

CNH GLOBAL N V  
Form 6-K  
July 26, 2006

**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 July 2006**

**CNH GLOBAL N.V.**

**(Translation of Registrant's Name Into English)**

**World Trade Center**

**Tower B, 10<sup>th</sup> 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-\_\_\_\_\_.)

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**CNH GLOBAL N.V.**

Form 6-K for the month of July 2006

List of Exhibits:

1. News Release entitled, CNH Reports Second Quarter 2006 Net Income of \$147 million, up \$33 million from the Second Quarter 2005
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**FOR IMMEDIATE RELEASE**

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*CNH Reports Second Quarter 2006 Net Income of \$147 million, up \$33 million from the Second Quarter 2005*

- n Strong retail demand for CNH products continues
- n Equipment Operations gross margin up 2.7 percentage points
- n Significant reduction in Equipment Operations net debt
- n Full-year 2006 outlook unchanged, with an expected range of diluted EPS of \$1.30 to \$1.40 before restructuring

LAKE FOREST, Illinois (July 24, 2006) CNH Global N.V. (NYSE:CNH) today reported second quarter 2006 net income of \$147 million, up 29% compared to net income of \$114 million in the second quarter of 2005. Results include restructuring charges, net of tax, of \$7 million in the second quarter of 2006, and \$4 million in the second quarter of 2005. Second quarter diluted earnings per share were \$0.62, compared with \$0.49 per share in 2005. Before restructuring, net of tax, second quarter diluted earnings were \$0.65 per share, compared with \$0.50 per share in 2005.

CNH's renewed focus on customers and dealers is delivering increasingly better results, said Harold Boyanovsky, CNH president and chief executive officer. Our Equipment Operations gross margin improvement has continued into the second quarter, up 2.7 percentage points compared with last year, and we are firmly on track to meet our targets for the year.

Highlights for the quarter included the following:

CNH's agricultural equipment brands, Case IH and New Holland introduced five new products in the quarter, and its construction equipment brands, Case and New Holland Construction introduced six new products.

Pricing was higher than all economics and currency related cost increases, resulting in another quarter of positive net recovery for both Agricultural and Construction Equipment Operations. Pricing was strongest in the Americas.

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Manufacturing efficiencies generated additional margin improvements by lowering production costs.

Research and development spending increased 25% from the same period in 2005, reflecting CNH's investments in product innovation and quality.

Equipment Operations reduced net debt in the quarter by \$484 million, to \$137 million at June 30, 2006. Positive cash flow from operating activities, including a \$157 million reduction in working capital, was the principal contributor to the improvement.

Case IH's logo was prominently displayed on the nose of the winning Ferrari at the Indianapolis Formula One Grand Prix race and at the Grand Prix of Canada in Montreal, to the delight of Case IH dealers and customers throughout the world.

### **EQUIPMENT OPERATIONS Second Quarter Financial Results**

Net sales of equipment, comprising the company's agricultural and construction equipment businesses, were \$3.5 billion for 2006, compared to \$3.4 billion for the same period in 2005. Net of currency variations, net sales increased by 2% over the prior year.

#### **Agricultural Equipment Net Sales**

Agricultural equipment net sales were \$2.3 billion, down 1% from the prior year and down 2% excluding currency variations.

Excluding currency variations, sales in Latin America were up 16%, sales in Rest-of-World markets were up 8%, and in Western Europe up 2%. Excluding currency variations, sales in North America declined by 9%, in line with the company's actions to reduce working capital by under-producing retail unit sales of major agricultural products by 15%, to reduce inventories in a declining industry environment.

Case IH introduced the new JX95 Straddle version utility tractor in North America, the Patriot 350-200 cv sprayer and the 2399 Extreme combine in Latin America.

New Holland won the prestigious National Agri Marketing Association Best of NAMA award for its brand campaign. In North America, New Holland introduced two new models of higher horsepower Class II Boomer™ Compact Tractors (under-40 horsepower), two field sprayers and a new air hoe drill.

Total retail unit sales of CNH's agricultural tractors and combines increased by approximately 7% compared to last year. Worldwide production of agricultural tractors and combines was approximately 4% lower than retail, following the company's normal seasonal pattern to decrease company and dealer inventories during the spring selling season.

#### **Construction Equipment Net Sales**

Net sales of construction equipment were approximately \$1.2 billion, an increase of 12% compared to approximately \$1.1 billion last year, and up 11% excluding currency variations.

Excluding currency variations, sales in Latin America were up 51% and in Rest-of-World markets up 17%. Sales were up 11% in Western Europe and up 4% in North America.

In North America, Case Construction Equipment introduced two new models of Compact Track Loaders, smaller-sized machines that round out the line launched in 2005. Debuting in the second half will be a new Tier 3 compliant excavator, two models of wheel loaders, three models of crawler dozers and two new articulated trucks. In Europe, during the quarter, Case launched the CX700 hydraulic excavator, a direct response to customer requests for a high-production heavy-duty machine between the existing CX460 and CX800 models.

Looking to the second half of 2006, pilot control options will be available on New Holland Construction skid steer loaders and compact track loaders, and three new wheel loader models are scheduled to be launched to the public.

While total retail unit sales of CNH's major construction equipment products increased by approximately 8% compared to last year, worldwide production was substantially the same as in 2005.

### **Gross Margin**

*Equipment Operations gross margin* (defined as net sales of equipment less cost of goods sold) for agricultural and construction equipment was \$686 million, up 20% compared to \$574 million last year. As a percent of net sales, gross margin was 19.6%, up 2.7 percentage points from 2005.

Agricultural equipment gross margin increased in both dollars and as a percent of net sales compared to the prior year. The improvement was explained by positive price recovery and increased manufacturing efficiencies, which more than offset the impact of company actions to reduce dealer and company inventories.

Construction equipment gross margin also increased in both dollars and as a percent of net sales. Positive price recovery, better volume and mix and manufacturing efficiencies contributed to the improvement.

### **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) was \$324 million, or 9.3% of net sales, up 31% compared to \$248 million or 7.3% of net sales in 2005. The improvement was driven by the higher gross margin, noted above. Increased investments in SG&A and in R&D to increase product innovation by brand and to improve product quality were partial offsets.

### **Adjusted EBITDA**

*Adjusted EBITDA for Equipment Operations* (defined as net income excluding net interest expense, income tax provision (benefit), depreciation and amortization and restructuring) was \$329 million, or 9.4% of net sales, up 20% compared to \$274 million in 2005, or 8.1% of net sales. Interest coverage, on a last 12 months basis (defined as adjusted EBITDA for the past 12 months divided by net interest expense for the past 12 months) was 4.3 times for the period ended June 30, 2006, compared with 3.1 times for the similar period ended June 30, 2005.

**FINANCIAL SERVICES Second Quarter Financial Results**

Financial Services operations reported net income of \$49 million, up 11% compared to \$44 million last year, reflecting the impact of higher balances of receivables under management. Financial Services recorded higher credit losses than in 2005, primarily related to its agricultural equipment receivables in Brazil.

**CNH Year-to-Date Financial Results**

CNH's net income for the first six months was \$190 million, up 47% compared to \$129 million for 2005. Results include restructuring charges, net of tax, of \$10 million in 2006, and \$8 million in 2005. First half diluted earnings per share were up 47% to \$0.81, compared to \$0.55 per share in 2005. Before restructuring, net of tax, diluted earnings per share were \$0.85, compared with \$0.58 per share in 2005.

**EQUIPMENT OPERATIONS Year-to-Date Financial Results**

Net sales of equipment, comprising the company's agricultural and construction equipment businesses, were \$6.4 billion, compared to \$6.2 billion in 2005. Net of currency variations, net sales increased by 4% over the prior year.

*Adjusted EBITDA for Equipment Operations* was \$486 million, or 7.5% of net sales, up 20% compared to \$404 million in 2005, or 6.5% of net sales.

**FINANCIAL SERVICES Year-to-Date Financial Results**

Financial Services operations reported first half 2006 net income of \$101 million, up 9% compared to \$93 million last year, reflecting the impact of higher balances of receivables under management. Financial Services recorded higher credit losses than in 2005, primarily related to its agricultural equipment receivables in Brazil.

**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 \$137 million at June 30, 2006, compared to \$719 million at December 31, 2005 and \$824 million at June 30, 2005. Net debt to net capitalization was 2.5% at June 30, 2006, down from 12.5% at December 31, 2005. As of June 30, 2006, CNH had 235.7 million common shares outstanding. In the quarter, net debt decreased principally because of \$582 million of cash generated by operating activities, including positive net income and reduced working capital. Working capital (defined as accounts and notes receivable, excluding inter-segment notes receivable, plus inventories less accounts payables), net of currency variations, decreased by approximately \$157 million in the quarter. At incurred currency rates, working capital at June 30, 2006 was \$2.1 billion, substantially unchanged from December 31, 2005 and down more than \$300 million from June 30, 2005.

On June 20, CNH's wholly owned subsidiary, Case New Holland, Inc. commenced an exchange offer for its recently issued 7.125% Senior Notes due 2014, for 7.125% Senior

Notes due 2014 that have been registered under the Securities Act of 1933, as amended. The exchange offer, initially set to expire on July 21, 2006, has been extended until July 26, 2006. Any original notes not tendered prior to the expiration of the exchange offer will remain unregistered securities, subject to the conditions of the 144A market. *Financial Services Net Debt* increased by approximately \$973 million to \$5.0 billion at June 30, 2006 from March 31, 2006, reflecting increases in the receivables portfolio, mostly in North America.

**AGRICULTURAL EQUIPMENT MARKET OUTLOOK FOR FULL YEAR 2006**

CNH believes that worldwide industry unit retail sales of agricultural tractors will be 5 to 10% higher than in 2005, driven by an expected 20 to 25% increase in Rest-of-World markets. Industry unit retail sales of under-40 horsepower tractors in North America are expected to be approximately the same as in 2005. Sales of over-40 horsepower tractors in North America also are expected to remain the same or slightly higher than in 2005, but with industry sales of 40 to 100 horsepower tractors up slightly and sales of over 100 horsepower tractors down. Agricultural tractor markets in Western Europe and Latin America could be down as much as 5%.

Worldwide industry unit retail sales of combine harvesters may be down 5 to 10%. North American, Western European and Rest-of-World markets could be down as much as 5%. Industry sales in Latin America are expected to be down 35 to 40%.

**CONSTRUCTION EQUIPMENT MARKET OUTLOOK FOR FULL YEAR 2006**

CNH believes that worldwide industry unit retail sales of construction equipment will be stronger than in 2005. Worldwide industry sales of heavy construction equipment are expected to increase about 10%, led by increases of 10% in North America and 10 to 15% in Rest-of-World markets. Industry unit sales in Western Europe and in Latin America could be up as much as 5% compared with 2005.

Worldwide industry unit retail sales of light construction equipment could be up 5 to 10%, with Western Europe up 5 to 10% and Latin American and Rest-of-World markets up 10 to 15%. In North America, industry sales are expected to be up as much as 5% compared with full year 2005.

**CNH OUTLOOK FOR FULL YEAR 2006**

CNH expects its net sales of equipment to increase in the range of 2 to 5%. Continuing pricing and margin improvement initiatives at Equipment Operations will drive better results. Profitability at Financial Services is expected to be up slightly. Results of CNH's joint ventures are expected to be better than in 2005. The benefit of this improvement at Equipment Operations will be partially offset by an increase in CNH's effective tax rate, as previously stated.



CNH anticipates that 2006 diluted earnings per share, before restructuring, net of tax, should be in the range of \$1.30 to \$1.40, compared with \$0.95 per share for 2005.

Full-year restructuring costs, net of tax, are expected to be slightly higher than in 2005, as CNH recognizes the balance of the costs related to the planned manufacturing rationalization in Europe.

The company's previously announced \$120 million contribution to its U.S. defined benefit pension plan was made in April, 2006. After considering this contribution, Equipment Operations now expects slightly better cash generation from working capital reductions during the year, and to reduce its net debt by approximately \$400 million, as compared with year-end 2005 levels.

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CNH management will hold a conference call later today to review its second quarter results. The conference call Webcast will begin at approximately 8:30 a.m. U.S. Central Time; 9:30 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](http://www.cnh.com) and is being carried by CCBN.

CNH Case New Holland, a majority-owned subsidiary of Fiat S.p.A. (FIA.MI; NYSE:FIA), is a world leader in the agricultural and construction equipment businesses. Supported by more than 11,000 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. stock is listed at the New York Stock Exchange (NYSE:CNH). More information about CNH and its Case and New Holland products can be found online at [www.cnh.com](http://www.cnh.com).

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 our customers' access to credit, actions by rating agencies concerning the ratings on our debt 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), 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 profit 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, 2005.

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.

**CNH Global N.V.**  
**Estimates of Worldwide Retail Industry Unit Sales Performance<sup>(1)</sup>**

	Worldwide '06 B(W)	N.A. '06 B(W)	W.E '06 B(W)	L.A. '06 B(W)	ROW '06 B(W)
<b>First Quarter 2006 Industry Unit Sales Revised Estimate Compared with First Quarter 2005 Actual</b>					
<b>Agricultural Equipment:</b>					
Agricultural Tractors:					
- Under 40 horsepower	n/a	6%	n/a	n/a	n/a
- Over 40 horsepower	n/a	4%	n/a	n/a	n/a
Total Tractors	21%	5%	2%	(7)%	50%
Combine Harvesters	(9)%	9%	(8)%	(37)%	13%
Total Tractors and Combines	20%	5%	2%	(11)%	49%
<b>Construction Equipment:</b>					
Light Construction Equipment:					
Tractor Loaders & Backhoes	5%	(1)%	(15)%	21%	23%
Skid Steer Loaders	6%	2%	3%	67%	23%
Other Light Equipment	22%	48%	14%	78%	19%
Total Light Equipment	15%	15%	10%	33%	20%
Total Heavy Equipment	20%	25%	4%	28%	25%
Total Light & Heavy Equipment	17%	18%	8%	31%	23%
<b>Second Quarter 2006 Industry Unit Sales Preliminary Estimate Compared with Second Quarter 2005 Actual</b>					
<b>Agricultural Equipment:</b>					
Agricultural Tractors:					
- Under 40 horsepower	n/a	(2)%	n/a	n/a	n/a
- Over 40 horsepower	n/a	(3)%	n/a	n/a	n/a
Total Tractors	10%	(3)%	(3)%	(7)%	37%
Combine Harvesters	(3)%	(2)%	(2)%	(46)%	8%
Total Tractors and Combines	10%	(3)%	(3)%	(9)%	36%
<b>Construction Equipment:</b>					
Light Construction Equipment:					
Tractor Loaders & Backhoes	(2)%	(16)%	(15)%	43%	17%
Skid Steer Loaders	(5)%	(10)%	3%	5%	10%
Other Light Equipment	15%	23%	9%	23%	18%
Total Light Equipment	6%	(1)%	6%	31%	16%
Total Heavy Equipment	6%	(1)%	4%	6%	13%
Total Light & Heavy Equipment	6%	(1)%	5%	17%	14%
<b>2nd Half 2006 Industry Unit Sales Forecast Compared with 2nd Half 2005 Actual</b>					
<b>Agricultural Equipment:</b>					
Agricultural Tractors	0-5%	0-5%	(0-5)%	0-5%	5-10%
Combine Harvesters	(10-15)%	(5-10)%	(0-5)%	~(35)%	(20-25)%
<b>Construction Equipment:</b>					
Total Light Equipment	~5%	0-5%	5-10%	(0-5)%	5-10%
Total Heavy Equipment	5-10%	10-15%	~5%	~(10)%	5-10%
<b>Full Year 2006 Industry Unit Sales Forecast Compared with Full Year 2005 Estimated Actual</b>					

**Agricultural Equipment:**

Agricultural Tractors	5-10%	FLAT	(0-5)%	(0-5)%	20-25%
Combine Harvesters	(5-10)%	(0-5)%	(0-5)%	(35-40)%	(0-5)%

**Construction Equipment:**

Total Light Equipment	5-10%	0-5%	5-10%	10-15%	10-15%
Total Heavy Equipment	~10%	~10%	0-5%	0-5%	10-15%

<sup>(1)</sup> Excluding India

**CNH Global N.V.**  
**Revenues and Net Sales**  
**(Unaudited)**

	Three Months Ended June 30,			Six Months Ended June 30,		
	2006	2005	% Change	2006	2005	% Change
	(In Millions)					
Revenues:						
Net sales						
Agricultural equipment	\$ 2,275	\$ 2,301	(1%)	\$ 4,210	\$ 4,232	(1%)
Construction equipment	1,222	1,093	12%	2,237	1,985	13%
Total net sales	3,497	3,394	3%	6,447	6,217	4%
Financial services	229	184	24%	452	371	22%
Eliminations and other	(22)	(7)		(34)	(14)	
Total revenues	\$ 3,704	\$ 3,571	4%	\$ 6,865	\$ 6,574	4%
Net sales:						
North America	\$ 1,642	\$ 1,690	(3%)	\$ 3,076	\$ 2,990	3%
Western Europe	1,081	1,043	4%	1,914	1,967	(3%)
Latin America	249	177	41%	478	377	27%
Rest of World	525	484	8%	979	883	11%
Total net sales	\$ 3,497	\$ 3,394	3%	\$ 6,447	\$ 6,217	4%

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**CNH GLOBAL N.V.**  
**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**AND SUPPLEMENTAL INFORMATION**  
**(Unaudited)**

	<b>CONSOLIDATED</b>		<b>EQUIPMENT</b>		<b>FINANCIAL</b>	
	<b>Three Months</b>		<b>OPERATIONS</b>		<b>SERVICES</b>	
	<b>Ended</b>		<b>Three Months Ended</b>		<b>Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>		<b>June 30,</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>(In Millions, except per share data)</b>					
Revenues						
Net sales	\$ 3,497	\$ 3,394	\$ 3,497	\$ 3,394	\$	\$
Finance and interest income	207	177	45	32	229	184
<b>Total</b>	<b>3,704</b>	<b>3,571</b>	<b>3,542</b>	<b>3,426</b>	<b>229</b>	<b>184</b>
Costs and Expenses						
Cost of goods sold	2,811	2,820	2,811	2,820		
Selling, general and administrative	325	300	266	249	59	52
Research and development	96	77	96	77		
Restructuring	7	6	7	6		
Interest expense	156	135	92	86	87	62
Interest compensation to Financial Services			66	41		
Other, net	86	68	53	45	10	8
<b>Total</b>	<b>3,481</b>	<b>3,406</b>	<b>3,391</b>	<b>3,324</b>	<b>156</b>	<b>122</b>
Income before income taxes, minority interest and equity in income of unconsolidated subsidiaries and affiliates	223	165	151	102	73	62
Income tax provision	92	57	66	36	26	20
Minority interest	7	8	8	8		
Equity in income of unconsolidated subsidiaries and affiliates:						
Financial Services	2	2	49	44	2	2
Equipment Operations	21	12	21	12		
Net income	\$ 147	\$ 114	\$ 147	\$ 114	\$ 49	\$ 44

Weighted average shares  
outstanding:

Basic	235.6	134.1
Diluted	235.7	234.3

Basic and diluted earnings per  
share ( EPS ):

Basic:

EPS before restructuring, net of tax	\$ 0.65	\$ 0.60
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EPS	\$ 0.62	\$ 0.58
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Diluted:

EPS before restructuring, net of tax	\$ 0.65	\$ 0.50
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EPS	\$ 0.62	\$ 0.49
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Dividends per share	\$ 0.25	\$ 0.25
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See Notes to Condensed Consolidated Financial Statements.

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**CNH GLOBAL N.V.**  
**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**AND SUPPLEMENTAL INFORMATION**  
**(Unaudited)**