

CNH GLOBAL N V
Form 6-K
April 23, 2007

Table of Contents

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934
For the month of April 2007
CNH GLOBAL N.V.
(Translation of Registrant's Name Into English)
World Trade Center
Tower B, 10th Floor
Amsterdam Airport
The Netherlands
(Address of Principal Executive Offices)**

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No

(If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____.)

TABLE OF CONTENTS

SIGNATURES

Table of Contents

CNH GLOBAL N.V.

Form 6-K for the month of April 2007

List of Exhibits:

1. Press Release entitled, CNH First Quarter 2007 Net Income up 121 percent from 2006
-

Table of Contents

FOR IMMEDIATE RELEASE

For more information contact:

Thomas Witom News and Information (847) 955-3939

Albert Trefts, Investor Relations (847) 955-3821

Jr.

CNH First Quarter 2007 Net Income up 121 percent from 2006

n First Quarter Diluted EPS of \$0.40 up 122% from 2006

n Equipment Operations first quarter gross margin up 2 percentage points

n Full year 2007 outlook stronger, with an expected range of diluted EPS, net of restructuring, of \$2.15 to \$2.30
LAKE FOREST, Illinois (April 23, 2007) CNH Global N.V. (NYSE:CNH) today reported first quarter 2007 net income of \$95 million, up 121 percent compared to net income of \$43 million in the first quarter of 2006. Results included restructuring charges, net of tax, of \$10 million in the first quarter of 2007, compared with \$3 million in the first quarter of 2006. Net income excluding restructuring charges, net of tax, was \$105 million, up 128 percent compared to \$46 million in the prior year. First quarter diluted earnings per share were \$0.40, compared with \$0.18 per share in 2006. Before restructuring, net of tax, first quarter diluted earnings were \$0.44 per share, compared with \$0.20 per share in 2006.

Our Equipment Operations gross margin rose 2 percentage points compared with the first quarter last year. It is a good start towards achieving the aggressive targets we have for 2007, said Harold Boyanovsky, CNH President and Chief Executive Officer. Our brands are performing better and attracting more customers. This year's first quarter delivered a significant performance improvement, bringing us closer to our 2010 objectives. We are reaffirming our full year industrial operating margin target of between 7.6% and 8.4%.

Highlights for the first quarter include:

Industry and company retail unit volumes showed particular strength in higher horsepower agricultural tractors and combines, driven by increased demand from cash crop farmers in North America and the market recovery in Brazil.

Construction Equipment industry retail unit sales outside of North America were particularly strong, compensating for weaker industry unit sales in North America.

Continued improvement in product value positioning with customers enabled increased pricing compared with the first quarter last year.

Positive impacts of exchange rate changes offset economic-related cost increases, contributing to another quarter of positive net price recovery for both Agricultural and Construction Equipment operations.

Table of Contents

Net Debt of Equipment Operations, at the end of March, 2007 was \$6 million, down from \$263 million at year-end 2006.

Research and development spending increased 7% compared with the same period in 2006. At 2.8% of net sales of equipment, the same as in the first quarter 2006, this reflects CNH's continuing higher level of investments in product innovation and quality.

CNH acquired Kobelco-Case Machinery (Shanghai) Co. Ltd. which manages the Case Construction brand distribution network in China.

EQUIPMENT OPERATIONS – First Quarter Financial Results

Net sales of equipment, comprising the company's agricultural and construction equipment businesses, were \$3.2 billion for 2007, compared to \$3.0 billion for the same period in 2006. Net of currency variations, net sales increased 6%.

Agricultural Equipment Net Sales

Agricultural equipment net sales increased 9% to \$2.1 billion, compared with the prior year. Excluding currency variations, net sales were up 5%.

Net sales, excluding currency variations, were up 43% in Latin America, 11% in Rest-of-World markets and 10% in Western Europe, but down 6% in North America.

Sales increased due to favorable exchange rate changes, better volume and mix and higher pricing.

Construction Equipment Net Sales

Construction equipment net sales increased 11% to \$1.1 billion, compared to the prior year. Net sales were up 6% excluding currency variations.

Net sales increased 29% in Western Europe, 19% in Latin America and 62% in Rest-of-World markets, and declined 16% in North America, excluding currency variations.

Net sales increased due to favorable exchange rate changes, better volume and mix and higher pricing.

Gross Margin

Equipment Operations gross margin (defined as net sales of equipment less cost of goods sold) for agricultural and construction equipment increased by 23% to \$601 million, compared to the first quarter of 2006. As a percent of net sales, gross margin increased 2.0 percentage points to 18.5%.

Agricultural equipment gross margin increased in both dollars and as a percent of net sales compared to the prior year. Higher volume and mix and positive net price recovery were the primary contributors to the improvement.

Construction equipment gross margin also increased both in dollars and as a percent of net sales. Positive net price recovery and manufacturing efficiency improvements were the principal contributors.

Industrial Operating Margin

Equipment Operations industrial operating margin (defined as net sales of equipment, less cost of goods sold, SG&A and R&D costs) increased 42% to \$219 million, or 6.8% of net sales, compared

Table of Contents

to \$154 million or 5.2% of net sales in the first quarter of 2006. The higher gross margin noted above drove the improvement. SG&A costs increased for brand support at trade shows and equipment fairs for our dealers throughout the world, sales incentive and variable compensation programs and exchange rate variations. Investments in R&D also increased, to enhance product innovation and improve product quality, maintaining the 2.8% of net sales level of the first quarter last year.

FINANCIAL SERVICES First Quarter Financial Results

Financial Services operations reported a 25% increase in net income, to \$65 million, reflecting increased asset backed securities transaction gains and higher receivables balances, primarily in Latin America and Europe.

NET DEBT AND OPERATING CASH FLOW

Equipment Operations Net Debt (defined as total debt less cash and cash equivalents, deposits in Fiat affiliates cash management pools and intersegment notes receivables) was \$6 million on March 31, 2007, compared to \$263 million on December 31, 2006 and \$621 million on March 31, 2006.

In the quarter, net debt decreased by \$257 million. Operating activities, primarily from earnings and changes in other assets and liabilities, generated \$330 million of cash in the quarter. Working Capital (defined as accounts and notes receivable, excluding inter-segment notes receivable, plus inventories less accounts payables), net of currency variations, decreased by \$64 million in the quarter compared to an increase of \$81 million in the prior year, an improvement of \$145 million. Capital expenditures, in the quarter, were \$39 million.

At incurred currency rates, working capital on March 31, 2007 was \$2,076 million, down \$34 million from \$2,110 million at December 31, 2006.

Financial Services Net Debt increased by \$509 million to \$4,977 million on March 31, 2007 from \$4,468 million at December 31, 2006, driven primarily by additional transfers of receivables from Equipment Operations and higher levels of retail receivables.

FIRST QUARTER 2007 NEW PRODUCTS

New Holland Agricultural Equipment launched two important tractor lines in the 100 to 210 engine horsepower range, the T6000 Series and T7000 Series tractors, which run on B20 biodiesel fuels. Also, in January, fully integrated factory installed SuperSuite deluxe cabs became available on New Holland's 40 and 45 horsepower Boomer compact tractors. New Holland received the Eye on Biodiesel award for innovation at the National Biodiesel Board Conference in San Antonio, Texas. In Latin America, New Holland launched its CR 9060 TwinRotor combine in Argentina and started production in Brazil of the TT3840 tractor, a 55 horsepower addition to its line of simple and reliable utility tractors in an affordable package.

Table of Contents

Case IH Agricultural Equipment began shipping the new Puma Series tractors (135 to 180 PTO horsepower) as well as its new Axial-Flow® 7010 Class 7 Combine Harvester. Case IH's line of STX Steiger® 4 wheel drive tractors earned a 2007 FinOvation award from Farm Industry News magazine.

New Holland Construction Equipment launched new Tier 3 products in Latin America during the quarter, including E215 and E330 crawler excavators, new skid steer loaders and backhoe loaders and, in Europe, an upgraded Tier 3 E245 crawler excavator.

Case Construction Equipment launched its new Tier 3 CX B Series of full sized hydraulic excavators offering a 20% improvement in fuel efficiency, a 25% improvement in productivity (measured in cubic yards of material per gallon of fuel) and noise levels inside the cab that set new standards of quietness for the industry at 68.6 decibels (dBa). Its E Series wheel loaders, first launched in the fourth quarter of 2006 (models 721E & 821E), have become available in additional models the 921E and 721E XT.

AGRICULTURAL EQUIPMENT MARKET OUTLOOK

U.S. farm income in 2007 should remain at 2006 levels, bolstered by the increased demand for corn for fuel ethanol. The North American market performed better than expected in the first quarter, for both over and under 40 horsepower tractors and for combines. For the full year, CNH expects North American industry retail sales of over-40 horsepower tractors to be flat to up slightly, compared with 2006, while sales of under-40 horsepower tractors are expected to be lower than in 2006. Industry retail unit sales of combines in North America should be up. For the full year, we now expect industry retail unit sales of agricultural tractors outside of North America to be flat to up slightly, compared with 2006, while combines sales should be up, based on first quarter European and Latin American agricultural equipment markets which both performed better than expected; tractor industry sales were up in both markets and sales of sugar cane harvesters and combines also were up in Latin America. In total, we expect the worldwide agricultural tractor industry unit retail sales to be flat to up as much as 5% compared with 2006 while combine sales could be up about 10%. (Details by region and major products for the estimated first quarter results and full year projections are included in the attachment.)

CONSTRUCTION EQUIPMENT MARKET OUTLOOK

For the full year, we expect North American industry retail unit sales of both heavy and light construction equipment to be down compared with 2006. North American construction industry sales of both heavy and light equipment declined more than expected in the first quarter, as housing starts and activity levels continued to decline. For the year, we expect both heavy and light construction equipment industry retail unit sales outside of North America to be up, more than offsetting the decline in North America.

Table of Contents

Construction industry sales of both heavy and light equipment outside of North America were significantly stronger than expected in the first quarter, as construction activity levels continued to increase.

In total, we expect worldwide industry retail unit sales of both heavy and light construction equipment to be up about 5%. (Details by region and major products for the estimated first quarter results and full year projections are included in the attachment.)

CNH OUTLOOK FOR FULL YEAR 2007

Based on these agricultural and construction equipment market outlooks and the initiatives undertaken in the last two years designed to properly position our four main brands, CNH anticipates that 2007 diluted earnings per share, before restructuring, net of tax, should be in the range of \$2.15 to 2.30, compared with \$1.53 for the full year 2006.

Restructuring costs, net of tax, in 2007 are expected to be about \$60 million primarily related to previously announced actions.

###

CNH Global N.V. is a world leader in the agricultural and construction equipment businesses. Supported by about 11,500 dealers in 160 countries, CNH brings together the knowledge and heritage of its Case and New Holland brand families with the strength and resources of its worldwide commercial, industrial, product support and finance organizations. CNH Global N.V., whose stock is listed at the New York Stock Exchange (NYSE:CNH), is a majority-owned subsidiary of Fiat S.p.A. (FIA.MI; NYSE:FIA). More information about CNH and its Case and New Holland products can be found online at www.cnh.com.

###

CNH management will hold a conference call later today to review its first quarter 2007 results. The conference call Webcast will begin at approximately 7:30 a.m. U.S. Central Time; 8:30 a.m. U.S. Eastern Time. This call can be accessed through the investor information section of the company's Web site at www.cnh.com and is being carried by CCBN.

Forward-looking statements. This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact contained in this press release, including statements regarding our competitive strengths, business strategy, future financial position, budgets, projected costs and plans and objectives of management, are forward-looking statements. These statements may include terminology such as may, will, expect, , could , should, intend, estimate, anticipate, believe, remain, on track, goal, or similar terminology.

Our outlook is predominantly based on our interpretation of what we consider key economic assumptions and involves risks and uncertainties that could cause actual results to differ. Crop production and commodity prices are strongly affected by weather and can fluctuate significantly. Housing starts and other construction activity are sensitive to interest rates and government spending. Some of the other significant factors for us include general economic and capital market conditions, the cyclical nature of our business, customer buying patterns and preferences, foreign currency exchange rate movements, our hedging practices, our and

Table of Contents

our customers' access to credit, actions by rating agencies concerning the ratings of our debt securities and asset backed securities and the ratings of Fiat S.p.A., risks related to our relationship with Fiat S.p.A., political uncertainty and civil unrest or war in various areas of the world, pricing, product initiatives and other actions taken by competitors, disruptions in production capacity, excess inventory levels, the effect of changes in laws and regulations (including government subsidies and international trade regulations), the results of legal proceedings, technological difficulties, results of our research and development activities, changes in environmental laws, employee and labor relations, pension and health care costs, relations with and the financial strength of dealers, the cost and availability of supplies from our suppliers, raw material costs and availability, energy prices, real estate values, animal diseases, crop pests, harvest yields, government farm programs and consumer confidence, housing starts and construction activity, concerns related to modified organisms and fuel and fertilizer costs. Additionally, our achievement of the anticipated benefits of our margin improvement initiatives depends upon, among other things, industry volumes as well as our ability to effectively rationalize our operations and to execute our brand strategy. Further information concerning factors that could significantly affect expected results is included in our Form 20-F for the year ended December 31, 2006.

We can give no assurance that the expectations reflected in our forward-looking statements will prove to be correct. Our actual results could differ materially from those anticipated in these forward-looking statements. All written and oral forward-looking statements attributable to us are expressly qualified in their entirety by the factors we disclose that could cause our actual results to differ materially from our expectations. We undertake no obligation to update or revise publicly any forward-looking statements.

Table of Contents

CNH Global N.V.
Estimates of Worldwide Retail Industry Unit Sales Performance⁽¹⁾

	Worldwide 07 B(W)	N.A. 07 B(W)	W.E 07 B(W)	L.A. 07 B(W)	ROW 07 B(W)
First Quarter 2007 Industry Unit Sales Estimated Actual Compared with First Quarter 2006 Actual					
Agricultural Equipment:					
Agricultural Tractors:					
- Under 40 horsepower	n/a	(4)%	n/a	n/a	n/a
- Over 40 horsepower	n/a	6%	n/a	n/a	n/a
Total Tractors	(4)%	1%	2%	17%	(11)%
Combine Harvesters	12%	13%	(3)%	32%	21%
Total Tractors and Combines	(4)%	1%	2%	19%	(11)%
Construction Equipment:					
Light Construction Equipment:					
Tractor Loaders & Backhoes	18%	(25)%	35%	30%	59%
Skid Steer Loaders	(6)%	(15)%	0%	34%	29%
Other Light Equipment	14%	(11)%	23%	36%	20%
Total Light Equipment	10%	(16)%	22%	31%	29%
Total Heavy Equipment	10%	(11)%	19%	35%	17%
Total Light & Heavy Equipment	10%	(14)%	21%	33%	23%
Full Year 2007 Industry Unit Sales Forecast Compared with Full Year 2006 Estimated Actual					
Agricultural Equipment:					
Agricultural Tractors	0-5%	0-2%	FLAT	10-15%	0-5%
Combine Harvesters	~10%	5-10%	~5%	~35%	5-10%
Construction Equipment:					
Total Light Equipment	~5%	(10-15)%	10-15%	5-10%	15-20%
Total Heavy Equipment	~5%	(5-10)%	~15%	~15%	~10%

⁽¹⁾ Excluding India

Table of Contents

CNH Global N.V.
Revenues and Net Sales
(Unaudited, in accordance with U.S. GAAP)

	Three Months Ended		% Change
	2007	2006	
	March 31,		
	(In Millions)		
Revenues:			
Net sales			
Agricultural equipment	\$ 2,117	\$ 1,935	9%
Construction equipment	1,124	1,015	11%
Total net sales	3,241	2,950	10%
Financial services	254	223	14%
Eliminations and other	(22)	(12)	
Total revenues	\$ 3,473	\$ 3,161	10%
Net sales:			
North America	\$ 1,291	\$ 1,434	(10%)
Western Europe	1,049	833	26%
Latin America	322	229	41%
Rest of World	579	454	28%
Total net sales	\$ 3,241	\$ 2,950	10%

Table of Contents

CNH GLOBAL N.V.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
AND SUPPLEMENTAL INFORMATION
(Unaudited, in accordance with U.S. GAAP)

	CONSOLIDATED		EQUIPMENT		FINANCIAL	
	Three Months		OPERATIONS		SERVICES	
	Ended		Three Months Ended		Three Months	
	March 31,		March 31,		Ended	
	2007		2007		March 31,	
	2006		2006		2007	
	2006		2006		2006	
	(In Millions, except per share data)					
Revenues						
Net sales	\$ 3,241	\$ 2,950	\$ 3,241	\$ 2,950	\$	\$
Finance and interest income	232	211	39	40	254	223
Total	3,473	3,161	3,280	2,990	254	223
Costs and Expenses						
Cost of goods sold	2,640	2,462	2,640	2,462		
Selling, general and administrative	345	307	292	250	53	57
Research and development	90	84	90	84		
Restructuring	14	4	14	4		
Interest expense	141	139	73	81	90	77
Interest compensation to Financial Services			55	50		
Other, net	88	97	57	66	15	15
Total	3,318	3,093	3,221	2,997	158	149
Income (loss) before income taxes, minority interest and equity in income of unconsolidated subsidiaries and affiliates	155	68	59	(7)	96	74
Income tax provision	64	30	31	6	33	24
Minority interest	5	7	5	6		
Equity in income of unconsolidated subsidiaries and affiliates:						
Financial Services	2	2	65	52	2	2
Equipment Operations	7	10	7	10		
Net income	\$ 95	\$ 43	\$ 95	\$ 43	\$ 65	\$ 52

Weighted average shares
outstanding:

Basic	236.4	145.1
Diluted	237.1	235.5

Basic and diluted earnings per
share (EPS):

Basic:

EPS before restructuring, net of tax	\$ 0.44	\$ 0.32
EPS	\$ 0.40	\$ 0.30

Diluted:

EPS before restructuring, net of tax	\$ 0.44	\$ 0.20
EPS	\$ 0.40	\$ 0.18

Dividends per share	\$	\$
---------------------	----	----

See Notes to Condensed Financial Statements.

Table of Contents

CNH GLOBAL N.V.
CONDENSED CONSOLIDATED BALANCE SHEETS
AND SUPPLEMENTAL INFORMATION
(Unaudited, in accordance with U.S. GAAP)

	CONSOLIDATED		EQUIPMENT OPERATIONS		FINANCIAL SERVICES	
	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006	March 31, 2007	December 31, 2006
	(In Millions)					
Assets						
Cash and cash equivalents	\$ 1,013	\$ 1,174	\$ 594	\$ 703	\$ 419	\$ 471
Deposits in Fiat affiliates cash management pools	732	497	731	496	1	1
Accounts, notes receivable and other net	7,118	6,549	1,341	1,314	5,943	5,344
Intersegment notes receivable			1,619	1,445		
Inventories	3,037	2,735	3,037	2,735		
Property, plant and equipment net	1,303	1,307	1,293	1,295	10	12
Equipment on operating leases net	286	254			286	254
Investment in Financial Services			1,866	1,788		
Investments in unconsolidated affiliates	479	457	372	354	107	103
Goodwill and intangibles	3,136	3,144	2,987	2,998	149	146
Other assets	2,160	2,157	1,403	1,386	757	771
Total Assets	\$ 19,264	\$ 18,274	\$ 15,243	\$ 14,514	\$ 7,672	\$ 7,102
Liabilities and Equity						
Short-term debt	\$ 1,623	\$ 1,270	\$ 588	\$ 488	\$ 1,035	\$ 782
Intersegment short-term debt					1,367	1,348
Accounts payable	2,210	1,881	2,302	1,939	64	42
Long-term debt	5,105	5,132	2,362	2,419	2,743	2,713
Intersegment long-term debt					252	97
Accrued and other liabilities	5,131	4,871	4,796	4,548	345	332
Total Liabilities	14,069	13,154	10,048	9,394	5,806	5,314
Equity	5,195	5,120	5,195	5,120	1,866	1,788
	\$ 19,264	\$ 18,274	\$ 15,243	\$ 14,514	\$ 7,672	\$ 7,102

Total Liabilities and
Equity