

Wake County School District Receives One of the Nation's First Plug-In Hybrid Electric School Buses From Advanced Energy

First Hybrid School Buses Built by IC Corporation Can Attain Up To 70-100 Percent Increase in Fuel Efficiency, 90 Percent Reduction in Emissions

Raleigh, NC (May 17, 2007)

As fuel prices continue to skyrocket, the Wake County School District will have a new plug-in hybrid electric school bus for the 2007-08 school year that could help offset the rising fuel costs while helping protect the environment.

The school district will become one of the first school districts in the U.S. to operate the new hybrid school bus that potentially double fuel efficiency and reduce emissions by up to 90 percent.

"Wake County students will be among the first in the country to ride on a hybrid school bus," said Don Hayden, Associate Superintendent of the Wake County School District. "This is an exciting time for our school district as we strive to provide environmentally cleaner, more fuel efficient student transportation."

The new bus is a result of a nationwide initiative called the Plug-In Hybrid Electric School Bus Project, led by Raleigh-based Advanced Energy, a non-profit corporation that initiated a buyer's consortium of school districts, state energy agencies and student transportation providers. Among the partners that helped Advanced Energy bring the bus to Raleigh include:

- Progress Energy
- Dominion North Carolina Power
- N.C. Department of Administration – State Energy Office
- N.C. Department of Environment and Natural Resources – Division of Air Quality
- N.C. Department of Public Instruction
- North Carolina's Electric Cooperatives

The hybrid plug-in school bus is built by IC Corporation, the nation's largest school bus manufacturer, and Enova Systems, a leading provider of hybrid drive systems.

While the exterior of the school bus looks the same, it is powered with innovative new technology. The hybrid school bus project features Enova's Charge Depleting System (or "Plug In"), which was extensively tested and evaluated at IC Corporation's research and technology facility in Fort Wayne, Ind. With an overnight charge, this system utilizes a larger battery based on advanced battery chemistry that provides stored energy intended to be drawn down over the driving cycle, thus optimizing fuel economy. Depending on the route, fuel economy is expected to improve by 70-100 percent and reduce emissions by up to 90 percent.

"This project provides operational benefits to school districts, while also providing the reduced emissions desired by the U.S. Environmental Protection Agency and a valuable return on investment to school boards," said Ewan Pritchard, P.E., Advanced Energy's hybrid program manager.

The initial powertrain for the hybrid school bus will couple an International® VT365 V8 diesel engine with the 25/80-kilowatt hybrid-electric powertrain, incorporating a transmission, batteries and an electric motor. The system is based on a parallel architecture, allowing the system to utilize both diesel and electric power in a highly efficient manner.

The hybrid school buses are also outfitted with a proprietary GPS system called AWARE™ Vehicle Intelligence that allows school officials to track the exact location and performance of the school bus via a password-protected site on the Internet.

"IC Corporation's hybrid school bus revolutionizes the school bus industry," said Michael Cancelliere, vice president and general manager of IC Corporation. "Improving fuel efficiency and reducing emissions helps school districts and the environment. IC Corporation is committed to environmental leadership and delivering value to our customers."

Later this, year other school districts around the country will be receiving the remaining IC Corporation hybrid school buses awarded in Advanced Energy's bid – 19 total. The hybrid school buses are manufactured at IC Corporation's plant in Conway, Ark. More information about the program is available www.hybridschoolbus.org.

About IC Corporation

IC Corporation is a wholly owned affiliate of Navistar International Corporation (OTC: NAVZ). The nation's largest integrated manufacturer of school buses, IC Corporation is a leader in passenger protection, chassis design, engines and ergonomics. The company is also a producer of commercial buses. All IC Corporation buses are sold, serviced and supported through a renowned dealer network that offers an integrated customer program encompassing parts, training and service. Additional information is available site at: www.ic-corp.com.

About Advanced Energy

Advanced Energy is a Raleigh-based nonprofit corporation that enables utility customers to improve returns on their energy investments. The corporation also strives to create environmental, economic and societal benefits through innovative and market-based approaches to energy. The Hybrid Electric School Bus Project represents a collaborative effort among many parties to improve the nation's air quality. The project has demonstrated that industry, government and non-profits can successfully work together to improve the environment and encourage the economy.
