RECREATING THE GREAT AMERICAN TRUCK COMPANY



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Safe Harbor Statement and Other Cautionary Notes

Information provided and statements contained in this presentation that are not purely historical are forward-looking statements within the meaning of the federal securities laws. Such forward-looking statements only speak as of the date of this presentation and Navistar International Corporation assumes no obligation to update the information included in this presentation. 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, 2015. Although we believe that these forward-looking statements are based on reasonable assumptions, there are many factors that could affect our 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 herein 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.

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.

Navistar – We are International Truck

















- A leading manufacturer of commercial trucks, buses and defense vehicles in North America
- 2015 annual revenues: $10.1 billion
- Active employees: 13,200
- Established brand and diverse product line-up
- Captive finance company
- Largest dealer network in the industry
- One of the largest parts distribution networks in the U.S.

Largest Dealer Network
Unmatched Customer Support



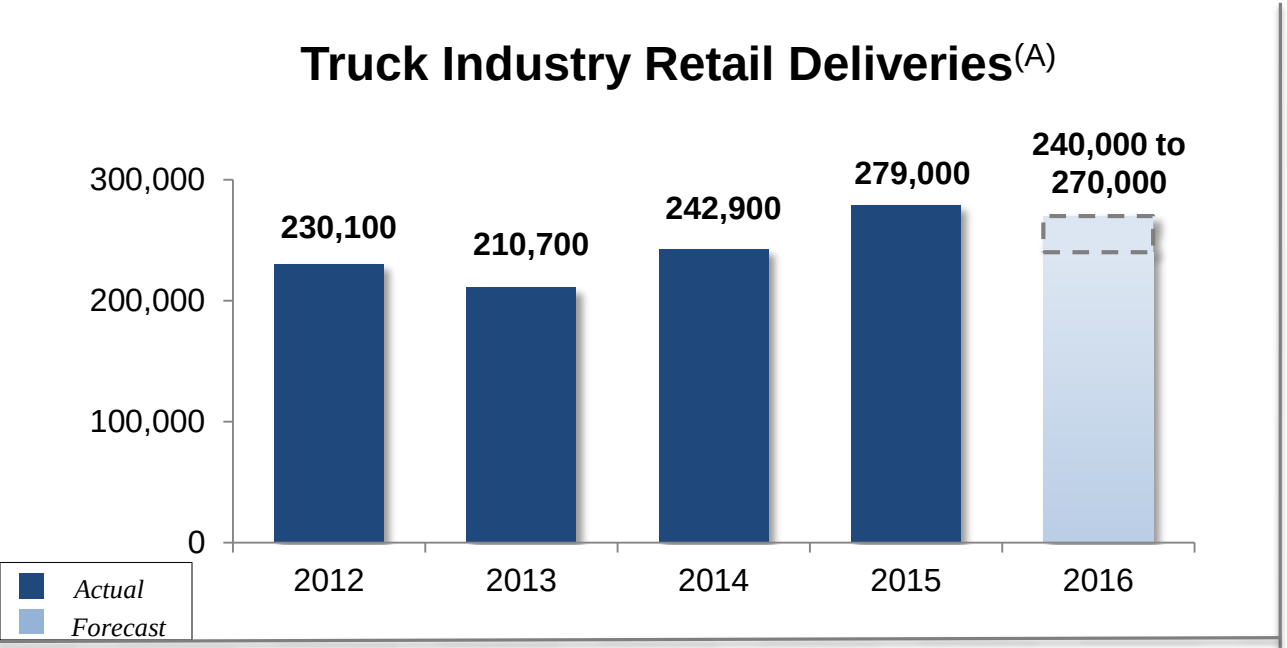
Leading Uptime and Customer Productivity

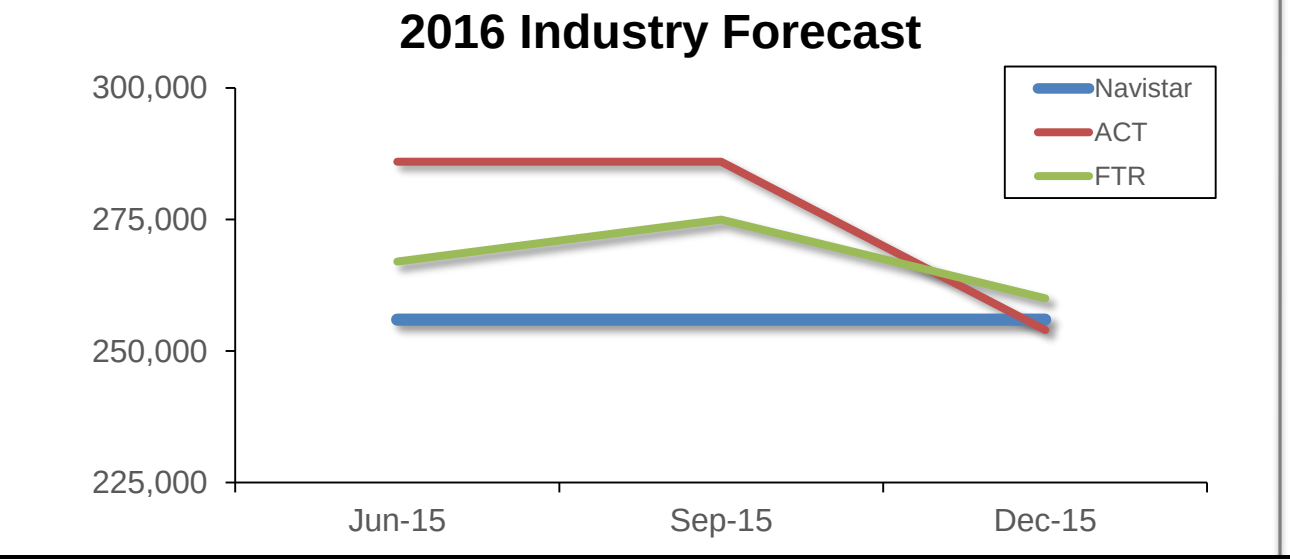
Parts and Service Supported by the Broadest Dealer Network in the Industry

- 800+ dealer locations
- 8,000 service bays
- 7,600 technicians
- $350 million Parts inventory
- Recognized market leaders

FLEETRITE®

2016 Class 8 Industry Outlook





- 2016 Class 8 industry expected to be higher than 2014
- Navistar forecast unchanged since June 2015
- Industry forecasts have converged towards Navistar's midpoint

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

Revenue Impacted by Declining Class 8 Industry

2016 Revenue Expectations[A]

Market Share	↑
Class 6/7 Industry	↑
Class 8 Industry	↓
Global Operations	↓
Blue Diamond Truck[B]	↓

- Core revenue is trending higher due to full product portfolio
- Market share growth
- Negative economic conditions expected in Brazil
- Terminated Blue Diamond Truck JV

(A) Arrow denotes comparison to 2015.
(B) Business exited during 2015.

Expect Additional Cost Savings in 2016

LEAN CULTURE

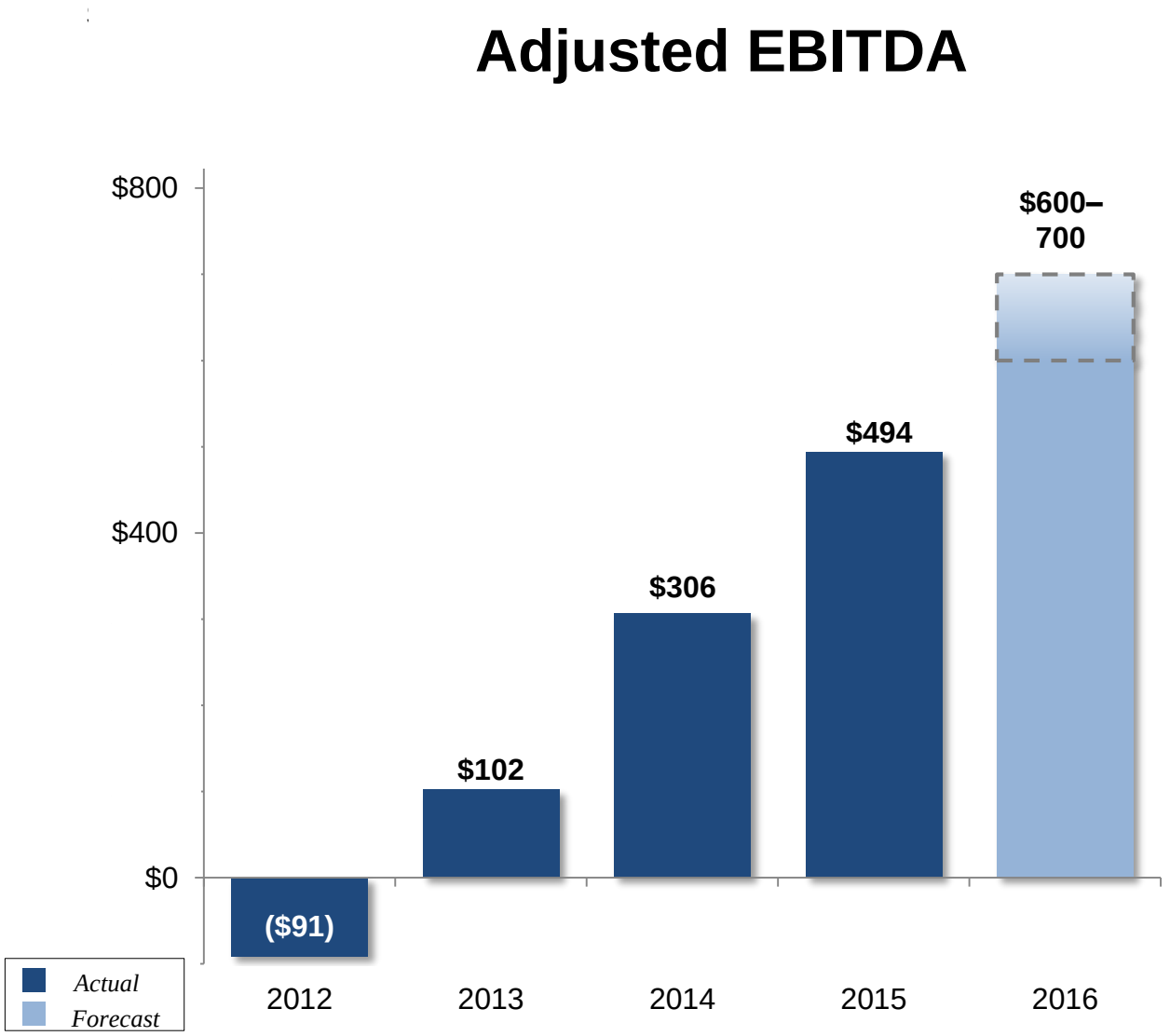
ELIMINATE WASTE

LOWER BREAK-EVEN POINT

Expect over $200 million of savings in 2016

- Material cost reductions
- Manufacturing efficiencies
- Structural cost improvements
- Restructure Brazilian operations

Expect EBITDA Growth in 2016

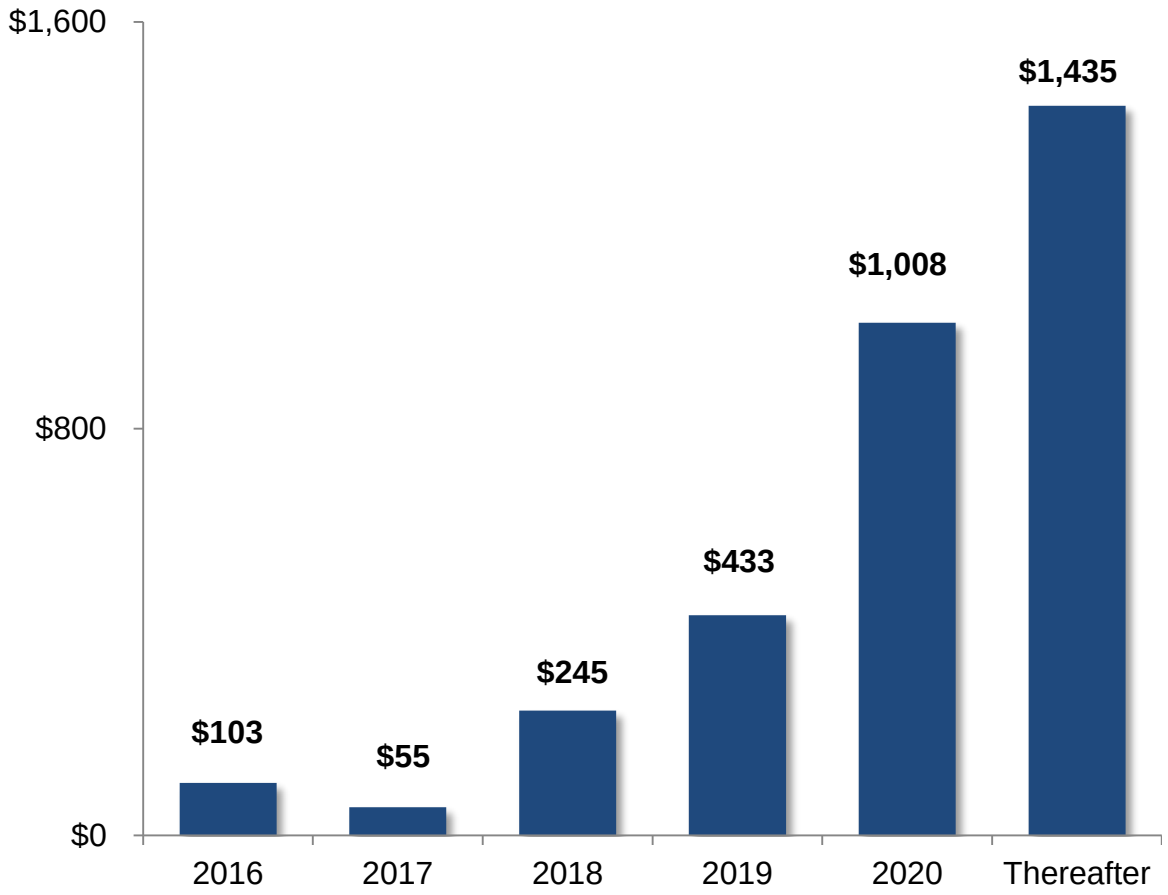


- ~$200 million of annual EBITDA improvement over the past 3 years
- Margin improvements and product mix driving EBITDA growth
- Core North America truck and parts businesses improve
- EBITDA growth expected to continue as we drive to industry benchmarks

Dollars in millions.
Note: This slide contains non-GAAP information; please see the REG G in appendix for a detailed reconciliation.
(A) Total manufacturing debt of $3.2B, as of October 31, 2015.

No Near-term Maturities…
…Free Cash Flow Generation

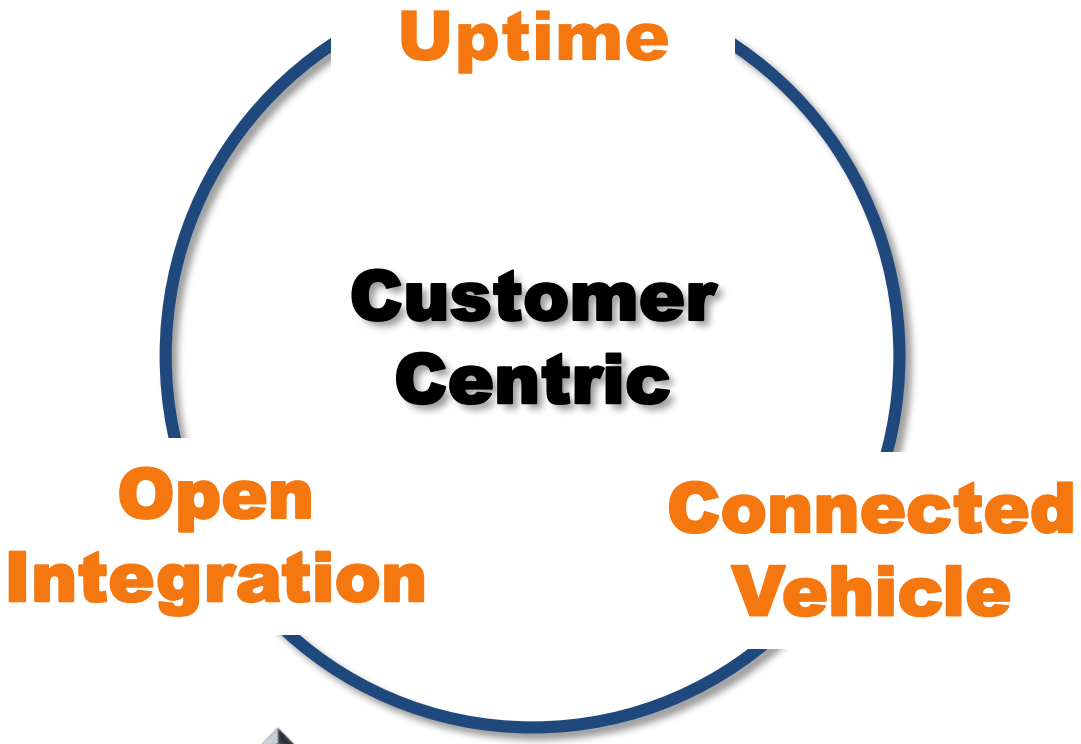
Debt Maturity Profile(A)



- Ended 2015 with $1.0 billion of manufacturing cash
- Expect to generate positive manufacturing free cash flow in 2016
- Plan to reduce leverage over time

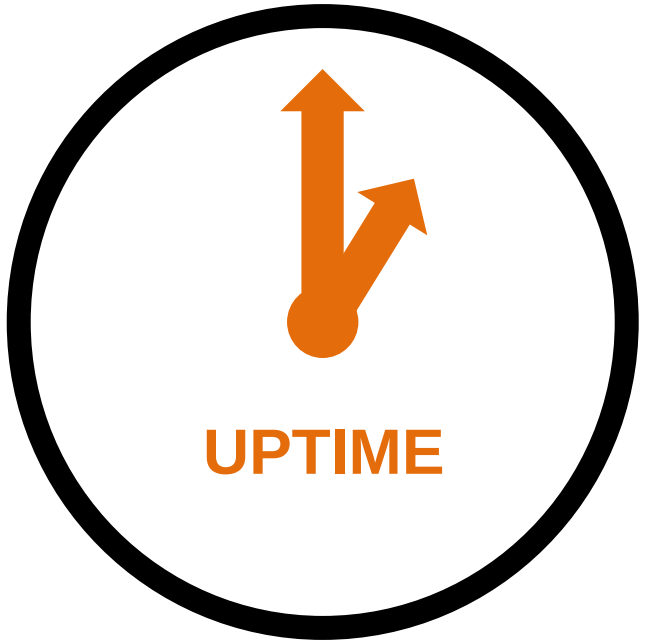
Dollars in millions.
Note: This slide contains non-GAAP information; please see the REG G in appendix for a detailed reconciliation.
(A) Total manufacturing debt of $3.2B, as of October 31, 2015.

Creating the Best Truck Company in America



- Know the customer
- The connected truck
- Open technology integration
- Increase consideration

Uptime is Our Mission



- Trucks that are designed to stay on the road
- Build defect-free trucks, delivered on the date promised
- Fast service and repair at our dealerships
- Real-time vehicle monitoring and support

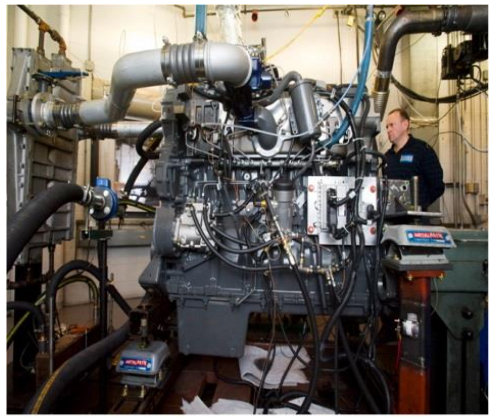


Industry-Leading Quality

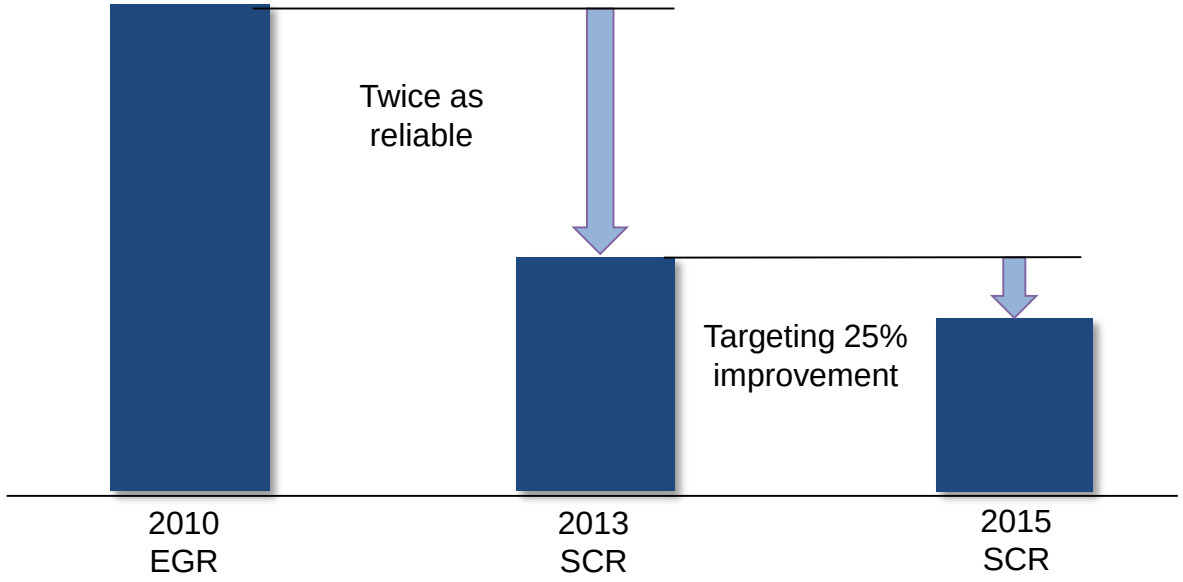








ProStar with Navistar engine: Repair Rates



- Leading engineering validation:
  - 200 validation vehicles and engines
  - More than 11 million equivalent miles of testing
- Today's Navistar engines are more than twice as reliable as 2010 models
- Approaching warranty expense of 2.5% of revenue

Leaders in Connected Vehicles

OnCommand™ Connection

currently supports more than
175,000 vehicles

- Standard offering on International trucks
- Integrated support through dealers, parts and service
- Drives product consideration
- Provides analytics to support customer

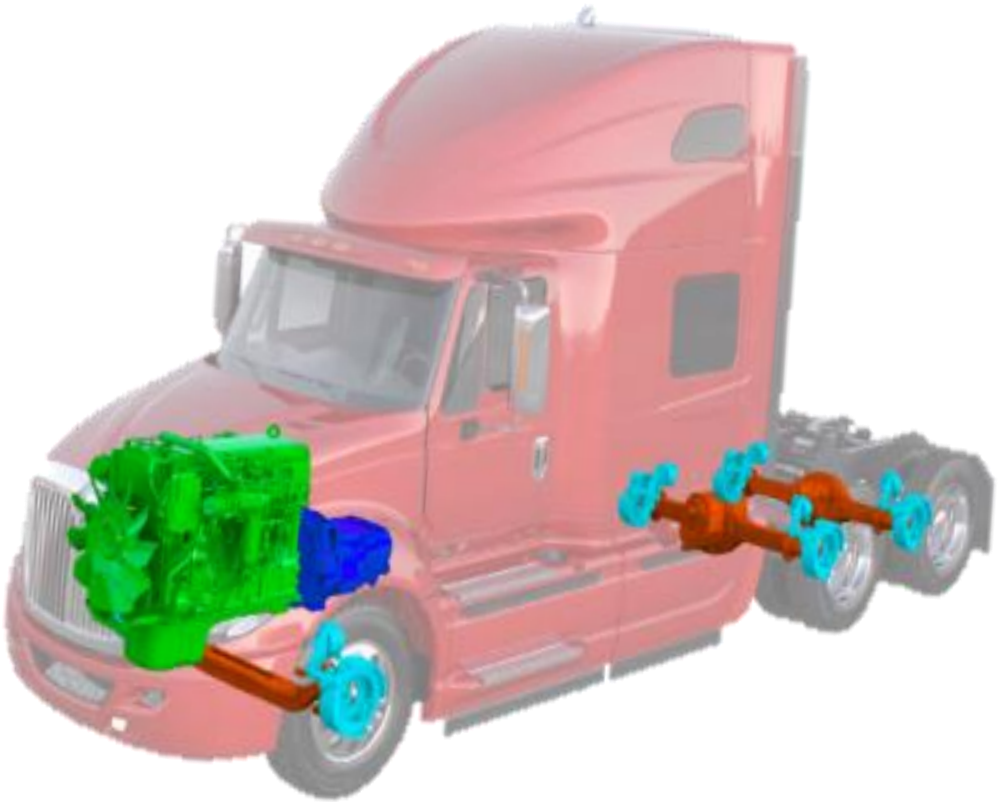


INTERNATIONAL TRUCK
First to Introduce
OVER-THE-AIR REPROGRAMMING

- Engine recalibration over Wi-Fi
- Paves the way for two-way Connected Vehicle Services

Best Technology Integration

Open technology integration allows Navistar to deliver…



- Voice of the customer in product development
- Best technology available
- Customer choice to create truck they want
- Speed to market
- Leverage supplier scale and investment
- Engage select suppliers from concept to sales and service

Strongest Product Lineup in Years

Current product offering gaining traction in the market place…



… as we innovate, integrate and invest for the future.



The Great American Truck Company



In 2016, we expect…

- Lead in quality and uptime
- Increase product consideration and grow market share
- Build upon best-in-class parts distribution
- EBITDA growth
- Positive manufacturing free cash flow


THANK YOU
NAVISTAR®

SEC Regulation G Non-GAAP Reconciliation

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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.

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.

	Years Ended October 31			
(in millions)	**2015**	**2014**	**2013**	**2012**
Loss from continuing operations attributable to NIC, net of tax	**$ (187)**	$ (622)	$ (857)	$ (2,939)
Plus:				
Depreciation and amortization expense	**281**	332	417	323
Manufacturing interest	**233**	243	251	171
Less:				
Income tax benefit (expense)	**(51)**	(26)	171	(1,780)
EBITDA	**$ 378**	$ (21)	$ (360)	$ (665)

(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:

Interest expense	**$ 307**	$ 314	$ 321	$ 259
Less: Financial services interest expense	**74**	71	70	88
Manufacturing interest expense	**$ 233**	$ 243	$ 251	$ 171

EBITDA *(reconciled above)*	**$ 378**	$ (21)	$ (360)	$ (665)
Less: Significant items[(B)]	**116**	327	462	574
Adjusted EBITDA	**$ 494**	$ 306	$ 102	$ (91)

(B) Amounts reported in our quarterly earnings presentations under "Significant items included within our reports"

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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.

(in millions)	October 31, 2015
Manufacturing Operations:	
Cash and cash equivalents	$ 877
Marketable securities	136
Manufacturing Cash and cash equivalents and Marketable securities	$ 1,013
Financial Services Operations:	
Cash and cash equivalents	$ 35
Marketable securities	23
Financial Services Cash and cash equivalents and Marketable securities	$ 58
Consolidated Balance Sheet:	
Cash and cash equivalents	$ 912
Marketable securities	159
Consolidated Cash and cash equivalents and Marketable securities	$ 1,071