CNH GLOBAL N V
Form 20-F
March 01, 2013

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 20-F

¨ **REGISTRATION STATEMENT PURSUANT TO SECTIONS 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

or

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Fiscal Year Ended December 31, 2012

or

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

or

¨ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Commission File Number 1-14528

CNH GLOBAL N.V.

(Exact name of registrant as specified in its charter)

Kingdom of The Netherlands

(Jurisdiction of incorporation or organization)

World Trade Center Amsterdam Airport

Schiphol Boulevard 217

1118 BH Schiphol Airport, Amsterdam

The Netherlands

(Address of principal executive offices)

Michael P. Going

General Counsel

6900 Veterans Boulevard

Burr Ridge, Illinois 60527

Telephone: 630-887-3766

FAX: 630-887-2344

Email: Michael.Going@cnh.com

(Contact person)

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

Title of Each Class	**Name of Each Exchange on which Registered**
Common Shares, par value 2.25	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report: 242,335,300 shares, consisting of 30,469,263 common shares and 211,866,037 common shares B.

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

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Act of 1934. Yes ¨ No þ

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No ¨

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

Large accelerated filer þ	Accelerated filer ¨	Non-accelerated filer ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing: U.S. GAAP þ International Financial Reporting Standards as issued by the International Accounting Standards Board ¨ Other ¨

If Other has been checked in response to the previous question indicate by check mark which financial statement item the registrant has elected to follow: Item 17 ¨ or Item 18 ¨.

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No þ

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ¨ No ¨

Table of Contents

TABLE OF CONTENTS

Table of Contents

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

CNH Global N.V. (CNH) is incorporated in, and under the laws of, The Netherlands. As used in this report, all references to New Holland or Case refer to (1) the historical business and/or operating results of either New Holland N.V. or Case Corporation (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 brand names.

We prepare our annual consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Our consolidated financial statements are expressed in U.S. dollars and, unless otherwise indicated, all financial data set forth in this annual report 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 December 31, 2012, Fiat Industrial S.p.A. (Fiat Industrial , and together with its subsidiaries, the Fiat Industrial Group) owned approximately 87% of our outstanding common shares (through their ownership of all of our common shares B) through its wholly-owned subsidiary, Fiat Netherlands Holding N.V. (Fiat Netherlands). Fiat Industrial is a corporation organized under the laws of the Republic of Italy whose stock is traded on the Milan stock exchange. The Fiat Industrial Group s three sectors design, produce and sell trucks, commercial vehicles, buses, and special vehicles (Iveco), tractors, and agricultural and construction equipment (CNH), in addition to engines and transmissions for those vehicles and engines for marine applications (FPT Industrial).

On November 25, 2012, Fiat Industrial and CNH entered into a definitive merger agreement to combine the businesses of Fiat Industrial and CNH. The terms of the merger agreement provide that Fiat Industrial and CNH will each merge into a newly-formed company organized under the laws of the Netherlands (NewCo). In connection with the merger, Fiat Industrial shareholders will receive one NewCo share for each Fiat Industrial ordinary share and CNH shareholders will receive 3.828 NewCo shares for each CNH common share.

At the extraordinary meeting of shareholders held on December 17, 2012, our shareholders approved the following:

- An amendment of our Articles of Association creating a separate class of shares (the common shares B) and conversion of all of the common shares held by Fiat Netherlands, representing approximately 87% of our entire issued and outstanding share capital, into common shares B.

- A special dividend to shareholders in the amount of $10 per common share. As a result of the amendment to the Articles of Association, all of the common shares held by Fiat Netherlands were converted into common shares B. Accordingly, the cash payment of $10 per common share was only made to our shareholders other than Fiat Netherlands, as the holders of our regular common shares. We paid the dividend of approximately $305 million in December 2012. In addition, our shareholders approved an appropriation of retained earnings for $2.1 billion which represents $10 per common share B. Please see Note 16: Shareholder s Equity to our consolidated financial statements for the year ended December 31, 2012 for more information.

The merger agreement contains customary representations and warranties and the merger is subject to customary closing conditions, including a condition capping the exercise of withdrawal rights by Fiat Industrial shareholders and opposition rights by Fiat Industrial creditors at 325 million in the aggregate. The merger is also subject to approval by the shareholders of each of Fiat Industrial and CNH. Fiat Industrial, as 87% shareholder of CNH, has agreed to vote all of its CNH shares in favor of the merger at the applicable CNH shareholders meeting. The merger is expected to close during the third quarter of 2013.

On January 1, 2011, Fiat S.p.A. (Fiat , and together with its subsidiaries, the Fiat Group) effected a demerger under Article 2506 of the Italian Civil Code. Pursuant to the demerger, Fiat transferred its ownership

Table of Contents

interest in Fiat Netherlands to a new holding company, Fiat Industrial, including Fiat s indirect ownership of CNH Global, as well as Fiat s truck and commercial vehicles business and its industrial and marine powertrain business. Consequently, as of January 1, 2011, CNH Global became a subsidiary of Fiat Industrial. In connection with the demerger transaction, shareholders of Fiat received shares of the capital stock of Fiat Industrial. Accordingly, as of January 1, 2011 Fiat Industrial owned approximately 89% of our outstanding common shares through Fiat Netherlands. For information on our share capital, see Item 10. Additional Information B. Memorandum and Articles of Association.

Fiat is a corporation organized under the laws of the Republic of Italy whose stock is traded on the Milan and Frankfurt stock exchanges. Fiat designs, produces and sells vehicles for the mass market as well as luxury and performance cars and has increased its global reach through the acquisition of control of Chrysler Group in 2011. Fiat also operates in the components sector, through Magneti Marelli and Teksid, and in the production systems sector, through Comau. In 2012, Fiat carries out activities in the automotive sector through companies located in approximately 50 countries and had commercial relationships with customers in approximately 140 countries.

Certain financial information in this report has been presented by geographic area. Our geographic regions are: (1) North America; (2) Europe Africa Middle East and Commonwealth of Independent States (EAME and CIS); (3) Latin America; and (4) Asia Pacific (APAC). The geographic designations have the following meanings:

North America United States, Canada and Mexico;

EAME and CIS 27 member countries of the European Union, 10 member countries of the Commonwealth of Independent States, Balkans, African continent, and Middle East;

Latin America Central and South America, and the Caribbean Islands; and

APAC Continental Asia and Oceania.

Certain industry and market share information in this report has been presented on a worldwide basis. In this report, 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 other 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.

Table of Contents

PART I

Item 1. Identity of Directors, Senior Management and Advisers
Not applicable.

Item 2. Offer Statistics and Expected Timetable
Not applicable.

Item 3. Key Information
A. ***Selected Financial Data***

The following selected consolidated financial data as of December 31, 2012 and 2011, and for each of the years ended December 31, 2012, 2011, and 2010 has been derived from and should be read in conjunction with the audited consolidated financial statements included in Item 18. Financial Statements . This data should also be read in conjunction with Item 5. Operating and Financial Review and Prospects. Financial data as of December 31, 2010, 2009, and 2008 and for the years ended December 31, 2009 and 2008, has been derived from our previously published, audited consolidated financial statements which are not included herein.

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 (VIEs). As a significant portion of our securitization trusts and facilities were no longer exempt from consolidation under the new guidance, we were required to consolidate their receivables and related liabilities. We recorded a $5.7 billion increase to assets and liabilities and equity upon the adoption of this new guidance on January 1, 2010.

Table of Contents

The following table contains our selected historical financial data as of and for each of the five years ended December 31, 2012, 2011, 2010, 2009 and 2008.

	For the Years Ended December 31, (in millions, except per share data)				
	2012	2011	2010	2009	2008
Consolidated Statement of Operations Data:					
Revenues:					
Net sales	$ 19,427	$ 18,059	$ 14,474	$ 12,783	$ 17,366
Finance and interest income	1,020	1,126	1,134	977	1,110
Total revenues	$ 20,447	$ 19,185	$ 15,608	$ 13,760	$ 18,476
Net income (loss)	$ 1,133	$ 924	$ 438	$ (222)	$ 824
Net income (loss) attributable to CNH Global N.V.	$ 1,142	$ 939	$ 452	$ (190)	$ 825
Earnings (loss) per share attributable to CNH Global N.V. common shareholders:					
Basic earnings (loss) per share	$ 4.68	$ 3.92	$ 1.90	$ (0.80)	$ 3.48
Diluted earnings (loss) per share	$ 4.68	$ 3.91	$ 1.89	$ (0.80)	$ 3.47
Basic and diluted earnings per share attributable to CNH Global N.V. class B common shareholders:	$ 4.68	$	$	$	$
Cash dividends declared per common share	$ 10.00	$	$	$	$ 0.50

	As of December 31, (in millions)				
	2012	2011	2010	2009	2008
Consolidated Balance Sheet Data:					
Total assets	$ 35,426	$ 34,093	$ 31,589	$ 23,208	$ 25,459
Short-term debt	$ 3,797	$ 4,072	$ 3,863	$ 1,972	$ 3,480
Long-term debt, including current maturities	$ 14,266	$ 13,038	$ 12,434	$ 7,436	$ 7,877
Common shares at 2.25 par value	$ 77	$ 603	$ 599	$ 595	$ 595
Common shares B at 2.25 par value	$ 533	$	$	$	$
Common shares outstanding	30	240	238	237	237
Common shares B outstanding	212				
Equity	$ 8,634	$ 7,924	$ 7,380	$ 6,810	$ 6,575

B. ***Capitalization and Indebtedness***

Not applicable.

C. ***Reasons for the Offer and Use of Proceeds***

Not applicable.

D. ***Risk Factors***

The following risks should be considered in conjunction with Item 5. Operating and Financial Review and Prospects beginning on page 36 and the other risks described in the Safe Harbor Statement on page 66. These risks may affect our operating results and, individually or in the aggregate, could cause our actual results to differ materially from past and anticipated future results. The following discussion of risks may contain forward-looking statements which are intended to be covered by the Safe Harbor Statement on page 66. Except as may

Table of Contents

be required by law, we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events, or otherwise. We invite you to consult any further related disclosures we make from time to time in materials filed with or furnished to the United States Securities and Exchange Commission (SEC).

Risks Related to Our Business, Strategy and Operations

Global economic conditions impact our business. Financial conditions in several regions continue to place significant economic pressures on 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 impacted by economic pressures, 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. There is particular concern about economic conditions in Europe (and potentially the long-term viability of the euro currency for certain countries), which is at risk of being impacted by sovereign debt defaults and other severe pressures on the banking system in European Union countries. It is uncertain whether central bank or governmental measures will reduce or eliminate this risk. In addition, growth slowed in China in 2012, albeit from high growth rates in recent years, due to government actions and decreased demand for Chinese exports in economically challenged regions. Similarly, growth slowed in several Latin American countries in 2012, including Brazil and Argentina. If there is significant deterioration in the global economy or the economies of key regions, 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 require management judgment and estimates. The estimates are impacted by a number of factors, including, but not limited to, worldwide economic factors and technological changes. Any of these factors, or other unexpected factors, may require us to consider whether we need to record an impairment charge. In the event we are required to record an impairment charge with respect to certain intangible assets, it would have an adverse impact on our financial position and results of operations.

We are exposed to political, economic and other risks as a result of operating a global business. Some of those risks include:

- changes in laws, regulations and policies that affect, among others:
  - import and export transactions, duties and quotas,
  - currency restrictions,
  - the design, manufacture and sale of our products, including, for example, homologation and engine emissions regulations,
  - 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 the industries and markets in which we operate;

varying and unpredictable customer needs and desires;

varying and unexpected actions of our competitors;

labor disruptions;

changes in governmental debt relief and subsidy program policies in certain significant markets such as Brazil (See Note 3: Accounts and Notes Receivable to our consolidated financial statements for the year ended December 31, 2012); and

war, civil unrest (such as that experienced in several Middle East countries in 2012), and terrorism.

These risks, and governmental actions in response to them, may delay or reduce our realization of value from our international operations and accordingly may negatively impact our financial position, results of operations and cash flows.

Our expansion plans in emerging markets could entail significant risks.

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. In addition, we could increase our use of component suppliers in these markets. Our implementation of these strategies will involve a significant investment of capital and other resources and entail various risks. For example, we may encounter difficulties in obtaining necessary government approvals in a timely manner. In addition, we may experience delays and incur significant costs in constructing facilities, establishing supply channels, and commencing manufacturing operations. Further, customers in these markets may not readily accept our products. We may face challenges as a result of the pervasiveness of corruption and other irregularities in business practices in certain regions. Some of these emerging market countries also may be subject to a greater degree of economic and political volatility that could adversely affect our financial position, results of operations and cash flows.

Our financial performance is subject to currency exchange rate fluctuations and interest rate changes. Increases and decreases in the value of the U.S dollar relative to other currencies will affect the reported value of items in our consolidated financial statements, as has occurred in 2012, 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 in different currencies (currency transactions). Accordingly, a substantial increase or decrease in the value of the U.S. dollar relative to other currencies would substantially affect our financial position and operating results.

Economic conditions in Europe have raised concerns regarding the long-term viability of the euro currency in particular countries within the euro-zone. We conduct a significant volume of business denominated in euro. Although it remains uncertain whether significant changes in utilization of the euro will occur or what the potential impact of such changes in the euro-zone or globally might be, a material shift in circulation of the euro could result in disruptions to our business and negatively impact our results of operations.

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 position and results of operations. In addition, central banks may act to increase interest rates too rapidly in a growing economy which could hamper economic recovery and adversely impact our financial position 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. While the use of such hedging instruments provides us with protection from certain fluctuations in currency exchange and interest rates, we potentially forego 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 position 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 position and results of operations. See Item 11. Quantitative and Qualitative Disclosures about Market Risk. In addition, uncertainties surrounding the interpretation and implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd Frank Act) could adversely affect our ability to hedge risks associated with our business or increase the cost of our hedging activity.

Risks related to our defined benefit pension plans and other postretirement obligations could impact our profitability. At December 31, 2012, our defined benefit pension plans had an underfunded status of approximately $822 million. This amount included defined benefit pension plan obligations of $493 million for plans that we are not currently required to fund.

The funded status of our defined benefit pension and postretirement benefit plans is subject to many factors as discussed in Item 5. Operating and Financial Review and Prospects A. Operating Results Application of Critical Accounting Estimates and Pension and Other Postretirement Benefits, as well as Note 12: Employee Benefit Plans and Postretirement Benefits to our consolidated financial statements for the year ended December 31, 2012. To the extent that our obligations under a plan are unfunded or underfunded, we will have to use cash flow from operations and other sources to pay our obligations as they become due. In addition, since the assets that currently fund these obligations are primarily invested in debt instruments and equity securities, the value of these assets will vary due to market factors. In recent years, these fluctuations have been significant and adverse and there is no assurance that they will not be significant and adverse in the future.

We depend on key suppliers for certain raw materials and components. We rely upon single suppliers for certain parts and components, primarily those that require joint development between us and our suppliers. Adverse financial conditions and natural disasters could cause some of our suppliers to face severe financial hardship. These risks, or disputes with these suppliers, could disrupt our access to critical parts, components and supplies. This could have a negative impact on our costs of production, our ability to fulfill orders and the profitability of our business. See also Risks Related to Our Relationship with Fiat Industrial for additional information on purchases from Fiat and Fiat Industrial.

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, certain parts, components or commodities could adversely affect our profitability or our ability to obtain and fulfill orders. Increases in the prices of raw materials, and related supplier actions in response, could adversely affect our operating results. In particular, increases in the cost of steel, rubber, oil and related petroleum-based products could adversely affect our profitability, unless we are able to raise equipment and parts prices to recover any such material or component cost increases.

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 work 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. European worker protection laws, collective bargaining agreements, and other labor agreements could impair our flexibility in streamlining existing manufacturing facilities and in restructuring our business. In April 2010, we reached a new collective bargaining agreement with the United Auto Workers (UAW) in the United States, which expires in April 2016. In April of 2012, we ratified our contract with the International Association of Machinists, which represents approximately 734 of our employees in Fargo, North Dakota. This contract expires in April 2018. 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 that could adversely affect our financial position and results of operations.

Table of Contents

Risks Particular to the Industries in Which We Operate

Government action or inaction 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, among other things, 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.

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 global negotiations from time to time 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.

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 purchase equipment that we manufacture, market or distribute. Other government policies, such as decisions to reduce public spending, may involve more unfavorable developments than anticipated, which could have an adverse effect on our financial position and results of operations.

In March 2010, the President of the United States signed into law the U.S. 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 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 are being evaluated, but the Health Care Acts could significantly increase the cost of providing healthcare coverage generally and could adversely affect our financial position and results of operations.

On January 2, 2013, the President of the United States signed into law the American Taxpayer Relief Act of 2012 (ATRA). ATRA incorporates a series of individual income tax and business tax changes. Although enactment of ATRA averted potentially immediate negative economic consequences for the U.S. economy that could have resulted from widespread tax increases and government spending cuts, the economic impact of ATRA remains uncertain. In addition, in early 2013, the U.S. government will be called upon to address important issues and incorporate necessary measures related to its budget deficit and national debt. The outcome of U.S. government measures designed to address its budget deficit and national debt remains uncertain. We will continue to monitor developments, but a U.S. government failure to address budget deficit and national debt issues, or the incorporation of measures having a negative impact upon the economy or our industry, could adversely affect our financial position and results of operations.

See also Item 4. Information on the Company B. Business Overview Industry Overview-Biofuels Impact on Agriculture Light Construction Equipment , and Item 4. Information on the Company D. Property, Plant and Equipment Environmental Matters.

Table of Contents

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, including shifts in key economic indicators such as gross domestic product;
- demand for food;
- commodity prices and stock levels;
- net farm income levels;
- availability of credit;
- developments in biofuels;
- infrastructure spending rates;
- seasonality of demand;
- changes and uncertainties in the monetary and fiscal policies of various governmental and regulatory entities;
- our ability to maintain effective distribution networks;
- currency rates and interest rates;
- our pricing policies, or those of competitors;
- political, economic and legislative changes;
- housing starts; and
- commercial construction.

In our industries, changes in demand can occur suddenly, resulting in imbalances in inventories, production capacity, and prices for new and used 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.

Rapid increases in demand can result in, among other things, an under-supply of equipment, increases in prices of our equipment, increases in our costs for materials and components, and increases in factory utilization (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). An inability to accommodate large and rapid increases or decreases in demand could impede our ability to operate efficiently and adversely affect our financial position and results of operations, as well as our competitive position. See also Item 4. Information on the Company B. Business Overview Industry Overview.

The agricultural equipment industry is highly seasonal, which causes our results of operations and levels of working capital to fluctuate. Farmers traditionally purchase agricultural equipment in the spring and fall, 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.

Table of Contents

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 towards the end of the year, as both our and our dealers inventories are typically reduced.

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 position and results of operations.

Our business may be affected by unfavorable weather conditions, climate change or natural disasters that reduce agricultural production and demand for agricultural equipment. Poor or unusual weather conditions caused by climate change or other factors, particularly during the planting and early growing season, can significantly affect the purchasing decisions of our agricultural equipment customers. The timing and quantity of rainfall are two of the most important factors impacting agricultural production. Insufficient levels of rain, such as the severe drought experienced in certain regions of North America in 2012, prevent farmers from planting crops or may cause growing crops to die resulting in lower yields. Excessive rain or flooding can also prevent planting or harvesting from occurring at optimal times and may cause crop loss through increased disease or mold growth. Temperature affects the rate of growth, crop maturity and crop quality. Temperatures outside normal ranges can cause crop failure or decreased yields, and may also affect disease incidence. Natural disasters such as regional floods, hurricanes, storms, and droughts can have a negative impact on agricultural production. The resulting negative impact on farm income can strongly affect demand for our agricultural 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, including technological advancements related to precision farming and construction, customer service, quality, price and anticipated resale value. Aggressive pricing or other strategies pursued by competitors, unanticipated product improvements by competitors, 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, or our inability to respond to aggressive competitor or other third-party activity related to intellectual property rights 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 in certain regions. If economic conditions deteriorate, it could be 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.

We maintain an independent dealer and distribution network in the markets where we sell products. The financial and operational capabilities of our dealers and distributors are critical to our ability to compete in these markets. In addition, we compete with other manufacturers of agricultural and construction equipment for dealers. If we are unable to compete successfully against other equipment manufacturers, we could lose dealers and their end customers, resulting in a decline in our operating results.

Our Financial Services business operates in a highly competitive environment, with financing for users of our equipment available through a variety of sources, such as banks, finance companies and other financial institutions, including government sponsored entities. Some Financial Services competitors enjoy certain regulatory, government support or credit rating advantages over our Financial Services business today, which often enable them to access capital on more favorable terms, among other things. Such cost of funds disparities between us and our competitors, or any additional regulatory, government support or credit rating changes that enhance the competitive position of our competitors, could result in our inability to compete effectively. The success of our Financial Services business also depends on our ability to develop and market financing products and services and offer quality customer service that meet the evolving needs of existing and potential customers. Increasing competition may adversely affect our Financial Services business if we are unable to match the products and services of competitors. If we are unable to compete effectively, our business, financial position and results of operations will suffer.

Dealer equipment sourcing and inventory management decisions could adversely affect our sales. Our 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 other 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 position and results of operations.

Adverse economic conditions could place a financial strain on our dealers and adversely affect our operating results. Economic conditions continue to place financial stress on many of our dealers in certain regions. 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 position 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 quantities 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 products. 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, where appropriate, 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, and we may be unable to sell certain products, which could negatively impact our results of 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 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 and European regulators have adopted new and more stringent emission standards, including Interim Tier 4, Final Tier 4, Stage IIIB and Stage IV non-road diesel emission requirements applicable to many of our products. We have introduced new products meeting new emissions standards, with initial positive reaction from our customers. If we are unable to continue to successfully execute our plans to meet current emission and other regulatory requirements, our ability to continue selling certain products on the market would suffer, which would negatively impact our financial results and financial position. In addition, engine emission requirements and product enhancements related thereto may impact the pricing or acceptability of our products, which could impact our competitive position, sales and results of operations.

Data security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer. In the ordinary course of business, we collect and store sensitive data, including intellectual property, our proprietary business information and that of our customers and business partners, and personally identifiable information of our customers and employees, in our data centers and on our networks. The secure processing, maintenance, and transmission of this information by us and any contracted third parties is critical to our operations. We have not experienced any significant known or threatened data security incidents to date, and we employ and seek to improve security measures and initiatives designed to reduce the impact of such risk. Despite our security measures and initiatives, our information technology and infrastructure may be subject to attacks by hackers or breached due to employee error, malfeasance, or other disruptions. Any such breach could compromise our networks and the information stored could be accessed, publicly disclosed, lost, or stolen. Any such access, disclosure or other loss could disrupt our operations, result in legal claims or proceedings and harm our business and reputation.

Our financial statements may be impacted by 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. See Note 2: Summary of Significant Accounting Policies New Accounting Pronouncements Adopted to our consolidated financial statements for the year ended December 31, 2012 for additional information on the adoption of new accounting guidance.

Our business operations may be impacted by various types of claims, lawsuits, and other contingent obligations. We are involved in various product liability, supplier-related, 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 position, 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, 2012 for additional information.

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, expand or exit from strategic alliances which could involve risks that could prevent us from realizing the expected benefits of the transactions or the achievement of strategic objectives. 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;
- inability to source certain products;
- increased financing costs and inability to fund such costs;
- significant costs associated with terminating or modifying alliances; and
- problems in retaining customers and integrating operations, services, personnel, and 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 were terminated, our product lines, businesses, financial position, and results of operations could be adversely affected.

Effective December 31, 2012 the initial term of our global alliance with Kobelco Construction Machinery Co., Ltd. (KCM) and Kobe Steel Ltd. (KSL) expired and we entered a new phase of non-exclusive licensing and supply agreements. Subject to the terms of existing agreements, we will continue to have the ability to manufacture excavators based on current Kobelco technology as well as the right to purchase select models of whole goods and component parts from KCM until December 31, 2017. With the end of the initial term of the global alliance, we sold our 20% ownership interest in KCM to KSL and will unwind our co-ownership with KCM of certain companies formed in connection with the global alliance. In addition, the territory and marketing restrictions in the Americas and EAME and CIS expired on December 31, 2012 and such restrictions in APAC are expected to terminate not later than June 30, 2013. In connection with the sale of our 20% ownership interest in KCM, we recognized a loss of approximately $35 million in the year ended December 31, 2012, and a $26 million receivable which is included in Prepayments and Other on the consolidated balance sheet as of December 31, 2012. Please see Note 6: Investments in Unconsolidated Subsidiaries and Affiliates and Note 14: Commitments and Contingencies to our consolidated financial statements as of December 31, 2012 for more information.

While we expect a smooth transition with respect to implemented changes, a failure to realize such a transition and anticipated benefits could have a material adverse effect upon our construction product lines, construction distribution network, financial position and results of operations.

Our sales can be affected by customer attitudes and new product acceptance. Negative economic conditions, on a worldwide or regional basis, 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. We must also make strategic decisions regarding existing products and strategic

Table of Contents

alliances. Our efforts are dependent upon a number of factors, including our ability to manage and maintain an effective distribution network, 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, to adequately protect intellectual property rights, or to accurately predict market demand for, or gain market acceptance of, our products, could adversely affect our financial position and results of operations.

Risks related to Financial Services.

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

- relevant industry and general economic conditions (in particular, those conditions most directly affecting the agricultural and construction industries);
- 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 in the quality of Financial Services financial assets, 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 receivable balance ratios, and an increase in foreclosures and losses. In such circumstances, Financial Services 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 receivables are unpaid and Financial Services repossesses collateral securing the repayment of the receivable, 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 of the general economy and the strength of market demand for new and used agricultural and construction equipment. 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 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 receivables, adversely affecting our financial position and results of operations.

Funding Risk. Financial Services has traditionally relied upon the asset-backed securitization (ABS) market and committed asset-backed facilities (facilities) as a primary source of funding and liquidity. Access to funding at competitive rates is essential to Financial Services business. From mid-2007 through 2009, events occurred in the global financial market, including weakened financial condition of several major financial

Table of Contents

institutions, problems related to subprime mortgages and other financial assets, the devaluation of various securities in secondary markets, the forced sale of asset-backed and other securities by certain investors, and the lowering of ratings on certain ABS transactions, which caused a significant reduction in liquidity in the secondary market for ABS transactions outstanding at such time and a significant increase in funding costs. During these periods, conditions in the ABS and facilities market adversely affected Financial Services ability to sell receivables on a favorable or timely basis. Similar conditions in the future would have an adverse impact on Financial Services financial position and results of operations.

To maintain competitiveness in the capital markets and to promote the efficient use of various 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 transactions if loss experiences are higher than anticipated. The provision of additional reserve support could have an adverse effect on Financial Services financial position, results of operations and cash flows.

Repurchase Risk. In connection with Financial Services ABS and facilities transactions, it makes customary representations and warranties regarding the receivables being securitized, as disclosed in the related offering documents. While no recourse provisions exist that allow holders of the securities issued by Financial Services trusts to require it 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 Financial Services financial position, results of operations and cash flows.

Regulatory Risk. The operations of Financial Services are subject, in certain instances, to supervision and regulation by various governmental authorities. These operations are also 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 borrowers insurance coverage;
- require disclosure to borrowers;
- govern secured and unsecured transactions;
- set collection, foreclosure, repossession and claims handling procedures and other trade practices;
- prohibit discrimination in the extension of credit and administration of receivables; and
- regulate the use and reporting of information related to a borrower.

For example, the Dodd-Frank Act was signed into law in July 2010. The various requirements of the Dodd-Frank Act, including the many implementing regulations yet to be released, may substantially affect Financial Services origination, servicing and securitization programs. Further, the Dodd-Frank Act strengthens the regulatory oversight of ABS securities and capital market activities by the SEC and other regulatory bodies and increases the regulation of the securitization markets through, among other things, a mandated risk retention requirement for securitizers and a direction to the SEC to regulate credit rating agencies and adopt regulations governing these organizations. We will continue to monitor these developments and their impact on access to the ABS and facilities markets, as these and future SEC regulations may impact Financial Services ability to engage in these activities or increase the effective cost of asset-backed transactions in the future, which could adversely affect its financial position, results of operations and cash flows.

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 it charges from rising to a level commensurate with risk and market conditions, such events could adversely affect Financial Services business and its financial position and results of operations.

Table of Contents

Risks Related to Our Indebtedness

Credit rating changes could affect our cost of funds. Our access to, and cost of, funding depend on, among other things, the credit ratings of CNH, CNH Capital LLC, our ABS and facilities transactions, and Fiat Industrial. (See Item 5. Operating and Financial Review and Prospects B. Liquidity and Capital Resources.) The rating agencies may change our credit ratings or take other similar actions, which could affect our access to the capital markets and the cost and terms of existing and future borrowings. A lack of funding could result in our inability to meet customer demand for equipment financing, while increased funding costs would lead to decreased profits and could result in our inability to meet customer demand at attractive interest rates, which in turn may adversely affect our financial position 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, 2012, we had an aggregate of $18.1 billion of consolidated indebtedness, of which $14.3 billion related to Financial Services and $3.8 billion to Equipment Operations, and our equity was $8.6 billion.

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 may need to use a portion of our projected future cash flow from operations to pay principal and interest on our indebtedness, which may 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 capital 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 unsecured indebtedness contain, and other credit agreements to which we are a party may contain, covenants that restrict our ability and/or that of our subsidiaries to, among other things:

- incur additional debt;
- make certain investments;
- enter into certain types of transactions with affiliates;
- sell certain assets or merge with or into other companies;
- use assets as security in other transactions; and

enter into sale and leaseback transactions.

These restrictive covenants could limit our financial and operating flexibility. For example:

limits on incurring additional debt and using assets as security in other transactions could materially limit our future business prospects by restricting us from financing as many customers as we otherwise would, particularly if traditional funding sources (including principally the ABS markets) were not available;

limits on investments could result in a return on assets lower than that of competitors;

limits on the sale of assets or merger with or into other companies could deny us a future business opportunity despite the benefits that could be realized from such a transaction.

Our ability to meet any of these restrictive covenants may be affected by events beyond our control, which could result in material adverse consequences that negatively impact our business, results of operations and financial position. If we fail to comply with these restrictive covenants, we may be unable to borrow additional funds and our lenders or debt holders may declare a default and demand the immediate repayment of all outstanding amounts owed to them. We cannot assure you that we will continue to comply with each restrictive covenant at all times, particularly if we were to encounter challenging and volatile market conditions.

For more information regarding our credit facilities and debt, see Note 9: Credit Facilities and Debt to our consolidated financial statements for the year ended December 31, 2012.

Risks Related to the Announced Fiat Industrial and CNH Global Merger Agreement

In a press release and related Form 6-K filing, we announced on November 26, 2012, execution of a definitive merger agreement which would result in the combination of our business with the other businesses of Fiat Industrial into a newly-formed company organized under the laws of the Netherlands (currently known as NewCo). Various conditions remain to be satisfied and activities remain to be completed prior to closing of the transaction (NewCo Merger). As discussed in our announcement, we believe the NewCo Merger has the potential to result in significant strategic benefits for the combined businesses. However, if the NewCo Merger is completed, there is no guarantee that the strategic benefits anticipated will be realized. In addition, if upon completion and during implementation of the NewCo Merger, significant unforeseen events occur or unforeseen adverse investor, shareholder, regulatory, rating agency or other financial institution actions result, hindering an effective and efficient integration of the respective businesses involved, the impact of such events could have a material adverse impact upon our financial condition, cash flow, and results of operations. In addition, failure to complete the NewCo Merger and realize the benefits anticipated could have a material adverse impact upon our financial condition, cash flows, and results of operations. See Item 5. Operating and Financial Review and Prospects for additional information regarding the NewCo Merger.

Risks Related to Our Relationship with Fiat Industrial

The following risks apply prior to completion of the NewCo Merger or in the event the NewCo Merger is not completed. Completion of the NewCo Merger may render certain risks inapplicable.

Fiat Industrial guarantees and funding. Fiat Industrial continues to provide financial guarantees in connection with certain of our external financing sources. There is no assurance that Fiat Industrial will continue to make such credit or guarantees available. To the extent these arrangements are terminated or replaced or Fiat Industrial otherwise does not make financing available to us or does not provide financial guarantees, we will need to seek alternative sources of funding or credit support. Alternative sources of funding or credit support may not be available and, to the extent that such credit or credit support is available, the terms and conditions of such credit or credit support may not be as favorable as those provided by Fiat Industrial, which could have a material adverse effect on our financial position and results of operations. See Note 9: Credit Facilities and Debt to our consolidated financial statements for the year ended December 31, 2012 for additional information.

Potential conflicts of interest with Fiat Industrial. As of December 31, 2012, Fiat Industrial owned, indirectly through Fiat Netherlands, approximately 87% of our outstanding shares (through the ownership of all of our common shares B). As long as Fiat Industrial 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 Industrial could be in conflict with the interests of our

Table of Contents

other debt and equity security holders. In addition, Fiat Industrial 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. Fiat Industrial also has the ability to pursue relationships with entities other than us to provide financing to our customers.

Fiat Industrial provides financing to us. In the recent past, due to the then existing capital markets crisis and its material adverse impact on the ABS and facilities markets, we relied more heavily upon financing provided by Fiat. In the event of a repeat of the severe downturn in the ABS and facilities markets, we might need to again look to other financing sources, including Fiat Industrial, though Fiat Industrial would have no obligation to provide such financing. To the extent Fiat Industrial does not provide such financing to us when needed, we could suffer from a lack of funding and/or incur increased funding costs if funding is obtained through other sources.

We believe our business relationships with Fiat Industrial can offer economic benefits to us; however, Fiat Industrial s ownership of our capital stock and its ability to direct the election of our directors could create, or appear to create, potential conflicts of interest when Fiat Industrial is faced with decisions that could have different implications for Fiat Industrial and other shareholders. For more information, see Note 21: Related Party Information to our consolidated financial statements for the year ended December 31, 2012.

Our participation in cash management pools exposes us to Fiat Industrial Group credit risk. We participate in a group-wide cash management system with other companies within the Fiat Industrial Group. Our positive cash deposits with Fiat Industrial, if any, are either invested by Fiat Industrial treasury subsidiaries in highly rated, highly liquid money market instruments or bank deposits, or may be applied by Fiat Industrial treasury subsidiaries to meet the financial needs of other Fiat Industrial Group members and *vice versa*. While we believe participation in Fiat Industrial treasury subsidiaries cash management pools provides us with financial benefits, it exposes us to Fiat Industrial credit risk.

In the event of a bankruptcy or insolvency of Fiat Industrial (or any other Fiat Industrial Group member in the jurisdictions with set off agreements) or in the event of a bankruptcy or insolvency of the Fiat Industrial 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 Industrial entity with respect to such deposits. 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 position and results of operations may be materially impacted. See Item 5. Operating and Financial Review and Prospects B. Liquidity and Capital Resources Source of Funding for additional information concerning financing arrangements between us and Fiat Industrial.

Pursuant to the Master Services Agreement (MSA) between Fiat and Fiat Industrial, Fiat Group Companies provide us with certain corporate functions and services. Fiat has no obligation to provide assistance to us other than as has been agreed in the MSA. We cannot be certain that continued assistance provided by Fiat Industrial or by Fiat pursuant to the MSA will be sufficient for our business and operations, or that we will not incur additional costs that could adversely affect our business.

Item 4. Information on the Company

A. *History and Development of the Company*

CNH Global N.V. is incorporated in, and under the laws of, The Netherlands, with its registered office in the World Trade Center Amsterdam Airport, Schiphol Boulevard 217, 1118 BH Schiphol Airport, Amsterdam, The Netherlands (telephone number: +31-20-446-0429). CNH was incorporated on August 30, 1996. CNH s agent for U.S. federal securities law purposes is Mr. Michael P. Going, 6900 Veterans Boulevard, Burr Ridge, Illinois 60527, USA (telephone number: +1-630-887-3766). See also "Item 3. Key Information D. Risk Factors Risks Related to the Announced Fiat Industrial and CNH Global Merger Agreement" and "Item 5. Operating and Financial Review and Prospects" for information regarding the NewCo Merger.

Table of Contents

We make capital investments in the regions in which we operate principally related to initiatives to introduce new products, enhance manufacturing efficiency, increase capacity, and for maintenance and engineering. 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 customers and suppliers, the cost of goods and labor, and plant utilization levels. See also Item 4. Information on the Company D. Property, Plant and Equipment for additional information.

B. ***Business Overview***

General

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 through December 31, 2012) make up our construction equipment brand family. As of December 31, 2012, we were manufacturing our products in 37 facilities throughout the world and distributing our products in approximately 170 countries through a network of approximately 11,500 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, we provide a complete range of replacement parts and services to support our equipment. For the year ended December 31, 2012, our sales of agricultural equipment represented 76% of our revenues, sales of construction equipment represented 18% of our revenues and Financial Services represented 6% 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, 2012, 44% of our net sales of equipment were generated in North America, 31% in EAME & CIS, 15% in Latin America and 10% in APAC. 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 financial 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, 2012, Financial Services managed a portfolio of receivables and leases of approximately $18.9 billion.

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. Global 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. Our 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 the latest 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 as conducive to 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 that 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 10% to over 30% of the annual income for these farmers 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 BNDES. These programs can greatly influence sales. See Item 3. Key Information D. Risk Factors Risks Particular to the Industries in Which We Operate Government action or inaction 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 to our consolidated financial statements for the year ended December 31, 2012, for additional information.

Biofuels Impact on Agriculture

Global demand for renewable fuels increased considerably in recent years driven by increased petroleum based fuel costs, 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 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 rapeseed 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. Although oil prices temporarily declined during 2009, oil prices continued to escalate through 2010, 2011 and 2012, continuing to make biofuels an attractive alternative energy source. 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. 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 emphasize productivity, performance, and reliability. In other markets, customers often continue to use a particular piece of equipment after its performance and efficiency begin 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.

Table of Contents

Heavy Construction Equipment

Heavy construction equipment typically includes larger wheel loaders and excavators, graders and dozers. 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 significance of major infrastructure construction and repair projects such as highways, tunnels, dams and harbors, all of which are a function of government spending and economic growth. Furthermore, demand for mining and quarrying equipment applications (although not important to our business) 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 changes in housing industry activity. The heavy equipment industry generally follows cyclical economic patterns, linked to GDP.

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 the 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 current 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 became 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 and 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 mostly sold to other Southeast Asian markets. This flow of used equipment is highly influenced by currency exchange rates and the weight and dimensions of the equipment, and the different local regulations in terms of safety and/or emissions.

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.

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 are already 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 forecasts of industry volumes and our share of industry sales which is predicated on our ability to compete with others in the marketplace. We compete primarily 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 current difficult economic environment 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, the availability and competitiveness of funding resources, developing competitive financial products and services, and licensing or other governmental regulations.

Table of Contents

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 brands, 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 newer generation tractors have a high percentage of common mechanical components, each brand and product remains 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, combine harvesters, 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 that 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 also provides a full product line in the majority of the markets where it is present.

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 include crawler and wheeled excavators, wheel loaders, graders and dozers for all applications. Light construction equipment product lines 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 that typically runs from one to two years.

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 March 2011, CNH acquired full ownership of L&T Case Equipment Private Ltd. (L&T), an unconsolidated joint venture established in 1999 to manufacture and sell construction and building equipment in India. The company operates a production facility in Pithampur and currently builds backhoe loaders and vibratory compactors. Effective December 31, 2012 the initial term of our global alliance with KCM and KSL expired and we entered a new phase of non-exclusive licensing and supply agreements. Subject to the terms of existing agreements, we will continue to manufacture excavators, based on current Kobelco technology, in our plants and purchase select models of whole goods from KCM as well as component parts until at least December 31, 2017. With the end of the initial term of the global alliance, we sold our 20% ownership interest in KCM to KSL and

Table of Contents

will unwind our co-ownership with KCM of certain companies formed in connection with the global alliance. In addition, the territory and marketing restrictions in the Americas and EAME and CIS expired on December 31, 2012 and such restrictions in APAC are expected to terminate not later than June 30, 2013. We continue to evaluate our construction equipment business with a view toward increasing efficiencies and profitability as well as evaluating our strategic alliances to leverage our position in key markets.

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 to delivering the greatest competitive advantage. These improvements include continuing engine development, combining the introduction of new engines to meet stricter emissions requirements with additional innovations anticipated to refresh our product line. In addition, we emphasize enhanced product innovations that, coupled with our initiatives to improve dealer and customer support, will allow us to more fully capitalize on our market leadership positions in many significant geographic and product categories.

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 Item 5. Operating and Financial Review and Prospects A. 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, 2012, 2011, and 2010.

Suppliers

We purchase materials, parts, and components from third-party suppliers. We had approximately 2,400 global direct suppliers to our manufacturing facilities at December 31, 2012. 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 recent 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 those in 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 quantities of 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.

Previously, we purchased engines and other components from, among others, the Fiat Group and since the demerger have made similar purchases from Fiat Industrial Group. See also Note 21: Related Party Information to our consolidated financial statements for the year ended December 31, 2012 for additional information.

Table of Contents

Distribution and Sales

As of December 31, 2012, we were selling and distributing our products through approximately 11,500 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 equipment manufactured by our competitors. Elsewhere, our dealers generally do not sell products that compete with products we sell, but may sell complementary products manufactured by other suppliers 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 other 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, although we have a limited number of company-owned dealerships in some markets. At December 31, 2012, we operated 12 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 investment 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 necessary 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. 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.

Table of Contents

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

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.

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 owned 20% of KCM, which manufactures and distributes construction equipment, primarily in Asia. KCM 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, until December 31, 2012, Kobelco brands. Effective December 31, 2012 the initial term of our global alliance with KCM expired and we entered a new phase of non-exclusive licensing and supply agreements. Subject to the terms of existing agreements, we will continue to have the ability to manufacture excavators based on current Kobelco technology as well as the right to purchase select models of whole goods and component parts from KCM until December 31, 2017. With the end of the initial term of the global alliance, we sold our 20% ownership interest in KCM to KSL and will unwind our co-ownership with KCM of certain companies formed in connection with the global alliance. In addition, the territory and marketing restrictions in the Americas and EAME and CIS expired on December 31, 2012 and such restrictions in APAC are expected to terminate not later than June 30, 2013.

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.

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, options and, potentially, regulatory requirements. Actual retail sale prices may differ from the manufacturer-suggested list prices. We sell equipment to our dealers and distributors at wholesale prices that 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 business, as they are significant elements in overall dealer and customer satisfaction and important considerations in a customer s original equipment purchase decision. We supply a complete range of parts, many of which are proprietary, to support items in our current product line as well as for products we have sold in the past. As many of the products we sell can have economically productive lives of up to 20 years when properly maintained, each unit that is sold in the marketplace has the potential to produce a long-term parts and service revenue stream for both us and our dealers.

At December 31, 2012, we operated and administered 22 parts depots worldwide, either directly or through arrangements with our warehouse service providers. This network is comprised of 10 parts depots in North America, 7 in Europe, 3 in Latin America, and 2 in Australia. In addition, our international region s operations are supported by 9 depots (4 in China, 3 in India, 1 in Russia, and 1 in Uzbekistan). 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.

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 financial products offered are retail loans and leases to end-use customers and wholesale financing to our dealers. As at December 31, 2012, Financial Services managed a portfolio of receivables and leases of approximately $18.9 billion. North America accounts for 62% of the managed portfolio, Western Europe 20%, Brazil 12% and Australia 6%. In some regions, Financial Services also provides commercial revolving accounts and other financial products and services to end-use 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 globally. Financial Services remains focused on continuing to improve its portfolio credit quality, service levels, operational effectiveness and customer satisfaction.

Access to funding at competitive rates is important to Financial Services. Financial Services funds its operations and lending activities through a combination of term receivable securitizations, committed asset-backed and unsecured facilities, secured and unsecured borrowings, asset sales, affiliate financing, and retained earnings. We continue to evaluate 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.

In October 2012, CNH Capital LLC (a Financial Services North American entity) became an SEC-reporting company, upon the acceptance of its exchange offer for $500 million of its 6.250% notes due 2016, initially sold in a private offering in November 2011. In October 2012, CNH Capital LLC also completed a private offering of $750 million of its 3.875% notes due 2015, which were subsequently exchanged for SEC-registered notes in February 2013.

Finance Operations

We have certain retail underwriting and portfolio management policies and procedures that are specific to the agricultural equipment and construction equipment businesses. This distinction allows us 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 commercial revolving 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% of the sale price, 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 receivables. The cost is accounted for as a deduction in arriving at net sales by Equipment Operations.

Financial Services provides wholesale floor plan financing for nearly all of our dealers, which allows them 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 to the dealer. This practice helps to level fluctuations in factory demand and provides a buffer from the impact of sales seasonality. 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 financial information and payment performance to establish appropriate credit lines for each dealer. In setting these credit lines, we seek to meet the reasonable requirements of each dealer while managing 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 receivable at the time of the retail sale. Financial Services employees or third-party contractors conduct periodic stock audits at each dealership to confirm that financed equipment is still in inventory. These audits are unannounced and 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. Financed non-CNH equipment includes used equipment taken in trade on CNH products or equipment used in conjunction with or attached to our equipment.

Financial Services competes 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. 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 relies on the financial markets, ABS transactions, intercompany lending and cash flows to provide funding for its activities.

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 a subsidiary of Fiat to place a portion of our insurance coverage.

Table of Contents

Legal Proceedings

We are party to various legal proceedings in the ordinary course of our business, including, but not limited to, 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 to our consolidated financial statements for the year ended December 31, 2012.

C. ***Organizational Structure***

As of December 31, 2012, Fiat Industrial owned approximately 87% of our common shares (through the ownership of all of our common shares B), through its direct, wholly-owned subsidiary Fiat Netherlands.

A listing of our significant directly and indirectly owned subsidiaries as of December 31, 2012, is set forth in an exhibit to this annual report on Form 20-F and includes Case New Holland Inc., a Delaware corporation, CNH America LLC, a Delaware limited liability company, CNH Latin America Ltda., a company organized under the laws of Brazil, CNH Italia S.p.A., a company organized under the laws of Italy, CNH France, a company organized under the laws of France, CNH Belgium N.V., a company organized under the laws of Belgium, CNH Australia Pty Ltd., a company organized under the laws of Australia, CNH International S.A., a company organized under the laws of Switzerland, CNH Capital America LLC, a Delaware limited liability company, CNH Financial Services SAS, a company organized under the laws of France, CNH Canada Ltd., a company organized under the laws of Canada, and CNH Deutschland GmbH, a company organized under the laws of Germany (all of which are wholly-owned direct or indirect subsidiaries of CNH).

On November 25, 2012, Fiat Industrial and CNH entered into a definitive merger agreement to combine the businesses of Fiat Industrial and CNH. The terms of the merger agreement provide that Fiat Industrial and CNH will each merge into a newly-formed company organized under the laws of the Netherlands (NewCo). In connection with the merger, Fiat Industrial shareholders will receive one NewCo share for each Fiat Industrial ordinary share and CNH shareholders will receive 3.828 NewCo shares for each CNH common share.

At the extraordinary meeting of shareholders held on December 17, 2012, our shareholders approved the following:

- An amendment of our Articles of Association creating a separate class of common shares B and conversion of all of the common shares held by Fiat Netherlands, representing approximately 87% of our entire issued and outstanding share capital, into common shares B.

- A special dividend to stockholders in the amount of $10 per common share. As a result of the amendment to the Articles of Association, all of the common shares held by Fiat Netherlands were converted into common shares B. Accordingly, the cash payment of $10 per common share was only made to our shareholders other than Fiat Netherlands, as the holders of our regular common shares. We paid the dividend of approximately $305 million in December 2012. In addition, our shareholders approved an appropriation of retained earnings for $2.1 billion which represents $10 per common share B. Please see Note 16: Shareholder s Equity to our consolidated financial statements for the year ended December 31, 2012 for more information.

The merger agreement contains customary representations and warranties and the merger is subject to customary closing conditions, including a condition capping the exercise of withdrawal rights by Fiat Industrial shareholders and opposition rights by Fiat Industrial creditors, at 325 million in the aggregate. The merger is also subject to approval by the shareholders of each of Fiat Industrial and CNH. Fiat Industrial, as 87% shareholder of CNH, has agreed to vote its CNH shares in favor of the merger at the applicable CNH shareholders meeting. The merger is expected to close during the third quarter of 2013.

Table of Contents

D. ***Property, Plant and Equipment***

We believe our facilities are well maintained, in good operating condition and suitable for their present purposes. These facilities together with planned capital expenditures, are expected to meet our manufacturing and other 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, increase capacity, and for maintenance and engineering. In 2012, our total capital expenditures were $556 million of which 39% was spent in North America, 24% in Latin America, and 37% in EAME, CIS and APAC. These capital expenditures were funded through a combination of cash generated from operating activities and borrowings under short-term facilities. In 2012, approximately 80% or $445 million of capital expenditures were related to manufacturing and product related projects with approximately $389 million devoted to agricultural equipment manufacturing and product related expenditures and approximately $56 million devoted to construction equipment expenditures. In 2011, our total capital expenditures were $408 million. 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.

Table of Contents

The following table provides information about our significant manufacturing, engineering, administrative facilities, and parts depots as of December 31, 2012:

Location	Primary Functions	Approximate Covered Area(A)	Ownership Status
United States			
Atlanta, GA	Parts Depot	450	Owned
Benson MN	Agricultural Sprayers, Cotton Pickers/Packagers	446	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
Dallas, TX	Parts Depot	509	Owned
Fargo, ND	Tractors; Wheel Loaders	944	Owned
Goodfield, IL	Soil Management (Tillage Equipment)	418	Owned
Grand Island, NE	Combine Harvesters	1,380	Owned
Lebanon, IN	Parts Depot	1,092	Leased
Mt. Joy, IA	Engineering Center	120	Leased
Mountville, PA	Parts Depot	469	Owned
New Holland, PA	Administrative Facilities; Hay and Forage; Engineering Center	1,121	Owned
Portland, OR	Parts Depot	246	Leased
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
Jesi	Tractors	825	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	105	Leased
France			
Coex	Grape Harvesters; Engineering Center	280	Owned
Croix	Cabs	129	Owned
Etampes	Parts Depot/Administrative	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	320	Owned
Heilbronn	Administrative Facilities; Training Center	109	Owned
Brazil			
Belo Horizonte	Construction Equipment; Engineering Center	758	Owned
Cuiaba	Parts Depot	210	Owned
Curitiba	Tractors; Combine Harvesters; Engineering Center	1,110	Owned
Piracicaba	Sugar Cane Harvesters	127	Owned
Sorocaba	Manufacturing; Parts Depot	1,722	Owned
Canada			
Regina	Parts Depot	238	Owned
Saskatoon	Planting and Seeding Equipment; Components; Engineering Center	655	Owned
Saskatoon	Parts Dept	24	Leased
Toronto	Parts Depot	332	Owned
Belgium			
Antwerp	Components	850	Leased
Zedelgem	Combine Harvesters; Hay and Forage; Engineering Center	1,708	Owned

Others			
St. Marys, Australia	Office/Warehousing	232	Owned
St. Valentin, Austria	Tractors	604	Leased
New Delhi, India	Tractors; Engineering Center	881	Owned
Pithampur, India	Backhoe Loaders and Vibratory Compactors	315	Owned
Paradiso, Switzerland	Commercial, Administrative	29	Leased
Plock, Poland	Combine Harvesters; Components	1,022	Owned
Queretaro, Mexico	Components	161	Owned
Tatarstan, Russia	Tractors, Combine Harvesters	538	Owned
Madrid, Spain	Parts Depots	43	Leased
Shanghai, China	Tractors; Components	732	Leased
Amsterdam, The Netherlands	Administrative	2	Leased

(A) -In thousands of square feet

(B) -Consolidated joint venture

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 that 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 have made, and expect that we may make additional, 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 Item 3. Key Information D. 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 2012 were approximately $6 million and we expect to spend approximately $9 million in 2013. 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 which impose similar liabilities, we have received inquiries for information or notices of our potential liability regarding 53 non-owned sites at which regulated materials, allegedly generated by us, were released or disposed of (Waste Sites). Of the Waste Sites, 18 are on the National Priority List (NPL) promulgated pursuant to CERCLA. For 48 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*. 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 53 Waste Sites could change, which would 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.

Table of Contents

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 December 31, 2012, management 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 $28 million to $80 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 December 31, 2012 and 2011, environmental reserves of approximately $45 million and $46 million, respectively, 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. 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.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

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 Item 3. Key Information D. Risk Factors.

Proposed Merger with Fiat Industrial

On November 25, 2012, Fiat Industrial and CNH entered into a definitive merger agreement to combine the businesses of Fiat Industrial and CNH. The terms of the merger agreement provide that Fiat Industrial and CNH will each merge into NewCo. In connection with the merger, Fiat Industrial shareholders will receive one NewCo share for each Fiat Industrial ordinary share and CNH shareholders will receive 3.828 NewCo shares for each CNH common share.

At the extraordinary meeting of shareholders held on December 17, 2012, our shareholders approved the following:

- An amendment of our Articles of Association creating a separate class of common shares B and conversion of all of the common shares held by Fiat Netherlands, representing approximately 87% of our entire issued and outstanding share capital, into common shares B.

- A special dividend to shareholders in the amount of $10 per common share. As a result of the amendment to the Articles of Association, all of the common shares held by Fiat Netherlands were converted into common shares B. Accordingly, the cash payment of $10 per common share was only made to our shareholders other than Fiat Netherlands, as the holders of our regular common shares. We paid the dividend of approximately $305 million in December 2012.

Table of Contents

The merger agreement contains customary representations and warranties and the merger is subject to customary closing conditions, including a condition capping the exercise of withdrawal rights by Fiat Industrial shareholders and opposition rights by Fiat Industrial creditors, at 325 million in the aggregate. The merger is also subject to approval by the shareholders of each of Fiat Industrial and CNH. Fiat Industrial, as 87% shareholder of CNH, has agreed to vote its CNH shares in favor of the merger at the applicable CNH shareholders meeting. The merger is expected to close during the third quarter of 2013.

A. Operating Results

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 our consolidated operations and financial results. In the supplemental consolidating data in this section, Equipment Operations includes the Financial Services business on the equity basis of accounting. Transactions between Equipment Operations and Financial Services have been eliminated to arrive at the consolidated data.

We believe that Equipment Operations gross and operating profit are useful for evaluating our financial performance. We define Equipment Operations gross profit, as net sales less cost of goods sold. We define Equipment Operations operating profit as Equipment Operations gross profit less selling, general and administrative expenses and research, development and engineering costs. Equipment Operations gross and operating profit 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.

Outlook for 2013

Demand in the agricultural and construction equipment markets is expected to be slightly positive for 2013 compared to 2012. Agricultural equipment demand is projected to be flat to up 5% on the back of firm agricultural commodity prices. Demand for tractors is expected to be flat to up 5% due to growth in the Latin America, North America and APAC regions being partially offset by declines in the EAME & CIS region. Demand for combines is expected to be flat to up 5% primarily due to growth in the Latin America and APAC regions, partially offset by declines in the EAME & CIS region.

Construction equipment demand is expected to recover with industry retail unit sales expected to be flat to up 5% for 2013 compared to 2012. Light equipment demand is expected to be flat to up 5% with growth in the Latin America and APAC regions being partially offset by declines in the North America and EAME & CIS regions. Heavy equipment demand is expected to be flat to up 5% with growth in the Latin America and APAC regions being partially offset by declines in North America.

Table of Contents

2012 Compared to 2011

Summary

	Consolidated Year Ended December 31, 2012	Consolidated Year Ended December 31, 2011	Equipment Operations Year Ended December 31, 2012	Equipment Operations Year Ended December 31, 2011	Financial Services Year Ended December 31, 2012	Financial Services Year Ended December 31, 2011
	(in millions)					
Revenues:						
Net sales	$ 19,427	$ 18,059	$ 19,427	$ 18,059	$	$
Finance and interest income	1,020	1,126	148	172	1,307	1,387
	20,447	19,185	19,575	18,231	1,307	1,387
Costs and Expenses:						
Cost of goods sold	15,566	14,626	15,566	14,626		
Selling, general and administrative	1,810	1,843	1,535	1,442	275	401
Research, development and engineering	652	526	652	526		
Restructuring	2		2			
Interest expense	675	786	330	386	482	547
Interest compensation to Financial Services			298	286		
Other, net	290	253	172	140	118	113
Total	18,995	18,034	18,555	17,406	875	1,061
Income before income taxes and equity in income of unconsolidated subsidiaries and affiliates	1,452	1,151	1,020	825	432	326
Income tax provision	423	343	279	230	144	113
Equity in income of unconsolidated subsidiaries and affiliates:						
Financial Services	13	12	301	225	13	12
Equipment Operations	91	104	91	104		
Net income	1,133	924	1,133	924	301	225
Net loss attributable to noncontrolling interests	(9)	(15)	(9)	(15)		
Net income attributable to CNH Global N.V.	$ 1,142	$ 939	$ 1,142	$ 939	$ 301	$ 225

Consolidated net income attributable to CNH in 2012 was $1,142 million, or $4.68 per share diluted ($4.68 basic earnings per share), compared with $939 million, or $3.91 per share diluted ($3.92 basic earnings per share), in 2011.

Consolidated revenues were $20,447 million in 2012, an increase of 6.6% as compared to $19,185 million in 2011. Net sales were $19,427 million in 2012, an increase of 7.6% as compared to $18,059 million in 2011. The increase in net sales was primarily driven by an increase in agricultural equipment revenues of $1,474 million, partially offset by a decrease in construction equipment revenues of $106 million. Total Financial Services revenues were $1,307 million, a decrease of 5.8% as compared to $1,387 million in 2011.

Equipment Operations had an operating profit of $1,674 million in 2012, an increase of 14.3% as compared to $1,465 million in 2011. The increase was primarily attributable to improved volume and mix and net pricing, partially offset by higher production costs, higher selling, general and administrative costs, and higher research and development costs.

Financial Services net income was $301 million in 2012, an increase of 33.8% as compared to $225 million in 2011. The increase was primarily due to a higher average portfolio and lower provision for credit losses, partially offset by a higher provision for income taxes.

Table of Contents

Effective December 31, 2012 the initial term of our global alliance with KCM and KSL expired and we entered a new phase of non-exclusive licensing and supply agreements. Subject to the terms of existing agreements, we will continue to manufacture excavators, based on current Kobelco technology, in our plants and purchase select models of whole goods from KCM as well as component parts until at least December 31, 2017. With the end of the initial term of the global alliance, we sold our 20% ownership interest in KCM to KSL and recognized a loss of approximately $35 million. We will also unwind our co-ownership with KCM of certain companies formed in connection with the global alliance. In addition, the territory and marketing restrictions in the Americas and EAME and CIS expired on December 31, 2012 and such restrictions in APAC are expected to terminate not later than June 30, 2013.

Consolidated Revenues

Total consolidated revenues were $20,447 million in 2012, an increase of $1,262 million, or 6.6%, from 2011. The increase was primarily due to higher volume and mix of $1,581 million as well as net pricing of $566 million on equipment sales. Partially offsetting the increase in revenues was the negative impact of foreign currency fluctuations of $810 million and a decrease in finance and interest income of $106 million primarily due to a decrease in benchmark interest rates, partially offset by a higher average portfolio.

Net sales increased in all regions in 2012 compared to 2011. The geographical distribution of net sales during 2012 was 44% North America, 31% EAME & CIS, 15% Latin America, and 10% APAC markets.

Equipment net sales during 2012 were 81% agricultural equipment and 19% construction equipment, compared to 79% agricultural equipment and 21% construction equipment in 2011. A summary of equipment sales by segment and geographic region is as follows ($ in millions):

	Total	North America	EAME & CIS	Latin America	APAC
2012					
Agricultural equipment	$ 15,657	$ 6,972	$ 5,234	$ 1,937	$ 1,514
Construction equipment	3,770	1,609	804	975	382
Total net sales	$ 19,427	$ 8,581	$ 6,038	$ 2,912	$ 1,896

	Total	North America	EAME & CIS	Latin America	APAC
2011					
Agricultural equipment	$ 14,183	$ 6,067	$ 4,907	$ 1,835	$ 1,374
Construction equipment	3,876	1,447	903	1,071	455
Total net sales	$ 18,059	$ 7,514	$ 5,810	$ 2,906	$ 1,829

	Total	North America	EAME & CIS	Latin America	APAC
Percentage change					
Agricultural equipment	10%	15%	7%	6%	10%
Construction equipment	-3%	11%	-11%	-9%	-16%
Total net sales	8%	14%	4%	0%	4%

	Total	North America	EAME & CIS	Latin America	APAC
Unfavorable impact of currency					
Agricultural equipment	-4%	0%	-6%	-15%	-3%
Construction equipment	-5%	0%	-5%	-11%	-3%
Total net sales	-4%	0%	-6%	-14%	-3%

Agricultural equipment sales increased $1,474 million, or 10.4%, to $15,657 million. Excluding the negative impact of foreign currency fluctuations, agricultural equipment sales increased 14.8% and were favorable in all geographic regions. The increase in revenues was primarily driven by volume and mix ($1,577 million) and pricing ($477 million).

Worldwide tractor and combine industry sales were flat and up 3%, respectively, relative to 2011. Industry tractor sales were up in North American and Latin America but down in the EAME & CIS and APAC regions, while industry combine sales were up in the EAME & CIS and Latin America regions but down in the APAC and North America regions. Our worldwide market share for both tractors and combines was in line with the market during 2012. For tractors, our market share was down in the Latin America region but in line with the market in all other regions. For combines, our market share was up in the APAC region, and in line with the market in all other regions.

Construction equipment sales decreased $106 million, or 2.7%, to $3,770 million. Excluding the negative impact of foreign currency fluctuations, construction equipment sales increased 2.1%. On a constant currency basis, construction equipment sales were favorable in the North America and Latin America regions but unfavorable in the APAC and EAME & CIS regions. The increase in revenues was primarily driven by pricing ($89 million).

Table of Contents

Worldwide heavy and light construction equipment industry sales were down 18% and up 8%, respectively, from the prior year. Industry heavy construction equipment sales were down significantly in the APAC and Latin America regions but increased in the North America and EAME & CIS regions. Industry light construction equipment sales were up in all regions except for the APAC region where they decreased slightly. Our worldwide market share was in line with the market for both heavy and light construction equipment. For heavy construction equipment, our market share was in line with the market except in the Latin America region where it increased slightly. For light construction equipment, our market share was up in the Latin America but down in the North America region.

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.

	2012		2011		Increase (Decrease) in 2012 vs. 2011	2012 vs. 2011% Change
			(in millions, except percents)			
Net sales	$ 19,427	100.0%	$ 18,059	100.0%	$ 1,368	7.6%
Cost of goods sold	15,566	80.1%	14,626	81.0%	940	6.4%
Gross profit	3,861	19.9%	3,433	19.0%	428	12.5%
Selling, general and administrative	1,535	7.9%	1,442	8.0%	93	6.4%
Research and development	652	3.4%	526	2.9%	126	24.0%
Operating profit	1,674	8.6%	1,465	8.1%	209	14.3%
Restructuring	2	0.0%			2	N/A
Interest expense	330	1.7%	386	2.1%	(56)	(14.5)%
Interest compensation to Financial Services	298	1.5%	286	1.6%	12	4.2%
Other, net	172	0.9%	140	0.8%	32	22.9%

Gross Profit and Margin Equipment Operations

	2012		2011		Increase (Decrease) in 2012 vs. 2011	2012 vs. 2011 Change
			(in millions, except percents)			
Agricultural equipment	$ 3,359	21.5%	$ 2,904	20.5%	455	1.0 pts
Construction equipment	502	13.3%	529	13.6%	(27)	(0.3) pts
Total Equipment Operations gross profit	$ 3,861	19.9%	$			