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NAVISTAR - VOLKSWAGEN TRUCK & BUS ALLIANCE UPDATE

- *Pursuing a medium-duty vehicle electric powertrain for launch as early as 2019*
- *Collaborating on fully integrated, next-generation Big Bore powertrains*
- *Exploring common hardware for OnCommand® Connection and RIO brands*
- *Delivering expected synergies with procurement joint venture*

ATLANTA — September 25, 2017 — Navistar International Corporation (NYSE: NAV) today announced it expects a number of new product offerings and integrations with alliance partner Volkswagen Truck & Bus, including plans to develop an electric-powered, medium-duty vehicle for the company's Core (U.S. and Canada) market.

“Our alliance with Volkswagen Truck & Bus is allowing us to move much more quickly into electric propulsion thanks to our ability to leverage their technology investments and components in segments of the market where we're already a leader,” said Troy A. Clarke, chairman, president and chief executive officer, Navistar. “We believe the Class 6/7 vehicle is ideal for electric powertrain solutions in the near term, given its abundance of packaging space, and that these vehicles typically run short distances and can depot to recharge at the end of the day.”

Navistar expects to be in a position to launch its first medium-duty electric powered vehicle in late 2019 or early 2020.

In preparation for the next greenhouse gas emission regulations globally, the maker of International® Trucks and IC Buses also confirmed that it is collaborating with its alliance partner on introducing fully integrated, next-generation diesel big bore powertrains for North America launching in 2021.

Navistar and Volkswagen Truck & Bus also announced their intention to converge their connectivity activities – OnCommand® Connection and RIO, Volkswagen Truck & Bus's digital brand – to a Volkswagen Truck & Bus global connected vehicle platform. The first step will be the adoption of common, in-cab connecting device hardware. This would serve as a major step toward creating a global connected platform - covering roughly 650,000 vehicles worldwide, “making it the world's largest global ecosystem for commercial vehicles, once the migration is completed,” Clarke said.

Volkswagen Truck & Bus expects to launch the cloud-based, brand-independent platform by the end of the year, which will be the basis for the cooperation.

“Future transportation will massively be building on connectivity as this will make our world much more efficient,” said Andreas Renschler, CEO of Volkswagen Truck & Bus. “The ecosystem we are about to create with our common platform will drive our strategic alliance to the next level.”

Navistar also reported that the procurement joint venture – Global Truck & Bus Procurement LLC – it created with Volkswagen Truck & Bus is off to a strong start. The team has met with more than 250 new and existing suppliers, and to date, have completed 40 joint bidding contracts.

“We’re on track to achieve our expected cost savings thanks to our fast start with the procurement JV and the great progress on our technology collaboration,” said Clarke. “As a result, we are in a much more competitive position today in the areas that are quickly revolutionizing our industry globally.”

About Navistar

Navistar International Corporation (NYSE: NAV) is a holding company whose subsidiaries and affiliates produce International® brand commercial and military trucks, proprietary diesel engines, and IC Bus® brand school and commercial buses. An affiliate also provides truck and diesel engine service parts. Another affiliate offers financing services. Additional information is available at www.Navistar.com.

Forward-Looking Statement

Information provided and statements contained in this report that are not purely historical are forward-looking statements within the meaning of the federal securities laws. Such forward-looking statements only speak as of the date of this report and the company assumes no obligation to update the information included in this report. Such forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These statements often include words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” or similar expressions. These statements are not guarantees of performance or results and they involve risks, uncertainties, and assumptions. For a further description of these factors, see the risk factors set forth in our filings with the Securities and Exchange Commission, including our annual report on Form 10-K for the fiscal year ended October 31, 2016. Although we believe that these forward-looking statements are based on reasonable assumptions, there are many factors that 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. 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.