Navistar, Inc.
Form 424B5
March 28, 2013
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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-187557 and

333-187557-01

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Offering price per note	Aggregate offering price(1)	Amount of registration fee(2)
8.25% Senior Notes due 2021	$300,000,000	101.25%	$314,131,250	$42,847.51
Guarantee of 8.25% Senior Notes due 2021				(3)

(1) Includes $10,381,250 in accrued interest from November 1, 2012, to but excluding April 2, 2013.
(2) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended (the Securities Act), and relates to the registration statement on Form S-3 (File No. 333-187557) filed by the Registrant.
(3) Includes guarantee by Navistar, Inc. of 8.25% Senior Notes due 2021. Pursuant to Rule 457(n) of the Securities Act, no separate registration fee is payable for such guarantee.

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Prospectus supplement

(To Prospectus dated March 27, 2013)

Navistar International Corporation

$300,000,000

8.25% Senior Notes due 2021

We are offering $300,000,000 aggregate principal amount of our 8.25% Senior Notes due 2021 (the notes). The notes will be issued as additional notes under the indenture (the indenture) governing the outstanding $900,000,000 in aggregate principal amount of our existing 8.25% Senior Notes due 2021 that we issued on October 28, 2009 (the Existing Senior Notes). The notes will be treated under the indenture as a single series with the Existing Senior Notes and will have the same terms as the Existing Senior Notes. The notes will have the same CUSIP number and will be fungible with the Existing Senior Notes. Upon the issuance of the notes, the outstanding aggregate principal amount of our 8.25% Senior Notes due 2021 will be $1,200,000,000 (excluding original issue discount and premium). The notes will bear interest at a rate of 8.25% per year, payable semi-annually in arrears on May 1 and November 1 of each year, beginning on May 1, 2013. Interest will accrue on the notes from November 1, 2012 and the initial interest payment to holders of the notes on May 1, 2013 will be the same per note as that to holders of the Existing Senior Notes. The notes will mature on November 1, 2021. Unless the context otherwise requires, references herein to the notes include both the notes offered hereby and the Existing Senior Notes.

At any time on or after November 1, 2014, we may redeem the notes, in whole or in part, at the redemption prices described in the accompanying prospectus under Description of Notes Optional Redemption. Not more than once during each twelve-month period ending on November 1, 2013 and November 1, 2014, we may redeem up to $50 million in principal amount of the notes in each such twelve-month period, at a redemption price equal to 103% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any. We may also redeem some or all of the notes at any time prior to November 1, 2014 at a redemption price equal to 100% of the principal amount of the notes plus a make-whole premium, plus accrued and unpaid interest, if any. If we sell certain of our assets or experience specific kinds of changes in control, we must offer to repurchase the notes.

The notes will be our senior unsecured obligations and rank equally with our existing and future unsecured senior indebtedness. The notes will rank senior in right of payment to all of our existing and future subordinated indebtedness. The notes will also be effectively junior to our existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness, regardless of whether or not such indebtedness would otherwise constitute senior indebtedness. The notes will be effectively junior to the third party equity interests in our majority-owned dealerships and joint ventures, to the extent of those interests. The notes will be guaranteed on a senior unsecured basis by our principal operating subsidiary, Navistar, Inc. (the Guarantor). The guarantee of the notes by the Guarantor will rank equally in right of payment with any and all of the Guarantor s existing and future indebtedness that is not subordinated in right of payment to such guarantee, senior in right of payment to any and all of the Guarantor s future indebtedness that is subordinated in right of payment to such guarantee and effectively subordinated to all existing and future secured indebtedness of the Guarantor to the extent of the value of the collateral securing such indebtedness (regardless of whether or not such indebtedness would otherwise constitute senior indebtedness). The notes will be structurally subordinated to all existing and future obligations of those of our subsidiaries that do not guarantee the notes.

The notes will not be listed on any securities exchange.

For a more detailed description of the notes, see Description of notes beginning on page S-48 of this prospectus supplement and page 7 of the accompanying prospectus.

Investing in the notes involves risks, including those described in the Risk factors section beginning on page S-21 of this prospectus supplement. You should also consider the risk factors described in the documents incorporated by reference into this prospectus supplement and the accompanying prospectus.

	Per note	Total
Public offering price(1)	101.25%	$ 303,750,000
Underwriting discounts and commissions	1.50%	$ 4,500,000

Proceeds, before expenses, to us(1)	99.75%	$ 299,250,000

(1) Public offering price and proceeds, before expenses, to us do not include the amount of accrued interest on the notes from November 1, 2012, to but excluding the delivery date. All pre-issuance accrued interest from November 1, 2012 will be paid by the purchasers of the notes. On May 1, 2013, we will pay this pre-issuance accrued interest to the holders of the notes on the applicable record date along with interest accrued on the notes from the date of delivery to May 1, 2013.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

We expect that delivery of the notes will be made to investors in book-entry form through The Depository Trust Company on or about April 2, 2013.

Joint book-running managers

J.P. Morgan

Credit Suisse

BofA Merrill Lynch

Goldman, Sachs & Co.

The date of this prospectus supplement is March 27, 2013.

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Prospectus supplement

Prospectus

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About this prospectus supplement

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described below under the headings Where you can find more information and Incorporation of certain documents by reference.

If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Any statement made in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference in this prospectus supplement modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement. See Incorporation of certain documents by reference.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus together with any free writing prospectus used in connection with this offering. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated herein and therein by reference is accurate only as of the respective dates of those documents in which the information is contained. Our business, financial condition, results of operations and prospects may have changed since those dates.

Certain defined terms

Unless otherwise indicated or the context otherwise requires, as used in this prospectus supplement:

2012 Annual Report means our Annual Report on Form 10-K for the fiscal year ended October 31, 2012, as updated by the March 25 8-K.

the Company, us, we, our and Navistar each refer collectively to Navistar International Corporation and its consolidated subsidiaries;

Guarantor and Navistar, Inc. each refer to Navistar, Inc., a direct, wholly-owned subsidiary of NIC through which the Company conducts most of its manufacturing operations;

March 25 8-K means our Current Report on Form 8-K filed with the SEC on March 25, 2013, which, among other things, updated our Annual Report on Form 10-K for the fiscal year ended October 31, 2012 to reclassify the historical financial results of WCC and certain operations of Monaco as discontinued operations.

mid-range diesel engines refer to 160-325 horsepower diesel fuel-powered engines;

Monaco means our Monaco recreational vehicles business;

NFC refers to Navistar Financial Corporation, a wholly owned subsidiary of Navistar, Inc., which, together with NIC s Mexican financial services subsidiaries that provide financial services to dealers and customers in Mexico, comprise substantially all of our financial services operations;

NIC refers to Navistar International Corporation, exclusive of its consolidated subsidiaries;

North America refers to the United States and Canada;

OEMs refer to original equipment manufacturers; and

WCC means our Workhorse Custom Chassis business.

We report our annual results for our fiscal year, which ends October 31. Our fiscal years are identified in this prospectus supplement according to the calendar year in which they end. For example, our fiscal year ended October 31, 2012 is referred to as fiscal 2012. All references to a particular year contained within this prospectus supplement relate to the fiscal year unless otherwise indicated.

Market and industry data

Certain market data and other statistical information used throughout this prospectus supplement and in the documents incorporated by reference into this prospectus supplement are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some data is also based on good faith estimates by our management, which are derived from their review of internal surveys, as well as the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information, cannot guarantee its accuracy and completeness and neither we nor the underwriters make any representation as to the accuracy of such data or information. Accordingly, investors should not place undue reliance on such data or information.

Where you can find more information

NIC is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and, in accordance therewith, files reports and other information with the Securities and Exchange Commission (SEC). The reports and other information filed by it with the SEC in accordance with the Exchange Act may be inspected and copied at the Public Reference Room maintained by the SEC at Room 1024, Judiciary Plaza, 100 F Street, N.E., Washington, D.C. 20549. Copies of such material or parts thereof may also be accessed electronically by means of the SEC s home page on the Internet at http://www.sec.gov. Information on the operations of the Public Reference Room maintained by the SEC may be obtained by calling the SEC at 1-800-SEC-0330.

This prospectus supplement and the accompanying prospectus, which forms a part of the registration statement, do not contain all the information that is included in the registration statement. You will find additional information about us in the registration statement. Any statements made in this prospectus supplement or the accompanying prospectus concerning the provisions of legal documents are not necessarily complete and you should read the documents that are filed as exhibits to the registration statement or otherwise filed with the SEC for a more complete understanding of such documents.

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Summary

The following summary is qualified in its entirety by the more detailed information and consolidated financial statements and related notes in the documents incorporated by reference in this prospectus supplement, including our Quarterly Report on Form 10-Q for the quarter ended January 31, 2013 (First Quarter 10-Q) and our 2012 Annual Report.

Our business

Overview

We are a leading manufacturer of *International*® brand commercial and military trucks, *IC Bus* (IC) brand buses and *MaxxForce*® brand diesel engines, as well as a provider of service parts for all makes of trucks and trailers. Additionally, we are a private-label designer and manufacturer of diesel engines for the pickup truck, van, and sport utility vehicle (SUV) markets. We also provide retail, wholesale, and lease financing of our trucks and parts through our financial services operations.

For the three months ended January 31, 2013 and fiscal 2012, our manufacturing operations had net sales of manufactured products to third parties of approximately $2,598 million and $12,527 million, respectively, Manufacturing EBITDA (as defined below) of approximately $25 million and $(800) million, respectively, and net (loss) attributable to Navistar International Corporation of approximately $(123) million and $(3,010) million, respectively. See Summary consolidated financial data Supplemental financial and operating data and Note (4) thereto for a reconciliation of net income (loss) attributable to Navistar International Corporation from continuing operations to Manufacturing EBITDA for these periods and Selected consolidating financial data.

We market our commercial products primarily through our extensive independent dealer network in North America, which offers a comprehensive range of services and other support functions to our end users. Our commercial trucks are distributed in virtually all key markets in North America as well as in select markets outside of North America through our distribution and service network comprised, 784 U.S. and Canadian dealer and retail outlets, 86 Mexican dealer locations, and 292 international dealer locations, as of October 31, 2012. Parts are delivered to our customers either through one of our eleven regional parts distribution centers in North America or through direct shipment from our suppliers for parts not generally stocked at our distribution centers. We provide certain financial services to our customers and dealers through NFC and our foreign finance operations.

Our operations can be generally classified into four categories: Truck, Engine, Parts (collectively called manufacturing operations), and Financial Services, which consists of NFC and our foreign finance operations (collectively called financial services operations).

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Set forth below is certain information regarding our operating categories based on our results for fiscal 2012:

	Fiscal year ended October 31, 2012		
	Revenues(A)		
Operating category	**($ in millions)**	**% Revenues, net**	**Chargeouts(B)**
Truck	$ 8,781	69%	103,400
Engine	1,755	14	116,800(C)
Parts	1,991	16	N/A
Total Manufacturing Operations	12,527	99%	N/A
Financial Services	168	1	N/A
Total	$ 12,695	100%	N/A

(A) Excludes intercompany revenues of $35 million, $1,639 million, $128 million, and $91 million for our Truck, Engine, Parts and Financial Services categories, respectively.

(B) We define chargeouts as trucks or engines, as applicable, invoiced to customers, with units held in dealer inventory primarily representing the principal difference between retail deliveries and chargeouts with respect to trucks.

(C) Excludes intercompany chargeouts of 83,100 units.

Truck

Our Truck operations manufacture and distribute a full line of Class 4 through 8 trucks and buses in the common carrier, private carrier, government, leasing, construction, energy/petroleum, military vehicle, and student and commercial transportation markets under the *International* and IC brands. We also produce concrete mixers under the *Continental Mixers* brand. Our Truck operations include our largest product offering based on total external sales and revenues.

Set forth below is certain information regarding our truck products:

	Fiscal year ended October 31, 2012	
Description	**Chargeouts**	**Estimated market share(A)**
Traditional Markets (U.S. and Canada)(B)		
School Bus	9,700	47%
Class 6 and 7 Medium Trucks	21,900	33
Class 8 Heavy Trucks	27,100	15
Class 8 Severe Service Trucks	13,600(C)	30
Total Traditional Markets	72,300	23
Non Traditional Military	1,600(D)	N/A
Expansion Markets	29,500(E)(F)	N/A

Total Worldwide Units	103,400(F)	N/A
Combined Class 8 Trucks	40,700	18
Combined Military	2,400(G)	N/A

(A) Approximate retail delivery market share percentages for our traditional truck market are based on market-wide information as of October 31, 2012 from Wards Communications and R.L. Polk & Co.

(B) We define our traditional markets as U.S. and Canada school bus and Class 6 through 8 medium and heavy trucks. We classify militarized commercial vehicles sold to the U.S. and Canadian militaries as Class 8 severe service trucks within our traditional markets.

(C) Chargeouts include CAT-branded units sold to Caterpillar under our North America Supply Agreement.

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(D) Excludes U.S. and Canada militarized commercial units included in traditional markets Class 8 severe service trucks.

(E) Expansion markets include all markets outside the U.S. and Canada, as well as markets for truck and bus products that fall outside of our traditional categories as presented above, and include chargeouts of all of our truck products on an aggregate basis. Includes 6,600 units related to Blue Diamond Trucks (BDT).

(F) Excludes chargeouts related to discontinued operations of 1,700 units. The chargeouts related to discontinued operations were previously included in our expansion markets.

(G) Includes military units included within traditional markets Class 8 severe service, expansion markets, and all units reported as non traditional military.

Engine

Our Engine operations design and manufacture diesel engines across the 50 through 550 horsepower range under the *MaxxForce* brand name for use primarily in our *International* branded Class 6 and 7 medium trucks, Class 8 heavy trucks, and military vehicles. Our Engine operations also include production of diesel engines for all IC applications. In addition to providing high-tech diesel engines for Navistar captive applications, our engines are also sold to global OEMs for various on-and-off-road applications. Our engines are sold worldwide for use in an assortment of applications utilizing the *MaxxForce* brand name. Also, we offer contract manufacturing services to OEMs for the assembly of their engines. We have engine manufacturing operations in the United States, Brazil and Argentina.

Parts

Our Parts operations support our *International* brand commercial and military trucks, IC brand buses, MaxxForce engines, as well as our other product lines, by providing customers with proprietary products together with a wide selection of other standard truck, trailer, and engine service parts. We distribute service parts in North America and the rest of the world through the dealer network that supports our Truck and Engine products.

Financial services

Our financial services operations provide and manage retail, wholesale, and lease financing of products sold by the Truck and Parts categories and their dealers within the U.S. and Mexico. Substantially all revenues earned by the financial services operations are derived from supporting the sales of our vehicles and products. We also finance wholesale and retail accounts receivable, of which substantially all revenues earned are received from our Truck and Parts operations. Our financial services operations continue to meet the primary goal of providing and managing financing to our customers in U.S. and Mexico markets by arranging cost effective funding sources, while working to mitigate credit losses and impaired vehicle asset values. This category provided wholesale financing for 88% and 90% of our new truck inventory sold by us to our dealers and distributors in the U.S. in fiscal 2012 and fiscal 2011, respectively.

Our business strategy

Overview

Our core business is the North American truck and bus market, where we participate primarily in the Class 6, 7 and 8 vehicle market segments. We believe that a fundamental factor in achieving success in these markets is the integration of engines into our trucks. Historically we had success in the bus and Class 6 and 7 truck segments due to the integration of our engines in these vehicles. In 2009, we expanded our engine offering to include a heavy duty big bore engine branded MaxxForce 11-L or 13-L, which was offered in our Class 8 vehicles. We believe that an effective vertical integration of engines into trucks is the best method to create product differentiation and value as it distinguishes product performance and creates an expanded stream of revenue for service parts over the life cycle of the vehicle. We also recently expanded our truck product offering to include Class 4 and 5 vehicles and believe this expanded offering will be an important element of our growth going forward.

Emissions regulation is a key element of our industry. New EPA and California Air Resources Board (CARB) on-highway heavy-duty diesel (HDD) emissions standards commenced in the U.S. on January 1, 2007, which reduced allowable particulate matter and allowable nitrogen oxide (NOx). The last phase-in period, effective with model year 2010 engines, reduced the allowable levels of NOx to the current limit of 0.20g NOx and required on-board diagnostics (OBD) (2010 EPA emission standards). Historically, a fundamental driver of our strategy was to leverage Advanced Exhaust Gas Recirculation (EGR), which we believed to be an advantage in meeting these regulations, with a proprietary engine technology path that eliminated the need for additional after treatment components on our vehicles, which utilizes urea-based Selective Catalytic Reduction (SCR).

We failed to achieve Environmental Protection Agency (EPA) certification of this technology path to meet 2010 EPA emission standards for our heavy duty engines, and as a result, in July 2012, we announced our next-generation clean engine solution to meet 2010 EPA emissions standards. Our engine strategy combines our EGR engines with an after-treatment solution utilizing SCR.

In October 2012, we signed a definitive agreement with Cummins Inc. (Cummins) for Cummins to supply its urea-based after-treatment system to us. This after-treatment system will be combined with our engines to meet 2010 EPA emissions standards, and we expect it to help facilitate our satisfaction of future greenhouse gas (GHG) emission standards, such as those applicable to medium and heavy-duty engines and vehicles being phased in for model years 2014 to 2017. In addition to our agreement with Cummins, we continue to refine plans and timelines to begin introducing our new product offering, taking into consideration a number of factors, including: our ability to utilize non-conformance penalties (NCPs) to achieve compliance until we meet 2010 EPA emission standards in all our models; current and projected balances of emissions credits currently used to meet 2010 EPA emissions standards in states where NCPs are not permitted; projected sales volumes; and customer needs. We maintain our target of a phased-in product introduction plan commencing with the MaxxForce 13L engine in April 2013, followed by our medium engine offerings.

In addition to modifying our technology path to meet emissions regulations, we decided to discontinue our investment in certain heavy duty engines and discontinue product development on our MaxxForce 15-L Big-Bore engine. As part of our expanded relationship with Cummins, we are offering the Cummins ISX15 engine (the Cummins 15L), which currently meets EPA NOx emissions standards, in certain models. We began introducing trucks with these engines to the market beginning in December 2012. We believe the offering of a proven and market-accepted 15-L engine combined with our trucks will allow us to increase the number of customers who purchase our vehicles, which will enhance our share of the Class 8 market.

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We continue to believe that with our new engine strategy, our products will demonstrate superior performance as measured by fuel economy and that we will be successful in recapturing market share.

In 2012 we renewed our focus on our primary markets, which are North American Class 4-8 Trucks and Buses, and realigned our Company around a more functionally-oriented structure in order to reduce costs and overhead expense. We also implemented a new Return on Invested Capital (ROIC) methodology in order to determine where we will focus our investments as well as identify businesses that do not return their cost of capital. Additionally, we are using a ROIC decision framework to re-examine our individual businesses. This effort is ongoing, and will most likely lead to some divestures of businesses that are not contributing favorably to our goals. In furtherance of this effort, in February, 2013, we sold our interests in two joint ventures in India to our joint venture partner, Mahindra & Mahindra Ltd. Additionally, in the fiscal quarter ended January 31, 2013, we completed the idling of our WCC operations and certain of our Monaco operations were determined to be held-for-sale.

Our primary focus in the near term is to execute the change in our engine strategy and to improve the quality of our products. We are realigning our management structure around the functional expertise needed to execute our core North American strategy. We believe this realignment will result in better execution of our strategies and tactics, streamline the decision making process, create better alignment towards a common objective, and reduce our operating costs.

Recent developments

Management changes

On March 7, 2013, we announced that our board of directors (our Board) appointed Troy A. Clarke as our President and Chief Executive Officer, effective April 15, 2013. Clarke, currently our President and Chief Operating Officer, will also join our Board. At the same time, Lewis B. Campbell, who has served as Executive Chairman and interim CEO since August 2012, will step down from those positions and from our Board. James H. Keyes, who has served as a board member since 2002, will become Non-Executive Chairman, also effective April 15, 2013.

Term Loan Amendment

On March 25, 2013, we received the requisite consents from the lenders under our senior secured term loan credit facility (the Term Loan Facility) to a comprehensive amendment to the Term Loan Facility (the Term Loan Amendment). The Term Loan Amendment, which we expect to become effective substantially concurrently with the completion of this offering, among other things, (i) extends the maturity date to August 17, 2017 from its prior maturity date of July 16, 2014 (which was subject to an extension to August 17, 2017 in the event we redeemed or otherwise extinguished (in a manner permitted by the Term Loan Facility agreement) at least $470 million of our 3.00% Senior Subordinated Convertible Notes due 2014 (the Convertible Notes) prior to such earlier date); (ii) reduces the interest rate pricing from a spread of 450 basis points with respect to a base rate borrowing and a spread of 550 basis points with respect to a Eurodollar rate borrowing to spreads of 350 and 450 basis points, respectively; (iii) requires that the net proceeds from this offering, after being contributed by us to Navistar, Inc., be used to repay outstanding loans under the Term Loan Facility; and (iv) amends certain other terms and conditions of the Term Loan Facility to provide us with additional operating flexibility. The Term Loan Amendment will become effective upon the satisfaction of certain conditions precedent set forth in the Term Loan Amendment.

Recent shareholder litigation

On March 19, 2013, a putative class action complaint, alleging securities fraud, was filed against us by the Construction Workers Pension Trust Fund Lake County and Vicinity, on behalf of itself and all other similarly situated purchasers of our common stock between the period of November 3, 2010 and August 1, 2012 (the 10b5 case). The complaint named us as well as Daniel C. Ustian, our former President and Chief Executive Officer, and Andrew J. Cederoth, our current Executive Vice President and Chief Financial Officer, as defendants. The complaint alleges, among other things, that we issued materially false and misleading statements concerning our financial condition and future business prospects and that we misrepresented and omitted material facts concerning our financial disclosures with the SEC with respect to the fact that the EPA did not certify our EGR technology to meet 2010 EPA emission standards. The plaintiffs in this matter seek compensatory damages and attorneys fees, among other relief.

On March 20, 2013, James Gould filed a derivative complaint on behalf of our company against us and certain of our current and former directors and officers. The complaint alleges, among other things, that certain of our current and former directors and officers committed a breach of fiduciary duty, waste of corporate assets and were unjustly enriched in relation to similar factual allegations made in the 10b5 case. The plaintiff in this matter seeks compensatory damages, certain corporate governance reforms, certain injunctive relief, disgorgement of the proceeds of certain defendants profits from the sale of company stock, and attorneys fees, among other relief.

Each of these matters is pending in the United States District Court, Northern District of Illinois. We are unable to make any determination at this time as to whether these actions will have a material adverse effect on our financial condition or results of operations.

Corporate structure

NIC is a holding company that conducts its manufacturing operations principally through Navistar, Inc. and, to a lesser extent, certain other wholly owned foreign and domestic subsidiaries and joint ventures. We also have majority-owned subsidiaries whose principal business is owning an *International* dealership. These subsidiaries are acquired and disposed of by us from time to time in order to facilitate the transition of *International* dealerships from one independent owner to another. Our manufacturing operations are supported by our financial services operations, including NFC. Our financial services operations provide wholesale, retail and lease financing for sales of our new and used trucks, truck chassis, buses and trailers, service parts and engines, and retail and lease financing for sales of such products by *International* dealers to their customers.

Except as noted below, our financial services operations generally fund their operations on an independent basis. Our financial services operations obtain funds to provide financing to our dealers and retail customers from sales of receivables, medium- and long-term debt securities and short- and long-term bank borrowings. As of January 31, 2013, NFC had $1,124 million of combined funding availability from its bank credit facility and other on- and off-balance sheet funding conduits. See Description of certain indebtedness Financial services operations.

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We are obligated under certain agreements with public and private lenders of NFC to maintain NFC s consolidated income before interest expense and income taxes at not less than 125% of its total interest expense. Under these agreements, if NFC s consolidated income before interest expense and income taxes is less than 125% of its interest expense, NIC or Navistar, Inc. must make income maintenance payments to NFC to achieve the required ratio. No such payments were required for the year ended October 31, 2012.

In addition, NIC has guaranteed an aggregate of $77 million of outstanding borrowings by its Mexican financial services subsidiaries under various bank credit facilities as of January 31, 2013.

In general, we sell to NFC on a regular basis for cash a majority of the wholesale and retail notes and wholesale accounts that we generate in the regular course of our business from the sale of trucks and related equipment to our dealers and retail customers. As a result, such sales to NFC provide us with significant working capital during periods of increasing unit sales volume.

The following chart summarizes our principal operating structure as discussed above:

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NIC s principal operating subsidiary, Navistar, Inc., will unconditionally guarantee on a senior unsecured basis all of NIC s obligations under the notes and the indenture. Substantially all of NIC s foreign and domestic manufacturing subsidiaries are Restricted Subsidiaries under the indenture. As of January 31, 2013, after giving effect to the completion of this offering and the application of the proceeds therefrom as set forth in Use of proceeds, and after excluding intercompany balances and intercompany guarantees, NIC s Restricted Subsidiaries (other than the Guarantor) would have had (i) approximately $68 million of outstanding indebtedness, (ii) approximately $758 million of total liabilities, including trade payables and accrued expenses, and (iii) approximately $2,749 million of total assets. For the three months ending January 31, 2013 and fiscal 2012, NIC and its Restricted Subsidiaries (including the Guarantor) generated $2,361 million and $11,471 million, respectively, of net sales of manufactured products to third parties and approximately $(19) million and $(923) million, respectively, of Manufacturing EBITDA. See Summary consolidated financial data Supplemental financial and operating data.

NFC, its subsidiaries, and NIC s foreign finance and *International* truck dealership subsidiaries and the Blue Diamond joint venture entities will be considered Unrestricted Subsidiaries under the indenture governing the notes. As a result, these Unrestricted Subsidiaries will not be bound by any of the covenants and operating restrictions contained in the indenture and their outstanding indebtedness will not affect, among other things, the amount of indebtedness that NIC and its Restricted Subsidiaries may incur under the indenture. For more information relating to the Navistar, Inc. guarantee, NFC s financing arrangements and the relationship between Navistar, Inc. and NFC, see Capitalization, and Description of certain indebtedness in this prospectus supplement and Description of Notes Guarantee in the accompanying prospectus. As of January 31, 2013, after giving effect to the completion of this offering and the application of the proceeds therefrom as set forth in Use of proceeds, and after excluding intercompany balances and intercompany guarantees, NIC s Unrestricted Subsidiaries would have had (i) approximately $1,666 million of outstanding indebtedness, of which $1,608 million was indebtedness of our financial services operations and $58 million was indebtedness of our majority-owned dealership subsidiaries, (ii) approximately $1,942 million of total liabilities, of which $1,781 million were liabilities of our financial services operations and $54 million were total liabilities of our majority-owned dealership subsidiaries, and (iii) approximately $3,008 million of assets, of which $2,518 million constituted assets of our financial services operations and $137 million constituted assets of our majority-owned dealership subsidiaries.

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The offering

The notes will be issued as additional notes under the indenture, dated October 28, 2009, by and among NIC, the Guarantor and The Bank of New York Mellon Trust Company, N.A., as trustee (the trustee) (the indenture). Certain descriptions in this prospectus supplement and the accompanying prospectus of provisions of the indenture are summaries of such provisions and are qualified in their entirety by reference to the indenture. The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of notes section in each of this prospectus supplement and the accompanying prospectus contains a more detailed description of the terms and conditions of the notes. As used in this section, Company, we, us, and our refer to Navistar International Corporation and not to any of its subsidiaries.

Issuer	Navistar International Corporation, a Delaware corporation.
Securities	$300 million principal amount of 8.25% Senior Notes due 2021. We are issuing the notes as additional notes under the indenture. The notes will be treated as a single series under the indenture with the Existing Senior Notes for all purposes, will have the same terms as the Existing Senior Notes and will be fungible with the Existing Senior Notes.
Maturity	The notes will mature on November 1, 2021.
Interest	8.25% per annum, payable semi-annually in arrears.
Interest payment dates	May 1 and November 1 of each year, beginning May 1, 2013. Interest will accrue from November 1, 2012, and the initial interest payment to holders of the notes on May 1, 2013 will be the same per note as that to holders of the Existing Senior Notes.
Subsidiary guarantee	The notes will be initially guaranteed on a senior unsecured basis, by the Guarantor. The guarantee of the notes will rank equally in right of payment with any and all of the Guarantor s existing and future indebtedness that is not subordinated in right of payment to its guarantee, senior in right of payment to any and all of the Guarantor s future indebtedness that is subordinated in right of payment to its guarantee and, to the extent not otherwise secured by assets of the Guarantor, effectively subordinated to all existing and future secured indebtedness of the Guarantor to the extent of the value of the collateral securing such indebtedness (regardless of whether or not such indebtedness would constitute senior indebtedness).
Unrestricted subsidiaries	NFC, its subsidiaries and NIC s foreign finance and International truck dealership subsidiaries and the Blue Diamond joint venture entities will be considered Unrestricted Subsidiaries under the indenture. As a result, the foregoing entities will not be bound by any of the

covenants and operating restrictions contained in the indenture. See Risk factors Risks related to the notes A number of our subsidiaries will be classified as Unrestricted Subsidiaries under the indenture and thus will not be bound by any of the covenants and operating restrictions contained in the indenture. For the three months ending January 31, 2013 and fiscal 2012, our Unrestricted Subsidiaries generated $237 million and $1,056 million, respectively, of net sales of manufactured products to third parties and approximately $44 million and $123 million, respectively, of Manufacturing EBITDA.

Ranking

The notes will be NIC s senior unsecured obligations and will rank equally in right of payment with any and all of NIC s existing and future indebtedness that is not subordinated in right of payment to the notes and senior in right of payment to any and all of our existing and future indebtedness that is subordinated in right of payment to the notes. The notes will be effectively subordinated to all NIC s existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness (regardless of whether or not such indebtedness would otherwise constitute senior indebtedness) and will be structurally junior to all existing and future indebtedness and other liabilities of NIC s subsidiaries that do not guarantee the notes. The notes will be effectively junior to the third party equity interests in our majority-owned dealerships and joint ventures, to the extent of those interests.

As of January 31, 2013, after giving effect to the completion of this offering and the application of the proceeds therefrom as set forth in Use of proceeds, and after excluding intercompany balances and intercompany guarantees:

NIC and the Guarantor would have had on a combined basis approximately $2,842 million of outstanding indebtedness, comprised of (i) $1,200 million of indebtedness represented by the notes (excluding original issue discount and premium), (ii) approximately $730 million of senior secured indebtedness, which would have ranked ahead of the notes to the extent of the value of the collateral securing such indebtedness and no amounts outstanding under the ABL Facility, (iii) approximately $386 million of other senior indebtedness ranking pari passu with the notes, (iv) $526 million of indebtedness represented by the Convertible Notes, which is subordinated in right of payment to the notes, and (v) total assets of approximately $4,463 million;

NIC s Restricted Subsidiaries (other than the Guarantor) would have had (i) approximately $68 million of outstanding indebtedness, (ii) approximately $758 million of total liabilities, including trade payables and accrued expenses, and (iii) approximately $2,749 million of total assets; and

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NIC s Unrestricted Subsidiaries would have had (i) approximately $1,666 million of outstanding indebtedness, of which $1,608 million was indebtedness of our financial services operations and $58 million was indebtedness of our majority-owned dealership subsidiaries, (ii) approximately $1,942 million of total liabilities, of which $1,781 million were liabilities of our financial services operations and $54 million were total liabilities of our majority-owned dealership subsidiaries, and (iii) approximately $3,008 million of assets, of which $2,518 million constituted assets of our financial services operations and $137 million constituted assets of our majority-owned dealership subsidiaries.

For the three months ending January 31, 2013 and fiscal 2012, NIC and its Restricted Subsidiaries (including the Guarantor) generated $2,361 million and $11,471 million, respectively, of net sales of manufactured products to third parties and approximately $(19) million and $(923) million, respectively, of Manufacturing EBITDA. See Summary consolidated financial data Supplemental financial and operating data.

Optional redemption

At any time on or after November 1, 2014, we may redeem the notes, in whole or in part, at redemption prices described in the accompanying prospectus under Description of Notes Optional Redemption. Not more than once during each twelve-month period ending on November 1, 2013 and November 1, 2014, we may redeem up to $50 million in principal amount of the notes in each such twelve-month period, at a redemption price equal to 103% of the principal amount of the notes redeemed, plus accrued and unpaid interest, if any. We may also redeem some or all of the notes at any time prior to November 1, 2014 at a redemption price equal to 100% of the principal amount of the notes plus a make-whole premium, plus accrued and unpaid interest, if any.

Change of control

Upon the occurrence of a change of control, as described under Description of Notes Certain Covenants Change of Control in the accompanying prospectus, we will be required to commence and consummate an offer to purchase all of the notes then outstanding at a purchase price equal to 101% of their principal amount, plus accrued interest (if any) to the payment date (subject to the right of the holders of record on the relevant record date to receive interest due on the relevant interest payment date). See Risk factors Risks related to the notes We may be unable to repurchase notes in the event of a change of control as required by the indenture.

Certain covenants

The indenture governing the notes limits our ability and the ability of our restricted subsidiaries to, among other things:

make restricted payments;

- incur additional debt and issue preferred or disqualified stock;
- create liens;
- create or permit to exist restrictions on our ability or the ability of our restricted subsidiaries to make certain payments or distributions;
- engage in sale-leaseback transactions;
- engage in mergers or consolidations or transfer all or substantially all of our assets;
- designate restricted and unrestricted subsidiaries;
- make certain dispositions and transfers of assets;
- place limitations on the ability of our restricted subsidiaries to make distributions;
- enter into transactions with affiliates; and
- guarantee indebtedness.

These covenants are subject to a number of important exceptions and qualifications, which are described in the accompanying prospectus under Description of Notes Certain Covenants.

If the notes are assigned an investment grade rating by Standard & Poor s Rating Services and Moody s Investors Service, Inc. and no default has occurred and is continuing, certain covenants will be suspended. If either rating on the notes should subsequently decline to below investment grade, the suspended covenants will be reinstated. See Risk factors Risks related to the notes Certain of the covenants in the indenture will not apply during any period in which the notes are rated investment grade by both Moody s and Standard & Poor s.

Book-entry form The notes will be issued in book-entry form and will be represented by permanent global certificates deposited with, or on behalf of, The Depository Trust Company (DTC) and registered in the name of a nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances.

Trading and listing Although the underwriters make a market in the Existing Senior Notes and have advised us that, following the completion of the offering, they intend to continue to make a market in the notes as permitted by applicable law, we cannot assure you as to the maintenance or liquidity of such a market for the notes. See Risk factors Risks related to the notes We cannot assure you that an active trading market will be maintained for the notes.

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	We do not intend to apply for a listing of the notes on any securities exchange or any automated dealer quotation system.
Certain U.S. federal income tax considerations	You should consult your tax advisor with respect to the U.S. federal income tax consequences of the holding and disposition of the notes in light of your own particular situation and with respect to any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction.
Original issue discount	Because we intend to treat the notes as issued pursuant to a qualified reopening of the Existing Senior Notes, the issue price of the notes will be, for U.S. federal income tax purposes, the same as the issue price of the Existing Senior Notes, which were issued with original issue discount (OID) for U.S. federal income tax purposes. However, U.S. Holders (as defined in Certain U.S. federal income tax considerations) who purchase the notes for the price set forth on the cover of this prospectus supplement will not be required to report any OID income on the notes. See Certain U.S. federal income tax considerations.
Use of proceeds	We estimate that the net proceeds from this offering will be approximately $298.25 million, after deducting estimated underwriting discounts and commissions and estimated offering expenses.
	We expect to contribute the net proceeds from this offering to Navistar, Inc. and to cause Navistar, Inc. to use such proceeds, together with approximately $11.75 million of cash on hand, to repay $300.0 million in aggregate principal amount of our Term Loan Facility and pay the related premium on the Term Loan Amendment of approximately $10.0 million. Certain affiliates of the underwriters are lenders or agents under the Term Loan Facility and, as a result, will receive a portion of the net proceeds of this offering. See Use of proceeds and Underwriting.
Trustee and paying agent	The Bank of New York Mellon Trust Company, N.A.

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Risk factors

Investment in the notes involves risks. You should carefully consider the information under Risk factors beginning on page S-21 and all other information included or incorporated by reference in this prospectus supplement and accompanying prospectus before investing in the notes.

Additional information

NIC was incorporated under the laws of the State of Delaware in 1993, and is the successor to the truck and engine business of International Harvester Company, which business began in 1907. Our principal executive offices are located at 2701 Navistar Drive, Lisle, Illinois 60532, and our telephone number is (331) 332-5000. Our Web site is www.navistar.com. Our Web site, and the information contained therein, are expressly not included in or as part of this prospectus supplement or the accompanying prospectus.

The marks *International*®, *MaxxForce*®, *ProStar*® and *LoneStar*® and our logo are registered United States trademarks of Navistar and the mark *IC Bus* is a trademark of Navistar. All other trademarks and trade names appearing in this prospectus supplement and accompanying prospectus are the property of their respective owners.

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Summary consolidated financial data

Navistar International Corporation and consolidated subsidiaries

The following summary consolidated financial data of Navistar for each of the three years ended October 31, 2012, 2011 and 2010 has been derived from our audited consolidated financial statements and notes thereto, which were updated in the March 25 8-K to reclassify certain historical results, referenced below, as discontinued operations and which are incorporated by reference in this prospectus supplement. The summary consolidated financial data for the three months ended January 31, 2013 and 2012 has been derived from our unaudited condensed consolidated financial statements and notes thereto, which are incorporated by reference in this prospectus supplement, and which, in management s opinion, reflect all adjustments, consisting of only normal and recurring adjustments, necessary for a fair presentation of such information. Results for the interim periods are not necessarily indicative of the results that might be expected for any other interim period or for an entire year. This information should be read in conjunction with Selected Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and our reclassified consolidated financial statements and notes thereto for fiscal 2012, each of which is in our 2012 Annual Report incorporated by reference herein and with Management s Discussion and Analysis of Financial Condition and Results of Operations for the first quarter of fiscal 2013 and our unaudited condensed consolidated financial statements and notes thereto for the three months ended January 31, 2013 and 2012, each of which is in our First Quarter 10-Q incorporated by reference herein. In the first fiscal quarter of 2013, we completed the idling of our WCC operations and certain of our Monaco operations were determined to be held-for-sale. The operating results of both are reported as discontinued operations below. Additionally, the historical results for all prior periods were reclassified to reflect the operating results of both as discontinued operations.

(in millions, except per share data)	Three months ended January 31, 2013	2012	Fiscal year ended October 31, 2012	2011	2010
Income Statement Data:					
Sales and revenues:					
Sales of manufactured products, net	$ 2,598	$ 2,965	$ 12,527	$ 13,441	$ 11,648
Finance revenues(1)	39	44	168	200	219
Sales and revenues, net	2,637	3,009	12,695	13,641	11,867
Costs and expenses:					
Costs of products sold	2,286	2,650	11,401	10,937	9,458
Restructuring charges (benefit)(2)	2		107	82	(15)
Impairment of property and equipment and intangible assets			16	13	
Selling, general and administrative expenses	285	355	1,419	1,407	1,381
Engineering and product development costs	111	135	532	520	455
Interest expense	74	61	259	247	253
Other expense (income), net	(38)	8	43	(71)	(53)
Total costs and expenses	2,720	3,209	13,777	13,135	11,479
Equity in loss of non-consolidated affiliates(3)	(1)	(7)	(29)	(71)	(50)
Income (loss) from continuing operations before income taxes	(84)	(207)	(1,111)	435	338
Income tax benefit (expense)	(15)	76	(1,780)	1,417	(23)
Income (loss) from continuing operations	(99)	(131)	(2,891)	1,852	315
Loss from discontinued operations, net of tax(2)	(9)	(9)	(71)	(74)	(48)
Net income (loss)	(108)	(140)	(2,962)	1,778	267
Less: Net income attributable to non-controlling interests	15	13	48	55	44
Net income (loss) attributable to Navistar International Corporation	$ (123)	$(153)	$ (3,010)	$ 1,723	$ 223

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(in millions)	January 31, 2013	October 31, 2012
Selected Balance Sheet Data:		
Total assets	$ 8,531	$ 9,102
Long-term debt:		
Manufacturing operations	2,729	2,733
Financial services operations	797	833
Total long-term debt	3,526	3,566
Notes payable and current maturities of long-term debt(4)	936	1,205
Total debt	$ 4,462	$ 4,771
Total stockholders equity (deficit)	(3,313)	(3,265)

(in millions, except ratio and selected operating data)	Three months ended January 31, 2013	2012	Fiscal year ended October 31, 2012	2011	2010
Selected Other Financial Data:					
Capital expenditures(5)	$ 72	$ 103	$ 309	$ 429	$ 234
Depreciation and amortization(5)	89	68	277	290	265
Interest expense	74	61	259	247	253
Cash provided by (used in):					
Operating activities	66	119	610	880	1,107
Investing activities	(347)	301	(2)	(823)	(434)
Financing activities	(303)	(478)	(63)	(100)	(1,300)
Selected Operating Data:					
Number of worldwide employees (at end of period)	N/A	N/A	18,500	20,800	18,700
Manufacturing gross margin(6)	12%	11%	9%	19%	19%
Navistar traditional retail truck deliveries(7)	12,800	17,700	73,800	73,000	65,400
Navistar traditional market share(8)	18%	22%	23%	28%	34%
Truck category:					
Traditional markets net orders(9)	12,500	19,600	66,200	79,300	59,000
Traditional markets backlog (at end of period)(10)	13,800	22,300	14,500	20,000	15,600
Chargeouts(11):					
Traditional markets	13,100	17,300	72,300	75,300	66,500
Non traditional military	300	200	1,600	1,400	1,400
Expansion markets(12)	6,600	7,200	29,500	29,300	17,200
Total worldwide units(13)	20,000	24,700	103,400	106,000	85,100
Engine category shipments:					
OEM sales South America	25,700	24,100	106,700	138,600	132,800
Ford sales U.S. and Canada					24,900
Intercompany sales	16,400	21,600	83,100	88,800	68,500
Other OEM sales	1,900	2,200	10,100	16,200	14,200
Total	44,000	47,900	199,900	243,600	240,400

(1) Includes revenues of NFC as well as NIC s other financial services subsidiaries.

(2)

We have undertaken a number of restructuring initiatives over the last several years. In the first quarter of 2011, we committed to a plan for the consolidation of the truck and engine engineering operations as well as the relocation of our world headquarters (collectively Engineering Integration). In the third quarter of 2011, we committed to plans for the restructuring of certain North American manufacturing operations. These plans included the planned closure of our Chatham, Ontario heavy truck plant and a restructuring plan of our WCC and Monaco operations (collectively Custom Products), including the closure of the Union City, Indiana chassis facility and the wind-down and transfer of certain operations at the recreational vehicle motor coach plant in Coburg, Oregon (collectively restructuring of our North American manufacturing operations). In the second quarter of 2012, we decided to discontinue accepting orders for our WCC business and take certain actions to idle the business.

Set forth below is a summary of the restructuring charges we recorded for each of the periods presented:

For fiscal 2012, restructuring charges were primarily related to cost-reduction initiatives that include the Company s offering of a voluntary separation program (VSP) to the majority of our U.S.-based non-represented salaried employees and the impacts of an involuntary reduction in force in the U.S. and Brazil, as well as a lease vacancy charge related to the relocation of our world headquarters;

For fiscal 2011, restructuring charges primarily related to the restructuring charges for the planned closure of our Chatham, Ontario heavy truck plant; and

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In fiscal 2010, we recognized $15 million of restructuring benefits primarily due to the settlement of certain contractual costs related to 2009 restructuring activity at our Indianapolis Engine Plant (IEP) and Indianapolis Casting Corporation foundry (ICC) locations.

Set forth below is a summary of restructuring charges and impairment of property and equipment and intangible assets charges recognized for the restructuring of Custom Products, which were reclassified and are now included in the *loss from discontinued operations, net of tax*:

In 2011, we recognized $10 million of restructuring charges. In addition, we recognized $51 million of impairments of intangible assets, primarily customer relationships and trade names, associated with the WCC asset group.

In 2012, we recognized $28 million of charges for impairment of certain intangible assets related to WCC.

(3) Collectively represents our partially-owned affiliates of which our ownership percentages range from 10% to 50%. We do not control these affiliates, but have the ability to exercise significant influence over their operating and financial policies.

(4) Current maturities of long-term debt as of January 31, 2013 were comprised of $125 million of indebtedness of our manufacturing operations and $811 million of indebtedness of our financial services operations.

(5) Exclusive of equipment that we have leased to others.

(6) Manufacturing gross margin is calculated by subtracting *Costs of products sold* from *Sales of manufactured products, net* and dividing that amount by *Sales of manufactured products, net*.

(7) We define our traditional markets to include U.S. and Canada school bus and Class 6 through 8 medium and heavy truck, including militarized commercial vehicles sold to the U.S. and Canadian militaries.

(8) We calculated our approximate retail delivery market share percentages, for our traditional truck market, based on market-wide information from Wards Communications and R.L. Polk & Co.

(9) We define orders as written commitments received from customers and dealers during the year to purchase trucks. Net orders represent new orders received during the year less cancellations of orders made during the same year. Orders do not represent guarantees of purchases by customers or dealers and are subject to cancellation. Orders may be either sold orders, which will be built for specific customers, or stock orders, which will generally be built for dealer inventory for eventual sale to customers. These orders may be placed at our assembly plants in the U.S. and Mexico for destinations anywhere in the world and include trucks, buses, and military vehicles. Historically, we have had an increase in net orders for stock inventory from our dealers at the end of the year due to a combination of demand, and from time to time we offer incentives to the dealers. Increases in stock orders typically translate to higher chargeouts for our Truck category and increased dealer inventory.

(10) We define order backlogs (backlogs) as orders yet to be built as of the end of the period. Our backlogs do not represent guarantees of purchases by customers or dealers and are subject to cancellation. Although the backlog of unbuilt orders is one of many indicators of market demand, other factors such as changes in production rates, internal and supplier available capacity, new product introductions, and competitive pricing actions may affect point-in-time comparisons. Order backlogs exclude units in inventory awaiting additional modifications or delivery to the end customer.

(11) 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.

(12) Includes 2,300 units and 1,500 units during the three months ended January 31, 2013 and 2012, respectively and 6,600 units, 6,700 units, and 3,800 units for 2012, 2011, and 2010, respectively, related to BDT.

(13) Excludes chargeouts related to discontinued operations of 200 units in both the first quarters of 2013 and 2012 and 1,700 units, 2,400 units, and 1,900 units during 2012, 2011, and 2010, respectively. The chargeouts related to discontinued operations were previously included in our expansion markets.

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Supplemental financial and operating data

Navistar International Corporation (with financial services operations on an after-tax equity basis)

The following tables set forth certain supplemental financial and operating data of our manufacturing operations with our financial services operations set forth on an after-tax equity basis of accounting. We have included this supplemental financial and operating data to assist prospective investors in evaluating an investment in the notes. This information does not represent our financial statements prepared in accordance with generally accepted accounting principles (GAAP) and should not be considered in isolation or as a substitute for our financial data that has been prepared in accordance with GAAP that has been included or incorporated by reference in the prospectus supplement. We have reconciled these non-GAAP financial measures to our GAAP condensed consolidated financial statements by adding the results of our financial services operations, making the necessary adjustments to eliminate certain intercompany transactions between our manufacturing operations and financial services operations and adjusting for certain reclassifications. These reconciliations are included elsewhere in this prospectus supplement under the heading Selected consolidating financial data. Certain of our subsidiaries in our manufacturing operations have debt outstanding with our financial services operations.

The information set forth below should be read in conjunction with Selected Financial Data, Management s Discussion and Analysis of Results of Operations and Financial Condition and our reclassified consolidated financial statements and the notes thereto for fiscal 2012, each of which is in our 2012 Annual Report incorporated by reference herein, and with Management s Discussion and Analysis of Results of Operations and Financial Condition for the first quarter of fiscal 2013 and our condensed consolidated financial statements and notes thereto for the three months ended January 31, 2013 and 2012, each of which is in our First Quarter 10-Q, which is incorporated herein. In the first fiscal quarter of 2013, we completed the idling of our WCC operations and certain operations of our Monaco operations were determined to be held-for-sale. The operating results of both are reported as discontinued operations below. Additionally, the historical results for all prior periods were reclassified to reflect the operating results of both as discontinued operations.

					(Unaudited)
	Three months ended January 31,		Fiscal year ended October 31,		
(in millions)	**2013**	**2012**	**2012**	**2011**	**2010**
Manufacturing Operations					
Selected Condensed Statement of Income Data:					
Sales of manufactured products	$ 2,598	$ 2,965	$ 12,527	$ 13,441	$ 11,648
Costs of products sold	2,286	2,650	11,401	10,937	9,458
Restructuring charges (benefit)(1)	1		107	81	(19)
Impairment of property and equipment and intangible assets			16	13	
Selling, general and administrative expenses	266	337	1,338	1,333	1,268
Engineering and product development costs	111	135	532	520	455
Interest expense	57	37	176	148	154
Other expense (income), net	(18)	32	131	31	39
Total costs and expenses	2,703	3,191	13,701	13,063	11,355

(in millions)	Three months ended January 31, 2013	2012	(Unaudited) Fiscal year ended October 31, 2012	2011	2010
Equity in loss of non-consolidated affiliates(2)	(1)	(7)	(29)	(71)	(50)
Income (loss) before equity income from financial services operations and income taxes	(106)	(233)	(1,203)	307	243
Equity income from financial services operations	14	17	63	80	64
Income (loss) from continuing operations before income taxes	(92)	(216)	(1,140)	387	307
Income tax benefit (expense)	(7)	85	(1,751)	1,465	8
Income (loss) from continuing operations	(99)	(131)	(2,891)	1,852	315
Loss from discontinued operations, net of tax	(9)	(9)	(71)	(74)	(48)
Net income (loss)	(108)	(140)	(2,962)	1,778	267
Less: Income attributable to non-controlling interests	15	13	48	55	44
Net income (loss) attributable to Navistar International Corporation	$ (123)	$ (153)	$ (3,010)	$ 1,723	$ 223

(in millions)	At January 31, 2013 Actual	As Adjusted(3)
Manufacturing Operations		
Selected Condensed Balance Sheet Data:		
Cash, cash equivalents and marketable securities(4)	$ 1,189	$ 1,177
Property and equipment, net	1,461	1,461
Total assets (excludes investments in advances to financial services operations)	6,771	6,758
Postretirement benefits liabilities	3,418	3,418
Total debt	2,854	2,860

(in millions)	Three months ended January 31, 2013	2012	Fiscal year ended October 31, 2012	2011	2010
Manufacturing Operations					
Other Financial Data:					
Manufacturing EBITDA(5)	$ 25	$ (142)	$ (800)	$ 686	$ 614
Capital expenditures(6)	72	102	306	427	232
Depreciation and amortization(6)	89	67	275	286	261
Cash provided by (used in):					
Operating activities	(203)	(142)	(298)	680	409
Investing activities	(376)	154	(110)	(617)	(916)
Financing activities	(37)	(85)	977	(106)	(110)

(1) See note (2) under Summary consolidated financial data.

(2) See note (3) under Summary consolidated financial data.

(3) The *as adjusted* balance sheet data as of January 31, 2013 gives effect to: (i) the issuance and sale by us of the notes offered hereby and our receipt of the net proceeds therefrom, after deducting underwriting discounts and commissions and estimated offering expenses payable by us; and (ii) the application of the net proceeds as set forth under Use of proceeds , as if these transactions were completed on January 31, 2013. See Use of proceeds and Capitalization.

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(4) We have not adjusted our cash, cash equivalents and marketable securities to reflect the cash that we receive in excess of the public offering price of the notes on the issue date on account of the notes being deemed to accrue interest from November 1, 2012.

(5) Manufacturing EBITDA is defined as our consolidated net income (loss) from continuing operations attributable to Navistar International Corporation minus the net income (loss) from our financial services operations, plus interest expense, income tax expense (benefit) and depreciation (exclusive of depreciation of equipment that we have leased to others) and amortization. Our Manufacturing EBITDA is a measure commonly used and is presented to aid in developing an understanding of the ability of our operations to generate cash for debt service and taxes, as well as cash for investments in working capital, capital expenditures and other liquidity needs. This information is presented as a supplement to the other data provided because it provides information that we believe is useful to investors for additional analysis. Manufacturing EBITDA should not be considered in isolation or as a substitute for net income, cash flows from operating activities or other consolidated operations or cash flow statement data prepared in accordance with generally accepted accounting principles or as a measure of our profitability or liquidity as determined in accordance with generally accepted accounting principles. Further, Manufacturing EBITDA, as we calculate it, may not be comparable to calculations of similarly-titled measures by other companies. The following table provides a reconciliation of net income (loss) from continuing operations attributable to Navistar International Corporation to Manufacturing EBITDA.

(in millions)	Three months ended January 31, 2013	2012	Fiscal year ended October 31, 2012	2011	2010
Manufacturing Operations					
Net income (loss) from continuing operations attributable to Navistar International Corporation	$ (114)	$ (144)	$ (2,939)	$ 1,797	$ 271
Less: Financial services operations net income	14	17	63	80	64
Manufacturing operations net income (loss) from continuing operations(a)	(128)	(161)	(3,002)	1,717	207
Manufacturing interest expense(b)	57	37	176	148	154
Manufacturing income tax benefit (expense)(c)	(7)	85	(1,751)	1,465	8
Manufacturing depreciation and amortization(d)	89	67	275	286	261
Manufacturing EBITDA	$ 25	$ (142)	$ (800)	$ 686	$ 614

(a) Exclusive of impact of financial services operations on an after-tax basis.

(b) Inclusive of amortization of debt issuance costs and discount.

(c) Exclusive of income tax expense attributable to our financial services operations of $8 million and $9 million for the three months ended January 31, 2013 and 2012, respectively, and $29 million, $48 million, and $31 million for fiscal years ended October 31, 2012, 2011 and 2010, respectively.

(d) Exclusive of depreciation of equipment that we have leased to others.

(6) Exclusive of depreciation of equipment that we have leased to others.

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Risk factors

Any investment in the notes involves a high degree of risk. You should carefully consider the risks described below and all of the information contained in this prospectus supplement and the accompanying prospectus and the documents incorporated herein and therein by reference, including our 2012 Annual Report and First Quarter 10-Q, before deciding whether to purchase the notes.

Risks relating to Navistar and its markets

Our solutions for meeting U.S. federal and state emissions requirements may not be successful or may be more costly than planned.

Truck and engine manufacturers continue to face significant governmental regulation of their products, especially in the areas of environment and safety. We have incurred, and will continue to incur, significant research, development, and tooling costs to design and produce our engine product lines to meet the EPA and CARB on-highway HDD emission standards that have reduced the allowable levels of NOx to the current limit of 0.20g NOx and include the required OBD. The regulations requiring OBD began the initial phase-in during 2010 for truck engines and are a part of our product plans.

We attempted to meet these emissions standards using Advanced EGR until July 2012, when we announced that we changed our engine emission strategy for our HDD engines from an EGR-only strategy to a strategy of combining our EGR technology with SCR after-treatment systems. Both of these HDD engine strategies have resulted in and will continue to result in potential uncertainties related to our ability to meet these emission standards, and/or a significant increase in the cost of our products, and have several associated risks that we have set forth below. Any of the following risks relating to our HDD engine strategies could materially and adversely affect our business, financial condition, results of operations, liquidity and capital resources, or cash flows. Although the following describes those scenarios which we can reasonably anticipate, we can offer no assurances that other outcomes will not occur or that the effects of the scenarios described will not be more severe than we currently anticipate.

Since 2010, certain of our HDD engine families met EPA and CARB certification requirements by using emission credits we earned by producing low-NOx engines earlier than was required by the EPA. In January 2012, the EPA promulgated the Interim Final Rule establishing NCPs for HDD engines, and we began using NCPs for trucks using certain of our HDD engines in 2012. In June 2012, the D.C. Circuit Court ruled that the EPA did not follow the required rulemaking processes and issued an order vacating the Interim Final Rule. The Company, as an intervenor in that action, asked for a rehearing, and in August 2012, the D.C. Circuit Court denied that request. The Court s ruling became final on August 24, 2012. Following that decision, some of our competitors filed a lawsuit asking the D.C. Circuit Court to invalidate the emission certificates issued to us under the Interim Final Rule. The D.C. Circuit Court has not yet ruled on this matter, and we cannot assure you that the court will rule in our favor.

Also in January 2012, the EPA published a Notice of Proposed Rulemaking for a final NCP rule (the Final Rule), which proposed to make NCPs available in model years 2012 and later for emissions of NOx above the 0.20g limit for both medium and heavy HDD engines. The EPA approved the Final Rule for heavy HDD engines on September 5, 2012, and indicated that it was still reviewing comments and data, and thus would not finalize NCPs at that time as to medium

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HDD engines, for which the Company has emissions credits expected to last into calendar year 2014. After approval of the Final Rule, the maximum NCP per heavy HDD engine was $3,775 for the remainder of 2012, and is subject to an upward annual adjustment in 2013, which has yet to be finalized. The Final Rule has been challenged by some of our competitors in the D.C. Circuit Court. The court has not yet ruled on this matter, and we cannot assure you the court will rule in our favor.

Currently, CARB, and the corresponding agencies of nine other states that have adopted California s emission standards, do not allow engine certification using NCPs. Therefore, we were selling engines and trucks in these ten states (the 10 CARB States) using the NOx emission credits previously described. In February 2013, our remaining emission credits for heavy HDD engines were consumed or allocated to received orders. Production utilizing those credits is scheduled throughout the remainder of calendar year 2013. We will not be able to sell any additional trucks with our heavy HDD 13L engines using NOx emission credits in the 10 CARB States until CARB certifies our SCR engines to the 0.20g NOx standard.

In October 2012, we announced a definitive agreement with Cummins under which Cummins Emission Solutions will supply its SCR after-treatment system for our 13L engines, as well as other light and medium HDD engines. As a part of our expanded relationship with Cummins, we are offering the Cummins 15L as a part of our North American on-highway truck line-up. We phased in the Cummins 15L engine in December 2012. We expect to phase in the high volume 13L SCR engines in April 2013. We anticipate phasing in our lower volume 13L SCR engines later in 2013, in stages. We anticipate product gaps in the 10 CARB States for certain of the lower volume 13L EGR engines prior to full introduction of our SCR engines, which we anticipate to be June 2013. The duration of the gaps will be dependent on a number of factors including but not limited to our ability to execute as planned, the availability of emissions credits and product mix.

In addition, we expect to achieve OBD certification for model year 2013 light and medium HDD engines in March 2013 for the highest volume of these engines, and as late as June 2013 for lower volume light HDD engines. Beginning in the first calendar quarter of 2013, we anticipate gaps in production of light and medium HDD engines as we work to achieve OBD certification. Our 13L SCR engines must also achieve OBD certification, and these engines face similar risks if they do not achieve OBD certification by their projected April 2013 phase-in.

Increased warranty costs may negatively impact our near term operating results.

Emissions regulations in the U.S. and Canada have resulted in rapid product development cycles, driving significant changes from previous engine models. In 2010, we introduced changes to our engine line-up in response to 2010 emissions standards (2010 Engines). Component complexity and other related factors associated with meeting emissions standards have contributed to higher repair costs that exceeded those that we have historically experienced. Historically, warranty claims experience for launch-year engines has been higher compared to the prior model-year engines; however, over time we have been able to refine both the design and manufacturing process to reduce both the volume and the severity of warranty claims. While we continue to improve the design and manufacturing of our engines to reduce the volume and severity of warranty claims, we have continued to experience higher warranty spend than expected, which contributed to significantly higher warranty charges for current and pre-existing warranties, including charges for extended service contracts, in 2012. We recognized adjustments to pre-existing warranties of $404 million in the year ended October 31, 2012, compared to adjustments of $79 million and $51 million in the years ended October 31, 2011 and 2010,

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respectively. The increase in the adjustments to pre-existing warranties in 2012 related to the unanticipated increase in warranty spend, primarily for certain 2010 Engines. We may continue to experience an increase in warranty spend compared to prior periods that could result in additional charges for adjustments to pre-existing warranties. In addition, as we identify opportunities to improve the design and manufacturing of our engines, we may incur additional charges for recalls and field campaigns to address identified issues. These charges may have an adverse effect on our financial condition, results of operations and cash flows. In fiscal 2013, to meet new emissions requirements, including but not limited to OBD, we will launch several products that will incorporate additional changes and added component complexity. These changes may result in additional future warranty expense that may have an adverse effect on our financial condition, results of operations and cash flows.

We could incur restructuring and impairment charges as we continue to evaluate opportunities to restructure our business and rationalize our manufacturing operations in an effort to optimize our cost structure.

We continue to evaluate opportunities to restructure our business and rationalize our manufacturing operations in an effort to optimize our cost structure. These actions could result in restructuring and related charges, including but not limited to asset impairments, employee termination costs, and charges for pension and other postretirement contractual benefits, potential additional pension funding obligations, and pension curtailments any of which could be significant, could adversely affect our financial condition and results of operations. We have substantial amounts of long-lived assets, including goodwill and intangible assets, which are subject to periodic impairment analysis and review. Identifying and assessing whether impairment indicators exist, or if events or changes in circumstances have occurred, including market conditions, operating results, competition, and general economic conditions, requires significant judgment. Any of the above future actions could result in charges that could have an adverse effect on our financial condition and results of operations.

Our business has significant liquidity requirements, and our recent operating results have had an adverse impact on our liquidity position.

Our business has significant liquidity requirements, and our recent operating results have had an adverse impact on our liquidity position. We believe that our cash on-hand, together with funds generated by our operations and potential borrowings under our ABL Facility, will provide us with sufficient liquidity and capital resources to meet our working capital, capital expenditures and other operating needs for the foreseeable future. Significant assumptions underlie this belief however, including, among other things, assumptions relating to North American truck volumes for 2013, the successful implementation of our revised engine strategy, the continuing availability of trade credit from certain key suppliers, and that there will be no material adverse developments in our competitive market position, business, liquidity or capital requirements. In particular, a key element of our operating strategy is to renew our focus on our primary markets and regain market share therein following the completion of our plan to comply with 2010 EPA emissions standards. Any failure to achieve market share could have an impact on our ability to achieve earnings expectations and may have an adverse impact our liquidity position. As a result, we cannot assure you that we will continue to have sufficient liquidity to meet our operating needs. In the event that we do not have sufficient liquidity, we may be required to seek additional capital, reduce or cut back our operating activities or otherwise alter our business strategy.

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Past and potential further downgrades in our debt ratings may adversely affect our liquidity, competitive position and access to capital markets.

The major debt-rating agencies routinely evaluate and rate our debt according to a number of factors, among which are our perceived financial strength and transparency with rating agencies and timeliness of financial reporting. On August 7, 2012, Standard & Poor s Rating Services downgraded our unsecured debt rating to CCC+ from B. On September 17, 2012, Fitch Ratings downgraded its issuer default ratings for us to CCC from B-, with a negative outlook, citing the increasing risk around our cash flow. On December 19, 2012, Moody s Investors Service downgraded our corporate family rating, probability of default rating, and Existing Senior Note rating to B3 from B2 with a stable outlook. Most recently, Fitch Ratings, on March 21, 2013, affirmed its issuer default ratings for us at CCC, but issued a positive rating outlook. Any further downgrade in our credit ratings and the negative publicity as a result of any such further downgrade could adversely affect our continued access to trade credit on customary terms as well as our ability to access capital in the future under acceptable terms and conditions.

We have significant under-funded postretirement obligations.

On a U.S. GAAP basis, the under-funded portion of our projected benefit obligation was $2.1 billion and $1.8 billion for pension benefits at October 31, 2012 and 2011, respectively, and $1.4 billion and $1.5 billion for postretirement healthcare benefits at October 31, 2012 and 2011, respectively. In calculating these amounts, we have assumed expected rates of return on plan assets and growth rates of retiree medical costs. The failure to achieve the expected rates of return and growth rates, as well as reductions in interest rates, could have an adverse impact on our under-funded postretirement obligations, financial condition, results of operations and cash flows. In addition, the continued restructuring and rationalization of our business could increase our pension funding obligations under the Employee Retirement Income Security Act of 1974, as amended (ERISA). The volatility in the financial markets affects the valuation of our pension assets and liabilities, resulting in potentially higher pension costs and higher levels of under-funding in future periods. The requirements set forth in ERISA and the Internal Revenue Code of 1986, as amended, as applicable to our U.S. pension plans (including such timing requirements) mandated by the Pension Protection Act of 2006 to fully fund our U.S. pension plans, net of any current or possible future legislative or governmental agency relief, could also have an adverse impact on our business, financial condition, results of operations and cash flows even though the recently enacted pension funding relief legislation Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 and the Moving Ahead for Progress in the 21st Century Act (MAP-21 Act) have reduced our funding requirements over the next five years.

We may not achieve all of the expected benefits from our cost saving initiatives.

We have recently implemented a number of cost saving initiatives, including the consolidation of our Truck and Engine engineering operations, the relocation of our world headquarters to Lisle, Illinois, continued reductions in discretionary spending and employee headcount reductions. We expect these actions will result in significant operating cost savings, which we estimate will be approximately $175 million of annual savings, beginning in 2013. In addition, we continue to evaluate additional options to improve the efficiency and performance of our operations. For example, we are evaluating opportunities to restructure our business in an effort to optimize our cost structure, which could include, among other actions, rationalization of certain of our manufacturing operations and/or divesting non-core businesses. We have made certain assumptions in estimating the anticipated impact of our cost saving initiatives. These assumptions

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may turn out to be incorrect due to a variety of factors. In addition, our ability to realize the expected benefits from these initiatives is subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. Some of our cost saving measures may not have the impact on our profitability that we currently project. If we are unsuccessful in implementing these initiatives or if we do not achieve our expected results, our results of operations and cash flows could be materially adversely affected.

A small number of our stockholders have significant influence over our business.

In October 2012, we entered into settlement agreements with two of our significant stockholders, Carl C. Icahn and several entities controlled by him (collectively, the Icahn Group) and Mark H. Rachesky, MD and several entities controlled by him (collectively, the MHR Group). Pursuant to these settlement agreements, in October 2012 the Icahn Group and the MHR Group each had one representative appointed to our Board and to the nominating and governance committee of our Board in replacement of two incumbent directors. Additionally, pursuant to these settlement agreements, the Icahn Group and the MHR Group have exercised their right to appoint a third mutually agreed upon representative to our Board in replacement of an incumbent director. These representatives were elected to serve one-year terms as directors at our 2013 annual meeting of stockholders. Our Board will remain at ten members so long as either the Icahn Group or the MHR Group continues to have a designee on our Board.

As of January 11, 2013, based on filings made with the SEC and other information made available to us as of that date, we believe that the Icahn Group held 11,845,167 shares, or approximately 14.80%, of our outstanding common stock, that the MHR Group held 12,000,000 shares, or approximately 14.99%, of our outstanding common stock, and that the Icahn Group, the MHR Group, and three other stockholders collectively held over 50% of our common stock.

As a result of the foregoing, these few stockholders are able to exercise significant influence over the election of our Board as well as matters requiring stockholder approval. Further, this concentration of ownership may adversely affect the market price of our common stock.

Our business may be adversely affected by government contracting risks.

We derived approximately 8%, 13%, and 15% of our revenues for 2012, 2011, and 2010, respectively, from the U.S. government. Certain existing U.S. government contracts extend over multiple years and are conditioned upon the continuing availability of congressional appropriations. Congress usually appropriates funds on a fiscal-year basis and if the congressional appropriations for a program under which we are contractors are not made, or are reduced or delayed, our contract could be cancelled or government purchases under the contract could be reduced or delayed, which could adversely affect our financial condition, results of operations, and cash flows. Although we have submitted multiple bids and quotes, there are no guarantees that they will be awarded to us in the future or that volumes will be similar to volumes under previously awarded contracts. In addition, U.S. government contracts generally permit the contracting government agency to terminate the contract, in whole or in part, either for the convenience of the government or for default based on our failure to perform under the contract. If a contract is terminated for convenience, we would generally be entitled to the payment of our allowable costs and an allowance for profit on the work performed. If one of our government contracts were to be terminated for default, we could be exposed to liability and our ability to obtain future contracts could be adversely affected.

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Federal regulations and fuel economy rules may increase costs.

Recent and future changes to on-highway emissions or performance standards, as well as compliance with additional environmental requirements, are expected to add to the cost of our products and increase the engineering and product development programs of our business. In that regard, the EPA and the Department of Transportation have issued final rules on GHG emissions and fuel economy for medium and heavy duty vehicles and engines. The emission standards establish required minimum fuel economy and GHG emissions levels for both engines and vehicles primarily through the increased use of existing technology. The rules, which apply to our engines and vehicles, initially come into effect in 2014 and are fully implemented in model year 2017. These standards will increase costs of development for engines and vehicles and administrative costs arising from implementation of the standards. In addition, other regulatory proposals under consideration or those that are proposed in the future may adversely affect our business.

We may not achieve all of the expected benefits from our recent acquisitions, joint ventures or strategic alliances.

Over the last several years, we have completed a number of acquisitions, joint ventures and strategic alliances as part of our business strategy. We cannot provide any assurances that these acquisitions, joint ventures or strategic alliances will generate all of the expected benefits. In addition, we cannot assure you that disputes will not arise with our joint venture partners and that such disputes will not lead to litigation or otherwise have a material adverse effect on the joint ventures or our relationships with our joint venture partners. Failure to successfully manage and integrate these acquisitions, joint ventures and strategic alliances could materially impact our financial condition, results of operations and cash flows. In light of our recent operating results, we are currently evaluating opportunities to restructure our business in an effort to optimize our cost structure, which could include, among other actions, rationalization of certain of our recent acquisitions, joint ventures or strategic alliances.

Our products are subject to export limitations and we may be prevented from shipping our products to certain nations or buyers.

We are subject to federal licensing requirements with respect to the sale and support in foreign countries of certain of our products and the importation of components for our products. In addition, we are obligated to comply with a variety of federal, state and local regulations and procurement policies, both domestically and abroad, governing certain aspects of our international sales and support, including regulations promulgated by, among others, the U.S. Departments of Commerce, Defense, State and Justice.

Such licenses may be denied for reasons of U.S. national security or foreign policy. In the case of certain large orders for exports of defense equipment, the Department of State must notify Congress at least 15 to 30 days, depending on the size and location of the sale, prior to authorizing certain sales of defense equipment and services to foreign governments. During that time, Congress may take action to block the proposed sale. We can give no assurances that we will continue to be successful in obtaining the necessary licenses or authorizations or that Congress will not prevent or delay certain sales. Any significant impairment of our ability to sell products outside of the U.S. could negatively impact our financial con