





Tom Kennedy - President,
New Holland Agricultural Business



Rich Christman - President,
Case IH Agricultural Business



Fausto Lanfranco - President,
Construction Equipment Business



Who We Are

The bedrock of our business is the relationship we have developed and nurtured around the world with over twelve thousand loyal dealers and hundreds of thousands of customers in the farming and construction industries, backed by the strength of our product ranges. Our traditions extend back to the early days of mechanization, when the people who built this business recognized the role that machinery could play in assisting farmers. Our markets have changed immensely over the years as the industries we serve have become ever larger, more sophisticated and complex. The recent merger of Case and New Holland, each a formidable business in its own right, reflects our response to those developments. This new journey, which we have embarked on following the merger, will be focused on serving our customers, the life blood of our business.

The future of our business, and that of our dealers, is dependent on CNH's ability to design, manufacture and deliver products of the highest quality, promptly and at competitive prices. We receive valuable ideas, comments and feedback from our customers and dealers around the world—they are our eyes and ears in the marketplace. This information is then fed into new product programs by our development teams, who are focused on meeting the real needs of our customers. We are always aware of our responsibility as a global leader, manufacturing capital goods, which affect the well being of millions of people. Whether our customers are farmers cultivating the land, or construction workers building for the future, we will not let them down.

When CNH was created in 1999 we determined to build on the strength of its two global brand families: Case and New Holland. We know that our customers have individual needs and loyalties. We will continue to offer them product which gives them access to their preferred brand. We are totally committed to this multiple brand policy in all its markets world-wide, so that it can offer customers and dealers the products they want and need. Our strategy is to enhance the distinctive character of each of the brand families thereby strengthening their respective distribution networks.

The first equipment company founded in the new world joins forces with the leading company in Europe. Case and New Holland meet on Wall Street to form CNH Global.



Top right:
New Holland IPO 1996.

Center:
CNH Global is formed 1999.

Bottom left:
Case IPO 1994.



We are emphatic that this multi brand policy is at the core of our strategy for growth. It also makes sound commercial sense to optimize our design and manufacturing strengths by building some commonality of components and platforms into our different brands. This means that Case and New Holland dealers will offer distinctive products and ranges. We will build on the inherent strengths of the brands, preserving their lengthy heritage, while continuing to address customer needs and expectations.

Future savings will come from on going cost reduction programs, while fundamental growth will be realized from the development and introduction of innovative new products with common components. The real power of the multiple brand and distribution approach will be our ability to deliver distinctive products. Yet, each brand will retain its own unique personality, look and feel with the features and styling that customers associate with it. This strategy will provide substantial long term savings in manufacturing, purchasing and logistics with parallel reductions in complexity. We will be developing these completely new products targeting different needs, different customer segments and regions of the world, while still retaining the reservoirs of knowledge, brand heritage and customer traditions of the companies brought together under the CNH umbrella. We expect to deliver the first of these completely new platforms in 2002.

As we look to the future, we recognize that our greatest strength is our people. With employees based in over 24 countries, with 14 nationalities represented in our management, the CNH global workforce is the most diverse in our industry – a rich and unique blend of cultures, perspectives, and languages. We value our employees' broad range of skills and experiences, and are committed to helping all our employees from around the world to realize their full potential.







Serving our Customers in **Agriculture**

Harold Boyanovsky - President,
Agricultural Equipment Products



We manufacture a complete range of agricultural equipment meeting the varied needs of farmers across the globe. We have over ten thousand dealers and distributors serving our customers world-wide and they generated sales last year of \$6.1 billion.

One of our strengths is the breadth and scope of the product range. We have the best global balance in terms of product offering and geography. We lead the industry in a number of important categories including being the largest manufacturer of tractors in the world. Our comprehensive range extends from state-of-the-art, high horsepower, four wheel drive tractors for the large highly mechanized farms to the smaller, compact, yet sophisticated unit for multi-use farming applications. We also produce models for domestic and garden use. Our combine harvesters, under the equally respected Case IH and New Holland brands, together lead the market. We offer a variety of harvesting machines designed with the flexibility and sophistication to meet the needs of a variety of different geographic and crop requirements. Models include both rotary and conventional combines as well as forage harvesters, cotton pickers, sugar cane harvesters and grape harvesters.



flexi:coil





The Case IH and New Holland names are well known and highly visible in planting and soil management equipment, as well as with products designed for hay baling and foraging, material handling and spreading. Spraying equipment is also an important area with a number of specialized products designed to meet specific geographic and farming needs.

Our agricultural equipment is marketed world-wide and we are the undisputed leader in Europe and Latin America, and second in North America. We are facing the opportunities and challenges these diverse markets offer with drive and enthusiasm. While competition is severe we believe that our new product development program coupled with the strength of our dealer networks will give us the springboard from which to grow market share. As befits the global leader in agricultural equipment, we offer farmers products to meet all their needs encompassing not only the major segments, such as livestock and cash grain, but also the key niche areas including grapes and cotton.

Our position in Asia was further strengthened in April 2001 by an important agreement signed with the Shanghai Tractor and Internal Combustion Engine Corporation to form a joint venture for the manufacture, distribution, and ultimately export, of agricultural tractors under 100 horsepower. We expect this joint venture will participate in the globalization of the Chinese economy and ultimately become a world class supplier of agricultural machinery. In addition it enables us to offer the New Holland product line in China with a full range of horsepower options.



Serving our Customers in **Construction**

We manufacture a broad range of equipment for the construction industry and achieved sales in fiscal 2000 of \$3.8 billion, selling more units than any other company, through our network of over two thousand dealers. We provide machinery for many applications, under a number of leading brands, including Case, New Holland, Fiat-Hitachi, Fiatallis, Link-Belt and O&K.

In the global market for heavy construction equipment, we rank in the top three suppliers in terms of sales revenue. After the year-end, we announced an important strategic step that strengthens further our position in the construction equipment market and provides further product and geographic balance. We are forming a global alliance with Kobelco of Japan for the development, production and world-wide marketing of crawler excavators. In addition, the alliance includes distribution of the full line of CNH construction equipment in Japan and Asia Pacific. This arrangement significantly extends our range and global reach while also guaranteeing continued access to Japanese excavator technology. CNH is the only competitor offering the customer the choice of Japanese or German excavator technology.

In light construction equipment, Case introduced the first integrated backhoe in 1957 and has followed up with many subsequent innovations to maintain its position as number one in this important industry sector. The company now offers these products under various brands and power outputs to provide capability for numerous applications. Our extensive range of skid steers is number two world-wide with 17 models ranging from 706 to 3,650 pounds operating load. With our full line of mini excavators, mini wheeled loaders, and telehandlers, CNH is far and away the world leader in light construction equipment.





NEW HOLLAND
CREDIT



C&H Capital

flexicoil

CASE *it*

CASE CREDIT





Financial Services and After Sales Support

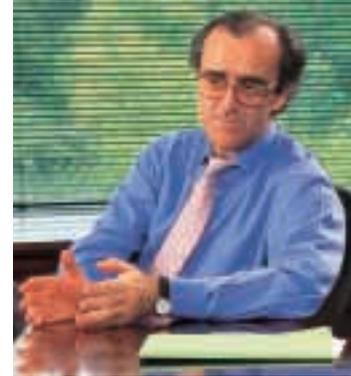
Michel Lecomte - President,
Financial Services and Chief Financial Officer (to the left)
and **Mario Ferla** - Chief Operating Officer, CNH Capital



Parts support and after sales service are essential components of our overall product offering. We remain committed to our products long after they are sold and understand our responsibilities to our customers to ensure that they are able to obtain maximum utilization. We have an extensive parts distribution program to ensure that our dealers world-wide are well supported and able to give customers excellent warranty and maintenance service. It also demonstrates our commitment to the continuity of long-term relationships and strengthens the bond between the company and its customers around the world as we strive to ensure that we deliver reliable service and support wherever our products are used. CNH also provides loan and leasing services to assist customers with financing their purchases. These financial products, which are tailored to meet customers' individual needs, include retail financing, leasing, commercial lending, multiple lines of insurance products and revolving credit and manufacturer programs.



Giovanni Ravina - Senior Vice President,
Human Resources



Year 2000 Review

This has been a year of tremendous progress as we develop and implement our plans for the future. The headline numbers mask a great deal of activity and success, which is laying the foundations for further progress in the years ahead. We have identified at least \$600 million in annual cost savings, which we expect to secure in full within the next three years. In our first year we have already realized \$155 million of this total, so a good start has been made. The three major areas for savings are:

- **Manufacturing consolidation**

At the time of the merger, the combined business operated from forty six major manufacturing plants together with a number of smaller operations and parts distribution centers. It was clear that significant financial savings were possible through a carefully planned and implemented program to maximize capacity utilization and optimize manufacturing efficiency. We have already sold six plants and announced plans to sell or close a similar number; these are tough decisions not taken lightly.

- **Purchasing and logistics**

The merged business has considerable and enhanced purchasing power; each year we buy some \$6 billion of raw materials and finished components. We believe that we can save some \$225 million annually through better buying, reducing the number of suppliers, optimizing our designs to incorporate fewer parts and coordinating our global logistics activities. We are working towards reducing the number of major suppliers from three thousand six hundred to under two thousand. This is a complex process which will accelerate with time as we take care to balance the advantages of local manufacture with the efficiency and cost benefits of large scale centralized supply. This consolidation will create a stronger and more responsive supplier base with substantial cost benefits for CNH.

- **SG&A savings**

In fiscal 2000, some \$100 million of the total saving of \$155 million came from this area as we aggressively pursued our expense reduction targets. While we will maintain separate distribution and selling networks to support our brands, there are still significant opportunities to effect savings through consolidating back office, administration and support operations.



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