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FOR IMMEDIATE RELEASE

Detroit Diesel Corporation Makes Efficiency Gains through Heavy Truck Engine Project

DETROIT, Michigan, August 31, 2005 - As part of its presentation at the recent Diesel Engine Emissions Reduction (DEER) Conference in Chicago, Illinois, Detroit Diesel Corporation (DDC) announced that it has demonstrated technology to achieve greater than 45 percent brake thermal efficiency while meeting the 2007 emissions regulations—a result of its collaboration with the United States Department of Energy (DOE) on the Heavy Truck Engine project. This target is a key milestone for fiscal year 2005 project objectives. This technology demonstration lays a strong foundation for the next generation of development, targeting 50 percent thermal efficiency at 2010 emissions regulations. Brake thermal efficiency is a measure of the amount of fuel energy converted into useful power during the combustion process in the engine.

"In current production heavy-duty engines we usually see a brake thermal efficiency of about 41 or 42 percent, so for us to demonstrate greater than 45 percent efficiency as part of our advanced engineering effort is a significant achievement for Detroit Diesel," said Carsten Reinhardt, president and chief executive officer for Detroit Diesel Corporation. "We are excited about the potential future results this project may yield."

"We are very pleased to continue to partner with Detroit Diesel Corporation for the advanced development of diesel engine technologies," said Ed Wall, director of the Office of FreedomCAR and Vehicle Technologies at the United States Department of Energy. "The technical demonstration of greater than 45 percent thermal efficiency is a significant milestone towards meeting strategic DOE objectives."

Continued Collaboration to Improve Future Diesel Engines

The Heavy Truck Engine project between government and industry, which consists of cost shared cooperative agreements with several of the major domestic diesel engine manufacturers, was

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initiated in 2001 to substantially increase the efficiency of the engine while meeting future emissions standards. These cooperative agreements are under the Office of FreedomCAR and Vehicle Technologies and are managed by the National Energy Technology Laboratory located in Morgantown, West Virginia and Pittsburgh, Pennsylvania.

"Our continued collaboration with the United States Department of Energy allows us to evaluate high-risk but potentially high-reward technologies. This project will lead to the development of innovative combustion processes enabled by advanced fuel systems, air systems and control technologies that can attain high efficiencies and near zero emissions. Although significant time and industry investment are still required to bring the demonstrated technologies to the market, this project provides a solid technology base, for such an effort," Reinhardt added.

The Heavy Truck Engine project continues a long history of successful and highly collaborative projects between DOE and DDC that help develop advanced technology to boost engine efficiency while reducing emissions. Examples of other recent projects include the Light Truck Engine project and the Low Emissions Aftertreatment and Diesel Emissions Reduction (LEADER) project. As part of these projects, DDC developed advanced technologies for light truck and passenger car platforms, demonstrating future emissions standards that exceeded the project goals. Some of the technologies and tools developed under these projects are utilized in the current DOE-DDC Heavy Truck Engine project.

DDC is committed to the success of such collaborative projects that lay a strong foundation for subsequent industry-funded product development and eventual commercialization of promising technologies to improve thermal efficiency. This will lead to improving our Nation's energy security by reducing dependence on foreign oil while contributing to a cleaner air environment.

Since 1992, the Series 60 engine has been the most popular heavy-duty truck engine in the Class 8 market based on R.L. Polk registrations. One of the reasons for the popularity of this engine is its significant fuel economy advantage over other engines in the same class as evidenced by numerous fuel economy trials conducted by trucking companies.

The Series 60 engine is available in vehicles produced by business units of Freightliner LLC. Freightliner LLC is the largest manufacturer of heavy-duty trucks in North America and a leading manufacturer of medium-duty and specialized commercial vehicles.

Detroit Diesel Corporation is the leading manufacturer of on-highway heavy-duty diesel engines for the commercial truck market. The company offers a complete line of engines from 170 to 515 horsepower for the on-highway and vocational markets. Through its corporate headquarters in Detroit, Michigan, Detroit Diesel is engaged in the design, manufacture, sale and service of these products in addition to supporting alternative and hybrid engine strategies for the commercial truck marketplace. Detroit Diesel is a subsidiary of DaimlerChrysler and part of the Freightliner Group of companies.