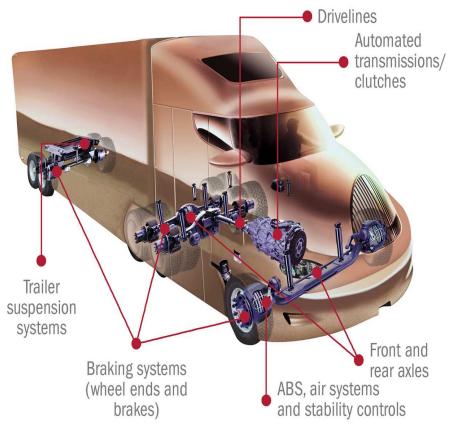
Session 3- Emerging Advanced Heavy-Duty Technologies and Designs

February 20, 2008 ICCT/NESCCAF Workshop "Improving the Fuel Economy of Heavy Duty Fleets II"



Core Products and competencies



- 2007 Sales* \$6.4 billion
- Located in 25 countries global with 66 manufacturing facilities
- Business covers both passenger car and commercial vehicles
- 19,000 employees globally
- Technical centers globally in North America, Europe, and Asia

"Our expertise is torque distribution..."

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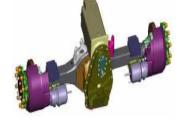
- Experienced team with deep industry knowledge when integrating mechanical and electrical components
- Ability to design, test, and manufacture systems for real word environments
- Understanding the unique path to market for systems (creation, integration, delivery and service)

2

ArvinMeritor ArvinMeritor History in Alternative Drives

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Past

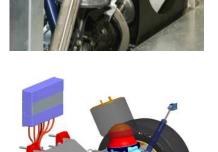




We've targeted -More <u>fuel efficient</u> vehicles <u>with lower emissions</u> and <u>greater market penetration</u> enabled by technology that:

> makes them perform better makes them last longer, and makes them more affordable.

Present



...what we see for the Future

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Full BEV Zero Emission Vehicle



- 18 month white sheet development program
- Product whose technology differentiates ArvinMeritor from other electric drivetrains
- Improvements in fuel efficiency, emission and productivity derived from ArvinMeritor Drive Corner Module and the unique vehicle design from Unicell
- Successfully completed first set of fleet testing trials







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... building on today's success...



- GVWR 16,000 lb.
- Full BEV
- Zero emissions
- · Completely flat floor, RFID controlled doors
- Rear kneels to ground level
- Clear aisle for pallet delivery
- 40' Curb to curb turning circle
- ARM supplied Drive Train, Electrified Braking, Steering, & Suspension







Today's emerging technologies will take us from what is

Feasible

to what is

<u>Affordable</u>

Today's Technology Baseline ...

- <u>Modeling and Simulation</u>
 - Initial models were performance based
 - · Good but not as predictable as desired
- <u>Energy Storage</u>
 - Lower voltage packs (nominal 300V)less than 10kWHrs)
 - Smaller packs (less than 10kWHr)
 - Various chemistries
 - Minimal cell and thermal management
 - 500 cycles @ 70% DOD
 - Learn as you go packaging
- <u>Electric Traction Machines</u>
 - smaller machines
 - aimed at ISG or mild hybrid applications
 - limited availability of HV, High Current Semiconductors
- <u>Electrified Accessories</u>
 - solutions evolved from 'Industrial' technology base.
 - more opportunity than availability
 - targeted at removing continuously powered engine/belt driven devices.



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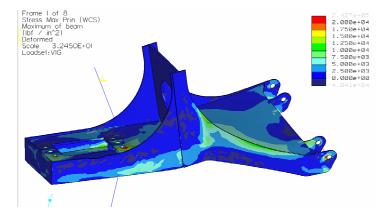


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Tomorrow we will have .

- Simulation
 - Right size components neither over designed or underperforming systems – right sized = lowest cost
 - Better thermal management models where higher efficiency = minimal losses = minimal thermal management required
 - Higher confidence predictable performance, improved efficiency, second order affects included
 - Life cycle models reduced component stress, predictable reliability for a given environment

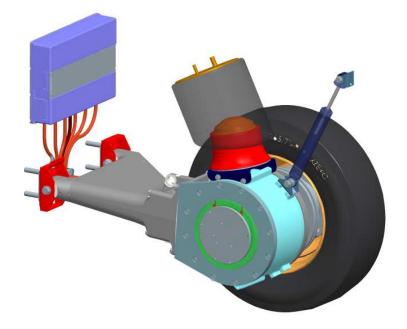


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Tomorrow we will have .

Traction Machines

- No longer one size fits all, i.e. 60 to 300 kW = more truck architectures possible
- Scaleable to the Vehicle and its Vocation = lower development costs
- Integrated System (controls, cooling, gearing) = lower cost, smaller and lighter weight designs
- Matched to the vehicle duty cycle for best efficiency
- Extended environmental operating range



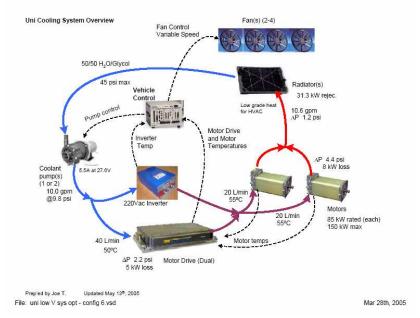
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Tomorrow we will have .

- Energy Storage
 - Larger cells, more cost effective robust architectures
 - Larger packs from multiple suppliers allowing for better performance and longer range
 - Higher voltages and more system efficiency
 - New Chemistries safer, longer life,
 > 1000 80% DOD cycles, with talk of 2000 'soon'.
 - More robust cell management with predictable life and reliability
 - <u>Standardized Packaging</u> for the Commercial Vehicle Market.

.. more emerging opportunities

- Electrified Accessories
 - Available today: Electrified Hydraulic Braking
 - Needed: Electrified cooling systemstransition from low voltage controlled pumps and fans to direct HV drive
 - Needed: Electrified Power Steeringupscale light vehicle concepts



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Where the future finds us:

	Today	The Future	Benefits for the customer
Modeling & Simulation			Improves system performance, lowers cost and risk, shorter development time and improved efficiencies.
Energy Storage (Commercial Vehicle Battery Packs)			Longer range, lower life cycle costs, more reliability, safer.
Traction Drives			Lower weight, lower cost, better thermal management shorter design cycles.
Electrified Accessories			Greater system architecture options allowing for higher system efficiencies.

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Hybrid Dream Machines:

- Vehicle Performance better than traditional drive systems
- Scaleable / Modular Electric Drive Components quicker time to market, right sized for optimized performance and lower cost.
- Packaging Flexibility more suspension, and system architecture options, more vehicle layout options, adaptable to existing vehicle architectures
- Regenerative Braking programmable per application, with slip/traction control capabilities
- Reconfigurable / Reusable components lower initial cost, easier to maintain
- Lower Center of Gravity and better weight distribution
- Systems optimized for the Users Operations
- Reliability equal/better than today's proven technologies
- Lower Life Cycle Costs– low risk, shorter payback timeframe