News Release

CNH Reports Fourth Quarter and Full Year Results

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- Fourth quarter sales of agricultural equipment up 7% compared to the prior year period.
- Fourth quarter loss of \$.04 per share, including \$.03 in restructuring charges in line with expectations.
- CNH Capital reports net income of \$60 million for the year compared to \$4 million in 2001.
- New products key to CNH success in the agricultural equipment business.

Lake Forest IL (February 6, 2003) CNH Global N.V. (NYSE:CNH) today reported fourth quarter consolidated revenues of \$2.586 billion, compared to \$2.413 billion in the same period last year. Adjusted for the impact of acquisitions and favorable foreign exchange rates, revenues grew by 2% in the quarter. The growth in CNH sales of agricultural equipment more than offset the decline in construction equipment sales in the quarter.

CNH reported a fourth quarter net loss, before restructuring charges, of \$4 million compared to a fourth quarter 2001 net loss, before restructuring charges and goodwill amortization, of \$77 million. The net loss per share was \$.04 for the fourth quarter of 2002, including restructuring charges of \$.03 per share.

For the full year, consolidated revenues totaled \$9.940 billion compared to \$9.715 billion in 2001. Acquisitions contributed approximately \$305 million in 2002. The impact of foreign exchange rates was favorable by \$55 million. The company's net loss for the year, before restructuring charges and the cumulative effect of a change in accounting principles, was \$63 million, compared to a net loss of \$170 million, before restructuring charges and goodwill amortization in 2001.

"During the past year, CNH has made significant progress on all fronts, progress that is evident in our products, our service, and the improvement in our bottom line results," Paolo Monferino, CNH president and chief executive officer, said. "CNH is designing and manufacturing superior products and, through our multi-brand strategy, offering a broader array of equipment choices to more customers than any other manufacturer. Our profit initiatives are on track and our balance sheet has improved significantly. Our 2002 EBITDA was nearly \$500 million, higher than where we started in 1999 when the market was much better. As I view it now, we will be profitable, before restructuring, in 2003."

Fourth quarter sales of agricultural equipment. Revenues from sales of agricultural equipment increased by 7% to $1.646 billion for the quarter, compared to $1.532 billion in the fourth quarter of 2001. Acquisitions and exchange rates had a negligible impact on agricultural equipment revenues in the period.

Worldwide, fourth quarter industry unit sales of agricultural equipment were essentially unchanged from 2001 levels. Sales in North America declined across all major product categories. Industry sales increased across all other major markets and the developing markets, with the greatest percentage increases in Brazil and in the developing markets.

Worldwide retail sales of CNH agricultural equipment were essentially unchanged from 2001 levels and followed the overall industry pattern across the various markets, with the greatest gains coming from Brazil and Asia. In Western Europe, sales of combines were up substantially as the industry declined slightly, while sales of tractors lagged the industry slightly due to limited availability of the new models introduced in the latter part of the year. In North America, sales of combines outpaced the industry, while sales of over 100 horsepower tractors lagged the industry due to limited availability of the new models. During the quarter, CNH under-produced retail demand by 3%.

Fourth quarter sales of construction equipment. While revenues increased in absolute terms during the fourth quarter, when adjusted to exclude acquisitions and the impact of favorable exchange rates, revenues declined by 5% compared to the fourth quarter of 2001. During the quarter, CNH continued to restrict production, reducing worldwide combined dealer and company inventory of backhoes by nearly 40% and of skid steer loaders by about 20%, compared to the fourth quarter of 2001.

Worldwide fourth quarter industry unit sales of heavy equipment were up for the quarter, reflecting very strong sales in Asia. Sales in Western Europe and North American were down slightly while sales in Latin America showed a moderate decline. Worldwide industry sales of light equipment were down significantly in the quarter. North American sales showed the greatest decline, with industry sales in Western Europe showing a moderate decline.

Worldwide unit sales of CNH heavy equipment were up in line with the industry for the quarter based on strong sales in North America which offset flat sales in Latin America and a drop in Western Europe. Sales of CNH light equipment followed the overall industry pattern.

Equipment Operations fourth quarter financial results. Fourth quarter net sales of equipment rose by 8% to $2.411 billion, compared to $2.236 billion for the same period in 2001.

CNH's Equipment Operations gross margin percentage for the quarter improved slightly compared to the same period in 2001. Continued improvement in the gross margin of the agricultural equipment business more than offset the decline in the gross margin for construction equipment.

Compared to the fourth quarter of 2001, SG&A expenses decreased in the quarter due partly to the company's continued progress in implementing its profit initiatives.

Net interest expense for the quarter decreased by $22 million, reflecting the impact of the company's 2002 debt reduction actions and lower interest rates.

Equipment Operations full year financial results. Net sales from Equipment Operations in 2002 rose by 3% to $9.331 billion, compared to $9.030 billion in the prior year.

Adjusted for the impact of acquisitions and favorable exchange rates, revenues were essentially unchanged from 2001 levels.

Equipment Operations' 2002 gross margin was negatively impacted by volume and mix changes, economics, and higher employee medical and pension costs. These factors were partially offset by the company's profit initiatives, higher margins on new products, and some positive pricing on agricultural equipment.

Employee medical and pension costs increased by approximately $60 million in 2002.

In 2002, CNH management broadened the scope of the company's profit improvement initiatives to include additional profit enhancement opportunities not foreseen in the synergies of original merger integration plan. Some of these additional opportunities have already been implemented in 2002. In total, CNH anticipates that the original plan's synergies, together with the new initiatives, will yield a total of $850 million in profit improvements by the end of 2005. This is an improvement of $250 million over the original merger integration plan.

In the fourth quarter, the company's profit improvement initiatives totaled $31 million, bringing the total for the year to $114 million. Since the merger, the company has achieved a total of $547 million toward the target of $850 million in profit initiatives by year-end 2005.

<u>Financial Services fourth quarter financial results</u>. In the fourth quarter of 2002, CNH Capital reported net income of $27 million, compared to a net loss of $7 million in the same period last year. Substantially lower loan loss provisions and higher ABS revenues accounted for most of the bottom line improvement. During the quarter, the quality of the portfolio continued to improve as past due and delinquency rates in the core business declined.

<u>Financial Services full year financial results</u>. For the full year, Financial Services recorded net income of $60 million compared to a profit of $4 million in 2001. The improvement in profitability is a result of lower loan provisions following the company's decision to exit non-core activities and focus its resources on the core business. During 2002, the net debt of the Financial Services Operations was reduced by over $400 million, due mainly to the runoff of the non-core portfolio.

<u>Cash Flow</u>. Equipment Operations net debt was reduced by approximately $1.7 billion during the year. The company's debt-to-equity swap with majority shareholder Fiat together with its successful equity offering accounted for most of the reduction.

Total consolidated debt declined by $2.1 billion in 2002.

<u>Balance Sheet</u>. CNH recorded a one-time, non-cash charge of approximately $325 million to reduce the carrying value of goodwill attributed to its Construction Equipment reporting unit by about one-third. This charge, which was effective on January 1, 2002, is reflected as a cumulative effect of change in accounting principle, net of tax in the accompanying unaudited condensed consolidated statements of operations.

Due to the poor performance of the equity markets during the year, the value of CNH's pension fund assets declined. This has resulted in a non-cash charge to equity of $278 million.

<u>Market Outlook for Agricultural Equipment</u>. In North America and Western Europe, CNH expects 2003 industry sales of tractors and combines to remain at 2002 levels through the current year. In Latin America, the industry is expected to drop back to the

level of 2000-2001 after last year's strong showing. Tractor sales in the developing markets should be flat.

Market Outlook for Construction Equipment. CNH expects industry sales of heavy equipment to decline slightly in North America and Western Europe, and moderately in Latin America. Industry sales of light equipment are expected to stabilize in North America, with backhoe loader sales flat and skid steer loader sales up moderately over 2002 levels. Industry sales of light equipment in Western Europe and Latin America are expected to decline moderately.

CNH Outlook for the Current Quarter. For the quarter and for the full year, CNH has based its outlook on a conservative assessment of the likely performance of both the agricultural and construction equipment industries. For the first quarter of 2003, CNH expects to report a net result essentially unchanged from the same period last year, excluding restructuring charges and the cumulative effect of a change in accounting principles. Employee medical and pension costs are expected to increase again in the quarter, partially offset by a drop in interest expenses.

CNH Outlook for 2003. For the full year, CNH expects its agricultural equipment business to contribute to improved operating results as the introduction of new, higher margin products gains momentum. In Europe, higher margins, higher production levels and favorable currency will more than offset the impact of lower sales in Latin America and lower sales of construction equipment in most markets.

The 2003 impact of the company's profit initiatives is expected to be somewhat less than in 2002. The nature of the improvements will be different as well, with the majority of the benefits coming from manufacturing efficiencies which will be achieved in the second half of the year.

Employee medical and pension costs are expected to increase by about $90 million in 2003.

In comparison to 2002, CNH would expect an improvement of approximately $100 million in the bottom line, bringing CNH into the black before restructuring charges. However, the current climate of uncertainty, and the probability of war, introduce a substantial element of risk to any 2003 forecast. The general trend toward lower levels of infrastructure spending adds additional risk to the construction equipment business.

As recently announced, Fiat S.p.A., majority shareholder of CNH, is contemplating various financial restructuring alternatives in order to strengthen its operations. It is management's opinion that these alternatives should not have a significant impact on CNH's operations.

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CNH management will hold a conference call later today to review its fourth quarter and full year results. The conference call webcast will begin at approximately 10:00 am U.S. Eastern time. This call can be accessed through the investor information section of the company's web site at www.cnh.com and is being carried by CCBN.

CNH is the number one manufacturer of agricultural tractors and combines in the world, the third largest maker of construction equipment, and has one of the industry's largest equipment finance operations. Revenues in 2002 totaled $10 billion. Based in the United States, CNH's network of dealers and distributors operates in over 160 countries. CNH agricultural products are sold under the Case IH, New Holland and Steyr brands.

CNH construction equipment is sold under the Case, FiatAllis, Fiat Kobelco, Kobelco, New Holland, and O&K brands.

Forward Looking Statements. This document contains forward-looking statements as contemplated by the Private Securities Litigation Reform Act of 1995 that are based on management's current expectations, estimates and projections. Words such as "expects," "anticipates," "should," "intends," "plans," "believes," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ. Such risks and uncertainties include: general economic and capital market conditions, the cyclical nature of its business, foreign currency movements, hedging practices, CNH's and its customers' access to credit, political uncertainty and civil unrest 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 government subsidies and international trade regulations), technological difficulties, changes in environmental laws, employee and labor relations, weather conditions, energy prices, real estate values, animal diseases, crop pests, harvest yields, government farm programs and consumer confidence, housing starts and construction activity, concerns pertaining to genetically modified organisms, pension and health care costs, fuel and fertilizer costs.

Further information concerning factors that could significantly impact expected results is included in the following sections of CNH's Form 20-F for 2001, as filed with the Securities and Exchange Commission: Key Information; Information on the Company; Operating and Financial Review and Prospects; Directors, Senior Management and Employees; and Financial Information.

TABLES TO FOLLOW

CNH Global N.V.
Revenues and Net Sales
(Dollars in Millions)
(Unaudited)

	Three Months Ended December 31, 2002	Three Months Ended December 31, 2001	% Change	Years Ended December 31, 2002	Years Ended December 31, 2001	% Change
Revenues:						
Net sales						
Agricultural Equipment	$ 1,646	$ 1,532	7%	$ 6,405	$ 6,073	5%
Construction Equipment	765	704	9%	2,926	2,957	(1%)
Total net sales	2,411	2,236	8%	9,331	9,030	3%
Financial Services	185	184	1%	641	739	(13%)
Eliminations and other	(10)	(7)		(32)	(54)	
Total revenues	$ 2,586	$ 2,413	7%	$ 9,940	$ 9,715	2%
Net sales:						
North America	$ 1,034	$ 1,009	2%	$ 4,140	$ 4,197	(1%)
Western Europe	946	782	21%	3,317	3,168	5%
Latin America	143	155	(8%)	638	587	9%
Rest of World	288	290	(1%)	1,236	1,078	15%
Total net sales	$ 2,411	$ 2,236	8%	$ 9,331	$ 9,030	3%

CNH GLOBAL N.V.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Millions, except per share data)
(Unaudited)

	CONSOLIDATED Three Months Ended December 31,		EQUIPMENT OPERATIONS Three Months Ended December 31,		FINANCIAL SERVICES Three Months Ended December 31,	
	2002	2001	2002	2001	2002	2001
Revenues						
Net sales	$ 2,411	$ 2,236	$ 2,411	$ 2,236	$ -	$ -
Finance and interest income	175	177	22	39	185	184
Total	2,586	2,413	2,433	2,275	185	184
Costs and Expenses						
Cost of goods sold	2,084	1,944	2,084	1,944	-	-
Selling, general and administrative	274	339	207	237	67	102
Research and development	61	81	61	81	-	-
Restructuring	28	75	27	68	1	7
Interest expense	131	173	109	148	58	71
Other, net	32	19	14	-	14	19
Total	2,610	2,631	2,502	2,478	140	199
Equity in income (loss) of unconsolidated subsidiaries and affiliates:						
Financial Services	1	1	27	(7)	1	1
Equipment Operations	13	2	13	2	-	-
Income (loss) before taxes, minority interest and cumulative effect of change in accounting principle	(10)	(215)	(29)	(208)	46	(14)
Income tax provision (benefit)	16	(62)	(3)	(55)	19	(7)
Minority interest	(1)	2	(1)	2	-	-
Net income (loss) before cumulative effect of change in accounting principle	(25)	(155)	(25)	(155)	27	(7)
Cumulative effect of change in accounting principle, net of tax	-	-	-	-	-	-
Net income (loss)	$ (25)	$ (155)	$ (25)	$ (155)	$ 27	$ (7)
Basic and diluted earnings (loss) per share (EPS):						
EPS before goodwill, restructuring and cumulative effect of change in accounting principle	($0.01)	($0.28)				
EPS before restructuring and cumulative effect of change in accounting principle	($0.01)	($0.35)				
EPS before cumulative effect of change in accounting principle	($0.04)	($0.56)				
EPS	($0.04)	($0.56)				

See Notes to Condensed Financial Statements.

CNH GLOBAL N.V.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Millions, except per share data)
(Unaudited)

	CONSOLIDATED Years Ended December 31,		EQUIPMENT OPERATIONS Years Ended December 31,		FINANCIAL SERVICES Years Ended December 31,	
	2002	2001	2002	2001	2002	2001
Revenues						
Net sales	$ 9,331	$ 9,030	$ 9,331	$ 9,030	$ -	$ -
Finance and interest income	609	685	100	149	641	739
Total	9,940	9,715	9,431	9,179	641	739
Costs and Expenses						
Cost of goods sold	7,902	7,586	7,902	7,586	-	-
Selling, general and administrative	1,094	1,224	884	915	210	314
Research and development	283	306	283	306	-	-
Restructuring and other merger related costs	51	104	50	97	1	7
Interest expense	554	726	466	585	242	339
Other, net	182	193	62	112	98	81
Total	10,066	10,139	9,647	9,601	551	741
Equity in income (loss) of unconsolidated subsidiaries and affiliates:						
Financial Services	4	6	60	4	4	6
Equipment Operations	15	(14)	15	(14)	-	-
Income (loss) before taxes, minority interest and cumulative effect of change in accounting principle	(107)	(432)	(141)	(432)	94	4
Income tax provision (benefit)	(14)	(105)	(48)	(105)	34	-
Minority interest	8	5	8	5	-	-
Net income (loss) before cumulative effect of change in accounting principle	(101)	(332)	(101)	(332)	60	4
Cumulative effect of change in accounting principle, net of tax	(325)	-	(325)	-	-	-
Net income (loss)	$ (426)	$ (332)	$ (426)	$ (332)	$ 60	$ 4
Basic and diluted earnings (loss) per share (EPS):						
EPS before goodwill, restructuring and other merger related costs and cumulative effect of change in accounting principle	($0.13)	($0.61)				
EPS before restructuring and other merger related costs and cumulative effect of change in accounting principle	($0.13)	($0.91)				
EPS before cumulative effect of change in accounting principle	($0.21)	($1.20)				
EPS	($0.88)	($1.20)				

See Notes to Condensed Financial Statements.

CNH GLOBAL N.V.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Millions)
(Unaudited)

	CONSOLIDATED		EQUIPMENT OPERATIONS		FINANCIAL SERVICES	
	December 31, 2002	December 31, 2001	December 31, 2002	December 31, 2001	December 31, 2002	December 31, 2001
Assets						
Cash and cash equivalents	$ 775	$ 663	$ 469	$ 378	$ 306	$ 285
Accounts, notes receivable and other - net	5,711	6,160	2,021	1,993	4,016	4,413
Intersegment notes receivable	-	-	1,783	1,636	354	344
Inventories	2,054	2,204	2,054	2,204	-	-
Property, plant and equipment - net	1,449	1,354	1,437	1,333	12	21
Equipment on operating leases - net	544	612	-	-	544	612
Investment in Financial Services	-	-	1,019	1,147	-	-
Investments in unconsolidated affiliates	375	266	328	235	47	31
Goodwill and intangibles	3,385	3,647	3,245	3,508	140	139
Other assets	2,467	2,306	2,011	1,799	456	507
Total Assets	$ 16,760	$ 17,212	$ 14,367	$ 14,233	$ 5,875	$ 6,352
Liabilities and Equity						
Short-term debt	$ 2,749	$ 3,217	$ 1,884	$ 2,043	$ 865	$ 1,174
Intersegment short-term debt	-	-	354	344	1,083	524
Accounts payable	1,436	1,217	1,555	1,287	183	166
Long-term debt	5,115	6,646	3,538	4,856	1,577	1,790
Intersegment long-term debt	-	-	-	-	700	1,112
Accrued and other liabilities	4,699	4,223	4,275	3,794	448	439
	13,999	15,303	11,606	12,324	4,856	5,205
Equity	2,761	1,909	2,761	1,909	1,019	1,147
Total Liabilities and Equity	$ 16,760	$ 17,212	$ 14,367	$ 14,233	$ 5,875	$ 6,352
Total debt less cash and cash equivalents and intersegment notes receivables ("net debt")	$ 7,089	$ 9,200	$ 3,524	$ 5,229	$ 3,565	$ 3,971

See Notes to Condensed Financial Statements.

CNH GLOBAL N.V.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions)
(Unaudited)

	CONSOLIDATED Years Ended December 31,		EQUIPMENT OPERATIONS Years Ended December 31,		FINANCIAL SERVICES Years Ended December 31,	
	2002	2001	2002	2001	2002	2001
Operating Activities:						
Net income (loss)	$ (426)	$ (332)	$ (426)	$ (332)	$ 60	$ 4
Adjustments to reconcile net income (loss) to net cash from operating activities:						
Cumulative effect of change in accounting principle	325	-	325	-	-	-
Depreciation and amortization	346	424	228	319	118	105
Changes in operating assets and liabilities	1,108	(181)	500	(243)	608	62
Other, net	(178)	(93)	(158)	(12)	(77)	(85)
Net cash from operating activities	1,175	(182)	469	(268)	709	86
Investing Activities:						
Expenditures for property, plant and equipment	(241)	(229)	(237)	(221)	(4)	(8)
Expenditures for equipment on operating leases	(166)	(322)	-	-	(166)	(322)
Other, net (primarily acquisitions and divestitures)	(52)	279	(236)	52	111	172
Net cash from investing activities	(459)	(272)	(473)	(169)	(59)	(158)
Financing Activities:						
Intersegment activity	-	-	(100)	(1,102)	100	1,102
Net increase (decrease) in indebtedness	(749)	291	30	1,371	(779)	(1,080)
Dividends paid	(28)	(28)	(28)	(28)	(3)	-
Other, net	201	-	201	-	73	55
Net cash from financing activities	(576)	263	103	241	(609)	77
Other, net	(28)	(32)	(8)	(19)	(20)	(13)
Increase (decrease) in cash and cash equivalents	112	(223)	91	(215)	21	(8)
Cash and cash equivalents, beginning of year	663	886	378	593	285	293
Cash and cash equivalents, end of year	$ 775	$ 663	$ 469	$ 378	$ 306	$ 285
Non-Cash Items:						
Debt to equity exchange concurrent with offering	$ 1,300	$ -	$ 1,300	$ -	$ -	$ -
Financial Services dividend to Equipment Operations	$ -	$ -	$ 250	$ -	$ 250	$ -

See Notes to Condensed Financial Statements.

CNH GLOBAL N.V.
Notes to Unaudited Condensed Consolidated Financial Statements

1. **Principles of Consolidation and Basis of Presentation -** The accompanying unaudited condensed financial statements reflect the consolidated results of CNH Global N.V. and its consolidated subsidiaries ("CNH") and have been prepared in accordance with generally accepted accounting principles in the United States ("US GAAP"). The condensed financial statements include the accounts of CNH's majority-owned and controlled subsidiaries and reflect the 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. 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 basis. The supplemental financial information captioned "Financial Services" reflects the consolidation of CNH's financial services businesses.

2. **Acquisitions and Divestitures of Business Investments -** In January 2002, CNH entered into a global alliance with Kobelco Construction Machinery Co. Ltd. ("Kobelco Japan") and Kobe Steel, Ltd. for the development, production and selling of crawler excavators, including mini-excavators, on a worldwide basis. During the first quarter of 2002, CNH acquired a 65% interest in Kobelco America, Inc. ("Kobelco America") for approximately $101 million net of cash acquired and assumption of debt. In addition, CNH acquired a 10% interest in Kobelco Japan and other certain intangibles for a total of $78 million. In July 2002, CNH increased its interest in Kobelco Japan from 10% to 20% for approximately $42 million. The CNH and Kobelco alliance allows CNH to increase its interest in Kobelco Japan from 20% to 35% by the third quarter of 2004. The Kobelco America transaction is accounted for as a purchase and, accordingly, the accompanying consolidated financial statements include the results of operations of Kobelco America from January 10, 2002. Goodwill associated with the acquisition of Kobelco America totaled approximately $35 million. The Kobelco Japan investment is accounted for using the equity method.

   In July 2002, the European regional alliance between CNH and Hitachi Construction Machinery Company, Ltd. ("Hitachi") was terminated. CNH acquired Hitachi's interest in Fiat-Hitachi Excavator for approximately $42 million. Concurrent with acquiring Hitachi's interest, CNH, Kobelco Japan and Sumitomo Corporation formed Fiat-Kobelco Machinery S.p.A. (Italy) ("Fiat- Kobelco"). Fiat-Kobelco generally consists of the former Fiat-Hitachi Excavator and Kobelco Construction Machinery Europe ("Kobelco Europe") businesses. After giving consideration to Kobelco Japan purchasing shares in Fiat-Kobelco from CNH for approximately $10 million, Fiat-Kobelco is owned by the venture partners as follows: CNH 75%, Kobelco Japan 20% and Sumitomo Corporation 5%. The CNH and Kobelco alliance allows for Kobelco Japan to increase its interest in Fiat-Kobelco from 20% to 35% by the third quarter of 2004.

   Additionally, in connection with entering into this global alliance with Kobelco Japan, CNH received proceeds of approximately $24 million from the sale of CNH's construction equipment operations in Australia and China to Kobelco Japan.

   During the second quarter of 2002, CNH and BNP Paribas Lease Group ("BPLG") formed CNH Capital Europe SAS ("CNH Capital Europe"), a retail financing partnership across Europe. CNH Capital Europe, which will hold the retail financing portfolio, will cover all brands and commercial activities of CNH in Europe. Under the partnership, BPLG owns 50.1% of the shares of CNH Capital Europe, and CNH owns the remaining 49.9% of the shares. CNH accounts for its interest in CNH Capital Europe using the equity method. BPLG provides funding and administrative services for CNH Capital Europe. CNH will be responsible for the marketing and origination of financial products. CNH has begun to contribute or sell various assets and liabilities of its existing European financial services businesses to this partnership.

   During the second half of 2002, CNH sold approximately $106 million of loan assets directly to BPLG and approximately $85 million of loan and lease assets to CNH Capital Europe. These financial assets were previously funded by CNH's Italian and UK financial services business. In the fourth quarter of 2002, CNH Capital Europe began funding the new loan and lease assets in both of these markets. CNH will continue to evaluate potential sales of the remaining net assets from its existing European financial services businesses to this partnership.

3. **Shareholders' Equity -** In June 2002, CNH completed a public offering of 50 million shares of common stock. In July 2002, the underwriters exercised their over-allotment option for 3.5 million additional shares. The offering was priced at $4.00 per share. Net proceeds after offering costs were approximately $201 million. Concurrent with this offering, Fiat S.p.A. ("Fiat"), CNH's majority shareholder, exchanged $1.3 billion of CNH debt for a number of common shares equal to $1.3 billion divided by the public offering price of $4.00 or 325 million shares. As of December 31, 2002, Fiat owned approximately 85.4% of CNH's outstanding common shares.

   On March 27, 2002, CNH's Board of Directors recommended a dividend of 10 cents per share for the year 2001. The dividend was paid in June to shareholders of record at close of business on May 20, 2002.

4. **Goodwill and Intangibles -** In January 2002, CNH adopted Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets", which requires companies to stop amortizing goodwill and certain intangible assets with indefinite useful lives. Instead, SFAS No.142 requires that goodwill and intangible assets deemed to have an indefinite useful life be reviewed for impairment upon adoption of SFAS No.142 (January 1, 2002) and at least annually thereafter. The Company will perform its annual impairment review during the fourth quarter of each year, commencing in the fourth quarter of 2002. Application of the non-amortization provision of SFAS No. 142 resulted in a pretax increase in earnings of approximately $116 million per year related to goodwill and approximately $11 million per year related to acquired trademarks with indefinite lives.

   The following table provides a reconciliation of net income (loss) and earnings per share ("EPS"), adjusted to exclude amortization expense as if SFAS No. 142 had been applied as of January 2001:

(in millions, except per share data)	**Three Months Ended December 31,**		**Years Ended December 31,**	
	2002	**2001**	**2002**	2001
Net income (loss)	$ (25)	$ (155)	$ (426)	$ (332)
Goodwill and intangible assets with indefinite useful life amortization, net of tax	-	24	-	90
Adjusted net income (loss)	$ (25)	$ (131)	$ (426)	$ (242)
Basic and Diluted weighted average shares outstanding	655.6	277.1	484.3	277.0
Basic and Diluted EPS	$ (0.04)	$ (0.56)	$ (0.88)	$ (1.20)
Goodwill and intangible assets with indefinite useful life amortization, net of tax	-	0.09	-	0.33
Adjusted Basic and Diluted EPS	$ (0.04)	$ (0.47)	$ (0.88)	$ (0.87)

   CNH has identified three reporting units under the criteria set forth by SFAS No. 142: Agricultural Equipment, Construction Equipment and Financial Services. To determine fair value, CNH has relied on two valuation models: guideline company method and discounted cash flow.

   Upon adoption of SFAS No. 142 and effective in the first quarter of 2002, CNH recorded a one-time, non-cash charge of approximately $325 million to reduce the carrying value of goodwill attributed to its Construction Equipment reporting unit. Such charge is reflected as a cumulative effect of change in accounting principle, net of tax, in the accompanying unaudited condensed consolidated statements of operations. The impairment is associated principally with goodwill recorded in connection with New Holland N.V.'s acquisition of Case Corporation in 1999. The impairment is primarily a result of the decline in the Construction Equipment market experienced by CNH and its competitors since the acquisition.

The Company completed its annual goodwill impairment review in the fourth quarter of fiscal year 2002 and no additional impairment charge was required. Amortization of goodwill and intangible assets with indefinite useful lives continues to be reflected in historical financial statements presented for 2001 and prior periods.

5. **Segment Information -** CNH has three reportable operating segments: agricultural equipment, construction equipment and financial services. CNH evaluates segment performance and reports to Fiat based on results of operations in accordance with the accounting principles followed by Fiat. CNH revenues reported to Fiat exclude finance and interest income of the Equipment Operations. Fiat defines results of operations as the income (loss) before equity (income) loss in unconsolidated subsidiaries, net financial expenses, restructuring and taxes. Net financial expenses primarily include finance and interest income and expenses of the Equipment Operations.

A reconciliation of consolidated net income (loss) per US GAAP to results of operations reported to Fiat is as follows:

(in millions)	Three Months Ended December 31,		Years Ended December 31,	
	2002	**2001**	**2002**	**2001**
Net income (loss) per US GAAP statements	$ (25)	$ (155)	$ (426)	$ (332)
Adjustments to convert from US GAAP to accounting principles followed by Fiat:				
Cumulative effect of change in accounting principle, net of tax	-	-	325	-
Amortization of goodwill and other intangibles	(39)	(11)	(158)	(45)
Restructuring charge	21	17	34	34
Other	21	52	17	78
Net income (loss) per accounting principles followed by Fiat	(22)	(97)	(208)	(265)
Reconciliation of net income (loss) per accounting principles followed by Fiat to results of operations:				
Minority interest	(1)	2	8	5
Income tax provision (benefit)	(5)	(62)	(35)	(105)
Restructuring charge	7	58	17	70
Net financial expense	90	121	390	474
Equity in (income) loss of unconsolidated subsidiaries and affiliates	(12)	(2)	(16)	9
Other non-operating (income) expense	3	-	(2)	-
Results of operations	$ 60	$ 20	$ 154	$ 188

The following summarizes results of operations by segment:

(in millions)				
Agricultural Equipment	$ 52	$ (12)	$ 201	$ 105
Construction Equipment	(45)	(11)	(159)	13
Financial Services	58	48	122	93
Eliminations	(5)	(5)	(10)	(23)
Results of operations	$ 60	$ 20	$ 154	$ 188

A summary of CNH's results reported to Fiat is as follows:

(in millions)	Three Months Ended December 31,		Years Ended December 31,	
	2002	**2001**	**2002**	**2001**
Revenues	$ 2,584	$ 2,397	$ 9,928	$ 9,653
Results of operations	$ 60	$ 20	$ 154	$ 188

During June 2002, a non-cash dividend of $250 million was declared by Financial Services, which is fully owned by Equipment Operations. In exchange, Financial Services assumed an equal amount of debt from Equipment Operations.

6. **Restructuring -** During the year ended December 31, 2002, CNH expensed approximately $51 million of restructuring costs. The restructuring and other merger-related costs primarily relate to severance and other costs related to headcount reductions under the CNH Merger Integration Plan. During the year ended December 31, 2002, CNH utilized approximately $82 million of its restructuring reserves. The utilized amounts primarily represent involuntary employee severance costs, as well as costs related to the closing of existing facilities. Also during 2002, CNH recorded approximately $5 million in merger-related restructuring reserves for costs to integrate the Kobelco America and Kobelco Europe operations (see Note 2).

7. **Income Taxes -** For the three months ended December 31, 2002 and 2001, effective income tax rates were (160.0)% and 28.8% respectively. For the years ended December 31, 2002 and 2001, effective income tax rates were 3.2% and 24.3% respectively. For both years, tax rates differ from the Dutch statutory rate of 35% primarily due to differences in the geographical mix of profit, losses in jurisdictions for which no immediate tax benefit is recognizable, and changes in valuation reserves attributable to prior-year losses. For the year ended 2002, the rate is further impacted by the non-deductibility of the cumulative effect of change in accounting principle.

8. **Earnings (loss) per share** – The following table reconciles net income (loss) to net income (loss) before cumulative effect of change in accounting principle, restructuring and goodwill and related pro-forma earnings per share:

(in millions, except per share data)	Three Months Ended December 31,		Years Ended December 31,	
	2002	**2001**	**2002**	**2001**
Basic and Diluted EPS				
Net income (loss)	$ (25)	$ (155)	$ (426)	$ (332)
Cumulative effect of change in accounting principle, net of tax	-	-	325	-
Net income (loss) before cumulative effect of change in accounting principle	(25)	(155)	(101)	(332)
Restructuring, net of tax	21	57	38	79
Net income (loss) before cumulative effect of change in accounting principle and restructuring	(4)	(98)	(63)	(253)
Goodwill	-	21	-	83
Net income (loss) before cumulative effect of change in accounting principle, restructuring and goodwill	$ (4)	$ (77)	$ (63)	$ (170)
Weighted-average shares outstanding – Basic and Diluted	655.6	277.1	484.3	277.0
EPS before cumulative effect of change in accounting principle, restructuring and goodwill	$(0.01)	$(0.28)	$(0.13)	$(0.61)
EPS before cumulative effect of change in accounting principle and restructuring	$(0.01)	$(0.35)	$(0.13)	$(0.91)
EPS before cumulative effect of change in accounting principle	$(0.04)	$(0.56)	$(0.21)	$(1.20)
EPS	$(0.04)	$(0.56)	$(0.88)	$(1.20)

9. **Accounts and Notes Receivable -** In CNH's receivable asset securitization program, retail finance receivables are sold to limited purpose, bankruptcy remote, consolidated subsidiaries of CNH. In turn, these subsidiaries establish separate trusts to which they transfer the receivables in exchange for the proceeds from asset-backed securities sold by the trusts. 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") under SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities". In accordance with SFAS No. 140, assets and liabilities of the QSPEs are not consolidated in the Company's consolidated balance sheets. The amount outstanding under these programs were $4.6 billion and $4.1 billion at December 31, 2002 and 2001, respectively. In addition to the retail securitization programs, certain subsidiaries of CNH securitized or discounted wholesale receivables without recourse. As of December 31, 2002, $1.2 billion remained outstanding under these programs as compared to $1.3 billion as of December 31, 2001.

10. **Debt -** The following table sets forth the amount of total consolidated debt as of December 31, 2002 and 2001:

(in millions)	**Consolidated**		**Equipment Operations**		**Financial Services**	
	2002	**2001**	**2002**	**2001**	**2002**	**2001**
Short-term debt:						
With Fiat Affiliates	$ 1,086	$ 1,847	$ 817	$ 1,373	$ 269	$ 474
Other	1,663	1,370	1,067	670	596	700
Intersegment	-	-	354	344	1,083	524
Total Short-term debt	2,749	3,217	2,238	2,387	1,948	1,698
Long-term debt:						
With Fiat Affiliates	2,799	4,043	2,432	3,619	367	422
Other	2,316	2,603	1,106	1,237	1,210	1,368
Intersegment	-	-	-	-	700	1,112
Total Long-term debt	5,115	6,646	3,538	4,856	2,277	2,902
Total debt:						
With Fiat Affiliates	3,885	5,890	3,249	4,992	636	896
Other	3,979	3,973	2,173	1,907	1,806	2,068
Intersegment	-	-	354	344	1,783	1,636
Total Debt	$ 7,864	$ 9,863	$ 5,776	$ 7,243	$ 4,225	$ 4,600
Total debt less cash and cash equivalents and intersegment notes receivables	$ 7,089	$ 9,200	$ 3,524	$ 5,229	$ 3,565	$ 3,971

At December 31 2002, CNH had approximately $4.5 billion available under $7.3 billion total lines of credit and asset-backed facilities.

11. **Employee Benefit and Postretirement Plans -** Due to the poor performance of equity markets in 2002, the value of CNH pension fund assets, which principally relate to plans in the United States and United Kingdom, has declined. SFAS No. 87 “Employers’ Accounting for Pensions” requires recognition of an Additional Minimum Liability if the market value of plan assets is less than the accumulated benefit obligation at the end of the plan year. As of December 31, 2002, CNH increased the Additional Minimum Liability by approximately $413 million. This resulted in a decrease in Accumulated Other Comprehensive Income (a component of Shareholders’ Equity) of approximately $278 million, net of tax.