Navistar, Inc.
Form 424B3
March 27, 2013
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Registration No. 333-187557 and
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and we are not soliciting an offer to buy these securities, in any jurisdiction where the offer and sale is not permitted.

Subject to completion, dated March 27, 2013

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). 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)	%	$
Underwriting discounts and commissions	%	$
Proceeds, before expenses, to us(1)	%	$

(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 , 2013.

Joint book-running managers

J.P. Morgan

Credit Suisse

BofA Merrill Lynch

Goldman, Sachs & Co.

The date of this prospectus supplement is , 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

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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 $2,746 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

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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), (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 $2,746 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 $294.5 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 $15.5 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.

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

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(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	$ 1,174
Property and equipment, net	1,461	1,461
Total assets (excludes investments in advances to financial services operations)	6,771	6,755
Postretirement benefits liabilities	3,418	3,418
Total debt	2,854	2,856

(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.

	Three months ended January 31,		Fiscal year ended October 31,		
(in millions)	**2013**	**2012**	**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, 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 condition, results of operations and cash flows.

For products and technology exported from the U.S. or otherwise subject to U.S. jurisdiction, we are subject to U.S. laws and regulations governing international trade and exports, including, but

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not limited to International Traffic in Arms Regulations, Export Administration Regulations, the Foreign Military Sales program and trade sanctions against embargoed countries, and destinations administered by the Office of Foreign Assets Control, U.S. Department of the Treasury. A determination by the U.S. government that we have failed to comply with one or more of these export controls or trade sanctions could result in civil or criminal penalties, including the imposition of significant fines, denial of export privileges, loss of revenues from certain customers, and debarment from participation in U.S. government contracts.

We are subject to the Foreign Corrupt Practices Act (the FCPA) and other laws which prohibit improper payments to foreign governments and their officials by U.S. and other business entities. We operate in countries known to experience corruption. Our operations in such countries create the risk of an unauthorized payment by one of our employees or agents that could be in violation of various laws including the FCPA.

Additionally, the failure to obtain applicable governmental approval and clearances could materially and adversely affect our ability to continue to service the government contracts we maintain. Exports of some of our products to certain international destinations may require shipment authorization from U.S. export control authorities, including the U.S. Departments of Commerce and State, and authorizations may be conditioned on end-use restrictions.

Our international business is also highly sensitive to changes in foreign national priorities and government budgets. Sales of military products are affected by defense budgets (both in the U.S. and abroad) and U.S. foreign policy.

We must comply with numerous miscellaneous federal national security laws, procurement regulations, and procedures, as well as the rules and regulations of foreign jurisdictions, and our failure to comply could adversely affect our business.

We must observe laws and regulations relating to the formation, administration and performance of federal government contracts that affect how we do business with our clients and impose added costs on our business. For example, the Federal Acquisition Regulations, foreign government procurement regulations and the industrial security regulations of the Department of Defense and related laws include provisions that:

- allow our government clients to terminate or not renew our contracts if we come under foreign ownership, control or influence;
- allow our government clients to terminate existing contracts for the convenience of the government;
- require us to prevent unauthorized access to classified information; and
- require us to comply with laws and regulations intended to promote various social or economic goals.

We are subject to industrial security regulations of the U.S. Departments of State, Commerce and Defense and other federal agencies that are designed to safeguard against foreigners access to classified or restricted information. As we expand our operations internationally, we will also become subject to the rules and regulations of foreign jurisdictions. If we were to come under foreign ownership, control or influence, we could lose our facility security clearances, which could result in our federal government customers terminating or deciding not to renew our contracts and could impair our ability to obtain new contracts.

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A failure to comply with applicable laws, regulations or procedures, including federal regulations regarding the procurement of goods and services and protection of classified information, could result in contract termination, loss of security clearances, suspension or prohibition from contracting with the federal government, civil fines and damages and criminal prosecution and penalties, any of which could materially adversely affect our business.

The markets in which we compete are subject to considerable cyclicality.

Our ability to be profitable depends in part on the varying conditions in the truck, bus, mid-range diesel engine, and service parts markets, which are subject to cycles in the overall business environment and are particularly sensitive to the industrial sector, which generates a significant portion of the freight tonnage hauled. Truck and engine demand is also dependent on general economic conditions, interest rate levels and fuel costs, among other external factors.

We operate in the highly competitive North American truck market.

The North American truck market in which we operate is highly competitive. Our major U.S.-controlled domestic competitors include: PACCAR and Ford. The competing foreign-controlled domestic manufacturers include: Freightliner and Western Star (both subsidiaries of Mercedes Benz), Volvo and Mack (both subsidiaries of Volvo Global Trucks) and Hino (a subsidiary of Toyota). The major U.S. military vehicle competitors include: BAE Systems, Force Protection, Inc., General Dynamics Land Systems, and Oshkosh Truck. In addition, smaller, foreign-controlled market participants such as Isuzu, UD Trucks (formerly known as Nissan North America, Inc.) and Mitsubishi compete in the U.S. and Canadian markets with primarily imported products. In Mexico, the major domestic competitors are Kenmex (a subsidiary of PACCAR) and Mercedes Benz.

The intensity of this competition, which is expected to continue, results in price discounting and margin pressures throughout the industry and adversely affects our ability to increase or maintain vehicle prices. Many of our competitors have greater financial resources, which may place us at a competitive disadvantage in responding to substantial industry changes, such as changes in governmental regulations that require major additional capital expenditures. In addition, certain of our competitors may have lower overall labor costs.

Our ability to execute our strategy is dependent upon our ability to attract, train and retain qualified personnel.

Our continued success depends, in part, on our ability to identify, attract, motivate, train and retain qualified personnel in key functions and geographic areas. In particular, we are dependent on our ability to identify, attract, motivate, train and retain qualified engineers with the requisite education, background and industry experience who can assist in the development, enhancement and introduction of new products and technology solutions. Further, we have significant operations in foreign countries, including Mexico, Brazil, Argentina and Canada, and, to effectively manage our global operations, we will need to continue to be able to recruit, train, assimilate, motivate and retain qualified experienced employees around the world.

Failure to attract, train and retain qualified personnel, whether as a result of an insufficient number of qualified local residents, difficulty in recruiting and retaining expatriates to service new global markets, or the allocation of inadequate resources to training, integration and retention of qualified personnel, could impair our ability to execute our business strategy and could have an adverse effect on our business prospects. In addition, our operations or our ability

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to execute our business strategy may be negatively impacted by the loss of certain personnel in connection with our voluntary separation program announced in August 2012, and we are unable to replace the experience, skills and knowledge base of such personnel in a timely manner.

Our manufacturing operations are dependent upon third-party suppliers, making us vulnerable to supply shortages.

We obtain raw materials, parts and manufactured components from third-party suppliers. Some of our suppliers are the sole source for a particular supply item. Any delay in receiving supplies could impair our ability to deliver products to our customers and, accordingly, could have a material adverse effect on our business, financial condition, results of operations, and cash flows. The volatility in the financial markets and uncertainty in the automotive sector could result in exposure related to the financial viability of certain of our key third-party suppliers. Suppliers may also exit certain business lines causing us to find other suppliers for materials or components, or delay our ability to deliver products to customers, or our suppliers may change the terms on which they are willing to provide products, any of which could adversely affect our financial condition and results of operations. In addition, many of our suppliers have unionized workforces that could be subject to work stoppages as a result of labor relations issues.

We are exposed to political, economic, and other risks that arise from operating a multinational business.

We have significant operations in foreign countries, primarily in Canada, Mexico, Brazil and Argentina. We are also developing operations in the People s Republic of China. Accordingly, our business is subject to the political, economic, and other risks that are inherent in operating a multinational company. These risks include, among others:

- trade protection measures and import or export licensing requirements;
- tax rates in certain foreign countries that exceed those in the U.S., and the imposition of foreign withholding taxes on the remittance of foreign earnings to the U.S.;
- difficulty in staffing and managing international operations and the application of foreign labor regulations;
- multiple and potentially conflicting laws, regulations, and policies that are subject to change;
- currency exchange rate risk; and
- changes in general economic and political conditions in countries where we operate, particularly in emerging markets.

We may discover defects in vehicles potentially resulting in delays in new model launches, recall campaigns, or increased warranty costs.

Meeting or exceeding many government-mandated safety standards is costly and often technologically challenging, especially where one or more government-mandated standards may conflict. Government safety standards require manufacturers to remedy defects related to motor vehicle safety through safety recall campaigns, and a manufacturer is obligated to recall vehicles if it determines that they do not comply with a safety standard. Should we or government safety regulators determine that a safety or other defect or noncompliance exists with respect to certain of our vehicles, there could be a delay in the launch of a new model or a significant increase in warranty claims, the costs of which could be substantial.

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Additionally, if we experience failure in some of our emissions components and the emission component defect rates of our engines exceed a certain level set by CARB and the EPA, those engines may be subject to corrective actions by these agencies, which may include extending the warranties of those engines. This could increase exposure beyond the stated warranty period to the relevant regulatory useful life of the engine, and these actions could have an adverse effect on our financial condition, results of operations and cash flows.

Our business may be adversely impacted by work stoppages and other labor relations matters.

We are subject to risk of work stoppages and other labor relations matters because a significant portion of our workforce is unionized. As of October 31, 2012, approximately 48% of our hourly workers and 5% of our salaried workers are represented by labor unions and are covered by collective bargaining agreements. Many of these agreements include provisions that limit our ability to realize cost savings from restructuring initiatives such as plant closings and reductions in workforce. Our current collective bargaining agreement with the United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) will expire in October 2014. Any strikes, threats of strikes, arbitration or other resistance in connection with the negotiation of new labor agreements or otherwise could materially adversely affect our business as well as impair our ability to implement further measures to reduce structural costs and improve production efficiencies. A lengthy strike that involves a significant portion of our manufacturing facilities could have a material adverse effect on our financial condition, results of operations, and cash flows.

We are involved in pending litigation and an adverse resolution of such litigation may adversely affect our business, financial condition, results of operations and cash flows.

Litigation can be expensive, lengthy, and disruptive to normal business operations. The results of complex legal proceedings are often uncertain and difficult to predict. An unfavorable outcome of a particular matter described in our periodic filings or any future legal proceedings could have a material adverse effect on our business, financial condition, results of operations or cash flows. We are currently involved in a number of pending litigation matters. For additional information regarding certain lawsuits in which we are involved, see our 2012 Annual Report, Item 3, *Legal Proceedings*, and Note 14, *Commitments and Contingencies*, to our consolidated financial statements contained therein, and our First Quarter 10-Q, Note 12 *Commitments and Contingencies*, to our consolidated financial statements contained therein, and our Current Report on Form 8-K filed with the SEC on March 25, 2013, all of which are incorporated by reference in this prospectus supplement.

Provisions in our charter and by-laws, our stockholder rights plan and Delaware law could delay and discourage takeover attempts that stockholders may consider favorable.

Certain provisions of our certificate of incorporation and by-laws, and applicable provisions of Delaware corporate law, may make it more difficult for a third party to acquire control of us or change our Board and management, or may prevent such acquisition or change. These provisions include:

- the ability of our Board to issue so-called flexible preferred stock;
- a provision for any board vacancies to be filled only by the remaining directors;
- the inability of stockholders to act by written consent or call special meetings;
- advance notice procedures for stockholder proposals to be brought before an annual meeting of our stockholders;

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the affirmative vote of holders of the greater of (a) a majority of the voting power of all common stock and (b) at least 85% of the shares of common stock present at a meeting is required to approve certain change of control transactions; and

Section 203 of the Delaware General Corporation Law, which generally restricts us from engaging in certain business combinations with a person who acquires 15% or more of our common stock for a period of three years from the date such person acquired such common stock, unless stockholder or board approval is obtained prior to the acquisition.

In addition, the fact that our ability to utilize our tax net operating losses and research and development tax credits could be adversely affected by a change of control could have an anti-takeover effect.

We have a stockholders rights plan, which may be triggered if any person or group becomes the beneficial owner of or announces an offer to acquire 15% or more of our common shares.

The foregoing provisions may adversely affect the marketability of the common stock by discouraging potential investors from acquiring our stock. In addition, these provisions could delay or frustrate the removal of incumbent directors and could make more difficult a merger, tender offer or proxy contest involving us, or impede an attempt to acquire a significant or controlling interest in us, even if such events might be beneficial to us and our stockholders.

Our operations are subject to environmental, health and safety laws and regulations that could result in liabilities to us.

Our operations are subject to environmental, health and safety laws and regulations, including those governing discharges to air and water; the management and disposal of hazardous substances; the cleanup of contaminated sites; and health and safety matters. We could incur material costs, including cleanup costs, civil and criminal fines, penalties and third-party claims for property damage or personal injury as a result of violations of or liabilities under such laws and regulations. Contamination has been identified at and in the vicinity of some of our current and former properties for which we have established financial reserves. The ultimate cost of remediating contaminated sites is difficult to accurately predict and could exceed our current estimates. For example, along with the current operator, we are addressing contamination associated with our formerly owned solar turbine site in San Diego, California. While we believe that we have adequate accruals to cover the costs of the ongoing cleanup, we and other parties may be required to conduct additional investigations and remediation in the area, including with respect to any impacts identified in nearby bay sediments. As a result, we also could incur material costs in excess of current reserves at this or other sites as a result of additional cleanup obligations imposed or contamination identified in the future. In addition, as environmental, health, and safety laws and regulations have tended to become stricter, we could incur additional costs complying with requirements that are promulgated in the future.

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Risks related to the notes

We have a significant amount of debt, which limits our flexibility and imposes restrictions on us, and a downturn in economic or industry conditions may materially affect our ability to satisfy our debt obligations or meet our future financial commitments and liquidity needs.

We have a substantial amount of indebtedness. The following table sets forth certain important information regarding our capitalization as of January 31, 2013, on an as adjusted basis to give effect to the sale of the notes in this offering and the application of the net proceeds therefrom as described under Use of proceeds.

(in millions)	**As adjusted**
Debt:	
Manufacturing operations	$ 2,856
Financial services operations	1,608
Total debt	4,464
Stockholders deficit	(3,332)

Our significant amount of outstanding indebtedness and the covenants contained in our debt instruments could have important consequences for our operations. The size and terms of our Term Loan Facility significantly limits our ability to obtain additional debt financing to fund future working capital, acquisitions, capital expenditures, engineering and product development costs, and other general corporate requirements. Other consequences for our operations could include:

- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our ability to use operating cash flow in other areas of our business because we must dedicate a portion of these funds to make significantly higher interest payments on our indebtedness;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- limiting our ability to take advantage of business opportunities as a result of various restrictive covenants in our debt agreements; and
- placing us at a competitive disadvantage compared to our competitors that have less debt.

Our ability to make required payments of principal and interest on our debt will depend on our future performance and the other cash requirements of our business. Our performance, to a certain extent, is subject to general economic, political, financial, competitive, and other factors that are beyond our control. We cannot provide any assurance that our business will generate sufficient cash flow from operations or that future borrowings will be available under certain of our debt agreements in an amount sufficient to enable us to service our indebtedness.

Our debt agreements contain certain restrictive covenants and customary events of default. These restrictive covenants limit our ability to take certain actions, such as, 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;

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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; enter into transactions with affiliates; and guarantee indebtedness. One or more of these restrictive covenants may limit our ability to execute our preferred business strategy, take advantage of business opportunities, or react to changing industry conditions.

Upon an event of default, if not waived by our lenders, our lenders may declare all amounts outstanding as due and payable, which may cause cross-defaults under our other debt obligations. If our current lenders accelerate the maturity of our indebtedness, we may not have sufficient capital available at that time to pay the amounts due to our lenders on a timely basis, and there is no guarantee that we would be able to repay, refinance, or restructure the payments on such debt. Further, under our Term Loan Facility and our ABL Facility, the lenders would have the right to foreclose on certain of our assets, which could have a material adverse effect on our Company.

Upon the occurrence of a change of control as specified in each of the principal debt agreements of our manufacturing operations, we are required to repurchase or repay (or offer to repurchase or repay) such indebtedness. Under these agreements, a change of control is generally defined to include, among other things: (a) the acquisition by a person or group of at least 35 percent of our common stock (50 percent for our Convertible Notes), (b) a merger or consolidation in which holders of our common stock own less than a majority of the equity in the resulting entity, or (c) replacement of a majority of the members of our Board by persons who were not nominated by our current directors. Under our ABL Facility and our Term Loan Facility, a change in control would result in an immediate event of default, which would allow our lenders to accelerate the debt owed to them. Under the indentures or loan agreements for our debt securities, we may be required to offer to purchase the outstanding notes under such indentures at a premium upon a change in control. In any such event, we may not have sufficient funds available to repay amounts outstanding under these agreements, which may also cause cross-defaults under our other debt obligations. Further, under our ABL Facility and our Term Loan Facility, the lenders could have the right to foreclose on certain of our assets, which could have a material adverse effect on our financial position and results of operations.

Despite our current levels of debt, we may still be able to incur more debt. This could further exacerbate the risks associated with our substantial debt.

We may be able to incur additional debt in the future. The terms of the indenture and the agreement governing the Term Loan Facility allow us to incur substantial amounts of additional debt, subject to certain limitations. For example, under the indenture and the Term Loan Facility agreement we may incur additional indebtedness if, immediately after giving effect to the incurrence of such indebtedness and the receipt and application of the net proceeds therefrom, our consolidated cash flow ratio (as defined in the indenture) would be greater than 2.0 to 1.0 for the four full fiscal quarters for which quarterly or annual financial statements are available next preceding the incurrence of such indebtedness. Additionally, we may incur additional indebtedness in an amount equal to the greater of: $200 million and a borrowing base equal to 85% of accounts receivables and 60% of inventory (up to a maximum of $1,000 million) under one or more credit facilities and an additional $150 million under any type of borrowing arrangement under the indenture governing. The indenture governing the Convertible Notes does not limit our ability to incur additional indebtedness. We currently have in place an asset-backed revolving credit facility that permits Navistar, Inc. to borrow up to

$175 million. As of January 31, 2013, Navistar, Inc. had no outstanding borrowings under this facility. If new indebtedness is added to our current debt levels, the risks we face with respect to our substantial indebtedness could intensify. Moreover, the indenture governing the notes and our other debt agreements do not impose any limitation on our incurrence of liabilities that are not considered indebtedness under the terms of such documents.

NIC is a holding company that has no independent operations and is dependent on its subsidiaries for cash.

NIC is a holding company, and substantially all of its consolidated assets are held by its subsidiaries. Accordingly, its cash flows and ability to meet its obligations are largely dependent upon the earnings of its subsidiaries and the payment of such earnings to it in the form of dividends, distributions, loans or otherwise, and repayment of such loans or advances from it. These subsidiaries are separate and distinct legal entities and generally have no obligation to provide NIC with funds for its payment obligations, whether by dividends, distributions, loans or otherwise. The ability of NIC s subsidiaries to pay dividends or make other advances or transfer of funds will depend on their respective results of operations and may be restricted by, among other things, applicable law and contractual provisions limiting the amount of funds available to make dividends and agreements of those subsidiaries. For example, the payment of dividends by NFC to Navistar, Inc. is limited by the terms of NFC s bank credit facility. See Description of certain indebtedness Financial services operations Bank revolvers and commercial paper.

The notes and the guarantee will not be secured by any of our assets and therefore will be effectively subordinated to our existing and future secured indebtedness.

The notes and the guarantee will be general unsecured obligations ranking effectively junior in right of payment to all existing and future secured debt of NIC or the Guarantor to the extent of the collateral securing such debt. The Guarantor had approximately $730 million of outstanding secured debt at January 31, 2013 under certain financing arrangements and capital lease obligations. In addition, the indenture governing the notes will permit the incurrence of additional debt, some of which may be secured debt. For example, we may incur additional secured indebtedness in an amount equal to the greater of: $200 million and a borrowing base equal to 85% of accounts receivables and 60% of inventory (up to a maximum of $1,000 million) under one or more credit facilities. In the event that NIC or the Guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, creditors whose debt is secured by assets of NIC or the Guarantor will be entitled to the remedies available to secured holders under applicable laws, including the foreclosure of the collateral securing such debt, before any payment may be made with respect to the notes or the guarantee. As a result, there may be insufficient assets to pay amounts due on the notes and holders of the notes may receive less, ratably, than holders of secured indebtedness.

The notes are structurally subordinated to the existing and future liabilities of our subsidiaries that do not guarantee the notes to the extent of the assets of such non-guarantor subsidiaries.

Initially, the notes will only be guaranteed by Navistar, Inc. As a result, the notes will be structurally subordinated to all existing and future liabilities of our other subsidiaries that do not guarantee the notes. Therefore, NIC s rights and the rights of its creditors to participate in the assets of any non-guarantor subsidiary in the event that such a subsidiary is liquidated or reorganized are subject to the prior claims of such subsidiary s creditors. As a result, all indebtedness and other liabilities, including trade payables, of the non-guarantor subsidiaries,

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whether secured or unsecured, must be satisfied before any of the assets of such subsidiaries would be available for distribution, upon a liquidation or otherwise, to NIC in order for NIC to meet its obligations with respect to the notes. To the extent that NIC may be a creditor with recognized claims against any subsidiary, its claims would still be subject to the prior claims of such subsidiary s creditors to the extent that they are secured or senior to those held by it. NIC s subsidiaries may incur additional indebtedness and other liabilities under the terms of the indenture governing the notes.

As of January 31, 2013, after giving effect to the completion of the offering and the application of the net proceeds therefrom as set forth in Use of proceeds, NIC s non-guarantor restricted subsidiaries 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 $2,746 million of total assets; and 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 liabilities, of which $1,781 million were liabilities of our financial services operations and $58 million were liabilities of our majority-owned dealership subsidiaries, and (iii) approximately $3,008 million of total assets, of which $2,518 million constituted assets of our financial services operations and $137 million constituted assets of our majority-owned dealership subsidiaries.

A number of our subsidiaries are classified as Unrestricted Subsidiaries under the indenture and thus are not bound by any of the covenants and operating restrictions contained in the indenture.

All of the subsidiaries that comprise our financial services operations, the Blue Diamond joint venture entities and those subsidiaries whose principal business is owning one of our International truck dealerships are classified as Unrestricted Subsidiaries under the indenture. As a result, these subsidiaries are not 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 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. For the most part, the indenture does not restrict our ability to engage in transactions with our financial services subsidiaries under these agreements. As a result, we will be able to incur additional indebtedness from, or make loans to or investments in, or otherwise engage in ordinary course transactions with, such subsidiaries pursuant to the terms of these agreements.

Our ability to generate the significant amount of cash needed to pay interest and principal on the notes and service our other debt and financial obligations and our ability to refinance all or a portion of our indebtedness or obtain additional financing depends on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness, including the notes, depends on our ability to generate cash in the future. We are subject to general economic, industry, financial, competitive, legislative, regulatory and other factors that are beyond our control. As a result, we may need to refinance all or a portion of our indebtedness, including the

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notes, on or before maturity. Our ability to refinance debt or obtain additional financing will depend on, among other things:

- our financial condition at the time;
- restrictions in the indenture governing the notes and any other indebtedness; and
- other factors, including financial market or industry conditions.

As a result, we may not be able to refinance any of our indebtedness, including the notes, on commercially reasonable terms, or at all. If our operations do not generate sufficient cash flow from operations, and additional borrowings or refinancings are not available to us, we may not have sufficient cash to enable us to meet all of our obligations, including payments on the notes.

The terms of the agreements governing our indebtedness contain significant restrictions that limit our operating and financial flexibility.

The indenture governing the notes and the agreements governing our and our subsidiaries other indebtedness contain various covenants and other restrictions that limit our ability and the ability of our restricted subsidiaries to engage in specified types of transactions. These covenants and other restrictions limit our and our restricted subsidiaries ability 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;
- designations of 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 restrictions on operations and financings, as well as those that may be contained in future debt agreements, may limit our ability to execute preferred business strategies. Moreover, if operating results fall below current levels, we may be unable to comply with these covenants.

If that occurs, our lenders, including you, could accelerate their debt. If their debt is accelerated, we may not be able to repay all of their debt, in which case your notes may not be fully repaid, if they are repaid at all.

We may not have the ability to raise the funds necessary to purchase the notes upon a change of control, and our future debt may contain limitations on our ability to repurchase the notes.

Upon the occurrence of certain kinds of change of control events, as specified in the indenture, you will have the right, as a holder of the notes, to require us to repurchase all of your notes at a repurchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase.

We may not be able to pay you the required price for your notes at that time because we may not have available funds to pay the repurchase price. In addition, the terms of our future debt may prevent us from paying you. We cannot assure you that we would be able to repay such other debt or obtain consents from the holders of such other debt to repurchase the notes. Any requirement to offer to purchase the notes may result in us having to refinance our outstanding indebtedness, which we may not be able to do. In addition, even if we were able to refinance our outstanding indebtedness, such financing may be on terms unfavorable to us. In addition, our ability to repurchase the notes may be limited by law or by regulatory authority.

Our failure to repurchase surrendered notes at a time when the repurchase is required by their respective indentures would constitute a default under each respective indenture. A default under the indenture or the change of control itself could also lead to a default under the agreements governing our other indebtedness. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and repurchase 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.

Certain of the covenants in the indenture will not apply to us during any period in which the notes are rated investment grade by both Moody s and Standard & Poor s, provided at such time no default has occurred and is continuing. Such covenants restrict, among other things, our ability to make restricted payments, incur debt and enter into certain other transactions. There can be no assurance that the notes will ever be rated investment grade, or that if they are rated investment grade, that the notes will maintain these ratings. However, suspension of these covenants would allow us to engage in certain transactions that would not otherwise be permitted while these covenants were in effect. To the extent the covenants are subsequently reinstated, any such actions taken while the covenants were suspended would not result in a default under the indenture.

Federal and state fraudulent conveyance laws may permit a court to void the guarantee, and, if that occurs, you may not receive any payments on the guarantee.

The issuance of the guarantee may be subject to review under federal and state fraudulent conveyance statutes. While the relevant laws may vary from state to state, under such laws the payment of consideration generally will be a fraudulent conveyance if:

- it was paid with the intent of hindering, delaying or defrauding creditors; or
- the Guarantor received less than fair consideration in return for issuing a guarantee and either:
  - the Guarantor was insolvent or rendered insolvent by reason of the incurrence of the indebtedness;
  - payment of the consideration left the Guarantor with an unreasonably small amount of capital to carry on the business; or
  - the Guarantor intended to, or believed that it would, incur debts beyond its ability to pay the debt.

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If a court were to find that the issuance of a guarantee was a fraudulent conveyance, the court could void the payment obligations under such guarantee or further subordinate such guarantee to presently existing and future indebtedness, or require the holders of the notes to repay any amounts received with respect to such guarantee. In the event of a finding that a fraudulent conveyance occurred, you may not receive any repayment on the notes. Further, the voidance of a guarantee could result in an event of default with respect to our other debt that could result in acceleration of that debt.

We cannot assure you that an active trading market will be maintained for the notes.

The notes will be issued as additional notes under the indenture governing the Existing Senior Notes. The notes will be treated as a single series with the Existing Senior Notes for all purposes under the indenture, will have the same terms as the Existing Senior Notes and will be fungible with the Existing Senior Notes. 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, there is no guarantee that such trading market will be maintained for the notes.

If an active trading market is not maintained, the market price and liquidity of the notes may be adversely affected. In that case you may not be able to sell your notes at a particular time or you may not be able to sell your notes at a favorable price. Accordingly, you may be required to bear the financial risk of your investment in the notes indefinitely.

The liquidity of any market for the notes will depend on a number of factors, including:

- the number of holders of the notes;
- our ratings published by major credit rating agencies;
- our financial performance;
- the market for similar securities;
- the interest of securities dealers in making a market in the notes; and
- prevailing interest rates.

We cannot assure you that an active market for the notes will continue.

A downgrade, suspension or withdrawal of the rating assigned by a rating agency to the notes could cause the liquidity or market value of the notes to decline.

The Existing Senior Notes have been rated by rating agencies. A rating is not a recommendation to purchase, sell or hold the notes. We cannot assure you that any rating assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency s judgment, circumstances relating to the basis of the rating, such as adverse changes in our business, so warrant. Any lowering or withdrawal of a rating by a rating agency could reduce the liquidity or market value of the notes.

The notes offered hereby would not be fungible with the Existing Senior Notes if the notes offered hereby are Contingent Payment Debt Instruments.

We intend for the notes offered hereby to be fungible with the Existing Senior Notes. One requirement of fungibility is that the notes offered hereby be issued as a qualified reopening of the Existing Senior Notes. One requirement for the issuance of the notes offered hereby to constitute a qualified reopening is that the notes not be contingent payment debt instruments. As described further in Certain U.S. federal income tax considerations, we believe that the notes are not contingent payment debt instruments, and we are taking the position that they are not contingent payment debt instruments. There is a risk, however, that the IRS could challenge this treatment. If the IRS were to successfully recharacterize the notes as contingent payment debt instruments, then the issuance of the notes offered hereby would not constitute a qualified reopening, and the notes offered hereby would not be fungible with the Existing Senior Notes.

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Forward-looking statements

This prospectus supplement and the documents incorporated herein contain forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act and the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. You should not place undue reliance on those statements because they are subject to numerous uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control, and such forward-looking statements only speak as of the date of this prospectus supplement. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These statements often include words such as committed, believe, expect, anticipate, intend, plan, estimate or similar expressions. These statements are base made in light of our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. As you read and consider this prospectus supplement and the documents incorporated herein, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties and assumptions. Although we believe that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. Some of these factors include:

- estimates we have made in preparing our financial statements;
- our development of new products and technologies;
- the anticipated sales, volume, demand, and markets for our products;
- the anticipated performance and benefits of our products and technologies, including our advanced clean engine solutions;
- our business strategies relating to, and our ability to meet, federal and state regulatory heavy-duty diesel emissions standards applicable to certain of our engines, including the timing and costs of compliance and consequences of noncompliance with such standards, as well as our ability to meet other federal, state and foreign regulatory requirements;
- our business strategies and long-term goals, and activities to accomplish such strategies and goals;
- anticipated benefits from acquisitions, strategic alliances, and joint ventures we complete;
- our expectations relating to the dissolution of our BDT joint venture with Ford Motor Company, expected to occur in December 2014;
- our expectations and estimates relating to restructuring activities, including restructuring and integration charges and timing of cash payments related thereto, and operational flexibility, savings, and efficiencies from such restructurings;
- our expectations relating to the possible effects of anticipated divestitures and closures of businesses;

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our expectations relating to our cost-reduction actions, including our voluntary separation program, involuntary reduction in force, and other actions to reduce discretionary spending;

our implementation of a new ROIC methodology;

our realigning our management structure around functional expertise;

our changes to our organizational and segment reporting structures expected to be completed in the second quarter of 2013;

our expectations relating to our ability to service our long-term debt;

our expectations relating to our retail finance receivables and retail finance revenues;

our expectations relating to the availability of sufficient funds to meet operating requirements, capital expenditures, equity investments and strategic acquisitions;

our anticipated costs relating to the development of our emissions solutions products and other product modifications that may be required to meet other federal, state, and foreign regulatory requirements;

our anticipated capital expenditures;

our expectations relating to payments of taxes;

our expectations relating to warranty costs;

our expectations relating to interest expense;

costs relating to litigation and similar matters;

estimates relating to pension plan contributions and unfunded pension and postretirement benefits;

trends relating to commodity prices;

anticipated trends, expectations, and outlook relating to matters affecting our financial condition or results of operations;

other factors described in the Risk factors section of this prospectus supplement and the documents incorporated herein by reference. All future written and oral forward-looking statements by us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to above. Except for our ongoing obligations to disclose material information as required by the federal securities laws, we do not have any obligations or intention to release publicly any revisions to any forward-looking statements to reflect events or circumstances in the future or to reflect the occurrence of unanticipated events.

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Use of proceeds

We estimate that the net proceeds from our issuance and sale of the notes in this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $294.5 million.

We expect to contribute the net proceeds of this offering to Navistar, Inc. and to cause Navistar, Inc. to use such proceeds, together with approximately $15.5 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.

As of January 31, 2013, the outstanding indebtedness under our Term Loan Facility was $990 million (net of unamortized discount of $8 million) and the weighted average interest rate for borrowings under our Term Loan Facility was 7%. The Term Loan Facility agreement requires quarterly amortization payments of approximately $2.5 million, with the balance due at maturity on August 17, 2017 (which is the maturity date contemplated by the Term Loan Amendment as described under Summary Recent developments Term Loan Amendment).

Certain affiliates of the underwriters are lenders or agents under the Term Loan Facility and, as a result, will indirectly receive a portion of the net proceeds of this offering. See Underwriting.

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Capitalization

The following table sets forth our cash, cash equivalents and marketable securities and capitalization as of January 31, 2013 on:

- an actual basis; and
- as adjusted to give effect to the sale of the notes in this offering, assuming that proceeds from the sale of notes in this offering are contributed to Navistar, Inc. and used by Navistar, Inc. together with cash on hand, to repay a portion of our Term Loan Facility and pay the related premium on the Term Loan Amendment, as described under Use of proceeds.

This table should be read in conjunction with the information contained herein under the heading Use of proceeds, and under the heading Management s Discussion and Analysis of Results of Operations and Financial Condition and in our consolidated financial statements and notes thereto, each of which is in our 2012 Annual Report and in our First Quarter 10-Q, each of which are incorporated by reference in this prospectus supplement.

	At January 31, 2013	
	Actual	As adjusted
	(in millions, except per share data)	
Cash, cash equivalents and marketable securities:(1)		
Manufacturing operations	$ 1,189	$ 1,174
Financial services operations	79	79
Total cash, cash equivalents and marketable securities	$ 1,268	$ 1,253
Total debt (including current portion):		
Manufacturing operations:		
Term Loan Facility, net of unamortized discount of $8 million and $6 million, respectively(2)	$ 990	$ 692
8.25% Senior Notes:		
Notes offered hereby		300
Existing Senior Notes, net of unamortized discount of $27 million	873	873
Convertible notes, net of unamortized discount of $44 million	526	526
Majority-owned *International* dealership debt(3)	51	51
Financing arrangements and capital lease obligations(4)	93	93
Loan agreement relating to Tax Exempt Bonds(5)	225	225
Promissory Note(6)	28	28
Other	68	68
Total manufacturing operations debt	2,854	2,856
Financial services operations:		
Asset-backed debt issued by consolidated SPEs, at variable rates, due serially through 2019	811	811
Bank revolvers, at fixed and variable rates, due dates from 2013 through 2019	726	726
Borrowings secured by operating and finance leases, at various rates, due serially through 2017	71	71
Total financial services debt	1,608	1,608
Total debt	$ 4,462	$ 4,464
Redeemable equity securities(7)	$ 4	$ 4

Stockholders deficit:		
Series D convertible junior preference stock	$ 3	$ 3
Common stock ($0.10 par value per share, 220.0 million shares authorized, 86.8 million shares issued)	9	9
Additional paid in capital	2,453	2,453
Accumulated deficit(8)	(3,288)	(3,307)
Accumulated other comprehensive loss	(2,269)	(2,269)
Common stock held in treasury, at cost, 6.8 million shares	(267)	(267)
Total stockholders deficit attributable to NIC	(3,359)	(3,378)
Stockholders equity attributable to non-controlling interests	46	46
Total stockholders deficit	$ (3,313)	$ (3,332)
Total capitalization	$ 1,149	$ 1,132

(1) Our cash, cash equivalents and marketable securities on an as adjusted basis reflects our use of approximately $15.5 million of cash on hand and the net proceeds from the offering of the notes to repay $300.0 million in principal amount of the Term Loan Facility and pay the related premium on the Term Loan Amendment of approximately $10.0 million. We have not adjusted our cash, cash equivalents and marketable securities to reflect (i) 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, or (ii) the payment of any accrued but unpaid interest on the Term Loan Facility in connection with its partial repayment.

(2) In August 2012, NIC and Navistar, Inc. signed a definitive credit agreement relating to the Term Loan Facility. On March 25, 2013, we received the requisite consents from the lenders under the Term Loan Facility to enter into 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 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.

(3) Represents indebtedness incurred by certain of our majority-owned subsidiaries whose principal business is owning an International dealership. These subsidiaries are acquired and disposed of from time to time by us in order to facilitate the transition of International dealerships from one independent owner to another. Neither NIC nor any of its other subsidiaries have guaranteed any of the obligations of these subsidiaries with respect to this indebtedness.

(4) Included in our financing arrangements and capital lease obligations as of January 31, 2013 are financing arrangements of $33 million that involve the sale and leaseback of manufacturing equipment that we consider to be integral equipment and thus we account for these arrangements as financings. In addition, the amount of financing arrangements and capital lease obligations as of January 31, 2013 include $56 million related to the lease of a manufacturing facility in Cherokee, Alabama and purchased certain machinery and equipment within that facility. As of January 31, 2013, the amount of financing arrangements and capital lease obligations include approximately $4 million of capital leases for real estate and equipment.

(5) In October 2010, we benefited from the issuance of certain tax-exempt bond financings, of which: (i) the Illinois Finance Authority issued and sold $135 million aggregate principal amount of Recovery Zone Facility Revenue Bonds due October 15, 2040, and (ii) The County of Cook, Illinois issued and sold $90 million aggregate principal amount of Recovery Zone Facility Revenue Bonds also due October 15, 2040 (collectively the Tax Exempt Bonds). The proceeds from the issuance of the Tax Exempt Bonds are restricted, and must be used substantially for capital expenditures related to financing the relocation of our headquarters, the expansion of an existing warehouse facility, and the development of certain industrial and testing facilities, together with related improvements and equipment (the Projects). The payment of principal and interest on the Tax Exempt Bonds are guaranteed by Navistar, Inc. The funds received from the issuance of the Tax Exempt Bonds were deposited directly into trust accounts by the bonding authority at the time of issuance, and will be remitted to us on a reimbursement basis as we make qualified capital expenditures related to the Projects. As we make qualifying capital expenditures and are reimbursed by the Trust, we report the corresponding amounts as capital expenditures and proceeds from issuance of debt within our Consolidated Statement of Cash Flows. In November 2010, we finalized the purchase of the property and buildings that we are developing into our new world headquarters site. As of January 31, 2013, we had received reimbursements for $192 million of the $225 million under the Tax Exempt Bonds.

(6) In September 2011, Navistar, Inc. entered into a $40 million floating rate promissory note with Caterpillar, under which the principal amount will be repaid over a 4 year term in 16 quarterly installments (the Promissory Note). The floating interest rate for the Promissory Note is computed based on LIBOR plus 2.75 % over the term of the note.

(7) Represents the intrinsic value of certain outstanding stock options which contain provisions allowing for a cash settlement in the event of a change in control and when certain other conditions existed.

(8) Our accumulated deficit on an as adjusted basis reflects (i) the write-off of $2 million and $6 million of unamortized debt discount and issuance cost associated with the portion of the Term Loan Facility being repaid in connection with the Term Loan Amendment and (ii) the payment of the related premium on the Term Loan Amendment of approximately $10.0 million.

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Management

The following sets forth selected information for each of the principal officers listed below.

Name	Age	Position
Lewis B. Campbell	66	Chairman and Chief Executive Officer
Troy A. Clarke	57	President and Chief Operating Officer
Andrew J. Cederoth	48	Executive Vice President and Chief Financial Officer
Jack Allen	54	President, North America Truck and Parts
Eric Tech	49	President, Global Truck and Engine
Steven K. Covey	61	Senior Vice President, Chief Ethics Officer and General Counsel
James M. Moran	47	Vice President and Treasurer
Richard C. Tarapchak	47	Vice President and Corporate Controller
Curt A. Kramer	44	Corporate Secretary
Gregory W. Elliott	51	Senior Vice President, Human Resources and Administration

Lewis B. Campbell has served as Chief Executive Officer of NIC and Executive Chairman of the board of directors of NIC since August 2012. Prior to joining NIC, Mr. Campbell held numerous positions with Textron Inc., a $12 billion publicly traded industrial company, including Chairman from 1999 until his retirement in 2010, Chief Executive Officer from 1998 to 2009 and President from 1994 to 1999 and from 2001 to 2009. Mr. Campbell joined Textron as Chief Operating Officer in 1992. Prior to joining Textron, Mr. Campbell served in a variety of roles at General Motors Company, including Vice President and General Manager, Flint Automotive Division for Buick/Oldsmobile/Cadillac as well as Vice President and General Manager, GMC Trucks. On March 5, 2013, Mr. Campbell will step down from all positions he holds with our Company, which will be effective April 15, 2013.

Troy A. Clarke has served as President and Chief Operating Officer of NIC since August 2012. Prior to this position, Mr. Clarke served Navistar, Inc. as President of the Truck and Engine Group from June to August 2012, President of Asia-Pacific Operations of Navistar, Inc. from 2011 to 2012, and as Senior Vice President of Strategic Initiatives of Navistar, Inc. from 2010 to 2011. Prior to joining Navistar, Inc., Mr. Clarke held various positions at General Motors, including President of General Motors North America from 2006 to 2009 and President of General Motors Asia Pacific from 2003 to 2006. On June 1, 2009, General Motors filed for voluntary reorganization under Chapter 11 of the U.S. Bankruptcy Code. Mr. Clarke has served on the board of directors of Fuel Systems Solutions, Inc. since December 2011. On March 5, 2013, our Board appointed Mr. Clarke (1) to the position of President and Chief Executive Officer of NIC, and (2) as a member of our Board to fill the vacancy created by the resignation of Mr. Campbell, both effective April 15, 2013 and upon the resignation of Mr. Campbell.

Andrew J. Cederoth has served as Executive Vice President and Chief Financial Officer of NIC since September 2009. Mr. Cederoth has also served as a director of Navistar, Inc. since April 2009, and Executive Vice President and Chief Financial Officer at Navistar, Inc. since September 2009. Prior to these positions he was interim principal financial officer and Senior Vice President-Corporate Finance of NIC from June 2009 to September 2009, Senior Vice President-Corporate Finance of NIC from April 2009 to June 2009, Vice President and Chief Financial Officer of the Engine Division of Navistar, Inc. from 2006 to April 2009, and Vice President and Treasurer of Navistar Financial Corporation from 2001 to 2005.

Jack Allen has served as President of North American Truck and Parts since June 2012. Prior to this role, Mr. Allen held various positions with the Company, most recently as President of North American Trucks since 2008, as well as President of the Engine Group from 2004 to 2008, Vice President and General Manager of the Parts Group from 2002 to 2004 and Vice President and General Manager of the Blue Diamond Truck Company, a joint venture with Ford, from 2001 to 2002.

Eric Tech has served as President, Global Truck and Engine of Navistar, Inc. since June 2012. Prior to this position, Mr. Tech served Navistar, Inc. as President, Engine Group from July 2009 to June 2012, Vice President and General Manager, Engine from November 2008 to July 2009, Vice President and General Manager, Light, Medium and Heavy Truck from July 2008 to November 2008, Vice President and General Manager, Vee and Inline Business Unit from September 2007 to July 2008 and as Vice President and General Manager, Vee Business Unit from May 2006 to September 2007. Prior to joining Navistar, Inc., Mr. Tech held various positions of increasing responsibility at the Ford Motor Company in engineering, quality, product planning, and vehicle and program management, most recently as Chief Engineer for Super Duty Truck Programs.

Steven K. Covey has served as Senior Vice President and General Counsel of NIC since 2004 and Chief Ethics Officer since 2008. Mr. Covey has also served as Senior Vice President and General Counsel of Navistar, Inc. since 2004 and Chief Ethics Officer since 2008. Prior to these positions, Mr. Covey served as Deputy General Counsel of Navistar, Inc. from April 2004 to September 2004 and as Vice President and General Counsel of Navistar Financial Corporation from 2000 to 2004. Mr. Covey also served as Corporate Secretary for NIC from 1990 to 2000; and Associate General Counsel of Navistar, Inc. from 1992 to 2000.

James M. Moran has served as Vice President and Treasurer of NIC since 2008. Mr. Moran has also served as Vice President and Treasurer of Navistar, Inc. since 2008 and Vice President and Treasurer of NFC since 2013. Prior to these positions, Mr. Moran served as Vice President and Assistant Treasurer of both NIC and Navistar, Inc. from 2007 to 2008 and Director of Corporate Finance of Navistar, Inc. from 2005 to 2007. Prior to joining NIC, Mr. Moran served as Vice President and Treasurer of R.R. Donnelley & Sons Company, an international provider of print and print related services, from 2003 to 2004, and Assistant Treasurer of R.R. Donnelley & Sons Company from 2002 to 2003. Prior to that, Mr. Moran held various positions in corporate finance, strategic planning, and credit and collections at R.R. Donnelley & Sons Company.

Richard C. Tarapchak has served as Vice President and Corporate Controller (Principal Accounting Officer) of NIC since March 2010. Prior to this position, Mr. Tarapchak served as Vice President-Strategic Initiatives of Navistar, Inc. from 2008 to March 2010. Mr. Tarapchak also served as Vice President and Chief Financial Officer of the Truck Group of Navistar, Inc. from 2005 to 2008, Director-Corporate Financial Analysis of Navistar, Inc. from 2003 to 2005 and Director, Finance and Operations of Navistar, Inc. from 2000 to 2003.

Curt A. Kramer has served as Corporate Secretary of NIC since 2007. Mr. Kramer has also served as Associate General Counsel and Corporate Secretary of Navistar, Inc. since 2007. Prior to these

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positions, Mr. Kramer served as General Attorney of Navistar, Inc. from April 2007 to October 2007, Senior Counsel of Navistar, Inc. from 2004 to 2007, Senior Attorney of Navistar, Inc. from 2003 to 2004, and Attorney of Navistar, Inc. from 2002 to 2003. Prior to joining Navistar, Inc., Mr. Kramer was in private practice.

Gregory W. Elliott has served as Senior Vice President, Human Resources and Administration of Navistar, Inc. since 2008. Prior to this position, Mr. Elliott served as Vice President, Corporate Human Resources and Administration of Navistar, Inc. from 2004 to 2008 and as Vice President, Corporate Communications of Navistar, Inc., from 2000 to 2004. Prior to joining Navistar, Inc., Mr. Elliott served as Director of Executive Communications of General Motors Corporation from 1997 to 1999.

We incorporate by reference in this prospectus supplement certain information relating to, among other things, executive officer and director compensation, transactions with related parties and ownership of NIC common stock. See Incorporation of certain documents by reference.

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Description of notes

This Description of notes supplements and, to the extent inconsistent therewith, supersedes the Description of Notes beginning on page 7 of the accompanying prospectus. Reference is made to the Description of Notes beginning on page 7 of the accompanying prospectus for a full description of the terms of the notes.

NIC will issue, and the Guarantor will guarantee, the 8.25% Senior Notes due 2021 under the indenture, pursuant to which we issued $1,000,000,000 of Existing Senior Notes on October 28, 2009. The $300,000,000 aggregate principal amount of the notes offered hereby will be issued as additional notes under the indenture and will be treated together with the $900,000,000 aggregate principal amount of outstanding Existing Senior Notes as a single series of debt securities. Upon the issuance of the notes offered hereby, the outstanding aggregate principal amount of notes will be $1,200,000,000 (excluding original issue discount). The terms of the notes offered hereby, other than their issue date and public offering price, will be identical to those of the Existing Senior Notes. The notes will have the same CUSIP and ISIN numbers as the Existing Senior Notes and will be fungible with the Existing Senior Notes.

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 offered hereby 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. All pre-issuance accrued interest from November 1, 2012 will be paid by the purchasers of the notes offered hereby. On May 1, 2013, we will pay this pre-issuance accrued interest to the holders of notes on the applicable record date along with accrued interest on the notes from the date of delivery to May 1, 2013. The notes will mature on November 1, 2021.

As of the issue date of the notes offered hereby, not all of NIC s subsidiaries are classified as Restricted Subsidiaries under the indenture. In particular, 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. 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.

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), (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 $2,746 million of total assets; and

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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Description of certain indebtedness

Manufacturing operations

Term Loan Facility

In August 2012, NIC and Navistar, Inc. signed a definitive credit agreement relating to the Term Loan Facility. On March 25, 2013, we received the requisite consents from the lenders under the Term Loan Facility to enter into 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 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.

The Term Loan Facility is secured by a first priority security interest in certain assets of NIC, Navistar, Inc., and fifteen of its direct and indirect subsidiaries, and contains customary provisions for financings of this type, including, without limitation, representations and warranties, affirmative and negative covenants and events of default. Generally, if an event of default occurs and is not cured within any specified grace period, the administrative agent, at the request of (or with the consent of) the lenders holding not less than a majority in principal amount of the outstanding term loans, may declare the term loan to be due and payable immediately. After giving effect to the Term Loan Amendment, borrowings under the Term Loan Facility accrue interest at a rate equal to a base rate plus a spread of 350 basis points or a Eurodollar rate plus a spread of 450 basis points with a LIBOR floor of 125 basis points.

Under the Term Loan Facility, it is an immediate event of default if we experience a change of control. In general, the Term Loan Facility contains a customary definition of change of control, which includes: (i) the acquisition by any person or group, directly or indirectly, of 35% or more of NIC s outstanding voting securities, (ii) the board of directors of NIC ceases to be comprised of a majority of individuals that were either on the board as of the date of the Term Loan Facility or whose appointment or election were approved by a majority of directors then in office; (iii) a plan of liquidation of either NIC or Navistar, Inc. has been approved or adopted; (iv) NIC consolidates with or merges with or into another person and its stockholders cease to own at least a majority of the common stock of the surviving corporation immediately after such consolidation or merger; (v) NIC or Navistar, Inc., directly or indirectly, sells, assigns, conveys, transfers, leases or otherwise disposes of, in one transaction or a series of related transactions, all or substantially all of its property or assets; (vi) NIC ceases to own all of the capital stock of Navistar, Inc.; or (vii) the occurrence of a change of control , change in control or similar term as defined in any of our existing financing arrangements or any other financing agreement evidencing indebtedness in excess of $50 million.

In August 2012, Navistar, Inc. borrowed an aggregate principal amount of $1 billion under the Term Loan Facility. A portion of the proceeds were used to repay all outstanding loans under

Navistar, Inc. s existing five-year inventory secured, asset-based revolving senior line of credit facility entered into in October 2011 (the prior ABL Facility) and to pay certain fees and expenses incurred in connection with the Term Loan Facility. The Term Loan Facility agreement requires quarterly amortization payments of approximately $2.5 million, with the balance due at maturity on August 17, 2017 (which is the maturity date contemplated by the Term Loan Amendment as described under Summary Recent developments Term Loan Amendment). As of January 31, 2013, the outstanding indebtedness under our Term Loan Facility was $990 million (net of unamortized discount of $8 million).

ABL Facility

In October 2011, Navistar, Inc. and various other U.S. subsidiaries signed a definitive loan agreement relating to the prior ABL Facility, containing an aggregate principal amount of $355 million. In November 2011, we borrowed $100 million under the prior ABL Facility and, in June 2012, borrowed an additional $138 million. In August 2012, we used a portion of the proceeds from the Term Loan Facility to repay all borrowings under the prior ABL Facility and Navistar, Inc. entered into an amended and restated asset-based credit agreement in an aggregate principal amount of $175 million (the ABL Facility) providing for a term of up to four years and nine months. Following the amendment and restatement of the prior ABL Facility, each of the subsidiaries was released from its obligations under the prior ABL Facility. The ABL Facility is secured by a first priority security interest in, among other things, Navistar, Inc. s aftermarket parts inventory that is stored at certain parts distribution centers, storage facilities and third-party processor or logistics provider locations. Navistar, Inc. is in the process of amending our ABL Facility agreement to expand the collateral securing its first priority security interest to include used truck inventory.

The ABL Facility contains customary provisions for financings of this type, including, without limitation, representations and warranties, affirmative and negative covenants and events of default. Under the ABL Facility, it is an immediate event of default if we experience a change of control. In general, the ABL Facility contains a customary definition of change of control, which includes: (i) the acquisition by any person or group, directly or indirectly, of 35% or more of NIC s outstanding voting securities, (ii) the board of directors of NIC ceases to be comprised of a majority of individuals that were either on the board as of the date of the Term Loan Facility or whose appointment or election were approved by a majority of directors then in office; (iii) a plan of liquidation of either NIC or Navistar, Inc. has been approved or adopted; (iv) NIC consolidates with or merges with or into another person and its stockholders cease to own at least a majority of the common stock of the surviving corporation immediately after such consolidation or merger; (v) NIC or Navistar, Inc., directly or indirectly, sells, assigns, conveys, transfers, leases or otherwise disposes of, in one transaction or a series of related transactions, all or substantially all of its property or assets; (vi) NIC ceases to own, directly or indirectly, at least 85% of the voting securities of Navistar, Inc.; or (vii) the occurrence of a change of control , change in control or similar term as defined in any of our existing financing arrangements or any other financing agreement evidencing indebtedness in excess of $50 million.

All borrowings under the ABL Facility accrue interest at a rate equal to a base rate or an adjusted LIBOR rate plus a spread. The spread, which will be based on an availability-based measure, ranges from 175 basis points to 225 basis points for Base Rate borrowings and 275 basis points to 325 basis points for LIBOR borrowings. The initial LIBOR spread is 275 basis points. As of January 31, 2013, we had no borrowings under the ABL Facility.

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Existing Senior Notes

In October 2009, we completed the sale of $1 billion aggregate principal amount of our Existing Senior Notes. Interest is payable on May 1 and November 1 of each year until the maturity date of November 1, 2021. We received net proceeds of approximately $947 million, net of offering discount of $37 million and underwriter fees of $16 million. The proceeds, in conjunction with the proceeds of the Convertible Notes, discussed below, were used to repay all amounts outstanding under the prior $1.5 billion 5-year term loan facility and synthetic revolving facility, as well as certain fees incurred in connection therewith. As of January 31, 2013, $900 million aggregate principal amount of the Existing Senior Notes was outstanding.

The Existing Senior Notes are NIC s senior unsecured obligations and 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 Existing Senior Notes and senior in right of payment to any and all of our future indebtedness that is subordinated in right of payment to the Existing Senior Notes. The Existing Senior Notes are effectively subordinated to all NIC s existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness and are structurally junior to all existing and future indebtedness and other liabilities of NIC s subsidiaries that do not guarantee the Existing Senior Notes. The Existing Senior Notes are effectively junior to the third party equity interests in our majority-owned dealerships and joint ventures, to the extent of those interests. The Existing Senior Notes are guaranteed on a senior unsecured basis, by the Guarantor. The guarantee of the Existing Senior Notes 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 otherwise constitute senior indebtedness).

The Existing Senior Notes contain an optional redemption feature allowing us at any time prior to November 1, 2012 to redeem up to 35% of the aggregate principal amount of the Existing Senior Notes using proceeds of certain public equity offerings at a redemption price of 108.25% of the principal amount of the Existing Senior Notes, plus accrued and unpaid interest, if any. On or after November 1, 2014, we can redeem all or part of the Existing Senior Notes during the twelve-month period beginning on November 1, 2014, 2015, 2016, 2017, and thereafter at a redemption price equal to 104.125%, 102.75%, 101.375%, and 100%, respectively, of the principal amount of the Existing Senior Notes redeemed.

In addition, not more than once during each twelve-month period ending on November 1, 2010, 2011, 2012, 2013, and 2014, we may redeem up to $50 million in principal amount of the Existing Senior Notes in each such twelve-month period, at a redemption price equal to 103% of the principal amount of the Existing Senior Notes redeemed, plus accrued and unpaid interest, if any. We exercised this early redemption feature for a total principal amount of $100 million, by redeeming $50 million of Existing Senior Notes on November 1, 2011 and an additional $50 million of Existing Senior Notes on November 2, 2011.

We may also redeem the Existing Senior Notes at our election in whole or part at any time prior to November 1, 2014 at a redemption price equal to 100% of the principal amount thereof plus the applicable premium, plus accrued and unpaid interest, to the redemption date. The

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applicable premium is defined as the greater of: 1% of the principal amount and the excess, if any, of (i) the present value as of such date of redemption of (A) the redemption price of such note on November 1, 2014, plus (B) all required interest payments due on such note through November 1, 2014, computed using a discount rate equal to the Treasury Rate (as defined in the debt agreement), plus 50 basis points over (ii) the then-outstanding principal of such note.

The indenture governing the Existing Senior 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.

If the Existing Senior Notes are assigned an investment grade rating by Standard & Poor s Rating Services and Moody s Investors Service, Inc. and no default has occurred or is continuing, certain covenants will be suspended. If either rating on the Existing Senior Notes should subsequently decline to below investment grade, the suspended covenants will be reinstated.

Convertible Notes

In October 2009, we also completed the sale of $570 million aggregate principal amount of our Convertible Notes, including over-allotment options. Interest is payable on April 15 and October 15 of each year until the maturity date of October 15, 2014. We received net proceeds of approximately $553 million, net of $17 million of underwriter fees. The Convertible Notes are senior subordinated unsecured obligations of ours and are subordinated in right of payment to all of NIC s existing and future senior debt, rank equal in right of payment to all of NIC s existing and future senior subordinated indebtedness and rank senior in right of payment to all of NIC s future subordinated indebtedness. The Convertible Notes are not guaranteed by any of NIC s subsidiaries.

Holders may convert the Convertible Notes into our common stock at any time on or after April 15, 2014. Holders may also convert the Convertible Notes at their option prior to April 15, 2014, under the following circumstances: (i) during any fiscal quarter commencing after January 31, 2010, if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter is greater than or equal to 130% of the applicable conversion price on each such trading day; (ii) during the five business day period after any five consecutive trading day period (the Measurement Period) in which the trading price per $1,000 principal amount of notes for each trading day of that Measurement Period was less than 98% of the product of the last reported sale price of the common stock and the applicable conversion rate on each such trading day; or (iii) upon the occurrence of specified corporate events, as more fully described in the Convertible Notes indenture. The conversion rate will initially be 19.891 shares of common stock per $1,000 principal amount of Convertible Notes (equivalent to an initial conversion price of approximately $50.27 per share of common stock). The conversion rate may be adjusted for anti-dilution provisions and the conversion price may be decreased by our Board to the extent permitted by law and listing requirements.

The Convertible Notes can be settled in common stock, cash, or a combination of common stock and cash. Upon conversion, we will satisfy our conversion obligations by delivering, at our election, shares of common stock (plus cash in lieu of fractional shares), cash, or any combination of cash and shares of common stock. If we elect to settle in cash or a combination of cash and shares, the amounts due upon conversion will be based on a daily conversion value calculated on a proportionate basis for each trading day in a 20 trading-day observation period. If a Holder converts its Convertible Notes on or after April 15, 2014, and we elect physical settlement as described above, the Holder will not receive the shares of common stock into which the Convertible Notes are convertible until after the expiration of the observation period described above, even though the number of shares the Holder will receive upon settlement will not change. It is our policy to settle the principal and accrued interest on the Convertible Notes with cash. Subject to certain exceptions, Holders may require us to repurchase, for cash, all or part of the Convertible Notes at a price equal to 100% of the principal amount of the Convertible Notes being repurchased plus any accrued and unpaid interest.

If we undergo a fundamental change, Holders may require us to purchase all or a portion of their Convertible Notes for cash at a price equal to 100% of the principal amount of the Convertible Notes to be purchased, plus any accrued and unpaid interest (including additional interest, if any) to, but excluding, the fundamental change purchase date.

Loan agreement related to the tax-exempt bonds

In October 2010, we benefited from the issuance of the Tax Exempt Bonds. The Tax Exempt Bonds were issued pursuant to separate, but substantially identical, indentures of trust dated as of October 1, 2010. The proceeds of the Tax Exempt Bonds were loaned by each issuer to us pursuant to separate, but substantially identical, loan agreements dated as of October 1, 2010. The proceeds from the issuance of the Tax Exempt Bonds are restricted, and must be used substantially for the Projects. The payment of principal and interest on the Tax Exempt Bonds are guaranteed under separate, but substantially identical, bond guarantees issued by Navistar, Inc. The Tax Exempt Bonds are special, limited obligations of each issuer, payable out of the revenues and income derived under the related loan agreements and related guarantees. The Tax Exempt Bonds bear interest at the fixed rate of 6.5% per annum, payable each April 15 and October 15, commencing April 15, 2011. Beginning on October 15, 2020, the Tax Exempt Bonds are subject to optional redemption at our direction, in whole or in part, at the redemption price equal to 100% of the principal amount thereof, plus accrued interest, if any, to the redemption date. The funds received from the issuance of the Tax Exempt Bonds were deposited directly into trust accounts by the bonding authority at the time of issuance, and will be remitted to us on a reimbursement basis as we make qualified capital expenditures related to the Projects. In November 2010, we finalized the purchase of the property and buildings that we developed into our new world headquarters site. As of January 31, 2013, reimbursement was received for $192 million of the $225 million under the Tax Exempt Bonds.

Debt of majority-owned dealerships

Our majority-owned dealerships incur debt to finance their inventories, property, and equipment. The various dealership debt instruments have interest rates that range from 4.9% to 6.8% and maturities that extend to 2017.

Financing arrangements and capital lease obligations

Included in our financing arrangements and capital lease obligations are financing arrangements of $89 million as of January 31, 2013. These arrangements involve the sale and leaseback of manufacturing equipment considered integral equipment. The one remaining sale and leaseback arrangement outstanding at January 31, 2013 had an outstanding balance of $33 million and matures in May of 2014. In addition, the amount of financing arrangements and capital lease obligations includes $4 million of capital leases for real estate and equipment as of January 31, 2013.

In January 2012, we began leasing an existing manufacturing facility in Cherokee, Alabama and purchased certain machinery and equipment within that facility. In relation to the machinery and equipment, we entered into a $40 million promissory note with the lessor. This amount is payable in monthly installments over a ten-year term, in conjunction with the lease of the facility.

Promissory Note

In September 2011, Navistar, Inc. entered into Promissory Note, under which the principal amount will be repaid over a 4 year term in 16 quarterly installments. The floating interest rate for the Promissory Note will be computed based on LIBOR plus 2.75% over the term of the note. The Promissory Note was issued in connection with the termination of our joint venture with Caterpillar known as NC^2 Global, LLC (NC^2) and our acquisition of all of Caterpillar s ownership interest in NC^2, thereby increasing our equity interest in NC^2 from 50% to 100%.

Financial services operations

Asset-backed debt

Navistar Financial Retail Receivables Corporation (NFRRC), a consolidated special purpose entity (SPE), issues asset-backed debt secured by retail notes. As of January 31, 2013, the remaining balance of this debt was $312 million.

Truck Retail Accounts Corporation (TRAC), a consolidated SPE, utilizes a $125 million secured funding facility which matures in June 2013 and provides for the funding of eligible retail accounts receivables. As of January 31, 2013, the balance drawn on this facility was $11 million.

Navistar Financial Securities Corporation (NFSC), a consolidated SPE, issues asset-backed debt secured by dealer wholesale notes. Components of this asset-backed debt include: term debt of $224 million, issued on November 2, 2011, maturing October 2013; term debt of $200 million, issued in February 2013, maturing January 2015; and variable funding notes (VFN) of up to $500 million, maturing in March 2014. As of January 31, 2013, the balance drawn on the VFN was $240 million.

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Navistar Financial Asset Sales Corp. (NFASC), a consolidated SPE, issues asset-backed debt on certain retail notes. As of January 31, 2013, the remaining balance of this debt was $24 million.

The majority of asset-backed debt is issued by consolidated SPEs and is payable out of collections on the finance receivables sold to the SPEs. This debt is the legal obligation of the SPEs and not NFC. The balance outstanding was $882 million as of January 31, 2013. The carrying amount of the retail notes, wholesale notes, and finance leases used as collateral was $1.3 billion as of January 31, 2013.

Bank revolvers and commercial paper

In December 2011, NFC refinanced its 2009 bank credit facility with a 5-year $840 million facility (the NFC Credit Agreement) consisting of a $340 million term loan and a $500 million revolving line of credit, of which our Mexican finance subsidiary may borrow up to $200 million. The facility is subject to customary operational and financial covenants. Quarterly principal payments on the term portion are $4 million for the first eight quarters and $9 million for the next eleven quarters, with the balance due at maturity.

We borrow funds denominated in U.S. dollars and Mexican pesos to be used for investment in our Mexican financial services operations. As of January 31, 2013, borrowings outstanding under these arrangements were $448 million, of which 25% is denominated in dollars and 75% in pesos. The interest rates on the dollar-denominated debt are at a negotiated fixed rate or at a variable rate based on LIBOR, and the interest rates on peso-denominated debt are based on the Interbank Interest Equilibrium Rate. The remaining borrowings are effectively secured by the Mexican finance receivables. Our Mexican commercial paper program expired in February 2013.

In August 2012, our Mexican financial services affiliate Navistar Financial, S.A. de C.V., SOFOM, E.N.R., signed an agreement for a five-year, $95 million funding facility, which will be used to support trade receivables for the sale of our trucks and buses manufactured in Mexico and exported to Colombian dealers.

Borrowings secured by operating and finance leases

NFC enters into secured borrowing agreements involving vehicles subject to operating and finance leases with retail customers. The balances are classified under financial services operations debt as borrowings secured by leases. In connection with the securitizations and secured borrowing agreements of certain of its leasing portfolio assets, NFC and its subsidiary, Navistar Leasing Services Corporation (NLSC), have established Navistar Leasing Company (NLC), a Delaware business trust. NLC holds legal title to leased vehicles and is the lessor on substantially all leases originated by NFC. NLSC owns beneficial interests in the titles held by NLC and has transferred other beneficial interests issued by NLC to purchasers under secured borrowing agreements and securitizations. Neither the beneficial interests held by purchasers under secured borrowing agreements or the assets represented thereby, nor legal interest in any assets of NLC, are available to NLSC, NFC, or its creditors. The balance of the secured borrowings issued by NLC totaled $4 million as of January 31, 2013.

International Truck Leasing Corporation (ITLC), a special purpose, wholly-owned subsidiary of NFC, provides NFC with another entity to obtain borrowings secured by leases. The balances are classified under financial services operations debt as borrowings secured by leases. ITLC s assets are available to satisfy its creditors claims prior to such assets becoming available for ITLC s use or to NFC or affiliated companies. The balance of these secured borrowings issued by ITLC totaled $67 million as of January 31, 2013. The carrying amount of the finance and operating leases used as collateral was $80 million as of January 31, 2013. ITLC does not have any unsecured debt.

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Certain U.S. federal income tax considerations

The following is a general discussion of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the notes and does not consider all aspects of U.S. federal income taxation. Unless otherwise stated, this discussion is limited to the tax consequences to those persons who are the beneficial owners of the notes and hold such notes as capital assets (generally property held for investment within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the Code)). This discussion does not address specific tax consequences that may be relevant to particular persons, including, for example, pass-through entities (e.g., partnerships) or persons who hold the notes through pass-through entities, individuals who are U.S. expatriates, financial institutions, broker-dealers, insurance companies, tax-exempt organizations, grantor trusts, subchapter S corporations, controlled foreign corporations, passive foreign investment companies, regulated investment companies, real estate investment trusts, personal holding companies, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, dealers in securities or foreign currency, U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar and persons in special situations, such as those who hold notes as part of a straddle, hedge, conversion transaction, or other integrated investment. In addition, this discussion is limited to persons purchasing the notes for cash in this offering and at their offering price. Because this discussion is directed solely to prospective purchasers in the initial offering, it does not address some issues that are relevant to subsequent purchasers of the notes, including, but not limited to, the treatment of market discount and bond premium for U.S. federal income tax purposes. Moreover, this discussion does not address U.S. federal alternative minimum tax consequences, and does not describe any tax consequences arising under U.S. federal gift and estate or other federal tax laws or under the tax laws of any state, local or foreign jurisdiction.

This discussion is based upon the Code, the Treasury regulations promulgated thereunder, and administrative and judicial interpretations thereof, all as of the date hereof and all of which are subject to change, possibly on a retroactive basis. We have not sought any ruling from the Internal Revenue Service (IRS) with respect to the statements made and conclusions reached in the following summary, and we cannot assure you that the IRS will agree with our statements and conclusions.

If a beneficial owner is a partnership or an entity or arrangement treated as a partnership for U.S. federal income tax purposes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding notes, we suggest that you consult your tax advisor.

PROSPECTIVE PURCHASERS OF THE NOTES ARE URGED TO CONSULT THEIR OWN INDEPENDENT TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF THE NOTES, AS WELL AS THE APPLICATION OF STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX LAWS.

U.S. federal income taxation of U.S. holders

The following discussion is limited to the U.S. federal income tax consequences relevant to U.S. Holders. As used herein, a U.S. Holder is a beneficial owner that is, for U.S. federal income tax purposes: (i) a citizen or individual resident of the United States, (ii) a corporation (including an entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust, if a court within the United States is able to exercise primary supervision over the trust s administration and one or more United States persons, within the meaning of the Code, have the authority to control all of its substantial decisions, or if the trust was in existence on August 20, 1996, and has properly elected under applicable Treasury regulations to continue to be treated as a United States person.

Certain U.S. federal income tax consequences relevant to a Non-U.S. Holder (as defined below) are discussed separately below.

Qualified reopening. The Issuer intends to treat the issuance of the notes as a qualified reopening for U.S. federal income tax purposes. If the issuance of the notes is so treated, then the notes issued pursuant to this offering will be deemed to have the same issue date, the same issue price (96.328%) and the same adjusted issue price as the Existing Senior Notes even though, considered separately, the notes offered hereby might be considered to be issued at a premium or discount. The remainder of this discussion assumes that the issuance of the notes will be treated as a qualified reopening of the Existing Senior Notes and that such notes will be purchased at a premium to par.

Pre-issuance accrued interest. A portion of the price paid for the notes offered hereby may be allocable to interest that accrued prior to the date such notes offered hereby are purchased (the pre-issuance accrued interest). In such circumstances, we intend to take the position that, on the first interest payment date, a portion of the interest received in an amount equal to the pre-issuance accrued interest will be treated as a return of the pre-issuance accrued interest and not as a payment of interest on the notes offered hereby. Amounts treated as a return of pre-issuance accrued interest should not be taxable when received but should reduce the U.S. Holder s adjusted tax basis in the notes offered hereby by a corresponding amount (in the same manner as would a payment of principal). The remainder of this discussion assumes that the notes will be so treated, and all references to stated interest in the remainder of this discussion exclude references to pre-issuance accrued interest.

Stated interest. Stated interest on a note generally will be includible in the income of a U.S. Holder as ordinary interest income at the time accrued or received in accordance with the U.S. Holder s regular method of accounting for U.S. federal income tax purposes.

Amortizable bond premium.

If a U.S. Holder has a tax basis in a note that is greater than its principal amount (not including any amount paid for pre-issuance accrued interest), then the holder will be considered to have purchased the note with bond premium in an amount equal to such excess. In such case, the U.S. Holder would not be required to include original issue discount (OID) in gross income in respect of such note even though the Existing Senior Notes were issued with OID. In addition, if a U.S. Holder makes (or has made) a proper election under Section 171 of the Code, then such holder may amortize any bond premium over the term of such note as an offset to qualified stated interest income on the note, subject to certain limitations when the bond is subject to early redemption at a premium. The term qualified stated interest generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the Issuer) or that is treated as constructively received, at least annually at a single fixed rate. Any

such election to amortize bond premium will apply to all taxable debt instruments held or

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subsequently acquired by such U.S. Holder on or after the first day of the first taxable year to which the election applies and cannot be revoked without permission from the IRS. If a U.S. Holder makes an election to amortize bond premium, then the bond premium will be amortizable on a constant yield method over the term of the note, subject to certain limitations, and such holder s tax basis in the note must be reduced by the amount of the aggregate amortization deductions allowable for the bond premium. If a U.S. Holder does not make such an election, the bond premium will be included in such U.S. Holder s tax basis in the note and, therefore, such bond premium will be taken into account in computing the gain or loss recognized on such U.S. Holder s disposition of the note. The rules regarding instruments purchased with amortizable bond premium are complex and, accordingly, prospective investors should consult their own tax advisors concerning the application of such rules to the notes.

Potential contingent payment debt treatment. In certain circumstances (upon an optional redemption, change of control offer, or an Event of Default relating to a failure to file certain reports as set forth above under Description of the Notes Certain Covenants Reports), we may be obligated to pay amounts in excess of stated principal or interest on the notes. The obligation to make these payments may implicate the provisions of the Treasury regulations relating to contingent payment debt instruments. If the notes were deemed to be contingent payment debt instruments, a U.S. Holder generally would be required to treat any gain recognized on the sale or other disposition of the notes as ordinary income rather than as capital gain. Furthermore, a U.S. Holder would be required to accrue interest income on a constant yield basis at an assumed yield determined at the time of issuance of the notes, with adjustments to such accruals when any contingent payments are made that differ from the payments calculated based on the assumed yield.

According to current Treasury regulations, the possibility that we may pay amounts in excess of the stated principal on the notes in the event of an optional redemption will not be taken into account in determining whether the notes are deemed to be contingent payment debt instruments. However, the possibility that we may pay amounts in excess of the stated principal or interest on the notes pursuant to a change of control offer or an Event of Default relating to a failure to file certain reports may cause the notes to be treated as contingent payment debt instruments if, as of the date the notes were issued, the likelihood that such payments will be made is not remote. We believe that the likelihood that we will be obligated to make any excess payments pursuant to a change of control offer or Event of Default is remote. Therefore, we do not intend to treat the potential payment of these amounts as subjecting the notes to the contingent payment debt rules. Our determination is binding on a U.S. Holder unless such U.S. Holder discloses its contrary position in the manner required by applicable Treasury regulations. Our determination is not, however, binding on the IRS, and if the IRS were to challenge this determination, the tax consequences to a U.S. Holder could differ materially and adversely from those discussed herein. In addition, if the notes were treated as contingent payment debt instruments, then the issuance of the notes would not constitute a qualified reopening, and the calculation of the OID accruals on the notes would be based, in part, upon the actual issue date and the actual issue price of the notes. In the event such a contingency were to occur, it would affect the amount and timing of the income recognized by a U.S. Holder. If any additional payments are in fact made, U.S. Holders will be required to recognize such amounts as income. The remainder of this disclosure assumes that the notes will not be treated as contingent payment debt instruments.

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U.S. Holders of the notes should consult their own independent tax advisors regarding the possible application of the contingent payment debt instrument rules to the notes.

Sale, exchange or other taxable disposition of notes. Upon a sale, exchange or other taxable disposition of a note, U.S. Holders generally will recognize gain or loss equal to the difference between (i) the amount realized on such disposition and (ii) the U.S. Holder s adjusted tax basis in such note. The amount realized will equal the sum of the amount of cash and the fair market value of any property received in exchange for the note, but will not include any amount attributable to accrued but unpaid interest not previously included in income. A U.S. Holder s adjusted tax basis in a note generally will equal the initial purchase price paid for the note, reduced by any amortizable bond premium previously deducted. The gain or loss realized upon a taxable disposition will be capital gain or loss, and will be long-term capital gain or loss if at the time of the disposition the holding period in the note is longer than one year.

Prospective investors should consult their tax advisers regarding the treatment of capital gains (which may be taxed at lower rates than ordinary income for taxpayers who are individuals, trusts or estates and have held their notes for more than one year) and losses (the deductibility of which is subject to limitations).

Backup withholding and information reporting. U.S. Holders generally will be subject to IRS information reporting and may be subject to backup withholding in connection with payments we make, including payments of interest on the notes and proceeds from the sale or other disposition of the notes. Certain U.S. Holders (including, among others, corporations and certain tax-exempt organizations) generally are not subject to backup withholding. Backup withholding will only be imposed where the non-corporate U.S. Holder: (1) fails to furnish its social security number or other taxpayer identification number, referred to as a TIN, (2) furnishes an incorrect TIN, (3) is notified by the IRS that he or she has failed properly to report payments of interest, or (4) under certain circumstances, fails to certify, under penalties of perjury, that he or she has furnished a correct TIN and has not been notified by the IRS that he or she is subject to backup withholding.

The backup withholding rate is currently 28%. Backup withholding is not an additional tax. The amount of any backup withholding made from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder s federal income tax liability and may entitle such Holder to a refund, provided that the required information is timely furnished to the IRS.

Certain U.S. federal income tax consequences to Non-U.S. Holders

The following discussion is limited to the U.S. federal income tax consequences relevant to certain Non-U.S. Holders. A Non-U.S. Holder is a beneficial owner (other than a partnership or entity or arrangement treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to the acquisition, ownership or disposition of the notes by any particular Non-U.S. Holder in light of such holder s personal circumstances, including ownership of the notes through a partnership. Special rules may apply to certain Non-U.S. Holders (including, for example, controlled foreign corporations and passive foreign investment companies) that are subject to special treatment under the Code. Each Non-U.S. Holder should consult its own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant.

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Interest. Subject to the discussion of effectively connected income and backup withholding tax below, interest paid on a note to a Non-U.S. Holder will not be subject to U.S. federal withholding tax if such payments qualify as portfolio interest. The exemption applicable to such portfolio interest applies when:

(1) the Non-U.S. Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;

(2) the Non-U.S. Holder is not a controlled foreign corporation that is directly or indirectly related to us through stock ownership;

(3) the Non-U.S. Holder is not a bank whose receipt of interest on the notes is described in Section 881(c)(3)(A) of the Code; and

(4) either (A) the Non-U.S. Holder certifies in a statement provided to us or our paying agent, under penalties of perjury, that it is not a United States person within the meaning of the Code and provides its name and address (generally by completing IRS Form W-8BEN), (B) a securities clearing organization, bank or other financial institution that holds customers securities in the ordinary course of its trade or business and holds the notes on behalf of the Non-U.S. Holder certifies to us or our paying agent under penalties of perjury that it, or the financial institution between it and the Non-U.S. Holder, has received from the Non-U.S. Holder a statement, under penalties of perjury, that such holder is not a United States person and provides us or our paying agent with a copy of such statement or (C) the Non-U.S. Holder holds its notes directly through a qualified intermediary and certain conditions are satisfied.

Payments of interest made to a Non-U.S. Holder not satisfying the conditions described above will be subject to U.S. withholding tax at a rate of 30%, unless an income tax treaty applies to reduce or eliminate withholding and the Non-U.S. Holder provided us with a properly executed IRS Form W-8BEN (or relevant successor form) claiming the exemption.

Income that is effectively connected with a Non-U.S. Holder s conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the Non-U.S. Holder) will generally be subject to U.S. federal income tax on a net basis at the same rates applicable to United States persons and, if paid to a corporate Non-U.S. Holder, may also be subject to a 30% branch profits tax (or lower applicable treaty rate). If payments are subject to U.S. federal income tax on a net basis in accordance with the rules described in the preceding sentence, such payments will not be subject to U.S. withholding tax so long as the holder provided us or the paying agent with appropriate certification. In order to meet the certification requirement with respect to effectively connected U.S. trade or business income, the Non-U.S. Holder must generally provide us with a properly executed IRS Form W-8ECI (or any relevant successor form) stating that interest paid on a note is not subject to withholding tax because it is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States.

The certification requirements described above may require a Non-U.S. Holder that provides an IRS form, or that claims the benefit of an income tax treaty, to also obtain and provide a U.S. TIN.

Sale, exchange or other taxable disposition of notes. Subject to the discussion of backup withholding tax below, a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on gain realized on the sale or other taxable disposition of a note (other than any amount representing accrued but unpaid interest on the note, which is subject to the rules discussed above under Interest) unless either (i) such gain is effectively connected with the Non-U.S. Holder s conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the Non-U.S. Holder) or (ii) the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met.

These rules are complex and we suggest you consult your own tax advisor regarding their potential application to your situation.

Backup withholding and information reporting. Generally, we must report annually to the IRS and to each Non-U.S. Holder the amount of payments on a note, including payments of interest, regardless of whether withholding was required or whether such payments were made in cash or other property, and any tax withheld with respect to such payments. Under the provisions of a specific income tax treaty or other applicable agreements, copies of these returns may be made available to the tax authorities of the country in which the Non-U.S. Holder resides.

Backup withholding will not apply to payments of principal and interest on the notes by us to a Non-U.S. Holder if such holder complies with the certification procedures required to obtain exemption from withholding tax on interest as described above.

The receipt of proceeds from a sale or other disposition of the notes by a Non-U.S. Holder may also be subject to information reporting and backup withholding. In particular, the payment of such proceeds to or through the U.S. office of any broker or any office of a U.S. broker will be subject to information reporting and backup withholding unless a Non-U.S. Holder certifies as to its foreign status or otherwise establishes an exemption from information reporting and backup withholding. The payment of such proceeds to or through a foreign office of a foreign broker will not be subject to information reporting or backup withholding unless the foreign broker has certain types of relationships with the United States described in the Treasury regulations (e.g., the foreign broker is a controlled foreign corporation, more than 50% of such foreign broker s gross income during a specified period is effectively connected income, or the foreign broker is a foreign partnership with a threshold amount of U.S. ownership or a foreign partnership engaged in a trade or business in the United States).

Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder will be allowed as a refund with respect to or a credit against such Non-U.S. Holder s U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Non-U.S. Holders should consult their own tax advisors regarding application of information reporting and backup withholding in their particular circumstance and the availability of and procedure for obtaining an exemption from information reporting and backup withholding under current Treasury regulations. In this regard, the current Treasury regulations provide that a certification may not be relied on if we or our agent (or other payor) knows or has reason to know that the certification may be false.

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Underwriting

We are offering the notes through the underwriters named below. J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as joint book-running managers of the offering and J.P. Morgan Securities LLC is acting as representative of the several underwriters. Under the terms and subject to the conditions contained in an underwriting agreement dated , 2013, among us and the underwriters, we have agreed to sell to the underwriters and each underwriter has agreed, severally and not jointly, to purchase from us, the principal amount of the notes listed opposite its name below.

Underwriter	Principal amount of notes
J.P. Morgan Securities LLC	
Credit Suisse Securities (USA) LLC	
Goldman, Sachs & Co.	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Total	$ 300,000,000

The underwriters have agreed to purchase all of the notes sold pursuant to the underwriting agreement if any of the notes are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

The underwriters propose to offer the notes initially at the public offering price on the cover page of this prospectus supplement and to certain dealers at the public offering price less a concession not in excess of % of the principal amount of the notes. The underwriters may allow, and such dealers may reallow, a concession not in excess of % of the principal amount of notes on sales to certain other dealers. After the initial offering of the notes, the price to public and other selling terms may from time to time be varied by the underwriters.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of customary officer s certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering.

	Paid by issuer
Per note	$
Total	$

The total expenses of this offering, including registration, filing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, are estimated to be approximately $1 million and are payable by us.

The notes are being issued as additional notes under the indenture and will be treated together with the Existing Senior Notes as a single series of debt securities under the indenture. We do not intend to apply for listing of the notes on any national securities exchange or for including of the notes on any automated dealer quotation system. 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. However, we cannot make any assurances as to the liquidity of the trading market for the notes or that an active public market for the notes will be maintained, and the underwriters may cease any market-making activities at any time without notice in their sole discretion. If an active public trading market for the notes is not maintained, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial public offering price, depending on prevailing interest rates, the market for similar securities, our performance and other factors.

We have agreed with the underwriters that we will not offer, sell, contract to sell or otherwise dispose of, directly or indirectly, any debt securities issued or guaranteed by us or the Guarantor and having a tenor of more than one year without the prior written consent of J.P. Morgan Securities LLC for a period of 90 days after the date of this prospectus supplement.

In connection with the offering, the underwriters may engage in transactions that stabilize the market price of the notes. Such transactions consist of bids or purchases to peg, fix or maintain the price of the notes. If the underwriters create a short position in the notes in connection with the offering, i.e., if they sell more notes than are listed on the cover page of this prospectus supplement, the underwriters may reduce that short position by purchasing notes in the open market. Purchases of a security to stabilize the price or to reduce a short position may cause the price of the security to be higher than it might be in the absence of these purchases.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased notes sold by or for the account of such underwriter in stabilizing or short covering transactions.

Neither we nor the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor the underwriters make any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In particular, J.P.

Morgan Securities LLC is the sole lead arranger and sole bookrunner under the Term Loan Amendment, a joint lead arranger and joint bookrunner under the Term Loan Facility, a joint lead arranger and joint book manager under the ABL Facility and a joint lead arranger and joint book manager under the NFC Credit Agreement; JPMorgan Chase Bank, N.A., an affiliate of J.P. Morgan Securities LLC, is a lender, collateral agent and administrative agent under the Term Loan Facility, a syndication agent under the ABL Facility and administrative agent, a lender, a swingline lender and an issuing bank under the NFC Credit Agreement; Credit Suisse Securities (USA) LLC is a joint bookrunner under the Term Loan Facility and a joint book manager under the ABL Facility; Credit Suisse AG, Cayman Islands Branch, an affiliate of Credit Suisse Securities (USA) LLC, is a lender and an issuing bank under the ABL Facility and a lender under the NFC Credit Agreement; certain affiliates of Credit Suisse Securities (USA) LLC are participants in the wholesale notes securitization facility of one of NFC s subsidiaries; Merrill Lynch, Pierce, Fenner & Smith Incorporated is a joint bookrunner under the Term Loan Facility, a joint lead arranger and joint book manager under the ABL Facility and a joint lead arranger and joint book manager under the NFC Credit Agreement; Bank of America, N.A., an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, is a lender under the Term Loan Facility, administrative agent, an issuing bank and swingline lender under the ABL Facility and syndication agent and a lender under the NFC Credit Agreement; Goldman, Sachs & Co. is an advisor to the Company with respect to certain corporate governance matters; Goldman Sachs Lending Partners LLC, an affiliate of Goldman, Sachs & Co., is a lender under the NFC Credit Agreement. As described in the preceding sentence, certain underwriters and certain of their affiliates are lenders or agents under the Term Loan Facility and may therefore, upon the contribution of the net proceeds of this offering to Navistar, Inc. to repay a portion of the Term Loan Facility (as described under Use of proceeds), indirectly receive a portion of the net proceeds. To the extent the underwriters or their affiliates have a lending relationship with us, certain of such underwriters or such affiliates, as the case may be, routinely hedge, and certain other of such underwriters or their affiliates may hedge, their credit exposure to us, consistent with their customary risk management policies. Typically, such underwriters or such affiliates, as the case may be, would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including, potentially, the notes. Any such credit default swaps or short positions could adversely affect future trading prices of the notes. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the accounts of their customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, including the notes, and may do so in the future. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the notes offered by this prospectus supplement in any jurisdiction where action for that purpose is required. The notes may not be offered or sold, directly or indirectly, nor may this prospectus supplement or any other offering material or advertisements in connection with the offer and sale of any notes be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus supplement comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus supplement. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any notes in any jurisdiction in which such an offer or a solicitation is unlawful.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of notes which are the subject of the offering contemplated by this prospectus to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe for the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Each underwriter agrees that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

The notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes

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which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (whe