NAVISTAR®

IT'S UPTIME AT



Q2 2015 EARNINGS PRESENTATION

JUNE 4, 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-K for the year ended October 31, 2014 and our quarterly report on Form 10-Q for the quarter ended April 30, 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

2ND QUARTER 2015 RESULTS

Troy Clarke, President & CEO

NAVISTAR®

2nd Quarter Summary

Q2 Performance

- Generated positive manufacturing cash flow
- Increased core chargeouts(A) to 18,600 trucks
  - Up 38% from Q1 2015
  - Up 10% from Q2 2014
- Grew adjusted EBITDA
- Achieving cost reductions
- Taking actions towards improving capacity utilization
- Investing in the core business

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

Industry Momentum Expected to Continue

Optimistic Class 8 industry outlook

- Lower energy costs
- Favorable business conditions
- Better new truck fuel economy and safety

Positive Medium-duty truck industry outlook

- Business investment growth
- Housing market expansion

It’s Uptime at International!

OnCommand™ Connection



- Over 130,000 connected vehicles
- Announced making OnCommand Connection standard on all new truck sales
- Trained over 100 dealer specialists covering dealers in all major markets
- Expanded service into Canada
- Entering School Bus market with dedicated product

FINANCIAL RESULTS

Walter Borst, Executive Vice President & CFO

Income Statement Summary

$ in millions, except per share and units

	Quarters Ended April 30	
	2015	**2014**
Chargeouts(A)	18,600	16,900
Sales and Revenues	$2,693	$2,746
Income (Loss) from Continuing Operations, Net of Tax(B)	$(64)	($298)
Diluted Income (Loss) Per Share from Continuing Operations(B)	($0.78)	($3.66)
EBITDA	$85	($119)

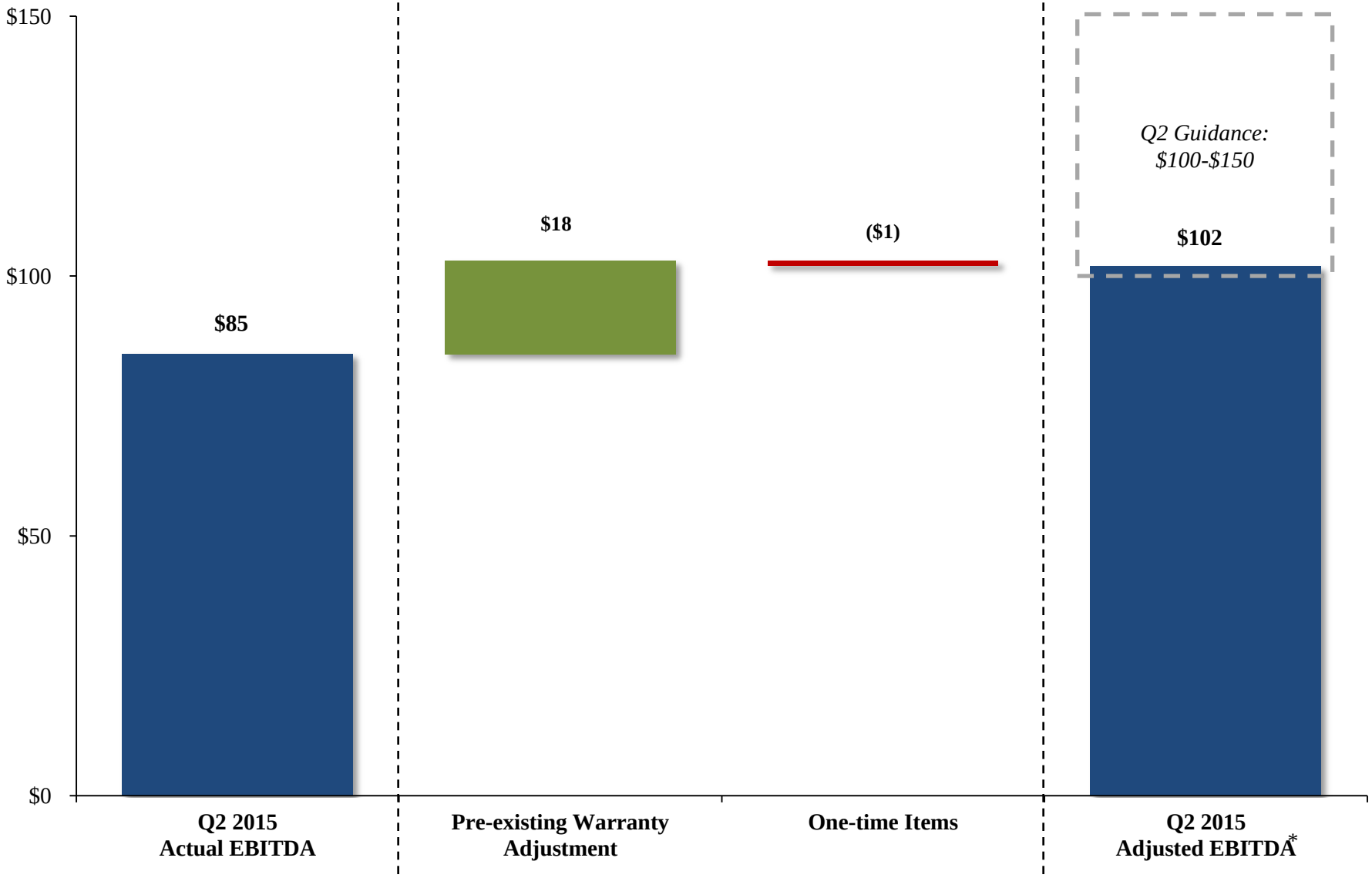
(A) Includes U.S. and Canada School bus and Class 6-8 medium and heavy truck.

(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.

Q2 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.

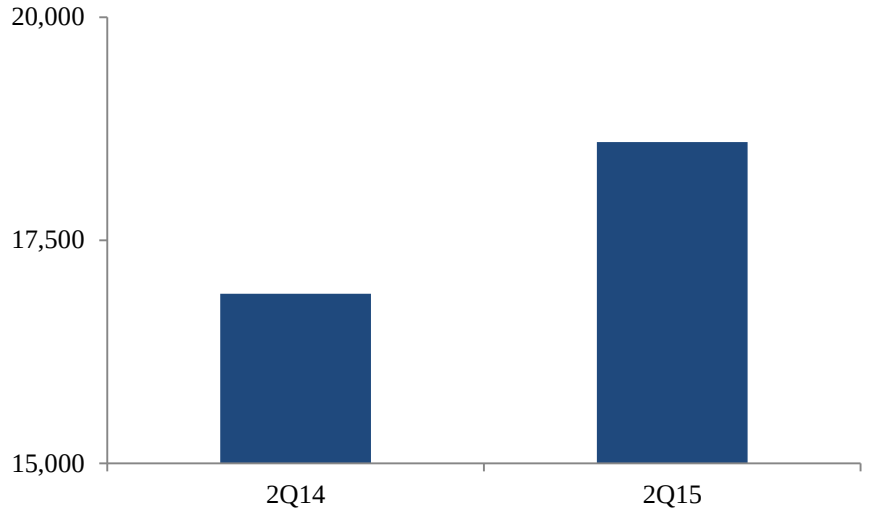
Q2 2015 Segment Results

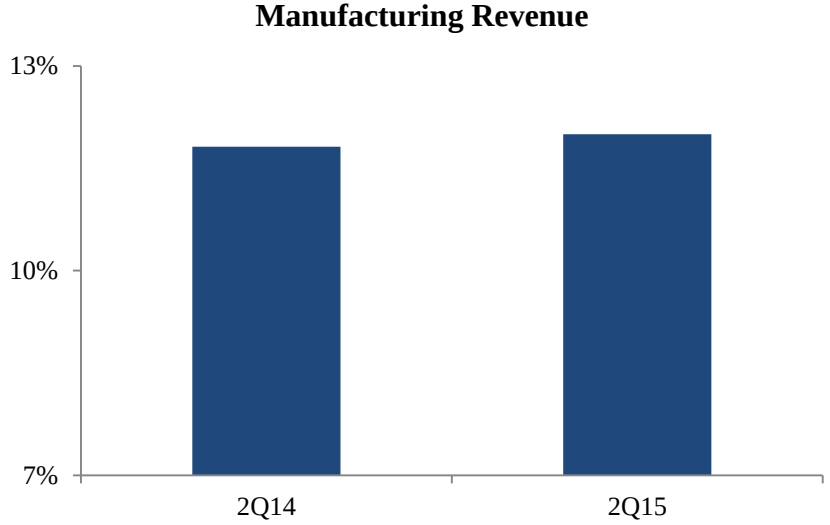
$ in millions

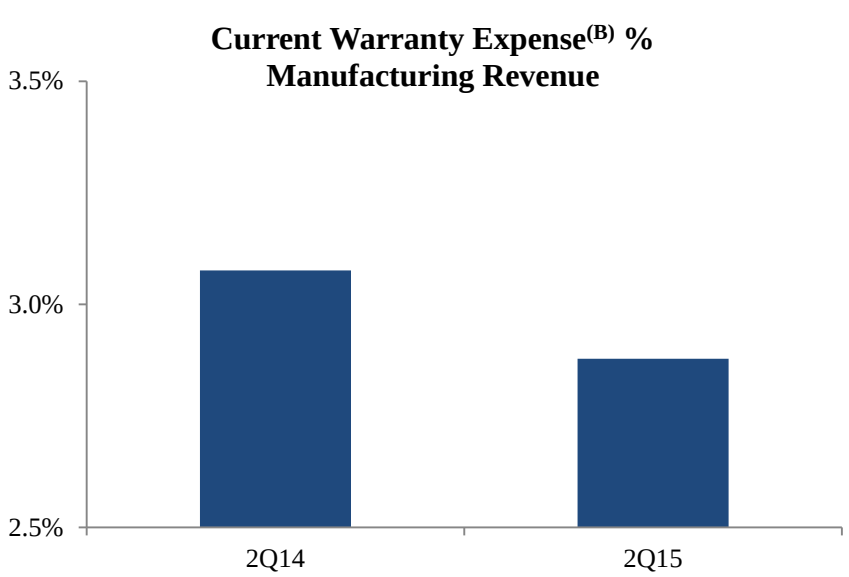
Segment	Sales and Revenues Quarters Ended April 30 2015	 2014	Segment Profit Quarters Ended April 30 2015	 2014
Truck	$1,966	$1,889	($51)	($129)
Parts	$613	$630	$133	$133
Global Operations	$130	$271	$1	($162)
Financial Services	$60	$57	$22	$24

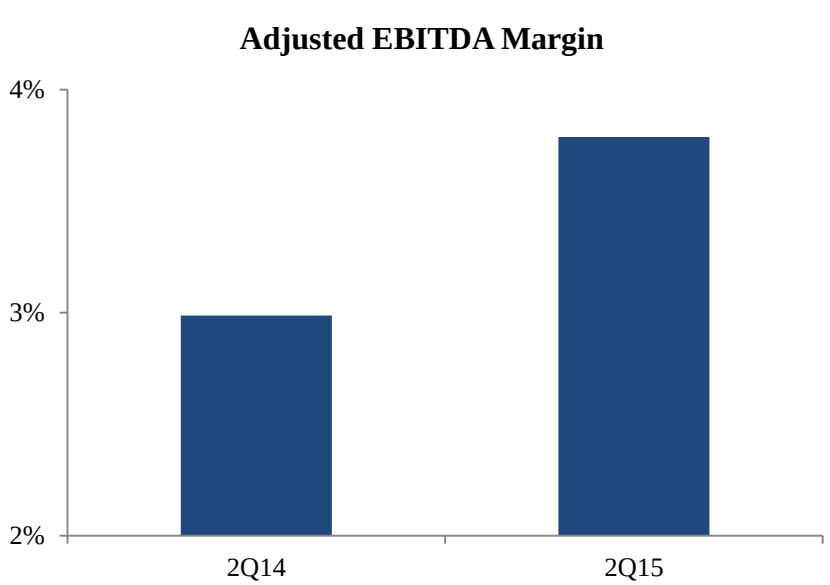
Beginning in the first quarter of 2015, the Company realigned its reporting segments. The segment results have been restated to reflect this change.

Second Quarter Progress







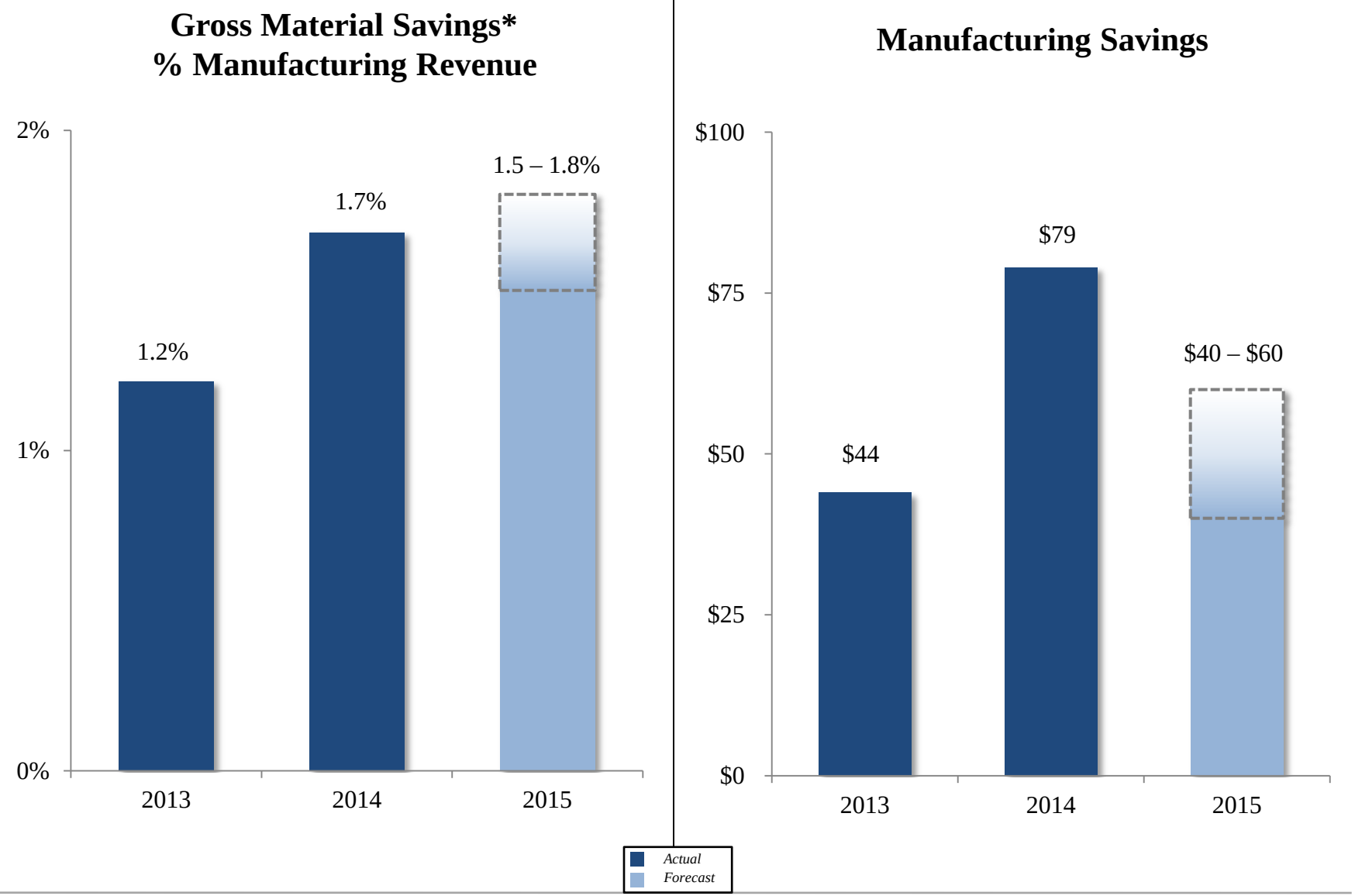


(A) Includes U.S. and Canada School bus and Class 6-8 medium and heavy truck.

(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 Savings



*Excludes incremental SCR costs

Used Truck Update



- Q2 ending gross inventory balance of $375 million
- Inventory expected to peak at $425 million



Q2 2015 Manufacturing Cash Update

$ in millions

	Guidance*	Actual
Q1 2015 Manufacturing Cash Balance**	**$733**	**$733**
Consolidated Adjusted EBITDA^	$100 - $150	$102
Capex/Cash Interest/Pension & OPEB Funding	($120) - ($110)	($114)
Change in Net Working Capital/Debt and Warranty/Other ^	($13) – $27	$63
Q2 2015 Manufacturing Cash Balance**	**$700-800**	**$784**

*Guidance as provided on 3/3/2015 **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.

Guidance: Q3 2015 Manufacturing Cash

$ in millions

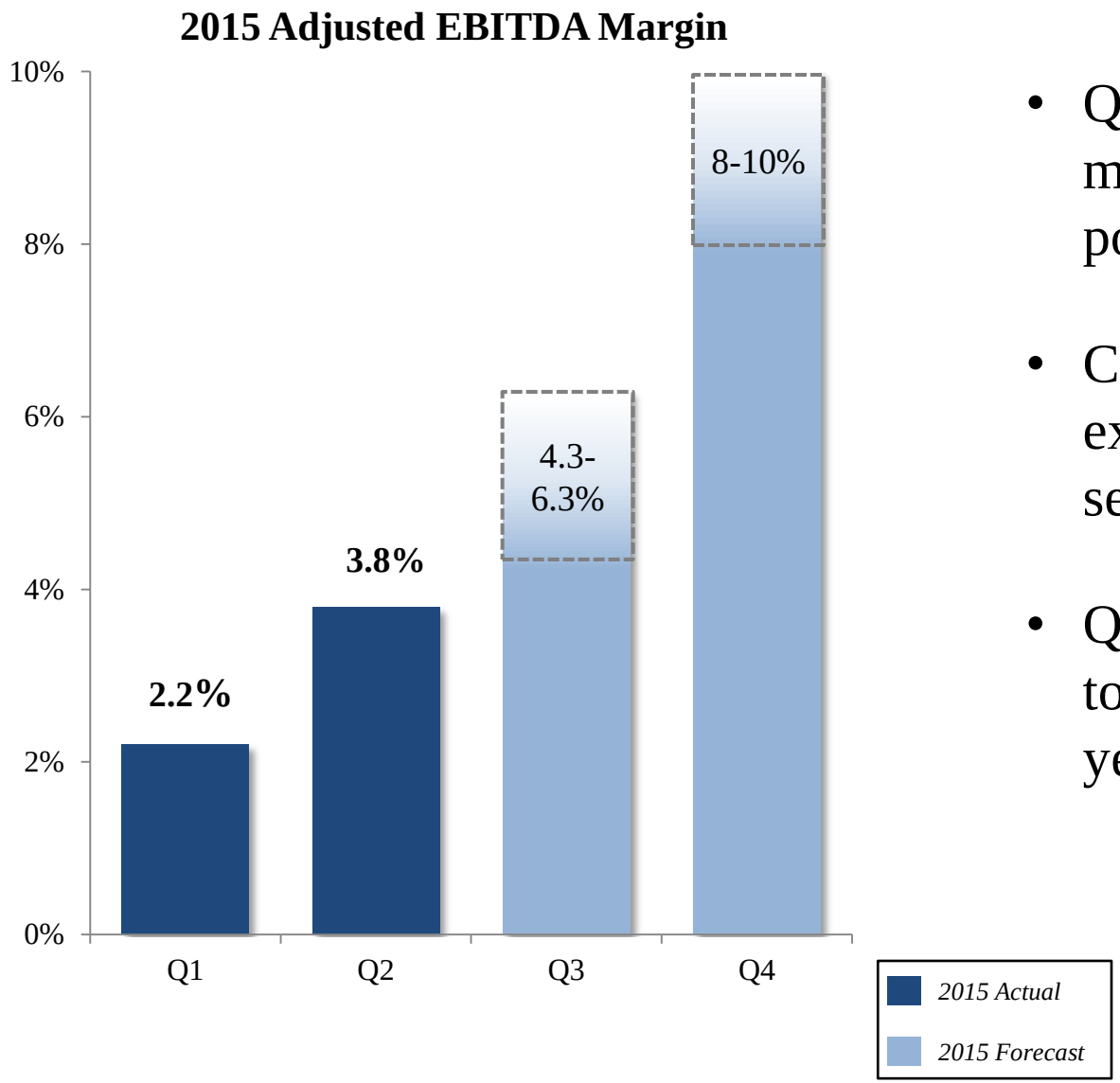
	Q3 2015 Guidance
Q2 2015 Manufacturing Cash Balance*	**$784**
Consolidated Adjusted EBITDA**	$125 - $175
Capex/Cash Interest/Pension & OPEB Funding	($155) - ($145)
Change in Net Working Capital/Debt and Warranty/Other	($4) - $36
Q3 2015 Manufacturing Cash Balance*	**$750 - $850**

* 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



- Q2 adjusted EBITDA margin up 160 basis points sequentially
- Cost improvements expected to continue in second half of 2015
- Q3 chargeouts expected to be up 8% year-over-year

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

Summing It Up

Q2 2015 Accomplishments:

- Increased core truck chargeouts by 1,700 units year-over-year
- Higher market share sequentially
- Additional cost reductions
- Improved working capital
- Positive manufacturing cash flow

Adjusted EBITDA goal exiting 2015: On track

IT'S UPTIME AT INTERNATIONAL®

SUMMARY

Troy Clarke, President & CEO

Expectations

Q3 2015

- Chargeouts up 8% year-over-year
- Adjusted EBITDA of $125-$175 million
- Manufacturing cash balance of $750-$850 million

2015 Full Year

- Class 6-8 truck and bus industry: 350,000 to 380,000
  - Class 8 industry: 250,000 to 280,000
- Additional cost reduction opportunities
- Expect Q4 adjusted EBITDA margin exceeding 8%

2016 Full Year

- Class 6-8 truck and bus industry: 350,000-380,000

APPENDIX

Navistar Financial Corporation

Highlights

- Financial Services Segment profit of $22 million for Q2 2015, $46 million YTD
- U.S. financing availability of $232 million as of April 30, 2015
- Financial Services Debt/Equity Leverage of 3.9:1
- Retail accounts funding facility renewed in May 2015 for $100 million
- GE announced intent to sell assets of GE Capital which include Navistar Capital

Dealer Floor Plan

- **NFSC wholesale trust as of April 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

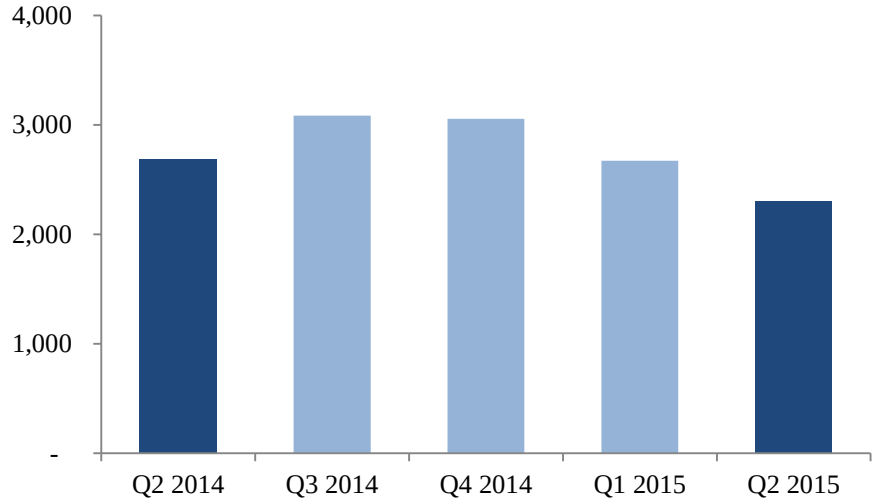
- **Broader product offering**
- **Enhanced ability to support large fleets**
- **Better access to less expensive capital**

Bank Facility

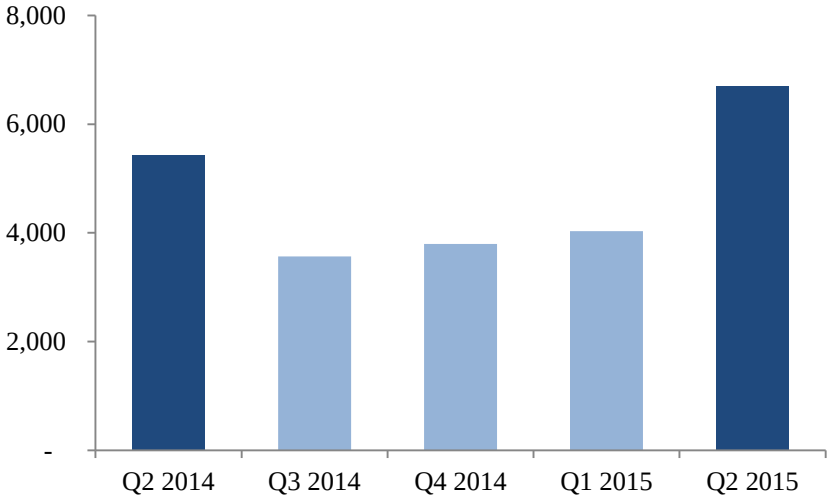
- **$840 million facility ($500 million revolver and $340 million term loan matures in December 2016)**
  - Funding for retail notes, wholesale notes, retail accounts, and dealer open accounts
- **On balance sheet**

Chargeouts

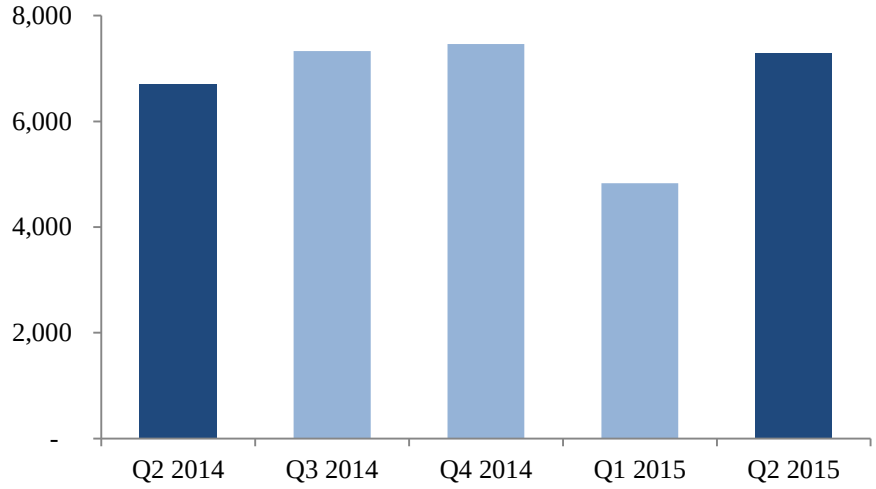
School Bus



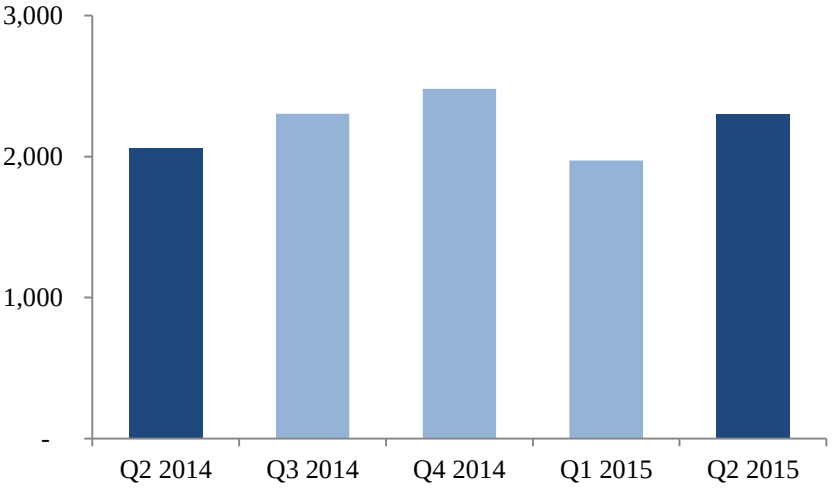
Class 6-7 Medium



Class 8 Heavy



Class 8 Severe



Retail Market Share in Commercial Vehicle Segments

	Three Months Ended				
	April 30, 2015	January 31, 2015	October 31, 2014	July 31, 2014	April 30, 2014
Core Markets (U.S. and Canada)					
Class 6 and 7 medium trucks	27%	21%	19%	20%	26%
Class 8 heavy trucks	12%	10%	15%	14%	14%
Class 8 severe service trucks	15%	14%	14%	15%	17%
Combined class 8 trucks	13%	11%	15%	14%	15%



Class 6/7

Medium-Duty



Class 8

Heavy



Class 8

Severe Service

Worldwide Truck Chargeouts

(in units)	Three Months Ended April 30, 2015	Three Months Ended April 30, 2014	Change	% Change	Six Months Ended April 30, 2015	Six Months Ended April 30, 2014	Change	% Change
Core Markets (U.S. and Canada)								
School buses	2,300	2,700	(400)	(15)%	5,000	4,700	300	6 %
Class 6 and 7 medium trucks	6,700	5,400	1,300	24 %	10,700	8,600	2,100	24 %
Class 8 heavy trucks	7,300	6,700	600	9 %	12,100	11,200	900	8 %
Class 8 severe service trucks	2,300	2,100	200	10 %	4,300	3,900	400	10 %
Total Core Markets	18,600	16,900	1,700	10 %	32,100	28,400	3,700	13 %
Non "core" military	—	100	(100)	— %	—	100	(100)	— %
Other markets[(A)]	5,400	6,700	(1,300)	(19)%	12,400	12,100	300	2 %
Total worldwide unit	24,000	23,700	300	1 %	44,500	40,600	3,900	10 %
Combined class 8 trucks	9,600	8,800	800	9 %	16,400	15,100	1,300	9 %

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.

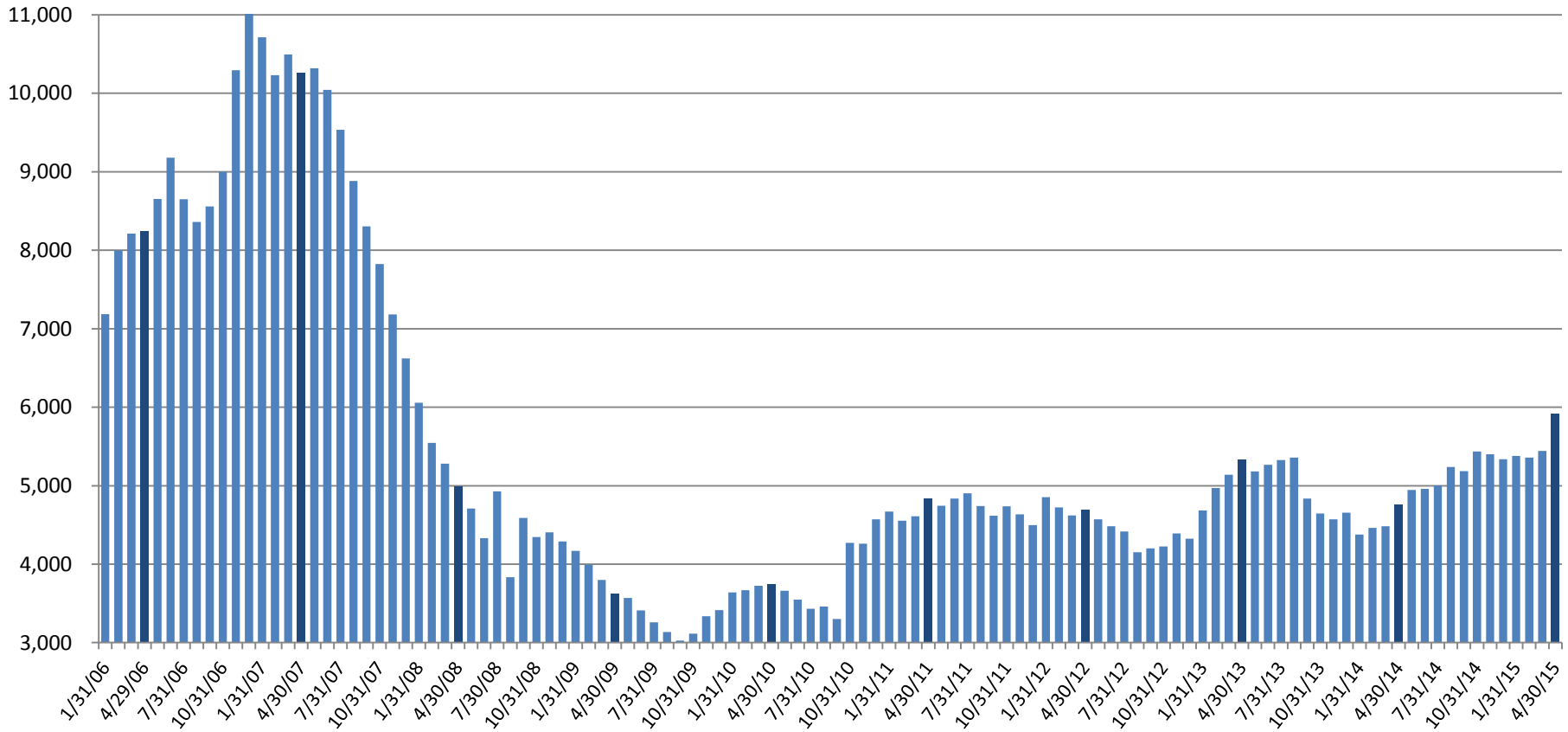
(A) Other markets primarily consist of Export Truck and Mexico and also includes chargeouts related to BDT of 2,600 units and 2,100 units during the three months ended April 30, 2015 and 2014, respectively, and 6,000 and 4,500 during the six months ended April 30, 2015 and 2014.

Worldwide Engine Shipments

(in units)	Three Months Ended April 30, 2015	2014	Change	% Change	Six Months Ended April 30, 2015	2014	Change	% Change
OEM sales-South America.....	11,600	24,500	(12,900)	(53)%	27,300	44,900	(17,600)	(39)%
Intercompany sales.....	7,000	10,100	(3,100)	(31)%	13,600	19,600	(6,000)	(31)%
Other OEM sales.....	2,600	2,900	(300)	(10)%	5,500	5,300	200	4 %
Total sales.....	21,200	37,500	(16,300)	(43)%	46,400	69,800	(23,400)	(34)%



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 and six months ended April 30, 2015, we contributed $32 million and $62 million, respectively, to our U.S. and Canadian pension plans (the “Plans”) to meet the minimum required contributions for all plans. We currently anticipate additional contributions of approximately $51 million to the Plans during the remainder of 2015. Future contributions are dependent upon a number of factors, principally the changes in values of plan assets, changes in interest rates, the impact of any future funding relief, and the impact of funding resulting from the closure of our Chatham plant. We currently expect that from 2016 through 2018, 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 expected 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*	302,500	
CY to FY adjustment	(4,935)	
Total (ACT comparable Class 8 to Navistar)	**297,565**	
Navistar Industry Retail Deliveries Combined Class 8 Trucks	250,000	280,000
Navistar difference from ACT	47,565	17,565
*Source: ACT N.A. Commercial Vehicle Outlook - May 2015	16.0%	5.9%

Frequently Asked Questions

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

A: For the three and six months ended April 30, 2015, Manufacturing interest was $57 million and $114 million, respectively. Annual 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: For the three and six months ended April 30, 2015, capital expenditures were $28 million and $45 million, respectively. Annual Capital expenditures for 2015 is forecasted to be between $125 - 150 million. In comparison, capital expenditures were $88 million and $167 million for FY 2014 and 2013, respectively.

Outstanding Debt Balances

(in millions)	April 30, 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 $17 and $19, respectively	**183**	181
4.75% Senior Subordinated Convertible Notes, due 2019, net of unamortized discount of $36 and $40, respectively	**375**	371
Debt of majority-owned dealerships	**28**	30
Financing arrangements and capital lease obligations	**50**	54
Loan Agreement related to 6.5% Tax Exempt Bonds, due 2040	**225**	225
Promissory Note	**5**	10
Financed lease obligations	**141**	184
Other	**24**	29
Total Manufacturing operations debt	**2,906**	2,958
Less: Current Portion	**115**	100
Net long-term Manufacturing operations debt	**$ 2,791**	$ 2,858

(in millions)	April 30, 2015	October 31, 2014
Financial Services operations		
Asset-backed debt issued by consolidated SPEs, at fixed and variable rates, due serially through 2018	**$ 986**	$ 914
Bank revolvers, at fixed and variable rates, due dates from 2015 through 2020	**1,205**	1,242
Commercial paper, at variable rates, program matures in 2017	**77**	74
Borrowings secured by operating and finance leases, at various rates, due serially through 2018	**29**	36
Total Financial Services operations debt	**2,297**	2,266
Less: Current portion	**1,096**	1,195
Net long-term Financial Services operations debt	**$ 1,201**	$ 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)	April 31, 2015	January 31, 2015
Manufacturing Operations:		
Cash and cash equivalents	**$ 536**	$ 583
Marketable securities	**248**	150
Manufacturing Cash and cash equivalents and Marketable securities	**$ 784**	$ 733
Financial Services Operations:		
Cash and cash equivalents	**$ 47**	$ 37
Marketable securities	**25**	25
Financial Services Cash and cash equivalents and Marketable securities	**$ 72**	$ 62
Consolidated Balance Sheet:		
Cash and cash equivalents	**$ 583**	$ 620
Marketable securities	**273**	175
Consolidated Cash and cash equivalents and Marketable securities	**$ 856**	$ 795

SEC Regulation G Non-GAAP Reconciliations

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

(in millions)	Quarters Ended April 30, 2015	Janaury 31, 2015	April 30, 2014
Loss from continuing operations attributable to NIC, net of tax	**$ (64)**	$ (42)	$ (298)
Plus:			
Depreciation and amortization expense	**74**	79	99
Manufacturing interest expense[(A)]	**57**	57	57
Less:			
Income tax benefit (expense)	**(18)**	(7)	(23)
EBITDA	**$ 85**	$ 101	$ (119)

(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 April 30, 2015	January 31, 2015	April 30, 2014
Interest expense	**$ 75**	**$** 77	$ 74
Less: Financial services interest expense	**18**	20	17
Manufacturing interest expense	**$ 57**	**$** 57	$ 57

(in millions)	Quarters Ended April 30, 2015	January 31, 2015	April 30, 2014
EBITDA ***(reconciled above)***	**$ 85**	$ 101	$ (119)
Less significant items of:			
Adjustments to pre-existing warranties[(A)]	**18**	(57)	42
Asset impairment charges[(C)]	**1**	7	151
Restructuring charges and strategic initiatives[(D)]	**2**	3	8
Gain on settlement[(E)]	**(10)**	—	—
Brazil truck business actions[(F)]	**6**	—	—
Total adjustments	**17**	(47)	201
Adjusted EBITDA	**$ 102**	**$** 54	$ 82
Adjusted EBITDA Margin	**3.8%**	2.2%	3.0%

* For more detail on the items noted, please see slide 36 footnotes (A),(C),(D),(E), and (F).

Significant Items Included Within Our Results

(in millions)	Quarters Ended April 30, 2015	January 31, 2015	April 30, 2014
Expense (income):			
Adjustments to pre-existing warranties[(A)]	**$ 18**	$ (57)	$ 42
Accelerated depreciation[(B)]	**12**	13	—
Asset impairment charges[(C)]	**1**	7	151
Other restructuring charges and strategic initiatives[(D)]	**2**	3	8
Gain on settlement[(E)]	**(10)**	—	—
Brazil truck business actions[(F)]	**6**	—	—
Brazilian tax adjustments[(G)]	**—**	—	29

(A) Adjustments to pre-existing warranties reflect changes in our estimate of warranty costs for products sold in prior periods. Such adjustments typically occur when claims experience deviates from historic and expected trends. Our warranty liability is generally affected by component failure rates, repair costs, and the timing of failures. Future events and circumstances related to these factors could materially change our estimates and require adjustments to our liability. In addition, new product launches require a greater use of judgment in developing estimates until historical experience becomes available.

(B) In the first and second quarter of 2015, the Truck segment recognized charges of $13 million and $12 million, respectively, for the acceleration of depreciation of certain assets related to the foundry facilities.

(C) In the first and second 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 and $1 million, respectively, of asset impairment charges. In the second quarter of 2014, we recognized a non-cash charge of $149 million for the impairment of certain intangible assets of our Brazilian engine reporting unit. Due to slower than expected growth in the Brazilian economy causing declines in actual and forecasted results, we tested the goodwill of our Brazilian engine reporting unit and trademark for potential impairment. As a result, we determined that the entire $142 million balance of goodwill and $7 million of trademark were impaired.

(D) In the second quarter of 2014, we incurred restructuring charges of $8 million related to cost reduction actions that included a reduction-in-force in the U.S.

(E) In the second quarter of 2015, the Global Operations segment recognized a $10 million gain resulting from a customer settlement, which includes an offsetting restructuring charge of $4 million.

(F) In the second quarter of 2015 our Global Operations segment recorded $6 million in inventory charges to right size the Brazil Truck business.

(G) During the second quarter of 2014, our evaluation of the realizability of our Brazilian deferred tax assets resulted in a determination that a valuation allowance was required, due to a deterioration of operating performance in Brazil, an increase in net operating loss carryforwards, and the impairment of certain Brazilian intangible assets. As a result, we recorded a net expense of $29 million related to establishment of the valuation allowance and tax impact from the impairment of certain intangible assets.

The above items, except for the Brazilian tax adjustments, did not have a material impact on taxes due to the valuation allowances on our U.S. deferred tax assets, which was established in the fourth quarter of 2012.