NAVISTAR®

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NAVISTAR INTERNATIONAL CORPORATION

AUGUST 2015

NYSE: NAV

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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, 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 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.

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Navistar – We are International Truck

- Leading manufacturer of commercial trucks, buses and defense vehicles
- Originally incorporated in 1902
- 2014 annual revenues: $10.8 billion
- Active employees: ~14,200
- Strong and diverse product line-up
- Broadest dealer network in the industry
- One of the largest parts distribution networks in the U.S.
- Well-capitalized captive finance company

















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Investment Highlights

- Steady industry outlook
- Refreshing product portfolio
  - Quality
  - Weight
  - Driver experience
  - Fuel economy
  - Connected vehicle
- OnCommand Connection
- Best-in-class integration
- Improving margin profile
- Balance sheet flexibility to execute on “Uptime” strategy

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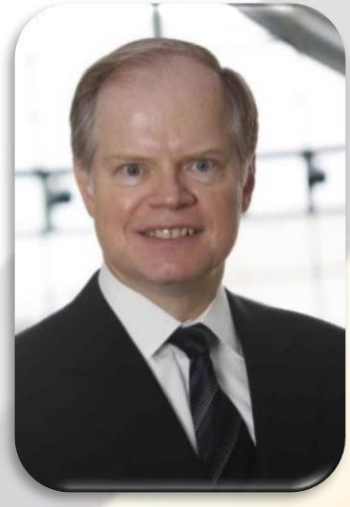
Leadership Team Continues to Drive Change



Troy Clarke
President and Chief Executive Officer



Walter Borst
Executive Vice President and Chief Financial Officer



Persio Lisboa
President, Operations



Bill Kozek
President, Truck & Parts



Phil Christman
Senior Vice President, Strategic Planning

INTERNATIONAL

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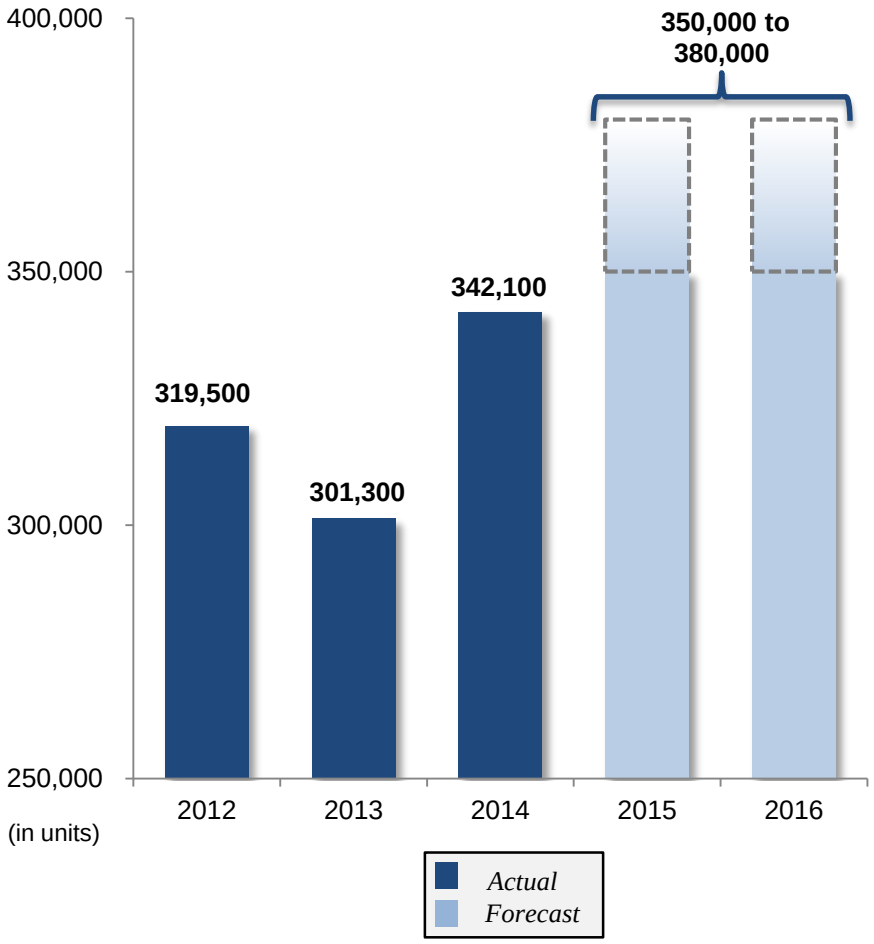
Overall Industry Outlook Steady Heading into 2016

Truck Industry Retail Deliveries(A)



- Purchasing power of truck owners continues to improve
- Average age of class 8 vehicles above norm
- 2016 industry(A) forecast flat compared to 2015
  - Class 6/7 and Bus industry expected to grow in 2016
  - Class 8 industry forecast slightly below 2015 level

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

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Enabler to Increase Sales is Completing Powertrain Portfolio

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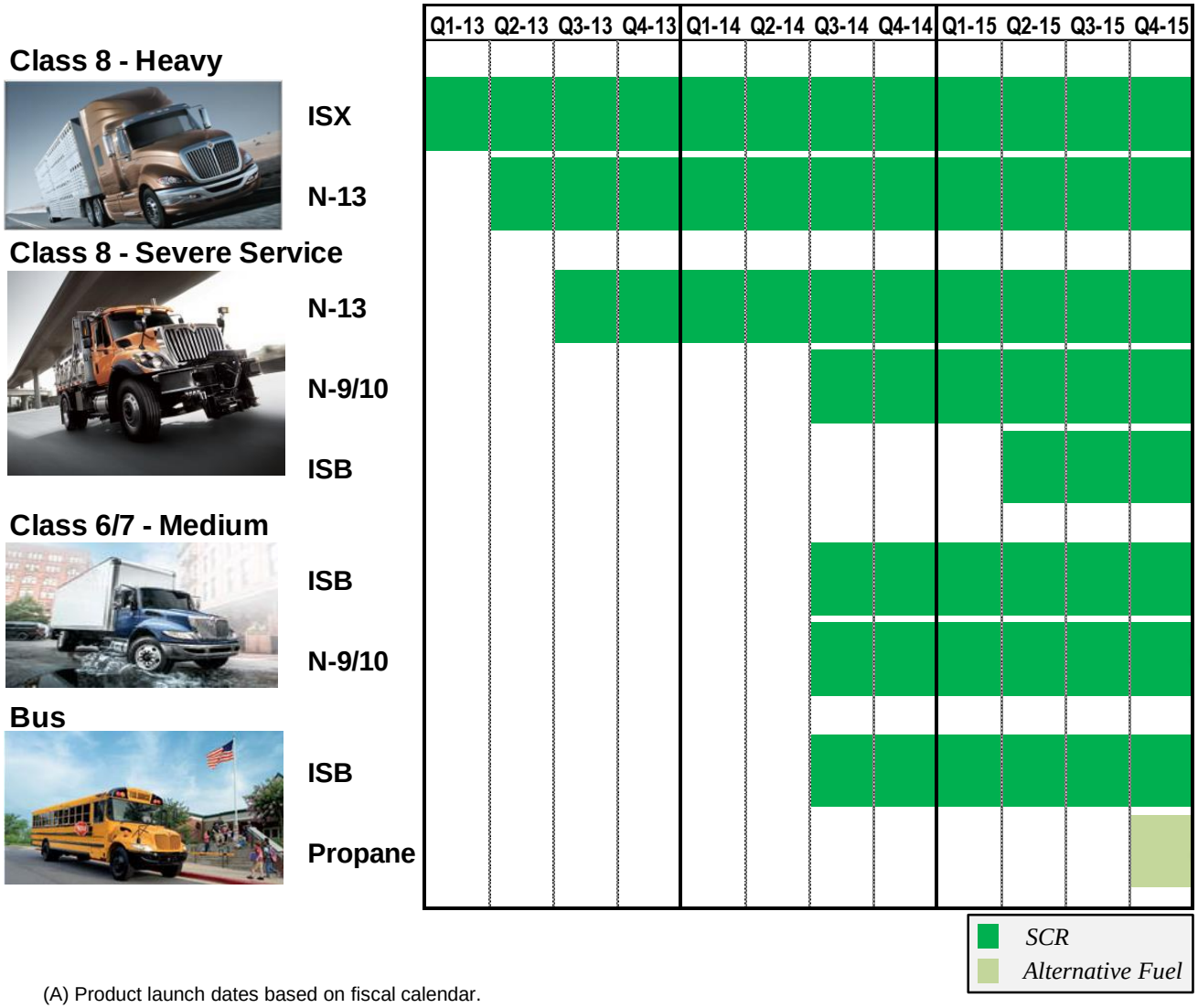
Product Launch Dates(A)



- Full portfolio of emission compliant trucks
- Continue to roll out additional Severe Service product offerings
- Catalyst for revenue growth

(A) Product launch dates based on fiscal calendar.

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Navistar's Product Plan

Focused-Spec'd Trucks



Project Horizon



Alternative Fuels



Premium Vocational



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Connected Vehicle – Differentiation that Creates Value

Navistar is leading the way with its remote diagnostic tool…
OnCommand Connection…to be the industry leader in Uptime!



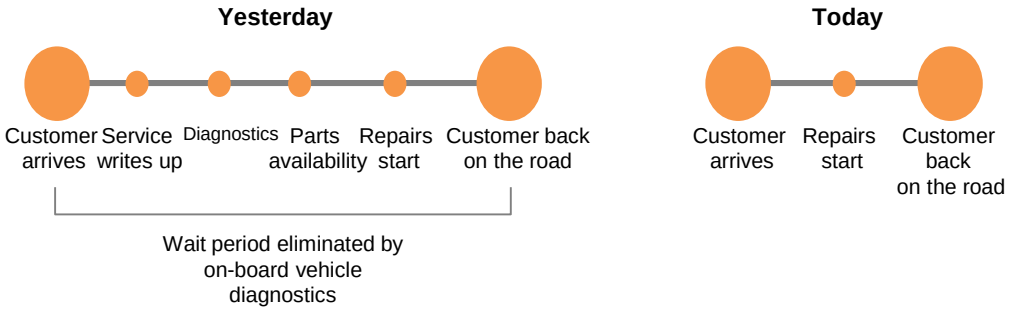
Remote diagnostic and performance monitoring



Over 130,000 vehicles connected

Customer support center Vehicle diagnostics/rooting

Proactive diagnostics and repair planning to improve Uptime



- Over 130,000 vehicles connected
- Standard offering
- Remote diagnostic and performance monitoring
- Leading Uptime tool
- Integrated customer support
- Provides large fleet service to all fleets

OnCommand™ Connection

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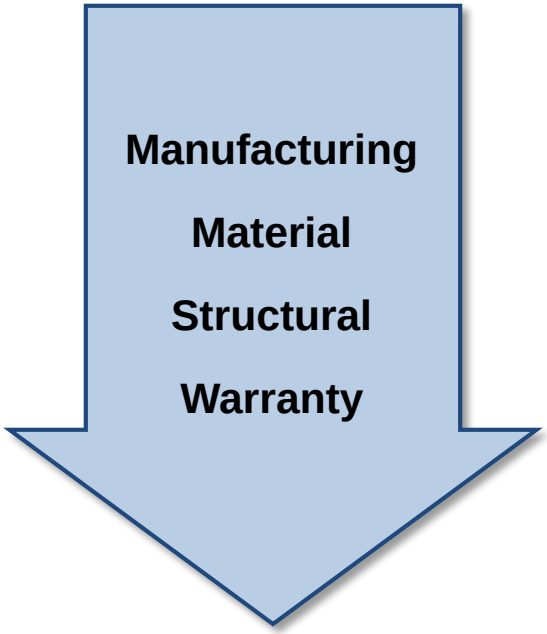
Leading supplier technology integration allows Navistar to deliver…

- Leading-edge technology
  - Bendix Wingman Fusion
- Integrated engineering
  - Eaton Cummins SmartAdvantage AMT
  - Eaton Procision transmission
  - PSI Propane engine
- Customer choice in transmissions, axles, collision mitigation tools, etc.
- Speed to market
- Leverage supplier's technology spend



Continued to Focus on Cost Reductions in 2016 and Beyond



- Increasing manufacturing productivity
- Optimizing supply base footprint
- Identifying opportunities increase capacity utilization
- Benchmarking material costs
- Lowering engineering spend
- Instituting lean initiatives to eliminate waste and continuous improvement
- Driving warranty costs to industry benchmark

CONTINUE TO LOWER BREAK-EVEN POINT

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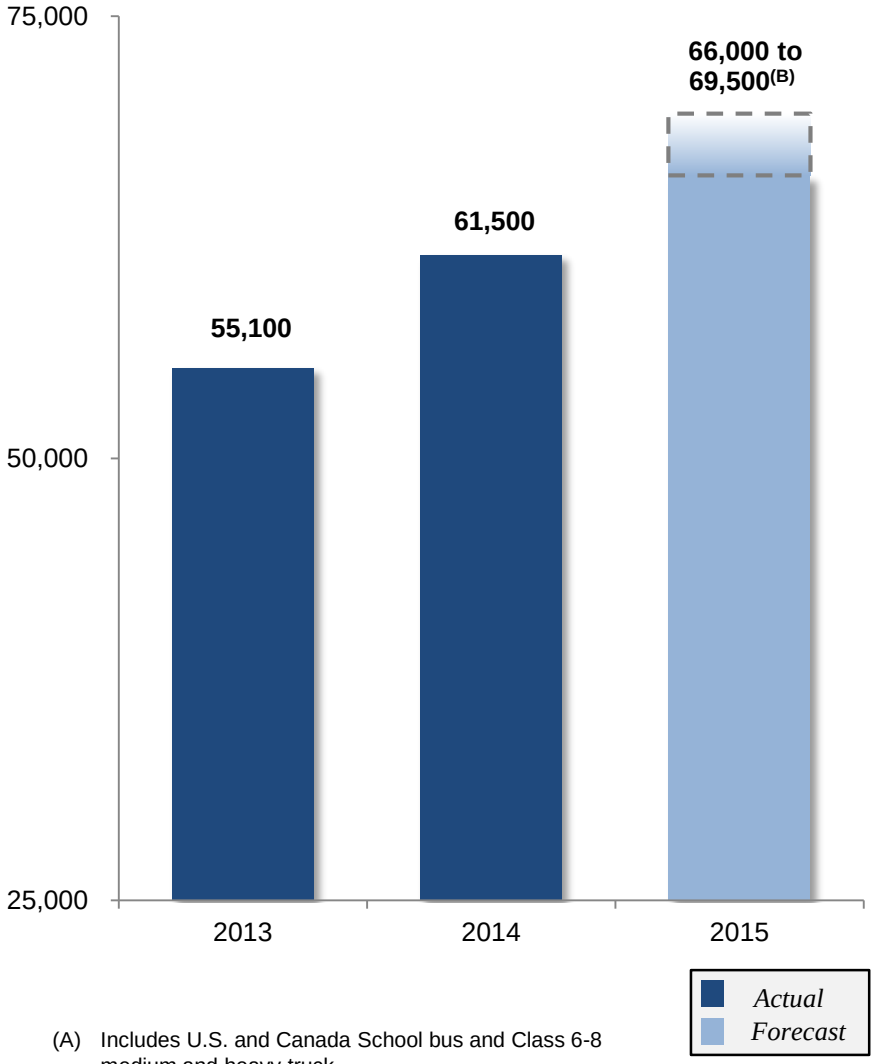
Focus Remains on Market Share Growth

Annual Core Market(A) Chargeouts



(A) Includes U.S. and Canada School bus and Class 6-8 medium and heavy truck.
(B) As discussed during Analyst Day, February 4, 2015.

- Focus remains on profitable market share growth
- On track to be within Core Market(A) chargeout range as provided earlier in the year at Analyst Day
- Heavy truck customers increased 50% year over year, as we continue to earn new customer business and reestablish prior relationships
- Received a 9,000 truck order from Celadon

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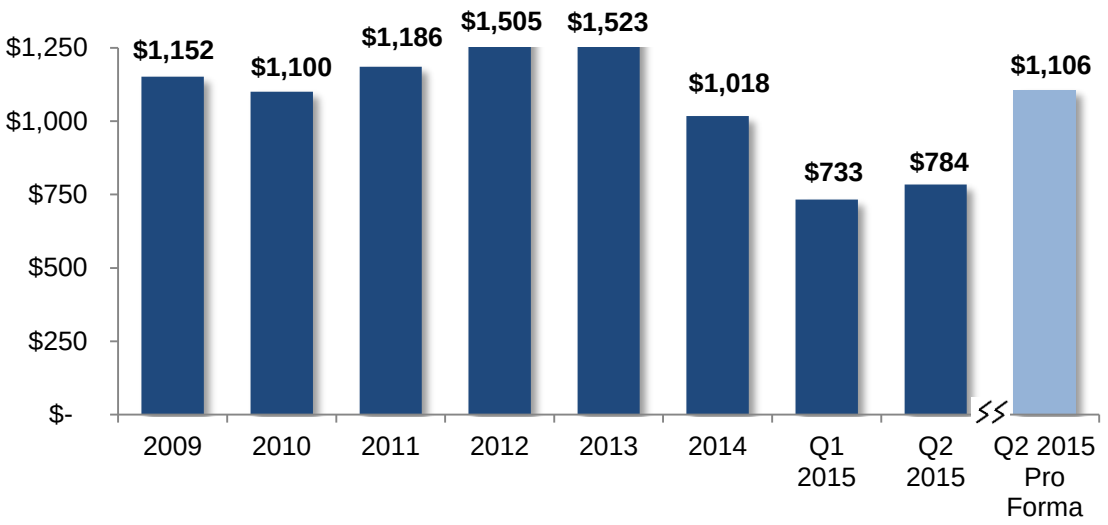
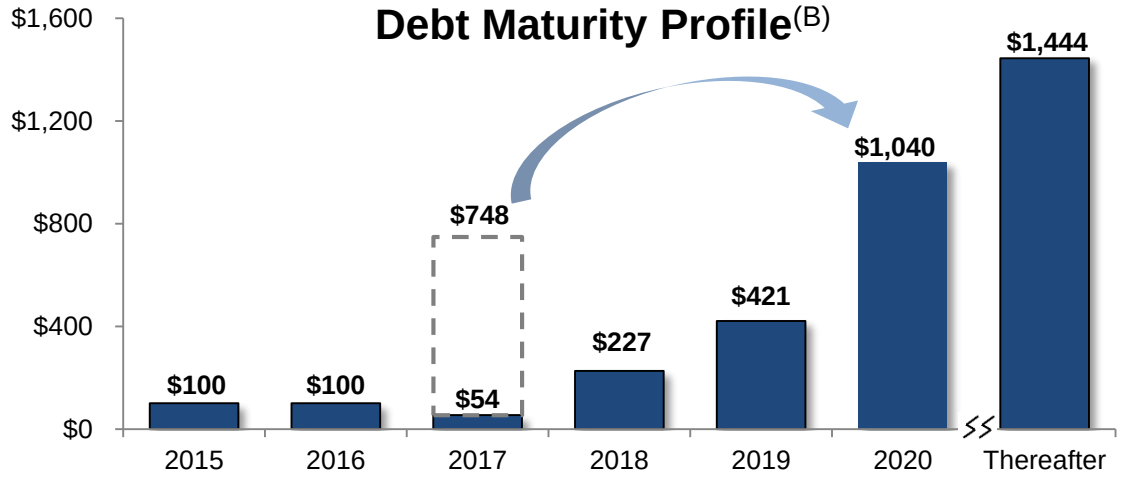
Liquidity Remains Strong

Historical Manufacturing Cash Balances(A)



Debt Maturity Profile(B)



- Generated positive manufacturing cash flow in Q2
- Expect to generate positive manufacturing cash flow in 2016
- Term Loan refinancing
  - Adds additional liquidity
  - Extends debt maturity profile
  - Provides additional financial flexibility
- Seeking to reduce leverage over time

(A) Cash balance includes marketable securities; Q2 2015 Pro Forma balance includes accrued interest and expenses of $20 million.
(B) Total manufacturing debt of $2.91B, as of April 30, 2015.

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

Improving Balance Sheet Flexibility

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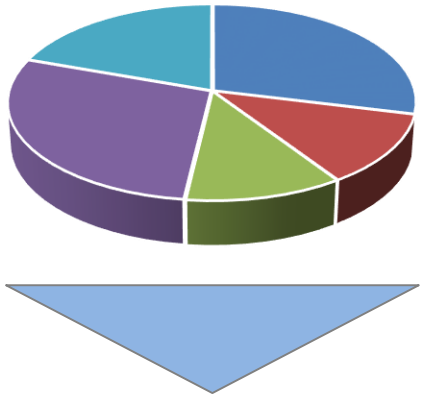
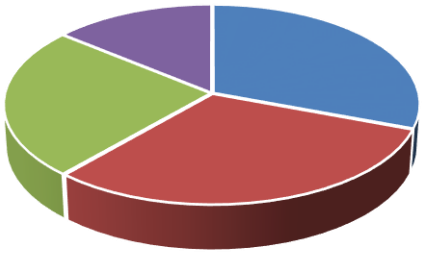
Manufacturing Cash uses are expected to decline by $200 million in 2017

2014



2017



MFG Interest
CapEx
Pension & OPEB
Warranty
UTO Inventory

- Expect further improvement in liquidity
  - Pension & OPEB funding vs. expense
  - Warranty spend vs. expense
  - Lower Used Truck inventory levels
- Risk Reduction
- Debt maturity schedule
- Lower leverage over time

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Used Truck Outlook Remains Steady

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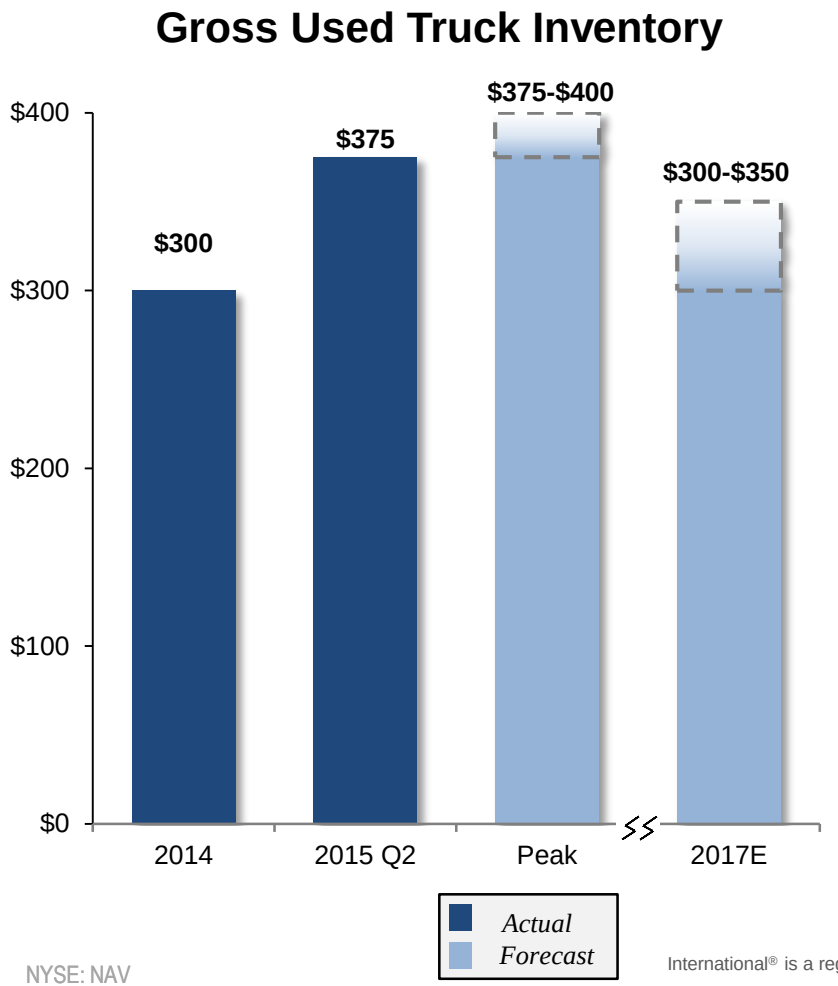
Used Truck inventory will improve over time as the amount of EGR units moves through the trade cycle…



- Used Truck Sales outlook remains steady
- As inventory levels return to lower levels, the reserve adjustments should trend down
- Balancing taking trades
  - New sales
  - Residual values
  - Working capital requirements
- Robust demand-generation efforts to manage used truck inventory
  - Diamond Renewed certified used truck program
  - Export sales

DIAMOND RENEWED

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Conclusion

- Significant progress from 2012 through the first half of 2015
- Full portfolio of emission compliant trucks and buses is a catalyst for future revenue growth
- On track to deliver adjusted EBITDA margins in excess of 8% in Q4 2015
- Focus remains managing cash, improving margins, and increasing volumes, ultimately, improving the balance sheet

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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.

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.

	2009	2010	2011	2012	2013	2014	2015	
(in millions)	Oct. 31,	Oct. 31,	Oct. 31,	Oct. 31,	Oct. 31,	Oct. 31,	Jan. 31,	Apr. 30,
Manufacturing Operations:								
Cash and cash equivalents	$1,152	$534	$488	$1,059	$727	$440	$583	$536
Marketable securities	—	566	698	446	796	578	150	248
Manufacturing Cash and cash equivalents and Marketable securities	**$1,152**	**$1,100**	**$1,186**	**$1,505**	**$1,523**	**$1,018**	**$733**	**$784**
Financial Services Operations:								
Cash and cash equivalents	$60	$51	$51	$28	$28	$57	$37	$47
Marketable securities	—	20	20	20	34	27	25	25
Financial Services Cash and cash equivalents and Marketable securities	**$60**	**$71**	**$71**	**$48**	**$62**	**$84**	**$62**	**$72**
Consolidated Balance Sheet								
Cash and cash equivalents	$1,212	$585	$539	$1,087	$755	$497	$620	$583
Marketable securities	—	586	718	466	830	605	175	273
Consolidated Cash and cash equivalents and Marketable securities	**$1,212**	**$1,171**	**$1,257**	**$1,553**	**$1,585**	**$1,102**	**$795**	**$856**

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