With the nation's largest medium truck diesel-electric hybrid utility field test program soon to begin, there's reason for great optimism. Independent test results involving the International Truck and Engine Corporation utility truck being used in the field test, measured against driving and work cycles typical of the utility industry, showed a decrease in the amount of fuel used of 40 to 60 percent, as well as emissions-reduction benefits, significantly exceeding expectations. At $2.70 a gallon for fuel, the potential savings ranges from $3,500 to $4,500 a year. For a fleet of 10 trucks, that translates into a predicted annuals savings of $35,000 to $45,000.

The field test truck program, sponsored by WestStart's Hybrid Truck Users Forum (HTUF), a hybrid commercialization project bringing together truck fleet users, truck makers, technology companies, and the U.S. military, will field test 24 utility trucks with an integrated hybrid power-train solution jointly developed by International and Eaton Corporation. Commercial operations such as utilities gauge their success in terms of fuel savings, rather than the miles-per-gallon measure that traditionally is used by over-the-road truck fleets. The field test is slated to begin by year-end.

The study was designed to anticipate how trucks in the field test will be used on a larger scale and thus can be considered a sneak preview of some of the benefits the utility industry can expect to see. Beyond that, this hybrid technology built on a medium platform can translate to many other commercial uses. Specifically, it has potential for applications with frequent start-and-stop operations, significant idle time and those that need exportable power, such as retail delivery (food, beverage, etc.), package car, government, ambulance and schoolbus. Utilizing the power-take-off (PTO) functionality will benefit additional applications such as propane and fuel oil, vacuum trucks and paper shredders.

"These early results are very promising. While we will need to test these trucks on a larger scale and over a longer period of time, we continue to see indications that these vehicles are commercially viable and will deliver real value to customers," said Bill Van Amburg, senior vice president at WestStart.

"These initial findings support our vision of making diesel-electric hybrid trucks a viable option," said George Survant, director of fleet services, Florida Power and Light Company, and the chairperson of the HTUF Utility Working Group of WestStart. "The other benefits we expect, such as extended maintenance intervals and fewer brake changes, further illustrate the promise of this technology."

Beyond the reduction in fuel use, emissions and service intervals, other factors are strengthening the case for diesel-electric hybrid technology, said Van Amburg. For example, Congress recently passed the Energy Policy Act of 2005 that provides tax credits for purchases of medium- and heavy-duty hybrid vehicles. The tax benefits range from $1,500 to $12,000, depending on the vehicle weight and increase in fuel economy relative to a comparable non- hybrid vehicle. Based on these factors, the utility trucks used in the field test likely would qualify for the maximum tax credit of $12,000.

"When you combine the high cost of diesel with potential maintenance savings and tax incentives, the business case for hybrid-electric vehicles becomes more and more favorable," said Tom Cellitti, vice president and general manager, Medium Vehicle Center, International Truck and Engine Corporation. "As the production volume of hybrid trucks increases, the price will decrease, due to scale, making a commercially viable product much more likely in the future."

"Eaton is thrilled to have our projected fuel economy and performance benefits validated through actual independent testing on this program. International is an important partner in deploying our hybrid electric technology to the utility, telecom and commercial vehicle market," said Kevin Beaty, business unit manager for Hybrid Electric Power-trains at Eaton Corporation.

The drive system in the utility trucks is a parallel hybrid configuration, with the permanent magnet motor mounted directly in front of the transmission, behind the engine and clutch. Power from the engine is used to drive the conventional drive-train directly or converted into electrical energy and stored for use as needed. Electric torque can be blended with engine torque to improve vehicle performance and to operate the engine in the most fuel- efficient range for a given speed or to operate the vehicle with electric power only. The system recovers kinetic energy during braking, charging the batteries while the truck is slowing down which provides additional power for acceleration. This truck also can operate the utility bucket in electric-only mode, with the engine off, significantly contributing to improved fuel economy.

International will equip each hybrid truck, along with an additional base line non-hybrid vehicle, with its new International(R)

Aware(TM) Vehicle Intelligence system. This will send continuous information to field test participants to measure the performance of the hybrid test fleet against a conventional vehicle being used in the same application and location. This data will give fleet owners specific information on performance and savings to help them fully understand the impact of hybrid-electric vehicles in their fleet.

WestStart will administer the field test 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 transferred rapidly to military applications.

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. A wholly owned subsidiary offers financing services. Additional information is available at http://www.InternationalDelivers.com .

About Eaton Corporation

Eaton Corporation (NYSE: ETN) is a diversified industrial manufacturer with 2004 sales of $9.8 billion. Eaton is a global leader in electrical systems and components for power quality, distribution and control; fluid power systems and services for industrial, mobile and aircraft equipment; intelligent truck drivetrain systems for safety and fuel economy; and automotive engine air management systems, power-train solutions and specialty controls for performance, fuel economy and safety. Eaton has 57,000 employees and sells products to customers in more than 125 countries.

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 http://www.weststart.org .

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