

## **Nation's First Hybrid School Bus Unveiled in New York by Leading School Bus Manufacturer, IC Corporation**

### **Company Works with Enova Systems to Offer First Hybrid School Buses That Can Attain Up To 40 Percent Increase in Fuel Economy**

Albany, NY (July 10, 2006) - While high fuel prices have strained operating expenses for school bus customers, there is now a solution for better fuel economy in school buses.

IC Corporation, North America's largest school bus manufacturer, unveiled the nation's first hybrid school bus today at the New York Association of Pupil Transportation (NYAPT) Show. The company, a subsidiary of Navistar International Corporation (NYSE: NAV), has partnered with Enova Systems, Inc. to develop the bus that can attain an approximate 40 percent increase in fuel economy.

"With fuel prices near all-time highs, new innovations in hybrid technology are needed to help customers keep their operating costs lower," said Michael Cancelliere, vice president and general manager of IC Corporation. "We feel that this technology provides significantly improved fuel economy. In addition, even though current International diesel engines produce no visible smoke and minimal emissions, the hybrid program will reduce engine emissions even further."

The project features Enova's post-transmission 80 kW Hybrid Drive System and was extensively tested and evaluated at IC Corporation's research and technology facility in Fort Wayne, Ind. The initial powertrain for the hybrid school bus will couple an International® VT365 V8 diesel engine with an 80 kW 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 system recovers kinetic energy during regenerative braking, charging the batteries while the bus is slowing down. This provides additional power for acceleration, making the hybrid buses ideal because of the frequent starting and stopping of the bus.

"We are excited that IC Corp has taken a leadership position in the production of Hybrid School Buses," said Mike Staran, vice president of marketing for Enova. "We believe our non-invasive Post Transmission Design, and partnership with IC Corporation, provides opportunities for both future production and the aftermarket retrofit sectors."

The first hybrid school bus will be delivered by Leonard Bus Sales in Deposit, N.Y., to one of the largest school districts in the state -- Shenendehowa Central School. The deal is pending final approval on a grant to help fund the purchase. Other school districts can find out more about ordering hybrid school buses by visiting [www.ic-corp.com](http://www.ic-corp.com)

"IC Corporation is committed to environmental leadership and delivering value to our customers," said Cancelliere. "We believe that diesel-electric hybrid technology can be made commercially viable for the school bus industry and this collaboration is the first step in making that a reality."

The hybrid bus announcement is the continuation of research and development for new technology in a number of different vehicles. IC Corporation's parent company, International Truck and Engine, is working extensively on hybrid trucks for the utility and delivery industries.

#### **About IC Corporation**

IC Corporation, the nation's largest integrated school bus manufacturer, is a wholly owned subsidiary of International Truck and Engine Corporation. International produces school bus chassis, mid-range diesel engines, medium trucks, heavy trucks, severe service vehicles, and is a provider of parts and service sold under the International brand. Both IC and International are subsidiaries of Navistar International Corporation (NYSE: NAV). Additional information is available site at: [www.ic-corp.com](http://www.ic-corp.com).

#### **About Enova Systems, Inc.**

Enova Systems is a leading supplier of efficient, environmentally friendly digital power components and systems products. The Company's core competencies are focused on the development and commercialization of power management and conversion systems for mobile and stationary applications. Enova applies unique 'enabling technologies' in the areas of alternative energy propulsion systems for medium and heavy-duty vehicles as well as power conditioning and management systems for distributed generation systems. The Company develops, designs and produces drive systems and related components for electric, hybrid-electric, and fuel cell powered vehicles. For further information, contact Enova Systems directly, or visit its Web site at [www.enovasystems.com](http://www.enovasystems.com).

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