CONFIDENTIAL OFFERING CIRCULAR

$1,500,000,000

Case New Holland Inc.

7⅞% Senior Notes due 2017

This offering circular relates to an offering of $1,500,000,000 in aggregate principal amount of Case New Holland Inc.'s ("Case New Holland") 7⅞% Senior Notes due 2017 (the "notes"). Interest on the notes will be payable semi-annually in arrears on June 1 and December 1 of each year, commencing on December 1, 2010. The notes will bear interest at a rate of 7⅞% per annum. The notes will mature on December 1, 2017.

Case New Holland may redeem the notes at any time, in whole or in part, at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, plus the "make whole" premium set forth in this offering circular. Holders may require Case New Holland to repurchase the notes upon a change of control triggering event. There is no sinking fund for the notes. The notes will rank equally with all of Case New Holland's existing and future senior unsecured debt and senior to Case New Holland's existing and future subordinated unsecured debt. The notes will be effectively subordinated to Case New Holland's existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness.

CNH Global N.V., Case New Holland's parent company, and certain of its direct and indirect subsidiaries, including certain of Case New Holland's direct and indirect subsidiaries, will guarantee the notes with guarantees that will rank equal in right to payment to all senior unsecured obligations of the guarantors. The guarantees will be effectively subordinated to all existing and future secured indebtedness of the guarantors to the extent of the value of the collateral securing such indebtedness. Case New Holland's obligations under the notes will be structurally subordinated in right of payment to all obligations of CNH Global N.V.'s subsidiaries (including certain of Case New Holland's direct and indirect subsidiaries) that are not guarantors of the notes.

We will agree to file an exchange offer registration statement with the Securities and Exchange Commission with respect to an exchange offer for the notes or, under specific circumstances, a shelf registration statement with respect to resales of the notes or the exchange notes, as the case may be, pursuant to a registration rights agreement. In the event that we fail to comply with certain of our obligations under the registration rights agreement, we will pay additional interest on the notes. We do not intend to apply to list the notes on any securities exchange.

Investing in the notes involves risks. See "Risk Factors" beginning on page 20.

Price: 99.320%

plus accrued interest from June 28, 2010.

Delivery of the notes in book-entry form will be made through The Depository Trust Company on or about June 28, 2010.

The notes and guarantees have not been registered under the Securities Act of 1933, as amended. The notes may not be offered or sold within the United States or to U.S. persons, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the Securities Act of 1933 and to certain persons in offshore transactions in reliance on Regulation S under the Securities Act of 1933. You are hereby notified that sellers of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act of 1933 provided by Rule 144A. The notes are not transferable except in accordance with the restrictions described under "Transfer Restrictions."

Joint Book-Running Managers

Credit Suisse UBS Investment Bank Goldman, Sachs & Co.

The date of this confidential offering circular is June 22, 2010.

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You should rely only on the information contained in this offering circular or to which we have referred you. We have not authorized anyone to provide you with information that is different. If anyone provides you with different or additional information, you should not rely on it. This document may only be used where it is legal to sell these securities. You should assume that the information appearing in this offering circular is accurate only as of the date of this offering circular. Our business, financial condition, results of operations and prospects may have changed since that date.

NOTICE TO INVESTORS

The notes will be available in book-entry form only. We expect that the notes sold pursuant to this offering circular will be issued in the form of one or more global certificates, which will be deposited with, or on behalf of, The Depository Trust Company, or "DTC," and registered in its name or in the name of Cede & Co., its nominee. Beneficial interests in the global certificates will be shown on, and transfers of the global certificates will be effected only through, records maintained by DTC and its participants. After the initial issuance of the global certificates, notes in certificated form will be issued in exchange for the global certificates only as set forth in the indenture governing the notes. See "Book-Entry, Delivery and Form."

This offering circular is being furnished by us on a confidential basis in connection with an offering exempt from registration under the Securities Act and applicable state securities laws solely for the purpose of enabling a prospective investor to consider the purchase of the securities offered. Delivery of this offering circular to any other person or any reproduction of this offering circular, in whole or in part, without our or the initial purchasers' prior consent, is prohibited. The information contained in this offering circular has been provided by us and other sources identified herein. The initial purchasers do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering circular, and nothing contained in this offering circular is, or shall be relied upon as, a promise or representation by the initial purchasers.

This offering circular does not constitute an offer to sell, or a solicitation of an offer to buy, any notes by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. Neither the delivery of this offering circular nor any sale made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof.

The securities offered in this offering circular are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or exemption from such laws. See "Transfer Restrictions." You should be aware that you may be required to bear the financial risk of this investment for an indefinite period of time.

We have agreed to register with the Securities and Exchange Commission, or the "SEC," another series of notes. Those notes, which we will refer to as the "exchange notes," will be offered in exchange for the notes, and will have substantially the same terms as the notes issued by us in the offering, but they will be freely transferable. Additional interest will be payable on the interest payment dates if we do not comply with our agreement regarding registration and the exchange of the exchange notes for the notes. See "Exchange Offer; Registration Rights."

You must comply with all applicable laws and regulations in force in any jurisdiction in connection with the distribution of this offering circular and the offer or sale of the securities offered. See "Transfer Restrictions," "Notice to New Hampshire Residents," "Notice to Investors in the European Economic Area," "Notice to Investors in the United Kingdom" and "Notice to Certain Other European Investors." Neither we nor the initial purchasers have any responsibility for any purchase, offer or sale of the notes by you. In making an investment decision, you must rely on your own examination of us and the terms of this offering, including the merits and risks involved. You should not construe the contents of this offering circular as legal, business or tax advice. You should consult your own attorney, business advisor or tax advisor as to legal, business or tax advice.

In connection with this offering, the initial purchasers participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the notes. Specifically, the initial purchasers may over allot in connection with this offering, may bid for and purchase notes in the open market and may impose penalty bids. For a description of these activities, see "Plan of Distribution."

The securities offered in this offering circular have neither been approved nor disapproved by the SEC or any state or foreign securities commission or any regulatory authority. These authorities have not passed on or determined the adequacy or the accuracy of this offering circular. Any representation to the contrary is a criminal offense.

We are entitled to withdraw this offering at any time before closing. We are making this offering subject to the terms described in this offering circular and the purchase agreement relating to the securities offered.

This offering circular contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us or the initial purchasers.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a “relevant member state”), the initial purchasers have represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that member state (the “Relevant Implementation Date”), they have not made and will not make an offer of the notes to the public in that relevant member state prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that relevant member state in accordance with the Prospectus Directive or, where appropriate, published in another relevant member state and notified to the competent authority in that relevant member state in accordance with Article 18 of the Prospectus Directive, except that they may, with effect from and including the Relevant Implementation Date, make an offer of the notes to the public in that relevant member state at any time:

(a) to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity that has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43 million; and (iii) an annual turnover of more than €50 million as shown in its last annual and/or consolidated accounts; or

(c) in any other circumstances that do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive other than in reliance of Article 3(2)(b).

For the purposes of this provision, the expression an "offer of the notes to the public" in relation to any of the notes in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offering 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 member state by any measure implementing the Prospectus Directive in that member state, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state.

Each subscriber for or purchaser of the notes in the offering located within a member state of the European Economic Area will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive. We, the initial purchasers and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the initial purchasers of such fact in writing may, with the consent of the initial purchasers, be permitted to subscribe for or purchase the notes in the offering.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This offering circular is for distribution only to, and is only directed at, persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The notes are being offered solely to "qualified investors" as defined in the Prospectus Directive and accordingly the offer of notes is not subject to the obligation to publish a prospectus within the meaning of the Prospectus Directive.

NOTICE TO CERTAIN OTHER EUROPEAN INVESTORS

France

This offering circular has not been prepared in the context of a public offering in France within the meaning of Article L.411-1 of the Code monétaire et financier and Title I of Book II of the Réglement Général of the Autorité des Marchés Financiers (the "AMF") and therefore has not been approved by, registered or filed with the AMF. Consequently, the notes are not being offered, directly or indirectly, to the public in France and this offering circular has not been and will not be released, issued or distributed or caused to be released, issued or distributed to the public in France or used in connection with any offer for subscription or sale of the notes to the public in France.

The notes may only be offered or sold in the Republic of France to qualified investors (*investisseurs qualifies*) and/or to a limited group of investors (*cercle restraint d'investisseurs*) as defined in and in accordance with articles L.411-1 and L.411-2 of the French *Code Monétaire et Financier* and Decree no 98-880 dated October 1, 1998.

Prospective investors are informed that:

(i) this offering circular has not been submitted for clearance to the French Financial Market Authority (*Autorité des Marchés Financiers*);

(ii) in compliance with Decree no 98-880 dated October 1, 1998, any investors subscribing for the notes should be acting for their own account; and

(iii) the direct and indirect distribution or sale to the public of the notes acquired by them may only be made in compliance with articles L.411-1, L.411-2, L412-1 and L.621-8 of the French *Code Monétaire et Financier.*

Germany

The offering of the notes is not a public offering in the Federal Republic of Germany. The notes may be offered and sold in the Federal Republic of Germany only in accordance with the provisions of the Securities Prospectus Act of the Federal Republic of Germany (the "Securities Prospectus Act", *Wertpapierprospektgesetz WpPG*) and any other applicable German law. Consequently, in Germany the notes will only be available to, and this offering circular and any other offering material in relation to the notes is directed only at, persons who are qualified investors (*qualifizierte Anleger*) within the meaning of Section 2 No. 6 of the Securities Prospectus Act. Any resale of the notes in Germany may only be made in accordance with the Securities Prospectus Act and other applicable laws.

Spain

The notes may not be offered or sold in Spain except in accordance with the requirements of the Spanish Securities Market Law (*Ley 24/1988, de 28 de Julio del Mercado de Valores*) as amended and restated and Royal Decree 291/1992 on Issues and Public Offering of Securities (*Real Decreto 291/1992 de 27 de Marzo, sobre Emisiones y Ofertas Públics de Venta de Valores*) as amended and restated ("R.D. 291/92"), and subsequent legislation.

This offering circular is neither verified nor registered in the administrative registries of the *Comisión Nacional del Mercado de Valores*, and therefore a public offer for subscription of the notes will not be carried out in Spain. Notwithstanding that and in accordance with Article 7 of R.D. 291/92, a private placement of the notes addressed exclusively to institutional investors (as defined in Article 7.1(a) of R.D. 291/92) may be carried out in accordance with the requirements of R.D. 291/92.

Italy

The offering of the notes has not been cleared by the *Commissione Nazionale per la Società e la Borsa* ("CONSOB") (the Italian Securities Exchange Commission), pursuant to Italian securities legislation and, accordingly, in the Republic of Italy the notes may not be offered, sold or delivered, nor may copies of this offering circular or of any other document relating to the notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*operatori qualificati*), as defined in Article 31, second paragraph, of CONSOB Regulation No. 115522 of July 1, 1998 ("Regulation 11522"), as amended; or

(ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998 (the "Financial Services Act") and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14th May, 1999, as amended.

Any offer, sale or delivery of the notes or distribution of copies of this offering circular or any other document relating to the notes in the Republic of Italy under (i) or (ii) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of September, 1, 1993 (the "Banking Act"), the Financial Services Act, Regulation 11522 and any other applicable laws and regulations; and

(ii) in compliance with any and all other applicable laws and regulations.

The Netherlands

The offering of the notes is not a public offering in the Netherlands. The notes may be offered, sold or re-sold in the Netherlands only in accordance with the provisions of the Act on Financial Supervision (*Wet op het financieel toezicht* (Wft)) (as amended, restated or supplemented from time to time) and other applicable Netherlands law. This offering circular has not been approved by, registered or filed with the Netherlands Authority for the Financial Markets.

SEC REVIEW

We have agreed to file a registration statement with the SEC with respect to an exchange offer for the notes or, under specified circumstances, a shelf registration with respect to the resale of the notes or the exchange notes, as the case may be. In the course of the SEC's review of the registration statement that we have agreed to file, we may be required to make changes to the description of our business, financial information and other information included in this offering circular. The registration statement we intend to file to satisfy this obligation will differ in important ways from this offering circular in order to comply with SEC rules, particularly rules governing the presentation of non-GAAP financial measures. In particular, the measures net debt (and related ratios), working capital, Adjusted EBITDA and EBITDA which are presented in this offering circular, may only be included in a registration statement filed with the SEC in compliance with Regulation G under the Securities Act. Comments by the SEC on the registration statement may require modification or reformulation of our financial statements and other information we present in this offering circular. Any such modification, reformulation or deletion could be material.

MARKET AND INDUSTRY DATA

In this offering circular, we refer to information and statistics regarding the industries in which we operate. We obtained this market data from independent industry sources or other publicly available information. Certain industry and market share information in this offering circular has been presented on a worldwide basis which includes all countries, with the exception of India. In this offering circular, management estimates of market share information are generally based on retail unit data in North America, on registrations of equipment in most of Europe, Brazil, and various Rest of World markets and on retail and shipment unit data collected by a central information bureau appointed by equipment manufacturers' associations including the Association of Equipment Manufacturers ("AEM") in North America, the Committee for European Construction Equipment ("CECE") in Europe, the Associação Nacional dos Fabricantes de Veículos Automotores ("ANFAVEA") in Brazil, the Japan Construction Equipment Manufacturers' Association ("CEMA") and the Korea Construction Equipment Manufacturers' Association ("KOCEMA"), as well as on other shipment data collected by an independent service bureau. Not all agricultural or construction equipment is registered, and registration data may thus underestimate, perhaps substantially, actual retail industry unit sales demand, particularly for local manufacturers in China, Southeast Asia, Eastern Europe, Russia, Turkey, Brazil and any country where local shipments are not reported. In addition, there may also be a period of time between the shipment, delivery, sale and/or registration of a unit, which must be estimated, in making any adjustments to the shipment, delivery, sale, or registration data to determine our estimates of retail unit data in any period.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact contained in this offering circular, including statements: regarding our competitive strengths; business strategy; future financial position or operating results; budgets; projections with respect to revenue, income, earnings (or loss) per share, capital expenditures, dividends, capital structure or other financial items; costs; and plans and objectives of management regarding operations and products, are forward-looking statements. These statements may include terminology such as "may," "will," "expect," "could," "should," "intend," "estimate," "anticipate," "believe," "outlook," "continue," "remain," "on track," "design," "target," "objective," "goal," or similar terminology.

Our outlook is predominantly based on our interpretation of what we consider to be key economic assumptions and involves risks and uncertainties that could cause actual results to differ (possibly materially) from such forward-looking statements. Macro-economic factors including monetary policy, interest rates, currency exchange rates, inflation, deflation, credit availability and government intervention in an attempt to influence such factors can have a material impact on our customers and the demand for our goods. Crop production and commodity prices are strongly affected by weather and can fluctuate significantly. Housing starts and other construction activity are sensitive to, among other things, credit availability, interest rates and government spending. Some of the other significant factors which may affect our results include general economic and capital market conditions, the cyclical nature of our businesses, customer buying patterns and preferences, the impact of changes in geographical sales mix and product sales mix, foreign currency exchange rate movements, our hedging practices, investment returns, our and our customers' access to credit, restrictive covenants in our debt agreements, actions by rating agencies concerning the ratings on our debt and asset-backed securities and the credit ratings of Fiat S.p.A., risks related to our relationship with Fiat S.p.A., the effect of the contemplated demerger pursuant to which CNH would be separated from Fiat S.p.A.'s automotive business, political uncertainty and civil unrest or war in various areas of the world, pricing, product initiatives and other actions taken by competitors, disruptions in production capacity, excess inventory levels, the effect of changes in laws and regulations (including those related to tax, healthcare, retiree benefits, government subsidies and international trade regulations), the results of legal proceedings, technological difficulties, results of our research and development activities, changes in environmental laws, employee and labor relations, pension and health care costs, relations with and the financial strength of dealers, the cost and availability of supplies, raw material costs and availability, energy prices, real estate values, animal diseases, crop pests, harvest yields, government farm programs (including those that may result from farm economic conditions in Brazil), consumer confidence, housing starts and construction activity, concerns related to modified organisms, fuel and fertilizer costs, and the growth of non-food uses for some crops (including ethanol and biodiesel production). Additionally, our achievement of the anticipated benefits of our margin improvement initiatives depends upon, among other things, industry volumes as well as our ability to effectively rationalize our operations and to execute our brand strategy.

Furthermore, in light of recent difficult economic conditions, both globally and in the industries in which we operate, it is particularly difficult to forecast our results and any estimates or forecasts of particular periods that we provide are uncertain. We can give no assurance that the expectations reflected in our forward-looking statements will prove to be correct. Our actual results could differ materially from those anticipated in these forward-looking statements. All written and oral forward-looking statements attributable to us are expressly qualified in their entirety by the factors we disclose that could cause our actual results to differ materially from our expectations. We undertake no obligation to update or revise publicly any forward-looking statements.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

CNH Global N.V. ("CNH" or "CNH Global"), is incorporated in and under the laws of The Netherlands. CNH combines the operations of New Holland N.V. ("New Holland") and Case Corporation ("Case"), as a result of their business merger on November 12, 1999. As used in this offering circular, all references to "New Holland" or "Case" refer to (1) the pre-merger business and/or operating results of either New Holland or Case (now a part of CNH America LLC ("CNH America")) on a stand-alone basis, or (2) the continued use of the New Holland and Case product brands.

We prepare our annual consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements are expressed in U.S. dollars and, unless otherwise indicated, all financial data set forth in this offering circular is expressed in U.S. dollars. Our worldwide agricultural equipment and construction equipment operations are collectively referred to as "Equipment Operations." Our worldwide financial services operations are collectively referred to as "Financial Services."

As of March 31, 2010, Fiat S.p.A. and its subsidiaries ("Fiat" or the "Fiat Group") owned approximately 89% of our outstanding common shares through its direct, wholly-owned subsidiary Fiat Netherlands Holding N.V. ("Fiat Netherlands").

Fiat S.p.A. is a corporation organized under the laws of the Republic of Italy. The Fiat Group performs automotive, manufacturing, and financial service activities through companies located in approximately 50 countries and is engaged in commercial activities with customers in approximately 190 countries. It also manufactures other products and systems, principally automotive-related components, metallurgical products and production systems. In addition, the Fiat Group is involved in certain other activities, including publishing, communications and service companies.

Certain financial information in this offering circular has been presented by geographic area. We use the following geographic designations: (1) North America; (2) Western Europe; (3) Latin America; and (4) Rest of World. As used in this offering circular, the following geographic designations shall have the following meanings:

- *North America*—the United States and Canada.
- *Western Europe*—Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.
- *Latin America*—Mexico, Central and South America, and the Caribbean Islands.
- *Rest of World*—Those areas not included in North America, Western Europe and Latin America.

The unaudited condensed consolidated financial statements and supplemental information as of and for the three months ended March 31, 2010 included in this offering circular reflect all adjustments which, except as disclosed, consist of normal, recurring adjustments that are, in the opinion of management, necessary for a fair presentation of our consolidated results in accordance with U.S. GAAP. However, because of their condensed nature, they do not include all of the information and note disclosures required by U.S. GAAP or the rules of the SEC for complete interim period financial statements. In particular, certain disclosure requirements of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 715-20 "Compensation-Defined Benefit Plans", FASB ASC 820 "Fair Value Measurements and Disclosures", FASB ASC 815 "Derivatives and Hedging", FASB ASC 850 "Related Party Disclosures" and FASB ASC 860 "Transfers and Servicing" have been omitted, and these financial statements do not contain the financial statements of guarantors and issuers of guaranteed securities as required by Regulation S-X Rule 3-10. These financial statements should therefore be read in conjunction with the audited, consolidated financial statements and notes thereto for the year ended December 31, 2009 included in this offering circular. See "Note 22: Supplemental Condensed Consolidating Financial Information."

Our independent registered public accounting firm has not issued an audit opinion on our financial data included in this offering circular as of and for the three months ended March 31, 2010 and 2009. Our financial data as of and for the three months ended March 31, 2010 therefore remains subject to change pending the issuance of our full audited financial statements and notes for the year ending December 31, 2010. You should not place undue reliance on these interim unaudited results.

The "Guarantor Entities" described in "Note 22: Supplemental Condensed Consolidating Financial Information" to our consolidated financial statements for the year ended December 31, 2009 are also the guarantors of the notes offered by this offering circular. Accordingly, the supplemental condensed consolidating financial information contained in Note 22 should be deemed to relate to the notes and related guarantees offered hereby as well as the Senior Notes and guarantees described therein. See "Description of the Notes" and "Risk Factors—Risks Relating to the Notes—Your rights under the guarantees may be limited by laws in various jurisdictions, including fraudulent conveyance and insolvency laws."

OFFERING CIRCULAR SUMMARY

This summary highlights information located elsewhere in this offering circular. It does not contain all the information that is important to you. You should read this summary together with the more detailed information and consolidated financial statements and notes appearing elsewhere in this offering circular. You should carefully consider, among other factors, the matters discussed under "Risk Factors" in this offering circular. Unless the context otherwise requires, as used in this offering circular, (1) the terms "CNH," "the Company," "we" and "our" refer to CNH Global N.V. and its consolidated subsidiaries, (2) the term "Case New Holland" refers to Case New Holland Inc., the issuer of the notes, and (3) the term "CNH Global" refers to CNH Global N.V. (excluding its consolidated subsidiaries), a Netherlands corporation that owns 100% of the capital stock of Case New Holland and is one of the guarantors of the notes.

OUR BUSINESS

Overview

We are a global, full-line company in the agricultural and construction equipment industries, with strong and often leading positions in many significant geographic and product categories in both of these industries. Our global scope and scale includes integrated engineering, manufacturing, marketing and distribution of equipment on five continents. We organize our operations into three business segments: agricultural equipment, construction equipment and financial services.

We market our products globally through our two highly recognized brand families, Case and New Holland. Case IH (along with Steyr in Europe) and New Holland make up our agricultural brand family. Case and New Holland Construction (along with Kobelco in North America) make up our construction equipment brand family. As of December 31, 2009, we were manufacturing our products in 38 facilities throughout the world and distributing our products in approximately 170 countries through a network of approximately 11,600 full-line dealers and distributors.

In agricultural equipment, we believe we are one of the leading global manufacturers of agricultural tractors and combines based on units sold, and we have leading positions in hay and forage equipment and specialty harvesting equipment. In construction equipment, we have a leading position in backhoe loaders and a strong position in skid steer loaders in North America and crawler excavators in Western Europe. In addition, each brand provides a complete range of replacement parts and services to support its equipment. For the year ended December 31, 2009, sales of agricultural equipment represented 76% of our revenues, sales of construction equipment represented 15% of our revenues and Financial Services represented 9% of our revenues.

We believe that we are the most geographically diversified manufacturer and distributor of agricultural and construction equipment in the industry. For the year ended December 31, 2009, 41% of our net sales of equipment were generated in North America, 29% in Western Europe, 14% in Latin America and 16% in the Rest of World. Our worldwide manufacturing base includes facilities in Europe, Latin America, North America and Asia.

We offer a range of financial products and services to dealers and customers in North America, Brazil, Australia and Western Europe. The principal products offered are retail financing for the purchase or lease of new and used CNH equipment and wholesale financing to our dealers. Wholesale financing consists primarily of floor plan financing and allows dealers to purchase and maintain a representative inventory of products. Our retail financing products and services are intended to be competitive with those available from third parties. We offer retail financing in North America, Brazil, Australia and Europe through wholly-owned subsidiaries and in Western Europe through our joint venture with BNP Paribas Lease Group ("BPLG"). As of December 31, 2009, Financial Services managed a portfolio of receivables and leases of approximately $17.3 billion.

Our Business Strategy

Our goal is to build upon our strengths to achieve our strategic objectives. The key elements of our initiatives are to:

- *Continue introduction of new products*: Notwithstanding our stance on cost reductions and other cash saving actions, we continue to invest in new products. Significant recent product launches include a new series of Case IH and New Holland tractors with continuously variable transmissions, advanced design transmissions which provide easy user interface and are ideal for large contractors. We also strengthened our position in international markets with new releases, including an extended range of orchard tractors, which serve countries with specific needs such as those with orchards, olive groves, wide vineyards and full-field horticulture. During 2010, we plan to launch a total of ten new models of agricultural and construction equipment, as well as to upgrade or repower another nine products. We believe that by continually staying close to our customers and dealers and continually evaluating and updating our product offerings, particularly in the face of difficult market conditions, we are maintaining or recapturing market share and positioning our company for future growth.

- *Continue efforts to reduce costs and reorganize construction business*: We are investing approximately $160 million in consolidation and reorganization actions to improve operational efficiency and adjust cost and operating levels to right-size CNH's structure in light of the current economic situation and expectations, while preserving flexibility to take advantage of growth opportunities as market conditions allow. Key actions announced in 2009 included:

  - consolidating the internal structure of the construction equipment business under a single management team to streamline internal operations and reinforce product architectures while significantly reducing the costs of managing brand networks and building brand value;

  - reducing salaried and contract employee headcount by 13%; and

  - moving all production activities of our Imola, Italy construction equipment plant to our plants in Lecce and San Mauro, Italy.

  In addition to the annualized savings resulting from our restructuring steps implemented in 2009, we plan to take additional construction equipment reorganization actions that are designed to further reduce costs and increase efficiency. The primary focus of the planned reorganization actions during 2010 and 2011 is rationalization of our industrial footprint. We expect to generate significant savings from our restructuring efforts from 2009 to 2011.

- *Focus on generating cash and managing working capital*: We have managed our business to reduce working capital and improve cash flow by reducing production of both agricultural and construction equipment. As a result, our inventory and our dealers' inventory levels have been reduced over the past several quarters. During 2009, we reduced working capital by approximately $1.2 billion, exceeding our goal of a $1.0 billion reduction.

- *Continue to provide customers with access to financing to support the sale of our equipment*: Financial Services remains focused on improving its portfolio credit quality, service levels and operational effectiveness. Access to funding at competitive rates is important to Financial Services. Globally, we obtained $6.2 billion of new funding in 2009. In the fourth quarter of 2009 alone, we closed 15 transactions totaling $4.5 billion, which generated $1.1 billion in incremental cash. In the first quarter of 2010, we closed two new transactions, raising an additional $1.3 billion of new funding. Funding transactions for the first three months of this year include:

  - retail receivables funding in North America totaling $1.1 billion; and

  - wholesale receivables funding in North America totaling $200 million.

  CNH continues to explore additional sources of funding to further increase our financing capacity.

RECENT DEVELOPMENTS

CNH Five-Year Plan

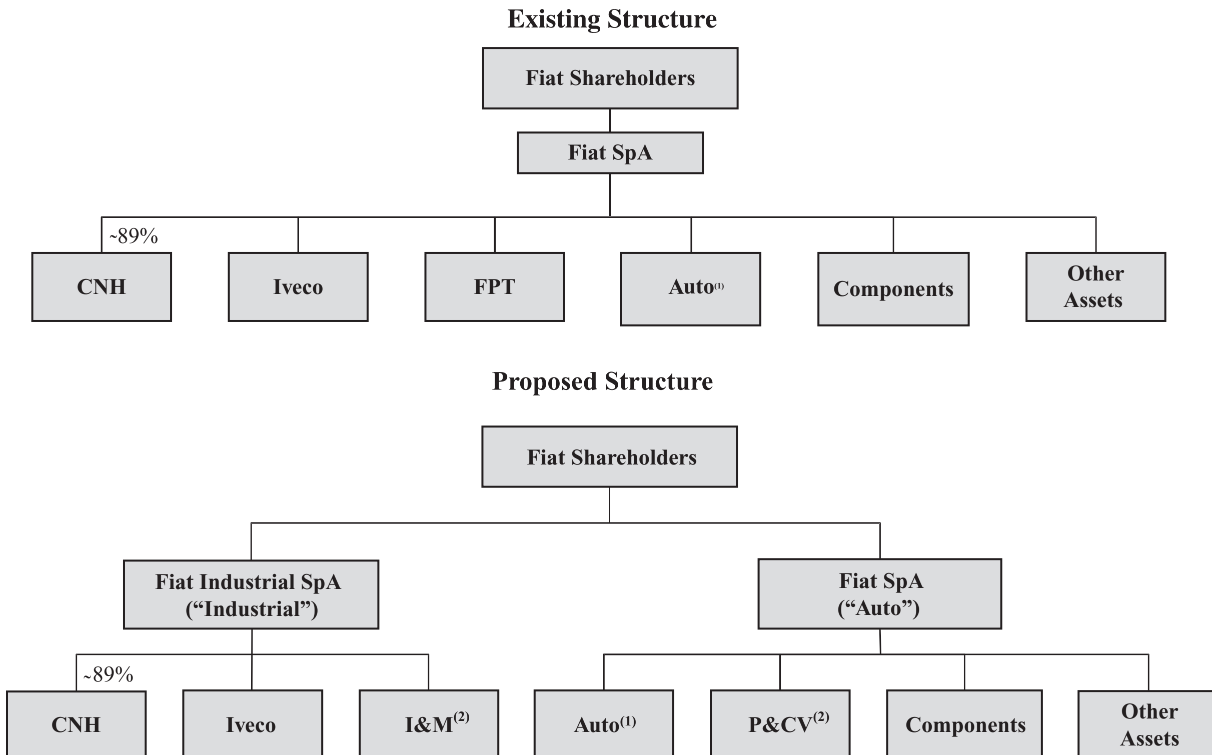
In the second quarter of 2010, we announced our new strategic operating plan for the years 2010 through 2014. The primary goal of the plan is to reset our product portfolio, geographic market intent and industrial plan after the dislocative market conditions experienced in 2009. The plan addresses three distinctive areas:

- *Product portfolio*. We developed a comprehensive roadmap for product portfolio revitalization, which contemplates a significant number of new product launches, largely driven by the introduction of new engine technologies that comply with tightening environmental standards in certain markets, and performance upgrades to existing product lines.
- *Industrial Systems*. We plan to move to a global platform structure which allows for products to be manufactured for multiple markets using harmonized product platforms, with the goal of decreasing manufacturing costs and improving overall manufacturing productivity.
- *International Expansion and Joint Venture Partnerships*. We plan to further our market penetration into emerging markets both directly and through existing joint venture operations. The plan also sets forth our rationale for expanding solutions for the supply of component parts for our global industrial base.

Announced Demerger of Fiat Group

Fiat Group owned approximately 89% of our common shares as of March 31, 2010 and is one of the largest industrial groups in the world, with major operations in auto and truck manufacturing, agricultural and construction equipment production, automotive components and other non-automotive sectors. On April 21, 2010, Fiat announced its intention, subject to stable macroeconomic and credit market conditions and approval by Fiat shareholders, to effect a “demerger” under Article 2506 of the Italian Civil Code. Pursuant to the contemplated demerger, Fiat would contribute to a new publicly-traded holding company, which may be called “Fiat Industrial S.p.A,” Fiat’s ownership of CNH Global, as well as Fiat’s truck and commercial vehicles business (Iveco) and its industrial and marine powertrain business. In connection with the demerger transaction, shareholders of Fiat S.p.A. would receive shares of capital stock of the new holding company.

The organizational structure as contemplated by the demerger is as follows:



(1) Auto includes Fiat Group Automobiles S.p.A., Maserati S.p.A. and 85% of Ferrari S.p.A.
(2) I&M and P&CV represent FPT split into two separate entities post demerger.

Fiat's stated rationale for pursuing the demerger is to provide strategic and financial clarity, to enable each business to develop independently as needed, and to unlock the valuation potential of Fiat Group's capital goods activities. Among other things, the demerger transaction would be subject to the preparation of a proposal for the demerger by Fiat's Board of Directors and approval of their plan by Fiat's shareholders. We cannot be sure when or under what terms or structure the demerger will be completed or whether it will be completed at all.

CORPORATE STRUCTURE AND OWNERSHIP

The common shares of CNH Global are listed on the New York Stock Exchange under the symbol "CNH." As of March 31, 2010, Fiat, through its direct, wholly-owned subsidiary Fiat Netherlands, owned approximately 89% of CNH Global's common shares.

Case New Holland is a Delaware corporation and a direct wholly-owned subsidiary of CNH Global. Case New Holland, indirectly through its subsidiaries, owns substantially all of the U.S. assets of CNH as well as certain of its non-U.S. assets.

Case New Holland is the issuer of the notes offered hereby. The guarantors of the notes are:

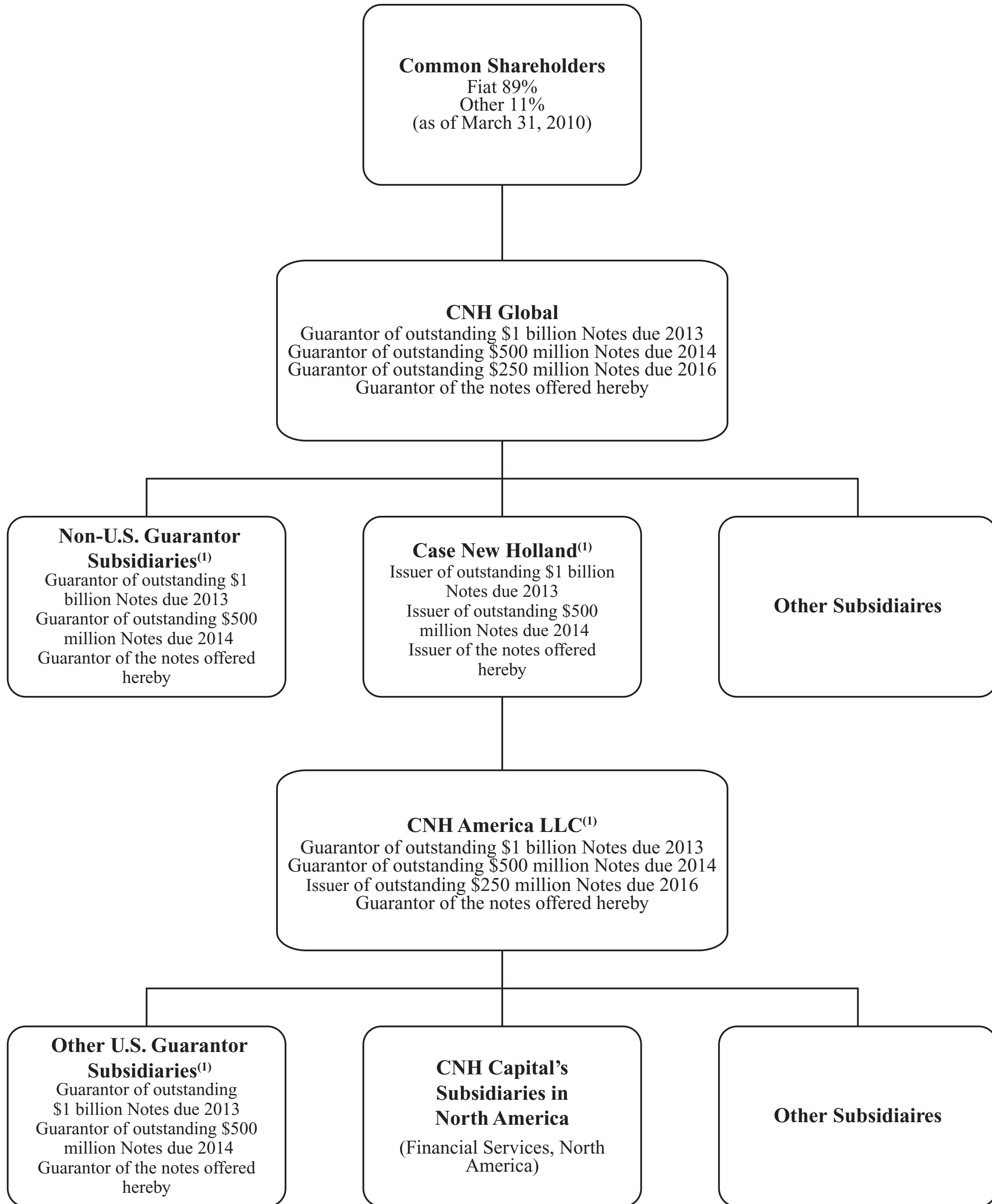
(1) CNH Global;

(2) certain direct and indirect subsidiaries of Case New Holland that are organized in the United States; and

(3) certain direct and indirect subsidiaries of CNH Global organized outside the United States that are not also subsidiaries of Case New Holland.

For further information on the guarantors, see “Description of the Notes—Guarantees.”

Set forth below is a simplified organizational chart showing the relationship among Case New Holland and the guarantors:



(1) As of and for the year ended December 31, 2009, CNH Global, Case New Holland and the guarantor subsidiaries collectively accounted for approximately 64% of our Equipment Operations net sales, 143% of our Equipment Operations Adjusted EBITDA and 60% of our Equipment Operations consolidated assets, excluding goodwill and intangibles.

Equipment Operations consolidated assets reflects the consolidation of all majority-owned subsidiaries except for CNH's Financial Services business. CNH's Financial Services business has been included using the equity method of accounting. None of the entities that comprises CNH's Financial Services business is a guarantor of the notes, nor is any Financial Services entity expected to become a guarantor of the notes after the issue date. A reconciliation of these non-GAAP financial measures to the most relevant U.S. GAAP equivalent is set forth below this table.

As of December 31, 2009 and as of March 31, 2010, Case New Holland and the guarantors had approximately $1 million of secured debt outstanding. The notes will also be effectively subordinated to all obligations of each of CNH Global's direct and indirect subsidiaries (including certain of Case New Holland's direct and indirect subsidiaries) that are not guarantors. As of December 31, 2009, such non-guarantor subsidiaries had $6.4 billion of outstanding debt, $0.7 billion of which is debt of Equipment Operations, which does not include $2.4 billion that Financial Services subsidiaries owed to Equipment Operations subsidiaries. As of March 31, 2010, such non-guarantor subsidiaries had $12.0 billion of outstanding debt, $0.6 billion of which is debt of Equipment Operations, which does not include $2.5 billion that Financial Services subsidiaries owed to Equipment Operations subsidiaries.

Set forth below is a reconciliation of net sales on a combined basis to Equipment Operations net sales for the year ended December 31, 2009:

	CNH GLOBAL, CASE NEW HOLLAND AND GUARANTOR SUBSIDIARIES	NON-GUARANTORS	TOTAL
	(in millions, except percents)		
Net sales on a combined basis	$ 9,446	$ 6,264	$15,710
Less:			
Intercompany sales	(1,296)	(1,631)	(2,927)
Equipment Operations net sales	$ 8,150	$ 4,633	$12,783
% of total	64%	36%	100%

Set forth below is a computation of Equipment Operations Adjusted EBITDA for the year ended December 31, 2009:

	EQUIPMENT OPERATIONS	CNH GLOBAL, CASE NEW HOLLAND AND GUARANTOR SUBSIDIARIES
	Year Ended December 31, 2009	Year Ended December 31, 2009
	(in millions, except percents)	
Net income (loss) attributable to CNH Global N.V.	$(190)	$ 65
Net interest expense:		
Interest expense	320	299
Less: finance and interest income	131	199
Net interest expense	189	100
Income tax provision	33	59
Depreciation and amortization	270	167
Restructuring and other merger related costs:		
Equipment Operations	98	68
Financial Services	4	—
Adjusted EBITDA on a combined basis	$ 404	$ 459
Less: Intercompany activity		(120)
Adjusted EBITDA		$ 579
CNH Global, Case New Holland and the guarantor subsidiaries as a % of Equipment Operations Adjusted EBITDA		143%

Set forth below is a reconciliation of Equipment Operations consolidated assets excluding goodwill and intangibles to total assets for the year ended December 31, 2009:

	EQUIPMENT OPERATIONS	CNH GLOBAL, CASE NEW HOLLAND AND GUARANTOR SUBSIDIARIES
	December 31, 2009	December 31, 2009
	(in millions, except percents)	
Total Assets	$17,880	$28,320
Less:		
Goodwill and other intangible assets, net	2,935	2,867
Intercompany and intersegment notes receivable	2,398	7,219
Investments in Financial Services and consolidated subsidiaries accounted for under the equity method	2,377	11,735
Intercompany and intersegment receivables	80	463
Consolidated assets, excluding goodwill and intangibles	$10,090	$ 6,036
CNH Global, Case New Holland and the guarantor subsidiaries as a % of Equipment Operations consolidated assets, excluding goodwill and intangibles		60%

Corporate Information

CNH Global has its registered office in the World Trade Centre, Amsterdam Airport, Tower B, 10th Floor, Schiphol Boulevard 217, 1118 BH Amsterdam, The Netherlands (telephone number: + (31)-20-446-0429). It was incorporated under the laws of the Netherlands on August 30, 1996. Our agent for U.S. federal securities law purposes is Michael P. Going, 6900 Veterans Boulevard, Burr Ridge, Illinois 60527 (telephone number: +1-630-887-3766).

THE OFFERING

The summary below describes the principal terms of the notes offering and the notes. Some of the terms and conditions described below are subject to important limitations and exceptions. You should carefully read the "Description of the Notes" section of this offering circular for a more detailed description of the notes offering and the notes.

Issuer . . . . Case New Holland Inc., a Delaware corporation.

Notes Offered . . . . $1,500,000,000 principal amount of 7⅞% Senior Notes due 2017 (the "notes").

Maturity Date . . . . December 1, 2017.

Interest . . . . The notes will bear interest at a rate of 7⅞% per annum.

Interest Payment Dates . . . . June 1 and December 1, beginning December 1, 2010.

Denominations . . . . Each note will have a minimum denomination of $2,000 and will be offered only in increments of $1,000.

Guarantors . . . . CNH Global and certain of its direct and indirect subsidiaries, including certain of Case New Holland's direct and indirect subsidiaries, will guarantee the notes.

Ranking . . . . The notes and the guarantees will be Case New Holland's and the guarantors' senior unsecured obligations and will rank:

- equally with any of Case New Holland's and the guarantors' existing and future senior unsecured debt, including $1.0 billion aggregate principal amount of Case New Holland's 7.75% Senior Notes due 2013 and any guarantees thereof by the guarantors, and $250 million aggregate principal amount of CNH America LLC's, a subsidiary of Case New Holland and a guarantor of the notes, 7.25% Senior Notes due 2016 and any guarantees thereof by the guarantors;
- effectively junior to all of Case New Holland's and the guarantors' existing and future secured indebtedness to the extent of the value of the collateral securing such indebtedness; and
- senior to any of Case New Holland's or the guarantors' existing and future subordinated indebtedness, if any.

As of December 31, 2009 and March 31, 2010, Case New Holland and the guarantors had approximately $1 million of secured debt outstanding.

The notes will also be effectively subordinated to all obligations of each of CNH Global's direct and indirect subsidiaries (including certain of Case New Holland's direct and indirect subsidiaries) that are not guarantors. As of December 31, 2009, such non-guarantor subsidiaries had $6.4 billion of outstanding debt, $0.7 billion of which

is debt of Equipment Operations, which does not include $2.4 billion that Financial Services subsidiaries owed to Equipment Operations subsidiaries. As of March 31, 2010, such non-guarantor subsidiaries had $12.0 billion of outstanding debt, $0.6 billion of which is debt of Equipment Operations, which does not include $2.5 billion that Financial Services subsidiaries owed to Equipment Operations subsidiaries.

Optional Redemption . . . . The notes will be redeemable, in whole or in part, at any time at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, plus the applicable "make whole" premium set forth in this offering circular.

Change of Control Triggering Event . . . Upon a change of control triggering event, if we do not redeem the notes, each holder of notes will be entitled to require us to purchase all or a portion of its notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest. Our ability to purchase the notes upon a change of control triggering event will be limited by the terms of our other debt agreements. We cannot assure you that we will have the financial resources to purchase the notes in such circumstances. See "Description of the Notes—Repurchase at the Option of Holders Upon A Change of Control Triggering Event."

Certain Covenants . . . . We will issue the notes under an indenture. The indenture, among other things, limits:

- CNH Global's ability and the ability of its restricted subsidiaries to incur secured funded debt or enter into certain sale leaseback transactions;
- the ability of CNH Global's non-guarantor restricted subsidiaries other than Case New Holland to incur additional funded debt; and
- CNH Global and Case New Holland's ability and the ability of the subsidiary guarantors to consolidate, merge, convey, transfer or lease our properties and assets substantially as an entirety.

These covenants are subject to important exceptions. For more detail, see "Description of the Notes—Certain Covenants" in this offering circular.

Transfer Restrictions . . . . The notes have not been registered under the Securities Act and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "Transfer Restrictions."

Exchange Offer; Registration Rights . . . . Under a registration rights agreement to be executed as part of this offering, we will agree to file a registration statement with the SEC with respect to a registered offer to exchange the notes for publicly registered notes or, in certain circumstances, to file a shelf registration statement with respect to the notes or the exchange notes, if applicable.

	We will agree to pay additional interest on the notes if we do not comply with these or certain other of our obligations under the registration rights agreement. See “Exchange Offer; Registration Rights.”
Use of Proceeds	We estimate that the net proceeds from the issuance of the notes, after initial purchasers’ discounts and payment of offering and other related expenses, will be approximately $1,471,800,000. We plan to use the net proceeds from the issuance of the notes primarily for the repayment of debt, including redemption of $500 million aggregate principal amount of Case New Holland’s 7.125% Senior Notes due 2014 and repayment of debt owed to Fiat. Any remaining proceeds will be used for general corporate purposes. Pending application of the net proceeds, we expect to hold some or all of the proceeds in the form of cash, cash equivalents or deposits under cash management pools with Fiat affiliates. See “Use of Proceeds.”
Listing	We do not intend to list the notes on any securities exchange.

Risk Factors

Investing in the notes involves substantial risks. You should carefully consider the risk factors set forth under the caption “Risk Factors” and the other information included in this offering circular prior to making an investment in the notes. See “Risk Factors” beginning on page 20.

SUMMARY FINANCIAL DATA

The following tables set forth summary financial data for CNH for the periods indicated. The summary historical financial data as of and for the years ended December 31, 2007, 2008 and 2009 have been derived from our audited consolidated financial statements. The summary historical financial data as of and for the three months ended March 31, 2009 and 2010 are derived from our unaudited condensed consolidated financial statements. The unaudited condensed consolidated financial statements include all adjustments which, except as disclosed, consist of normal recurring adjustments that we consider necessary for a fair presentation of our financial position and results of operations for these periods. Equipment Operations data represents CNH's agricultural and construction equipment operations with CNH's Financial Services operations accounted for under the equity method.

	Year Ended December 31,			Three Months Ended March 31,	
	2007	2008	2009	2009	2010
	(in millions)				
CONSOLIDATED					
Statements of Operations Data:					
Revenues:					
Net sales	$14,971	$17,366	$12,783	$3,052	$3,237
Finance and interest income	993	1,110	977	214	283
	15,964	18,476	13,760	3,266	3,520
Costs and Expenses:					
Cost of goods sold	12,154	14,054	10,862	2,627	2,698
Selling, general and administrative	1,436	1,698	1,486	380	394
Research, development and engineering	409	422	398	93	99
Restructuring	85	39	102	2	2
Interest expense	701	765	671	186	202
Other, net	349	342	334	75	56
	15,134	17,320	13,853	3,363	3,451
Income (loss) before income taxes and equity in income (loss) of unconsolidated subsidiaries and affiliates	830	1,156	(93)	(97)	69
Income tax provision	354	385	92	17	70
Equity in income (loss) of unconsolidated affiliates and consolidated subsidiaries accounted for under the equity method	98	53	(37)	(19)	10
Net income (loss)	574	824	(222)	(133)	9
Net income (loss) attributable to noncontrolling interests	15	(1)	(32)	(7)	(7)
Net income (loss) attributable to CNH Global N.V.	$ 559	$ 825	$ (190)	$ (126)	$ 16

	Year Ended December 31,			Three Months Ended March 31,	
	2007	2008	2009	2009	2010
	(in millions, except ratios)				
CONSOLIDATED					
Balance sheet data (at end of period):					
Cash and cash equivalents	$ 1,025	$ 633	$ 1,263	$ 670	$ 874
Deposits in Fiat affiliates cash management pools	1,231	2,058	2,251	1,452	2,185
Total assets(1)	23,745	25,459	23,208	24,258	29,040
Total debt(1)	9,636	11,357	9,408	10,608	14,940
Equity	6,419	6,575	6,810	6,363	6,762
Other data:					
Ratio of earnings to fixed charges (2)	2.2x	2.6x	0.9x	0.5x	1.4x

(1) As of the beginning of 2010, we prospectively adopted new accounting guidance related to the accounting for transfers of financial assets and the consolidation of variable interest entities. As a significant portion of our securitization trusts and facilities is no longer exempt from consolidation under the new guidance, we were required to consolidate the receivables and related liabilities. Financial Services recorded a $5.7 billion increase to assets and liabilities upon the adoption of this new guidance on January 1, 2010. See "Note 2: Recent Accounting Developments" of the unaudited condensed consolidated financial statements for the quarter ended March 31, 2010 included in this offering circular.

(2) Earnings were insufficient to cover fixed charges by approximately $85 million in the three months ended March 31, 2009 and by $38 million for the year ended December 31, 2009. For purposes of determining the ratio of earnings to fixed charges, earnings are defined as the sum of (i) pretax income (loss) before income taxes and income (loss) from equity investees, (ii) fixed charges, (iii) amortization of capitalized interest and (iv) distributed income of equity investees, less (i) interest capitalized and (ii) noncontrolling interest in pretax income of subsidiaries that have not incurred fixed charges. Fixed charges consist of (i) interest expense, including amortization of premiums, discounts and capitalized expenses related to indebtedness, (ii) interest capitalized and (iii) an estimate of the interest component of rental expense.

	Year Ended December 31,			Three Months Ended March 31,	
	2007	2008	2009	2009	2010
	(in millions)				
CONSOLIDATED					
Earnings					
Income (loss) before income taxes, equity in income of unconsolidated subsidiaries and affiliates	$ 830	$1,156	$ (93)	$ (97)	$ 69
Add:					
Fixed charges	703	771	682	188	203
Amortization of capitalized interest	—	—	1	—	—
Distributed income of equity investees	61	70	29	6	6
Less:					
Interest capitalized	—	3	8	1	—
Noncontrolling interest in pretax income of subsidiaries that have not incurred fixed charges	15	(1)	(33)	(7)	(7)
Earnings	$1,579	$1,995	$644	$103	$285
Fixed charges					
Interest expense inclusive of amortized premiums, discounts and capitalized expenses related to indebtedness	701	765	671	186	202
Interest capitalized	—	3	8	1	—
Estimate of the interest component of rental expense	2	3	3	1	1
Fixed charges	$ 703	$ 771	$682	$188	$203

	Year Ended December 31,			Three Months Ended March 31,	
	2007	2008	2009	2009	2010
			(in millions)		
EQUIPMENT OPERATIONS(1)					
Statements of Operations Data:					
Revenues:					
Net sales	$14,971	$17,366	$12,783	$ 3,052	$ 3,237
Finance and interest income	190	205	131	34	29
	15,161	17,571	12,914	3,086	3,266
Costs and Expenses:					
Cost of goods sold	12,154	14,054	10,862	2,627	2,698
Selling, general and administrative	1,183	1,403	1,150	293	296
Research, development and engineering	409	422	398	93	99
Restructuring	85	34	98	1	2
Interest expense	358	358	320	79	81
Interest compensation to Financial Services	247	275	202	42	47
Other, net	224	204	201	47	32
	14,660	16,750	13,231	3,182	3,255
Income (loss) before income taxes and equity in income (loss) of unconsolidated subsidiaries and affiliates	501	821	(317)	(96)	11
Income tax provision	245	279	33	17	60
Equity in income (loss) of unconsolidated subsidiaries and affiliates:					
Financial Services	229	242	174	1	51
Equipment Operations	89	40	(46)	(21)	7
Net income (loss)	574	824	(222)	(133)	9
Net income (loss) attributable to noncontrolling interests	15	(1)	(32)	(7)	(7)
Net income (loss) attributable to CNH Global N.V.	$ 559	$ 825	$ (190)	$ (126)	$ 16
Balance sheet data (at end of period):					
Cash and cash equivalents	$ 405	$ 173	$ 290	$ 155	$ 214
Deposit in Fiat affiliates cash management pools	1,157	1,666	2,144	1,079	2,153
Working capital(2)	2,043	3,103	2,024	3,465	2,058
Intersegment notes receivable	1,831	2,295	2,398	2,381	2,485
Total assets	16,637	18,429	17,880	17,871	17,827
Total debt	2,907	4,557	4,302	4,503	4,096
Net debt (cash)(3)	(486)	423	(530)	888	(756)
Shareholders' equity	6,418	6,574	6,809	6,362	6,761
Other Data:					
Net cash provided (used) by					
Operating Activities	$ 1,001	$ (282)	$ 1,145	$ (435)	$ 117
Investing Activities	(890)	(1,066)	(691)	519	(88)
Financing Activities	(432)	1,128	(356)	(96)	(106)
EBITDA(4)	1,704	1,995	635	74	275
Adjusted EBITDA(5)	1,352	1,554	404	—	201
Capital expenditures	333	492	217	46	32

(footnotes on following page)

(1) Equipment Operations data represents CNH's agricultural and construction equipment operations with CNH's Financial Services operations accounted for under the equity method.

(2) Working capital of Equipment Operations is defined as accounts and notes receivable, excluding intersegment notes receivable, plus inventories less accounts payable. We believe that working capital, as defined, is a useful analytical tool for measuring our consumption of cash from our purchases of materials from our suppliers to our ultimate collection of cash from our end customers. Working capital is a "non-GAAP financial measure" as this term is defined under the Securities Act. The calculation of working capital is shown below:

	December 31,			March 31,	
	2007	2008	2009	2009	2010
			(in millions)		
EQUIPMENT OPERATIONS					
Accounts and notes receivable, excluding intersegment notes receivable	$ 1,544	$ 1,478	$ 788	$ 1,356	$ 944
Inventories	3,488	4,485	3,297	4,537	3,284
Accounts payable	(2,989)	(2,860)	(2,061)	(2,428)	(2,170)
Working capital	$ 2,043	$ 3,103	$ 2,024	$ 3,465	$ 2,058

(3) Net debt (cash) of Equipment Operations is defined as total debt less intersegment notes receivable, cash and cash equivalents and deposits in Fiat affiliates cash management pools. We believe that net debt (cash), as defined, is a useful analytical tool for measuring our effective borrowing requirements, excluding our financial support of Financial Services and the effect of certain of our cash management practices. Net debt (cash) is a "non-GAAP financial measure" as this term is defined under the Securities Act. The calculation of net debt (cash) is shown below:

	December 31,			March 31,	
	2007	2008	2009	2009	2010
			(in millions)		
EQUIPMENT OPERATIONS					
Current maturities of long-term debt—Fiat affiliates	$ —	$ 407	$ 59	$ 856	$ 40
Current maturities of long-term debt—other	2	736	568	802	539
Short-term debt—Fiat affiliates	263	356	7	329	26
Short-term debt—other	465	360	129	500	46
Intersegment short-term debt and current maturities of intersegment long-term debt	—	—	308	—	—
Long-term debt—Fiat affiliates	800	1,359	872	800	868
Long-term debt—other	1,377	1,339	2,033	1,216	2,088
Intersegment long-term debt	—	—	326	—	489
Total debt	2,907	4,557	4,302	4,503	4,096
Less:					
Intersegment notes receivable	1,831	2,295	2,398	2,381	2,485
Cash and cash equivalents	405	173	290	155	214
Deposits in Fiat affiliates cash management pools	1,157	1,666	2,144	1,079	2,153
Net debt (cash)	$ (486)	$ 423	$ (530)	$ 888	$ (756)

(4) EBITDA means net income (loss) attributable to CNH Global N.V. of Equipment Operations excluding (i) interest expense (including interest compensation to Financial Services), (ii) income tax provision (benefit) and (iii) depreciation and amortization. We present EBITDA because we believe that it is a measure commonly used by financial analysts because of its usefulness in evaluating operating performance.

EBITDA is a "non-GAAP financial measure" as this term is defined under the Securities Act. As a result, we have summarized the computation of EBITDA for all periods presented:

	Year Ended December 31,			Three Months Ended March 31,	
	2007	2008	2009	2009	2010
	(in millions)				
EQUIPMENT OPERATIONS					
Net income (loss) attributable to CNH Global N.V.	$ 559	$ 825	$(190)	$(126)	$ 16
Interest expense:					
Interest expense—Fiat affiliates	39	101	78	22	12
Interest expense—other	319	257	242	57	69
Interest compensation to Financial Services	247	275	202	42	47
Interest expense (including interest compensation to Financial Services)	605	633	522	121	128
Income tax provision (benefit)	245	279	33	17	60
Depreciation and amortization	295	258	270	62	71
EBITDA	$1,704	$1,995	$ 635	$ 74	$275

(5) Adjusted EBITDA is defined as net income (loss) attributable to CNH Global N.V. of Equipment Operations excluding (i) net interest expense, (ii) income tax provision (benefit), (iii) depreciation and amortization and (iv) restructuring. Net interest expense is defined as (i) interest expense (excluding interest compensation to Financial Services) less (ii) finance and interest income. We believe that Adjusted EBITDA is a measure commonly used by financial analysts because of its usefulness in evaluating operating performance.

Adjusted EBITDA is a "non-GAAP financial measure" as this term is defined under the Securities Act. As a result, we have summarized the computation of Adjusted EBITDA for all periods presented:

	Year Ended December 31,			Three Months Ended March 31,	
	2007	2008	2009	2009	2010
			(in millions)		
EQUIPMENT OPERATIONS					
Net income (loss) attributable to CNH Global N.V.	$ 559	$ 825	$(190)	$(126)	$ 16
Net interest expense:					
Interest expense—Fiat affiliates	39	101	78	22	12
Interest expense—other	319	257	242	57	69
Less: finance and interest income	190	205	131	34	29
Net interest expense	168	153	189	45	52
Income tax provision (benefit)	245	279	33	17	60
Depreciation and amortization	295	258	270	62	71
Restructuring and other merger related costs:					
Equipment Operations	85	34	98	1	2
Financial Services	—	5	4	1	—
Adjusted EBITDA	$1,352	$1,554	$ 404	$ —	$201
Reconciliation of EBITDA to Adjusted EBITDA:					
EBITDA	1,704	1,995	635	74	275
Less:					
Finance and interest income	190	205	131	34	29
Interest compensation to Financial Services	247	275	202	42	47
Plus:					
Restructuring and other merger related costs:					
Equipment Operations	85	34	98	1	2
Financial Services	—	5	4	1	—
Adjusted EBITDA	$1,352	$1,554	$ 404	$ —	$201

	Twelve Months Ended March 31, 2010(1)
	(in millions, except ratios)
EQUIPMENT OPERATIONS	
Net sales	$12,968
EBITDA	836
Adjusted EBITDA	605
Total debt (at period end)	4,096
Net debt (cash) (at period end)	(756)
Ratio of total debt to Adjusted EBITDA	6.8 x
Ratio of net debt (cash) to Adjusted EBITDA	(1.2)x

(1) The last twelve months figures in this table (other than the ratios) are calculated by subtracting the figures for the three months ended March 31, 2009 from, and adding the figures for the three months ended March 31, 2010 to, the corresponding figures for the fiscal year ended December 31, 2009.

	Year Ended December 31,			Three Months Ended March 31,	
	2007	2008	2009	2009	2010
	(in millions, except percents)				
FINANCIAL SERVICES					
Statements of Operations Data:					
Revenues:					
Net sales	$ —	$ —	$ —	$ —	$ —
Finance and interest income	1,131	1,356	1,190	258	340
	1,131	1,356	1,190	258	340
Costs and Expenses:					
Cost of goods sold	—	—	—	—	—
Selling, general and administrative	253	295	336	87	98
Research, development and engineering	—	—	—	—	—
Restructuring	—	5	4	1	—
Interest expense	479	606	497	140	160
Interest compensation to Financial Services	—	—	—	—	—
Other, net	70	115	129	31	24
	802	1,021	966	259	282
Income before income taxes and equity in income of unconsolidated subsidiaries and affiliates	329	335	224	(1)	58
Income tax provision	109	106	59	—	10
Equity in income of unconsolidated subsidiaries and affiliates:					
Financial Services	9	13	9	2	3
Equipment Operations	—	—	—	—	—
Net income	229	242	174	1	51
Net income attributable to noncontrolling interests	—	—	—	—	—
Net income attributable to CNH Global N.V.	$ 229	$ 242	$ 174	$ 1	$ 51
Balance Sheet Data (at end of period):					
Cash and cash equivalents	$ 620	$ 460	$ 973	$ 515	$ 660
Deposit in Fiat affiliates cash management pools	74	392	107	373	32
Total assets(1)	11,299	11,624	11,051	11,011	16,679
Total debt(1)	8,560	9,095	8,138	8,486	13,818
Net debt(2)	7,866	8,243	6,424	7,598	12,637
Shareholders' equity	2,100	2,074	2,378	2,069	2,218
Other Data:					
Accounts and notes receivable, net(1)	$ 9,310	$ 9,461	$ 7,952	$ 8,811	$13,541
Operating lease equipment	511	599	643	576	597
Total portfolio assets	$ 9,821	$10,060	$ 8,595	$ 9,387	$14,138
On-book receivables(1)	$ 9,297	$ 9,825	$ 8,171	$ 9,131	$14,263
Off-book receivables	9,078	7,699	9,086	7,851	2,677
Total managed assets	$18,375	$17,524	$17,257	$16,982	$16,940
Delinquency %(3)	2.57%	2.92%	7.50%	4.24%	6.57%
Net credit loss %(4)	0.28%	0.34%	0.73%	0.61%	0.91%

(1) As of the beginning of 2010, we prospectively adopted new accounting guidance related to the accounting for transfers of financial assets and the consolidation of variable interest entities. As a significant portion of our securitization trusts and facilities is no longer exempt from consolidation under the new guidance, we were required to consolidate the receivables and related liabilities. Financial Services recorded a $5.7 billion increase to assets and liabilities upon the adoption of this new guidance on January 1, 2010. See "Note 2: Recent Accounting Developments" of the unaudited condensed consolidated financial statements for the quarter ended March 31, 2010 included in this offering circular.

(2) Net debt of Financial Services means total debt of Financial Services less intersegment notes receivable, cash and cash equivalents and deposits in Fiat affiliates cash management pools. We believe that net debt, as defined, is a useful analytical tool for measuring our effective borrowing requirements, excluding our financial support of Equipment Operations and the effect of certain of our cash management practices. The calculation of net debt is shown below:

	December 31,			March 31,	
	2007	2008	2009	2009	2010
			(in millions)		
FINANCIAL SERVICES					
Current maturities of long-term debt—Fiat affiliates	$ 153	$ 347	$ 777	$ 404	$ 490
Current maturities of long-term debt—other	1,332	1,040	982	934	3,192
Short-term debt—Fiat affiliates	2,299	1,884	530	1,557	417
Short-term debt—other	1,242	880	1,306	901	2,609
Intersegment short-term debt and current maturities of intersegment long-term debt	1,831	1,976	1,893	1,971	1,900
Long-term debt—Fiat affiliates	715	871	644	755	581
Long-term debt—other	988	1,778	1,501	1,554	4,044
Intersegment long-term debt	—	319	505	410	585
Total debt	8,560	9,095	8,138	8,486	13,818
Less:					
Intersegment notes receivable	—	—	634	—	489
Cash and cash equivalents	620	460	973	515	660
Deposits in Fiat affiliates cash management pools	74	392	107	373	32
Net debt	$7,866	$8,243	$6,424	$7,598	$12,637

(3) Delinquency means managed receivables that are past due over 30 days, expressed as a percentage of the managed portfolio.

(4) Net credit losses means write-offs, net of recoveries, expressed as a percentage of the average managed portfolio.

RISK FACTORS

Before investing in our notes, you should consider carefully the following risk factors, as well as the information contained in the rest of this offering circular.

Risks Relating to The Notes

The notes will be effectively subordinated to Case New Holland's existing and future secured debt and other secured obligations, and the guarantees of the notes will be effectively subordinated to the guarantors' existing and future secured debt and other secured obligations.

Holders of Case New Holland's secured debt and any guarantor's secured debt will have claims that are prior to your claims as holders of the notes to the extent of the value of the assets securing such secured debt. The notes and the guarantees will be effectively subordinated to all such secured debt to the extent of the value of the collateral securing such secured debt. In the event of any distribution or payment of Case New Holland's or any other guarantor's assets in any foreclosure, dissolution, winding-up, liquidation, reorganization or other bankruptcy or insolvency proceeding, holders of secured debt will have a prior claim to the assets that constitute their collateral. Holders of the notes will participate ratably with all holders of Case New Holland's and the guarantors' unsecured senior debt, and potentially with all of their other general creditors, based upon the respective amounts owed to each holder or creditor, in Case New Holland's and the guarantor's respective assets remaining after payment of their secured debt. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. As a result, holders of notes may receive less than holders of secured debt. As of December 31, 2009 and as of March 31, 2010, Case New Holland and the guarantors had approximately $1 million of secured debt outstanding. CNH Global and its subsidiaries, including Case New Holland and the guarantors, may also incur additional senior secured debt in the future, consistent with the terms of the indenture governing the notes and our other debt agreements.

Both Case New Holland and CNH Global are holding companies with no direct operations and the notes will be effectively subordinated to all indebtedness of subsidiaries that are not guarantors of the notes.

Both Case New Holland and CNH Global are holding companies with no direct operations. Their principal assets are the equity interests and investments they hold in their subsidiaries. As a result, they depend on dividends and other payments from their subsidiaries to generate the funds necessary to meet their financial obligations, including the payment of principal of and interest on their outstanding debt. Their subsidiaries are legally distinct from them and have no obligation to pay amounts due on their debt or to make funds available to them for such payment except as provided in the note guarantees or pursuant to intercompany notes. Not all of Case New Holland's or CNH Global's subsidiaries will guarantee the notes. A holder of notes will not have any claim as a creditor against subsidiaries of Case New Holland and CNH Global that are not guarantors of the notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those non-guarantor subsidiaries will be effectively senior to your claims. As of and for the year ended December 31, 2009, the guarantor subsidiaries collectively accounted for approximately 64% of our Equipment Operations net sales, 143% of our Equipment Operations Adjusted EBITDA and 60% of our Equipment Operations consolidated assets, excluding goodwill and intangibles. Equipment Operations consolidated assets reflects the consolidation of all majority-owned subsidiaries except for CNH's Financial Services business. CNH's Financial Services business has been included using the equity method of accounting. Our non-guarantor subsidiaries had approximately $6.4 billion of indebtedness as of December 31, 2009, $0.7 billion of which is debt of Equipment Operations. The $6.4 billion does not include $2.4 billion that certain Financial Services subsidiaries owed to Equipment Operations subsidiaries. As of March 31, 2010, such non-guarantor subsidiaries had $12.0 billion of outstanding debt, $0.6 billion of which is debt of Equipment Operations, which does not include $2.5 billion that Financial Services subsidiaries owed to Equipment Operations subsidiaries. We only update our guarantor/non-guarantor financial disclosure in connection with our annual report on Form 20-F and we can provide no assurance that the percentages of our Equipment Operations net sales, Equipment Operations Adjusted EBITDA and Equipment Operations assets, collectively accounted for by our guarantor subsidiaries as of and for the year

to date, as well as the amount of outstanding indebtedness of our non-guarantor subsidiaries as of the year to date, have not changed materially from such percentages, or such amount, as of and for the year ended December 31, 2009.

You are restricted in your ability to transfer or resell the notes without registration under applicable securities laws.

The notes are being offered and sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws of the United States. Therefore, you may transfer or sell the notes in the United States only in a transaction registered under or exempted from the registration requirements of the Securities Act and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time. We have agreed to use our reasonable best efforts to commence an offer to exchange the notes for equivalent notes registered under the Securities Act or, in certain circumstances, to register the re-offer and resale of the notes and the exchange notes under the Securities Act, but we cannot assure you that the necessary registration statement will become or remain effective or that the exchange offer will be consummated.

If an active trading market for the notes does not develop, the liquidity and value of the notes could be harmed.

There is no existing market for the notes, and we do not intend to apply for listing of the notes on any securities exchange. In addition, if no active trading market develops, you may not be able to resell your notes at their fair market value, or at all. Future trading prices of the notes will depend on, among other things, the ability of Case New Holland to effect the exchange offer or registration of the notes, prevailing interest rates, its and our operating results and the market for similar securities. The initial purchasers have advised Case New Holland that they currently intend to make a market in these notes after this offering is completed. However, the initial purchasers may cease their market-making at any time. Moreover, the initial purchasers' market-making activities will be subject to limits imposed by the Securities Act or the Securities Exchange Act of 1934, as amended (the "Exchange Act") during the pendency of any exchange offer described under "Exchange Offer; Registration Rights."

In the event of a change of control, CNH Global and Case New Holland may not be able to satisfy all of their obligations under our existing credit facilities, the notes or our other indebtedness.

If, following the issuance of the notes, CNH Global or Case New Holland experiences a change of control triggering event, as defined in the indenture relating to the notes, Case New Holland will be required to offer to repurchase all outstanding notes. In addition, certain of Case New Holland's outstanding indebtedness requires Case New Holland to offer to repurchase notes outstanding under such instruments upon certain changes of control, and certain of CNH Global's existing credit facilities provide that certain changes of control will constitute an event of default. Such an event of default would entitle the lenders thereunder to, among other things, cause all outstanding debt obligations under the credit facilities to become due and payable and to proceed against any collateral securing such credit facilities. Any event of default or acceleration of one or more of our credit facilities will likely also cause a default under the terms of the other indebtedness of CNH Global. There can be no assurance that CNH Global or Case New Holland will have sufficient assets or be able to obtain sufficient third-party financing to satisfy all of its obligations under our credit facilities, the notes or our other indebtedness.

In addition, certain of our credit facilities contain, and any future credit facilities or other agreements related to indebtedness to which CNH Global becomes a party may contain, restrictions on our ability to offer to repurchase the notes in connection with a change of control triggering event. In the event a change of control triggering event occurs at a time when we are prohibited from offering to purchase the notes, we could seek consent to offer to purchase the notes or attempt to refinance the borrowings that contain such a prohibition. If we do not obtain the consent or refinance the borrowings, we would remain prohibited from offering to purchase

the notes. In such case, the failure by us to offer to purchase any of the notes would constitute a default under the indenture governing the notes, which, in turn, could result in amounts outstanding under any such credit facility or other agreement relating to indebtedness being declared due and payable. There can be no assurance that CNH Global or Case New Holland will have sufficient assets or be able to obtain sufficient third-party financing to satisfy all of its obligations under our credit facilities, the notes or our other indebtedness. Any such declaration could have adverse consequences to CNH Global, Case New Holland and the holders of the notes.

If the demerger is completed as announced, certain exceptions in our debt instruments to acquisitions of an interest in Fiat may no longer be available to us.

Your rights under the guarantees may be limited by laws in various jurisdictions, including fraudulent conveyance and insolvency laws.

The notes will be issued by Case New Holland, a Delaware corporation, and guaranteed by corporations organized under the laws of Delaware, The Netherlands, Germany, the United Kingdom, Canada, Belgium, Australia and Switzerland. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in any or all of such jurisdictions. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Your rights under the guarantees will be subject to the bankruptcy, insolvency, administrative and other laws of multiple jurisdictions other than the United States and there can be no assurance that you will be able to effectively enforce your rights in any such complex and multiple bankruptcy, insolvency or similar proceedings.

In addition, the bankruptcy, insolvency, administrative and other laws of the guarantors' jurisdictions of organization may be materially different from, or in conflict with, each other and those of the United States, including in the areas of rights of creditors, payment priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceedings. The application of these laws, or any conflict among them, could (i) call into question whether any particular jurisdiction's law should apply, (ii) adversely affect your ability to enforce your rights under the notes and the guarantees in these jurisdictions or (iii) limit amounts that you may receive.

The laws of certain of the jurisdictions in which the subsidiary guarantors are organized limit the ability of these subsidiaries to guarantee debt of an affiliated company. These limitations arise under various provisions or principles of corporate law, which include, among others, provisions requiring an affiliated guarantor to receive adequate corporate benefit from the financing that is being guaranteed.

If these limitations were not observed, the guarantees of the notes by these subsidiary guarantors would be subject to legal challenge. In these jurisdictions, the guarantees of the notes will effectively contain language providing that the guarantee will not be construed so as to give rise to a violation of the limitations imposed by applicable local law. Accordingly, if you were to enforce the guarantees of the notes of the subsidiary guarantors in these jurisdictions, your claims may be limited. Furthermore, although we believe that the guarantees of the notes of these subsidiary guarantors are enforceable (subject to such local law restrictions), there can be no assurance that a third-party creditor would not challenge these guarantees of the notes and prevail in court.

United States

Under U.S. federal bankruptcy laws or comparable provisions of state fraudulent transfer laws, the issuance of the guarantees by the U.S. subsidiary guarantors could be avoided, if, among other things, at the time the U.S. subsidiary guarantors issued the related guarantees, the applicable subsidiary guarantor:

- incurred the obligations under the guarantees with an actual intent to hinder, delay or defraud any present or future creditor; or
- received less than reasonably equivalent value or fair consideration for the obligations incurred under the guarantees; and

- was insolvent or rendered insolvent by reason of the incurrence of such obligations;
- was engaged in a business or transaction for which its remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay as such debts mature.

The measures of insolvency for purposes of the foregoing considerations will vary depending upon the law applied in any proceeding with respect to the foregoing. Generally, however, a U.S. subsidiary guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the value of all of its assets at a fair valuation;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liabilities on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

By its terms, the guarantee of each U.S. subsidiary guarantor will limit the liability of each such guarantor to the maximum amount it can pay without the guarantee being deemed a fraudulent transfer. CNH Global believes that immediately after the issuance of the notes by Case New Holland and the issuance of the note guarantees by the guarantors, CNH Global and each of the U.S. subsidiary guarantors will be solvent, will have sufficient capital to carry on their respective businesses and will be able to pay their respective debts as they mature. However, there can be no assurance as to what standard a court would apply in making these determinations or that a court would reach the same conclusions with regard to these issues. In an evidentiary ruling in *In re W.R. Grace & Co.*, the federal bankruptcy court for the District of Delaware held that under the Uniform Fraudulent Transfer Act, whether a transferor is rendered insolvent by a transfer depends on the actual liabilities of the transferor, and not what the transferor knows about such liabilities at the time of the transfer. Therefore, under that court's analysis, liabilities that are unknown, or that are known to exist but whose magnitude is not fully appreciated at the time of the transfer, may be taken into account in the context of a future determination of insolvency. If the principle articulated by that court is upheld, it would make it very difficult to know whether a transferor is solvent at the time of transfer, and would increase the risk that a transfer may in the future be found to be a fraudulent transfer.

The Netherlands

CNH Global and CNH Trade N.V., two of the guarantors, are incorporated under the laws of The Netherlands. Any insolvency proceedings applicable to them may be governed by Dutch insolvency laws. Dutch insolvency laws differ significantly from the insolvency laws of the United States and may make it more difficult for holders of the notes to recover the amount in respect of the guarantees that they would have recovered in a liquidation or bankruptcy proceeding in the United States. There are two corporate insolvency regimes under Dutch law: (1) moratorium of payment (*surseance van betaling*), which is intended to facilitate the reorganization of a debtor's debts and enable the debtor to continue as a going concern, and (2) bankruptcy (*faillissement*), which is primarily designed to liquidate and distribute the assets of a debtor to its creditors.

Unlike Chapter 11 proceedings under the U.S. bankruptcy law, during which both secured and unsecured creditors generally are barred from seeking to recover on their claims, during moratorium of payments certain secured creditors (including the senior lenders as secured creditors under the senior credit facilities) and preferential creditors may seek to satisfy their claims by proceeding against the assets that secure their claims or to which they have preferential rights. For example, secured creditors such as pledgees and mortgagees may, in principle, enforce their rights as if there is no moratorium of payments. Therefore, a recovery under Dutch law could involve a sale of the assets in a manner that does not reflect their respective going concern value. Consequently, Dutch insolvency laws could preclude or inhibit a restructuring and could reduce any recovery you might obtain in an insolvency proceeding.

In connection with Dutch bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors on the basis of the relative priority of the claims of those creditors and, to the extent claims of certain creditors have equal priority, in proportion to the amount of such claims. Certain parties, such as secured creditors (including senior lenders as secured creditors under senior credit facilities), will benefit from special rights. For example, also in bankruptcy secured creditors such as pledgees and mortgagees may, in principle, enforce their rights as if there is no bankruptcy. In addition, any claims you may have may be limited depending on the date they become due and payable.

All unsecured, pre-bankruptcy claims are submitted to a receiver (*curator*) for verification, and the receiver makes a determination as to the existence, ranking and value of the claim and whether and to what extent it should be admitted in the bankruptcy proceedings. Creditors that wish to dispute the verification of their claims by the receiver will need to commence a court proceeding.

Although no interest is payable in respect of unsecured claims as of the date of a bankruptcy, if the net present value of a claim of a holder needs to be determined, such determination will in most cases be made by taking into account the agreed payment date and interest rate.

Under Dutch law, as soon as a debtor is declared bankrupt, all pending executions of judgments against such debtor, as well as all attachments on the debtor's assets (other than with respect to secured creditors and certain other creditors, as described above), will be terminated by operation of law. Simultaneously with the opening of the bankruptcy, a trustee in bankruptcy will be appointed. The proceeds resulting from the liquidation of the bankrupt estate may not be sufficient to satisfy unsecured creditors under the guarantees granted by a bankrupt guarantor after the secured and the preferential creditors have been satisfied. Litigation pending on the date of the bankruptcy order is automatically stayed.

The performance of a due obligation prior to the bankruptcy of a debtor may be avoided if the creditor knew that a petition for the bankruptcy of the debtor had been filed or, in certain circumstances, where the performance of the obligation resulted from consultation between the debtor and the creditor with a view to creating a preference over other creditors of the debtor. In addition, a transaction that a creditor entered into voluntarily is subject to avoidance if the debtor knew or should have known that the transaction would prejudice one or more of its other creditors. If the transaction is entered into for consideration, it may only be avoided if the creditor also knew or should have known that the transaction would prejudice the debtor's other creditors. In each case, knowledge of the creditor and the debtor that a transaction would prejudice other creditors of the debtor is presumed by law if such transaction has been entered into less than one year prior to the bankruptcy of the debtor or within one year before the date the claim for fraudulent conveyance is made, unless the transaction is entered into pursuant to an obligation existing prior to such one year period, if it is also established that one of the conditions referred to in article 3:46 of the Dutch Civil Code or, respectively, article 43 of the Dutch Bankruptcy Act is fulfilled. These conditions include, but are not limited to, situations where (i) the value of the obligation of the debtor materially exceeds the value of the obligation of the creditor; (ii) the debtor pays or grants security for debts which are not yet due; (iii) an agreement is made or an obligation arises from one legal entity to another if a director of one of these legal entities is also a director of the other; or (iv) an agreement is made with a group company.

Any transaction entered into by a legal entity may be nullified by the legal entity itself or its trustee in bankruptcy if the objects of that entity were transgressed by the transaction and is therefore *ultra vires* and the other party to the transaction knew or should have known this without independent investigation. The Netherlands Supreme Court has ruled that in determining whether the objects of a legal entity are transgressed, not only the description of the objects in that legal entity's articles of association is decisive, but all (relevant) circumstances must be taken into account, in particular whether the interests of the legal entity were served by the transaction. The guarantees by CNH Global N.V. and CNH Trade N.V. in itself do not transgress the description of the objects contained in the articles of association of CNH Global N.V. and CNH Trade N.V. However, there will be other relevant circumstances that must be taken into account, in particular whether the interests of CNH Global N.V. and CNH Trade N.V. are served by the guarantees. We note that a relevant circumstance is that CNH Trade N.V. is not a shareholder of Case New Holland and this could be an argument

that the guarantee by CNH Trade N.V. is not in the interests of CNH Trade N.V. CNH Global N.V. and CNH Trade N.V. believe that entering into the guarantees is not *ultra vires*, but there is limited law and jurisprudence on this issue. Therefore, there can be no assurance that the guarantees by CNH Global N.V. and CNH Trade N.V would not be considered *ultra vires*.

Germany

Insolvency

CNH Deutschland GmbH, a guarantor, is incorporated in Germany. Consequently, in the event of its insolvency, insolvency proceedings may be initiated in Germany. Such proceedings would be governed by German law. Under German law, insolvency proceedings can be initiated either by the debtor or by a creditor in the event of over-indebtedness (*Überschuldung*) of the debtor (*i.e.*, where its liabilities exceed the value of its assets) or in the event that the debtor is unable to pay its debts as and when they fall due (*Zahlungsunfahigkeit*). In addition, the debtor can file for insolvency proceedings if it is imminently at risk of being unable to pay its debts as and when they fall due (*drohende Zahlungsunfähigkeit*). The insolvency proceedings are court controlled, and the court commences the insolvency proceedings (*Erôffnung des Insolvenzverfahrens*) if certain formal requirements are met and if there are sufficient assets to cover at least the cost of the proceedings. The court typically appoints an insolvency administrator (*Insolvenzverwalter*) who, once the main insolvency proceedings have commenced, has full power to dispose of the debtor's assets, whereas the debtor is no longer entitled to dispose of its assets.

All creditors, whether secured or unsecured (unless they have a right to segregate an asset on the basis of a personal right (*Aussonderungsrecht*) from the insolvency estate (*Insolvenzmasse*)), who wish to assert claims against the debtor need to participate in the insolvency proceedings. Any individual enforcement action brought against the debtor by any of its creditors is subject to an automatic stay once insolvency proceedings have commenced and, under certain circumstances, already at the time when an insolvency petition has been filed. In the insolvency proceedings, however, secured creditors have certain preferential rights. If CNH Deutschland GmbH grants security over its assets, such security may result in a preferred treatment of creditors secured by such security. Certain creditors who are secured by a pledge over a claim, or over a movable asset that such secured creditors have in their possession, are entitled to enforce their security interest by themselves. Other security interests, are enforced by the insolvency administrator. In case of an enforcement by the insolvency administrator, the enforcement proceeds less certain contributory charges for (i) assessing the value of the secured assets and (ii) realizing the secured assets are paid to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims. In any event, the remaining amount, if any, will be distributed among the unsecured creditors who are satisfied on a pro rata basis only. The proceeds resulting from the realization of the insolvency estate of CNH Deutschland GmbH may not be sufficient to satisfy unsecured creditors under the guarantees granted by CNH Deutschland GmbH after the secured creditors have been satisfied. A different distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*) that can be submitted by the debtor or the insolvency administrator and which requires, among others, the consent of the debtor and the consent of each class of creditors in accordance with specific majority rules.

In addition, under German insolvency laws, the insolvency administrator or a creditor may, under certain circumstances, avoid transactions effected for the benefit of the holders of the notes, including payments of amounts to the holders of the notes or the granting of security for their benefit. If such transactions were successfully avoided, the holders of the notes would be under an obligation to repay the amounts received or to waive the relevant guarantee.

Corporate law limitations regarding the guarantee

The terms of the guarantee of the notes granted by CNH Deutschland GmbH limit enforcement of the guarantee if and to the extent payment under the guarantee or the application of enforcement proceeds would cause the net assets of either CNH Deutschland GmbH or CNH Baumaschinen GmbH, with which CNH Deutschland GmbH has entered into a profit and loss transfer agreement (or that of another future GmbH-shareholder with which

CNH Deutschland GmbH has entered into a profit and loss transfer agreement) to fall below such entity's respective registered share capital. In addition, by its terms, the guarantee of CNH Deutschland GmbH will limit the liability of CNH Deutschland GmbH to the maximum amount it can pay without the guarantee being deemed a fraudulent conveyance or fraudulent transfer under applicable law.

Both CNH Deutschland GmbH and CNH Baumaschinen GmbH currently have negative equity under German GAAP, i.e. their respective net assets are less than their respective registered share capital. Under the limitations set forth in the terms of the guarantee, you may not be able to enforce the guarantee of CNH Deutschland GmbH as long as CNH Deutschland GmbH and/or CNH Baumaschinen GmbH continue to have negative equity. There can be no assurance as to whether CNH Deutschland GmbH and CNH Baumaschinen GmbH will have positive equity capital at any time during the term of the notes.

United Kingdom

CNH U.K. Limited and New Holland Holding Limited, two of the guarantors, are incorporated under the laws of England and Wales. Accordingly, insolvency proceedings with respect to these subsidiaries would likely be under U.K. insolvency law. The procedural and substantive provisions of U.K. insolvency law may be considered to be generally more favorable to secured creditors than comparable provisions of U.S. law. These provisions afford debtors and unsecured creditors only limited protection from the competing claims of secured creditors. It will generally not be possible for the unsecured creditors of the U.K. guarantors to prevent secured creditors from enforcing their security to repay the debts due to them in priority to the claims of the unsecured creditors in respect of the realized value of the secured assets. Although liquidators and administrators have, under U.K. insolvency law, an obligation to act in the interests of all creditors, our secured creditors will have a priority claim over the assets securing their debts. As a result, your ability to realize claims against us with respect to your notes if the U.K. guarantors become insolvent may not be as favorable for you as similar claims under U.S. and other laws with which you may be familiar.

Due to the nature of U.K. insolvency law, the U.K. guarantors' liabilities in respect of the notes may also, in the event of insolvency or similar proceedings, rank junior to some of its other debts that are entitled to priority under U.K. law. These debts entitled to priority may include (a) contributions owed to occupational pension schemes, (b) salaries owed to employees and (c) liquidation or administration expenses.

Any interest accruing under or in respect of the notes in respect of any period after the commencement of liquidation or administration proceedings would only be recoverable by holders of the notes from any surplus remaining after payment of all other debts proved in such liquidation or administration (including accrued and unpaid interest up to the date of the commencement of proceedings).

A liquidator or administrator of a U.K. guarantor could apply to the court to rescind the issuance of its guarantee of the notes if the liquidator or administrator believes the issuance of that guarantee constituted a transaction at an undervalue. A transaction is at an undervalue if a company makes a gift to a person or enters into a transaction on terms where the company receives no consideration or one which has a value which, in money or money's worth, is significantly less than the value, in money or money's worth, of the consideration provided by that company. To be rescinded in this way, a transaction at an undervalue must have been entered into during the period of two years before liquidation or administration, and the company must have been unable to pay its debts as they fell due at the time the company entered into the transaction or became insolvent by entering into it. Under U.K. insolvency law, there is a presumption of insolvency if the parties to the transaction at an undervalue are connected persons (as defined in the U.K. Insolvency Act 1986), for instance if it is an intra-group transaction or it is with a director of the company. It is a defense if the company entered into the transaction in good faith for the purposes of carrying on its business and, at the time it did so, there were reasonable grounds for believing the transaction would benefit such company. We believe that the guarantee given by each U.K. guarantor will not be provided in a transaction at an undervalue and that the guarantee will be provided in good faith for the purposes of carrying on the business of the U.K. guarantors and its subsidiaries,

and that there are reasonable grounds for believing that the transactions will benefit the U.K. guarantors. There can be no assurance, however, that the provisions of the guarantees by the U.K. guarantors will not be challenged by a liquidator or administrator or that a court would support our analysis.

Where it can be shown that a transaction, such as the issuance of a guarantee, was at an undervalue and was made for the purposes of putting assets beyond the reach of a person who is making, or may at some time make, a claim against a company, or of otherwise prejudicing the interests of such person in relation to such a claim, the transaction may be set aside by the court as a transaction defrauding creditors. This provision of U.K. insolvency law may, in certain circumstances, be used by any person who claims to be damaged by the transaction and is not therefore limited to liquidators or administrators. There is no time limit for the setting aside of the transaction and the company need not be insolvent, in liquidation or administration at the time of the transaction. To the extent that a court were to find that the issuance of a guarantee constituted a transaction defrauding creditors, the court may make such orders as it thinks fit to restore the position to what it would have been if the transaction had not been entered into and to protect the interests of victims of the transaction, which could include voiding a guarantee or subordinating a guarantee in favor of other creditors.

If the liquidator or administrator can show that a company has given a "preference" to any person within six months of the onset of insolvency (or two years if the preference is to a connected person) and, at the time of the preference, the company was technically insolvent or became so as a result of the preferential transaction, a court has the power, among other things, to void the preferential transaction. For these purposes, a company gives a preference to a person if that person is one of the company's creditors (or a surety or guarantor for any of the company's debts or liabilities) and the company does anything or suffers anything to be done which has the effect of putting that person into a position which, in the event of the company going into liquidation, would be better than the position that person would have been in if the thing had not been done. The court may not make an order voiding a preferential transaction unless it is satisfied that the company was influenced by a desire to put that person in such a better position. If a court finds that the guarantees are preferences, the court has very wide powers for restoring the position to what it would have been if that preference had not been given, which could include reducing payments under the guarantees (although there is protection for a third party who enters into one of the transactions in good faith and without notice). Unlike transactions at an undervalue, there is no presumption of insolvency if a preference is made to a connected person (although a desire to prefer is presumed where a preference is given to a connected person).

Canada

CNH Canada, Ltd., one of the guarantors, is organized under Canadian law. The granting of the guarantee of the notes by CNH Canada, Ltd. may be subject to review under applicable Canadian federal or provincial law if a bankruptcy or insolvency proceeding or a lawsuit is commenced by CNH Canada, Ltd. or by or on behalf of CNH Canada, Ltd.'s unpaid creditors. Under such laws, if a court were to find that, at the time such guarantor incurred the guarantee of the notes, such guarantor:

either:

- incurred the guarantee of the notes with the intent of defeating, delaying or defrauding a creditor;
- did not receive adequate consideration for incurring the guarantee of the notes;
- was insolvent or was rendered insolvent by giving the guarantee or knew or ought to have known that it was on the eve of insolvency;
- incurred the guarantee of the notes with a view to (or with the effect of) giving preference to a creditor over other creditors, if such transaction was made within (i) one year of the date of bankruptcy if the guarantor and creditor were not dealing at arm's length, or (ii) three months after the date of bankruptcy if the guarantor and creditor were dealing at arm's length; or
- gave the guarantee of the notes within the relevant time periods of the date of bankruptcy prescribed by legislation,

then the court could render the guarantee of such guarantor null and void or subordinate the amounts owing under such guarantee to such guarantor's presently existing or future debt or take actions detrimental to you.

Generally, a company would be considered insolvent according to Canadian bankruptcy and insolvency laws if, at the time it incurs the debt or issues the guarantee:

- the company is for any reason unable to meet its obligations as they generally become due;
- the company has ceased paying its current obligations in the ordinary course of business as they generally become due; or
- the aggregate of the company's property is not, at a fair valuation, sufficient or, if disposed of at a fairly conducted sale under legal process, would not be sufficient to enable payment of all its obligations due and accruing due.

If the guarantee is found by a court to constitute a reviewable transaction, settlement, preference or fraudulent conveyance or found to be unenforceable for any other reason, you will not have a claim against that guarantor and will only be a creditor of Case New Holland or any guarantor whose obligation was not set aside or found to be unenforceable.

Under Canadian law, the obligations of a guarantor under its guarantee may be affected if the creditor takes action that materially alters the original obligations of the principal debtor and that prejudices the guarantor. This concept deals with the notion that a material variation to the principal contract between the debtor and the creditor, if made without the consent of the guarantor, will discharge the guarantor from any liability.

Belgium

Bankruptcy

New Holland Tractor Limited N.V. and CNH Belgium N.V., two of the guarantors, are governed by Belgium law. As a rule, under Belgian law all transactions (including guarantees) prior to the date of bankruptcy remain valid. However, a Belgian bankruptcy judgment may contain a hardening period of a maximum of 6 months, or the Bankruptcy Court may decide later to introduce such a hardening period. Certain transactions that occur during this hardening period can be declared unenforceable against the bankrupt estate. Such a hardening period can only be imposed by the Bankruptcy Court when there are clear indications that the Belgian subsidiary was in a situation of suspension of payment before the date of bankruptcy.

The receiver of the bankrupt Belgian subsidiaries may request the Bankruptcy Court to declare the guarantee unenforceable against the bankrupt estate (article 17 Bankruptcy Law) if the guarantee has been entered into during the hardening period and can be qualified as:

(i) a transaction with third parties which is entered into without due consideration or on extremely beneficial terms;

(ii) a payment which was not yet due or a payment other than in cash for debts due; and

(iii) a security interest which is provided during the hardening period for old debts.

In addition, the receiver may request the Bankruptcy Court to declare the guarantee which could be qualified as a payment of due debts or a transaction for consideration by the Belgian subsidiary unenforceable against the bankrupt estate if the third party knew, or could reasonably not have been unaware, of the suspension of payment of the company (article 18 Bankruptcy Law).

Regardless of any declaration by the Bankruptcy Court of a hardening period, fraudulent transactions entered into with prejudice to other creditors may be declared unenforceable against the bankrupt estate (article 20 Bankruptcy Law).

Certain secured and privileged creditors shall enjoy special rights in the event of a bankruptcy of a Belgian subsidiary, and their debts shall enjoy a higher ranking than unsecured debts. Furthermore, certain secured creditors, for example creditors benefiting from security interests over financial instruments, shall be able to enforce their rights notwithstanding any bankruptcy proceedings.

Moratorium

The obligations of the Belgian subsidiaries may be frozen and reduced in accordance with Belgian moratorium procedures pursuant to the Belgian Law on Continuity of Undertakings in Distress.

Corporate Interest

A transaction entered into by a Belgian subsidiary which is outside the "corporate interest" of such company can be declared null and void. The Belgian subsidiaries believe that entering into the guarantees is within their "corporate interest." However, there are no laws, conclusive case law or clear jurisprudence to indicate with certainty that the guarantees are within the corporate interest of the Belgian subsidiaries and, consequently, there remains a risk that the guarantees would fall outside the "corporate interest" and would be declared null and void.

Australia

CNH Australia Pty Ltd. (ACN 000 031130), one of the guarantors, is incorporated in Australia. Under Australian insolvency law, the liquidator of an Australian incorporated guarantor may seek to challenge the guarantee given by that Australian guarantor if the guarantee was an insolvent transaction and an uncommercial transaction. The guarantee will be an uncommercial transaction of an Australian guarantor if, and only if, it may be expected that a reasonable person in the Australian guarantor's circumstances would not have entered into the transaction, having regard to the benefits (if any) to the Australian guarantor of entering into the transaction, the detriment to the company of entering into the transaction, the respective benefits to other parties to the transaction of entering into it and any other relevant matter. The transaction would be an insolvent transaction if it was an uncommercial transaction and either was entered into when the Australian guarantor was insolvent or the Australian guarantor becomes insolvent as a result of entering into the guarantee. A court generally will not intervene, however, if the Australian guarantor entered into the transaction when it was solvent and did so in good faith and the entering into of the guarantee was in the best interests of the Australian guarantor. Under Australian insolvency law, certain debts rank ahead of general unsecured obligations, such as those under a guarantee. These include certain liabilities to employees and (in very limited circumstances) taxing authorities.

Switzerland

The Swiss Federal Act on Forced Debt Collection and Bankruptcy (the "Bankruptcy Code") allows creditors holding a provisional or definitive certificate of shortfall (*provisorischer oder definitiver Pfändungsverlustschein*) or the bankruptcy administrator to challenge transactions, if there is a bankruptcy, or similar insolvency-related event (e.g., moratorium or composition with creditors) and the prerequisites of one of three avoidance actions under the Bankruptcy Code are fulfilled, such avoidance actions being avoidance of (i) transactions deemed not to have been made at arm's length (action to avoid a gift (*Schenkungsanfechtung*)), (ii) transactions detrimental to creditors made at a time the debtor was already insolvent (voidability due to insolvency (*Überschuldungsanfechtung*)) and (iii) transactions undertaken with the intent to damage creditors (voidability for intent (*Absichtsanfechtung*)). An individual creditor may only bring the claim after the bankruptcy administrator conveyed to him the right to sue.

With respect to an action to avoid a gift (*Schenkungsanfechtung*) the Bankruptcy Code states that with exception of the customary occasional presents, all gifts and voluntary settlements which the debtor made during the year before seizure of assets (*Pfändung*) or the opening of bankruptcy proceedings (*Konkurserôffnung*) are voidable. Transactions in which the debtor accepted a counter-performance out of proportion to his own or transactions through which the debtor obtained for himself or a third party a life annuity, an endowment, a usufruct or a right of

habitation are deemed equivalent to a gift. In case of voidability due to insolvency (*Überschuldungsanfechtung*), the granting of collateral for existing obligations which the debtor was hitherto not bound to secure, the settlement of a debt of money by another manner than in cash or by other normal means of payments or the payment of an unmatured debt are voidable, if the debtor (i) carried them out during the year prior to the seizure of assets (*Pfändung*) or the opening of bankruptcy proceedings (*Konkurserôffnung*) and (ii) was at the time already insolvent (*überschuldet*). If the recipient proves that he was unaware, and need not have been aware, of the debtor's insolvency (*Überschuldung*), such transactions is not avoided. Lastly, in the case of voidability for intent (*Absichtsanfechtung*), transactions carried out by the debtor during five years prior to the seizure of assets (*Pfändung*) or the opening of bankruptcy proceedings (*Konkurserôffnung*) with the intention, apparent to the other party, of disadvantaging his creditors or of favoring certain of his creditors to the disadvantage of others are voidable.

In calculating the deadlines in the preceding paragraphs, the duration of (i) preceding composition proceedings (*Nachlassverfahren*), (ii) a stay of opening of bankruptcy pursuant to Articles 725a, 764, 817 or 903 of the Swiss Code of Obligations and (iii) the enforcement proceedings leading up to the action to set aside (*Betreibung*) do not count. Furthermore, the period between the date of decease and the liquidation order in proceedings to liquidate an estate is not counted either. The avoidance action is brought before the court at the respondent's place of domicile. If the respondent is not domiciled in Switzerland, the action may be brought before the court of the place of the seizure of assets (*Pfändung*) or of the place of bankruptcy (*Konkurs*). The respondents to an action to avoid a transaction are the persons with whom the debtor concluded the transactions in questions, or the persons he favored, as well as such persons' heirs or other successors in law and third parties in bad faith. The avoidance action does not affect rights of third parties in good faith. Persons who have received assets of the debtor through voidable transactions are bound to return them. The consideration received must also be returned if the debtor still has such or is enriched thereby. The excess can only be pursued in the form of a claim against the debtor. As a result, a creditor who has restituted the payment made to him by a voidable act regains his original rights and a person who has received a donation in good faith is only obliged to restitute his enrichment. Lastly, under Swiss law, the avoidance actions are forfeited with the elapse of two years after (i) service of the certificate of shortfall (*Pfändungsverlustschein*) or (ii) the opening of the bankruptcy proceedings (*Konkurserôffnung*).

The liability of CNH International S.A. as guarantor of payments of all amounts due in respect of notes issued by Case New Holland Inc. is (to the extent that such is a requirement of applicable Swiss law in force at the relevant time) limited to a sum equal to the maximum amount of CNH International S.A.'s profits available for distribution at any given time (being the balance sheet profits and any reserves made for this purpose, in each case in accordance with art. 675(2) and art. 671(1) and (2) no.3, of the Swiss Code of Obligations). Any payments under the guarantee by CNH International S.A. of any amounts due in respect of notes issued by Case New Holland Inc. may require certain corporate formalities to be completed prior to payment including, but not limited to, obtaining an audit report, shareholders' resolutions and board resolutions approving payment. Any payment made by CNH International S.A. pursuant to the guarantee of amounts due in respect of notes issued by Case New Holland Inc. may be subject to Swiss withholding taxes on dividends (the present rate of which is 35 percent), and, as noted in more detail below in "Description of the Notes—Additional Amounts," under Swiss law, a Swiss guarantor may be prohibited from grossing up any such withholding tax.

Certain subsidiaries are not included as guarantor subsidiaries.

The guarantors of the notes include only CNH Global and certain of its direct and indirect subsidiaries. However, our historical consolidated financial information (including our consolidated financial statements included elsewhere in this offering circular) included in this offering circular are presented on a consolidated basis, including all of our consolidated subsidiaries. As of and for the period ended December 31, 2009, the guarantor subsidiaries collectively accounted for approximately 64% of our Equipment Operations net sales, 143% of our Equipment Operations Adjusted EBITDA and 60% of our Equipment Operations consolidated assets, excluding goodwill and intangibles. Equipment Operations consolidated assets reflects the consolidation of all majority-owned subsidiaries except for CNH's Financial Services business. CNH's Financial Services

business has been included using the equity method of accounting. The percentage of our Equipment Operations net sales, Equipment Operations Adjusted EBITDA and Equipment Operations consolidated assets attributable to our non-guarantor subsidiaries (as compared to our guarantor subsidiaries) can fluctuate significantly from year to year as a result of the different factors affecting our operations in the geographic regions in which our non-guarantor and guarantor subsidiaries do business. We only update our guarantor/non-guarantor financial disclosure in connection with our annual report on Form 20-F and we can provide no assurance that the percentages of our Equipment Operations net sales, Equipment Operations Adjusted EBITDA and Equipment Operations assets, collectively accounted for by our guarantor subsidiaries as of and for the year to date, as well as the amount of outstanding indebtedness of our non-guarantor subsidiaries as of the year to date, have not changed materially from such percentages, or such amount, as of and for the year ended December 31, 2009.

Because a substantial portion of our operations is conducted by the non-guarantor subsidiaries, our cash flow and our ability to service debt, including our and the guarantor subsidiaries' ability to pay the interest on and principal of the notes when due, are dependent to a significant extent upon interest payments, cash dividends and distributions or other transfers from the non-guarantor subsidiaries. In addition, any payment of interest, dividends, distributions, loans or advances by the non-guarantor subsidiaries to us and to the guarantor subsidiaries, as applicable, could be subject to restrictions on dividends or repatriation of earnings under applicable local law, monetary transfer restrictions and foreign currency exchange regulations in the jurisdictions in which those non-guarantor subsidiaries operate. Moreover, payments to us and the guarantor subsidiaries by the non-guarantor subsidiaries will be contingent upon non-guarantor subsidiaries' earnings.

Our non-guarantor subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due pursuant to the notes or the guarantees or to make any funds available herefore, whether by dividends, loans, distributions or other payments. Any right that we or the subsidiary guarantors have to receive any assets of any of the non-guarantor subsidiaries upon the liquidation or reorganization of those subsidiaries, and the consequent rights of holders of notes to realize proceeds from the sale of any of those subsidiaries' assets, will be effectively subordinated to the claims of that subsidiary's creditors, including trade creditors and holders of debt of that subsidiary.

The subsidiaries in our Financial Services business (as well as certain other subsidiaries) may incur substantial additional secured or unsecured indebtedness.

Holders may not be able to effect service of process within the United States upon CNH Global or the other non-U.S. guarantors or to enforce against them judgments of U.S. courts.

CNH Global is a corporation organized under the laws of The Netherlands, and certain of the other guarantors are organized in jurisdictions outside the United States. In addition, some of the members of CNH Global's Board of Directors and some of its officers reside outside the United States. As a result, you may not be able to effect service of process within the United States upon CNH Global or the other non-U.S. guarantors or those persons. In addition, you may not be able to enforce against them, either in the United States or outside the United States, judgments of U.S. courts, including judgments based on the civil liability provisions of the U.S. federal securities laws. Also, a substantial portion of CNH Global's assets and the assets of those persons is located outside the United States; therefore, you may not be able to collect a judgment within the United States.

You may be impacted by original issue discount.

The notes will be considered to be issued with original issue discount for United States federal income tax purposes if the stated principal amount of the notes exceeds their issue price by more than a *de minimis* amount. In such event, United States Holders will be required to include amounts representing original issue discount in gross income (as ordinary income) on a constant yield basis for United States federal income tax purposes in advance of the receipt of cash payments to which such income is attributable (regardless of whether such holder is on the cash or accrual method of tax accounting). See "Certain U.S. Federal Income Tax Consequences."

Risks Related to Our Indebtedness

Adverse conditions in the financial and credit markets have limited, and may significantly limit, the availability, and increase the cost of, funding.

During late 2008 and early 2009, the financial and credit markets experienced unprecedented levels of volatility and disruption, putting downward pressure on financial and other asset prices generally and on credit availability. As a result, the ability to procure new financing at favorable costs to fund operations or refinance maturing obligations as they became due was significantly constrained. A return to these conditions could severely restrict access to capital and could have a material adverse effect on our earnings and cash flow. If we were unable to obtain adequate sources of funding in the future, our liquidity position and our ability to fund our business would suffer.

Access to funding at competitive rates is essential to our Financial Services business.

The most significant source of liquidity for Financial Services has traditionally been Asset Backed Securities ("ABS") transactions. During late 2008 and early 2009, conditions in the ABS market adversely affected our ability to sell loans or other assets on a favorable or timely basis. Similar conditions in the future could have an adverse effect on our business and results of operations. The ABS market is sensitive to overall investor sentiment and to the performance of our portfolio.

A performance trend substantially worse than anticipated with respect to the assets backing the securities issued by us in connection with ABS transactions could have a material adverse effect on our ability to access capital through the ABS markets or on the terms and conditions applicable to such transactions.

Credit rating changes could affect our cost of funds.

Our access to funds and our cost of funding depend on, among other things, the credit ratings of CNH, our ABS transactions and Fiat S.p.A., as Fiat currently provides us with direct funding as well as guarantees in connection with some of our external financing arrangements. (See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.") The rating agencies may change the credit ratings or take other similar actions, which could affect our access to the capital markets, and the cost and terms of future borrowings and, therefore, could adversely affect our financial condition and results of operations.

We have significant outstanding indebtedness, which may limit our ability to obtain additional funding and limit our financial and operating flexibility.

As of December 31, 2009, we had an aggregate of $9.4 billion of consolidated indebtedness, of which $5.7 billion related to Financial Services and $3.7 billion to Equipment Operations, and our equity was $6.8 billion. In addition, we have historically relied heavily upon ABS transactions to obtain funding, with a total of $6.0 billion of funding related to off-balance sheet transactions outstanding as of December 31, 2009. These transactions have traditionally funded the majority of our Financial Services activities in North America and Australia.

The extent of our indebtedness could have important consequences to our operations and financial results, including:

- we may not be able to secure additional funds for working capital, capital expenditures, debt service requirements or general corporate purposes;
- we will need to use a portion of our projected future cash flow from operations to pay principal and interest on our indebtedness, which will reduce the amount of funds available to us for other purposes;
- we may be more financially leveraged than some of our competitors, which could put us at a competitive disadvantage;

- we may not be able to adjust rapidly to changing market conditions, which may make us more vulnerable to a downturn in general economic conditions or our business; and
- we may not be able to access the ABS markets on favorable terms, which may adversely affect our ability to provide competitive retail and wholesale financing programs.

Restrictive covenants in our debt agreements could limit our financial and operating flexibility.

The indentures governing our outstanding public indebtedness and other credit agreements to which we are a party contain covenants that restrict our ability and/or that of our subsidiaries to, among other things:

- incur additional debt;
- pay dividends on our capital stock or repurchase our capital stock;
- make certain investments;
- enter into certain types of transactions with affiliates;
- use assets as security in other transactions;
- enter into sale and leaseback transactions; and
- sell certain assets or merge with or into other companies.

In addition, we are a party to credit agreements along with certain other Fiat Group parties. As of December 31, 2009, €300 million ($432 million) was allocated to CNH by Fiat under a €1.0 billion ($1.4 billion) Fiat credit facility syndicated with third parties which is currently scheduled to mature in August 2010. A default under such credit agreements could arise as a result of an act or omission by a party other than us which could allow the creditor to exercise its rights and remedies. Failure to comply with these covenants could cause a default under the applicable agreement which might result in all loans outstanding under the agreement coming due. In such event, the amounts outstanding under our public debt instruments could also come due. If the amounts outstanding under our credit agreements and public debt instruments were to come due, we could have insufficient cash and cash equivalents to satisfy these obligations.

For more information regarding our credit facilities and debt, see "Note 9: Credit Facilities and Debt" of our consolidated financial statements for the year ended December 31, 2009.

Risks Related to Our Business, Strategy and Operations

Current conditions in the global economy and the major industries we serve have adversely affected our business.

The business and operating results of our Equipment Operations have been, and will continue to be, adversely affected by worldwide economic conditions. Current financial conditions and, in particular, conditions in the construction industry, continue to place significant economic pressures on our existing and potential customers, including our dealer network. As a result, some customers may delay or cancel plans to purchase our products and services and may not be able to fulfill their obligations to us in a timely fashion. Further, our suppliers may be experiencing similar conditions, which may adversely affect their ability to fulfill their obligations to us, which could result in product delays, increased accounts receivable, defaults and inventory challenges. Recently, there has been particular concern about economic conditions in Europe, which may be impacted by the risk of sovereign debt defaults in certain European Union countries, such as Greece. In addition, the government in China has taken steps to slow the growth rate in that country through reduced bank lending. This global uncertainty and turmoil and the recession in many economies have adversely affected demand for our products. The full impact of stimulus programs by the United States and other governments remains uncertain, as does their willingness to extend existing programs or adopt additional programs. If there is significant further deterioration in the global economy, the demand for our products and services would likely decrease, and our results of operations, financial position and cash flows could be materially and adversely affected.

In addition, a decline in equity market values could cause many companies, including us, to carefully evaluate whether certain intangible assets, such as goodwill, have become impaired. The factors that we evaluate to determine whether an impairment charge is necessary requires management judgment and estimates. The estimates are impacted by a number of factors, including, but not limited to, worldwide economic factors, technological changes and the achievement of the anticipated benefits of our profit improvement initiatives. Any of these factors, or other unexpected factors, may cause us to re-evaluate whether we need to record an impairment charge. In the event we are required to record an impairment charge to certain intangible assets, it could have an adverse impact on our equity position and statement of operations.

We are exposed to political, economic and other risks from operating a global business.

Our global business is also subject to the political, economic and other risks that are inherent in operating in numerous countries. Some of those risks include:

- changes in laws, regulations and policies that affect:
  - import and export duties and quotas,
  - currency restrictions,
  - interest rates and the availability of credit to our dealers and customers,
  - property and contract rights, and
  - taxes;
- regulations from changing world organization initiatives and agreements;
- changes in the dynamics of our competitors and the industries in which we operate;
- varying and unpredictable customer needs and desires;
- labor disruptions; and
- war, civil unrest, and terrorism.

Financial Services borrows through a subsidized long-term program of a Brazilian development agency, Banco Nacional de Desenvolvimento e Social (“BNDES”), and this program provides subsidized funding to financial institutions to be loaned to farmers to support the purchase of machinery in accordance with the provisions of the program. The Brazilian government provided debt relief, which included deferral of payments and extensions of maturities, to certain qualifying farmers and borrowers under this program in 2005, 2006, 2007 and 2008.

In 2009, no mass debt relief program was initiated. In most instances, the 2009 payments were due as scheduled or as renegotiated, where applicable. At December 31, 2009 and 2008, the amount of non-performing retail receivables included in this program, including the off-book guaranteed portfolio, was $633 million and $51 million, respectively. Total receivables greater than 60 days or more past due were $651 million and $63 million, respectively. We continue to aggressively pursue collections of these receivables. At December 31, 2009 and 2008, we had $172 million and $98 million in allowance for credit losses related to this portfolio, respectively.

We believe this series of debt relief actions has impacted customer behavior and payment patterns. The impact of any future changes to the program could further impact our ability to collect amounts owed.

Currently, our ability to grow our businesses depends to an increasing degree on our ability to increase market share and operate profitably in emerging market countries, such as Brazil, Russia, India and China. Some of these emerging market countries may be subject to a greater degree of economic and political volatility which could adversely affect our financial condition and results of operations.

The costs of compliance or other liabilities arising from or relating to laws and regulations in numerous countries and the risks inherent in operating around the world could adversely affect our financial condition and results of operations.

Our financial performance is subject to currency exchange rate fluctuations and interest rate changes.

We conduct operations in many areas of the world involving transactions denominated in a variety of currencies other than the U.S. dollar. To prepare our consolidated financial statements, we must translate those assets, liabilities, expenses and revenues into U.S. dollars at the applicable exchange rates. As a result, increases and decreases in the value of the U.S dollar relative to other currencies will affect the amount of these items in our consolidated financial statements, even if their value has not changed in their original currency (currency translation). We do not hedge currency translation risk. In addition, we are subject to daily variations in currency values as we make payments in or convert monies received from different currencies (currency transaction). Accordingly, a substantial increase or decrease in the value of the U.S. dollar relative to other currencies could substantially affect our operating results.

Changes in interest rates affect our results of operations by, among other things, increasing or decreasing our borrowing costs and finance income. In addition, an increase in interest rates will, among other things, increase our customers' costs of financing equipment purchases which could reduce our sales of equipment. A decline in equipment sales or an increase in our funding costs without a commensurate increase in finance income would have an adverse effect on our financial condition and results of operations.

We attempt to mitigate our currency transaction risk and the impact of interest rate changes through the use of financial hedging instruments. We have historically entered into, and expect to continue to enter into, hedging arrangements with respect to currency transaction risk, a substantial portion of which are with counterparties that are treasury subsidiaries of Fiat S.p.A. As with all hedging instruments, there are risks associated with the use of foreign currency forward exchange contracts, as well as interest rate swap agreements and other risk management contracts. While the use of such hedging instruments provides us with protection from certain fluctuations in currency exchange and interest rates, we potentially forgo the benefits that might result from favorable fluctuations in currency exchange and interest rates. In addition, any default by the counterparties to these transactions could adversely affect our financial condition and results of operations. These financial hedging transactions may not provide adequate protection against future currency exchange rate or interest rate fluctuations and, consequently, such fluctuations could adversely affect our financial condition and results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quantitative and Qualitative Disclosures about Market Risk." In addition, the U.S. Congress currently is considering broad financial regulatory reform legislation that, among other things, would impose comprehensive regulation of derivatives transactions and could affect the use of derivatives in hedging transactions. Although we cannot predict the final form any such legislation will take, any laws or regulations that subject us to additional restrictions on our derivatives positions could adversely affect our ability to hedge risks associated with our business or increase the cost of our hedging activity.

Risks related to our pension plans and other postretirement obligations could impact our profitability.

At December 31, 2009, our pension plans had an underfunded status of $848 million and our postretirement benefit plans had an underfunded status of $1,086 million. Benefit obligations for pension plans that we do not currently fund were $481 million at that date. The funded status of our pension and postretirement benefit plans is subject to many factors, such as actual experience and updates to actuarial assumptions used to measure the obligations. Actual developments, such as a significant change in the return on investment of the plan assets or a change in the portfolio mix of plan assets, may result in corresponding increases or decreases in the valuation of plan assets, particularly with respect to equity securities. Moreover, changes in interest rates may result in increases or decreases in the valuation of plan assets consisting of debt securities. Differences between actuarial projections and actual experience, such as a difference between expected and actual participant mortality rates, retirement rates or health care costs, may result in significant increases or decreases in the valuation of pension or

postretirement obligations. Changes in actuarial assumptions, such as discount rates or rates of increase in future compensation, may also result in significant changes to the funded status of our pension and postretirement benefit plans. A change in funded status and/or a change in actuarial assumptions can result in higher or lower net periodic pension costs in the following year. See also "Management's Discussion and Analysis of Financial Condition and Results of Operations—Application of Critical Accounting Estimates" and "—Pension and Other Postretirement Benefits," as well as "Note 12: Employee Benefit Plans and Postretirement Benefits" of our consolidated financial statements for the year ended December 31, 2009, for additional information on pension and postretirement benefit accounting.

In March 2010, the President of the United States signed into law the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively the "Health Care Acts"). The Health Care Acts will have a substantial impact on employers and businesses. Certain provisions of the Health Care Acts will become effective in 2010, while other provisions of the Health Care Acts will be effective in future years. The Health Care Acts could require, among other things, changes to our current employee benefit plans, our information technology infrastructure, and our administrative and accounting processes. The ultimate extent and cost of these changes cannot be determined at this time and are being evaluated as related regulations and interpretations of the Health Care Acts become available. The Health Care Acts could significantly increase the cost of providing healthcare coverage generally and could adversely affect our financial condition and results of operations.

We depend on key suppliers for certain raw materials and components.

We purchase raw materials, parts and components from third-party suppliers. We rely upon single suppliers for certain parts and components, primarily those that require joint development between us and our suppliers. Current financial conditions could cause some of our suppliers to continue to face severe financial hardship and disrupt our access to critical parts, components and supplies which could have a negative impact on our costs of production, our ability to fulfill orders and on the profitability of our business.

Changes in the price of certain parts or commodities could adversely affect our operating results.

A significant change in the demand for, or supply or price of, any part, component or commodity could adversely affect our profitability or our ability to obtain and fulfill orders. Increases in the prices of raw materials could adversely affect our operating results. Changes in the price or availability of raw materials, which are more likely to occur during times of economic volatility, could have a negative impact on our manufacturing costs which could reduce the profitability of our businesses. In addition, increases in the costs of steel, rubber, oil and related petroleum-based products would adversely affect our profitability unless we raise equipment and parts prices to recover any such material or component cost increases. However, we may be unable to raise prices due to market conditions. Our ability to realize the benefit of declining commodity prices may be delayed by the need to reduce existing whole goods inventories which were manufactured during a period of higher commodity prices.

Labor laws and labor unions, which represent most of our production and maintenance employees, could impact our ability to maximize the efficiency of our operations.

We are subject to various local labor laws in the countries in which we operate. For instance, in Europe, our employees are covered by various worker protection laws which afford employees, through local and central works councils, rights of information and consultation with respect to specific matters involving their employers' business and operations, including the downsizing or closure of facilities and employment terminations. Labor agreements covering employees in certain European countries generally expire annually. The European worker protection laws and the collective bargaining agreements to which we are subject could impair our flexibility in streamlining existing manufacturing facilities and in restructuring our business.

Overall, labor unions represent most of our production and maintenance employees. Although we believe our relations with our employees and our unions are generally positive, current or future issues with labor unions might not be resolved favorably, and we may experience a work interruption or stoppage which could adversely affect our financial condition and results of operations.

Risks Particular to the Industries in Which We Operate

Government action and changes in government policy can impact our sales and restrict our operating flexibility.

Our businesses are exposed to a variety of risks and uncertainties related to the action or inaction of governmental bodies.

Government policies can affect the market for our agricultural equipment by influencing interest rates and regulating economic activity. For example, governments may regulate the levels of acreage planted through direct subsidies affecting specific commodity prices or through payments made directly to farmers. The existence of a high level of subsidies may reduce the effects of cyclicality in the equipment business. Other changes in government regulations, policies and initiatives could reduce demand for equipment and reduce our net sales.

In addition, international and multilateral institutions, such as the World Trade Organization, can affect the market for agricultural equipment through initiatives for changes in governmental policies and practices regarding agricultural subsidies, tariffs and the production of genetically modified crops. In particular, the outcome of the global negotiations under the auspices of the World Trade Organization could have a material effect on the international flow of agricultural commodities and could cause severe dislocations within the farming industry as farmers shift production to take advantage of new programs. With uncertainty created by policy changes and reforms, farmers could delay purchasing agricultural equipment, causing a decline in industry unit volumes and our net sales.

The worldwide financial and credit crisis dramatically affected, among other things, the availability and cost of credit. The full impact of actions by various central banks and other governmental entities to restore liquidity, increase the availability of credit and stimulate job growth continues to be uncertain. Although credit conditions generally improved in 2009 from 2008, enabling many government programs to expire, pressures on liquidity and the availability of credit could have an adverse impact on our customers and suppliers as well as our financial condition and results of operations. In addition, some of our competitors may be eligible for government programs for which we are ineligible, which would put us at a competitive disadvantage. Governmental action may have the effect of impacting market forces and consumer demand in unanticipated ways.

Government policies on issues such as taxes and spending can have a material effect on our sales and business results. For example, increased government spending on roads, utilities and other construction projects and requirements with respect to biofuel additives to gasoline can have a positive effect on sales, while tax laws and regulations may affect depreciation schedules and the net income earned by our customers. These factors may influence customer decisions with respect to whether and when to buy equipment. Developments which are more unfavorable than anticipated, such as decisions to reduce public spending, could have an adverse effect on our financial condition and results of operations.

See also “Business—Industry Overview—Agriculture Equipment—Biofuels Impact on Agriculture,” “Business—Industry Overview—Construction Equipment—Light Construction Equipment,” “Business—Property, Plant and Equipment,” and “Business—Environmental Matters.”

Reduced demand for equipment would reduce our sales and profitability.

Some factors affecting demand for equipment, which could materially impact our operating results, include:

- general economic conditions;
- demand for food;
- commodity prices and stock levels;
- net farm income levels;

- availability of credit;
- developments in biofuels;
- infrastructure spending rates;
- housing starts; and
- commercial construction.

As such factors increase or decrease around the world, demand for our products may be significantly impacted in a relatively short timeframe. Negative economic conditions or a negative outlook for any of these factors can dampen demand for farm and/or construction equipment. Rapid declines in demand can result in, among other things, an oversupply of equipment, a decline in prices, the need for additional promotional programs, and a decrease in factory utilization, all of which would adversely affect our financial condition and results of operations.

Positive economic conditions or positive outlooks for any of these factors can increase demand for farm and/or construction equipment. Rapid increases in demand can result in, among other things, an undersupply of equipment, increases in prices of our equipment, increases in our costs for materials and components, and increases in factory utilization demands (that either may not be possible due to production or other constraints, affecting either us or our suppliers, or may not be sustainable for long periods of time without additional, potentially significant, capital expenditures or inefficiency costs). Producing our products is a capital intensive activity and can require significant amounts of time and capital investment to materially adjust production capacity and efficiency. Accordingly, we may not be able to quickly accommodate large changes in demand which could impede our ability to operate efficiently. See also “Business—Industry Overview.”

The agricultural and construction equipment industries are highly cyclical.

The nature of the agricultural and construction equipment industries is such that changes in demand can occur suddenly, resulting in imbalances in inventories, production capacity and prices for new and used equipment. Downturns may be prolonged and may result in significant losses during affected periods. Equipment manufacturers, including us, have responded to downturns in the past by reducing production levels and discounting product prices. These actions have resulted in restructuring charges and lower earnings for us in past affected periods. In response to the current decline in sales (particularly in the construction equipment industry), we may continue to under-produce relative to retail demand the amount of equipment we manufacture in 2010. In the event of further downturns in the future, we may need to undertake similar or additional actions. Upturns also may be prolonged and result in lower than expected improvements in results as we and our suppliers invest to increase production capacities and efficiencies.

Risks related to Financial Services.

Credit Risk. Fundamental to any organization that extends credit is the risk associated with its customers. The creditworthiness of each customer, and the rates of delinquencies, repossessions and net losses relating to customer loans is impacted by many factors including:

- relevant industry and general economic conditions;
- the availability of capital;
- changes in interest rates;
- the experience and skills of the customer’s management team;
- commodity prices;
- political events;
- weather; and
- the value of the collateral securing the extension of credit.

A deterioration of our asset quality, an increase in delinquencies or a reduction in collateral recovery rates could have an adverse impact on the performance of Financial Services. These risks become more acute in any economic slowdown or recession due to decreased demand for (or the availability of) credit, declining asset values, changes in government subsidies, reductions in collateral to loan balance ratios, and an increase in delinquencies, foreclosures and losses. Our servicing and litigation costs may also increase. In addition, governments may pass laws or implement regulations that modify rights and obligations under existing agreements or which prohibit or limit the exercise of contractual rights.

When loans become defaulted and Financial Services forecloses on collateral securing the repayment of the loan, its ability to sell the collateral to recover or mitigate losses is subject to the market value of such collateral. Those values are affected by levels of new and used inventory of agricultural and construction equipment on the market. They are also dependent upon the strength or weakness of market demand for new and used agricultural and construction equipment, which is affected by the strength of the general economy. In addition, repossessed collateral may be in poor condition, which would reduce its value. Finally, relative pricing of used equipment, compared with new equipment, can affect levels of market demand and the resale of the repossessed equipment. An industry wide decrease in demand for agricultural or construction equipment could result in lower resale values for repossessed equipment which could increase losses on loans and leases, adversely affecting our financial condition and results of operations. See also "—Risks Related to Our Indebtedness—Access to funding at competitive rates is essential to our Financial Services business."

Funding Risk. Financial Services has traditionally relied upon the ABS market as a primary source of funding for its operations in North America and Australia. The recent worldwide financial and credit crisis had a material impact on the ABS market. In early 2009, we saw a return of liquidity to the ABS market at spreads that have continued to improve throughout the year and into 2010, and are currently more reflective of historical averages. However, if economic conditions worsen, Financial Services could have materially higher funding costs or may have to limit its product offerings, which could negatively impact our financial results. As Financial Services finances a significant portion of our sales of equipment, to the extent that Financial Services is unable to access funding on acceptable terms our sales of equipment could be negatively impacted.

To maintain competitiveness in the capital markets and to promote efficient use of funding sources, additional reserve support has been added to certain previously issued ABS transactions. Such optional support may be required to maintain credit ratings assigned to certain transactions if loss experiences are higher than anticipated due to adverse economic conditions. The need to provide additional reserve support could have an adverse effect on our financial condition, results of operations and liquidity.

Repurchase Risk. In connection with our ABS transactions, we make customary representations and warranties regarding the assets being securitized. While no recourse provisions exist that allow holders of asset-backed securities issued by our trusts to require us to repurchase those securities, a breach of these representations and warranties could give rise to an obligation to repurchase non-conforming receivables from the trusts. Any future repurchases could have an adverse effect on our financial condition, results of operations and liquidity.

Regulatory Risk. The operations of Financial Services are subject, in certain instances, to supervision and regulation by various governmental authorities. These operations are subject to various laws and judicial and administrative decisions and interpretations imposing requirements and restrictions, which among other things:

- regulate credit granting activities, including establishing licensing requirements;
- establish maximum interest rates, finance and other charges;
- regulate customers' insurance coverage;
- require disclosure to customers;
- govern secured transactions;
- set collection, foreclosure, repossession and claims handling procedures and other trade practices;

- prohibit discrimination in the extension of credit and administration of loans; and
- regulate the use and reporting of information related to a borrower.

To the extent that applicable laws are amended or construed differently, new laws are adopted to expand the scope of regulation imposed upon Financial Services, or applicable laws prohibit interest rates we charge from rising to a level commensurate with risk and market conditions, such events could adversely affect our Financial Services business and our financial condition and results of operations.

U.S. regulators and legislators have implemented or proposed various changes which could adversely affect the ABS market. To the extent that these changes increase Financial Services' cost of compliance or limit its ability to access the ABS market on acceptable terms, our financial condition could be adversely affected.

Financial Services conducts business in parts of Europe and Brazil through two wholly-owned licensed banks. The activities of these entities are also governed by international, federal and local banking laws, and our banks are subject to examination by banking regulators. These banking entities are also required to comply with various financial requirements (such as minimum capital requirements). Compliance with such banking regulations could increase our operating costs which would have an adverse effect on our financial condition and results of operations. In addition, government regulators may implement laws which negatively impact our contractual rights, which may increase our financial risk of doing business in such countries.

Market Risk. We hold substantial retained interests in securitization transactions, which we refer to collectively as retained interests. We carry these retained interests at estimated fair value, which we determine by discounting the projected cash flows over the expected life of the assets sold in connection with such transactions using prepayment, default, loss and interest rate assumptions. We are required to recognize declines in the value of our retained interests, and resulting charges to income or equity, when their fair value is less than carrying value. The portion of the decline, from discount rates exceeding those in the initial deal, are charged to equity. All other credit related declines are charged to income. Assumptions used to determine fair values of retained interests are based on internal evaluations and, although we believe our methodology is reasonable, actual results may differ from our expectations. Our current estimated valuation of retained interests may change in future periods, and we may incur additional impairment charges as a result. Beginning January 1, 2010, we adopted the new accounting guidance relating to variable interest entities. The retained interests, included in the December 31, 2009 balance sheet, were reclassified to receivables for the transactions that were consolidated upon adoption of this guidance.

See also "—Risks Related to Our Indebtedness—Access to funding at competitive rates is essential to our Financial Services business."

The agricultural equipment industry is highly seasonal which causes our results of operations and levels of working capital to fluctuate.

The agricultural equipment business is highly seasonal as farmers traditionally purchase agricultural equipment in the spring and fall in connection with the main planting and harvesting seasons. Our net sales and results of operations have historically been the highest in the second quarter, reflecting the spring selling season in the Northern Hemisphere, and lowest in the third quarter, when many of our production facilities experience summer shut-down periods, especially in Europe. Seasonal conditions also affect our construction equipment business, but to a lesser extent than our agricultural equipment business. Our production levels are based upon estimated retail demand. These estimates take into account the timing of dealer shipments, which occur in advance of retail demand, dealer inventory levels, the need to retool manufacturing facilities to produce new or different models and the efficient use of manpower and facilities. However, because we spread our production and wholesale shipments throughout the year, wholesale sales of agricultural equipment products in any given period may not necessarily reflect the timing of dealer orders and retail demand in that period.

Estimated retail demand may exceed or be exceeded by actual production capacity in any given calendar quarter because we spread production throughout the year. If retail demand is expected to exceed production capacity for a quarter, then we may schedule higher production in anticipation of the expected retail demand. Often, we anticipate that spring selling season demand may exceed production capacity in that period and schedule higher production, and anticipate higher inventories and wholesale shipments to dealers in the first quarter of the year. Thus, our working capital and dealer inventories are generally at their highest levels during the February to May period and decline to the end of the year as both company and dealers' inventories are typically reduced.

As economic, geopolitical, weather and other conditions change during the year and as actual industry demand might differ from expectations, sudden or significant declines in industry demand could adversely affect our working capital and debt levels, financial condition or results of operations. In addition, to the extent our production levels (and timing) do not correspond to retail demand, we may have too much or too little inventory, which could have an adverse effect on our financial condition and results of operations.

Weather, climate change, and natural disasters can impact our operations and our sales.

Poor or unusual weather conditions, particularly in the spring, can significantly affect purchasing decisions of our customers. Sales in the important spring selling season can have a material impact on our financial results. In addition, growing public concerns over the effects of climate change have resulted in international and national initiatives to control the emissions of greenhouse gasses ("GHG") and additional proposed laws and regulations designed to further reduce emissions of carbon dioxide and other GHGs which contribute to "global warming". For example, the U.S. Environmental Protection Agency ("EPA") has proposed a mandatory carbon emissions reporting system for certain facilities and has made an endangerment finding with respect to GHG emissions under the U.S. Clean Air Act which could lead to increased regulation of GHG emissions in the U.S. In addition, legislation under consideration in the U.S. Congress could result in the institution of a carbon tax or a cap and trade program for carbon dioxide and other GHG emissions in the U.S. Depending upon the nature, extent, and timing of such potential laws and regulations, we could experience increased costs of compliance, which could negatively impact our results of operations. In addition, it is unclear how climate change may impact our suppliers and customers (particularly with respect to agricultural equipment) and their businesses and the resulting potential impact to our businesses. In addition, natural disasters such as tornadoes, hurricanes, earthquakes, floods, droughts and other forms of severe weather in a country in which we produce or sell equipment could have an adverse effect on our customers, our sales, or our property, plant and equipment.

Competitive activity or failure by us to respond to actions by our competitors could adversely affect our results of operations.

We operate in a highly competitive environment with global, regional and local competitors of differing strengths in various markets throughout the world. Our equipment businesses compete primarily on the basis of product features and performance, customer service, quality, price and anticipated resale value, and our products may not be able to compete successfully with those offered by our competitors. Aggressive pricing or other strategies pursued by competitors, unanticipated product improvements or difficulties, manufacturing difficulties, our failure to price our products competitively or an unexpected buildup in competitors' new machine or dealer-owned rental fleets, leading to severe downward pressure on machine rental rates and/or used equipment prices, could result in a loss of customers, a decrease in our revenues and a decline in our share of industry sales.

Our Equipment Operations' sales outlook is based upon various assumptions including price realization, volumes, product mix and geographic mix. The current market environment remains competitive from a pricing standpoint. Further declines in the construction or agricultural equipment industry together with further deteriorating economic conditions could make it more difficult to maintain pricing or cause volumes to be less than projected, which would adversely affect our operating results. In addition, if actual product or geographic mix differs from our assumptions, it could have a negative effect on our operating results.

Our Financial Services operations compete with banks, finance companies and other financial institutions. Our Financial Services' operations may be unable to compete successfully due to the inability to access capital on favorable terms, or due to issues relating to funding resources, products, licensing or other governmental regulations, and the number, type and focus of services offered. In addition, some of our competitors may be eligible to participate in government programs providing access to capital at favorable rates for which we are ineligible, which may put us at a competitive disadvantage. If our Financial Services business is unable to effectively compete, our financial condition and results of operations will suffer.

Dealer equipment sourcing and inventory management decisions could adversely affect our sales.

We sell a substantial portion of our finished products and parts through an independent dealer network. The dealers carry inventories of finished products as part of ongoing operations and adjust those inventories based on their assessment of future sales opportunities. Dealers who carry products that compete with our products may focus their inventory purchases and sales efforts on goods provided by other suppliers due to industry demand or profitability. Such inventory adjustments and sourcing decisions can adversely impact our sales, financial condition and results of operations.

Adverse economic conditions could place a financial strain on our dealers and adversely affect our operating results.

During 2009, difficult global economic conditions placed financial stress on many of our dealers. Dealer financial difficulties may impact their equipment sourcing and inventory management decisions, as well as their ability to provide services to their customers purchasing our equipment. Accordingly, additional financial strains on members of our dealer network resulting from current or future economic conditions could adversely impact our sales, financial condition and results of operations.

Changes in the equipment rental business could affect our sales.

In recent years, short-term lease programs and commercial rental agencies for agricultural and construction equipment have expanded significantly in North America. In addition, larger rental companies have become sizeable purchasers of new equipment and can have a significant impact on total industry sales, prices, and terms when they change the size of their fleets or adjust to more efficient rates of rental utilization. With changes in construction activity levels and rental utilization rates, rental companies may need to accelerate or postpone new equipment purchases for the replenishment of their fleets, without changing the size of their fleets. If changes in activity levels become more pronounced, the rental companies also may need to increase or decrease their fleet size to maintain efficient utilization rates. These changes can lead to more pronounced demand volatility, exacerbating cyclical increases or decreases in industry demand, particularly at either the beginning or end of a cycle, as rental companies often are among the first market participants to experience these changes.

In addition, when correspondingly larger or smaller amounts of equipment come off lease or are replaced with newer equipment by rental agencies, there may be a significant increase in the availability of late-model used equipment which could impact used equipment prices. If used equipment prices were to decline significantly, sales and pricing of new equipment could be depressed. As a result, an oversupply of used equipment could adversely affect demand for, or the market prices of, our new and used equipment and our dealer inventory values and their financial condition. In addition, a decline in used equipment prices could have an adverse effect on residual values for leased equipment, which could adversely affect our results of operations and financial position.

Costs of ongoing compliance with and any failure to comply with environmental laws and regulations could have an adverse effect on our results of operations.

Our operations and products are subject to increasingly stringent environmental laws and regulations in the countries in which we operate. Such laws and regulations govern, among other things, emissions into the air, discharges into water, the use, handling and disposal of hazardous substances, regulated materials, waste disposal

and the remediation of soil and groundwater contamination. We regularly expend significant resources to comply with regulations concerning the emission levels of our manufacturing facilities and the emission levels of our manufactured equipment. We are currently conducting environmental investigations or remedial activities involving soil and groundwater contamination at a number of properties. Management estimates potential environmental liabilities for remediation, closure and related costs, and other claims and contingent liabilities (including those related to personal injury) and establishes reserves to address these potential liabilities. Our ultimate exposure, however, could exceed our reserves. In addition, we expect to make environmental and related capital expenditures in connection with reducing the emissions of our existing facilities and our manufactured equipment in the future, depending on the levels and timing of new standards. Our costs of complying with existing or future environmental laws may be significant. If we fail to comply with existing or future laws, we may be subject to fines, penalties and/or restrictions on our operations.

The engines used in our equipment are subject to extensive statutory and regulatory requirements governing emissions and noise, including standards imposed by the EPA, state regulatory agencies in the U.S. and other various regulatory agencies around the world. Governments may set new standards that could impact our operations in ways that are difficult to anticipate with accuracy. For example, the EPA has adopted new and more stringent emission standards, including Tier 4 non-road diesel emission requirements applicable to many of our non-road equipment products beginning in 2011. If we are unable to successfully execute our plans to meet Tier 4 emission and other regulatory requirements, our ability to continue placing certain products on the market would suffer, which could negatively impact our financial results and competitive position.

Changes in Accounting Standards.

Our financial statements are subject to the application of U.S. GAAP, which are periodically revised. At times, we are required to adopt new or revised accounting standards issued by recognized bodies. It is possible such changes could have a material adverse effect on our reported results of operations or financial position. For example, in June 2009, the Financial Accounting Standards Board ("FASB") issued new accounting guidance which amends the accounting for variable interest entities. The guidance significantly changes the criteria for determining whether the consolidation of a variable interest entity is required. The guidance changes the accounting for transfers of financial assets, increases the frequency for reassessing consolidation of variable interest entities and creates new disclosure requirements about an entity's involvement in a variable interest entity. The guidance was effective for us on a prospective basis on January 1, 2010. As a significant portion of our securitization trusts and facilities is no longer exempt from consolidation under the new guidance, we were required to consolidate the receivables and related liabilities. Financial Services recorded a $5.7 billion increase to assets and liabilities upon the adoption of this new guidance on January 1, 2010. In addition, because our securitization transactions will be accounted for as secured borrowings rather than asset sales, the cash flows from the transactions will be presented as cash flows from financing rather than cash flows from operating or investing activities. See "Note 2: Recent Accounting Developments" of the unaudited condensed consolidated financial statements for the quarter ended March 31, 2010 included in this offering circular.

Our business operations may be impacted by various types of claims, lawsuits, and other contingent obligations.

We are involved in various product liability, warranty, product performance, asbestos, personal injury, environmental claims and lawsuits, and other legal proceedings that arise in the ordinary course of our business. We estimate such potential claims and contingent liabilities and, where appropriate, establish reserves to address these contingent liabilities. The ultimate outcome of the legal matters pending against us or our subsidiaries is uncertain, and although such lawsuits are not expected individually to have a material adverse effect on us, such lawsuits could have, in the aggregate, a material adverse effect on our consolidated financial condition, cash flows or results of operations. Further, we could in the future be subject to judgments or enter into settlements of lawsuits and claims that could have a material adverse effect on our results of operations in any particular period. In addition, while we maintain insurance coverage with respect to certain claims, we may not be able to obtain

such insurance on acceptable terms in the future, if at all, and any such insurance may not provide adequate coverage against any such claims. See also “Note 14: Commitments and Contingencies” to our consolidated financial statements for the year ended December 31, 2009.

We may not be able to realize anticipated benefits from any acquisitions and challenges associated with strategic alliances may have an adverse impact on our results of operations.

We may engage in acquisitions or enter into or exit from strategic alliances which could involve risks that could prevent us from realizing the expected benefits of the transactions. Such risks could include:

- technological and product synergies, economies of scale and cost reductions not occurring as expected;
- unexpected liabilities;
- incompatibility in processes or systems;
- unexpected changes in laws or regulations;
- inability to retain key employees;
- increased financing costs and inability to fund such costs; and
- problems in retaining customers and integrating customer bases.

If problems or issues were to arise among the parties to one or more strategic alliances due to managerial, financial, or other reasons, or if such strategic alliances or other relationships are terminated, our product lines, businesses, financial condition, and results of operations could be adversely affected.

Our sales can be affected by customer attitudes and new product acceptance.

The worldwide financial and credit crisis negatively impacted, and could further negatively impact, consumer and corporate confidence and potential customers’ ability or willingness to purchase agricultural and construction equipment, which requires a significant capital investment. Continuing negative economic conditions could significantly impact consumer or corporate confidence and liquidity, which could cause many potential customers to defer capital investments in agricultural or construction equipment, which could adversely affect our sales. In addition, our long-term results depend on continued global demand for our brands and products.

To achieve our business goals, we must develop and sell products, parts and support services that appeal to our dealers and customers. This effort is dependent upon a number of factors including our ability to manage and maintain key dealer relationships, our ability to develop effective sales, advertising and marketing programs, and the strength of the economy. We believe that to maintain our competitive position and to increase sales we must develop innovative and cost competitive products that appeal to our customers around the world. Our ability to derive competitive benefits from new products will depend in part on our ability to develop or obtain and protect intellectual property relating to product innovations. Failure to continue to deliver high quality, competitive products to the marketplace on a timely basis, or to accurately predict market demand for, or gain market acceptance of, our products, could adversely affect our financial condition and results of operations.

Risks Related to Our Relationship with Fiat and the Contemplated Demerger

Fiat guarantees and funding.

We currently rely on, among others, Fiat to provide credit for Equipment Operations and Financial Services. In addition, Fiat provides financial guarantees in connection with certain of our external financing sources. In the recent past, due to the then existing credit crisis and its material adverse impact on the ABS markets, we relied more heavily upon funding provided by Fiat. In connection with the demerger, we believe that these financing arrangements would be terminated or replaced, although Fiat has stated that it may provide the new holding company with limited financing for an interim period. Even if the demerger is not completed, there is no

assurance that Fiat will continue to make such credit or guarantees available. To the extent these arrangements are terminated or replaced or Fiat otherwise does not make financing available to us or does not provide financial guarantees, we will need to seek alternative sources of funding. Alternative sources of funding may not be available and, to the extent that such credit is available, the terms and conditions of such credit may not be as favorable as that provided by or with the support of Fiat. The availability and terms of such funding may be affected by the capitalization of our new parent company following the demerger, and the capitalization of the new parent company has not yet been determined. In addition, following the demerger, we may utilize services, such as cash management services, provided by our new parent company in substitution for services currently provided by Fiat. Such services may expose us to credit risk. We cannot predict the creditworthiness of any future parent company, and we may be exposed to greater risk following the demerger than the risk currently associated with our funds on deposit with Fiat. As a result, our funding costs and exposure to third party credit risk could significantly increase, which could materially affect our financial condition and results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations —Liquidity and Capital Resources" for additional information concerning indebtedness due to and guarantees provided by Fiat.

Potential conflicts of interest with Fiat S.p.A.

As of March 31, 2010, Fiat owned, indirectly through Fiat Netherlands, approximately 89% of our outstanding common shares. As long as Fiat continues to own shares representing more than 50% of the combined voting power of our capital stock, it will be able to direct the election of all of the members of our Board of Directors and determine the outcome of all matters submitted to a vote of our shareholders. Circumstances may arise in which the interests of Fiat could be in conflict with the interests of our other debt and equity security holders. In addition, Fiat may pursue certain transactions that in its view will enhance its equity investment in us, even though such transactions may not be viewed as favorably by our other debt and equity security holders.

We rely on Fiat to provide us with substantial financial support, and we purchase goods and services from or with various companies within the Fiat Group. We believe our business relationships with other Fiat Group companies can offer economic benefits to us; however, Fiat's ownership of our capital stock and ability to direct the election of our directors could create, or appear to create, potential conflicts of interest when Fiat is faced with decisions that could have different implications for Fiat and us. For more information, see "Note 21: Related Party Information" of our consolidated financial statements for the year ended December 31, 2009.

Our participation in cash management pools exposes us to Fiat Group credit risk.

Like other companies that are part of global commercial groups, we participate in a group-wide cash management system with other companies within the Fiat Group. Under this system, which is operated by Fiat treasury subsidiaries in a number of jurisdictions, the cash balances of Fiat Group members, including us, are aggregated at the end of each business day in various regional central pooling accounts (the "Fiat affiliates' cash management pools" or "deposits with Fiat"). Our positive cash deposits with Fiat, if any, are either invested by Fiat treasury subsidiaries in highly rated, highly liquid money market instruments or bank deposits, or may be applied by Fiat treasury subsidiaries to meet the financial needs of other Fiat Group members and *vice versa*. While we believe participation in such Fiat affiliates' cash management pools provides us with financial benefits, it exposes us to Fiat Group credit risk.

In the event of a bankruptcy or insolvency of Fiat (or any other Fiat Group member in the jurisdictions with set off agreements) or in the event of a bankruptcy or insolvency of the Fiat entity in whose name the deposit is pooled, we may be unable to secure the return of such funds to the extent they belong to us, and we may be viewed as a creditor of such Fiat entity with respect to such deposits. Because of the affiliated nature of our relationship with the Fiat Group, it is possible that our claims as a creditor could be subordinated to the rights of third party creditors in certain situations. If we are not able to recover our deposits, our financial condition and results of operations may be materially impacted depending upon the amount of cash deposited with the Fiat Group on the date of any such event. See "Management's Discussion and Analysis of Financial Condition and

Results of Operations—Liquidity and Capital Resources" for additional information concerning indebtedness due to and guarantees provided by Fiat. We expect that these cash management arrangements will be terminated following the demerger.

The final terms and structure of any demerger have not yet been determined, and we cannot assure you as to the final terms and structure of a demerger.

While Fiat has stated its intent to effect the "demerger", the final terms and structure of the contemplated demerger have not yet been determined. We cannot control whether or when the demerger will in fact happen or on what terms. The final structure and terms of the demerger may be less favorable to us than those described herein.

We may be unable to achieve benefits from our separation from Fiat's automotive business in connection with the contemplated demerger.

Fiat has stated that the demerger may have the benefit, among other things, of providing strategic and financial clarity and enabling the industrial business (including CNH and its subsidiaries) and the automotive business to develop independently as needed, and to unlock the valuation potential of Fiat Group's capital goods activities. However, by separating from Fiat's automotive business, we may be more susceptible to market fluctuations. In addition, we may not be able to achieve some or all of the anticipated benefits of operating as part of an independent company in the time expected, or at all.

We may be unable to make, on a timely or cost-effective basis, the changes necessary to operate as part of a business that is separate from Fiat, and we may experience increased costs after the demerger.

Historically, Fiat has assisted us by providing certain corporate functions and services, including financing and cash management services. Following the demerger, Fiat will have no obligation to provide assistance to us other than on a transitional or other basis as may be agreed in connection with the demerger. We cannot assure you that we will be able to successfully implement the changes necessary to operate independently or that we will not incur additional costs following the demerger that could adversely affect our business.

Our historical financial information is not necessarily representative of the results we would have achieved as part of an independent company that is separate from Fiat's automotive business.

Our historical financial information may not reflect what our results of operations, financial position and cash flows would have been had we been part of a company that is separate from Fiat's automotive business during the periods presented, or what our results of operations, financial position and cash flows will be in the future following the demerger. Among other things:

- we may enter into transactions with Fiat that either have not existed historically or that are on different terms than the terms of arrangements or agreements that existed prior to the demerger;
- our historical financial information reflects costs for certain services historically provided to us by Fiat that may not reflect the costs we will incur for similar services in the future as part of an independent company; and
- our historical financial information does not reflect changes that we expect to experience in the future as a result of our separation from Fiat, including changes in financing of our business.

USE OF PROCEEDS

We estimate that the net proceeds from the issuance of the notes, after initial purchasers' discounts and payment of offering and other related expenses, will be approximately $1,471,800,000.

We plan to use the net proceeds from the issuance of the notes primarily for the repayment of debt, including redemption of the outstanding $500 million aggregate principal amount of Case New Holland's 7.125% Senior Notes due 2014 and repayment of debt owed to Fiat. Any remaining proceeds will be used for general corporate purposes. Upon completion of this offering, we expect to call the 7.125% Senior Notes due 2014 for redemption on a redemption date approximately 30 days thereafter and to deposit the funds necessary for such redemption with the Trustee. As of March 31, 2010, the weighted average interest rate on our debt to Fiat was approximately 5.3% per annum and the weighted average maturity of such debt was approximately 3 years. Pending application of the net proceeds, we expect to hold some or all of the proceeds in the form of cash, cash equivalents or deposits under cash management pools with Fiat affiliates.

CAPITALIZATION

The following table sets forth the cash and cash equivalents and capitalization of CNH as of December 31, 2009 on an actual basis and as of March 31, 2010 on an actual basis and as adjusted to reflect the issuance of the notes and the application of the estimated net proceeds as described in this offering circular. The as adjusted column below reflects an assumed application of a portion of the estimated net proceeds of the offering to repay debt. The actual portion allocated will depend on our cash needs and market conditions.

This table should be read in conjunction with our financial statements and accompanying notes and other financial data included elsewhere in this offering circular.

	Actual December 31, 2009	As of March 31, 2010 Actual	As of March 31, 2010 As Adjusted For the Offering(1)
		(in millions)	
Cash and cash equivalents	$ 1,263	$ 874	$ 894
Deposits in Fiat affiliates cash management pools	2,251	2,185	2,185
Debt			
Short-term Debt			
Equipment Operations			
Credit agreements	$ 129	$ 46	$ 46
Short-term debt with Fiat affiliates	7	26	—
Short-term debt and current maturities of long-term debt receivable from Financial Services	(1,893)	(1,900)	(1,900)
Total short-term debt, net of intersegment—Equipment Operations	(1,757)	(1,828)	(1,854)
Financial Services			
Owed to securitization investors (2)	—	1,057	1,057
Credit agreements	478	976	976
Asset-backed commercial paper liquidity facility	828	576	576
Short-term debt with Fiat affiliates	530	417	417
Short-term debt and current maturities of long-term debt payable to Equipment Operations	1,893	1,900	1,900
Total short-term debt, net of intersegment—Financial Services	3,729	4,926	4,926
Total short-term debt	**1,972**	**3,098**	**3,072**
Long-term Debt (including current maturities except where noted)			
Equipment Operations			
Term loans due 2010-2017	878	902	902
7.125% Senior Notes due 2014	500	500	—
7.25% Senior Notes due 2016	250	250	250
7.75% Senior Notes due 2013	973	975	975
Notes offered hereby (3)	—	—	1,500
Notes with Fiat	931	908	—
Long-term debt receivable (excluding current maturities) from Financial Services	(505)	(585)	(585)
Total long-term debt (net of intersegment receivables)—Equipment Operations	3,027	2,950	3,042
Financial Services			
Owed to securitization investors (2)	—	4,951	4,951
Notes with Fiat due (2010-2015)	1,421	1,071	1,071
Other debt	2,483	2,285	2,285
Long-term debt payable (excluding current maturities) to Equipment Operations	505	585	585
Total long-term debt—Financial Services	4,409	8,892	8,892
Total long-term debt	**7,436**	**11,842**	**11,934**
Total debt	**$ 9,408**	**$14,940**	**$15,006**

	Actual December 31, 2009	As of March 31, 2010	
		Actual	As Adjusted For the Offering(1)
	(in millions, except share data)		
Shareholders' equity			
Common shares, €2.25 par value; authorized 400,000,000 shares at March 31, 2010 and December 31, 2009, issued 237,842,846 shares at March 31, 2010 and 237,553,331 shares at December 31, 2009	$ 595	$ 596	$ 596
Paid-in-capital	6,188	6,194	6,194
Retained earnings	210	218	200
Treasury stock, 154,813 shares at cost	(8)	(8)	(8)
Accumulated other comprehensive income (loss)	(267)	(322)	(322)
Shareholders' equity attributable to CNH Global N.V.	**6,718**	**6,678**	**6,660**
Shareholders' equity attributable to noncontrolling interests	**92**	**84**	**84**
Shareholders' equity	**$6,810**	**$6,762**	**$6,744**

(1) As adjusted to reflect the impact on retained earnings of the issuance of the notes offered hereby and the application of the estimated net proceeds as described in this offering circular.

(2) As of the beginning of 2010, we prospectively adopted new accounting guidance related to the accounting for transfers of financial assets and the consolidation of variable interest entities. As a significant portion of our securitization trusts and facilities is no longer exempt from consolidation under the new guidance, we were required to consolidate the receivables and related liabilities. Financial Services recorded a $5.7 billion increase to assets and liabilities upon the adoption of this new guidance on January 1, 2010. See "Note 2: Recent Accounting Developments" of the unaudited condensed consolidated financial statements for the quarter ended March 31, 2010 included in this offering circular.

(3) Consists of $1.5 billion aggregate principal amount of notes offered at a discount price of 99.320%. The discount will accrete and be included in interest expense until the notes mature.

The following table summarizes our credit facilities at March 31, 2010:

	CCY	Maturity(1)		C/U (2)	Total Facility	Equipment Operations			Financial Services			Consolidated Current Maturities			Total Available	Guarantor
						ST (3)	CM (4)	LT (5)	ST	CM	LT	ST	CM	LT		
US Retail and BNDES Financing																
Receivable Securitizations	US$	Dec-10		C	$ 1,200	$—	$ —	$ —	$ 73	$ —	$ —	$ 73	$ —	$ —	$1,127	
BNDES Subsidized Financing	BRL	Various from Apr-10 to Jul-19	(B)	C	1,210	—	—	—	—	635	555	—	635	555	20	Fiat(A)
Subtotal(C)					**2,410**	**—**	**—**	**—**	**73**	**635**	**555**	**73**	**635**	**555**	**1,147**	
Other ABCP Facilities																
ABCP Securitizations	AUS	Sep-10		C	585	—	—	—	374	—	—	374	—	—	211	
ABCP Securitizations	CAD	Dec-10		C	295	—	—	—	129	—	—	129	—	—	166	
Term Whls CAD	CAD	Dec-12		C	320	—	—	—	—	—	320	—	—	320	—	
Receivable Securitizations	US$	Oct-10		C	200	—	—	—	147	—	—	147	—	—	53	
Receivable Securitizations	US$	Aug-10 to Mar-11		C	950	—	—	—	910	—	—	910	—	—	40	
Term Whls. US	US$	Jul-12		C	583	—	—	—	—	—	583	—	—	583	—	
Subtotal					**2,933**	**—**	**—**	**—**	**1,560**	**—**	**903**	**1,560**	**—**	**903**	**470**	
Other 3rd Party Facilities																
Revolving Syndicated Credit Facility	Euro	Aug-10		C	404	—	404	—	—	—	—	—	404	—	—	Fiat
Various Credit Lines—Latin America	Multiple	Various from Apr-10 to Nov-17	(B)	C	477	—	133	344	—	—	—	—	133	344	—	
Factoring Lines	Multiple	Various from Apr-10 to Jul-10	(B)(E)	U	1,375	16	—	—	811	—	—	827	—	—	548	
Various Credit Lines—Australia	AUS	Various from Sep- 10 to Dec-10	(B)	C	110	—	—	—	110	—	—	110	—	—	—	
Other Credit Lines	Multiple	Various from Apr-10 to Mar-11	(B)(D)	U/C	76	30	—	—	—	—	—	30	—	—	46	
Subtotal					**2,442**	**46**	**537**	**344**	**921**	**—**	**—**	**967**	**537**	**344**	**594**	
Fiat Facilities																
Credit Lines with Fiat	Multiple	Various from Apr-10 to Dec-14	(B)	U	2,664	4	—	—	349	214	151	353	214	151	1,946	
Subtotal					**2,664**	**4**	**—**	**—**	**349**	**214**	**151**	**353**	**214**	**151**	**1,946**	
Total Credit Facilities					**$10,449**	**$50**	**$537**	**$344**	**$2,903**	**$849**	**$1,609**	**$2,953**	**$1,386**	**$1,954**	**$4,157**	
Amount above with or guaranteed by Fiat Affiliates					**$ 4,021**	**$ 4**	**$404**	**$ —**	**$ 349**	**$849**	**$ 469**	**$ 353**	**$1,253**	**$ 469**	**$1,947**	

(1) Maturity dates reflect maturities of the credit facility which may be different than the maturities of the advances under the facility.
(2) "C" represents committed lines and "U" represents uncommitted lines of credit.
(3) "ST" represents short-term.
(4) "CM" represents current maturities.
(5) "LT" represents long-term.
(A) Up to $953 million (1.7 billion Brazilian Reals) of subsidized financing provided by Banco Nacional de Desenvolvimento Economico e Social ("BNDES").
(B) Includes various maturities from initial to final maturity.
(C) U.S. Retail and BNDES financing are paid only as the underlying receivables are collected unless the receivables sold are not repurchased by CNH.
(D) Includes a credit line for $11.5 million which continues to be in place until notice is given.
(E) Includes credit lines for $1,328 million which continue to be in place until notice is given.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The financial data set forth below as of December 31, 2005, 2006, 2007, 2008 and 2009, and for the years then ended have been derived from our published audited consolidated financial statements. The selected financial data as of March 31, 2009 and 2010 and for the three months ended March 31, 2009 and 2010 is derived from our unaudited condensed consolidated financial statements. The unaudited condensed consolidated financial statements include all adjustments which, except as disclosed, consist of normal recurring adjustments that we consider necessary for a fair presentation of our financial position and results of operations for these periods. Operating results for the three months ended March 31, 2010 are not necessarily indicative of the results that may be expected for the year ending December 31, 2010 or for any other future period. Equipment Operations data represents CNH's agricultural and construction equipment operations with CNH's Financial Services operations accounted for under the equity method.

	Year Ended December 31,					Three Months Ended March 31,	
	2005	2006	2007	2008	2009	2009	2010
				(in millions)			
CONSOLIDATED							
Statements of Operations Data:							
Revenues:							
Net sales	$11,806	$12,115	$14,971	$17,366	$12,783	$3,052	$3,237
Finance and interest income	769	883	993	1,110	977	214	283
Total	12,575	12,998	15,964	18,476	13,760	3,266	3,520
Costs and expenses:							
Cost of goods sold	9,934	9,933	12,154	14,054	10,862	2,627	2,698
Selling, general and administrative	1,177	1,248	1,436	1,698	1,486	380	394
Research, development and engineering	303	367	409	422	398	93	99
Restructuring	73	96	85	39	102	2	2
Interest expense-Fiat affiliates	99	66	140	308	189	52	35
Interest expense-other	452	512	561	457	482	134	167
Other, net	280	359	349	342	334	75	56
Total	12,318	12,581	15,134	17,320	13,853	3,363	3,451
Income (loss) before income taxes and equity in income (loss) of unconsolidated subsidiaries and affiliates	257	417	830	1,156	(93)	(97)	69
Income tax provision	116	165	354	385	92	17	70
Equity in income (loss) of unconsolidated subsidiaries and affiliates:							
Financial Services	9	8	9	13	9	2	3
Equipment Operations	39	48	89	40	(46)	(21)	7
Net income (loss)	189	308	574	824	(222)	(133)	9
Net income (loss) attributable to noncontrolling interests	26	16	15	(1)	(32)	(7)	(7)
Net income (loss) attributable to CNH Global N.V.	$ 163	$ 292	$ 559	$ 825	$ (190)	$ (126)	$ 16

	Year Ended December 31,					Three Months Ended March 31,	
	2005	2006	2007	2008	2009	2009	2010
	(in millions, except ratios and per share data)						
CONSOLIDATED							
Balance sheet data (at end of period):							
Cash and cash equivalents	$ 1,245	$ 1,174	$ 1,025	$ 633	$ 1,263	$ 670	$ 874
Deposits in Fiat affiliates cash management pools	580	497	1,231	2,058	2,251	1,452	2,185
Total assets(1)	17,318	18,274	23,745	25,459	23,208	24,258	29,040
Total debt(1)	6,287	6,402	9,636	11,357	9,408	10,608	14,940
Shareholders' equity	5,143	5,229	6,419	6,575	6,810	6,363	6,762
Other Data:							
Ratio of earnings to fixed charges(2)	1.5x	1.8x	2.2x	2.6x	0.9x	0.5x	1.3x
Per share data:							
Basic earnings (loss) per share attributable to CNH Global N.V. common shareholders	$ 0.77	$ 1.37	$ 2.36	$ 3.48	$ (0.80)	$ (0.53)	$ 0.07
Diluted earnings (loss) per share attributable to CNH Global N.V. common shareholders	$ 0.70	$ 1.23	$ 2.36	$ 3.47	$ (0.80)	$ (0.53)	$ 0.07
Cash dividends declared per common share(3)	$ 0.25	$ 0.25	$ 0.25	$ 0.50	$ —	$ —	$ —
Net cash from							
Operating activities	$ 549	$ 607	$ (95)	$ 650	$ 2,212	$ (611)	$ (393)
Investing activities	516	(434)	(2,392)	(3,789)	1,233	1,229	96
Financing activities	(773)	(276)	2,238	2,843	(2,969)	(576)	(84)

(1) As of the beginning of 2010, we adopted new accounting guidance related to the accounting for transfers of financial assets and the consolidation of variable interest entities. As a significant portion of our securitization trusts and facilities is no longer exempt from consolidation under the new guidance, we were required to consolidate the receivables and related liabilities. Financial Services recorded a $5.7 billion increase to assets and liabilities upon the adoption of this new guidance on January 1, 2010. See "Note 2: Recent Accounting Developments" of the unaudited condensed consolidated financial statements for the quarter ended March 31, 2010 included in this offering circular.

(2) Earnings were insufficient to cover fixed charges by approximately $85 million in the three months ended March 31, 2009 and by $38 million for the year ended December 31, 2009. For purposes of determining the ratio of earnings to fixed charges, earnings are defined as the sum of (i) pretax income (loss) before income taxes and income (loss) from equity investees, (ii) fixed charges, (iii) amortization of capitalized interest and (iv) distributed income of equity investees, less (i) interest capitalized and (ii) noncontrolling interest in pretax income of subsidiaries that have not incurred fixed charges. Fixed charges consist of (i) interest expense, including amortization of premiums, discounts and capitalized expenses related to indebtedness, (ii) interest capitalized and (iii) an estimate of the interest component of rental expense.

(3) At its meeting on February 15, 2010, our Board of Directors recommended that we suspend the payment of any dividend in 2010. The resolution to suspend the payment of any dividends was approved at the Annual General Meeting of Shareholders on March 12, 2010.

	Year Ended December 31,					Three Months Ended March 31,	
	2005	2006	2007	2008	2009	2009	2010
	(in millions)						
CONSOLIDATED							
Earnings							
Income (loss) before income taxes and equity income of unconsolidated subsidiaries and affiliates	$257	$ 417	$ 830	$1,156	$ (93)	$ (97)	$ 69
Add:							
Fixed charges	559	580	703	771	682	188	203
Amortization of capitalized interest	3	—	—	—	1	—	—
Distributed income of equity investees	34	46	61	70	29	6	6
Less:							
Interest capitalized	5	—	—	3	8	1	—
Noncontrolling interest in pretax income of subsidiaries that have not incurred fixed charges	26	16	15	(1)	(33)	(7)	(7)
Earnings	$822	$1,027	$1,579	$1,995	$644	$103	$285
Fixed Charges							
Interest expense inclusive of amortized premiums, discounts and capitalized expenses related to indebtedness	551	578	701	765	671	186	202
Interest capitalized	5	—	—	3	8	1	—
Estimate of the interest component of rental expense	3	2	2	3	3	1	1
Fixed charges	$559	$ 580	$ 703	$ 771	$682	$188	$203

	Year Ended December 31,					Three Months Ended March 31,	
	2005	2006	2007	2008	2009	2009	2010
	(in millions)						
EQUIPMENT OPERATIONS(1)							
Statements of Operations Data:							
Revenues:							
Net sales	$11,806	$12,115	$14,971	$17,366	$12,783	$ 3,052	$ 3,237
Finance and interest income	129	177	190	205	131	34	29
	11,935	12,292	15,161	17,571	12,914	3,086	3,266
Costs and expenses:							
Cost of goods sold	9,934	9,933	12,154	14,054	10,862	2,627	2,698
Selling, general and administrative	964	1,015	1,183	1,403	1,150	293	296
Research, development and engineering	303	367	409	422	398	93	99
Restructuring	71	94	85	34	98	1	2
Interest expense	341	321	358	358	320	79	81
Interest compensation to Financial Services	159	235	247	275	202	42	47
Other, net	188	233	224	204	201	47	32
	11,960	12,198	14,660	16,750	13,231	3,182	3,255
Income (loss) before income taxes and equity in income (loss) of unconsolidated subsidiaries and affiliates	(25)	94	501	821	(317)	(96)	11
Income tax provision	24	56	245	279	33	17	60
Equity in income (loss) of unconsolidated subsidiaries and affiliates:							
Financial Services	200	222	229	242	174	1	51
Equipment Operations	39	48	89	40	(46)	(21)	7
Net income (loss)	190	308	574	824	(222)	(133)	9
Net income (loss) attributable to noncontrolling interests	27	16	15	(1)	(32)	(7)	(7)
Net income (loss) attributable to CNH Global N.V.	$ 163	$ 292	$ 559	$ 825	$ (190)	$ (126)	$ 16
Balance Sheet Data (at end of period):							
Cash and cash equivalents	$ 858	$ 703	$ 405	$ 173	$ 290	$ 155	$ 214
Deposits in Fiat affiliates cash management pools	578	496	1,157	1,666	2,144	1,079	2,153
Total assets	13,959	14,514	16,637	18,429	17,880	17,871	17,827
Total debt	3,222	2,907	2,907	4,557	4,302	4,503	4,096
Shareholders' equity	5,143	5,229	6,418	6,574	6,809	6,362	6,761
Net Cash from:							
Operating Activities	$ 849	$ 715	$ 1,001	$ (282)	$ 1,145	$ (435)	$ 117
Investing Activities	331	(88)	(890)	(1,066)	(691)	519	(88)
Financing Activities	(952)	(792)	(432)	1,128	(356)	(96)	(106)

	Year Ended December 31,					Three Months Ended March 31,	
	2005	2006	2007	2008	2009	2009	2010
				(in millions)			
FINANCIAL SERVICES							
Statements of Operations Data:							
Revenues:							
Net sales	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Finance and interest income	801	952	1,131	1,356	1,190	258	340
	801	952	1,131	1,356	1,190	258	340
Costs and expenses:							
Cost of goods sold	—	—	—	—	—	—	—
Selling, general and administrative	213	233	253	295	336	87	98
Research and development and engineering	—	—	—	—	—	—	—
Restructuring	2	2	—	5	4	1	—
Interest expense	267	340	479	606	497	140	160
Interest compensation to Financial Services	—	—	—	—	—	—	—
Other, net	36	54	70	115	129	31	24
	518	629	802	1,021	966	259	282
Income (loss) before income taxes and equity in income of unconsolidated subsidiaries and affiliates	283	323	329	335	224	(1)	58
Income tax provision	92	109	109	106	59	—	10
Equity in income of unconsolidated subsidiaries and affiliates:							
Financial Services	9	8	9	13	9	2	3
Equipment Operations	—	—	—	—	—	—	—
Net income	200	222	229	242	174	1	51
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—
Net income attributable to CNH Global N.V.	$ 200	$ 222	$ 229	$ 242	$ 174	$ 1	$ 51
Balance Sheet Data (at end of period):							
Cash and cash equivalents	$ 387	$ 471	$ 620	$ 460	$ 973	$ 515	$ 660
Deposits in Fiat affiliates cash management pools	2	1	74	392	107	373	32
Total assets(1)	6,085	7,102	11,299	11,624	11,051	11,011	16,679
Total debt(1)	4,132	4,940	8,560	9,095	8,138	8,486	13,818
Net debt	3,743	4,468	7,866	8,243	6,424	7,598	12,637
Shareholders' equity	1,587	1,788	2,100	2,074	2,378	2,069	2,218

(1) As of the beginning of 2010, we adopted new accounting guidance related to the accounting for transfers of financial assets and the consolidation of variable interest entities. As a significant portion of our securitization trusts and facilities is no longer exempt from consolidation under the new guidance, we were required to consolidate the receivables and related liabilities. Financial Services recorded a $5.7 billion increase to assets and liabilities upon the adoption of this new guidance on January 1, 2010. See "Note 2: Recent Accounting Developments" of the unaudited condensed consolidated financial statements for the quarter ended March 31, 2010 included in this offering circular.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This offering circular contains forward-looking statements within the meaning of the Securities Act. Discussions containing forward-looking statements may be found throughout this offering circular including the materials presented under "Offering Circular Summary," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." Actual events or results may differ materially from those discussed in the forward-looking statements as a result of various factors, including the risks presented under "Risk Factors" and the matters in this offering circular generally.

We have prepared our year-end financial statements in accordance with U.S. GAAP. However, this discussion and our quarterly unaudited condensed financial statements utilize various figures that are "non-GAAP Financial Measures" as this term is defined under Regulation G as promulgated by the SEC. In accordance with Regulation G, we have detailed either the computation of these measures from multiple U.S. GAAP figures or reconciled these non-GAAP financial measures to the most relevant U.S. GAAP equivalent. Some of these measures do not have standardized meanings and investors should consider that the methodology applied in calculating such measures may differ among companies and analysts. Our management believes these non-GAAP measures provide useful supplementary information to investors in order that they may evaluate our financial performance using the same measures used by our management, including net debt and related ratios, working capital and Adjusted EBITDA and EBITDA basis. These non-GAAP financial measures should not be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with U.S. GAAP.

Our agricultural and construction equipment businesses are collectively referred to as our Equipment Operations. Our Financial Services businesses are collectively referred to as Financial Services. In the supplemental consolidated data in this section, Equipment Operations includes Financial Services on the equity basis. Unless otherwise indicated, all financial data set forth herein is expressed in U.S. dollars.

Overview of Business

Our business depends upon general activity levels in the agricultural and construction industries. Historically, these industries have been highly cyclical. Our Equipment Operations and Financial Services operations are subject to many factors beyond our control, such as those described in "Risk Factors—Risks Particular to the Industries in Which We Operate."

Proposed Demerger

On April 21, 2010, Fiat announced its intention, subject to stable macroeconomic and credit market conditions and approval of Fiat shareholders, to effect a "demerger" under Article 2506 of the Italian Civil Code. Pursuant to the contemplated demerger, Fiat would contribute to a new holding company, which may be called "Fiat Industrial," Fiat's ownership of CNH Global, as well as Fiat's truck and commercial vehicles business (Iveco) and its industrial and marine powertrain business. In connection with the demerger transaction, shareholders of Fiat S.p.A. would receive shares of capital stock of the new holding company.

We currently participate in various financing arrangements with affiliates with Fiat, including participating in a €1.0 billion syndicated Fiat Group credit facility with a group of banks. In addition, Fiat guarantees $1.4 billion of our debt with third parties, and we participate in a group-wide cash management system with the Fiat Group. In connection with the demerger, we believe that these financing arrangements and cash management services would be terminated or replaced, although Fiat has stated that it may provide the new holding company with limited financing for an interim period. In connection with the demerger, Fiat has stated that it expects that various shared service agreements are expected to be entered into between Fiat and its affiliates and the new holding company and its subsidiaries. The scope and terms of these agreements have not yet been determined.

Among other things, the demerger transaction would be subject to the preparation of a proposal for the demerger by Fiat's Board of Directors and approval of their plan by Fiat's shareholders. We cannot be sure when or under what terms or structure the demerger will be completed or whether it will be completed at all.

Overview of the First Three Months of 2010 Results

In the first quarter of 2010, we reported Net Income Attributable to CNH Global N.V. of $16 million, compared with a net loss of $126 million in the comparable period of 2009, as a more stable market and a reduction in structural costs resulted in improved financial performance. Net sales rose 6.1% to $3,237 million for the first quarter.

In a mixed agricultural capital goods trading environment, we were able to improve our performance over the prior year. Demand in North America was firm and Latin America strong on stable commodity pricing. The improving market conditions resulted in better than forecasted demand for agricultural equipment in the Americas, particularly tractors and combines, in a competitive pricing environment. Trading conditions in Western Europe and the Commonwealth of Independent States ("CIS") remained at reduced levels due to a continuing decline of overall economic conditions, while Asia and the Middle East demonstrated signs of improvement. The negative impact from reduced tractor unit sales and weaker demand in certain geographical markets was offset by improved mix of rotary combines in our product portfolio, the benefits of prior period restructuring actions, and improved industrial economics lifting agricultural equipment gross profit from the comparable prior period.

The construction equipment segment displayed similar dynamics with unevenly distributed geographical demand mirroring overall differences in economic activity. For us, this resulted in good performance on the back of our strong presence in Latin America and certain countries in Asia, combined with an improved industrial performance in North America which came off a low base. These served to offset a sluggish demand environment in Western Europe, resulting in year-over-year net sales growth of 27%. The segment's operating loss for the period narrowed as a result of cost alignment actions taken in 2009, reduced manufacturing input costs, and a favorable geographical mix despite our sub-scale exposure to the high growth China market, and difficult pricing conditions in Western Europe and North America. For construction equipment, we continued to under-produce relative to retail demand during the quarter in an effort to work off finished goods inventory in low demand geographies and in preparation for new product launches of Tier 4 equipment. Plans are in place for a step up of production in support of markets demonstrating improving demand conditions.

For the first quarter of 2010, we incurred consolidated tax expense of $70 million, which included $26 million of tax charges due to the geographic mix of earnings and the $20 million impact of the new U.S. Patient Protection and Affordable Care Act.

Three Months Ended March 31, 2010 Compared to Three Months Ended March 31, 2009

	Consolidated		Increase (Decrease) Three Months Ended March 31, 2010 vs. Three Months Ended March 31, 2009	Equipment Operations		Increase (Decrease) Three Months Ended March 31, 2010 vs. Three Months Ended March 31, 2009	Financial Services		Increase (Decrease) Three Months Ended March 31, 2010 vs. Three Months Ended March 31, 2009
	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009		Three Months Ended March 31, 2010	Three Months Ended March 31, 2009		Three Months Ended March 31, 2010	Three Months Ended March 31, 2009	
				(unaudited, in millions, except percents)					
Agricultural equipment	$2,626	$2,572	2.1%	$2,626	$2,572	2.1%	$ —	$ —	—%
Construction equipment	611	480	27.3%	611	480	27.3%	—	—	—%
Net sales	3,237	3,052	6.1%	3,237	3,052	6.1%	—	—	—%
Finance and interest income	340	258	31.8%	29	34	(14.7)%	340	258	31.8%
Eliminations and other	(57)	(44)		—	—		—	—	
Total revenue	$3,520	$3,266	7.8%	$3,266	$3,086	5.8%	$340	$258	31.8%
Net income attributable to CNH Global N.V.	$ 16	$ (126)		$ 16	$ (126)		$ 51	$ 1	

Overview of Equipment Operations Results

	Three Months Ended March 31, 2010		Three Months Ended March 31, 2009		Increase (Decrease) Three Months Ended March 31, 2010 vs. Three Months Ended March 31, 2009	Three Months Ended March 31, 2010 vs. Three Months Ended March 31, 2009 % Change
	(unaudited, in millions, except percents)					
Net sales	$3,237	100.0%	$3,052	100.0%	$185	6.1 %
Cost of goods sold	2,698	83.3%	2,627	86.1%	71	2.7 %
Gross profit	539	16.7%	425	13.9%	114	26.8 %
Selling, general and administrative	296	9.1%	293	9.6%	3	1.0 %
Research and development	99	3.1%	93	3.0%	6	6.5 %
Restructuring	2	0.1%	1	0.0%	1	100.0 %
Interest expense	81	2.5%	79	2.6%	2	2.5 %
Interest compensation to Financial Services	47	1.5%	42	1.4%	5	11.9 %
Other, net	32	1.0%	47	1.5%	(15)	(31.9)%

Net Sales of Equipment

Agricultural Equipment Net Sales

Worldwide agricultural industry retail unit sales increased 14% compared to the first quarter of 2009. Global retail tractor sales rose 14% and global retail combine sales fell 2% for the quarter. Tractor and combine sales rose slightly in North America while they declined sharply in Western Europe, where economic conditions continue to be challenging. Latin America saw significant increases in both tractor and combine markets on strong growth and commodity prices. Rest of World markets saw significantly stronger tractor sales and weaker combine volumes.

Our market share for tractors declined in North America, especially in the under 40 hp segment where we are reducing inventory in preparation for the introduction of new models later this year. Our European market share remained stable and our Latin American market share declined due to heavy competitive pricing in the high volume, small and mid-sized categories. Our share in Rest of World markets fell slightly.

Our market share for combines was up in the first quarter. In North America, we increased our market share by targeting key cash crop customers. In Western Europe, our market share was stable, while our Latin American market share rose significantly on strong demand for newly-introduced CNH rotary combines. We picked up market share in Rest of World markets. We benefited from increased demand in Turkey where our brands are strongly positioned in the agricultural capital goods sector. In March 2010, we finalized an agreement to jointly manufacture agriculture and construction equipment with OJSC KAMAZ in Russia.

Construction Equipment Net Sales

Global industry unit volume of construction equipment rose 31% in the first quarter compared to the prior year, with light equipment up 21% and heavy equipment up 40%. In both the North American and Western European markets, demand for the light and heavy segments continued to decline, albeit at reduced rates. In Latin America, the market rebounded compared to a weak first quarter last year on strong infrastructure and construction spending. Rest of World markets' industry sales of construction equipment jumped more than 50% for light and heavy equipment, dominated by demand in China on the back of infrastructure and commodity related spending.

In North America, our market share was in line with the prior year for heavy and fell slightly in the light segments amid intense pricing competition. In Western Europe, our market share was comparable with the prior year in the light equipment segment and increased in the heavy equipment segment. Our market share in Latin America was down for light equipment while our market share increased in the heavy segment as our local manufacturing base was able to meet demand for key customers in a very tight market. In Rest of World markets, we saw no significant change in our market share.

Equipment Operations—Gross and Operating Profit and Margin

Equipment Operations' Gross Profit in the first quarter was $539 million, up 26.8% from the comparable period last year. The 280 basis point increase in gross margin was primarily driven by better fixed cost absorption in the construction equipment operations, more favorable net pricing, and the results of prior period restructuring actions to lower industrial costs.

	Unaudited		
	Three Months Ended March 31,		
	2010	2009	% Change
	(in millions, except percents)		
Equipment Operations			
Operating Profit and Margin			
Agricultural equipment	$180	$ 130	38.5%
Construction equipment	(36)	(91)	N/A
Total Operating Profit	$144	$ 39	269.2%
Agricultural equipment	6.9%	5.1%	1.8pts
Construction equipment	(5.9)%	(19.0)%	13.1pts
Total Operating Margin	4.4%	1.3%	3.1pts

Operating Margin was 4.4%, and operating profit improved $105 million over the comparable period last year. Agricultural Equipment Operating Margin increased 180 basis points for the quarter to 6.9%; Construction Equipment Operating Margin improved from (19.0)% in the first quarter last year to (5.9)%.

We define Equipment Operations gross profit as net sales of equipment less costs classified as cost of goods sold. We define Equipment Operations operating profit as gross profit less costs classified as selling, general and administrative and research and development costs. The following table summarizes the computation of Equipment Operations gross and operating profit.

We define Equipment Operations gross margin as gross profit as a percent of net sales of equipment. We define Equipment Operations operating margin as operating profit as a percent of net sales of equipment.

	Three Months Ended March 31,			
	2010		2009	
	(in millions)			
Net sales	$3,237	100.0%	$3,052	100.0%
Less:				
Cost of goods sold	2,698	83.3%	2,627	86.1%
Equipment Operations gross profit	539	16.7%	425	13.9%
Less:				
Selling, general and administrative	296	9.1%	293	9.6%
Research and development	99	3.1%	93	3.0%
Equipment Operations operating profit	$ 144	4.4%	$ 39	1.3%

Overview of Financial Services Results

	Three Months Ended March 31, 2010		Three Months Ended March 31, 2009		Increase (Decrease) for the Three Months Ended March 31, 2010 vs. Three Months Ended March 31, 2009	Three Months Ended March 31, 2010 vs. Three Months Ended March 31, 2009 % Change
	(unaudited, in millions, except percents)					
Finance and interest income	$ 340	100.0%	$ 258	100.0%	$ 82	31.8 %
Selling, general and administrative	98	28.8%	87	33.7%	11	12.6 %
Restructuring	—	—%	1	0.4%	(1)	(100.0)%
Interest expense	160	47.1%	140	54.3%	20	14.3 %
Other, net	24	7.1%	31	12.0%	(7)	(22.6)%
Total expenses	$ 282		$ 259		$ 23	8.9 %
On-book receivables	$14,263		$ 9,131		$5,132	56.2 %
Total managed assets	$16,940		$16,982		$ (42)	(0.2)%

For the first quarter of 2010, Financial Services' Net Income Attributable to CNH Global N.V. was $51 million, compared to $1 million in the first quarter of 2009. First quarter 2009 results included a $33 million ABS loss under that period's accounting standards. A higher level of on-book receivables, improved net interest margins, increased originations, and continued cost containment initiatives with respect to general and administrative expenses contributed to the profit improvement.

As of the beginning of 2010, we prospectively adopted new accounting guidance related to the accounting for transfers of financial assets and the consolidation of variable interest entities. As a significant portion of our securitization trusts and facilities is no longer exempt from consolidation under the new guidance, we were required to consolidate the receivables and related liabilities. Financial Services recorded a $5.7 billion increase to assets and liabilities upon the adoption of this new guidance on January 1, 2010. See "Note 2: Recent Accounting Developments" of the unaudited condensed consolidated financial statements for the quarter ended March 31, 2010 included in this offering circular.

2009 Compared to 2008

	Consolidated		Increase (Decrease) in 2009 vs. 2008	Equipment Operations		Increase (Decrease) in 2009 vs. 2008	Financial Services		Increase (Decrease) in 2009 vs. 2008
	2009	2008		2009	2008		2009	2008	
	(in millions, except percents)								
Agricultural equipment	$10,663	$12,902	(17)%	$10,663	$12,902	(17)%	$ —	$ —	— %
Construction equipment	2,120	4,464	(53)%	2,120	4,464	(53)%	—	—	— %
Net sales	12,783	17,366	(26)%	12,783	17,366	(26)%	—	—	— %
Finance and interest income	1,190	1,356	(12)%	131	205	(36)%	1,190	1,356	(12)%
Eliminations and other	(213)	(246)		—	—		—	—	
Total revenue	$13,760	$18,476	(26)%	$12,914	$17,571	(27)%	$1,190	$1,356	(12)%

Equipment Operations and Financial Services Key Trends for 2009

The agricultural equipment industry retail unit sales declined 7% from the strong levels of 2008. Both the tractor and combine industry retail unit sales in total were down; however, combine industry retail unit sales in North America grew. The continued difficulties in residential and commercial construction markets as well as challenging market conditions for livestock and dairy farmers drove down volumes in the under-100 horsepower tractor market. The decline in our net sales was due to industry declines, a decrease in market share and the impact of inventory reduction actions. We saw overall market share for the year decline for tractors due primarily to Rest of World while North America, Latin America and Western Europe were flat. Combine market share for the year declined, with increased market share in Latin America, declines in North America and no material change in Western Europe and Rest of World. Despite competitive pricing pressures, we were able to achieve positive pricing. In anticipation of the overall agricultural equipment industry slow down, we reduced production rates during the year in order to reduce company and dealer inventory. Overall, we were able to achieve positive operating margin.

The construction equipment industry retail unit sales overall declined 38%. The light construction equipment industry continued its decline, which began in fiscal year 2008, and the decline in heavy equipment, which started in the fourth quarter of 2008, continued in 2009. The light construction equipment industry retail unit sales, where we have a stronger market presence, declined 45% with significant declines in all markets. Additionally heavy construction equipment industry retail unit sales declined 30% with significant declines in all markets. Market share for the year in total for both heavy and light construction equipment declined. For both heavy and light construction equipment, market share for Latin America increased but could not offset the declines in Western Europe and Rest of World. North America market share was unchanged for both heavy and light construction equipment. The decline in operating profit was primarily due to the declines in industry volume and destocking actions. In addition we idled many of our production facilities to reduce company and dealer inventory which negatively impacted our results.

Financial Services experienced declines in 2009 in both revenue and net income. The decrease in revenue was largely the result of lower on-book receivables driven primarily by the significant decline in the construction equipment business as well as the declines in the agricultural equipment business. The volume impact on revenue was partially offset by increased ABS revenue and growth in operating lease revenue. ABS activity increased compared to 2008, primarily occurring in the fourth quarter of 2009. Growth in the U.S. and Australia operating lease portfolio drove the increase in the operating lease revenue. In addition to the volume impacts, increased loss provisions due to the adverse effects of the global economic downturn on the construction equipment industry and our Brazil agricultural equipment retail portfolio also contributed to the decline in net income. Decreases in interest expense driven by lower volumes and lower selling, general and administrative expenses only partially offset the volume declines and increased loss provisions. Financial Services also experienced

improvement in their liquidity as credit and ABS market conditions modestly recovered. In 2009, there was a return of liquidity to the ABS market as spreads improved throughout the year, but were still higher than historical averages.

Overview of Equipment Operations Results

Net Sales of Equipment

Agricultural Equipment Net Sales

	2009	2008	Decrease in 2009 vs. 2008	2009 vs. 2008 % Change	Positive / (Negative) Impact of Currency*
	(in millions, except percents)				
Net sales					
North America	$ 4,602	$ 4,685	$ (83)	(2)%	(1)%
Western Europe	3,168	4,079	(911)	(22)%	(7)%
Latin America	1,163	1,551	(388)	(25)%	(6)%
Rest of World	1,730	2,587	(857)	(33)%	(2)%
Total net sales	$10,663	$12,902	$(2,239)	(17)%	(4)%

* The currency impact is included in the total 2009 vs. 2008 % change.

The decline in our agricultural equipment net sales was due to lower volumes ($2,126 million) and currency, partially offset by positive pricing actions ($391 million) taken during the year. The volume declines were primarily driven by an overall slowdown in the global economy and global credit conditions that generally tightened. Worldwide agricultural tractor and combine industry retail unit sales declined 7%. Combine and tractor industry retail unit sales were down 19% and 7% from the prior year, respectively. Combine industry retail unit sales declined in all regions except North America. Tractor industry retail unit sales were down in all regions except Rest of World, which was up primarily in China. Additionally, our market share for the year was down for agricultural equipment driven by declines in Rest of World, North America, and Western Europe. Latin America market shares were flat.

The decline in North America net sales was primarily driven by the decline in the overall industry and destocking actions taken by us during the year. North American industry retail unit sales declined 19% in total as a 21% decline in tractors was only partially offset by a 15% increase in combines. In response to the industry declines, we under produced relative to retail demand by 12% in total in order to reduce company and dealer inventory, which negatively impacted net sales. We were able to maintain market share for tractors; however, market share for combines was down. Finally, we maintained positive pricing in spite of the competitive pressures in North America to partially offset the decline in volume.

The decline in Western Europe net sales was primarily the result of the industry declines as well as the impact of currency. Industry retail unit sales of tractors decreased 14% and combines decreased 12%. Market share for the year was flat for tractors and combines. The currency impact on net sales primarily resulted from a strengthening U.S. dollar against both the Euro and the British Pound Sterling. Finally, we were able to offset a portion of the industry declines through positive pricing.

The 2008 net sales in Latin America were the result of strong agricultural industry growth in both combines and tractors. The net sales decline in 2009 was primarily a result of the decline in industry retail unit sales as compared to the 2008 levels. Net sales were also negatively impacted by currency due to the strengthening U.S. dollar. Industry retail unit sales declined 19% as tractors decreased 17% and combines decreased 36% from the strong 2008 levels. Despite the industry declines, we maintained market share for the year for tractors and increased market share for combines, which helped to mitigate the impact on net sales resulting from the decline in the industry. We did, however, experience growth in net sales in the fourth quarter of 2009 for combines.

In Rest of World, the decline in net sales was primarily driven by an overall decline in the tractor and combine industry, especially compared to the very strong levels in 2008. Industry decline and the lack of credit availability in CIS led to a sharp decline in net sales of tractors and combines. CIS was a growing market for us in 2008. Industry retail unit sales of tractors increased 8% overall; however, this was primarily due to an increase in China where we do not have a significant presence. In all other Rest of World markets where we are active except Australia, industry retail unit sales of tractors decreased primarily as a result of adverse credit conditions. Market share in Rest of World markets declined overall as an increase in our combine market share was more than offset by tractor market share declines. We realized positive pricing; however, this was more than offset by the volume declines.

Construction Equipment Net Sales

	2009	2008	Increase (Decrease) in 2009 vs. 2008	2009 vs. 2008 % Change	Positive / (Negative) Impact of Currency*
		(in millions, except percents)			
Net sales					
North America	$ 622	$1,289	$ (667)	(52)%	— %
Western Europe	513	1,266	(753)	(59)%	(3)%
Latin America	588	907	(319)	(35)%	(5)%
Rest of World	397	1,002	(605)	(60)%	— %
Total net sales	$2,120	$4,464	$(2,344)	(53)%	(2)%

* The currency impact is included in the total 2009 vs. 2008 % change.

The decrease in our construction equipment net sales was primarily driven by declines in industry volume and mix ($2,313 million) and currency impacts which were partially recovered through pricing actions ($45 million). The volume and mix declines were the result of the significant decline in the construction equipment industry as well as destocking actions taken to reduce company and dealer inventory. Worldwide construction equipment industry retail unit sales decreased 38% compared with the prior year with decreases in both the light and heavy construction equipment industries. The decline in construction equipment industry retail unit sales was driven by the overall decline in global economic conditions. For the year, industry retail unit sales of light construction equipment decreased 45% in all markets, driven by decreases in residential and commercial construction activities. Heavy equipment industry retail unit sales declined 30%, with all markets down compared to the prior year. Also contributing to the decline in net sales was a decline in our market share for total heavy and light construction equipment as increases in market share in Latin America were more than offset by the declines in Western Europe and Rest of World. North America market share was flat.

In North America, the decline in net sales was the result of volume and mix declines due to industry and destocking actions taken to reduce company and dealer inventory. Construction equipment industry retail unit sales decreased 48%. Retail unit sales of light construction equipment, where we have a stronger market presence, were down 49% while heavy construction equipment was down 47%. Industry retail unit sales were down for both tractor loader backhoes and skid steers. Market share for the year for both heavy and light construction equipment was flat despite industry declines. The rate of industry decline for both heavy and light construction equipment eased during the fourth quarter of 2009 compared to the substantial reductions in the industry in the second half of 2008.

Net sales in Western Europe declined primarily as a result of industry declines, mix and destocking actions. Industry retail unit sales for both heavy and light construction equipment decreased 51% with heavy construction equipment decreasing 56% and light construction equipment decreasing 49%. The rate of industry decline for both heavy and light construction equipment eased in the fourth quarter of 2009 compared to the substantial

volume declines that occurred in the second half of 2008. Tractor loader backhoes and skid steers were down 45% and 41%, respectively. Market share was down for the year in total for both heavy and light construction equipment which contributed to the overall decline in our construction equipment net sales.

Latin America net sales were negatively affected by the decline in both heavy and light construction equipment industry retail unit sales of 56% and 54%, respectively. Industry retail unit sales of tractor loader backhoes and skid steers declined 50% and 62%, respectively. The rate of industry decline slowed slightly in the fourth quarter compared to the previous three quarters in 2009. Partially offsetting these declines was overall strong improvement in market share. Market share growth for the year was strong for light construction equipment with tractor loader backhoes and skid steers up significantly.

In Rest of World, net sales declined due to substantial declines in volume and mix. Industry retail unit sales decreased 36% for light construction equipment and 14% for heavy construction equipment. Industry retail unit sales for tractor loader backhoes and skid steers decreased 42% and 56%, respectively. While the full year was down for both heavy and light equipment industry retail unit sales, industry retail unit sales of heavy and light construction equipment were up in the fourth quarter of 2009. Contributing to the decline in net sales was a decline in market share for the year in both light and heavy construction equipment.

Costs and Expenses—Equipment Operations

The table below represents certain costs and expenses that are more appropriately analyzed as part of the Equipment Operations supplemental disclosures. Other costs and expenses are analyzed later in this discussion, either as part of the Financial Services analysis or on a consolidated basis.

	2009		2008		Increase (Decrease) in 2009 vs. 2008	2009 vs. 2008 % Change
	(in millions, except percents)					
Net sales	$12,783	100.0%	$17,366	100.0%	$(4,583)	(26)%
Cost of goods sold	10,862	85.0%	14,054	80.9%	(3,192)	(23)%
Gross profit	1,921	15.0%	3,312	19.1%	(1,391)	(42)%
Selling, general and administrative	1,150	9.0%	1,403	8.1%	(253)	(18)%
Research and development	398	3.1%	422	2.4%	(24)	(6)%
Restructuring	98	0.8%	34	0.2%	64	188 %
Interest expense	320	2.5%	358	2.1%	(38)	(11)%
Interest compensation to Financial Services	202	1.6%	275	1.6%	(73)	(27)%
Other, net	201	1.6%	204	1.2%	(3)	(1)%

Gross Profit—Equipment Operations

The decline in gross profit was driven by volume declines and mix ($1,154 million) as a result of a decline in our agricultural equipment business and the significant deterioration in our construction equipment business. Additionally, the gross margin was negatively affected by increased production and economic costs ($471 million) and currency translation, transaction and hedging activities ($240 million). Positive pricing ($436 million), primarily from the agricultural equipment business, only partially offset the volume and mix and production and economic costs.

Agricultural equipment gross profit decreased due to volume declines and mix ($659 million), production and economic cost increases ($306 million), and currency translation, transaction and hedging activities ($245 million), partially offset by pricing ($391 million). Volume and mix declines were primarily driven by declines in sales of both tractors and combines. In the under-40 hp segment, the decline was much more significant. Higher production costs resulted from higher input costs from inventory purchased or manufactured in the prior year. As

we reduced inventories, these higher costs negatively impacted our margins. Additionally, in anticipation of the industry slowdown, we reduced production rates to destock our inventories and dealer inventories which negatively impacted our margins. The negative currency impact is primarily the result of a strengthening of the U.S. dollar against the Euro, British pound and Brazilian real. Finally, price increases were maintained despite industry declines and competitive pressure which helped to offset some of the volume declines.

Gross profit for the construction equipment business declined significantly due to volume and mix declines ($495 million) primarily as a result of the significant market retraction and destocking actions taken during the year to reduce company and dealer inventory. Production cost increases ($142 million) also negatively impacted our margins. Included in production cost are higher input costs incurred for inventory produced principally in the prior year. Our margins were negatively impacted as this higher cost inventory was sold during the year. Additionally, many of our production facilities for the construction equipment business were idle during the year which also negatively impacted our margins. The impact of currency translation, transaction and hedging activities also negatively impacted margins due to the strengthening of the U.S. dollar. We did achieve positive pricing in most regions ($45 million).

Selling, general and administrative—Equipment Operations

The decrease in selling, general and administrative expenses was primarily the result of strict cost controls and personnel reductions ($168 million) as well as a favorable currency impact ($85 million). Salaried personnel were reduced by approximately 13% during the year in response to the market declines. Additional cost reductions included information systems, professional fees and travel. The year-over-year comparison was also favorably impacted by currency due to a strengthening U.S. dollar. Net sales declined at a faster rate than the reduction in selling, general and administrative expenses resulting in the increase as a percentage of net sales compared to the prior year.

Research and development—Equipment Operations

Research and development costs increased in the current year as a percentage of net sales reflecting a continued investment in products especially for Tier 4 engine development as well as investments in our core product portfolio.

Restructuring—Equipment Operations

In 2009, we announced restructuring actions to consolidate and reorganize activities to align our cost and operating levels to the current economic conditions. As part of the restructuring, we instituted personnel reductions. Additionally, we reorganized the construction equipment internal management organization combining the two brands under one internal management structure. The personnel reductions and construction equipment's business management restructuring resulted in a cumulative reduction of salaried personnel and agency of approximately 13% including a cumulative reduction of approximately 28% in construction equipment. Additionally, we have decided to move all production activities of our Imola, Italy plant to our plants in Lecce and San Mauro, Italy.

Of the $98 million incurred for restructuring, $93 million related to the current year restructuring activities and primarily consisted of personnel reductions and a curtailment loss due to a permanent reduction in personnel in the United States. In addition, $5 million relates to restructuring actions announced in prior years and consists of severance and other employee related costs incurred under personnel reduction plans and additional costs related to the closure of facilities. The remaining costs expected to be incurred under announced restructuring actions are $28 million.

See "Note 11: Restructuring" of our consolidated financial statements for the year ended December 31, 2009 for a detailed analysis of our restructuring programs.

Interest Expense—Equipment Operations

Interest expense is analyzed on a consolidated basis.

Interest compensation to Financial Services—Equipment Operations

This component of the Equipment Operations' results is an intercompany charge by Financial Services to Equipment Operations, which is eliminated at the consolidated level. We provide "interest-free" floor plan financing and extended payment terms to our dealers primarily in North America and in Western Europe to support wholesale sales of equipment. Financial Services finances these receivables, manages the credit exposure, controls losses and provides funding. Financial Services receives interest compensation from Equipment Operations for the cost of "interest-free" floor plan financing offered to our dealers.

Interest compensation to Financial Services remained consistent with the prior year as a percentage of net sales moving in line with the reductions in volume for both our agricultural and construction equipment.

Other, net—Equipment Operations

The decrease in Other, net was the result of increases in pension and other postemployment benefits related to former employees ($50 million) and product liability costs ($15 million) partially offset by a decrease in foreign exchange losses ($49 million) and other miscellaneous costs.

Equity in income of unconsolidated subsidiaries and affiliates—Equipment Operations

The loss in the current year was primarily related to our construction equipment joint ventures due to the overall decline in the construction equipment industry.

Overview of Financial Services Results

	2009		2008		Increase (Decrease) in 2009 vs. 2008	2009 vs. 2008 % Change
	(in millions, except percents)					
Finance and interest income	$ 1,190	100.0%	$ 1,356	100.0%	$ (166)	(12)%
Selling, general and administrative	336	28.2%	295	21.8%	41	14 %
Restructuring	4	—%	5	—%	(1)	(20)%
Interest expense	497	41.8%	606	44.7%	(109)	(18)%
Other, net	129	10.8%	115	8.4%	14	12 %
Total expenses	$ 966		$ 1,021		$ (55)	(5)%
On-book asset portfolio	$ 8,171		$ 9,825		$(1,654)	(17)%
Managed asset portfolio	17,257		17,524		(267)	(2)%

Finance and interest income—Financial Services

The decrease in finance and interest income was driven by a decline in net interest revenue ($246 million) partially offset by an increase in ABS revenues ($72 million) and an increase in operating lease revenue ($19 million). Net interest revenue's decline was the result of volume and mix as well as interest rates. The declines related to volume and mix were driven by the decline in the on-book portfolio due to the significant declines in the construction equipment business as well as the declines in the agricultural equipment business. Also contributing to the decline were decreases due to interest rates. Interest rate decreases were primarily the result of benchmark rates declining globally. ABS revenue increased as credit market conditions eased during the year

especially during the fourth quarter. ABS revenue includes $128 million of gains on sales of receivables that occurred during the year. Due to a change in the accounting rules for fiscal year 2010, gains on sales of receivables will likely be immaterial but this reduction will be partially offset by higher net interest revenue, as receivables that were previously off-book will be brought back on book and future securitization transactions will no longer qualify for off-book treatment. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—New Accounting Pronouncements" for further details on the change to the accounting rules.

Selling, general and administrative—Financial Services

The increase in selling, general and administrative expenses was primarily a result of increased loss provisions partially offset by declines in other selling, general and administrative expenses. Loss provisions increased due to the downturn in the U.S. and European construction equipment markets. Additional loss provisions were recorded for Brazil's retail agricultural equipment portfolio. Partially offsetting the increased loss provisions are personnel reductions and other cost control actions.

Delinquency and loss percentages for our managed portfolio were as follows:

	2009		2008	
	Delinquencies	Losses	Delinquencies	Losses
North America	2.74%	0.93%	2.54%	0.54%
Europe	7.30%	0.33%	2.22%	—%
Latin America	27.89%	0.64%	4.97%	0.16%
Rest of World	2.37%	0.56%	7.33%	0.17%
Total	7.50%	0.73%	2.92%	0.34%

The increases in retail delinquencies and the overall losses, as a percentage of outstanding receivables were driven by the Brazilian agricultural equipment loans which did not qualify for the renegotiation extension and the continued global slowdown in the construction equipment market in Europe and North America.

Restructuring—Financial Services

The restructuring expense incurred during 2009 was the result of personnel reductions primarily in the North American and European regions.

Other, net—Financial Services

The increase in other, net was primarily driven by an increase in depreciation expense related to a growing operating lease portfolio.

Consolidated Interest Expense

The decrease in interest expense was mix and interest rate related as for Equipment Operations, average debt outstanding remained flat. The net interest rate on our Equipment Operations debt declined by approximately 140 basis points. The decline was due to lower interest rates on the floating rate debt of Equipment Operations. Financial Services experienced both a decline in average debt outstanding as well as a decrease in the net interest rate on the debt resulting in a decline in interest expense. The decrease in the average debt outstanding was driven by the increase in off-book ABS transactions.

Consolidated income tax provision

	2009	2008
	(in millions, except percents)	
Income (loss) before income taxes and equity in income (loss) of unconsolidated subsidiaries and affiliates	$ (93)	$1,156
Income tax provision	92	385
Effective tax rate	(98.9)%	33.3%

The primary reason for the adverse effective tax rate was due to losses incurred during the year in certain jurisdictions where we could not recognize a tax benefit as well as unfavorable deferred tax asset valuation allowance adjustments.

Also see "Note 10: Income Taxes" of our consolidated financial statements for more information on our income tax provision.

2008 Compared to 2007

Overview of Equipment Operations Results

Net Sales of Equipment

Agricultural Equipment Net Sales

	2008	2007	Increase in 2008 vs. 2007	2008 vs. 2007 % Change	Positive / (Negative) Impact of Currency*
	(in millions, except percents)				
Net sales					
North America	$ 4,685	$3,844	$ 841	22%	—%
Western Europe	4,079	3,207	872	27%	6%
Latin America	1,551	1,023	528	52%	8%
Rest of World	2,587	1,874	713	38%	1%
Total net sales	$12,902	$9,948	$2,954	30%	3%

* The currency impact is included in the total 2008 vs. 2007 % change.

Worldwide agricultural tractor and combine industry retail unit sales were up 3% over the prior year driven by an increase of 34% for combines spread across all regions and an increase of 2% in tractors primarily driven by Western Europe and Latin America. The increase in our agricultural equipment net sales was driven by higher volumes as a result of the growing markets and a richer mix of high horsepower tractors and combines ($1,955 million), pricing actions taken during the year ($401 million), and new products ($282 million).

In North America, industry retail unit sales of tractors were down 7% but combines were up 21%. The decrease in the tractor industry was primarily driven by the under-100 horsepower tractor segments. The over-100 horsepower tractor market increased 24% over the prior year. The increase in the over-100 horsepower market, where we have a strong market position, and the increase in the combine industry contributed to the increase in our North American net sales. Our overall market share on tractors was stable with market share gains in the over-40 horsepower tractors offset by a decrease in market share for the under-40 horsepower tractors. For combines, our overall market share was stable primarily due to capacity constraints.

Western Europe industry retail unit sales of tractors and combines increased 3% and 27%, respectively, over the prior year. The improvement in the tractor industry retail unit sales was primarily driven by France, the UK

and Germany, partially offset by declines in Spain. Combines experienced increases in all markets. The increases in the industry volumes drove our improvements in net sales. Our overall market share for tractors and combines was stable. Although the overall markets were up for the year, in the fourth quarter the tractor industry declined compared with 2007.

The Latin American market experienced significant growth over the prior year with increases in industry retail unit sales of 36% for tractors and 55% for combines driving the significant improvement in our net sales. We were able to increase market share over the prior year, for combines while tractors was unchanged. In contrast to the first nine months of the year, in the fourth quarter, the combine industry did decline compared to the previous year.

In the Rest of World markets, the improvements in our net sales was due primarily to the 41% growth in the combine industry and an increase in tractor market share. The growth that increased our sales in the Rest of World for the first three quarters of 2008 slowed down in the fourth quarter. We experienced a slower rate of growth for combines and a significant decline in unit sales for tractors in the fourth quarter.

Construction Equipment Net Sales

	2008	2007	Increase (Decrease) in 2008 vs. 2007	2008 vs. 2007 % Change	Positive / (Negative) Impact of Currency*
	(in millions, except percents)				
Net sales					
North America	$1,289	$1,662	$(373)	(22)%	1%
Western Europe	1,266	1,788	(522)	(29)%	3%
Latin America	907	714	193	27%	6%
Rest of World	1,002	859	143	17%	7%
Total net sales	$4,464	$5,023	$(559)	(11)%	3%

* The currency impact is included in the total 2008 vs. 2007 % change.

Worldwide construction equipment industry retail unit sales were down 8% compared with the prior year driven primarily by decreases in the light construction equipment industry, where we have a stronger market position. For the year, industry retail unit sales of light equipment were down in all markets except Latin America, driven by decreases in residential and commercial construction activities. An increase of 2% in the heavy equipment market only partially offset the decline in the light equipment market. Increases in the Latin American and Rest of World construction equipment markets only partially offset the declines in Western Europe and North America. The decrease in our construction equipment net sales was primarily driven by the industry volume and mix changes ($818 million) which were partially recovered through pricing actions ($97 million). Our market share was down for total heavy and light construction equipment.

In North America, market demand for skid steer loaders and backhoe loaders decreased 18% and 26%, respectively. Additionally, demand for heavy construction equipment was down 22% while total light construction equipment was down 8%. The decrease in demand was a result of declines in residential and commercial construction activities. The declines in the industry were the primary drivers of the declines in our construction equipment net sales. Despite the industry volume declines, our market share remained stable.

The Western Europe construction equipment market experienced a total decline of approximately 26% for the full year. Skid steer loaders and backhoe loaders decreased 46% and 44%, respectively. Heavy construction equipment was down 24% while total light construction equipment was down 27%. The decline in the industry volumes and a decline in our market share drove the decrease in our net sales.

The construction equipment market in Latin America improved by 22% over the prior period. The markets for backhoe loaders and skid steer loaders were up 10% and 25%, respectively. Heavy construction equipment increased by 28% over the prior year while total light construction equipment was up 17%. While the full year experienced an increase, the fourth quarter of 2008 was down for heavy equipment by 5% and light construction equipment was down 18%. The improvement in our full year net sales was primarily the result of the growth in the industry during the first nine months of the year. Market share was unchanged with increases in backhoe loaders and skid steer loaders offset by decreased market share in heavy construction equipment.

In the Rest of World markets, the light construction equipment industry volumes were down 13% compared to the prior year while heavy construction equipment was up 20%. Backhoe loader industry volumes were down 16% while skid steer loader volumes improved 12%. The decline in the light construction equipment industry volumes, which began in the second quarter, accelerated during the fourth quarter and was down 45% compared to the fourth quarter of 2007. Heavy construction equipment industry volumes experienced growth in the first three quarters of 2008 but were down 22% relative to the fourth quarter of 2007. The decline in fourth quarter demand was largely driven by the economic downturn and the tightening of the credit markets. The increase in full year net sales was driven by increases in volume and mix in the first nine months, partially offset by the fourth quarter decline. Market share remained stable for both heavy and light construction equipment.

Costs and Expenses—Equipment Operations

The table below represents certain costs and expenses that are more appropriately analyzed as part of the Equipment Operations supplemental disclosures. Other costs and expenses are analyzed later in this discussion, either as part of the Financial Services analysis or on a consolidated basis.

	2008		2007		Increase (Decrease) in 2008 vs. 2007	2008 vs. 2007 % Change
	(in millions, except percents)					
Net sales	$17,366	100.0%	$14,971	100.0%	$2,395	16 %
Cost of goods sold	14,054	80.9%	12,154	81.2%	1,900	16 %
Gross profit	3,312	19.1%	2,817	18.8%	495	18 %
Selling, general and administrative	1,403	8.1%	1,183	7.9%	220	19 %
Research and development	422	2.4%	409	2.7%	13	3 %
Restructuring	34	0.2%	85	0.6%	(51)	(60)%
Interest expense	358	2.1%	358	2.4%	—	— %
Interest compensation to Financial Services	275	1.6%	247	1.6%	28	11 %
Other, net	204	1.2%	224	1.5%	(20)	(9)%

Gross Profit—Equipment Operations

The improvement in gross profit was driven by higher volumes and a richer mix of high horsepower tractors and combines ($440 million), pricing actions ($498 million) and the introduction of new products ($119 million), partially offset by purchasing and economic cost increases ($482 million) and currency translation, transaction and hedging activities ($109 million). The agricultural equipment segment improvement in gross profit drove the overall improvement in Equipment Operations gross profit.

In the agricultural equipment segment, the gross profit increase was the result of volume and mix improvements ($646 million), pricing actions ($401 million), and the introduction of new products ($119 million), partially offset by purchasing and economic cost increases ($378 million) and negative impact of currency translation, transaction and hedging activities ($99 million). The volume and mix improvements were the result of increased combine sales in all markets, and increases in higher horsepower tractor sales in North

America and increases in sales of all tractors in Western Europe and Latin America. The purchasing and economic cost increases were primarily the result of the higher volumes experienced as a result of the industry growth and higher input costs.

Gross profit for the construction equipment segment declined primarily as a result of the volume and mix declines ($206 million). Purchasing and economic cost increases ($104 million) were partially offset by pricing actions ($97 million). Anticipating the industry decline in the second half of 2008, we idled most of our construction equipment facilities to reduce inventories which contributed to the volume and mix impact.

Selling, General and Administrative—Equipment Operations

The increase in selling, general and administrative expense in dollars and the slight increase as a percentage of sales was driven by: increases from currency and initiatives to support our brands, dealers and customers; increased infrastructure in the parts organization to improve overall service levels; increased loss provisions due to the overall decline in the construction industry and additional provisions for Brazilian receivables; and increased costs of developing a support structure for international region growth and development.

Research and Development—Equipment Operations

The decrease in research and development costs as a percentage of net sales was the result of increases in net sales outpacing planned spending.

Restructuring—Equipment Operations

During 2008, the restructuring charges incurred were the result of restructuring activities announced in prior years and consisted primarily of severance and other employee related costs incurred under the headcount reduction plan ($26 million) and additional costs related to the 2007 closure of the Berlin, Germany facility ($4 million).

In 2007, we recorded $85 million in pre-tax restructuring costs. These restructuring costs primarily relate to a consolidated arbitration proceeding that was pending in London before the ICC International Court of Arbitration, *CNH Global N.V. vs. PGN Logistics Ltd. et al.* ($42 million), the 2007 closure of the manufacturing facility in Berlin, Germany ($23 million), and severance and other employee-related costs incurred due to headcount reductions ($17 million).

See "Note 11: Restructuring" of our consolidated financial statements for the year ended December 31, 2008 for a detailed analysis of our restructuring programs.

Interest Expense—Equipment Operations

Interest expense is analyzed on a consolidated basis.

Interest Compensation to Financial Services—Equipment Operations

This component of the Equipment Operations' results is an intercompany charge by Financial Services to Equipment Operations, which is eliminated at the consolidated level. We provide "interest-free" floor plan financing and extended payment terms to our dealers primarily in North America and in Western Europe to support wholesale sales of equipment. Financial Services finances these receivables, manages the credit exposure, controls losses and provides funding. Financial Services receives interest compensation from Equipment Operations for the cost of "interest-free" floor plan financing offered to our dealers or low rate financing offered to our retail customers.

The increase in interest compensation over the prior year was primarily the result of the increased volume in the agricultural equipment segment and rate increases due to changes in financial market conditions.

Other, Net—Equipment Operations

Other, net decreased over the prior year as a result of reduced pension and other post-employment benefits related to former employees and reduced litigation and product liability costs, partially offset by an increase in foreign exchange losses.

Equity in Income of Unconsolidated Subsidiaries and Affiliates—Equipment Operations

For 2008, equity in income of unconsolidated subsidiaries and affiliates was $40 million compared to $89 million in the prior year. Results for 2007 included $38 million of income that was recorded to adjust estimated amounts recorded in prior periods to actual reported results.

Overview of Financial Services Results

	2008		2007		Increase (Decrease) in 2008 vs. 2007	2008 vs. 2007 % Change
	(in millions, except percents)					
Finance and interest income	$ 1,356	100.0%	$ 1,131	100.0%	$ 225	20 %
Selling, general and administrative	295	21.8%	253	22.4%	42	17 %
Restructuring	5	—%	—	—%	5	— %
Interest expense	606	44.7%	479	42.4%	127	27 %
Other, net	115	8.4%	70	6.2%	45	64 %
Total expenses	$ 1,021		$ 802		$ 219	27 %
On-book asset portfolio	$ 9,825		$ 9,297		$ 528	6 %
Managed asset portfolio	17,524		18,375		(851)	(5)%

Finance and Interest income—Financial Services

The growth in finance and interest income was primarily the result of increases in the amount of the on-book asset portfolio. The increase in the on-book asset portfolio is due to the growth in the agricultural equipment business and the significant decrease in ABS activity. This was partially offset by lower ABS revenue due to the current unfavorable credit markets. The decline in ABS revenue primarily occurred in the North America market where the volume of transactions declined by approximately $1.4 billion from the prior year. Also contributing to the growth in income was an increase in operating lease revenues as net equipment on operating lease increased 18% during the year.

Selling, General and Administrative—Financial Services

Loss provisions were the primary driver of the increase in the current year expense resulting primarily from the downturn in the construction equipment market and additional reserves in Brazil. See also “Note 3: Accounts and Notes Receivable” of our consolidated financial statement for the year ended December 31, 2008.

Delinquency and loss percentages for our managed portfolio were as follows:

	2008		2007	
	Delinquencies	Losses	Delinquencies	Losses
North America	2.54%	0.54%	2.14%	0.42%
Europe	2.22%	—%	1.45%	0.04%
Latin America	4.97%	0.16%	4.52%	0.06%
Rest of World	7.33%	0.17%	7.75%	0.08%
Total	2.92%	0.34%	2.57%	0.28%

Western Europe and North American delinquencies increased primarily due to the global slowdown in the construction equipment market related to housing, partially offset by strengthening in the agricultural market. Overall losses, as a percentage of outstanding, increased due to the global slowdown in the construction equipment market.

Restructuring—Financial Services

The restructuring expense incurred during 2008 was the result of headcount reductions primarily in the North American and European regions.

Other, Net—Financial Services

The increase in other, net was primarily driven by the change in fair value for a derivative instrument subsequently designated as a cash flow hedge and an increase in operating lease depreciation.

Consolidated Interest Expense

The total amount for consolidated interest expense–Fiat affiliates and consolidated interest expense—other increased to $765 million compared to $701 million in the prior year. The 2007 Equipment Operations amount included a charge of $57 million for the early extinguishment of our $1.05 billion of 9 1⁄4% Senior Notes due in 2011. The increased interest expense was primarily driven by working capital and increases in the on-book receivables and operating lease portfolio. The change in distribution between consolidated interest expense—Fiat affiliates and consolidated interest expense–other is primarily driven by the refinancing of third party debt with Fiat affiliates.

Consolidated Income Tax Provision

	2008	2007
	(in millions, except percents)	
Income before income taxes and equity in income of unconsolidated subsidiaries and affiliates	$1,156	$ 830
Income tax provision	385	354
Effective tax rate	33.3%	42.7%

The primary drivers of the decrease in the effective tax rate were increased earnings in lower tax rate jurisdictions, an increase in tax credits and other adjustments. Also see “Note 10: Income Taxes” of our consolidated financial statements.

Application of Critical Accounting Estimates

The preparation of our financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results may differ from these estimates under different assumptions or conditions. Our senior management has discussed the development and selection of the critical accounting policies, related accounting estimates and the disclosure set forth below with our auditors and with the Audit Committee of our Board of Directors. Our critical accounting estimates, which require management’s subjective and complex judgments, are summarized below. Our other accounting policies are described in the notes to our consolidated financial statements.

Allowance for Credit Losses

Our wholesale and retail notes receivables have a significant concentration of credit risk in the agricultural and construction equipment industry and are subject to potential credit losses. We have provided for the expected

credit losses (“allowance for credit losses”) based on past experience with similar receivables including current and historical past due amounts, dealer termination rates, write-offs, collections and economic conditions. We have an established process to calculate a range of possible outcomes and determine the adequacy of the allowance. No single statistic or measurement determines the adequacy of the allowance. The adequacy of the allowance is assessed quarterly. Different assumptions or changes in economic conditions would result in changes to the allowance for credit losses.

Factors utilized in support of our assumptions include estimated collateral values, historical loss experience, portfolio duration, delinquency trends and credit risk quality.

The total allowance for credit losses at December 31, 2009, 2008 and 2007 was $393 million, $269 million, and $302 million, respectively. The allowance for credit losses increased in 2009 due to the continued downturn in the U.S. and European construction equipment markets and additional reserves recorded for Brazil’s retail agricultural equipment portfolio and decreased in 2008 due to transactions which took receivables off-book.

Holding other estimates constant, a 0.15 percentage point increase or decrease in estimated loss experience on the receivable portfolios would result in an increase or decrease of approximately $18 million to the allowance for credit losses at December 31, 2009.

Beginning January 1, 2010, we adopted the new accounting guidance relating to variable interest entities. The allowance for credit losses increased approximately $59 million related to the receivables that were consolidated upon adoption of this guidance.

Equipment on Operating Lease Residual Values

Our Financial Services segment purchases equipment from our dealers and other independent third parties and leases it to retail customers under operating leases. Income from these operating leases is recognized over the term of the lease. Financial Services’ decision on whether or not to offer lease financing to customers is based, in part, upon estimated residual values of the leased equipment, which are estimated at the lease inception date and periodically updated. Realization of the residual values, a component in the profitability of a lease transaction, is dependent on our ability to market the equipment at lease termination under the then prevailing market conditions. We continually evaluate whether events and circumstances have impacted the estimated residual values of equipment on operating leases. Although realization is not assured, management believes that the estimated residual values are realizable.

Total operating lease residual values at December 31, 2009, 2008 and 2007 were $427 million, $374 million and $289 million, respectively. Growth in the residual value for operating leases is consistent with the growth in the portfolio.

Estimates used in determining end-of-lease market values for equipment on operating leases significantly impact the amount and timing of depreciation expense. If future market values for this equipment were to decrease 10% from our present estimates, the total impact would be to increase our depreciation expense on equipment on operating leases by approximately $43 million. This amount would be charged to depreciation expense during the remaining lease terms such that the net investment in operating leases at the end of the lease terms would be equal to the revised residual values. Initial lease terms generally range from three to four years.

Retail Off-Balance Sheet Financing

In connection with our securitization of retail receivables, we retain interest-only strips and other interests in the securitized receivables. Interest-only strips represent rights to future cash flows arising after the investors in the securitization trust have received the return for which they contracted and other expenses of the trust are paid. Our retained interests are subordinate to the investors’ interests. Gain or loss on the sale of receivables depends in part on the fair value of the retained interests at the date of transfer. Additionally, retained interests after transfer are measured for impairment based on the fair value of the retained interests at the measurement date.

We estimate fair value based on the present value of future expected cash flows using our estimate of key assumptions—credit losses, prepayment spreads, and discount rates commensurate with the risks involved. While we use our best estimates, there can be significant differences between those estimates and actual results.

The significant assumptions used in estimating the fair values of retail retained interests from sold receivables, which remain outstanding, and the sensitivity of the current fair value to a 10% and 20% adverse change at December 31, 2009, are as follows:

	Weighted average assumptions	10% Change	20% Change
		(dollars in millions)	
Constant prepayment rate	18.36%	$1.6	$ 2.4
Annual credit loss rate	1.10%	$4.4	$ 8.7
Discount rate	10.21%	$7.0	$13.8
Remaining maturity in months	15		

The changes shown above are hypothetical. They are computed based on variations of individual assumptions without considering the interrelationship between these assumptions. As a change in one assumption may affect the other assumptions, the magnitude of the impact on fair value of actual changes may be greater or lower than those illustrated above. Weighted-average remaining maturity represents the weighted-average number of months that the current collateral balance is expected to remain outstanding. In addition, because our securitization transactions will be accounted for as secured borrowings rather than asset sales, the cash flows from these transactions will be presented as cash flows from financing activities rather than cash flows from operating or investing activities.

Consistent with CNH's adoption of the new guidance related to other-than-temporary impairments ("OTTI") of debt securities, any OTTIs due to changes in the constant prepayment rate and the expected credit loss rate would be included in the earnings of CNH. An OTTI due to a change in the discount rates would be included in accumulated other comprehensive income.

Beginning January 1, 2010, we adopted the new accounting guidance related to variable interest entities. The retained interests, included in the December 31, 2009 balance sheet, were reclassified to receivables for the transactions that were consolidated upon the adoption of this guidance.

Recoverability of Long-lived Assets

Long-lived assets include property, plant and equipment, goodwill and other intangible assets such as patents and trademarks. We evaluate the recoverability of property, plant and equipment and finite-lived other intangible assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. We assess the recoverability of property, plant and equipment and finite-lived other intangible assets by comparing the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If the carrying amount of the long-lived asset is not recoverable in full on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value.

Goodwill and indefinite-lived other intangible assets are tested for impairment at least annually. We evaluate changes to our reporting structure for implications to our reporting units and will evaluate any effects of the demerger. During 2009 and 2008, we performed our annual impairment review as of December 31 and concluded that there was no impairment in either year.

Impairment testing for goodwill is done at a reporting unit level using a two-step test. Since 2006, we have identified five reporting units: Case IH and New Holland agricultural equipment brands, Case and New Holland Construction construction equipment brands and Financial Services. Under the first step, our estimate of the fair value of the reporting unit is compared with its carrying value (including goodwill). If the fair value of the

reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and we must perform step two of the impairment test (measurement). Step two of the impairment test, if necessary, would require the identification and estimation of the fair value of the reporting unit's individual assets, including intangible assets with definite and indefinite lives regardless of whether such intangible assets are currently recorded as an asset of the reporting unit, and liabilities in order to calculate the implied fair value of the reporting unit's goodwill. Under step two, an impairment loss is recognized to the extent the carrying amount of the reporting unit's goodwill exceeds the implied fair value of goodwill.

The carrying values for each reporting unit include material allocations of our assets and liabilities and costs and expenses that are common to all of the reporting units. We believe that the basis for such allocations has been consistently applied and is reasonable.

The following summarizes the goodwill assigned to our reporting units and included in our consolidated financial statements and the percentage by which the fair value exceeded the carrying value (so called "excess") under the first step of the impairment test performed as of December 31, 2009:

	Amount	**Fair Value "Excess"**
	(in millions)	
Case IH	$ 685	36.6%
New Holland	975	6.9%
Case	292	31.4%
New Holland Construction	273	11.5%
Financial Services	149	5.1%
Consolidated goodwill	$2,374	

The varying levels of "excess" shown above and changes in fair value from the prior year disclosed below are primarily due to differences in geographic mix and manufacturing footprint. The operations of Case IH and Case reporting units are more heavily weighted towards North America, whereas the New Holland and New Holland Construction reporting units are more heavily weighted towards Western Europe and the Rest of World. Additionally, differences in the levels of working capital on hand at year-end impacted the results of the impairment test.

To determine fair value, we have relied on two valuation techniques: the income approach and the market approach.

The income approach is a valuation technique used to convert future expected cash flows to a present value. We use the income approach as the primary approach to measure the fair value of the Equipment Operations reporting units. We believe the income approach provides the best measure of fair value for our Equipment Operations reporting units as this approach considers factors unique to each of our reporting units and related long range plans that may not be comparable to other companies and that are not yet publicly available. The income approach is dependent on several critical management assumptions, including estimates of future sales growth, gross margins, operating costs, income tax rates, terminal value growth rates, capital expenditures, changes in working capital requirements and the weighted average cost of capital (discount rate).

Expected cash flows used under the income approach are developed in conjunction with our budgeting and forecasting process and represent the most likely amounts and timing of future cash flows based on our long range plan. Our long range plan is updated annually as a part of our annual planning process and is reviewed and approved by senior management. Expected sales growth is based on management's forecast. The gross margins and operating costs considered in the expected cash flows are also based on management's five-year forecast and supported by our manufacturing and product development plans. The amounts of capital expenditures and working capital considered in the expected cash flows are based on several factors including the estimated levels required to support the projected levels of growth and product development plan.

Our projections are based on our expectation of further agricultural equipment industry retail unit sales declines in 2010, followed by industry growth in subsequent years. We expect our construction equipment business to improve in 2010 as the industry improves and that as a result, our construction equipment dealers replenish their inventory levels. We expect more significant growth in the construction equipment industry in 2011 and subsequent years.

Several of the assumptions and estimates used as the basis for expected cash flows under the income approach have changed since the prior year. The projected revenues for our construction equipment and New Holland reporting units were reduced to reflect the industry declines that occurred during 2009 and the current industry outlooks. The projected gross margin percentages for all reporting units were increased to reflect management's expectations regarding pricing and product mix, and to reflect our manufacturing initiatives and product development, which are expected to reduce inefficiencies and excess capacity. Operating costs for our construction equipment reporting units were reduced to reflect the cost cutting measures taken in 2009, including the reorganization of the management structure and the reduction in our salaried and agency work force. The impact of cash and working capital requirements were adjusted to reflect expected improvements in working capital management. On an undiscounted basis, the net impact of the changes to management's five-year cash flow forecast was an increase in cash flows of 2.7% and 1.4% for Case and Case IH, respectively, and a reduction in cash flows of 20.9% and 9.4% for New Holland and New Holland Construction, respectively.

The discount rates used in the income approach are an estimate of the rate of return that a market participant would expect of each reporting unit. To select an appropriate rate for discounting the future earnings stream, a review was made of short-term interest rates and the yields of long-term corporate and government bonds, as well as the typical capital structure of companies in the industry. The discount rates used for each reporting unit may vary depending on the risk inherent in the cash flow projections, as well as the risk level that would be perceived by a market participant. We considered the above mentioned factors and selected the following discount rates for the income approach as of December 31, 2009:

	Discount Rate
Case IH	13.0%
New Holland	13.0%
Case	13.5%
New Holland Construction	13.5%

The discount rates used in the prior year for the Case IH, New Holland and Case reporting units were higher in order to account for the uncertainty of achievement of the projected cash flows given the state of the industry and capital and credit markets at the end of 2008. These discount rates were reduced in 2009 to reflect the reduction in risk associated with achieving these cash flow projections. The discount rate used for the New Holland Construction reporting unit was increased in 2009 to reflect the higher risk associated with achieving its cash flow projections.

A terminal value is included at the end of the projection period used in our discounted cash flow analyses in order to reflect the remaining value that each reporting unit is expected to generate. The terminal value represents the present value in the last year of the projection period of all subsequent cash flows into perpetuity. We have used 2017 as the terminal year in our discounted cash flow analyses performed as of December 31, 2009. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity. We selected the following terminal value growth rates for the income approach as of December 31, 2009:

	Terminal Value Growth Rate
Case IH	1.0%
New Holland	1.0%
Case	2.0%
New Holland Construction	2.0%

The estimated fair value under the income approach in 2009, including the impact of changes in management assumptions, changed from the prior year as follows:

	Change in Fair Value Percentage Increase (Decrease)
Case IH	59.2 %
New Holland	0.6 %
Case	8.1 %
New Holland Construction	(16.9)%

The market approach measures fair value based on prices generated by market transactions involving identical or comparable assets or liabilities. Under the market approach, we apply the guideline company method in estimating fair value. The guideline company method makes use of market price data of corporations whose stock is actively traded in a public, free and open market, either on an exchange or over-the counter basis. Although it is clear no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same or similar line of business or be subject to similar financial and business risks, including the opportunity for growth. The guideline company method of the market approach provides an indication of value by relating the equity or invested capital (debt plus equity) of guideline companies to various measures of their earnings and cash flow, then applying such multiples to the business being valued.

Book value and total asset market multiples were utilized in determining the fair value of the Financial Services reporting unit under the market approach. We use the market approach as the primary approach to measure the fair value of the Financial Services reporting unit as it derives value based primarily on the assets under management.

Revenue and EBITDA market multiples were utilized in determining the fair value of the Equipment Operations reporting units under the market approach. For our Equipment Operations reporting units, the market approach is used as a secondary approach to further support the income approach. Because the market approach does not evaluate our reporting units' projected cash flows, we believe the market approach enables validation of the fair values derived from the income approach using market benchmarks.

We identified comparable companies for use in the guideline company approach based on a review of all publicly traded companies in our lines of business. The comparable companies used were determined based on an evaluation of all relevant factors, including whether the companies were subject to similar financial and business risks.

An adjustment to the market pricing multiples used in the guideline company approach may be justified in order to account for the incremental value associated with a controlling interest in the business. Such a "control premium" represents the amount paid by a new controlling shareholder for the benefits resulting from synergies and other potential benefits derived from controlling the enterprise. Based on the market conditions as of December 31, 2009, we believed such an adjustment was justified at the reporting unit level and therefore used a 10-40% control premium in our analysis of the fair value of the reporting units under the market approach.

Our implied market capitalization (based on total outstanding shares and stock price as of December 31, 2009) was lower than our book value and the indicated fair value from our goodwill impairment test as of December 31, 2009. However, our reporting units have continued to generate cash flow from their operations, and we expect that to continue in future periods. While our implied market capitalization is an indicator of expected future performance, we believe a fair value determination should also consider factors such as recent trends in our stock price and an expected control premium at the Company level based on comparable transactional history. We believe there is a reasonable basis for the excess of estimated fair value of our reporting units over our implied market capitalization at December 31, 2009.

Given the low level of “excess” under the first step of the 2009 impairment test, we also performed sensitivity analyses of the estimated fair value using the income approach for the New Holland and New Holland Construction reporting units. A key assumption in our fair value estimates is the discount rate used for discounting cash flow estimates to present value. We noted that an increase in the discount rate of 90 and 140 basis points for New Holland and New Holland Construction, respectively, could cause each reporting unit’s carrying value to exceed fair value. If step two of the impairment test were to be required, the fair values of the assets and liabilities of the reporting unit, other than goodwill, could differ significantly from their carrying values, resulting in the recognition of a material goodwill impairment charge.

Measuring the estimated fair value of our reporting units requires judgment and the use of estimates by management. We can provide no assurance that a material impairment charge will not occur in a future period. Our estimates of future cash flows may differ from actual cash flows that are subsequently realized due to, among other things, worldwide economic factors, technological changes and the achievement of the anticipated benefits of our profit improvement initiatives. Any of these potential factors, or other unexpected factors, may cause us to re-evaluate the carrying value of goodwill. We will continue to monitor circumstances and events in future periods to determine whether additional impairment testing is necessary. If an impairment charge were required to be taken for goodwill, such a charge would be a non-cash charge. However, such a charge could have a material adverse impact on our financial position and statement of operations.

Sales Allowances

We grant certain sales incentives to stimulate sales of our products to retail customers. The expense for such incentive programs is accrued for and recorded as a deduction in arriving at our net sales amount at the time of the sale of the product to the dealer. The amount of incentives to be paid are estimated based upon historical data, estimated future market demand for our products, dealer inventory levels, announced incentive programs, competitive pricing and interest rates, among other things. If market conditions were to decline, we may take actions to increase customer incentives possibly resulting in an increase in the deduction recorded in arriving at our net sales amount at the time the incentive is offered.

The sales incentive accruals at December 31, 2009, 2008 and 2007 were $690 million, $660 million and $607 million, respectively. The incentive accruals increase during 2009 is due to programs initiated by CNH to reduce inventory and maintain competitive pricing in the market. The incentive accruals increased during 2008 primarily due to the increase in equipment sales.

Over the last three years, the percentage of sales allowance costs to net sales from dealers has varied by approximately plus or minus 2.5 percentage points, comparing the average sales allowance costs to net sales percentage during the period. Holding other assumptions constant, if the estimated percentage were to increase or decrease 2.5 percentage points, the sales allowances for the year ended December 31, 2009 would increase or decrease by approximately $320 million, which would positively or negatively impact operating margins.

Warranty Costs

At the time a sale of equipment to a dealer is recognized, we record the estimated future warranty costs for the product, primarily basic warranty coverage. We generally determine our total warranty liability with reference to our historical claims rate experience. Our warranty obligations are affected by component failure rates, replacement costs and dealer service costs, partially offset by recovery from certain of our vendors. If actual failure rates or costs to replace and install new components differ from our estimates, a revision in the warranty liability would be required.

The product warranty accruals at December 31, 2009, 2008 and 2007 were $301 million, $294 million and $297 million, respectively.

Estimates used to determine the product warranty accruals are significantly impacted by the historical percentage of warranty claims costs to related net sales. Over the last three years, this percentage has varied by approximately 0.1 percentage points, comparing the warranty costs to net sales percentage during the period. Holding other assumptions constant, if this estimated percentage were to increase or decrease 0.1 percentage points, the warranty expense for the year ended December 31, 2009, would increase or decrease by approximately $13 million.

See "Note 14: Commitments and Contingencies" of our consolidated financial statements for further information on our accounting practices and recorded obligations related to modification programs and warranty costs.

Defined Benefit Pension and Other Postretirement Benefits

As more fully described in "Note 12: Employee Benefit Plans and Postretirement Benefits" of our consolidated financial statements, we sponsor pension and other retirement plans in various countries. In the U.S. and the U.K., we have major defined benefit pension plans that are separately funded. Most of our pension plans in other countries are not funded. We actuarially determine these pension and other postretirement costs and obligations using several statistical and judgmental factors, which attempt to anticipate future events. These assumptions include discount rates, rates for expected returns on plan assets, rates for compensation, mortality rates, retirement rates, and health care cost trend rates, as determined by us within certain guidelines. Actual experiences different from those assumed and changes in assumptions can result in gains and losses that we have not yet recognized in our consolidated statements of operations but have been recognized in equity. For most of our plans, we recognize net gain or loss as a component of our pension and other retirement plans' expense for the year if, as of the beginning of the year, such unrecognized net gain or loss exceeds 10% of the greater of (1) the projected benefit obligation or (2) the fair or market value of the plan assets at year end. In such case, the amount of amortization we recognize is the resulting excess divided by the average remaining service period of active employees expected to receive benefits under the plan. However, for a number of our smaller plans, we recognize all gains and losses immediately in expense.

The following table shows the effects of a one percentage-point change in our primary defined benefit pension and other postretirement benefit actuarial assumptions on pension and other postretirement benefit obligations and expense:

	2010 Benefit cost (income)/expense		Year end benefit obligation increase/(decrease)	
	One percentage-point increase	One percentage-point decrease	One percentage-point increase	One percentage-point decrease
	(in millions)			
Pension benefits—U.S.:				
Assumed discount rate	$ (8)	$ 9	$(110)	$132
Expected long-term rate of return on plan assets	(9)	9	N/A	N/A
Pension benefits—International:				
Assumed discount rate	(5)	8	(170)	209
Expected rate of compensation increase	8	(6)	48	(42)
Expected long-term rate of return on plan assets	(10)	10	N/A	N/A
Other postretirement benefits:				
Assumed discount rate	(10)	14	(105)	127
Assumed health care cost trend rate (initial and ultimate)	22	(19)	106	(90)

Tax Contingencies

We are periodically subject to audits of our various income tax returns by taxing authorities. These audits review tax filing positions, including the allocation of income among our tax jurisdictions. Some of our tax positions could be challenged by the taxing authorities. The estimate of our tax contingencies reflects uncertainties because management must use judgment to estimate the exposure associated with our various tax filing positions. Although management believes that the judgments and estimates are reasonable, actual results could differ, and we may be exposed to losses or gains that could be material. An unfavorable tax settlement would likely require use of our cash and may result in an increase in our effective income tax rate in the period of resolution. A favorable tax settlement would generally be recognized as a reduction in our effective income tax rate in the period of resolution. See "Note 10: Income Taxes" of our consolidated financial statements for further information on our accounting for tax contingencies.

New Accounting Pronouncements

As of the beginning of 2010, we adopted new accounting guidance related to the accounting for transfers of financial assets and the consolidation of VIEs.

In June 2009, the Financial Accounting Standards Board ("FASB") issued new accounting guidance which changes the accounting for transfers of financial assets. The guidance eliminates the concept of a "qualifying special-purpose entity" ("QSPE"), changes the requirements for derecognizing financial assets, and requires additional disclosures by providing greater transparency about transfers of financial assets, including securitization transactions, and an entity's continuing involvement in and exposure to the risks related to transferred financial assets.

In June 2009, the FASB also issued new accounting guidance which amends the accounting for VIEs. The guidance changes the criteria for determining whether the consolidation of a VIE is required from a quantitative risk and rewards model to a qualitative model, based on control and economics. The guidance also eliminates the scope exception for QSPEs, increases the frequency for reassessing consolidation of VIEs and creates new disclosure requirements about an entity's involvement in a VIE.

We adopted the new guidance on January 1, 2010. As a significant portion of our securitization trusts and facilities is no longer exempt from consolidation as QSPEs under the guidance, we reassessed these VIEs under the new qualitative model and determined we were the primary beneficiary. Therefore, we were required to consolidate the receivables and related liabilities held by these VIEs based on the carrying amounts of the assets and liabilities, as prescribed by the new guidance. The impact of our adoption of the new guidance on January 1, 2010 is as follows:

	Adjustments for New Guidance
	(in millions)
Accounts, notes receivable and other—net:	
Retail receivables securitizations	$3,448
Wholesale receivables securitizations	1,563
Credit card receivables securitizations	181
Accounts, notes receivable and other—net—Total	5,192
Other assets: primarily restricted cash	517
Assets—Total	$5,709
Accrued and other liabilities	$ 22
Short-term debt	1,209
Long-term debt, including current maturities	4,519
Liabilities—Total	5,750
Equity—Total	(41)
Liabilities and Equity—Total	$5,709

The assets of the VIEs include restricted cash and certain receivables which are restricted to settle the obligations of those entities and are not expected to be available to us or our creditors. Liabilities of the consolidated VIEs include secured borrowings for which creditors or beneficial interest holders do not have recourse to our general credit.

An additional impact of adopting this guidance is that certain funding transactions that would have historically met the derecognition criteria will not qualify for derecognition under the new accounting rules. Beginning on January 1, 2010, wholesale receivables originated in Europe that were included in factoring programs for the revolving sale to third party factors are treated as secured borrowings. As of March 31, 2010, €126 million ($169 million) of receivables continue to be treated as sales under the superseded accounting rules as they were sold prior to January 1, 2010.

We adopted the guidance prospectively, and therefore, the financial statements prepared for 2010 and following will reflect the new accounting requirements, but the financial statements for periods ending on or before December 31, 2009 will reflect the accounting guidance applicable during those periods. Our statement of operations for the quarter ended March 31, 2010 no longer reflects securitization income and initial gains or losses on new securitization transactions, but instead reports interest income and other income associated with all securitized receivables, and interest expense associated with the debt issued from the securitization trusts and facilities. Therefore, current period results and balances will not be comparable to prior period amounts. In addition, because our new securitization transactions will be accounted for as secured borrowings rather than asset sales, the initial cash flows from these transactions will be presented as cash flows from financing transactions rather than cash flows from operating or investing activities.

Liquidity and Capital Resources

The following discussion of liquidity and capital resources principally focuses on our consolidated statements of cash flows, our consolidated balance sheets and off-balance sheet financing. Our operations are capital intensive and subject to seasonal variations in financing requirements for dealer receivables and dealer and company inventories. Whenever necessary, funds from operating activities are supplemented from external sources. We expect to have available to us cash reserves and cash generated from operations and from sources of debt and financing activities that are sufficient to fund our working capital requirements, capital expenditures and debt service at least through the end of the second quarter of 2011. See “Sources of Funding—Funding Policy” below for more information regarding our funding strategy. See “Risk Factors” for additional information concerning risks related to our business, strategy and operations.

Cash Flows

Our cash flows from operating activities are primarily a result of net income (loss), working capital requirements and changes in dealer receivable levels. Our cash flows from investing and financing activities principally reflect capital expenditures, changes in deposits with Fiat affiliates’ cash management pools, our level of investment in financial receivables, changes in our funding structure and dividend payments.

The $630 million increase in consolidated cash and cash equivalents, during the year ended December 31, 2009, reflects the generation of cash in our operating and investing activities which was partially offset by the utilization of cash from our financing activities. Cash and cash equivalents at Financial Services increased by $513 million, while cash and cash equivalents at Equipment Operations increased by $117 million.

For the first three months of 2010, consolidated cash and cash equivalents decreased $389 million from the beginning of the period, which reflects the cash utilized in our operating activities and financing activities, which was partially offset by cash generated from our investing activities. Cash and cash equivalents at Financial Services decreased by $313 million, while cash and cash equivalents at Equipment Operations decreased by $76

million. In addition, at its meeting on February 15, 2010, our Board of Directors recommended that we suspend payment of any dividend in 2010. The resolution to suspend the payment of any dividends was approved at the Annual General Meeting of Shareholders on March 12, 2010.

Cash Flows from Operating Activities

	Year Ended December 31,			Unaudited Three Months Ended March 31,	
	2009	2008	2007	2010	2009
			(in millions)		
Equipment Operations	$1,145	$(282)	$ 1,001	$ 117	$(435)
Financial Services	1,220	936	(1,034)	(510)	(176)
Eliminations	(153)	(4)	(62)	—	—
Consolidated	$2,212	$ 650	$ (95)	$(393)	$(611)

Equipment Operations generated $1,145 million of cash flows from operations in 2009, primarily due to $1,200 million in cash flows from working capital reductions. Cash provided by working capital reductions is comprised of $809 million from receivable reductions and $1,360 million from inventory reductions, offset by cash used to reduce payables by $969 million. The primary drivers of the working capital reductions in 2009 were the lower levels of revenues, the sale of receivables to Financial Services and changes in our production schedules that were made to compensate for the lower levels of demand. The cash provided by working capital reductions was partially offset by the impact of the 2009 net loss of $222 million and an increase in prepayments and other current assets related to higher levels of tax receivables. The increase in cash flows from operating activities in 2009 compared to 2008 reflects the decrease in working capital levels that occurred in 2009, while $1,379 million in cash was used due to increases in working capital levels during 2008. The increase in year-over-year cash flow was partially offset by the decline of net income.

For the three months ended March 31, 2010, Equipment Operations generated $117 million of cash from operating activities compared with $435 million of cash used by operating activities during the comparable period in 2009. The increase in operating cash flow was primarily driven by changes in working capital as $98 million was provided by working capital reductions during the first quarter of 2010, compared with net cash outflows of $381 million due to an increase in working capital in the first quarter of 2009 and improved results in the first quarter of 2010 as net income was $9 million, compared with a loss of $133 million in the first quarter of 2009.

Financial Services generated $1,220 million of cash from operating activities in 2009, resulting primarily from $858 million in cash from decreases in dealer and other accounts receivables, from net income of $174 million and depreciation and amortization of $128 million. The decrease in receivables is attributable to the increase in sales of receivables to the ABS markets.

For the three months ended March 31, 2010, Financial Services utilized $510 million of operating cash flow compared with a use of $176 million in the comparable period in 2009, resulting primarily from a higher level of dealer and other accounts receivables in 2010, partially offset by increases in accrued and other liabilities and an increase in net income.

Cash Flows from Investing Activities

	Year Ended December 31,			Unaudited Three Months Ended March 31,	
	2009	2008	2007	2010	2009
			(in millions)		
Equipment Operations	$ (691)	$(1,066)	$ (890)	$ (88)	$ 519
Financial Services	1,924	(2,731)	(1,502)	164	710
Eliminations	—	8	—	20	—
Consolidated	$1,233	$(3,789)	$(2,392)	$ 96	$1,229

In 2009, the cash used by investing activities at Equipment Operations reflects capital expenditures of $217 million and an increase in deposits in Fiat affiliates' cash management pools of $451 million. Capital expenditures were principally related to initiatives to introduce new products and enhance manufacturing efficiency. Capital expenditures for 2010 are anticipated to be approximately $400 million, up 84% from the 2009 level due to incremental spending associated with the deployment of new engine technology.

For the three months ended March 31, 2010, Equipment Operations utilized $88 million in cash in investing activities compared with cash inflows of $519 million from investing activity in the comparable period in 2009. The cash used by investing activities during the first quarter of 2010 reflects an increase in deposits in Fiat affiliates' cash management pools and capital expenditures. Capital expenditures decreased to $32 million in the first three months of 2010 compared with $46 million in the comparable period in 2009. Equipment Operations made net deposits in Fiat affiliates' cash management pools of $37 million in the first three months of 2010 compared to net withdrawals of $563 million during the first three months of 2009.

In 2009, cash provided by investing activities at Financial Services totaled $1,924 million resulting from proceeds from retail securitizations of $3,775 million, collections of retail receivables of $4,466 million, proceeds from the sale of equipment on operating lease of $140 million, $107 million for retained interests, and withdrawals from Fiat affiliates' cash management pools of $289 million. Partially offsetting these sources of cash were $6,552 million of investments in retail receivables and investments in equipment on operating leases of $302 million. Net cash provided from securitization transactions in 2009 was $1,796 million, up $3,902 million from 2008, as securitization markets re-opened in early 2009, leading to an increase in new securitization funding and gains in 2009, which were in sharp contrast with the securitization markets that virtually ceased to operate in late 2008.

For the three months ended March 31, 2010, Financial Services generated $164 million in cash from investing activities compared to $710 million in cash generated during the comparable period of 2009. The decrease in cash generated from investing activities was due to a change in the presentation of net collections from retail receivables and related securitizations. Collections reflected in investing activities were $120 million during the first quarter of 2010, compared with $699 million in net collections during the comparable period in 2009. This decrease in net collections from retail receivables and related securitizations was primarily related to the adoption of new accounting guidance in 2010 that requires new securitization transactions to be accounted for as secured borrowings rather than asset sales on a prospective basis. The initial cash flows from these transactions were presented as cash flows from financing transactions in the first quarter of 2010 and operating or investing activities during the first quarter of 2009. The net decrease in cash from securitization activities was partially offset by the $73 million in net withdrawals from Fiat affiliates' cash management pools for the first three months of 2010, compared with a net withdrawal of $14 million in the first three months of 2009.

Cash flows from Financing Activities

	Year Ended December 31,			Unaudited Three Months Ended March 31,	
	2009	2008	2007	2010	2009
			(in millions)		
Equipment Operations	$ (356)	$1,128	$ (432)	$(106)	$ (96)
Financial Services	(2,766)	1,719	2,608	42	(480)
Eliminations	153	(4)	62	(20)	—
Consolidated	$(2,969)	$2,843	$2,238	$ (84)	$(576)

In 2009, Equipment Operations cash flows used by financing activities of $356 million reflects the use of $1,017 million in cash to reduce short-term and long-term borrowings. Partially offsetting this use of cash, was $676 million in cash received for the reduction of intersegment notes from Financial Services. Net cash provided by financing activities in 2008 primarily related to increases in short-term and long-term borrowings.

For the three months ended March 31, 2010, Equipment Operations utilized $106 million in cash flows from financing activities compared with $96 million utilized during the comparable period in 2009. This change is due to cash outflows related to a decrease in indebtedness of $40 million compared with an increase in indebtedness of $5 million during the comparable period in 2009 and a decrease of cash outflows from intersegment activity of $21 million.

In 2009, cash flows used by financing activities for Financial Services of $2,766 million primarily reflects a reduction in short-term and long-term borrowings of $1,937 million in addition to cash used to reduce intercompany notes from Equipment Operations of $676 million. In 2009, Financial Services paid dividends to Equipment Operations of $153 million, compared to $4 million in 2008. Net cash provided by financing activities in 2008 primarily related to increases in short-term and long-term borrowings.

For the three months ended March 31, 2010, Financial Services generated $42 million of cash from financing activities compared with a utilization of $480 million of financing cash flow in the comparable period in 2009. This change is due to a change in the presentation of outflows related to the reduction in indebtedness of $48 million compared with $571 million in the comparable period in 2009. This change is primarily related to the adoption of new accounting guidance in 2010 that requires new securitization transactions to be accounted for as secured borrowings rather than asset sales on a prospective basis. The initial cash flows from these transactions were presented as cash flows from financing transactions in the first quarter of 2010 and operating or investing activities during the first quarter of 2009.

Credit Ratings

As of the date of this offering circular, our long-term unsecured debt was rated BB+ (CreditWatch with developing implications) by S&P; Ba3 (outlook stable) by Moody's; and BBB Low (negative trend) by DBRS. A security rating is not a recommendation to buy, sell or hold securities. Ratings may be subject to revision or withdrawal at any time by the assigning rating organization, and each rating should be evaluated independently of any other rating.

Sources of Funding

Funding Policy

In the current environment of high uncertainty in the financial markets, our policy is to maintain a high degree of flexibility with our funding and investment options by using a broad variety of financial instruments to maintain our desired level of liquidity.

In managing our liquidity requirements, we are pursuing a financing strategy that includes maintaining continuous access to a variety of financing sources, including U.S. and international capital markets, commercial bank lines, and funding Financial Services with a combination of receivables securitizations, conduit financing and other transactions. While a significant portion of our financing has historically come from Fiat and Fiat affiliates, in connection with the demerger, we believe that these financing arrangements will be terminated or replaced, although Fiat has stated that it may provide the new holding company with limited financing for an interim period.

A summary of our strategy follows:

- To fund Equipment Operations short-term financing requirements and to ensure near-term liquidity, we will continue to sell our receivables to Financial Services and rely primarily on internal cash flows including actions to optimize working capital. We will also maintain for a certain period a funding relationship with Fiat through the overdraft facilities granted to us under the cash pooling arrangements operated by Fiat treasury subsidiaries in a number of jurisdictions. We may supplement our short-term financing by entering into new credit lines with banks.
- As funding needs of Equipment Operations are determined to be of a longer-term nature, we may access public medium- and long-term debt markets as well as private investors and banks, as appropriate, to refinance borrowings and replenish our liquidity.
- We will look at the public ABS market as an important source of funding in North America and Australia; however, we will maintain and further develop the funding diversification strategy we initiated in the second half of 2008, which was based on diversifying our funding sources and expanding our investor base. Additional funding needs of Financial Services will be covered by the renewal and possibly the increase of Asset-Backed Commercial Paper ("ABCP") Programs, private ABS transactions and by the sale of selected portfolios of receivables in bilateral transactions with investors or other financial institutions. We will tailor our offerings to improve investor interest in our securities while optimizing economic factors and reducing execution risks. We will integrate our funding strategy for Financial Services with alternative sources of financing which will be determined on a case-by-case basis. Alternative means of funding could include bank facilities, both short and long-term, capital market transactions and private placements.
- Financial Services in Brazil continues to utilize financing provided by BNDES to support the growth of the agricultural sector of the economy and issuances of certificates of deposit.
- Financial Services has also relied in the past, and may continue to rely, on intersegment borrowings from Equipment Operations.

On a global level, we will continue to evaluate alternatives to ensure that Financial Services has access to capital on favorable terms to support its business, including agreements with global or regional partners similar to our agreement with BPLG, new funding arrangements or a combination of the foregoing.

Our access to external sources of financing, as well as the cost of financing, is dependent on various factors, including our unsecured debt ratings. A further deterioration in our ratings could impair our ability to obtain debt financing as well as increase the cost of such financing. Debt ratings are influenced by a number of factors, including, among others: Fiat's debt ratings, financial leverage on an absolute basis or relative to peers, the composition of the balance sheet and/or capital structure, material changes in earning trends and volatility, ability to dividend monies from subsidiaries and our competitive position. Material deterioration in any one or a combination of these factors could result in a downgrade of our debt ratings, thus increasing the cost, and limiting the availability, of unsecured financing.

Our ability to obtain financing may be limited by certain covenants in our indentures and credit agreements.

Consolidated Debt

As of December 31, 2009 and 2008 and as of March 31, 2010 and 2009, our consolidated debt was as detailed in the tables below:

	Consolidated		Equipment Operations		Financial Services	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	(in millions)					
Long-term debt excluding current maturities	$5,050	$ 5,347	$3,231	$2,698	$2,650	$2,968
Current maturities of long-term debt	2,386	2,530	774	1,143	2,058	1,387
Short-term debt	1,972	3,480	297	716	3,430	4,740
Total debt	$9,408	$11,357	$4,302	$4,557	$8,138	$9,095

	Unaudited					
	Consolidated		Equipment Operations		Financial Services	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	(in millions)					
Long-term debt excluding current maturities	$ 7,581	$ 4,325	$3,445	$2,016	$ 5,210	$2,719
Current maturities of long-term debt	4,261	2,996	579	1,658	3,682	1,338
Short-term debt	3,098	3,287	72	829	4,926	4,429
Total debt	$14,940	$10,608	$4,096	$4,503	$13,818	$8,486

On December 31, 2009, our outstanding consolidated debt with Fiat and its affiliates was $2.9 billion, or 31% of our consolidated debt, compared to $5.2 billion or 46% as of December 31, 2008. The main reason for the decrease in our consolidated debt with Fiat was the opportunity to refinance part of our borrowings with third parties: for Equipment Operations, with a $1.0 billion issue of debt securities at an annual fixed rate of 7.75% due in 2013; and for Financial Services, with new securitizations.

We believe that Net Debt, defined as total debt less intersegment notes receivable, deposits in Fiat affiliates' cash management pools and cash and cash equivalents, is a useful analytical tool for measuring our effective borrowing requirements. Our ratio of Net Debt to Net Capitalization provides useful supplementary information to investors so that they may evaluate our financial performance using the same measures we use. Net Capitalization is defined as the sum of Net Debt and Total Equity. Net Debt and Net Capitalization are non-GAAP measures. These non-GAAP financial measures should neither be considered as a substitute for, nor superior to, measures of financial performance prepared in accordance with U.S. GAAP.

The calculation of Net Debt and Net Debt to Net Capitalization as of December 31, 2009 and 2008 and as of March 31, 2010 and 2009 and the reconciliation of Net Debt to Total Debt, the U.S. GAAP financial measure that we believe to be most directly comparable, are shown below:

	Consolidated		Equipment Operations		Financial Services	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	(in millions, except percentages)					
Total debt	$ 9,408	$11,357	$4,302	$4,557	$8,138	$ 9,095
Less:						
Cash and cash equivalents	1,263	633	290	173	973	460
Deposits with Fiat	2,251	2,058	2,144	1,666	107	392
Intersegment notes receivables	—	—	2,398	2,295	634	—
Net debt (cash)	5,894	8,666	(530)	423	6,424	8,243
Total equity	6,810	6,575	6,809	6,574	2,378	2,074
Net capitalization	$12,704	$15,241	$6,279	$6,997	$8,802	$10,317
Net debt to net capitalization	46%	57%	(8)%	6%	73%	80%

	Unaudited					
	Consolidated		Equipment Operations		Financial Services	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	(in millions, except percentages)					
Total debt	$14,940	$10,608	$4,096	$4,503	$13,818	$8,486
Less:						
Cash and cash equivalents	874	670	214	155	660	515
Deposits with Fiat	2,185	1,452	2,153	1,079	32	373
Intersegment notes receivables	—	—	2,485	2,381	489	—
Net debt (cash)	11,881	8,486	(756)	888	12,637	7,598
Total equity	6,762	6,363	6,761	6,362	2,218	2,069
Net capitalization	$18,643	$14,849	$6,005	$7,250	$14,855	$9,667
Net debt to net capitalization	64%	57%	(13)%	12%	85%	79%

The following tables compute Total Debt to Total Capitalization as of December 31, 2009 and 2008 and as of March 31, 2010 and 2009, the U.S. GAAP financial measure which we believe to be most directly comparable to Net Debt to Net Capitalization.

	Consolidated		Equipment Operations		Financial Services	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	(in millions, except percentages)					
Total debt	$ 9,408	$11,357	$ 4,302	$ 4,557	$ 8,138	$ 9,095
Total equity	6,810	6,575	6,809	6,574	2,378	2,074
Total capitalization	$16,218	$17,932	$11,111	$11,131	$10,516	$11,169
Total debt to total capitalization	58%	63%	39%	41%	77%	81%

	Unaudited					
	Consolidated		Equipment Operations		Financial Services	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	(in millions, except percentages)					
Total debt	$14,940	$10,608	$ 4,096	$ 4,503	$13,818	$ 8,486
Total equity	6,762	6,363	6,761	6,362	2,218	2,069
Total capitalization	$21,702	$16,971	$10,857	$10,865	$16,036	$10,555
Total debt to total capitalization	69%	63%	38%	41%	86%	80%

The Net Cash position of Equipment Operations in 2009, compared to a Net Debt position in 2008, reflects the reduction in working capital, which resulted in higher cash and lower debt levels.

The decrease in Financial Services Net Debt principally reflects significant collections and securitizations of retail receivables in 2009.

For the three months ended March 31, 2010, Equipment Operations' Net Cash position compared to a Net Debt position in the comparable period in 2009 reflects primarily a decrease in working capital requirements.

The increase in Financial Services Net Debt for the three months ended March 31, 2010 compared to the comparable period in 2009 reflects the consolidation of a significant portion of our off-book debt upon adoption of the new accounting guidance on January 1, 2010.

Long-Term Debt

As of March 31, 2010, our consolidated long-term debt was $11.8 billion, including $4.2 billion of current maturities, compared to $7.3 billion as of March 31, 2009. Equipment Operations' long-term debt as of March 31, 2010 was $4.0 billion compared to $3.7 billion as of March 31, 2009. Financial Services' long-term debt as of March 31, 2010 was $8.9 billion compared to $4.1 billion as of March 31, 2009.

As of December 31, 2009, our consolidated long-term debt was $7.4 billion, including $2.4 billion of current maturities, compared to $7.9 billion and $2.5 billion, respectively, as of the end of the prior year.

Equipment Operations long-term debt as of December 31, 2009, which was $4.0 billion, including $774 million of current maturities, consisted of bonds and medium-term notes in the aggregate amount of approximately $1.7 billion, two long-term loans from a Fiat treasury subsidiary in the aggregate amount of $800 million, medium-term loans and borrowings under credit facilities with third parties and Fiat in the aggregate amount of $577 million and drawdown from the syndicated credit facility in the amount of €300 million ($432 million) and intersegment notes in the amount of $473 million.

As of December 31, 2009, Financial Services' long-term debt was $4.7 billion, including $2.1 billion of current maturities, and consisted primarily of $1.3 billion of borrowings under committed credit lines related to our retail lending activities in Brazil, $309 million of borrowing under a Canadian asset-backed facility, $1.4 billion of borrowing from Fiat, $849 million of borrowing from third parties and intersegment notes in the amount of $804 million.

A more detailed description of our long-term debt is provided under "Note 9: Credit Facilities and Debt" in our consolidated financial statements.

Short-Term Debt

As of March 31, 2010, our consolidated short-term debt was $3.1 billion, compared to $3.3 billion as of March 31, 2009. Equipment Operations' short-term debt as of March 31, 2010 was $72 million, compared to $829 million as of March 31, 2009. Financial Services' short-term debt as of March 31, 2010 was $4.9 billion compared to $4.4 billion as of March 31, 2009.

As of December 31, 2009, our consolidated short-term debt was $2.0 billion, compared to $3.5 billion as of the end of the prior year.

Equipment Operations' short-term debt as of December 31, 2009 was $297 million and consisted of mainly $129 million of drawdowns from credit facilities and intersegment notes in the amount of $161 million.

As of December 31, 2009, Financial Services' short-term debt was $3.4 billion, and consisted of $1.6 billion of inter-company borrowings, $1.5 billion of drawdowns from credit facilities (of which $279 million were granted by Fiat treasury subsidiaries, $828 million were financed under ABCP warehouse facilities and $370 million were financed under various other facilities with third parties), and $359 million of loans (of which $251 million were granted from Fiat treasury subsidiaries).

A more detailed description of our short-term debt is provided under "Note 9: Credit Facilities and Debt" in our consolidated financial statements.

Credit Facilities

Credit facilities and debt outstanding under such facilities consist of committed and uncommitted credit facilities.

As of March 31, 2010, we had approximately $4.2 billion available under our $10.5 billion total lines of credit, including asset-backed facilities, of which $2.2 billion were committed lines, $4.1 billion were uncommitted lines and $4.2 billion were asset-backed facilities.

Of the total $6.3 billion drawn under such lines, $3.0 billion was classified as short-term debt, $1.4 billion was classified as current maturities of long-term debt and $1.9 billion was classified as long-term debt.

As of December 31, 2009, we had approximately $4.4 billion available under our $9.2 billion total lines of credit, including asset-backed facilities, of which $600 million were committed lines, $2.6 billion were uncommitted lines and $1.2 billion were asset-backed facilities.

Of the total $4.8 billion drawn under such lines, $1.6 billion was classified as short-term debt, $1.6 billion was classified as current maturities of long-term debt and $1.6 billion was classified as long-term debt.

A more detailed description of our credit facilities is provided under "Note 9: Credit Facilities and Debt" in our consolidated financial statements.

Cash, Cash Equivalents, Deposits with Fiat and Intersegment Notes Receivable

Cash and cash equivalents were $1.3 billion as of December 31, 2009, compared to $633 million as of December 31, 2008, and were $874 million as of March 31, 2010. The following tables show cash and cash equivalents, together with additional information on deposits with Fiat and intersegment notes receivable, which together contribute to our definition of Net Debt as of December 31, 2009 and 2008 and as of March 31, 2010.

	Consolidated		Equipment Operations		Financial Services	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	(in millions)					
Cash and cash equivalents	$1,263	$ 633	$ 290	$ 173	$973	$460
Deposits with Fiat	$2,251	$2,058	$2,144	$1,666	$107	$392
Intersegment notes receivable:						
Current	$ —	$ —	$1,893	$1,976	$308	$ —
Long-term	—	—	505	319	326	—
Total intersegment notes receivables	$ —	$ —	$2,398	$2,295	$634	$ —

	Consolidated	Equipment Operations	Financial Services
	March 31, 2010	March 31, 2010	March 31, 2010
	(in millions)		
Cash and cash equivalents	$ 874	$ 214	$660
Deposits with Fiat	$2,185	$2,153	$ 32
Intersegment notes receivable:			
Current	$ —	$1,900	$ —
Long-term	—	585	489
Total intersegment notes receivables	$ —	$2,485	$489

The amount of deposits with Fiat and cash and cash equivalents held by us on a consolidated basis fluctuates daily. The ratio of cash equivalents to deposits with Fiat also varies, as a function of the cash flows of those CNH subsidiaries that participate in the various cash pooling systems managed by Fiat worldwide.

At December 31, 2009, we had approximately $2.3 billion of cash deposited in the Fiat affiliates' cash management pools compared with $2.1 billion at the end of the prior year. The total amount deposited in the Fiat affiliates' cash management pools as of December 31, 2009 included $1.2 billion deposited by our subsidiaries in the United States and in Canada, $886 million deposited by certain of our European subsidiaries with a treasury subsidiary managing cash in most of Europe excluding Italy, and $122 million deposited by our Italian subsidiaries with a treasury subsidiary managing cash in Italy.

Securitization

The following table summarizes the principal amount of our retail, wholesale and credit card receivables in the United States, Canada and Europe which are not included in our consolidated balance sheet ("off-book receivables") at December 31, 2009 and 2008:

	2009	2008
	(in millions)	
Wholesale receivables	$2,316	$2,328
Retail and other notes and finance leases	4,207	3,044
Credit Card	181	186
Total	$6,704	$5,558

As part of our overall funding strategy, we securitize and transfer financial receivables via securitization transactions. Following the contraction of the ABS market in late 2008, we were able to obtain alternative funding through other third-party sources. When the ABS markets improved in early 2009, in part through government-sponsored initiatives, we returned to the ABS market for a portion of our funding. While we utilized the ABS markets in 2009, we continued to expand and diversify our sources of funding.

As of the beginning of 2010, we adopted new accounting guidance related to the accounting for transfers of financial assets and the consolidation of variable interest entities. As a significant portion of our securitization trusts and facilities is no longer exempt from consolidation under the new guidance, we were required to consolidate the receivables and related liabilities. Financial Services recorded a $5.7 billion increase to assets and liabilities upon the adoption of this new guidance on January 1, 2010. See "Note 2: Recent Accounting Developments" of the unaudited condensed consolidated financial statements for the quarter ended March 31, 2010 included in this offering circular.

Wholesale

In the U.S., Financial Services sells eligible receivables on a revolving basis to privately and publically structured securitization facilities. The receivables are initially sold to a wholly-owned special purpose entity ("SPE"), to achieve bankruptcy remoteness. The SPE, which is consolidated by CNH, legally isolates the receivables from creditors of CNH. In turn, this subsidiary established a separate trust to which the receivables are transferred in exchange for proceeds from debt issued by the trust. The trust qualifies as a QSPE under the accounting guidelines and, accordingly, is not consolidated by CNH. This transaction is utilized as an alternative to the issuance of debt.

In the event the pool of receivables is reduced below certain limits, the investors in the facility have recourse against our retained undivided interests in the sold receivables. The amounts of these retained undivided interests fluctuate with the size of the sold portfolio, as they are specified as percentages of the sold receivables. The retained undivided interests are recorded at cost, which approximates fair value due to the short-term nature of the receivables. Investors have no recourse to us in excess of the retained undivided interests. We continue to service the sold receivables and receive compensation, which represents the fair value of the services provided.

The facilities have consisted of a master trust facility in both the U.S. and Canada. As of December 31, 2009, the U.S. master trust facility consisted of the following: $583 million term senior and subordinated asset-backed notes issued in August, 2009 with a three year maturity, and three 364-day conduit facilities renewable annually at the sole discretion of the purchasers, $500 million renewable August, 2010, $300 million renewable October 2010 and $250 million renewable November, 2010. During 2009, the Canadian facility no longer qualified as an off-book securitization and, consequently, was recorded as a secured borrowing of Financial Services as of December 31, 2009.

As of December 31, 2009, we had the following balances related to the wholesale receivable securitization facilities described above:

	Receivables Sold	Facility Outstanding	Retained Undivided Interest
		(in millions)	
United States	$2,312	$1,633	$679

As of December 31, 2008, we had the following balances related to the wholesale receivable securitization facilities described above:

	Receivables Sold		Outstanding		Retained Undivided Interest	
	Local Currency	US$	Local Currency	US$	Local Currency	US$
			(in millions)			
United States	$ 1,917	$1,917	$ 1,550	$1,550	$ 367	$367
Canada	C$ 270	222	C$ 190	156	C$ 80	66

Financial Services recognized gains on sale of these receivables of $51 million, $54 million and $111 million for the years ended December 31, 2009, 2008 and 2007, respectively.

As of March 31, 2010, one of the facilities contained minimum portfolio performance thresholds which, if breached, could preclude us from selling to the facility additional receivables originated on a prospective basis. We would have to find an alternative source of funding which may be consolidated on our balance sheet.

In addition, Financial Services has various factoring programs for the revolving sale to third party factors of wholesale receivables originated in Europe. At December 31, 2009 and 2008, the amount of outstanding receivables under these factoring programs were €666 million ($959 million) and €484 million ($674 million), respectively, of which, €483 million ($696 million) and €346 million ($482 million) were sold and, accordingly, removed from the balance sheet at December 31, 2009 and December 31, 2008, respectively.

Retail

Within our asset securitization program, qualifying retail finance receivables are sold to limited purpose, bankruptcy-remote consolidated subsidiaries of CNH. In turn, these subsidiaries establish separate trusts to which the receivables are transferred in exchange for proceeds from asset-backed securities issued by the trusts. This allows the SPE to issue highly-rated securities which provide us with a cost-effective source of funding.

We maintain access to the asset-backed term markets in both the United States and Canada. During 2009, SPE affiliates of our U.S. Financial Services' subsidiaries executed $2.9 billion in retail asset-backed transactions and SPE affiliates of our Canadian Financial Services' subsidiaries executed C$934 million ($823 million) in retail asset-backed transactions. The securities in these transactions are backed by agricultural and construction equipment retail receivable contracts and finance leases originated through our dealer network. Financial Services applied the proceeds from the securitizations to repay outstanding debt. At December 31, 2009, $4.2 billion of asset-backed securities issued to investors out of the U.S. and Canadian SPE's were outstanding with a weighted average expected remaining maturity between 22 and 26 months.

We agree to service the receivables transferred for compensation and earn other related ongoing income customary with the securitization programs. We also may retain all or a portion of subordinated interests in the SPEs. These interests are reported as assets in our consolidated balance sheets. The amount of the fees earned and the levels of retained interests that we maintain are quantified and described in "Note 3: Accounts and Notes Receivable" of our consolidated financial statements.

No recourse provisions exist that allow holders of the asset-backed securities issued by the SPEs to put those securities back to us although we provide customary representations and warranties that could give rise to an obligation to repurchase from the SPE any receivables for which there is a breach of the representations and warranties. Moreover, we do not guarantee any securities issued by the SPEs. Our exposure related to these SPEs is limited to the cash deposits held for the benefit of the holders of the asset-backed securities issued by the SPEs including the retained interests in the SPEs, which are reported in our consolidated balance sheets. The SPEs have a limited life and generally terminate upon final distribution of amounts owed to investors or upon exercise of a cleanup-call option by us, in our role as servicer.

Credit Card

Financial Services continues to sell credit card receivables on a revolving basis to a privately owned 364-day facility, renewable in October, 2010. The receivables sold were removed from our balance sheet. As of December 31, 2009 and 2008, CNH had the following credit card receivable securitization facility:

	2009	2008
	(in millions)	
Facility limit	$200	$200
Receivables sold	248	255
Facility outstanding	181	186
Retained undivided interest	67	69

Our off book funding programs are further described in "Note 3: Accounts and Notes Receivable" of our consolidated financial statements.

Other Restricted Receivables

A portion of our securitizations are not recorded as sales, but are accounted for as secured borrowings. Accordingly, the related receivables are included in our consolidated balance sheet, but are classified as restricted assets.

The following table summarizes our other restricted receivables at December 31, 2009 and 2008:

	2009	2008
	(in millions)	
Asset-backed commercial paper ("ABCP") conduit facilities	$1,006	$1,912
Wholesale receivables	586	—
Australia receivables	365	87
North America receivables	173	285
Total other restricted receivables	$2,130	$2,284

The secured borrowings related to these restricted securitized retail notes are obligations that are payable as the retail notes are liquidated. Repayments of the secured borrowings depend primarily on cash flows generated by the restricted assets. See "Note 9: Credit Facilities and Debt" in our consolidated financial statements for more information regarding ABCP facilities.

Pension and Other Postretirement Benefits

Pension Benefit Obligations

Plan assets are primarily held in trusts and invested to provide for current and future pension benefits. Plan assets primarily consist of investments in equity securities, debt securities, and cash.

The funded status of our pension benefit obligations expresses the extent to which plan assets are available to satisfy our estimated obligations. At December 31, 2009 and 2008, our pension plans had an underfunded status of approximately $848 million and $833 million, respectively. These amounts included pension plan obligations for plans that we do not currently fund of $481 million and $483 million at December 31, 2009 and 2008, respectively.

The Pension Protection Act of 2006 ("PPA") was enacted in August, 2006, and established, among other things, new standards for funding of U.S. defined benefit pension plans. One of the primary objectives of the PPA is to improve the financial integrity of underfunded plans through the requirement of additional contributions. During 2009, we made a discretionary contribution of $90 million to our U.S. defined benefit pension plan trust. In 2010, we anticipate making a discretionary contribution of up to $70 million to the U.S. defined benefit pension plan trust. Based on projections of minimum funding requirements, there will be no contribution required in 2011 through 2014 for this plan. We will continue to consider making discretionary contributions to our pension and other benefit plans in the future, based on availability of cash and other options available to us.

During 2009, we contributed $61 million to our non-U.S. defined benefit plans and we anticipate that we will make contributions to such plans in 2010 of approximately $62 million.

Other Postretirement Benefit Obligations

These benefit obligations are currently unfunded although we continue to evaluate making discretionary contributions. At December 31, 2009 and 2008, our other postretirement benefit obligations had an underfunded status of $1.1 billion, and $1.1 billion, respectively.

During 2009 and 2008, we did not make any voluntary contributions to our postretirement benefit plans, however, we contributed $69 million and $74 million in order to fund benefit payments made during 2009 and 2008, respectively. We anticipate that cash requirements for other postretirement employee benefit costs will be approximately $78 million in 2010.

See "—Application of Critical Accounting Estimates," as well as "Note 12: Employee Benefit Plans and Postretirement Benefits" of our consolidated financial statements for additional information on pension and other postretirement benefits accounting.

Research and Development, Patents and Licenses, Etc.

Our research, development and engineering personnel design, engineer, manufacture and test new products, components, and systems. We incurred $398 million, $422 million and $409 million of research and development costs in the years ended December 31, 2009, 2008 and 2007, respectively. We incurred $99 million and $93 million of research and development costs for the three months ended March 31, 2010 and 2009, respectively.

Agricultural Equipment—We are promoting the New Holland, Case IH and Steyr brands and logos as the primary brand names for our agricultural equipment products.

Construction Equipment—For construction equipment under New Holland, we are promoting the New Holland and Kobelco brands in particular regions of the world. For construction equipment under Case, we are promoting the Case construction brand name and trademark.

Most of these brand names have been registered as trademarks in the principal markets in which we use them. Other than the New Holland, Case and Case IH trademarks, we do not believe that our business is materially dependent on any single patent or trademark or group of patents or trademarks. We also sell some products under heritage brand names or sub-brand names such as Braud, FiatAllis, Flexi-Coil, Austoft, Concord, DMI and Tyler.

Through our Case IH and New Holland brands in agricultural equipment and Case and New Holland Construction brands in construction equipment, we have a significant tradition of technological innovation in the agricultural and construction equipment industries. As of December 31, 2009, we held approximately 4,000 patents and approximately 1,000 applications are pending. We believe that we are among the market leaders for the number of patents in the product classes in which we compete.

Trend Information

See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Operating Results" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources," including: "*Equipment Operations and Financial Services Key Trends for 2009*", "*Three Months Ended March 31, 2010 Compared to Three Months Ended March 31, 2009*" and "*2009 Compared to 2008*."

Off-Balance Sheet Arrangements

We disclose our off-balance sheet arrangements in the notes to our consolidated financial statements and have incorporated a discussion of our off-balance sheet arrangements into our discussion of liquidity and capital resources. Please see "Note 3: Accounts and Notes Receivable" to our consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Application of Critical Accounting Estimates—Off-Balance Sheet Financing" for a detailed description of our off-balance sheet arrangements.

Contractual Obligations

The following table sets forth the aggregate amounts of our contractual obligations and commitments with definitive payment terms that will require significant cash outlays in the future. The commitment amounts as of December 31, 2009, are as follows:

	Payments due by period				
	Total	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
			(in millions)		
Long-term debt	$ 7,436	$2,386	$2,169	$1,798	$1,083
Interest on fixed rate debt(1)	1,424	340	575	360	149
Interest on floating rate debt(1)	1,043	217	405	344	77
Operating leases(2)	149	38	44	25	42
Tax contingencies(3)	60	60	—	—	—
Total contractual cash obligations	$10,112	$3,041	$3,193	$2,527	$1,351

(1) The interest funding requirements are based on the 2009 interest rates and the assumption that short-term debt will be renewed for the next five years.
(2) Minimum rental commitments.
(3) We apply the provisions of accounting guidance that clarifies the accounting for tax contingencies. See "Note 10 Income Taxes" of our consolidated financial statements. The total amount of gross tax contingencies, including positions impacting only the timing of tax benefits was $423 million for the year ended December 31, 2009. Payment of these liabilities would result from settlements with taxing authorities. Because of the high degree of uncertainty relating to the timing of future cash outflows associated with these liabilities, we are unable to reasonably estimate beyond one year when settlement will occur with respective taxing authorities.

Other Liabilities

We expect that our Other Long-term Liabilities and Purchase Obligations, described below, will be funded with cash flows from operations and additional borrowings under our credit facilities.

We had interest expense of approximately $346 million for the year ended December 31, 2009, on floating rate debt. If the average floating interest rate increased by 0.5%, our interest expense would have increased approximately $31 million for the year.

At December 31, 2009, Financial Services was under various agreements to extend credit for the following managed portfolios:

	Total Credit Limit	Utilized	Unfunded Amount
		(in millions)	
Private label credit card	$5,315	$ 305	$5,010
Wholesale and dealer financing	5,584	2,930	2,654

The private label credit cards are issued by CNH to retail customers for purchases of parts and services at dealerships which sell our equipment.

In the normal course of business, we and our subsidiaries provide indemnification for guarantees that financial institutions and Fiat provide in the form of bonds guaranteeing the payment of taxes, performance bonds, custom bonds, bid bonds, and bonds related to litigation. As of December 31, 2009, total commitments of this type were approximately $541 million.

In addition, we provide payment guarantees on financial debts of customers for approximately $451 million, of which the main guarantee relates to credit lines with BNDES. BNDES, a development agency of the government of Brazil, has provided limited credit lines to qualified financial institutions at subsidized interest rates to enable subsidized retail financing to farmers for purchases of agricultural or construction equipment. In addition to participating directly in the program, Financial Services originated and continues to service secured retail loans on behalf of certain third party financial institutions participating in the BNDES program. Through Financial Services, we have guaranteed this portfolio against all credit losses. At December 31, 2009, the guaranteed portfolio balance is $349 million.

While our funding policy requires contributions to our defined benefit pension plans equal to the amounts necessary to, at a minimum, satisfy the funding requirements as prescribed by the laws and regulations of each country, we do make discretionary contributions when management determines it is prudent to do so. For 2010, we anticipate making total discretionary contributions to our U.S. defined benefit pension plans of up to $70 million, and anticipate making contributions to our other defined benefit pension plans of approximately $62 million prior to consideration of any discretionary contributions.

Our other postretirement benefit plans are currently unfunded although we continue to evaluate making discretionary contributions. We are required to make contributions equal to the amount of current plan expenditures, less participant contributions. For 2010, we anticipate contributions to our other postretirement benefit plans of approximately $78 million prior to consideration of any discretionary contributions.

We expect to pay income taxes in 2010 of approximately $65 million for years ended December 31, 2009 and prior. Income tax payments beyond 2010 are contingent on many variable factors and cannot be accurately predicted.

Purchase Obligations

We estimate that, for 2010, expenditures for property, plant and equipment and other investments to support our margin improvement initiatives, our new product programs and other requirements may be approximately $400 million. Additionally, we anticipate expenditures of approximately $225 million in 2010 by our Financial Services segment for equipment that will be purchased from dealers and leased to customers under operating lease arrangements.

Purchase orders made in the ordinary course of business are excluded from this section. As of December 31, 2009, we did not have a material level of purchase obligations under contracts that specify fixed or minimum quantities and prices.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in both foreign currency exchange rates and interest rates. We monitor our exposure to these risks, and manage the underlying economic exposures on transactions using financial instruments such as forward contracts, currency options, interest rate swaps, interest rate caps and forward starting swaps. We do not hold or issue derivative or other financial instruments for speculative purposes, or to hedge translation risk.

Transaction Risk and Foreign Currency Risk Management

We have significant international manufacturing operations. We manufacture products and purchase raw materials from many locations around the world. Our cost base is diversified over a number of European, Asia-Pacific, and Latin American currencies, as well as the U.S. and Canadian dollars. Foreign exchange risk exists to the extent that we have payment obligations or receipts denominated in or based on currencies other than the functional currency of the various manufacturing operations.

The diversified cost base counterbalances some of the cash flow and earnings impact of non-U.S. dollar revenues and reduces the effect of foreign exchange rate movements on consolidated income. Due to periodic mismatches in cash inflows and outflows, currencies such as the Euro, British pound, Canadian dollar, Australian dollar, Brazilian real and Japanese yen may have a possible impact on income. The primary currencies for cash outflows were the British pound, Japanese yen and Euro. The primary currencies for cash inflows were the Canadian dollar and Australian dollar. From a gross exposure perspective, the Euro is one of our major inflow currencies. However, the net exposure is an outflow. To manage these exposures, we identify naturally offsetting positions and purchase hedging instruments to protect the remaining net anticipated exposures. In addition, we hedge the anticipated repayment of inter-company loans to foreign subsidiaries denominated in foreign currencies. See "Note 15: Financial Instruments" of our consolidated financial statements for a description of our foreign exchange rate risk management.

We regularly monitor our currency exchange rate exposure, execute policy-defined hedging strategies and review the ongoing effectiveness of such strategies. Our strategy is to use a mixture of foreign exchange forward contracts and options contracts depending on our view of market conditions and the nature of the underlying cash flow exposure.

For the purposes of assessing specific risks, we perform a sensitivity analysis to determine the effects that market risk exposures may have on the fair value of: (a) all foreign exchange forward and option contracts designated as cash flow hedges; (b) all foreign exposures for the U.S. dollar denominated financial assets and liabilities for our Latin American subsidiaries; and (c) other long-term foreign currency denominated receivables and payables. The sensitivity analysis excludes: (a) all other foreign exchange forward contracts designated as fair value hedges and their related foreign currency denominated receivables, payables, and debt; (b) other

foreign currency denominated receivables and payables of short-term maturities; (c) anticipated foreign currency cash flows related to the underlying business operations; and (d) those related to certain supplier agreements, payment obligations or receipts based on currencies other than the functional currency of our manufacturing operations. The sensitivity analysis computes the impact on the fair value on the above exposures due to a hypothetical 10% change in the foreign currency exchange rates, assuming no change in interest rates. The net potential loss would be approximately $23 million, $43 million and $40 million at December 31, 2009, 2008 and 2007, respectively. Our management believes that the above movements in foreign exchange rates would have an offsetting impact on the underlying business transactions that the financial instruments are used to hedge.

See “Note 15: Financial Instruments” of our consolidated financial statements for a description of the methods and assumptions used to determine the fair values of financial instruments.

Effects of Currency Translation

Due to our significant international operations, we recognize that we may be subject to foreign exchange translation risk. This risk may arise when translating net income of our foreign operations into U.S. dollars.

Depending on movements in foreign exchange rates, this may have an adverse impact on our consolidated financial statements. Exposures to the major currencies include the Euro, British pound, Canadian dollar, Japanese Yen and Australian dollar. Exposures to other currencies include the Brazilian real, Argentine peso, Mexican peso, Danish krone, Norwegian krone, Swedish krona, Polish zloty, Indian rupee, and Chinese renminbi. In reviewing historical trends in currency exchange rates, adverse changes of 20% have been experienced in the past and could be experienced in the future. Certain currencies, such as the Mexican peso, Brazilian real and Argentine peso have historically experienced short-term movements ranging from 30% to 90% due to the devaluation of their respective currencies.

As the expected future net income from our operations is dependent on multiple factors and foreign currency rates in these countries would not be expected to move in an equal and simultaneous fashion, we have not performed a sensitivity analysis related to this potential exposure. This potential exposure has resulted in a negative impact of $87 million in 2009 and a positive impact of $36 million and $48 million in 2008 and 2007, respectively. We do not hedge the potential impact of foreign currency translation risk on net income from our foreign operations in our normal course of business operations as net income of our operations are not typically remitted to the United States on an ongoing basis.

We also have investments in Europe, Canada, Latin America, Asia and Australia, which are subject to foreign currency risk. These currency fluctuations for those countries not under inflation accounting result in non-cash gains and losses that do not impact net income, but instead are recorded as “Accumulated other comprehensive income (loss)” in our consolidated balance sheet. At December 31, 2009, we performed a sensitivity analysis on our investment in significant foreign operations that have foreign currency exchange risk. We calculated that the fair value impact would be $338 million, $320 million and $366 million at December 31, 2009, 2008 and 2007 respectively, as a result of a hypothetical 10% change in foreign currency exchange rates, assuming no change in interest rates. We do not hedge our net investment in non-U.S. entities because those investments are viewed as long-term in nature.

Interest Rate Risk Management

We are exposed to market risk from changes in interest rates. We monitor our exposure to this risk and manage the underlying exposure both through the matching of financial assets and liabilities and through the use of financial instruments, including swaps, caps, forward starting swaps, and forward rate agreements for the net exposure. These instruments aim to stabilize funding costs by managing the exposure created by the differing maturities and interest rate structures of our financial assets and liabilities. We do not hold or issue derivative or other financial instruments for speculative purposes.

We use a model to monitor interest rate risk and to achieve a predetermined level of matching between the interest rate structure of our financial assets and liabilities. Fixed-rate financial instruments, including receivables, debt, ABS certificates and other investments, are segregated from floating-rate instruments in evaluating the potential impact of changes in applicable interest rates. The potential change in fair market value of financial instruments including derivative instruments held at December 31, 2009 and 2008, resulting from a hypothetical, instantaneous 10% change in the interest rate applicable to such financial instruments would be approximately $19 million and $11 million, respectively, based on the discounted values of their related cash flows.

The sensitivity analysis computes the impact on fair value on the above exposures due to a hypothetical 10% change in the interest rates used to discount each homogeneous category of financial assets and liabilities. A homogeneous category is defined according to the currency in which financial assets and liabilities are denominated and the applicable interest rate index. As a result, our interest rate risk sensitivity model may overstate the impact of interest rate fluctuations for such financial instruments, as consistently unfavorable movements of all interest rates are unlikely.

See “Note 15: Financial Instruments” of our consolidated financial statements for a description of the methods and assumptions used to determine the fair values of financial instruments.

Commodity Price Risk Management

Commodity prices affect our Equipment Operations’ sales and Financial Services’ originations. Commodity risk is managed through geographic and enterprise diversification. It is not possible to determine the impact of commodity prices on income, cash flows or fair values of the Financial Services’ portfolio.

Changes in Market Risk Exposure as Compared to 2008

Our exposures and strategy for managing our exposures to interest rate, foreign currency and commodity price risk have not changed significantly from 2008.

BUSINESS

Overview

We are a global, full-line company in both the agricultural and construction equipment industries, with strong and often leading positions in many significant geographic and product categories in both of these industries. Our global scope and scale includes integrated engineering, manufacturing, marketing and distribution of equipment on five continents. We organize our operations into three business segments: agricultural equipment, construction equipment and financial services.

We market our products globally through our two highly recognized brand families, Case and New Holland. Case IH (along with Steyr in Europe) and New Holland make up our agricultural brand family. Case and New Holland Construction (along with Kobelco in North America) make up our construction equipment brand family. As of December 31, 2009, we were manufacturing our products in 38 facilities throughout the world and distributing our products in approximately 170 countries through a network of approximately 11,600 full-line dealers and distributors.

In agricultural equipment, we believe we are one of the leading global manufacturers of agricultural tractors and combines based on units sold, and we have leading positions in hay and forage equipment and specialty harvesting equipment. In construction equipment, we have a leading position in backhoe loaders and a strong position in skid steer loaders in North America and crawler excavators in Western Europe. In addition, each brand provides a complete range of replacement parts and services to support its equipment. For the year ended December 31, 2009, sales of agricultural equipment represented 76% of our revenues, sales of construction equipment represented 15% of our revenues and Financial Services represented 9% of our revenues.

We believe that we are the most geographically diversified manufacturer and distributor of agricultural and construction equipment in the industry. For the year ended December 31, 2009, 41% of our net sales of equipment were generated in North America, 29% in Western Europe, 14% in Latin America and 16% in the Rest of World. Our worldwide manufacturing base includes facilities in Europe, Latin America, North America and Asia.

We offer a range of financial products and services to dealers and customers in North America, Brazil, Australia, and Western Europe. The principal products offered are retail financing for the purchase or lease of new and used CNH equipment and wholesale financing to our dealers. Wholesale financing consists primarily of floor plan financing and allows dealers to purchase and maintain a representative inventory of products. Our retail financing products and services are intended to be competitive with those available from third parties. We offer retail financing in North America, Brazil, Australia and Europe through wholly-owned subsidiaries and in Western Europe through our joint venture with BNP Paribas Lease Group (“BPLG”). As of December 31, 2009, Financial Services managed a portfolio of receivables and leases of approximately $17.3 billion.

On April 21, 2010, Fiat announced its intention, subject to stable macroeconomic and credit market conditions and approval of Fiat shareholders, to effect a “demerger” under Article 2506 of the Italian Civil Code. Pursuant to the contemplated demerger, Fiat would contribute to a new holding company, which may be called “Fiat Industrial S.p.A.” Fiat’s ownership of CNH Global, as well as Fiat’s truck and commercial vehicles business (Iveco) and its industrial and marine powertrain business. In connection with the demerger transaction, shareholders of Fiat S.p.A. would receive shares of capital stock of the new holding company. Among other things, the demerger transaction would be subject to the preparation of a proposal for the demerger by Fiat’s Board of Directors and approval of their plan by Fiat’s shareholders. We cannot be sure when or under what terms or structure the demerger will be completed or whether it will be completed at all.

Industry Overview

Agricultural Equipment

The operators of food, livestock and grain producing farms, as well as independent contractors that provide services to such farms, purchase most agricultural equipment. The key factors influencing sales of agricultural equipment are the level of net farm income and, to a lesser extent, general economic conditions, interest rates and the availability of financing. Net farm income is primarily impacted by the volume of acreage planted, commodity and/or livestock prices and stock levels, the impacts of fuel ethanol demand, crop yields, farm operating expenses, including fuel and fertilizer costs, fluctuations in currency exchange rates, and government subsidies or payments. Farmers tend to postpone the purchase of equipment when the farm economy is declining and to increase their purchases when economic conditions improve. Weather conditions are a major determinant of crop yields and therefore also affect equipment buying decisions. In addition, the geographical variations in weather from season to season may result in one market contracting while another market is experiencing growth. Government policies may affect the market for our agricultural equipment by regulating the levels of acreage planted, with direct subsidies affecting specific commodity prices, or with other payments made directly to farmers. World organization initiatives, such as those of the World Trade Organization, also can affect the market with demands for changes in governmental policies and practices regarding agricultural subsidies, tariffs and acceptance of genetically modified organisms such as seed, feed and animals.

Demand for agricultural equipment also varies seasonally by region and product, primarily due to differing climates and farming calendars. Peak retail demand for tractors and tillage machines occurs in March through June in the Northern Hemisphere and in September through December in the Southern Hemisphere. Dealers generally order harvesting equipment in the Northern Hemisphere in the late fall and winter so they can receive inventory prior to the peak retail selling season, which generally extends from March through June. In the Southern Hemisphere, dealers generally order between August and October so they can receive inventory prior to the peak retail selling season, which extends from November through February. Production levels are based upon estimated retail demand which takes into account, among other things, the timing of dealer shipments (which occur in advance of retail demand), dealer inventory levels, the need to retool manufacturing facilities to produce new or different models, and the efficient use of manpower and facilities. Production levels are adjusted to reflect changes in estimated demand and dealer inventory levels. However, because production and wholesale shipments adjust throughout the year to take into account the factors described above, wholesale sales of agricultural equipment products in any given period may not reflect the timing of dealer orders and retail demand for that period.

Customer preferences regarding farming practices, and thus product types and features, vary by region. In North America, Australia and other areas where soil conditions, climate, economic factors and population density allow for intensive mechanized agriculture, farmers demand high capacity, sophisticated machines equipped with current technology. In Europe, where farms are generally smaller than those in North America and Australia, there is greater demand for somewhat smaller, yet equally sophisticated machines. In the developing regions of the world where labor is more abundant and infrastructure, soil conditions and/or climate are not adequate for intensive agriculture, customers prefer simple, robust and durable machines with lower acquisition and operating costs. In many developing countries, tractors are the primary, if not the sole, type of agricultural equipment used, and much of the agricultural work in such countries that cannot be performed by tractors is carried out by hand. A growing number of part-time farmers, hobby farmers and customers engaged in landscaping, municipality and park maintenance, golf course and roadside mowing in Western Europe and North America also prefer simple, low-cost agricultural equipment. Our position as a geographically diversified manufacturer of agricultural equipment and our broad geographic network of dealers allow us to provide customers in each significant market with equipment which meets their specific requirements.

Major trends in the North American and Western European agricultural industries include a reduction in number but growth in size of farms, supporting an increase in demand for higher capacity agricultural equipment. In Latin America and in other emerging markets, the number of farms is growing and mechanization is replacing

manual labor. Government subsidies are a key income driver for farmers raising certain commodity crops in the United States and Western Europe. The level of support can range from 30% to over 50% of the annual income for these farms in years of low global commodity prices or natural disasters. The existence of a high level of subsidies in these markets for agricultural equipment reduces the effects of cyclicality in the agricultural equipment business. The effect of these subsidies on agricultural equipment demand depends to a large extent on the U.S. Farm Bill and programs administered by the United States Department of Agriculture, the Common Agricultural Policy of the European Union and World Trade Organization negotiations. Additionally, the Brazilian government subsidizes the purchase of agricultural equipment through low-rate financing programs administered by Banco Nacional de Desenvolvimento Econômico e Social ("BNDES"). These programs can greatly influence sales. See "Risk Factors—Risks Particular to the Industries in Which We Operate—Government action and changes in government policy can impact our sales and restrict our operating flexibility" and "Note 3: Accounts and Notes Receivable" and "Note 9: Credit Facilities and Debt" of our consolidated financial statements.

Biofuels Impact on Agriculture

Global demand for renewable fuels increased considerably in recent years driven by consumer preference, government renewable fuel mandates and renewable fuel tax and production incentives. Biofuels, which include fuels such as ethanol and biodiesel, have become one of the most prevalent types of renewable fuels. The primary type of biofuel supported by government mandates and incentives varies somewhat by global region. North America and Brazil are promoting ethanol first and then biodiesel while Europe is primarily focused on biodiesel.

The demand for biofuels has created an associated demand for agriculturally based feedstocks which are used to produce biofuels. Currently, most of the ethanol in the U.S. and Europe is extracted from corn, while in Brazil it is extracted from sugar cane. Biodiesel is typically extracted from soybeans and canola in the U.S. and Brazil, and from rape seed and other oil seeds as well as food waste by-products in Europe. The use of corn and soybeans for biofuel has been one of the main factors impacting the supply and demand relationships for these crops, resulting in higher crop prices. The economic feasibility of biofuels is significantly impacted by the price of oil. As the price of oil rises, biofuels become a more attractive alternative energy source. The demand for biofuels and efforts to produce such fuels more efficiently increased in 2007 and 2008 as oil prices increased. However, as oil prices declined in late 2008 and 2009 due to the global economic downturn, biofuels became a less attractive alternative to gasoline and diesel fuel. This relationship will, however, be impacted by government policy and mandates as governments around the world consider ways to combat global warming and potential energy crises in the future.

The increase in crop production for biofuels has also driven changes in the type of crops grown and in crop rotations in the past years which continued in 2009. The most significant change in U.S. crop production was the increase in acreage devoted to corn, typically using land previously planted with soybeans and cotton. In addition, a change in crop rotation resulted in more acres of corn being planted. As a result, agricultural producers are faced with new challenges for managing crop residues and are changing the type of equipment they use and how they use it.

Construction Equipment

We divide the construction equipment market that we serve into two principal businesses: heavy construction equipment (excluding mining and specialized equipment for forestry application markets in which we do not participate), which is over 12 metric tons, and light construction equipment, which is under 12 metric tons.

Worldwide customer preferences for construction equipment products are, in certain respects, similar to preferences for agricultural equipment products. In developed markets, customers tend to favor more sophisticated machines equipped with the latest technology and comfort features to promote operator productivity. In developing

markets, customers tend to favor equipment that is more utilitarian with greater perceived durability. In North America and Europe, where operator cost often exceeds fuel cost and machine depreciation, customers place strong emphasis on productivity, performance, and reliability. In other markets, customers often may continue to use a particular piece of equipment after its performance and efficiency begins to diminish. Customer demand for power capacity does not vary significantly from one market to another. However, in many countries, restrictions on the weight or dimensions of the equipment, such as road regulations or job site constraints, may limit demand for larger machines.

Heavy Construction Equipment

Heavy construction equipment typically includes larger wheel loaders and excavators, graders, dozers and articulated haul trucks. Purchasers of heavy construction equipment include construction companies, municipalities, local governments, rental fleet owners, quarrying and aggregate mining companies, waste management companies and forestry-related concerns.

Sales of heavy construction equipment are particularly dependent on the level of major infrastructure construction and repair projects such as highways, tunnels, dams and harbors, which is a function of government spending and economic growth. Furthermore, demand for mining and quarrying equipment applications is linked more to the general economy and commodity prices, while growing demand for environmental equipment applications is becoming less sensitive to the economic cycle. Also, in North America, a portion of heavy equipment demand is related to the development of new, large open track housing subdivisions, where the entire infrastructure of the new subdivision needs to be created, thus linking both heavy and light equipment demand to change in housing industry activity. The heavy equipment industry generally follows cyclical economic patterns, linked to GDP growth.

Light Construction Equipment

Light construction equipment typically includes skid steer loaders, backhoe loaders, and smaller wheel loaders and excavators. Purchasers of light construction equipment include contractors, residential builders, utilities, road construction companies, rental fleet owners, landscapers, logistics companies, and farmers. The principal factor influencing sales of light construction equipment is the level of residential and commercial construction, remodeling and renovation, which in turn is influenced by interest rates and availability of financing. Other major factors include the level of light infrastructure construction such as utilities, cabling and piping and maintenance expenditures. The principal use of light construction equipment is to replace relatively high cost, slower, manual work. Product demand in the United States and Europe has generally tended to mirror housing starts, but with lags of six to 12 months. In areas where labor is abundant and labor cost is inexpensive relative to other inputs, such as in Africa and Latin America, the light construction equipment market segment is generally small. These areas represent potential growth areas for light construction equipment in the medium to long-term as the cost of labor rises relative to the cost of equipment.

The equipment rental business is a significant factor in the construction equipment industry. Compared to the U.K. and Japanese markets, where there is an established history of long-term machine rentals due to the structure of local tax codes, the rental market in North America and non-U.K. Western Europe started with short period rentals of light equipment to individuals or small contractors who either could not afford to purchase the equipment or who needed specialized pieces of equipment for specific jobs. In this environment, the backhoe loader in North America and the mini-excavator in Western Europe were the principal rental products. As the market evolved, a greater variety of light and heavy equipment products have become available to rent. In addition, rental companies have allowed contractors to rent machines for longer periods instead of purchasing the equipment. This allows contractors to complete specific job requirements with greater flexibility and cost control. Purchasing activities of the national rental companies can have a significant impact on the market depending on whether they are increasing or decreasing the size of their rental fleets and whether rental utilization rates remain at levels warranting regular and consistent rates of fleet renewal.

As noted above, seasonal demand fluctuations for construction equipment are somewhat less significant than for agricultural equipment. Nevertheless, in North America and Western Europe, housing construction generally slows during the winter months. North American and European industry retail demand for construction equipment is generally strongest in the second and fourth quarters.

In markets outside of North America, Western Europe and Japan, equipment demand may also be partially satisfied by importing used equipment. Used heavy construction equipment from North America may fulfill demand in the Latin American market or equipment from Western Europe may be sold to Central and Eastern European, North African and Middle Eastern markets. Used heavy and light equipment from Japan is sold to other Southeast Asian markets while used excavators from Japan are sold to almost every other market in the world. This flow of used equipment is highly influenced by exchange rates and the weight and dimensions of the equipment, which may be limited due to road regulations and job site constraints.

The construction equipment industry has seen an increase in the use of hydraulic excavators and wheel loaders in excavation and material handling applications. In addition, the light equipment sector has grown as more manual labor is being replaced on construction sites by machines with a variety of attachments for specialized applications, such as skid steer loaders, mini-crawler excavators and telehandlers.

General economic conditions, infrastructure spending rates, housing starts, commercial construction and governmental policies on taxes, spending on roads, utilities and construction projects can have a dramatic effect on sales of construction equipment. The worldwide financial and credit crisis that started in 2008 prompted governments around the world to implement economic stimulus programs. In some regions in the Rest of World markets, the infrastructure spending had a significant impact on levels of construction activity and ultimately on net sales of construction equipment but overall that was not enough to offset the impact of the broader financial crisis. The American Recovery and Reinvestment Act of 2009 (“ARRA”), which was enacted on February 17, 2009, was intended to provide an economic stimulus to create jobs and restore economic growth. Despite these government efforts, 2009 was a difficult year in the construction industry in the U.S. An increased impact of these spending activities on infrastructure is expected to begin to take effect in 2010.

Our Competitive Strengths

We believe that we have a number of competitive strengths that enable us to focus on markets and products with growth potential while attempting to maintain and improve our position in the markets in which we are already established. We believe our competitive strengths include:

Well-recognized brands: We market our products globally through our two highly recognized brand families, Case and New Holland. Case IH (along with Steyr in Europe) and New Holland make up our agricultural brand family. Case and New Holland Construction (along with Kobelco in North America) make up our construction equipment brand family. We believe our brands have strong histories of quality and performance. We expect to continue to leverage these strengths in the future.

Full range of competitive products: In agricultural equipment, we believe we are one of the leading global manufacturers of agricultural tractors and combines based on units sold, and we have leading positions in hay and forage equipment and specialty harvesting equipment. In construction equipment, we have a leading position in backhoe loaders and a strong position in skid steer loaders in North America and crawler excavators in Western Europe. In addition, each brand provides a complete range of replacement parts and services to support its equipment.

Strong global presence and distribution network: We believe that we are the most geographically diversified manufacturer and distributor of agricultural and construction equipment in the industry. In each business, we have strong and usually leading positions in most significant markets and product categories. We have balanced

market shares across the major markets and we are not overly dependent on any one market. For the year ended December 31, 2009, 41% of our net sales of equipment were generated in North America, 29% in Western Europe, 14% in Latin America and 16% in the Rest of World. Our worldwide manufacturing base includes facilities in Europe, Latin America, North America and Asia. Our global scope and scale include a product engineering and development program integrated with a flexible manufacturing system of 38 facilities on four continents. Our commercial operations are organized to more effectively satisfy the needs of our retail customers in approximately 170 countries around the world and serve our network of 11,600 full-line dealers and distributors as of December 31, 2009.

Dedicated Financial Services capabilities: We offer a range of financial products and services, including retail financing for the purchase or lease of new and used CNH equipment. To facilitate the sale of our products, we offer wholesale financing to our dealers. Wholesale financing consists primarily of floor plan financing and allows dealers to purchase and maintain a representative inventory of products. Our retail financing products and services are intended to be competitive with those available from third parties. We offer retail financing in North America, Brazil, Australia and Europe through wholly-owned subsidiaries and in Western Europe through our joint venture with BNP Paribas Lease Group ("BPLG").

Our Business Strategy

Our goal is to build upon our strengths to achieve our strategic objectives. The key elements of our initiatives are to:

- *Continue introduction of new products*: Notwithstanding our stance on cost reductions and other cash saving actions, we continue to invest in new products. Significant recent product launches include a new series of Case IH and New Holland tractors with continuously variable transmissions, advanced design transmissions which provide easy user interface and are ideal for large contractors. We also strengthened our position in international markets with new releases, including an extended range of orchard tractors, which serve countries with specific needs such as those with orchards, olive groves, wide vineyards and full-field horticulture. During 2010, we plan to launch a total of ten new models of agricultural and construction equipment, as well as to upgrade or repower another nine products. We believe that by continually staying close to our customers and dealers and continually evaluating and updating our product offerings, particularly in the face of difficult market conditions, we are maintaining or recapturing market share and positioning our company for future growth.
- *Continue efforts to reduce costs and reorganize construction business*: We are investing approximately $160 million in consolidation and reorganization actions to improve operational efficiency and adjust cost and operating levels to right-size CNH's structure in light of the current economic situation and expectations, while preserving flexibility to take advantage of growth opportunities as market conditions allow. Key actions announced in 2009 included:
  - consolidating the internal structure of the construction equipment business under a single management team to streamline internal operations and reinforce product architectures while significantly reducing the costs of managing brand networks and building brand value;
  - reducing salaried and contract employee headcount by 13%; and
  - moving all production activities of our Imola, Italy construction equipment plant to our plants in Lecce and San Mauro, Italy.

  In addition to the annualized savings resulting from our restructuring steps implemented in 2009, we plan additional construction equipment reorganization actions that are designed to further reduce costs and increase efficiency. The primary focus of the planned reorganization actions during 2010 and 2011 is rationalization of our industrial footprint. We expect to generate significant savings from our restructuring efforts from 2009 to 2011.

- *Focus on generating cash and managing working capital*: We have managed our business to reduce working capital and improve cash flow by reducing production of both agricultural and construction equipment. As a result, our inventory and our dealers' inventory levels have been reduced over the past several quarters. During 2009, we reduced working capital by approximately $1.2 billion, exceeding our goal of a $1.0 billion reduction.
- *Continue to provide customers with access to financing to support the sale of our equipment*: Financial Services remains focused on improving its portfolio credit quality, service levels and operational effectiveness. Access to funding at competitive rates is important to Financial Services. Globally, we obtained $6.2 billion of new funding in 2009. In the fourth quarter of 2009 alone, we closed 15 transactions totaling $4.5 billion, which generated $1.1 billion in incremental cash. In the first quarter of 2010, we closed two new transactions, raising an additional $1.3 billion of new funding. Funding transactions for the first three months of this year include:
  - retail receivables funding in North America totaling $1.1 billion; and
  - wholesale receivables funding in North America totaling $200 million.

  CNH continues to explore additional sources of funding to further increase our financing capacity.

Competition

The agricultural and construction equipment industries are highly competitive. We compete with large global full-line suppliers with a presence in every market and a broad range of products that cover most customer needs, manufacturers who are product specialists focused on particular industry segments on either a global or regional basis, regional full-line manufacturers, that are expanding worldwide to build a global presence, and local, low-cost manufacturers in individual markets, particularly in emerging markets such as Eastern Europe, India and China.

We believe we have a number of competitive strengths that enable us to improve our position in markets where we already are well established while we direct additional resources to markets and products with high growth potential. Our competitive strengths include well-recognized brands; a full range of competitive products; a strong global presence and distribution network and dedicated Financial Services capabilities.

We believe that multiple factors influence a buyer's choice of equipment. These factors include the strength and quality of the distribution network, brand loyalty, product features and performance, availability of a full product range, the quality and pricing of products, technological innovations, product availability, financing terms, parts and warranty programs, resale value and customer service and satisfaction. We continually seek to improve in each of these areas, but focus primarily on providing high-quality and high-value products and supporting those products through our dealer networks. In both the agricultural and construction equipment industries, buyers tend to favor brands based on experience with the product and the dealer. Customers' perceptions of product value in terms of productivity, reliability, resale value and dealer support are formed over many years.

The efficiency of our manufacturing, production and scheduling systems depends on a forecast of industry volumes and our share of industry sales which is predicated on our ability to compete with others in the marketplace. We compete on the basis of product performance, customer service, quality and price. The environment remains competitive from a pricing standpoint, however, actions taken to maintain our competitive position in the difficult economic environment last year could result in lower than anticipated price realization.

The financial services industry is highly competitive. We compete primarily with banks, finance companies and other financial institutions. Typically, this competition is based upon the financial products and services offered, customer service, financial terms and interest rates charged. Our ability to compete successfully depends upon, among other things, funding resources, developing competitive products and services, and licensing or other governmental regulations.

Products and Markets

Agricultural Equipment

Our agricultural equipment product lines are sold primarily under the Case IH and New Holland brands. We also sell tractors under the Steyr brand in Europe. In addition, a large number of light construction equipment products are sold to agricultural equipment customers.

In order to capitalize on customer loyalty to dealers and our company, relative distribution strengths and historical brand identities, we continue to use the Case IH (and Steyr for tractors in Europe only) and New Holland brands. We believe that these brands enjoy high levels of brand identification and loyalty among both customers and dealers. Although our new generation tractors have a high percentage of common mechanical components, each brand and product remains significantly differentiated by features, color, interior and exterior styling, and model designation. Flagship products such as row crop tractors and large combine harvesters may have significantly greater differentiation. Distinctive features that are specific to a particular brand such as the Supersteer® axle for New Holland, the Case IH tracked four wheel drive tractor, Quadtrac®, and front axle mounted hitch for Steyr have been retained as part of each brand's unique identity.

Our agricultural equipment product lines include tractors (which represented approximately 44% of our agricultural equipment net sales in 2009), combine harvesters (which represented approximately 21% of our agricultural equipment net sales in 2009), hay and forage equipment, seeding and planting equipment, tillage equipment and sprayers. We also specialize in other key market segments like cotton picker packagers and sugar cane harvesters, where Case IH is a worldwide leader, and in self-propelled grape harvesters, where New Holland is a worldwide leader. Our brands each offer a complete range of parts and support services for all of their product lines. Our agricultural equipment is sold with a limited warranty which typically runs from one to three years.

Construction Equipment

Our construction equipment product lines are sold primarily under the Case and New Holland Construction brands. Case provides a full line of products on a global scale utilizing the Sumitomo Construction Equipment technology for its crawler excavator product. The New Holland Construction brand family, in conjunction with its global alliance with Kobelco Construction Machinery, also provides a full product line on a global scale.

Our products often share common components to achieve economies of scale in manufacturing, purchasing and development. We differentiate these products based on the relative product value and volume in areas such as technology, design concept, productivity, product serviceability, color and styling to preserve the unique identity of each brand.

Our heavy construction equipment product lines (which represented approximately 42% of our construction equipment net sales in 2009) include crawler and wheeled excavators, wheel loaders, graders, dozers, and articulated haul trucks for all applications. Light construction equipment product lines (which represented approximately 33% of our construction equipment net sales in 2009) include backhoe loaders, skid steer and tracked loaders, mini and midi excavators, compact wheel loaders and telehandlers. Our brands each offer a complete range of parts and support services for all of their product lines. Our construction equipment is sold with a limited warranty which typically runs from one to two years.

In 2009, we publicly announced that we were going to undertake a comprehensive analysis of our construction equipment business. Among other things, we consolidated the internal organizations responsible for managing the Case and New Holland Construction construction equipment businesses and we decided to move all production activities of our Imola, Italy plant to our plants in Lecce and San Mauro, Italy. In addition, in May 2010, we sold our interest in LBX Company LLC to S.C.M. (America), Inc., an affiliate of Sumitomo (S.H.I.) Construction Machinery Co., Ltd., to concentrate efforts on our key construction brands.

In April 2010, we began manufacturing and shipping a new line of military skid steers and compact track loaders under a $160 million contract with the U.S. Army TACOM (Tank-automotive and Armaments Command) that could span 10 years, depending on contract renewals, and calls for as many as 1,900 skid steers and nearly 1,500 compact track loaders.

New Products and Markets

We continuously review opportunities for the expansion of our product lines and the geographic range of our activities. We are committed to improving product quality and reliability using a Customer Driven Product Definition Process to create solutions based on customer needs and delivering the greatest competitive advantage. In addition, we emphasize enhanced differentiation between the Case and New Holland brands to meet the needs of the brands' customers while increasing their market attractiveness. These improvements also include continuing engine developments, combining the introduction of new engines to meet stricter emissions requirements with additional innovations anticipated to refresh our product line. Improved product innovations coupled with our initiatives to improve dealer and customer support will allow us to more fully capitalize on our market leadership positions throughout the world.

To increase our global presence and gain access to technology, we participate in a number of international manufacturing joint ventures and strategic alliances. We have integrated our manufacturing facilities and joint ventures into a global manufacturing network designed to source products from the most economically advantageous locations and to reduce our exposure to any particular market.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Operating Results" for information concerning the principal markets in which we compete, including the breakdown of total revenues by geographic market for each of the years ended December 31, 2009, 2008 and 2007.

Suppliers

We purchase materials, parts, and components from third-party suppliers. We had approximately 2,000 global direct suppliers to our manufacturing facilities at December 31, 2009. We rely upon single suppliers for certain components, primarily those that require joint development between us and our suppliers. A significant change in the demand for, or the supply or price of, any component part or commodity could affect our profitability or our ability to obtain and fulfill orders. In addition, the worldwide financial and credit crisis and the severe impact on certain industries caused some of our suppliers to face financial hardship but did not significantly disrupt our access to any critical components or supplies. We continue to review our relationships with our suppliers and their financial situations to avoid any negative impact on our cost or scheduling of production and on the profitability of our business. Additionally, we cannot avoid exposure to global price fluctuations such as with the costs of steel, rubber, oil, and related petroleum-based products. Our ability to realize the benefit of declining commodity prices may be delayed by the need to reduce existing whole goods inventories which were manufactured during a period of higher commodity prices.

In addition to the equipment manufactured by our joint ventures and us, we also purchase both agricultural and construction equipment, components, parts and attachments from other sources for resale to our dealers. The terms of purchase from original equipment manufacturers ("OEM") allow us to market the equipment under our brands. As part of our normal course of business, under these arrangements we generally forecast our equipment needs based on expected market demand for periods of two to four months and thereafter are effectively committed to purchase such equipment for those periods. OEM purchases allow us to offer a broader line of products and range of models to our dealer network and global customer base.

We purchase engines and other components from, among others, the Fiat Group. See also "Note 21: Related Party Information" of our consolidated financial statements for the year ended December 31, 2009.

Distribution and Sales

As of December 31, 2009, we were selling and distributing our products through approximately 11,600 full-line dealers (almost all of which are independently owned and operated) and distributors in approximately 170 countries. Dealers typically sell either agricultural equipment or construction equipment, although some dealers sell both types of equipment. Construction equipment dealers, as compared to agricultural equipment dealers, tend to be fewer in number and larger in size.

In connection with our program of promoting our brands, we generally seek to have our dealers sell a full line of our products (such as tractors, combines, hay and forage, crop production, and parts). Generally, we achieve greater market penetration where each of our dealers sells the full line of products from only one of our brands. Although appointing dealers that sell more than one of our brands is not part of our business model, some joint dealers exist, either for historical reasons or in limited markets where it is not feasible to have separate dealers for each of our brands. In some cases, dealerships are operated under common ownership with separate facilities for each of our brands.

Exclusive, dedicated dealers generally provide a higher level of market penetration. Some of our dealers in the United States, Germany and Australia may sell more than one brand of equipment, including models manufactured by our competitors. Elsewhere, our dealers generally do not sell products which compete with products we sell, but may share complementary products manufactured by other suppliers in other product categories in order to complete their product offerings, or where there was a historical relationship with another product line that existed before that product was available through us, or to satisfy local demand for a certain specialty product.

In the United States, Canada, Mexico, most of Western Europe, Brazil and Australia, the distribution of our products is generally accomplished directly through the independent dealer network. In Rest of World markets, our products are sold initially to independent distributors who then resell them to dealers in an effort to take advantage of such distributors' expertise and to minimize our marketing costs.

We believe that it is generally more cost-effective to distribute our products through independent dealers. However we maintain a limited number of company-owned dealerships in some markets. At December 31, 2009, we operated 13 company-owned dealerships, primarily in North America and Europe. We also operate a selective dealer development program in territories with growth potential but underdeveloped CNH brand representation that typically involves a transfer of ownership to a qualified operator through a buy-out or private investments after a few years.

A strong dealer network with wide geographic coverage is a critical element in our success. We continually work to enhance our dealer network through the expansion of our product lines and customer services, including enhanced financial services offerings, and an increased focus on dealer support. To assist our dealers in building rewarding relationships with their customers, we have introduced focused customer satisfaction programs and seek to incorporate customer input into our product development and service delivery processes.

As the equipment rental business becomes a more significant factor in both agricultural and construction equipment markets, we are continuing to support our dealer network by facilitating sales of equipment to the local, regional and national rental companies through our dealers as well as by encouraging dealers to develop their own rental activities. We believe that a strong dealer service network is required to maintain the rental equipment and to ensure that the equipment remains at peak performance levels both during its life as rental equipment and afterward when resold into the used equipment market. We have launched several programs to support our dealer service and rental operations, including training, improved dealer standards, financing, and advertising. Also, as the rental market is a capital-intensive sector and sensitive to variations in construction demand, we believe that such activities should be expanded gradually, with special attention to managing the resale of rental units into the used equipment market by our dealers, who can utilize this opportunity to improve their customer base and generate additional parts business.

In addition to our dealer network, we participate in several joint ventures, the most significant of which are described below. As part of our strategy, we use these joint ventures to enter and expand in emerging markets, which involve increased risk.

We own 50% of New Holland HFT Japan Inc. ("HFT") which distributes our products in Japan. HFT imports and sells a full range of New Holland agricultural equipment.

In Japan, we also own 20% of Kobelco Construction Machinery Co., Ltd. which manufactures and distributes construction equipment, primarily in Asia. Kobelco Construction Machinery Co., Ltd. is also a partner with us in joint ventures in Europe and North America, with CNH being the majority shareholder. These joint ventures manufacture and distribute construction equipment in Europe under the New Holland Construction brand and in North America under both the New Holland Construction and Kobelco brands.

In Pakistan, we own 43% of Al Ghazi Tractors Ltd., which manufactures and distributes New Holland tractors.

In Turkey, we own 37% of Turk Traktor ve Ziraat Makineleri A.S. ("Turk Traktor") which manufactures and distributes various models of both New Holland and Case IH tractors.

In Mexico, we own 50% of CNH de Mexico S.A. de C.V. which manufactures New Holland agricultural equipment and distributes equipment for all of our major brands through one or more of its wholly owned subsidiaries.

In Russia, we own 50% of CNH-Kamaz Industrial B.V., which manufactures certain New Holland agricultural and construction equipment in the Russian Federation. We also own 51% of CNH-Kamaz Commercial B.V., which distributes and services agricultural and construction equipment in the Russian Federation.

Pricing and Promotion

The actual retail price of any particular piece of equipment is determined by the individual dealer or distributor and generally depends on market conditions, features and options. Actual retail sale prices may differ from the manufacturer-suggested list prices. We sell equipment to our dealers and distributors at wholesale prices, which reflect a discount from the manufacturer-suggested list price. In the ordinary course of our business, we engage in promotional campaigns that may include price incentives or preferential credit terms with respect to the purchase of certain products in certain areas.

We regularly advertise our products to the community of farmers, builders and agricultural and construction contractors, as well as to distributors and dealers in each of our major markets. To reach our target audience, we use a combination of general media, specialized design and trade magazines, the Internet and direct mail. We also regularly participate in major international and national trade shows and engage in co-operative advertising programs with distributors and dealers. The promotion strategy for each brand varies according to our target customers for that brand.

Parts and Services

The quality and timely availability of parts and service are important competitive factors for our brands, as they are significant elements in overall dealer and customer satisfaction and important considerations in a customer's original equipment purchase decision. Our brands supply a complete range of parts, many of which are proprietary, to support items in their current product line as well as for products they have sold in the past. As

many of the products our brands sell can have economically productive lives of up to 20 years when properly maintained, each unit that is retailed into the marketplace has the potential to produce a long-term revenue stream for both our brands and our dealers.

At December 31, 2009, our brands operated and administered 23 parts depots worldwide, either directly or through arrangements with our warehouse service providers. This included 12 parts depots in North America, 6 in Europe, 3 in Latin America, and 2 in Australia. These depots supply parts to dealers and distributors, which are responsible for sales to retail customers. Management believes that these parts depots and our parts delivery systems provide our customers with timely access to substantially all of the parts required to support the products we sell.

In December 2009, CNH formed a 50-50 joint venture for full-scale remanufacturing and service operations in the United States. The joint venture will primarily remanufacture engine, engine component, driveline, hydraulic, rotating electrical and electronic products. The joint venture is focused on serving the North American agricultural and construction industries. Remanufacturing is a way to support sustainable development and gives customers the opportunity to purchase replacement assemblies and components at reduced prices.

Financial Services

Overview

Financial Services is our captive financing business, providing financial products and services to dealers and customers in North America, Australia, Brazil and Western Europe. The principal products offered are retail loans to end-use customers and wholesale financing to our dealers. As of December 31, 2009, Financial Services managed a portfolio of receivables and leases of approximately $17.3 billion. North America accounts for 55% of the managed portfolio, Western Europe 24%, Brazil 15% and Australia 6%. In some regions, Financial Services also provides insurance, credit card, and other financial products and services to end-user customers and our dealer network.

Financial Services supports the growth of our equipment sales and builds dealer and end-user loyalty. Our strategy is to grow a core financing business to support the sale of our equipment. Financial Services remains focused on improving its portfolio credit quality, service levels, and operational effectiveness.

Access to funding at competitive rates is important to Financial Services. We continue to evaluate alternative funding sources to help ensure that Financial Services maintains access to capital on favorable terms in support of our business, including through new funding arrangements, joint venture opportunities, vendor programs or a combination of the foregoing.

Finance Operations

We have separate retail underwriting and portfolio management policies and procedures for the agricultural equipment and construction equipment businesses. This distinction allows Financial Services to reduce risk by deploying industry-specific expertise in each of these businesses. Financial Services provides retail financial products primarily through our dealers, whom we train in the use of the various financial products. Dedicated credit analysis teams perform retail credit underwriting.

Financial Services' terms for financing equipment retail sales (other than smaller items financed with unsecured revolving charge accounts) provide for retention of a security interest in the equipment financed. Financial Services' guidelines for minimum down payments generally range from 15% to 30%, for both agricultural and construction equipment depending on equipment types, repayment terms and customer credit quality. Finance charges are sometimes waived for specified periods or reduced on certain equipment sold or

leased in advance of the season of use or in other sales promotions. Financial Services generally receives compensation from Equipment Operations equal to a competitive interest rate for periods during which finance charges are waived or reduced on the retail notes or leases. The cost is accounted for as a deduction in arriving at net sales by the Equipment Operations.

Financial Services provides wholesale floor plan financing for our dealers, which allows dealers to acquire and maintain a representative inventory of products. Financial Services also provides some working capital and real estate loans on a limited basis. For floor plan financing, Equipment Operations generally provides a fixed period of "interest-free" financing for the dealers. This practice helps to level fluctuations in factory demand and provides a buffer from the impact of seasonal sales. After the "interest-free" period, if the equipment remains in dealer inventory, the dealer pays interest costs. Financial Services generally receives compensation from Equipment Operations equal to a competitive interest rate for the "interest-free" period.

A wholesale underwriting group reviews dealer financials and payment performance to establish credit lines for each dealer. In setting these credit lines, we seek to meet the reasonable requirements of each dealer while controlling our exposure to any one dealer. The credit lines are secured by the equipment financed. Dealer credit agreements generally include a requirement to repay the particular loan at the time of the retail sale. Financial Services' employees or third-party contractors conduct periodic stock audits at each dealership to help confirm that financed equipment is still in inventory. The frequency of these audits varies by dealer and depends on the dealer's financial strength, payment history and prior performance.

Financial Services works with our Equipment Operations' commercial staff to develop and structure financial products with the objective of increasing equipment sales and generating Financial Services' income. Financial Services also offers products to finance non-CNH equipment sold through our dealer network or within the core businesses of agricultural or construction equipment. This equipment includes used equipment taken in trade on new CNH product or equipment used in conjunction with or attached to our equipment.

Financial Services also operates Maserati Financial Services, the preferred financing source for Fiat's Maserati North American dealers, offering lease and finance solutions designed exclusively for Maserati customers. Maserati Financial Services is not expected to have a material impact on our results of operations or financial position.

We compete primarily with banks, finance companies and other financial institutions. Typically, this competition is based upon financial products and services offered, customer service, financial terms and interest rate charged. In addition, some of our competitors may be eligible to participate in government programs providing access to capital at favorable rates for which we are ineligible, which could put us at a competitive disadvantage. Long-term profitability in our Financial Services' operations is largely dependent on the cyclical nature of the agricultural and construction equipment industries, interest rate volatility and access to competitive funding sources. Financial Services has traditionally relied heavily upon the financial markets, ABS transactions, intercompany lending and cash flows to provide funding for its activities.

Asset-Backed Securitizations

Financial Services periodically accesses the public and private ABS markets in the United States, Canada and Australia, as part of our wholesale, retail and credit card financing programs when those markets are available and offer competitive costs. Financial Services' ability to access the ABS markets will depend, in part, upon general economic conditions as well as its financial condition and portfolio performance. These factors can be negatively affected by cyclical swings in the industries we serve.

Employees

At December 31, 2009, 2008 and 2007, we had approximately 28,450, 31,500 and 28,150 employees, respectively. As of December 31, 2009, there were approximately 17,300 employees in the agricultural equipment business, 4,150 in the construction equipment business, and 850 in the financial services business,

with the remaining 6,150 in parts and service and other roles shared by all business units. As of December 31, 2009, as broken down by geographic location, there were 9,850 employees in North America, 12,450 employees in Europe, 3,800 employees in Latin America, and 2,350 employees in the Rest of World.

Unions represent many of our production and maintenance employees. Our collective bargaining agreement with the UAW, which represents approximately 750 of our hourly production and maintenance employees in the United States continues through April, 2016. The International Association of Machinists, which represents approximately 520 of our employees in Fargo, North Dakota, ratified a new 5 ½ year contract in October, 2006, which expires in April, 2012.

Our employees in Europe are also covered by laws that afford employees, through local and central works councils, certain rights of information and consultation with respect to matters involving the business and operations of their employers, including the downsizing or closure of facilities and the termination of employment. Over the years, we have experienced various work slow-downs, stoppages and other labor disruptions.

Property, Plants and Equipment

We believe our facilities are well maintained, in good operating condition and are suitable for their present purposes. These facilities, including the planned restructuring actions and planned capital expenditures, are expected to meet our manufacturing needs for the foreseeable future. Planned capacity is adequate to satisfy anticipated retail demand and the operations are designed to be flexible enough to accommodate the planned product design changes required to meet market conditions and new product programs. We anticipate no difficulty in retaining occupancy of any leased facilities, either by renewing leases prior to expiration or by replacing them with equivalent leased facilities.

We make capital investments in the regions in which we operate principally related to initiatives to introduce new products, enhance manufacturing efficiency, improve capacity, and for maintenance and engineering. In 2009, our total capital expenditures were $218 million of which 33% was spent in North America, 35% in Western Europe, 19% in Latin America, and 13% in Rest of World. These capital expenditures were funded through a combination of cash generated from operating activities and borrowings under short-term facilities. In 2009, approximately 77% ($169 million) of capital expenditures were related to manufacturing and product related projects with approximately $135 million devoted to agricultural equipment manufacturing and product related expenditures and approximately $34 million devoted to construction equipment expenditures. In 2008 and 2007, our total capital expenditures were $492 million and $333 million, respectively. We continually analyze the allocation of our industrial resources taking into account such things as relative currency values, existing and anticipated industry and product demand, the location of suppliers, the cost of goods and labor, and plant utilization levels.

The following table provides information about our significant manufacturing, engineering and administrative facilities, and parts depots as of December 31, 2009:

Location	Primary Functions	Approximate Covered Area(A)	Ownership Status
United States			
Benson, MN	Agricultural Sprayers, Cotton Pickers/Packagers	326	Owned/Leased
Burlington, IA	Backhoe Loaders; Fork Lift Trucks	984	Owned
Burr Ridge, IL	Technology (Engineering) Center—Administrative Offices	468	Owned
Calhoun, GA	Crawler Excavators and Dozers	328	Owned(B)
Cameron, MO	Parts Depot	500	Leased
Dublin, GA	Compact Tractors	65	Owned
Fargo, ND	Tractors; Wheel Loaders	680	Owned
Goodfield, IL	Soil Management (Tillage Equipment)	233	Owned
Grand Island, NE	Combine Harvesters	1,380	Owned
Lebanon, IN	Parts Depot	1,092	Leased
Mt. Joy, IL	Engineering Center	120	Leased
Mountville, PA	Parts Depot	469	Owned
New Holland, PA	Administrative Facilities; Hay and Forage; Engineering Center	1,108	Owned
Racine, WI	Administrative Facilities; Tractor Assembly; Transmissions	1,127	Owned
San Leandro, CA	Parts Depot	232	Owned
Wichita, KS	Skid Steer Loaders	494	Owned
Italy			
Cento	Parts Depot	109	Owned/Leased
Imola	Backhoe Loaders; Engineering Center	269	Owned
Jesi	Tractors	645	Owned
Lecce	Construction Equipment; Engineering Center	1,400	Owned
Modena	Components	1,098	Owned
San Matteo	Engineering Center	550	Owned
San Mauro Torinese	Crawler Excavators	613	Owned(B)
Turin	Administrative Offices	127	Leased
France			
Coex	Grape Harvesters; Engineering Center	280	Owned
Croix	Cabs	129	Owned
Etampes	Warehousing	242	Owned
LePlessis	Parts Depot/Administrative	847	Owned/Leased
Tracy—Le-Mont	Hydraulic Cylinders	168	Owned
United Kingdom			
Basildon	Tractors; Components; Engineering Center; Administrative Facilities	1,390	Owned
Daventry	Parts Depot	562	Leased
Germany			
Berlin	Graders; Engineering Center	633	Owned
Heidelberg	Parts Depot	173	Owned
Brazil			
Belo Horizonte	Construction Equipment; Engineering Center	505	Owned
Cuiaba	Warehousing	210	Owned
Curitiba	Tractors; Combine Harvesters; Engineering Center	927	Owned
Piracicaba	Sugar Cane Harvesters	108	Owned
Sorocaba	Manufacturing	1,035	Owned

Location	Primary Functions	Approximate Covered Area(A)	Ownership Status
Canada			
Regina	Parts Depot	238	Owned
Saskatoon	Planting and Seeding Equipment; Components; Engineering Center	635	Owned
Toronto	Parts Depot	333	Owned
Belgium			
Antwerp	Components	850	Leased
Zedelgem	Combine Harvesters; Hay and Forage; Engineering Center	1,549	Owned
Others			
St. Marys, Australia	Office/Warehousing	173	Owned
St. Valentin, Austria	Tractors	462	Leased
New Delhi, India	Tractors; Engineering Center	355	Owned
Paradiso, Switzerland	Commercial, Administrative	10	Leased
Plock, Poland	Combine Harvesters; Components	1,022	Owned
Queretaro, Mexico	Components	161	Owned
Amsterdam, The Netherlands	Administrative	2	Leased

(A) In thousands of square feet
(B) Consolidated joint venture

In addition, we own or lease a number of other manufacturing and non-manufacturing facilities, including office facilities, parts depots and dealerships worldwide, some of which are not currently active.

Insurance

We maintain insurance with third-party insurers to cover various risks arising from our business activities including, but not limited to, risk of loss or damage to our assets or facilities, business interruption losses, general liability, automobile liability, product liability and directors and officers liability insurance. We believe that we maintain insurance coverage that is customary in our industry. We use a broker that is an affiliate of Fiat to place a portion of our insurance coverage.

Environmental Matters

Our operations and products are subject to extensive environmental laws and regulations in the countries in which we operate. In addition, the equipment we sell and the engines which power them are subject to extensive statutory and regulatory requirements that impose standards with respect to, among other things, air emissions. Additional laws requiring emission reductions in the future from non-road engines and equipment have been promulgated or are contemplated in the United States as well as by non-U.S. regulatory authorities in many jurisdictions throughout the world. We expect that we may make significant capital and research expenditures to comply with these standards now and in the future. We anticipate that these costs are likely to increase as emission limits become more stringent. To the extent the timing and terms and conditions of such laws and regulations (and our corresponding obligations) are clear, we have budgeted or otherwise made available funds which we believe will be necessary to comply with such laws and regulations. To the extent the timing and terms and conditions of such laws and regulations (and our corresponding liabilities) are uncertain, we are unable to quantify the dollar amount of potential future expenditures and have not budgeted or otherwise made funds available. The failure to comply with these current and anticipated emission regulations could result in adverse effects on our operations' future financial results.

See also, "Risk Factors—Risks Particular to the Industries in Which We Operate—Costs of ongoing compliance with and any failure to comply with environmental laws and regulations could have an adverse effect on our results of operations."

Capital expenditures for environmental control and compliance in 2009 were approximately $0.9 million and we expect to spend approximately $4.4 million in 2010. The U.S. Clean Air Act Amendments of 1990 and European Commission directives directly affect the operations of all of our manufacturing facilities in the United States and Europe, respectively, currently and in the future. The manufacturing processes affected include painting and coating operations. Although capital expenditures for environmental control equipment and compliance costs in future years will depend on legislative, regulatory and technological developments which are uncertain, we anticipate that these costs are likely to increase as environmental requirements become more stringent and pervasive. We believe that these capital costs, exclusive of product-related costs, will not have a material adverse effect on our business, financial position or results of operations.

Pursuant to the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), which imposes strict and, under certain circumstances, joint and several liability for remediation and liability for natural resource damages, and other federal and state laws that impose similar liabilities, we have received inquiries for information or notices of our potential liability regarding 50 non-owned sites at which regulated materials allegedly generated by us were released or disposed ("Waste Sites"). Of the Waste Sites, 19 are on the National Priority List ("NPL") promulgated pursuant to CERCLA. For 45 of the Waste Sites, the monetary amount or extent of our liability has either been resolved; we have not been named as a potentially responsible party ("PRP"); or our liability is likely de minimis. In September, 2004, the EPA proposed listing the Parkview Well Site in Grand Island, Nebraska for listing on the NPL. Within its proposal the EPA discussed two potential basis for listing, one of which identified historical on-site activities that occurred during prior ownership of our Grand Island manufacturing plant property as a possible contributing source of area groundwater contamination. We filed comments on the proposed listing which reflected our opinion that the data does not support the EPA's reliance on the Grand Island facility as a potential basis for listing. In April, 2006, the EPA finalized the listing. After subsequent remedial investigations were completed by the EPA and us in 2006, the EPA advised that it will proceed with a remediation funded by the Federal Superfund without further participation by us. The EPA continues to search for PRPs other than CNH. In December, 2004, a toxic tort suit claiming compensatory damages was filed in the Federal District Court for the District of Nebraska in Lincoln by area residents against us, certain of our subsidiaries including CNH America, and prior owners of the property. While the outcome of this proceeding is uncertain, we believe that we have strong legal and factual defenses, and we will vigorously defend this lawsuit.

Because estimates of remediation costs are subject to revision as more information becomes available about the nature, extent and cost of remediation and because settlement agreements can be reopened under certain circumstances, our potential liability for remediation costs associated with the 50 Waste Sites could change, which could require us to adjust our reserves accordingly. Moreover, because liability under CERCLA and similar laws can be joint and several, we could be required to pay amounts in excess of our pro rata share of remediation costs. However, when appropriate, our understanding of the financial strength of other PRPs has been considered in the determination of our potential liability. We believe that the costs associated with the Waste Sites will not have a material adverse effect on our business, financial position or results of operations.

We are conducting environmental investigatory or remedial activities at certain properties that are currently or were formerly owned and/or operated or which are being decommissioned. We believe that the outcome of these activities will not have a material adverse effect on our business, financial position or results of operations.

The actual costs for environmental matters could differ materially from those costs currently anticipated due to the nature of historical handling and disposal of regulated materials typical of manufacturing and related operations, the discovery of currently unknown conditions, and as a result of more aggressive enforcement by regulatory authorities and changes in existing laws and regulations. As in the past, we plan to continue funding our costs of environmental compliance from operating cash flows.

As of March 31, 2010, management estimated potential environmental liabilities including remediation, decommissioning, restoration, monitoring, and other closure costs associated with current or formerly owned or operated facilities, the Waste Sites, and other claims to be in the range of $32 million to $86 million. Investigation, analysis and remediation of environmental sites are time consuming activities. Consequently, we expect such costs to be incurred and claims to be resolved over an extended period of time which could exceed 30 years for some sites. As of March 31, 2010, environmental reserves of approximately $50 million had been established to address these specific estimated potential liabilities. Such reserves are undiscounted and do not include anticipated recoveries, if any, from insurance companies. While there can be no guarantee, after considering these reserves, management is of the opinion that the outcome of these matters will not have a material adverse effect on our financial position or results of operations.

Legal Proceedings

We are party to various legal proceedings in the ordinary course of our business, including matters relating to product liability (including asbestos-related liability), product performance, warranty, environmental, retail and wholesale credit, disputes with dealers and suppliers and service providers, patent and trademark matters, and employment matters. The most significant of these matters are described in "Note 14: Commitments and Contingencies" of our consolidated financial statements for the year ended December 31, 2009 and in "Note 10: Commitment and Contingencies" of our condensed consolidated financial statements for the three months ended March 31, 2010.

Three of CNH's subsidiaries, New Holland Limited, New Holland Holding Limited and CNH (U.K.) Limited (together "CNH U.K."), are claimants in group litigation (Class 2) against the Inland Revenue of the United Kingdom ("Revenue") arising out of "unfairness" in the advance corporation tax ("ACT") regime operated by the Revenue between 1974 and 1999. In December 2002, the issues relevant to CNH U.K. came before Mr. Justice Park in the High Court of Justice in England in a test case brought by Pirelli S.p.A and certain affiliates ("Pirelli"). He found against the Revenue and decided that Pirelli was entitled to compensation for wrongly paying ACT. The Revenue appealed, and the Court of Appeal (three Judges) agreed unanimously with the decision of Justice Park in the High Court and ruled again in favor of Pirelli. Again the Revenue appealed, and the final hearing on the issues took place in the House of Lords before five Judges during the fourth quarter of 2005. In February 2006, the House of Lords ruled that it had been wrong for Pirelli (and other claimants such as CNH U.K.) to pay ACT, but in calculating the compensation payable to the U.K. claimants, treaty credits that had been paid to the claimant's parent companies on receipt of the dividends in question must be netted against any claim for an ACT refund. In the lower courts the Judges had ruled against netting off. During the pendency of the appeal to the House of Lords, the Revenue had been persuaded to pay compensation to claimants (including CNH U.K.) on a conditional basis. CNH U.K. had received approximately £10.2 million ($14.8 million) for interest and other costs. This was in addition to surplus ACT of approximately £9.1 million ($13.2 million) that had previously been repaid to CNH U.K., again on a conditional basis. The condition of receipt by CNH U.K. was that, if the final liability of the Revenue (if any) is determined by the House of Lords to be less than the sums already paid to CNH U.K., then a sum equivalent to the overpayment should be repaid (plus interest at 1% over base rate from the date of payment/receipt). The House of Lords did not make a determination of the amounts, if any, which must be repaid to the Revenue by each individual claimant but referred the case back to the High Court. A hearing took place in February 2007 and a judgment was delivered on March 23, 2007. The hearing and judgment only partially dealt with the issues relevant to determine retention of the amounts paid to CNH U.K. The judgment also rejected the new argument put forward by the claimants for additional compensation. The judgment was appealed to the Court of Appeal in January 2008. That appeal was dismissed in a judgment delivered in February 2008. Pirelli was refused permission to appeal to the House of Lords on the methodology for calculating compensation. A further hearing before the High Court took place in October 2009 to deal with a separate but inextricably linked issue concerning whether claimants would have made a group income election, so as to avoid paying ACT, had one been available at the time of paying dividends, and in so doing forego the treaty credit paid as a consequence of paying ACT. The High Court hearing in October also

heard a new claim, known as the Class IV action, that is being run in parallel with the Class 2 litigation, with Pirelli as the test claimant. This deals with an apparent breach of EU Community Law concerning the application of withholding tax to treaty credits paid to CNH Global N.V. at the time of the payment of dividends and the imposition of a U.K. tax charge on such dividends income. In February 2010, the High Court rejected these two claims it heard in the October 2009 hearing. The Court of Appeal confirmed in June 2010 that permission to appeal the High Court judgment to the Court of Appeal was granted.

Depending upon the final resolution of the Pirelli test case, CNH U.K. may be required to return to Revenue all or some portion of the approximately £10.2 million ($16.5 million) and the £9.1 million ($14.7 million) that had been previously received. During 2008 CNH U.K. management decided to make a provision for the valuation of the surplus ACT of £9.1 million ($14.7 million) that would be re-established as a tax asset with a full valuation allowance on the consolidated balance sheet in the event of repayment. There will be no further impact on the results of operations of CNH U.K. in the event that any, or all, monies received to date are ultimately required to be repaid. CNH U.K. intends to continue to vigorously pursue its remedies with regard to this litigation.

In connection with audits of tax years 2003 through 2007, the Internal Revenue Service disallowed certain deductions we claimed and imposed a penalty on some disallowed deductions. We intend to vigorously defend our position with respect to certain of these matters. If we are not successful, we estimate that we would have a $29 million tax deficiency. Because we believe that it is more likely than not that we will prevail on our claims based on our view of the technical merits of the cases, we have not provided tax contingency reserves for this amount. There can be no assurance that we will prevail in our claims.

DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors consists of ten directors, seven of which are independent directors as provided in the listing standards and rules of the NYSE. The directors serve for a term of one year and may stand for re-election the following year.

As of June 11, 2010, our directors and certain senior managers are as set forth below:

Name	Position with CNH	Director/ Executive Officer Since
Harold D. Boyanovsky	President, Chief Executive Officer, and Director	2005/1999
Dr. Edward A. Hiler	Director	2002
Léo W. Houle	Director	2006
Dr. Rolf M. Jeker	Director	2006
Dr. Peter Kalantzis	Director	2006
John Lanaway	Director	2006
Kenneth Lipper	Director	1996
Sergio Marchionne	Director, Chairman of the Board	2004
Paolo Monferino	Director	2000
Jacques Theurillat	Director	2006
Richard Tobin	Chief Financial Officer	2010
Steven C. Bierman	President, CNH Capital	2005
Barry L. Engle	President, New Holland Agricultural Equipment	2008
Pierre Fleck	President, Parts and Service	2008
Franco Fusignani	President and Chief Executive Officer, CNH International S.A.	2006
Andreas Klauser	President, Case IH Agricultural Equipment	2009
James E. McCullough	President, Construction Equipment	2009

Harold D. Boyanovsky, President and Chief Executive Officer and Director, born on August 15, 1944, was appointed President, Construction Equipment Business on September 1, 2002, President and Chief Executive Officer on February 28, 2005, and Director on December 7, 2005. He served as President, Worldwide Agricultural Equipment Products of CNH from November 1999, to October 2002 and as interim President, New Holland Agricultural Equipment from September 2007 to September 2008. Prior to the business merger of New Holland and Case, he served as a Senior Vice President of Case from May 1997 to November 1999. Between December 1966 and November 1999, Mr. Boyanovsky served in a variety of executive positions with Case and International Harvester.

Dr. Edward A. Hiler, Director, born on May 14, 1939, was elected a Director of CNH on May 7, 2002. Dr. Hiler served the Texas A&M University System as the Ellison Chair in International Floriculture and Professor of Horticultural Science from 2004-2007. He previously held the position of Vice Chancellor for Agriculture and Life Sciences and Dean of the College of Agriculture and Life Sciences. He served as Director of the Texas Agricultural Experiment Station. Since joining the faculty of Texas A&M as an assistant professor in 1966, Dr. Hiler has held a series of positions including professor and head of the University's Department of Agricultural Engineering, and deputy chancellor for Academic and Research Programs of the Texas A&M University System. He retired from academia in 2007. Dr. Hiler earned his Ph.D. in Agricultural Engineering at The Ohio State University, and he has served as President of the American Society of Agricultural Engineers and is an elected member of the National Academy of Engineering. He consults on aspects of water conservation, environmental quality, and energy from biological processes to various government agencies and the U.S. Congress. A licensed professional engineer and recipient of numerous educational and research awards, Dr. Hiler is the author of over 100 professional publications.

Léo W. Houle, Director, born on August 24, 1947, was elected a Director of CNH on April 7, 2006. Mr. Houle was Chief Talent Officer of BCE Inc. and Bell Canada, Canada's largest communications company, since June 2001 until his retirement in July 2008. Prior to joining BCE and Bell Canada Mr. Houle was Senior Vice-President, Corporate Human Resources of Algroup Ltd., a Swiss-based diversified industrial company. From 1966 to 1987, Mr. Houle held various managerial positions with the Bank of Montreal, the last of which was Senior Manager, Human Resources Administration Centers. In 1987, Mr. Houle joined the Lawson Mardon Group Limited and served as Group Vice-President, Human Resources until 1994 when Algroup Ltd. acquired Lawson Mardon Group at which time he was appointed Head of Human Resources for the packaging division of Algroup and in 1997 Head of Corporate Human Resources of Algroup, Ltd. Mr. Houle completed his studies at the College St- Jean in Edmonton, attended the Executive Development Program in Human Resources at the University of Western Ontario in 1987 and holds the designation of Certified Human Resources Professional (CHRP) from the Province of Ontario.

Dr. Rolf M. Jeker, Director, born July 30, 1946, was elected a Director of CNH on April 7, 2006. Dr. Jeker has been working as Executive Vice President and a member of the Group Executive Board of SGS Société Générale de Surveillance, SA, Geneva, Switzerland from May 1999 to July 2006. From June 1990 to May 1999, Dr. Jeker served as Under-Secretary and State Secretary of State a.i. for Foreign Economic Affairs; Chairman of Swiss Export Risk Guarantee Board and Chairman of the Swiss Investment Risk Guarantee Board. Dr. Jeker is a member of the Board of Directors of Precious Woods Holding Ltd.; Chairman of the Board of the Swiss Export Promotion Office; Chairman of Emerging Market Services Ltd.; member of the Foreign Economic Relations Committee of Economiesuisse; Chairman of the My Climate-CLIPP Foundation; and Member of the Board of the Swiss Climate Penny Foundation. Dr. Jeker holds a Masters and Ph.D. in Economics, business and public administration from the University of St. Gall, Switzerland. Dr. Jeker is the author of various books and articles on development and finance.

Dr. Peter Kalantzis, Director, born December 12, 1945, was elected a Director of CNH on April 7, 2006. Dr. Kalantzis has been working as an independent consultant since October 2000. Prior to 2000, he was responsible for Alusuisse-Lonza Group's corporate development and actively involved in the de-merger and stock market launch of Lonza, as well as the merger process of Alusuisse and Alcan. Dr. Kalantzis served as head of the Chemicals Division of Alusuisse-Lonza Group from 1991 until 1996. In 1991 Dr. Kalantzis was appointed Executive Vice-President and Member of the Executive Committee of the Alusuisse-Lonza Group. Between 1971 and 1990 he held a variety of positions at Lonza Ltd. in Basel. Dr. Kalantzis is Chairman of the Board of Directors of Movenpick-Holding Ltd., Cham (Switzerland); Chairman of the Board of Clair Ltd., Cham; Chairman of the Board of Directors of Sete Aviation Ltd., Geneva (Switzerland); Chairman of Lamda Development Ltd., Athens (Greece) and Chairman of Elpe-Thtraki S.A., Athens (Greece). He is a member of the Board of Directors of Paneuropean Oil and Industrial Holdings, Luxembourg; of Lamda Consolidated Holdings, Luxembourg; of Von Roll Holding Ltd., Breitenbach (Switzerland); of Transbalkan Pipeline B.V. (Amsterdam); of SGS Ltd., Geneva (Switzerland); of Mesord Logistics Ltd., Limassol (Cyprus); and of Hardstone Services S.A., Geneva (Switzerland). From 1993 until 2002, he served on the Board of the Swiss Chemical and Pharmaceutical Association as Vice-President and in 2001-2002 as President. Dr. Kalantzis holds a Ph.D. in Economics and Political Sciences from the University of Basel and engaged in research as a member of the Institute for Applied Economics Research at the University of Basel between 1969 and 1971.

John Lanaway, Director, born on April 13, 1950, was elected a Director of CNH on April 7, 2006. Mr. Lanaway has been working as Chief Financial Officer, North America, of McCann Erickson North America, one of the largest marketing communications networks in the world, since November 2007. From January 2001 to November 2007, he held similar positions at Ogilvy North America. Previously, he has held the positions of Chief Financial Officer and Senior Vice President at Geac Computer Corporation Limited from 1999 to 2001; Chief Financial Officer of Algorithmics Incorporated from 1997 to 1999; and Senior Vice President and Chief Financial Officer at Spar Aerospace from 1995 to 1996. Beginning in 1985 to 1995 Mr. Lanaway held various positions with Lawson Mardon Group Limited, including Sector Vice President, Labels North America from 1993 to 1995; Group Vice President and Chief Financial Officer from 1989 to 1992; General Manager, Lawson

Mardon Graphics from 1988 to 1989; and Vice President, Financial Reporting and Control from 1985 to 1987. At Deloitte & Touche he served as Client Service Partner from 1980 to 1985 and as Student-Staff Accountant-Supervisor-Manager from 1971 to 1980. Mr. Lanaway graduated from the Institute of Chartered Accountants of Ontario, C.A. and has a Bachelor of Arts degree from the University of Toronto.

Kenneth Lipper, Director, born on June 19, 1941, was elected a Director of CNH on February 10, 1996. He was Executive Vice President of Cushman & Wakefield, Inc. from 2005 through 2008 and Senior Advisor of Cushman & Wakefield, Inc. from February 2009 to February 2010. He continues to serve as Chairman and CEO of Lipper & Company, LLC. Previously, he was the Deputy Mayor of the City of New York under Mayor Edward Koch from 1983 to 1985. He was a managing director and general partner of Salomon Brothers during the years 1976-1982 and an associate and general partner at Lehman Brothers during the years 1969-1975. Prior to that, Mr. Lipper was the Director of Industrial Policy for the Office of Foreign Direct Investment at the U.S. Department of Commerce and an associate with the law firm of Fried, Frank, Harris, Shriver & Jacobson. Mr. Lipper received an Academy Award in 1999 as Producer of "The Last Days" and has been involved as a producer and/or author in "The Winter Guest," "City Hall," and "Wall Street." He is a partner and co-publisher of the celebrated biography series "Penguin Lives," under the Lipper/Viking Penguin imprint. Mr. Lipper is a Trustee of the Council of Excellence in Government, the Governor's Committee on Scholastic Achievement and Jerome & Kenneth Lipper Foundation and a member of the Council on Foreign Relations, Economic Club of New York and The Century Club. Mr. Lipper received a B.A. from Columbia University, a J.D. from Harvard Law School and Masters in Civil Law from New York University/Faculty of Law & Economics, Paris.

Sergio Marchionne, Director and Chairman of the Board, born on June 17, 1952, was appointed Director of CNH on July 22, 2004, and Chairman on April 7, 2006. He is a barrister, solicitor and chartered accountant. He began his professional career in Canada. From 1983 to 1985, he worked as an accountant and tax specialist for Deloitte & Touche. From 1985 to 1988, he was Group Controller and then Director of Corporate Development at the Lawson Mardon Group of Toronto. In 1989 and 1990, he served as Executive Vice President of Glenex Industries. From 1990 to 1992, he was Vice President of Finance and Chief Financial Officer at Acklands Ltd. From 1992 to 1994, also in Toronto, he held the position of Vice President of Legal and Corporate Development and Chief Financial Officer of the Lawson Group, which was acquired by Alusuisse Lonza (Algroup) in 1994. Between 1994 and 2000, he covered various positions of increasing responsibility at Algroup, headquartered in Zurich, until becoming Chief Executive Officer. He then went on to head the Lonza Group Ltd, following its demerger from Algroup, first as Chief Executive Officer (2000-2001) and then as Chairman (2002). In February 2002, he became Chief Executive Officer of the SGS Group of Geneva, a world leader in the area of inspection, verification, testing and certification services. In March 2006, he was appointed Chairman of the company, a position which he continues to hold. He was non-executive Vice Chairman and Senior Independent Director of UBS from 2008 until April 2010. He has been a member of the Board of Fiat S.p.A. since May 2003 and was appointed Chief Executive Officer on June 1, 2004. In February 2005, he was also appointed Chief Executive Officer of Fiat Group Automobiles and, in April 2006, Chairman of CNH Case New Holland, the Fiat Group company operating in the agricultural and construction equipment business. In June 2009, he also became Chief Executive Officer of Chrysler Group LLC. In May 2010, he joined the Board of Directors of Exor. He is a member of the Board of Philip Morris International Inc. and a member of the General Council of Confindustria, of Assonime (the association of Italian corporates), of Unione Industriale di Torino (Employers' Association of Turin) and of ACEA (European Automobile Manufacturers Association). He is also member of the Board of the Peterson Institute for International Economics and Chairman of the Italian Branch of the Council for the United States and Italy. He is a permanent member of the Fondazione Giovanni Agnelli. Mr. Marchionne is a recipient of: an Honorary Doctor of Laws degree from the University of Windsor, a degree in Economics honoris causa from the University of Cassino, a Master's degree honoris causa from the CUOA Foundation and a degree ad honorem in Industrial Engineering and Management from Polytechnic University in Turin. Mr. Marchionne also holds the honour of Cavaliere del Lavoro.

Paolo Monferino, Director, born on December 15, 1946, served as President and Chief Operating Officer of CNH from March 24, 2000 to November 7, 2000. On November 8, 2000, Mr. Monferino was appointed a Director and President and Chief Executive Officer, leading the overall management of CNH, including the

execution of our wide-ranging integration plan. Mr. Monferino resigned as President and Chief Executive Officer on February 28, 2005 and became Chief Executive Officer of Iveco, the lead company of Fiat Group's Commercial Vehicle Sector. Mr. Monferino has more than 20 years of experience in the agricultural and construction equipment business beginning in the United States with Fiatallis, a joint venture between Fiat's construction equipment business and Allis Chalmers. In 1983, he was named Chief Executive Officer of Fiatallis' Latin American operations in Brazil. Two years later, he was appointed Chief Operating Officer at Fiatallis and in 1987 was named the Chief Operating Officer at FiatAgri, the farm machinery division of the Fiat Group. Following Fiat Geotech's 1991 acquisition of Ford New Holland, Mr. Monferino was named Executive Vice President of the new company headquartered in London. He was responsible for strategy and business development, including product, marketing and industrial policies.

Jacques Theurillat, Director, born on March 20, 1959, was elected a Director of CNH on April 7, 2006. Since May, 2008, Mr. Theurillat has served as Managing Partner of Ares Life Sciences, a private equity fund whose objective is to build a portfolio in life sciences. Mr. Theurillat served as CEO and Chairman of AlbeaPharma AG, a Swiss company involved in venture financing for life sciences companies. Mr. Theurillat served as Serono's Deputy CEO until December 2006. In addition to his role as Deputy CEO, he was appointed Senior Executive Vice President, Strategic Corporate Development in May 2006 and was responsible for developing the company's global strategy and pursuing Serono's acquisition and in-licensing initiatives. From 2002 to 2006, Mr. Theurillat served as Serono's President of European and International Sales & Marketing. In this position he was responsible for Serono's commercial operations in Europe, IBO, Asia-Pacific, Oceania/Japan, Latin America and Canada. He became a Board member in May 2000. From 1996 to 2002, he was Chief Financial Officer. He previously served as Managing Director of the Istituto Farmacologico Serono in Rome, where he started in 1994. In 1993, he was appointed Vice President Taxes and Financial Planning for Serono. In 1990-1993, Mr. Theurillat worked outside Serono, running his own law and tax firm. Before that, he was Serono's Corporate Tax Director, a post to which he was appointed in 1988. He first joined Serono in 1987 as a Corporate Lawyer working on projects such as the company's initial public offering. Mr. Theurillat is a Swiss barrister and holds Bachelor of Law degrees from both Madrid University and Geneva University. He also holds a Swiss Federal Diploma (Tax Expert) and has a Master's degree in Finance.

Richard Tobin, Chief Financial Officer of CNH Global N.V., born on April 4, 1963, assumed responsibility as Chief Financial Officer of CNH Global N.V. on March 8, 2010. He joined CNH from SGS Group Geneva, Switzerland, where he was appointed Chief Financial Officer & Information Technology in June 2004. Prior to assuming the role of Chief Financial Officer he was Chief Operating Officer of SGS North America. Before joining SGS, Richard held business segment general management positions with Alcan Aluminum of Montreal Canada, the Alusuisse Lonza Group of Zurich, Switzerland, and international marketing with the GTE Corporation of Stamford, Connecticut USA. He holds both a bachelors and Masters of Business Administration degrees from Norwich University and Drexel University, respectively.

Steven Bierman, President, CNH Capital, born on March 20, 1955, was appointed President, CNH Capital on September 30, 2005, and was previously Vice President of Commercial Finance for CNH Capital. He served as interim Chief Financial Officer from June 2009 until March 8, 2010. Prior to joining CNH, Mr. Bierman was employed by Fremont General Corporation in Santa Monica, California, from 1998 to 2004. From 2002 to 2004, Mr. Bierman served as Chief Information Officer for Fremont Investment and Loan, a subsidiary of Fremont General Corporation. From 1998 to 2002, Mr. Bierman was employed by Fremont Financial Corporation, also a subsidiary of Fremont General Corporation, first as Senior Vice President for its syndicated loan group and after as President and Chief Operating Officer. Between 1996 and 1998, Mr. Bierman served as Senior Vice President/National Credit Manager of the Union Bank of California in the Commercial Finance Division. From 1986 to 1996, Mr. Bierman held a variety of positions with General Electric Capital Corporation. Additionally, Mr. Bierman is a Certified Public Accountant.

Barry Engle, President and Chief Executive Officer of New Holland Agricultural Equipment, born on January 4, 1964, was appointed President and Chief Executive Officer of New Holland Agricultural Equipment on September 2, 2008 after serving in a variety of positions with Ford Motor Company. He joined Ford in 1992

and gained extensive international experience with senior level posts in marketing and sales, strategic planning and general management. Most recently he was the President and CEO of Ford of Canada. Previously he was President, Ford of Brazil & Mercosul. He also has first-hand automotive retail experience, having been a Chrysler Plymouth Jeep dealer in Salt Lake City, Utah. Before becoming involved in the auto industry, he held finance and marketing positions in consumer packaged goods with General Mills, Inc. and Nabisco Brands, Inc. Mr. Engle holds an MBA from the Wharton School of the University of Pennsylvania and a BA in economics from Brigham Young University.

Pierre Fleck, President, Parts and Service, born on December 15, 1965, was appointed President of CNH Parts and Service on January 4, 2008 after serving as Executive Vice President Parts and Service for Fiat Group Automobiles S.p.A. since 2006, a position he retains. Before joining Fiat Group Automobiles in 2005, he held a variety of positions with Alcatel from 1989 and 1991 in Germany, Valeo Electrical Systems and Distribution from 1991 to 2000 and Honeywell Friction Materials from 2000 to 2004, in the fields of sales and marketing, distribution and after sales. Mr. Fleck holds an MBA from IEA, the Institut Européen des Affaires in Paris.

Franco Fusignani, President and Chief Executive Officer of CNH International SA, born on September 19, 1945, was appointed President and Chief Executive Officer of CNH International SA on July 1, 2007. He has responsibility for both New Holland Agriculture and Case IH, the agricultural brands of CNH, and New Holland Construction and Case Construction in Africa, Middle East, CIS, Asia, Australia and New Zealand (with a special focus on China, Turkey, India and Japan for the local presence of industrial and commercial JVs and manufacturing activities). After joining the Fiat Group in 1970 as an engineer, he held a variety of positions within the industrial and business activities of the Group. In 1978, Mr. Fusignani took the lead of the Fiat diesel operations (trucks, bus, engines) in Latin America. In 1981, he established the new Iveco Diesel Engine Division in Europe. In 1986, Mr. Fusignani was appointed vice president of the Industrial Construction Equipment operations. In 1991 he took the lead of the European Agricultural Commercial operations and in 1996 of the International Agricultural business establishing new industrial presence in Poland, Turkey, India, China, Mexico and strengthening the commercial presence in Africa, Middle East, Asia and CIS. Before being named CEO of CNH International SA, he served as senior vice president of CNH Agricultural Industrial Product Development.

Andreas Klauser, President, Case IH Agricultural Equipment, born on October 14, 1965, was appointed President, Case IH Agricultural Equipment on December 1, 2009. Mr. Klauser was previously Vice President & General Manager Commercial/Marketing Europe for Case IH and Steyr branded products for CNH St. Valentin, in addition to serving as Sales and Marketing Director for CNH Osterreich from 2006 to 2009. Mr. Klauser served as Business Director Central Europe CNH (St. Valentin, Modena and Plock) for NH, CASE IH and STEYR branded products from 2000 to 2006. He served as Business Director Eastern Europe for CASE IH and STEYR for Company CASE STEYR LANDMASCHINENTECHNIK (St. Valentin and Paris) from 1997 to 1999. And, from 1990 to 1996 he was Export Manager STEYR tractors for Italy and Eastern Europe for Company STEYR Landmaschinentechnik (St. Valentin/Austria).

James E. McCullough, President, Construction Equipment, born on June 27, 1950, was appointed President, Construction Equipment on July 21, 2009. He has responsibility for both New Holland Construction Equipment and Case Construction Equipment. Mr. McCullough was appointed President, Case Construction Equipment on September 30, 2005, and was previously President, Construction Equipment N.A. of CNH from June 2003. Mr. McCullough served as Senior Vice President, Construction Equipment Commercial Operations, N.A. from 2002 to 2003 and Senior Vice President, Case Commercial Operations Worldwide from 1999 to 2002. Prior to the business merger of New Holland and Case, he served as Vice President and General Manager, Case Construction Equipment Division from 1995 to 1998. Between 1988 and 1990, Mr. McCullough served in a variety of positions with Case.

Directors' Compensation

The following table summarizes remuneration paid or accrued in cash or common shares to Directors for the year ended December 31, 2009, excluding directors who are employees of Fiat and are not compensated by us:

	Grant Price	Dr. Edward A. Hiler	Leo W. Houle	Dr. Rolf M. Jeker	Dr. Peter Kalantzis	John B. Lanaway	Kenneth Lipper	Jacques Theurillat	Harold Boyanovsky	Total
Salary		$ —	$ —	$ —	$ —	$ —	$—	$ —	$ 847,071	$ 847,071
Annual Fees		115,000		115,000	120,000	84,000		77,500		511,500
Common Shares Granted										
3/19/2009	$10.22		35,000			9,000		19,375		63,375
6/17/2009	$15.43		35,000			9,000		19,375		63,375
9/15/2009	$18.23		35,000			9,000		19,375		63,375
12/15/2009	$24.74		35,000			9,000		19,375		63,375
Future Remuneration:										
Pension Plan									96,217	96,217
Bonus:										
Cash									290,330	290,330
Total		$115,000	$140,000	$115,000	$120,000	$120,000	$—	$155,000	$1,233,618	$1,998,618

Outside directors also may elect to have a portion of their compensation paid in stock options. See "CNH Outside Directors, Compensation Plan" and "Share Ownership" below. Directors who are employees of Fiat do not receive compensation from us.

CNH Outside Directors' Compensation Plan

The CNH Global N.V. Outside Directors' Compensation Plan ("CNH Directors' Plan"), as amended on July 22, 2008, provides for the payment of: (1) an annual retainer fee of $100,000; (2) an Audit Committee membership fee of $20,000; (3) a Corporate Governance and Compensation Committee membership fee of $15,000; (4) an Audit Committee chair fee of $35,000; and (5) a Corporate Governance and Compensation Committee chair fee of $25,000 (collectively, the "Fees") to independent outside members of the Board in the form of cash, and/or common shares of CNH, and/or options to purchase common shares of CNH. Each quarter of the CNH Directors' Plan year, the outside directors elect the form of payment of their Fees. If the elected form is common shares, the outside director will receive as many common shares as equal to the amount of Fees the director elects to forego, divided by the fair market value. Common shares issued vest immediately upon grant, but cannot be sold for a period of six months. If the elected form is options, the outside director will receive as many options as the amount of Fees that the director elects to forego, multiplied by four and divided by the fair market value of a common share. Such fair market value being equal to the average of the highest and lowest sale price of a common share on the last trading day of each quarter of the CNH Directors' Plan year on the NYSE. Stock options granted as a result of such an election vest immediately upon grant, but shares purchased under options cannot be sold for six months following the date of exercise. Stock options terminate upon the earlier of: (1) ten years after the grant date; or (2) six months after the date an individual ceases to be an outside director. Prior to 2007, we also issued automatic option awards, which vest after the third anniversary of the grant date. At December 31, 2009 and 2008, there were 700,058 and 746,067 common shares, respectively, reserved for issuance under the CNH Directors' Plan. Outside directors do not receive benefits upon termination of their service as directors.

The following table reflects option activity under the CNH Directors' Plan for the year ended December 31, 2009:

	2009	
	Shares	**Weighted Average Exercise Price**
Outstanding at beginning of year	92,508	$31.01
Granted	29,661	15.51
Forfeited	(750)	77.05
Exercised	(4,000)	9.23
Outstanding at end of year	117,419	27.54
Exercisable at end of year	117,419	27.54

See "Note 17: Option and Incentive Plans" of our consolidated financial statements for a detailed discussion of our stock option and incentive programs.

Executive Officers' Compensation

The aggregate amount of compensation paid to or accrued for executive officers that held office during 2009 was approximately $3.9 million, including $100,000 of pension and similar benefits paid or set aside by us.

Certain executives participate in a plan approved by the Board of Directors of Fiat and CNH (the "Individual Top Hat Scheme"), which provides a lump sum to be paid in installments if an executive, in certain circumstances, leaves Fiat and/or its subsidiaries before the age of 65. There were no contributions to the Individual Top Hat Scheme in 2009 and 2008.

Board Practices

Responsibility for overseeing the management of the Company lies with our Board of Directors, which determines our policies and the general course of corporate affairs. The members of the Board are appointed at the meetings of shareholders, serve for a term of one year, and stand for re-election every year.

We are subject to, among other things, both the laws of The Netherlands and the laws and regulations applicable to foreign private issuers in the U.S. The Dutch Corporate Governance Code (the "Dutch Code"), which became effective as of January 1, 2004, the Sarbanes-Oxley Act of 2002 and the NYSE listing standards are also of particular significance to our corporate governance.

We have a one-tier management structure (i.e. a management board which may be comprised of both members having responsibility for our day-to-day operations, who are referred to as executive directors, and members not having such responsibility, referred to as non-executive directors). A majority of our directors are non-executive directors, who meet the independence requirements of the Dutch Code.

The Board believes that it is appropriate for the role of the Chief Executive Officer and the Chairman to be separate, and that the Chairman of the Board should be a non-executive director. Should an executive director be appointed as Chairman, the Board will also designate a non-executive director as the lead director, who will chair executive sessions of the Board.

None of our directors have service contracts with the Company (or any subsidiary) providing for benefits upon termination of employment.

We currently have an Audit Committee and a Corporate Governance and Compensation Committee which are described in more detail below. During 2009, there were seven meetings of our Board of Directors. Attendance at these meetings was 96%. The Audit Committee met six times during 2009 and attendance at those meetings was 100%. The Corporate Governance and Compensation Committee met three times during 2009 with 100% attendance at such meetings. The Board of Directors and the Corporate Governance and Compensation Committee have each discussed the performance of the Board and its committees. The Audit Committee discusses, among other things, our risk assessment and management processes. The work plan of the Audit Committee provides that this assessment will take place annually. The Board also schedules one annual meeting that is devoted to discussing our strategy.

Audit Committee. Our Audit Committee is appointed by the Board to assist in monitoring (1) the integrity of our financial statements, (2) qualifications and independence of our independent registered public accounting firm, (3) the performance of our internal audit function and our independent registered public accounting firm, (4) our compliance with legal and regulatory requirements, (5) the systems of internal controls that management and the Board of Directors have established, and (6) it reviews and approves, if appropriate, any related party transactions and transactions under which any director could have a material conflict of interest. Directors are required to immediately report any actual or potential conflict of interest that is of material significance to us or to themselves.

The Audit Committee currently consists of Messrs. Theurillat, Kalantzis, and Lanaway. The Audit Committee is currently chaired by Mr. Theurillat. At its meetings, the Audit Committee customarily meets with the Chief Financial Officer, the General Counsel and Corporate Secretary, the Chief Accounting Officer, Internal Auditor and representatives from our independent registered public accounting firm. After such meetings, the Audit Committee routinely meets separately, in executive session, with the Chief Financial Officer, the Internal Auditor and representatives from our independent registered public accounting firm. In addition, at least once per year (and more often as necessary) the Audit Committee meets with representatives from our independent registered public accounting firm without any management present. The Charter for the Audit Committee is available on our website (www.cnh.com). Our annual report on Form 20-F and quarterly results and other current reports on Form 6-K are available free of charge as soon as reasonably practicable after they are filed with the SEC. The information contained on our website is not included in, or incorporated by reference into, this offering circular.

Corporate Governance and Compensation Committee. The purpose of the Corporate Governance and Compensation Committee is to design, develop, implement and review the compensation and terms of employment of our executive officers and the fees of the members of the Board. The Corporate Governance and Compensation Committee is responsible to make sure that the compensation of the executive personnel is related to our (and our shareholders') short-term and long-term objectives and our operating performance. The compensation of the independent directors is set forth in the Outside Directors' Compensation Plan and any amendments are approved by our shareholders. The Corporate Governance and Compensation Committee makes its recommendations to the Board. The Corporate Governance and Compensation Committee also advises the Board on candidates for the Board for a first appointment, to fill a vacancy, and on members for the Board for possible reappointment after each term. The Corporate Governance and Compensation Committee currently consists of Messrs. Houle, Hiler, Jeker, Lipper and Marchionne. The Corporate Governance and Compensation Committee is currently chaired by Mr. Houle. The Charter for the Corporate Governance and Compensation Committee is available on our website (www.cnh.com).

Share Ownership

Collectively, our directors and executive officers beneficially own, or were granted options with respect to, less than one percent of our common shares. Directors' automatic option awards vest after the third anniversary of the grant date. Directors' elective option awards vest immediately upon grant. Directors' options terminate six months after a director leaves the Board of Directors if not exercised. In any event, directors' options terminate if not exercised by the tenth anniversary of the grant date.

Options issued to outside directors are issued from the CNH Directors' Plan. Options issued to our employees who are also board members are issued from the CNH Equity Incentive Plan ("EIP"). The following table summarizes outstanding stock options for directors as of December 31, 2009, excluding directors who are employees of Fiat and are not compensated by us:

	Grant Date	Exercise Price	Lipper	Hiler	Boyanovsky	Houle	Jeker	Kalantzis	Lanaway	Theurillat	Total
Beginning Balance as of 1/1/09											
(automatic option)	11/12/1999	$77.05	750	—	—	—	—	—	—	—	750
	12/20/1999	68.85	—	—	60,000	—	—	—	—	—	60,000
	2/29/2000	56.09	713	—	—	—	—	—	—	—	713
	6/6/2000	60.63	660	—	—	—	—	—	—	—	660
(automatic option)	6/7/2000	60.00	1,500	—	—	—	—	—	—	—	1,500
(automatic option)	5/8/2003	9.23	—	4,000	—	—	—	—	—	—	4,000
(automatic option)	4/26/2004	21.22	—	4,000	—	—	—	—	—	—	4,000
(automatic option)	5/3/2005	17.28	4,000	4,000	—	—	—	—	—	—	8,000
(automatic option)	4/7/2006	27.70	4,000	4,000	—	4,000	4,000	4,000	4,000	4,000	28,000
	7/5/2006	23.87	—	—	—	—	—	—	—	1,047	1,047
	9/25/2006	21.20	—	—	11,543	—	—	—	—	—	11,543
	10/3/2006	22.32	—	—	—	4,480	1,008	—	—	1,121	6,609
	12/29/2006	27.45	—	—	—	3,643	820	—	—	911	5,374
	2/16/2007	37.96	—	—	42,299	—	—	—	—	—	42,299
	3/30/2007	38.04	—	—	—	2,629	592	—	—	657	3,878
	6/30/2007	50.95	—	—	—	1,963	442	—	—	491	2,896
	9/28/2007	60.54	1,487	—	—	1,652	—	—	—	413	3,552
	12/27/2007	66.41	1,356	—	—	1,506	—	—	—	—	2,862
	3/19/2008	50.08	1,798	—	—	1,997	—	—	—	—	3,795
	6/2/2008	48.12	—	—	10,574	—	—	—	—	—	10,574
	6/17/2008	42.51	2,118	—	—	2,353	—	—	—	—	4,471
	9/15/2008	29.58	3,043	—	—	—	—	—	—	—	3,043
	12/15/2008	15.63	7,358	—	—	—	—	—	—	—	7,358
Beginning Total			28,783	16,000	124,416	24,223	6,862	4,000	4,000	8,640	216,924
– Vested/Not Exercised			24,783	12,000	81,795	20,223	2,862	—	—	4,640	146,303
– Not Vested			4,000	4,000	42,621	4,000	4,000	4,000	4,000	4,000	70,621
Total Options Granted in 2009											
	3/19/2009	$10.22	11,252	—	—	—	—	—	—	—	11,252
	4/30/2009	13.58		—	85,518	—	—	—	—	—	85,518
	6/17/2009	15.43	7,453	—	—	—	—	—	—	—	7,453
	9/15/2009	18.23	6,308	—	—	—	—	—	—	—	6,308
	12/14/2009	24.74	4,648	—	—	—	—	—	—	—	4,648
2009 Sub-Total			29,661	—	85,518	—	—	—	—	—	115,179
Options Forfeited in 2009	11/12/1999	$77.05	750	—	—	—	—	—	—	—	750
	12/20/1999	68.85	—	—	60,000	—	—	—	—	—	60,000
Total Options Forfeited in 2009			750	—	60,000	—	—	—	—	—	60,750
Options Exercised in 2009	5/8/2003	$ 9.23		4,000							4,000
Total Options Exercised in 2009			—	4,000	—	—	—	—	—	—	4,000
Closing Balance as of 12/31/09											
Closing Total			57,694	12,000	149,934	24,223	6,862	4,000	4,000	8,640	267,353
– Vested/Not Exercised			57,694	12,000	74,647	24,223	6,862	4,000	4,000	8,640	192,066
– Not Vested			—	—	75,287	—	—	—	—	—	75,287

The following table summarizes outstanding performance share units held by directors with respect to which vesting has not yet occurred.

	Grant Date	Price	Harold Boyanovsky	Total
Beginning Balance as of 1/1/09	12/15/2006	$26.99(A)	100,000	100,000
Total Beginning Balance—Not Vested			100,000	100,000
Ending Balance as of 12/31/09—Not Vested			100,000	100,000

(A) Fair value based on initial estimate of achieving targets in 2010.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

As of March 31, 2010, Fiat owned approximately 89% of our common shares.

As described under "Use of Proceeds," we plan to use the net proceeds from the notes offered hereby primarily for the repayment of debt, including repayment of debt owed to Fiat.

Historically, we have developed and maintained a variety of relationships, and engaged in a number of transactions, with various Fiat affiliates. In connection with the contemplated demerger, relationships may be modified, restructured or terminated. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Proposed Demerger." Following the demerger, Fiat will have no obligation to provide assistance to us other than on a transitional or other basis as may be agreed in connection with the demerger.

Various Fiat affiliates, including CNH, are parties to a €1.0 billion ($1.4 billion) syndicated credit facility with a group of banks, which matures in August 2010. Loans under this facility accrue interest at fluctuating rates based on EURIBOR (or other index rates, such as LIBOR depending on the currency borrowed), plus a margin. €300 million ($432 million) of this borrowing capacity was allocated to us with additional amounts potentially available depending on the usage by other borrowers. As of December 31, 2009, this facility was fully drawn, €300 million ($432 million) by us and €700 million ($1,008 million) by other Fiat affiliates. See "Note 9: Credit Facilities and Debt" to our consolidated financial statements for the year ended December 31, 2009.

Fiat, through certain of its treasury subsidiaries, previously made available to us and certain of our subsidiaries, pursuant to a Facility Agreement entered into in February 2009, a multi-currency revolving credit facility. Pursuant to this facility, CNH and the designated subsidiaries were permitted, from time to time, to borrow up to an aggregate principal amount of $1.0 billion, subject to specified sub-limits for each borrower. The interest rates on advances under the credit agreement ranged from LIBOR + 0.15% per annum to LIBOR + 5.75% per annum during 2009. We agreed to pay a commitment fee of 0.20% per annum on any unused amount of the facility. The facility matured and was repaid in full on February 26, 2010, and has not been renewed or extended.

On December 31, 2009, our outstanding consolidated debt with Fiat and its affiliates was $2.9 billion, or 31% of our consolidated debt, compared to $5.2 billion, or 46% as of December 31, 2008. The main reason for the decrease in our consolidated debt with Fiat was the opportunity to refinance part of our borrowings with third parties: for Equipment Operations, with $1.0 billion issue of debt securities at an annual fixed rate of 7.75% due in 2013; and for Financial Services, with new securitizations.

Fiat guarantees $1.4 billion of our debt with third parties, which is 22% of our outstanding debt with third parties. We pay Fiat a guarantee fee based on the average amount outstanding under facilities guaranteed by Fiat. In 2009 and in 2008, we paid a guarantee fee of 0.0625% per annum.

Like other companies that are part of multinational groups, we participate in a group-wide cash management system with the Fiat Group. Under this system, which is operated by Fiat treasury subsidiaries in a number of jurisdictions, the cash balances of Fiat Group members, including us, are aggregated at the end of each business day in central pooling accounts (the Fiat affiliates' cash management pools). Our positive cash deposits, if any, at the end of each business day may be invested by Fiat treasury subsidiaries in highly rated, highly liquid money market instruments or bank deposits or applied by Fiat treasury subsidiaries to meet financial needs of other Fiat Group members and vice versa. Deposits with Fiat treasury subsidiaries earn interest at LIBOR plus 0.15%. Interest earned on our deposits with Fiat treasury subsidiaries included in finance and interest income were approximately $32 million, $58 million and $48 million in the years ended December 31, 2009, 2008 and 2007, respectively.

As a result of our participation in the Fiat affiliates' cash management pools, we are exposed to Fiat Group credit risk to the extent that Fiat is unable to return the funds. In the event of a bankruptcy or insolvency of Fiat (or any other Fiat Group member in the jurisdictions with set off agreements) or in the event of a bankruptcy or

insolvency of the Fiat entity in whose name the deposit is pooled, we may be unable to secure the return of such funds to the extent they belong to us, and we may be viewed as a creditor of such Fiat entity with respect to such deposits. Because of the affiliated nature of our relationship with the Fiat Group, it is possible that our claims as a creditor could be subordinated to the rights of third party creditors in certain situations.

For material related party transactions involving the purchase of goods and services, we generally solicit and evaluate bid proposals prior to entering into any such transactions, and in such instances, our Audit Committee generally conducts a review to determine that such transactions are what the committee believes to be on arm's-length terms.

We purchase engines and other components from the Fiat Group, and companies of the Fiat Group provide us with administrative services such as accounting and internal audit, cash management, maintenance of plant and equipment, plant security, research and development, information systems and training. The companies of the Fiat Group also provide purchasing services to us. We sell certain products to subsidiaries and affiliates of Fiat. In addition, we enter into hedging arrangements with counterparties that are members of the Fiat Group. The principal purchases of goods from Fiat and its affiliates include engines from Iveco and Fiat Powertrain Technologies, dump trucks from Iveco, robotic equipment and paint systems from Comau, and castings from Teksid. We and our subsidiaries were parties to derivative or other financial instruments having an aggregate contract value of $2.9 billion and $2.0 billion as of December 31, 2009 and 2008, respectively, to which affiliates of Fiat were counterparties.

Fiat provides accounting services to us in Europe and Brazil through an affiliate that uses shared service centers to provide such services to various Fiat companies. Fiat provides internal audit services at the direction of our internal audit department in certain locations where we believe it is more cost effective to use existing Fiat resources. In 2005 and 2004, we purchased network and hardware support from and outsourced a portion of our information services to a joint venture that Fiat had formed with IBM. Fiat announced in 2005 that it had entered into a nine year strategic agreement with IBM under which IBM assumed full ownership of this joint venture as well as the management of a significant part of the information technology needs of members of the Fiat Group, including CNH. Fiat also provides training services through an affiliate. We use a broker that is an affiliate of Fiat to purchase a portion of our insurance coverage. We purchase research and development services from an Italian joint venture set up by Fiat and owned by various Fiat subsidiaries. This joint venture benefits from Italian government incentives granted to promote work in the less developed areas of Italy.

In certain tax jurisdictions, we have entered into tax sharing agreements with Fiat and certain of its affiliates. Our management believes the terms of these agreements are customary for agreements of this type and are as advantageous as filing tax returns on a stand-alone basis. In order to optimize the tax efficiency of the Company, New Holland Tractors and Fiat India Private Limited effectuated an amalgamation as of April 1, 2007 for Indian fiscal and statutory purposes, which was approved by the Delhi and Bombay High Court on September 23, 2008. We obtained a fairness opinion from an independent third party financial advisor that documents that the consideration received by the parties to the transaction represent an arm's-length "value-for-value" exchange.

During 2008 we entered into a reimbursement agreement with Fiat in connection with the sponsorship contract Fiat signed with the Juventus Football Club S.p.A. We paid $17 million and $8 million related to this reimbursement agreement in 2009 and 2008, respectively. The Juventus Football Club S.p.A., in which EXOR S.p.A. has a 60% stake, is listed on the Electronic Share Market of the Italian stock exchange. Founded in 1897, Juventus is one of the most prominent professional soccer teams in the world. EXOR is one of the major investment holding companies in Europe. Among other things, EXOR also manages a portfolio that includes investments in Fiat, SGS S.A., and Cushman & Wakefield, Inc. We obtain services from SGS, for verification, inspection, control and certification activities and also obtain real estate services from Cushman & Wakefield.

If the goods or services or financing arrangements described above were not available from related parties, we would have to obtain them from other sources. We can offer no assurance that such alternative sources would provide such goods and services or would provide them on terms as favorable as those offered by such related parties.

Additionally, we participate in the stock option program of Fiat and the Individual Top Hat Scheme as described in "Note 17: Option and Incentive Plans" of our consolidated financial statements.

The following table summarizes our sales, purchase, and finance income with Fiat and affiliates of Fiat and joint ventures that are not already separately reflected in the consolidated statements of operations for the years ended December 31, 2009, 2008, and 2007:

	2009	2008	2007
		(in millions)	
Sales to affiliated companies and joint ventures	$200	$ 317	$115
Purchase of materials, production parts, merchandise and services	$818	$1,185	$771
Finance and interest income	$ 32	$ 58	$ 48

As of December 31, 2009 and 2008, CNH had trade payables to affiliated companies and joint ventures of $270 million and $456 million, respectively.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

As of December 31, 2009, our outstanding capital stock consisted of common shares, par value €2.25 ($3.23) per share. As of December 31, 2009, there were 237,398,518 common shares outstanding. At December 31, 2009, we had 597 registered holders of record of our common shares in the United States. Registered holders and indirect beneficial owners hold approximately 11% of our outstanding common shares.

Fiat Netherlands, a wholly owned subsidiary of Fiat, is our largest single shareholder. Consequently, Fiat controls all matters submitted to a vote of our shareholders, including approval of annual dividends, election and removal of directors and approval of extraordinary business combinations. Fiat Netherlands has the same voting rights as our other shareholders.

The following table sets forth the outstanding common shares of CNH as of December 31, 2009:

Shareholders	Number of outstanding common shares	Percentage ownership interest
Fiat Netherlands	211,866,037	89%
Other shareholders	25,532,481	11%
Total	237,398,518	100%

Our directors and executive officers, individually and collectively, owned less than 1% of our common shares at December 31, 2009.

DESCRIPTION OF CERTAIN INDEBTEDNESS

Long-Term Debt

A description of our long-term debt is provided under "Note 9: Credit Facilities and Debt" in our consolidated financial statements.

Short-Term Debt

A description of our short-term debt is provided under "Note 9: Credit Facilities and Debt" in our consolidated financial statements.

Credit Facilities

Credit facilities and debt outstanding under such facilities consist of committed and uncommitted credit facilities.

As of March 31, 2010, we had approximately $4.2 billion available under our $10.5 billion total lines of credit, including asset-backed facilities, of which approximately $2.2 billion were committed lines, $4.1 billion were uncommitted lines and $4.2 billion were in asset-backed facilities.

Of the total $6.3 billion drawn under such lines, $3.0 billion is classified as short-term debt, $1.4 billion is classified as current maturities of long-term debt and $1.9 billion is classified as long-term debt.

As of December 31, 2009, we had approximately $4.4 billion available under our $9.2 billion total lines of credit, including asset-backed facilities, of which $600 million were committed lines, $2.6 billion of uncommitted lines and $1.2 billion in asset-backed facilities.

Of the total $4.8 billion drawn under such lines, $1.6 billion is classified as short-term debt, $1.6 billion is classified as current maturities of long-term debt and $1.6 billion classified as long-term debt.

A more detailed description of our credit facilities is provided under "Note 9: Credit Facilities and Debt" in our consolidated financial statements.

Securitization

The following table summarizes the principal amount of our retail, wholesale and credit card receivables in the United States, Canada and Europe which are not included in our consolidated balance sheet ("off-book receivables") at December 31, 2009 and 2008:

	2009	2008
	(in millions)	
Wholesale receivables	$2,316	$2,328
Retail and other notes and finance leases	4,207	3,044
Receivables discounted without recourse	181	186
Total	$6,704	$5,558

As part of our overall funding strategy, we securitize and transfer financial receivables via securitization transactions. Following the contraction of the ABS market in late 2008, we were able to obtain alternative funding through other third-party sources. When the ABS markets improved in early 2009, in part through government-sponsored initiatives, we returned to the ABS market for a portion of our funding. While we utilized the ABS markets in 2009, we continued to expand and diversify our sources of funding.

As of the beginning of 2010, we adopted new accounting guidance related to the accounting for transfers of financial assets and the consolidation of variable interest entities. As a significant portion of our securitization trusts and facilities is no longer exempt from consolidation under the new guidance, we were required to consolidate the receivables and related liabilities. Financial Services recorded a $5.7 billion increase to assets and liabilities upon the adoption of this new guidance on January 1, 2010. See “Note 2: Recent Accounting Developments” of the unaudited condensed consolidated financial statements for the quarter ended March 31, 2010 included in this offering circular.

DESCRIPTION OF THE NOTES

Case New Holland will issue $1,500,000,000 aggregate principal amount of 7⅞% Senior Notes due 2017 (the "*notes*") under an indenture (the "*Indenture*") to be entered into by and among Case New Holland, the Guarantors and Wells Fargo Bank, N.A. as trustee (the "*Trustee*"). The following summary of the Indenture does not include all of the information included in the Indenture and may not include all of the information that you would consider important. This summary is qualified by reference to the Trust Indenture Act of 1939, as amended (the "*TIA*"), and to all of the provisions of the Indenture, including the definitions of terms therein and those terms made a part of the Indenture by reference to the TIA as in effect on the date of the Indenture. A copy of the Indenture may be obtained from Case New Holland. The definitions of most of the capitalized terms used in the following summary are set forth below under "—Certain Definitions." For purposes of this section, references to "Case New Holland" include only Case New Holland Inc. and not its Subsidiaries and references to "CNH Global" include only CNH Global N.V. and not its Subsidiaries. References to "$" and "dollars" are to United States dollars.

General

The notes will be unsecured obligations of Case New Holland, ranking senior in right of payment to all future obligations of Case New Holland that are, by their terms, expressly subordinated in right of payment to the notes and *pari passu* in right of payment with all existing and future unsecured obligations of Case New Holland that are not so subordinated.

The notes will be issued in fully registered form only, without coupons, in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

Payments on the notes will be made through the office or agency of a payment agent. Initially, the Trustee will act as paying agent and registrar for the notes. The notes may be presented for registration or transfer and exchange at the offices of the registrar, which initially will be the Trustee's corporate trust office. Case New Holland may change any paying agent and registrar without notice to Holders. Methods of receiving payments on global notes are governed by provisions described under "Book-Entry, Delivery and Form—Payments on Global Notes." In the case of definitive registered notes, Case New Holland may elect to make payments of interest, premium and Additional Amounts, if any, by check mailed to the Holders at their addresses set forth in the register of Holders.

We have agreed to file a registration statement with the Securities and Exchange Commission with respect to an exchange offer for notes which will be substantially identical to the notes. See "Exchange Offer; Registration Rights." Any notes that remain outstanding after the completion of the exchange offer, together with the exchange notes issued in connection with the exchange offer, will be treated as a single series of securities under the Indenture.

Principal, Maturity And Interest

In this offering (the "*Offering*"), Case New Holland will issue $1,500,000,000 aggregate principal amount of the notes. Case New Holland may issue additional notes from time to time (the "*additional notes*"). Any additional notes subsequently issued under the Indenture will be treated as a single class with the notes issued in the Offering for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. The notes will mature on December 1, 2017. Interest on the notes will accrue at the rate of 7⅞% per annum. Interest on the notes will be payable semiannually in arrears in cash on each June 1 and December 1, commencing on December 1, 2010, to the persons who are registered Holders at the close of business on May 15 and November 15 immediately preceding the applicable interest payment date. Interest on the notes will accrue from and including the most recent date to which interest has been paid or, if no interest has ever been paid, from and including the date of issuance. Interest will be computed on the basis of a 360-day year comprising twelve 30-day months.

The notes will not be entitled to the benefit of any mandatory sinking fund.

Guarantees

The notes will be unconditionally, irrevocably, jointly and severally guaranteed by:

- CNH Global;
- each of the following direct and indirect Subsidiaries of CNH Global that are not also Subsidiaries of Case New Holland:

  CNH U.K. Limited
  New Holland Holding Limited
  CNH Canada, Ltd.
  CNH Australia Pty Ltd
  CNH Belgium N.V.
  New Holland Tractor Limited N.V.
  CNH Deutschland GmbH
  CNH Trade N.V.
  CNH International S.A.

- each of the following direct and indirect Subsidiaries of Case New Holland:

  Fiatallis North America LLC
  CNH America LLC
  HFI Holdings, Inc.
  BLI Group, Inc.
  Blue Leaf I.P., Inc.

The Guarantee of each Guarantor will be a general unsecured obligation of such Guarantor and will rank senior in right of payment to all future obligations of such Guarantor that are, by their terms, expressly subordinated in right of payment to such Guarantee and *pari passu* in right of payment with all existing and future unsecured Indebtedness of such Guarantor that are not so subordinated. The notes will be effectively subordinated to the obligations of each of CNH Global's direct and indirect Subsidiaries that is not a Guarantor of the notes. As of December 31, 2009, such non-Guarantor Subsidiaries had $6.4 billion of outstanding debt, $0.7 billion of which is debt of Equipment Subsidiaries. The $0.7 billion does not include $2.4 billion that Financial Services Subsidiaries owed to Equipment Subsidiaries. As of March 31, 2010, such non-Guarantor Subsidiaries had $12.0 billion of outstanding debt, $0.6 billion of which is debt of Equipment Subsidiaries, which does not include $2.5 billion that Financial Services Subsidiaries owed to Equipment Subsidiaries. None of the entities that comprise CNH's Financial Services Business is a Guarantor of the notes nor is any Financial Services Subsidiary expected to become a Guarantor of the notes after the Issue Date.

The Guarantee of a Guarantor (other than the Guarantee of CNH Global) will be released:

(1) in connection with any sale or other disposition of all of the Capital Stock of such Guarantor to a Person other than CNH Global or any Subsidiary of CNH Global;

(2) in connection with the sale or other disposition of all or substantially all of the assets of such Guarantor, including by way of merger, consolidation or otherwise, to a Person other than CNH Global or any Subsidiary of CNH Global; or

(3) in the case of any Subsidiary which after the Issue Date is required to Guarantee the notes pursuant to the covenant described under "—Certain Covenants—Issuance of Subsidiary Guarantees," upon either (x) the release or discharge of the guarantee of such Subsidiary of Indebtedness of Case New Holland or any other Person under the 2013 Notes which resulted in the obligation to so Guarantee the notes or (y) the notes reaching Investment Grade Status.

Except as provided under "—Certain Covenants—Merger, Consolidation and Sale of Assets," the Guarantee of CNH Global may be released and discharged only with the consent of each Holder of notes to which such Guarantee relates.

The amount of each Guarantee will be limited to the extent required by laws in various jurisdictions, including fraudulent conveyance and insolvency laws. See "Risk Factors—Risks Relating to the Notes—Your rights under the guarantees may be limited by laws in various jurisdictions, including fraudulent conveyance and insolvency laws."

Additional Amounts

All payments made by CNH Global or any Foreign Subsidiary Guarantor under or with respect to a Guarantee will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (including penalties, interest and other liabilities related thereto) (hereinafter, "*Taxes*") imposed or levied by or on behalf of the government of the United States, The Netherlands or any other jurisdiction in which CNH Global or any Foreign Subsidiary Guarantor is organized, resident or doing business for tax purposes or within or through which payment is made or any political subdivision or taxing authority or agency thereof or therein (any of the aforementioned being a "*Taxing Jurisdiction*"), unless CNH Global or such Guarantor is required to withhold or deduct any such Taxes by law or by the interpretation or administration thereof.

If CNH Global or any Foreign Subsidiary Guarantor is so required to withhold or deduct any amount for or on account of Taxes from any payment made under or with respect to a Guarantee, CNH Global or such Guarantor, as applicable, will pay such additional amounts ("*Additional Amounts*") as may be necessary so that the net amount received by the Holder of such note (including Additional Amounts) after such withholding or deduction of such Taxes will not be less than the amount such Holder would have received if such Taxes had not been required to be withheld or deducted; *provided*, *however*, that notwithstanding the foregoing, Additional Amounts will not be paid with respect to:

(1) any Taxes that would not have been so imposed, deducted or withheld but for the existence of any present or former connection between the Holder or beneficial owner of a note (or between a fiduciary, settler, beneficiary, member or shareholder of, or possessor of power over, the Holder or beneficial owner of such note, if the Holder or beneficial owner is an estate, nominee, trust, partnership or corporation) and the relevant Taxing Jurisdiction (other than the mere receipt of such payment or the ownership or disposition of a note or the execution, delivery, registration or enforcement of such note), including U.S. federal income tax imposed because the Holder or beneficial owner (i) is a citizen or resident of the United States, (ii) is engaged in a trade or business in the United States or (iii) has a permanent establishment in the United States;

(2) any estate, inheritance, gift, sales excise, transfer or personal property tax or similar tax, assessment or governmental charge, subject to the last paragraph of this covenant;

(3) any Taxes payable otherwise than by deduction or withholding from payments under or with respect to the Guarantee of such note;

(4) any Taxes that would not have been so imposed, deducted or withheld if the Holder or beneficial owner of the note or beneficial owner of any payment on the Guarantee of such note had (i) made a declaration of non-residence, or any other claim or filing for exemption, to which it is legally entitled or (ii) complied with any certification, identification, information, documentation or other reporting requirement (that the Holder or beneficial owner was legally eligible to comply with) concerning the nationality, residence, identity or connection with the relevant Taxing Jurisdiction of such Holder or beneficial owner of such note or any payment on such note (provided that (x) such declaration of non-residence or other claim or filing for exemption or such compliance is required by the applicable law of the Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of the

imposition, deduction or withholding of, such Taxes and (y) at least 30 days prior to the first payment date with respect to which such declaration of non-residence or other claim or filing for exemption or such compliance is required under the applicable law of the Taxing Jurisdiction, Holders at that time have been notified by CNH Global, any Foreign Subsidiary Guarantor or any other person through whom payment may be made that a declaration of non-residence or other claim or filing for exemption or such compliance is required to be made);

(5) any Taxes that would not have been so imposed, deducted or withheld if the Holder had presented the note for payment within 30 days after the date on which such payment or such note became due and payable or the date on which payment thereof is duly provided for, whichever is later (except to the extent that the Holder would have been entitled to Additional Amounts had the note been presented on the last day of such 30-day period);

(6) any Taxes attributable to any Holder that is a fiduciary or partnership or any person other than the sole beneficial owner of such payment or note, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment or note would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual Holder of such note;

(7) any Taxes, withholding or deduction of which is imposed on a payment to an individual and is required to be made pursuant to Council Directive 2003/48/EC of June 3, 2003 or any Directive implementing the conclusions of the ECOFIN Council meetings on November 26-27, 2000 on taxation of savings income in the form of interest payments or any law implementing or complying with, or introduced in order to conform to, that Directive;

(8) any U.S. Federal withholding taxes charge imposed solely because the Holder (i) is a "10-percent shareholder" of Case New Holland Inc. as defined in Section 871(h)(3) of the United States Internal Revenue Code of 1986, as amended or any successor provision or (ii) is a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; or

(9) any combination of items (1) through (8) above.

The foregoing provisions shall survive any termination or discharge of the Indenture and shall apply *mutatis mutandis* to any Taxing Jurisdiction with respect to any successor Person to CNH Global or a Foreign Subsidiary Guarantor.

CNH Global or the applicable Foreign Subsidiary Guarantor will also make any applicable withholding or deduction and remit the full amount deducted or withheld to the relevant authority in accordance with applicable law. CNH Global or the applicable Foreign Subsidiary Guarantor will furnish to the Trustee, within 30 days after the date the payment of any Taxes deducted or withheld is due pursuant to applicable law, certified copies of tax receipts or, if such tax receipts are not reasonably available to CNH Global or such Foreign Subsidiary Guarantor, such other documentation that provides reasonable evidence of such payment by CNH Global or such Foreign Subsidiary Guarantor. Copies of such receipts or other documentation will be made available to the Holders or the paying agents, as applicable, upon request.

At least 30 days prior to each date on which any payment under or with respect to any notes is due and payable if CNH Global or any Foreign Subsidiary Guarantor will be obligated to pay Additional Amounts with respect to such payment, CNH Global or such Foreign Subsidiary Guarantor will deliver to the Trustee and the applicable paying agent an officers' certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable such Trustee and applicable paying agent to pay such Additional Amounts to Holders of such notes on the payment date (unless the obligation to pay Additional Amounts arises after the 30th day prior to such date, in which case the foregoing documentation shall be provided promptly thereafter). Each officers' certificate shall be relied upon until receipt of a further officers' certificate addressing such matters.

Whenever in the Indenture or in this "Description of the Notes" there is mentioned, in any context, the payment of principal, premium, if any, interest or of any other amount payable under or with respect to any note, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

CNH Global and the Foreign Subsidiary Guarantors will pay any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies including penalties, interest and other liabilities related thereto that arise in any jurisdiction from the execution, delivery, enforcement, receipt of any payment thereto, or registration of their respective Guarantees of the notes, the Indenture or any other document or instrument in relation thereto, excluding all such taxes, charges or similar levies imposed by any jurisdiction that is not a Taxing Jurisdiction, and CNH Global and the Foreign Subsidiary Guarantors will agree to indemnify the Holders of the notes for any such non-excluded taxes paid by such Holders.

Subject to the extent required by applicable law in force at the relevant time, a Swiss Guarantor that is required to make a payment under the Guarantee may (a) deduct Swiss withholding tax at the rate of 35 percent, or such rate as is in force at that time, from any payment under the Guarantee; (b) pay any such deduction mentioned in (a), to the Swiss Federal Tax Administration; and (c) notify (or procure that the parent company notifies) the Trustee that such a deduction has been made and provide the Trustee with the required evidence. To the extent such a deduction is made, a Swiss Guarantor is not obliged to either gross-up or indemnify (or otherwise hold harmless) holders of the notes in relation to any such deduction or payment.

Redemption

Optional redemption

The notes will be redeemable, at Case New Holland's option, in whole at any time or in part from time to time, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, plus the Make-Whole Premium (a "*Make-Whole Redemption*").

Selection and notice of redemption

In the event that less than all of the notes are to be redeemed at any time, selection of the notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the notes are listed or, if the notes are not then listed on a national securities exchange, on a *pro rata* basis, by lot or by such method as the Trustee shall deem fair and appropriate; *provided* that no notes of a principal amount of $2,000 or less shall be redeemed in part.

Notice of an optional redemption shall be mailed at least 30 but not more than 60 days before the redemption date to each Holder to be redeemed at its registered address. If any note is to be redeemed in part only, the notice of redemption that relates to such note shall state the portion of the principal amount thereof to be redeemed. A new note in a principal amount equal to the unredeemed portion thereof will be issued in the name of the Holder thereof upon cancellation of the original note. On and after the redemption date, interest will cease to accrue on notes or portions thereof called for redemption as long as Case New Holland has deposited with the paying agent funds in satisfaction of the applicable redemption price pursuant to the Indenture.

Repurchase At The Option Of Holders Upon A Change Of Control Triggering Event

The Indenture will provide that, upon the occurrence of a Change of Control Triggering Event, each Holder will have the right to require that Case New Holland purchase all or a portion of such Holder's notes pursuant to the offer described below (the "*Change of Control Offer*"), at a purchase price equal to 101% of the principal amount thereof plus accrued interest, if any, thereon to the date of purchase (the "*Change of Control Payment*").

Within 30 days following the date upon which the Change of Control Triggering Event occurs, Case New Holland must send, by first class mail, a notice to each Holder, with a copy to the Trustee, which notice shall

govern the terms of the Change of Control Offer. Such notice shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date such notice is mailed (the "*Change of Control Payment Date*"). Holders electing to have a note purchased pursuant to a Change of Control Offer will be required to surrender the note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the note completed, to the paying agent at the address specified in the notice prior to the close of business on the third Business Day prior to the Change of Control Payment Date.

On the Change of Control Payment Date, Case New Holland will, to the extent lawful:

(1) accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the notes properly accepted together with an officers' certificate stating the aggregate principal amount of notes or portions of notes being purchased by Case New Holland.

The paying agent will as promptly as practicable mail to each Holder of notes properly tendered the Change of Control Payment for such notes, and the Trustee will as promptly as practicable authenticate and mail to each Holder a new note in a principal amount equal to any unpurchased portion of the notes surrendered, if any; *provided*, *however*, that each new note will be in a principal amount of $2,000 or an integral multiple of $1,000 in excess thereof.

If a Change of Control Offer is required to be made, there can be no assurance that Case New Holland will have available funds sufficient to pay the Change of Control Triggering Event purchase price for all the notes that might be delivered by Holders seeking to accept the Change of Control Offer. In addition, the terms of our other financing arrangements, including the indenture relating to the 2013 Notes, may require repurchase or repayment of amounts outstanding in the event of a Change of Control, which could also limit our ability to fund the repurchase of the notes. In the event Case New Holland is required to purchase outstanding notes pursuant to a Change of Control Offer, Case New Holland may seek third party financing to the extent it does not have available funds to meet its purchase obligations. However, there can be no assurance that Case New Holland would be able to obtain such financing.

Neither Case New Holland nor the Trustee may waive the covenant relating to a Holder's right to require the purchase of notes upon a Change of Control Triggering Event. Restrictions in the Indenture described herein on the ability of Case New Holland and the Restricted Subsidiaries to incur Funded Debt and to grant Liens on their property may also make more difficult or discourage a takeover of CNH Global, whether favored or opposed by the management of CNH Global. Consummation of any such transaction in certain circumstances may require the purchase of the notes, and there can be no assurance that CNH Global or the acquiring party will have sufficient financial resources to effect such purchase. Such restrictions may, in certain circumstances, make more difficult or discourage any leveraged buyout of CNH Global or any of its Subsidiaries by the management of CNH Global. While such restrictions cover a wide variety of arrangements which have traditionally been used to effect highly leveraged transactions, the Indenture may not afford the Holders protection in all circumstances from the adverse aspects of a highly leveraged transaction, reorganization, restructuring, merger or similar transaction.

Case New Holland will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws and regulations are applicable in connection with a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the "Change of Control Triggering Event" provisions of the Indenture, Case New Holland shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the "Change of Control Triggering Event" provisions of the Indenture by virtue thereof.

Certain Covenants

Limitations on Secured Funded Debt. CNH Global will not, nor will it permit any Restricted Subsidiary to, incur, issue, assume, guarantee or create any Secured Funded Debt, without effectively providing concurrently with the incurrence, issuance, assumption, guaranty or creation of any such Secured Funded Debt that the outstanding notes (together with, if CNH Global shall so determine, any other Indebtedness of CNH Global or such Restricted Subsidiary then existing or thereafter created which is not subordinated to the outstanding notes) will be secured equally and ratably with (or prior to) such Secured Funded Debt, so long as such Secured Funded Debt will be secured by a Lien, unless, after giving effect thereto, the sum of the aggregate amount of all outstanding Secured Funded Debt of CNH Global and its Restricted Subsidiaries together with all Attributable Debt in respect of sale and leaseback transactions relating to a Principal Property (with the exception of Attributable Debt which is excluded pursuant to clauses (1) to (6) inclusive described under "Limitations on Sales and Leasebacks" below), would not exceed 15% of Consolidated Net Tangible Assets of CNH Global and its Restricted Subsidiaries; *provided*, *however*, that this restriction will not apply to, and there will be excluded from Secured Funded Debt in any computation under such covenant, Funded Debt secured by:

(1) Liens on property of any Person existing at the time such Person becomes a Subsidiary;

(2) Liens on property existing at the time of acquisition thereof or incurred within 180 days of the time of acquisition thereof (including, without limitation, acquisition through merger or consolidation) by CNH Global or any Restricted Subsidiary;

(3) Liens on property hereafter acquired (or constructed) by CNH Global or any Restricted Subsidiary and created prior to, at the time of, or within 270 days after such acquisition (including, without limitation, acquisition through merger or consolidation) (or the completion of such construction or commencement of commercial operation of such property, whichever is later) to secure or provide for the payment of all or any part of the purchase price (or the construction price) thereof;

(4) Liens in favor of CNH Global or any Restricted Subsidiary;

(5) Liens in favor of the United States of America, any State thereof or the District of Columbia, or any agency, department or other instrumentality thereof, to secure partial, progress, advance or other payments pursuant to any contract or provisions of any statute;

(6) Liens incurred or assumed in connection with the issuance of revenue bonds the interest on which is exempt from Federal income taxation pursuant to Section 103(a) of the Internal Revenue Code of 1954, as amended;

(7) Liens securing the performance of any contract or undertaking not directly or indirectly in connection with the borrowing of money, the obtaining of advances or credit or the securing of Funded Debt, if made and continuing in the ordinary course of business;

(8) Liens incurred (no matter when created) in connection with CNH Global's or a Restricted Subsidiary's engaging in leveraged or single-investor lease transactions; *provided*, *however*, that the instrument creating or evidencing any borrowings secured by such Lien will provide that such borrowings are payable solely out of the income and proceeds of the property subject to such Lien and are not a general obligation of CNH Global or such Restricted Subsidiary;

(9) Liens under workers' compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts or deposits to secure public or statutory obligations of CNH Global or any Restricted Subsidiary, or deposits of cash or obligations of the United States of America to secure surety and appeal bonds to which CNH Global or any Restricted Subsidiary is a party or in lieu of such bonds, or pledges or deposits for similar purposes in the ordinary course of business, or Liens imposed by law, such as laborers' or other employees', carriers', warehousemen's, mechanics', materialmen's and vendors' Liens and Liens arising out of judgments or awards against CNH Global or any Restricted Subsidiary with respect to which CNH Global or such Restricted Subsidiary at the time shall be prosecuting an appeal or proceedings for review and with

respect to which it shall have secured a stay of execution pending such appeal or proceedings for review, or Liens for taxes not yet subject to penalties for nonpayment or the amount or validity of which is being in good faith contested by appropriate proceedings by CNH Global or any Restricted Subsidiary, as the case may be, or minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions or Liens as to the use of real properties, which Liens, exceptions, encumbrances, easements, reservations, rights and restrictions do not, in the opinion of CNH Global, in the aggregate materially detract from the value of said properties or materially impair their use in the operation of the business of CNH Global and its Restricted Subsidiaries;

(10) Liens incurred to finance construction, alteration or repair of any Principal Property and improvements thereto prior to or within 270 days after completion of such construction, alteration or repair; or

(11) any extension, renewal, refunding or replacement of the foregoing.

Limitations on Sales and Leasebacks. CNH Global will not, nor will it permit any Restricted Subsidiary to, enter into any arrangement with any Person providing for the leasing by CNH Global or any Restricted Subsidiary of any Principal Property of CNH Global or any Restricted Subsidiary, which Principal Property has been or is to be sold or transferred by CNH Global or such Restricted Subsidiary to such Person (a "*sale and leaseback transaction*") unless, after giving effect thereto, the aggregate amount of all Attributable Debt with respect to all such sale and leaseback transactions plus all Secured Funded Debt (with the exception of Funded Debt secured by liens which is excluded pursuant to clauses (1) to (11) inclusive described under "Limitations on Secured Funded Debt" above) would not exceed 15% of Consolidated Net Tangible Assets. This covenant will not apply to, and there will be excluded from Attributable Debt in any computation under such restriction or under "Limitations on Secured Funded Debt" above, Attributable Debt with respect to any sale and leaseback transaction if:

(1) CNH Global or a Restricted Subsidiary is permitted to create Funded Debt secured by a Lien pursuant to clauses (1) to (11) inclusive described under "Limitations on Secured Funded Debt" above on the Principal Property to be leased, in an amount equal to the Attributable Debt with respect to such sale and leaseback transaction, without equally and ratably securing the notes;

(2) CNH Global or a Restricted Subsidiary, within 270 days after the sale or transfer shall have been made by CNH Global or a Restricted Subsidiary, shall apply an amount in cash equal to the greater of (i) the net proceeds of the sale or transfer of the Principal Property leased pursuant to such arrangement or (ii) the fair market value of the Principal Property so leased at the time of entering into such arrangement (as determined by the President, the Chief Financial Officer or the Treasurer of CNH Global) to the retirement of Secured Funded Debt of CNH Global or any Restricted Subsidiary (other than Secured Funded Debt owned by CNH Global or any Restricted Subsidiary); *provided, however*, that no retirement referred to in this clause (2) may be effected by payment at maturity or pursuant to any mandatory sinking fund payment or any mandatory prepayment provision of Secured Funded Debt;

(3) CNH Global or a Restricted Subsidiary applies the net proceeds of the sale or transfer of the Principal Property leased pursuant to such transaction to investment in another Principal Property within 270 days prior or subsequent to such sale or transfer; *provided*, *however*, that this exception shall apply only if such proceeds invested in such other Principal Property shall not exceed the total acquisition, repair, alteration and construction cost of CNH Global or any Restricted Subsidiary in such other Principal Property less amounts secured by any purchase money or construction mortgages on such Principal Property;

(4) the effective date of any such arrangement is within 270 days of the acquisition of the Principal Property (including, without limitation, acquisition by merger or consolidation) or the completion of construction and commencement of operation thereof, whichever is later;

(5) the lease in such sale and leaseback transaction is for a period, including renewals, of not more than three years; or

(6) the sale and leaseback transaction is entered into between CNH Global and a Restricted Subsidiary or between Restricted Subsidiaries.

Limitations on Funded Debt of Certain Restricted Subsidiaries. CNH Global will not permit any Non-Guarantor Restricted Subsidiary (other than Case New Holland or any Credit Subsidiary) to incur, issue, assume, guarantee or create any Funded Debt, unless after giving effect thereto, the sum of the aggregate amount of all outstanding Funded Debt of the Non-Guarantor Restricted Subsidiaries (other than Case New Holland and the Credit Subsidiaries) would not exceed 15% of Consolidated Industrial Tangible Assets; *provided*, *however*, that this restriction will not apply to, and there will be excluded from, Funded Debt in any computation under this restriction, (i) Funded Debt of any Person existing at the time such Person becomes a Restricted Subsidiary and (ii) Indebtedness among CNH Global and its Restricted Subsidiaries and Indebtedness between Restricted Subsidiaries; *provided*, *further*, that this restriction will not prohibit the incurrence of Indebtedness in connection with any extension, renewal, refinancing, replacement or refunding (including successive extensions, renewals, refinancings, replacements and refundings), in whole or in part, of any Indebtedness of the Restricted Subsidiaries (*provided* that the principal amount of such Indebtedness being extended, renewed, refinanced, replaced or refunded is not increased) but any such Indebtedness shall be included in the computation of Funded Debt under this restriction.

Merger, Consolidation and Sale of Assets. Neither CNH Global nor Case New Holland shall consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and neither CNH Global nor Case New Holland shall permit any Person to consolidate with or merge into CNH Global or Case New Holland or convey, transfer or lease its properties and assets substantially as an entirety to CNH Global or Case New Holland, unless:

(1) (A) if CNH Global shall consolidate with or merge into another Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which CNH Global is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of CNH Global substantially as an entirety shall be a Person organized and validly existing under the laws of a member state of the European Union (as it exists on the Issue Date), the United States of America, any State thereof or the District of Columbia and shall expressly assume, by a supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, all obligations of CNH Global under the Indenture, CNH Global's Guarantee and the Registration Rights Agreement;

(B) if Case New Holland shall consolidate with or merge into another Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which Case New Holland is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of Case New Holland substantially as an entirety shall be a Person organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by a supplemental indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and any premium and interest on the notes and the performance or observance of every covenant of the Indenture on the part of Case New Holland to be performed or observed and shall expressly assume all obligations of Case New Holland under the Registration Rights Agreement, *provided* that if such successor Person is not a corporation there must at all times be a joint and several co-issuer of the notes that is a wholly-owned Subsidiary of such successor Person that (I) is a corporation organized and validly existing under the laws of any jurisdiction described above in this clause (B) and (II) has no liabilities and engages in no activities other than its obligations under the notes and activities incidental thereto;

(2) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of CNH Global or a Subsidiary as a result of such transaction as having been incurred by CNH Global or such Subsidiary at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing;

(3) if, as a result of any such consolidation or merger or such conveyance, transfer or lease, properties or assets of CNH Global or any Subsidiary would become subject to a mortgage, pledge, lien, security interest or other encumbrance which would not be permitted by the Indenture, CNH Global or such successor Person, as the case may be, shall take such steps as shall be necessary effectively to secure the notes equally and ratably with (or prior to) all indebtedness secured thereby; and

(4) CNH Global has delivered to the Trustee an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of the Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with.

For purposes of the foregoing, the conveyance, transfer or lease of all or substantially as an entirety the properties or assets of one or more Subsidiaries, the Capital Stock of which constitutes all or substantially as an entirety the properties and assets of either CNH Global or Case New Holland shall be deemed to be the transfer of all or substantially as an entirety the properties and assets of CNH Global or Case New Holland, as the case may be.

Upon any consolidation of CNH Global or Case New Holland with, or merger of CNH Global or Case New Holland into, any other Person or any conveyance, transfer or lease of the properties and assets of CNH Global Case or New Holland substantially as an entirety in accordance with the foregoing, the successor Person formed by such consolidation or into which CNH Global or Case New Holland is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, CNH Global or Case New Holland, as the case may be, under the Indenture with the same effect as if such successor Person had been named as CNH Global or Case New Holland, as the case may be, in the Indenture; and in the event of any such conveyance, transfer or lease, CNH Global or Case New Holland, as the case may be (which term shall for this purpose mean the Person named as CNH Global or Case New Holland or any successor corporation which shall have theretofore become such in the manner prescribed above) shall be discharged from all liability under the Indenture and in respect of the notes or its Guarantee, as the case may be, and be dissolved and liquidated.

No Guarantor (other than CNH Global or a Guarantor whose Guarantee is to be released in accordance with the terms of the Guarantee and the Indenture) shall consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and CNH Global shall not permit any Person to consolidate with or merge into any other Guarantor or convey, transfer or lease its properties and assets substantially as an entirety to any other Guarantor, unless:

(1) if such Guarantor shall consolidate with or merge into another Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which such Guarantor is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of such Guarantor substantially as an entirety shall be organized and validly existing under the laws of (x) if such Guarantor is organized and existing under the laws of the United States or any State thereof or the District of Columbia, the United States or any State thereof or the District of Columbia; (y) if such Guarantor is organized and existing under the laws of a member state of the European Union (as it exists on the Issue Date), (i) a member state of the European Union (as it exists on the Issue Date) or (ii) the United States or any State thereof or the District of Columbia; or (z) if such Guarantor is organized and existing under the laws of any other

jurisdiction (i) a member state of the European Union (as it exists on the Issue Date), (ii) the United States or any State thereof or the District of Columbia or (iii) the jurisdiction or organization or existence of the Guarantor to which such consolidation or merger relates and in each case, shall expressly assume, by a supplemental indenture, all of the obligations of such Guarantor under the Indenture, such Guarantor's Guarantees and the Registration Rights Agreement;

(2) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of such Guarantor as a result of such transaction as having been incurred by such Guarantor at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing;

(3) if, as a result of any such consolidation or merger or such conveyance, transfer or lease, properties or assets of such Guarantor would become subject to a mortgage, pledge, lien, security interest or other encumbrance which would not be permitted by the Indenture, such Guarantor or such successor Person, as the case may be, shall take such steps as shall be necessary effectively to secure its Guarantee of the notes equally and ratably with (or prior to) all indebtedness secured thereby; and

(4) such Guarantor has delivered to the Trustee an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of the Indenture and that all conditions precedent therein provided for relating to such transaction have been complied with.

Upon any consolidation of a Guarantor with, or merger of such Guarantor into, any other Person or any conveyance, transfer or lease of the properties and assets of such Guarantor substantially as an entirety in accordance with the foregoing, the successor Person formed by such consolidation or into which such Guarantor is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of such Guarantor under the Indenture with the same effect as if such successor Person had been a Guarantor under the Indenture; and in the event of any such conveyance, transfer or lease, such Guarantor (which term shall for this purpose mean the Person named as such Guarantor or any successor corporation which shall have theretofore become such in the manner prescribed above) shall be discharged from all liability under the Indenture and in respect of its Guarantee of the notes, and be dissolved and liquidated.

For the avoidance of doubt, notwithstanding anything to the contrary in this "Description of the Notes" or in the Indenture, the disposition of all or any portion of the Financial Services Business, including without limitation through the disposition of all or any portion of the capital stock of any Financial Services Subsidiary, or all or any portion of their respective assets or properties, shall not under any circumstances constitute a conveyance or transfer substantially as an entirety, or a sale of all or substantially all, of the properties or assets of CNH Global Case, New Holland or any Guarantor, for any purposes whatsoever under the Indenture or the notes.

Issuance of Subsidiary Guarantees. CNH Global will not cause or permit any of its Subsidiaries (other than Case New Holland), directly or indirectly, to guarantee the obligation of Case New Holland or any other Person under the 2013 Notes unless such Subsidiary:

(1) executes and delivers to the Trustee a supplemental indenture pursuant to which such Subsidiary shall unconditionally guarantee (each, a "*Guarantee*") all of Case New Holland's obligations under the notes and the Indenture on the terms set forth in the Indenture; and

(2) delivers to the Trustee an opinion of counsel (which may contain customary exceptions) that such supplemental indenture has been duly authorized, executed and delivered by such Subsidiary and constitutes a legal, valid, binding and enforceable obligation of such Subsidiary.

Thereafter, such Subsidiary shall be a Guarantor for all purposes of the Indenture until such Guarantee is released in accordance with the provisions of "Guarantees" above. CNH Global may cause any other Subsidiary of CNH Global to issue a Guarantee and become a Guarantor.

Payments for Consent. CNH Global will not, and will not cause or permit any Subsidiary to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture, the notes or the Guarantees unless such consideration is offered to be paid to all Holders who so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or amendment.

Reports to Holders. Whether or not CNH Global is then subject to Section 13(a) or 15(d) of the Exchange Act, CNH Global will furnish to the Trustee and the Holders, so long as the notes are outstanding: (i) reports on Form 6-K relating to quarterly financial information, which shall include a statement of cash flows on a year-to-date basis and for the corresponding period in the immediately preceding fiscal year and statements of operations for such quarter and on a year-to-date basis and for the corresponding period in the immediately preceding fiscal year and a balance sheet as of the last day thereof and a discussion of the operating results of CNH Global and its consolidated subsidiaries for the fiscal quarter to which such quarterly report relates; *provided*, that such reports on Form 6-K will be so furnished no later than 45 days after the end of such fiscal quarter; and (ii) annual reports on Form 20-F (which shall include information regarding the Guarantors presented in accordance with Rule 3-10 of Regulation S-X under the Securities Act); *provided*, that such reports on Form 20-F will be so furnished no later than the date by which CNH Global would be required so to file such report if then required to file such a report under the Exchange Act; *provided*, *however*, that to the extent that CNH Global ceases to qualify as a "foreign private issuer" within the meaning of the Exchange Act, CNH Global will furnish to the Trustee and the Holders, so long as the notes are outstanding (x) all quarterly and annual financial information that would be required to be contained in a filing with the Commission on Forms 10-Q and 10-K if CNH Global were required to file such forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" that describes the financial condition and results of operations of CNH Global and its consolidated subsidiaries and, with respect to the annual information only, a report thereon by CNH Global's certified independent accountants; and (y) all current reports that would be required to be filed with the Commission on Form 8-K if CNH Global were required to file such reports, in each case within the time periods specified in the Commission's rules and regulations.

CNH Global will file with the Trustee and the Commission, in accordance with the rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports, if any, with respect to compliance by CNH Global with the conditions and covenants provided for in the Indenture as may be required from time to time by such rules and regulations.

CNH Global will transmit by mail to all Holders, as the names and addresses of such Holders appear upon the register, within 30 days after the filing thereof with the Trustee, the summaries of information, documents and reports required to be filed by CNH Global, if any, pursuant to the Indenture as may be required by rules and regulations prescribed from time to time by the Commission.

Events of Default

The following events will be defined in the Indenture as "*Events of Default*":

(1) the failure to pay interest on any notes when the same becomes due and payable and the default continues for a period of 30 days;

(2) the failure to pay the principal of any notes, when such principal becomes due and payable, at maturity, upon redemption or otherwise (including the failure to make a payment to purchase notes tendered pursuant to a Change of Control Offer);

(3) a default in the observance or performance of any other covenant or agreement contained in the Indenture which default continues for a period of 30 days after Case New Holland receives written notice specifying the default from the Trustee or the Holders of at least 25% of the outstanding principal amount of the notes (except in the case of a default with respect to the covenant described under "—Certain Covenants—Merger, Consolidation and Sale of Assets," which will constitute an Event of Default with such notice requirement but without such passage of time requirement);

(4) a default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness of CNH Global, Case New Holland, any Restricted Subsidiary of CNH Global or Guarantor that, in the case of any such Restricted Subsidiary or Guarantor is a Significant Subsidiary or any group of Restricted Subsidiaries of CNH Global and/or Guarantors that, together would constitute a Significant Subsidiary (or the payment of which is guaranteed by CNH Global, Case New Holland or any such Restricted Subsidiary of CNH Global or Guarantor or group of Restricted Subsidiaries of CNH Global and/or Guarantors), whether such Indebtedness now exists or is created after the Issue Date, which default (A) is caused by a failure to pay principal of such Indebtedness after any applicable grace period provided in such Indebtedness on the date of such default (a "*payment default*") or (B) results in the acceleration of such Indebtedness prior to its express maturity and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates $75.0 million;

(5) one or more judgments in an aggregate amount in excess of $75.0 million not covered by adequate insurance shall have been rendered against CNH Global, Case New Holland, any Restricted Subsidiary of CNH Global or Guarantor that, in the case of any such Restricted Subsidiary or Guarantor is a Significant Subsidiary or group of Restricted Subsidiaries of CNH Global and/or Guarantors that, together, would constitute a Significant Subsidiary and such judgments remain undischarged, unpaid or unstayed for a period of 60 days after such judgment or judgments become final and nonappealable;

(6) certain events of bankruptcy as set forth in the Indenture affecting CNH Global, Case New Holland or any Restricted Subsidiary or Guarantor that, in the case of any such Restricted Subsidiary or Guarantor is a Significant Subsidiary or group of Restricted Subsidiaries of CNH Global and/or Guarantors that, together, would constitute a Significant Subsidiary; or

(7) any Guarantee of any Guarantor ceases to be in full force and effect or any Guarantee of such Guarantor is declared to be null and void and unenforceable or any Guarantee of such Guarantor is found to be invalid or any Guarantor denies its liability under its Guarantee (other than by reason of release of such Guarantor in accordance with the terms of the Indenture).

If an Event of Default (other than an Event of Default specified in clause (6) above) shall occur and be continuing, the Trustee or the Holders of at least 25% in principal amount of outstanding notes may declare the principal of, premium, if any, and accrued interest on all the notes to be due and payable by notice in writing to Case New Holland and (if given by the Holders) the Trustee specifying the respective Events of Default and that it is a "notice of acceleration," and the same shall become immediately due and payable. If an Event of Default specified in clause (6) above occurs with respect to CNH Global or Case New Holland and is continuing, then all unpaid principal of, premium, if any, and accrued and unpaid interest on all of the outstanding notes shall *ipso facto* become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Indenture will provide that, at any time after a declaration of acceleration with respect to the notes as described in the preceding paragraph, the Holders of a majority in principal amount of the then outstanding notes may rescind and cancel such declaration and its consequences:

(1) if the rescission would not conflict with any judgment or decree;

(2) if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of the acceleration;

(3) to the extent the payment of such interest is lawful, if interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid;

(4) if Case New Holland has paid the Trustee its reasonable compensation and reimbursed the Trustee for its expenses, disbursements and advances; and

(5) in the event of the cure or waiver of an Event of Default of the type described in clause (6) of the description above of Events of Default, the Trustee shall have received an officers' certificate and an opinion of counsel that such Event of Default has been cured or waived.

No such rescission shall affect any subsequent Default or Event of Default or impair any right consequent thereto.

The Holders of a majority in principal amount of the then outstanding notes may waive any existing Default or Event of Default under the Indenture, and its consequences, except a default in the payment of the principal of or premium, if any, or interest on any notes.

Holders of the notes may not enforce the Indenture or the notes except as provided in the Indenture and under the TIA. Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee is under no obligation to exercise any of its rights, or powers under the Indenture at the request, order or direction of any of the Holders, unless such Holders have offered to the Trustee reasonable security or indemnity. Subject to all provisions of the Indenture and applicable law, the Holders of a majority in aggregate principal amount of the then outstanding notes have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee.

Under the Indenture, Case New Holland is required to provide an officers' certificate to the Trustee promptly upon Case New Holland obtaining knowledge of any Default or Event of Default (*provided* that Case New Holland shall provide such certification at least annually whether or not it knows of any Default or Event of Default) that has occurred and, if applicable, describe such Default or Event of Default and the status thereof.

Legal Defeasance and Covenant Defeasance

Case New Holland may, at its option and at any time, elect to have its obligations and the obligations of any Guarantors discharged with respect to the outstanding notes ("*legal defeasance*"). Such legal defeasance means that Case New Holland shall be deemed to have paid and discharged the entire indebtedness represented by the outstanding notes, except for:

(1) the rights of Holders to receive payments in respect of the principal of, premium, if any, and interest on the notes when such payments are due;

(2) Case New Holland's obligations with respect to the notes concerning issuing temporary notes, registration of notes, mutilated, destroyed, lost or stolen notes and the maintenance of an office or agency for payments;

(3) the rights, powers, trust, duties and immunities of the Trustee and Case New Holland's obligations in connection therewith; and

(4) the legal defeasance provisions of the Indenture.

In addition, Case New Holland may, at its option and at any time, elect to have the obligations of Case New Holland released with respect to certain covenants that are described in the Indenture ("*covenant defeasance*") and thereafter any omission or failure to comply, with such obligations shall not constitute a Default or Event of Default with respect to the notes. In the event covenant defeasance occurs, certain events (not including nonpayment, bankruptcy, receivership, reorganization and insolvency events) described under "—Events of Default" will no longer constitute an Event of Default with respect to the notes.

In order to exercise legal defeasance or covenant defeasance:

(1) Case New Holland must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders cash in U.S. dollars, non-callable U.S. government obligations, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants selected by Case New Holland, to pay the principal of, premium, if any, and interest on the notes on the stated date of payment thereof or on the applicable redemption date, as the case may be; *provided* that the Trustee shall have received an irrevocable written order from Case New Holland instructing the Trustee to apply such cash or the proceeds of such obligations to said payments with respect to such notes;

(2) in the case of legal defeasance, Case New Holland shall have delivered to the Trustee an opinion of counsel in the United States reasonably acceptable to the Trustee confirming that (A) Case New Holland has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of the Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the Holders will not recognize income, gain or loss for federal income tax purposes as a result of such legal defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred;

(3) in the case of covenant defeasance, Case New Holland shall have delivered to the Trustee an opinion of counsel in the United States reasonably acceptable to the Trustee confirming that the Holders will not recognize income, gain or loss for federal income tax purposes as a result of such covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(4) no Default or Event of Default shall have occurred and be continuing on the date of such deposit or insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 91st day after the date of deposit (other than a Default or Event of Default resulting from the incurrence of Indebtedness all or a portion of the proceeds of which will be used to defease the notes concurrently with such incurrence);

(5) such legal defeasance or covenant defeasance shall not result in a breach or violation of or constitute a default under the Indenture or any other material agreement or instrument to which CNH Global or any of its Subsidiaries is a party or by which CNH Global or any of its Subsidiaries is bound;

(6) Case New Holland shall have delivered to the Trustee an officers' certificate stating that the deposit was not made by Case New Holland with the intent of preferring the Holders over any other creditors of Case New Holland or with the intent of defeating, hindering, delaying or defrauding any other creditors of Case New Holland or others;

(7) Case New Holland shall have delivered to the Trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent (other than, in the case of such legal opinion, paragraph (6) above as to which such counsel need express no opinion) provided for or relating to the legal defeasance or the covenant defeasance have been complied with; and

(8) Case New Holland shall have delivered to the Trustee an opinion of counsel to the effect that after the 91st day following the deposit and assuming that no Holder is an "insider" with respect to Case New Holland, as that term is defined in Section 101 of title 11, United States Bankruptcy Code (the "*Bankruptcy Code*"), the cash or securities deposited in trust will not be subject to avoidance and repayment under Sections 547 and 550 of the Bankruptcy Code.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the notes, as expressly provided for in the Indenture) as to all outstanding notes when:

(1) either (a) all the notes theretofore authenticated and delivered (except lost, stolen or destroyed notes which have been replaced or paid and notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by Case New Holland and thereafter repaid to Case New Holland or discharged from such trust) have been delivered to the Trustee for cancellation or (b) all of the notes (i) have become due and payable, (ii) will become due and payable at their stated maturity within one year or (iii) if redeemable at the option of Case New Holland, are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of Case New Holland, and Case New Holland has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire Indebtedness on the notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the notes to the date of deposit together with irrevocable instructions from Case New Holland directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) Case New Holland and/or the Guarantors have paid all other sums payable under the Indenture; and

(3) Case New Holland has delivered to the Trustee an officers' certificate and an opinion of counsel stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with.

Modification of the Indenture

From time to time, Case New Holland and the Trustee, without the consent of the Holders, may amend the Indenture for certain specified purposes, including curing ambiguities, defects or inconsistencies, so long as such change does not, in the opinion of Case New Holland, adversely affect the rights of any of the Holders in any material respect. The Trustee will be entitled to rely on such evidence as it deems appropriate, including, without limitation, solely on an opinion of counsel. Other modifications and amendments of the Indenture may be made with the consent of the Holders of a majority in principal amount of the then outstanding notes issued under the Indenture, except that, without the consent of each Holder affected thereby, no amendment may:

(1) reduce the amount of notes whose Holders must consent to an amendment;

(2) reduce the rate of or change or have the effect of changing the time for payment of interest, including defaulted interest, on any notes;

(3) reduce the principal of or change or have the effect of changing the fixed maturity of any notes, or change the date on which any notes may be subject to redemption or repurchase, or reduce the redemption or repurchase price therefor;

(4) make any notes payable in money other than that stated in the notes;

(5) make any change in provisions of the Indenture protecting the right of each Holder to receive payment of principal of, premium, if any, and interest on such notes on or after the stated due date thereof or to bring suit to enforce such payment, or permitting Holders of a majority in principal amount of the then outstanding notes to waive Defaults or Events of Default;

(6) amend, change or modify in any material respect the obligation of Case New Holland to make and consummate a Change of Control Offer after the occurrence of a Change of Control Triggering Event or, after such Change of Control Triggering Event has occurred, modify any of the provisions or definitions with respect thereto;

(7) modify or change any provision of the Indenture or the related definitions affecting the ranking of the notes or any Guarantee in a manner which adversely affects the Holders; or

(8) release any Guarantor from any of its obligations under its Guarantee or the Indenture otherwise than in accordance with the terms of the Indenture.

Governing Law

The Indenture will provide that it, the notes and any Guarantees will be governed by, and construed in accordance with, the laws of the State of New York but without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby.

The Trustee

The Indenture will provide that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are specifically set forth in the Indenture. During the existence of an Event of Default, the Trustee will exercise such rights and powers vested in it by the Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

The Indenture and the provisions of the TIA contain certain limitations on the rights of the Trustee, should it become a creditor of Case New Holland, to obtain payments of claims in certain cases or to realize on certain property received in respect of any such claim as security or otherwise. Subject to the TIA, the Trustee will be permitted to engage in other transactions; *provided* that if the Trustee acquires any conflicting interest as described in the TIA it must eliminate such conflict or resign.

Certain Definitions

Set forth below is a summary of certain of the defined terms used in the Indenture. Reference is made to the Indenture for the full definition of all such terms, as well as any other terms used herein for which no definition is provided.

"Affiliate" means with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by or is under common control with, such specified Person. The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Applicable Treasury Rate" for any redemption date, means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two Business Days prior to the Make-Whole Redemption Date of such note (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the Make-Whole Redemption Date to December 1, 2017; *provided*, *however*, that if the period from the Make-Whole Redemption Date to December 1, 2017 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Applicable Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given except that if the period from the Make-Whole Redemption Date to December 1, 2017 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"Attributable Debt" means, as to any particular lease under which either CNH Global or any Restricted Subsidiary is at the time liable as lessee for a term of more than 12 months and at any date as of which the amount thereof is to be determined, the total net obligations of the lessee for rental payments during the remaining term of the lease (excluding any period for which such lease has been extended or may, at the option

of the lessor, be extended) discounted from the respective due dates thereof to such determination date at a rate per annum equivalent to the greater of (a) the weighted-average Yield to Maturity of the notes and (b) the interest rate inherent in such lease (as determined in good faith by CNH Global), both to be compounded semi-annually. The net total obligations of the lessee for rental payments under any such lease for any such period shall be the aggregate amount of the rent payable by the lessee with respect to such period after excluding amounts required to be paid on account of maintenance and repairs, services, insurance, taxes, assessments, water rates and similar charges and contingent rents (such as those based on sales or monetary inflation). If any lease is terminable by the lessee upon the payment of a penalty and under the terms of the lease the termination right is not exercisable until after the determination date and the amount of such penalty discounted to the determination date as provided above is less than the net amount of rentals payable after the time as of which such termination could occur (the "*termination time*") discounted to the determination date as provided above, then such discounted penalty amount shall be used instead of such discounted amount of net rentals payable after the termination time in calculating the Attributable Debt for such lease. If any lease is terminable by the lessee upon the payment of a penalty and such termination right is exercisable on the determination date and the amount of the net rentals payable under such lease after the determination date discounted to the determination date as provided above is greater than the amount of such penalty, the "Attributable Debt" for such lease as of such determination date shall be equal to the amount of such penalty.

"Board of Directors" means, as to any Person, the board of directors of such Person or any duly authorized committee thereof.

"Business Day" means a day other than a Saturday, Sunday or other day on which the Trustee or commercial banking institutions in New York City are authorized or required by law to close.

"Capital Stock" means

(1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person and

(2) with respect to any Person that is not a corporation, any and all partnership or other equity interests of such Person.

"Capital Lease Obligations" of either CNH Global or any Restricted Subsidiary means the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP and, for purposes of this definition, the amount of such obligations at any date shall be the capitalized amount of such obligations at such date determined in accordance with generally accepted accounting principles.

"Change of Control" means the occurrence of one or more of the following events:

(1) any Person or group of related Persons for purposes of Section 13(d) of the Exchange Act (a "*Group*"), other than one or more Permitted Holders, becomes the beneficial owner (as defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act, except that a Person will be deemed to have "beneficial ownership" of all securities that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time) of more than

    (a) if prior to the consummation of the Demerger, 35% of the total voting power of CNH Global's Capital Stock and the Permitted Holders beneficially own (as so defined), in the aggregate, a lesser percentage of the total voting power of CNH Global's Capital Stock than such other Person or Group and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the Board of Directors of CNH Global and

    (b) from and after the consummation of the Demerger, 50% of the total voting power of CNH Global's Capital Stock;

(2) there is consummated any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of CNH Global and its Subsidiaries taken as a whole to any Person or Group, together with any Affiliates thereof (whether or not otherwise in compliance with the provisions of the Indenture), other than any transfer to (x) CNH Global or one or more Subsidiaries of CNH Global or (y) any Person of which more than 50% of the voting power of such Person's Capital Stock is owned directly or indirectly by one or more Permitted Holders;

(3) there is consummated any consolidation or merger of CNH Global in which CNH Global is not the continuing or surviving Person or pursuant to which the Common Stock of CNH Global would be converted into cash, securities or other property, other than a merger or consolidation of CNH Global (x) in which the holders of the Capital Stock of CNH Global outstanding immediately prior to the consolidation or merger hold, directly or indirectly, at least a majority of the Capital Stock of the surviving corporation immediately after such consolidation or merger or (y) with any Person of which more than 50% of the voting power of such Person's Capital Stock is owned directly or indirectly by one or more Permitted Holders;

(4) the approval by the holders of Capital Stock of CNH Global of any plan or proposal for the liquidation or dissolution of CNH Global or Case New Holland (whether or not otherwise in compliance with the provisions of the Indenture);

(5) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of CNH Global (together with any new directors whose election by such Board of Directors or whose nomination for election by the stockholders of CNH Global was approved either (x) pursuant to a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved or (y) by the Permitted Holders) cease for any reason to constitute a majority of the Board of Directors of CNH Global then in office; or

(6) the first day on which CNH Global fails to own, either directly or indirectly, through one or more Subsidiaries, more than 50% of the total voting power of Case New Holland's Capital Stock.

"Change of Control Triggering Event" means both (i) a Change of Control shall have occurred and (ii) either (x) the notes shall not have Investment Grade Status at the time of the occurrence of such Change of Control and shall not have obtained Investment Grade Status within 30 days after public notice of the occurrence of such Change of Control or (y) the notes shall have Investment Grade Status at the time of the occurrence of such Change of Control but a Rating Decline shall have occurred and, after giving effect to such Rating Decline, the notes shall cease to have Investment Grade Status.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, or if at any time after the execution of the Indenture such Commission is not existing and performing the applicable duties now assigned to it, then the body or bodies performing such duties at such time.

"Common Stock" of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common stock.

"Consolidated Industrial Tangible Assets" means, at any date, the total assets appearing on the most recent industrial consolidated balance sheet of CNH Global and its Restricted Subsidiaries (other than Credit Subsidiaries) as at the end of the fiscal quarter of CNH Global ending not more than 135 days prior to such date, prepared in accordance with generally accepted accounting principles, less (a) Intangible Assets and (b) investments in and advances to Unrestricted Subsidiaries that are consolidated on the consolidated balance sheet of CNH Global and its Subsidiaries.

"Consolidated Net Tangible Assets" means, at any date, the total assets appearing on the most recent consolidated balance sheet of CNH Global and its Restricted Subsidiaries as at the end of the fiscal quarter of CNH Global ending not more than 135 days prior to such date, prepared in accordance with generally accepted accounting principles, less (a) all current liabilities (due within one year) as shown on such balance sheet, (b) applicable reserves, (c) investments in and advances to Unrestricted Subsidiaries that are consolidated on the consolidated balance sheet of CNH Global and its Subsidiaries, and (d) Intangible Assets and liabilities relating thereto.

"Credit Subsidiary" means CNH Capital America LLC and its Subsidiaries and any other Subsidiary (which shall include, without limitation, any Securitization Subsidiary) the principal business of which consists of financing or assisting in financing (i) CNH Global's dealers or distributors or (ii) the acquisition or disposition of products, directly or indirectly, by dealers, distributors or retail customers.

"Default" means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

"Demerger" means the arrangements pursuant to which shareholders of Fiat S.p.A. receive shares of capital stock of the Demerger Parent in proportion (or substantially in proportion) to their respective ownership of shares of capital stock of Fiat at the time such transaction is consummated.

"Demerger Parent" means the Parent of CNH Global immediately prior to consummation of the Demerger the shares of capital stock of which are received by shareholders of Fiat in the Demerger.

"Equipment Business" means the manufacture, marketing and distribution of agricultural and construction equipment.

"Equipment Subsidiary" means any Subsidiary of CNH Global that is engaged in the Equipment Business.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto, and the rules and regulations of the Commission promulgated thereunder.

"Financial Services Business" means the offer and sale of financial services products, including without limitation (i) retail financing for the purchase or lease of equipment manufactured by CNH Global, Equipment Subsidiaries or any other manufacturer whose products are from time to time sold through CNH Global's dealer network, (ii) other retail and wholesale financing programs reasonably related thereto and (iii) insurance and credit card products and services reasonably related thereto, together with the underwriting, marketing, servicing and other related support activities incidental to the offer and sale of such financial services products.

"Financial Services Subsidiary" means any Subsidiary of CNH Global that is engaged in the Financial Services Business.

"Foreign Subsidiary" means a Subsidiary that is formed or otherwise incorporated in a jurisdiction other than the United States or a State thereof or the District of Columbia.

"Funded Debt" means (i) any Indebtedness of CNH Global or a Restricted Subsidiary maturing more than 12 months after the time of computation thereof, (ii) guarantees of Funded Debt or of dividends of others (except guarantees in connection with the sale or discount of accounts receivable, trade acceptances and other paper arising in the ordinary course of business), (iii) in the case of any Restricted Subsidiary all Preferred Stock of such Restricted Subsidiary, and (iv) all Capital Lease Obligations.

"Guarantee" has the meaning set forth under "—Certain Covenants—Issuance of Subsidiary Guarantees."

"Guarantor" means (1) CNH Global, (2) each Subsidiary of CNH Global that executes a Guarantee on the Issue Date and (3) each other Subsidiary that in the future executes a Guarantee pursuant to the covenant

described under "—Certain Covenants—Issuance of Subsidiary Guarantees" or otherwise; *provided* that any Person constituting a Guarantor as described above shall cease to constitute a Guarantor when its Guarantee is released in accordance with the terms of the Indenture.

"Holder" means any registered holder, from time to time, of any notes.

"Indebtedness" means, at any date, without duplication, (i) all obligations for borrowed money of CNH Global or a Restricted Subsidiary of CNH Global or any other indebtedness of CNH Global or a Restricted Subsidiary of CNH Global, evidenced by bonds, debentures, notes or other similar instruments and (ii) Funded Debt, except in the case of clauses (i) and (ii) such obligations and other indebtedness of CNH Global or a Restricted Subsidiary of CNH Global, and any Funded Debt incurred as a part of a Securitization Transaction.

"Initial Purchasers" means Credit Suisse Securities (USA) LLC, UBS Securities LLC and Goldman, Sachs & Co.

"Intangible Assets" means, at any date, the value (net of any applicable reserves), as shown on or reflected in the most recent consolidated balance sheet of CNH Global and its Restricted Subsidiaries as at the end of the fiscal quarter of CNH Global ending not more than 135 days prior to such date, prepared in accordance with generally accepted accounting principles, of: (i) all trade names, trademarks, licenses, patents, copyrights, service marks, goodwill and other like intangibles; (ii) organizational and development costs; (iii) deferred charges (other than prepaid items such as insurance, taxes, interest, commissions, rents, deferred interest waiver, compensation and similar items and tangible assets being amortized); and (iv) unamortized debt discount and expense, less unamortized premium.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P or an equivalent rating by any Successor Rating Agency.

"Investment Grade Status" means that the notes shall have an Investment Grade Rating from both Rating Agencies, *provided* that no Default or Event of Default has occurred and is continuing.

"Issue Date" means June 28, 2010, the date of initial issuance of the notes.

"Liens" means such pledges, mortgages, security interests and other liens on any Principal Property of CNH Global or a Restricted Subsidiary which secure Secured Funded Debt.

"Make-Whole Premium" means, as to each note, an amount equal to the greater of (i) 1.0% of the principal amount of such note and (ii) the excess of (x) the present value of the sum of the principal amount and premium, if any, that would be payable on such note on December 1, 2017 and all remaining interest payments to and including December 1, 2017 (but excluding any interest accrued to the Make-Whole Redemption Date), discounted on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) from December 1, 2017 to the Make-Whole Redemption Date at a per-annum interest rate equal to the Applicable Treasury Rate on such Make-Whole Redemption Date plus 0.50%, over (y) the outstanding principal amount of such note.

"Make-Whole Redemption Date" with respect to a Make-Whole Redemption, means the date such Make-Whole Redemption is effected.

"Moody's" means Moody's Investors Service, Inc., or any successor thereto.

"Non-Guarantor Restricted Subsidiary" means any Restricted Subsidiary that is not a Guarantor of the notes.

"Parent" means, with respect to any Person, any other Person of which such Person is a direct or indirect Subsidiary.

"Permitted Holders" means each of:

(a) (i) Fiat S.p.A., a corporation organized under the laws of Italy ("*Fiat*") and any Person that is a Subsidiary of Fiat for so long as such Person continues to be a Subsidiary of Fiat, and

(ii) any Parent of Fiat, provided that in the case of this clause (ii), at all times, CNH Global shall also be a direct or indirect Subsidiary of Fiat,

(b) for so long as no Person or Group, other than one or more Related Parties, becomes the beneficial owner (as defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act, except that a Person will be deemed to have "beneficial ownership" of all securities that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time) of more than 50% of the total voting power of the Capital Stock of Demerger Parent or any Parent of Demerger Parent:

(i) Demerger Parent and any Person that is a Subsidiary of Demerger Parent for so long as such Person continues to be a Subsidiary of Demerger Parent, and

(ii) any Parent of Demerger Parent provided that in the case of this clause (ii), at all times, CNH Global shall also be a direct or indirect Subsidiary of Demerger Parent, and

(c) any Related Party.

"Person" means an individual, partnership, corporation, unincorporated organization (including a limited liability company), trust or joint venture, or a governmental agency or political subdivision thereof.

"Preferred Stock" of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation.

"Principal Property" means any manufacturing plant or foundry located in the United States of America and owned and operated by CNH Global or any Restricted Subsidiary on or after the date hereof, and any manufacturing equipment owned by CNH Global or any Restricted Subsidiary on or after the date hereof in such manufacturing plant, and for the purpose of this definition, "manufacturing equipment" means manufacturing equipment in such manufacturing plant directly used in the production of CNH Global's products and parts and components thereof, and shall not include office equipment, rolling stock and other equipment not directly used in the production of CNH Global's products.

"Rating Agencies" mean Moody's and S&P; *provided* that if S&P, Moody's or any Successor Rating Agency (as defined below) shall cease to be in the business of providing rating services for debt securities generally, CNH Global shall be entitled to replace any such Rating Agency or Successor Rating Agency, as the case may be, which has ceased to be in the business of providing rating services for debt securities generally with a security rating agency which is in the business of providing rating services for debt securities generally and which is nationally recognized in the United States (such rating agency, a "*Successor Rating Agency*").

"Rating Decline" shall be deemed to occur if, within 60 days after public notice of the occurrence of a Change of Control (which period shall be extended to up to 180 days after public notice of the occurrence of a Change of Control so long as the rating of the notes is under publicly announced consideration for possible downgrade as a result of the occurrence of such Change of Control by either of the Rating Agencies), the rating of the notes by either Rating Agency shall be decreased.

"Receivables" means any right of payment from or on behalf of any obligor, whether constituting an account, chattel paper, instrument, general intangible or otherwise, arising from the financing by CNH Global or any Subsidiary of CNH Global of property or services, and monies due thereunder, security interests in the property and services financed thereby and any and all other related rights.

"Registration Rights Agreement" means the Registration Rights Agreement to be dated the Issue Date among Case New Holland, the Guarantors and the Initial Purchasers.

"Related Party" means (i) each of the owners and beneficial holders of interests in Giovanni Agnelli & C. S.A.p.A (at the Issue Date) and each of their former, current or future spouses, heirs, legatees, descendents and blood relatives to the third degree, and any Person, directly or indirectly, under the Control of one or more of the foregoing, (ii) Giovanni Agnelli & C. S.A.p.A. or (iii) any Person directly or indirectly under the Control of Giovanni Agnelli & C. S.A.p.A., including, without limitation, EXOR S.p.A. For the purposes of this definition, the term "Control" means (1) the direct or indirect ownership (beneficial or otherwise) of more than 50 per cent of the voting power of the Capital Stock of a Person or (2) the power to appoint or remove all or the majority of the directors or other equivalent officers of a Person.

"Restricted Subsidiary" means (i) Case New Holland Inc. and (ii) any Subsidiary of CNH Global that has a material interest in any Principal Property and any other Subsidiary designated as a Restricted Subsidiary from time to time by the Board of Directors of CNH Global; provided, however, that the Board of Directors of CNH Global shall not, nor shall it cause or permit any Restricted Subsidiary to, transfer or otherwise dispose of any Principal Property to any Unrestricted Subsidiary (unless such Unrestricted Subsidiary shall in connection therewith be redesignated as a Restricted Subsidiary and any Lien arising in connection with any Indebtedness of such Unrestricted Subsidiary so redesignated does not extend to such Principal Property (unless the existence of such Lien would otherwise be permitted under the Indenture)). As of the Issue Date, each of the following subsidiaries of CNH Global will be a Restricted Subsidiary: Case New Holland Inc. and CNH America LLC.

"S&P" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc., or any successor thereto.

"Secured Funded Debt" means Funded Debt which is secured by any pledge of, or mortgage, security interest or other lien on, any Principal Property (whether owned on the date of the Indenture or thereafter acquired or created) of CNH Global or of a Restricted Subsidiary.

"Securities Act" means the Securities Act of 1933, as amended, or any successor statute or statutes thereto, and the rules and regulations of the Commission promulgated thereunder.

"Securitization Subsidiary" means a Subsidiary of CNH Global (a) which is formed for the purpose of effecting one or more Securitization Transactions and engaging in other activities reasonably related thereto and (b) as to which no portion of the indebtedness or any other obligations of which (i) is guaranteed by CNH Global or any Restricted Subsidiary, or (ii) subjects any property or assets of CNH Global or any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to any lien, other than pursuant to representations, warranties and covenants (including those related to servicing) entered into in the ordinary course of business in connection with a Securitization Transaction and inter-company notes and other forms of capital or credit support relating to the transfer or sale of Receivables or asset-backed securities to such Securitization Subsidiary and customarily necessary or desirable in connection with such transactions.

"Securitization Transaction" means any transaction or series of transactions that have been or may be entered into by CNH Global or any of its Subsidiaries in connection with or reasonably related to a transaction or series of transactions in which CNH Global or any of its Subsidiaries may sell, convey or otherwise transfer to (i) a Securitization Subsidiary or (ii) any other Person, or may grant a security interest in, any Receivables or asset-backed securities or interest therein (whether such Receivables or securities are then existing or arising in the future) of CNH Global or any of its Subsidiaries, and any assets related thereto, including, without limitation, all security interests in the property or services financed thereby, the proceeds of such Receivables or asset-backed securities and any other assets which are sold or in respect of which security interests are granted in connection with securitization transactions involving such assets.

"Significant Subsidiary" means, with respect to any Person, any Subsidiary of such Person that satisfies the criteria for a "significant subsidiary" set forth in Rule 1.02(w) of Regulation S-X under the Securities Act, as such Regulation is in effect on the Issue Date.

"Subsidiary," with respect to any Person, means

(1) any corporation of which the outstanding Capital Stock having at least a majority of the votes entitled to be cast in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by such Person or

(2) any other Person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or indirectly, owned by such Person.

"2013 Notes" means, collectively, (i) the 7.75% Senior Notes due 2013 issued by Case New Holland and (ii) Indebtedness which refinances, extends, renews, refunds, repays, prepays, redeems, defeases, retires or replaces, in each case, in whole or in part any Indebtedness described in clause (i) above.

"Unrestricted Subsidiary" means each Subsidiary other than Restricted Subsidiaries and Securitization Subsidiaries.

"Yield to Maturity" means the yield to maturity, calculated at the time of issuance of the notes calculated in accordance with generally accepted financial practice.

EXCHANGE OFFER; REGISTRATION RIGHTS

Case New Holland, CNH Global, the subsidiary guarantors and the initial purchasers will enter into a registration rights agreement relating to the notes on or prior to the original date of issuance of the notes. Pursuant to the registration rights agreement, Case New Holland, CNH Global and the subsidiary guarantors will agree, at our cost, for the benefit of the holders of the notes, to:

- not later than the date that is 365 days following the date of the issuance of the notes (the “Filing Date”), file a registration statement with the SEC with respect to a registered offer to exchange the notes for new notes of Case New Holland evidencing the same continuing indebtedness under, and having terms substantially identical in all material respects to, the notes (except that the exchange notes will not contain terms with respect to transfer restrictions); and
- use reasonable best efforts to cause the exchange offer registration statement to be declared effective under the Securities Act not later than 90 days after the date of the filing of the registration statement.

Upon the effectiveness of the exchange offer registration statement, we will offer the exchange notes in exchange for surrender of the notes. We will keep the registered exchange offer open for not less than 20 business days (or longer if required by applicable law) and not more than 30 business days after the date notice of the registered exchange offer is mailed to the holders of the notes. For each note surrendered to us pursuant to the registered exchange offer, the holder of such note will receive an exchange note having a principal amount equal to that of the surrendered note. Interest on each exchange note will accrue from the last interest payment date on which interest was paid on the note surrendered in exchange thereof or, if no interest has been paid on such note, from the date of its original issue.

Under existing SEC interpretations, the exchange notes would be freely transferable by holders of the notes other than our affiliates after the registered exchange offer without further registration under the Securities Act if the holder of the exchange notes represents that it is acquiring the exchange notes in the ordinary course of its business, that it has no arrangement or understanding with any person to participate in the distribution of the exchange notes and that it is not our affiliate, as such terms are interpreted by the SEC; *provided* that broker-dealers (“participating broker-dealers”) receiving exchange notes in the registered exchange offer will have a prospectus delivery requirement with respect to resales of such exchange notes. The SEC has taken the position that participating broker dealers may fulfill their prospectus delivery requirements with respect to exchange notes (other than a resale of an unsold allotment from the original sale of the notes) with the prospectus contained in the exchange offer registration statement. Under the registration rights agreement, we will be required to allow participating broker-dealers and other persons, if any, with similar prospectus delivery requirements to use the prospectus contained in the exchange offer registration statement in connection with the resale of such exchange notes.

A holder of notes (other than certain specified holders) who wishes to exchange such notes for exchange notes in the registered exchange offer will be required to represent that any exchange notes to be received by it will be acquired in the ordinary course of its business and that at the time of the commencement of the registered exchange offer it has no arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the exchange notes and that it is not our “affiliate,” as defined in Rule 405 of the Securities Act, or if it is an affiliate, that it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

In the event that:

(i) applicable interpretations of the staff of the SEC do not permit us to effect such a registered exchange offer,

(ii) for any other reason the exchange offer registration statement is not declared effective within 90 days after the date of the filing of the registration statement or the registered exchange offer is not consummated within 120 days after the exchange offer registration statement is filed,

(iii) the initial purchasers so request with respect to notes not eligible to be exchanged for exchange notes in the registered exchange offer or

(iv) any holder of notes (other than an initial purchaser) is not eligible to participate in the registered exchange offer or does not receive freely tradeable exchange notes in the registered exchange offer other than by reason of such holder being an affiliate of us (it being understood that the requirement that a participating broker-dealer deliver the prospectus contained in the exchange offer registration statement in connection with sales of exchange notes shall not result in such exchange notes being not "freely tradeable"), we will, at our cost,

(a) as promptly as practicable, file a registration statement (the "shelf registration statement") covering resales of the notes or the exchange notes, as the case may be,

(b) cause the shelf registration statement to be declared effective under the Securities Act and

(c) use our reasonably best efforts to keep the shelf registration statement effective until two years after its effective date.

We will, in the event a shelf registration statement is filed, among other things, provide to each holder for whom such shelf registration statement was filed copies of the prospectus which is a part of the shelf registration statement, notify each such holder when the shelf registration statement has become effective and take certain other actions as are required to permit unrestricted resales of the notes or the exchange notes, as the case may be. A holder selling such notes or exchange notes pursuant to the shelf registration statement generally would be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the registration rights agreement which are applicable to such holder (including certain indemnification obligations).

If

(a) on or prior to the Filing Date, neither the exchange offer registration statement nor the shelf registration statement has been filed with the SEC,

(b) on or prior to the 91st day following the date of the filing of the registration statement, neither the exchange offer registration statement nor the shelf registration statement has been declared effective,

(c) on or prior to the 121st day after the exchange offer registration statement is filed, the registered exchange offer has not been consummated,

(d) notwithstanding that Case New Holland has consummated the exchange offer, if Case New Holland is required to file a shelf registration statement, the shelf registration statement is not filed or has not been declared effective within the time periods provided for in the registration rights agreement, or

(e) after either the exchange offer registration statement or the shelf registration statement has been declared effective, such registration statement thereafter ceases to be effective or usable (subject to certain exceptions) in connection with resales of notes or exchange notes in accordance with and during the periods specified in the registration rights agreement,

(each such event referred to in clauses (a) through (e), a "registration default"), interest ("additional interest") will accrue on the principal amount of the notes and the exchange notes (in addition to the stated interest on the notes and the exchange notes) from and including the date on which any such registration default shall occur to but excluding the date on which all registration defaults have been cured. Additional interest will accrue at a rate of 0.25% per annum during the 90-day period immediately following the occurrence of such registration default and shall increase by 0.25% per annum at the end of each subsequent 90-day period, but in no event shall such rate exceed 1.0% per annum.

The summary herein of certain provisions of the registration rights agreement does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the registration rights agreement, a copy of which is available upon request to us.

BOOK-ENTRY, DELIVERY AND FORM

Notes sold to qualified institutional buyers in reliance on Rule 144A (the "Rule 144A notes") under the Securities Act will be represented by one or more global notes in registered form without interest coupons attached (collectively, the "144A Global Notes"). The 144A Global Notes representing the notes will be deposited with a custodian for The Depository Trust Company ("DTC"), and registered in the name of Cede & Co., as nominee of DTC.

Notes sold in reliance on Regulation S (the "Reg S Notes") under the Securities Act will be represented by one or more global notes in registered form without interest coupons attached (collectively, the "Reg S Global Notes" and, together with the Rule 144A Global Notes, the "Global Notes"). The Reg S Global Notes representing the dollar notes will be registered in the name of Cede & Co., as nominee of DTC and deposited with a custodian for DTC, for credit to Euroclear and Clearstream.

Ownership of interests in the 144A Global Notes ("Restricted Book-Entry Interests") and in the Reg S Global Notes (the "Reg S Book-Entry Interests" and, together with the Restricted Book-Entry Interests, the "Book-Entry Interests") will be limited to persons that have accounts with DTC, Euroclear and/or Clearstream, or persons that hold interests through their participants. Prior to the 40th day after the later of the commencement of this offering and the date the notes were originally issued (the "Distribution Compliance Period"), interests in the Reg S Global Notes may only be held through Euroclear or Clearstream (as indirect participants in DTC). DTC, Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries. Except under the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of definitive registered notes.

Book-Entry Interests will be shown on, and transfers thereof will be done only through, records maintained in book-entry form by DTC, Euroclear and Clearstream and their participants. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the notes are in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of notes for any purpose.

So long as the notes are held in global form, DTC (or its nominee), will be considered the sole holders of Global Notes for all purposes under the Indenture. In addition, participants in DTC, Euroclear and/or Clearstream must rely on the procedures of DTC, Euroclear and/or Clearstream, as the case may be, and indirect participants must rely on the procedures of DTC, Euroclear, Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders under the Indenture.

Neither the Issuer nor the Trustee will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Redemption of the Global Notes

In the event any Global Note (or any portion thereof) is redeemed, DTC (or its nominees) will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by DTC, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under existing practices of DTC if fewer than all of the notes are to be redeemed at any time, DTC will credit its participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; *provided, however,* that no Book-Entry Interest of $2,000 principal amount or less may be redeemed in part.

Payments on Global Notes

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest, additional interest, if any) to DTC or its nominee, which will distribute such payments to participants in accordance with its procedures; *provided* that, at our option, payment of interest may be made by check mailed to the address of the holders of the notes as such address appears in the note register. We will make payments of all such amounts without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature except as may be required by law. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, we and the Trustee will treat the registered holders of the Global Notes (e.g., DTC (or its respective nominee)) as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, the Trustee, the initial purchasers or any of our and their respective agents has or will have any responsibility or liability for:

- any aspect of the records of DTC or any participant or indirect participant relating to payments made on account of a Book-Entry Interest or for maintaining, supervising or reviewing the records of DTC or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest; or
- DTC or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants.

Currency of Payment for the Global Notes

Except as may otherwise be agreed between DTC and any holder, the principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests in such notes (the "DTC Holders") through DTC in U.S. dollars.

Payments will be subject in all cases to any fiscal or other laws and regulations (including any regulations of the applicable clearing system) applicable thereto. None of the us, the Trustee, the initial purchasers or any of our and their respective agents will be liable to any holder of a Global Note or any other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection with any such payment.

Action by Owners of Book-Entry Interests

DTC advised us that it will take any action permitted to be taken by a holder of notes (including the presentation of notes for exchange as described below) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of notes as to which such participant or participants has or have given such direction. DTC will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the notes, DTC reserves the right to exchange the Global Notes for definitive registered notes in certificated form (the "Definitive Registered Notes"), and to distribute Definitive Registered Notes to its participants.

Transfers

Transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants, which rules and procedures may change from time to time.

The Global Notes will bear a legend to the effect set forth in "Transfer Restrictions." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers as discussed in "Transfer Restrictions."

During the Distribution Compliance Period, any sale or transfer of ownership of a Reg S Book-Entry Interest to a U.S. person shall not be permitted unless such resale or transfer is made pursuant to Rule 144A. Subject to the foregoing, a Reg S Book-Entry Interest may be transferred to a person who takes delivery in the form of a Restricted Book-Entry Interest in a Global Note only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "Transfer Restrictions," and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Transfers of Restricted Book-Entry Interests to persons wishing to take delivery of Restricted Book-Entry Interests will at all times be subject to the transfer restrictions contained in the legend appearing on the face of the 144A Global Note, as set forth in "Transfer Restrictions."

Restricted Book-Entry Interests may be transferred to a person who takes delivery in the form of a Reg S Book-Entry Interest in a Global Note upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer occurs prior to the expiration of the Distribution Compliance Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream. See "Transfer Restrictions."

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note of the same series will, upon transfer, cease to be a Book-Entry Interest in the first-mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest. In connection with such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the first mentioned Global Note and a corresponding increase in the principal amount of the other Global Note, as applicable.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes:

- if DTC notifies us that it is unwilling or unable to continue as depositary for the Global Note, or DTC ceases to be a clearing agency registered under the Exchange Act and, in either case, a qualified successor depositary is not appointed by us within 120 days;
- if DTC so requests following an event of default under the Indenture; or
- if the owner of a Book-Entry Interest requests such exchange in writing delivered through DTC following an event of default under the Indenture.

In the case of the issuance of Definitive Registered Notes, the holder of a Definitive Registered Note may transfer such note by surrendering it at the offices of the transfer agent or the Registrar. In the event of a partial transfer or a partial redemption of a holding of Definitive Registered Notes represented by one Definitive Registered Note, a Definitive Registered Note shall be issued to the transferee in respect of the part transferred, and a new Definitive Registered Note in respect of the balance of the holding not transferred or redeemed shall be issued to the transferor or the holder, as applicable; *provided* that no Definitive Registered Note in a denomination less than $2,000 shall be issued. We will bear the cost of preparing, printing, packaging and delivering the Definitive Registered Notes.

We shall not be required to register the transfer or exchange of Definitive Registered Notes for a period of 15 calendar days preceding (a) the record date for any payment of interest on the notes, (b) any date fixed for redemption of the notes or (c) the date fixed for selection of the notes to be redeemed in part. Also, we are not

required to register the transfer or exchange of any notes selected for redemption or that the registered holder of notes has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer. In the event of the transfer of any Definitive Registered Note, the transfer agent may require a holder, among other things, to furnish appropriate endorsements and transfer documents as described in the Indenture. We may require a holder to pay any taxes and fees required by law or permitted by the Indenture and the notes.

We will pay interest on the notes to Persons who are registered holders at the close of business on the record date immediately preceding the interest payment date for such interest. Such holders must surrender the notes to a Paying Agent to collect principal payments.

If Definitive Registered Notes are issued and a holder thereof claims that such Definitive Registered Notes have been lost, destroyed or wrongfully taken or if such Definitive Registered Notes are mutilated and are surrendered to the Registrar or at the office of a transfer agent, we shall issue and the Trustee shall authenticate a replacement Definitive Registered Note if the Trustee's and our requirements are met. The Trustee or we may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both the Trustee and us to protect us, the Trustee or the Paying Agent appointed pursuant to the Indenture from any loss which any of them may suffer if a Definitive Registered Note is replaced. We may charge for our expenses in replacing a Definitive Registered Note.

In case any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by us pursuant to the provisions of the Indenture, we in our discretion may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only in accordance with the Indenture and, if required, only after the transferor first delivers to the transfer agent a written certification (in the form provided in the Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such notes and we may require a holder to pay any taxes and fees required by law or permitted by the Indenture and the notes. See "Transfer Restrictions."

Information Concerning DTC, Euroclear and Clearstream

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the relevant settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and investors should contact the systems or their participants directly to discuss these matters.

We understand as follows with respect to DTC, Euroclear and Clearstream:

DTC. DTC is:

- a limited purpose trust company organized under the New York Banking Law;
- a "banking organization" under New York Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- a "clearing agency" registered under Section 17A of the U.S. Securities Exchange Act of 1934, as amended.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of transactions among its participants. It does this through electronic book-entry changes in the accounts of securities participants, eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other

organizations. DTC's owners are the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the Financial Industry Regulatory Authority and a number of its direct participants. Others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a direct participant also have access to the DTC system and are known as indirect participants.

Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. To the extent that certain persons require delivery in definitive form, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the DTC system will receive distributions attributable to the Global Notes only through DTC participants.

Euroclear and Clearstream. Like DTC, Euroclear and Clearstream hold securities for participating organizations. They also facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Global Clearance and Settlement Under the Book-Entry System

The notes are expected to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such notes will, therefore, be required by DTC to be settled in immediately available funds. We expect that secondary trading in any Definitive Registered Notes will also be settled in immediately available funds. Subject to compliance with the transfer restrictions applicable to the Global Notes, cross-market transfers of Book-Entry Interests in the notes between the participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be done through DTC in accordance with DTC's rules on behalf of each of Euroclear or Clearstream by its common depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream will, if the transaction meets its settlement requirements, deliver instructions to the common depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the Global Notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the common depositary.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. Cash received in Euroclear and Clearstream as a result of a sale of an interest in a Global Note by or through a Euroclear or Clearstream participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as at the business day for Euroclear or Clearstream following DTC's settlement date.

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in DTC, Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such

procedures, and such procedures may be discontinued at any time. None of us, the Trustee, the initial purchasers, the Registrar, any transfer agent or any Paying Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream, or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

Paying Agent and Registrar

Wells Fargo Bank, N.A. will initially act as paying agent (the "Paying Agent") and registrar (the "Registrar") for the notes. We may change the Paying Agent or Registrar for the notes, and we may act as Registrar for the notes.

Notices

Notices regarding the notes will be (a) sent to a leading newspaper having general circulation in the City of New York (which is expected to be *The Wall Street Journal*), (b) sent to the Trustee and (c) in the event the notes are in the form of Definitive Registered Notes, sent, by first-class mail, with a copy to the Trustee, to each holder of the notes at such holder's address as it appears on the registration books of the Registrar. If and so long as such notes are listed on any other securities exchange, notices will also be given in accordance with any applicable requirements of such securities exchange. If and so long as any notes are represented by one or more Global Notes and ownership of Book-Entry Interests therein are shown on the records of DTC, notices will also be delivered to DTC for communication to the owners of such Book-Entry Interests. Notices given by publication will be deemed given on the first date on which any of the required publications is made and notices given by first-class mail, postage prepaid, will be deemed given five calendar days after mailing.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

IRS CIRCULAR 230 DISCLOSURE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, WE INFORM YOU THAT (I) ANY U.S. TAX ADVICE CONTAINED IN THIS COMMUNICATION (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE; (II) ANY SUCH TAX ADVICE IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE MATTERS ADDRESSED; AND (III) TAXPAYERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT ADVISOR.

The following discussion is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of the notes by beneficial owners ("Holders") that will purchase notes pursuant to the offering at their issue price (as defined below) and that will hold the notes as capital assets (generally, property held for investment). This summary is based on the provisions of the U.S. Internal Revenue Code of 1986, as amended ("Code"), the Treasury regulations promulgated thereunder, administrative pronouncements of the Internal Revenue Service (the "IRS") and judicial interpretations, all as in effect as of the date hereof and all of which are subject to change (possibly on a retroactive basis). We have not and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance that the IRS will not take positions concerning the tax consequences of the purchase, ownership and disposition of the notes that are different from those discussed below.

This summary is intended for general information only, and does not purport to be a complete analysis of all of the potential U.S. federal income tax consideration that may be relevant to the particular circumstances of Holders, or to Holders that may be subject to special U.S. federal income tax rules (such as dealers in securities or foreign currencies, insurance companies, real estate investment trusts, regulated investment companies, financial institutions, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, partnerships and other pass-through entities (and investors in such entities), expatriates, tax-exempt organizations, United States Holders (as defined below) whose functional currency is not the U.S. dollar, Holders subject to the alternative minimum tax, persons who own 10% or more of our common shares and persons who hold the notes as part of a hedge, straddle, conversion or constructive sale transaction or other risk reduction transaction). Furthermore, this summary does not address any state, local or foreign tax implications, or any aspect of U.S. federal tax law (such as estate and gift tax law) other than income taxation. Each investor should seek advice based on its particular circumstances from an independent tax advisor.

PROSPECTIVE HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME AND OTHER TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES BASED UPON THEIR PARTICULAR SITUATIONS INCLUDING ANY CONSEQUENCES ARISING UNDER APPLICABLE STATE, LOCAL AND FOREIGN TAX LAWS.

For purposes of this discussion, a "United States Holder" means a beneficial owner of a note that, for U.S. federal income tax purposes, is (i) an individual who is a citizen or resident of the United States, (ii) a corporation or other entity taxable 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 taxation regardless of its source, or (iv)(A) a trust if the administration is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust, or (B) if the trust was in existence on August 20, 1996 and an election has been properly made to continue to treat the trust as a United States person under the Code. For purposes of this discussion, a "Foreign Holder" is a beneficial owner of a note that, for United States federal income tax purposes, is (i) a nonresident alien individual, (ii) a foreign corporation or (iii) an estate or trust that is not a United States Holder. The U.S. federal income tax consequences of a partner in any entity

treated as a partnership for U.S. federal income tax purposes that holds notes generally will depend on the status of the partner and the activities of the partnership. Partners in a partnership holding the notes should consult their own tax advisors.

As described elsewhere in this offering circular, we will pay additional interest on the notes if we do not comply with our obligations under the registration rights agreement. In addition, as described elsewhere in this offering circular (see, for example, "Description of the Notes—Repurchase at the Option of Holders Upon A Change of Control Triggering Event"), we may under certain circumstances be required to repurchase the notes for amounts in excess of stated principal. Our obligation to pay additional amounts on the notes in excess of the accrued interest and principal may implicate the provisions of the Treasury regulations relating to "contingent payment debt instruments." Under these regulations, however, one or more contingencies will not cause a debt instrument to be treated as a contingent payment debt instrument if, as of the issue date, each such contingency is "remote" or is considered to be "incidental." Based on our current expectations, the foregoing contingencies should be treated as remote and/or incidental. Accordingly, we intend to take the position that the contingent payments described herein should not cause the notes to be treated as contingent payment debt instruments. A Holder may not take a contrary position unless it discloses such contrary position in the proper manner to the IRS. Prospective purchasers of the notes should consult their own tax advisors with respect to the contingent payments described above. If the IRS takes the position that the contingent payments described above were not remote and/or incidental as of the date of issuance, the amount and timing of interest income a Holder must include in taxable income may have to be redetermined and a Holder could be required to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange, retirement or redemption of a note. The remainder of this discussion assumes that the notes will not be treated as contingent payment debt instruments.

United States Holders

Payments of Stated Interest

A United States Holder will be taxed on any stated interest on a note as ordinary income at the time the United States Holder receives the interest or when it accrues, depending on the United States Holder's method of accounting for tax purposes.

Original Issue Discount

A note will be treated as issued with original issue discount if the amount by which the note's stated principal amount exceeds its issue price is more than a *de minimis* amount (i.e. more than ¼ of 1 percent of its stated principal amount multiplied by the number of complete years to its maturity) (a "discount note"). Generally, a note's issue price will be the first price at which a substantial amount of notes included in the issue of which the note is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers.

Generally, a United States Holder must include original issue discount, or OID, in income before receiving cash attributable to that income. The amount of OID that a United States Holder must include in income is calculated using a constant-yield method, and generally will include increasingly greater amounts of OID in income over the life of the note.

More specifically, a United States Holder can calculate the amount of OID includible in income by adding the daily portions of OID with respect to a discount note for each day during the taxable year or portion of the taxable year that the United States Holder holds the discount note. The daily portion is determined by allocating to each day in any accrual period a pro rata portion of the OID allocable to that accrual period. A United States Holder may select an accrual period of any length with respect the discount note and may vary the length of each accrual period over the term of the discount note. However, no accrual period may be longer than one year and each scheduled payment of interest or principal on the discount note must occur on either the first or final day of an accrual period.

The amount of OID allocable to an accrual period is determined by multiplying the discount note's adjusted issue price at the beginning of the accrual period by the note's yield to maturity, and then subtracting from this figure the sum of the payments of stated interest on the note allocable to the accrual period.

The discount note's yield to maturity is determined on the basis of compounding at the close of each accrual period and adjusting for the length of each accrual period. Further, a discount note's adjusted issue price is determined at the beginning of any accrual period by adding the discount note's issue price and any previously accrued OID for each prior accrual period.

The amount of OID allocable to the final accrual period is equal to the difference between the amount payable at the maturity of the note, other than any payment of stated interest, and the note's adjusted issue price as of the beginning of the final accrual period.

Sales and Other Taxable Dispositions

In general, upon the sale, exchange, retirement, redemption or other taxable disposition of a note, a United States Holder will recognize capital gain or loss equal to the difference between the amount realized on such sale or other taxable disposition (not including any amount attributable to accrued but unpaid stated interest, which will be treated as a payment of interest for U.S. federal income tax purposes and therefore will be taxable as ordinary income to the extent not previously so taxed) and such United States Holder's adjusted tax basis in the note. A United States Holder's adjusted tax basis in a note generally will equal the cost of the note to such United States Holder, increased by any OID previously includible in income by the United States Holder. Such gain or loss generally will constitute long-term capital gain or loss if the note was held by such United States Holder for more than one year and otherwise will be short-term capital gain or loss. Under current U.S. federal income tax law, net long-term capital gains of non-corporate United States Holders (including individuals) are eligible for taxation at preferential rates. The deductibility of capital losses is subject to limitations under the Code.

Exchange of Notes for Exchange Notes

The exchange of notes for exchange notes pursuant to the registered exchange offer will not be considered a taxable exchange for U.S. federal income tax purposes. Accordingly, such exchange should have no U.S. federal income tax consequences to a United States Holder of notes, and the adjusted tax basis and holding period of a United States Holder in an exchange note will be the same immediately after the exchange as such United States Holder's adjusted tax basis and holding period in the note exchanged therefor immediately prior to the exchange.

Medicare Tax

For taxable years beginning after December 31, 2012, a United States Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the United States person's "net investment income" for the relevant taxable year and (2) the excess of the United States Holder's modified adjusted gross income (or adjusted gross income, as appropriate) for the taxable year over a certain threshold (which in the case of individuals will be between $125,000 and $250,000, depending on the individual's circumstances). A United States Holder's net investment income will generally include its interest income and its net gains from the disposition of notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a United States Holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the notes.

Foreign Holders

Payments of Interest

Payments of interest (which, for purposes of this discussion, includes any OID) on a note by us or any paying agent to a Foreign Holder will not be subject to U.S. federal income tax or withholding tax, provided that:

- the interest income in respect of the note is not effectively connected with the conduct by the Foreign Holder of a trade or business within the United States;
- the Foreign Holder does not own, actually or constructively, 10% or more of the total combined voting power of all classes of our shares entitled to vote;
- the Foreign Holder is not, for U.S. federal income tax purposes, a controlled foreign corporation (as defined in the Code) related, directly or indirectly, to us;
- the Foreign Holder is not a bank whose receipt of interest on the note is described in Code Section 881(c)(3)(A); and
- the certification requirements under Code Section 871(h) or 881(c) and the Treasury regulations thereunder, as described generally below, are met.

For purposes of Code Sections 871(h) and 881(c) and the Treasury regulations thereunder, in order to obtain the exemption from U.S. federal income and withholding tax described above, either (1) the Foreign Holder must provide its name and address, and certify, under penalties of perjury, to us or our paying agent, as the case may be, that such Holder is not a United States person or (2) the Foreign Holder must hold its notes through certain intermediaries and both the Foreign Holder and the relevant intermediary must satisfy the certification requirements of applicable Treasury regulations. A certificate described in this paragraph is generally effective only with respect to payments of interest made to the certifying Foreign Holder after issuance of the certificate in the calendar year of its issuance and the two immediately succeeding calendar years. Under Treasury regulations, the foregoing certification generally may be provided by a Foreign Holder on IRS Form W-8BEN (or other applicable W-8 form).

Payments of interest on a note that do not satisfy all of the foregoing requirements generally will be subject to 30% United States federal withholding tax unless the Foreign Holder provides to us or our paying agent a properly executed IRS Form W-8BEN claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty. However, if the interest income in respect of a note is effectively connected with the conduct by the Foreign Holder of a U.S. trade or business, then such interest income will generally be exempt from the withholding tax described above, and instead generally will be subject to U.S. federal income tax on a net income basis at the regular graduated tax rates applicable to United States Holders (unless an applicable income tax treaty provides otherwise). A Foreign Holder must provide a duly executed IRS Form W-8 to us or our paying agent in order to avoid U.S. federal withholding tax in respect of effectively connected interest income. In certain circumstances, a Foreign Holder that is a corporation also may be subject to an additional "branch profits tax" on the Holder's effectively connected earnings and profits attributable to such interest (currently at a 30% rate or, if applicable, a lower treaty rate).

Sales and Other Taxable Dispositions

In general, a Foreign Holder of a note will not be subject to U.S. federal income tax on any gain recognized on the sale, exchange, retirement, redemption or other taxable disposition of a note unless:

- such Foreign Holder is a nonresident alien individual who is present in the United States for 183 or more days in the taxable year of disposition and certain other conditions are met (in which case (except as otherwise provided by an applicable income tax treaty) such Holder will be subject to a 30% U.S. federal income tax on any gain recognized, which may be offset by certain U.S. source losses); or

- the gain is effectively connected with the conduct of a United States trade or business of the Foreign Holder (in which case such gain generally will be taxed in the same manner as effectively connected interest as discussed above).

Backup Withholding and Information Reporting

Under current U.S. federal income tax law, backup withholding at specified rates (currently 28%) and information reporting requirements apply to certain payments of interest (including OID) made to, and to the proceeds of a disposition (including a retirement or redemption) by, certain United States Holders of notes. In the case of a noncorporate United States Holder, information reporting requirements will apply to payments of principal and interest made by us or our paying agent on a note. Backup withholding will apply to a United States Holder if:

- such United States Holder fails to furnish its Taxpayer Identification Number ("TIN") (which, for an individual, is his or her Social Security Number) to the payor in the manner required;
- such United States Holder furnishes an incorrect TIN and the payor is so notified by the IRS;
- the payor is notified by the IRS that such United States Holder is subject to backup withholding because such Holder previously failed to properly report payments of interest or dividends; or
- under certain circumstances, such United States Holder fails to certify, under penalties of perjury, that it has furnished a correct TIN and has not been notified by the IRS that it is subject to backup withholding for failure to report interest or dividend payments.

Backup withholding and information reporting do not apply with respect to payments made to certain exempt recipients, which currently include corporations (within the meaning of Code Section 7701(a)), tax-exempt organizations or qualified pension and profit-sharing trusts. However, pursuant to recently enacted legislation, certain payments in respect of notes made to corporate United States Holders after December 31, 2011 may be subject to backup withholding and information reporting. United States Holders should consult their own tax advisors regarding their qualification for exemption from backup withholding and information reporting, and the procedure for obtaining such an exemption if applicable.

We must report annually to the IRS and to each Foreign Holder the amount of interest (including OID) paid on a note and the amount of tax withheld with respect to those payments. Copies of the information returns reporting those interest payments and withholding may also be made available to the tax authorities in the country in which a Foreign Holder resides under the provisions of an applicable income tax treaty. Backup withholding will not apply to payments of principal or interest made by us or our paying agent on a note (absent actual knowledge or reason to know that the Holder is actually a United States Holder) if such Foreign Holder has provided the required certification under penalties of perjury that it is not a United States person or has otherwise established an exemption. Backup withholding and information reporting may apply to the proceeds of the disposition of a note (including a retirement or redemption) within the United States or conducted through certain U.S.-related financial intermediaries unless the certification requirements described under "—Foreign Holders—Payments of Interest" above are satisfied (and the payor does not have actual knowledge or reason to know that the Holder is actually a United States Holder) or the Holder has otherwise established an exemption. Foreign Holders of notes should consult their tax advisors regarding the application of information reporting and backup withholding in their particular situations, the availability of an exemption therefrom, and the procedure for obtaining such an exemption, if available.

Backup withholding is not an additional tax. Any amounts withheld from a payment under the backup withholding rules will be allowed as a credit against a Holder's U.S. federal income tax liability and may entitle such Holder to a refund, provided that certain required information is timely furnished to the IRS.

PLAN OF DISTRIBUTION

Under the terms and subject to the conditions contained in a purchase agreement, we have agreed to sell to the initial purchasers and they have severally agreed to purchase the following respective principal amount of notes.

Initial Purchasers	Principal Amount
Credit Suisse Securities (USA) LLC	$ 759,494,000
UBS Securities LLC	503,164,000
Goldman, Sachs & Co.	237,342,000
Total	$1,500,000,000

The purchase agreement provides that the initial purchasers are obligated to purchase all of the notes if any are purchased. The purchase agreement also provides that if an initial purchaser defaults, the purchase commitments of non-defaulting initial purchasers may be increased or the offering may be terminated.

The initial purchasers propose to offer the notes initially at the offering price on the cover page of this offering circular and may also offer the notes to selling group members at the offering price less a selling concession. After the initial offering, the offering price may be changed.

The notes have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to persons in offshore transactions in reliance on Regulation S under the Securities Act. The initial purchasers have agreed that, except as permitted by the purchase agreement, they will not offer, sell or deliver the notes as part of their distribution at any time within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Resales of the notes are restricted as described under "Transfer Restrictions."

In addition, until 40 days after the commencement of the offering, an offer or sale of notes within the United States by a broker/dealer (whether or not it is participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A.

Each initial purchaser has made certain representations, warranties and agreements, including that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the issuer; and

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

(c) in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date), it has not made and will not make an offer to the public of any notes in that Relevant Member State prior to the publication of a prospectus in relation to the notes, except that it may, with effect from and including the Relevant Implementation Date, make an offer to the public of any notes in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

   (i) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(ii) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(iii) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the initial purchasers for any such offer; or

(iv) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes referred to in (ii)—(iv) above shall require Case New Holland or such initial purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" 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 Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003I71/EC and includes any relevant implementing measure in each Relevant Member State.

This communication is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

We have agreed to indemnify the initial purchasers against liabilities that could arise from the use of this offering circular or to contribute to payments which they may be required to make in that respect.

The notes are a new issue of securities for which there currently is no market. The initial purchasers have advised us that they presently intend to make a market in the notes as permitted by applicable law. The initial purchasers are not obligated, however, to make a market in the notes and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for the notes.

The initial purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

- Over-allotment involves sales in excess of the offering size, which creates a short position for the initial purchasers.
- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Covering transactions involve purchases of the notes in the open market after the distribution has been completed in order to cover short positions.
- Penalty bids permit the initial purchasers to reclaim a selling concession from a broker/dealer when the notes originally sold by such broker/dealer are purchased in a stabilizing or covering transaction to cover short positions.

These over-allotments, stabilizing transactions, covering transactions and penalty bids may cause the price of the notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

We expect that delivery of the notes will be made against payment therefor on or about the closing date specified on the cover page of this offering circular, which will be the fourth business day following the date of pricing of the notes (this settlement cycle being referred to as "T+4"). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the notes initially will settle in T+4, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of notes who wish to trade the notes prior to their date of delivery hereunder should consult their own advisor.

Other Relationships

The initial purchasers and their affiliates have provided, and may provide in the future, investment banking, commercial banking and other financial services for us or other members of the Fiat Group in the ordinary course of business, for which they have received and will receive customary compensation. An affiliate of Credit Suisse Securities (USA) LLC is a lender and has committed to fund borrowings under Fiat's €1,000,000,000 revolving credit facility, under which CNH Global is an obligor. The initial purchasers and their affiliates in the ordinary course of business may at any time hold long or short positions, and may trade or otherwise effect transactions for their own accounts or the accounts of customers, in debt or equity securities of Case New Holland or its affiliates.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers of notes are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the notes offered hereby.

The notes have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except to

(a) qualified institutional buyers in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (b) persons in offshore transactions in reliance on Regulation S.

(b) Each purchaser of the notes will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

(1) The purchaser (A) (i) is a qualified institutional buyer, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring the notes for its own account or for the account of a qualified institutional buyer or (B) is not a U.S. person and is purchasing the notes in an offshore transaction pursuant to Regulation S.

(2) The purchaser understands that the notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the notes have not been and except as described in this offering circular, will not be registered under the Securities Act and that (A) if in the future it decides to offer, resell, pledge or otherwise transfer any of the notes, until the Resale Restriction Termination Date, such notes may be offered, resold, pledged or otherwise transferred only (i) in the United States to a person whom the seller reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction complying with the provisions of Rule 904 under the Securities Act, (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 (if available), or (iv) pursuant to an effective registration statement under the Securities Act, in each of cases (i) through (iv) in accordance with any applicable securities laws of any state of the United States, and that (B) the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of the notes from it of the resale restrictions referred to in (A) above. As used herein, "Resale Restriction Termination Date" means the later of (x) the date which is one year after the later of the date of the initial issuance of the notes and the last date on which Case New Holland or any affiliate of Case New Holland was the owner of such note, or any predecessor thereto and (y) such later date, if any, as may be required by any subsequent change in applicable law.

(3) The purchaser understands that the notes will, until the Resale Restriction Termination Date, unless otherwise agreed by the issuer and the holder thereof, bear a legend substantially to the following effect (the "Restricted Notes Legend"):

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR

OTHERWISE TRANSFERRED ONLY (i) (a) TO A PERSON WHO IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A NON-U.S. PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 904 UNDER THE SECURITIES ACT, OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE COMPANY SO REQUESTS), (ii) TO THE COMPANY, OR (iii) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (A) ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALE OF THE SECURITY EVIDENCED HEREBY.

(c) Each purchaser of notes offered in reliance on Regulation S will be deemed to have represented and agreed that it is not a U.S. person and is purchasing such notes in an offshore transaction (as such terms are defined in Regulation S) pursuant to Regulation S and understands that such notes will, unless otherwise agreed by the issuer and the holder thereof, bear a legend substantially to the following effect (the "Regulation S Legend"):

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION ORIGINALLY EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.

Restricted notes may be exchanged for notes not bearing the Restricted notes Legend but bearing the Regulation S Legend upon certification by the transferor in the form set forth in the Indenture that the transfer of any such restricted notes has been made in accordance with Rule 904 under the Securities Act.

(d) Each purchaser of the notes will be deemed to have represented and agreed that the purchaser will not transfer the notes to any person or entity, unless such person or entity could itself truthfully make the foregoing representations and covenants.

(e) Each purchaser of the notes acknowledges that neither we nor the trustee will be required to accept for registration of transfer any notes acquired by it, except upon presentation of evidence satisfactory to the issuer and the trustee that the restrictions on transfer set forth herein have been complied with.

(f) Each purchaser of the notes acknowledges that we, the initial purchasers and others will rely upon the truth and accuracy of the foregoing representations and agreements and agrees that if any of the representations or agreements deemed to have been made by its purchase of the notes are no longer accurate, it shall promptly notify us and the initial purchasers. If it is acquiring the notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing representations and agreements on behalf of each account.

(g) Each purchaser of the notes acknowledges that the foregoing restrictions apply to holders of beneficial interests in the notes as well as to registered holders of the notes.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

CNH Global is a corporation organized under the laws of The Netherlands, and certain of the other guarantors are organized in jurisdictions outside the United States. In addition, some of the members of our Board of Directors and some of our officers reside outside the United States. As a result, you may not be able to effect service of process within the United States upon CNH Global or the other non-U.S. guarantors or those persons or to enforce against them, either in the United States or outside the United States, judgments of U.S. courts, including judgments based on the civil liability provisions of the U.S. federal securities laws. Also, a substantial portion of our assets and the assets of those persons is located outside the United States; therefore, you may not be able to collect a judgment within the United States.

Nauta Dutilh, special Dutch counsel to CNH Global, has advised CNH Global that the United States and The Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon United States federal securities laws, would not be directly enforceable in The Netherlands. However, if the party in whose favor a final judgment is rendered brings a new suit in a competent court in The Netherlands, that party may submit to a Dutch court the final judgment rendered in the United States. If the Dutch court finds that the jurisdiction of the federal or state court in the United States has been based on grounds which are internationally acceptable and that proper service of process and proper legal procedures have been observed, the Dutch court should give binding effect to that final judgment unless such judgment is contrary to the public policy in The Netherlands. Nauta Dutilh has advised us that it does not express an opinion as to whether enforcement by a Dutch court of a judgment would be effected in any currency other than euro or as to the determination of the applicable exchange rate from U.S. dollars to euro. Furthermore, it is not clear under Dutch law whether judgments awarding punitive damages would be enforced.

Awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in Switzerland. In particular, the enforceability in Switzerland of a foreign judgment rendered against CNH International S.A. its directors and officers, and the persons named in this offering circular is subject to the limitations set forth in (a) the Lugano Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters of 16 September 1988, as amended, (b) such other international treaties under which Switzerland is bound and (c) the Swiss Federal Act on Private International Law of 18 December 1987, as amended *(Bundesgesetz über das Internationale Privatrecht*). In particular, and without limitation to the foregoing, a judgment rendered by a foreign court may only be enforced in Switzerland if:

- the foreign court had jurisdiction or has considered itself competent (depending on the country);
- the judgment of such foreign court has become final and not capable of appeal or is enforceable in such foreign country (depending on the country);
- the court procedures leading to the judgment followed the principles of due process of law; and
- the judgment on its merits does not violate Swiss public policy.

This four-factor test may limit the enforceability in Switzerland, in original actions or in actions for the enforcement of judgments of U.S. or other non-Swiss courts, of liabilities predicated solely upon the federal or state securities laws of the United States or of such other jurisdictions. In addition, enforceability of a judgment against CNH International S.A. by a non-Swiss court in Switzerland may be limited if CNH International S.A. can demonstrate service of process was not effective. In general, the enforcement of final judgments of U.S. courts in Swiss courts may be costly and time-consuming and may even be unsuccessful.

VALIDITY OF THE NOTES AND THE GUARANTEES

The validity of the notes and the guarantees will be passed upon for us by Sullivan & Cromwell LLP, New York, New York, as to matters of New York law. Certain legal matters in connection with the offering will be passed upon for the initial purchasers by Cahill Gordon & Reindel LLP, New York, New York, as to matters of New York law. Certain matters under the laws of the Netherlands, the United Kingdom, Germany, Belgium, Australia, Canada and Switzerland will be passed upon by Nauta Dutilh, Rotterdam, Netherlands, Charles de Alwis, Essex, England, Shearman & Sterling LLP, Frankfurt am Main, Germany, Altius Law Firm, Brussels, Belgium, Allens Arthur Robinson, Sydney, Australia, Osler, Hoskin & Harcourt LLP, Toronto, Canada and Bär & Karrer SA, Lugano, Switzerland, respectively.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The consolidated financial statements of CNH Global as of December 31, 2008 and 2009 and for the three years ended December 31, 2009, 2008 and 2007 included in this offering circular have been audited by Deloitte & Touche LLP, independent registered public accounting firm, as stated in their report appearing herein.

AVAILABLE INFORMATION

We file annual reports and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F Street N.E., Washington, D.C. 20549. You may call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our SEC filings also are available to you at the SEC's web site at http://www.sec.gov.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of CNH Global N.V.

We have audited the accompanying consolidated balance sheets of CNH Global N.V. (a Netherlands corporation) and subsidiaries (the "Company") as of December 31, 2009 and 2008, and the related consolidated statements of operations, cash flows, and changes in equity for each of the three years in the period ended December 31, 2009. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with the 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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, such consolidated financial statements present fairly, in all material respects, the financial position of CNH Global N.V. and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 10 to the consolidated financial statements, on January 1, 2007, the Company changed its method of accounting for income tax uncertainties. Also, as discussed in Note 2 to the consolidated financial statements, on January 1, 2009, the Company changed its method of accounting and reporting for noncontrolling interests and retrospectively applied the reporting requirements for all periods presented.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental information for "Equipment Operations" and "Financial Services" is presented for the purpose of additional analysis of the basic consolidated financial statements rather than to present the financial position, results of operations, and cash flows of Equipment Operations and Financial Services individually, and is not a required part of the basic financial statements. This supplemental information is the responsibility of the Company's management. Such information has been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic consolidated financial statements taken as a whole.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2009, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 23, 2010 (not presented herein) expressed an unqualified opinion on the Company's internal control over financial reporting.

DELOITTE & TOUCHE LLP

Chicago, Illinois
February 23, 2010

CNH GLOBAL N.V.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2009, 2008 and 2007
(and Supplemental Information)

	Consolidated			Supplemental Information: Equipment Operations			Supplemental Information: Financial Services		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
	(in millions, except per share data)								
Revenues:									
Net sales	$12,783	$17,366	$14,971	$12,783	$17,366	$14,971	$ —	$ —	$ —
Finance and interest income	977	1,110	993	131	205	190	1,190	1,356	1,131
	13,760	18,476	15,964	12,914	17,571	15,161	1,190	1,356	1,131
Costs and Expenses:									
Cost of goods sold	10,862	14,054	12,154	10,862	14,054	12,154	—	—	—
Selling, general and administrative	1,486	1,698	1,436	1,150	1,403	1,183	336	295	253
Research, development and engineering	398	422	409	398	422	409	—	—	—
Restructuring	102	39	85	98	34	85	4	5	—
Interest expense—Fiat affiliates	189	308	140	78	101	39	111	207	101
Interest expense—other	482	457	561	242	257	319	386	399	378
Interest compensation to Financial Services	—	—	—	202	275	247	—	—	—
Other, net	334	342	349	201	204	224	129	115	70
	13,853	17,320	15,134	13,231	16,750	14,660	966	1,021	802
Income (loss) before income taxes and equity in income (loss) of unconsolidated subsidiaries and affiliates	(93)	1,156	830	(317)	821	501	224	335	329
Income tax provision	92	385	354	33	279	245	59	106	109
Equity in income (loss) of unconsolidated subsidiaries and affiliates:									
Financial Services	9	13	9	174	242	229	9	13	9
Equipment Operations	(46)	40	89	(46)	40	89	—	—	—
Net income (loss)	(222)	824	574	(222)	824	574	174	242	229
Net income (loss) attributable to noncontrolling interests	(32)	(1)	15	(32)	(1)	15	—	—	—
Net income (loss) attributable to CNH Global N.V.	$ (190)	$ 825	$ 559	$ (190)	$ 825	$ 559	$ 174	$ 242	$ 229
Earnings (loss) per share attributable to CNH Global N.V. common shareholders:									
Basic earnings per share	$ (0.80)	$ 3.48	$ 2.36						
Diluted earnings per share	$ (0.80)	$ 3.47	$ 2.36						

The supplemental Equipment Operations (with Financial Services on the equity basis) data in these statements include primarily CNH Global N.V.'s agricultural and construction equipment operations. The supplemental Financial Services data in these statements include primarily CNH Global N.V.'s financial services business. Transactions between Equipment Operations and Financial Services have been eliminated to arrive at the Consolidated data.

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements of operations.

CNH GLOBAL N.V.
CONSOLIDATED BALANCE SHEETS
As of December 31, 2009 and 2008
(and Supplemental Information)

	Consolidated		Supplemental Information: Equipment Operations		Supplemental Information: Financial Services	
	2009	2008	2009	2008	2009	2008
	(in millions, except share data)					
ASSETS						
Current Assets:						
Cash and cash equivalents	$ 1,263	$ 633	$ 290	$ 173	$ 973	$ 460
Deposits in Fiat affiliates cash management pools	2,251	2,058	2,144	1,666	107	392
Accounts and notes receivable, net	5,190	6,647	783	1,475	4,721	5,398
Intersegment notes receivable	—	—	1,893	1,976	308	—
Inventories, net	3,297	4,485	3,297	4,485	—	—
Deferred income taxes	517	396	393	332	124	64
Prepayments and other	590	370	430	202	160	168
Total current assets	13,108	14,589	9,230	10,309	6,393	6,482
Long-term receivables	3,236	4,066	5	3	3,231	4,063
Intersegment long-term notes receivable	—	—	505	319	326	—
Property, plant and equipment, net	1,764	1,617	1,761	1,613	3	4
Other Assets:						
Investments in unconsolidated subsidiaries and affiliates	415	473	330	371	85	102
Investment in Financial Services	—	—	2,377	2,073	—	—
Equipment on operating leases, net	646	604	3	5	643	599
Goodwill	2,374	2,347	2,225	2,204	149	143
Other intangible assets, net	717	758	710	746	7	12
Other assets	948	1,005	734	786	214	219
Total other assets	5,100	5,187	6,379	6,185	1,098	1,075
Total	$23,208	$25,459	$17,880	$18,429	$11,051	$11,624
LIABILITIES AND EQUITY						
Current Liabilities:						
Current maturities of long-term debt—Fiat affiliates	$ 836	$ 754	$ 59	$ 407	$ 777	$ 347
Current maturities of long-term debt—other	1,550	1,776	568	736	982	1,040
Short-term debt—Fiat affiliates	537	2,240	7	356	530	1,884
Short-term debt—other	1,435	1,240	129	360	1,306	880
Intersegment short-term debt and current maturities of intersegment long-term debt	—	—	308	—	1,893	1,976
Accounts payable	1,915	2,735	2,061	2,860	151	93
Restructuring liability	45	14	43	11	2	3
Other accrued liabilities	2,633	2,361	2,371	2,161	279	208
Total current liabilities	8,951	11,120	5,546	6,891	5,920	6,431
Long-term debt—Fiat affiliates	1,516	2,230	872	1,359	644	871
Long-term debt—other	3,534	3,117	2,033	1,339	1,501	1,778
Intersegment long-term debt	—	—	326	—	505	319
Other Liabilities:						
Pension, postretirement and other postemployment benefits	1,871	1,908	1,858	1,895	13	13
Other liabilities	526	509	436	371	90	138
Total other liabilities	2,397	2,417	2,294	2,266	103	151
Equity:						
Preference shares, $1.00 par value; authorized and issued 74,800,000 shares in 2009 and 2008	—	—	—	—	35	35
Common shares, €2.25 par value; authorized 400,000,000 shares in 2009 and 2008, issued 237,553,331 in 2009, 237,524,847 shares in 2008	595	595	595	595	323	238
Paid-in capital	6,188	6,172	6,188	6,172	1,261	1,239
Treasury stock, 154,813 shares in 2009 and 2008, at cost	(8)	(8)	(8)	(8)	—	—
Retained earnings	210	396	210	396	475	557
Accumulated other comprehensive income (loss)	(267)	(701)	(267)	(701)	283	4
Noncontrolling interests	92	121	91	120	1	1
Total equity	6,810	6,575	6,809	6,574	2,378	2,074
Total	$23,208	$25,459	$17,880	$18,429	$11,051	$11,624

The supplemental Equipment Operations (with Financial Services on the equity basis) data in these statements include primarily CNH Global N.V.'s agricultural and construction equipment operations. The supplemental Financial Services data in these statements include primarily CNH Global N.V.'s financial services business. Transactions between Equipment Operations and Financial Services have been eliminated to arrive at the Consolidated data.

The accompanying notes to consolidated financial statements are an integral part of these consolidated balance sheets.

CNH GLOBAL N.V.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2009, 2008 and 2007
(and Supplemental Information)

	Consolidated			Supplemental Information					
				Equipment Operations			Financial Services		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
	(in millions)								
Operating activities:									
Net income (loss)	$ (222)	$ 824	$ 574	$ (222)	$ 824	$ 574	$ 174	$ 242	$ 229
Adjustments to reconcile net income to net cash provided (used) by operating activities:									
Depreciation and amortization	398	374	372	270	258	295	128	116	77
Deferred income tax expense (benefit)	(67)	86	158	(80)	45	202	13	41	(44)
Loss on debt extinguishment	—	—	8	—	—	—	—	—	8
Gain on disposal of unconsolidated subsidiary	—	(7)	—	—	(7)	—	—	—	—
(Gain) loss on disposal of fixed assets	4	(1)	(3)	—	—	(3)	4	(1)	—
Stock compensation expense	16	—	19	16	—	17	—	—	2
Undistributed (income) losses of unconsolidated subsidiaries	65	17	(25)	41	(221)	(198)	3	—	6
Changes in operating assets and liabilities:									
(Increase) decrease in intersegment receivables and payables	—	—	—	39	69	(30)	(39)	(69)	30
(Increase) decrease in accounts and notes receivable, net	1,667	681	(1,766)	809	(71)	(19)	858	752	(1,747)
(Increase) decrease in inventories, net	1,360	(1,385)	(489)	1,360	(1,385)	(489)	—	—	—
(Increase) decrease in prepayments and other current assets	(174)	(195)	(28)	(218)	(19)	(14)	44	(176)	(14)
(Increase) decrease in other assets	96	(156)	411	87	(178)	70	9	22	341
Increase (decrease) in accounts payable	(935)	56	784	(969)	77	753	34	(21)	31
Increase (decrease) in restructuring liability	29	7	(76)	30	4	(73)	(1)	3	(3)
Increase (decrease) in other accrued liabilities	8	303	119	(30)	340	29	38	(37)	90
Increase (decrease) in other liabilities	(5)	171	(60)	41	105	(32)	(46)	66	(28)
Other, net	(28)	(125)	(93)	(29)	(123)	(81)	1	(2)	(12)
Net cash provided (used) by operating activities	2,212	650	(95)	1,145	(282)	1,001	1,220	936	(1,034)
Investing activities:									
Acquisitions and investments, net of cash acquired	(22)	(89)	(42)	(24)	(91)	(35)	2	(6)	(7)
Additions to retail receivables	(6,552)	(7,938)	(7,469)	—	—	—	(6,552)	(7,938)	(7,469)
Proceeds from retail and credit card securitizations	3,775	1,317	2,459	—	—	—	3,775	1,317	2,459
Collections of retail receivables	4,466	4,440	3,830	—	—	—	4,466	4,440	3,830
Collections of retained interests in securitized retail receivables	107	75	60	—	—	—	107	75	60
Proceeds from sale of businesses and assets	141	142	94	1	68	26	140	74	68
Expenditures for property, plant and equipment	(218)	(493)	(338)	(217)	(492)	(333)	(1)	(1)	(5)
Expenditures for equipment on operating leases	(302)	(318)	(377)	—	(5)	—	(302)	(313)	(377)
(Deposits in) withdrawals from Fiat affiliates cash management pools	(162)	(925)	(609)	(451)	(546)	(548)	289	(379)	(61)
Net cash provided (used) by investing activities	1,233	(3,789)	(2,392)	(691)	(1,066)	(890)	1,924	(2,731)	(1,502)
Financing activities:									
Intersegment activity	—	—	—	676	(625)	(281)	(676)	625	281
Proceeds from issuance of long-term debt—Fiat affiliates	736	1,372	1,551	131	842	800	605	530	751
Proceeds from issuance of long-term debt—other	2,109	1,869	—	1,315	852	—	794	1,017	—
Payment of long-term debt—Fiat affiliates	(1,306)	(786)	—	(951)	(5)	—	(355)	(781)	—
Payment of long-term debt—other	(2,763)	(187)	(1,847)	(911)	(38)	(1,060)	(1,852)	(149)	(787)
Net increase (decrease) in short-term revolving credit facilities	(1,730)	689	2,602	(601)	216	177	(1,129)	473	2,425
Dividends paid	—	(118)	(59)	—	(118)	(59)	(153)	(4)	(62)
Other, net	(15)	4	(9)	(15)	4	(9)	—	8	—
Net cash (used) provided by financing activities	(2,969)	2,843	2,238	(356)	1,128	(432)	(2,766)	1,719	2,608
Effect of foreign exchange rate changes on cash and cash equivalents	154	(96)	100	19	(12)	23	135	(84)	77
Increase (decrease) in cash and cash equivalents	630	(392)	(149)	117	(232)	(298)	513	(160)	149
Cash and cash equivalents, beginning of year	633	1,025	1,174	173	405	703	460	620	471
Cash and cash equivalents, end of year	$ 1,263	$ 633	$ 1,025	$ 290	$ 173	$ 405	$ 973	$ 460	$ 620

The supplemental Equipment Operations (with Financial Services on the equity basis) data in these statements include primarily CNH Global N.V.'s agricultural and construction equipment operations. The supplemental Financial Services data in these statements include primarily CNH Global N.V.'s financial services business. Transactions between Equipment Operations and Financial Services have been eliminated to arrive at the Consolidated data.

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements of cash flows.

CNH GLOBAL N.V.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2009, 2008 and 2007

	Common Shares	Paid-in Capital	Treasury Stock	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total	Comprehensive Income (Loss)
					(in millions)			
Balance, January 1, 2007	$592	$6,117	$ (8)	$(763)	$(818)	$109	$5,229	
Comprehensive income:								
Net income	—	—	—	559	—	15	574	$ 574
Translation adjustment	—	—	—	—	345	7	352	352
Pension liability adjustment (net of tax of $160 million)	—	—	—	—	337	—	337	337
Unrealized loss on available for sale securities (net of tax of $4 million)	—	—	—	—	(4)	—	(4)	(4)
Derivative financial instruments:								
Gains deferred (net of tax of $4 million)	—	—	—	—	14	—	14	14
Gains reclassified to earnings (net of tax of $8 million)	—	—	—	—	(16)	—	(16)	(16)
Total								$1,257
Stock compensation	2	36	—	—	—	—	38	
Issuance of common shares	1	15	—	—	—	—	16	
Dividend paid to noncontrolling interests	—	—	—	—	—	(14)	(14)	
Dividend paid ($0.25 per common share)	—	—	—	(59)	—	—	(59)	
Cumulative effect from change in accounting for tax contingencies	—	—	—	(48)	—	—	(48)	
Balance, December 31, 2007	595	6,168	(8)	(311)	(142)	117	6,419	
Comprehensive income:								
Net income	—	—	—	825	—	(1)	824	$ 824
Translation adjustment	—	—	—	—	(402)	(1)	(403)	(403)
Pension liability adjustment (net of tax of $93 million)	—	—	—	—	(120)	1	(119)	(119)
Unrealized loss on available for sale securities (net of tax of $1 million)	—	—	—	—	(2)	—	(2)	(2)
Derivative financial instruments:								
Losses deferred (net of tax of $19 million)	—	—	—	—	(21)	—	(21)	(21)
Gains reclassified to earnings (net of tax of $4 million)	—	—	—	—	(14)	—	(14)	(14)
Total								$ 265
Stock compensation	—	4	—	—	—	—	4	
Dividend paid to noncontrolling interests	—	—	—	—	—	(14)	(14)	
Dividend paid ($0.50 per common share)	—	—	—	(118)	—	—	(118)	
Increase in noncontrolling interest due to change in ownership	—	—	—	—	—	19	19	
Balance, December 31, 2008	595	6,172	(8)	396	(701)	121	6,575	
Comprehensive income:								
Net income	—	—	—	(190)	—	(32)	(222)	$ (222)
Translation adjustment	—	—	—	—	418	1	419	419
Pension liability adjustment (net of tax of $44 million)	—	—	—	—	(21)	—	(21)	(21)
Unrealized gain on available for sale securities (net of tax of $9 million)	—	—	—	—	20	—	20	20
Derivative financial instruments:								
Losses deferred (net of tax of $0 million)	—	—	—	—	—	—	—	—
Losses reclassified to earnings (net of tax of $19 million)	—	—	—	—	21	—	21	21
Total								$ 217
Stock compensation	—	16	—	—	—	—	16	
Increase in noncontrolling interest	—	—	—	—	—	2	2	
Cumulative effect from change in accounting for other-than-temporary impairment on debt securities	—	—	—	4	(4)	—	—	
Balance, December 31, 2009	$595	$6,188	$ (8)	$ 210	$(267)	$ 92	$6,810	

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements of changes in shareholders' equity.

Note 1: Nature of Operations

CNH Global N.V. ("CNH" or the "Company") is incorporated in, and under the laws of, The Netherlands. CNH's Equipment Operations manufacture, market and distribute a full line of agricultural and construction equipment and parts on a worldwide basis (see "Note 20: Segment and Geographical Information"). CNH's Financial Services operations offers an array of financial products and services, including retail financing for the purchase or lease of new and used CNH and other manufacturers' products and other retail financing programs. To facilitate the sale of its products, CNH offers wholesale financing to dealers.

As of December 31, 2009, Fiat S.p.A. and its subsidiaries ("Fiat" or the "Fiat Group") owned approximately 89% of CNH's outstanding common shares through Fiat Netherlands Holding N.V. ("Fiat Netherlands").

Note 2: Summary of Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

CNH has prepared the accompanying consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements include CNH Global N.V. and its consolidated subsidiaries. The consolidated financial statements are expressed in U.S. dollars and, unless otherwise indicated, all financial data set forth in these consolidated financial statements are expressed in U.S. dollars. The consolidated financial statements include the accounts of CNH's subsidiaries in which CNH has a controlling interest and reflect the noncontrolling interests of the minority owners of the subsidiaries that are not fully owned for the periods presented, as applicable. The operations and key financial measures and financial analysis differ significantly for manufacturing and distribution businesses and financial services businesses; therefore, management believes that certain supplemental disclosures are important in understanding the consolidated operations and financial results of CNH. In addition, CNH's principal competitors present supplemental data on a similar basis. Therefore, users of CNH's consolidated financial statements can use the supplemental data to make meaningful comparisons of CNH and its principal competitors. This supplemental information does not purport to represent the operations of each group as if each group were to operate on a stand alone basis. For example, Equipment Operations presents the cost of "interest free" periods for wholesale receivables as Interest Compensation to Financial Services, and not as a reduction of sales in their Statements of Operations. This supplemental data is as follows:

Equipment Operations—The financial information captioned "Equipment Operations" reflects the consolidation of all majority-owned subsidiaries except for CNH's Financial Services business. CNH's Financial Services business has been included using the equity method of accounting whereby the net income and net assets of CNH's Financial Services business are reflected, respectively, in "Equity in income of unconsolidated subsidiaries and affiliates—Financial Services" in the accompanying consolidated statements of operations, and in "Investment in Financial Services" in the accompanying consolidated balance sheets.

Financial Services—The financial information captioned "Financial Services" reflects the consolidation or combination of CNH's Financial Services business including allocation of assets and liabilities to the business.

All significant intercompany transactions, including activity within and between "Equipment Operations" and "Financial Services," have been eliminated in deriving the consolidated financial statements and data. Intersegment notes receivable, intersegment long-term notes receivable, intersegment short-term debt and intersegment long-term debt represent intersegment financing between Equipment Operations and Financial Services.

Investments in unconsolidated subsidiaries and affiliates are accounted for using the equity method when CNH does not have a controlling interest, but exercises significant influence. Under this method, the investment is initially recorded at cost and is increased or decreased by CNH's proportionate share of the entity's respective net income or loss. Dividends received from these entities reduce the carrying value of the investments.

The Company sells receivables, using consolidated special purpose entities, to limited purpose business trusts and other privately structured facilities, which then issue asset-backed securities to private or public investors. Due to the nature of the assets held by the trusts and the limited nature of each trust's activities, they are each classified as a qualifying special purpose entity ("QSPE"). Assets and liabilities of the QSPEs are not consolidated in the Company's consolidated balance sheets. For additional information on the Company's receivable securitization programs, see "Note 3: Accounts and Notes Receivable."

Prior period amounts have been restated to reflect the required January 1, 2009, adoption of new accounting guidance with regards to noncontrolling interests in consolidated financial statements. As a result, net income (loss) is attributed between CNH and the noncontrolling interests in partially owned subsidiaries. In addition, net income (loss) attributable to noncontrolling interests has been reclassified and renamed from minority interest to a new line below net income (loss). Additionally, prior period balances of accumulated undistributed earnings relating to noncontrolling interests in partially owned subsidiaries are now classified as a component of equity, instead of as a minority interest liability.

Use of Estimates in the Preparation of Financial Statements

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reported period. Significant items subject to such estimates and assumptions include the realizable value of property, plant and equipment, and goodwill and other intangibles; residual values of equipment on operating leases; retained interest in securitized assets; allowance for credit losses; deferred income tax assets; tax contingencies; reserves for warranties, environmental liability, product liability and litigation; sales allowances; and assets and obligations related to employee benefits. Actual results could differ from those estimates.

Revenue Recognition

Equipment Operations records sales of equipment and replacement parts when title and all risks of ownership have transferred to the independent dealer or other customer according to the terms of sale. Dealers may not return equipment while the applicable dealer contract remains in place. Replacement parts may be returned on a limited basis. In the U.S. and Canada, if a dealer contract is terminated for any reason, CNH may be obligated to repurchase new equipment from the dealer.

For all sales, no significant uncertainty exists surrounding the purchaser's obligation to pay for the equipment and replacement parts and CNH records appropriate allowance for credit losses as necessary. Receivables are due upon the earlier of payment terms discussed below or sale to the retail customer. Fixed payment schedules exist for all sales to dealers, but payment terms vary by geographic market and product line. In connection with these payment terms, CNH offers wholesale financing to many of its dealers including "interest-free" financing for specified periods of time which also vary by geographic market and product line. Interest is charged to dealers after the completion of the "interest-free" period. In 2009 and 2008, "interest-free" periods averaged 2.9 months and 3.8 months, respectively, on 84% and 63% of sales, respectively, for the agricultural equipment business. In 2009 and 2008, "interest-free" periods averaged 4.0 months and 3.5 months, respectively, on 64% and 54% of sales, respectively, for the construction equipment business. Sales to dealers that do not qualify for an "interest-free" period are subject to payment terms of 30 days or less.

Shipping and other transportation costs charged to dealers or other customers are recorded in both sales and cost of sales.

Financial Services records finance and interest income on retail and other notes receivables and finance leases using the effective yield method. Deferred costs on the origination of financing receivables are recognized as a reduction in finance revenue over the expected lives of the receivables using the effective yield method. Recognition of income on loans is suspended when management determines that collection of future income is not probable or when an account becomes 120 days delinquent, whichever occurs earlier. Income accrual is resumed if the receivable becomes contractually current and collection doubts are removed. Previously suspended income is recognized at that time.

Income from operating leases is recognized over the term of the lease.

Sales Allowances

CNH grants certain sales incentives to stimulate sales of its products to retail customers. The expense for such incentive programs is accrued as a deduction in arriving at the net sales amount at the time of the sale of the product to the dealer. The amounts of incentives to be paid are estimated based upon historical data, estimated future market demand for products, field inventory levels, announced incentive programs, competitive pricing and interest rates, among other things.

Warranty Costs

At the time a sale of equipment or parts to a dealer is recognized, CNH records the estimated future warranty costs for the product, primarily basic warranty coverage. CNH generally determines its total warranty liability by applying historical claims rate experience to the estimated amount of equipment that has been sold and is still under warranty based on dealer inventories and retail sales. Campaigns are formal post-production modification programs approved by management. The liabilities for such programs are recognized when approved, based on an estimate of the total cost of the program.

Advertising

CNH expenses advertising costs as incurred. Advertising expense totaled $124 million, $160 million, and $119 million for the years ended December 31, 2009, 2008, and 2007, respectively.

Research and Development

Research and development costs are expensed as incurred.

Restructuring

CNH recognizes costs associated with an exit or disposal activity at fair value in the period in which the liability is incurred, except in certain situations where employees are required to render service until they are terminated in order to receive termination benefits. If an employee is required to render service until termination to receive benefits and they are to be retained for a period in excess of the lesser of the legal notification period or, in the absence of a legal notification period, 60 days, the costs are recognized ratably over the future service period.

Foreign Currency Translation

Certain of CNH's non-U.S. subsidiaries and affiliates maintain their books and accounting records using local currency as the functional currency. Assets and liabilities of non-U.S. subsidiaries are translated into U.S. dollars at period-end exchange rates, and net exchange gains or losses resulting from such translation are

included in “Accumulated other comprehensive income (loss)” in the accompanying consolidated balance sheets. Income and expense accounts of non-U.S. subsidiaries are translated at the average exchange rates for the period, and gains and losses from foreign currency transactions are included in net income in the period during which they arise. Net foreign currency transaction gains and losses are reflected in “Other, net” in the accompanying consolidated statements of operations. For the years ended December 31, 2009, 2008 and 2007, the Company recorded a net gain of $58 million, a net loss of $224 million and a net gain of $30 million, respectively.

Cash and Cash Equivalents

Cash equivalents are comprised of all highly liquid investments with an original maturity of three months or less. The carrying value of cash equivalents approximates fair value because of the short maturity of these investments.

Cash Flow Information

Equipment Operations sells a significant portion of its receivables to Financial Services. These intercompany cash flows are eliminated in the consolidated cash flows.

All cash flows from the changes in trade accounts and notes receivable are classified as operating activities in the Consolidated Statements of Cash Flows as these receivables arise from sales to CNH’s customers. Cash flows from financing receivables that are related to sales to CNH’s customers are also included in operating activities. CNH’s financing of receivables related to equipment sold by independent dealers is included in investing activities.

For purposes of the Consolidated Statements of Cash Flows, CNH considers investments with maturities of three months or less to be cash equivalents. In addition, substantially all of CNH’s short-term borrowings, excluding the current maturities of long-term borrowings, mature or may require payment within three months or less.

Cash payments for interest totaled $636 million, $743 million, and $743 million for the years ended December 31, 2009, 2008 and 2007, respectively.

CNH paid taxes of $117 million, $249 million, and $211 million in 2009, 2008, and 2007, respectively.

Deposits in Fiat Affiliates’ Cash Management Pools (“Deposits with Fiat”)

CNH accesses funds deposited in these accounts on a daily basis and has the contractual right to withdraw these funds on demand or terminate these cash management arrangements. The carrying value of Deposits with Fiat approximates fair value based on the short maturity of these investments. For additional information on Deposits with Fiat, see “Note 21: Related Party Information.”

Receivables and Receivable Sales

Receivables are recorded at face value, net of allowances for credit losses and deferred fees and costs. Allowances for credit losses are determined based on past experience with similar receivables including current and historical past due amounts, dealer termination rates, write-offs, collections and economic conditions.

Periodically, CNH sells retail and wholesale receivables in securitizations and retains interest-only strips, subordinated tranches of notes, servicing rights, and cash reserve accounts, all of which are retained interests in the securitized receivables. Gains or losses on sale of the receivables depend in part on the carrying amount of the financial assets allocated between the assets sold and the retained interests based on their relative fair value at the date of transfer. The Company computes fair value based on the present value of future expected cash flows

using management's best estimates of the key assumptions—credit losses, prepayment speeds, and discount rates commensurate with the risks involved. Changes in these fair values are recorded after-tax in other comprehensive income as an unrealized gain on available-for-sale securities. Consistent with CNH's adoption of the new guidance related to other-than-temporary impairments ("OTTI") of debt securities, any OTTI due to changes in the constant prepayment rate and the expected credit loss rate would be included in the earnings of CNH. An OTTI due to a change in the discount rates would be included in accumulated other comprehensive income. For securitizations that do not qualify as sales of the underlying receivables, such transactions are recorded as secured borrowings, and no gains or losses are recognized at the time of securitization.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. The cost of finished goods and work-in-progress includes the cost of raw materials, other direct costs and production overheads. Net realizable value is the estimate of the selling price in the ordinary course of business, less the cost of completion and selling. Provisions are made for obsolete and slow-moving inventories.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any. Expenditures for improvements that increase asset values and extend useful lives are capitalized. Expenditures for maintenance and repairs are expensed as incurred. Depreciation is recorded on a straight-line basis over the estimated useful lives of the respective assets as follows:

Category	Lives
Buildings and improvements	10 — 40 years
Plant and machinery	5 — 16 years
Other equipment	3 — 10 years

CNH capitalizes interest costs as part of the cost of constructing certain facilities and equipment. CNH capitalizes interest costs only during the period of time required to complete and prepare the facility or equipment for its intended use. The amount of interest capitalized totaled $8 million and $3 million, for the years ended December 31, 2009 and 2008, respectively. No interest was capitalized in 2007.

CNH evaluates the recoverability of the carrying amount of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be fully recoverable. If circumstances require a long-lived asset be tested for possible impairment, CNH compares the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If the carrying amount of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value based on a discounted cash flow analysis.

Equipment on Operating Leases

Financial Services purchases equipment from CNH dealers and other independent third parties that is then leased to retail customers under operating leases. Financial Services' investment in operating leases is based on the purchase price paid for the equipment. The investment is depreciated on a straight-line basis over the term of the lease to the estimated residual value at lease termination, which is estimated at the inception of the lease. Realization of the residual values is dependent on Financial Services' future ability to re-market the equipment under the then prevailing market conditions. CNH continually evaluates whether events and circumstances have occurred which affect the estimated residual values of equipment on operating leases and adjusts estimated residual values if necessary. Although realization is not assured, management believes that the estimated residual values are realizable. Expenditures for maintenance and repairs are the responsibility of the lessee.

Goodwill and Other Intangibles

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets in a purchase business combination. Goodwill relating to acquisitions of unconsolidated subsidiaries and affiliates is included in "Investments in unconsolidated subsidiaries and affiliates" in the accompanying consolidated balance sheets. Goodwill and other intangible assets deemed to have an indefinite useful life are reviewed for impairment at least annually. During 2009 and 2008, the Company performed its annual impairment review as of December 31 and concluded that there was no impairment in either year.

Other intangibles consist primarily of acquired dealer networks, trademarks, product drawings, patents, and software. Other intangibles with indefinite lives principally consist of acquired trademarks which have no legal, regulatory, contractual, competitive, economic, or other factor that limits their useful life. Intangible assets with an indefinite useful life are not amortized. Other intangible assets with definite lives are being amortized on a straight-line basis over 5 to 30 years.

Reference is made to "Note 8: Goodwill and Other Intangibles" for further information regarding goodwill and other intangibles.

Income Taxes

The provision for income taxes is determined using the asset and liability approach in accounting for income taxes. CNH recognizes a current tax liability or asset for the estimated taxes payable or refundable on tax returns for the current year and tax contingencies estimated to be settled with taxing authorities within one year. A deferred tax liability or asset is recognized for the estimated future tax effects attributable to temporary differences and tax loss carry forwards. The measurement of current and deferred tax liabilities and assets is based on provisions of enacted tax law. Deferred taxes are adjusted for enacted changes in tax rates and tax law. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized based on available evidence.

Retirement Programs

CNH operates numerous defined benefit and defined contribution pension plans, the assets of which are held in separate trustee-administered funds. The pension plans are funded by payments by CNH. The cost of providing defined benefit pension and other postretirement benefits is based upon actuarial valuations. The liability for termination indemnities is accrued in accordance with labor legislation in each country where such benefits are required. CNH contributions to defined contribution plans are charged to income during the period of the employee's service.

CNH uses a measurement date of December 31 for its qualified and non-qualified pension plans and postretirement benefit plans.

Derivatives

CNH's policy is to enter into derivative transactions to manage exposures that arise in the normal course of business and not for trading or speculative purposes. CNH records derivative financial instruments in the consolidated balance sheets as either an asset or a liability measured at fair value. The fair value of CNH's foreign exchange derivatives is based on quoted market exchange rates, adjusted for the respective interest rate differentials (premiums or discounts). The fair value of CNH's interest rate derivatives is based on discounting expected cash flows, using market interest rates, over the remaining term of the instrument. Changes in the fair value of derivative financial instruments are recognized in current income unless specific hedge accounting criteria are met. For derivative financial instruments designated to hedge exposure to changes in the fair value of a recognized asset or liability, the gain or loss is recognized in income in the period of change together with the

offsetting loss or gain on the related hedged item. For derivative financial instruments designated to hedge exposure to variable cash flows of a forecasted transaction, the effective portion of the derivative financial instrument's gain or loss is initially reported in other comprehensive income (loss) and is subsequently reclassified into income when the forecasted transaction affects income. For derivative financial instruments that are not designated as hedges but held as economic hedges of short-term foreign currency denominated receivables and payables, the gain or loss is recognized immediately in income. The ineffective portion of the gain or loss is recorded in income immediately. Ineffectiveness recognized related in the income statement was $16 million, $23 million and $2 million for the years ended December 31, 2009, 2008 and 2007.

For derivative financial instruments designated as hedges, CNH formally documents the hedging relationship to the hedged item and its risk management strategy for all derivatives designated as hedges. This includes linking all derivatives that are designated as fair value hedges to specific assets and liabilities contained in the consolidated balance sheet and linking cash flow hedges to specific forecasted transactions or variability of cash flow. CNH assesses the effectiveness of its hedging instruments both at inception and on an ongoing basis. If and when a derivative is determined not to be highly effective as a hedge, or the underlying hedged transaction is no longer probable of occurring, or the derivative is terminated, the hedge accounting described above is discontinued.

Reference is made to "Note 15: Financial Instruments," for further information regarding CNH's use of derivative financial instruments.

Stock-Based Compensation Plans

CNH recognizes all stock-based compensation as an expense based on the fair value of each award. CNH recognizes stock-based compensation costs on a straight-line basis over the requisite service period for each separately vesting portion of an award.

Earnings Per Share

Basic earnings per share is based on the weighted average number of common shares outstanding during each period, and diluted earnings per share is based on the weighted average number of common shares and dilutive common share equivalents outstanding during each period.

New Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board ("FASB") issued new accounting guidance which changes the accounting for transfers of financial assets. The guidance eliminates the concept of a "qualifying special-purpose entity," changes the requirements for derecognizing financial assets, and requires additional disclosures in order to enhance information reported to users of financial statements by providing greater transparency about transfers of financial assets, including securitization transactions, and an entity's continuing involvement in and exposure to the risks related to transferred financial assets. The guidance is effective for transactions entered into starting on January 1, 2010. CNH expects that the impact will be that certain transactions that have historically met the derecognition criteria will no longer qualify for derecognition.

In June 2009, the FASB also issued new accounting guidance which amends the accounting for variable interest entities. The guidance significantly changes the criteria for determining whether the consolidation of a variable interest entity is required. The guidance also addresses the effect of changes required by the new accounting guidance which changes the accounting for transfers of financial assets, increases the frequency for reassessing consolidation of variable interest entities and creates new disclosure requirements about an entity's

involvement in a variable interest entity. The guidance is effective for interim and annual reporting periods that begin after November 15, 2009. CNH adopted the guidance on January 1, 2010. CNH expects that it will be necessary to consolidate a significant portion of its off-book receivables and related liabilities upon adoption of this guidance. The impact is expected to increase assets and liabilities (principally debt) by approximately $6.0 billion and decrease equity by approximately $50 million. In addition, because the Company's securitization transactions will be accounted for as secured borrowings rather than asset sales, the cash flows from these transactions will be presented as cash flows from financing transactions rather than cash flows from operating or investing activities.

Note 3: Accounts and Notes Receivable

On-Book Receivables

A summary of accounts and notes receivables included in the accompanying balance sheets at December 31, 2009 and 2008, is as follows:

	2009	2008
	(in millions)	
Wholesale notes and accounts receivable	$ 2,314	$ 3,931
Retail and other notes receivable and finance leases	3,541	4,031
Other restricted receivables	2,130	2,284
Other notes receivable	834	736
Gross receivables	8,819	10,982
Less:		
Allowance for credit losses	(393)	(269)
Current portion	(5,190)	(6,647)
Total long-term receivables, net	$ 3,236	$ 4,066

Wholesale accounts and notes receivable arise primarily from the sale of goods to dealers and distributors and, to a lesser extent, the financing of dealer operations. Under the standard terms of the wholesale receivable agreements, these receivables typically have "interest-free" periods of up to twelve months and stated original maturities of up to twenty-four months, with repayment accelerated upon the sale of the underlying equipment by the dealer. During the "interest free" period, Financial Services is compensated by Equipment Operations for the difference between market interest rates and the amount paid by the dealer. After the expiration of any "interest-free" period, interest is charged to dealers on sales and marketing program outstanding balances until CNH receives payment in full. The "interest-free" periods are determined based on the type of equipment sold and the time of year of the sale. Interest rates are set based on market factors and based on the prime rate or LIBOR. CNH evaluates and assesses dealers on an ongoing basis as to their credit worthiness and may be obligated to repurchase the dealer's equipment upon cancellation or termination of the dealer's contract for such causes as change in ownership, closeout of the business, or default. There were no significant losses in 2009, 2008 or 2007 relating to the termination of dealer contracts.

CNH provides and administers financing for retail purchases of new and used equipment sold through its dealer network. The terms of retail and other notes and finance leases generally range from two to six years, and interest rates on retail and other notes and finance leases vary depending on prevailing market interest rates and certain incentive programs offered by CNH.

At December 31, 2009 and 2008, included in retail notes receivable are approximately $1.5 billion and $1.2 billion, respectively, of notes originated through a subsidized long-term loan program of the Brazilian development agency, Banco Nacional de Desenvolvimento Econômico e Social ("BNDES"). The program provides subsidized funding to financial institutions to be loaned to farmers to support the purchase of tractors, combines and farm machinery in accordance with the provisions of the program. Financial Services participates in the program as a lender.

Under the original provisions of the program, BNDES provided credit facilities of 1.7 billion Brazilian Reals ($975 million) guaranteed by Fiat. At December 31, 2009, the outstanding balance under the program is $1.3 billion. Repayment to BNDES under the credit facilities is proportionate to amounts due to Financial Services under the program loans. Additional advances are at the discretion of BNDES.

In 2005 and 2006, in support of the struggling agricultural sector, the Brazilian government conducted debt relief programs for certain qualifying farmers. The debt relief programs allowed farmers to defer payments scheduled to be paid in 2005 and 2006 until the end of the original loan period, thereby extending the term of the original loan by one or two years. Under each program, the BNDES reviewed and confirmed the qualifications of each borrower for admission into the debt relief program and granted like extensions of the subsidized funding to the financial institutions.

In 2007, the Brazilian government announced a new debt relief program with the goal of encouraging the farmers to start making some payments on these outstanding agricultural loans. Under the 2007 program, certain qualified borrowers, making a minimum payment of 15% of the amount owed in 2007 received a "bonus credit" for an additional 15% of the amount owed and became eligible to defer payment on the balance of amounts owed in 2007 until the end of the loan period, thereby extending the loan term by one year. Under the 2007 program, loans which had been previously extended, under either or both of the 2005 and 2006 programs were eligible for further extension, provided they met the qualifying criteria and were approved by the BNDES. BNDES granted like extensions of the subsidized funding to the financial institutions and funded the 15% bonus credits.

In 2008, the Brazilian government announced another debt relief program. Under the 2008 program, borrowers, in most cases, making a minimum payment of 40% of the amount owed in 2008 were eligible to defer payment on the balance of amounts owed in connection with the loan for an additional five years in the states of Mato Grosso and Rio Grande do Sul and three years for the other regions.

In 2009, no mass debt relief program was initiated by the Brazilian government. In most instances, the 2009 payments were due as scheduled or as renegotiated, where applicable. At December 31, 2009 and 2008, the amount of non-performing retail receivables included in this program, including the off-book guaranteed portfolio, was $633 million and $51 million, respectively. Total receivables greater than 60 days or more past due were $651 million and $63 million, respectively. CNH continues to aggressively pursue collections of these receivables. At December 31, 2009 and 2008, the Company had $172 million and $98 million in the allowance for credit losses related to this portfolio, respectively.

During 2005 through 2009, Financial Services continued to originate new loans under the BNDES program.

In addition to participating directly in the BNDES program, Financial Services also originated secured retail loans on behalf of other financial institutions participating in the BNDES program and continues to service these loans, on a fee for service basis. Financial Services has guaranteed this portfolio against all credit losses. At December 31, 2009, the guaranteed portfolio balance is $349 million and is not included in the balance sheet.

Maturities of long-term receivables as of December 31, 2009, are as follows:

	Amount (in millions)
2011	$1,121
2012	867
2013	684
2014	396
2015 and thereafter	168
Total long-term receivables, net	$3,236

It has been CNH's experience that substantial portions of retail receivables are repaid or sold before their contractual maturity dates. As a result, the above table should not be regarded as a forecast of future cash collections. Wholesale, retail and finance lease receivables have significant concentrations of credit risk in the agricultural and construction business sectors, the majority of which are in North America. CNH typically retains, as collateral, a security interest in the equipment associated with wholesale and retail notes receivable.

Allowance for credit losses activity for the years ended December 31, 2009, 2008, and 2007 is as follows:

	2009	2008	2007
		(in millions)	
Balance, beginning of year	$269	$302	$258
Provision for credit losses	198	95	102
Receivables written off	(97)	(56)	(47)
Currency translation adjustments and other	23	(72)	(11)
Balance, end of year	$393	$269	$302

A portion of the Company's retail and wholesale receivables are accounted for as secured borrowings. The receivables related to these programs were transferred, without recourse, to bankruptcy remote special purpose entities ("SPEs") which in turn issued debt to investors. The SPEs supporting the secured borrowings to which the receivables are transferred are included in the Company's consolidated balance sheet as the transactions do not meet the criteria for sale. The total restricted assets related to these transactions are indicated in the receivables summary table as "Other restricted receivables" and the related debt is included in the accompanying consolidated balance sheets.

The following table summarizes CNH's other restricted receivables at December 31, 2009, and 2008:

	2009	2008
	(in millions)	
Asset-backed commercial paper ("ABCP") conduit facilities	$1,006	$1,912
Wholesale receivables	586	—
Australia retail receivables	365	87
North America retail receivables	173	285
Total other restricted receivables	$2,130	$2,284

The secured borrowings related to these restricted retail and wholesale receivables are obligations that are payable as the notes receivable payments are collected. These receivables are classified in either Accounts and notes receivable, net or Long-term receivables based on the payment dates. The restricted long-term receivables (of $806 million) are included in the maturity table above.

Off-Book Securitizations

As part of its overall funding strategy, the Company securitizes and sells financial receivables via securitization transactions. Following the contraction of the asset-backed-securitization ("ABS") market in 2008, CNH obtained alternative funding through other third-party sources. When the ABS markets improved in 2009, in part through government-sponsored initiatives, CNH returned to the ABS market for a portion of its funding.

Beginning January 1, 2010, the Company will adopt the new accounting guidance which amends the accounting for variable interest entities. The impact is expected to increase assets and liabilities approximately $6 billion and decrease equity by approximately $50 million. The Company will also adopt the new accounting

guidance which changes the accounting for transfers of financial assets. All qualifying special purpose entities ("QSPE") will be eliminated, requiring all related receivables to be brought back on book. CNH expects the impact of this guidance will be that certain transactions that have historically met derecognition criteria will no longer qualify for derecognition.

Wholesale Receivables Securitizations

In the U.S., CNH sells eligible receivables on a revolving basis to privately and publically structured securitization facilities. The receivables are initially sold to a wholly-owned SPE. The SPE, which is consolidated by CNH, legally isolates the receivables from creditors of CNH. In turn, this subsidiary established a separate trust to which the receivables are transferred in exchange for proceeds from debt issued by the trust. The trust qualifies as a QSPE under the guidelines and, accordingly, is not consolidated by CNH. This transaction is utilized as an alternative to the issuance of debt.

The facilities have consisted of a master trust facility in both the U.S. and Canada. The U.S. master trust facility consists of the following: $583 million term senior and subordinated asset-backed notes issued in August, 2009 with a three year maturity, and three 364-day conduit facilities renewable annually at the sole discretion of the purchasers; $500 million renewable August, 2010, $300 million renewable October, 2010 and $250 million renewable November, 2010. During 2009, the Canadian facility no longer qualified as an off-book securitization and consequently, is now recorded as a secured borrowing.

As of December 31, 2009, CNH had the following balances related to the wholesale receivable securitization facilities described above:

	Receivables Sold	Facility Outstanding	Retained Undivided Interest
		(in millions)	
United States	$2,312	$1,633	$679

As of December 31, 2008, CNH had the following balances related to the wholesale receivable securitization facilities described above:

	Receivables Sold		Facility Outstanding		Retained Undivided Interest	
	Local Currency	US$	Local Currency	US$	Local Currency	US$
			(in millions)			
United States	$ 1,917	$1,917	$ 1,550	$1,550	$ 367	$367
Canada	C$ 270	222	C$ 190	156	C$ 80	66

CNH recognized gains from the sale of these receivables of $51 million, $54 million and $111 million, for the years ended December 31, 2009, 2008 and 2007, respectively.

Each of the facilities contain minimum portfolio performance thresholds which, if breached, could trigger an early amortization of the asset-backed notes issued by each respective trust and preclude the Company from selling additional receivables originated on a prospective basis. The occurrence of an early amortization event would increase the amount of receivables and associated debt on CNH's consolidated balance sheet.

The cash flows between CNH and the wholesale facilities for the years ended December 31, 2009, and 2008 included:

	2009	2008
	(in millions)	
Proceeds from securitizations	$1,833	$ 409
Repurchase of receivables	2,272	961
Proceeds from collections reinvested in the facilities	5,629	6,217

In addition, Financial Services has various factoring programs for the revolving sale to third party factors of wholesale receivables originated in Europe. At December 31, 2009 and 2008, the amount of outstanding receivables under these factoring programs were €666 million ($959 million) and €484 million ($674 million), respectively, of which, €483 million ($696 million) and €346 million ($482 million) were sold and, accordingly, removed from the balance sheet at December 31, 2009 and December 31, 2008, respectively.

Retail Receivables Securitizations

CNH funds a portion of its retail receivable originations by means of retail receivable securitizations. Within CNH's asset securitization program, qualifying retail finance receivables are sold to limited purpose, bankruptcy-remote consolidated subsidiaries of CNH. In turn, these subsidiaries establish separate trusts to which the receivables are transferred in exchange for proceeds from asset-backed securities issued by the trusts. Due to the nature of the assets held by the SPEs and the limited nature of each SPE's activities, each SPE is classified as a QSPE and therefore, the assets and liabilities of the QSPEs are not included in CNH's consolidated balance sheets. The QSPEs have a limited life and generally terminate upon final distribution of amounts owed to investors or upon exercise of a cleanup-call option by CNH. No recourse provisions exist that allow holders of the QSPEs' asset-backed securities to put those securities back to CNH. CNH does not guarantee any securities issued by the QSPEs.

CNH securitized retail notes with a net principal value of $4.0 billion, $1.2 billion, and $2.6 billion in 2009, 2008, and 2007, respectively and recognized gains/(losses) on the sales of these receivables of $68 million, ($5) million, and $46 million in 2009, 2008, and 2007, respectively.

CNH's cash flows related to retail receivable securitization activities for the years ended December 31, 2009, 2008, and 2007 are as follows:

	2009	2008	2007
		(in millions)	
Proceeds from retail securitizations	$3,732	$1,125	$2,459
Servicing fees received	31	36	43
Cash received on retained interests	88	55	98
Cash paid upon cleanup call	187	227	111

Credit Card Receivables Securitizations

Financial Services continues to sell credit card receivables on a revolving basis to a privately owned 364-day facility, renewable in October, 2010. The receivables sold were removed from CNH's balance sheet. As of December 31, 2009 and 2008, CNH had the following credit card receivable securitization facility:

	2009	2008
	(in millions)	
Facility limit	$200	$200
Receivables sold	248	255
Facility outstanding	181	186
Retained undivided interest	67	69

The cash flows between CNH and the credit card facility for the year ended December 31, 2009 and 2008 included:

	2009	2008
	(in millions)	
Proceeds from securitizations	$ 44	$192
Repurchase of receivables	49	6
Proceeds from collections reinvested in the facilities	705	227

Retained Interests

In conjunction with the off-book securitizations, CNH retains servicing responsibilities and other retained interests. Accordingly, CNH's servicing responsibilities result in continued involvement in the form of servicing the underlying asset. For receivables where CNH is paid a fee, the Company believes that the fee represents adequate compensation as a servicer and, as such, no servicing asset or liability is recognized. As of December 31, 2009, the servicing fees charged for CNH's primary servicing activities were 100 bps, 100 bps and 200 bps of the outstanding principal balance for sold retail, wholesale and credit card receivables, respectively. Additionally, CNH retains the rights to cash flows remaining after the investors in the securitization trusts have received their contractual payments. In certain retail securitization transactions, retail receivables were sold on a servicing retained basis but with no servicing compensation and, as such, a servicing liability is established and reported in other accrued liabilities in the accompanying consolidated balance sheets. As of December 31, 2009 and 2008, servicing liabilities of $14 million and $1 million, respectively, were outstanding.

CNH maintains cash reserve accounts at predetermined amounts for certain securitization activities to provide security to investors in the event that cash collections from the receivables are not sufficient to remit principal and interest payments on the securities. The amounts available in these cash reserve accounts related to retail and wholesale receivables were $284 million and $58 million, as of December 31, 2009, respectively, and $187 million and $58 million as of December 31, 2008, respectively.

The retained interests CNH may receive represent a continuing economic interest in the securitization. Retained interests include ABS certificates, interest-only strips, and retained undivided interests. Certain of these retained interests provide credit enhancement to the securitization structure to absorb potential credit losses or other cash shortfalls. The investors and the securitization trusts have no recourse beyond CNH's retained interest assets for failure of debtors to pay when due. CNH's retained interests are subordinate to investor's interests, and are subject to credit, prepayment and interest rate risks on the transferred financial assets. Refer to Note 15 "Financial Instruments" regarding the valuation of the retained interests for CNH's retail securitizations.

The components of CNH's retained interests as of December 31, 2009, and 2008 are as follows:

	2009	2008
	(in millions)	
Receivables:		
Collateralized wholesale receivables	$ 679	$433
Collateralized credit card receivables	67	69
Interest only strips	86	45
Cash reserves and other	327	195
Total amount included in "Accounts and notes receivable, net"	1,159	742
Other assets:		
ABS certificates (included in "Other assets")	100	62
Total retained interests	$1,259	$804

CNH is required to remit the cash collected on the serviced portfolio to the trusts within two business days. At December 31, 2009, and 2008, $29 million and $20 million, respectively, of unremitted cash payable was included in "Accounts payable" in the accompanying consolidated balance sheets.

Due to the short-term nature of the underlying receivables, the retained undivided interests in the wholesale and credit card securitizations are recorded at cost, which approximates fair value. Interest-only strips and ABS certificates are classified as available for sale debt securities, as they could be prepaid or settled in such a way that recovery is not assured and are carried at fair value, with unrealized gains or losses, (excluding OTTIs) included in accumulated other comprehensive income on an after-tax basis. Cash reserve accounts are carried at the lower of amortized cost or fair value.

Consistent with CNH's adoption of the new guidance related to OTTIs of debt securities, any OTTIs due to changes in the constant prepayment rate and the expected credit loss rate would be included in the earnings of CNH. An OTTI due to a change in the discount rates would be included in accumulated other comprehensive income.

Receivables Securitizations at Equipment Operations

At December 31, 2009, and 2008, certain Equipment Operations subsidiaries of CNH sold wholesale receivables totaling $67 million and $166 million, respectively. The receivables sold are reflected in "Wholesale notes and accounts" above and the proceeds received are recorded in "Short-term debt—other" in the accompanying consolidated balance sheets as the transactions do not meet the criteria for derecognition in a transfer of financial assets (off-book treatment).

Managed Portfolio

Historical loss and delinquency amounts for Financial Services' Managed Portfolio for 2009 and 2008 are as follows:

	Principal Amount of Receivables At December 31,	Principal More Than 30 Days Delinquent At December 31,	Net Credit Losses for the Year Ending December 31,
		(in millions)	
2009			
Type of receivable:			
Wholesale notes and accounts	$ 4,929	$ 267	$ 15
Retail and other notes and finance leases	12,328	1,027	113
Total managed	$17,257	$1,294	$128
Comprised of:			
Receivables held in portfolio	$ 8,171		
Receivables serviced for Equipment Operations	168		
Receivables serviced for Joint Ventures	1,833		
Receivables serviced for Others under BNDES program	349		
Receivables serviced for Others	32		
Securitized Receivables:			
Wholesale	2,316		
Retail	4,207		
Credit Card	181		
Total managed	$17,257		
2008			
Type of receivable:			
Wholesale notes and accounts	$ 5,430	$ 247	$ —
Retail and other notes and finance leases	12,094	392	73
Total managed	$17,524	$ 639	$ 73
Comprised of:			
Receivables held in portfolio	$ 9,825		
Receivables serviced for Equipment Operations	174		
Receivables serviced for Joint Ventures	1,725		
Receivables serviced for Others under BNDES program	242		
Securitized Receivables:			
Wholesale	2,328		
Retail	3,044		
Credit Card	186		
Total managed	$17,524		

Generally when receivables are approximately 120 days delinquent, accrual of finance income is suspended and the estimated uncollectible amount is reserved in the allowance for credit losses. Accrual of finance income is resumed when the receivable becomes contractually current and the collection doubts are removed. Managed receivables on non-accrual status at December 31, 2009 and 2008 were $1,035 million and $376 million, respectively.

Total managed receivables 60 days or more past due were $1,127 million at December 31, 2009 and $496 million at December 31, 2008. These past dues represent 6.53% and 2.83% of receivables financed at December 31, 2009 and 2008, respectively.

The increase in the non-accrual amounts and the total receivables greater than 60 days past due is largely driven by Brazil's agriculture retail portfolio. The Brazilian government extended payment terms for the 2008 installments of the BNDES program several times throughout the last 18 months. The last extension of the 2008 installments expired on May 15, 2009. Customers who did not make their 2008 payments by May 15, 2009 are considered past due since that date.

Non-Cash Retail Receivables Operating and Investing Activities

Non-cash operating and investing activities include retail receivables of $342 million, $76 million, and $83 million that were exchanged for retained interests in securitized retail receivables in 2009, 2008, and 2007, respectively.

Note 4: Inventories

Inventories as of December 31, 2009, and 2008 consist of the following:

	2009	2008
	(in millions)	
Raw materials	$ 660	$ 995
Work-in-process	189	323
Finished goods	2,448	3,167
Total inventories	$3,297	$4,485

Note 5: Property, Plant and Equipment

A summary of property, plant and equipment as of December 31, 2009, and 2008 is as follows:

	2009	2008
	(in millions)	
Land, buildings and improvements	$ 978	$ 857
Plant and machinery	2,685	2,368
Other equipment	407	362
Construction in progress	158	259
Gross property, plant and equipment	4,228	3,846
Accumulated depreciation	(2,464)	(2,229)
Net property, plant and equipment	$ 1,764	$ 1,617

Depreciation expense on the above property, plant and equipment totaled $206 million, $204 million, and $226 million for the years ended December 31, 2009, 2008, and 2007, respectively.

Note 6: Investments in Unconsolidated Subsidiaries and Affiliates

A summary of investments in unconsolidated subsidiaries and affiliates as of December 31, 2009, and 2008 is as follows:

Method of Accounting by CNH	2009	2008
	(in millions)	
Equity method	$402	$461
Cost method	13	12
Total	$415	$473

A summary of the combined results of operations and financial position as reported by the investees that we account for using the equity method is as follows:

	For the Years Ended December 31,		
	2009	2008	2007
	(in millions)		
Net revenue	$1,967	$2,971	$4,306
Finance and interest income	49	57	55
Total revenue	2,016	3,028	4,361
Cost of goods sold	1,741	2,608	3,797
Gross profit	$ 226	363	509
Operating income (loss)	$ (24)	144	202
Net income (loss)	$ (173)	$ 125	$ 154

	As of December 31,	
	2009	2008
	(in millions)	
Current assets	$1,560	$2,543
Noncurrent assets	2,459	1,917
Total assets	$4,019	$4,460
Current liabilities	$ 945	$1,443
Noncurrent liabilities	2,151	1,934
Total liabilities	$3,096	$3,377
Total equity	$ 923	$1,083

There are eleven companies in this group and our ownership interests vary from 20% to 50%. The carrying amount of CNH's equity method investments approximates CNH's share of the underlying equity in net assets.

In July 2008, CNH sold its 50% interest in Consolidated Diesel Corporation (CDC) for a purchase price of $61 million. A gain of $7 million related to this transaction is included in "Other, net" in the accompanying consolidated statement of operations.

Note 7: Equipment on Operating Leases

A summary of equipment on operating leases as of December 31, 2009, and 2008 is as follows:

	2009	2008
	(in millions)	
Equipment on operating leases	$ 843	$ 754
Accumulated depreciation	(197)	(150)
Net equipment on operating leases	$ 646	$ 604

Depreciation expense totaled $122 million, $105 million, and $77 million for the years ended December 31, 2009, 2008, and 2007, respectively and is included in "Other, net" in the accompanying consolidated statements of operations.

Lease payments owed to CNH for equipment under non-cancelable operating leases as of December 31, 2009, are as follows:

	Amount (in millions)
2010	$112
2011	70
2012	34
2013	14
2014	5
Total	$235

At December 31, 2009 and 2008, CNH had equipment on operating leases totaling $193 million and $84 million, respectively, that was assigned as collateral to specific debt facilities.

Note 8: Goodwill and Other Intangibles

Changes in the carrying amount of goodwill, for the years ended December 31, 2009, and 2008 are as follows:

	Agricultural Equipment Segment	Construction Equipment Segment	Financial Services Segment	Total
		(in millions)		
Balance at January 1, 2008	$1,664	$567	$151	$2,382
Impact of foreign exchange	(20)	(7)	(8)	(35)
Balance at December 31, 2008	1,644	560	143	2,347
Impact of foreign exchange	16	5	6	27
Balance at December 31, 2009	$1,660	$565	$149	$2,374

Goodwill and indefinite-lived other intangible assets are tested for impairment at least annually. During 2009 and 2008, CNH performed its annual impairment review as of December 31 and concluded that there was no impairment in either year. The Company continues to evaluate events and circumstances to determine if additional testing may be required.

Impairment testing for goodwill is done at a reporting unit level using a two-step test. Since 2006, CNH has identified five reporting units: Case IH and New Holland agricultural equipment brands, Case and New Holland Construction construction equipment brands and Financial Services. Under the first step, CNH's estimate of the fair value of the reporting unit is compared with its carrying value (including goodwill). If the fair value of the reporting unit is less than its carrying value, an indication of goodwill impairment exists for the reporting unit and CNH must perform step two of the impairment test (measurement). Step two of the impairment test, if necessary, would require the identification and estimation of the fair value of the reporting unit's individual assets, including intangible assets with definite and indefinite lives regardless of whether such intangible assets are currently recorded as an asset of the reporting unit, and liabilities in order to calculate the implied fair value of the reporting unit's goodwill. Under step two, an impairment loss is recognized to the extent the carrying amount of the reporting unit's goodwill exceeds the implied fair value of goodwill.

The carrying values for each reporting unit include material allocations of the Company's assets and liabilities and costs and expenses that are common to all of the reporting units. CNH believes that the basis for such allocations has been consistently applied and is reasonable.

The following summarizes the goodwill assigned to CNH's reporting units and included in the Company's consolidated financial statements and the percentage by which the fair value exceeded the carrying value (so called "excess") under the first step of the impairment test performed as of December 31, 2009:

	Amount	Fair Value "Excess"
	(in millions)	
Case IH	$ 685	36.6%
New Holland	975	6.9%
Case	292	31.4%
New Holland Construction	273	11.5%
Financial Services	149	5.1%
Consolidated goodwill	$2,374	

The varying levels of "excess" shown above and changes in fair value from the prior year disclosed later in this note are primarily due to differences in geographic mix and manufacturing footprint. The operations of Case IH and Case reporting units are more heavily weighted towards North America, whereas the New Holland and New Holland Construction reporting units are more heavily weighted towards Western Europe and the Rest of World. Additionally, differences in the levels of working capital on hand at year-end impacted the results of the impairment test.

To determine fair value, CNH has relied on two valuation techniques: the income approach and the market approach.

The income approach is a valuation technique used to convert future expected cash flows to a present value. CNH uses the income approach as the primary approach to measure the fair value of the Equipment Operations reporting units. CNH believes the income approach provides the best measure of fair value for CNH's Equipment Operations reporting units as this approach considers factors unique to each of CNH's reporting units and related long range plans that may not be comparable to other companies and that are not yet publicly available. The income approach is dependent on several critical management assumptions, including estimates of future sales growth, gross margins, operating costs, income tax rates, terminal value growth rates, capital expenditures, changes in working capital requirements and the weighted average cost of capital (discount rate).

Expected cash flows used under the income approach are developed in conjunction with CNH's budgeting and forecasting process and represent the most likely amounts and timing of future cash flows based on the Company's long range plan. CNH's long range plan is updated annually as a part of the annual planning process and is reviewed and approved by senior management. Expected sales growth is based on management's forecast. The gross margins and operating costs considered in the expected cash flows are also based on management's five-year forecast and supported by CNH's manufacturing and product development plans. The amounts of capital expenditures and working capital considered in the expected cash flows are based on several factors including the estimated levels required to support the projected levels of growth and product development plan.

CNH's projections are based on management's expectation of further agricultural equipment industry retail unit sales declines in 2010, followed by industry growth in subsequent years. CNH expects its construction equipment business to improve in 2010 as the industry improves and that as a result, its construction equipment dealers replenish their inventory levels. CNH expects more significant growth in the construction equipment industry in 2011 and subsequent years.

Several of the assumptions and estimates used as the basis for expected cash flows under the income approach have changed since the prior year. The projected revenues for CNH's construction equipment and New

Holland reporting units were reduced to reflect the industry declines that occurred during 2009 and the current industry outlooks. The projected gross margin percentages for all reporting units were increased to reflect management's expectations regarding pricing and product mix, and to reflect the Company's manufacturing initiatives and product development, which are expected to reduce inefficiencies and excess capacity. Operating costs for CNH's construction equipment reporting units were reduced to reflect the cost cutting measures taken in 2009, including the reorganization of the management structure and the reduction in the Company's salaried and agency work force. The impact of cash and working capital requirements were adjusted to reflect expected improvements in working capital management. On an undiscounted basis, the net impact of the changes to management's five-year cash flow forecast was an increase in cash flows of 2.7% and 1.4% for Case and Case IH, respectively, and a reduction in cash flows of 20.9% and 9.4% for New Holland and New Holland Construction, respectively.

The discount rates used in the income approach are an estimate of the rate of return that a market participant would expect of each reporting unit. To select an appropriate rate for discounting the future earnings stream, a review was made of short-term interest rates and the yields of long-term corporate and government bonds, as well as the typical capital structure of companies in the industry. The discount rates used for each reporting unit may vary depending on the risk inherent in the cash flow projections, as well as the risk level that would be perceived by a market participant. CNH considered the above mentioned factors and selected the following discount rates for the income approach as of December 31, 2009:

	Discount Rate
Case IH	13.0%
New Holland	13.0%
Case	13.5%
New Holland Construction	13.5%

The discount rates used in the prior year for the Case IH, New Holland and Case reporting units were higher in order to account for the uncertainty of achievement of the projected cash flows given the state of the industry and capital and credit markets at the end of 2008. These discount rates were reduced in 2009 to reflect the reduction in risk associated with achieving these cash flow projections. The discount rate used for the New Holland Construction reporting unit was increased in 2009 to reflect the higher risk associated with achieving its cash flow projections.

A terminal value is included at the end of the projection period used in CNH's discounted cash flow analyses in order to reflect the remaining value that each reporting unit is expected to generate. The terminal value represents the present value in the last year of the projection period of all subsequent cash flows into perpetuity. CNH has used 2017 as the terminal year in the discounted cash flow analyses performed as of December 31, 2009. The terminal value growth rate is a key assumption used in determining the terminal value as it represents the annual growth of all subsequent cash flows into perpetuity. CNH selected the following terminal value growth rates for the income approach as of December 31, 2009:

	Terminal Value Growth Rate
Case IH	1.0%
New Holland	1.0%
Case	2.0%
New Holland Construction	2.0%

The estimated fair value under the income approach in 2009, including the impact of changes in management assumptions, changed from the prior year as follows:

	Change in Fair Value - Percentage Increase (Decrease)
Case IH	59.2%
New Holland	0.6%
Case	8.1%
New Holland Construction	(16.9)%

The market approach measures fair value based on prices generated by market transactions involving identical or comparable assets or liabilities. Under the market approach, CNH applies the guideline company method in estimating fair value. The guideline company method makes use of market price data of corporations whose stock is actively traded in a public, free and open market, either on an exchange or over-the counter basis. Although it is clear no two companies are entirely alike, the corporations selected as guideline companies must be engaged in the same or similar line of business or be subject to similar financial and business risks, including the opportunity for growth. The guideline company method of the market approach provides an indication of value by relating the equity or invested capital (debt plus equity) of guideline companies to various measures of their earnings and cash flow, then applying such multiples to the business being valued.

Book value and total asset market multiples were utilized in determining the fair value of the Financial Services reporting unit under the market approach. CNH uses the market approach as the primary approach to measure the fair value of the Financial Services reporting unit as it derives value based primarily on the assets under management.

Revenue and EBITDA market multiples were utilized in determining the fair value of the Equipment Operations reporting units under the market approach. For CNH's Equipment Operations reporting units, the market approach is used as a secondary approach to further support the income approach. Because the market approach does not evaluate the reporting units' projected cash flows, CNH believes the market approach enables validation of the fair values derived from the income approach using market benchmarks.

CNH identified comparable companies for use in the guideline company approach based on a review of all publicly traded companies in CNH's lines of business. The comparable companies used were determined based on an evaluation of all relevant factors, including whether the companies were subject to similar financial and business risks.

An adjustment to the market pricing multiples used in the guideline company approach may be justified in order to account for the incremental value associated with a controlling interest in the business. Such a "control premium" represents the amount paid by a new controlling shareholder for the benefits resulting from synergies and other potential benefits derived from controlling the enterprise. Based on the market conditions as of December 31, 2009, CNH believed such an adjustment was justified at the reporting unit level and therefore used a 10-40% control premium in the analysis of the fair value of the reporting units under the market approach.

CNH's implied market capitalization (based on total outstanding shares and stock price as of December 31, 2009) was lower than its book value and the indicated fair value from the goodwill impairment test as of December 31, 2009. However, CNH's reporting units have continued to generate cash flow from their operations, and CNH expects that to continue in future periods. While the Company's implied market capitalization is an indicator of expected future performance, CNH believes a fair value determination should also consider factors such as recent trends in CNH's stock price and an expected control premium at the Company level based

on comparable transactional history. CNH believes there is a reasonable basis for the excess of estimated fair value of the Company's reporting units over its implied market capitalization at December 31, 2009.

Given the low level of "excess" under the first step of the 2009 impairment test, CNH also performed sensitivity analyses of the estimated fair value using the income approach for the New Holland and New Holland Construction reporting units. A key assumption in CNH's fair value estimates is the discount rate used for discounting cash flow estimates to present value. CNH noted that an increase in the discount rate of 90 and 140 basis points for New Holland and New Holland Construction, respectively, could cause each reporting unit's carrying value to exceed fair value. If step two of the impairment test were to be required, the fair values of the assets and liabilities of the reporting unit, other than goodwill, could differ significantly from their carrying values, resulting in the recognition of a material goodwill impairment charge.

Measuring the estimated fair value of CNH's reporting units requires judgment and the use of estimates by management. CNH can provide no assurance that a material impairment charge will not occur in a future period. CNH's estimates of future cash flows may differ from actual cash flows that are subsequently realized due to, among other things, worldwide economic factors, technological changes and the achievement of the anticipated benefits of the Company's profit improvement initiatives. Any of these potential factors, or other unexpected factors, may cause the Company to re-evaluate the carrying value of goodwill. CNH will continue to monitor circumstances and events in future periods to determine whether additional impairment testing is necessary. If an impairment charge were required to be taken for goodwill, such a charge would be a non-cash charge. However, such a charge could have a material adverse impact on CNH's financial position and statement of operations.

As of December 31, 2009, and 2008, the Company's other intangible assets and related accumulated amortization consisted of the following:

		2009			2008		
	Weighted Avg. Life	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
				(in millions)			
Other intangible assets subject to Amortization:							
Engineering Drawings	20	$ 381	$215	$166	$ 379	$197	$182
Dealer Networks	25	216	87	129	216	78	138
Software	5	386	267	119	371	238	133
Other	10 – 30	66	35	31	60	27	33
		1,049	604	445	1,026	540	486
Other intangible assets not subject to amortization:							
Trademarks		272	—	272	272	—	272
Total other intangible assets		$1,321	$604	$717	$1,298	$540	$758

CNH recorded amortization expense of $63 million, $65 million, and $69 million during 2008, 2007, and 2006, respectively.

Based on the current amount of other intangible assets subject to amortization, the estimated annual amortization expense for each of the succeeding 5 years is expected to be as follows: $64 million in 2010; $59 million in 2011; $52 million in 2012, $43 million in 2013; and $35 million in 2014.

Note 9: Credit Facilities and Debt

Credit Facilities

Lenders of committed credit facilities have the obligation to make advances up to the facility amount. These facilities generally provide for facility fees on the total commitment, whether used or unused. Lenders of uncommitted facilities have the right to terminate the agreement with prior notice to CNH.

Credit facilities (either committed or uncommitted) granted by Fiat treasury subsidiaries can be utilized in different advances; each advance may have a different repayment date.

Certain of the third party credit facilities are guaranteed by Fiat. In 2009, 2008 and 2007, CNH paid to Fiat an annual guarantee fee of 0.0625% on the average amount outstanding under the guaranteed facilities.

The following table summarizes CNH's credit facilities at December 31, 2009:

	Currency	Maturity*	Committed (C)/ Uncommitted (U)	Total Facility	Equipment Operations Short-term	Equipment Operations Current Maturities	Equipment Operations Long-term	Financial Services Short-term	Financial Services Current Maturities	Financial Services Long-term	Consolidated Short-term	Consolidated Current Maturities	Consolidated Long-term	Total Available	Guarantor
US Retail and BNDES Financing															
Receivable Securitizations	US$	Dec-2010	C	$1,200	$ —	$ —	$ —	$ 472	$ —	$ —	$ 472	$ —	$ —	$ 728	
BNDES Subsidized Financing	BRL	Various from Jan-2010 to Aug-2017(B)	C	1,342	—	—	—	—	561	763	—	561	763	18	Fiat(A)
Subtotal (C)				**2,542**	**—**	**—**	**—**	**472**	**561**	**763**	**472**	**561**	**763**	**746**	
Other Securitization Facilities															
ABCP Securitizations	AUS	Sep-2010	C	576	—	—	—	356	—	—	356	—	—	220	
ABCP Securitizations	CAD	Dec-2010	C	286	—	—	—	—	—	—	—	—	—	286	
Receivable Securitizations	CAD	Dec-2012	C	309	—	—	—	—	—	309	—	—	309	—	
Subtotal				**1,171**	**—**	**—**	**—**	**356**	**—**	**309**	**356**	**—**	**309**	**506**	
Other 3rd Party Facilities															
Revolving Syndicated Credit Facility	Euro	Aug-2010	C	432	—	432	—	—	—	—	—	432	—	—	Fiat
Various Credit lines—Latin America	Multiple	Various from Jan-2010 to Nov-2017(B)	C	514	84	136	294				84	136	294	—	
Factoring lines	Multiple	Various from Jan-2010 through Nov-2010(B)(E)	U	527	28	—	—	262	—	—	290	—	—	237	
Various Credit Lines—Australia	AUS	Various from Sep-2010 to Dec-2010(B)	C	108	—	—	—	108	—	—	108	—	—	—	
Other Credit Lines	Multiple	Various from Jan-2010 to Nov-2010(B)(D)	U/C	45	15	—	—	—	—	—	15	—	—	30	
Subtotal				**1,626**	**127**	**568**	**294**	**370**	**—**	**—**	**497**	**568**	**294**	**267**	
Fiat Facilities															
Credit Lines with Fiat	Multiple	Various from Jan-2010 to Dec-2014(B)(F)	U	2,848	2	—	—	279	103	196	281	103	196	2,268	
Revolving Credit Facility	Multiple	Feb-2010	C	1,000	—	16	—	—	402	—	—	418	—	582	
Subtotal				**3,848**	**2**	**16**	**—**	**279**	**505**	**196**	**281**	**521**	**196**	**2,850**	
Total Credit Facilities				**$9,187**	**$129**	**$584**	**$294**	**$1,477**	**$1,066**	**$1,268**	**$1,606**	**$1,650**	**$1,562**	**$4,369**	
Amount above with or guaranteed by Fiat Affiliates				**$5,255**	**$ 2**	**$448**	**$ —**	**$ 279**	**$1,066**	**$ 610**	**$ 281**	**$1,514**	**$ 610**	**$2,850**	

* Maturity Dates reflect maturities of the credit facility which may be different than the maturities of the advances under the facility.

(A) Up to $975 million (1.7 billion Brazilian Reals) of subsidized financing provided by Banco Nacional de Desenvolvimento Economico e Social ("BNDES").

(B) Includes various maturities from initial to final maturity.

(C) U.S. Retail and BNDES financing are paid only as the underlying receivables are collected unless the receivables sold are not repurchased by CNH.

(D) Includes a credit line for $11 million which continues to be in place until notice is given.

(E) Includes credit lines for $463 million which continue to be in place until notice is given.

(F) Includes credit line for $29 million which continues to be in place until notice is given.

Securitization facilities and BNDES Financing

CNH has access to asset backed commercial paper ("ABCP") facilities through which it may sell retail receivables generated by Financial Services in the United States, Australia, and Canada. As these transactions do not meet the criteria for sale, the related debt was included in the accompanying consolidated balance sheets. CNH has utilized these facilities in the past to fund the origination of receivables and per the terms of these facilities, have later repurchased the receivables and resold the receivables in the term ABS markets or found alternative financing for the receivables. Under these facilities, the maximum amount of proceeds that can be accessed at one time is $2.1 billion. Under the U.S. facility, if the receivables sold are not repurchased by CNH, the related debt is paid only as the underlying receivables are collected. Such receivables have maturities not exceeding 6 years.

CNH believes that it is probable that these receivables will be repurchased and resold in the public ABS markets in transactions that meet the criteria for sale. Accordingly, the related ABCP debt is classified as short-term debt in the accompanying consolidated balance sheet.

Borrowings against ABCP facilities accrue interest at prevailing asset-backed commercial paper rates. Borrowings are obtained in U.S. dollars and certain other foreign currencies.

CNH also has access to government-sponsored Canadian Secured Credit Facility (CSCF) for the sale of Canadian wholesale receivables up to a maximum amount of $309 million. As this transaction does not meet the criteria for sale, the related debt was included in the accompanying consolidated balance sheets.

Financial Services participates in the FINAME program sponsored by BNDES, a development agency of the government of Brazil. Under the original provisions of the program, BNDES provided credit facilities of 1.7 billion Brazilian Reals ($975 million) guaranteed by Fiat. During 2005 through 2009 BNDES instituted debt relief plans providing a moratorium on payments due, an extension of the loan term, and additional advances under the program. At December 31, 2009, the outstanding balance under the program is $1.3 billion. For the 2005 through 2009 extensions, Financial Services received or will receive an equal extension of principal amounts due to BNDES. Repayment to BNDES under the credit facilities is proportionate to amounts due to Financial Services under the program loans. Additional advances are at the discretion of BNDES.

Other Third Party Facilities

Borrowings under third-party credit facilities bear interest at the relevant domestic benchmark rates (such as Libor or Euribor) plus an applicable margin.

The applicable margin on third party debt depends upon:

- the maturity of the facility/credit line;
- the rating of short-term or long-term unsecured debt at the time the facility/credit line was negotiated; in cases where Fiat provides a guarantee, the margin reflects Fiat's credit standing at the time the facility or credit line was arranged;
- the level of availability of credit lines for CNH in different jurisdictions; and
- market conditions.

The €300 million ($432 million) syndicated credit facility represents the amount allocated to CNH by Fiat under a €1.0 billion ($1.4 billion) Fiat credit facility syndicated with third parties which is currently scheduled to mature in August 2010. The amount allocated to CNH was fully drawn down as of December 31, 2009. Loans

under this facility accrue interest at fluctuating rates based on EURIBOR (or other index rates, such as LIBOR depending on the currency borrowed), plus a margin relating to the credit ratings of Fiat. Fiat and each current borrower under the credit facility (other than CNH) have jointly and severally guaranteed the performance of the obligations of all borrowers under the facility. This facility contains a number of affirmative and negative covenants, including a financial covenant based on Fiat results, limitations on indebtedness, liens and sale of assets, and certain reporting obligations. Failure to comply with these covenants could cause a default under the agreement which might cause all loans outstanding under the facility to become due, regardless of whether the default related to CNH. In addition to paying interest on any borrowings it makes under this facility, CNH is required to pay a commitment fee, the calculation of which takes into account the Fiat credit rating and any unused portion of the €300 million ($432 million) allocation as well as its pro rata share (based on the number of borrowers from time to time) of any remaining commitment fees and other fees relating to the facility.

Fiat Facilities

As described below, CNH also has uncommitted credit facilities with various Fiat treasury subsidiaries. At December 31, 2009, the outstanding amount under these facilities was $580 million with $2.3 billion of remaining availability. Under the uncommitted facilities, Fiat has the right to terminate the agreement with 30 days prior notice to CNH. Neither party has expressed an interest to terminate these facilities.

CNH is a party to a $1.0 billion committed revolving facility with various Fiat treasury subsidiaries maturing on February 26, 2010. It serves as the umbrella under which CNH borrows for day-to-day liquidity needs under the cash pooling arrangements operated by Fiat treasury subsidiaries and for other short-term financing requirements. This facility contains customary terms and conditions, including events of default. The facility provides that it will be an event of default if Fiat ceases to own, directly or indirectly, at least 50% of the outstanding common stock of CNH. A commitment fee of 0.20% per annum is charged on the unused amount of the facility.

The applicable margin for intersegment debt and debt with Fiat affiliates is based on Fiat intercompany borrowing and lending rates applied to all of its affiliates. These rates are determined by Fiat based on its cost of funding for debt of different maturities. CNH believes that rates applied by Fiat to CNH's related party debt are at least as favorable as alternative sources of funds CNH may obtain from third parties. The weighted average interest rate of Fiat financing as of December 31, 2009 was 5.10%.

Short-term debt

A summary of short-term debt, as of December 31, 2009, and 2008 is as follows:

	2009			2008		
	Equipment Operations	Financial Services	Consolidated	Equipment Operations	Financial Services	Consolidated
	(in millions)					
Drawn under credit facilities	$129	$1,477	$1,606	$273	$1,901	$2,174
Short-term debt—Fiat affiliates	5	251	256	342	655	997
Short-term debt—other	2	108	110	101	208	309
Intersegment short-term debt	161	1,594	—	—	1,976	—
Total short-term debt	$297	$3,430	$1,972	$716	$4,740	$3,480

The Company's Brazilian Financial Services subsidiary, Banco CNH Capital, continued its local certificate of deposit program. As of December 31, 2009, $46 million is included in "short-term debt—Fiat affiliates," $67 million is included in "short-term debt—other," and $274 million is included in "intersegment short-term debt." As of December 31, 2008, $50 million is included in "short-term debt—Fiat affiliates," $128 million is included in "short-term debt—other," and $114 million is included in "intersegment short-term debt."

The weighted-average interest rate on consolidated short-term debt at December 31, 2009, and 2008 was 5.11% and 4.74%, respectively. The average rate is calculated using the actual rates as of December 31, 2009 and 2008 weighted by the amount of the outstanding borrowings of each debt instrument.

Long Term Debt

A summary of long-term debt as of December 31, 2009, and 2008, including long-term drawings under credit lines, is as follows:

	2009			2008		
	Equipment Operations	Financial Services	Consolidated	Equipment Operations	Financial Services	Consolidated
	(in millions)					
Public Notes:						
Payable in 2009, interest rate of 6.00%	$ —	$ —	$ —	$ 498	$ —	$ 498
Payable in 2013, interest rate of 7.75%	973	—	973	—	—	—
Payable in 2014, interest rate of 7.125%	500	—	500	500	—	500
Payable in 2016, interest rate of 7.25%	250	—	250	249	—	249
Notes with Fiat affiliates:						
Payable in 2017, interest rate of 1.55% (floating rate)	300	—	300	300	—	300
Payable in 2017, interest rate of 7.00% (fixed rate)	500	—	500	500	—	500
Other affiliate notes, weighted-average interest rate of 5.49% in 2009 and 5.34% in 2008, of which $315 million is due in 2009	115	721	836	407	877	1,284
Drawn amounts under credit facilities	878	2,334	3,212	1,368	2,702	4,070
Other debt, of which $423 million is due in 2010	16	849	865	19	457	476
Intersegment debt	473	804	—	—	319	—
Total long-term debt	4,005	4,708	7,436	3,841	4,355	7,877
Less-current maturities	(774)	(2,058)	(2,386)	(1,143)	(1,387)	(2,530)
Total long-term debt excluding current maturities	$3,231	$ 2,650	$ 5,050	$ 2,698	$ 2,968	$ 5,347

In May 2004, Case New Holland Inc. ("Case New Holland") issued $500 million of its 6% Senior Notes due 2009 (the "6% Senior Notes"). In June 2009, CNH paid these debt securities at maturity.

In March 2006, Case New Holland issued $500 million of debt securities at an annual fixed rate of 7.125% (the "7.125% Senior Notes"), due 2014.

In August 2009, Case New Holland issued $1.0 billion of debt securities at an annual fixed rate of 7.75% (the "7.75% Senior Notes") due 2013.

Both the 7.75% Senior Notes and the 7.125% Senior Notes are fully and unconditionally guaranteed by CNH and certain of its direct and indirect subsidiaries.

The 7.75% Senior Notes contain certain covenants that limit the ability of CNH and its restricted subsidiaries to, among other things, incur secured funded debt or enter into certain leaseback transactions; the ability of CNH non-guarantor restricted subsidiaries other than Case New Holland to incur additional funded debt and the ability of CNH, Case New Holland and CNH guarantor subsidiaries to consolidate, merge, convey, transfer or lease out properties and assets substantially as an entirety.

The 7.125% Senior Notes contain certain covenants that limit the ability of CNH to incur additional debt; pay dividends on CNH's capital stock or repurchase CNH's capital stock; make certain investments; enter into certain types of transactions with affiliates; limit dividend or other payments by CNH's restricted subsidiaries; use assets as security in other transactions; enter into sale and leaseback transactions; and sell assets or merge with, or into, other companies. In addition, certain of the related agreements governing CNH subsidiaries' indebtedness contain covenants limiting their incurrence of secured debt or structurally senior debt.

Pursuant to the indenture governing Case New Holland's 7.125% Senior Notes, as of December 31, 2009, CNH and its restricted Equipment Operations subsidiaries were permitted to incur additional indebtedness under credit facilities in an aggregate amount not to exceed approximately $1.5 billion. In addition, CNH and its restricted Equipment Subsidiaries may incur additional indebtedness to refinance certain of their indebtedness with new indebtedness with a weighted average life to maturity at least as long as the remaining weighted average life of the indebtedness being refinanced.

Notwithstanding the above restrictions, CNH may pay dividends on its common shares in an amount not to exceed $60.0 million in any calendar year, provided that no default or event of default with respect to the 7.125% Senior Notes has occurred and is continuing.

Before March 1, 2010, the 7.125% Senior Notes are redeemable at Case New Holland's option at a price equal to 100% of the principal amount of the notes plus a make-whole premium, as defined in the indenture governing the 7.125% Senior Notes. On or after March 1, 2010, according to the said indenture, the 7.125% Senior Notes are redeemable at Case New Holland's option at a price equal to 100% of the principal amount of the notes plus a premium declining ratably to par. The 7.75% Senior Notes are redeemable at Case New Holland's option at any time at a price equal to 100% of the principal amount of the notes plus a make-whole premium defined in the indenture governing the 7.75% Senior Notes.

In January 1996, Case Corp. (now CNH America LLC) issued $254 million 7 ¼ % Senior Notes due 2016 at a nominal discount. The 7 ¼ % notes are redeemable in whole or in part at any time at the option of CNH America LLC at a price equal to the greater of (i) 100% of the principal amount of the notes being redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the date of redemption on a semi-annual basis at the Treasury Rate (as defined in the notes) plus 20 basis points. Since 1999, these notes have been fully guaranteed by CNH Global N.V.

Other long-term debt of $849 million and $457 million in 2009 and 2008, respectively, for Financial Services includes amounts funded under a retail ABS term transactions for which assets have been retained on-book. See “Note 3: Accounts and Notes Receivable” for further details.

A summary of the minimum annual repayments of long-term debt as of December 31, 2009, for 2011 and thereafter is as follows:

	Equipment Operations	Financial Services	Consolidated
		(in millions)	
2011	$ 161	$ 987	$1,148
2012	156	865	1,021
2013	999	216	1,215
2014	523	60	583
2015 and thereafter	1,066	17	1,083
Long-Term Intersegment	326	505	—
Total	$3,231	$2,650	$5,050

Note 10: Income Taxes

The sources of income (loss) before taxes and equity in income (loss) of unconsolidated subsidiaries and affiliates for the years ended December 31, 2009, 2008, and 2007 are as follows:

	2009	2008	2007
		(in millions)	
The Netherlands source	$(13)	$ (62)	$ (66)
Foreign sources	(80)	1,218	896
Income (loss) before taxes and equity in income (loss) of unconsolidated subsidiaries and affiliates	$(93)	$1,156	$830

The provision for income taxes for the years ended December 31, 2009, 2008, and 2007 consisted of the following:

	2009	2008	2007
		(in millions)	
Current income taxes	$159	$299	$196
Deferred income taxes	(67)	86	158
Total income tax provision	$ 92	$385	$354

A reconciliation of CNH's statutory and effective income tax rate for the years ended December 31, 2009, 2008, and 2007 is as follows:

	2009	2008	2007
Tax provision at the Netherlands statutory rate	26%	26%	26%
Foreign income taxed at different rates	(2)	7	14
Change in valuation allowance	(147)	—	(3)
Withholding taxes and credits	(5)	1	1
Tax contingencies	(2)	3	3
Tax credits and incentives	38	(4)	(2)
Tax rate changes	(4)	(1)	2
Other	(3)	1	2
Total income tax provision	(99)%	33%	43%

During 2009, CNH recorded valuation allowances on deferred tax assets in certain jurisdictions where it was deemed more likely than not that the assets will not be realized based on available evidence.

The components of net deferred tax assets as of December 31, 2009, and 2008 are as follows:

	2009	2008
	(in millions)	
Deferred tax assets:		
Pension, postretirement and post employment benefits	$ 621	$ 594
Marketing and sales incentive programs	198	205
Allowance for credit losses	110	72
Inventories	94	45
Warranty and modification programs	60	72
Restructuring	23	14
Other accrued liabilities	451	384
Tax loss carry forwards	933	905
Less: Valuation allowances	(919)	(837)
Total deferred tax assets	1,571	1,454
Deferred tax liabilities:		
Other intangible assets	187	214
Property, plant and equipment	247	185
Inventories	104	92
Other	81	65
Total deferred tax liabilities	619	556
Net deferred tax assets	$ 952	$ 898

Net deferred tax assets are reflected in the accompanying consolidated balance sheets as of December 31, 2009, and 2008 as follows:

	2009	2008
	(in millions)	
Current deferred tax asset	$517	$396
Long-term deferred tax asset (included in "Other assets")	542	583
Current deferred tax liability (included in "Other accrued liabilities")	(53)	(65)
Long-term deferred tax liability (included in "Other liabilities")	(54)	(16)
Net deferred tax asset	$952	$898

CNH has tax loss carry forwards in a number of foreign tax jurisdictions. The years in which they expire are as follows: $10 million in 2010; $20 million in 2011; $28 million in 2012; $11 million in 2013; $201 million in 2014; $19 million in 2015; $17 million in 2016; and $149 million with expiration dates from 2017 through 2029. CNH also has tax loss carry forwards of $3 billion with indefinite lives.

The Company adopted new accounting guidance that clarified the accounting for tax contingencies on January 1, 2007. As a result, the Company recognized a $48 million increase in the liability for tax contingencies, which was accounted for as a reduction to the January 1, 2007, balance of retained earnings. A reconciliation of the gross amounts of tax contingencies at the beginning and end of the year is as follows:

	2009	2008
	(in millions)	
Balance, beginning of year	$374	$ 406
Additions based on tax positions related to the current year	23	12
Additions for tax positions of prior years	109	83
Reductions for tax positions of prior years	(48)	(111)
Reductions for tax positions as a result of lapse of statute	(31)	—
Settlements	(4)	(16)
Balance, end of year	$423	$ 374

The total amount of tax contingencies, if recognized, would affect the total income tax provision by $221 million.

The remaining liability is principally related to tax positions for which there are offsetting tax receivables, or the uncertainty related to timing items. Based on worldwide tax audits which are scheduled to close over the next twelve months, the Company expects to have decreases of approximately $122 million and increases of approximately $104 million to tax contingencies primarily related to transfer pricing. These changes in tax contingencies are not expected to have a material impact on the effective tax rate due to compensating adjustments to related tax receivables.

Included in the balance at December 31, 2009, are $17 million of tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The disallowance of a shorter deductibility period would accelerate the payment of cash to the taxing authority to an earlier period.

Effective in 2009 with the adoption of new accounting guidance on business combinations, any changes in tax contingencies relating to the Case acquisition will change the annual income tax provision.

The Company recognizes interest and penalties accrued related to tax contingencies in the income tax provision. During the years ended December 31, 2009, 2008 and 2007, the Company recognized approximately $9 million, $12 million and $8 million in interest and penalties, respectively. The Company had approximately $70 million, $65 million and $53 million for the payment of interest and penalties accrued at December 31, 2009, 2008 and 2007, respectively.

The Company files income tax returns in various foreign jurisdictions. The Company is currently under tax examinations by various taxing authorities for years 1997 through 2007 that are anticipated to be completed by the end of 2012. As of December 31, 2009, certain taxing authorities have proposed adjustments to the Company's transfer pricing positions and the Company is currently engaged in competent authority proceedings. The Company anticipates that it is reasonably possible to reach a settlement by the end of 2010. The potential tax deficiency assessment could have an effect on the Company's annual cash flows in the range of $55 to $60 million. The Company has provided for tax contingencies and related competent authority recovery. The Company does not believe that the resolution of the competent authority proceedings will have a material adverse effect on the results of operation.

The Company has not provided deferred taxes on $2.2 billion of undistributed earnings of non-Netherlands' subsidiaries at December 31, 2009, as the Company intends to indefinitely reinvest these earnings in non-Netherlands operations. Quantification of the tax liability, if the Company were to repatriate all permanently reinvested earnings, is not practicable.

Note 11: Restructuring

The following summarizes restructuring charges by reportable segment during 2009, 2008 and 2007:

	Years Ended December 31,		
	2009	2008	2007
	(in millions)		
Agricultural equipment	$ 66	$30	$75
Construction equipment	32	4	10
Financial services	4	5	—
Total restructuring	$102	$39	$85

In April 2009, CNH announced a global consolidation and reorganization plan to further adjust cost and operating levels in light of the economic downturn. These actions include optimizing CNH's manufacturing footprint and reducing salaried personnel. In June 2009, CNH announced it had started the process to move all production activities from its construction equipment plant located in Imola, Italy to other CNH facilities. In July 2009, CNH announced it had reorganized its Construction Equipment business's management structure. Restructuring costs of $102 million in 2009 primarily related to severance and other employee-related costs incurred due to personnel reduction actions being implemented under these plans. The company recognized $87 million relating to salaried personnel reduction, $10 million related to industrial workforce reduction actions and $5 million related to closing, selling, and downsizing existing facilities.

Restructuring costs of $39 million in 2008 primarily related to severance and other employee-related costs, and business costs related to closing of manufacturing facilities. The Company recorded $31 million of restructuring expense relating to the personnel reduction plan, $4 million related to the 2007 closure of its Berlin, Germany facility, and $4 million related to the closure of other facilities.

Restructuring costs of $85 million recognized in 2007 primarily related to the PGN arbitration, severance and other employee-related costs incurred due to personnel reductions, and in the United States, the announced closure in 2006 of two manufacturing facilities. CNH was engaged in a consolidated arbitration proceeding (the "Arbitration") pending in London before the ICC International Court of Arbitration. The Arbitration arose under a Services Agreement between CNH and PGN Logistics Ltd ("PGN"), pursuant to which PGN provided specified logistical services for CNH in Europe. The expense for the year ended December 31, 2007, included $42 million of additional costs as a result of the Company's 2005 decision to exit its logistics outsourcing agreement with PGN and create a new company-directed European logistics function (See Note 14 for additional information).

Reductions in personnel in 2007 were achieved by eliminating administrative and back office functions and related personnel and eliminating manufacturing personnel in facilities that were either closed or downsized. These costs include severance and contractual benefits in accordance with collective bargaining agreements, other agreements and CNH policy, outplacement services, medical and supplemental vacation and retirement payments.

Costs related to closing, selling, and downsizing existing facilities were due to excess capacity and duplicate facilities and primarily relate to the following actions:

- rationalization of the agricultural equipment manufacturing facility in Belleville, Pennsylvania;
- rationalization of parts depots in Kansas City, Kansas; St. Paul, Minnesota; and Omaha, Nebraska;

- rationalization of the construction equipment manufacturing facility in Berlin, Germany;
- rationalization of the combine manufacturing plant in East Moline, Illinois; and
- other actions which take into consideration duplicate capacity and other synergies including purchasing and supply chain management, research and development and selling, general and administrative functions related to CNH's operations.

The following table sets forth restructuring activity for the years ended December 31, 2009, 2008, and 2007:

	Severance and Other Employee Costs	Facility Related Costs	Other Restructuring	Total
	(in millions)			
Balance at January 1, 2007	$ 70	$ 15	$ —	$ 85
Additions	40	3	42	85
Reserves utilized: cash	(106)	(12)	—	(118)
Reserves utilized: non-cash	—	—	(42)	(42)
Balance at December 31, 2007	4	6	—	10
Additions	41	9	(11)	39
Reserves utilized: cash	(34)	(6)	—	(40)
Reserves utilized: non-cash	—	(6)	11	5
Balance at December 31, 2008	11	3	—	14
Additions	97	5	—	102
Reserves utilized: cash	(54)	(7)	—	(61)
Reserves utilized: non-cash	(12)	—	—	(12)
Currency translation adjustments	2	—	—	2
Balance at December 31, 2009	$ 44	$ 1	$ —	$ 45
Remaining costs expected to be incurred	$ 26	$ 2	$ —	$ 28

Non-cash utilization in 2009 of $12 million relates to the recognition of a curtailment loss on CNH's pension and postretirement benefit plans due to a permanent reduction in personnel in the United States. See Note 12 for additional information.

The specific restructuring measures and associated estimated costs were based on management's best business judgment under prevailing circumstances. If future events warrant changes to the reserve, such adjustments will be reflected in the applicable consolidated statements of operations as "Restructuring."

Note 12: Employee Benefit Plans and Postretirement Benefits

CNH has various defined benefit plans that cover certain employees. Benefits are generally based on years of service and, for most salaried employees, on final average compensation. Benefits for New Holland salaried employees in the U.S. were frozen for pay and service as of December 31, 2000. New Holland salaried employees in the U.S. received a 3% increase for every year of employment after December 31, 2000, for a maximum of three years.

CNH has postretirement health and life insurance plans that cover certain U.S. and Canadian employees. For New Holland U.S. salaried and hourly employees, and for Case U.S. non-represented hourly and Case U.S. and Canadian salaried employees, the plans cover employees retiring on or after attaining age 55 who have had at least 10 years of service with the Company. For Case U.S. and Canadian hourly employees represented by a

labor union, the plans generally cover employees who retire pursuant to their respective hourly plans and collective bargaining agreements. These benefits may be subject to deductibles, co-payment provisions and other limitations, and CNH has reserved the right to change or terminate these benefits, subject to the provisions of any collective bargaining agreement. CNH U.S. salaried and non-represented hourly and Canadian employees hired after January 1, 2001, and January 1, 2002, respectively, are not eligible for postretirement health and life insurance benefits under the CNH plans. Beginning in 2005, the defined dollar benefit cap for salaried employees was replaced with the retirees paying 60% of each years' total plan cost increase. The same provision applied to hourly nonrepresented employees beginning in January 2008.

Prescription drug benefits were eliminated effective January 1, 2007, for salaried retirees, nonrepresented hourly retirees and certain union groups retired on or after December 1, 2004, who were eligible for Medicare Part D.

Former parent companies of New Holland and Case retained certain accumulated pension benefit obligations and related assets and certain accumulated postretirement health and life insurance benefit obligations. Accordingly, as these remain the obligations of the former parent companies, the financial statements of CNH do not reflect any of these assets or liabilities. See "Note 14: Commitments and Contingencies, Other Litigation" for a discussion of litigation related to these obligations retained by former parent companies.

Obligations and Funded Status

The following summarizes data from CNH's defined benefit pension plans and postretirement health and life insurance plans for the years ended December 31, 2009, and 2008:

	Pension Benefits		Other Postretirement Benefits	
	2009	2008	2009	2008
	(in millions)			
Change in benefit obligations:				
Actuarial present value of benefit obligation at beginning of measurement period	$2,473	$3,047	$ 1,190	$ 1,221
Service cost	23	26	8	8
Interest cost	152	166	73	72
Plan participants' contributions	3	5	5	4
Actuarial loss (gain)	218	(227)	(51)	(20)
Gross benefits paid	(190)	(210)	(75)	(78)
Plan amendments	(5)	7	(15)	—
Curtailment loss (gain)	8	(5)	6	—
Currency translation adjustments and other	117	(336)	11	(17)
Actuarial present value of benefit obligation at end of measurement period	2,799	2,473	1,152	1,190
Change in plan assets:				
Plan assets at fair value at beginning of measurement period	1,640	2,270	54	70
Actual return on plan assets	249	(335)	12	(16)
Employer contributions	153	205	69	74
Plan participants' contributions	3	5	5	4
Gross benefits paid	(190)	(210)	(75)	(78)
Currency translation adjustments and other	96	(295)	1	—
Plan assets at fair value at end of measurement period	1,951	1,640	66	54
Funded status:	$ (848)	$ (833)	$(1,086)	$(1,136)

The net actuarial loss of $218 million on pension benefits during 2009 was primarily due to decreases in discount rates in the U.S. and U.K.

Net amounts recognized in the consolidated balance sheets as of December 31, 2009 and 2008 consist of:

	Pension Benefits		Other Postretirement Benefits	
	2009	2008	2009	2008
	(in millions)			
Non-current assets	$ —	$ 12	$ —	$ —
Current liabilities	(45)	(45)	(18)	(28)
Non-current liabilities	(803)	(800)	(1,068)	(1,108)
Net liability recognized at end of year	$(848)	$(833)	$(1,086)	$(1,136)

Pre-tax amounts recognized in accumulated other comprehensive income (loss) as of December 31, 2009 consist of:

	Pension Benefits	Other Postretirement Benefits
	(in millions)	
Unrecognized actuarial losses	$866	$192
Unrecognized prior service cost (credit)	—	(67)
Total	$866	$125

The following table summarizes CNH's pension plans with accumulated benefit obligations in excess of plan assets:

	December 31,	
	2009	2008
	(in millions)	
Projected benefit obligation	$2,719	$1,988
Accumulated benefit obligation	$2,698	$1,949
Fair value of plan assets	$1,885	$1,154

The total accumulated benefit obligation for all pension plans as of December 31, 2009 and 2008, was $2,762 million and $2,403 million, respectively. Total projected benefit obligations for pension plans that CNH does not currently fund were $481 million and $483 million as of December 31, 2009 and 2008, respectively.

Net Periodic Benefit Cost

The following summarizes the components of net periodic benefit cost of CNH's defined benefit pension plans and postretirement health and life insurance plans for the years ended December 31, 2009, 2008, and 2007:

	Pension Benefits			Other Postretirement Benefits		
	2009	2008	2007	2009	2008	2007
	(in millions)					
Service cost	$ 23	$ 26	$ 36	$ 8	$ 8	$ 15
Interest cost	152	166	159	73	72	79
Expected return on assets	(122)	(161)	(164)	(4)	(8)	(1)
Amortization of:						
Transition asset	—	—	—	—	—	6
Prior service cost (credit)	1	2	2	(39)	(43)	(41)
Actuarial loss	71	38	49	21	30	63
Net periodic benefit cost	125	71	82	59	59	121
Curtailment and settlement loss (gain) and other	8	3	(6)	6	(8)	—
Net periodic benefit cost	$ 133	$ 74	$ 76	$ 65	$ 51	$121

Expense related to benefits for inactive employees totaled $142 million, $90 million and $129 million for the years ended December 31, 2009, 2008, and 2007, respectively, and are included in "Other, net" in the accompanying consolidated statements of operations.

CNH recognized curtailment losses during 2009 primarily due to a permanent reduction in personnel in the United States. CNH recognized a curtailment loss of $7 million and $6 million relating to U.S. defined benefit pension and postretirement benefit plans, respectively. Of these charges, $12 million was reflected in the consolidated statement of operations as "Restructuring." See Note 11 for additional information regarding the headcount reduction actions taken in 2009.

Net periodic benefit cost recognized in net income and other changes in plan assets and benefit obligations recognized in other comprehensive income during 2009 consist of:

	Pension Benefits	Other Postretirement Benefits
	(in millions)	
Net periodic benefit cost recognized in net income	$133	$ 65
Other changes in plan assets and benefit obligations:		
Net actuarial loss (gain)	92	(58)
Prior service credit	(6)	(15)
Amortization of actuarial loss	(71)	(21)
Amortization of prior service (cost) credit	(1)	39
Curtailment and settlement	—	—
Currency translation adjustments and other	15	3
Total recognized in other comprehensive loss (income)	29	(52)
Total recognized	$162	$ 13

Pre-tax amounts expected to be amortized in 2010 from accumulated other comprehensive income (loss) consist of:

	Pension Benefits	Other Postretirement Benefits
	(in millions)	
Actuarial losses	$67	$ 14
Prior service cost (credit)	2	(39)
Total	$69	$(25)

Assumptions

The following assumptions were utilized in determining the funded status as of December 31, 2009 and 2008, and net periodic benefit cost of CNH's defined benefit pension plans for the years ended December 31, 2009, 2008, and 2007:

	2009		2008		2007	
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans
Assumptions used to determine funded status at December 31:						
Weighted-average discount rates	5.50%	5.51%	6.10%	6.10%		
Rate of increase in future compensation	N/A	3.42%	N/A	3.25%		
Weighted-average, long-term rates of return on plan assets	8.00%	6.72%	8.00%	6.75%		
Assumptions used to determine expense for the years ended December 31:						
Weighted-average discount rates(A)	6.10%	6.10%	6.20%	5.53%	5.80%	4.72%
Rate of increase in future compensation	N/A	3.25%	N/A	3.85%	N/A	3.55%
Weighted-average, long-term rates of return on plan assets	8.00%	6.75%	8.25%	7.00%	8.25%	7.01%

CNH has postretirement health and life insurance plans in the U.S. and Canada. The following assumptions were utilized in determining the funded status as of December 31, 2009 and 2008, and net periodic benefit cost of CNH's postretirement health and life insurance plans for the years ended December 31, 2009, 2008, and 2007:

	2009		2008		2007	
	U.S. Plans	Canadian Plan	U.S. Plans	Canadian Plan	U.S. Plans	Canadian Plan
Assumptions used to determine funded status at December 31:						
Weighted-average discount rates	5.50%	4.75%	6.10%	7.00%		
Rate of increase in future compensation	N/A	3.50%	N/A	4.00%		
Weighted-average, long-term rates of return on plan assets	7.75%	N/A	7.75%	N/A		
Weighted-average, assumed initial healthcare cost trend rate	8.50%	9.00%	9.00%	8.00%		
Weighted-average, assumed ultimate healthcare cost trend rate	5.00%	5.00%	5.00%	5.00%		
Year anticipated attaining ultimate healthcare cost trend rate	2017	2018	2017	2015		
Assumptions used to determine expense for the years ended December 31:						
Weighted-average discount rates(A)	6.10%	7.00%	6.20%	5.20%	5.80%	4.75%
Rate of increase in future compensation	N/A	4.00%	N/A	4.00%	N/A	3.00%
Weighted-average, long-term rates of return on plan assets	7.75%	N/A	8.00%	N/A	N/A	N/A
Weighted-average, assumed initial healthcare cost trend rate	9.00%	8.00%	9.00%	8.50%	10.00%	9.00%
Weighted-average, assumed ultimate healthcare cost trend rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Year anticipated attaining ultimate healthcare cost trend rate	2017	2015	2012	2015	2012	2015

(A) The expense for the U.S. plans for the year ended December 31, 2009 was remeasured at May 31, 2009 using a discount rate of 6.70%.

Assumed discount rates are used in measurements of pension and postretirement benefit obligations and interest cost components of net periodic cost. CNH selects its assumed discount rates based on the consideration of equivalent yields on high-quality fixed income investments at the measurement date.

The discount rate assumptions used to determine the U.S. obligations at December 31, 2009, 2008 and 2007 were based on the Citigroup Pension Discount Curve, which is the methodology commonly applied by CNH's current actuaries for the U.S. plans. The Citigroup Pension Discount Curve is derived by adding an average of option-adjusted spreads drawn from double-A corporate bonds to a U.S. Treasury par curve that reflects the entire Treasury coupon and STRIPS market. Citigroup publishes the Pension Discount Curve on a monthly basis.

The discount rate assumptions for non-U.S. obligations are based on benchmark yield data of high-quality fixed income investments for which the timing and amounts of payments approximate the timing and amounts of projected benefit payments. For the Canadian obligations, the assumed discount rate assumptions were based on the AA spot rate curve supplied by CIBC World Markets. For the U.K. obligations, the assumed discount rate assumptions were based on the iBoxx Sterling AA Corporate Bond Index. For most European obligations, the assumed discount rate assumptions were based on the iBoxx Euro AA Corporate Bond Index.

The assumed health care trend rate represents the rate at which health care costs are assumed to increase. Rates are determined based on Company-specific experience, consultation with actuaries and outside consultants, and various trend factors including general and health care sector-specific inflation projections from the United States Department of Health and Human Services Health Care Financing Administration. The initial trend is a short-term assumption based on recent experience and prevailing market conditions. The ultimate trend is a long-term assumption of health care cost inflation based on general inflation, incremental medical inflation, technology, new medicine, government cost shifting, utilization changes, aging population and a changing mix of medical services.

A one percentage point change in the assumed healthcare cost trend rates would have the following effect:

	One Percentage-Point Increase	One Percentage-Point Decrease
	(in millions)	
Total increase/(decrease) in service cost and interest cost components of 2009 net postretirement benefit expense	$ 8	$ (6)
Total increase/(decrease) in accumulated postretirement benefit obligation as of December 31, 2009	$106	$(90)

The change in the other postretirement benefit obligation not only reflected increases in the discount rates but also included the impacts of changes in estimated claim costs and other factors. The impact of such changes is included in the 2009, 2008 and 2007 actuarial gains.

The expected long-term rate of return on plan assets reflects management's expectations on long-term average rates of return on funds invested to provide for benefits included in the projected benefit obligations. The expected return is based on the outlook for inflation, fixed income returns and equity returns, while also considering asset allocation and investment strategy, premiums for active management to the extent asset classes are actively managed and plan expenses. Return patterns and correlations, consensus return forecasts and other relevant financial factors are analyzed to check for reasonability and appropriateness.

Plan Assets

The investment strategy followed by CNH varies by country depending on the circumstances of the underlying plan. Typically less mature plan benefit obligations are funded by using more equity securities as they are expected to achieve long-term growth while exceeding inflation. More mature plan benefit obligations are funded using more fixed income securities as they are expected to produce current income with limited volatility. Risk management practices include the use of multiple asset classes and investment managers within each asset class for diversification purposes. Specific guidelines for each asset class and investment manager are implemented and monitored.

Assets held by CNH's U.S. and U.K. plans approximated 50% and 41%, respectively, of CNH's total plan assets at fair value as of December 31, 2009. The remaining 9% of CNH's total plan assets are held primarily in Canada and Belgium. The target asset allocation for the U.S. and the U.K. and the weighted average target asset allocation for all plans for 2010 are as follows:

	U.S. Plans	U.K. Plans	All Plans
Asset category:			
Equity securities	50%	28%	37%
Debt securities	50%	51%	51%
Cash/Other	—	21%	12%

CNH determines the fair value of plan assets using observable market data obtained from independent sources when available. CNH classifies its plan assets according to the fair value hierarchy:

Level 1—Quoted prices for *identical* instruments in active markets.

Level 2—Quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3—Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are *unobservable.*

The U.S. plan assets are held in a master trust. Participants in the master trust include other subsidiaries of Fiat. CNH does not own individual assets in the master trust. For purposes of this disclosure, CNH's share of each of the U.S. master trust asset categories is included in the amounts presented below.

The following summarizes the fair value of plan assets by asset category and level within the fair value hierarchy as of December 31, 2009:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
			(in millions)	
Equity securities:				
US equities—Large cap	$ 173	$173	$ —	$—
US equities—Mid cap	57	57	—	—
US equities—Small cap	51	51	—	—
Non-US equities—Large cap	129	129	—	—
Non-US equities—Mid cap	22	22	—	—
Non-US equities—Small cap	4	4	—	—
Emerging markets	4	4	—	—
Total equity securities	440	440	—	—
Fixed income securities:				
US government bonds	169	—	169	—
US corporate bonds	304	—	304	—
Non-US government bonds	336	284	42	10
Non-US corporate bonds	106	12	92	2
Mortgage backed securities	29	—	29	—
Other fixed income	35	10	23	2
Total fixed income securities	979	306	659	14
Other types of investments:				
Mutual funds(A)	202	13	189	—
Investment funds(B)	294	—	294	—
Hedge funds	6	—	6	—
Insurance contracts	16	—	—	16
Derivatives:				
Credit default swaps—Assets	10	—	10	—
Credit default swaps—Liabilities	(10)	—	(10)	—
Credit swaps—net value	—	—	—	—
Foreign exchange contracts—Assets	1	—	1	—
Foreign exchange contracts—Liabilities	(3)	—	(3)	—
Foreign exchange contracts—net value	(2)	—	(2)	—
Other investments(C)	17	17		—
Total other types of investments	533	30	487	16
Cash:	65	32	33	—
Total	$2,017	$808	$1,179	$30

(A) This category includes mutual funds that invest in approximately 62% in non-US equities, 2% in US corporate bonds, 26% in non-US corporate bonds, 5% in non-US government bonds and 5% in cash and other investments.

(B) This category includes investments in approximately 41% in US equities, 26% in non-US equities, 1% in US corporate bonds, 9% in non-US corporate bonds, 1% in US government bonds, 14% in non-US government bonds and 8% in cash and other investments.

(C) This category is comprised of investments in commodities.

The following table presents the changes in the plan assets valued using significant unobservable inputs for the year ended December 31, 2009:

	Non-US Government Bonds	Non-US Corporate Bonds	Other Fixed Income	Insurance Contracts
Balance at December 31, 2008	$ 1	$ 1	$ 3	$16
Actual return on plan assets:				
Related to assets still held at year end	—	—	—	—
Relating to assets sold during the year	—	—	—	—
Purchases, issuances and settlements	9	1	—	—
Transfers in and/or out of Level 3	—	—	(1)	—
Balance at December 31, 2009	$10	$ 2	$ 2	$16

Contributions

CNH's funding policy is to contribute assets to the plans equal to the amounts necessary to, at a minimum, satisfy the funding requirements as prescribed by the laws and regulations of each country.

During 2009, CNH made a discretionary contribution to U.S. defined benefit pension plan trust of $90 million. CNH currently estimates that discretionary contributions to its U.S. defined benefit pension plans will be up to $70 million in 2010. Estimated contributions to the U.S. postretirement benefit plans will be approximately $75 million in 2010 prior to consideration of CNH making any discretionary contributions.

The following summarizes cash flows related to total benefits expected to be paid from the plans or from Company assets, as well as expected Medicare Part D subsidy receipts:

	Pension Benefits		Other Postretirement Benefits		Medicare Part D Reimbursement
	U.S. Plans	Non-U.S. Plans	U.S. Plans	Non-U.S. Plans	U.S. Plans
	(in millions)				
Employer contributions:					
2010 (expected)	$ 71	$ 62	$ 75	$ 3	N/A
Expected benefit payments and reimbursements:					
2010	$ 89	$ 115	$ 82	$ 3	$ 1
2011	89	102	85	3	2
2012	89	107	85	3	2
2013	89	108	86	3	2
2014	88	113	86	4	2
2015 – 2019	420	583	406	19	7
Total	$864	$1,128	$830	$35	$ 16

Defined Contribution Plans

CNH provides defined contribution plans for its U.S. salaried employees, its U.S. non-represented hourly employees and for its represented hourly employees covered by collective bargaining agreements. During the years ended December 31, 2009, 2008, and 2007, CNH recorded expense of $34 million, $33 million, and $31 million, respectively, for its defined contribution plans.

Note 13: Other Accrued Liabilities

A summary of other accrued liabilities as of December 31, 2009, and 2008 is as follows:

	2009	2008
	(in millions)	
Marketing and sales incentive programs	$ 690	$ 660
Value-added taxes and other taxes payable	479	238
Warranty and modification programs	301	294
Legal reserves	213	189
Accrued payroll	163	179
Deferred income	115	78
Accrued income tax liability	111	101
Accrued interest	99	64
Defined benefit and other retirement plan obligations	82	89
Current deferred tax liability	53	65
Customer advances	28	55
Other	299	349
Total other accrued liabilities	$2,633	$2,361

Note 14: Commitments and Contingencies

CNH and its subsidiaries are party to various legal proceedings in the ordinary course of business, including: product warranty; environmental; asbestos; dealer disputes; disputes with suppliers and service providers; workers compensation; patent infringement; and customer and employment matters. The ultimate outcome of legal matters pending against CNH and its subsidiaries cannot be predicted, and although such lawsuits are not expected individually to have a material adverse effect on CNH, such lawsuits could have, in the aggregate, a material adverse effect on CNH's consolidated financial condition, cash flows, and results of operations.

Environmental

CNH's operations and products are subject to extensive environmental laws and regulations in the countries in which it operates. In addition, the equipment the Company sells and the engines which power them are subject to extensive statutory and regulatory requirements that impose standards with respect to, among other things, air emissions. Additional laws requiring emission reductions in the future from non-road engines and equipment have been promulgated or are contemplated in the United States as well as by non-U.S. regulatory authorities in many jurisdictions throughout the world. CNH expects that it will make significant capital and research expenditures to comply with these standards in the future. The Company anticipates that these costs are likely to increase as emissions limits become more stringent and pervasive. To the extent the timing and terms and conditions of such laws and regulations (and CNH's corresponding obligations) are clear, CNH has budgeted or otherwise made available funds which it believes will be necessary to comply with such laws and regulations. To the extent the timing and terms and conditions of such laws and regulations (and CNH's corresponding obligations) are uncertain. CNH is unable to quantify the dollar amount of potential future expenditures and has not budgeted or otherwise made funds available. The failure to comply with these current and anticipated emission limits could result in adverse effects on the Company's future financial results.

Capital expenditures for environmental control and compliance in 2009 were approximately $0.9 million and CNH expects to spend approximately $4.4 million in 2010. The U.S. Clean Air Act Amendments of 1990 and European Commission directives directly affect the operations of all of CNH's manufacturing facilities in the United States and Europe, respectively, currently and in the future. The manufacturing processes affected include painting and coating operations. Although capital expenditures for environmental control equipment and compliance costs in future years will depend on legislative, regulatory and technological developments which are uncertain, the Company anticipates that these costs are likely to increase as environmental requirements become more stringent and pervasive. CNH believes that these capital costs, exclusive of product-related costs, will not have a material adverse effect on its business, financial position or results of operations.

Pursuant to the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), which imposes strict and, under certain circumstances, joint and several liability for remediation and liability for natural resource damages, and other federal and state laws that impose similar liabilities, CNH has received inquiries for information or notices of its potential liability regarding 50 non-owned sites at which hazardous substances allegedly generated by us were released or disposed ("Waste Sites"). Of the Waste Sites, 19 are on the National Priority List promulgated pursuant to CERCLA. For 45 of the Waste Sites, the monetary amount or extent of the Company's liability has either been resolved; it has not been named as a potentially responsible party ("PRP"); or its liability is likely *de minimis*. In September, 2004, the United States Environmental Protection Agency ("U.S. EPA") proposed listing the Parkview Well Site in Grand Island, Nebraska for listing on the National Priorities List ("NPL"). Within its proposal the U.S. EPA discussed two alleged alternatives, one of which identified historical on-site activities that occurred during prior ownership at CNH America's Grand Island manufacturing plant property as a possible contributing source of area groundwater contamination. CNH America filed comments on the proposed listing which reflected its opinion that the data does not support the U.S. EPA's alleged scenario. In April, 2006, the U.S. EPA finalized the listing. After subsequent remedial investigations were completed by the U.S. EPA and the Company in 2006, the U.S. EPA advised that it will proceed with a remediation funded by the Federal Superfund without further participation by CNH. The U.S. EPA continues to search for PRPs other than CNH. In December, 2004, a toxic tort suit was filed by area residents against CNH, certain of our subsidiaries including CNH America, and prior owners of the property. While the outcome of this proceeding is uncertain, CNH believes that it has strong legal and factual defenses, and will vigorously defend this lawsuit. Because estimates of remediation costs are subject to revision as more information becomes available about the extent and cost of remediation and because settlement agreements can be reopened under certain circumstances, the Company's potential liability for remediation costs associated with the 50 Waste Sites could change. Moreover, because liability under CERCLA and similar laws can be joint and several, CNH could be required to pay amounts in excess of its *pro rata* share of remediation costs. However, when appropriate, the financial strength of other PRPs has been considered in the determination of the Company's potential liability. CNH believes that the costs associated with the Waste Sites will not have a material adverse effect on the Company's business, financial position or results of operations.

The Company is conducting environmental investigatory or remedial activities at certain properties that are currently or were formerly owned and/or operated or which are being decommissioned. The Company believes that the outcome of these activities will not have a material adverse effect on its business, financial position or results of operations.

The actual costs for environmental matters could differ materially from those costs currently anticipated due to the nature of historical handling and disposal of hazardous substances typical of manufacturing and related operations, the discovery of currently unknown conditions, and as a result of more aggressive enforcement by regulatory authorities and changes in existing laws and regulations. As in the past, CNH plans to continue funding its costs of environmental compliance from operating cash flows.

Based upon information currently available, the Company estimates potential environmental liabilities including remediation, decommissioning, restoration, monitoring, and other closure costs associated with current or formerly owned or operated facilities, the Waste Sites, and other claims to be in the range of $33 million to $89 million. Investigation, analysis and remediation of environmental sites is a time consuming activity. The Company expects such costs to be incurred and claims to be resolved over an extended period of time which could exceed 30 years for some sites. As of December 31, 2009, environmental reserves of approximately $52 million have been established to address these specific estimated potential liabilities. Such reserves are undiscounted and do not include anticipated recoveries, if any, from insurance companies.

Product Liability

Product liability claims against CNH arise from time to time in the ordinary course of business. There is an inherent uncertainty as to the eventual resolution of unsettled claims. However, in the opinion of management, any losses with respect to these existing claims will not have a material adverse effect on CNH's financial position or results of operations. Product liability expense is recorded in the consolidated statements of operations in the line "Other, net."

Other Litigation

Yolton: In December 2002 six individuals acting on behalf of a purported class filed a lawsuit, *Gladys Yolton, et al. v. El Paso Tennessee Pipeline Co. and Case Corporation*, styled as a class action, in the Federal District Court for the Eastern District of Michigan against El Paso Tennessee Pipeline Co. (formerly Tenneco Inc., "El Paso") and Case, LLC (now known as CNH America LLC, "CNH"). The lawsuit alleged breach of contract and violations of various provisions of the Employee Retirement Income Security Act and Labor Management Relations Act arising due to alleged changes in health insurance benefits provided to employees of the Tenneco Inc. agriculture and construction equipment business who retired before selected assets of that business were transferred to CNH in June 1994. El Paso administers the health insurance programs for these retirees. An agreement had been reached with the UAW capping the premium amounts that El Paso would be required to pay. Any amount above the cap limit would be the responsibility of the retirees. In 1998, in exchange for a release of all further liability for above-cap costs, CNH contributed $27.8 million to a Voluntary Employee's Beneficiary Association ("VEBA") to help defray the retirees' above-cap costs.

The lawsuit arose after El Paso notified the retirees that the VEBA funds were exhausted and the retirees thereafter would be required to pay the premiums above the cap amounts. The plaintiffs also filed a motion for preliminary injunction in March 2003, asking the district court to order El Paso and/or CNH to pay the above-cap amounts. On March 9, 2004, based on an "alter ego" theory, the district court held that CNH was liable and ordered that CNH pay the above-cap health insurance benefits. CNH filed a motion for reconsideration and a motion for stay, both of which the district court denied on June 3, 2004. CNH and El Paso appealed to the Sixth Circuit Court of Appeals, but the Sixth Circuit affirmed the district court's decision. El Paso and CNH each filed a petition for a *writ of certiorari* seeking review by the U.S. Supreme Court. On November 6, 2006 the U.S. Supreme Court denied El Paso's and CNH's petitions and the matter was returned to the district court. After extensive discovery, El Paso and the plaintiffs filed summary judgment motions. CNH filed a summary judgment motion on the "alter ego" and VEBA release issues.

On March 7, 2008, the district court entered several orders. First it denied El Paso's motion for summary judgment with respect to the benefits vesting issue, and granted plaintiff's summary judgment motion with respect to liability. The court also denied CNH's motion for summary judgment with respect to the "alter ego" basis of liability, effectively ruling for plaintiffs on that issue. The court denied CNH's motion for summary

judgment on the VEBA release issue. The VEBA release issue was tried the week of January 26, 2009. On October 27, 2009, the court ruled against CNH on the VEBA release issue. CNH intends to appeal this decision. El Paso is still adjudicating the damage claims of the plaintiffs.

In conjunction with the above litigation, CNH filed a summary judgment motion with the district court asking the court to enforce the terms of a Reorganization Agreement, which CNH contended obligated El Paso to defend CNH and indemnify it for all expenses and losses arising from this lawsuit. The court granted that motion and the decision has been upheld on appeal by the Sixth Circuit Court of Appeals. Based on CNH's rights to indemnification under the Reorganization Agreement now being final, CNH and El Paso reached a settlement, whereby El Paso fully repaid CNH the amounts previously paid to the retirees and committed to pay CNH's costs in litigating the "alter ego" issue and the VEBA release issue going forward. CNH has and will continue to vigorously contest this matter.

ACT: Three of CNH's subsidiaries, New Holland Limited, New Holland Holding Limited and CNH (U.K.) Limited (together "CNH U.K."), are claimants in group litigation (Class 2) against the Inland Revenue of the United Kingdom ("Revenue") arising out of "unfairness" in the advance corporation tax ("ACT") regime operated by the Revenue between 1974 and 1999. In December 2002, the issues relevant to CNH U.K. came before Mr. Justice Park in the High Court of Justice in England in a test case brought by Pirelli S.p.A and certain affiliates ("Pirelli"). He found against the Revenue and decided that Pirelli was entitled to compensation for wrongly paying ACT. The Revenue appealed, and the Court of Appeal (three Judges) agreed unanimously with the decision of Justice Park in the High Court and ruled again in favor of Pirelli. Again the Revenue appealed, and the final hearing on the issues took place in the House of Lords before five Judges during the fourth quarter of 2005. In February 2006, the House of Lords ruled that it had been wrong for Pirelli (and other claimants such as CNH U.K.) to pay ACT, but in calculating the compensation payable to the U.K. claimants, treaty credits that had been paid to the claimant's parent companies on receipt of the dividends in question must be netted against any claim for an ACT refund. In the lower courts the Judges had ruled against netting off. During the pendency of the appeal to the House of Lords, the Revenue had been persuaded to pay compensation to claimants (including CNH U.K.) on a conditional basis. CNH U.K. had received approximately £10.2 million ($14.8 million) for interest and other costs. This was in addition to surplus ACT of approximately £9.1 million ($13.2 million) that had previously been repaid to CNH U.K., again on a conditional basis. The condition of receipt by CNH U.K. was that, if the final liability of the Revenue (if any) is determined by the House of Lords to be less than the sums already paid to CNH U.K., then a sum equivalent to the overpayment should be repaid (plus interest at 1% over base rate from the date of payment/receipt). The House of Lords did not make a determination of the amounts, if any, which must be repaid to the Revenue by each individual claimant but referred the case back to the High Court. A hearing took place in February 2007 and a judgment was delivered on March 23, 2007. The hearing and judgment only partially dealt with the issues relevant to determine retention of the amounts paid to CNH U.K. The judgment also rejected the new argument put forward by the claimants for additional compensation. The judgment was appealed to the Court of Appeal in January 2008. That appeal was dismissed in a judgment delivered in February 2008. Pirelli was refused permission to appeal to the House of Lords on the methodology for calculating compensation. A further hearing before the High Court took place in October 2009 to deal with a separate but inextricably linked issue concerning whether claimants would have made a group income election, so as to avoid paying ACT, had one been available at the time of paying dividends, and in so doing forego the treaty credit paid as a consequence of paying ACT. The High Court hearing in October also heard a new claim, known as the Class IV action, that is being run in parallel with the Class 2 litigation, with Pirelli as the test claimant. This deals with an apparent breach of EU Community Law concerning the application of withholding tax to treaty credits paid to CNH Global N.V. at the time of the payment of dividends and the imposition of a U.K. tax charge on such dividends income. The decision of this hearing is still awaited.

Depending upon the final resolution of the Pirelli test case, CNH U.K. may be required to return to Revenue all or some portion of the approximately £10.2 million ($16.5 million) and the £9.1 million ($14.7 million) that had been previously received. During 2008 CNH U.K. management decided to make a provision for the valuation of the surplus ACT of £9.1 million ($14.7 million) that would be re-established as a tax asset with a full valuation allowance on the consolidated balance sheet in the event of repayment. There will be no further impact on the results of operations of CNH U.K. in the event that any, or all, monies received to date are ultimately required to be repaid. CNH U.K. intends to continue to vigorously pursue its remedies with regard to this litigation.

Oil for Food: In February 2006, Fiat S.p.A. received a subpoena from the SEC Division of Enforcement with respect to a formal investigation entitled *In the Matter of Certain Participants in the Oil for Food Program*. This subpoena requested documents relating to certain Fiat S.p.A. and CNH-related entities with respect to matters relating to the United Nations Oil-for-Food Program with Iraq (the "OFF Program"). A substantial number of companies, including certain CNH subsidiaries, were mentioned in the "Report of the Independent Inquiry Committee into the United Nations Oil-for-Food Programme" issued in October 2005 (the "Report"). The Report alleged that these companies engaged in transactions under the OFF Program that involved inappropriate payments. There are two CNH subsidiaries named in the Report: CNH Italia S.p.A. and Case France (now known as CNH France S.A.).

On December 22, 2008, Fiat and CNH reached a settlement with the SEC and U.S. Department of Justice ("DOJ") to resolve potential civil and criminal claims arising from their subsidiaries' participation in the OFF Program. Under the terms of the settlement, Fiat and CNH collectively agreed to pay a $7.0 million criminal penalty, a $3.6 million civil penalty, and disgorgement of $5.3 million in profits (plus $1.9 million in prejudgment interest). Fiat paid these amounts in early January 2009 and CNH reimbursed Fiat an amount of $8.3 million. CNH neither admitted nor denied the allegations of the SEC, but agreed to be enjoined from violating certain provisions of federal law in the future. As part of the DOJ settlement, criminal complaints were filed against CNH Italia and CNH France, charging them with conspiracy to violate the books and records provisions of the U.S. Foreign Corrupt Practices Act ("FCPA"). Pursuant to a deferred prosecution agreement entered on the same date, the DOJ agreed to drop these charges upon the expiration of a three-year term, provided CNH meets certain obligations such as cooperating with the DOJ and maintaining an adequate FCPA compliance program.

PGN: CNH was involved in a consolidated arbitration proceeding (the "Arbitration") before the ICC International Court of Arbitration. The Arbitration related to a Services Agreement between CNH and PGN Logistics Ltd ("PGN"), pursuant to which PGN provided specified logistics services for certain CNH subsidiaries in Europe. The dispute arose following CNH's termination of the Services Agreement in January 2005 and involved CNH's right to terminate (based upon alleged breach of contract and illegal activities) as well as invoices under the Services Agreement that were disputed by CNH and unpaid. The Tribunal in the Arbitration issued a partial decision on liability issues in August 2007, finding, among other things, that CNH was not permitted to terminate the Services Agreement and that PGN was entitled in principle to recover amounts properly owed to it at the time of termination as well as additional damages that PGN may establish it suffered with respect to lost profits.

The hearing on damages was held on October 8-9, 2007. Prior to the damages hearing, CNH paid to PGN approximately £27.4 million ($55 million) which represented payment of claims which the Tribunal, in the partial decision on liability, held CNH was responsible for and with respect to which CNH did not have an objection as to amount. At the damages hearing, PGN advanced a variety of theories purporting to substantiate damages for lost profits and other items. On February 4, 2008, the Tribunal issued its damages award. Pursuant

to the award, the Tribunal, among other things, required CNH to pay certain invoices, compensate PGN for lost future profits under the Services Agreement and bear a portion of the costs incurred in connection with the dispute and the Arbitration. The Tribunal dismissed all of PGN's other claims.

In March 2008 CNH Global and PGN submitted applications requesting that the Tribunal correct certain errors in the damages award. On June 10, 2008 the Tribunal issued an Addendum to the damages award allegedly correcting certain errors. However, CNH Global believed the Tribunal exceeded its authority and made substantive changes to the original damages award. As a result, on July 16, 2008 CNH Global filed an appeal with the English Commercial Court seeking to overturn a particular aspect of the Addendum. In response, PGN filed its own appeal with the English Commercial Court, in essence asking that the finding in the Addendum challenged by CNH Global be upheld. At the hearing on the two appeals on February 26, 2009 the Court stated that the tribunal had exceeded its authority, nevertheless, it ruled in favor of PGN. Accordingly, on March 9, 2009 CNH Global paid to PGN an additional £1.9 million.

On or about October 12, 2007, the District Court of Haarlem, the Netherlands in the *Cheron* case (see below) issued a garnishment order which prohibited CNH Global from making any further payments to PGN until the breach of contract claim in the *Cheron* case was decided. On or about November 27, 2008 the district court in the *Cheron* case, at the request of PGN, lifted the garnishment order. On or about December 4, 2008 CNH Global paid to PGN an additional sum in the approximate amount of $16.6 million in respect of certain unpaid invoices claimed by PGN outside the Arbitration, and claims which the Tribunal held CNH Global was responsible for and with respect to which CNH Global did not have an objection as to amount. Pursuant to a Deed of Settlement, dated June 15, 2009, CNH paid PGN a final settlement of $5 million and the parties to the arbitration proceeding resolved all outstanding issues relating to the arbitration and the termination of the Services Agreement.

Cheron: In connection with a logistics Services Agreement among CNH Global N.V., PGN Logistics Ltd. ("PGN") and certain affiliated companies, PGN entered into a subcontract with Transport Cheron N.V. ("Cheron"). The subcontract was signed by Cheron and by PGN purportedly "in the name and on behalf of" CNH Global N.V. ("CNH Global"). CNH Global contends that it is not a party to the subcontract and that PGN was not authorized to sign the subcontract on its behalf. In early 2005 and as a result of the termination of the Services Agreement Cheron filed suit in the District Court in Haarlem, the Netherlands against both PGN and CNH Global for breach of the subcontract and for preliminary relief. In March 2005 the district court issued an order requiring CNH Global to pay €1,500,000 ($2.4 million) to Cheron as a preliminary payment of lost profit damages. CNH Global successfully appealed this decision to the Court of Appeals in Amsterdam which rendered its decision on November 24, 2005. At this point the matter returned to the district court for a determination of liability.

On September 24, 2008 the district court issued its interim award with respect to liability. The district court held that CNH Global was liable under the subcontract for lost profit damages which Cheron suffered. Cheron has recently initiated the damages phase of the case and has asserted damages in the amount of approximately €21 million ($34 million). CNH believes Cheron's damages claim is materially inflated and unsustainable and will vigorously defend this matter.

CNH records litigation expense in the consolidated statements of operations in the line "Other, net."

Commitments

Minimum rental commitments at December 31, 2009, under non-cancelable operating leases with lease terms in excess of one year are as follows:

	Amount (in millions)
2010	$ 38
2011	25
2012	19
2013	13
2014	12
2015 and beyond	42
Total minimum rental commitments	$149

Total rental expense for all operating leases was $39 million, $39 million, and $29 million for the years ended December 31, 2009, 2008, and 2007, respectively.

At December 31, 2009, Financial Services has various agreements to extend credit for the following financing arrangements:

Facility	Total Credit Limit	Utilized	Unfunded Amount
		(in millions)	
Private label credit card	$5,315	$ 305	$5,010
Wholesale and dealer financing	$5,584	$2,930	$2,654

Guarantees

In the normal course of business, CNH and its subsidiaries provide indemnification for guarantees it arranges in the form of bonds guaranteeing the payment of taxes, performance bonds, custom bonds, bid bonds and bonds related to litigation. As of December 31, 2009, total commitments of this type are approximately $541 million.

In addition CNH provides payment guarantees on financial debts of customers for approximately $451 million, of which the main guarantee relates to credit lines with BNDES, a development agency of the government of Brazil. BNDES has provided limited credit lines to qualified financial institutions at subsidized interest rates to enable subsidized retail financing to farmers for purchases of agricultural or construction equipment. In addition to participating directly in the program, Financial Services originated and continues to service secured retail loans on behalf of some other financial institutions participating in the BNDES program. CNH, through Financial Services, has guaranteed the portfolio against all credit losses. At December 31, 2009, the guaranteed portfolio balance is $349 million.

Warranty

As described in "Note 2: Summary of Significant Accounting Policies," CNH pays for basic warranty costs and other service action costs within certain pre-established time periods. A summary of recorded activity for the years ended December 31, 2009 and 2008 for the basic warranty and accruals for modification programs are as follows:

	2009	2008
	(in millions)	
Balance, beginning of year	$ 294	$ 297
Current year accruals	328	369
Claims paid and other adjustments	(342)	(345)
Currency translation adjustment	21	(27)
Balance, end of year	$ 301	$ 294

Note 15: Financial Instruments

Effective January 1, 2008, the Company adopted new accounting guidance that addresses aspects of the expanding application of fair-value accounting.

This new accounting guidance defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements about fair-value measurements. This new accounting guidance, among other things, requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Under the new accounting guidance, the Company may elect to measure financial instruments and certain other items at fair value that were previously not required to be measured at fair value. This fair value option must be applied on an instrument-by-instrument basis with changes in fair value reported in earnings. After the initial adoption, the election can be made at the acquisition of an eligible financial asset, financial liability, or firm commitment or when certain specified reconsideration events occur. The fair value election may not be revoked once an election is made. The adoption of this new accounting guidance did not have an impact on CNH's financial position and results of operations, as the Company did not elect the fair value option for eligible items.

Fair-Value Hierarchy

U.S. GAAP specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair-value hierarchy:

Level 1—Quoted prices for *identical* instruments in active markets.

Level 2—Quoted prices for *similar* instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3—Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are *unobservable.*

This hierarchy requires the use of observable market data when available.

Determination of Fair Value

When available, the Company uses quoted market prices to determine fair value, and classifies such items in Level 1. In some cases where a market price is not available the Company will make use of observable market based inputs to calculate fair value, in which case the items are classified in Level 2.

If quoted or observable market prices are not available, fair value is based upon internally developed valuation techniques that use, where possible, current market-based or independently sourced market parameters such as interest rates, currency rates, or yield curves. Items valued using such internally generated valuation techniques are classified according to the lowest level input or value driver that is significant to the valuation. Thus, an item may be classified in Level 3 even though there may be some significant inputs that are readily observable.

The following section describes the valuation methodologies used by the Company to measure various financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each instrument is generally classified. Where appropriate, the description includes details of the valuation models, the key inputs to those models, as well as any significant assumptions.

Retained Interest in Securitized Assets

CNH retains certain interests in retail receivables sold in off-balance sheet securitizations. In conjunction with these sales, CNH retains certain interests in the sold receivables including interest-only strips, cash reserve accounts, ABS certificates and the rights to service the assets sold. CNH estimates the fair value of the retained interests using internal valuation models, market inputs and its own assumptions. The three key inputs that affect the valuation of the residual interest cash flows include credit losses, prepayment speeds, and the discount rate. The fair value of the retained interest in securitizations is determined using a discounted cash flow analysis. Retained interest in securitized assets are generally classified in Level 3 of the fair value hierarchy.

Key assumptions utilized in measuring the initial fair value of retained interests for securitizations completed during 2009 and 2008 were as follows:

	Range		Weighted Average	
	2009	2008	2009	2008
Constant prepayment rate	15.00-20.00%	15.00%	19.31%	15.00%
Expected credit loss rate	0.59-1.50%	0.65-0.67%	0.79%	0.66%
Discount rate	9.00-17.00%	9.00-13.00%	14.06%	11.31%
Remaining maturity in months	13-32	20-23	25	22

The fair value is compared to the carrying value of the retained interests and consistent with new accounting guidance issued in 2009 for changes in credit-related rates that result in an excess of carrying value over fair value, an impairment of the retained interests is recorded with a corresponding offset to income. If changes in the discount rates result in an excess of carrying value over fair value, an impairment to the retained interest is recorded with the offset included in accumulated other comprehensive income. Based on this analysis, CNH reduced the value of its retained interests by $37 million, $42 million, and $9 million in 2009, 2008, and 2007, respectively.

Impact on Fair Value

The weighted average of significant assumptions used in estimating the fair values of retained interests from sold receivables, which remain outstanding, and the sensitivity of the current fair value to a 10% and 20% adverse change at December 31, 2009, and 2008 are as follows:

	2009			2008		
	Assumption	10% Change	20% Change	Assumption	10% Change	20% Change
	(in millions, except percentages)					
Constant prepayment rate	18.58%	$1.5	$ 2.2	17.60%	$0.4	$0.9
Expected credit loss rate	1.10%	$4.4	$ 8.7	1.12%	$3.0	$6.1
Discount rate	10.21%	$7.0	$13.8	11.46%	$3.4	$6.7
Remaining maturity in months	15			13		

The changes shown above are hypothetical. They are computed based on variations of individual assumptions without considering the interrelationship between these assumptions. As a change in one assumption may affect the other assumptions, the magnitude of the impact on fair value of actual changes may be greater or less than those illustrated above. Weighted-average remaining maturity represents the weighted-average number of months that the current collateral balance is expected to remain outstanding, assuming exercise of cleanup calls.

Actual and expected retail credit losses are summarized as follows:

	Retail Receivables Securitized in		
	2009	2008	2007
As of December 31, 2009	0.78%	1.69%	1.87%
As of December 31, 2008		0.86%	1.35%
As of December 31, 2007			0.75%

The actual and expected retail credit losses have been impacted by the construction equipment receivables in the transactions.

Credit losses are calculated by adding the actual and projected future credit losses and dividing them by the original balance of each pool of assets securitized.

Beginning January 1, 2010, CNH adopted the new accounting guidance related to variable interest entities. The retained interests, included in the December 31, 2009 balance sheet, will generally be reclassified to receivables for the transactions that are consolidated upon the adoption of this guidance.

Derivatives

CNH utilizes derivative instruments to mitigate its exposure to interest rate and foreign currency exposures. Derivatives used as hedges are effective at reducing the risk associated with the exposure being hedged and are designated as a hedge at the inception of the derivative contract. CNH does not hold or issue derivative or other financial instruments for speculative purposes. The credit and market risk for interest rate hedges are reduced through diversification among counterparties with high credit ratings. These counterparties include certain Fiat subsidiaries. The total notional amount of foreign exchange hedges and interest rate derivative hedges with certain Fiat subsidiaries as counterparties was approximately $2.9 billion as of December 31, 2009 and 2008. Derivative instruments are generally classified in Level 2 or 3 of the fair value hierarchy.

Foreign Exchange Contracts

CNH has entered into foreign exchange forward contracts, swaps, and options in order to manage and preserve the economic value of cash flows in non-functional currencies. CNH conducts its business on a global basis in a wide variety of foreign currencies and hedges foreign currency exposures arising from various receivables, liabilities and expected inventory purchases. Derivative instruments that are utilized to hedge the foreign currency risk associated with anticipated inventory purchases and sales in foreign currencies are designated as cash flow hedges. Gains and losses on these instruments, to the extent that they have been effective, are deferred in other comprehensive income (loss) and recognized in earnings when the related transaction occurs. Ineffectiveness related to these hedge relationships is recognized currently in the consolidated statements of operations in the line "Other, net" and was not significant. The maturity of these instruments does not exceed 17 months and the net of tax gains deferred in other accumulated comprehensive income (loss) to be recognized in income over the next year beginning January 1, 2010, are less than $1 million. The effective portion of changes in the fair value of the derivatives is recorded in other accumulated comprehensive income (loss) and is recognized in net sales and cost of goods sold in the consolidated statements of operations when the hedged item affects earnings. If a derivative instrument is terminated because the hedge relationship is no longer effective or because the hedged item is a forecasted transaction that is no longer determined to be probable the cumulative amount recorded in OCI is recognized immediately in earnings. Such amounts were insignificant in 2009, 2008 and 2007.

CNH also uses forwards and swaps to hedge certain short-term receivables and liabilities denominated in foreign currencies, and foreign operational cash flow exposures. The changes in the fair values of these instruments are recognized directly in income, and are expected to offset the foreign exchange gains or losses on the exposures being managed.

All CNH foreign exchange derivatives are considered Level 2 as the fair value is calculated using market data input and can be compared to actively traded derivatives.

Interest Rate Derivatives

CNH has entered into interest rate swap agreements in order to manage interest rate exposures arising in the normal course of business for Financial Services. Interest rate swaps that have been designated in cash flow hedging relationships are being used by CNH to mitigate the risk of rising interest rates related to the anticipated issuance of short-term LIBOR based debt in future periods. Gains and losses on these instruments, to the extent that the hedge relationship has been effective, are deferred in other accumulated comprehensive income (loss) and recognized in interest expense over the period in which CNH recognizes interest expense on the related debt. Ineffectiveness recognized related to these hedging relationships for the year ending December 31, 2009 was $6 million and was not significant for the years ended December 31, 2008 and 2007. These amounts are recorded in "Other, net" in the consolidated statement of operations. Furthermore, for the years ended December 31, 2009, 2008 and 2007, CNH recorded losses of $13 million, $23 million and $nil, respectively, related to the discontinuance of cash flow hedge accounting for instances where the forecasted transactions were no longer probable and is recorded in "Interest expense" and "Other, net" in the consolidated statements of operations. The maximum length of time over which CNH is hedging its interest rate exposure through the use of derivative instruments designated in cash flow hedge relationships is 60 months, and CNH expects net gains or losses to be insignificant.

Interest rate swaps that have been designated in fair value hedge relationships have been used by CNH to mitigate the risk of reductions in the fair value of existing fixed rate long-term bonds and medium-term notes due to increases in LIBOR based interest rates. This strategy is used mainly for the interest rate exposures for

Equipment Operations. Gains and losses on these instruments are reflected in interest expense in the period in which they occur and an offsetting gain or loss is also reflected in interest expense based on changes in the fair value of the debt instrument being hedged due to changes in LIBOR based interest rates. There was no material ineffectiveness as a result of fair value hedge relationships in 2009, 2008, or 2007.

CNH also enters into offsetting interest rate swaps or caps with substantially similar terms that are not designated in hedge relationships. Unrealized and realized gains and losses resulting from fair value changes in these instruments are recognized directly in income. These instruments are used to mitigate interest rate risk related to the Company's ABCP facilities and various limited purpose business trusts associated with the Company's retail note ABS securitization programs in North America. These facilities and trusts require CNH to enter into interest rate swaps and caps. To ensure that these transactions do not result in the Company being exposed to this risk, CNH enters into a compensating position. Net gains and losses on these instruments were insignificant for 2009, 2008, and 2007.

Most of CNH's interest rate derivatives are considered Level 2. The fair market value of these derivatives is calculated using market data input and can be compared to actively traded derivatives. The future notional of some of CNH's interest rate derivatives is not known in advance. These derivatives are considered Level 3 derivatives. The fair market value of these derivatives is calculated using market data input and a forecasted future notional.

Financial Statement impact of CNH Derivatives

The location on the Balance Sheet and the fair value of CNH derivatives as of December 31, 2009 are as follows:

	Asset Derivatives		Liability Derivatives	
	Location on the Balance Sheet	Fair Value	Location on the Balance Sheet	Fair Value
Derivatives designated as hedging instruments				
Foreign exchange contracts				
Equipment Operations	Other assets	$ 41	Other liabilities	$ 72
Interest rate derivatives				
Equipment Operations	Other assets	2	Other liabilities	—
Financial Services	Other assets	17	Other liabilities	20
Total derivatives designated as hedging instruments		$ 60		$ 92
Derivatives not designated as hedging instruments				
Foreign exchange contracts				
Equipment Operations	Other assets	$ 28	Other liabilities	$ 55
Interest rate derivatives				
Financial Services	Other assets	14	Other liabilities	17
Total derivatives not designated as hedging instruments		42		72
Total derivatives		$102		$164

The location on the Statements of Operations and impact of CNH derivatives for the year ended December 31, 2009 are as follows:

Fair Value Hedges	Gain/(Losses) on Derivatives	Location on the Statement of Operations	Gain/(Losses) on Hedged Items	Location on the Statement of Operations
Interest rate swaps	$ 2	Interest expense	$ (1)	Interest expense

Cash Flow Hedges	Amount of Gain/(Loss) Recognized in OCI (Effective Portion)	Gain or (Loss) Reclassified from OCI into Earnings (Effective Portion)		Gain or (Loss) Recognized Directly in Earnings (Ineffective Portion and Amount Excluded from Effectiveness Testing)	
		Location on the Statement of Operations	Amount	Location on the Statement of Operations	Amount
Foreign exchange contracts	$—	Net sales	$(10)	Other, net	$ 7
		Cost of goods sold	(19)		
Interest rate swaps	—	Interest expense	(9)	Other, net	(9)
		Finance and interest income	(2)	Interest expense	(10)
	$—		$(40)		$(12)

Derivatives Not Designated as Hedging Instruments	Gain/(Losses) on Derivatives	Location on the Statement of Operations
Foreign exchange contracts	$53	Other, net
Interest rate swaps	(6)	Other, net
	$47	

Items Measured at Fair Value on a Recurring Basis

The following tables present for each of the fair-value hierarchy levels the Company's assets and liabilities that are measured at fair value on a recurring basis at December 31, 2009:

	Level 1	Level 2	Level 3	Total Assets / Liabilities at Fair Value
		(in millions)		
Assets				
Derivative financial instruments	$—	$101	$ 1	$ 102
Retained interests	—	—	1,259	1,259
Total assets	$—	$101	$1,260	$1,361
Liabilities				
Derivative financial instruments	$—	$162	$ 2	$ 164
Total liabilities	$—	$162	$ 2	$ 164

The following tables present for each of the fair-value hierarchy levels the Company's assets and liabilities that are measured at fair value on a recurring basis at December 31, 2008:

	Level 1	Level 2	Level 3	Total Assets / Liabilities at Fair Value
	(in millions)			
Assets				
Derivative financial instruments	$—	$192	$ 3	$195
Retained interests	—	—	804	804
Total assets	$—	$192	$807	$999
Liabilities				
Derivative financial instruments	$—	$284	$ 4	$288
Total liabilities	$—	$284	$ 4	$288

The following tables present the changes in the Level 3 fair-value category for the years ended December 31, 2009 and 2008:

	Retained Interests	Derivative Financial Instruments
Balance at December 31, 2007	$1,070	$—
Total gains or losses (realized / unrealized)		
Included in earnings	(22)	(1)
Included in other comprehensive income (loss)	(36)	—
Purchases, issuances and settlements	(208)	—
Balance at December 31, 2008	$ 804	$ (1)
Total gains or losses (realized / unrealized)		
Included in earnings	(14)	—
Included in other comprehensive income (loss)	29	—
Purchases, issuances and settlements	440	—
Balance at December 31, 2009	$1,259	$ (1)

The total amount of gains included in earnings attributable to the change in unrealized gains on retained interests still held at December 31, 2009 and 2008 were $33 million and $42 million, respectively.

Financial Instruments Not Carried at Fair Value

The estimated fair market values of financial instruments not carried at fair value in the consolidated balance sheet as of December 31, 2009, and 2008 are as follows:

	2009		2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in millions)			
Accounts and notes receivable, net and long-term receivables	$8,426	$8,367	$10,713	$10,833
Long-term debt	$5,050	$4,954	$ 3,838	$ 3,548

Accounts and notes receivable, net and long-term receivables

The fair value of accounts and notes receivable was based on discounting the estimated future payments at prevailing market rates. The fair value, which approximates carrying value, of the retained interests included in accounts and notes receivables was based on the present value of future expected cash flows using assumptions for credit losses, prepayment spreads and discount rates commensurate with the risk involved. The carrying amount of floating-rate accounts and notes receivable was assumed to approximate their fair value.

Long-term debt

The fair value of fixed-rate, public long-term debt was based on both quoted prices and the market value of debt with similar maturities and interest rates; the fair value of other fixed-rate borrowings was based on discounting using the treasury yield curve; the carrying amount of floating-rate long-term debt was assumed to approximate its fair value.

Note 16: Equity

The Articles of Association of CNH provide for authorized share capital of €1.35 billion, divided into 400 million common shares and 200 million Series A preference shares, each with a per share par value of €2.25. At the general meeting of the shareholders held on April 2, 2007, the shareholders authorized CNH's Board of Directors to issue shares for a period ending in April 2012.

During the years ended December 31, 2009 and 2008, changes in CNH common shares issued were as follows:

	Common Shares	
	2009	2008
	(in thousands)	
Issued as of beginning of year	237,525	237,324
Issuances of CNH Common Shares:		
Shares issued to Directors	20	6
Stock-based compensation	8	195
Issued as of end of year	237,553	237,525

No dividends were declared or paid in 2009. Dividends of $0.50 and $0.25 per common share, totaling $118 million and $59 million were declared and paid during 2008 and 2007, respectively.

Note 17: Option and Incentive Plans

CNH issues share-based compensation awards to outside members of the Board of Directors under the CNH Outside Directors' Compensation Plan, and to employees under the CNH Equity Incentive Plan. For the years ended December 31, 2009, 2008, and 2007, CNH recognized total share-based compensation expense of $14 million, $0.3 million, and $19 million, respectively. For the years ended December 31, 2009, 2008 and 2007, CNH recognized a total tax benefit relating to share-based compensation expense of $3.6 million, $nil, and $6 million, respectively. As of December 31, 2009, CNH has unrecognized share-based compensation expense related to nonvested awards of approximately $9 million based on current assumptions related to achievement of specified performance objectives when applicable. Unrecognized share-based compensation costs will be recognized over a weighted-average period of 1.4 years.

Share Ownership

Collectively, CNH's directors and executive officers beneficially own, or were granted options with respect to, less than one percent of CNH's common shares. Directors' automatic option awards vest after the third anniversary of the grant date. Directors' elective option awards vest immediately upon grant but shares purchased upon exercise of a stock option grant may not be sold until at least six months after the grant date. Directors' options terminate six months after a director leaves the Board of Directors if not exercised. In any event, directors' options terminate if not exercised by the tenth anniversary of the grant date.

CNH Equity Incentive Plan

The CNH Equity Incentive Plan, as amended, (the "CNH EIP") provides for grants of various types of awards to officers and employees of CNH and its subsidiaries. As of December 31, 2009, CNH has reserved 15,900,000 shares for the CNH EIP.

Except as noted below, the exercise prices of all options granted under the CNH EIP are equal to or greater than the fair market value of CNH common shares on the respective grant dates. During 2009 and 2001, CNH granted stock options with an exercise price less than the quoted market price of CNH's common shares at the date of grant. The exercise price of these grants were based upon the average closing price of CNH common shares on the New York Stock Exchange for the thirty-day period preceding the date of grant.

Stock Option Grants

Beginning in 2006, the Company began to issue awards under plans providing performance-based stock options, performance-based shares and cash. In April 2009, CNH granted approximately 4.1 million performance-based stock options (at target award levels) under the CNH EIP. Target performance levels for 2009 were not fully achieved, resulting in only a partial vesting. One-third of the options vested with the approval of 2009 results by the Board of Directors in January 2010. The remaining options will vest equally on the first and second anniversary of the initial vesting date. It is expected that 2.2 million of these options will vest based on CNH's 2009 results. Options granted under the CNH EIP in 2009 have a contractual life of five years from the initial vesting date.

Prior to 2006, certain stock option grants were issued which vest ratably over four years from the grant date and expire after ten years. Additionally, certain performance-based options, which had an opportunity for accelerated vesting tied to the attainment of specified performance criteria were issued; however, the performance criteria were not achieved. In any event, vesting of these performance-based options occurred seven years from the grant date. All options granted prior to 2006 have a contract life of ten years.

The following table reflects option activity under the CNH EIP for the year ended December 31, 2009:

	2009	
	Shares	Weighted-Average Exercise Price
Outstanding at beginning of year	2,718,109	$40.82
Granted	4,144,800	13.58
Forfeited	(2,404,528)	18.06
Expired	(117,410)	68.85
Exercised	(8,136)	18.65
Outstanding at end of year	4,332,835	26.67
Exercisable at end of year	1,488,840	37.81

Outstanding options under the CNH EIP have a weighted average remaining contract term of 4.0 years. Exercisable options under the CNH EIP have a weighted average remaining contract term of 2.7 years.

The following table summarizes outstanding stock options under the CNH EIP at December 31, 2009:

	Options Outstanding				Options Exercisable			
Range of Exercise Price	Shares Outstanding	Weighted-Average Contractual Life	Weighted-Average Exercise Price	Aggregate Intrinsic Value(A)	Shares Exercisable	Weighted-Average Contractual Life	Weighted-Average Exercise Price	Aggregate Intrinsic Value(A)
$13.58–$19.99	2,243,243	5.0	$13.70	$25,313,326	99,863	2.6	$16.18	$ 878,794
$20.00–$29.99	186,760	2.2	21.20	705,953	186,760	2.2	21.20	705,953
$30.00–$39.99	1,256,178	2.9	37.21	—	886,181	2.8	36.90	—
$40.00–$68.85	646,654	3.3	52.80	—	316,036	2.5	57.04	—
				$26,019,279				$1,584,747

(A) The difference between the exercise price of stock-based compensation and the year-end market price of CNH common shares of $24.98. No amount is shown for awards with an exercise price that is greater than the year-end market price.

Performance Share Grants

Under the CNH EIP, performance-based shares may also be granted to selected key employees and executive officers. CNH establishes the period and conditions of performance for each award and holds the shares during the performance period. Performance-based shares vest upon the attainment of specified performance objectives.

The following table reflects performance-based share activity under the CNH EIP for the year ended December 31, 2009:

	2009	
	Performance Shares	Weighted Average Grant-Date Fair Value
Nonvested at beginning of year	1,870,500	$31.28
Granted	25,000	11.83
Forfeited	(546,500)	30.52
Vested	—	—
Nonvested at end of year	1,349,000	31.22

In connection with the new performance-based plans which were approved in 2006, CNH introduced the Top Performance Plan (“TPP”), under which the Company has granted performance-based, non-vested share awards to approximately 200 of the Company’s top executives. The TPP performance shares vest only if specified targets are achieved in 2009 or 2010. The number of shares that vest will decrease by 20% from the amount originally awarded if the specified targets are not achieved in 2009, but are achieved in 2010. If specified targets are not achieved in 2010, the shares granted will not vest.

TPP performance shares were granted in 2006, 2007, 2008 and 2009. The fair value of TPP awards have been estimated for each potential service period over which the award may vest. The total estimated expense varies depending on the period during which targets are expected to be achieved.

In 2006 and 2007, CNH recognized expense for TPP awards based on an assumption that the specified performance targets would be achieved in 2009. In 2008, CNH did not achieve these performance targets and CNH reversed all previously recognized stock-based compensation expense ($11 million) as a result of a change in estimate. In 2009, CNH did not recognize any stock-based compensation expense related to TPP awards as achievement of the performance targets did not occur in 2009 and is not considered probable in 2010.

CNH Outside Directors' Compensation Plan

The CNH Global N.V. Outside Directors' Compensation Plan ("CNH Directors' Plan"), as amended on July 22, 2008, provides for the payment of: (1) an annual retainer fee of $100,000; (2) an Audit Committee membership fee of $20,000; (3) a Corporate Governance and Compensation Committee membership fee of $15,000; (4) an Audit Committee chair fee of $35,000; and (5) a Corporate Governance and Compensation Committee chair fee of $25,000 (collectively, the "Fees") to independent outside members of the Board in the form of cash, and/or common shares of CNH, and/or options to purchase common shares of CNH. Each quarter of the CNH Directors' Plan year, the outside directors elect the form of payment of their Fees. If the elected form is common shares, the outside director will receive as many common shares as equal to the amount of Fees the director elects to forego, divided by the fair market value. Common shares issued vest immediately upon grant, but cannot be sold for a period of six months. If the elected form is options, the outside director will receive as many options as the amount of Fees that the director elects to forego, multiplied by four and divided by the fair market value of a common share. Such fair market value being equal to the average of the highest and lowest sale price of a common share on the last trading day of each quarter of the CNH Directors' Plan year on the New York Stock Exchange. Stock options granted as a result of such an election vest immediately upon grant, but shares purchased under options cannot be sold for six months following the date of exercise. Stock options terminate upon the earlier of: (1) ten years after the grant date; or (2) six months after the date an individual ceases to be an outside director. Prior to 2007, CNH also issued automatic option awards, which vest after the third anniversary of the grant date. At December 31, 2009, and 2008, there were 700,058 and 746,067 common shares, respectively, reserved for issuance under the CNH Directors' Plan. Outside directors do not receive benefits upon termination of their service as directors.

The following table reflects option activity under the CNH Directors' Plan for the year ended December 31, 2009:

	2009	
	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	92,508	$31.01
Granted	29,661	15.51
Forfeited	—	—
Expired	(750)	77.05
Exercised	(4,000)	9.23
Outstanding at end of year	117,419	27.54
Exercisable at end of year	117,419	27.54

Outstanding and exercisable options under the Directors' Plan have a weighted average remaining contract term of 7.4 years.

The following table summarizes outstanding stock options under the CNH Directors' Plan at December 31, 2009:

	Options Outstanding and Exercisable			
Range of Exercise Price	Shares Outstanding	Weighted Average Contractual Life	Weighted Average Exercise Price	Aggregate Intrinsic Value(A)
$10.22–$16.00	26,063	9.2	$13.24	$306,053
$16.01–$26.00	30,612	7.2	20.44	139,077
$26.01–$40.00	40,295	6.6	28.80	—
$40.01–$56.00	11,162	8.1	47.27	—
$56.01–$66.54	9,287	5.5	61.97	—
				$445,130

(A) The difference between the exercise price of stock-based compensation and the year-end market price of CNH common shares of $24.98. No amount is shown for awards with an exercise price that is greater than the year-end market price.

Stock-Based Compensation Fair Value Assumptions

The Black-Scholes pricing model was used to calculate the fair value of stock options. The weighted-average assumptions used under the Black-Scholes pricing model were as follows:

	2009		2008		2007	
	Directors' Plan	CNH EIP	Directors' Plan	CNH EIP	Directors' Plan	CNH EIP
Risk-free interest rate	2.2%	1.6%	2.4%	3.0%	4.3%	4.4%
Dividend yield	0.8%	0.7%	0.9%	0.9%	1.1%	1.0%
Stock price volatility	62.9%	70.6%	45.0%	40.5%	44.6%	38.3%
Option life (years)	5.00	3.73	5.00	3.59	5.00	4.00

Based on this model, the weighted-average grant date fair values of stock options awarded for the years ended December 31, 2009, 2008, and 2008 were as follows:

	2009	2008	2007
CNH Directors' Plan	$8.03	$11.70	$21.66
CNH EIP	$9.03	$12.95	$12.65

The risk-free interest rate is based on the current U.S. Treasury rate for a bond of approximately the expected life of the options. The expected volatility is based on the historical activity of CNH's common shares over a period at least equal to the expected life of the options. The expected life is based on the average of the vesting period of each tranche and the original contract term of 69 months. The expected life for CNH Directors' Plan grants are based on management estimates. The expected dividend yield is based on the annual dividends which have been paid on CNH's common shares over the last four years.

The fair value of performance-based shares is based on the market value of CNH's common shares on the date of the grant or modification and is adjusted for the estimated value of dividends which are not available to participants during the vesting period.

Additional Stock-Based Compensation Information

The table below provides additional stock-based compensation information for the years ended December 31, 2009, 2008 and 2007:

	2009	2008	2007
	(in millions)		
Total intrinsic value of options exercised	$ —	$2.7	$11.7
Fair value of shares vested	$ —	$4.2	$ 0.8
Cash received from stock award exercises	$0.2	$3.4	$13.1
Tax benefit of options exercised	$ —	$0.8	$ 3.8

As of December 31, 2009, there were 8,332,115 common shares available for issuance under the CNH EIP. Company shares that may be issued under the CNH EIP or any other plans may be either authorized and unissued shares, or issued shares that have been reacquired by the Company and are being held as treasury shares.

Fiat Stock Option Program

Certain employees of CNH participate in stock option plans of Fiat ("Fiat Plans") whereby participants are granted options to purchase ordinary shares of Fiat ("Fiat Shares"). A summary of options under the Fiat Plans as of December 31, 2009 follows:

Date of Grant	Date of Grant Share Price	Exercise Price		Options					
		Original	Current	Granted	Transfers	Forfeitures	Exercises	Outstanding	Exercisable
9/12/2002	€11.88	€11.16	€10.39	513,000	50,000	(268,500)	(213,500)	81,000	81,000
3/11/2006	€14.41	€13.37	€13.37	—	70,000	(17,500)	—	52,500	—
7/23/2008	€11.88	€10.24	€10.24	—	9,000	(1,620)	—	7,380	—

The original exercise prices were determined by an average of the price of Fiat Shares on the Italian Stock Exchange prior to grant. Following Fiat capital increase in July 2003, the exercise price of the 2002 award was adjusted by applying the factors calculated by the Italian Stock Exchange. The Fiat capital increase in September 2005 did not give rise to exercise price adjustments. The 2006 grant vests over a four year period, subject to the achievement of certain annual Fiat performance targets in 2007 to 2010. Achievement of these performance targets occurred in 2007, but did not occur in 2008 or 2009. The 2008 grant vests over a three year period, subject to the achievement of the same annual Fiat performance targets as the 2006 grant. All options under the Fiat Plans expire eight years after the grant date. The fair value of these options did not result in a significant amount of compensation expense.

Other programs

Certain executives participate in a plan approved by the Board of Directors of Fiat and CNH (the "Individual Top Hat Scheme"), which provides a lump sum to be paid in installments if an executive, in certain circumstances, leaves Fiat and/or its subsidiaries before the age of 65. No contributions to the Individual Top Hat Scheme were made in 2009 or 2008.

Note 18: Earnings per Share

CNH reflects common share equivalents in its computation of diluted weighted average shares outstanding when applicable and when inclusion is not anti-dilutive. The effect of dilutive securities is calculated using the treasury stock method.

The following table reconciles the numerator and denominator of the basic and diluted earnings per share computations for the years ended December 31, 2009, 2008, and 2007:

	2009	2008	2007
	(in millions, except per share data)		
Basic:			
Net income (loss) attributable to CNH Global N.V.	$ (190)	$ 825	$ 559
Weighted average common shares outstanding—basic	237.4	237.3	236.8
Basic earnings (loss) per share attributable to CNH Global N.V. common shareholders	$ (0.80)	$ 3.48	$ 2.36
Diluted:			
Net income (loss) attributable to CNH Global N.V.	$ (190)	$ 825	$ 559
Weighted average common shares outstanding—basic	237.4	237.3	236.8
Effect of dilutive securities (when dilutive):			
Stock Compensation Plans(A)	—	0.2	0.4
Weighted average common shares outstanding—diluted	237.4	237.5	237.2
Diluted earnings (loss) per share attributable to CNH Global N.V. common shareholders	$ (0.80)	$ 3.47	$ 2.36

(A) Stock options to purchase approximately 4.5 million, 2.2 million, and 0.7 million shares during 2009, 2008, and 2007, respectively, were outstanding but not included in the calculation of diluted earnings per share as the impact of these options would have been anti-dilutive.

Note 19: Accumulated Other Comprehensive Income (Loss) Attributable to CNH Global N.V.

The components of accumulated other comprehensive income (loss) as of December 31, 2009, and 2008 are as follows:

	2009	2008
	(in millions)	
Cumulative translation adjustment	$ 338	$ (80)
Adjustment to recognize the underfunded status of defined benefit plans, net of taxes ($366 and $410, respectively)	(625)	(604)
Deferred gains (losses) on derivative financial instruments, net of taxes ($(1) and $19, respectively)	—	(21)
Unrealized gain on available for sale securities, net of taxes ($(12) and $(3), respectively)	20	4
Total	$(267)	$(701)

Note 20: Segment and Geographical Information

Segment Information

During late 2005, CNH reorganized its Equipment Operations into four distinct global brand structures, CaseIH and New Holland agricultural equipment brands and Case and New Holland Construction construction equipment brands. Consequently, for 2009, 2008 and 2007, CNH has identified five operating segments; CaseIH, New Holland, Case, New Holland Construction, and Financial Services. While CNH has five operating segments its Agricultural Equipment brands as well as its Construction Equipment brands continue to have similar

economic and operating characteristics such as the nature of the products and production processes, type of customer and methods of distribution. As such, CNH continues to aggregate its Agricultural Equipment and Construction Equipment brands for segment reporting purposes. As a result, CNH continues to have three reportable segments: Agricultural Equipment, Construction Equipment and Financial Services.

Agricultural Equipment

The agricultural equipment segment manufactures and distributes a full line of farm machinery and implements, including two-wheel and four-wheel drive tractors, combines, cotton pickers, grape and sugar cane harvesters, hay and forage equipment, planting and seeding equipment, soil preparation and cultivation implements and material handling equipment.

Construction Equipment

The construction equipment segment manufactures and distributes a full line of construction equipment including excavators, crawler dozers, graders, wheel loaders, backhoe loaders, skid steer loaders and trenchers.

Financial Services

The financial services segment is engaged in broad-based financial services through wholly owned subsidiaries and joint ventures in North America, Latin America, Europe and Australia. CNH provides and administers retail financing to end-use customers for the purchase or lease of new and used CNH and other agricultural and construction equipment sold by CNH dealers and distributors. CNH also facilitates the sale of insurance products and other financing programs to retail customers. In addition, CNH provides wholesale financing to CNH dealers and rental equipment operators, as well as financing options to dealers to finance working capital, real estate and other fixed assets and maintenance equipment in connection with their operations.

As of December 31, 2009, Fiat owned approximately 89% of CNH's outstanding common shares through Fiat Netherlands. As a result, CNH evaluates segment performance and reports to Fiat based on criteria established by Fiat.

CNH reports to Fiat based on financial information prepared in accordance with International Accounting Standards and International Financial Reporting Standards (collectively "IFRS"). CNH evaluates segment performance based on "trading profit" as defined by Fiat. Fiat defines trading profit as income before restructuring, net financial expenses of Equipment Operations, income taxes, noncontrolling interests, equity in income (loss) of unconsolidated subsidiaries and affiliates, and impairment losses. Transactions between segments are accounted for at market value.

A reconciliation from consolidated trading profit reported to Fiat under IFRS to income (loss) before income taxes and equity in income (loss) of unconsolidated subsidiaries and affiliates under U.S. GAAP for the years ended December 31, 2009, 2008, and 2007 is provided below.

	Years Ended December 31,		
	2009	2008	2007
	(in millions)		
Trading profit reported to Fiat	$ 470	$1,650	$1,357
Adjustments to convert from trading profit to U.S. GAAP income (loss) before income taxes and equity in income (loss) of unconsolidated subsidiaries:			
Accounting for benefit plans	(51)	(43)	(80)
Accounting for other intangible assets, primarily product development costs	(140)	(68)	(63)
Restructuring	(102)	(39)	(85)
Net financial expense	(287)	(289)	(257)
Accounting for receivable securitizations and other	17	(55)	(42)
Income (loss) before income taxes and equity in income (loss) of unconsolidated subsidiaries and affiliates under U.S. GAAP	$ (93)	$1,156	$ 830

The following summarizes trading profit by reportable segment:

	Years Ended December 31,		
	2009	2008	2007
	(in millions)		
Agricultural equipment	$ 650	$1,234	$ 656
Construction equipment	(393)	26	321
Financial services	213	390	380
Trading profit	$ 470	$1,650	$1,357

A summary of additional reportable segment information, compiled under IFRS, as of and for the years ended December 31, 2009, 2008, and 2007 is as follows:

	2009	2008	2007
		(in millions)	
Revenues:			
Agricultural equipment	$ 10,663	$12,902	$ 9,948
Construction equipment	2,120	4,464	5,023
Financial services	1,574	1,719	1,587
Eliminations	(260)	(373)	(328)
Net revenues under IFRS	14,097	18,712	16,230
Difference, principally finance and interest income on receivables held by QSPEs (on-book under IFRS)	(337)	(236)	(266)
Revenues under U.S. GAAP	$ 13,760	$18,476	$15,964
Depreciation and amortization:			
Agricultural equipment	$ 239	$ 235	$ 263
Construction equipment	87	86	81
Financial services	127	116	76
Depreciation and amortization under IFRS	453	437	420
Difference, principally amortization of development costs capitalized under IFRS	(55)	(63)	(48)
Depreciation and amortization under U.S. GAAP	$ 398	$ 374	$ 372
Total assets:			
Agricultural equipment*	$ 9,696	$ 9,094	$ 8,377
Construction equipment*	3,604	4,800	4,550
Financial services	17,885	17,442	18,351
Assets not allocated to segments, principally goodwill, other intangibles and taxes	10,515	9,410	8,325
Eliminations	(11,403)	(9,494)	(9,059)
Total assets under IFRS	30,297	31,252	30,544
Difference, principally receivables held by QSPEs (on-book under IFRS)	(7,089)	(5,793)	(6,799)
Total assets under U.S. GAAP	$ 23,208	$25,459	$23,745

* Includes receivables legally transferred to Financial Services

	2009	2008	2007
		(in millions)	
Expenditures for additions to long-lived assets*:			
Agricultural equipment	$ 361	$ 480	$ 350
Construction equipment	97	181	152
Financial services	302	333	386
Unallocated	—	—	—
Expenditures for additions to long-lived assets under IFRS	760	994	888
Difference, principally development costs capitalized under IFRS	(240)	(183)	(173)
Total expenditures for additions to long-lived assets under U.S. GAAP	$ 520	$ 811	$ 715

* Includes equipment on operating leases and property, plant and equipment

	2009	2008
	(in millions)	
Investments in unconsolidated subsidiaries and affiliates:		
Agricultural equipment	$165	$151
Construction equipment	167	221
Financial services	85	103
Investments in unconsolidated subsidiaries and affiliates under IFRS	417	475
Difference, principally product development cost capitalized under IFRS	(2)	(2)
Investments in unconsolidated subsidiaries and affiliates under U.S. GAAP	$415	$473

Geographical Information

The following highlights CNH's long-lived tangible assets by geographic area and total revenues by destination:

	United States	Brazil	France	Canada	Germany	Italy	Other	Total
	(in millions)							
At December 31, 2009, and for the year then ended:								
Total revenues	$5,308	$1,584	$ 940	$ 551	$557	$525	$4,295	$13,760
Long-lived tangible assets	$1,039	$ 271	$ 90	$ 214	$ 40	$284	$ 472	$ 2,410
At December 31, 2008, and for the year then ended:								
Total revenues	$5,491	$1,987	$1,397	$1,252	$772	$655	$6,922	$18,476
Long-lived tangible assets	$1,033	$ 186	$ 89	$ 181	$ 41	$281	$ 410	$ 2,221
At December 31, 2007, and for the year then ended:								
Total revenues	$4,971	$1,365	$1,099	$1,265	$636	$701	$5,927	$15,964
Long-lived tangible assets	$ 799	$ 162	$ 95	$ 196	$ 40	$327	$ 402	$ 2,021

The amounts reported as long-lived tangible assets include equipment on operating leases and property, plant and equipment.

CNH is organized under the laws of The Netherlands. Geographical information for CNH pertaining to The Netherlands is not significant or not applicable.

Note 21: Related Party Information

As of December 31, 2009, the Company's outstanding capital stock consisted of common shares, par value €2.25 (U.S. $3.23) per share. As of December 31, 2009, there were 237,398,518 common shares outstanding. At December 31, 2009, CNH had 597 registered holders of record of its common shares in the United States. Registered holders and indirect beneficial owners hold approximately 11% of CNH's outstanding common shares.

Fiat Netherlands, a wholly owned subsidiary of Fiat, is the largest single shareholder. Consequently, Fiat controls all matters submitted to a vote of the Company's shareholders, including approval of annual dividends, election and removal of its directors and approval of extraordinary business combinations. Fiat Netherlands has the same voting rights as the Company's other shareholders.

Various Fiat affiliates, including CNH, are parties to a €1 billion ($1.4 billion) syndicated credit facility with a group of banks, which matures in August 2010. Loans under this facility accrue interest at fluctuating rates based on EURIBOR (or other index rates, such as LIBOR depending on the currency borrowed), plus a margin. €300 million ($432 million) of this borrowing capacity was allocated to the Company with additional amounts potentially available depending on the usage by other borrowers. As of December 31, 2009 this facility was fully drawn, €300 million ($432 million) by CNH and €700 million ($1,008 million) by other Fiat affiliates.

Fiat, through certain of its treasury subsidiaries, has also made available to CNH and certain of its subsidiaries, pursuant to a Facility Agreement entered into in February 2009, a multi-currency revolving credit facility currently scheduled to mature on February 26, 2010. Pursuant to this facility, CNH and the designated subsidiaries may, from time to time, borrow up to an aggregate principal amount of $1.0 billion, subject to specified sub-limits for each borrower. The interest rates on advances under the credit agreement ranged from LIBOR + 0.15% per annum to LIBOR + 5.75% per annum during 2009. CNH has agreed to pay a commitment fee of 0.20% per annum on the unused amount of the facility. As of December 31, 2009, $418 million was outstanding under the facility.

On December 31, 2009, the Company's outstanding consolidated debt with Fiat and its affiliates was $2.9 billion, or 31% of the Company's consolidated debt, compared to $5.2 billion or 46% as of December 31, 2008. The main reason for the decrease in CNH's consolidated debt with Fiat was the opportunity to refinance part of its borrowings with third parties; for Equipment Operations, with a $1.0 billion bond at an annual fixed rate of 7.75% due in 2013 and, for Financial Services, with new securitizations.

Fiat guarantees $1.4 billion of CNH's debt with third parties, which is 22% of its outstanding debt with third parties. CNH pays Fiat a guarantee fee based on the average amount outstanding under facilities guaranteed by Fiat. In 2009 and in 2008, CNH paid a guarantee fee of 0.0625% per annum.

Like other companies that are part of multinational groups, CNH participates in a group-wide cash management system with the Fiat Group. Under this system, which is operated by Fiat treasury subsidiaries in a number of jurisdictions, the cash balances of Fiat Group members, including CNH, are aggregated at the end of each business day in central pooling accounts (the Fiat affiliates' cash management pools). The Company's positive cash deposits, if any, at the end of each business day may be invested by Fiat treasury subsidiaries in highly rated, highly liquid money market instruments or bank deposits or applied by Fiat treasury subsidiaries to meet financial needs of other Fiat Group members and *vice versa*. Deposits with Fiat treasury subsidiaries earn interest at LIBOR plus 0.15%. Interest earned on the Company's deposits with Fiat treasury subsidiaries included in finance and interest income were approximately $32 million, $58 million, and $48 million in the years ended December 31, 2009, 2008, and 2007, respectively.

As a result of the Company's participation in the Fiat affiliates' cash management pools, CNH is exposed to Fiat Group credit risk to the extent that Fiat is unable to return the funds. In the event of a bankruptcy or insolvency of Fiat (or any other Fiat Group member in the jurisdictions with set off agreements) or in the event of a bankruptcy or insolvency of the Fiat entity in whose name the deposit is pooled, CNH may be unable to secure the return of such funds to the extent they belong to CNH, and the Company may be viewed as a creditor of such Fiat entity with respect to such deposits. Because of the affiliated nature of CNH's relationship with the Fiat Group, it is possible that the Company's claims as a creditor could be subordinated to the rights of third party creditors in certain situations.

For material related party transactions involving the purchase of goods and services, CNH generally solicits and evaluates bid proposals prior to entering into any such transactions, and in such instances, the Audit Committee generally conducts a review to determine that such transactions are on what the Committee believes to be arm's-length terms.

CNH purchases engines and other components from the Fiat Group, and companies of the Fiat Group provide the Company with administrative services such as accounting and internal audit, cash management, maintenance of plant and equipment, plant security, research and development, information systems and training. The companies of the Fiat Group also provide purchasing services to CNH. CNH sells certain products to subsidiaries and affiliates of Fiat. In addition, the Company enters into hedging arrangements with counterparties that are members of the Fiat Group. The principal purchases of goods from Fiat and its affiliates include engines from Iveco and Fiat Powertrain Technologies, dump trucks from Iveco, robotic equipment and paint systems from Comau, and castings from Teksid. CNH and its subsidiaries were parties to derivative or other financial instruments having an aggregate contract value of $2.9 billion and $2.0 billion as of December 31, 2009, and 2008, respectively, to which affiliates of Fiat were counterparties.

Fiat provides accounting services to the Company in Europe and Brazil through an affiliate that uses shared service centers to provide such services to various Fiat companies. Fiat provides internal audit services at the direction of CNH's internal audit department in certain locations where the Company believes it is more cost effective to use existing Fiat resources. In 2005 and 2004, CNH purchased network and hardware support from and outsourced a portion of its information services to a joint venture that Fiat had formed with IBM. Fiat announced in 2005 that it had entered into a nine year strategic agreement with IBM under which IBM assumed full ownership of this joint venture as well as the management of a significant part of the information technology needs of members of the Fiat Group, including CNH. Fiat also provides training services through an affiliate. CNH uses a broker that is an affiliate of Fiat to purchase a portion of its insurance coverage. CNH purchases research and development services from an Italian joint venture set up by Fiat and owned by various Fiat subsidiaries. This joint venture benefits from Italian government incentives granted to promote work in the less developed areas of Italy.

In certain tax jurisdictions, the Company has entered into tax sharing agreements with Fiat and certain of its affiliates. Management believes the terms of these agreements are customary for agreements of this type and are as advantageous as filing tax returns on a stand-alone basis. In order to optimize the tax efficiency of the Company, New Holland Tractors and Fiat India Private Limited effectuated an amalgamation as of April 1, 2007 for Indian fiscal and statutory purposes, which was approved by the Delhi and Bombay High Court on September 23, 2008. CNH obtained a fairness opinion from an independent third party financial advisor that documents that the consideration received by the parties to the transaction represent an arm's-length "value-for-value" exchange.

During 2008, CNH entered into a reimbursement agreement with Fiat in connection with the sponsorship contract Fiat signed with the Juventus Football Club S.p.A. The Company paid $17 million and $8 million related to this reimbursement agreement in 2009 and 2008, respectively. The Juventus Football Club S.p.A., in which EXOR S.p.A. has a 60% stake, is listed on the Electronic Share Market of the Italian stock exchange. Founded in 1897, Juventus is one of the most prominent professional soccer teams in the world. EXOR is one of the major investment holding companies in Europe. Among other things, EXOR also manages a portfolio that includes investments in Fiat, SGS S.A., and Cushman & Wakefield, Inc. CNH obtained services from SGS, for verification, inspection, control and certification activities and also obtains real estate services from Cushman & Wakefield.

If the goods or services or financing arrangements described above were not available from related parties, the Company would have to obtain them from other sources. CNH can offer no assurance that such alternative sources would provide goods and services on terms as favorable as those offered by such related parties.

Additionally, CNH participates in the stock option program of Fiat and the Individual Top Hat Scheme as described in "Note 17: Option and Incentive Plans" of the consolidated financial statements.

The following table summarizes the Company's sales, purchase, and finance income with Fiat and affiliates of Fiat and joint ventures that are not already separately reflected in the consolidated statements of operations for the years ended December 31, 2009, 2008, and 2007:

	2009	2008	2007
		(in millions)	
Sales to affiliated companies and joint ventures	$200	$ 317	$115
Purchase of materials, production parts, merchandise and services	$818	$1,185	$771
Finance and interest income	$ 32	$ 58	$ 48

As of December 31, 2009 and 2008, CNH had trade payables to affiliated companies and joint ventures of $270 million and $456 million, respectively.

Note 22: Supplemental Condensed Consolidating Financial Information

CNH and certain wholly-owned subsidiaries of CNH (the "Guarantor Entities") guarantee the 7.125% Senior Notes and the 7.75% Senior Notes. The guarantees are unconditional, irrevocable, joint and several guarantees of the 7.125% Senior Notes and the 7.75% Senior Notes issued by Case New Holland. As the guarantees are unconditional, irrevocable and joint and several and as the Guarantor Entities are all wholly-owned by CNH, the Company has included the following condensed consolidating financial information as of December 31, 2009, and 2008 and for the three years ended December 31, 2009. The condensed consolidating financial information reflects investments in consolidated subsidiaries on the equity method of accounting. The goodwill and other intangible assets are allocated to reporting units and are primarily reported by the Guarantor Entities, except for the portion related to Financial Services which is reported by All Other Subsidiaries. It is not practicable to allocate goodwill and other intangibles to the individual Guarantor Entities and All Other Subsidiaries.

In an effort to reduce the complexity of the Company's legal structure and as a part of the Company's tax planning strategies, CNH has actively eliminated and transferred legal entities. These transactions between entities under common control are accounted for at historical cost in accordance with existing accounting guidance. As a consequence, material future transactions related to CNH's legal entity rationalization activities and tax planning strategies may result in a retroactive restatement of the information contained in this note as these transactions are completed.

CNH GLOBAL N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following condensed financial statements present CNH, Case New Holland, the Guarantor Entities, and all other subsidiaries as of December 31, 2009, and 2008, and for the years ended December 31, 2009, 2008 and 2007.

	Condensed Statements of Operations For the Year Ended December 31, 2009					
	CNH Global N.V.	Case New Holland Inc.	Guarantor Subsidiaries	All Other Subsidiaries	Eliminations	Consolidated
	(in millions)					
Revenues:						
Net sales	$ —	$ —	$9,446	$6,264	$(2,927)	$12,783
Finance and interest income	21	64	114	1,148	(370)	977
	21	64	9,560	7,412	(3,297)	13,760
Cost and Expenses:						
Cost of goods sold	—	—	8,049	5,740	(2,927)	10,862
Selling, general and administrative	4	—	611	871	—	1,486
Research, development and engineering	—	—	262	136	—	398
Restructuring	—	—	68	34	—	102
Interest	35	120	144	602	(230)	671
Interest compensation to Financial Services	—	—	144	—	(144)	—
Other, net	18	2	201	109	4	334
	57	122	9,479	7,492	(3,297)	13,853
Income (loss) before income taxes and equity in income (loss) of unconsolidated affiliates and consolidated subsidiaries accounted for under the equity method	(36)	(58)	81	(80)	—	(93)
Income tax provision (benefit)	8	(23)	74	33	—	92
Equity in income (loss) of unconsolidated affiliates and consolidated subsidiaries accounted for under the equity method	(146)	83	200	91	(265)	(37)
Net income (loss)	(190)	48	207	(22)	(265)	(222)
Net income (loss) attributable to noncontrolling interests	—	—	—	(32)	—	(32)
Net income (loss) attributable to CNH	$(190)	$ 48	$ 207	$ 10	$ (265)	$ (190)

CNH GLOBAL N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Condensed Balance Sheets As of December 31, 2009					
	CNH Global N.V.	Case New Holland Inc.	Guarantor Subsidiaries	All Other Subsidiaries	Eliminations	Consolidated
	(in millions)					
Assets:						
Cash and cash equivalents	$ —	$ —	$ 37	$ 1,226	$ —	$ 1,263
Deposits in Fiat affiliates cash management pools	—	—	1,750	501	—	2,251
Accounts, notes receivable and other, net	30	29	497	8,802	(932)	8,426
Intercompany notes receivable	984	2,944	3,291	657	(7,876)	—
Inventories	—	—	1,529	1,768	—	3,297
Property, plant and equipment, net	—	—	904	860	—	1,764
Equipment on operating leases, net	—	—	3	643	—	646
Investments in unconsolidated affiliates	366	—	13	36	—	415
Investments in consolidated subsidiaries accounted for under the equity method	7,022	3,112	1,601	349	(12,084)	—
Goodwill and other intangible assets, net	1	—	2,866	224	—	3,091
Other assets	17	148	1,176	860	(146)	2,055
Total Assets	$8,420	$6,233	$13,667	$15,926	$(21,038)	$23,208
Liabilities and Equity:						
Short-term debt	$ 253	$ —	$ 539	$ 1,180	$ —	$ 1,972
Intercompany short-term debt	1,004	—	3,238	2,219	(6,461)	—
Accounts payable	3	11	1,299	1,484	(882)	1,915
Long-term debt, including current maturities	432	2,273	308	4,423	—	7,436
Intercompany long-term debt	—	—	752	663	(1,415)	—
Accrued and other liabilities	10	42	3,649	1,570	(196)	5,075
	1,702	2,326	9,785	11,539	(8,954)	16,398
Equity	6,718	3,907	3,882	4,387	(12,084)	6,810
Total Liabilities and Equity	$8,420	$6,233	$13,667	$15,926	$(21,038)	$23,208

	Condensed Statements of Cash Flow For the Year Ended December 31, 2009					
	CNH Global N.V.	Case New Holland Inc.	Guarantor Subsidiaries	All Other Subsidiaries	Eliminations	Consolidated
	(in millions)					
Operating Activities:						
Net income (loss)	$(190)	$ 48	$ 207	$ (22)	$(265)	$ (222)
Adjustments to reconcile net income to net cash provided (used) by operating activities:						
Depreciation and amortization	—	5	162	231	—	398
Intercompany activity	(135)	(19)	131	23	—	—
Changes in operating assets and liabilities	13	8	675	1,321	—	2,017
Other, net	115	(83)	(234)	(44)	265	19
Net cash provided (used) by operating activities	(197)	(41)	941	1,509	—	2,212
Investing activities:						
Expenditures for property, plant and equipment	—	—	(107)	(111)	—	(218)
Expenditures for equipment on operating leases	—	—	—	(302)	—	(302)
Net (additions) collections from retail receivables and related securitizations	—	—	—	1,796	—	1,796
Other, net	2	—	(14)	131	—	119
(Deposits in) withdrawals from Fiat affiliates cash management pools	418	—	(828)	248	—	(162)
Net cash provided (used) by investing activities	420	—	(949)	1,762	—	1,233
Financing Activities:						
Intercompany activity	49	(417)	461	(93)	—	—
Net increase (decrease) in indebtedness	(272)	473	(487)	(2,668)	—	(2,954)
Dividends paid	—	—	—	—	—	—
Other, net	—	(15)	—	—	—	(15)
Net cash provided (used) by financing activities	(223)	41	(26)	(2,761)		(2,969)
Other, net	—	—	8	146		154
Increase (decrease) in cash and cash equivalents	—	—	(26)	656	—	630
Cash and cash equivalents, beginning of year	—	—	63	570	—	633
Cash and cash equivalents, end of year	$ —	$ —	$ 37	$ 1,226	$ —	$ 1,263

	Condensed Statements of Operations For the Year Ended December 31, 2008					
	CNH Global N.V.	Case New Holland Inc.	Guarantor Subsidiaries	All Other Subsidiaries	Eliminations	Consolidated
	(in millions)					
Revenues:						
Net sales	$ —	$ —	$12,390	$ 9,939	$(4,963)	$17,366
Finance and interest income	19	96	171	1,308	(484)	1,110
	19	96	12,561	11,247	(5,447)	18,476
Cost and Expenses:						
Cost of goods sold	—	—	10,605	8,411	(4,962)	14,054
Selling, general and administrative	5	—	744	949	—	1,698
Research, development and engineering	—	—	283	139	—	422
Restructuring	—	—	—	39	—	39
Interest	66	120	202	703	(326)	765
Interest compensation to Financial Services	—	—	103	80	(183)	—
Other, net	132	3	45	138	24	342
	203	123	11,982	10,459	(5,447)	17,320
Income (loss) before income taxes and equity in income (loss) of unconsolidated affiliates and consolidated subsidiaries accounted for under the equity method	(184)	(27)	579	788	—	1,156
Income tax provision (benefit)	10	(9)	91	293	—	385
Equity in income (loss) of unconsolidated affiliates and consolidated subsidiaries accounted for under the equity method	1,019	307	266	202	(1,741)	53
Net income	825	289	754	697	(1,741)	824
Net income (loss) attributable to noncontrolling interests	—	—	(1)	—	—	(1)
Net income attributable to CNH	$ 825	$289	$ 755	$ 697	$(1,741)	$ 825

	Condensed Balance Sheets As of December 31, 2008					
	CNH Global N.V.	Case New Holland Inc.	Guarantor Subsidiaries	All Other Subsidiaries	Eliminations	Consolidated
			(in millions)			
Assets:						
Cash and cash equivalents	$ —	$ —	$ 63	$ 570	$ —	$ 633
Deposits in Fiat affiliates cash management pools	418	—	909	731	—	2,058
Accounts, notes receivable and other, net	51	13	1,056	10,796	(1,203)	10,713
Intercompany notes receivable	253	2,527	2,550	9	(5,339)	—
Inventories	—	—	2,089	2,396	—	4,485
Property, plant and equipment, net	—	—	857	760	—	1,617
Equipment on operating leases, net	—	—	5	599	—	604
Investments in unconsolidated affiliates	413	—	12	48	—	473
Investments in consolidated subsidiaries accounted for under the equity method	6,638	2,871	1,420	363	(11,292)	—
Goodwill and other intangible assets, net	1	—	2,887	217	—	3,105
Other assets	18	99	931	812	(89)	1,771
Total Assets	$7,792	$5,510	$12,779	$17,301	$(17,923)	$25,459
Liabilities and Equity:						
Short-term debt	$ 253	$ —	$ 882	$ 2,345	$ —	$ 3,480
Intercompany short-term debt	224	—	2,509	1,939	(4,672)	—
Accounts payable	142	14	1,658	2,103	(1,182)	2,735
Long-term debt, including current maturities	704	1,797	451	4,925	—	7,877
Intercompany long-term debt	—	—	279	388	(667)	—
Accrued and other liabilities	15	—	3,312	1,575	(110)	4,792
	1,338	1,811	9,091	13,275	(6,631)	18,884
Equity	6,454	3,699	3,688	4,026	(11,292)	6,575
Total Liabilities and Equity	$7,792	$5,510	$12,779	$17,301	$(17,923)	$25,459

Condensed Statements of Cash Flow For the Year Ended December 31, 2008

	CNH Global N.V.	Case New Holland Inc.	Guarantor Subsidiaries	All Other Subsidiaries	Eliminations	Consolidated
			(in millions)			
Operating Activities:						
Net income	$ 825	$ 289	$ 754	$ 697	$(1,741)	$ 824
Adjustments to reconcile net income to net cash provided (used) by operating activities:						
Depreciation and amortization	2	—	154	218	—	374
Intercompany activity	(33)	20	(68)	81	—	—
Changes in operating assets and liabilities	64	(43)	(332)	(207)	—	(518)
Other, net	(392)	(306)	(327)	(746)	1,741	(30)
Net cash provided (used) by operating activities	466	(40)	181	43	—	650
Investing activities:						
Expenditures for property, plant and equipment	—	—	(206)	(287)	—	(493)
Expenditures for equipment on operating leases	—	—	(5)	(313)	—	(318)
Net (additions) collections from retail receivables and related securitizations	—	—	—	(2,106)	—	(2,106)
Other, net	(84)	—	9	128	—	53
(Deposits in) withdrawals from Fiat affiliates cash management pools	(413)	—	(384)	(128)	—	(925)
Net cash provided (used) by investing activities	(497)	—	(586)	(2,706)	—	(3,789)
Financing Activities:						
Intercompany activity	(553)	(168)	(66)	787	—	—
Net increase (decrease) in indebtedness	696	8	485	1,768	—	2,957
Dividends paid	(118)	—	—	—	—	(118)
Other, net	4	—	—	—	—	4
Net cash provided (used) by financing activities	29	(160)	419	2,555		2,843
Other, net	2	—	(7)	(91)		(96)
Increase (decrease) in cash and cash equivalents	—	(200)	7	(199)	—	(392)
Cash and cash equivalents, beginning of year	—	200	56	769	—	1,025
Cash and cash equivalents, end of year	$ —	$ —	$ 63	$ 570	$ —	$ 633

CNH GLOBAL N.V.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Condensed Statements of Operations For the Year Ended December 31, 2007					
	CNH Global N.V.	Case New Holland Inc.	Guarantor Subsidiaries	All Other Subsidiaries	Eliminations	Consolidated
	(in millions)					
Revenues:						
Net sales	$ —	$ —	$10,280	$8,495	$(3,804)	$14,971
Finance and interest income	50	171	170	1,149	(547)	993
	50	171	10,450	9,644	(4,351)	15,964
Cost and Expenses:						
Cost of goods sold	—	—	8,707	7,251	(3,804)	12,154
Selling, general and administrative	5	—	674	757	—	1,436
Research, development and engineering	—	—	282	127	—	409
Restructuring	—	—	44	41	—	85
Interest	95	220	217	551	(382)	701
Interest compensation to Financial Services	—	—	183	36	(219)	—
Other, net	11	2	130	152	54	349
	111	222	10,237	8,915	(4,351)	15,134
Income (loss) before income taxes and equity in income (loss) of unconsolidated affiliates and consolidated subsidiaries accounted for under the equity method	(61)	(51)	213	729	—	830
Income tax provision (benefit)	15	(15)	151	203	—	354
Equity in income (loss) of unconsolidated affiliates and consolidated subsidiaries accounted for under the equity method	635	111	313	31	(992)	98
Net income	559	75	375	557	(992)	574
Net income attributable to noncontrolling interests	—	—	10	5	—	15
Net income attributable to CNH	$559	$ 75	$ 365	$ 552	$ (992)	$ 559

	Condensed Statements of Cash Flow For the Year Ended December 31, 2007					
	CNH Global N.V.	Case New Holland Inc.	Guarantor Subsidiaries	All Other Subsidiaries	Eliminations	Consolidated
			(in millions)			
Operating Activities:						
Net income	$ 559	$ 75	$ 375	$ 557	$(992)	$ 574
Adjustments to reconcile net income to net cash provided (used) by operating activities:						
Depreciation and amortization	—	—	209	163	—	372
Intercompany activity	(19)	8	(34)	45	—	—
Changes in operating assets and liabilities	(1)	(39)	380	(1,108)	—	(768)
Other, net	(412)	(108)	(334)	(411)	992	(273)
Net cash provided (used) by operating activities	127	(64)	596	(754)	—	(95)
Investing activities:						
Expenditures for property, plant and equipment	—	—	(179)	(159)	—	(338)
Expenditures for equipment on operating leases	—	—	—	(377)	—	(377)
Net (additions) collections from retail receivables and related securitizations	—	—	—	(1,120)	—	(1,120)
Other, net	11	—	(43)	84	—	52
(Deposits in) withdrawals from Fiat affiliates cash management pools	3	—	(349)	(263)	—	(609)
Net cash provided (used) by investing activities	14	—	(571)	(1,835)	—	(2,392)
Financing Activities:						
Intercompany activity	(57)	(37)	(12)	106	—	—
Net increase (decrease) in indebtedness	7	(245)	(50)	2,594	—	2,306
Dividends paid	(59)	—	—	—	—	(59)
Other, net	—	(9)	—	—	—	(9)
Net cash provided (used) by financing activities	(109)	(291)	(62)	2,700	—	2,238
Other, net	(32)	—	37	95	—	100
Increase (decrease) in cash and cash equivalents	—	(355)	—	206	—	(149)
Cash and cash equivalents, beginning of year	—	555	56	563	—	1,174
Cash and cash equivalents, end of year	$ —	$ 200	$ 56	$ 769	$ —	$ 1,025

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of CNH Global N.V.

We have reviewed the accompanying condensed consolidated balance sheet of CNH Global N.V. (a Netherlands corporation) and subsidiaries (the "Company") as of March 31, 2010, and the related condensed consolidated statements of operations, cash flows, and changes in equity for the three-month periods ended March 31, 2010 and 2009. These condensed consolidated interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management has informed us that the accompanying condensed consolidated interim financial statements omit certain disclosures required by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 715-20, *Compensation—Retirement Benefits*, FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, FASB ASC Topic 815, *Derivatives and Hedging*, FASB ASC Topic 850, *Related Party Disclosures,* and FASB ASC Topic 860, *Transfers and Servicing*, which we believe are required to be disclosed in conformity with accounting principles generally accepted in the United States of America, and do not contain the financial statements of guarantors and issuers of guaranteed securities registered as required by United States Securities and Exchange Commission Regulation S-X Rule 3-10.

Based on our review, with the exception of the matters described in the preceding paragraph, we are not aware of any material modifications that should be made to such condensed consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2009, and the related consolidated statements of operations, cash flows, and changes in equity for the year then ended; and in our report dated February 23, 2010 (which included an explanatory paragraph that describes the Company's change in method of accounting for income tax uncertainties on January 1, 2007, and describes the retrospective change in method of accounting and reporting for noncontrolling interests on January 1, 2009) we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2009 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

DELOITTE & TOUCHE LLP

Chicago, Illinois
June 17, 2010

CNH GLOBAL N.V.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND SUPPLEMENTAL INFORMATION
For the Three Months Ended March 31, 2010 and 2009
(Unaudited)

	Consolidated		Equipment Operations		Financial Services	
	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
	2010	2009	2010	2009	2010	2009
			(in millions)			
Revenues:						
Net sales	$3,237	$3,052	$3,237	$3,052	$ —	$ —
Finance and interest income	283	214	29	34	340	258
	3,520	3,266	3,266	3,086	340	258
Costs and Expenses:						
Cost of goods sold	2,698	2,627	2,698	2,627	—	—
Selling, general and administrative	394	380	296	293	98	87
Research, development and engineering	99	93	99	93	—	—
Restructuring	2	2	2	1	—	1
Interest expense	202	186	81	79	160	140
Interest compensation to Financial Services	—	—	47	42	—	—
Other, net	56	75	32	47	24	31
Total	3,451	3,363	3,255	3,182	282	259
Income (loss) before income taxes and equity in income (loss) of unconsolidated subsidiaries and affiliates	69	(97)	11	(96)	58	(1)
Income tax provision	70	17	60	17	10	—
Equity in income (loss) of unconsolidated subsidiaries and affiliates:						
Financial Services	3	2	51	1	3	2
Equipment Operations	7	(21)	7	(21)	—	—
Net income (loss)	9	(133)	9	(133)	51	1
Net income (loss) attributable to noncontrolling interests	(7)	(7)	(7)	(7)	—	—
Net income (loss) attributable to CNH Global N.V.	$ 16	$ (126)	$ 16	$ (126)	$ 51	$ 1
Weighted average shares outstanding:						
Basic	237.5	237.4				
Diluted	238.2	237.4				
Basic and diluted earnings (loss) per share ("EPS") attributable to CNH Global N.V. common shareholders:						
Basic EPS	$ 0.07	$ (0.53)				
Diluted EPS	$ 0.07	$ (0.53)				
Dividends per share	$ —	$ —				

These Condensed Consolidated Statements of Operations should be read in conjunction with the Company's audited consolidated financial statements and notes for the year ended December 31, 2009, and the Notes to Condensed Consolidated Financial Statements.

CNH GLOBAL N.V.
CONDENSED CONSOLIDATED BALANCE SHEET
AND SUPPLEMENTAL INFORMATION
As of March 31, 2010 (Unaudited) and December 31, 2009

	Consolidated		Equipment Operations		Financial Services	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
			(in millions)			
ASSETS						
Cash and cash equivalents	$ 874	$ 1,263	$ 214	$ 290	$ 660	$ 973
Deposits in Fiat affiliates cash management pools	2,185	2,251	2,153	2,144	32	107
Accounts, notes receivable and other—net	14,210	8,426	944	788	13,541	7,952
Intersegment notes receivable	—	—	2,485	2,398	489	634
Inventories	3,284	3,297	3,284	3,297	—	—
Property, plant and equipment, net	1,694	1,764	1,691	1,761	3	3
Equipment on operating leases—net	600	646	3	3	597	643
Investment in Financial Services	—	—	2,217	2,377	—	—
Investments in unconsolidated affiliates	411	415	329	330	82	85
Goodwill and other intangibles	3,081	3,091	2,923	2,935	158	156
Other assets	2,701	2,055	1,584	1,557	1,117	498
Total Assets	$29,040	$23,208	$17,827	$17,880	$16,679	$11,051
LIABILITIES AND EQUITY						
Short-term debt	$ 3,098	$ 1,972	$ 72	$ 136	$ 3,026	$ 1,836
Accounts payable	2,094	1,915	2,170	2,061	187	151
Long-term debt, including current maturities	11,842	7,436	3,535	3,532	8,307	3,904
Intersegment debt	—	—	489	634	2,485	2,398
Accrued and other liabilities	5,244	5,075	4,800	4,708	456	384
Total Liabilities	22,278	16,398	11,066	11,071	14,461	8,673
Equity	6,762	6,810	6,761	6,809	2,218	2,378
Total Liabilities and Equity	$29,040	$23,208	$17,827	$17,880	$16,679	$11,051

These Condensed Consolidated Balance Sheets should be read in conjunction with the Company's audited consolidated financial statements and notes for the year ended December 31, 2009, and the Notes to Condensed Consolidated Financial Statements.

CNH GLOBAL N.V.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
AND SUPPLEMENTAL INFORMATION
For the Three Months Ended March 31, 2010 and 2009
(Unaudited)

	Consolidated		Equipment Operations		Financial Services	
	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
	2010	2009	2010	2009	2010	2009
	(in millions)					
Operating activities:						
Net income (loss)	$ 9	$ (133)	$ 9	$(133)	$ 51	$ 1
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	101	92	71	62	30	30
Intersegment activity	—	—	(154)	(89)	154	89
Changes in operating assets and liabilities	(379)	(529)	290	(224)	(669)	(305)
Other, net	(124)	(41)	(99)	(51)	(76)	9
Net cash provided (used) by operating activities	(393)	(611)	117	(435)	(510)	(176)
Investing activities:						
Expenditures for property, plant and equipment	(32)	(46)	(32)	(46)	—	—
Expenditures for equipment on operating leases	(77)	(44)	—	—	(77)	(44)
Net collections from retail receivables	120	699	—	—	120	699
Net withdrawals from (deposits in) Fiat affiliates cash management pools	36	577	(37)	563	73	14
Other, net	49	43	(19)	2	48	41
Net cash provided (used) by investing activities	96	1,229	(88)	519	164	710
Financing activities:						
Intersegment activity	—	—	(70)	(91)	70	91
Net decreases in indebtedness	(88)	(576)	(40)	(5)	(48)	(571)
Other, net	4	—	4	—	20	—
Net cash provided (used) by financing activities	(84)	(576)	(106)	(96)	42	(480)
Effect of foreign exchange rate changes on cash and cash equivalents	(8)	(5)	1	(6)	(9)	1
Increase (decrease) in cash and cash equivalents	(389)	37	(76)	(18)	(313)	55
Cash and cash equivalents, beginning of period	1,263	633	290	173	973	460
Cash and cash equivalents, end of period	$ 874	$ 670	$ 214	$ 155	$ 660	$ 515

These Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Company's audited consolidated financial statements and notes for the year ended December 31, 2009, and the Notes to Condensed Consolidated Financial Statements.

CNH GLOBAL N.V.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Three Months Ended March 31, 2010 and 2009
(Unaudited)

	Common Shares	Paid-in Capital	Treasury Stock	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interest	Total	Comprehensive Income (Loss)
Balance, January 1, 2009	$595	$6,172	$ (8)	$ 396	$(701)	$121	$6,575	
Comprehensive income								
Net income (loss)	—	—	—	(126)	—	(7)	(133)	$(133)
Translation adjustment	—	—	—	—	(70)	(2)	(72)	(72)
Pension liability adjustment, net of tax	—	—	—	—	9	—	9	9
Available for sale securities, net of tax	—	—	—	—	(1)	—	(1)	(1)
Derivative financial instrument, net of tax	—	—	—	—	(16)	—	(16)	(16)
Total								$(213)
Stock compensation	—	1	—	—	—	—	1	
Balance, March 31, 2009	$595	$6,173	$ (8)	$ 270	$(779)	$112	$6,363	
Balance, January 1, 2010	$595	$6,188	$ (8)	$ 210	$(267)	$ 92	$6,810	
Comprehensive income								
Net income (loss)	—	—	—	16	—	(7)	9	$ 9
Translation adjustment	—	—	—	—	(11)	(1)	(12)	(12)
Pension liability adjustment, net of tax	—	—	—	—	19	—	19	19
Available for sale securities, net of tax	—	—	—	—	2	—	2	2
Derivative financial instrument, net of tax	—	—	—	—	(32)	—	(32)	(32)
Total								$ (14)
Stock compensation	—	3	—	—	—	—	3	
Issuance of common shares	1	3	—	—	—	—	4	
Adjustment to adopt new accounting guidance regarding consolidation of variable interest entities	—	—	—	(8)	(33)	—	(41)	
Balance, March 31, 2010	$596	$6,194	$ (8)	$ 218	$(322)	$ 84	$6,762	

These Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Company's audited consolidated financial statements and notes for the year ended December 31, 2009, and the Notes to Condensed Consolidated Financial Statements.

CNH GLOBAL N.V.
REVENUES AND NET SALES
For the Three Months Ended March 31, 2010 and 2009
(Unaudited)

	Three Months Ended March 31,		
	2010	2009	% Change
	(in millions)		
Revenues:			
Net sales			
Agricultural equipment	$2,626	$2,572	2%
Construction equipment	611	480	27%
Total net sales	3,237	3,052	6%
Financial services	340	258	32%
Eliminations and other	(57)	(44)	
Total revenues	$3,520	$3,266	8%
Net sales:			
North America	$1,299	$1,362	(5)%
Western Europe	804	917	(12)%
Latin America	631	320	97%
Rest of World	503	453	11%
Total net sales	$3,237	$3,052	6%

CNH GLOBAL N.V.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Principles of Consolidation and Basis of Presentation—The accompanying unaudited condensed consolidated financial statements and supplemental information reflect all adjustments which, except as disclosed, consist of normal, recurring adjustments that are, in the opinion of management, necessary for a fair presentation of the consolidated results of CNH Global N.V., a Netherlands corporation, and its consolidated subsidiaries ("CNH" or the "Company") in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"); however, because of their condensed nature, they do not include all of the information and note disclosures required by U.S. GAAP or the rules of the Securities and Exchange Commission ("SEC") for complete annual or interim period financial statements. These financial statements should be read in conjunction with the audited, consolidated financial statements and notes thereto for the year ended December 31, 2009 included in the Company's Annual Report on Form 20-F filed with the SEC on February 25, 2010. CNH is controlled by Fiat Netherlands Holding N.V., a wholly owned subsidiary of Fiat S.p.A. ("Fiat"). As of March 31, 2010, Fiat owned approximately 89% of CNH's outstanding common shares.

The condensed consolidated financial statements include the accounts of CNH's subsidiaries in which CNH has a controlling financial interest and reflect the noncontrolling interests of the minority owners of the subsidiaries that are not fully owned for the periods presented, as applicable. A controlling financial interest may exist based on ownership of a majority of the voting interest of a subsidiary, or if CNH is determined to be the primary beneficiary of a variable interest entity ("VIE"). The operations and key financial measures and financial analyses differ significantly for manufacturing and distribution businesses and financial services businesses; therefore, management believes that certain supplemental disclosures are important in understanding the consolidated operations and financial results of CNH. The supplemental financial information captioned "Equipment Operations" includes the results of operations of CNH's agricultural and construction equipment operations, with the Company's financial services businesses reflected on the equity method of accounting. The supplemental financial information captioned "Financial Services" reflects the combination of CNH's financial services operations.

2. Recent Accounting Developments—As of the beginning of 2010, CNH adopted new accounting guidance related to the accounting for transfers of financial assets and the consolidation of VIEs.

In June 2009, the Financial Accounting Standards Board ("FASB") issued new accounting guidance which changes the accounting for transfers of financial assets. The guidance eliminates the concept of a "qualifying special-purpose entity" ("QSPE"), changes the requirements for derecognizing financial assets, and requires additional disclosures by providing greater transparency about transfers of financial assets, including securitization transactions, and an entity's continuing involvement in and exposure to the risks related to transferred financial assets.

In June 2009, the FASB also issued new accounting guidance which amends the accounting for VIEs. The guidance changes the criteria for determining whether the consolidation of a VIE is required from a quantitative risk and rewards model to a qualitative model, based on control and economics. The guidance also eliminates the scope exception for QSPEs, increases the frequency for reassessing consolidation of VIEs and creates new disclosure requirements about an entity's involvement in a VIE.

CNH adopted the new guidance on January 1, 2010. As a significant portion of CNH's securitization trusts and facilities is no longer exempt from consolidation as QSPEs under the guidance, CNH reassessed these VIEs under the new qualitative model and determined CNH was the primary beneficiary. Therefore, CNH was required to consolidate the receivables and related liabilities held by these VIEs based on the carrying amounts of the assets and liabilities, as prescribed by the new guidance. The impact of CNH's adoption of the new guidance on January 1, 2010 is as follows:

	Adjustments for New Guidance
	(in millions)
Accounts, notes receivable and other—net:	
Retail receivables securitizations	$3,448
Wholesale receivables securitizations	1,563
Credit card receivables securitizations	181
Accounts, notes receivable and other—net—Total	5,192
Other assets: primarily restricted cash	517
Assets—Total	$5,709
Accrued and other liabilities	$ 22
Short-term debt	1,209
Long-term debt, including current maturities	4,519
Liabilities—Total	5,750
Equity—Total	(41)
Liabilities and Equity—Total	$5,709

The assets of the VIEs include restricted cash and certain receivables which are restricted to settle the obligations of those entities and are not expected to be available to CNH or its creditors. Liabilities of the consolidated VIEs include secured borrowings for which creditors or beneficial interest holders do not have recourse to the general credit of CNH.

An additional impact of adopting this guidance is that certain funding transactions that would have historically met the derecognition criteria will not qualify for derecognition under the new accounting rules. Beginning on January 1, 2010, wholesale receivables originated in Europe that were included in factoring programs for the revolving sale to third party factors are treated as secured borrowings. As of March 31, 2010, €126 million ($169 million) of receivables continue to be treated as sales under the superseded accounting rules as they were sold prior to January 1, 2010.

CNH adopted the guidance prospectively, and therefore, the financial statements prepared for 2010 and following will reflect the new accounting requirements, but the financial statements for periods ending on or before December 31, 2009 will reflect the accounting guidance applicable during those periods. CNH's statement of operations for the quarter ended March 31, 2010 no longer reflects securitization income and initial gains or losses on new securitization transactions, but instead reports interest income and other income associated with all securitized receivables, and interest expense associated with the debt issued from the securitization trusts and facilities. Therefore, current period results and balances will not be comparable to prior period amounts. In addition, because the Company's new securitization transactions will be accounted for as secured borrowings rather than asset sales, the initial cash flows from these transactions will be presented as cash flows from financing transactions rather than cash flows from operating or investing activities.

3. Stock-Based Compensation Plans—Stock-based compensation consists of stock options and performance-based shares that have been granted under the CNH Equity Incentive Plan ("CNH EIP") and the CNH Outside Directors' Compensation Plan.

For the three months ended March 31, 2010 and 2009, pre-tax stock-based compensation costs were $3 million and $1 million, respectively.

4. Accounts and Notes Receivable—CNH utilizes the securitization and private bank markets to fund its retail, wholesale and credit card originations. Certain of the receivables are sold and not included in CNH's consolidated balance sheets. The following table summarizes the principle amount of our receivables not included in the consolidated balance sheet as of March 31, 2010 and December 31, 2009. As discussed in "Note 2: Recent Accounting Developments," CNH consolidated certain receivables held by VIEs and certain transactions no longer qualify for derecognition upon the adoption of new accounting guidance on January 1, 2010.

	March 31, 2010	December 31, 2009
	(in millions)	
Wholesale receivables	$169	$2,316
Retail and other notes and finance leases	325	4,207
Credit card receivables	—	181
Total	$494	$6,704

There are three private retail transactions that are not included in our consolidated balance sheet as of March 31, 2010. These facilities were one time sales of receivables. Therefore, as these receivables are collected, the amount of off-book receivables will decrease.

Subsequent to December 31, 2009, the Company's securitizations are accounted for as secured borrowings and the trusts are consolidated subsidiaries under the new guidance. Upon transfer of the receivables to the trusts, the receivables and certain cash flows derived from them become restricted for use in meeting obligations to the trusts' creditors. The trusts have ownership of cash balances that also have restrictions for the trusts' investors. The Company's interests in trust receivables are generally subordinate to the interests of third-party investors. As of March 31, 2010, the Financial Services balance sheet includes the following amounts related to consolidated VIEs:

	March 31, 2010
	(in millions)
Accounts, notes receivable and other—owed to securitization investors	$5,876
Accounts, notes receivables and other—owed to CNH	878
Allowance for credit losses	(55)
Accounts, notes receivable and other—net	6,699
Other assets (Restricted cash, deferred taxes and other)	643
Assets held by consolidated VIEs – Total	$7,342

The Company maintains its allowance for credit losses at an amount deemed sufficient to absorb probable losses inherent in receivables, which includes the receivables in the trusts. Therefore, credit risk associated with the transferred receivables is fully reflected on the Company's balance sheet in accordance with the accounting guidance.

The following table provides changes in the Company's allowance for credit losses for the three months ended March 31, 2010 and 2009:

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
	(in millions)	
Balance, beginning of period	$393	$269
Addition related to adoption of new accounting guidance	59	—
Provision for credit losses	63	56
Receivables written off	(42)	(16)
Foreign currency translation and other	(6)	(13)
Balance, end of period	$467	$296

The assets of the consolidated VIEs are subject to credit, payment and interest risks on the transferred receivables. Apart from the restricted assets related to the securitization activities, the investors and the securitization trusts have no recourse to the Company's other assets or credit for a shortage in cash flows.

5. Inventories—Inventories as of March 31, 2010 and December 31, 2009 consist of the following:

	March 31, 2010	December 31, 2009
	(in millions)	
Raw materials	$ 719	$ 660
Work-in-process	218	189
Finished goods and parts	2,347	2,448
Total Inventories	$3,284	$3,297

6. Goodwill and Other Intangibles—The following table sets forth changes in goodwill and other intangibles for the three months ended March 31, 2010:

	Balance at December 31, 2009	Amortization	Foreign Currency Translation and Other	Balance at March 31, 2010
		(in millions)		
Goodwill	$2,374	$ —	$ 6	$2,380
Other Intangibles	717	(15)	(1)	701
Total Goodwill and Other Intangibles	$3,091	$(15)	$ 5	$3,081

As of March 31, 2010 and December 31, 2009, the Company's other intangible assets and related accumulated amortization consisted of the following:

	Weighted Average Life	March 31, 2010			December 31, 2009		
		Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
		(in millions)					
Other intangible assets subject to amortization:							
Engineering drawings	20	$ 378	$217	$161	$ 381	$215	$166
Dealer network	25	216	89	127	216	87	129
Software	5	382	272	110	386	267	119
Other	10-30	66	35	31	66	35	31
		1,042	613	429	1,049	604	445
Other intangible assets not subject to amortization:							
Trademarks		272	—	272	272	—	272
Total other intangibles		$1,314	$613	$701	$1,321	$604	$717

CNH recorded amortization expense related to other intangible assets of approximately $15 million and $15 million for the three months ended March 31, 2010 and 2009, respectively.

7. Debt—The following table sets forth total debt as of March 31, 2010 and December 31, 2009:

	Consolidated		Equipment Operations		Financial Services	
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
	(in millions)					
Short-term debt:						
With Fiat affiliates	$ 443	$ 537	$ 26	$ 7	$ 417	$ 530
Owed to securitization investors	1,057	—	—	—	1,057	—
Other	1,598	1,435	46	129	1,552	1,306
Intersegment	—	—	—	161	1,900	1,594
Total short-term debt	3,098	1,972	72	297	4,926	3,430
Long-term debt:						
With Fiat affiliates	1,979	2,352	908	931	1,071	1,421
Owed to securitization investors	4,951	—	—	—	4,951	—
Other	4,912	5,084	2,627	2,601	2,285	2,483
Intersegment	—	—	489	473	585	804
Total long-term debt	11,842	7,436	4,024	4,005	8,892	4,708
Total debt:						
With Fiat affiliates	2,422	2,889	934	938	1,488	1,951
Owed to securitization investors	6,008	—	—	—	6,008	—
Other	6,510	6,519	2,673	2,730	3,837	3,789
Intersegment	—	—	489	634	2,485	2,398
Total debt	$14,940	$9,408	$4,096	$4,302	$13,818	$8,138

Upon adoption of new accounting rules related to the accounting for transfers of financial assets and the consolidation of VIEs, the Company consolidated certain securitized receivables and the related debt of $5.8 billion that was issued from the trusts to third-party investors. See "Note 2: Recent Accounting Developments" for more information. Asset-backed securities are collateralized by receivables as described in "Note 4: Accounts and Notes Receivable."

Utilizing the public asset securitization market, Financial Services closed a $1.1 billion retail transaction in North America during the first quarter of 2010. In addition, the U.S. wholesale securitization facility closed a 364-day, $200 million conduit facility. The proceeds raised from this new funding transaction were used to pay off an existing conduit facility.

At March 31, 2010, CNH had approximately $4.2 billion available under $10.5 billion total lines of credit and asset-backed facilities.

Consolidated long term debt includes current maturities of long term debt of $4.2 billion, of which $2.2 billion is owed to securitization investors.

CNH participates in Fiat affiliates cash management pools with other Fiat affiliates. Amounts deposited with Fiat affiliates as part of the Fiat cash management system are repayable to CNH upon one business day's notice. To the extent that Fiat affiliates are unable to return any such amounts upon one business day's notice and in the event of a bankruptcy or insolvency of Fiat, CNH may be unable to secure the return of such funds, and CNH may be viewed as a creditor of such Fiat entity with respect to such funds. There is no assurance that the future operations of the Fiat cash management system may not adversely impact CNH's ability to recover its funds to the extent one or more of the above described events were to occur.

8. Income Taxes—For the three months ended March 31, 2010 and 2009, consolidated effective income tax rates were 101.4% and (17.5)%, respectively. For 2010, the tax rate differs from the Netherlands statutory rate of 25.5% due primarily to the impact of tax losses in certain jurisdictions where no immediate tax benefit is recognized, provisioning of tax contingencies, and enacted changes in tax law. The Company also recorded a $20 million tax charge in its results for the first quarter of 2010 for the change in the tax treatment of the Medicare Part D retiree drug subsidy under the new U.S. Patient Protection and Affordable Care Act. For 2009, the tax rate differs from the Netherlands statutory rate of 25.5% due primarily to the impact of tax losses in certain jurisdictions where no immediate tax benefit is recognized, recording valuation allowances against previously recognized deferred tax assets, provisioning of tax contingencies, and enacted changes in tax rates.

Management makes estimates and assumptions that affect the reported amounts of deferred tax assets. The Company has recorded valuation allowances to reduce its deferred tax assets to the amount it believes more likely than not to be realized. A change in judgment as to the realizability of the Company's deferred tax assets may significantly impact CNH's results of operations and financial position in the period that such a determination is made.

The Company is engaged in competent authority income tax proceedings at March 31, 2010. The Company anticipates reaching a settlement with competent authority within the next twelve months that may result in a tax deficiency assessment for which there should be correlative relief under competent authority. The potential tax deficiency assessment could have a net effect on cash flows in the range of $55 million to $60 million. The Company has provided for the tax contingencies and related competent authority recovery. The Company does not believe that the resolution of the competent authority proceedings will have a material adverse effect on the results of operations.

In connection with audits of tax years 2003 through 2007, the Internal Revenue Service disallowed certain deductions the Company claimed and imposed a penalty on some disallowed deductions. The Company intends to vigorously defend its position with respect to certain of these matters. If the Company is not successful, it estimates that it would have a $29 million tax deficiency. Because the Company believes that it is more likely than not that it will prevail on its claims based on its view of the technical merits of the cases, it has not provided tax contingency reserves for this amount.

9. Restructuring—During the three months ended March 31, 2010 and 2009, expense and utilization related to restructuring were as follows:

	Three Months Ended March 31,	
	2010	2009
	(in millions)	
Balance, beginning of period	$ 45	$14
Expense	2	2
Utilization	(15)	(5)
Foreign currency translation and other	(2)	—
Balance, end of period	$ 30	$11

Restructuring expense and utilization for the three months ended March 31, 2010 primarily relates to severance and other costs incurred due to previously announced headcount reductions and plant closures.

10. Commitments and Contingencies

Litigation

In connection with a logistics Services Agreement among CNH Global N.V. ("CNH Global"), PGN Logistics Ltd. ("PGN") and certain affiliated companies, PGN entered into a subcontract with Transport Cheron N.V. ("Cheron"). The subcontract was signed by Cheron, and PGN purported to sign the contract "in the name and on behalf of" CNH Global. CNH Global contends that it is not a party to the subcontract and that PGN was not authorized to sign the subcontract on its behalf. In early 2005, and as a result of the termination of the Services Agreement, Cheron filed suit in the District Court in Haarlem, the Netherlands against both PGN and CNH Global for breach of the subcontract and for preliminary relief. In March 2005 the District Court issued an order requiring CNH Global to pay €1,500,000 to Cheron as a preliminary payment of lost profit damages. CNH Global appealed this decision to the Court of Appeals in Amsterdam, and, on November 24, 2005, the Court of Appeals rendered its decision in effect holding that liability had not been demonstrated with a degree of certainty sufficient to warrant a preliminary award of damages. At this point the matter returned to the District Court for a determination of liability.

On September 24, 2008, the District Court issued its interim award with respect to liability. The District Court held that CNH Global is liable under the subcontract for damages that Cheron suffered as a result of the alleged breach of the subcontract. Cheron has alleged damages in the amount of approximately €21 million. CNH Global believes that the damages alleged by Cheron are improperly calculated and, as a result, are materially overstated. Moreover, CNH Global believes the District Court interim award with respect to liability is incorrect. The damages phase of the case is currently ongoing with Cheron having filed its Statement for the Record Commenting on the Damage and Change of Claim on September 30, 2009 and CNH Global having filed its Statement of Defense Commenting on the Damage on January 6, 2010. CNH Global anticipates that the damages phase of the case will be completed sometime during 2010. In addition, CNH Global plans to appeal the liability decision to the Court of Appeals in Amsterdam once a final award with respect to damages has been issued.

Guarantees

In the normal course of business, CNH and its subsidiaries provide indemnification for guarantees it arranges in the form of bonds guaranteeing the payment of taxes, performance bonds, custom bonds, bid bonds and bonds related to litigation. As of March 31, 2010 and December 31, 2009, total commitments of this type were approximately $499 million and $541 million, respectively.

As of March 31, 2010, CNH provides payment guarantees on financial debts of customers for approximately $501 million, of which the main guarantee relates to credit lines with BNDES, a development agency of the government of Brazil. BNDES has provided limited credit lines to qualified financial institutions at subsidized interest rates to enable subsidized retail financing to farmers for purchases of agricultural or construction equipment. In addition to participating directly in the program, Financial Services originated and continues to service secured retail loans on behalf of some other financial institutions participating in the BNDES program. CNH, through Financial Services, has guaranteed the portfolio against all credit losses. At March 31, 2010 and December 31, 2009, the guaranteed portfolio balance was $389 million and $349 million, respectively.

Warranty

CNH pays for basic warranty costs and other service actions within certain pre-established time periods. A summary of recorded activity as of and for the three months ended March 31, 2010 and 2009 for this commitment is as follows:

	Three Months Ended March 31,	
	2010	2009
	(in millions)	
Balance, beginning of period	$301	$294
Expense	92	92
Claims paid and other adjustments	(74)	(76)
Foreign currency translation	(6)	(5)
Balance, end of period	$313	$305

11. Earnings (Loss) per Share—The following table reconciles the numerator and denominator of the basic and diluted earnings (loss) per share computations for the three months ended March 31, 2010 and 2009:

	Three Months Ended March 31,	
	2010	2009
	(in millions, except per share data)	
Basic earnings (loss) per share attributable to CNH Global N.V. common shareholders:		
Net income (loss) attributable to CNH	$ 16	$ (126)
Weighted average common shares outstanding—basic	237.5	237.4
Basic earnings (loss) per share attributable to CNH common shareholders	$ 0.07	$ (0.53)
Diluted earnings (loss) per share attributable to CNH Global N.V. common shareholders:		
Net income (loss) attributable to CNH	$ 16	$ (126)
Weighted average common shares outstanding—basic	237.5	237.4
Effect of dilutive securities:		
Stock compensation plans	0.7	—
Weighted average common shares outstanding—dilutive	238.2	237.4
Diluted earnings (loss) per share attributable to CNH common shareholders	$ 0.07	$ (0.53)

12. Segment Information—CNH has three reportable operating segments: Agricultural Equipment, Construction Equipment and Financial Services.

A reconciliation from consolidated trading profit as defined by and reported to Fiat calculated in accordance with International Financial Reporting Standards and International Accounting Standards (collectively "IFRS") to income (loss) before income taxes and equity in income (loss) of unconsolidated subsidiaries and affiliates under U.S. GAAP for the three months ended March 31, 2010 and 2009 is as follows:

	Three Months Ended March 31,	
	2010	2009
	(in millions)	
Trading profit reported to Fiat	$176	$ 64
Adjustments to convert from trading profit under IFRS to U.S. GAAP income (loss) before income taxes and equity in income (loss) of unconsolidated subsidiaries and affiliates:		
Accounting for employee benefit plans	(6)	(10)
Accounting for intangible assets, primarily product development costs	(37)	(25)
Restructuring	(2)	(2)
Net financial expense	(71)	(70)
Accounting for receivable securitizations and other	9	(54)
Income (loss) before income taxes and equity in income (loss) of unconsolidated subsidiaries and affiliates under U.S. GAAP	$ 69	$(97)

The following summarizes trading profit by reportable segment:

	Three Months Ended March 31,	
	2010	2009
	(in millions)	
Agricultural Equipment	$154	$ 108
Construction Equipment	(35)	(103)
Financial Services	57	59
Trading profit under IFRS	$176	$ 64

A summary of additional reportable segment information, compiled under IFRS, as of and for the three months ended March 31, 2010 and 2009 is as follows:

	Three Months Ended March 31,	
	2010	2009
	(in millions)	
Revenues:		
Agricultural equipment	$2,626	$2,572
Construction equipment	611	480
Financial services	396	389
Eliminations	(72)	(57)
Net revenues under IFRS	3,561	3,384
Difference, principally finance and interest income on receivables held by securitization trusts and facilities that were exempt from consolidation under U.S. GAAP (on-book under IFRS)	(41)	(118)
Revenues under U.S. GAAP	$3,520	$3,266

13. Related Party Information—As of March 31, 2010, the Company had 237.7 million common shares outstanding. At March 31, 2010, CNH had 594 registered holders of record of its common shares in the United States. Registered Holders and indirect beneficial owners hold approximately 11% of CNH's outstanding common shares.

Fiat Netherlands, a wholly owned subsidiary of Fiat, is the largest single shareholder with ownership of 89% of CNH's outstanding common shares. Consequently, Fiat controls all matters submitted to a vote of the Company's shareholders, including approval of annual dividends, election and removal of its directors and approval of extraordinary business combinations. Fiat Netherlands has the same voting rights as the Company's other shareholders.

On March 31, 2010, the Company's outstanding consolidated debt with Fiat and its affiliates was $2.4 billion, or 16% of the Company's consolidated debt, compared to $2.9 billion or 31% as of December 31, 2009. As of March 31, 2010, Fiat guaranteed $1.4 billion of CNH's debt with third parties, which is 14% of its outstanding debt with third parties.

Various Fiat affiliates, including CNH, are parties to a €1 billion ($1.3 billion) syndicated credit facility with a group of banks, which matures in August 2010. Loans under this facility accrue interest at fluctuating rates based on EURIBOR (or other index rates such as LIBOR depending on the currency borrowed), plus a margin. €300 million ($404 million) of this borrowing capacity was allocated to the Company with additional amounts potentially available depending on the usage by other borrowers. As of March 31, 2010 this facility was fully drawn, €300 million ($404 million) by CNH and €700 million ($944 million) by other Fiat affiliates.

Like other companies that are part of multinational groups, CNH participates in a group-wide cash management system with the Fiat Group. Interest earned on the Company's deposits with Fiat treasury subsidiaries included in finance and interest income were approximately $3 million and $13 million for the three months ended March 31, 2010 and 2009, respectively.

CNH purchases engines and other components from the Fiat Group, and companies of the Fiat Group provide the Company with administrative services such as accounting and internal audit, cash management, maintenance of plant and equipment, plant security, research and development, information systems and training. The companies of the Fiat Group also provide purchasing services to CNH. CNH sells certain products to subsidiaries and affiliates of Fiat. In addition, the Company enters into hedging arrangements with counterparties that are members of the Fiat Group. The principal purchases of goods from Fiat and its affiliates include engines form Iveco and Fiat Powertrain Technologies, dump trucks from Iveco, robotic equipment and paint systems from Comau, and casting from Teksid. CNH and its subsidiaries were parties to derivative or other financial instruments having an aggregate contract value of $3.1 billion and $2.9 billion as of March 31, 2010 and December 31, 2009, respectively, to which affiliates of Fiat were counterparties.

In certain tax jurisdictions, the Company has entered into tax sharing agreements with Fiat and certain of its affiliates. Management believes the terms of these arrangements are customary for agreements of this type and are as advantageous as filing tax returns on a stand-alone basis.

The Company's sales to affiliated companies and joint ventures were $42 million and $54 million for the three months ended March 31, 2010 and 2009, respectively. As of March 31, 2010 and December 31, 2009, CNH had trade payables to affiliated companies and joint ventures of $233 million and $270 million, respectively.

14. Subsequent Events—On April 21, 2010, Fiat announced its intention, subject to stable macroeconomic and credit market conditions and approval by Fiat shareholders, to effect a "demerger" under Article 2506 of the

Italian Civil Code. Pursuant to the contemplated demerger, Fiat would contribute to a new publicly-traded holding company, which may be called "Fiat Industrial S.p.A," Fiat's ownership of CNH Global, as well as Fiat's truck and commercial vehicles business (Iveco) and its industrial and marine powertrain business. In connection with the demerger transaction, shareholders of Fiat S.p.A. would receive shares of capital stock of the new holding company.

In May 2010, the Company sold its interest in LBX Company LLC to S.C.M. (America), Inc., an affiliate of Sumitomo (S.H.I.) Construction Machinery Co., Ltd., to concentrate efforts on its key construction brands.

CNH