

# LETTER FROM THE CHAIRMAN



Dear Shareholders,

2012 was a particularly significant year for Fiat Industrial, both for the results achieved, despite deteriorating economic conditions in several major European markets, and for the fact that it represented the beginning of another important chapter.

The decision to ensure full independence and freedom of movement for the capital goods businesses, through the demerger from Fiat Group, has unlocked their growth potential and brought clear financial benefits.

In 2012, its second year as an independent group, Fiat Industrial posted another year of gains and met all financial targets. Revenues were up 6.2% to €25.8 billion.

Trading profit was also significantly higher at more than €2 billion, with trading margin improving 1.2 percentage points over the prior year to 8.1%.

Net profit was up 31% to €921 million.

Those results demonstrate the solidity of the Group and its businesses and were primarily driven by continued robust performance for CNH, particularly in the Agricultural Equipment segment.

On that basis, the Board of Directors is recommending a total dividend of approximately €275 million, corresponding to €0.225 per ordinary share.

Despite being a relative newcomer to the financial markets, the profound sense of responsibility with which the Group manages its activities reflects the values and experience integral to each of the Group's businesses.

During the year, Fiat Industrial's leadership in sustainability was again recognized by leading rating agencies and other international organizations.

The Group was reconfirmed Industry Leader in the Industrial Engineering sector of the prestigious Dow Jones Sustainability Indexes (DJSI) World and Europe, which only admit companies that are best-in-class in terms of the sustainable management of their businesses. Fiat Industrial scored 85/100 compared with an average of 51/100 for the sector.

For the second consecutive year, Fiat Industrial was also admitted to the Italy 100 Carbon Disclosure Leadership Index (CDLI) with a score of 91/100 for the level of disclosure on issues related to climate change.

We consider these important recognitions of what we have already achieved, as well as an incentive to continue in our commitment and set even more ambitious targets for the future.

None of these results would have been possible without the determination and dedication of the men and women at Fiat Industrial and we thank them for embracing these principles and translating them into concrete action.

Fiat Industrial has reached another crucial moment in its history.

In November, CNH Global N.V. (CNH) and Fiat Industrial S.p.A. signed a merger agreement that paves the way for a new corporate structure and full integration of their activities.

The transaction – which will be submitted to the respective companies' shareholders at the extraordinary general meetings to be called for approval of the transaction, with completion expected during the third quarter of 2013 – represents the culmination of a lengthy simplification process initiated more than two years ago.

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