
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**Form 10-K/A
(Amendment No. 1)**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended October 31, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ To _____
Commission file number 1-9618

NAVISTAR®

NAVISTAR INTERNATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

36-3359573
(I.R.S. Employer Identification No.)

**4201 Winfield Road, P.O. Box 1488,
Warrenville, Illinois**
(Address of principal executive offices)

60555
(Zip Code)

Registrant's telephone number, including area code (630) 753-5000

Securities registered pursuant to Section 12(g) of the Act:

Common stock, par value \$0.10 per share

Cumulative convertible junior preference stock, Series D (with \$1.00 par value per share)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

As of April 30, 2008, the aggregate market value of common stock held by non-affiliates of the registrant was \$4.1 billion. For purposes of the foregoing calculation only, executive officers and directors of the registrant, and pension and 401(k) plans of the registrant, have been deemed to be affiliates.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act.) Yes No

As of November 30, 2008, the number of shares outstanding of the registrant's common stock was 71,228,856, net of treasury shares.

Documents incorporated by reference: Portions of the Company's Proxy Statement for the Annual Meeting of Shareowners to be held on February 17, 2009, are incorporated by reference in Part III.

NAVISTAR INTERNATIONAL CORPORATION FORM 10-K/A
EXPLANATORY NOTE

Navistar International Corporation (“NIC”) is filing this Form 10-K/A to include in its Annual Report on Form 10-K for the year ended October 31, 2008 the audited financial statements and related notes of Blue Diamond Parts, LLC (“BDP”), pursuant to Rule 3-09 of Regulation S-X under the Securities Exchange Act of 1934, as amended.

BDP is an unconsolidated joint venture in which NIC owns a 49% interest. Rule 3-09 of Regulation S-X provides that if an unconsolidated subsidiary or a 50% or less owned subsidiary accounted for by the equity method meets certain conditions set forth in Rule 1-02(w) of Regulation S-X, the subsidiary will be deemed a significant subsidiary and requires its audited financial statements to be filed with the registrant’s Annual Report. If the significant subsidiary’s year-end is after the registrant’s year-end, the required financial statements may be filed as an amendment to the registrant’s Annual Report. For NIC’s 2008 and 2007 year-ends, BDP met one of the aforementioned conditions. Accordingly, NIC has included in this Form 10-K/A the required audited financial statements of BDP as of and for the years ended December 31, 2008 and 2007 in Exhibit 99.2 of Item 15. Item 15 is the only portion of the Form 10-K being supplemented or amended by this Form 10-K/A. Additionally, in connection with the filing of this Form 10-K/A and pursuant to Securities and Exchange Commission (“SEC”) rules, we are including currently dated certifications. This Form 10-K/A has not been updated for events or information subsequent to the date of filing of the original Form 10-K except in connection with the foregoing. Accordingly, this Form 10-K/A should be read in conjunction with our other filings made with the SEC subsequent to the filing of the Form 10-K.

PART IV

Item 15. Exhibits and Financial Statement Schedules

Financial Statements

See Item 8—Financial Statements and Supplementary Data

Financial statement schedules are omitted because of the absence of the conditions under which they are required or because information called for is shown in the consolidated financial statements and notes thereto.

<u>Exhibit:</u>		<u>Page</u>
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* Indicates exhibits filed with this Form 10-K/A.

All exhibits other than those indicated above are omitted because of the absence of the conditions under which they are required or because the information called for is shown in the financial statements and notes thereto in the 2008 Annual Report on Form 10-K.

CERTIFICATION

I, Daniel C. Ustian, certify that:

1. I have reviewed this annual report on Form 10-K/A of Navistar International Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2009

/s/ DANIEL C. USTIAN

Daniel C. Ustian
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, William A. Caton, certify that:

1. I have reviewed this annual report on Form 10-K/A of Navistar International Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2009

/s/ WILLIAM A. CATON

William A. Caton
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Navistar International Corporation (the “Company”) on Form 10-K/A for the period ended October 31, 2008 as filed with the Securities and Exchange Commission (the “SEC”) on the date hereof (the “Report”), I, Daniel C. Ustian, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

Date: March 31, 2009

/s/ DANIEL C. USTIAN

Daniel C. Ustian
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

This certification accompanies the Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This certification shall also not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Navistar International Corporation (the “Company”) on Form 10-K/A for the period ended October 31, 2008 as filed with the Securities and Exchange Commission (the “SEC”) on the date hereof (the “Report”), I, William A. Caton, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

Date: March 31, 2009

/s/ WILLIAM A. CATON

**William A. Caton
(Principal Financial Officer)**

This certification accompanies the Report pursuant to § 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This certification shall also not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference.

**Blue Diamond Parts, LLC
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December 31, 2008, 2007, and 2006**

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Report of Independent Registered Public Accounting Firm

To the Members of Blue Diamond Parts, LLC:

We have audited the accompanying balance sheets Blue Diamond Parts, LLC (the Company) as of December 31, 2008 and 2007, and the related statements of operations, members' equity, and cash flows for each of the years in the three-year period ended December 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blue Diamond Parts, LLC as of December 31, 2008 and 2007, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2008, in conformity with U.S. generally accepted accounting principles.

The Company is a joint venture between its members, and, as disclosed in the accompanying notes to financial statements, has extensive transactions and relationships with the members. Because of these relationships, it is possible that the terms of these transactions are not the same as those that would result from transactions among wholly unrelated parties.

/s/ KPMG LLP

Chicago, Illinois
March 26, 2009

Blue Diamond Parts, LLC
Balance Sheets
December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Assets		
Cash and cash equivalents	\$ 7,422,490	\$ 11,814,397
Accounts receivable from Ford	40,251,320	48,869,476
Accounts receivable from Navistar	835,657	2,907,825
Prepaid assets	305,613	25,000
Property and equipment, net	—	40,375
Total assets	<u>\$ 48,815,080</u>	<u>\$ 63,657,073</u>
Liabilities		
Accounts payable to Navistar	\$ 22,432,010	\$ 39,875,043
Accounts payable to Ford	249,237	1,547,843
Accrued income taxes	931,994	437,080
Accrued liabilities	3,444,665	4,148,317
Total liabilities	<u>27,057,906</u>	<u>46,008,283</u>
Members' equity		
Retained earnings	19,792,757	15,684,373
Member contributions	1,964,417	1,964,417
Total Members' equity	<u>21,757,174</u>	<u>17,648,790</u>
Total liabilities and Members' equity	<u>\$ 48,815,080</u>	<u>\$ 63,657,073</u>

See accompanying notes to financial statements.

Blue Diamond Parts, LLC
Statements of Operations
Years Ended December 31, 2008, 2007, and 2006

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues:			
Net service revenue	\$ 198,912,706	\$ 186,668,044	\$ 211,686,954
Other income	1,439,508	1,718,960	1,211,127
	<u>200,352,214</u>	<u>188,387,004</u>	<u>212,898,081</u>
Expenses:			
Hired services	7,261,043	6,524,492	6,764,103
Salary and employee benefits	4,517,735	3,974,471	4,197,812
Distribution costs	5,054,782	5,384,243	4,785,694
Marketing and promotional expenses	2,764,035	3,485,187	2,532,796
Finance charges	5,503,709	10,307,496	11,208,688
Systems expense	340,571	317,127	430,466
Depreciation expense	40,375	96,900	111,313
Other costs	2,438,121	1,703,678	1,478,144
Total expenses	<u>27,920,371</u>	<u>31,793,594</u>	<u>31,509,016</u>
Income before income taxes	172,431,843	156,593,410	181,389,065
Income tax expense	85,688	885,741	1,869,502
Net income	<u>\$ 172,346,155</u>	<u>\$ 155,707,669</u>	<u>\$ 179,519,563</u>

See accompanying notes to financial statements.

Blue Diamond Parts, LLC
Statements of Cash Flows
Years Ended December 31, 2008, 2007, and 2006

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Beginning cash and cash equivalents	\$ 11,814,397	\$ 9,090,374	\$ 3,038,027
Cash flows provided by operating activities:			
Net income	172,346,155	155,707,669	179,519,563
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	40,375	96,900	111,313
Changes in assets and liabilities:			
Accounts receivable	10,690,324	(18,344,677)	19,703,197
Prepaid assets	(280,613)	(16,667)	(8,333)
Accounts payable	(18,741,639)	24,583,335	(24,362,350)
Accrued income taxes	494,914	(5,449,359)	1,869,501
Accrued liabilities	(703,652)	1,159,362	550,245
Net cash provided by operating activities	<u>163,845,864</u>	<u>157,736,563</u>	<u>177,383,136</u>
Cash flows used in financing activities:			
Cash distributions to members	(168,237,771)	(155,012,540)	(171,330,789)
Net cash used in financing activities	<u>(168,237,771)</u>	<u>(155,012,540)</u>	<u>(171,330,789)</u>
Net (decrease) increase in cash and cash equivalents	<u>(4,391,907)</u>	<u>2,724,023</u>	<u>6,052,347</u>
Ending cash and cash equivalents	<u>\$ 7,422,490</u>	<u>\$ 11,814,397</u>	<u>\$ 9,090,374</u>

See accompanying notes to financial statements.

Blue Diamond Parts, LLC
Statements of Members' Equity
Years Ended December 31, 2008, 2007, and 2006

	<u>Member Contributions</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at December 31, 2005	\$ 1,964,417	\$ 6,800,470	\$ 8,764,887
Net income	—	179,519,563	179,519,563
Dividends declared	—	(171,330,789)	(171,330,789)
Balance at December 31, 2006	1,964,417	14,989,244	16,953,661
Net income	—	155,707,669	155,707,669
Dividends declared	—	(155,012,540)	(155,012,540)
Balance at December 31, 2007	1,964,417	15,684,373	17,648,790
Net income	—	172,346,155	172,346,155
Dividends declared	—	(168,237,771)	(168,237,771)
Balance at December 31, 2008	<u>\$ 1,964,417</u>	<u>\$ 19,792,757</u>	<u>\$ 21,757,174</u>

See accompanying notes to financial statements.

Blue Diamond Parts, LLC
Notes to Financial Statements
December 31, 2008, 2007, and 2006

(1) Summary of Significant Accounting Policies

Nature of Operations

Blue Diamond Parts, LLC (Blue Diamond or the Company) was formed on August 7, 2001 pursuant to the applicable laws of the state of Delaware, as a joint venture (JV) between Ford Motor Company (Ford) and Navistar International Corporation (Navistar) (collectively, the Members), with Ford owning 51% and Navistar owning 49%. The joint venture manages the sourcing, merchandising, and distribution of various spare parts for vehicles the Members sell in North America. These spare parts are primarily for Navistar diesel engines in Ford trucks, commercial truck parts, and certain parts for F650/750 and LCF trucks produced for Ford by Blue Diamond Truck, S.de R.L. de C.V., which is a separate joint venture between Ford and Navistar. Substantially all of the Company's transactions are between the Company and its Members.

In accordance with the joint venture agreement between the Members, between 2002 and 2005 Navistar contributed an estimated \$2.0 million to pay for information systems improvements to provide interface capabilities for the Members' data systems.

The financial statements and notes are representations of the Company's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied, on a material basis, in the preparation of the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less at the date of purchase to be cash equivalents. At December 31, 2008 and 2007, cash equivalents consisted primarily of deposits in money market funds.

Revenue Recognition

Blue Diamond recognizes revenue at the time products are shipped, which is the point at which risks and rewards of ownership are transferred to the customer.

Pursuant to the guidance in Emerging Issues Task Force Issue (EITF) Issue No. 99-19, *Reporting Revenue Gross as a Principal Versus Net as an Agent*, the net service revenue in the Company's statements of operations represents the net results of certain of its activities based upon an analysis of various factors, including the risks and rewards assumed by the Company related to the selling and distribution of parts.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. Amounts collected on accounts receivable are included in net cash provided by operating activities in the statements of cash flows.

No allowance for uncollectible accounts has been provided because management believes that all balances in accounts receivable are collectible.

Property and equipment

Property and equipment are recorded at cost and depreciated over their estimated useful lives using the straight-line method. These assets were depreciated over estimated useful lives ranging from three to five years.

Core Charges

Certain remanufactured parts purchased by the Company for resale require a refundable deposit known as a core charge. A core component is the basic forging or casting, such as an engine block, that can be remanufactured by a certified remanufacturing supplier. Navistar charges Blue Diamond for this core charge, including a mark up, and Blue Diamond passes this charge (including the mark up) on to Ford. Blue Diamond acts only as a conduit for passing these charges between Ford and Navistar, and these charges have no impact on the Company's statements of operations.

Retained Earnings

Net income of the JV is distributed to the Members monthly, unless otherwise determined by the Executive Board, provided, however, that the tax distributions would be made in accordance with the JV operating agreement.

Warranty

Each Member provides its customary service parts warranty with respect to parts distributed by the JV.

Description of Various Expenses

The JV's expenses are initially incurred by the Members and are passed on to Blue Diamond.

Hired services include the costs associated with the outside field sales organization, including personnel costs, travel, administrative, and other expenses. Hired services also include salary-related costs for other non marketing contract personnel.

Salaries and employee benefits include the costs associated with Member personnel assigned to Blue Diamond.

Distribution costs include expenses related to the movement of parts from source to customer, primarily including labor and overhead, freight, and packaging.

Marketing and promotional expenses cover the expenses for various sales and marketing programs and materials including promotional events, brochures and other printed literature, and branded merchandise giveaways.

Finance charges represent the time value of money the Members have invested in working capital and inventory to support Blue Diamond.

Systems expense includes costs incurred to develop or modify IT systems in support of Blue Diamond.

Income Taxes

The Company has elected to be taxed as a limited liability company. The taxes included in the Company's statements of operations relate to estimated state taxes payable at the LLC level. The Company's operating results for federal income tax purposes are included in the tax returns of the Members.

(2) Supplemental Cash Flow Information

Supplemental disclosure of cash flow information is as follows for the years ended December 31, 2008, 2007 and 2006:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Cash paid during the year for:			
Interest	\$ 9.4 million	\$ 12.4 million	\$ 14.2 million
Income taxes5 million	6.3 million	—

(3) Related-Party Transactions

The Company and its Members have entered into several agreements that govern transactions between the parties.

The Company earns revenues based upon distribution of parts to the Members for ultimate sale to third parties. These revenues are at prices negotiated between the Company and the respective Member. All parts distributed pursuant to these transactions are purchased from the Members at prices negotiated by the Company and the respective Member. The net service revenue included in the accompanying statements of operations primarily represents the difference between the negotiated selling prices to the Members, net of certain costs incurred by the Members, and the negotiated costs of parts purchased from the Members.

In addition, each Member provides administrative and other support services for which the Company is billed directly by the Members. These services include personnel, accounting and treasury, planning and support, insurance, internal auditing, governmental relations, procurement and distribution support, and other services. The Company is invoiced each month for the services provided and pays an amount equal to the Members' fully accounted and allocated costs, such fee to be calculated without markup except to the extent required to be paid by applicable law. For the years ended December 31, 2008, 2007 and 2006, \$27.9 million, \$31.8 million and \$31.5 million, respectively, were charged for the services purchased from the Members.

(4) Subsequent Events

In January 2009, Ford and Navistar reached agreement to restructure their ongoing business relationship and settle all existing litigation between the companies. As part of that agreement, Navistar will increase its equity ownership of Blue Diamond to 75% (from 49%) and Ford will reduce its equity ownership to 25% (from 51%).

Consent of Independent Registered Public Accounting Firm

The Members
Blue Diamond Parts, LLC:

We consent to the inclusion in the Form 10-K/A of Navistar International Corporation of our report dated March 26, 2009, with respect to the balance sheets of Blue Diamond Parts, LLC as of December 31, 2008 and 2007, and the related statements of operations, Members' equity, and cash flows for each of the years in the three-year period ended December 31, 2008, which report appears in the Form 10-K/A of Navistar International Company dated March 31, 2009.

/s/ KPMG LLP

Chicago, Illinois
March 26, 2009