

CNH GLOBAL N V
Form 425
December 06, 2012

20 Novembre, 2010
Fiat Industrial
European/UK Capital Goods and Aerospace and Defence
Conference
December 5, 2012
Filing under Rule 425 under the U.S. Securities Act of 1933
Filer: Fiat Industrial S.p.A.
Subject Company: CNH Global N.V.
CNH Global N.V. s Exchange Act File No.: 333-05752

20 Novembre, 2010
Fiat Industrial
2012 Outlook
Q3 & Sep YTD Results

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Fiat
Industrial

European/UK
Capital
Goods
and
Aerospace

and
Defence
Conference
Fiat Industrial
Combination
of
FI
and
CNH

recent
steps
November 26,
2012

Fiat Industrial and CNH Global announce definitive agreement to combine businesses
November 22,
2012

Fiat Industrial acknowledges CNH Special Committee announcement that it views favorably Fiat Industrial's
strategic
combination
proposal
in
the
form
delivered
on
November
19,
2012
November 19,
2012

Fiat
Industrial
submits
best
and
final
offer
to
combine
with
CNH
Global
November 12,
2012

Fiat Industrial Announces Key Appointments, with objective of enhancing operational integration of Fiat Industrial

and CNH, and the formation of a Group Executive Council (GEC), creation of 4 Regional COO positions and a CFO, all reporting to a Group COO

October 15,
2012

Fiat Industrial S.p.A. is advised that the special committee of the Board of CNH Global N.V. has determined not to recommend the strategic combination of Fiat Industrial and CNH on the terms proposed by Fiat Industrial on

May 30, 2012

May 30,
2012

Fiat Industrial proposes a combination with CNH Global

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Fiat
Industrial

European/UK
Capital
Goods
and

Aerospace
and
Defence
Conference
Fiat Industrial
Group Executive Council (GEC)
The
Group
Executive
Council
(GEC)
is
the
highest
executive
decision
making
body
within

Fiat Industrial outside of its Board of Directors¹. It is responsible for reviewing the operating performance of the businesses, setting performance targets, making key strategic decisions and investments for the Group, making capital allocations and sharing best practices, including the development and deployment of key human resources

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Fiat
Industrial

European/UK
Capital
Goods
and
Aerospace

and
Defence
Conference

The Merger Agreement provide that FI and CNH will each merge into a newly-formed company organized under the laws of the Netherlands (NewCo). FI shareholders will receive one NewCo share for each FI share and CNH shareholders will receive 3.828 NewCo shares for each CNH share in the merger

CNH would pay a cash dividend of US\$10 per CNH share to the CNH minority shareholders prior to completion of the merger

CNH will use its reasonable best efforts for the dividend to be paid prior to December 31, 2012 or as promptly thereafter as practicable

The NewCo shares will be listed on the New York Stock Exchange. NewCo will also use its reasonable best efforts to cause the NewCo shares to be admitted to listing on the Mercato Telematico Azionario managed by Borsa Italiana shortly following the closing of the mergers

NewCo
will
implement
a
loyalty
voting
structure;
shareholders
of
each
company
that
are
present
or
represented
by
proxy
at
the
respective
shareholders
meetings
to
consider
the
merger
transaction
and
that
continue
to
hold
their
shares
until

completion of the merger may elect to receive common shares registered in a special segment of NewCo's share register and be entitled to two votes per share. NewCo shareholders will be entitled to retain double-vote shares indefinitely. If a NewCo shareholder transfers shares entitled to double votes, the shares will revert to the regular segment of the register and will be entitled to a single vote per share. Following completion of the merger, new shareholders may earn a double vote through a loyalty mechanism by holding the shares continuously for at least three years

Fiat Industrial
FI and CNH announce definitive Agreement to combine businesses

6

The existence of two distinct equity securities for FI and CNH listed on separate markets is the result of

a
series
of
transactions
pursued
in
the
past
by
FIAT
Group

The current structure is cumbersome and inefficient in several respects
Small public float and liquidity of CNH
Constrains the Group's valuation
Limits ability by top US capital goods investors to build meaningful positions in CNH
Creates holding company discount at FI group level
Limits the Group's ability to capture strategic opportunities using equity
Multiple jurisdictions and layers of governance complicate intra-group dealings

These issues have been magnified following the demerger because of the greater
prominence of CNH within FI Group
Fiat Industrial
Assessment of the current situation
Fiat
Industrial

European/UK
Capital
Goods
and
Aerospace
and
Defence
Conference

7
Iveco
CNH Global
N.V.
CNH Global
N.V.
~88%

Listed on the Milan
Stock Exchange

FPT

Industrial

100%

100%

NewCo

Iveco

FPT

Industrial

100%

100%

CNH

100%

Current Group Structure

Group Structure Post Transaction Completion

Former FI
shareholders

Former CNH
shareholders

Incorporated in
the Netherlands

Listed on the
NYSE as a FPI

Incorporated in the
Netherlands

Incorporated in
Italy

Listed on the NYSE and
Milan Stock Exchange

Loyalty voting structure

FI shareholders

CNH minorities

~12%

X %

(1)

Less than current ~12% in CNH

Fiat Industrial

Group structure pre and post completion

1

Fiat
Industrial

European/UK
Capital
Goods
and
Aerospace
and
Defence
Conference

8
Capital
Markets and
Valuation

Create a single class liquid stock listed in New York and Milan

Build a true peer to the major North American-based capital goods companies

Increase liquidity and attract new capital goods-focused investor base and analyst coverage in the US

Capitalize on scarcity value deriving from being the only significant agricultural equipment player listed in Europe

Eliminate CNH illiquidity discount and achieve, over time, a valuation more in line with global capital goods peers

Improve credit profile and access a broader liquidity pool

Strategic

and

Operational

Create opportunities for regional consolidation of Financial Services platforms or common development of new infrastructures in developing markets

Acquire greater scale in key emerging markets, such as China, Brazil, Argentina, translating into more effective local execution

Simplify intra-group dealings

Secure powertrain know-how for CNH

Increase
flexibility

to

pursue

strategic

transactions

and

reward

long-term

shareholding

Fiat Industrial

Rationale for the transaction

Fiat

Industrial

European/UK

Capital

Goods

and

Aerospace

and

Defence

Conference

9
Fiat
Industrial

European/UK
Capital
Goods
and
Aerospace

and
Defence
Conference
DJSI World
Industrial Engineering
Eligible companies:

95

Admitted companies:

12

FIAT INDUSTRIAL SPA (Leader)

ABB LTD

ALSTOM SA

ATLAS COPCO AB

CATERPILLAR INC

CUMMINS INC

INGERSOLL-RAND PLC

KOMATSU LTD

MAN

SKF AB

VOLVO AB

XYLEM INC

85

85

51

55

77

48

51

87

87

83

88

88

Fiat Industrial confirmed in DJSI World and Europe indexes, **ranking as**

Sector

Leader

in

the

Industrial

Engineering

sector,

for

the

second

consecutive year

DJSI World and Europe equity indexes only admit companies that are best-in-class in managing their businesses according to sustainability criteria

Fiat Industrial Sector Leader

DJSI: Results of the 2012 assessment

20 Novembre, 2010
2012 Outlook

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Fiat Industrial

Outlook

*

Revenues above 25bn

Trading profit in excess of 2bn

Net income of approximately 0.9bn

Net industrial debt between 1.2bn and 1.5bn

Cash and cash equivalents in excess of 4.0bn

Capital expenditures between 1.2bn and 1.4bn

*

As
per
Q3
&
Sep
YTD
Analysts
conference
call
On
the
back
of
the
Group's
performance
to
date
and
our
expectations
of
solid
trading
conditions
across
all
sectors,
especially
CNH,
Fiat
Industrial
is
firming
up
its
2012
guidance
as
follows:
Fiat
Industrial

European/UK
Capital
Goods
and
Aerospace

and
Defence
Conference

20 Novembre, 2010
Q3 & Sep YTD Results

13
204
297
2.0
2.2
4.9
5.7
Positive swing of 93mn, or
+45.6%

Up 0.2bn, with positive cash flow from operations offset by seasonal working capital absorption and sustained capital expenditure levels

Up 7.9%, as continued robust growth for AG Equipment more than compensated for weaker trading conditions in other businesses

Up 91mn over the prior year

Down 0.8bn, mainly attributable to cash utilization related to portfolio growth for financial services and capital expenditure (inclusive of

1.6bn in undrawn committed facilities)

7.9%

18.8%

5.9

6.3

0.8

p.p.

484

575

8.3%

9.1%

Up 0.8p.p. with CNH achieving strong margin gains and both Iveco and FPT Industrial maintaining margins substantially in line with prior year levels despite volume declines

Q3 11

Q3 12

Q3 11

Q3 12

Q3 11

Q3 12

Jun-end 12

Sep-end 12

Q3 11

Q3 12

Jun-end 12

Sep-end 12

Q3 12 highlights

Trading profit up 18.8% with continuing margin improvement y-o-y

Net result

(/mn)

Net industrial debt

(/bn)

Available Liquidity

(/bn)

Revenues

(/bn)

Trading margin

Fiat

Industrial

European/UK

Capital

Goods

and

Aerospace

and

Defence

Conference

Trading profit

(/mn)

Continued robust performance for AG Equipment business driving top-line growth
CNH
IVECO
FPT
Industrial
Eliminations
& Others
448

575
 110
 26
 (9)
 -13.3%
 1,300
 1,641
 301
 78
 (38)
 36.8%
 Q3 12
 CNH
 IVECO
 FPT
 Industrial
 Eliminations
 & Others
 Sep YTD 12
 CNH
 IVECO
 FPT
 Industrial
 Eliminations
 & Others
 4,088
 6,313
 2,054
 646
 (475)
 12,004
 18,771
 6,226
 2,106
 (1,565)
 Q3 12
 CNH
 IVECO
 FPT
 Industrial
 Eliminations
 & Others
 Sep YTD 12
 (mn)
 2012
 2012`
 Q3 & Sep YTD 12
 Revenues and trading profit by business
 Fiat
 Industrial

European/UK
Capital
Goods
and
Aerospace
and
Defence
Conference

33.3%

-10.6%

18.8%

39.8%

-8.5%

27.1%

17.4%

-7.3%

7.9%

-12.9%

18.5%

-8.1%

7.5%

-8.8%

14

(mn)
Unusual items, net :
Net
unusual
expenses
of
9mn
vs.

28mn

in

Q3

11;

in

both

cases

related

primarily

to

restructuring

charges

for

Iveco

Financial charges, net :

Improvement of 24mn was primarily attributable to a reduction in funding costs and lower foreign exchange losses

Taxes :

Effective tax rate of 38% was in line with current expectations for the full year

From trading profit to net result

Fiat

Industrial

European/UK

Capital

Goods

and

Aerospace

and

Defence

Conference

Q3 2011

Q3 2012

Sep YTD

2011

Sep YTD

2012

Trading profit

484

575

91

1,291

1,641

350

Unusual items, net

(28)

(9)

19

(55)

(140)

(85)

Operating income	
456	
566	
110	
1,236	
1,501	
265	
Financial charges, net	
(134)	
(110)	
24	
(374)	
(328)	
46	
Investment income, net	
18	
23	
5	
74	
66	
(8)	
Pre-tax result	
340	
479	
139	
936	
1,239	
303	
Taxes	
(136)	
(182)	
(46)	
(379)	
(479)	
(100)	
Net result	
204	
297	
93	
557	
760	
203	
15	

16

(*) Net Industrial debt average calculated on a monthly basis

(**) Includes 13mn breakage cost

FY

12

guidance

for

Financial

Charges

of
~ 400mn,
with
a
+/-
10%
range
potentially
deriving
from
variations in the actual cash flow and FX exposure of the Group
February 2012 -
FI Analysts Call
Financial charges breakdown
Q3 12 vs. Q3 11
Fiat
Industrial

European/UK
Capital
Goods
and
Aerospace
and
Defence
Conference
Average
Outstanding
(/bn)
Rate
(%)
P/L
(/mn)
Average
Outstanding
(/bn)
Rate
(%)
P/L
(/mn)
Capital Market (fixed)
(4.2)
6.8%
(71)
(4.5)
6.9%
(79)
Short-term Debt (floating)
(2.5)
8.3%

(51)**

(3.4)

4.1%

(35)

Gross Industrial Debt

(6.7)

7.3%

(122)

(8.0)

5.7%

(114)

Industrial Cash & Net Intersegment Financial Receivables

4.3

2.2%

23

4.9

2.5%

30

Net Industrial Debt

*

(2.4)

(99)

(3.1)

(84)

IAS 19

(interest cost on pension & OPEB)

(17)

(17)

FX

(18)

(9)

Net Financial Charges

(134)

(110)

(mn)
Cash flow
Fiat
Industrial

European/UK
Capital
Goods
and

Aerospace
 and
 Defence
 Conference
 17
 Q3 '12
 Sep YTD '12
 Net Industrial (Debt)/Cash beginning of period
 (1,963)
 (1,239)
 Net Income
 297
 760
 D&A (excl. Vehicle Buybacks)
 176
 528
 Change in Funds & Others
 (50)
 (11)
 Cash
 Flow
 from
 Op.
 Activities
 bef.
 Chg.
 in
 W.C.
 423
 1,277
 Change in Working Capital
 (386)
 (1,332)
 Cash Flow from Operating Activities
 37
 (55)
 Tangible & Intangible Capex (excl. Vehicle Buybacks)
 (291)
 (798)
 Cash
 Flow
 from
 Operating
 Activities
 net
 of
 Capex
 (254)
 (853)
 Change in Investments, Scope & Other

4
59
Net
Industrial
Cash
Flow
(250)
(794)
Capital Increase / Share Repurchases / Dividends
(1)
(233)
FX Translation Effect
11
63
Change
in
Net
Industrial
Debt
(240)
(964)
Net
Industrial
(Debt)/Cash
end
of
period
(2,203)
(2,203)

Absorption from change
in working capital broadly
anticipated as a function
of seasonal lower
production levels

Capex at 1.7x D&A in the
quarter vs. 1.3x last year
Q3 12

20 Novembre, 2010
CNH

CNH Agricultural & Construction Equipment

Margin up 1.3p.p. to 11%

(39)

336

54

(24)

9.7%

11.0%

448
 10
 Q3 11
 Volume
 /Mix
 Pricing,
 Net
 Prod.
 Cost
 SG&A
 Other
 Q3 12
 R&D
 (24)
 135
 3,769
 3,019
 2011
 2012
 3,632
 4,147
 3,481
 4,088

CNH revenues at 4.1bn up 17% (+4% in US\$), net sales of equipment distribution by region: NA 46%, EAME & CIS 27%, LA 15%, APAC 12%

AG at 3.2bn up 27% (+12% in US\$) on high commodity prices

and despite the severe drought in NA Global tractor and combine unit deliveries up 9%

CE at 667mn down 10% (-21% in US\$) on considerably slower industry recovery in every region

Units deliveries down 20% (Light down 21%; Heavy down 18%)

Trading profit of 448mn up 112mn

Increased volume for AG equipment

Better mix, positive pricing and purchasing efficiencies for both AG and CE

R&D spending continues to be at elevated levels as CNH is investing in new products and engine emissions compliance programs

Fiat
 Industrial

European/UK
 Capital
 Goods
 and
 Aerospace
 and
 Defence

Conference
19

CNH Agricultural Equipment
Sales volume & industry outlook
From
Jan
1
st
2011
onward

region
split
has
been
changed
as
follows:

NA: USA, Canada and Mexico; EAME & CIS: 27 EU Countries, CIS, Balkans, African continent, Middle East;
LA: Central and South America, and Caribbean Islands; APAC: Continental Asia and Oceania

Tractors demand flat to down 5%

Combines demand flat to down 5%

WW
(6%)
(0-5%)
NA
7%
0-5%
<40hp
8%
~+5%
40+hp
7%
0-5%
EAME & CIS
(8%)
(0-5%)
LA
9%
Flat
APAC
(10%)
~(5%)
WW
4%
(0-5%)
NA
11%
~(10%)
EAME & CIS
3%
5-10%
LA
(1%)
(0-5%)
APAC
(21%)
(5-10%)
WW AG

(6%)

(0-5%)

20

change vs.

Prior year

Q3 12

FY 12E

Industry

CNH

*

Industry

* Performance relative to mkt

Q3 12

FY 12 expectations

Tractors demand down 6% on difficult market in the EAME & CIS and APAC regions

Combines demand up 4% on a positive NA market

Global AG industry down 6%

CNH share performance was positive for both tractors and combines

Tractor share was up in the high horsepower tractor segment in North America

Global AG demand flat to down 5% vs. 2011

Fiat

Industrial

European/UK

Capital

Goods

and

Aerospace

and

Defence

Conference

CNH Construction Equipment
Sales volume & industry outlook
From
Jan
1
st
2011
onward

region
split
has
been
changed
as
follows:

NA: USA, Canada and Mexico; EAME & CIS: 27 EU Countries, CIS, Balkans, African continent, Middle East;
LA: Central and South America, and Caribbean Islands; APAC: Continental Asia and Oceania

Light equipment demand up 5 to 10%

Heavy equipment demand down 10 to 15%

* Performance relative to mkt

WW

2%

5-10%

NA

15%

~+25%

EAME & CIS

(3%)

0-5%

LA

(11%)

0-5%

APAC

Flat

Flat

WW

(13%)

(10-15%)

NA

27%

20-25%

EAME & CIS

8%

5-10%

LA

(14%)

(5-10%)

APAC

(28%)

(25-30%)

WW CE

(5%)

(0-5%)

change vs.

Prior year

Q3 12

FY 12E

Industry

CNH

*

Industry

NA: +19%

EAME & CIS: +1%

LA: -12%

APAC: -18%

Overall CE industry down 5%

Q3 12

Construction equipment share in line with the market

Gains in LA as a result of new product launches and good equipment availability

FY 12 expectations

21

Fiat

Industrial

European/UK

Capital

Goods

and

Aerospace

and

Defence

Conference

22
Fiat
Industrial

European/UK
Capital
Goods
and
Aerospace

and

Defence

Conference

CNH Agricultural & Construction Equipment

Inventory Management (Units of Equipment)

* Excluding Joint Ventures

Source: CNH Internal Data

Third quarter overproduction vs. retail 6% ahead of scheduled
production downtime in the fourth quarter

Expected underproduction vs. retail in the fourth quarter

Third quarter underproduction vs. retail 3%

Expected underproduction vs. retail in the fourth quarter

Company Inventory

Dealer Inventory

CNH Retail Sales*

CNH Production*

Company Inventory

Dealer Inventory

CNH Retail Sales*

CNH Production*

Q1'09

Q2'09

Q3'09

Q4'09

Q1'10

Q2'10

Q3'10

10

11

-11

Q3-

11

-11

Q1-

Q2-

Q3-

Q4-

Q1-

Q2

Q4

12

12

12

Q1'09

Q2'09

Q3'09

Q4'09

Q1'10

Q2'10

Q3'10

10
11
-11
Q3-
11
-11
Q1-
Q2-
Q3-
Q4'
Q1'
Q2
Q4
12
12
12

23

Fiat Industrial

European/UK Capital Goods and Aerospace and Defence Conference

CNH Agricultural & Construction Equipment

Main product launches

FR forage harvester models

in Europe

New series of professional

fixed chamber Roll Balers,
leveraging on the long term
strategic partnership signed
with Orkel
Tier 4 interim H Series
Forklifts and N Series
Tractor Loaders in North
America
CX55B Mini Excavator in
Latin America
SR130 and SR150 Skid
Steer Loaders in India
E55B Mini Excavator in Latin
America
LM1445F & LM1745
Telehandler in Latin America
4WD Steiger Rowtrac,
narrow tracks in North
America
Combine line-up now
available with optional
folding auger with length up
to 34-feet

20 Novembre, 2010
Iveco

Iveco
Margins substantially in line with Q3 11 despite volume declines
38
(51)
123
(21)
21
5.6%

5.4%
110
1
Q3 11
Volume
/Mix
Price
Prod.
Cost
SG&A
Other
Q3 12
R&D
(1)
Purch.
0

Revenues down 7% to 2.1bn, due to activity drop both in Europe (-7%) and in LatAm (-18%), partially compensated by a more favorable product mix

Overall volumes -18% to 29k units

By geography

WE -23% to 15k units: Italy (-25%), Germany (-25%), France (-15%), Spain (-30%) & UK (-33%)

EE -9%

LA -27%

RoW +19%

By segment

Light -18%; Medium -34%; Heavy -16%

Trading profit at 11