

Navistar, Inc.
Form 424B3
March 27, 2013
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-187557 and
333-187557-01

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.

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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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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;

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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:

Operating category	Fiscal year ended October 31, 2012		
	Revenues(A) (\$ 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:

Description	Fiscal year ended October 31, 2012	
	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

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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

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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.

Table of Contents**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;

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incur additional debt and issue preferred or disqualified stock;

create liens;