NAVISTAR®

IT'S UPTIME AT



Q1 2015 EARNINGS PRESENTATION

MARCH 3, 2015

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Safe Harbor Statement

Information provided and statements contained in this report that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements only speak as of the date of this report and the Company assumes no obligation to update the information included in this report. Such forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These statements often include words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” or similar expressions. These statements are not guarantees of performance or results and they involve risks, uncertainties, and assumptions. For a further description of these factors, see the risk factors set forth in our filings with the Securities and Exchange Commission, including our annual report on Form 10-Q for the quarter ended January 31, 2015. Although we believe that these forward-looking statements are based on reasonable assumptions, there are many factors that could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. All future written and oral forward-looking statements by us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to above. Except for our ongoing obligations to disclose material information as required by the federal securities laws, we do not have any obligations or intention to release publicly any revisions to any forward-looking statements to reflect events or circumstances in the future or to reflect the occurrence of unanticipated events.

Other Cautionary Notes

The financial information herein contains audited and unaudited information and has been prepared by management in good faith and based on data currently available to the Company.

Certain non-GAAP measures are used in this presentation to assist the reader in understanding our core manufacturing business. We believe this information is useful and relevant to assess and measure the performance of our core manufacturing business as it illustrates manufacturing performance. It also excludes financial services and other items that may not be related to the core manufacturing business or underlying results. Management often uses this information to assess and measure the underlying performance of our operating segments. We have chosen to provide this supplemental information to investors, analysts, and other interested parties to enable them to perform additional analyses of operating results. The non-GAAP numbers are reconciled to the most appropriate GAAP number in the appendix of this presentation.

Agenda

Overview	Troy Clarke
Financial Results	Walter Borst
Summary	Troy Clarke

1ST QUARTER 2015 RESULTS

Troy Clarke, President & CEO

NAVISTAR®

Our Mission: Uptime

IT'S UPTIME AT INTERNATIONAL

- Fewer service incidents
- Shorten repair times



OnCommand™ Connection

- ✓ Finish the Turnaround
- ✓ Uptime Advantage
- ✓ Leadership Advantage

Capitalizing on Industry Momentum

Industry:

- U.S. economy continues to improve
- Favorable market conditions expected to continue in 2015
- Consumer spending growing
- Steady gains in construction

1st Quarter Summary

Positive Sales Momentum:

- Chargeouts[(A)] up 17%
  - Class 6-7 Medium up 25%
  - School Bus up 42%
- Backlog up 27%
- Parts up 7%

Q1 Performance:

- $91 million year-over-year adjusted EBITDA improvement

Significant Progress on Cost:

- Reduced warranty spend and expense
- Improved material, manufacturing, and structural costs

(A) Includes U.S. and Canada School bus and Class 6-8 medium and heavy truck.

FINANCIAL RESULTS

Walter Borst, Executive Vice President & CFO

Q1 2015 Segment Realignment

Changes within our reporting segments:

	Current Segments	Prior Segments
Export Truck	Truck	Global Operations
Export Parts	Parts	Global Operations
Military Parts	Truck	North America Parts

Income Statement Summary

$ in millions, except per share

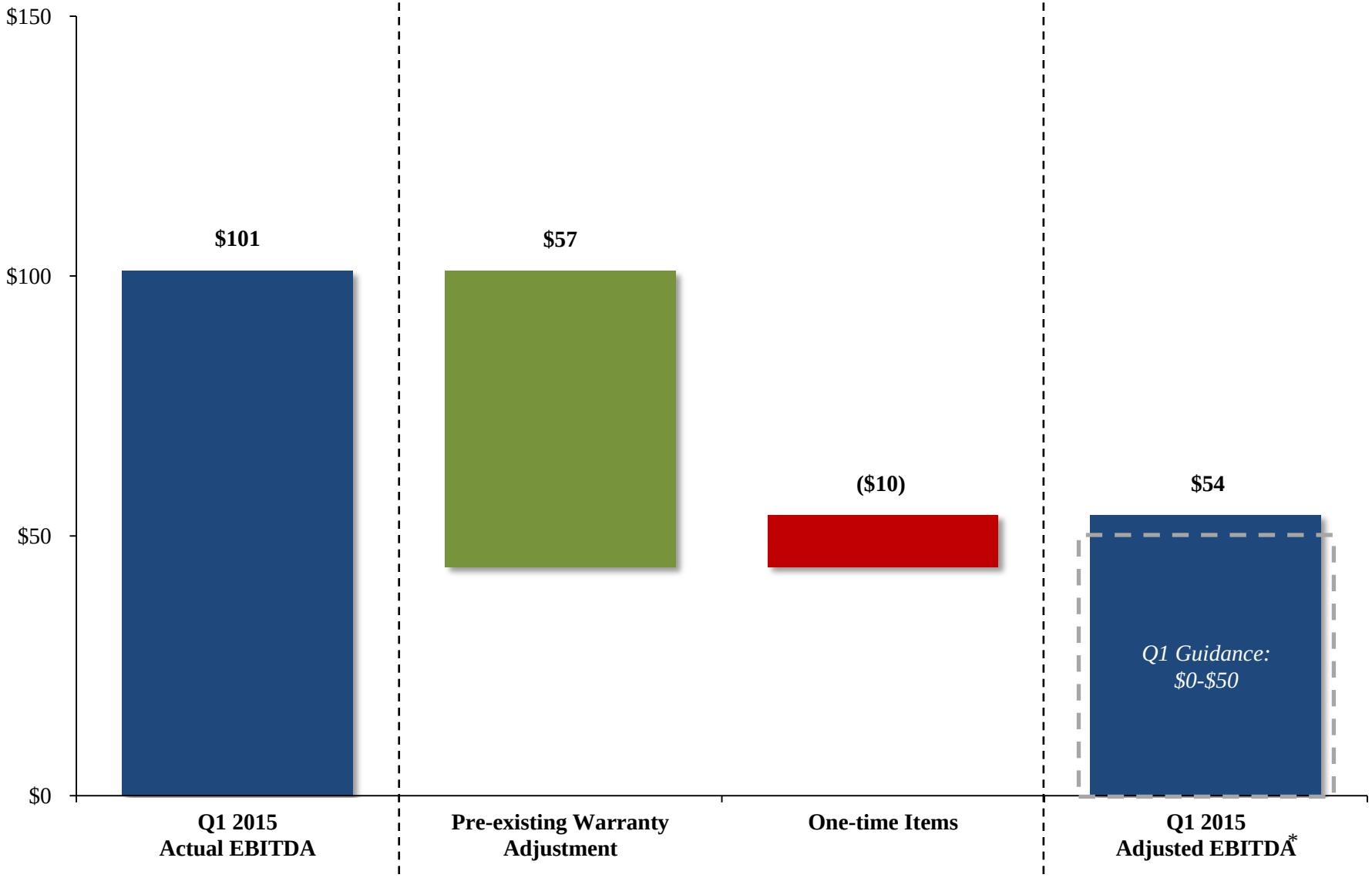
	Quarters Ended January 31	
	2015	**2014**
Chargeouts[A]	13,500	11,500
Sales and Revenues	$2,421	$2,208
Income (Loss) from Continuing Operations, Net of Tax[B]	($42)	($249)
Diluted Loss Per Share from Continuing Operations[B]	($0.52)	($3.07)
EBITDA	$101	($110)

(A) Includes U.S. and Canada School bus and Class 6-8 medium and heavy truck.
(B) Amounts attributable to Navistar International Corporation.

Note: This slide contains non-GAAP information; please see the REG G in appendix for a detailed reconciliation.

Q1 2015 EBITDA

$ in millions



* Excluding pre-existing warranty and one-time items.

Note: This slide contains non-GAAP information; please see the REG G in appendix for a detailed reconciliation.

Q1 2015 Segment Results

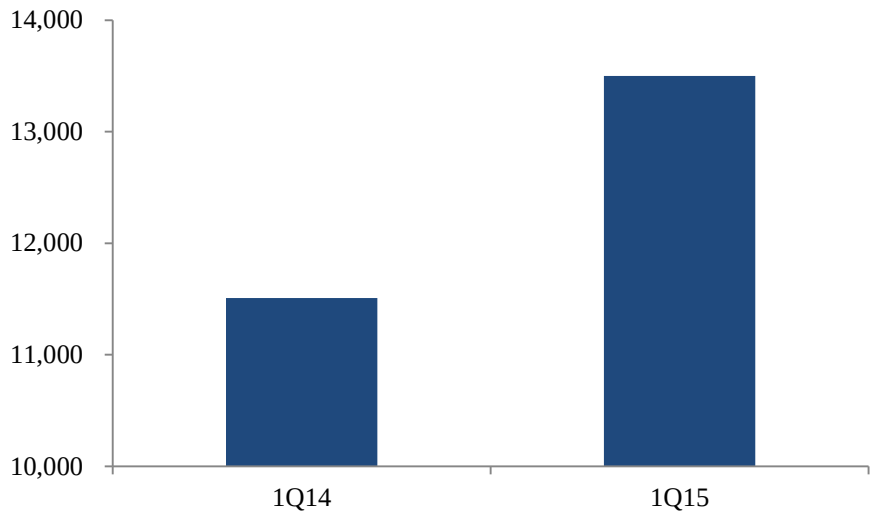
$ in millions

Segment Results:	Quarters Ended January 31 2015	2014
Truck	($18)	($208)
Parts	$145	$108
Global Operations	($15)	($35)
Financial Services	$24	$23

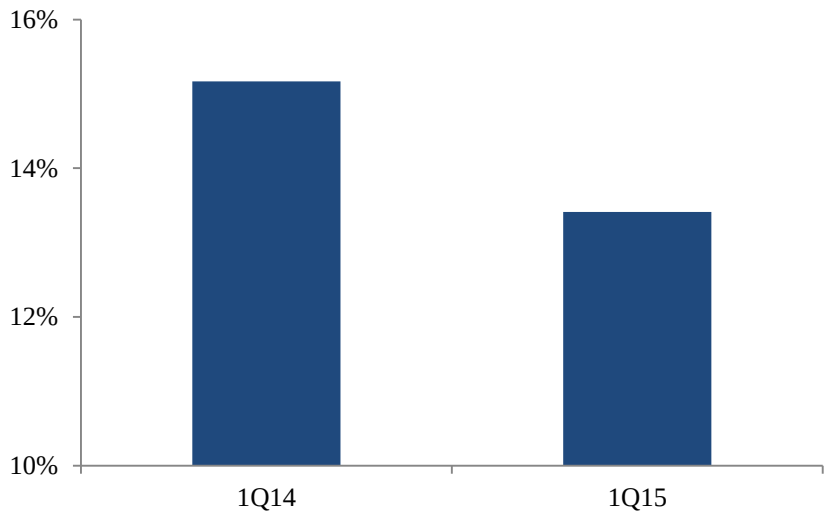
Beginning in the first quarter of 2015, the Company realigned its reporting segments. The segment results have been restated to reflect this change.

First Quarter Progress

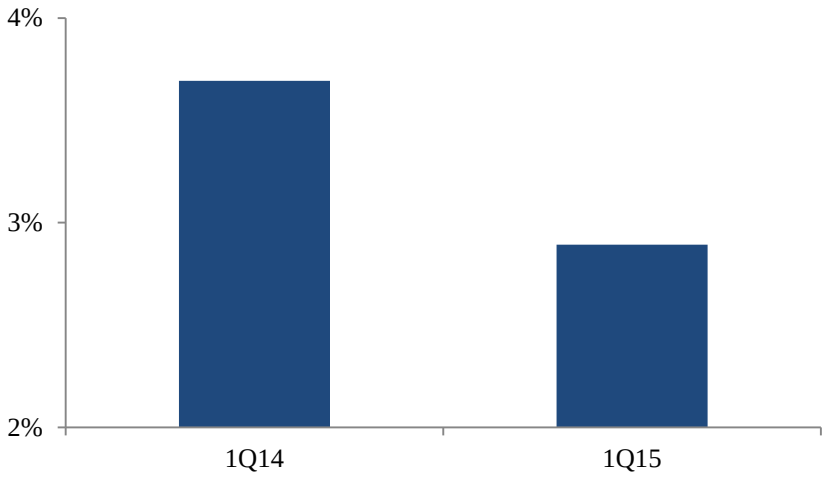
Chargeouts[A]



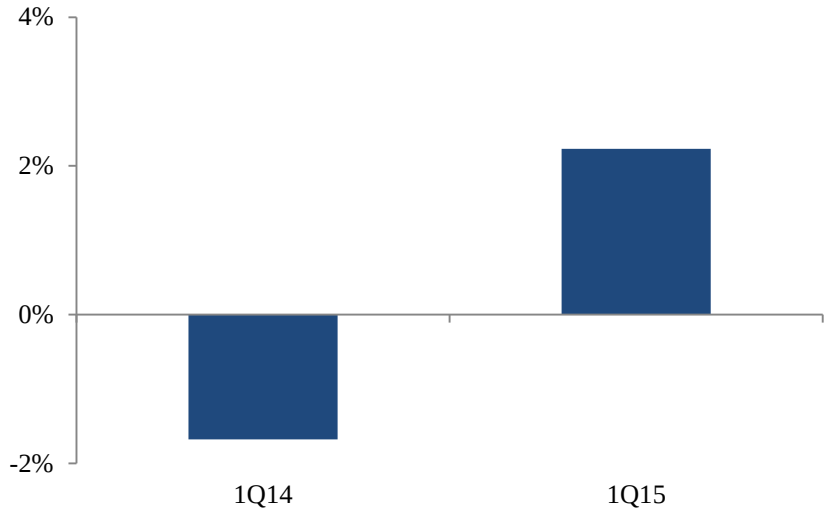
Structural Costs % Manufacturing Revenue



Current Warranty Expense[B] **% Manufacturing Revenue**



Adjusted EBITDA Margin



(A) Includes U.S. and Canada School bus and Class 6-8 medium and heavy truck.

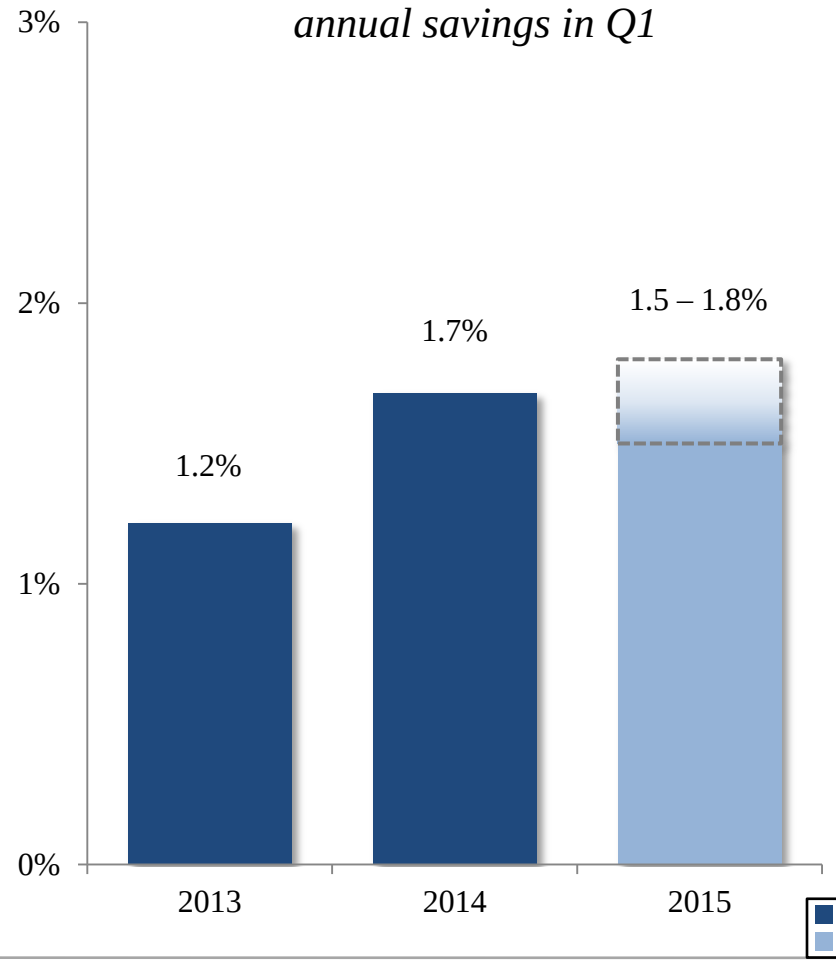
(B) Excludes amounts related to pre-existing warranties.

Note: This slide contains non-GAAP information; please see the REG G in appendix for a detailed reconciliation.

Operational Cost Status

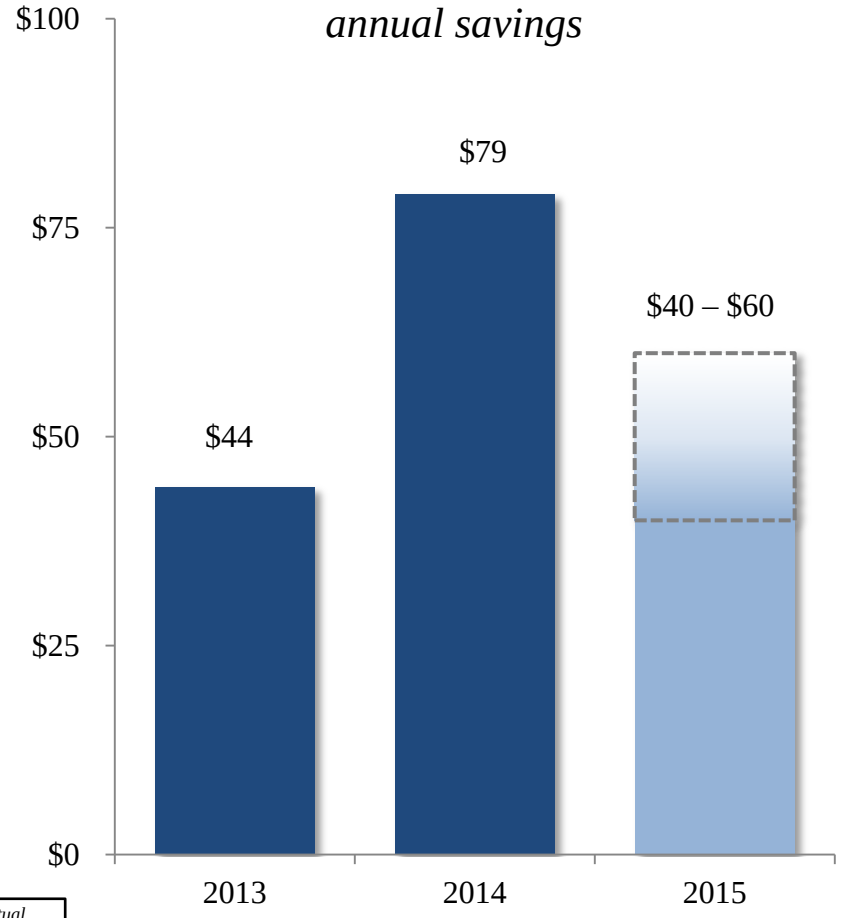
Gross Material Savings* % Manufacturing Revenue

- *Achieved a quarter of our annual savings in Q1*



Manufacturing Savings

- *On track to achieve annual savings*



*Excludes incremental SCR costs

Used Truck Update



- Q1 ending gross inventory balance of $365 million
- Inventory expected to peak in 2015 as we accelerate the trade cycle



Q1 2015 Manufacturing Cash Update

$ in millions

	Guidance*	Actual
Q4 2014 Manufacturing Cash Balance**	**$1,018**	**$1,018**
Consolidated Adjusted EBITDA^	$0 - $50	$54
Capex/Cash Interest/Pension & OPEB Funding	($160) - ($170)	($134)
Change in Net Working Capital/Debt and Warranty/Other ^^	($158) – ($98)	($205)
Q1 2015 Manufacturing Cash Balance**	**$700-800**	**$733**

*Guidance as provided on 12/16/2014 **Cash balance includes marketable securities ^ Excluding one-time items and pre-existing warranty ^^Includes incremental $43 million NFC intercompany loan

Note: This slide contains non-GAAP information; please see the REG G in appendix for a detailed reconciliation.

Guidance: Q2 2015 Manufacturing Cash

$ in millions

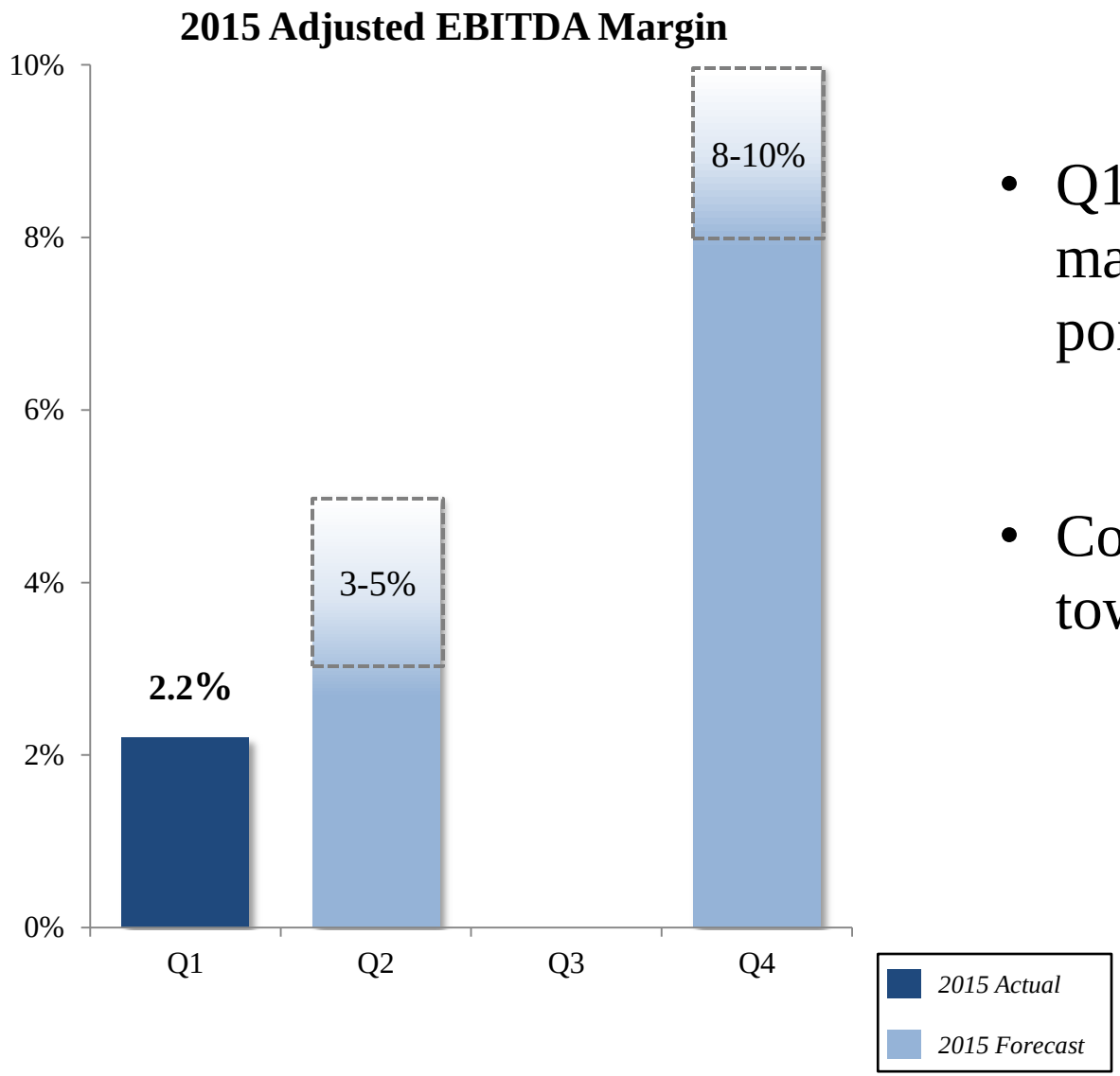
	Q2 2015 Guidance
Q1 2015 Manufacturing Cash Balance*	**$733**
Consolidated Adjusted EBITDA**	$100 - $150
Capex/Cash Interest/Pension & OPEB Funding	($120) - ($110)
Change in Net Working Capital/Debt and Warranty/Other	($13) - $27
Q2 2015 Manufacturing Cash Balance*	**$700 - $800**

* Cash balance includes marketable securities.
** Excluding one-time items and pre-existing warranty

Note: This slide contains non-GAAP information; please see the REG G in appendix for a detailed reconciliation.

Adjusted EBITDA Margin Improvement

$ in millions



- Q1 adjusted EBITDA margin up 400 basis points year-over-year
- Continued progress towards our 2015 target

Note: This slide contains non-GAAP information; please see the REG G in appendix for a detailed reconciliation.

Summing It Up

Q1 2015 Accomplishments:

- Increased chargeouts by 2,000 units year-over-year
- Continued growth in Parts business
- Improved quality performance contributing to lower warranty expense
- Continued material, manufacturing and structural cost reductions

Adjusted EBITDA goal of 8-10% exiting 2015 is on track

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SUMMARY

Troy Clarke, President & CEO

2015 Expectations

Q2:

- Chargeouts up over 20% sequentially
- Adjusted EBITDA of $100-$150 million
- Manufacturing cash balance of $700-$800 million

Full Year 2015:

- Class 6-8 truck and bus industry: 350,000 to 380,000
  - Class 8 industry: 250,000 to 280,000
- Additional cost reduction opportunities
- Exiting adjusted EBITDA goal of 8-10%: On track



APPENDIX

Navistar Financial Corporation

Highlights

- Financial Services Segment profit of $24 million for Q1 2015
- Total U.S. financing availability of $353 million as of January 31, 2015
- Financial Services Debt/Equity Leverage of 3.8:1
- Dealer funding facility issued November 2014 for $250 million

Dealer Floor Plan

- **NFSC wholesale trust as of January 2015**
  - $1 billion funding facility
  - Variable portion matures January 2016
  - Term portions mature September 2015 and October 2016
- **On balance sheet**

Retail Notes

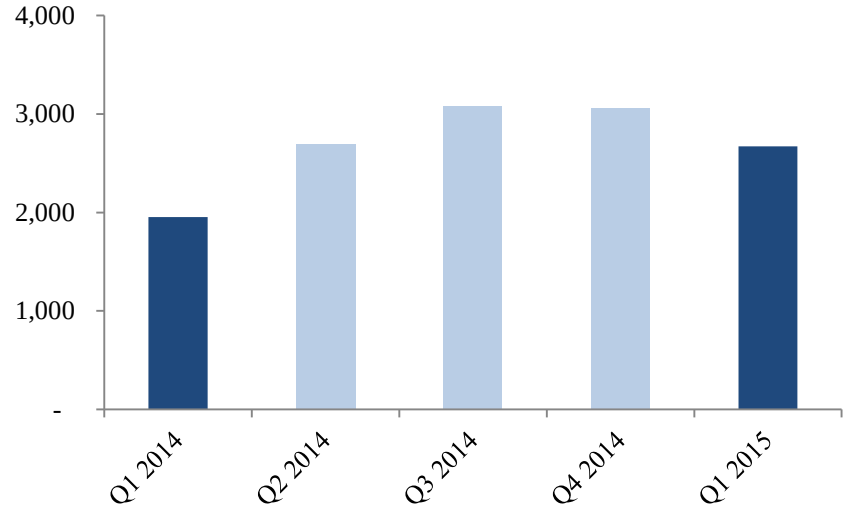
NAVISTAR® CAPITAL a GE Capital program

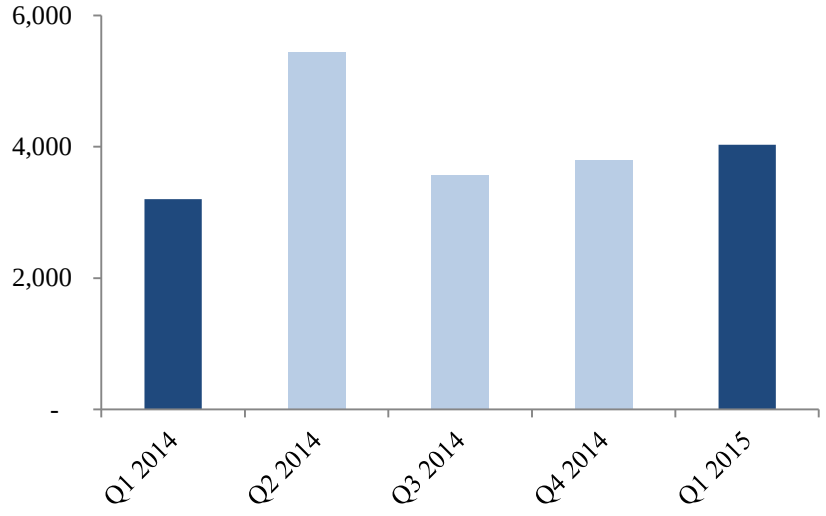
- **Broader product offering**
- **Enhanced ability to support large fleets**
- **Better access to less expensive capital**

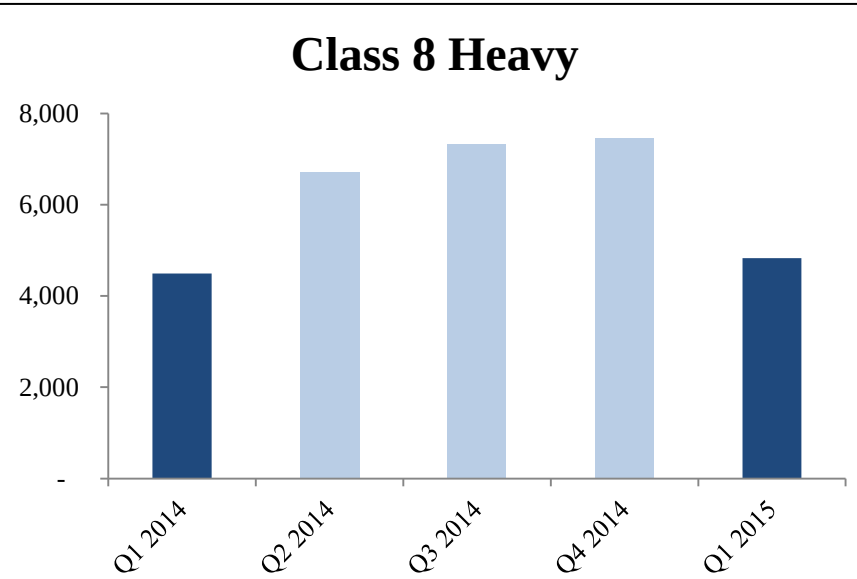
Bank Facility

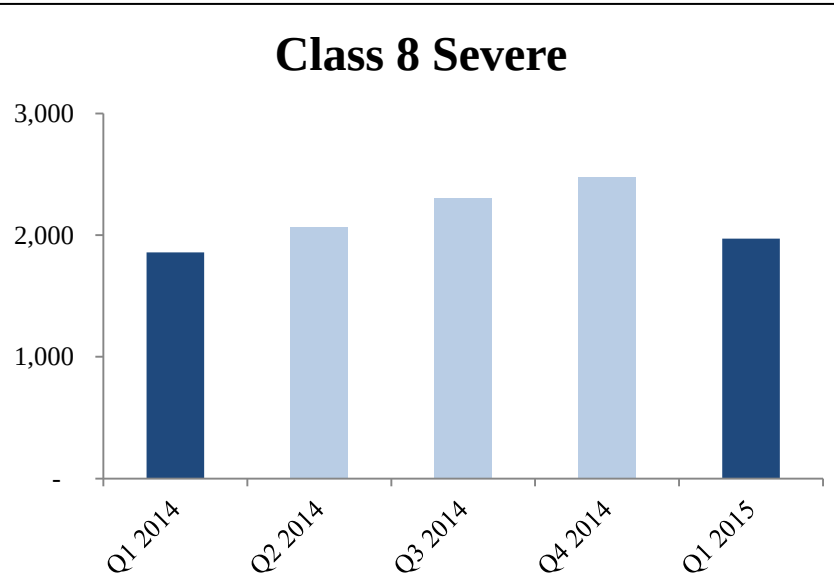
- **$840 million facility ($500 million revolver and $340 million term loan matures in December 2016)**
  - Funding for retail notes, wholesale notes, retail accounts, and dealer open accounts
- **On balance sheet**

Chargeouts


School Bus
4,000
3,000
2,000
1,000
-
Q1 2014
Q2 2014
Q3 2014
Q4 2014
Q1 2015


Class 6-7 Medium
6,000
4,000
2,000
-
Q1 2014
Q2 2014
Q3 2014
Q4 2014
Q1 2015


Class 8 Heavy
8,000
6,000
4,000
2,000
-
Q1 2014
Q2 2014
Q3 2014
Q4 2014
Q1 2015


Class 8 Severe
3,000
2,000
1,000
-
Q1 2014
Q2 2014
Q3 2014
Q4 2014
Q1 2015

Retail Market Share in Commercial Vehicle Segments

	Three Months Ended				
	January 31, 2015	October 31, 2014	July 31, 2014	April 30, 2014	January 31, 2014
Core Markets (U.S. and Canada)					
Class 6 and 7 medium trucks	**21%**	19%	20%	26%	17%
Class 8 heavy trucks	**10%**	15%	14%	14%	12%
Class 8 severe service trucks	**14%**	14%	15%	17%	19%
Combined class 8 trucks	**11%**	15%	14%	15%	14%



Class 6/7

Medium-Duty



Class 8

Heavy



Class 8

Severe Service

Worldwide Truck Chargeouts

(in units)	Three Months Ended January 31, 2015	2014	Change	% Change
Core Markets (U.S. and Canada)				
School buses	**2,700**	1,900	800	42%
Class 6 and 7 medium trucks	**4,000**	3,200	800	25%
Class 8 heavy trucks	**4,800**	4,500	300	7%
Class 8 severe service trucks	**2,000**	1,900	100	5%
Total Core markets	**13,500**	11,500	2,000	17%
Other markets[(A)]	**7,000**	5,500	1,500	27%
Total worldwide units	**20,500**	17,000	3,500	21%
Combined Class 8 trucks	**6,800**	6,400	400	6%

We define chargeouts as trucks that have been invoiced to customers. The units held in dealer inventory represent the principal difference between retail deliveries and chargeouts. This table summarizes our approximate worldwide chargeouts from our continuing operations.

We define our Core markets to include U.S. and Canada School bus and Class 6 through 8 medium and heavy truck. Our Core markets include CAT-branded units sold to Caterpillar under our North America supply agreement.

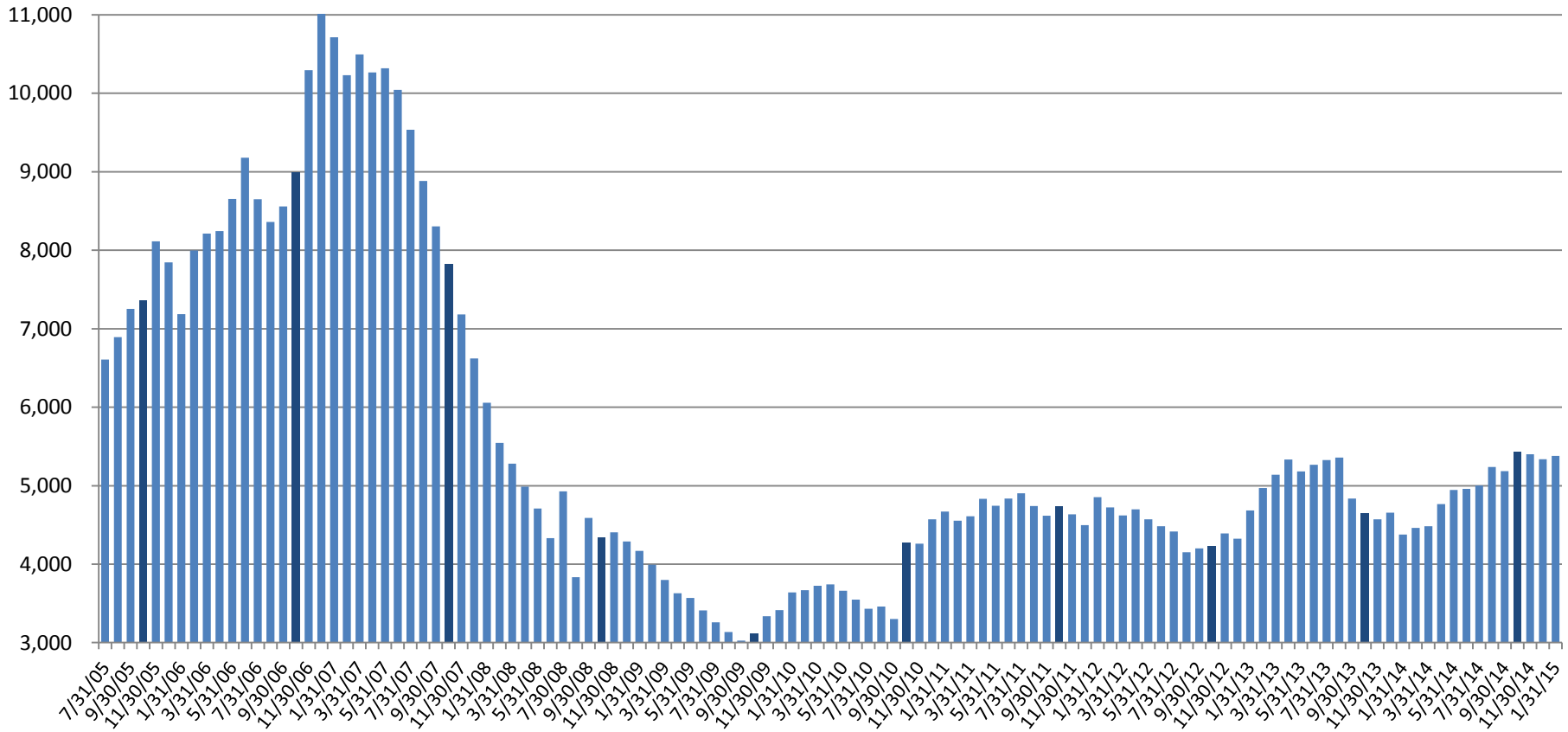
(A) Includes: chargeouts related to Blue Diamond Truck ("BDT") of 3,400 units and 2,400 units during the three months ended January 31, 2015.

Worldwide Engine Shipments

(in units)	Three Months Ended January 31, 2015	2014	Change	% Change
OEM sales-South America	**17,200**	20,400	(3,200)	(16)%
Intercompany sales	**10,800**	9,500	1,300	14 %
Other OEM sales	**1,400**	2,400	(1,000)	(42)%
Total sales	**29,400**	32,300	(2,900)	(9)%



U.S. and Canada Dealer Stock Inventory*



*Includes U.S. and Canada Class 4-8 and school bus inventory, but does not include U.S. IC Bus.

Frequently Asked Questions

Q1: What is included in Corporate and Eliminations?

A: The primary drivers of Corporate and Eliminations are Corporate SG&A, pension and OPEB expense (excluding amounts allocated to the segments), annual incentive, manufacturing interest expense, and the elimination of intercompany sales and profit between segments.

Q2: What is included in your equity in loss of non-consolidated affiliates?

A: Equity in loss of non-consolidated affiliates is derived from our ownership interests in partially-owned affiliates that are not consolidated.

Q3: What is your net income attributable to non-controlling interests?

A: Net income attributable to non-controlling interests is the result of the consolidation of subsidiaries in which we do not own 100%, and is primarily comprised of Ford's non-controlling interest in our Blue Diamond Parts joint venture.

Q4: What are your expected 2015 and beyond pension funding requirements?

A: Future contributions are dependent upon a number of factors, principally the changes in values of plan assets, changes in interest rates and the impact of any funding relief currently under consideration. For the three months ended January 31, 2015, we contributed $30 million to meet the minimum required contributions for all plans. In August 2014, the Highway and Transportation Funding Act of 2014, which included an extension of the pension funding interest rate relief, was signed into law. As a result, we lowered our funding expectations. We expect to contribute an additional $117 million to our pension plans during 2015. We currently expect that from 2016 through 2017, the Company will be required to contribute at least $100 million per year to the plans, depending on asset performance and discount rates.

Frequently Asked Questions

Q5: What is your expectation for future cash tax payments?

A: Our cash tax payments are expect to remain low in 2015 and will gradually increase as we utilize available net operating losses (NOLs) and tax credits in future years.

Q6: What is the current balance of net operating losses as compared to other deferred tax assets?

A: As of October 31, 2014 the Company has deferred tax assets for U.S. federal NOLs valued at $870 million, state NOLs valued at $144 million, and foreign NOLs valued at $199 million, for a total undiscounted cash value of $1.2 billion. In addition to NOLs, the Company has deferred tax assets for accumulated tax credits of $256 million and other deferred tax assets of $1.9 billion resulting in net deferred tax assets before valuation allowances of approximately $3.4 billion. Of this amount, $3.2 billion is subject to a valuation allowance at the end of FY2014.

Q7: How does your FY 2015 Class 8 industry outlook compare to ACT Research?

A:

U.S. and Canadian Class 8 Truck Sales

Reconciliation to ACT - Retail Sales	2015	
ACT*	302,000	
CY to FY adjustment	(5,393)	
Total (ACT comparable Class 8 to Navistar)	**296,607**	
Navistar Industry Retail Deliveries Combined Class 8 Trucks	250,000	280,000
Navistar difference from ACT	46,607	16,607
*Source: ACT N.A. Commercial Vehicle Outlook - February 2015	15.7%	5.6%

Frequently Asked Questions

Q8: What is your manufacturing interest expense for Fiscal Year 2015?

A: Manufacturing interest for 2015 is forecasted to be down approximately 5% compared to 2014. For reference, interest expense was $243 million and $251 million for FY 2014 and 2013, respectively.

Q9: What should we assume for capital expenditures in Fiscal Year 2015?

A: Capital expenditures for 2015 is forecasted to be between $150 - 200 million. In comparison, capital expenditures were $88 million and $167 million for FY 2014 and 2013, respectively.

Outstanding Debt Balances

(in millions)	January 31, 2015	October 31, 2014
Manufacturing operations		
Senior Secured Term Loan Credit Facility, as amended, due 2017, net of unamortized discount of $3, at both dates	**$ 694**	$ 694
8.25% Senior Notes, due 2021, net of unamortized discount of $19 and $20, respectively	**1,181**	1,180
4.50% Senior Subordinated Convertible Notes, due 2018, net of unamortized discount of $18 and $19, respectively	**182**	181
4.75% Senior Subordinated Convertible Notes, due 2019, net of unamortized discount of $38 and $40, respectively	**373**	371
Debt of majority-owned dealerships	**28**	30
Financing arrangements and capital lease obligations	**51**	54
Loan Agreement related to 6.5% Tax Exempt Bonds, due 2040	**225**	225
Promissory Note	**8**	10
Financed lease obligations	**160**	184
Other	**27**	29
Total Manufacturing operations debt	**2,929**	2,958
Less: Current portion	**114**	100
Net long-term Manufacturing operations debt	**$ 2,815**	$ 2,858

(in millions)	January 31, 2015	October 31, 2014
Financial Services operations		
Asset-backed debt issued by consolidated SPEs, at fixed and variable rates, due serially through 2018	**$ 887**	$ 914
Bank revolvers, at fixed and variable rates, due dates from 2015 through 2020	**1,169**	1,242
Commercial paper, at variable rates, program matures in 2017	**64**	74
Borrowings secured by operating and finance leases, at various rates, due serially through 2018	**33**	36
Total Financial Services operations debt	**2,153**	2,266
Less: Current portion	**927**	1,195
Net long-term Financial Services operations debt	**$ 1,226**	$ 1,071

SEC Regulation G Non-GAAP Reconciliation

SEC Regulation G Non-GAAP Reconciliation

The financial measures presented below are unaudited and not in accordance with, or an alternative for, financial measures presented in accordance with U.S. generally accepted accounting principles ("GAAP"). The non-GAAP financial information presented herein should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP and are reconciled to the most appropriate GAAP number below.

Earnings (loss) Before Interest, Income Taxes, Depreciation, and Amortization ("EBITDA"):

We define EBITDA as our consolidated net income (loss) from continuing operations attributable to Navistar International Corporation, net of tax, plus manufacturing interest expense, income taxes, and depreciation and amortization. We believe EBITDA provides meaningful information to the performance of our business and therefore we use it to supplement our GAAP reporting. We have chosen to provide this supplemental information to investors, analysts and other interested parties to enable them to perform additional analyses of operating results.

Adjusted EBITDA:

We believe that adjusted EBITDA, which excludes certain identified items that we do not consider to be part of our ongoing business, improves the comparability of year to year results, and is representative of our underlying performance. Management uses this information to assess and measure the performance of our operating segments. We have chosen to provide this supplemental information to investors, analysts and other interested parties to enable them to perform additional analyses of operating results, to illustrate the results of operations giving effect to the non-GAAP adjustments shown in the below reconciliations, and to provide an additional measure of performance.

Adjusted EBITDA margin:

We define Adjusted EBITDA margin as a percentage of the Company's consolidated sales and revenues. We have chosen to provide this supplemental information to investors, analysts and other interested parties to enable them to perform additional analyses of operating results, to illustrate the results of operations giving effect to the non-GAAP adjustments shown in the below reconciliations, and to provide an additional measure of performance.

Manufacturing Cash, Cash Equivalents, and Marketable Securities:

Manufacturing cash, cash equivalents, and marketable securities represents the Company's consolidated cash, cash equivalents, and marketable securities excluding cash, cash equivalents, and marketable securities of our financial services operations. We include marketable securities with our cash and cash equivalents when assessing our liquidity position as our investments are highly liquid in nature. We have chosen to provide this supplemental information to investors, analysts and other interested parties to enable them to perform additional analyses of our ability to meet our operating requirements, capital expenditures, equity investments, and financial obligations.

Structural costs *consists of Selling, general and administrative expenses and Engineering and product development costs.*

SEC Regulation G Non-GAAP Reconciliations

Manufacturing segment cash and cash equivalents and marketable securities reconciliation:

(in millions)	Jan. 31, 2015	Oct. 31, 2014
Manufacturing Operations:		
Cash and cash equivalents	$ 583	$ 440
Marketable securities	150	578
Manufacturing Cash and cash equivalents and Marketable securities	**$ 733**	**$ 1,018**
Financial Services Operations:		
Cash and cash equivalents	**$ 37**	**$ 57**
Marketable securities	**25**	**27**
Financial Services Cash and cash equivalents and Marketable securities	**$ 62**	**$ 84**
Consolidated Balance Sheet		
Cash and cash equivalents	$ 620	$ 497
Marketable securities	175	605
Consolidated Cash and cash equivalents and Marketable securities	**$ 795**	**$ 1,102**

SEC Regulation G Non-GAAP Reconciliations

Earnings (loss) before interest, taxes, depreciation, and amortization ("EBITDA") reconciliation

(in millions)	Quarters Ended January 31, 2015	2014
Loss from continuing operations attributable to NIC, net of tax	**$ (42)**	$ (249)
Plus:		
Depreciation and amortization expense	**79**	86
Manufacturing interest expense (A)	**57**	65
Less:		
Income tax benefit (expense)	**(7)**	12
EBITDA	**$ 101**	**$** (110)

(A) Manufacturing interest expense is the net interest expense primarily generated for borrowings that support the manufacturing and corporate operations, adjusted to eliminate intercompany interest expense with our Financial Services segment. The following table reconciles Manufacturing interest expense to the consolidated interest expense:

(in millions)	Quarters Ended January 31, 2015	2014
Interest expense	**77**	82
Less: Financial services interest expense	**20**	17
Manufacturing interest expense	**$ 57**	$ 65

(in millions)	Quarters Ended January 31, 2015	2014
EBITDA *(reconciled above)*	**$ 101**	$ (110)
Less significant items of:		
Adjustments to pre-existing warranties*	**(57)**	52
North America asset impairment charges*	**7**	18
Cost reduction and other strategic initiatives	**3**	3
Total adjustments	**(47)**	73
Adjusted EBITDA	**$ 54**	$ (37)
Adjusted EBITDA margin	**2.2%**	(1.7)%

* For more detail on the items noted, please see slide 37 footnotes (A) and (C), respectively.

Significant Items Included Within Our Results

(in millions)	Quarters Ended January 31,	
Expense (income):	**2015**	**2014**
Adjustments to pre-existing warranties[(A)]	**$ (57)**	$ 52
Accelerated depreciation[(B)]	**13**	—
North America asset impairment charges[(C)]	**7**	18
Other restructuring charges and strategic initiatives	**3**	3

(A) Adjustments to pre-existing warranties reflect changes in our estimate of warranty costs for products sold in prior periods.

(B) In the first quarter of 2015, the Truck segment recognized charges of $13 million for the acceleration of depreciation of certain assets related to the foundry facilities.

(C) In the first quarter of 2015, the Company concluded it had a triggering event related to certain operating leases. As a result, the Truck segment recorded $7 million of asset impairment charges. In the first quarter of 2014, the Company concluded it had a triggering event related to potential sales of assets requiring assessment of impairment for certain intangible and long-lived assets in the Truck segment. As a result, the Truck segment recognized asset impairment charges of $18 million.

The above items did not have a material impact on taxes due to the valuation allowances on our U.S. and Brazil deferred tax assets.