

CNH Announces Plans To Reduce Debt

LAKE FOREST, Ill. — CNH Global N.V. (NYSE:CNH) announced March 5 that its board of directors has approved plans to reduce the company's net debt by \$2 billion through the issuance of convertible perpetual preferred securities to a financial affiliate of CNH's majority shareholder, Fiat S.P.A. the

company expects to use the proceeds of the transaction to repay Equipment Operations indebtedness owed to Fiat Group companies.

The immediate benefits to CNH are expected to be substantial. The securities will carry an annual dividend rate of 0.0% until January 1, 2005. From that

date, the annual dividend will be fixed at the dividend yield on the company's common shares, plus an additional 150 basis points should the company achieve certain financial performance targets. Dividends will be payable annually in arrears, and deferrable for up to five years.

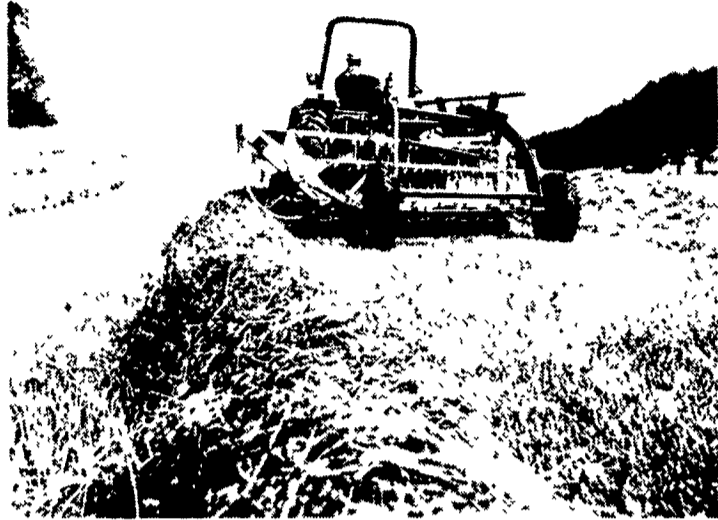
By retiring \$2 billion of

Equipment Operations debt coming due through 2005, CNH gains ample financial liquidity. Of the total debt being repaid, \$1.3 billion matures in 2003. On a Dec. 31, 2002 pro forma basis, Equipment Operations net debt will drop to a level of about \$1.5 billion, and the company's net debt-to-capitalization ratio will drop from 56% to 24%. Interest expense should be reduced by nearly \$100 million on an

annual pre-tax basis.

"Our recapitalization plan will substantially improve the capital structure of CNH," Michel Lecomte, CNH chief financial officer said. "This action provides the clearest possible evidence of majority shareholder Fiat's commitment to CNH."

Merrill Lynch & Co. served as financial advisor to CNH on this transaction.



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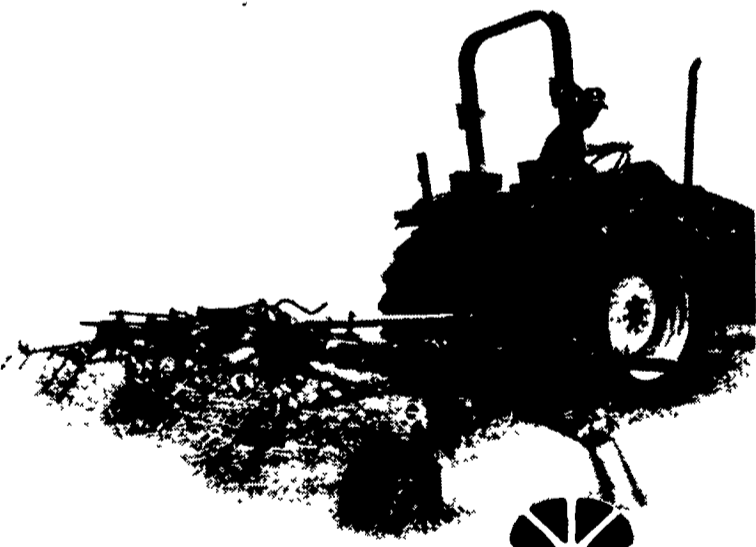
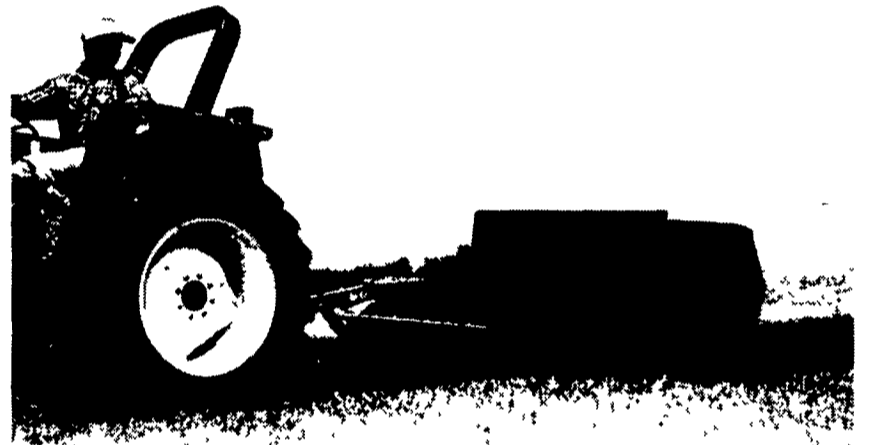
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