

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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FILER

CASE CORP

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SIC: **3523** Farm machinery & equipment

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE
ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 1-13098

CASE CORPORATION

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE

76-0433811

(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

(I.R.S. EMPLOYER
IDENTIFICATION NO.)

53404

700 STATE STREET, RACINE, WISCONSIN

(ZIP CODE)

(ADDRESS OF PRINCIPAL EXECUTIVE
OFFICES)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (414) 636-6011

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

<TABLE>

<CAPTION>

TITLE OF EACH CLASS

NAME OF EACH EXCHANGE
ON WHICH REGISTERED

<S>	<C>
Common Stock, par value \$0.01 per share.....	New York, Chicago and Paris, France, Stock Exchanges

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT: None

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS
REQUIRED TO BE FILED BY SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF
1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE
REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO
SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS. YES NO

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM
405 OF REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO
THE BEST OF REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION
STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY
AMENDMENT TO THIS FORM 10-K.

STATE THE AGGREGATE MARKET VALUE OF THE VOTING STOCK HELD BY NON-AFFILIATES
OF THE REGISTRANT. THE AGGREGATE MARKET VALUE SHALL BE COMPUTED BY REFERENCE
TO THE PRICE AT WHICH THE STOCK WAS SOLD, OR THE AVERAGE BID AND ASKED PRICES
OF SUCH STOCK, AS OF A SPECIFIED DATE WITHIN 60 DAYS PRIOR TO THE DATE OF
FILING.

<TABLE>

<CAPTION>

CLASS OF VOTING STOCK AND NUMBER OF SHARES HELD BY NON-AFFILIATES AT FEBRUARY 28, 1997	MARKET VALUE HELD BY NON- AFFILIATES (2)
---	--

Common Stock, 73,798,570 shares (1)	\$3,828,300,819
-------------------------------------	-----------------

</TABLE>

(1) Does not include 141,864 shares held by Case executive officers and

directors; however, this determination does not constitute an admission of affiliate status for any of these stockholders.

(2) Based upon the closing sale price on the Composite Tape for the Common Stock on February 28, 1997.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. Common Stock, par value \$0.01 per share, 73,940,434 shares outstanding as of February 28, 1997.

DOCUMENT INCORPORATED BY REFERENCE:

<TABLE>
<CAPTION>

DOCUMENT -----	PART OF THE FORM 10-K INTO WHICH INCORPORATED -----
<S>	<C>
Case Corporation's Definitive Proxy Statement for the Annual Meeting of Stockholders to be Held May 14, 1997	Part III

</TABLE>

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Case Corporation, a Delaware corporation (the "Company"), is a leading worldwide designer, manufacturer, marketer and distributor of farm equipment and light- and medium-sized construction equipment. The Company's market position is particularly significant in several product categories, including loader/backhoes, skid steer loaders, large, high-horsepower farm tractors and self-propelled combines. As used herein, "Case" refers to the Company and its consolidated subsidiaries.

Case also manufactures and distributes replacement parts for various models of its farm and construction equipment, many of which are proprietary, to support products it has sold. Case distributes these parts to dealers and distributors through a network of parts depots throughout the world.

To facilitate the sale of its products, Case offers wholesale financing to its dealers and various types of retail financing to qualified end-users in the United States, Canada and Australia. Wholesale financing consists primarily of floorplan financing and allows dealers to maintain a representative inventory of products. Retail financing consists of the financing of retail installment sales contracts, leases and similar products for the benefit of end-use customers in conjunction with the purchase of new and used equipment from Case dealers and company-owned retail stores and is intended to be competitive with financing available from third parties.

In 1996, Case's sales of farm and construction equipment represented 78% of total revenues, while sales of replacement parts represented 18% and financing operations accounted for 4% of total revenues. In 1996, Case's sales of farm equipment represented 63% of revenues from equipment sales, and sales of construction equipment represented 37% of revenues from equipment sales. For information concerning the revenues, operating results and identifiable assets attributable to each of the geographic areas in which Case operates, see Note 19 to the Consolidated and Combined Financial Statements of Case Corporation (the "Case Financial Statements") included in Item 8 hereof.

Case products are distributed through an extensive network of independent dealers and distributors in more than 150 countries worldwide.

ACQUISITION OF BUSINESSES

The Company completed four strategic business acquisitions in 1996. In January 1996, the Company acquired Concord, Inc. ("Concord"), a manufacturer of air drills based in Fargo, North Dakota. Concord products complement the full array of Case IH agricultural equipment, including the Company's yield mapping system. In the second quarter of 1996, the Company completed the purchase of all of the outstanding shares of Austoft Holdings Limited ("Austoft"), the world's largest manufacturer of sugar cane harvesting equipment, based in Bundaberg, Australia. In the third quarter of 1996, the Company acquired a 75% interest in Steyr Landmaschinenteknik AG ("Steyr"), an Austrian tractor manufacturer whose tractors are recognized for their superior performance in mountainous regions. The Steyr line extends from utility to row-crop tractors ranging from 48 to 150 horsepower. In the fourth quarter of 1996, the Company acquired Fermecc Holdings Limited ("Fermecc"), a construction equipment manufacturer based in Manchester, United Kingdom. Fermecc's products include loader/backhoes, mini-excavators, skid steer loaders and industrial tractors.

In January 1997, the Company acquired bor-mor Inc., a North American-based directional drilling company whose "trenchless" technology will expand Case's product offering in the cable and underground utility installation market.

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FARM EQUIPMENT

Case manufactures and distributes a broad line of farm machinery and implements, including two-wheel and four-wheel drive tractors ranging in size from 40 to 425 horsepower, combines, cotton pickers, hay and forage equipment, planting and seeding equipment, soil preparation and cultivation implements, sugar cane harvesters and material handling equipment. In 1996, the Company introduced more than 20 new agricultural products, completing the largest product launch in its history.

Case's tractor line covers a broad range of requirements to serve widely

varying needs of customers in the global farming industry. Large tractors, such as the Case MAGNUM(TM) two-wheel drive and STEIGER(R) four-wheel drive tractors are primarily sold to large, high-volume agricultural producers. In 1996, the Company launched a new line of MAGNUM(TM) two-wheel drive tractors and the new Quadtrac(TM), four-wheel drive tracked tractor. Small and medium-sized tractors, such as the MAXXUM(R) and "3200/4200" series of two-wheel drive tractors, are sold worldwide across a broader range of applications. Steyr produces tractors in Austria and markets these products primarily in Europe. Case also distributes tractors manufactured by Carraro S.p.A. to meet specialized European market requirements.

Harvesting equipment includes combines, cotton pickers and sugar cane harvesters. AXIAL-FLOW(R) combines are used in a broad variety of grain harvesting applications. In 1996, the Company acquired exclusive development, manufacturing and marketing rights to a new combine-attachment design for "ultra-narrow" row farming that has the potential to substantially increase farmer productivity. COTTON-EXPRESS(R) cotton pickers are sold to customers who require highly productive, multi-row cotton harvesting equipment. Austoft manufactures sugar cane harvesting equipment in Australia and Brazil and markets these products worldwide.

"Ag Systems" comprise all of the agricultural equipment and attachments that allow farmers to assemble complete systems of products for their unique applications. EARLY-RISER(R) planter equipment, CONCORD(R) air seeding equipment, and a broad line of tillage and cultivation implements are sold for a variety of row-crop and small grain farming requirements. Hay and Forage Industries, a joint venture with AGCO Corporation ("AGCO"), manufactures a broad range of products used primarily in livestock production. Case also distributes some "Ag Systems" products manufactured by other companies for specific needs in various regions of the world. In 1996, Case launched an enhanced software package for the Case IH Advanced Farming System and an improved line of implements including enhancements to its EARLY-RISER(R) planters, new field cultivators and chisel plows that can be converted into air seeders, and new baler and windrower models that are engineered to increase yields and productivity.

Farm equipment net sales for the year ended December 31, 1996, included the following components: tractors 59%, combines 27%, implements 6%, hay and forage 4%, cotton pickers 2% and sugar cane harvesters 2%.

CONSTRUCTION EQUIPMENT

Case manufactures and distributes a broad line of construction machinery that primarily serves the light- to medium-sized equipment requirements in a wide range of applications. Product lines include loader/backhoes, crawler and wheel excavators, wheel loaders, crawler dozers, skid steer loaders, trenchers and rough terrain forklifts.

Loader/backhoes are used across a large number of construction industry segments because of their multi-function versatility and the capability of adding various attachments. Case manufactures a variety of loader/backhoe models based on a single global product structure to serve the specific regional markets. Since the acquisition of Fermecc, Case has a second product structure which includes a four-wheel steer version, a segment of growing importance in Europe. Loader/backhoes are manufactured in North America, Europe and Brazil for sale to customers worldwide.

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Case sells a number of excavator models in different regions of the world. In North America, Case distributes several excavator models manufactured by Sumitomo Construction Machinery Co., Ltd. ("Sumitomo"). In Europe, Case manufactures and sells a broad range of crawler and wheeled excavators. This product line includes both standard and specially-configured models. Since the acquisition of Fermecc, Case now manufactures mini-excavators in Europe under license from Kobelco Construction Machinery. Also in Europe, Case distributes midi-excavators produced by Macmoter, Inc.

Case offers a variety of other construction equipment products worldwide. Wheel loaders are used in a wide variety of applications and are sold in various configurations to meet the unique needs of construction, industrial,

utility and government customers. In Europe, Case distributes additional smaller wheel loaders manufactured by Venieri S.p.A. Case's crawler dozer line is used primarily in grading applications, with the majority of units sold in North America. With the continued development of new attachments, Case skid steer loaders are sold into a continuously growing range of worldwide applications. Trenchers are used primarily for utility applications for installation of pipe and cable and are sold equipped with a variety of tools including cable plows, backhoes and rock saws. Case's acquisition of bor-mor Inc. will expand Case's product offering in the cable and underground utility installation market. Case also manufactures and sells rough terrain forklifts, primarily in North America.

Construction equipment net sales for the year ended December 31, 1996, included the following components: loader/backhoes 46%, excavators 17%, wheel loaders 13%, skid steer loaders 13%, crawler dozers 4%, trenchers 3% and other 4%.

REPLACEMENT PARTS

The replacement parts and associated service business is a major source of revenue and profitability for both Case and its dealers. It is also a significant factor in overall customer satisfaction and a strong contributor to the equipment purchase decision.

Case manufactures and distributes replacement parts for various models of its farm and construction equipment, many of which are proprietary, to support products it has sold over the past years. Since many of the products Case sells have economically productive lives of 15 to 25 years when properly maintained, each unit that is retailed into the marketplace produces a long-term revenue stream for both Case and its dealers. Sales of replacement parts have historically been less cyclical than sales of new equipment and typically generate higher gross margins than new equipment.

Case distributes these parts to dealers and distributors through a network of parts depots throughout the world. As of December 31, 1996, Case operated and maintained eleven parts depots, including two depots acquired in conjunction with the 1996 acquisitions of Steyr and Fermecc. In addition, Case utilized the services of five other depots worldwide. Of these 16 parts depots, seven are located in the United States, two in Canada, five in Europe, one in Australia and one in Brazil. These parts depots provide Case's customers with immediate access to substantially all of the parts required to support Case's equipment models.

In 1996, Case closed its Ris Orangis, France, parts depot and consolidated its activities with Case's existing parts depot at LePlessis-Belleville, France. In addition, Case closed its Racine, Wisconsin, parts depot and consolidated its activities with other existing Case parts depots in the United States. In January 1997, Case announced its intention to close its Batley, United Kingdom, depot and to consolidate its activities in the LePlessis-Belleville, France, depot. Completion of this project is expected by the end of March 1997.

RETAIL CREDIT OPERATIONS

Case Credit Corporation is a wholly owned finance subsidiary of Case. Case Credit Corporation and its wholly owned operating subsidiaries, Case Credit Ltd. (Canada) and Case Credit Australia Pty Ltd (collectively "the Credit Companies" or "Case Credit"), provide and administer financing for the retail purchase or lease of new and used Case agricultural and construction equipment and other new and used agricultural and construction

equipment. Case Credit offers various types of retail financing to end-use customers to facilitate the sale or lease of Case products in the United States, Canada and Australia. The Credit Companies business principally involves purchasing retail installment sales contracts from Case dealers. In addition, Case Credit facilitates and finances the sale of insurance products to retail customers, provides financing for Case dealers and Case rental equipment yards, and provides other retail financing programs for end-use customers in the United States and Canada. Case Credit also provides various financing options to dealers for a variety of purposes, including dealer real

estate acquisitions, construction and remodeling, business acquisitions, dealer systems, service and maintenance equipment, and working capital. The Company's dealers and company-owned retail stores assign and sell retail contracts to the Credit Companies on a daily basis. Credit criteria are set by the management of the Credit Companies.

Retail sales and financing outside of North America and Australia are affected by a variety of customs and regulations. The primary function of credit operations in those markets is to coordinate sales-finance packages with third parties. These sales packages are diverse and are dependent upon the customer, product, country and government and are generally funded without recourse to Case. In Europe, retail financing is offered through third-party banking arrangements, with the banks having ultimate responsibility for underwriting and administration. In 1996, Case Credit established a joint venture with The Association of Banks of Uzbekistan. The new company, UzCaseagroleasing, will provide financing for the retail acquisition of new and used Case agricultural equipment in Uzbekistan. In the rest of the world, Case conducts limited retail financing activities.

Case Credit finances retail sales of equipment under installment sales contracts with terms generally from three to five years. Case's guidelines for minimum down payments, which vary with the types of equipment and repayment provisions, are generally not less than 20% for new farm equipment and 25% for new construction equipment and 25% and 30%, respectively, for used farm and construction equipment. Finance charges are sometimes waived for specified periods or reduced on certain products sold in connection with sales promotions. Installment sales contracts for financing the retail sales of equipment (other than parts which are purchased on a revolving account basis) typically provide for retention of a first priority perfected security interest in the equipment financed.

The Credit Companies obtain funding for their operations primarily from banks, the securitization of receivables and the issuance of public debt.

Asset-Backed Securitization Program

Limited-purpose business trusts organized by Case Credit issue asset-backed notes and certificates in both public and private transactions. These asset-backed securities are secured by retail installment sales contracts generated by Case from the sale of farm and construction equipment to retail customers, which are sold by the Credit Companies to the trusts.

In 1995 and 1996, the following offerings of asset-backed securities were completed (in millions):

<TABLE>
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OFFERING DATE	U.S. DOLLAR AMOUNT	CANADIAN DOLLAR AMOUNT
-----	-----	-----
<S>	<C>	<C>
March 1995.....	\$600	--
June 1995.....	--	\$300
September 1995.....	\$650	--
February 1996.....	\$625	--
April 1996.....	--	\$199
September 1996.....	\$875	--

</TABLE>

In February 1997, Case Credit Ltd. sold C\$250 million of asset-backed securities. In March 1997, Case Credit Corporation commenced an offering of \$650 million of asset-backed securities of Case Equipment Loan Trust 1997-A pursuant to its approximate \$3 billion shelf registration statement filed with the Securities and Exchange Commission.

Case Credit anticipates that, depending upon continued market interest and other economic factors, it will continue to securitize its retail receivables in both the U.S. and Canadian markets.

WHOLESALE FINANCING

Case provides wholesale financing to dealers in the United States, Canada and Australia for extended periods to enable dealers to carry representative inventories of equipment. Down payments are not required and interest is not charged for a part of the period for which the inventories are financed. Case strives to obtain a first priority perfected security interest in dealers' inventories obtained from or financed by Case, and periodic physical checks are made of those inventories. Terms to dealers require full payment when the equipment that secures the indebtedness is sold to retail customers. Variable market rates of interest are charged on balances outstanding after certain interest-free periods, which currently vary from three to nine months depending upon the type of equipment. Financing is also provided to dealers on used equipment accepted in trade, on repossessed equipment and on approved equipment from other manufacturers, and Case strives to obtain a security interest in such equipment.

In June 1995, the Company consummated a transaction whereby it sold (with limited recourse), on a revolving basis, a fractional undivided interest in certain of its wholesale receivables pursuant to a private asset-backed securitization facility. Under this facility, the maximum amount of proceeds that may be accessed at any one time is \$400 million and is subject to change based on the level of eligible wholesale receivables. The facility consists of a five-year committed, \$300 million, non-renewable facility and a 364-day, \$100 million facility, which is renewable annually at the sole discretion of the purchasers. At December 31, 1995 and 1996, the undivided interest of the purchasers under the facility represented \$521 million of wholesale receivables.

Case's wholesale finance policies in Europe are similar to those adopted in North America, although in Europe, interest-free floorplanning periods are generally of shorter duration than in North America. The primary function of the credit operations in non-European international markets is to facilitate the sale of Case products by coordinating sales finance packages with third parties. These sales packages are diverse and are dependent upon the customer, product, country and government involved and are typically funded without recourse to Case. In some instances, Case arranges wholesale financing through local banks. In other instances, Case assists dealers in establishing wholesale financing arrangements directly with local lenders.

MANUFACTURING

Case manufactures equipment and components in ten facilities located in North America and eleven facilities located in Brazil, France, Germany, Austria, Australia, and the United Kingdom. Similar manufacturing techniques are employed in the production of components for both farm and construction equipment, resulting in certain economies and efficiencies.

Case has entered into several strategic joint ventures. Case has a 50% interest in a joint venture with Cummins Engine Company, Inc. ("Cummins") that manufactures a line of diesel engines at a facility in Rocky Mount, North Carolina. The joint venture, Consolidated Diesel Company ("CDC"), provides Case with a source of technically advanced, low cost, efficient and reliable diesel engines that have been incorporated into many of Case's product lines. Case also has a 50% interest in Hay and Forage Industries, a joint venture with AGCO that manufactures hay and forage equipment at a plant in Hesston, Kansas. Each of the co-venturers markets and sells the equipment manufactured by the joint venture under "Case IH" and "AGCO/Hesston" brand names, respectively, and through their respective distribution systems. In addition, Case also owns a 70% interest in a joint venture in Liuzhou, China, for the assembly and distribution of loader/backhoes. Case's partner in this joint venture, Guangxi Liugong Machinery Co., Ltd., is a leading wheel loader manufacturer in China. Case also owns a majority interest in a joint venture in Uzbekistan that will produce two-row cotton pickers for sale in Uzbekistan and surrounding countries. The first units from this facility are expected to be available for the 1997 cotton harvest. Through the acquisition of Austoft, Case acquired a 50% interest in Brastoft, a joint venture in Piracicaba, Brazil, that markets and sells sugar cane harvesters primarily in the Latin American region.

In addition to the equipment manufactured by Case and its joint ventures, Case purchases both agricultural and construction equipment from other

sources. Case purchases excavators and parts from Sumitomo pursuant to a multi-year contract entered into in 1992. These excavators are sold under the "Case" name in North America and enable Case's dealers to offer a full line of light- to medium-sized construction equipment. Case also purchases small excavators from Macmoter, Inc.

SUPPLIERS

During 1996, Case purchased approximately \$2.3 billion of material from outside suppliers, including approximately \$1.8 billion in material used to produce products and \$475 million in after-market parts and components support. Forty suppliers in the aggregate accounted for more than one-third of Case's 1996 annual purchase volume measured in dollars.

Over the years, Case has reduced the number of its suppliers from approximately 7,000 in 1989 to approximately 3,000 at the end of 1996. The Company believes that the reduction in the number of suppliers has resulted in more cost effective arrangements, reduced investment requirements, provided greater access to technology developments and resulted in lower per-unit costs. As a result, however, Case's dependence on its remaining suppliers has increased, although in most instances the products purchased from Case's suppliers are available from other sources.

DISTRIBUTION AND SALES

Case sells and distributes its products, including parts, through an extensive network of independent dealers and distributors in more than 150 countries worldwide. Dealers typically sell either farm equipment or construction equipment, although some dealers sell both types of equipment.

In most established markets, the distribution of Case products is accomplished through the dealer network. In several other parts of the world, Case products are sold initially to distributors and then to dealers (or initially to dealers and then to sub-dealers) leveraging distributor expertise and minimizing Case's marketing costs. Distributors generally have responsibility for the marketing of goods in very large geographic regions, including entire countries.

Dealer terminations, voluntary and involuntary, have historically averaged between 6% and 7% annually, worldwide. In North America, Case is contractually obligated to repurchase new equipment, new parts, business signs and manuals from terminated dealers. The repurchase price for new equipment is the net price paid by the dealer or the current net price offered to dealers, whichever is lower, plus freight previously incurred by the dealer. New parts are repurchased at the current dealer net price less 15% for restocking and handling. Outside of North America, repurchase obligations and practices vary by region.

In addition to the contractual repurchase obligation, various states and countries have agricultural and construction equipment dealership laws which require Case to repurchase new equipment and new parts at statutory amounts. In many areas, the statutory repurchase amount for new equipment is at net cost, and for parts the price varies from 85% to 100% of the current dealer net price with a 5% credit if the dealer packs the parts. The dealer may elect either the contractual repurchase provision or the statutory repurchase provision. Case repurchases new equipment and new parts whether the termination is voluntary or involuntary. The dealer and Case generally negotiate an agreed-upon purchase price for used equipment financed by Case, but if Case and the dealer cannot agree, a sale is typically held and the proceeds are applied against any debt owed by the dealer to Case.

RESEARCH, DEVELOPMENT AND ENGINEERING

Case's research, development and engineering personnel design, engineer, manufacture and test new products, components and systems. Case incurred \$193 million, \$156 million and \$127 million of research, development and engineering costs in the years ended December 31, 1996, 1995 and 1994, respectively. Case also benefits from the research, development and engineering expenditures of its joint ventures, CDC and Hay and Forage

Industries, which are not included in Case's research, development and engineering expenditure figures, and from the continuing engineering efforts of its suppliers.

PATENTS AND TRADEMARKS

Case owns and licenses the rights under a number of domestic and foreign patents and trademarks relating to its products and businesses. Case manufactures and distributes equipment primarily under the names "Case," "Case IH," "Steyr," "Austoft," "Concord" and "Case Poclain." While the Company considers the patents and trademarks, including the Case and IH tradenames, important in the operation of its business, the Company does not believe that its business is dependent on any single patent or group of patents.

EMPLOYEES

At February 28, 1997, Case had approximately 17,500 employees compared to 15,700 employees at December 31, 1995. The increase in headcount, as compared to December 31, 1995, resulted from the Company's acquisitions of Austoft, Fermecc, Steyr and Concord in 1996.

Most of Case's worldwide production and maintenance employees are represented by unions. Case's current 38-month collective bargaining agreement with the United Automobile, Aerospace and Agricultural Implement Workers of America (the "UAW"), which represents approximately 2,950 of Case's hourly production and maintenance employees in North America, was ratified in February 1995. Union contracts covering Case's employees in France and the United Kingdom expire annually and are renegotiated each year. In April 1997, the contract for the United Steel Workers of America ("USWA") at the Hamilton, Ontario, plant will be renegotiated. There can be no assurance that future contracts with the UAW, USWA or any of Case's other union contracts will be renegotiated upon terms acceptable to Case. In addition, Case's employees in Europe are protected by various worker co-determination and similar laws that afford employees, through local and central works councils, certain rights of consultation with respect to matters involving the business and operations of their employers, including the downsizing or closure of facilities and the termination of employment. Over the years, the Company has experienced various work slow-downs, stoppages and other labor disruptions. During 1995 and 1996, no significant labor disruptions occurred.

ENVIRONMENTAL MATTERS

Case's operations are subject to environmental regulation by Federal, state and local authorities in the United States and regulatory authorities with jurisdiction over its foreign operations. Case is a voluntary participant in several government sponsored initiatives at the state and Federal levels that benefit the environment. Case has also instituted a Pollution Prevention Program to reduce industrial waste, air emissions and water usage by incorporating adjustments in business activity, recycling efforts and hazard assessments of raw materials. Case has a program designed to implement environmental management practices and compliance, to promote continuing environmental improvements and to identify and evaluate environmental risks at manufacturing and other facilities worldwide.

Case will incur capital expenditures in connection with matters relating to environmental control and will also be required to spend additional amounts in connection with ongoing compliance with current and future laws and regulations. In particular, the Clean Air Act Amendments of 1990 will affect directly the operations of all of Case's manufacturing facilities in the United States. The manufacturing processes that will be affected include painting, coating and foundry operations. Although capital expenditures for environmental control equipment and compliance costs in future years will depend on legislative, regulatory and technological developments that cannot accurately be predicted at this time, Case anticipates that these costs are likely to increase as environmental requirements become more stringent. Case made capital expenditures applicable to environmental matters aggregating approximately \$19 million in 1996. Capital expenditures applicable to environmental matters for 1997 and 1998 are estimated by the Company to approximate \$8 million per year. The preceding sentence is a forward-looking statement, and the actual costs could differ materially from those currently

anticipated by the Company based on the factors discussed in this paragraph.

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Pursuant to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), and other Federal and state laws that impose similar liabilities, Case has received inquiries for information or notices of its potential liability regarding 34 sites to which Case allegedly sent hazardous substances for disposal ("Waste Sites"). Case has never owned or operated any of the Waste Sites. Thirteen of the Waste Sites are on the National Priority List promulgated pursuant to CERCLA. At 30 of the Waste Sites, the monetary amount or extent of Case's liability has been resolved, Case has not been named as a potentially responsible party ("PRP"), or Case's liability is likely de minimis in comparison with other PRPs. Because estimates of remediation costs are subject to revision as more information becomes available about the extent and cost of remediation and because settlement agreements can be reopened under certain circumstances, Case's potential liability for remediation costs associated with the 34 Waste Sites could change. Moreover, because liability under CERCLA and similar laws can be joint and several, Case could be required to pay amounts in excess of its pro rata share of remediation costs. However, when appropriate, Case's understanding of the financial strength of other PRPs has been considered in the determination of Case's potential liability. The Company believes that the costs associated with the Waste Sites will not have a material adverse effect on the Company's financial position or results of operations. The preceding sentence is a forward-looking statement, and the actual costs could differ materially from the costs currently anticipated by the Company based on the factors discussed in this paragraph.

The Company has conducted environmental investigatory or remedial activities at certain properties that are currently or were formerly owned and/or operated or which are being decommissioned. The Company believes that the outcome of these activities will not have a material adverse effect on the Company's financial position or results of operations. The preceding sentence is a forward-looking statement, and the actual costs could differ materially from those costs currently anticipated due to the nature of the historical disposal and release activities typical of manufacturing and related operations that have occurred in the United States and other countries, and as a result of U.S. and foreign laws which now and in the future may impose liability for previously lawful disposal and release activities. As it has done in the past, the Company intends to fund its costs of environmental compliance from operating cash flows. Also see Note 15 to the Case Financial Statements included in Item 8 hereof.

SIGNIFICANT INTERNATIONAL OPERATIONS

In addition to Case's U.S. manufacturing plants, Case operates manufacturing plants in Europe, Australia, China, Brazil and Canada. Case derived approximately 56% of its sales in 1996 from the sale of its products in countries outside the United States. International operations are generally subject to various risks that are not present in domestic operations. Various foreign jurisdictions have laws limiting the right and ability of foreign subsidiaries to pay dividends and remit earnings to affiliated companies unless specified conditions precedent are met. In addition, sales in foreign jurisdictions are typically made in local currencies and transactions with foreign affiliates are customarily accounted for in the local currency of the selling company. To the extent Case does not take steps to mitigate the effect of changes in the relative value of the U.S. dollar and foreign currencies, Case's results of operations and financial condition (which are reported in U.S. dollars) could be adversely affected by negative changes in these relative values.

SEASONALITY AND PRODUCTION SCHEDULES

The seasonality of farm equipment retail sales is directly affected by the timing of major crop activities: tilling, planting and harvesting. The timing of these activities is impacted by crop production and climate conditions. The fourth quarter is generally the strongest demand period for retail farm equipment sales, normally representing approximately 35% of sales by Case's North American dealers. The weakest retail demand for Case farm equipment in North America historically occurs in the third quarter, accounting for approximately 15% to 20% of sales by Case's North American dealers.

Seasonal demand fluctuations for construction equipment are less significant than those for farm equipment. Nevertheless, in North America, housing construction slows down, especially in the Midwest and on the East

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Coast, beginning in November and continuing through the first quarter. North American retail demand for Case's construction equipment is strongest in the second and fourth quarters, which combined represent approximately 50% to 60% of sales by Case's North American dealers. European demand patterns are similar to those in North America.

Sales to independent dealers closely correspond with Case's production levels, which are based upon its estimates of the demand for its products, taking into account the timing of dealer shipments (which are in advance of retail demand), dealer inventory levels, the need to shut down production to enable manufacturing facilities to be prepared for the manufacture of new or different models and the efficient use of manpower and facilities. The production levels are adjusted to reflect changes in estimated demand, dealer inventory levels, labor disruptions and other matters not within Case's control. In 1996, the Company established a multi-year supply chain management initiative. In implementing this initiative, Case underproduced relative to worldwide retail demand, and, as a result, Case sold to dealers throughout the year at rates below actual retail demand, thereby reducing dealer inventory levels. The goal of this program is to reduce Case's working capital requirements.

COMPETITION

The farm equipment industry is highly competitive, particularly in North America and Europe. Case competes with several large national and international full-line suppliers, as well as numerous short-line and specialty manufacturers with differing manufacturing and marketing methods. Case's principal competitors in the farm equipment business include Deere & Company ("Deere & Co."), New Holland N.V. and AGCO.

The Company believes several key factors influence a buyer's choice of equipment. These factors include the strength and quality of a company's dealers, the quality and pricing of products, brand loyalty, product availability, financing terms, parts and warranty programs, resale value, customer service and satisfaction, timely delivery and technological innovation. The Company continually seeks to improve in each of these areas but focuses primarily on providing high-quality and high-value products and supporting those products through its dealer network and parts distribution system.

The construction equipment industry has a broad spectrum of competitors that specialize in various product lines. The competitors are globally dispersed. Principal competitors for Case in North America are Caterpillar Inc. ("Caterpillar"), Deere & Co., and Ingersoll-Rand Company ("Ingersoll-Rand"). Outside North America, the Company's competitors include J.C. Bamford NV, Caterpillar and others, such as Komatsu Ltd., AB Volvo, Hyundai Corporation, Samsung Corporation, Daewoo Corporation and Hitachi, Ltd., depending on the particular markets. Caterpillar is a major supplier of large construction machines, with emphasis on heavy earthmoving, mining and materials handling equipment. Competing product lines from Caterpillar include small crawlers, loader/backhoes, wheel loaders and excavators. Deere & Co. is a smaller supplier of construction equipment and competes with Case in the same product families as Caterpillar. Ingersoll-Rand produces a line of skid steer loaders that competes with Case's products.

The principal factors affecting competition are market share objectives, profit objectives, exchange rate fluctuations, financial strength of supplier or retailer, technology and quality advantages, unique product or service advantages and product support and distribution strength.

SERVICE AND WARRANTY

Case products are warranted to the end-user to ensure end-user confidence in design, workmanship and material quality. Warranty lengths vary depending on competitive standards established within individual markets. In general,

warranties tend to be for one to two years, with some at six months, and cover all parts and labor for non-maintenance repairs and wear items, provided the repair was not necessitated by operator abuse, improper use or negligence. Warranty work must be performed by authorized independent Case distributors, dealers and company-owned retail stores. Warranty on some products is limited by hours of use. Purchased

warranty is available on most products. Dealers submit claims for warranty reimbursement to Case and are credited for the cost of repairs so long as the repairs meet Case's prescribed standards. Warranty expense is accrued at the time of sale. Purchased warranty is accrued and amortized over the life of the warranty contract.

Service support outside of the warranty period is provided by Case distributors, dealers and company-owned retail stores. Retail outlet service personnel are trained in one of several Case training facilities around the world or on location at the dealership by Case service engineers or service training specialists.

REORGANIZATION

The Company was incorporated on April 22, 1994, as a wholly owned subsidiary of Tenneco Inc. ("Tenneco") for the purpose of acquiring Tenneco's farm and construction equipment business. In June 1994, pursuant to a Reorganization Agreement (the "Reorganization Agreement"), between the Company, Tenneco and Tenneco Equipment Corporation, the Company and its subsidiaries acquired the business and assets of the farm and construction equipment business (other than approximately \$1.1 billion of U.S. retail receivables) of Tenneco and its subsidiaries (the "Case Business"). For additional information on the Reorganization, see Note 4 to the Case Financial Statements included in Item 8 hereof.

ITEM 2. PROPERTIES.

The principal properties of Case as of February 28, 1997, were as follows:

<TABLE>
<CAPTION>

LOCATION	DESCRIPTION OF PROPERTY
<S>	<C>
Burlington, Iowa.....	Manufacturing
East Moline, Illinois.....	Manufacturing
Hamilton, Ontario, Canada.....	Manufacturing
Burr Ridge, Illinois.....	Technology Center
Racine, Wisconsin.....	Manufacturing
Racine, Wisconsin.....	Manufacturing/Foundry
Wichita, Kansas.....	Manufacturing
Hugo, Minnesota.....	Manufacturing
Fargo, North Dakota.....	Manufacturing
Fargo, North Dakota.....	Manufacturing
Valley City, North Dakota.....	Manufacturing
St. Valentin, Austria.....	Manufacturing
Crepy, France.....	Manufacturing
Croix, France.....	Manufacturing
St. Dizier, France.....	Manufacturing
Tracy, France.....	Manufacturing
Neuss, Germany.....	Manufacturing
Carr Hill, United Kingdom.....	Manufacturing
Doncaster, United Kingdom.....	Manufacturing/Foundry
Manchester, United Kingdom.....	Manufacturing
Bundaberg, Australia.....	Manufacturing
Sorocaba, Brazil.....	Manufacturing

</TABLE>

The corporate headquarters for the Company are located in Racine, Wisconsin. In addition, Case also has, through its various joint ventures, manufacturing facilities located in Rocky Mount, North Carolina; Hesston, Kansas; Liuzhou, China; and Piracicaba, Brazil. For additional information on Case's joint

ventures, see Item 1, "Manufacturing."

In January 1996, Case closed its Vierzon, France, facility and transferred loader/backhoe production to its Crepy, France, facility.

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Several of the Company's facilities are leased through operating lease agreements. For information on operating leases, see Note 15 to the Case Financial Statements included in Item 8 hereof. Case also owns other facilities that are currently idle and available for sale.

The Company considers each of its facilities currently in use to be in good operating condition and adequate for its present use. Management believes that it has sufficient capacity to meet its current market demand. However, certain Case facilities are presently underutilized in varying degrees as the production capabilities of these plants exceed the current market demand for Case's farm and construction equipment. The Company is considering making incremental investments at select facilities to increase capacity to meet continued demand for certain agricultural equipment products.

ITEM 3. LEGAL PROCEEDINGS.

For information pertaining to legal proceedings, see Note 15 to the Case Financial Statements included in Item 8 hereof, which is incorporated by reference herein.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

No matters were submitted to a vote of security holders of the Company during the fourth quarter of the fiscal year ended December 31, 1996.

ITEM 4.1 EXECUTIVE OFFICERS OF THE REGISTRANT.

The executive officers of the Company, their ages as of February 28, 1997, and their present positions with the Company are set forth in the table below:

<TABLE>

<CAPTION>

NAME	AGE AT FEBRUARY 28, 1997	OFFICE
----	-----	-----
<S>	<C>	<C>
Jean-Pierre Rosso.....	56	Chairman, President, Chief Executive Officer and Director
Steven G. Lamb.....	40	Executive Vice President and Chief Operating Officer
Theodore R. French.....	42	Senior Vice President and Chief Financial Officer
Richard M. Christman....	46	Senior Vice President
Richard S. Brennan.....	58	General Counsel and Secretary

As used in this Item 4.1, the "Company" or "Case" refers to Case Corporation and its consolidated subsidiaries and to Tenneco Equipment Corporation, the predecessor of Case Corporation.

Mr. Rosso has served as Chairman, President and Chief Executive Officer of Case since March 1996. Prior to that time, he served as its President and Chief Executive Officer since joining the Company in April 1994. Prior thereto, Mr. Rosso was President of the Home and Building Control business of Honeywell Inc., a producer of advanced technology products, since 1992 and served as President of that company's European operations from 1987 through 1991. Mr. Rosso is also a director of ADC Telecommunications, Inc., Crown Cork & Seal Company, Inc., Inland Steel Industries, Inc., and its subsidiary, Inland Steel Company, Principal Mutual Life Insurance Company and Ryerson Tull, Inc. Mr. Rosso became a Director of Case on April 22, 1994.

Mr. Lamb has served as an Executive Vice President of Case since April 1993 and as Chief Operating Officer since March 1995. As Chief Operating Officer, Mr. Lamb is responsible for worldwide industrial operations. He previously directed the Company's business activities in Europe, Africa and the Middle East. Prior to joining Case, Mr. Lamb served as Executive Assistant to the President and Chief Operating Officer of Tenneco. Previously, Mr. Lamb was

with International Paper Company from 1988 to 1992, where he served in several key management and operational positions.

Mr. French has served as a Senior Vice President and Chief Financial Officer of Case since January 1992 and also served as Treasurer from January 1992 until August 1994. Mr. French also has operating responsibility for the Case finance subsidiaries and has served as Chairman of the Board of Case Credit Corporation since January 1996. Mr. French joined Case in 1989 as Vice President, Corporate Planning and Development. Prior to joining Case, Mr. French spent 12 years with Rockwell International. From 1987 to 1989, he was Director of Business Development for Rockwell International's Automotive Operations.

Mr. Christman has served as a Senior Vice President of Case since July 1986. Mr. Christman leads Global Business Development and focuses on establishment of new strategic alliances with the implementation of growth strategies. Mr. Christman joined Case in 1975 and has held various sales and marketing positions. Beginning in 1986, Mr. Christman served for three years as Senior Vice President, Europe Sales and Marketing, and returned to Racine in 1989 as Senior Vice President, Parts Division.

Mr. Brennan was appointed General Counsel and Secretary of the Company in February 1995. Mr. Brennan has been a partner in the law firm of Mayer, Brown & Platt since returning to that firm in 1991, and was the General Counsel of Continental Bank Corporation from 1982 through August 1994.

Each of the executive officers described in this Item 4.1 was elected by the Board of Directors at its May 1996 meeting to hold office until the first meeting of the Board of Directors following the 1997 annual meeting of stockholders, and until his respective successor is duly elected and qualified, unless any such executive officer is earlier removed or replaced by the Board of Directors.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The outstanding shares of Common Stock, par value \$0.01 per share, of the Company (the "Common Stock") are listed on the New York Stock Exchange, which is the principal market for the Common Stock, under the symbol "CSE." The Company's Common Stock is also listed on the Chicago Stock Exchange and the Paris, France, Stock Exchange.

The following table sets forth the high and low sale prices of Common Stock during the periods indicated on the New York Stock Exchange Composite Transactions Tape and dividends declared per share of Common Stock during such periods:

<TABLE>
<CAPTION>

	SALE PRICES		DIVIDENDS DECLARED
	HIGH	LOW	
<S>	<C>	<C>	<C>
1996			
1st quarter.....	\$56 1/4	\$ 40	\$0.05
2nd quarter.....	55	45 1/8	0.05
3rd quarter.....	50	41 3/4	0.05
4th quarter.....	56 1/2	45 3/8	0.05
1995			
1st quarter.....	\$25 3/8	\$20 5/8	\$0.05
2nd quarter.....	29 7/8	24 5/8	0.05
3rd quarter.....	40 7/8	29 3/4	0.05
4th quarter.....	45 7/8	35 1/8	0.05

</TABLE>

The number of holders of Common Stock of record as of February 28, 1997, was 5,195.

The declaration and payment of dividends to holders of each class of capital stock of the Company will be at the discretion of the Board of Directors of the Company and will depend upon many factors, including the Company's competitive position, financial condition, earnings and capital requirements. Accordingly, there is no requirement or assurance that dividends will be declared or paid.

No dividends (other than dividends paid in stock ranking junior to the Company's Preferred Stock, or rights or warrants to purchase such junior stock) may be paid on the Common Stock unless all unpaid dividends payable on the Company's Series A Cumulative Convertible Preferred Stock and its Cumulative Convertible Second Preferred Stock have been declared and paid, or set apart for payment, in full.

ITEM 6. SELECTED FINANCIAL DATA.

The following selected historical financial data as of and for each of the five years ended December 31, 1996, has been derived from the audited consolidated and combined financial statements of the Company and the Case Business. For all periods subsequent to June 24, 1994, the financial data reflects the consolidated results of Case Corporation. For all prior periods, the financial data reflects the combined results of the Case Business. This information should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the Case Financial Statements and the notes thereto included elsewhere herein.

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,				
	1996	1995	1994	1993	1992
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)				
<S>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT DATA:					
Net sales.....	\$ 5,176	\$ 4,937	\$ 4,262	\$ 3,748	\$ 3,829
Interest income and other.....	233	168	143	255	321
Cost of goods sold.....	(3,953)	(3,779)	(3,260)	(3,106)	(3,322)
Selling, general and administrative expenses.....	(544)	(553)	(576)	(526)	(691)
Research, development and engineering expenses.....	(193)	(156)	(127)	(95)	(88)
Restructuring (charge) credit(1).....	--	--	16	20	(920)
Interest expense.....	(160)	(174)	(160)	(232)	(353)
Other, net.....	(25)	(16)	(40)	(19)	(18)
Income (loss) before taxes and cumulative effect of changes in accounting principles and extraordinary loss.....	534	427	258	45	(1,242)
Income tax provision (benefit).....	185	81	93	6	(135)
Income (loss) before cumulative effect of changes in accounting principles and extraordinary loss.....	349	346	165	39	(1,107)
Cumulative effect of changes in accounting principles(2).....	--	(9)	(29)	--	(223)
Extraordinary loss(3).....	(33)	--	(5)	--	--
Net income (loss).....	\$ 316	\$ 337	\$ 131	\$ 39	\$ (1,330)
Net earnings per share of common stock after preferred stock dividends and before cumulative					

effect of changes in accounting principles and extraordinary loss.....	\$ 4.61	\$ 4.72	N.A.	N.A.	N.A.
Net pro forma earnings per common share after preferred stock dividends and before cumulative effect of changes in accounting principles and extraordinary loss.....	N.A.	N.A.	\$ 2.32	N.A.	N.A.
Cash dividends declared per common share.....	\$ 0.20	\$ 0.20	\$ 0.10	N.A.	N.A.
BALANCE SHEET DATA: (at the end of year):					
Working capital.....	\$ 510	\$ 386	\$ 717	\$ 631	\$ 1,011
Total assets.....	6,059	5,469	5,052	6,223	7,659
Long-term debt.....	1,119	889	1,443	1,547	2,149
Other long-term obligations and redeemable preferred stock.....	492	594	603	693	907
Equity.....	1,904	1,520	1,181	1,730	1,528
Ratio of earnings to fixed charges and preferred stock dividends.....	3.73x	3.03x	2.38x	1.18x	(2.22)x

</TABLE>

-
- (1) For information about the restructuring charges and information regarding the reversal of a portion of the restructuring reserve, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Note 5 to the Case Financial Statements.
 - (2) Effective January 1, 1995, Case adopted Statement of Financial Accounting Standards ("SFAS") No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" for its non-U.S. plans, which resulted in a charge of \$9 million on a pre-tax and after-tax basis to reflect the cumulative effect of the

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accounting change. Effective January 1, 1994, Case adopted SFAS No. 112, "Employers' Accounting for Postemployment Benefits," which resulted in a charge of \$29 million after tax to reflect the cumulative effect of the accounting change. Effective January 1, 1992, Case adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," with respect to its employees in the United States, which resulted in a charge of \$208 million after tax to reflect the cumulative effect of the accounting change. Also effective January 1, 1992, Case adopted SFAS No. 109, "Accounting for Income Taxes," which resulted in a charge of \$15 million after tax to reflect the cumulative effect of the accounting change. See Notes 12 and 14 to the Case Financial Statements and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

- (3) In the first quarter of 1996, the Company sold \$300 million aggregate principal amount of its 7 1/4% unsecured and unsubordinated notes due 2016 pursuant to a shelf registration statement filed with the Securities and Exchange Commission in June 1995. The net proceeds from the offering, together with cash and additional borrowings under the Company's credit facilities, were used to exercise the Company's option to repurchase for cash all of the Company's 10 1/2% Senior Subordinated Notes and pay accrued interest thereon. As a result of the repurchase, the Company recorded an extraordinary charge of \$22 million after tax in the first quarter of 1996. During the third quarter of 1996, the Company established new credit facilities consisting of \$3.4 billion in lines of credit and liquidity facilities. As a result of establishing the new credit facilities, the Company recorded an \$11 million extraordinary, after-tax charge in the third quarter of 1996 for the write-off of unamortized bank fees related to the original bank agreements established at the time of the Company's initial public offering in June 1994. In the second quarter of 1994, the Company prepaid approximately \$519 million of high interest-bearing debt. The Company recorded an extraordinary loss of \$5 million after tax for the redemption premium resulting from these transactions.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

SUMMARY OF SALES

Case's sales are derived from the manufacture and distribution of a full line of farm equipment, light- and medium-sized construction equipment and replacement parts. In recent years Case's sales were derived from the following sources:

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
<S>	<C>	<C>	<C>
Farm equipment.....	52%	49%	47%
Construction equipment.....	30	32	31
Replacement parts.....	18	19	22
Total sales.....	100%	100%	100%

</TABLE>

Sales are affected by worldwide agricultural production and demand, housing starts and other construction levels, commodity prices, government subsidies, weather, interest and exchange rates, industry capacity and equipment levels. In addition to sales of equipment and parts, revenues include income from the financing of such sales.

CASE RESTRUCTURING PROGRAMS

In response to depressed market conditions during the early 1990's, Case embarked on two restructuring programs. The first program, initiated in 1991, resulted in a pre-tax charge of \$461 million (\$404 million after tax). This program has been completed and the intended benefits have been achieved.

While the measures taken by Case under the 1991 restructuring program resulted in substantial cost reductions, the worldwide farm and construction equipment market continued to deteriorate during 1992. At that time, the Company determined that major structural and strategic changes were necessary in order to rationalize certain component production operations to reduce the fixed cost portion of the manufacturing process; reduce excess capacity; focus, discontinue or replace unprofitable and noncompetitive product lines; and restructure and refocus product and component parts distribution to strengthen Case's competitive position in the global marketplace.

Consequently, on March 21, 1993, a comprehensive restructuring program (the "1992 Restructuring Program") was adopted and resulted in a pre-tax restructuring charge of \$920 million (\$843 million after tax), which was reflected in Case's 1992 results. The \$920 million pre-tax charge was recorded as a \$340 million reduction of net property, plant and equipment, a \$55 million reduction of inventory, a \$63 million reduction of intangibles and other accounts and a \$462 million reserve for the future cost of implementing the various restructuring actions.

An analysis of the 1992 Restructuring Program is summarized in the table below (in millions):

1992 RESTRUCTURING PROGRAM

<TABLE>
<CAPTION>

1993 AND 1994 ACTIVITY				1995 ACTIVITY			
BALANCE AT DECEMBER 31, 1992	RESERVES UTILIZED (INCLUDES CURRENCY TRANSLATION)	CHANGES IN ESTIMATES	BALANCE AT DECEMBER 31, 1994	RESERVES UTILIZED (INCLUDES CURRENCY TRANSLATION)	CHANGES IN ESTIMATES	BALANCE AT DECEMBER 31, 1995	

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Employee termination payments.....	\$250	\$ (45)	\$ 49	\$254	\$ (11)	\$ (39)	\$204
Pension and OPRB costs..	56	(25)	13	44	(11)	2	35
Lease termination payments.....	10	1	(6)	5	--	5	10
Writedown of assets:							
Property, plant and equipment.....	340	(89)	(48)	203	(67)	1	137
Provision for environmental liabilities.....	25	(1)	2	26	1	--	27
Other assets.....	63	(62)	(1)	--	(8)	8	--
Writedown of inventories.....	55	(21)	(16)	18	(2)	1	17
Costs related to closing/selling/downsizing existing facilities.....	60	(15)	(18)	27	(7)	10	30
Other costs.....	61	(14)	(11)	36	(12)	12	36
	----	-----	-----	-----	-----	-----	-----
Total restructuring charge.....	\$920	\$ (271)	\$ (36)	\$613	\$ (117)	\$--	\$496
	=====	=====	=====	=====	=====	=====	=====

<CAPTION>

1996 ACTIVITY

<S>	RESERVES UTILIZED					<C>	<C>
	BALANCE AT DECEMBER 31, 1995	(INCLUDES CURRENCY TRANSLATION)	CHANGES IN ESTIMATES	BALANCE AT DECEMBER 31, 1996	TOTAL COSTS		
<C>	<C>	<C>	<C>	<C>	<C>	<C>	
Employee termination payments.....	\$204	\$ (50)	\$ (6)	\$148	\$ 254		
Pension and OPRB costs..	35	(6)	(21)	8	50		
Lease termination payments.....	10	(4)	3	9	12		
Writedown of assets:							
Property, plant and equipment.....	137	(115)	2	24	295		
Provision for environmental liabilities.....	27	(2)	--	25	27		
Other assets.....	--	--	--	--	70		
Writedown of inventories.....	17	(4)	(4)	9	36		
Costs related to closing/selling/downsizing existing facilities.....	30	(16)	18	32	70		
Other costs.....	36	(10)	8	34	70		
	----	-----	-----	-----	-----		
Total restructuring charge.....	\$496	\$ (207)	\$--	\$289	\$ 884		
	=====	=====	=====	=====	=====		

</TABLE>

The employee termination payments represent the severance payments to reduce personnel by approximately 7,100. This reduction is the result of closing and/or downsizing 11 manufacturing facilities, the consolidation of six parts distribution locations, the privatization of company-owned retail stores in North America, Europe and Australia and a reduction in related support functions. The employee termination payments also include minor amounts for other costs such as outplacement services and other benefits and certain contractual obligations under labor agreements. Estimates have been revised in each year to reflect changes in social, political, legal and economic conditions where employment reductions will occur. In 1996, headcount and cost estimates have been updated to reflect recent negotiations with affected

parties.

The pension and other postretirement benefit ("OPRB") costs represent curtailments as required by Statement of Financial Accounting Standards ("SFAS") No. 88 and SFAS No. 106 resulting from the termination of employees referred to above. The subsequent revisions to the original estimate reflect changes in the estimated level of benefits as well as changes in the number of employee terminations anticipated by the Company.

Lease termination payments represent costs associated with the early termination of existing lease commitments for an abandoned European administrative facility and certain company-owned retail stores scheduled to be closed. The changes in estimates resulted from changes in market conditions where leases are to be terminated.

The writedown of assets represents estimated losses on property, plant and equipment to be incurred upon the sale or abandonment of closed/downsized production facilities. The changes in estimates resulted primarily from updated valuations of properties and equipment to be sold or abandoned as well as from property and equipment actually sold in 1993 through 1996. During 1996, the Company allocated the reserve to the specific assets. This is shown as a utilization of the reserve in the accompanying table.

Environmental costs have been accrued with respect to plants and other facilities where remediation and decommissioning costs will be required if such facilities cease operations. Upon the closing of these facilities, as contemplated by the 1992 Restructuring Program, potential remedial, decommissioning and environmental costs associated with the eventual sale of the facility and/or property have been recorded based on current knowledge and regulations.

Other assets include the writedown to net realizable value of intangibles, goodwill and other miscellaneous items. Such writedowns were directly associated with the restructuring decision and primarily involve intangibles and goodwill in France and Germany.

The writedown of inventories represents the writedown to net realizable value of inventory, materials and parts at those facilities that will be closed or for those products that have been discontinued. The changes in estimates resulted from revised estimates of the various actions still to be completed.

The costs related to closing/selling/downsizing existing facilities include the estimated costs to close and/or downsize 11 plant locations and six parts distribution locations. The changes in the reserve resulted from revised estimates of the costs of various actions still to be implemented. The 1996 changes in the reserve reflect increased estimates to close the Neuss, Germany, plant and the Racine, Wisconsin, parts depot.

Other costs include amounts for incremental legal costs required to support the restructuring projects, personnel transfer costs incurred as a direct result of closing and/or downsizing operations and other implementation costs. Other costs also include certain incentives and dealer discounts to close out discontinued product lines. In 1993 and 1994, the changes in estimates resulted primarily from improved market conditions resulting in fewer discounts required to liquidate discontinued products. In 1995 and 1996, the changes in estimates relate primarily to increased costs required to implement remaining actions.

The following restructuring actions were completed by the Company in 1996:

- . During 1996, Case sold its Racine, Wisconsin, parts depot, where Case had employed approximately 120 people, and transferred its operations to Case's remaining regional depots.

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- . The sale of company-owned retail stores has progressed steadily. At December 31, 1996, Case had 24 company-owned retail stores, as compared to 247 at December 31, 1990.
- . Case announced its intent to cease engine and component production and

close the tractor manufacturing facility in Neuss, Germany, following the termination of production of the current MAXXUM(R) tractor models, which is expected to occur by mid-year 1997. Case closed the foundry located in Neuss, Germany, in December 1994. As of December 31, 1996, Case employed approximately 1,000 people at the Neuss facilities.

- . Case announced its intent to close the foundry operations at its Doncaster, United Kingdom, facility in 1997 and began to outsource the production of components presently manufactured at this facility. In the third quarter of 1994, an agreement was reached with the trade union for the eventual termination of approximately 900 employees.
- . During 1996, the Company closed its Ris Orangis, France, parts depot and consolidated its operations with its LePlessis-Belleville, France, parts depot.
- . During 1996, Case closed its Vierzon, France, facility and transferred loader/backhoe production to its Crepy, France, facility. Case employed approximately 275 people at the Vierzon facility.
- . Case adopted SFAS No. 121 effective January 1, 1996. Adoption of this standard did not have a material impact on the Company's results of operations as impaired assets, as defined, had previously been recorded at fair value. Of the remaining \$24 million of restructuring reserves for property, plant and equipment at December 31, 1996, \$3 million is attributed to assets that will be held for sale in 1997 and \$21 million is attributed to assets currently in use that will ultimately be disposed of.

The 1992 Restructuring Program is expected to be substantially completed by December 31, 1997. The Company believes that the remaining reserves should be adequate to carry out the remaining activities under the 1992 Restructuring Program. The Company estimates that total cash expenditures of approximately \$480 million will be required to implement the 1992 Restructuring Program, of which approximately \$232 million has been expended through December 31, 1996. These cash costs do not give effect to cash proceeds generated in the course of implementing the 1992 Restructuring Program.

The Company believes that the successful completion of the 1992 Restructuring Program will enhance its pre-tax income and pre-tax operating cash flow through cost reductions by year-end 1997 by approximately \$200 million annually over 1992 cost levels. The preceding sentence and the cost savings estimates contained herein are forward-looking statements, and the actual cost reductions could differ materially based on the factors discussed in this paragraph. Approximately 75% of these cost reductions have been realized through 1996. The remaining cost reductions are expected to be realized through a reduction of personnel, elimination of costs directly associated with the manufacture and distribution of discontinued products, a decrease in costs associated with assembly as a result of capacity reductions, reduced depreciation expense and the purchase of components at prices lower than the costs that would have been incurred to manufacture them. The Company's estimates of annual cost savings from the foregoing are based on the timely implementation of activities already identified by the Company and the achievement of projected levels of unit production and operating efficiency. The 1992 Restructuring Program is highly complex, and effective implementation continues to be a major undertaking. While the Company is committed to successfully completing the 1992 Restructuring Program, there can be no assurance that all of the objectives of the 1992 Restructuring Program or the Company's estimates of annual savings will be achieved. The specific restructuring measures and associated estimated costs were based on management's best business judgment under prevailing circumstances and on assumptions that have been and may continue to be revised over time and as circumstances change. As of December 31, 1996, the expected benefits from the restructuring actions are generally as originally contemplated.

RESULTS OF OPERATIONS

In conjunction with the Reorganization, Case changed its definitions of "Case Industrial" and "Case Credit." Historically, the Case Business reflected the combination of all wholesale (dealer) finance and retail credit operations

under the heading of "Case Credit." After the Reorganization, the wholesale (dealer) finance operations are included in Case Industrial's operations, and "Case Credit" consists of Case's wholly owned retail credit subsidiaries. The following reclassified statements of income show what Case's 1994 results of operations would have been had Case Industrial and Case Credit historically been reported consistently with the method used after the Reorganization. Net income per share of common stock is computed based upon historical income and assumes 70 million common shares outstanding and payment of preferred stock dividends for all periods prior to June 24, 1994.

RECLASSIFIED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

<TABLE>
<CAPTION>

	CONSOLIDATED AND COMBINED			CASE INDUSTRIAL			CASE CREDIT		
	1996	1995	1994	1996	1995	1994	1996	1995	1994
	(IN MILLIONS EXCEPT PER SHARE DATA)								
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues:									
Net sales.....	\$5,176	\$4,937	\$4,262	\$5,176	\$4,937	\$4,262	\$--	\$--	\$--
Interest income and other.....	233	168	143	63	67	47	244	217	184
	5,409	5,105	4,405	5,239	5,004	4,309	244	217	184
Costs and Expenses:									
Cost of goods sold....	3,953	3,779	3,260	3,953	3,779	3,260	--	--	--
Selling, general and administrative.....	544	553	576	589	639	645	27	27	21
Research, development and engineering.....	193	156	127	193	156	127	--	--	--
Interest expense.....	160	174	160	90	135	104	72	42	56
Other, net.....	25	16	24	13	15	32	12	1	(10)
	4,875	4,678	4,147	4,838	4,724	4,168	111	70	67
Income before taxes and cumulative effect of changes in accounting principles and extraordinary loss.....	534	427	258	401	280	141	133	147	117
Income tax provision....	185	81	93	140	28	46	45	53	47
	349	346	165	261	252	95	88	94	70
Income before cumulative effect of changes in accounting principles and extraordinary loss.	349	346	165	261	252	95	88	94	70
Equity in income--Case Credit.....	--	--	--	88	94	70	--	--	--
	349	346	165	349	346	165	88	94	70
Income before cumulative effect of changes in accounting principles and extraordinary loss.	349	346	165	349	346	165	88	94	70
Cumulative effect of changes in accounting principles.....	--	(9)	(29)	--	(9)	(29)	--	--	--
Extraordinary loss.....	(33)	--	(5)	(33)	--	(5)	(3)	--	--
	\$ 316	\$ 337	\$ 131	\$ 316	\$ 337	\$ 131	\$ 85	\$ 94	\$ 70
Preferred stock dividends.....	7	7	7						
	\$ 309	\$ 330	\$ 124						
Per share data:									
Income per share of common stock after preferred stock									

dividends and before cumulative effect of changes in accounting principles and extraordinary loss.....	\$ 4.61	\$ 4.72	\$ 2.26
	=====	=====	=====
Net income per share of common stock.....	\$ 4.17	\$ 4.60	\$ 1.77
	=====	=====	=====
Fully diluted net income per share of common stock.....	\$ 4.06	\$ 4.44	N.A.
	=====	=====	=====

</TABLE>

1996 Compared to 1995

Earnings

The Company recorded income before cumulative effect of changes in accounting principles and extraordinary loss of \$349 million in 1996 compared to \$346 million in 1995. Earnings per share of common stock after preferred stock dividends and before accounting changes and extraordinary loss for 1996 was \$4.61 per share compared to \$4.72 per share in 1995 reflecting an increase in the average common shares outstanding, including common stock equivalents, from 71.8 million shares in 1995 to 74.0 million shares in 1996.

Net income in 1996 was \$316 million, with earnings per share of \$4.17, versus net income and earnings per share of \$337 million and \$4.60, respectively, in 1995. In 1996 the Company incurred an extraordinary loss of \$33 million, after tax. In January 1996, the Company repurchased for cash all of its 10 1/2% Senior Subordinated Notes. As a result of the repurchase, Case recorded an extraordinary loss of \$22 million, after tax, in the first quarter of 1996. In August 1996, the Company established new credit facilities consisting of \$3.4 billion in lines of credit and liquidity facilities. In conjunction with this refinancing, the Company recorded an \$11 million extraordinary, after-tax charge for the write-off of unamortized bank fees related to the original bank agreements established at the time of the Company's initial public offering. Effective January 1, 1995, Case adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," for its non-U.S. plans. The cumulative effect of adopting this standard was to decrease net income by \$9 million, after tax, in the first quarter of 1995.

The Company's industrial operations recorded income before cumulative effect of changes in accounting principles, extraordinary loss and equity income of Case Credit of \$261 million in 1996, a \$9 million earnings improvement from \$252 million in 1995. Case Credit recorded income, before extraordinary items, of \$88 million in 1996, \$6 million less than the \$94 million reported in 1995.

Case's operating earnings for 1996 were \$579 million versus \$509 million in 1995, an increase of 14%. Case defines operating earnings as industrial earnings before interest, taxes, changes in accounting principles and extraordinary loss, including the income of Case Credit on an equity basis. Case's operating earnings for the year were up \$94 million or 19%, excluding a \$24 million pre-tax gain on the sale of the Viscosity Oil business in 1995. Case's earnings improvement was primarily the result of improved pricing and internal cost reductions resulting from restructuring-related actions. These improvements were partially offset by the effects of inflation and higher research and development spending.

A reconciliation of the Company's industrial net income to operating earnings is as follows (in millions):

<TABLE>
<CAPTION>

CASE
INDUSTRIAL

YEARS ENDED

DECEMBER

31,

1996 1995

<S>

<C> <C>

Income before cumulative effect of changes in accounting principles

and extraordinary loss..... \$ 349 \$ 346

Income tax provision..... 140 28

Interest expense..... 90 135

Operating earnings..... \$ 579 \$ 509

=====

</TABLE>

Revenues

On a consolidated basis, worldwide revenues increased \$304 million in 1996 to \$5,409 million. Net sales of equipment and parts increased 5% to \$5,176 million. The improvement in net sales is attributable to a 5% volume increase, primarily due to the Company's acquisition activity in 1996, and a 3% improvement in price realization partially offset by a 2% decrease due to retail store divestitures and a 1% deterioration resulting from the impact

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of foreign exchange. Excluding the impact of acquisitions in 1996, year-over-year net sales increased slightly. Strong retail demand for agricultural and construction equipment in both the Asia Pacific and Latin American regions contributed to the overall sales increase. Net sales in 1996 increased 62% in the Company's emerging markets and 3% in Europe, while decreasing 3% in North America from 1995 levels. Worldwide net sales of agricultural equipment increased 11%, while construction equipment net sales decreased 5%.

The Company completed four strategic business acquisitions in 1996. In January 1996, the Company acquired Concord, Inc. ("Concord"), a manufacturer of air drills based in Fargo, North Dakota. In the second quarter of 1996, the Company's Australian subsidiary completed the purchase of all of the outstanding shares of Austoft Holdings Limited ("Austoft"), the world's largest manufacturer of sugar cane harvesting equipment. Austoft is based in Bundaberg, Australia. In August 1996, the Company acquired 75% of Steyr Landmaschinenteknik AG ("Steyr"), an Austrian tractor manufacturer whose tractors are recognized for their superior performance in mountainous regions. In October 1996, Case acquired Fermec Holdings Limited ("Fermec"), a construction equipment manufacturer based in Manchester, United Kingdom. Fermec's products include loader/backhoes, mini-excavators, skid steer loaders and industrial tractors. The acquisition of these businesses is part of the Company's long-term goal to increase profitability. The Company reported combined net sales of approximately \$190 million in 1996 as a result of these acquisitions.

Worldwide net sales of agricultural equipment increased 11% in 1996 as compared to 1995 levels. The increase in sales of agricultural equipment in Europe was driven by significant increases in sales of combines, four-wheel drive tractors and MAGNUM(TM) tractors (120-plus horsepower). In Case's other international markets, the increase in agricultural equipment sales resulted from significant increases in sales of MAGNUM(TM) and four-wheel drive tractors, combines, sugar cane harvesters and cotton pickers. Sales in the Asia Pacific region were particularly strong due to improved crop prices and favorable weather conditions. In North America, the Company's progress in implementing its supply chain management initiatives has enabled Case to lower production relative to retail demand as compared to 1995 levels, resulting in lower wholesale (dealer) sales. As a result, Case reported lower net sales of agricultural equipment in 1996 than would have been reported had production levels relative to retail demand remained constant with 1995 levels. In the near-term, Case's supply chain management initiative will continue to impact the Company's North American operating results. Excluding the impact of acquisitions, worldwide net sales of agricultural equipment increased 7% in 1996 as compared to the prior year.

Worldwide net sales of construction equipment decreased 5% in 1996 as compared to 1995 levels. In Europe, the decrease in construction equipment sales reflects the continued weakness of the European construction equipment market, particularly in France and Germany. In North America, construction equipment sales were impacted by the Company's supply chain management initiatives, which enabled Case to lower production relative to retail demand as compared to 1995 levels. As a result, Case reported lower net sales of construction equipment in 1996 than would have been reported had production levels relative to retail demand remained constant with 1995 levels. In the near-term, Case's supply chain management initiative will continue to impact the Company's North American operating results. In Case's other international markets, sales of construction equipment increased due to increases in sales of loader/backhoes, crawlers and trenchers in the Asia Pacific and Latin American regions, along with improvements in the Brazilian economy as compared to 1995. Excluding the impact of acquisitions, worldwide net sales of construction equipment decreased 7% in 1996 as compared to the prior year.

Costs and Expenses

Cost of goods sold for the industrial operations increased \$174 million to \$3,953 million in 1996 as compared to 1995. The increase in cost of goods sold is primarily due to higher sales volume. Gross margin increased slightly in 1996 reflecting volume-related production efficiencies, improved price realization and benefits from cost-reduction initiatives partially offset by lower margins resulting from changes in geographic and product lines sales mix and acquisition related sales. Selling, general and administrative expenses for the industrial operations decreased \$50 million in 1996 to \$589 million. As a percentage of net sales, selling, general

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and administrative expenses improved to 11.4% in 1996 from 12.9% in 1995. This decrease reflects lower retail selling expenses as a result of restructuring-related sales of company-owned retail stores, partially offset by the addition of selling, general and administrative expenses for Concord, Austoft, Steyr and Fermec. In addition, selling expenses related to the low-rate and other sales financing programs have also decreased in 1996 as compared to 1995. Case Industrial makes payment to Case Credit in an amount equal to the difference between the rate actually paid by retail customers and the rate charged by Case Credit. These payments are included in selling, general and administrative expenses of Case Industrial and are eliminated to arrive at consolidated selling, general and administrative expenses.

Research, development and engineering expenses increased 24% to \$193 million, primarily in support of new product development. These increased expenditures, including the introduction of more than 20 new agricultural products, completed the largest product launch in the Company's history.

Interest expense for Case's industrial company was \$90 million in 1996 versus \$135 million in 1995. The decrease in interest expense related primarily to lower average debt levels in 1996 as compared to 1995, and to strategic refinancing actions taken during the year.

The consolidated income tax provision for 1996 was \$185 million compared to \$81 million for 1995. The Company's 1996 effective tax rate of 35% was equal to the U.S. statutory tax rate. The Company's effective tax rate was impacted by a reduction in tax valuation reserves, the recognition of research and development tax credits, and tax savings related to the Company's foreign sales corporation, offset by state income taxes, foreign losses with no tax benefit, and foreign income taxed at different rates. In 1995, the Company's effective tax rate of 19% was significantly lower than the U.S. statutory tax rate primarily due to a reduction in the tax valuation reserve in 1995 that resulted from income generated in certain tax jurisdictions.

Credit Operations

Case Credit recorded net income for 1996 of \$85 million as compared to \$94 million for 1995. The \$9 million decrease is primarily due to increased interest expense as a result of maintaining higher average debt levels necessary to fund the growth in both the finance lease and operating lease equipment programs. In addition, Case Credit's 1996 net income was lower as a result of lower interest rate margins on the sale of retail notes under asset-

backed securitization ("ABS") transactions. Net income also included a \$3 million extraordinary, after-tax charge to write-off unamortized bank fees in conjunction with the refinancing of the Company's credit facilities in the third quarter of 1996.

Case Credit reported total revenues of \$244 million for 1996, a 12% increase over the \$217 million of revenues reported for 1995. Finance income earned on retail notes and finance leases increased 90% to \$59 million in 1996 as compared to the same period in 1995 due to higher average receivable levels, including a growing finance lease portfolio. The increase was also a result of Case Credit originating a greater percentage of full-rate contracts, which decreased the interest income from Case. Lease income increased \$12 million to a total of \$16 million for 1996, reflecting the growth in Case Credit's equipment leasing program. Net gain on the sale of retail notes in ABS transactions decreased as a result of lower interest rate margins.

Operating expenses for Case Credit increased \$11 million to a total of \$39 million in 1996 as compared to 1995. This increase primarily resulted from a \$7 million increase in depreciation expense for equipment on operating leases as well as an increase in administrative and operating expenses.

Case Credit's interest expense for 1996 was \$72 million, up \$30 million from the \$42 million reported in 1995. The increased interest expense resulted from higher average debt levels during 1996 as compared to 1995 due to the timing of ABS transactions, growth in the finance lease portfolio and increased equipment on operating leases.

As of December 31, 1996, Case Credit's serviced portfolio of receivables increased 14% over the same time last year to a record \$4.3 billion. Gross receivables acquired in 1996 increased 11% for a total of \$2.6 billion

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versus the same period in 1995. The growth in acquisitions reflects the strong demand for both new and used equipment, as well as the increased marketing efforts of Case Credit. Portfolio losses were \$3 million in both 1996 and 1995, resulting in a loss to liquidation ratio of 0.15% in 1996 and 0.21% in 1995. Case Credit sold \$1,638 million and \$1,469 million of retail notes in ABS transactions during 1996 and 1995, respectively. At December 31, 1996, Case Credit retained approximately \$400 million of additional retail notes and leases as compared to December 31, 1995.

1995 Compared to 1994

Earnings

The Company recorded income before cumulative effect of changes in accounting principles and extraordinary loss of \$346 million in 1995. This is more than double the \$165 million of income recorded in 1994. Earnings per share of common stock after preferred stock dividends and before accounting changes and extraordinary loss for 1995 was \$4.72 per share compared to \$2.26 per share in 1994, assuming 70 million shares outstanding and payment of preferred stock dividends for all periods prior to June 24, 1994.

Net income in 1995 was \$337 million, with earnings per share of \$4.60, versus net income and earnings per share of \$131 million and \$1.77, respectively, in 1994, assuming 70 million shares outstanding and payment of preferred stock dividends for all periods prior to June 24, 1994. Effective January 1, 1995, Case adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," for its non-U.S. plans. Effective January 1, 1994, Case adopted SFAS No. 112, "Employers' Accounting for Postemployment Benefits." The cumulative effects of adopting these standards were to decrease net income by \$9 million and \$29 million, after tax, in 1995 and 1994, respectively. In the second quarter of 1994, in conjunction with the Reorganization, Case prepaid approximately \$519 million of high interest-bearing debt. The Company recorded an extraordinary loss of \$5 million, after tax, for the redemption premium resulting from these transactions.

The Company's industrial operations recorded income before cumulative effect of changes in accounting principles, extraordinary loss and equity income of Case Credit of \$252 million in 1995, a \$157 million earnings improvement from

\$95 million in 1994. Case Credit recorded \$94 million in net income in 1995, \$24 million more than net income of \$70 million in 1994.

Case's operating earnings for 1995 were \$509 million versus \$315 million in 1994. Case defines operating earnings as industrial earnings before interest, taxes, changes in accounting principles and extraordinary loss, including the income of Case Credit on an equity basis. Case's earnings improvement was primarily the result of higher sales volumes, improved pricing, internal cost reductions resulting from restructuring-related actions, higher income from Case Credit and a gain on the sale of the Viscosity Oil business. These improvements were partially offset by the effects of inflation, higher manufacturing costs associated with new product launches, higher research and development spending and charges related to the \$400 million revolving wholesale receivable securitization facility.

A reconciliation of the Company's industrial net income to operating earnings is as follows (in millions):

<TABLE>
<CAPTION>

	CASE INDUSTRIAL	

	YEARS ENDED	
	DECEMBER	
	31,	

	1995	1994
	----	----
<S>	<C>	<C>
Income before cumulative effect of changes in accounting principles and extraordinary loss.....	\$ 346	\$ 165
Income tax provision.....	28	46
Interest expense.....	135	104
	-----	-----
Operating earnings.....	\$ 509	\$ 315
	=====	=====

</TABLE>

Revenues

On a consolidated basis, worldwide revenues increased \$700 million in 1995 to \$5,105 million. Net sales of equipment and parts increased 16% to \$4,937 million. The improvement in net sales is attributable to a 9% increase in volume, a 4% improvement in price realization and a 3% foreign exchange rate impact. Strong retail demand for agricultural and construction equipment in both North America and Europe drove the volume increase. Net sales in 1995 increased 12% in North America, 30% in Europe and 4% in the Company's other international markets over 1994 levels. Worldwide net sales of agricultural equipment increased 19%, while construction equipment net sales increased 21%.

Worldwide net sales of agricultural equipment increased 19% in 1995 as compared to 1994 levels. The increase in sales of agricultural equipment in North America was primarily driven by increased sales of four-wheel drive tractors and combines, partially offset by decreases in sales of Case row-crop tractors. The increase in European agricultural equipment sales resulted from significant increases in both 40-plus horsepower tractors and MAGNUM(TM) tractors (120-plus horsepower). In Case's other international markets, the increase in agricultural equipment sales reflects the completion of a \$45 million sale of combines to Turkmenistan along with an increase in sales of four-wheel drive tractors resulting from the introduction of Case's new 9300 series STEIGER(R) tractor in Australia/New Zealand.

Worldwide net sales of construction equipment increased 21% in 1995 as compared to 1994 levels. In North America, the increase in construction equipment sales was led by the loader/backhoe. The success of the Case loader/backhoe, the Company's largest construction equipment product line, reflects both strong demand for the product and limited availability during 1994, due to the new product change-over. Other product lines contributing to

the sales increase in North America include skid steers, excavators and wheel loaders. The increase in construction equipment sales in Europe reflects sales increases in excavators, loader/backhoes, wheel loaders and skid steers. In Case's other international markets, net sales of construction equipment in 1995 were lower than the prior year as a result of weak economic conditions in Brazil, Case's largest market in the region.

Costs and Expenses

Cost of goods sold for the industrial operations increased \$519 million to \$3,779 million in 1995 as compared to 1994. The increase in cost of goods sold is primarily due to higher sales volume. Cost of goods sold as a percentage of net sales remained constant at approximately 76% in 1995. This reflects a shift in the geographic mix of net sales to Europe versus North America and inflationary cost increases offset by volume-related production efficiencies, improved price realization and benefits from cost-reduction initiatives.

Selling, general and administrative expenses for the industrial operations decreased \$6 million in 1995 to \$639 million. As a percentage of net sales, selling, general and administrative expenses improved to 13% in 1995 from 15% in 1994. This decrease as a percentage of net sales reflects lower retail selling expenses as a result of restructuring-related sales of company-owned retail stores partially offset by increased payments to Case Credit related to low-rate financing of retail notes. Case Industrial makes payments to Case Credit in an amount equal to the difference between the rate actually paid by retail customers and the rate charged by Case Credit. These payments are included in selling, general and administrative expenses of Case Industrial and are eliminated to arrive at consolidated selling, general and administrative expenses. The increased expense resulted from a higher volume of notes processed and the timing and size of ABS transactions.

Research, development and engineering expenses increased 23% in 1995 to \$156 million. The increased expenditures primarily supported new product development.

Interest expense for Case's industrial company was \$135 million in 1995 versus \$104 million in 1994. The increase in interest expense relates primarily to higher average debt levels and higher effective interest rates.

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In 1995, the Company recognized \$27 million in charges related to the revolving wholesale receivable securitization facility. Also during 1995, the Company recognized a one-time gain of \$24 million on the sale of the Viscosity Oil business. In 1994, the Company deemed a portion of the restructuring reserve to be excessive, and reversed \$16 million (\$9 million after tax) to income. These amounts are included in "Other, net" on the income statement for the respective periods.

The consolidated income tax provision for 1995 was \$81 million compared to \$93 million for 1994. The Company's 1995 effective tax rate of 19% was lower than the U.S. statutory tax rate of 35% primarily due to reductions in the tax valuation reserve resulting from income being generated in certain tax jurisdictions. The tax provision as a percentage of pre-tax income for 1994 is slightly higher than the U.S. statutory tax rate primarily due to foreign losses for which no income tax benefit has been recorded, partially offset by reductions in the tax valuation reserve.

Credit Operations

Case Credit recorded net income of \$94 million in 1995, versus \$70 million for 1994. Revenues in 1995 were \$217 million, compared to \$184 million for 1994. The increase in revenues is primarily due to higher gains on the sale of retail receivables to limited-purpose business trusts in connection with ABS transactions amounting to \$45 million and higher securitization and servicing fee income of \$30 million. These increases were partially offset by lower finance income earned on retail receivables due to Tenneco's retention of \$1.1 billion of U.S. retail receivables at the time of the Reorganization..

Interest expense for 1995 declined by 25% from \$56 million in 1994 to \$42 million in 1995. This decrease is due to a reduction of debt levels as a result of the retention of \$1.1 billion of U.S. retail receivables and the utilization

of ABS transactions. Income tax expense in 1995 includes a \$9 million benefit related to reductions in the tax valuation reserve.

Case Credit successfully built its North American portfolio in 1995. Gross portfolio acquisitions for 1995 were up 23% over 1994, while losses (including losses charged to dealers and losses absorbed by trusts) declined to \$3 million in 1995 from \$6 million in 1994. This represents a loss to liquidation ratio of 0.2% for 1995, versus 0.4% in 1994. Improvements can be attributed to improved collection activities, higher resale value of equipment and a generally strong economy.

LIQUIDITY AND CAPITAL RESOURCES

The discussion of liquidity and capital resources focuses on the consolidated balance sheets and statements of cash flows. Case's industrial operations are capital intensive and subject to seasonal variations in financing requirements for dealer receivables and inventories. Whenever necessary, funds provided from operations are supplemented from external sources.

1996 Compared to 1995

In August 1996, the Company established new credit facilities consisting of \$3.4 billion in lines of credit and liquidity facilities. Of the \$3.4 billion total, \$2.3 billion of the credit facilities benefit Case Credit and its Canadian subsidiary, and include a five-year, \$1.2 billion revolving credit facility. The remaining \$1.1 billion of credit facilities are used to support the Company's industrial operations. These facilities replace borrowing agreements originally established at the time of the Company's initial public offering in June 1994. The new agreements were negotiated at more favorable terms and rates for the Company than the previous credit facilities. In November 1996, Case Credit established a \$1.2 billion commercial paper program. Under the terms of the program, the principal amount of the commercial paper outstanding, combined with the amounts outstanding under Case Credit's five-year, \$1.2 billion revolving credit facility, cannot exceed a total of \$1.2 billion.

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Cash provided by operating activities was \$132 million in 1996. Cash provided by the industrial operations was \$464 million, versus \$752 million in 1995. Cash used by Case Credit was \$292 million in 1996 as compared to \$477 million in 1995. The net cash generated from operating activities in 1996 was primarily due to operating income partially offset by cash used to support increases in retail receivables and cash used for restructuring activities. The net increase in receivables is largely due to Case Credit's retention of a larger percentage of receivables as opposed to selling those receivables under ABS transactions. In 1995, cash provided by industrial operating activities of \$752 million included the impact of the sale of \$400 million of wholesale receivables to a revolving ABS facility.

Case invested \$162 million and \$115 million in property, plant and equipment, during 1996 and 1995, respectively. Proceeds from the sale of businesses and assets were \$27 million and \$70 million in 1996 and 1995, respectively. Of the \$70 million in proceeds received in 1995, \$34 million related to the cash proceeds received from the sale of the Viscosity Oil business. During 1996, Case invested \$147 million of cash and an additional \$27 million in non-cash consideration to acquire the businesses of Concord, Austoft, Steyr and Ferrec. Case also assumed additional debt and other liabilities of approximately \$244 million in conjunction with these acquisitions.

The Company issued 566,100 shares of its common stock in conjunction with an over-allotment option exercised by the underwriters of a 15.2 million share offering of Case shares held by Tenneco Inc. in the first quarter of 1996. The Company received approximately \$30 million in proceeds from the exercise of the over-allotment options, which were offered at \$53.75 per share. The equity offering fully divested Tenneco of its holdings in Case. Also during the first quarter of 1996, the Company issued 125,812 shares of its common stock in conjunction with the acquisition of Concord. Throughout 1996, the Company issued common stock in conjunction with various employee benefit plans and the exercise of stock options.

The Company received proceeds from the issuance of long-term debt of \$500

million during the first quarter of 1996. In January, the Company issued \$300 million aggregate principal amount of its 7 1/4% unsecured and unsubordinated notes due 2016. In February, Case Credit issued \$200 million aggregate principal amount of its 6 1/8% unsecured and unsubordinated notes due 2003 pursuant to a \$300 million shelf registration statement filed with the Securities and Exchange Commission in 1995. The net proceeds from the Case Credit offering were used to repay indebtedness and finance Case Credit's growing portfolio of receivables.

During 1996, Case repaid \$647 million of long-term debt. Of this \$647 million, approximately \$324 million related to the repayment in full of the \$1.0 billion term loan established at the time of the Company's initial public offering in June 1994. The proceeds from the \$300 million note offering, together with cash and additional borrowings under the Company's credit facilities, were used to exercise the Company's option to repurchase for cash all of the Company's 10 1/2% Senior Subordinated Notes and to pay accrued interest thereon. Amounts outstanding under short-term debt and revolving credit facilities increased \$225 million during 1996. The \$225 million net increase in short-term debt and revolving credit facilities was used, in part, to support the increase in retail receivables.

Total debt at December 31, 1996, was \$2,130 million, \$1,244 million of which related to Case Credit. The consolidated debt to capitalization ratio, defined as total debt divided by the sum of total debt, stockholders' equity and preferred stock with mandatory redemption provisions, was 51.8% at December 31, 1996, and the Company's industrial debt to capitalization ratio was 30.9%. The consolidated and industrial ratios at December 31, 1995, were 54.9% and 39.3%, respectively.

1995 Compared to 1994

Cash provided by operating activities was \$182 million in 1995. The cash generated from operating activities in 1995 was primarily due to operating income partially offset by cash used to support increases in retail receivables. The net increase in wholesale (dealer) receivables and retail receivables in 1995 includes the sale of approximately \$400 million wholesale (dealer) receivables and \$1,469 million retail receivables in ABS transactions. Cash generated from operating activities in 1994 was \$275 million, primarily due to operating income.

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Case invested \$115 million and \$124 million in property, plant and equipment, during 1995 and 1994, respectively. Proceeds from the sale of businesses and assets were \$70 million and \$78 million in 1995 and 1994, respectively. Of the \$70 million in proceeds in 1995, \$34 million related to the cash proceeds received from the sale of the Viscosity Oil business. The \$1,500 million use of cash for investing activities in 1994 related primarily to the payment of the Demand Notes to Tenneco and its affiliates in connection with the Reorganization.

During 1995, Case repaid \$681 million of long-term debt. This consisted of a \$300 million payment using a portion of the proceeds from the sale of wholesale (dealer) receivables, a \$296 million payment using the proceeds from the issuance of 7 1/4% notes and other payments of \$85 million. Amounts outstanding under short-term debt and revolving credit facilities increased \$326 million during 1995. The \$326 million net increase in short-term debt and revolving credit facilities was used to support the increase in retail receivables. In 1994, Case repaid \$1,019 million of high interest-bearing debt, received \$503 million in cash transfers from Tenneco in anticipation of the Reorganization, received net proceeds of \$983 million from the issuance of the term loan and had net increases in short-term debt and revolving credit facilities of \$795 million.

Total debt at December 31, 1995, was \$1,941 million, \$908 million of which related to Case Credit. The consolidated debt to capitalization ratio, defined as total debt divided by the sum of total debt, stockholders' equity and preferred stock with mandatory redemption provisions, was 54.9% at December 31, 1995, and the Company's industrial debt to capitalization ratio was 39.3%. The consolidated and industrial ratios at December 31, 1994, were 61.0% and 56.6%, respectively.

Future Liquidity and Capital Resources

During 1996, the Company established new credit facilities and entered into certain other facilities resulting in the following facilities being available at December 31, 1996:

- (i) a five-year, \$1.2 billion revolving credit facility for Case Credit Corporation that expires in August 2001, with \$724 million available at December 31, 1996;
- (ii) a three-year, \$750 million U.S. asset-backed commercial paper liquidity facility for Case Credit Corporation that expires in August 1999, with \$658 million available at December 31, 1996;
- (iii) a five-year, C\$500 million revolving credit facility for Case Credit Ltd. that expires in August 2001, with C\$158 million available at December 31, 1996;
- (iv) a five-year, \$1.1 billion revolving credit facility for Case Corporation that expires in August 2001, with \$1.1 billion available at December 31, 1996; and
- (v) an A\$402 million revolving credit facility for the Company's Australian subsidiaries with various expiration dates thru 1998, including A\$250 million for Case Credit Australia Pty Ltd, with A\$52 million available at December 31, 1996, and A\$152 million for Case Corporation Pty Ltd, with A\$67 million available at December 31, 1996.

Pursuant to a support agreement for Case Credit, the Company has agreed to maintain its ownership in, and provide financial backing for, Case Credit.

In November 1996, Case Credit Corporation established a \$1.2 billion commercial paper program. Under the terms of the program, the principal amount of the commercial paper outstanding, combined with the amounts outstanding under Case Credit Corporation's five-year, \$1.2 billion revolving credit facility mentioned above, cannot exceed a total of \$1.2 billion.

In addition to the above availability, the Company has other sources of future liquidity including the asset-backed securities markets in the United States and Canada, public debt offerings, and other local lines of credit not mentioned above. As previously mentioned, the Company has a \$400 million private, revolving wholesale (dealer) receivable ABS facility that can be utilized to periodically sell wholesale receivables to third-party investors.

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Case estimates that for 1997 and 1998, capital expenditures and other investments amounting to \$65 million in the aggregate will be required to complete projects authorized as of December 31, 1996, for which substantial commitments by the Company have been made. These commitments are expected to be funded with cash flows from operations and additional borrowings.

The Company estimates that cash outlays for restructuring will approximate \$160 million in 1997. The Company anticipates that such funding will be derived from continuing operations and proceeds from the disposal of fixed assets under the restructuring program.

Outlook

Solid customer demand and strong underlying economic fundamentals provide a positive outlook for Case's agricultural and construction equipment markets in 1997.

In the agricultural sector, worldwide demand for grains and other agricultural products is expected to continue to grow, and while grain stock levels improved during 1996, they are expected to remain at the low range of normal operating levels for the next two years. As a result, commodity prices are expected to remain favorable in 1997. In North America, 1996 net farm income is expected to be at record levels and indications are that farm balance sheets are in good condition. Further, U.S. farmers are now free to

plant in response to market conditions under the "Freedom to Farm Act," which should result in increased market efficiencies. All of these factors, together with \$7.6 billion in government farm subsidies forecasted by the United States Department of Agriculture for 1997, will give farmers the ability to invest in new products and new technology to increase productivity.

The construction equipment sector is gaining strength in the United Kingdom and Australia, while maintaining favorable levels in North America. Housing starts are generally increasing in these markets. However, elsewhere in Europe, the Company believes that France and Germany could continue to experience significant weakness until economic growth and construction spending resume.

In Latin America, economic conditions in Brazil have greatly improved and retail sales of construction equipment are expected to be stronger.

Consistent with 1996, Case anticipates that unit production and wholesale sales will be at or below retail demand for all of 1997 as part of the Company's continuing supply chain management initiative. Moreover, in the first quarter of 1997, preparation for significant new product introductions will result in lower production of certain of the Company's products than in the first quarter of 1996, with no adverse impact expected on full year production schedules.

The information included in this "Outlook" section represents forward-looking statements and involves risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. The Company's outlook is predominantly based on its interpretation of what it considers key economic assumptions. 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 the Company include general economic conditions, the cyclical nature of its business, foreign currency movements, the Company's access to credit, political uncertainty and civil unrest 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), changes in environmental laws and employee relations. Further information concerning factors that could significantly impact expected results is included in the following sections of this Form 10-K: Business--Employees, Business--Environmental Matters, Business--Significant International Operations, Business--Seasonality and Production Schedules, Business--Competition, Legal Proceedings, and Management's Discussion and Analysis of Financial Condition and Results of Operations.

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Seasonality and Production Schedules

The seasonality of farm equipment retail sales is directly affected by the timing of major crop activities: tilling, planting and harvesting. The timing of these activities is impacted by crop production and climate conditions. The fourth quarter is generally the strongest demand period for retail farm equipment sales, normally representing approximately 35% of sales by Case's North American dealers. The weakest retail demand for Case farm equipment in North America typically occurs in the third quarter, accounting for approximately 15% to 20% of sales by Case's North American dealers.

Seasonal demand fluctuations for construction equipment are less significant than those for farm equipment. Nevertheless, in North America, housing construction slows down, especially in the Midwest and on the East Coast, beginning in November and continuing through the first quarter. North American retail demand for Case's construction equipment is strongest in the second and fourth quarters, which combined represent approximately 50% to 60% of sales by Case's North American dealers. European demand patterns are similar to those in the United States.

Sales to independent dealers closely correspond with Case's production levels, which are based upon its estimates of the demand for its products, taking into account the timing of dealer shipments (which are in advance of retail demand), dealer inventory levels, the need to shut down production to

enable manufacturing facilities to be prepared for the manufacture of new or different models and the efficient use of manpower and facilities. The production levels are adjusted to reflect changes in estimated demand, dealer inventory levels, labor disruptions and other matters not within Case's control.

Inflation

Inflation impacts the Company's business in both the costs of production and the demand for its products.

A significant portion of the cost of Case machinery is comprised of material costs. Therefore, material price inflation could result in increased manufacturing costs through supplier price increases to Case. Case's ability to recover increased supplier costs would be dependent, in part, on its competitors' responses to these economic conditions. Manufacturing cost increases in excess of increased pricing in the market could have an adverse effect on Case.

Increases in inflation tend to cause higher interest rates. The demand for farm and, to a greater extent, construction equipment is negatively impacted by high interest rates. As interest rates on farm debt escalate, farmers tend to delay equipment purchases. Case's construction equipment business is heavily tied to the housing construction sector, and in the face of rising mortgage rates, potential homeowners tend to delay purchases. Increases in the level of worldwide inflation could have a negative effect on the level of demand for farm and construction equipment.

Environmental Matters

The Company's operations are subject to stringent environmental regulation by governmental authorities. Although the Company has a program designed to implement environmental management practices and compliance and has reserved for environmental liabilities, it is possible that developments, such as increasingly strict environmental laws, regulations and enforcement policies or claims for damages to property, employees, other persons and the environment resulting from the Company's operations, could result in future costs and liabilities that may exceed the range currently anticipated by the Company. As it has done in the past, the Company intends to fund its cost of environmental compliance from operating cash flows. Also see Note 15 to the Case Financial Statements.

Foreign Currency Risk Management

The Company has significant manufacturing operations in the United States, France, Germany and the United Kingdom. For the most part, Case's products and components are only produced at a single

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manufacturing facility. As a result, significant volumes of finished goods and components are exported to other countries. In addition, the Company buys finished products from Germany, Italy and Japan for sale through its distribution network. For goods purchased from other Case affiliates, the Company denominates the transaction in the functional currency of the producing nation. Large volume purchase agreements for products purchased from third parties normally contain currency risk sharing clauses that limit the amount of exposure from currency fluctuations. Foreign exchange transaction gains/(losses) were \$(5) million, \$(2) million and \$4 million, for the years ended December 31, 1996, 1995 and 1994, respectively.

The Company has adopted the following guidelines to manage its foreign exchange exposures:

- (i) increase the predictability of costs associated with goods whose purchase price is not denominated in the functional currency of the buyer;
- (ii) minimize the cost of hedging through use of naturally offsetting positions; and
- (iii) where possible, sell product in the functional currency of the

producing operation.

The Company's identifiable exposures for fluctuations in exchange rates of foreign currencies result primarily from accounts receivable, accounts payable, or cash outflows that are denominated in foreign currencies due to scheduled cash remittances. The Company identifies naturally occurring offsetting positions and then purchases forward contracts for the residual exposures. For further information regarding Case's foreign currency risk management, see Note 11 to the Case Financial Statements.

Interest Rate Risk Management

The Company has implemented an interest rate risk management program with respect to a portion of the credit facilities, which carry a floating rate of interest. The program is within guidelines of the policies approved by the Board of Directors to limit exposure to rising interest rates. The exact nature, timing and size of the program is based upon the amount of debt in Case Industrial and the Credit Companies. For further information regarding Case's interest rate risk management, see Note 11 to the Case Financial Statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

INDEX TO FINANCIAL STATEMENTS OF CASE CORPORATION AND CONSOLIDATED SUBSIDIARIES

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Statements of income for each of the three years in the period ended December 31, 1996.....	33
Balance sheets as of December 31, 1996 and 1995.....	34
Statements of cash flows for each of the three years in the period ended December 31, 1996.....	35
Statements of changes in stockholders' equity for each of the three years in the period ended December 31, 1996.....	36
Notes to financial statements.....	37

</TABLE>

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of Case Corporation:

We have audited the accompanying consolidated balance sheets of Case Corporation (a Delaware Corporation) and subsidiaries, formerly the Farm and Construction Equipment Business of Tenneco Inc., as of December 31, 1996 and 1995, and the related consolidated and combined statements of income, cash flows and changes in stockholders' equity for each of the three years in the period ended December 31, 1996. These financial statements and the supplemental financial statements and supplemental schedule referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements, the supplemental financial statements and supplemental schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Case Corporation and subsidiaries as of December 31, 1996 and 1995, and the consolidated and combined results of their operations and their cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles.

As discussed in Note 2 to the financial statements, effective January 1, 1995, the Company changed its method of accounting for postretirement benefits other than pensions for its non-U.S. plans. Also, as discussed in Note 2 to the financial statements, effective January 1, 1994, the Company changed its method of accounting for postemployment benefits.

Our audits were made for the purpose of forming an opinion on the consolidated and combined financial statements taken as a whole. The supplemental financial statements of Case Industrial and Case Credit are presented for purposes of additional analysis and are not a required part of the consolidated and combined financial statements. This information has been subjected to the auditing procedures applied in our audits of the consolidated and combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated and combined financial statements taken as a whole. Also, the supplemental schedule listed in the index to Item 14 is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Milwaukee, Wisconsin
January 21, 1997

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CASE CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
AND

THE FARM AND CONSTRUCTION EQUIPMENT BUSINESS OF TENNECO INC.

COMBINED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

(IN MILLIONS EXCEPT PER SHARE DATA)

<TABLE>
<CAPTION>

	CONSOLIDATED AND COMBINED			CASE INDUSTRIAL			CASE CREDIT		
	1996	1995	1994	1996	1995	1994	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
REVENUES:									
Net sales.....	\$ 5,176	\$ 4,937	\$ 4,262	\$5,176	\$4,937	\$4,262	\$--	\$--	\$--
Interest income and other.....	233	168	143	63	67	44	244	217	233
	5,409	5,105	4,405	5,239	5,004	4,306	244	217	233
COSTS AND EXPENSES:									
Cost of goods sold.....	3,953	3,779	3,260	3,953	3,779	3,260	--	--	--
Selling, general and administrative.....	544	553	576	589	639	682	27	27	15
Research, development and engineering.....	193	156	127	193	156	127	--	--	--
Restructuring credit...	--	--	(16)	--	--	(16)	--	--	--
Interest expense.....	160	174	160	90	135	87	72	42	88
Other, net.....	25	16	40	13	15	48	12	1	(10)
	4,875	4,678	4,147	4,838	4,724	4,188	111	70	93
Income before taxes and									

cumulative effect of changes in accounting principles and extraordinary loss.....	534	427	258	401	280	118	133	147	140
Income tax provision....	185	81	93	140	28	38	45	53	55

Income before cumulative effect of changes in accounting principles and extraordinary loss.	349	346	165	261	252	80	88	94	85
Equity in income--Case Credit.....	--	--	--	88	94	85	--	--	--

Income before cumulative effect of changes in accounting principles and extraordinary loss.	349	346	165	349	346	165	88	94	85
Cumulative effect of changes in accounting principles.....	--	(9)	(29)	--	(9)	(29)	--	--	--
Extraordinary loss.....	(33)	--	(5)	(33)	--	(5)	(3)	--	(4)

Net income.....	\$ 316	\$ 337	\$ 131	\$ 316	\$ 337	\$ 131	\$ 85	\$ 94	\$ 81
=====									
Preferred stock dividends.....	7	7	3						

Net income to common...	\$ 309	\$ 330	\$ 128						
Pro forma adjustments...	N.A.	N.A.	1						

Net pro forma income to common.....	N.A.	N.A.	\$ 129						
=====									
PER SHARE DATA:									
Primary income per share of common stock.....	\$ 4.17	\$ 4.60	N.A.						
=====									
Net pro forma income per share of common stock..	N.A.	N.A.	\$ 1.74						
=====									
Fully diluted net income per share of common stock.....	\$ 4.06	\$ 4.44	N.A.						
=====									

</TABLE>

The accompanying notes to financial statements are an integral part of these Statements of Income. Reference is made to Note 2 for definitions of "Case Industrial" and "Case Credit."

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CASE CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 1996 AND 1995
(IN MILLIONS EXCEPT SHARE DATA)

<TABLE>
<CAPTION>

ASSETS	CONSOLIDATED		CASE INDUSTRIAL		CASE CREDIT	
	1996	1995	1996	1995	1996	1995
-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
CURRENT ASSETS:						
Cash and cash equivalents.....	\$ 116	\$ 132	\$ 99	\$ 117	\$ 17	\$ 15
Accounts and notes receivable:						
Trade.....	1,674	1,504	1,302	1,323	372	181
Affiliates.....	--	--	3	--	13	16

Other.....	25	55	25	18	--	37
Inventories.....	988	901	988	901	--	--
Deferred income taxes.....	188	200	171	185	17	15
Prepayments and other.....	62	60	62	57	--	3
	-----	-----	-----	-----	-----	-----
TOTAL CURRENT ASSETS.....	3,053	2,852	2,650	2,601	419	267
	-----	-----	-----	-----	-----	-----
Long-Term Receivables.....	1,361	1,244	309	395	1,036	835
OTHER ASSETS:						
Investments in joint ventures.....	63	65	63	65	--	--
Investment in Case Credit.....	--	--	240	193	--	--
Goodwill and intangibles.....	306	176	306	176	--	--
Other.....	269	176	185	139	100	51
	-----	-----	-----	-----	-----	-----
TOTAL OTHER ASSETS.....	638	417	794	573	100	51
	-----	-----	-----	-----	-----	-----
Property, Plant and Equipment, at cost.....	2,075	1,970	2,072	1,970	3	--
Accumulated depreciation.....	(1,068)	(1,014)	(1,067)	(1,014)	(1)	--
	-----	-----	-----	-----	-----	-----
NET PROPERTY, PLANT AND EQUIPMENT.....	1,007	956	1,005	956	2	--
	-----	-----	-----	-----	-----	-----
TOTAL.....	\$6,059	\$5,469	\$4,758	\$4,525	\$1,557	\$1,153
	=====	=====	=====	=====	=====	=====

<CAPTION>

LIABILITIES AND EQUITY

<S>	<C>	<C>	<C>	<C>	<C>	<C>
CURRENT LIABILITIES:						
Current maturities of long-term debt.....	\$ 9	\$ 47	\$ 9	\$ 47	\$ --	\$ --
Short-term debt.....	1,002	1,005	173	97	829	908
Accounts payable.....	578	533	564	533	30	16
Restructuring liability.....	176	97	176	97	--	--
Other accrued liabilities.....	778	784	735	748	43	36
	-----	-----	-----	-----	-----	-----
TOTAL CURRENT LIABILITIES..	2,543	2,466	1,657	1,522	902	960
	-----	-----	-----	-----	-----	-----
Long-Term Debt.....	1,119	889	704	889	415	--
OTHER LIABILITIES:						
Pension benefits.....	128	134	128	134	--	--
Other postretirement benefits.....	115	98	115	98	--	--
Other postemployment benefits.....	40	40	40	40	--	--
Restructuring liability.....	--	210	--	210	--	--
Other.....	132	35	132	35	--	--
	-----	-----	-----	-----	-----	-----
TOTAL OTHER LIABILITIES...	415	517	415	517	--	--
	-----	-----	-----	-----	-----	-----
Commitments and Contingencies (Note 15)						
Minority Interest.....	1	--	1	--	--	--
Preferred Stock with Mandatory Redemption Provisions.....	77	77	77	77	--	--
STOCKHOLDERS' EQUITY:						
Common Stock, \$0.01 par value; authorized 200,000,000 shares, issued 73,738,641 shares in 1996 and 71,465,531 shares in 1995.....	1	1	1	1	--	--
Paid-in capital.....	1,238	1,154	1,238	1,154	199	199
Cumulative translation adjustment.....	(14)	(21)	(14)	(21)	(6)	(8)
Unearned compensation on restricted stock.....	(9)	(10)	(9)	(10)	--	--
Pension liability adjustment..	(4)	(2)	(4)	(2)	--	--
Retained earnings.....	693	399	693	399	47	2
Treasury stock, 30,841 shares in 1996 and 29,906 shares in						

1995, at cost.....	(1)	(1)	(1)	(1)	--	--
	-----	-----	-----	-----	-----	-----
TOTAL STOCKHOLDERS' EQUITY.....	1,904	1,520	1,904	1,520	240	193
	-----	-----	-----	-----	-----	-----
TOTAL.....	\$6,059	\$5,469	\$4,758	\$4,525	\$1,557	\$1,153
	=====	=====	=====	=====	=====	=====

</TABLE>

The accompanying notes to financial statements are an integral part of these Balance Sheets.

Reference is made to Note 2 for definitions of "Case Industrial" and "Case Credit."

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CASE CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
AND
THE FARM AND CONSTRUCTION EQUIPMENT BUSINESS OF TENNECO INC.
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994
(IN MILLIONS)

<TABLE>
<CAPTION>

	CONSOLIDATED AND COMBINED			CASE INDUSTRIAL			CASE CREDIT		
	1996	1995	1994	1996	1995	1994	1996	1995	1994
	-----	-----	-----	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
OPERATING ACTIVITIES:									
Net income.....	\$ 316	\$ 337	\$ 131	\$ 316	\$ 337	\$ 131	\$ 85	\$ 94	\$ 81
Adjustments to reconcile net income to net cash provided (used) by operating activities:									
Depreciation and amortization.....	138	133	132	126	130	132	12	3	--
Deferred income tax expense (benefit)....	16	(106)	(94)	15	(97)	(88)	1	(9)	(2)
(Gain) loss on disposal of fixed assets.....	5	(25)	7	5	(25)	7	--	--	--
Extraordinary loss, after tax.....	33	--	5	33	--	5	3	--	4
Cumulative effect of changes in accounting principles.....	--	9	29	--	9	29	--	--	--
Non cash restructuring credit.....	--	--	(16)	--	--	(16)	--	--	--
Cash paid for restructuring.....	(73)	(46)	(62)	(73)	(46)	(62)	--	--	--
Undistributed (earnings) loss of unconsolidated subsidiaries.....	7	--	--	(40)	(1)	(1)	--	--	--
Changes in components of working capital:									
(Increase) decrease in receivables.....	(162)	(56)	114	86	85	236	(248)	(156)	(125)
(Increase) decrease in inventories.....	10	(20)	(18)	10	(20)	(18)	--	--	--
(Increase) decrease in prepayments and other current assets.....	--	(12)	(3)	(2)	(10)	2	2	(2)	1
Increase (decrease) in payables.....	(30)	46	287	(45)	62	(71)	15	(1)	(2)

Increase (decrease) in accrued liabilities.....	(53)	32	80	(59)	28	104	6	4	(28)
(Increase) decrease in long-term receivables.....	(71)	(124)	(282)	89	245	(114)	(158)	(367)	(125)
Increase (decrease) in other liabilities....	55	22	(25)	55	22	(25)	--	--	--
Other, net.....	(59)	(8)	(10)	(52)	33	(36)	(10)	(43)	(15)

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	132	182	275	464	752	215	(292)	(477)	(211)
INVESTING ACTIVITIES:									
Proceeds from sale of businesses and assets.....	27	70	78	27	70	78	--	--	--
Expenditures for property, plant and equipment.....	(162)	(115)	(124)	(160)	(115)	(124)	(2)	--	--
Acquisitions and investments.....	(147)	--	--	(147)	--	--	--	--	--
Acquire net assets of the farm and construction equipment business of Tenneco.....	--	--	(1,461)	--	--	(1,557)	--	--	(89)
Other, net.....	--	13	7	--	8	(7)	--	--	(3)

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES.....	(282)	(32)	(1,500)	(280)	(37)	(1,610)	(2)	--	(92)
FINANCING ACTIVITIES:									
Proceeds from issuance of long-term debt....	500	296	983	300	296	994	200	--	12
Payment of long-term debt.....	(647)	(681)	(1,022)	(647)	(681)	(90)	--	--	(955)
Net increase (decrease) in short-term debt and revolving credit facilities.....	225	326	795	89	(250)	110	136	576	997
Cash transfers from Tenneco.....	--	--	503	--	--	407	--	--	284
Proceeds from issuance of common stock.....	75	--	--	75	--	--	--	--	--
Dividends paid (common and preferred).....	(21)	(21)	(7)	(21)	(21)	(7)	(40)	(93)	(24)
Other, net.....	2	(7)	(19)	2	(7)	(6)	--	5	(16)

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES.....	134	(87)	1,233	(202)	(663)	1,408	296	488	298
Effect of foreign exchange rate changes on cash and cash equivalents.....	--	1	1	--	1	1	--	--	--

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(16)	64	9	(18)	53	14	2	11	(5)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	132	68	59	117	64	50	15	4	9

CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 116	\$ 132	\$ 68	\$ 99	\$ 117	\$ 64	\$ 17	\$ 15	\$ 4
=====									
CASH PAID DURING THE YEAR FOR INTEREST.....	\$ 169	\$ 153	\$ 102	\$ 98	\$ 115	\$ 74	\$ 71	\$ 40	\$ 28
=====									
CASH PAID DURING THE									

YEAR FOR TAXES..... \$ 160 \$ 181 \$ 70 \$ 113 \$ 125 \$ 20 \$ 47 \$ 56 \$ 50
 =====

</TABLE>

The accompanying notes to financial statements are an integral part of these
 Statements of Cash Flows.

Reference is made to Note 2 for definitions of "Case Industrial" and "Case
 Credit."

CASE CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AND
 THE FARM AND CONSTRUCTION EQUIPMENT BUSINESS OF TENNECO INC.

STATEMENTS OF CHANGES IN COMBINED EQUITY
 FOR THE YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994
 (IN MILLIONS)

<TABLE>
 <CAPTION>

	INVESTMENT BY TENNECO	COMMON STOCK	PAID- IN CAPITAL	CUMULATIVE TRANSLATION ADJUSTMENT	UNEARNED COMPENSATION	PENSION LIABILITY ADJUSTMENT	RETAINED EARNINGS	TREASURY STOCK	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE, DECEMBER 31, 1993	\$1,778	\$--	\$ --	\$ (43)	\$--	\$ (5)	\$--	\$--	\$1,730
Net income.....	36	--	--	--	--	--	95	--	131
Dividends declared.....	--	--	--	--	--	--	(12)	--	(12)
Translation adjustment.	--	--	--	21	--	--	--	--	21
Capital contributions from (distributions to) Tenneco.....	(704)	--	9	--	--	--	--	--	(695)
Acquire net assets of the farm and construction equipment business of Tenneco...	(1,110)	1	1,109	--	--	--	--	--	--
Capital contributions on stock issuance.....	--	--	5	--	--	--	--	--	5
Pension liability adjustment.....	--	--	--	--	--	3	--	--	3
Issuance of restricted stock.....	--	--	5	--	(7)	--	--	--	(2)
	-----	-----	-----	-----	-----	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1994	--	1	1,128	(22)	(7)	(2)	83	--	1,181
Net income.....	--	--	--	--	--	--	337	--	337
Dividends declared.....	--	--	--	--	--	--	(21)	--	(21)
Translation adjustment.	--	--	--	1	--	--	--	--	1
Capital contributions on stock issuance.....	--	--	20	--	--	--	--	--	20
Recognition of compensation on restricted stock.....	--	--	--	--	3	--	--	--	3
Issuance of restricted stock.....	--	--	6	--	(6)	--	--	--	--
Acquisition of treasury stock.....	--	--	--	--	--	--	--	(1)	(1)
	-----	-----	-----	-----	-----	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1995	--	1	1,154	(21)	(10)	(2)	399	(1)	1,520
Net income.....	--	--	--	--	--	--	316	--	316
Dividends declared.....	--	--	--	--	--	--	(22)	--	(22)
Translation adjustment.	--	--	--	7	--	--	--	--	7
Capital contributions on stock issuance.....	--	--	84	--	--	--	--	--	84
Recognition of compensation on restricted stock.....	--	--	--	--	4	--	--	--	4
Issuance of restricted stock.....	--	--	--	--	(3)	--	--	--	(3)
Pension liability	--	--	--	--	--	--	--	--	--

adjustment.....	--	--	--	--	--	(2)	--	--	(2)
	-----	-----	-----	-----	-----	---	----	----	-----
BALANCE, DECEMBER 31, 1996	\$ --	\$ 1	\$1,238	\$(14)	\$ (9)	\$ (4)	\$693	\$ (1)	\$1,904
	=====	=====	=====	=====	=====	===	=====	=====	=====

</TABLE>

The accompanying notes to financial statements are an integral part of these Statements of Changes in Stockholders' Equity.

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS

NOTE 1: NATURE OF OPERATIONS

Case Corporation ("Case" or the "Company") engages in two types of operations. The industrial operations manufacture and distribute a full line of farm equipment and light- and medium-sized construction equipment on a worldwide basis. Its products are sold through independent dealers and company-owned retail stores. The credit operations provide and administer financing for sales to retail customers in the United States, Canada and Australia.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Presentation

The accompanying financial statements reflect the consolidated results of Case for all periods subsequent to June 24, 1994. All prior periods represent the combined results of the farm and construction equipment business (the "Case Business") of Tenneco Inc. ("Tenneco"). On June 23, 1994, the Case Business was reorganized under one corporate identity (the "Reorganization") in anticipation of an initial public offering (the "Initial Offering") by certain subsidiaries of Tenneco of a portion of their equity interests in Case.

The accompanying financial statements also include, on a separate and supplemental basis, the combination of Case's industrial companies and credit companies as follows:

Case Industrial--For all periods subsequent to June 24, 1994, the financial information captioned "Case Industrial" reflects the consolidation of all majority-owned subsidiaries except for the wholly owned retail credit subsidiaries. For all prior periods, the financial information captioned "Case Industrial" reflects the combination of all operations except for retail receivables and wholesale finance operations of the Case Business. In all periods, the credit operations have been included using the equity method of accounting whereby the net income and net assets of these companies are reflected, respectively, in the income statement caption, "Equity in income--Case Credit," and in the balance sheet caption, "Investment in Case Credit."

Case Credit--For all periods subsequent to June 24, 1994, the financial information captioned "Case Credit" reflects Case's wholly owned retail credit subsidiaries. For all prior periods, the financial information captioned "Case Credit" reflects the combination of the wholesale and retail receivable finance operations of the Case Business.

All significant intercompany transactions, including activity within and between "Case Industrial" and "Case Credit" have been eliminated.

Certain reclassifications have been made to conform prior years financial statements to the 1996 presentation.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and

assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Foreign Currency Translation

The assets and liabilities of foreign affiliates are generally translated into U.S. dollars using year-end exchange rates. Revenues and expenses are translated at average rates during the year. Adjustments resulting

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CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

from this translation, except for those foreign affiliates operating in highly inflationary economies, are deferred and reflected as a separate component of Stockholders' Equity. For affiliates operating in highly inflationary economies, adjustments resulting from the translation of financial statements are reflected in the Statements of Income. Foreign exchange transaction gains/(losses) were \$ (5) million, \$(2) million and \$4 million, for the years ended December 31, 1996, 1995 and 1994, respectively.

Revenue Recognition

Sales to independent dealers are recorded at the time of shipment to those dealers. Sales through company-owned retail stores are recorded at the time of sale to retail customers. Case grants certain sales incentives to stimulate sales of Case products to retail customers. The expense for such incentive programs is recorded at the time of sale to the dealer. At December 31, 1996 and 1995, Case had accrued \$165 million and \$171 million, respectively, for these incentive programs and such amounts are included in "Other accrued liabilities" in the accompanying Balance Sheets.

Case Credit records earned finance charges (interest income) on retail receivables using the effective interest method.

Under terms of most dealer agreements, wholesale notes receivable are generally interest free for periods ranging from three to nine months, after which interest is based on market rates.

Modification Programs and Warranty Costs

The costs of major programs to modify products in the customer's possession are accrued when these costs can be identified and quantified. Normal warranty costs are recorded at the time of sale. Reserves for modification programs and warranty costs were \$117 million and \$153 million at December 31, 1996 and 1995, respectively, and are included in "Other accrued liabilities" in the accompanying Balance Sheets.

Advertising

The Company expenses advertising costs as incurred. Advertising expense totaled \$37 million, \$35 million and \$38 million, for the years ended December 31, 1996, 1995 and 1994, respectively.

Long-Lived Assets

Effective January 1, 1996, Case adopted Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of." Adoption of this standard did not have a material impact on the Company's financial position or results of operations.

Stock-Based Compensation

In 1995, the Financial Accounting Standards Board issued SFAS No. 123, "Accounting for Stock-Based Compensation," which established financial accounting and reporting standards for stock-based employee compensation. The statement allows for companies to continue to apply the accounting treatment under the provisions of Accounting Principles Board Opinion 25. Effective

December 31, 1996, Case has chosen to adopt the disclosure requirement of SFAS 123, however, in the opinion of management, the pro-forma impact of compensation expense for stock-based employee compensation arrangements is not material to the financial statements.

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Changes in Accounting Principles

Effective January 1, 1995, Case adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," for its non-U.S. plans. This standard requires employers to accrue the estimated costs of retiree benefits other than pensions (primarily health care benefits and life insurance) during the employee's active service period. Case had previously expensed the cost of these benefits under non-U.S. plans as medical and insurance claims were paid. The impact of adopting this standard for non-U.S. plans was reported as a cumulative catch-up adjustment of \$9 million on a pre-tax and after-tax basis during the first quarter of 1995.

Effective January 1, 1994, Case adopted SFAS No. 112, "Employers' Accounting for Postemployment Benefits." This standard requires employers to recognize the cost of benefits provided to former or inactive employees after employment but before retirement when it is probable that a benefit will be provided. Such benefits include disability and continuation of health care benefits. The impact of adopting this standard was reported as a cumulative catch-up adjustment of \$29 million (net of taxes) during the first quarter of 1994.

Reference is made to Note 14, "Postretirement and Postemployment Benefits" for further information regarding these changes.

Cash and Cash Equivalents

Cash equivalents are comprised of all highly liquid investments with an original maturity of three months or less.

Inventories

Inventories are stated at the lower of cost or market, generally using the first-in, first-out (FIFO) method. Inventory cost includes material, labor and overhead.

Inventories consist of the following (in millions):

<TABLE>
<CAPTION>

	DECEMBER	
	31,	
	1996	1995
	----	----
<S>	<C>	<C>
Raw materials.....	\$175	\$159
Work-in-process.....	147	128
Finished goods.....	666	614
	----	----
Total inventories.....	\$988	\$901
	====	====

</TABLE>

Goodwill and Intangibles

Goodwill is being amortized on a straight-line basis over 15 to 40 years. Case continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of goodwill may warrant revision or that the remaining balance of goodwill may not be recoverable. When factors indicate that goodwill should be evaluated for possible impairment, Case uses an estimate of the undiscounted cash flows over the remaining life of the goodwill in measuring whether the goodwill is recoverable.

At December 31, 1996 and 1995, goodwill totaled \$313 million and \$163 million, respectively, while accumulated amortization of goodwill was \$62 million and \$53 million, at those respective dates. Amortization expense totaled \$9 million, \$5 million and \$8 million for the years ended December 31, 1996, 1995 and 1994, respectively.

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Intangibles consist primarily of acquired dealer network, trademarks, product drawings and patents, and are being amortized on a straight-line basis over 3 to 17 years. At December 31, 1996 and 1995, intangibles totaled \$209 million and \$207 million, respectively, while accumulated amortization of intangibles was \$154 million and \$141 million, at those respective dates. Amortization expense totaled \$13 million for the year ended December 31, 1996, and \$12 million for each of the years ended December 31, 1995 and 1994.

Derivatives

Derivative financial instruments are used by the Company to manage its foreign currency and interest rate exposures. Depending on the item being hedged, gains and losses on foreign currency instruments are either recognized in the results of operations as they accrue or are deferred until the hedged transaction occurs. Amounts to be received or paid under interest rate swap contracts are recognized as interest income or expense in the periods in which they accrue.

Extraordinary Loss

In the first quarter of 1996, the Company sold \$300 million aggregate principal amount of its 7 1/4% unsecured and unsubordinated notes due 2016 pursuant to a shelf registration statement filed with the Securities and Exchange Commission in June 1995. The net proceeds from the offering, together with cash and additional borrowings under the Company's credit facilities, were used to exercise the Company's option to repurchase for cash all of the Company's 10 1/2% Senior Subordinated Notes and pay accrued interest thereon. As a result of the repurchase, the Company recorded an extraordinary charge of \$22 million after tax in the first quarter of 1996.

In the third quarter of 1996, the Company established new credit facilities consisting of \$3.4 billion in lines of credit and liquidity facilities. As a result of establishing these credit facilities, the Company recorded an \$11 million extraordinary, after-tax charge for the write-off of unamortized bank fees related to the original bank agreements established at the time of the Company's initial public offering in June 1994.

In the second quarter of 1994, the Company prepaid approximately \$519 million of high interest-bearing debt. The Company recorded an extraordinary loss of \$5 million after tax for the redemption premium resulting from these transactions.

NOTE 3: ACQUISITION OF BUSINESSES

In 1996, the Company completed four strategic acquisitions of businesses. On January 12, 1996, the Company acquired Concord Inc., a manufacturer of air drills based in Fargo, North Dakota. On June 3, 1996, the Company's Australian subsidiary, Case Corporation Pty Ltd, completed the purchase of all of the outstanding shares of Austoft Holdings Limited, a manufacturer of sugar cane harvesting equipment. On August 30, 1996, the Company acquired 75% of the common shares of Steyr Landmaschinenteknik AG, an Austrian tractor manufacturer based in St. Valentin, Austria. On October 4, 1996, the Company acquired Ferrec Holdings Limited, a construction equipment manufacturer based in Manchester, United Kingdom.

The aggregate purchase price for these businesses included approximately \$169 million in cash and notes payable, and 125,812 shares of the Company's common stock. Case also assumed additional debt and other liabilities of approximately \$244 million in conjunction with these acquisitions. These

acquisitions were accounted for as purchases and, accordingly, the accompanying consolidated financial statements include the results of operations of these businesses as of their respective acquisition dates. In total, the purchase price plus the liabilities assumed exceeded the fair value of the tangible and intangible assets purchased by approximately \$149 million, on a preliminary basis. The goodwill associated with these acquisitions is being amortized on a straight-line basis over 15 to 20 years.

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

The impact of these acquisitions on the Company's results of operations for the year ended December 31, 1996, as compared to the prior year, is not material.

NOTE 4: REORGANIZATION AND PUBLIC OFFERING

Formation of Company and Reorganization

Case Corporation, formerly Case Equipment Corporation, was formed on April 22, 1994, as a wholly owned subsidiary of Tenneco to acquire the Case Business.

On June 23, 1994, in connection with the Initial Offering, Case, Tenneco and Tenneco Equipment Corporation entered into a Reorganization Agreement (the "Reorganization Agreement") pursuant to which the assets of the Case Business (other than approximately \$1.1 billion of U.S. retail receivables) were transferred to Case and certain of its subsidiaries in exchange for (i) the assumption by the Company and/or certain of its subsidiaries of all liabilities related to the Case Business (with the exception of certain pension and postretirement benefits, certain tax liabilities, approximately \$1.9 billion of debt of Tenneco's finance subsidiaries not sold to the Company and certain remaining intercompany cash advances); (ii) demand notes to be repaid on June 30, 1994, with proceeds from borrowings under new credit facilities; (iii) 70 million shares of Common Stock of Case; (iv) 1,500,000 shares of Series A Cumulative Convertible Preferred Stock of Case valued at \$75 million; and (v) \$250 million of subordinated notes. The Reorganization Agreement and the credit facilities required that, after giving effect to the Reorganization, the Company and its subsidiaries have a consolidated stockholders' equity (including the Series A Cumulative Convertible Preferred Stock and the Cumulative Convertible Second Preferred Stock) of \$1,152 million at June 23, 1994. To the extent stockholders' equity exceeded such amount, the Company was required to pay a dividend on the shares of Common Stock issued to Tenneco and its subsidiaries in the amount of such excess. A dividend in the aggregate amount of \$12.9 million was paid by the Company on August 12, 1994, in accordance with the Reorganization Agreement. Holders of the shares of Common Stock sold in the Initial Offering and holders of Common Stock issuable upon conversion of the Series A Cumulative Convertible Preferred Stock were not entitled to such dividend. All assets and liabilities sold and transferred by Tenneco and its subsidiaries to the Company and its subsidiaries are recorded on the Company's books at the carrying value of such assets and liabilities to Tenneco and its subsidiaries. The tax basis of the assets and liabilities transferred to Case was adjusted to fair market value.

Pension and Postretirement Benefits

Pursuant to the Reorganization Agreement, Tenneco retained the accumulated pension benefit obligation related to all existing U.S. employees and retirees as of June 23, 1994. Tenneco also retained the accumulated postretirement health and life insurance benefit obligations relating to all U.S. employees who retired on or before July 1, 1994, and their dependents.

Tax Sharing Agreement

Tenneco and Case have entered into a tax sharing agreement under which Tenneco is responsible for all U.S. Federal, state and local income and franchise taxes and all foreign income taxes with respect to Case for all periods before the date of the Reorganization Agreement, except that Case will indemnify Tenneco for 25% of certain amounts resulting from tax audit

adjustments for periods before the Initial Offering. Case is responsible for all other taxes owing with respect to Case and its subsidiaries.

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Transactions with Tenneco

Prior to the Reorganization, Tenneco provided equity financing to the Case Business through a noninterest-bearing intercompany account. This intercompany account has been classified within the "Investment by Tenneco" account on the Statements of Changes in Stockholders' Equity. The Case Business had depended upon Tenneco for substantial support, particularly with respect to Case Credit, as well as for various services such as legal, financial, human resources, insurance, risk management and communications. Tenneco allocated the costs for these services pro rata among its businesses based on operating revenues, payroll expense and gross property employed. The allocated cost for these services, included in "Selling, general and administrative expenses," totaled \$9 million and \$20 million for the years ended December 31, 1995 and 1994, respectively. The allocated cost for these services for the year ended December 31, 1996, was not material. Management believes that the method used to allocate these expenses reasonably reflects the costs of actual services provided.

NOTE 5: RESTRUCTURING COSTS

In response to depressed market conditions during the early 1990's, Case embarked on two restructuring programs. The first program, initiated in 1991, resulted in a pre-tax charge of \$461 million (\$404 million after tax). This program has been completed and the intended benefits have been achieved.

While the measures taken by Case under the 1991 restructuring program resulted in substantial cost reductions, the worldwide farm and construction equipment market continued to deteriorate during 1992. At that time, the Company determined that major structural and strategic changes were necessary in order to rationalize certain component production operations to reduce the fixed cost portion of the manufacturing process; reduce excess capacity; focus, discontinue or replace unprofitable and noncompetitive product lines; and restructure and refocus product and component parts distribution to strengthen Case's competitive position in the global marketplace.

Consequently, on March 21, 1993, a comprehensive restructuring program (the "1992 Restructuring Program") was adopted and resulted in a pre-tax restructuring charge of \$920 million (\$843 million after tax), which was reflected in Case's 1992 results. The \$920 million pre-tax charge was recorded as a \$340 million reduction of net property, plant and equipment, a \$55 million reduction of inventory, a \$63 million reduction of intangibles and other accounts and a \$462 million reserve for the future cost of implementing the various restructuring actions.

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

An analysis of the 1992 Restructuring Program is summarized in the table below (in millions):

<TABLE>
<CAPTION>

1993 AND 1994 ACTIVITY				1995 ACTIVITY			
RESERVES UTILIZED				RESERVES UTILIZED			
BALANCE AT	(INCLUDES	CHANGES	BALANCE AT	(INCLUDES	CHANGES	BALANCE AT	
DECEMBER 31,	CURRENCY	IN	DECEMBER 31,	CURRENCY	IN	DECEMBER 31,	
1992	TRANSLATION)	ESTIMATES	1994	TRANSLATION)	ESTIMATES	1995	

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Employee termination payments.....	\$250	\$ (45)	\$ 49	\$254	\$ (11)	\$ (39)	\$204
Pension and OPRB costs..	56	(25)	13	44	(11)	2	35
Lease termination payments.....	10	1	(6)	5	--	5	10
Writedown of assets:							
Property, plant and equipment.....	340	(89)	(48)	203	(67)	1	137
Provision for environmental liabilities.....	25	(1)	2	26	1	--	27
Other assets.....	63	(62)	(1)	--	(8)	8	--
Writedown of inventories.....	55	(21)	(16)	18	(2)	1	17
Costs related to closing/selling/downsizing existing facilities.....	60	(15)	(18)	27	(7)	10	30
Other costs.....	61	(14)	(11)	36	(12)	12	36
	----	-----	----	----	-----	----	----
Total restructuring charge.....	\$920	\$ (271)	\$ (36)	\$613	\$ (117)	\$--	\$496
	=====	=====	=====	=====	=====	=====	=====

<CAPTION>

1996 ACTIVITY

<S>	RESERVES UTILIZED					<C>	<C>
	BALANCE AT DECEMBER 31, 1995	(INCLUDES CURRENCY TRANSLATION)	CHANGES IN ESTIMATES	BALANCE AT DECEMBER 31, 1996	TOTAL COSTS		
<C>	<C>	<C>	<C>	<C>	<C>	<C>	
Employee termination payments.....	\$204	\$ (50)	\$ (6)	\$148	\$ 254		
Pension and OPRB costs..	35	(6)	(21)	8	50		
Lease termination payments.....	10	(4)	3	9	12		
Writedown of assets:							
Property, plant and equipment.....	137	(115)	2	24	295		
Provision for environmental liabilities.....	27	(2)	--	25	27		
Other assets.....	--	--	--	--	70		
Writedown of inventories.....	17	(4)	(4)	9	36		
Costs related to closing/selling/downsizing existing facilities.....	30	(16)	18	32	70		
Other costs.....	36	(10)	8	34	70		
	----	-----	----	----	-----		
Total restructuring charge.....	\$496	\$ (207)	\$--	\$289	\$ 884		
	=====	=====	=====	=====	=====		

</TABLE>

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Of the remaining reserves, \$24 million pertain to property, plant and equipment, \$9 million pertain to inventories, \$8 million pertain to pensions and \$248 million is reflected as a reserve for future costs of implementing other various restructuring actions. Of this \$248 million reserve, \$176 million is recorded as a current liability and \$72 million is included in "Other" long-term liabilities on the Balance Sheet as of December 31, 1996.

The specific restructuring measures and associated estimated costs were based on management's best business judgment under prevailing circumstances and on assumptions which have been and may continue to be revised as circumstances change. The remaining reserves are expected to be substantially utilized during 1997.

Case adopted SFAS No. 121 on January 1, 1996. Adoption of this statement did not have a material impact on the Company's results of operations as impaired assets, as defined, had previously been recorded at fair value. Of the remaining \$24 million of restructuring reserves for property, plant and equipment at December 31, 1996, \$3 million is attributed to assets that will be held for sale in 1997 and \$21 million is attributed to assets held for use that will ultimately be disposed.

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment, is as follows (in millions):

<TABLE>
<CAPTION>

	DECEMBER 31,	
	1996	1995
<S>	<C>	<C>
Land and improvements.....	\$ 50	\$ 52
Buildings and improvements.....	486	507
Machinery and equipment.....	1,395	1,323
Construction in progress.....	144	88
	-----	-----
	2,075	1,970
Accumulated depreciation.....	(1,068)	(1,014)
	-----	-----
Net property, plant and equipment.....	\$ 1,007	\$ 956
	=====	=====

</TABLE>

Depreciation of Case properties and equipment is provided on a straight-line basis over their estimated useful lives. Useful lives range from 10 to 50 years for buildings and improvements and from 3 to 16 years for machinery and equipment. Depreciation expense totaled \$102 million, \$108 million and \$107 million for the years ended December 31, 1996, 1995 and 1994, respectively. Expenditures for maintenance and repairs are charged to expense as incurred.

NOTE 7: SHORT-TERM DEBT

In August 1996, the Company established new credit facilities consisting of \$3.4 billion in lines of credit and liquidity facilities. Of the \$3.4 billion total, \$2.3 billion of the credit facilities benefit Case Credit and its Canadian subsidiary and consist of: (i) a five-year, \$1.2 billion revolving credit facility; (ii) a three-year, \$750 million U.S. asset-backed commercial paper liquidity facility; and (iii) a five-year, C\$500 million revolving credit facility. Case Industrial's credit facility consists of a five-year, \$1.1 billion revolving credit facility. The new credit facilities were negotiated at more favorable rates and terms for the Company than previous credit facilities.

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

As a result of establishing the new credit facilities, the Company recorded an \$11 million extraordinary after-tax charge in the third quarter of 1996 to write-off unamortized bank fees related to the original bank agreements established at the time of the Company's Initial Offering in June 1994.

In November 1996, Case Credit established a \$1.2 billion commercial paper program. Under the terms of this program, the principal amount of the commercial paper outstanding, combined with the amounts outstanding under Case

Credit's five-year, \$1.2 billion revolving credit facility, cannot exceed a total of \$1.2 billion.

In addition to the above credit facilities, Case also has A\$402 million in credit facilities for the Company's Australian operations, as well as other lines of credit for various foreign operations.

A summary of short-term debt is set forth in the following table (in millions):

	DECEMBER 31,	
	1996	1995
<S>	<C>	<C>
Case Industrial		
Credit agreements (a).....	\$ 173	\$ 97
Case Credit		
Credit agreements (a).....	\$ 438	\$ 711
Commercial paper.....	299	--
Commercial paper liquidity facility.....	92	197
Total short-term debt--Case Credit.....	\$ 829	\$ 908
Total short-term debt.....	\$1,002	\$1,005

</TABLE>

(a) The credit agreements for both Case Industrial and Case Credit include borrowings under both committed credit facilities and uncommitted lines of credit and similar arrangements.

The weighted-average interest rates on consolidated short-term debt at December 31, 1996 and 1995, were 5.5% and 6.5%, respectively. At December 31, 1996, the unused portion of the combined committed credit facilities and the Case Credit commercial paper program was \$2,037 million, and the unused portion of the asset-backed commercial paper liquidity facility was \$658 million. At December 31, 1995, the unused portion of committed credit facilities was \$1,324 million and the unused portion of the asset-backed commercial paper liquidity facility was \$392 million.

The Company has classified an aggregate of \$282 million of borrowings under the revolving credit facilities of Case Corporation Pty Ltd, Case Credit Corporation, Case Credit Australia Pty Ltd and Case Credit Ltd. as long-term, as the applicable lenders do not require final payment within twelve months, nor does the Company intend to reduce the long-term portions of these revolvers within twelve months.

At the option of the Company, borrowings under the revolving credit facilities bear interest at: (i) prime rate; (ii) LIBOR, plus an applicable margin; or (iii) banker's bills of acceptance rates, plus an applicable margin. Borrowings may be obtained in U.S. dollars and certain other foreign currencies. Case Credit's revolving credit facilities (other than the commercial paper liquidity facility) contain restrictive covenants that require that Case Credit maintain certain financial conditions including a maximum ratio of debt to net worth and a minimum fixed-charge coverage ratio. Pursuant to a support agreement, Case Corporation has agreed to maintain its ownership in, and provide financial backing for, Case Credit. Case Industrial's revolving credit facility contains restrictive covenants that require that Case Industrial maintain certain financial conditions including a maximum debt to capitalization ratio and a minimum net worth. The revolving credit facilities (other than the commercial

indebtedness, liens on Company assets and ownership of certain subsidiaries. At December 31, 1996, the Company was in compliance with all debt covenants.

The credit facilities generally provide for facility fees on the total commitment, whether used or unused, and also provide for annual agency fees to the administrative agents for the facilities.

NOTE 8: LONG-TERM DEBT

A summary of long-term debt is set forth in the following table (in millions):

	DECEMBER	
	31,	
	-----	-----
	1996	1995
	-----	-----
<S>	<C>	<C>
Case Industrial		
Case Corporation		
Senior subordinated notes, interest rate of 10.5%, retired		
January 1996.....	\$ --	\$277
Term loan, payable on various dates through 2000, average		
interest rate of 6.4% in 1995; retired July 1996.....	--	324
Notes, payable in 2005, interest rate of 7.25%.....	298	298
Notes, payable in 2016, interest rate of 7.25%.....	300	--
Case France S.A.		
Notes, payable on various dates through 2000, interest rate of		
4.5%.....	24	33
Case Corporation Pty Ltd (Australia)		
Long-term portion of borrowings under revolving credit		
facilities, average interest		
rate of 6.0%.....	67	--
Other debt.....	24	4
	-----	-----
	713	936
Less--current maturities.....	(9)	(47)
	-----	-----
Total long-term debt--Case Industrial.....	\$ 704	\$889
	-----	-----
Case Credit		
Case Credit Corporation		
Notes, payable in 2003, interest rate of 6.125%.....	\$ 200	\$--
Long-term portion of borrowings under revolving credit		
facilities, average interest		
rate of 6.1%.....	100	--
Case Credit Australia Pty Ltd		
Long-term portion of borrowings under revolving credit		
facilities, average interest		
rate of 6.3%.....	79	--
Case Credit Ltd. (Canada)		
Long-term portion of borrowings under revolving credit		
facilities, average interest		
rate of 6.2%.....	36	--
	-----	-----
Total long-term debt--Case Credit.....	\$ 415	\$--
	-----	-----
Total long-term debt.....	\$1,119	\$889
	=====	=====

</TABLE>

In the first quarter of 1996, the Company sold \$300 million aggregate principal amount of its 7 1/4% unsecured and unsubordinated notes due 2016 pursuant to a shelf registration statement filed with the Securities and Exchange Commission in June 1995. The net proceeds from the offering, together with cash and additional borrowings under the Company's credit facilities, were used to exercise the Company's option to repurchase for

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

cash all of the Company's 10 1/2% Senior Subordinated Notes and pay accrued interest thereon. The Company incurred an extraordinary charge of \$22 million after tax in the first quarter of 1996 as a result of the repurchase.

In the first quarter of 1996, Case Credit sold \$200 million aggregate principal amount of its 6 1/8% unsecured and unsubordinated notes due 2003 pursuant to a \$300 million shelf registration statement filed with the Securities and Exchange Commission in December 1995. The net proceeds from the offering were used to repay indebtedness and finance Case Credit's growing portfolio of receivables. Case Corporation had originally guaranteed the obligations of Case Credit under these notes. As a result of the new credit facilities established by the Company on August 23, 1996, Case Corporation was released from its obligations under this guarantee. Pursuant to a support agreement, Case Corporation has agreed, however, to maintain its ownership in, and provide financial backing for, Case Credit.

The Company has classified an aggregate of \$282 million of borrowings under the revolving credit facilities of Case Corporation Pty Ltd, Case Credit Corporation, Case Credit Australia Pty Ltd and Case Credit Ltd. as long-term, as the applicable lenders do not require final payment within twelve months, nor does the Company intend to reduce the long-term portions of these revolvers within twelve months.

A summary of the minimum annual repayments of long-term debt as of December 31, 1996, is as follows (in millions):

<TABLE>

<S>	<C>
1998.....	\$ 155
1999.....	9
2000.....	6
2001.....	151
2002 and thereafter.....	798

Total.....	\$1,119
	=====

</TABLE>

NOTE 9: STOCKHOLDERS' EQUITY AND PREFERRED STOCK WITH MANDATORY REDEMPTION PROVISIONS

As of December 31, 1996, Case has 210 million shares of authorized capital stock itemized by class and series as follows:

- (i) 200 million shares of Common Stock, par value \$0.01 per share, with 74 million shares issued and outstanding;
- (ii) 10 million shares of Preferred Stock, par value \$0.01 per share, divided into the following series:
 - (a) 5 million shares of Series A Cumulative Convertible Preferred Stock, par value \$0.01 per share, with 1.5 million shares issued and outstanding; and
 - (b) 5 million shares of Cumulative Convertible Second Preferred Stock, par value \$0.01 per share, with 40,000 shares issued and 37,500 shares outstanding.

Holder of the Series A Cumulative Convertible Preferred Stock are entitled to receive cumulative cash dividends equal to \$4.50 per annum, payable quarterly, and are entitled to receive \$50 per share in the event of a liquidation, dissolution, or winding up of the Company. The holders have the right to convert each share of the Series A Cumulative Convertible Preferred Stock into 2.2686 shares of Case's Common Stock (subject to adjustment as set forth in the Certificate of Designation for such series of stock). The Series A Cumulative Convertible Preferred Stock shall be redeemed by Case no later than June 30, 2002, and Case may call the outstanding shares at any time on or after July 1, 1999, at a premium. Holders of the Series A Cumulative Convertible Preferred Stock are not entitled to vote except as set forth in

the Certificate of Designation for such series of stock or as required by law.

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Holders of the Cumulative Convertible Second Preferred Stock are entitled to receive cumulative cash dividends equal to \$4.25 per annum, payable quarterly, and are entitled to receive \$50 per share in the event of a liquidation, dissolution, or winding up of the Company. The holders have the right to convert each share of the Cumulative Convertible Second Preferred Stock into 2.2883 shares of Case's Common Stock (subject to adjustment as set forth in the Certificate of Designation for such series of stock). The Cumulative Convertible Second Preferred Stock shall be redeemed by Case no later than June 30, 2007, and Case may call the outstanding shares at any time following July 1, 2000, at a premium. Holders of the Cumulative Convertible Second Preferred Stock are not entitled to vote except as set forth in the Certificate of Designation for such series of stock or as required by law.

The following table presents the changes in preferred stock with mandatory redemption provisions (in millions):

<TABLE>
<CAPTION>

	SERIES A CUMULATIVE CONVERTIBLE PREFERRED STOCK	CUMULATIVE CONVERTIBLE SECOND PREFERRED STOCK	TOTAL
<S>	<C>	<C>	<C>
Balance, December 31, 1993.....	\$--	\$--	\$--
Issuance of Series A Cumulative Convertible Preferred Stock.....	75	--	75
Issuance of Cumulative Convertible Second Preferred Stock.....	--	2	2
Balance, December 31, 1996, 1995 and 1994..	\$ 75	\$ 2	\$ 77
	====	====	====

</TABLE>

Case Equity Incentive Plan

The Case Equity Incentive Plan provides for grants of various types of awards to employees of the Company and its subsidiaries. There are 9.5 million shares of Common Stock and 40,000 shares of Cumulative Convertible Second Preferred Stock reserved for issuance under this plan (subject to certain adjustments) that are available for grant by 2003. In general, no award may vest in less than six months from the award date.

Stock options awarded under this plan were granted at the average market price on the date of the award and become exercisable between two and four years from the award date. All options awarded in 1994, 1995 and 1996 expire ten years after issuance.

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

During the last three fiscal years, changes in the status of shares subject to issuance under stock options were as follows:

Stock options with exercise price less than \$30:

<TABLE>
<CAPTION>

FOR THE YEARS ENDED DECEMBER 31,

	1994		1995		1996	
	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding at beginning of year.....	--	--	4,904,100	\$19.36	5,089,328	\$19.92
Granted.....	4,904,100	\$19.36	1,156,000	22.32	--	--
Exercised.....	--	--	(78,266)	21.60	(1,092,226)	19.66
Forfeited.....	--	--	(892,506)	19.82	(292,043)	19.25
Outstanding at end of year.....	4,904,100	\$19.36	5,089,328	\$19.92	3,705,059	\$20.05
Exercisable at end of year.....	--	\$ --	305,042	\$21.06	900,127	\$19.98

Stock options with exercise price greater than or equal to \$30:

<CAPTION>

FOR THE YEARS ENDED DECEMBER 31,

	1994		1995		1996	
	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE	SHARES	WEIGHTED-AVERAGE EXERCISE PRICE
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding at beginning of year.....	--	\$ --	--	--	670,417	\$41.15
Granted.....	--	--	670,417	\$41.15	274,603	50.05
Exercised.....	--	--	--	--	(6,845)	42.88
Forfeited.....	--	--	--	--	(9,067)	42.89
Outstanding at end of year.....	--	\$ --	670,417	\$41.15	929,108	\$43.75
Exercisable at end of year.....	--	\$ --	--	\$ --	162,782	\$42.88

</TABLE>

Exercise prices for options outstanding as of December 31, 1996, ranged from \$19.125 to \$54.122. The weighted-average remaining contractual life of those options is approximately eight years.

Under the Case Equity Incentive Plan, shares may also be granted as restricted stock. The Company establishes the period of restriction for each award and holds the stock during the restriction period, which ranges from six months to four years. For the years ended December 31, 1996, 1995 and 1994, restricted shares of 53,200, 196,779 and 312,821, respectively, were awarded at no cost to employees, at weighted-average fair market values of \$52.95, \$42.37 and \$19.19, respectively.

In addition, all 40,000 shares of Cumulative Convertible Second Preferred Stock were granted in 1994. At December 31, 1996, restricted common stock outstanding totaled 458,371 shares and Cumulative Convertible Second Preferred Stock outstanding totaled 37,500 shares.

Employee Stock Purchase Plan

Case's Employee Stock Purchase Plan was initiated on February 1, 1995. The plan allows for certain North American employees to purchase Case's Common Stock at a price per share equal to 85% of the lower of (i) the fair market value of the Company's Common Stock as of the first business day of the plan year, or (ii) the fair

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

market value on the last business day of the calendar quarter. Case has reserved 1.4 million shares of Common Stock for issuance under this plan. For the years ended December 31, 1996 and 1995, shares totaling 229,192 and 297,183, respectively, were issued at weighted-average fair market values of \$45.56 and \$22.19, respectively.

Stockholder Rights Plan

On December 8, 1995, the Board of Directors adopted a Stockholder Rights Plan which is designed to strengthen its ability to act for common stockholders in the event of an unsolicited bid to acquire control of the Company. To implement this plan, the Board of Directors declared a dividend payable on December 29, 1995, of one preferred share purchase right on each outstanding share of the Company's Common Stock. The rights will cause substantial dilution to a person or entity attempting to acquire the Company without conditioning the offer on the rights being redeemed or a substantial number of rights being acquired.

Each outstanding share of common stock is entitled to one right under the plan. Each right, when exercisable, entitles the holder to purchase one one-thousandth of a share of Series A Junior Participating Preferred Stock, \$.01 par value, for \$170, subject to adjustment. If a person or entity becomes a 15% owner of the Company's Common Stock, each holder of a right (other than the 15% owner) would be entitled to receive for the exercise price, subject to adjustment, in lieu of the Series A Junior Participating Preferred Stock, common stock having a value equal to two times the exercise price of the right. If, at any time after a person or entity has acquired 15% or more of the Company's Common Stock, the Company is acquired in a merger or other business combination, or 50% or more of the Company's assets or earning power are sold, proper provision will be made so that each holder of a right would be entitled to receive, at the then current exercise price of the right, common stock of the acquiring company having a value equal to two times the exercise price of the right. The rights, which are not entitled to vote, expire on December 29, 2005. They may be redeemed by the Company at a price of \$.01 per right at any time until a person or entity becomes a 15% owner of the Company's Common Stock. The Company has reserved 100,000 shares of Series A Junior Participating Preferred Stock for issuance in the event of exercise of the rights.

NOTE 10: ACCOUNTS AND NOTES RECEIVABLE

A summary of receivables is as follows (in millions):

<TABLE>
<CAPTION>

	DECEMBER 31,	
	1996	1995
<S>	<C>	<C>
Wholesale notes and accounts.....	\$ 1,330	\$ 1,233
Retail notes.....	1,642	1,524
Other.....	302	276
	-----	-----
Gross receivables.....	3,274	3,033
	-----	-----
Less--Total unearned finance charges.....	(137)	(156)
Less--Allowance for doubtful accounts.....	(77)	(74)
Less--Current portion.....	(1,699)	(1,559)
	-----	-----
Total long-term receivables, net.....	\$ 1,361	\$ 1,244
	=====	=====

</TABLE>

In accordance with the standard terms of the wholesale receivable agreements, repayment is required when wholesale equipment is sold. Classification of wholesale receivables for financial statement presentation is based on interest-bearing dates. Approximately 13% and 17% of the wholesale receivables are classified as being due between 12 to 18 months after December

31, 1996 and 1995, respectively. The terms of retail notes generally range from two to six years. Interest rates on retail notes vary depending on prevailing market interest rates and certain incentive programs offered by the Company.

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

At December 31, 1996 and 1995, the Company had \$115 million and \$197 million, respectively, of retail notes that secure the asset-backed commercial paper liquidity facility.

Maturities of receivables as of December 31, 1996, are estimated as follows (in millions):

<S>	<C>
1998.....	\$ 614
1999.....	336
2000.....	191
2001.....	123
2002 and thereafter.....	183

	1,447
Less--Unearned finance charges.....	(86)

Total long-term receivables, net.....	\$1,361
	=====

</TABLE>

Wholesale and retail notes receivable have significant concentrations of credit risk in the farm and construction business sectors. Case typically retains, as collateral, a security interest in the equipment associated with wholesale and retail notes receivable.

The Company plans to adopt SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities," on January 1, 1997. The adoption of this statement will not have a material impact on Case Corporation's financial position or results of operations.

Wholesale Receivables Securitizations

In June 1995, the Company consummated a transaction whereby it sold (with limited recourse), on a revolving basis, a fractional undivided interest in certain of its wholesale receivables pursuant to a privately structured facility. The counterparties to this facility are two special purpose entities administered by a major financial institution. Under this facility, the maximum amount of proceeds that may be accessed at any one time is \$400 million and is subject to change based on the level of eligible wholesale receivables. The facility consists of a five-year committed, \$300 million non-renewable facility and a 364-day \$100 million facility, which is renewable annually at the sole discretion of the purchasers. At December 31, 1995 and 1996, the undivided interest of the purchasers under the facility represented \$521 million of wholesale receivables. The excess of \$521 million over the \$400 million of proceeds received from the transaction represents overcollateralization included in the transaction to cover yield to the purchasers and certain other costs aggregating \$13 million with the remainder available to cover losses on receivables. The Company has reserved for expected losses as part of the allowance for doubtful accounts. The Company also maintains a security interest in the equipment financed by wholesale receivables such that in the event of non-performance by the dealer, Case can repossess the related equipment to minimize losses.

Under this program, Case records a loss each time receivables are sold to the counterparties to the facility. This loss, which reflects the difference between the current and future value of the receivables sold along with related transaction expenses, is computed at the then prevailing market rates as stated in the sale agreement. During 1996 and 1995, Case incurred charges of \$28 million and \$27 million, respectively, relating to such sales of

receivables. These charges are included in "Other, net" in the Statements of Income. The proceeds from the initial sale of the wholesale receivables were used by the Company to repay a portion of its five-year, \$1 billion bank term loan facility by \$300 million and its revolving bank credit facility by \$100 million.

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Retail Receivables Securitizations

Case Credit sold \$1,638 million and \$1,469 million of retail notes (net of unearned finance charges) in 1996 and 1995, respectively, to limited-purpose business trusts ("Trusts") in the United States and Canada. The Trusts were formed for the purpose of purchasing Case receivables and the receivables were used as collateral for the issuance of asset-backed securities (asset-backed securitizations) to outside investors. The proceeds received from the sales of notes were reduced by \$73 million and \$90 million in 1996 and 1995, respectively, pursuant to certain recourse provisions in the sale agreements. These reductions in proceeds are held in escrow by the Trusts to provide security in the event of uncollectible notes and are released to Case when the notes are collected. Amounts held by the Trusts are recorded in "Accounts and notes receivable--Other" on the Balance Sheets. Case has established reserves for the estimated losses on amounts held in escrow. These Trusts are controlled by third parties and, accordingly, are not included on the Balance Sheets.

At December 31, 1996, Case Credit serviced a portfolio of \$3,844 million of retail notes (net of unearned financed charges) that includes notes amounting to \$2,260 million (net of unearned finance charges) owned by Trusts in the United States and Canada. Case Credit is subject to recourse with respect to receivables serviced for the Trusts up to \$171 million and \$219 million as of December 31, 1996 and 1995, respectively. The Company has reserved for expected losses as part of the allowance for doubtful accounts. A security interest in the equipment financed by the retail notes is maintained such that in the event of non-performance, the related equipment can be repossessed to minimize losses.

NOTE 11: FINANCIAL INSTRUMENTS

Fair Market Value of Financial Instruments

The estimated fair market values of financial instruments that do not approximate the carrying values in the financial statements are as follows (in millions):

<TABLE>
<CAPTION>

	DECEMBER 31,			
	1996		1995	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
<S>	<C>	<C>	<C>	<C>
Accounts and notes receivable.....	\$3,060	\$3,087	\$2,803	\$2,819
Long-term debt (including current maturities).....	1,128	1,117	936	989
Interest rate swaps.....	--	(9)	--	(14)

</TABLE>

The fair value of accounts and notes receivable was based on discounting the estimated future payments at prevailing market rates. The fair value of fixed-rate, long-term debt was based on the market value of debt with similar maturities and interest rates; the carrying amount of floating-rate, long-term debt was assumed to approximate its fair value. The fair value of interest rate swaps was based on the cost that would have been incurred to buy out those swaps in a loss position and the consideration that would have been

received to terminate those swaps in a gain position. The fair values and carrying values of the Company's foreign exchange forward contracts were not material.

Derivatives

The Company uses derivative financial instruments to manage its interest rate and foreign currency exposures. Case does not hold or issue financial instruments for trading purposes. The notional amounts of these contracts do not represent amounts exchanged by the parties and, thus, are not a measure of the Company's risk. The net amounts exchanged are calculated on the basis of the notional amounts and other terms of the contracts, such as interest rates or exchange rates, and only represent a small portion of the notional amounts. The credit and market risk under these agreements is minimized through diversification among counterparties with high credit ratings.

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Foreign Exchange Contracts

Case enters into foreign exchange forward contracts and swaps to hedge certain purchase and sale commitments and loans made to foreign subsidiaries denominated in foreign currencies. Some of these transactions involve two foreign currencies depending on the local exchange exposures of foreign subsidiaries. The term of these contracts is one year or less. The purpose of the Company's foreign currency hedging activities is to protect the Company from the risk that the eventual cash flows resulting from loan repayments and inventory purchases will be adversely affected by changes in exchange rates. The recognition of gain or loss on these instruments is accrued as foreign exchange rates change or delayed until the date of maturity. At December 31, 1996, Case had foreign exchange contracts with a notional value of \$652 million. At December 31, 1995, Case had foreign exchange contracts with a notional value of \$425 million.

Interest Rate Swaps

Case enters into interest rate swaps to stabilize funding costs by minimizing the effect of potential increases in floating-rate debt in a rising interest rate environment. Under these agreements, the Company contracts with a counterparty to exchange the difference between a fixed rate and a floating rate applied to the notional amount of the swap. At December 31, 1996 and 1995, Case was a party to interest rate swaps with a notional value of \$531 million and \$698 million, respectively. The differential to be paid or received on interest rate swap agreements is accrued as interest rates change and is recognized as an adjustment to interest expense.

The following table indicates the types of swaps used and their weighted-average interest rates. Variable interest rates are presented on the basis of rates in effect at the reporting date. These rates may change significantly in the future due to market factors. Swap contracts are principally between one and four years in duration.

<TABLE>
<CAPTION>

	DECEMBER	
	31,	

	1996	1995

	<C>	<C>
<S>		
Pay-fixed swaps		
Weighted-average pay rate.....	6.80%	6.66%
Weighted-average receive rate.....	5.00%	5.89%

</TABLE>

Back-to-Back Interest Rate Caps

The asset-backed commercial paper liquidity facility (the "Liquidity

Facility") requires a subsidiary of Case Credit to have interest rate cap agreements in place. Due to the relatively high expense of obtaining such an instrument, Case Credit sells an identical cap, concurrent with the cap purchase, to the same counterparty. This effectively minimizes the overall expense to Case Credit, meets the requirements of the Liquidity Facility and eliminates any risk of financial loss on the purchased cap. The defined term of the cap is approximately 48 months. At December 31, 1996, Case Credit had a back-to-back cap at a rate of 7.00% at a notional amount of approximately \$98 million. At December 31, 1995, Case Credit had back-to-back caps at rates of 7.25% and 7.50%, at notional amounts of approximately \$190 million and \$60 million, respectively.

Treasury Rate Lock Agreements

A Treasury rate lock is a commitment to either purchase or sell the designated financial instrument at a future date (the determination date) for a specified price (the reference yield). The purpose of this instrument is to protect the issuance of fixed-rate debt from fluctuations in the yield of the Treasury Note that forms the basis of pricing the debt. As of December 31, 1996, the Company had no Treasury rate locks outstanding. As of December 31, 1995, the Company entered into \$50 million of Treasury rate locks based on a seven-year Treasury Note at a yield of 5.6% at the time. These rate locks were settled in February 1996.

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CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Guarantees

At December 31, 1996, Case had guaranteed payment and performance of approximately \$18 million primarily related to performance bonds and letters of credit.

NOTE 12: INCOME TAXES

Until June 23, 1994, the income and expense of the Case Business' domestic subsidiaries and certain foreign operations were included in the tax returns of other Tenneco entities. In accordance with tax sharing agreements, any benefit to or liability incurred by Tenneco from such inclusion was to be reimbursed to or paid by the Case Business. Tax benefits that were not reimbursed by Tenneco in the current year were offset against deferred tax liabilities.

Effective June 23, 1994 (the date of the Reorganization), the tax basis of the assets and liabilities transferred to Case were adjusted to reflect fair market value. Also on June 23, 1994, Tenneco realized a previously unrecognized tax benefit on its investment in Case. A portion of the benefit, amounting to approximately \$120 million, was allocated to the Case Business in accordance with the tax sharing agreement and was reflected as a reduction in the tax provision and intercompany payable to Tenneco. The adjustment of deferred taxes to reflect the revised tax values was not significant. Subsequent to June 23, 1994, Case's results are no longer included in the tax returns of Tenneco entities. As a result, management evaluated the realizability of the deferred tax assets and determined it was not more likely than not that certain deferred tax assets would be realized. As a result, a valuation reserve of approximately \$120 million was established.

Case and Tenneco entered into a tax sharing agreement covering indemnification for all periods before the Reorganization.

The sources of income before taxes and cumulative effect of changes in accounting principles and extraordinary loss were as follows (in millions):

<TABLE>
<CAPTION>

	YEARS ENDED
	DECEMBER 31,

	1996 1995 1994

	----	----	----
<S>	<C>	<C>	<C>
U.S. sources.....	\$389	\$254	\$191
Foreign sources.....	145	173	67
	----	----	----
Income before taxes and cumulative effect of changes in accounting principles and extraordinary loss.....	\$534	\$427	\$258
	=====	=====	=====

</TABLE>

The provision for income taxes consisted of the following (in millions):

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,		
	-----	-----	-----
<S>	1996	1995	1994
	----	----	----
<C>	<C>	<C>	<C>
Current:			
United States.....	\$124	\$123	\$121
Foreign.....	29	44	50
State.....	16	20	16
	----	----	----
Total current.....	169	187	187
Deferred:			
United States.....	27	(94)	(66)
Foreign.....	(15)	1	(21)
State.....	4	(13)	(7)
	----	----	----
Total deferred.....	16	(106)	(94)
	----	----	----
Total tax provision.....	\$185	\$ 81	\$ 93
	=====	=====	=====

</TABLE>

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Following is a reconciliation of income taxes computed at the U.S. Federal income tax rate to the tax provision reflected in the Statements of Income (in millions):

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,		
	-----	-----	-----
<S>	1996	1995	1994
	----	----	----
<C>	<C>	<C>	<C>
Tax provision at U.S. Federal income tax rate.....	\$187	\$ 149	\$ 90
Foreign losses with no tax benefit.....	10	25	10
Reduction in valuation allowance.....	(49)	(126)	(31)
State taxes net of Federal benefit.....	15	2	5
Foreign income taxed at different rates.....	6	20	--
Other.....	16	11	19
	----	----	----
Total tax provision.....	\$185	\$ 81	\$ 93
	=====	=====	=====

</TABLE>

During 1996, 1995 and 1994, the Company generated income in certain jurisdictions that supported reductions in the valuation reserve.

The components of the net deferred tax asset are as follows (in millions):

<TABLE>

<CAPTION>

	DECEMBER 31,	
	1996	1995
<S>	<C>	<C>
Deferred tax assets:		
Net income tax operating loss carryforwards.....	\$380	\$384
Restructuring costs.....	73	117
Postretirement and postemployment benefits.....	58	51
Sales returns and allowance reserves.....	62	61
Warranty reserve.....	41	56
Other.....	183	197
Valuation reserve.....	(429)	(468)
	----	----
Total deferred tax assets.....	368	398
	----	----
Deferred tax liabilities:		
Fixed assets--basis difference/depreciation.....	109	131
Pension costs.....	22	8
Purchase discounts.....	27	33
Other.....	39	49
	----	----
Total deferred tax liabilities.....	197	221
	----	----
Net deferred tax asset.....	\$171	\$177
	=====	=====

</TABLE>

The valuation allowance for deferred tax assets decreased \$39 million from December 31, 1995, to December 31, 1996. In 1996, the Company generated income in certain tax jurisdictions to support a decrease in the valuation reserve of \$49 million. This reduction was offset by an increase in valuation reserves of \$10 million, established for certain foreign losses for which management believes it is not more likely than not that such benefits will be realized. The valuation allowance for deferred tax assets decreased \$101 million from December 31, 1994, to December 31, 1995. In 1995, the Company generated income in certain tax jurisdictions to support a decrease in the valuation reserve of \$126 million. This was offset by an increase in valuation reserves of \$25 million, established for certain foreign losses for which management believes it is not more likely than not that such benefits will be realized.

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

The classification of the net deferred tax asset is as follows (in millions):

<TABLE>
<CAPTION>

	DECEMBER 31,	
	1996	1995
<S>	<C>	<C>
Current deferred tax asset.....	\$ 188	\$ 200
Long-term deferred tax asset.....	27	6
Current deferred tax liability.....	(11)	(8)
Long-term deferred tax liability.....	(33)	(21)
	----	----
Net deferred tax asset.....	\$ 171	\$ 177
	=====	=====

</TABLE>

The tax benefits of significant foreign net tax operating loss carryforwards as of December 31, 1996, are as follows (in millions):

<TABLE>

<S>	<C>
Case France S.A.:	
Expires 1997 through 1999.....	\$ 19
Indefinite carryforward.....	150

	169
Case United Kingdom Limited:	
Indefinite carryforward.....	140
Case Spain S.A.:	
Expires 1997 through 2000.....	34
Case do Brasil (Brazil):	
Indefinite carryforward.....	22
Other.....	15

Total tax benefits of net tax operating loss carryforwards.....	\$380
	====

</TABLE>

Case has recorded deferred tax assets in tax jurisdictions where the Company has been profitable as management believes it is more likely than not that such assets will be realizable. The Company continues to have valuation reserves in certain tax jurisdictions where net operating losses exist (particularly in the United Kingdom, France, Spain and Brazil). Realization of these deferred tax assets is dependent on generating future income; however, with the exception of France, none of these entities have displayed a consistent earnings trend. The amount of the deferred tax assets considered realizable could increase in the near term if future estimates of income are experienced.

In 1996, the Company reversed a portion of its valuation reserve recorded for France as past and projected earnings warranted such a reversal. The Company has not reversed the France valuation reserve in total due to uncertainties as to future income based upon the European agricultural and construction markets.

NOTE 13: EMPLOYEE BENEFIT PLANS

Defined Benefit Plans

Case has various defined benefit plans that cover substantially all of its U.S. union and foreign employees. In connection with the Reorganization, Tenneco retained the accumulated pension benefit obligation and assets relating to all existing U.S. employees, deferred, vested, terminated employees and retirees as of June 23, 1994. Benefits are based on years of service and, for most salaried employees, on final average compensation. Case's funding policies are to contribute to the plans amounts necessary to satisfy the funding requirements as prescribed by the laws and regulations of each country. Plan assets consist principally of listed equity and fixed income securities.

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

The funded status of the remaining plans, reconciled with amounts recognized in the Balance Sheets are as follows (in millions):

<TABLE>
<CAPTION>

DECEMBER 31,			
1996	1995	1996	1995
PLANS IN WHICH ASSETS EXCEED ACCUMULATED BENEFITS		PLANS IN WHICH ACCUMULATED BENEFITS EXCEED ASSETS	
-----	-----	-----	-----

<S>	<C>	<C>	<C>	<C>
Actuarial present value of benefit obligation at measurement date, September 30:				
Vested benefit obligation.....	\$ 334	\$ 275	\$ 139	\$ 125
Non-vested benefit obligation.....	--	1	15	10
	-----	-----	-----	-----
Accumulated benefit obligation.....	334	276	154	135
Additional amounts related to projected salary increases.....	10	8	13	16
	-----	-----	-----	-----
Projected benefit obligation.....	344	284	167	151
Plan assets at fair value at measurement date..	456	361	21	9
	-----	-----	-----	-----
Plan assets in excess of (less than) total projected benefit obligation at measurement date.....	112	77	(146)	(142)
Contributions after measurement date but before reporting date.....	--	1	3	3
Unrecognized prior service cost.....	32	42	13	17
Unrecognized net (gain) loss resulting from plan experience and changes in actuarial assumptions.....	(21)	1	6	(1)
Remaining unrecognized net obligation (asset) at initial application.....	(5)	(6)	1	1
Additional minimum liability.....	--	--	(16)	(8)
	-----	-----	-----	-----
Total prepaid (accrued) pension cost.....	\$ 118	\$ 115	\$ (139)	\$ (130)
	=====	=====	=====	=====

</TABLE>

Net pension costs consist of the following components (in millions):

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
<S>	<C>	<C>	<C>
Service cost-benefits earned during the year.....	\$ 15	\$ 13	\$ 18
Interest cost on projected benefit obligation.....	37	33	65
Expected return on plan assets:			
Actual return.....	(65)	(43)	(60)
Deferral of gain (loss).....	28	11	(7)
Net amortization of unrecognized amounts.....	11	13	15
	-----	-----	-----
Total net pension cost.....	\$ 26	\$ 27	\$ 31
	=====	=====	=====

</TABLE>

The following assumptions were utilized in determining the funded status of the plans:

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,					
	1996		1995		1994	
	U.S. PLANS	FOREIGN PLANS	U.S. PLANS	FOREIGN PLANS	U.S. PLANS	FOREIGN PLANS
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Weighted-average discount rates.....	7.75%	8.10%	7.75%	8.30%	8.25%	8.70%
Rate of increase in future compensation.....	N.A.	5.70%	N.A.	5.60%	N.A.	6.70%
Weighted-average long-term rates of return on plan assets.....	9.00%	9.40%	9.00%	9.70%	10.00%	10.00%

</TABLE>

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Defined Contribution Plans

Case has various defined contribution plans that cover certain U.S. and foreign employees. At the time of the Reorganization, the Company adopted a money purchase pension plan and a profit sharing plan pursuant to the Internal Revenue Code for its U.S. salaried employees. Annually, the Company contributes to the money purchase pension plan an amount equal to 4% of each participant's eligible compensation, which amounted to \$7 million, \$6 million and \$3 million for 1996, 1995 and 1994, respectively. Effective December 31, 1996, the Company merged the money purchase pension plan into the profit sharing plan. The Company currently intends to continue the 4% contribution previously made under the money purchase pension plan as a profit sharing contribution under the profit sharing plan. Under the profit sharing plan, certain salaried participants may make pre-tax contributions of up to 8% of base compensation. The Company will match 100% of a participant's contribution. This matching contribution may be made in Common Stock of the Company, and the Company has reserved 4.7 million shares of Common Stock for this purpose. During 1996, 1995 and 1994, the Company contributed \$11 million, \$10 million and \$5 million, respectively, of Common Stock to the profit sharing plan. Subject to the Company's operating results, the Company may make additional contributions to the profit sharing plan.

NOTE 14: POSTRETIREMENT AND POSTEMPLOYMENT BENEFITS

Postretirement Benefits

Case has postretirement health and life insurance plans that cover substantially all of its U.S. and Canadian employees. For U.S. salaried employees, the plans cover employees retiring from Case on or after attaining age 55 who have had at least 10 years of service with Case after attaining age 45. The salaried plans were amended during 1993 to reduce the cost of providing future benefits. Canadian salaried employees with seven or more years of consecutive service are covered under the plans upon retirement. For U.S. and Canadian hourly employees, the plans generally cover employees who retire pursuant to their respective hourly plans. These benefits may be subject to deductibles, copayment provisions and other limitations, and Case has reserved the right to change these benefits, subject to the provisions of any collective bargaining agreement.

Effective January 1, 1995, for its foreign operations, Case adopted SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," which requires employers to account for the cost of these postretirement benefits on the accrual basis rather than on the "pay-as-you-go" basis, which was Case's previous practice. Case elected to recognize this change in accounting principle on the cumulative catch-up basis. The effect on 1995 income of immediately recognizing the transaction obligation was \$9 million on a pre-tax and after-tax basis.

Pursuant to the Reorganization Agreement, Tenneco retained the accumulated postretirement health and life insurance benefit obligations relating to all U.S. employees who retired on or before July 1, 1994, and their dependents.

The net periodic postretirement benefit cost included the following components (in millions):

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
<S>	<C>	<C>	<C>
Service cost for benefits earned during the year.....	\$ 6	\$ 4	\$ 4
Interest cost on accumulated postretirement benefit obligation..	15	7	16
Amortization of other unrecognized amounts.....	4	(1)	(5)

Net periodic postretirement benefit cost.....	\$25	\$10	\$15
	===	===	===

</TABLE>

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

As a result of the plans being unfunded, the liability of the plans was as follows (in millions):

<TABLE>

<CAPTION>

	DECEMBER 31,	
	1996	1995
	-----	-----
<S>	<C>	<C>
Actuarial present value of accumulated postretirement benefit obligation at measurement date, September 30:		
Retirees.....	\$ 29	\$ 9
Fully eligible active plan participants.....	50	34
Other active plan participants.....	113	100
	-----	-----
Total accumulated postretirement benefit obligation.....	192	143
Plan assets at fair value at measurement date.....	--	--
	-----	-----
Accumulated postretirement benefit obligation in excess of plan assets at measurement date.....	(192)	(143)
Unrecognized reduction of prior service obligations resulting from plan amendments.....	(3)	(3)
Unrecognized net loss resulting from plan experience and changes in actuarial assumptions.....	80	48
	-----	-----
Total accrued postretirement benefit cost.....	\$(115)	\$(98)
	=====	=====

</TABLE>

The weighted-average assumed health care cost trend rate used in determining the 1996 and 1995 accumulated postretirement benefit obligation covering U.S. employees was 7% and 8% for indemnity and 6% for managed care participants, respectively, both declining to 5.5% in 1998 and remaining at that level thereafter. The weighted-average assumed health care cost trend rate used in determining the 1996 accumulated postretirement benefit obligation related to the Canadian employees was 12%, declining to 7% in 2002 and remaining at that level thereafter.

Increasing the assumed health care cost trend by one percentage point in each year would increase the total accumulated postretirement benefit obligation as of September 30, 1996 and 1995, by approximately \$35 million and \$31 million, respectively, and would increase the aggregate of the service cost and interest cost components of the net postretirement benefit cost by approximately \$4 million in 1996 and 1995, and by approximately \$2 million in 1994.

The discount rate (which is based on long-term market rates) used in determining the 1996 and 1995 accumulated postretirement benefit obligation covering the U.S. employees was 7.75%. The discount rate used in determining the 1996 and 1995 accumulated postretirement benefit obligation related to the Canadian employees was 8.5%.

Postemployment Benefits

Effective January 1, 1994, Case adopted SFAS No. 112, "Employers' Accounting for Postemployment Benefits," which requires employers to recognize the cost of benefits provided to former or inactive employees after employment but before retirement when it is probable that a benefit will be provided. Such benefits include disability and continuation of health care benefits. The

impact of adopting SFAS No. 112 was reported as a cumulative catch-up adjustment of \$29 million (after tax) during the first quarter of 1994.

NOTE 15: COMMITMENTS AND CONTINGENCIES

Environmental

Case has received and from time to time receives inquiries and/or notices of potential liability at multiple sites ("Waste Sites") that are the subject of remedial activities under Federal or state environmental laws and

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CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Case may be required to share in the cost of clean-up. Case is also involved in remediating a number of other sites, including certain of its currently and formerly operated facilities or those assumed through corporate acquisitions. Expenditures for ongoing compliance with environmental regulations that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments indicate that remedial efforts are probable and the costs can be reasonably estimated. Estimates of the liability are based upon currently available facts, existing technology and presently enacted laws and regulations. All available evidence is considered, including prior experience in remediation of contaminated sites, other parties' share of liability at the Waste Sites and their ability to pay and data concerning the Waste Sites released by the U.S. Environmental Protection Agency or other organizations. These liabilities are included in the accompanying Balance Sheets at their undiscounted amounts. Recoveries are evaluated separately from the liability and, if appropriate, are recorded separately from the associated liability in the accompanying Balance Sheets.

Based upon information currently available, management estimates potential environmental remediation, decommissioning, restoration, monitoring and other closure costs associated with current or formerly owned or operated facilities to be in the range of \$22 million to \$42 million, including Case's estimated share at the Waste Sites. As of December 31, 1996, environmental reserves of approximately \$34 million had been established to address these specific estimated potential liabilities. After considering these reserves, management is of the opinion that the outcome of these matters will not have a material adverse effect on Case's financial position or results of operations.

Product liability

Product liability claims against Case arise from time to time in the ordinary course of business. There is an inherent uncertainty as to the eventual resolution of unsettled claims. However, in the opinion of management, any losses with respect to existing claims will not have a material adverse effect on Case's financial position or results of operations.

Other

Case is the subject of various other legal claims arising from its operations, including product warranty, dealer disputes, workmen's compensation and employment matters. Management is of the opinion that the resolution of these claims, individually and in the aggregate, will not have a material adverse effect on Case's financial position or results of operations.

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CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

Commitments

Minimum rental commitments at December 31, 1996, under non-cancelable operating leases with lease terms in excess of one year are as follows (in

millions):

<TABLE>

<S>	<C>
1997.....	\$14
1998.....	10
1999.....	6
2000.....	4
2001.....	3
2002 and thereafter.....	17

Total minimum rental commitments.	\$54
	===

</TABLE>

Commitments under capital leases are not significant to the financial statements. Total rental expense for all operating leases was \$36 million, \$35 million and \$33 million for the years ended December 31, 1996, 1995 and 1994, respectively.

In connection with a supply agreement with Consolidated Diesel Company, a joint venture that is 50% owned by Case, the Company is required to purchase engine products in amounts to provide for the recovery of specified fixed and variable costs of the joint venture. Under this agreement, Case purchased engine products totaling \$154 million, \$138 million and \$121 million in 1996, 1995 and 1994, respectively, with future minimum purchases (representing only fixed costs) of \$11 million in 1997, \$10 million in 1998, \$11 million in 1999, \$11 million in 2000, \$10 million in 2001, and \$66 million in the aggregate, in subsequent years.

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CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

NOTE 16: UNAUDITED PRO FORMA STATEMENT OF INCOME

The unaudited Pro forma Statement of Income has been prepared as if the Reorganization and Initial Offering had occurred as of January 1, 1994.

<TABLE>

<CAPTION>

	YEAR ENDED DECEMBER 31, 1994		
	HISTORICAL	ADJUSTMENTS	PRO FORMA
	(IN MILLIONS EXCEPT PER SHARE DATA)		
<S>	<C>	<C>	<C>
Revenues:			
Net sales.....	\$4,262	\$--	\$4,262
Interest income and other.....	143	(41) (a)	130
		28 (b)	
	-----	----	-----
	4,405	(13)	4,392
Costs and Expenses:			
Cost of goods sold.....	3,260	(12) (c)	3,246
		(2) (d)	
Selling, general and administrative.....	576	6 (b)	582
Research, development and engineering....	127	--	127
Restructuring credit.....	(16)	--	(16)
Interest expense.....	160	(41) (a)	167
		29 (b)	
		19 (e)	
Other, net.....	40	(10) (f)	32
		2 (g)	
	-----	----	-----
	4,147	(9)	4,138
Income before taxes and cumulative effect of changes in accounting principles and extraordinary loss.....	258	(4)	254

Income tax provision.....	93	(2) (h)	91
	-----	----	-----
Income before cumulative effect of changes in accounting principles and extraordinary loss.....	165	(2)	163
Cumulative effect of changes in accounting principles.....	(29)	--	(29)
Extraordinary loss.....	(5)	--	(5)
	-----	----	-----
Net income.....	\$ 131	\$ (2)	\$ 129
	=====	=====	=====
Preferred stock dividends.....			7 (i)

Net income to common.....			\$ 122
			=====
Net income per share of common stock.....			\$ 1.74 (j)
			=====

</TABLE>

NOTES TO UNAUDITED PRO FORMA STATEMENT OF INCOME

- (a) Reflects the elimination of earned finance charges, interest expense and other costs and expense related to approximately \$1.1 billion of U.S. retail receivables retained by a subsidiary of Tenneco.
- (b) Reflects accumulation of new U.S. retail receivables since January 1, 1994, including earned finance charges, interest expense and other related costs and expenses.
- (c) Reflects the reduction of postretirement health and life insurance benefit expense as a result of the retention by Tenneco of such liabilities provided under Case's welfare plan to Case's retirees in the United States and current employees in the United States who retired on or before July 1, 1994, and their dependents.

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CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

- (d) Reflects the net reduction of pension expense as a result of the retention by Tenneco of pension liabilities for existing employees and retirees as of June 23, 1994.
- (e) Recognizes the net increase in interest expense (exclusive of retail receivable financing) resulting from increased borrowings. For pro forma purposes, the assumed interest rate is 7% on the credit facilities; interest on the subordinated notes is accrued at the per annum rate of 10 1/2%.
- (f) Reflects a servicing fee charged by Case for servicing the U.S. retail notes receivable retained by a subsidiary of Tenneco. Such fee is equal to 2% per annum of the average amount of receivables outstanding during each month.
- (g) Reflects the amortization of deferred financing costs related to the credit facilities over a five-year period.
- (h) Adjusts the tax provision to reflect the impact of the above pro forma adjustments.
- (i) Dividends on preferred stock are accumulated at \$4.50 per annum on the Series A Cumulative Convertible Preferred Stock and \$4.25 per annum on the Cumulative Convertible Second Preferred Stock.
- (j) Earnings per common share is computed assuming 70 million common shares outstanding and payment of preferred stock dividends for periods prior to June 24, 1994.

NOTE 17: EARNINGS PER SHARE OF COMMON STOCK

Earnings per share of Common Stock for 1996 and 1995 are based upon actual results. Pro forma earnings per share of Common Stock for 1994 are based upon pro forma earnings, calculated as if the Reorganization and Initial Offering had occurred as of January 1, 1994, assuming 70 million common shares issued and outstanding.

Earnings per average share of Common Stock (in millions except per share data):

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
<S>	<C>	<C>	<C>
Primary			
Net earnings after preferred stock dividends and before cumulative effect of changes in accounting principles and extraordinary loss.....	\$ 4.61	\$ 4.72	\$ 2.22
Cumulative effect of changes in accounting principles.....	--	(0.12)	(0.41)
Extraordinary loss.....	(0.44)	--	(0.07)
Net earnings per share of common stock.....	\$ 4.17	\$ 4.60	\$ 1.74
Average common and common equivalent shares outstanding.....	74	72	70
Fully Diluted			
Net earnings before cumulative effect of changes in accounting principles and extraordinary loss.....	\$ 4.48	\$ 4.56	N.A.
Cumulative effect of changes in accounting principles.....	--	(0.12)	N.A.
Extraordinary loss.....	(0.42)	--	N.A.
Net earnings per share of common stock.....	\$ 4.06	\$ 4.44	N.A.
Average common and common equivalent shares outstanding.....	78	76	N.A.

</TABLE>

For the year ended December 31, 1994, the pro forma fully diluted earnings per common share computation is antidilutive.

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONTINUED)

NOTE 18: QUARTERLY FINANCIAL DATA (UNAUDITED)

<TABLE>
<CAPTION>

	FIRST	SECOND	THIRD	FOURTH
	QUARTER	QUARTER	QUARTER	QUARTER
	(IN MILLIONS EXCEPT PER SHARE DATA)			
<S>	<C>	<C>	<C>	<C>
1996				
Revenues.....	\$1,171	\$1,466	\$1,199	\$1,573
Gross profit (a).....	216	300	220	294
Income before cumulative effect of changes in accounting principles and extraordinary loss.....	75	110	62	102
Net income.....	53	110	51	102
Income per common share after preferred stock dividends and before cumulative effect of changes in accounting principles and extraordinary loss.....	\$ 1.00	\$ 1.47	\$ 0.81	\$ 1.33
Net income per common share.....	0.70	1.47	0.66	1.33
1995				
Revenues.....	\$1,178	\$1,418	\$1,182	\$1,327
Gross profit (a).....	230	297	212	263
Income before cumulative effect of changes in accounting principles and extraordinary loss.....	70	110	88	78
Net income.....	61	110	88	78
Income per common share after preferred stock				

dividends and before cumulative effect of changes in accounting principles and extraordinary loss..... \$ 0.96 \$ 1.53 \$ 1.19 \$ 1.05
 Net income per common share..... 0.83 1.53 1.19 1.05

</TABLE>

(a) Gross profit is defined as net sales less cost of goods sold and research, development and engineering expenses.

NOTE 19: GEOGRAPHICAL AREA INFORMATION

Case is engaged in the sale of products for export from the United States. Such sales are reflected in the table below (in millions):

<TABLE>

<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
<S>	<C>	<C>	<C>
Canada.....	\$336	\$258	\$268
European Community.....	193	154	97
Other Foreign.....	378	203	163
Total export sales.....	\$907	\$615	\$528

</TABLE>

CASE CORPORATION

NOTES TO FINANCIAL STATEMENTS--(CONCLUDED)

The following highlights Case's operations by geographic area (in millions):

<TABLE>

<CAPTION>

	RECLASSES AND ELIMINATIONS					TOTAL
	UNITED STATES	CANADA	EUROPE COMMUNITY	OTHER FOREIGN		
<S>	<C>	<C>	<C>	<C>	<C>	<C>
At December 31, 1996, and for the year then ended:						
Net sales:						
External.....	\$2,767	\$442	\$1,551	\$416	\$ --	\$5,176
Intergeographical area(s).....	656	106	238	4	(1,004)	--
Total net sales.....	3,423	548	1,789	420	(1,004)	5,176
Interest income.....	194	33	4	17	(15)	233
Total revenues.....	\$3,617	\$581	\$1,793	\$437	\$ (1,019)	\$5,409
Income (loss) before taxes and cumulative effect of changes in accounting principles and extraordinary loss.....	\$ 518	\$ 52	\$ 71	\$ 23	\$ (130)	\$ 534
Identifiable assets.....	\$4,560	\$679	\$1,510	\$525	\$ (1,278)	\$5,996
Investment in joint ventures.....	59	--	1	3	--	63
Total assets.....	\$4,619	\$679	\$1,511	\$528	\$ (1,278)	\$6,059
At December 31, 1995, and for the year then ended:						
Net sales:						

External.....	\$2,809	\$390	\$1,484	\$254	\$ --	\$4,937
Intergeographical area(s).....	459	67	272	--	(798)	--
	-----	-----	-----	-----	-----	-----
Total net sales.....	3,268	457	1,756	254	(798)	4,937
Interest income.....	142	18	6	13	(11)	168
	-----	-----	-----	-----	-----	-----
Total revenues.....	\$3,410	\$475	\$1,762	\$267	\$ (809)	\$5,105
	=====	=====	=====	=====	=====	=====
Income (loss) before taxes and cumulative effect of changes in accounting principles and extraordinary loss.....	\$ 377	\$ 69	\$ 84	\$ 20	\$ (123)	\$ 427
	=====	=====	=====	=====	=====	=====
Identifiable assets.....	\$4,213	\$552	\$1,127	\$327	\$ (815)	\$5,404
Investment in joint ventures.....	65	--	--	--	--	65
	-----	-----	-----	-----	-----	-----
Total assets.....	\$4,278	\$552	\$1,127	\$327	\$ (815)	\$5,469
	=====	=====	=====	=====	=====	=====
At December 31, 1994, and for the year then ended:						
Net sales:						
External.....	\$2,426	\$398	\$1,164	\$274	\$ --	\$4,262
Intergeographical area(s).....	421	34	278	--	(733)	--
	-----	-----	-----	-----	-----	-----
Total net sales.....	2,847	432	1,442	274	(733)	4,262
Interest income.....	132	7	6	15	(17)	143
	-----	-----	-----	-----	-----	-----
Total revenues.....	\$2,979	\$439	\$1,448	\$289	\$ (750)	\$4,405
	=====	=====	=====	=====	=====	=====
Income (loss) before taxes and cumulative effect of changes in accounting principles and extraordinary loss.....	\$ 175	\$ 47	\$ 35	\$ 20	\$ (19)	\$ 258
	=====	=====	=====	=====	=====	=====
Identifiable assets.....	\$3,677	\$470	\$1,040	\$296	\$ (510)	\$4,973
Investment in joint ventures.....	79	--	--	--	--	79
	-----	-----	-----	-----	-----	-----
Total assets.....	\$3,756	\$470	\$1,040	\$296	\$ (510)	\$5,052
	=====	=====	=====	=====	=====	=====

</TABLE>

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

Item 10, "Directors and Executive Officers of the Registrant," Item 11, "Executive Compensation," Item 12, "Security Ownership of Certain Beneficial Owners and Management," and Item 13, "Certain Relationships and Related Transactions," have been omitted from this report inasmuch as the Company will file with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this report a definitive Proxy Statement for the Annual Meeting of Stockholders of the Company to be held on May 14, 1997, at which meeting the stockholders will vote upon the election of directors. The information under the captions "Election of Directors," "Stock Ownership," "Executive Officer Compensation" (other than the subsection titled "Compensation Committee Report on Executive Officer Compensation"), and "Certain Relationships and Transactions" in such definitive Proxy Statement are incorporated herein by reference.

PART IV

FINANCIAL STATEMENTS INCLUDED IN ITEM 8

See "Index to Financial Statements of Case Corporation and Consolidated Subsidiaries" set forth in Item 8, "Financial Statements and Supplementary Data."

INDEX TO FINANCIAL STATEMENTS AND SCHEDULE INCLUDED IN ITEM 14

<TABLE>		
<C>	<S>	<C>
Schedule of the Company and Consolidated Subsidiaries--		
<CAPTION>		
		PAGE

<C>	<S>	<C>
	--Valuation and qualifying accounts--three years ended	
	Schedule II December 31, 1996.....	67
</TABLE>		

SCHEDULES OMITTED AS NOT REQUIRED OR INAPPLICABLE

<TABLE>	
<C>	<S>
Schedule I	--Condensed financial information of registrant
Schedule III	--Real estate and accumulated depreciation
Schedule IV	--Mortgage loans on real estate
Schedule V	--Supplemental Information Concerning Property--Casualty Insurance Operations
</TABLE>	

SCHEDULE II

CASE CORPORATION AND CONSOLIDATED SUBSIDIARIES
AND
THE FARM AND CONSTRUCTION EQUIPMENT BUSINESS OF TENNECO INC.

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS
(MILLIONS)

<TABLE>					
<CAPTION>					
		ADDITIONS			

	BALANCE	CHARGED		BALANCE	
	AT	TO COSTS	CHARGED	AT END	
DESCRIPTION	BEGINNING	AND	TO OTHER	DEDUCTIONS	
	OF YEAR	EXPENSES	ACCOUNTS	OF YEAR	
	-----	-----	-----	-----	
<S>	<C>	<C>	<C>	<C>	
Allowance for doubtful accounts receivable:					
Year ended December 31, 1996.	\$ (74)	\$ (3)	\$--	\$-- (a)	\$ (77)
	====	====	====	====	====
Year ended December 31, 1995.	\$ (80)	\$--	\$--	\$ 6 (b)	\$ (74)
	====	====	====	====	====
Year ended December 31, 1994.	\$ (71)	\$ (23)	\$--	\$ 14 (c)	\$ (80)
	====	====	====	====	====
</TABLE>					

-
- (a) Reflects a \$3 million reversal of reserves (as such reserves were deemed to be no longer required), offset by the impact of exchange rate changes of \$(1) million and a \$(2) million increase resulting from the acquisition of businesses.
 - (b) Deductions reflect a \$5 million reversal of reserves (as such reserves were deemed to be no longer required), write-offs, net of recoveries of \$4 million, the impact of exchange rate changes of \$(2) million and other items of \$(1) million.

(c) Deductions in 1994 primarily reflect write-offs, net of recoveries.

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EXHIBITS

A list of the exhibits included as part of this Form 10-K is set forth in the Index to Exhibits that immediately precedes such exhibits, which is incorporated herein by reference.

REPORTS ON FORM 8-K

Case Corporation did not file any current reports on Form 8-K during its fiscal quarter ended December 31, 1996.

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SIGNATURES

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED.

Case Corporation

/s/ Jean-Pierre Rosso

By _____
Chairman, President and Chief
Executive Officer

Date: March 14, 1997

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE REGISTRANT AND IN THE CAPACITIES AND ON THE DATE INDICATED.

<TABLE>

<CAPTION>

SIGNATURE -----	TITLE -----
<C> /s/ Jean-Pierre Rosso	<S> <C>
----- Jean-Pierre Rosso	Chairman, President and Chief Executive Officer (Principal Executive Officer and Director)
/s/ Theodore R. French	
----- Theodore R. French	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ Mark Andrews	
----- Mark Andrews	Director
/s/ Jeffery T. Grade	
----- Jeffery T. Grade	Director
/s/ Katherine M. Hudson	
----- Katherine M. Hudson	Director
/s/ Dana G. Mead	
----- Dana G. Mead	Director
/s/ Gerald Rosenfeld	
----- Gerald Rosenfeld	Director
/s/ Theodore R. Tetzlaff	
----- Theodore R. Tetzlaff	Director

Thomas N. Urban

Director

</TABLE>

Date: March 14, 1997

INDEX TO EXHIBITS

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION OF EXHIBITS	SEQUENTIALLY NUMBERED PAGES
-----	-----	-----
<C>	<S>	<C>
2	--Reorganization Agreement dated as of June 23, 1994, among Case Equipment Corporation, Case Corporation and Tenneco Inc. (Filed as Exhibit 2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995, and incorporated herein by reference).	
3(a)(1)	--Certificate of Incorporation of Case Equipment Corporation. (Filed as Exhibit (3)(a)(1) to Amendment No. 4 to the Company's Registration Statement No. 33-78148 and incorporated herein by reference).	
3(a)(2)	--Certificate of Designation, Preferences and Rights of Series A Cumulative Convertible Preferred Stock. (Filed as Exhibit (3)(a)(2) to the Company's Registration Statement No. 33-78148, and incorporated herein by reference).	
3(a)(3)	--Certificate of Designation, Preferences and Rights of Cumulative Convertible Second Preferred Stock. (Filed as Exhibit (3)(a)(3) to the Company's Registration Statement No. 33-78148, and incorporated herein by reference).	
3(a)(4)	--Certificate of Amendment of Certificate of Incorporation of Case Equipment Corporation. (Filed as Exhibit (3)(a)(4) to the Company's Registration Statement No. 33-82158, and incorporated herein by reference).	
3(a)(5)	--Certificate of Designation, Preferences and Rights of Series A Junior Participating Preferred Stock. (Filed as Exhibit 1 to the Company's Current Report on Form 8-K dated December 12, 1995, and incorporated herein by reference).	
3(b)	--By-Laws of Case Corporation, as amended and restated on October 2, 1996.	
4(a)	--Form of Certificate of Cumulative Convertible Second Preferred Stock. (Filed as Exhibit 4(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 1994, as amended on Form 10-K/A dated April 6, 1995, and incorporated herein by reference).	
4(b)	--Indenture, dated as of July 31, 1995, between Case Corporation and The Bank of New York. (Filed as Exhibit 4(c) to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995, and incorporated herein by reference).	
4(c)	--Resolutions of the Board of Directors of Case Corporation authorizing the public offering of debt securities of the Company in an aggregate principal amount of up to \$600,000,000. (Filed as Exhibit 4(d) to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995, and incorporated herein by reference).	
4(d)	--Actions of the Authorized Officers of Case Corporation authorizing the issuance of \$300,000,000 aggregate principal amount of 7 1/4% Notes due August 1, 2005. (Filed as Exhibit 4(e) to the Company's	

</TABLE>

<TABLE>
<CAPTION>

SEQUENTIALLY
NUMBERED
PAGES

EXHIBIT NUMBER -----	DESCRIPTION OF EXHIBITS -----	-----
<C>	<S>	<C>
4 (e)	--Officer's Certificate and Company Order of Case Corporation executed in conjunction with the issuance of \$300,000,000 aggregate principal amount of 7 1/4% Notes due August 1, 2005. (Filed as Exhibit 4(f) to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995, and incorporated herein by reference).	
4 (f)	--Form of 7 1/4% Note due August 1, 2005. (Filed as Exhibit 4(b) to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995, and incorporated herein by reference).	
4 (g)	--Actions of the Authorized Officers of Case Corporation authorizing the issuance of \$300,000,000 aggregate principal amount of 7 1/4% Notes due 2016. (Filed as Exhibit 4(d) to the Company's Current Report on Form 8-K dated January 16, 1996, and incorporated herein by reference).	
4 (h)	--Officer's Certificate and Company Order of Case Corporation executed in conjunction with the issuance of \$300,000,000 aggregate principal amount of 7 1/4% Notes due 2016. (Filed as Exhibit 4(e) to the Company's Current Report on Form 8-K dated January 16, 1996, and incorporated herein by reference).	
4 (i)	--Form of 7 1/4% Note due 2016. (Filed as Exhibit 4(b) to the Company's Current Report on Form 8-K dated January 16, 1996, and incorporated herein by reference).	
4 (j)	--The Company hereby agrees to furnish to the Securities and Exchange Commission, upon its request, the instruments with respect to certain indebtedness issued by its subsidiaries, which indebtedness does not exceed 10% of the Company's total consolidated assets.	
10 (a) (1)	--Revolving Credit and Guarantee Agreement, dated as of August 23, 1996, among Case Corporation, Case Canada Corporation/Corporation Case Canada, certain Foreign Subsidiary Borrowers from time to time parties thereto, the Lenders parties thereto, the Co-Agents and Lead Managers named therein, The Chase Manhattan Bank, as General Administrative Agent, and The Bank of Nova Scotia, as Canadian Administrative Agent. (Filed as Exhibit 10(a) to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996, and incorporated herein by reference).	
10 (a) (2)	--First Amendment, dated as of November 21, 1996, to the Revolving Credit and Guarantee Agreement, dated as of August 23, 1996, among Case Corporation, Case Canada Corporation/Corporation Case Canada, certain Foreign Subsidiary Borrowers from time to time parties thereto, the Lenders parties thereto, the Co-Agents and Lead Managers named therein, The Chase Manhattan Bank, as General Administrative Agent, and The Bank of Nova Scotia, as Canadian Administrative Agent.	
10 (b) (1)	--Revolving Credit and Guarantee Agreement, dated as	

of August 23, 1996, among Case Credit Corporation, and certain foreign Subsidiaries from time to time parties thereto, the Lenders parties thereto, the Co-Agents and Lead Managers named therein, and The Chase Manhattan Bank, as Administrative Agent. (Filed as Exhibit 10(b) to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996, and incorporated herein by reference).

10 (b) (2) --First Amendment, dated as of November 21, 1996, to the Revolving Credit and Guarantee Agreement dated as of August 23, 1996, among Case Credit Corporation, certain Foreign Subsidiary Borrowers from time to time parties thereto, the Lenders parties thereto, the Co-Agents and Lead Managers named therein, and The Chase Manhattan Bank, as Administrative Agent.

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EXHIBIT NUMBER -----	DESCRIPTION OF EXHIBITS -----	SEQUENTIALLY NUMBERED PAGES -----
<C>	<S>	<C>
10 (c) (1)	--Revolving Credit Agreement, dated as of August 23, 1996, among Case Credit Ltd., the Lenders parties thereto, Canadian Imperial Bank of Commerce, as Co-Agent, and The Bank of Nova Scotia, as Administrative Agent. (Filed as Exhibit 10(c) to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996, and incorporated herein by reference).	
10 (c) (2)	--First Amendment, dated as of November 21, 1996, to the Revolving Credit Agreement, dated as of August 23, 1996, among Case Credit Ltd., the Lenders parties thereto, the Canadian Imperial Bank of Commerce, as Co-Agent, and The Bank of Nova Scotia, as Administrative Agent.	
10 (d) (1)	--Banking Facilities extended to Case Corporation Pty Ltd by the National Australia Bank, dated as of February 15, 1996. (Filed as Exhibit 10(d) to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and incorporated herein by reference.)	
10 (d) (2)	--Letter of Amendment to Banking Facilities extended to Case Corporation Pty Ltd by the National Australia Bank, dated as of October 22, 1996.	
10 (d) (3)	--Deed of Amendment and Acknowledgment, dated February 17, 1997, to the Banking Facilities extended to Case Corporation Pty Ltd by the National Australia Bank, dated as of February 15, 1996.	
10 (e) (1)	--Banking Facilities extended to Case Credit Australia Pty Ltd by the National Australia Bank, dated as of September 28, 1995. (Filed as Exhibit 10(c) (2) to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995, and incorporated herein by reference).	
10 (e) (2)	--Deed of Amendment and Acknowledgment, dated December 31, 1996, to the Banking Facilities extended to Case Credit Australia Pty Ltd by the National Australia Bank, dated as of September 28, 1995.	
10 (f) (1)	--Liquidity Agreement, dated as of June 23, 1994, among Case Equipment Loan Trust 1994-B, the Lenders named therein, the Co-Agents named therein, and Chemical Bank, as U.S. Administrative Agent. (Filed as Exhibit 10(a) (3) to the Company's Registration Statement No. 33-82158, and incorporated herein by reference).	

- 10 (f) (2) --Second Amendment and Consent, dated as of August 28, 1996, among Case Equipment Loan Trust 1994-B, the Lenders parties thereto, the Co-Agents named therein and The Chase Manhattan Bank, as Administrative Agent, to the Liquidity Agreement, dated as of June 23, 1994, as previously amended, among Case Equipment Loan Trust 1994-B, the Lenders parties thereto, and The Chase Manhattan Bank, as Administrative Agent. (Filed as Exhibit 10(d) to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996, and incorporated herein by reference).
- 10 (g) --Rights Agreement between Case Corporation and First Chicago Trust Company of New York, dated as of December 8, 1995. (Filed as Exhibit 1 to the Company's Form 8-K filed December 18, 1995, and incorporated herein by reference).
- *10 (h) (1) --Agreement dated May 4, 1995, between Jean-Pierre Rosso and Case Corporation. (Filed as Exhibit 10(h) (1) to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and incorporated herein by reference.)
- *10 (h) (2) --Restructuring Retention Agreement dated June 7, 1993, between Case Corporation and Steven G. Lamb. (Filed as Exhibit 10(c) (1) to the Company's Registration Statement No. 33-78148, and incorporated herein by reference).

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EXHIBIT
NUMBER

DESCRIPTION OF EXHIBITS

SEQUENTIALLY
NUMBERED
PAGES

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<C>

- *10 (h) (3) --Restructuring Retention Agreement dated June 2, 1993, between Case Corporation and Richard M. Christman. (Filed as Exhibit 10(c) (2) to the Company's Registration Statement No. 33-78148, and incorporated herein by reference).
- *10 (h) (4) --Restructuring Retention Agreement dated June 1, 1993, between Case Corporation and Theodore R. French. (Filed as Exhibit 10(c) (3) to the Company's Registration Statement No. 33-78148, and incorporated herein by reference).
- *10 (h) (5) --Agreement dated February 3, 1995, between Case Corporation and Richard S. Brennan. (Filed as Exhibit 10(h) (5) to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and incorporated herein by reference.)
- *10 (i) --Case Corporation Equity Incentive Plan.
- *10 (j) --Case Corporation Deferred Compensation Plan. (Filed as Exhibit 10(j) to the Company's Annual Report on Form 10-K for the year ended December 31, 1995, and incorporated herein by reference.)
- 10 (k) --Employee Benefits and Compensation Allocation Agreement dated as of June 23, 1994, among Case Equipment Corporation, Case Corporation and Tenneco Inc. (Filed as Exhibit 10(f) to the Company's Registration Statement No. 33-82158, and incorporated herein by reference).
- 10 (l) --Tax Sharing Agreement dated as of June 23, 1994, between Case Equipment Corporation and Tenneco Inc. (Filed as Exhibit 10(g) to the Company's Registration Statement No. 33-82158, and incorporated herein by reference).
- 10 (m) --Receivables Servicing Agreement dated as of June 23, 1994, between Case Credit Corporation and

Tenneco Credit Corporation. (Filed as Exhibit 10(h) to the Company's Registration Statement No. 33-82158, and incorporated herein by reference).

- **10(n)(1) --Restated Sponsors Agreement between Case Corporation and Cummins Engine Company, Inc., dated December 7, 1990, together with the Restated Partnership Agreement between Case Engine Holding Company, Inc. and Cummins Engine Holding Company, Inc., dated December 7, 1990. (Filed as Exhibit 10(f) to Amendment No. 3 to the Company's Registration Statement No. 33-78148, and incorporated herein by reference).
- **10(n)(2) --Agreement, dated as of September 29, 1995, among Cummins Engine Company, Inc., Case Corporation, Cummins Engine Holding Company, Inc. and Case CDC Holdings, Inc. (Filed as Exhibit 10(d) to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995, and incorporated herein by reference).
- **10(o) --Amended and Restated Contract Manufacturing Agreement dated as of March 7, 1995, among Case Corporation, Link-Belt Construction Equipment Corporation and Sumitomo (S.H.I.) Construction Machinery Co., Ltd. (Filed as Exhibit 4(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 1994, as amended on Form 10-K/A dated April 6, 1995, and incorporated herein by reference).

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EXHIBIT NUMBER -----	DESCRIPTION OF EXHIBITS -----	SEQUENTIALLY NUMBERED PAGES -----
<C>	<S>	<C>
10 (p)	--Sponsors' Agreement dated as of October 21, 1987, by and between Hesston Corporation and J.I. Case Company (now Case Corporation), together with the General Partnership Agreement dated as of October 21, 1987, by and between Hesston Ventures Corporation and Case Ventures Corporation. (Filed as Exhibit 10(g) to Amendment No. 3 to the Company's Registration Statement No. 33-78148, and incorporated herein by reference).	
11	--Computation of Pro Forma Earnings Per Share of Common Stock.	
12	--Computation of Ratio of Earnings to Fixed Charges and Preferred Dividends.	
21	--Subsidiaries of Case Corporation.	
23	--The consent of Arthur Andersen LLP, Independent Public Accountants for Case Corporation (Milwaukee, Wisconsin).	

</TABLE>

 *Management contract or compensatory plan or arrangement.
 **Confidential information contained in this agreement has been omitted from this filing and has been filed separately with the Securities and Exchange Commission.

CASE CORPORATION

BY-LAWS

AMENDED AND RESTATED
OCTOBER 2, 1996ARTICLE I
MEETINGS OF STOCKHOLDERS

PLACE OF MEETING

SECTION 1. All meetings of the stockholders of the Corporation shall be held at such place or places, within or without the State of Delaware, as may from time to time be fixed by the Board of Directors (the "Board"), or as shall be specified or fixed in the respective notices or waivers of notice thereof.

ANNUAL MEETING

SECTION 2. The Annual Meeting of Stockholders shall be held on such date and at such time as may be fixed by the Board and stated in the notice thereof, for the purpose of electing directors and for the transaction of only such other business as is properly brought before the meeting in accordance with these By-Laws.

To be properly brought before the meeting, business must be either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board, (b) otherwise properly brought before the meeting by or at the direction of the Board, or (c) otherwise properly brought before the meeting by a stockholder. In addition to any other applicable requirements, for business to be properly brought before the Annual Meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than 50 days nor more than 75 days prior to the meeting; provided, however, that in the event that less than 65 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 15th day following the day on which such notice of the date of the Annual Meeting was mailed or such public disclosure was made, whichever first occurs. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the Annual Meeting (i) a

brief description of the business desired to be brought before the Annual Meeting and the reasons for conducting such business at the Annual Meeting, (ii) the name and record address of the stockholder proposing such business, (iii) the class and number of shares of the Corporation which are beneficially owned by the stockholder, and (iv) any material interest of the stockholder in such business.

Notwithstanding anything in these By-Laws to the contrary, no business shall be transacted at the Annual Meeting except in accordance with the procedures set forth in this Section, provided, however, that nothing in this Section shall be deemed to preclude discussion by any stockholder of any business properly brought before the Annual Meeting.

The Chairman of the Annual Meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section, and if so determined, so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

SPECIAL MEETING

SECTION 3. Special meetings of the stockholders shall be called only by the Board. The business transacted at a special meeting shall be confined to the purposes specified in the notice thereof. Special meetings shall be held at such date and at such time as the Board may designate.

NOTICE OF MEETING

SECTION 4. Unless otherwise provided by law, written notice of each meeting of stockholders, stating the place, date and hour of the meeting, and the purpose or purposes thereof, shall be mailed not less than ten nor more than sixty days before the date of such meeting to each stockholder entitled to vote thereat.

QUORUM

SECTION 5. Unless otherwise provided by statute or the Certificate of Incorporation, at each meeting of stockholders the presence in person or by proxy of the holders of a majority in voting power of the outstanding shares of stock entitled to vote at the meeting shall constitute a quorum at such meeting.

VOTING

SECTION 6. Except as otherwise provided by the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held which has voting power upon

the matter in question. Subject to the final sentence of this Section 6, voting at meetings of stockholders need not be by written ballot. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. All other elections and questions shall, unless otherwise provided by law, the Certificate of Incorporation or these By-Laws, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock which are present in person or by proxy and entitled to vote thereon.

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Election of directors need not be by ballot; provided, however, that by resolution duly adopted by the stockholders of the Corporation, a vote by ballot may be required.

PROXIES

SECTION 7. Any stockholder entitled to vote upon any matter at any meeting of stockholders may so vote by proxy. Every proxy shall be in writing (which shall include telegraphing or cabling or other electronic transmission) and shall be dated, but need not be sealed, witnessed or acknowledged. Proxies shall be delivered to the Secretary of the Corporation before such meeting.

INSPECTORS

SECTION 8. At each meeting of the stockholders the polls shall be opened and closed, the proxies and ballots shall be received and be taken in charge, and all questions touching the qualification of voters and the validity of proxies and the acceptance or rejection of votes shall be decided by one or more Inspectors. Such Inspectors shall be appointed by the Board before the meeting, or in default thereof by the presiding officer at the meeting, and shall be sworn to the faithful performance of their duties. If any of the Inspectors previously appointed shall fail to attend or refuse or be unable to serve, substitutes shall be appointed by the presiding officer.

ARTICLE II BOARD OF DIRECTORS

NUMBER, METHOD OF ELECTION, TERMS OF OFFICE AND QUALIFICATION

SECTION 1. The business and affairs of the Corporation shall be managed by or under the direction of the Board. The number of directors which shall constitute the whole Board shall be not less than three nor more than sixteen (exclusive of directors, if any, elected by the holders of the Corporation's Preferred Stock or Second Preferred Stock) and the exact number thereof within

such limits shall be determined from time to time by resolution adopted by a majority of the whole Board.

Except as otherwise provided in the Certificate of Incorporation, a director shall hold office until the Annual Meeting for the year in which his or her term expires and until a successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Except as provided in the Certificate of Incorporation, any vacancy on the Board that results from an increase in the number of directors may be filled by a majority of the directors then in office, provided that a quorum is present, and any other vacancy occurring in the Board may be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director. Except as otherwise provided in the Certificate of Incorporation, any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor.

Nominations of persons for election to the Board of the Corporation may be made at a meeting of stockholders by or at the direction of the Board of Directors by any nominating committee or person appointed by the Board, or by any stockholder of the

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Corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Article II. Such nominations, other than those made by or at the direction of the Board, shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation not less than 50 days nor more than 75 days prior to the meeting; provided, however, that in the event that less than 65 days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 15th day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made, whichever first occurs. Such stockholder's notice to the Secretary shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the person and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Rule 14A under the Securities Exchange Act of 1934 as amended; and (b) as to the stockholder giving the notice (i) the name and record address of the stockholder and (ii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the stockholder. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as director of the Corporation. No person shall be eligible for election

as a director of the Corporation at the Annual Meeting of Stockholders unless nominated in accordance with the procedures set forth herein. The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if so determined, so declare to the meeting and the defective nomination shall be disregarded. The provisions of this paragraph shall not apply with respect to nominations of directors to be elected by the holders of any series of Preferred Stock or Second Preferred Stock, voting separately as a series or together with other series thereof, pursuant to the terms of any such series.

Any director may resign his or her office at any time by delivering a resignation in writing to the Corporation, and the acceptance of such resignation unless required by the terms thereof shall not be necessary to make such resignation effective.

No director who shall have attained the age of 70 shall be eligible for re-election as a director of the Corporation.

MEETINGS

SECTION 2. The Board may hold its meetings and have an office in such place or places within or without the State of Delaware as the Board by resolution from time to time may determine.

The Board may in its discretion provide for regular or stated meetings of the Board. Notice of regular or stated meetings need not be given. Special meetings of the Board shall be held whenever called by direction of the Chief Executive Officer, the President or any two of the directors. The Secretary or any Assistant Secretary shall give notice of any special meeting by mailing the same at least three days, or by telegraphing or telephoning the same at least one day, before the meeting to each director; but such

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notice may be waived by any director. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

Except as otherwise provided by law, at any meeting at which every director shall be present, even though without notice, any business may be transacted. No notice of any adjourned meeting need be given.

The Board shall meet immediately after election, following the Annual Meeting of Stockholders, for the purpose of organizing, for the election of corporate officers as hereinafter specified, and for the transaction of any other business which may come before it. No notice of such meeting shall be necessary.

Prior to the date of the Annual Meeting of Stockholders an annual report of the operations of the Corporation during the preceding fiscal year shall be submitted to the Board, which reports shall include consolidated statements of

income and expenditures, and a balance sheet showing the consolidated financial condition of the Corporation and its consolidated subsidiaries at the close of such fiscal year.

QUORUM

SECTION 3. Except as otherwise expressly required by the Certificate of Incorporation, these By-Laws or by statute, a majority of the directors then in office shall be present at any meeting of the Board in order to constitute a quorum for the transaction of business at such meeting, and the vote of a majority of the directors present at any such meeting at which a quorum is present shall be necessary for the passage of any resolution or for an act to be the act of the Board. In the absence of a quorum, a majority of the directors present may adjourn such meeting from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given.

COMPENSATION OF BOARD OF DIRECTORS

SECTION 4. Each director (other than a director who is a salaried officer of the Corporation or of any subsidiary corporation), in consideration of serving as such, shall be entitled to receive from the Corporation such amount per annum and such fees for attendance at meetings of the Board or of any Committee, or both, as the Board shall from time to time determine. The Board may likewise provide that the Corporation shall reimburse each director or member of a Committee for any expenses incurred on account of attendance at any such meeting. Nothing contained in this Section shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

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ARTICLE III COMMITTEES OF THE BOARD

COMMITTEES

SECTION 1. The Board shall elect as promptly as practicable from its members, by the affirmative vote of a majority of the whole Board, an Audit Committee, a Compensation Committee, a Nominating Committee and any other Committee which the Board may by resolution prescribe. Any such other Committee shall be comprised of such persons and shall possess such authority as shall be set forth in such resolution.

PROCEDURE

SECTION 2. Each Committee shall fix its own rules of procedure and shall meet

where and as provided by such rules. Unless otherwise stated in these By-Laws, a majority of a Committee shall constitute a quorum.

In the absence or disqualification of a member of any Committee, the members of such Committee present at any meeting, and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Fees in connection with such appointments shall be established by the Board.

REPORTS TO THE BOARD

SECTION 3. All completed actions by the Audit, Compensation and Nominating Committees shall be reported to the Board at the next succeeding Board meeting.

AUDIT COMMITTEE

SECTION 4. The Board shall elect as promptly as practicable an Audit Committee consisting of such number of members of the Board as shall be determined from time to time by resolution adopted by a majority of the whole Board, none of whom shall be officers or employees of the Corporation or any subsidiary of the Corporation. The Board shall appoint a Chairman of such Committee who shall be one of its members. The Audit Committee shall have such authority and duties as the Board by resolution shall prescribe.

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COMPENSATION COMMITTEE

SECTION 5. The Board shall elect as promptly as practicable a Compensation Committee consisting of such number of members of the Board as shall be determined from time to time by resolution adopted by a majority of the whole Board, none of whom shall be officers or employees of the Corporation or any subsidiary of the Corporation. The Board shall appoint a Chairman of such Committee who shall be one of its members. The Compensation Committee shall have such authority and duties as the Board by resolution shall prescribe.

NOMINATING COMMITTEE

SECTION 6. The Board shall elect as promptly as practicable a Nominating Committee consisting of such number of members of the Board as shall be determined from time to time by resolution adopted by a majority of the whole Board. The Board shall appoint a Chairman of such Committee who shall be one of its members. The Nominating Committee shall have such authority and duties as the Board by resolution shall prescribe.

ARTICLE IV
OFFICERS

GENERAL PROVISIONS

SECTION 1. The officers of the Corporation shall be a Chairman who shall be designated the Chief Executive Officer, a Secretary, and such other officers as the Board may from time to time designate or authorize. Insofar as permitted by statute, the same person may hold two or more offices. Each such officer shall hold office until his or her successor is elected or his or her earlier death, resignation, or removal.

The Board shall elect any officer who, at the time of election, is subject to Section 16(a) and Section 16(b) of the Securities Exchange Act of 1934. Unless determined otherwise by the Board, the Chief Executive Officer shall be authorized to elect all other officers.

Any officer may be removed, with or without cause, at any time by the Board. Subject to the foregoing, any officer who is not elected by the Board shall hold office at the discretion of the Chief Executive Officer.

A vacancy in any office may be filled for the unexpired portion of the term in the same manner as provided in these By-Laws for election to such office.

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POWERS AND DUTIES OF THE CHIEF EXECUTIVE OFFICER

SECTION 2. The Chief Executive Officer shall have general charge and management of the affairs, property and business of the Corporation, subject to the Board and the provisions of these By-Laws. The Chief Executive Officer shall perform all duties assigned to him or her in these By-Laws and such other duties as may from time to time be assigned to him or her by the Board.

The Chief Executive Officer or, in his or her absence, such director as the Board may select, shall preside at all meetings of stockholders and the Board.

POWERS AND DUTIES OF OTHER OFFICERS

SECTION 3. The Secretary or any Assistant Secretary shall attend and record the proceedings of all meetings of stockholders and the Board, and unless otherwise directed by the Board, of all Committees of the Board, in books kept for that purpose; shall see that all notices are given and records and reports properly kept and filed by the Corporation as required by these By-Laws or as required by law; shall have charge of and control over the records of the Corporation and the certificate books, transfer books and stock ledgers and such other books and papers as the Board may direct; shall be the custodian of the

corporate seal and shall see that it is affixed to all documents to be executed on behalf of the Corporation under its seal; and shall perform such other duties as may be required by the Board or the Chief Executive Officer.

SECTION 4. Each other officer of the Corporation shall have such powers and perform such duties as are incident to their respective offices or as may be designated by the Chief Executive Officer, subject to the supervision and direction of the Board.

COMPENSATION OF OFFICERS

SECTION 5. Unless otherwise determined by the Board, the annual base salary, any executive perquisite, and any bonus or incentive award (exclusive of any stock option grant or stock award) of any officer subject to Section 16(a) and Section 16(b) of the Securities Exchange Act of 1934 shall be fixed, or made, as the case may be, by the Compensation Committee. The annual base salary, any executive perquisite, and any bonus or incentive award for other officers and employees shall be fixed by the Chief Executive Officer unless otherwise required by resolution of the Board or provision of any relevant plan. Any stock option grant or stock award intended to comply with the requirements of Securities and Exchange Commission Rule 16b-3 to an officer who, at the time the grant or award is made or any other action is taken with respect thereto, is subject to Section 16(a) and Section 16(b) of the Securities Exchange Act of 1934 shall be granted or awarded or acted upon solely by the Compensation Committee or a subcommittee thereof. Stock option grants or stock awards to other officers and employees or any other action taken with respect thereto shall be made or taken by the Chief Executive Officer unless otherwise required by resolution of the Board or provision of any relevant plan, and the Chief Executive Officer is hereby designated as a Committee of the Board for this purpose.

A report shall be made annually to the Compensation Committee by the Chief Executive Officer detailing the compensation paid (including any stock option grant, stock award or other equity-based award, and any executive perquisite) to any officer or

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employee of the Corporation the sum of whose bonus or incentive awards for any calendar year and annual base salary for such year is \$250,000 or more. The report shall contain such other data as the Compensation Committee from time to time shall deem appropriate.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

SECTION 6.1. Right to indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or

proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans (an "indemnitee"), against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such indemnitee. Subject to Section 14.3 hereof, the Corporation shall be required to indemnify an indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if the initiation of such proceeding (or part thereof) by the indemnitee was authorized by the Board of Directors of the Corporation.

SECTION 6.2. Prepayment of Expenses. The Corporation shall pay the expenses (including attorneys' fees) incurred by an indemnitee in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the director or officer to repay all amounts advanced if it should be ultimately determined that the director or officer is not entitled to be indemnified under this Section 14 or otherwise.

SECTION 6.3. Claims. If a claim for indemnification or payment of expenses under this Section 14 is not paid in full within ninety days after a written claim therefor by the indemnitee has been received by the Corporation, the indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the indemnitee was not entitled to the requested indemnification or payment of expenses under applicable law.

SECTION 6.4. Nonexclusivity of Rights. The rights conferred on any person by this Section 14 shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these By-Laws, agreement, vote of stockholders or disinterested directors or otherwise.

SECTION 6.5. Other Indemnification. The Corporation's obligation, if any, to indemnify or advance expenses to any person who was or is serving at its request as a

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director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust, enterprise or nonprofit entity.

SECTION 6.6. Amendment or Repeal. Any repeal or modification of the

foregoing provisions of Section 14 shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

ARTICLE V
CAPITAL STOCK

CERTIFICATES OF STOCK

SECTION 1. Certificates of stock certifying the number of shares owned shall be issued to each stockholder in such form not inconsistent with the Certificate of Incorporation as shall be approved by the Board. Such certificates of stock shall be numbered and registered in the order in which they are issued and shall be signed by the Chairman, the President or a Vice President, and by the Secretary or an Assistant Secretary. Any and all the signatures on the certificates may be a facsimile.

TRANSFER OF SHARES

SECTION 2. Transfers of shares shall be made only upon the books of the Corporation by the holder, in person, or by power of attorney duly executed and filed with the Secretary of the Corporation, and on the surrender of the certificate or certificates of such shares, properly assigned. The Corporation may, if and whenever the Board shall so determine, maintain one or more offices or agencies, each in charge of an agent designated by the Board, where the shares of the capital stock of the Corporation shall be transferred and/or registered. The Board may also make such additional rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates for shares of the capital stock of the Corporation.

LOST, STOLEN OR DESTROYED CERTIFICATES

SECTION 3. The Corporation may issue a new certificate of capital stock of the Corporation in place of any certificate theretofore issued by the Corporation, alleged to have been lost, stolen or destroyed, and the Corporation may, but shall not be obligated to, require the owner of the alleged lost, stolen or destroyed certificate, or his or her legal representatives, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate, as the officers of the Corporation may, in their discretion, require.

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FIXING OF RECORD DATE

SECTION 4. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or for the purpose of any other lawful action the Board may fix, in advance, a record date, which shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action. A determination of stockholders entitled to notice of or to vote at a meeting of the stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

ARTICLE VI
CONSENTS TO CORPORATE ACTION

RECORD DATE

SECTION 1. The record date for determining stockholders entitled to express consent to corporate action in writing without a meeting shall be as fixed by the Board or as otherwise established under this Section. Any person seeking to have the stockholders authorize or take corporate action by written consent without a meeting shall by written notice addressed to the Secretary and delivered to the Corporation, request that a record date be fixed for such purpose. The Board may fix a record date for such purpose which shall be no more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board and shall not precede the date such resolution is adopted. If the Board fails within 10 days after the Corporation receives such notice to fix a record date for such purpose, the record date shall be the day on which the first written consent is delivered to the Corporation in the manner described in Section 2 below unless prior action by the Board is required under the General Corporation Law of Delaware, in which event the record date shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

PROCEDURES

SECTION 2. Every written consent purporting to authorize or to take corporate action and/or related revocations (each such written consent and related revocation is referred to in this Article VI as a "Consent") shall bear the date of signature of each stockholder who signs the Consent, and no Consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated Consent delivered in the manner required by this Section 2, Consents signed by a sufficient number of stockholders to take such action are delivered to the Corporation.

A Consent shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt

requested.

In the event of the delivery to the Corporation of a Consent, the Secretary of the Corporation shall provide for the safe-keeping of such Consent and shall promptly

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conduct such ministerial review of the sufficiency of the Consents and of the validity of the action to be taken by shareholder consent as he or she deems necessary or appropriate, including, without limitation, whether the holders of a number of shares having the requisite voting power to authorize or take the action specified in the Consent have given consent; provided, however, that if the corporate action to which the Consent relates is the removal or replacement of one or more members of the Board, the Secretary of the Corporation shall promptly designate two persons, who shall not be members of the Board, to serve as Inspectors with respect to such Consent and such Inspectors shall discharge the functions of the Secretary of the Corporation under this Section 2. If after such investigation the Secretary or the Inspectors (as the case may be) shall determine that the Consent is valid and that the action therein specified has been validly authorized, that fact shall forthwith be certified on the records of the Corporation kept for the purpose of recording the proceedings of meetings of stockholders, and the Consent shall be filed in such records, at which time the Consent shall become effective as stockholder action. In conducting the investigation required by this Section 2, the Secretary or the Inspectors (as the case may be) may, at the expense of the Corporation, retain special legal counsel and any other necessary or appropriate professional advisors, and such other personnel as they may deem necessary or appropriate, to assist them, and shall be fully protected in relying in good faith upon the opinion of such counsel or advisors.

ARTICLE VII MISCELLANEOUS

DIVIDENDS AND RESERVES

SECTION 1. Dividends upon the capital stock of the Corporation may be declared as permitted by law by the Board at any regular or special meeting. Before payment of any dividend or making any distribution of profits, there may be set aside out of the surplus or net profits of the Corporation such sum or sums as the Board, from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for such other purposes as the Board shall think conducive to the interests of the Corporation, and any reserve so established may be abolished and restored to the surplus account by like action of the Board.

SEAL

SECTION 2. The seal of the Corporation shall bear the corporate name of the Corporation, the year of its incorporation and the words "Corporate Seal, Delaware".

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WAIVER

SECTION 3. Whenever any notice whatsoever is required to be given by statute or under the provisions of the Certificate of Incorporation or these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

FISCAL YEAR

SECTION 4. The fiscal year of the Corporation shall begin with January first and end with December thirty-first.

AMENDMENTS

SECTION 5. The Board from time to time shall have the power to make, alter, amend or repeal any and all of these By-Laws and additional By-Laws, but any By-Laws or additional By-Laws, so made, altered, amended or repealed by the Board may be amended, altered or repealed by the stockholders.

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FIRST AMENDMENT

FIRST AMENDMENT, dated as of November 21, 1996 (this "Amendment"), to the Credit Agreement, dated as of August 23, 1996 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among CASE CORPORATION, a Delaware corporation (the "U.S. Borrower"), CASE CANADA CORPORATION/CORPORATION CASE CANADA, a company organized under the laws of the province of Ontario, Canada (the "Canadian Borrower"), each FOREIGN SUBSIDIARY BORROWER (as defined therein) (together with the U.S. Borrower and the Canadian Borrower, the "Borrowers"), the Co-Agents named on the signature pages thereof (the "Lead Managers"), the several banks and other financial institutions from time to time parties thereto (the "Lenders") and THE BANK OF NOVA SCOTIA, a Canadian chartered bank (as therein defined, the "Canadian Administrative Agent") and THE CHASE MANHATTAN BANK, a New York banking corporation (as therein defined, the "General Administrative Agent") as administrative agents for the Lenders thereunder.

WITNESSETH:

WHEREAS, pursuant to the Credit Agreement, the Lenders have agreed to make, and have made, certain loans and other extensions of credit to the Borrowers; and

WHEREAS, the Borrowers have requested, and, upon this Amendment becoming effective, the Majority Lenders have agreed, that certain provisions of the Credit Agreement be amended in the manner provided for in this Amendment;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Defined Terms. Terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

2. Amendments to Credit Agreement. (a) Subsection 2.3 of the Credit Agreement is hereby amended by (i) deleting the words "at least (a)" contained in the proviso of the first sentence of such subsection and inserting in lieu thereof the words "(a) at least" and (ii) deleting the words "(b) one Business Day prior to" contained in the proviso of the first sentence of such subsection and inserting in lieu thereof the words "(b) on";

(b) Subsection 5.3 of the Credit Agreement is hereby amended by deleting the words "at least one Business Day prior to" contained in the proviso of the first sentence of such subsection and inserting in lieu thereof the word "on"; and

(c) Subsection 6.2(a) of the Credit Agreement is hereby amended by deleting the words " 11:00 A.M., Toronto time, one Business Day prior to" and inserting in lieu thereof the words "9:30 A.M., Toronto time, on".

3. Conditions to Effectiveness. This Amendment shall become effective on the date (the "Amendment Effective Date") on which the Borrowers, the General Administrative Agent and the Majority Lenders shall have executed and delivered to the General Administrative Agent this Amendment.

4. Representations and Warranties. The representations and warranties made by the Borrowers in the Credit Agreement are true and correct in all material respects on and as of the Amendment Effective Date, after giving effect to the effectiveness of this Amendment, as if made on and as of the Amendment Effective Date.

5. No Other Amendments; Confirmation. Except as expressly amended, modified and supplemented hereby, the provisions of the Credit Agreement are and shall remain in full force and effect.

6. Governing Law. This Amendment and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

7. Counterparts. This Amendment may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Amendment signed by all the parties shall be lodged with the U.S. Borrower and the General Administrative Agent. This Amendment may be delivered by facsimile transmission of the relevant signature pages hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

CASE CORPORATION

By: /S/ BENSON K. WOO

Title: Vice President & Treasurer

CASE CANADA CORPORATION/CORPORATION
CASE CANADA

By: /S/ BENSON K. WOO

Title: Vice President & Treasurer

THE CHASE MANHATTAN BANK, as General
Administrative Agent and a Lender

By: /S/ TIMOTHY J. STORMS

Title: Credit Executive

THE CHASE MANHATTAN BANK OF CANADA

By: /S/ OWEN ROBERTS

Title: Vice President

THE CHASE MANHATTAN BANK OF CANADA

By: /S/ ARUN BERY

Title: Vice President

THE BANK OF NOVA SCOTIA, as
Canadian Administrative Agent
and a Lender

By: /S/ JUDY MCKAY

Title: Relationship Manager

By: /S/ F.C.H. ASHBY

Title: Senior Manager Loan Operations

ABN AMRO BANK N.V. CHICAGO BRANCH

By: /S/ DAVID C. SAGERS

Title: Vice President

By: /S/ CHRISTINE E. HOLMES

Title: Vice President

ARAB BANKING CORPORATION (B.S.C.)

By: /S/ GRANT E. MCDONALD

Title: Vice President

THE ASAHI BANK, LTD., CHICAGO BRANCH

By: /S/ NOBUO SUZUKI

Title: General Manager

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AUSTRALIA AND NEW ZEALAND BANKING
GROUP LIMITED

By: /S/ ROBERT SLOAN

Title: First Vice President

BANK AUSTRIA AKTIENGESELLSCHAFT

By: /S/ J. ANTHONY SEAY

Title: Vice President

By: /S/ KAREN JILL

Title: Assistant Vice President

BANCA COMMERCIALE ITALIANA, CHICAGO
BRANCH

By: /S/ JULIAN M. TEODORI

Title: Senior Vice President & Branch Manager

By: /S/ MARK D. MOONEY

Title: Vice President

BANCA COMMERCIALE ITALIANA OF
CANADA

By: /S/ PIETRO CORDOVA

Title: Department Manager

By: /S/ MASSIMO OSTI

Title: Executive Vice President

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BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION

By: /S/ W. THOMAS BARNETT

Title: Vice President

BANK OF AMERICA CANADA

By: /S/ D.B. LINKLETTER

Title: Vice President

BANK OF HAWAII

By: /S/ DONNA PARKER

Title: Assistant Vice President

BANK OF MONTREAL

By: /S/ MICHAEL D. PINCUS

Title: Managing Director

THE BANK OF NEW YORK

By: /S/ MARK T. FAMILO

Title: Assistant Vice President

THE BANK OF TOKYO - MITSUBISHI LTD.,
CHICAGO BRANCH

By: /S/ NOBORU KOBAYASHI

Title: Deputy General Manager

BANQUE NATIONALE DE PARIS

By: /S/ FREDERICK H. MORYL, JR.

Title: Senior Vice President

CAISSE NATIONALE DE CREDIT AGRICOLE

By: /S/ W. LEROY STARTZ

Title: First Vice President

CANADIAN IMPERIAL BANK OF COMMERCE

By: /S/ ALEKSANDRA DYMANUS

Title: Authorized Signatory

By: /S/ MARY L. SCHMITZ

Title: Authorized Signatory

THE CHUO TRUST & BANKING CO., LTD. NEW
YORK AGENCY

By: /S/ SADAO TERUYAMA

Title: Deputy General Manager

CITIBANK, N.A.

By: /S/ DAVID L. HARRIS

Title: Vice President

8

CITIBANK CANADA

By: /S/ MARGARET E. LAMBERT

Title: Vice President

COMMERZBANK AKTIENGESELLSCHAFT,
CHICAGO BRANCH

By: /S/ PAUL KARLIN

Title: Assistant Treasurer

By: /S/ MARK MONSON

Title: Vice President

COOPERATIVE CENTRALE RAIFFEISEN-
BOERENLEENBANK B.A., "RABOBANK
NEDERLAND", NEW YORK BRANCH

By: /S/ MICHEL DE KONKOLY THEGE

Title: Deputy General Manager

By: /S/ CHRIS G. KORTLANDT

Title: Vice President

CREDIT LYONNAIS CHICAGO BRANCH

By: /S/ MARY ANN KLEMM

Title: Vice President & Group Head

CREDIT SUISSE

By: /S/ GEOFFREY M. CRAIG

Title: Member of Senior Management

By: /S/ KRISTINN R. KRISTINSSON

Title: Associate

THE DAI-ICHI KANGYO BANK, LTD.

By: /S/ MITSUAKI YAMAZAKI

Title: Vice President

THE FIRST NATIONAL BANK OF CHICAGO

By: /S/ SARAH FAULKNER PAGLIONE

Title: Authorized Agent

THE FUJI BANK, LIMITED

By: /S/ PETER L. CHINNICI

Title: Joint General Manager

HERITAGE BANK AND TRUST

By: /S/ SUSAN P. JENSEN

Title: Vice President

10

THE INDUSTRIAL BANK OF JAPAN, LTD.

By: /S/ HIROKI YAMADA

Title: General Manager

ISTITUTO BANCARIO SAN PAOLO DI TORINO SPA

By: /S/ CARLO PERSICO

Title: Deputy General Manager

By: /S/ ROBERT WURSTER

Title: First Vice President

THE LTCB TRUST COMPANY, NEW YORK

By: /S/ JOHN SULLIVAN

Title: Executive Vice President

MELLON BANK, N.A.

By: /S/ J.M. ANDERSON

Title: Vice President

THE MITUSI TRUST AND BANKING COMPANY,
LTD. - NEW YORK BRANCH

By: /S/ MARGARET HOLLOWAY

Title: Vice President & Manager

11

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By: /S/ CHARLES H. KING

Title: Vice President

J.P MORGAN CANADA

By: /S/ JOHN MAYNARD

Title: Vice President & Controller

NATIONAL AUSTRALIA BANK LIMITED

By: /S/ SHAUN DOOLEY

Title: Vice President

NATIONSBANK, N.A.

By: /S/ MARY CAROL DALY

Title: Vice President

NORDDEUTSCHE LANDESBANK
GIROZENTRALE NEW YORK BRANCH AND/OR
CAYMAN ISLANDS BRANCH

By: /S/ PETRA FRANK-WITT

Title: Vice President

By: /S/ STEPHEN K. HUNTER

Title: Senior Vice President

12

THE NORTHERN TRUST COMPANY

By: /S/ LISA M. TAYLOR

Title: Commercial Banking Officer

PT. BANK NEGARA INDONESIA (PERSERO)

By: /S/ DEWA SUTHAPA

Title: General Manager

ROYAL BANK OF CANADA

By: /S/ PRESTON D. JONES

Title: Senior Manager, Corporate Banking

THE SAKURA BANK, LIMITED

By: /S/ SHUNJI SAKURAI

Title: Joint General Manager

THE SANWA BANK, LIMITED, CHICAGO BRANCH

By: /S/ JOSEPH P. HOWARD

Title: Vice President

SOCIETE GENERALE

By: /S/ ERIC SIEBERT, JR.

Title: Corporate Banking Member

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THE SUMITOMO BANK, LTD., CHICAGO BRANCH

By: /S/ A. IWAN

Title: Joint General Manager

THE SUMITOMO TRUST & BANKING CO., LTD.
NEW YORK BRANCH

By: /S/ SURAJ P. BHATIA

Title: Senior Vice President & Manager
Corporate Finance Dept.

THE TOKAI BANK, LIMITED CHICAGO BRANCH

By: /S/ TATSUO ITO

Title: Joint General Manager

TORONTO DOMINION (TEXAS), INC.

By: /S/ DARLENE RIEDEL

Title: Vice President

TORONTO DOMINION (TEXAS), INC.

By: /S/ DAVID G. PARKER

Title: Manager, Credit Administration

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THE TORONTO-DOMINION BANK

By: /S/ DAVID PANKHURST

Title: Manager

THE TORONTO-DOMINION BANK

By: /S/ G. COOMBS

Title: Vice President

UNION BANK OF CALIFORNIA, N.A.

By: /S/ NANCY BRUSATI-DIAS

Title: Vice President & Division Manager

WACHOVIA BANK OF GEORGIA, N.A.

By: /S/ ELIZABETH CORT

Title: Vice President

WESTDEUTSCHE LANDESBANK
GIROZENTRALE, NEW YORK BRANCH

By: /S/ SALVATORE BATTINELLI

Title: Vice President, Credit Department

By: /S/ C.D. ROCKEY

Title: Associate

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THE YASUDA TRUST & BANKING COMPANY, LTD.

By: /S/ JOSEPH C. MEEK

Title: Deputy General Manager

FIRST AMENDMENT

FIRST AMENDMENT, dated as of November 21, 1996 (this "Amendment"), to the Credit Agreement, dated as of August 23, 1996 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among CASE CREDIT CORPORATION, a Delaware corporation (the "U.S. Borrower"), each FOREIGN SUBSIDIARY BORROWER (as therein defined) (together with the U.S. Borrower, the "Borrowers"), the Co-Agents named on the signature pages thereof (the "Co-Agents"), the Lead Managers named on the signature pages thereof (the "Lead Managers"), the several banks and other financial institutions from time to time parties thereto (the "Lenders") and THE CHASE MANHATTAN BANK, a New York banking corporation (as therein defined, the "Administrative Agent"), as administrative agent for the Lenders hereunder.

WITNESSETH:

WHEREAS, pursuant to the Credit Agreement, the Lenders have agreed to make, and have made, certain loans and other extensions of credit to the Borrowers; and

WHEREAS, the Borrowers have requested, and, upon this Amendment becoming effective, the Majority Lenders have agreed, that certain provisions of the Credit Agreement be amended in the manner provided for in this Amendment;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Defined Terms. Terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.
2. Amendments to Credit Agreement. Subsection 2.3 of the Credit Agreement is hereby amended by (a) deleting the words "at least (a)" contained in the proviso of the first sentence of such subsection and inserting in lieu thereof the words "(a) at least" and (b) deleting the words "(b) one Business Day prior to" contained in the proviso of the first sentence of such subsection and inserting in lieu thereof the words "(b) on".
3. Conditions to Effectiveness. This Amendment shall become effective on the date (the "Amendment Effective Date") on which the Borrowers, the Administrative Agent and the Majority Lenders shall have executed and delivered to the Administrative Agent this Amendment.

4. Representations and Warranties. The representations and warranties made by the Borrowers in the Credit Agreement are true and correct in all material respects

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on and as of the Amendment Effective Date, after giving effect to the effectiveness of this Amendment, as if made on and as of the Amendment Effective Date.

5. No Other Amendments; Confirmation. Except as expressly amended, modified and supplemented hereby, the provisions of the Credit Agreement are and shall remain in full force and effect.

6. Governing Law. This Amendment and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York.

7. Counterparts. This Amendment may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Amendment signed by all the parties shall be lodged with the U.S. Borrower and the Administrative Agent. This Amendment may be delivered by facsimile transmission of the relevant signature pages hereof.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

CASE CREDIT CORPORATION

By: /S/ ROBERT A. WEGNER

Title: Vice President, CFO & Treasurer

THE CHASE MANHATTAN BANK, as
Administrative Agent and a Lender

By: /S/ TIMOTHY J. STORMS

Title: Credit Executive

THE ASAHI BANK, LTD., CHICAGO BRANCH

By: /S/ NOBUO SUZUKI

Title: General Manager

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

By: /S/ ROBERT SLOAN

Title: First Vice President

BANK OF AMERICA ILLINOIS

By: /S/ W. THOMAS BARNETT

Title: Vice President

4

BANK OF HAWAII

By: /S/ DONNA PARKER

Title: Assistant Vice President

BANK OF MONTREAL

By: /S/ MICHAEL D. PINCUS

Title: Managing Director

THE BANK OF NEW YORK

By: /S/ MARK T. FAMILLO

Title: Assistant Vice President

THE BANK OF NOVA SCOTIA

By: /S/ F.C.H. ASHBY

Title: Senior Manager Loan Operations

THE BANK OF TOKYO-MITSUBISHI LTD.,
CHICAGO BRANCH

By: /S/ NOBORU KOBAYASHI

Title: Duty General Manager

BANQUE NATIONALE DE PARIS

By: /S/ FREDERICK H. MORYL, JR.

Title: Senior Vice President

CAISSE NATIONALE DE CREDIT AGRICOLE

By: /S/ W. LEROY STARTZ

Title: First Vice President

CANADIAN IMPERIAL BANK OF COMMERCE

By: /S/ ROBIN W. ELLIOTT

Title: Authorized Signatory

CANADIAN IMPERIAL BANK OF COMMERCE

By: /S/ ALEKSANDRA K. DYMANUS

Title: Authorized Signatory

CITIBANK, N.A.

By: /S/ DAVID L. HARRIS

Title: Vice President

COMMERZBANK AKTIENGESELLSCHAFT,
CHICAGO BRANCH

By: /S/ PAUL KARLIN

Title: Assistant Treasurer

By: /S/ MARK MONSON

Title: Vice President

COOPERATIEVE CENTRALE RAIFFEISEN-
BOERENLEENBANK B.A., "RABOBANK
NEDERLAND", NEW YORK BRANCH

By: /S/ MICHEL DE KONKOLY THEGE

Title: Deputy General Manager

By: /S/ CHRIS G. KORTLANDT

Title: Vice President

CREDIT LYONNAIS CHICAGO BRANCH

By: /S/ MARY ANN KLEMM

Title: Vice President & Group Head

CREDIT SUISSE

By: /S/ GEOFFREY M. CRAIG

Title: Member of Senior Management

By: /S/ KRISTINN R. KRISTINSSON

Title: Associate

THE FIRST NATIONAL BANK OF CHICAGO

By: /S/ TODD E. RITZ

Title: As authorized agent

FIRST UNION NATIONAL BANK OF NORTH
CAROLINA

By: /S/ THOMAS M. CAMBERN

Title: Vice President

THE FUJI BANK, LIMITED

By: /S/ PETER L. CHINNICI

Title: Joint General Manager

THE INDUSTRIAL BANK OF JAPAN, LTD.

By: /S/ HIROKI YAMADA

Title: General Manager

THE LTCB TRUST COMPANY, NEW YORK

By: /S/ JOHN SULLIVAN

Title: Executive Vice President

MELLON BANK, N.A.

By: /S/ J.M. ANDERSON

Title: Vice President

THE MITUSI TRUST & BANKING COMPANY,
LTD. - NEW YORK BRANCH

By: /S/ MARGARET HOLLOWAY

Title: Vice President & Manager

8

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By: /S/ CHARLES H. KING

Title: Vice President

NATIONAL AUSTRALIA BANK LIMITED

By: /S/ SHAUN DOOLEY

Title: Vice President

NATIONSBANK, N.A.

By: /S/ MARY CAROL DALY

Title: Vice President

NORDDEUTSCHE LANDESBANK
GIROZENTRALE NEW YORK BRANCH AND/OR
CAYMAN ISLANDS BRANCH

By: /S/ PETRA FRANK-WITT

Title: Vice President

By: /S/ STEPHEN K. HUNTER

Title: Senior Vice President

THE NORTHERN TRUST COMPANY

By: /S/ LISA M. TAYLOR

Title: Commerce Banking Officer

9

ROYAL BANK OF CANADA

By: /S/ PRESTON D. JONES

Title: Senior Manager, Corporate Banking

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By: /S/ SHUNJI SAKURAI

Title: Joint General Manager

THE SANWA BANK, LIMITED, CHICAGO BRANCH

By: /S/ JOSEPH P. HOWARD

Title: Vice President

SOCIETE GENERALE

By: /S/ ERIC SIEBERT, JR.

Title: Corporate Banking Member

THE SUMITOMO BANK, LTD. CHICAGO BRANCH

By: /S/ A. IWAN

Title: Joint General Manager

THE SUMITOMO TRUST & BANKING CO., LTD.
NEW YORK BRANCH

By: /S/ SURAJ P. BHATIA

Title: Senior Vice President & Manager,
Corporate Finance Department

THE TOKAI BANK, LIMITED CHICAGO BRANCH

By: /S/ TATSUO ITO

Title: Joint General Manager

TORONTO DOMINION (TEXAS), INC.

By: /S/ DARLENE RIEDEL

Title: Vice President

UNION BANK OF CALIFORNIA, N.A.

By: /S/ NANCY BRUSANTI-DIAS

Title: Vice President & Division Manager

UNION BANK OF SWITZERLAND, NEW YORK BRANCH

By: /S/ ALFRED IMHOLZ

Title: Managing Director

By: /S/ JAN BUETTGEN

WACHOVIA BANK OF GEORGIA, N.A.

By: /S/ ELIZABETH CORT

Title: Vice President

WESTDEUTSCHE LANDESBANK
GIROZENTRALE, NEW YORK BRANCH

By: /S/ SALVATORE BATTINELLI

Title: Vice President

By: /S/ C.D. ROCKEY

Title: Associate

THE YASUDA TRUST & BANKING COMPANY

By: /S/ JOSEPH C. MEEK

Title: Deputy General Manager

FIRST AMENDMENT

FIRST AMENDMENT, dated as of November 21, 1996 (the "AMENDMENT") to the Credit Agreement, dated as of August 23, 1996 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement") among Case Credit Ltd., a company organized under the laws of the Province of Alberta (the "Borrower"), the several banks and other financial institutions from time to time parties thereto (the "Lenders"), the co-agent named on the signature pages thereof (the "Co-Agent"), and The Bank of Nova Scotia, a Canadian chartered bank (the "Administrative Agent"), as Administrative Agent for the Lenders hereunder.

WITNESSETH:

WHEREAS, pursuant to the Credit Agreement, the Lenders have agreed to make, and have made, certain loans and other extensions of credit to the Borrower; and

WHEREAS, the Borrower has requested, and, upon this Amendment becoming effective, the Majority Lenders have agreed, that certain provisions of the Credit Agreement be amended in the manner provided for in this Amendment;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Defined Terms. Terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

2. Amendments to Credit Agreement.

(a) Section 2.3 of the Credit Agreement is hereby amended by deleting the words "at least one day prior to" contained in the proviso of the first sentence of such section and inserting in lieu thereof the word "on".

(b) Section 3.2 of the Credit Agreement is hereby amended by (i) deleting the words "one business day prior to" in the third line of subsection (a) of such section and inserting in lieu thereof the word "on"; and (ii) by deleting the words "11:00 a.m." in the third line of subsection (a) of such section and inserting in lieu thereof the words "9:30 a.m."

3. Conditions to Effectiveness. This Amendment shall become effective on the date (the "Amendment Effective Date") on which the Borrower, the Administrative Agent and the Majority Lenders shall have executed and delivered to the Administrative Agent this Amendment.

4. Representations and Warranties. The representations and warranties made by the Borrower in the Credit Agreement are true and correct in all material respects on and as of the Amendment Effective Date, after giving effect to the effectiveness of this Amendment, as if made on and as of the Amendment Effective Date.

5. No Other Amendments; Confirmation. Except as expressly amended, modified and supplemented hereby, the provisions of the Credit Agreement are and shall remain in full force and effect.

6. Governing Law. This Amendment and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the laws of the Province of Ontario.

7. Counterparts. This Amendment may be executed by one or more of the parties to this Amendment on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Amendment signed by all of the parties shall be lodged with the Borrower and the Administrative Agent. This Amendment may be delivered by facsimile transmission of the relevant signature pages hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

CASE CREDIT LTD.

By: "Robert A. Wegner"

Title: Vice President, CFO and Treasurer

THE BANK OF NOVA SCOTIA,
as Administrative Agent and a Lender

By: "Judy McKay"

Title: Relationship Manager

By: "David Tyreman"

Title: Account Officer

BANK OF AMERICA CANADA
as a Lender

By: "D.B. Linkletter"

Title: Vice President

By:

Title:

BANK OF MONTREAL
as a Lender

By: "Michael D. Pincus"

Title: Managing Director

By:

Title:

CANADIAN IMPERIAL BANK OF
COMMERCE, as a Co-Agent and a Lender

By: "R.M. Callander"

Title: Director

By: "Doug Zinkiewich"

Title: Director

THE CHASE MANHATTAN BANK OF
CANADA,
as a Lender

By: "Owen G. Roberts"

Title: Vice President

By: "Arun Bery"

Title: Vice President

CITIBANK CANADA,
as a Lender

By: "Margaret E. Lambert"

Title: Vice President

By:

Title:

-4-

FIRST CHICAGO NBD BANK, CANADA,
as a Lender

By: "Colleen Delaney"

Title: Assistant Vice President

By: "Jeremiah A. Hynes III"

Title: First Vice President

J.P. MORGAN CANADA,
as a Lender

By: "John Maynard"

Title: Vice President and Controller

By:

Title:

ROYAL BANK OF CANADA,
as a Lender

By: "Preston D. Jones"

Title: Senior Manager, Corporate Banking

By:

Title:

SAKURA BANK (CANADA),
as a Lender

By: "E.R. Langley"

Title: Vice President

By:

Title:

SANWA BANK CANADA,
as a Lender

By: "Shigeki Iwashita"

Title: Vice President

By:

Title:

SOCIETE GENERALE (CANADA),
as a Lender

By: "Duncan Irvine"

Title: Senior Manager

By: "T.C. Leung"

Title: Senior Manager

THE SUMITOMO BANK OF CANADA,
as a Lender

By: "Koichi Sasa"

Title: Senior Vice President

By: "Alfred Lee"

Title: Vice President

THE TORONTO-DOMINION BANK,
as a Lender

By: "David Pankhurst"

Title: Manager

By: "John Coombs"

Title: Vice President

13 February 1996

Finance Director
Case Corporation Pty Limited
31-67 Kurrajong Avenue
ST MARYS NSW 2760

Dear Sir,

BANKING FACILITIES TO CASE CORPORATION PTY LIMITED

National Australia Bank Limited (A.C.N. 004 044 937) ("BANK") is pleased to advise Case Corporation Pty Limited (A.C.N. 000 031 130) ("COMPANY") that the undermentioned facilities have been approved for the Company's use and also to provide assistance in connection with the A Co acquisition, subject to the terms and conditions detailed herein and the normal terms, conditions and usages applicable to bank lending and dealing in Australia.

This letter supersedes all prior letters of offer, understandings, communications and agreements between the Bank and the Company, written or oral, except those specified in this letter.

Words used but not defined in this letter of offer have the same meaning given to them in the Negative Pledge.

FACILITIES

1. OVERDRAFT FACILITY

Limit: A\$980,000 (Nine Hundred and Eighty Thousand Australian Dollars).

Purpose: To meet day to day working capital requirements of the Company.

Overdraft Interest: The Bank's variable Benchmark (BE) Rate, currently 10.75% per annum calculated daily and payable monthly in arrears on the last business day of each month.

Credit Interest: Corporation (VN) Rate calculated daily on balances in excess of \$5,000 and paid monthly. Our VN rate is currently 7% per annum.

Line Fee: 0.50% per annum calculated on the Limit, payable quarterly in advance on each 15 March, June, September and December.

2. BILL ACCEPTANCE AND/OR DISCOUNT FACILITY

Limit: A\$35,000,000 (Thirty Five Million Australian Dollars).

Purpose: To meet short term working capital requirements of the Company.

Term: Three (3) year revolving facility commencing on 30 September, 1995. The Company may during the term of this facility in relation to the face value of any bill retired, redraw or request the Bank to accept and discount bills under this facility, the amount prepaid or the face value of bills retired, as the case may be.

Line Fee: 0.25% per annum on the Limit, payable quarterly in advance on each 15 March, June, September and December.

Activation Fee: 0.275% per annum, calculated on the face value and tenor of bills drawn and charged upon activation.

Conditions: The terms contained in the Bill Facility Conditions set out in Annexure "B" attached to this letter of offer will apply to this facility.

3. A CO ACQUISITION BILL ACCEPTANCE AND/OR DISCOUNT FACILITY

Limit: Up to A\$80,000,000 (eight million Australian Dollars) as reduced by any prepayment or cancellation which will be permanent.

Purpose: To assist in the acquisition by the Company of A Co.

Term: Two (2) years from the date of drawdown.

Line Fee: 0.25% per annum on the Limit, payable quarterly in advance on each 15 March, June, September and December. The line fee will be calculated from a date which is earlier of 90 days after delivery

of the Part A statement by the Company to A Co or the date upon which the Company draws down this facility. Accordingly, the first payment of this line fee will be due on the earlier of the above dates in the amount calculated at this rate for the period commencing on that date until the end of the then current quarter.

Activation Fee: 0.25% per annum calculated on the face value and tenor of bills drawn and charged upon activation.

Disclosure Fee: A disclosure fee of A\$40,000 will be paid by the Company to the Bank at the time of delivery of the Part A statement by the Company to A Co.

Establishment Fee: An establishment fee of A\$40,000 will be paid by the Company on initial drawdown of all or part of this facility to cover all cost associated with the establishment of this facility, including the Bank's legal costs up to A\$10,000.

Drawdown

Conditions: Subject to 5 clear Banking Days notice of activation or such lesser time as agreed to by the Bank.

Cancellation of drawdown amounts to this facility are not available for redrawing.

The terms contained in the Bill Facility Conditions set out in Annexure "B" attached to this letter of offer will apply to this facility.

The Company must give to the Bank a drawing notice in the form of Annexure "C" ("DRAWING NOTICE") signed by an authorised officer of the Company at least 2 clear Banking Days before the day it requires funds or such lesser time as agreed to by the Bank.

4. GUARANTEE BY BANK

Limit: A\$200,000 (Two Hundred Thousand Australian Dollars).

Purpose: To allow the establishment of guarantees in relation to various contractual obligations of a non-funding nature.

Fees: 0.60% per annum calculated on the face value of guarantees issued and payable half yearly in advance.

Terms: The Bank's standard terms for the issue of bank guarantees will apply to this facility.

5. ENCASHMENT/NEGOTIATION ADVICES

Limit: A\$50,000 (Fifty Thousand Australian Dollars).

Purpose: To allow the encashment of the Company's cheques or the

issuance of bank cheques on behalf of the Company at various Bank locations.

Fees: The Bank's scale fees/charges to apply.

6. TAPE NEGOTIATION ADVICE

Limit: A\$500,000 (Five Hundred Thousand Australian Dollars).

Purpose: To allow the Company to meet its wages and salaries by means of computerised tapes.

Fees: The Bank's scale fees/charges to apply.

7. FLEXILINK DAILY TRANSFER LIMIT

Limit: A\$1,000,000 (One Million Australian Dollars).

Purpose: To allow the Company to electronically transfer funds between specified parties both domestically and internationally via the Bank's Flexilink product.

Fees: The Bank's scale fees/charges to apply.

8. UNCOMMITTED TREASURY FACILITIES

8.1 AVAILABILITY

Subject to the terms of this letter of offer and any subsequent arrangements in writing between the Bank and the Company, the Bank agrees to enter into treasury transactions ("TREASURY FACILITY") with or for the benefit of the Company on an uncommitted basis for the purpose of establishing an interest rate, foreign exchange or any other hedging program for the Company with the Bank.

8.2 Notwithstanding anything in this clause 8, or elsewhere in this letter of offer, the Bank is under no obligation to provide to the Company the Treasury Facility, unless the Bank in its absolute discretion agrees in writing to do so.

8.3 If the Bank determines to provide the Treasury Facility, the Treasury Facility will be on such terms and conditions as the Bank may from time to time agree with the Company and will include, inter alia, the Company's execution of the International Swap Dealers Association Interest Rate and Currency Exchange Agreement prior to such dealing.

FACILITY TERM

The above facilities are available on a continuing basis subject to the Bank's annual review due by, but not no later than, 30 June 1996, at which date the

subject facilities will be at call at the Bank's discretion. Any commitment by the Bank to a particular "Term" for the above facilities is as provided in this letter of offer and will be withdrawn by the Bank only on the occurrence of an Event of Default.

CONDITIONS PRECEDENT

The obligations of the Bank pursuant to this letter of offer shall be subject to the Bank receiving the following conditions precedent, each in form and substance acceptable to the Bank:

- (a) a statutory declaration that the Company is solvent and not acting as trustee, signed by a director of the Company;
- (b) a copy certified by an authorised officer as being a correct copy of the Company's resolutions approving entry by the Company into each of the above facilities and authorising the execution, acceptance, delivery and observance of obligations under this letter of offer and each of the Security Documents to which the Company is a party. It is noted that the Bank holds these documents in respect of all facilities other than facility 3 above;
- (c) a certified copy of each authority under which a person signs and delivers a document for the Company and, if the authority is a power of attorney, evidence of its stamping (where required by law) and registration in any jurisdiction that the Bank deems necessary;
- (d) this letter of offer and the Security Documents executed and delivered by the parties to them (other than the Bank) and, where applicable and if required by the Bank, evidence of their stamping; and
- (e) such other conditions precedent as the Bank may specify by notice to the Company prior to the first drawdown or initial funding by the Bank.

It is noted that the Bank already holds a copy of the executed US Second Amended and Restated Revolving Credit and Term Loan Agreement dated 15 September 1995 and its First Amendment dated 31 October 1995 and Second Amendment dated 5 December 1995.

SECURITY DOCUMENTS

During the currency of the aforementioned facilities, the Bank will rely on the following documentation:

- (i) This letter of offer, including Annexure A, Annexure B and Annexure C.
- (ii) Bill Facility Power of Attorney granted by the Company to the Bank (in the form attached to and which forms part of Annexure B) in respect of facilities 2 and 3;

- (iii) Negative Pledge Agreement dated 29 September 1995 between the Company and the Bank ("NEGATIVE PLEDGE")'
- (iv) Amending Agreement to Negative Pledge;
- (v) A new Deed of Guarantee and Indemnity granted by Case Corporation (US) in favour of the Bank (unconditional) in respect of all of the obligations of the Company other than those that relate to the debts of Case Credit Australia Pty Limited (ACN 069 132 396) under the interlocking Guarantee ("NEW GUARANTEE") (The Bank will release the New Guarantee to Case Corporation (US) at such time as the Bank is reasonably satisfied that the Company has achieved a ratio of Shareholders' Funds to Total Tangible Assets (both such terms as defined in the Negative Pledge) of 40%);
- (vi) Interlocking Guarantee dated 22 June, 1994 between the Company, J.I Case Credit Corporation of Australia PTY Limited ACN 000 108 387 and all wholly owned subsidiaries of the Company ("INTERLOCKING GUARANTEE"); and
- (vii) Acknowledgment of continuation of the parties' obligations under the Interlocking Guarantee,

(each and all are to be referred to as "SECURITY DOCUMENTS")

Where any of the above are not already held by the Bank, their delivery to the Bank, in form and substance satisfactory to the Bank, is a condition precedent to the availability of the above facilities.

FINANCIAL ACCOUNTS

The financial accounts of the Company required by the Bank are those set out in the Negative Pledge.

RIGHT OF SELL DOWN

The Bank, following consultation with the Company, may sell down all or any part of the Company's debt or indebtedness to the Bank to any Australian financial institution about which the Bank and the Company reasonably agree. If as a consequence of the Bank exercising its right to sell down under this

paragraph a liability to withholding tax arises then any such liability will not be debited to the Company's account.

FEES

To the extent any fee described above is calculated by reference to a facility limit, if that limit is reduced or cancelled, that fee will be adjusted accordingly from the date of the reduction or cancellation.

GENERAL

In addition to normal banking terms, conditions and usages, the special terms and conditions as detailed in Annexure A and Annexure B shall apply.

Unless otherwise specifically stated, interest rates and fees shown above may be varied by the Bank in the light of conditions prevailing from time to time. However, the Bank will notify the Company of any variation to any of the fees specifically stated in this letter of offer.

To help keep you informed on a regular basis, the Bank's variable Benchmark Rate is published in national daily newspapers and financial newspapers at least weekly. While we shall endeavour to notify you of any changes in interest rates and fees, should we not do so for any reason this will not preclude the charging of the new or adjusted charges.

The above arrangements may be accepted before 27 February 1996 or at a later date acceptable to the Bank by forwarding a certified copy of the Board Resolution of the Company. In the meantime, please do not hesitate to contact either one of us on the numbers mentioned below if any matter requires clarification or if we can be of further assistance.

Yours faithfully,

/s/ M.A. Harvey

M.A. Harvey
SENIOR RELATIONSHIP MANAGER
Tel: 237 1827

/s/ K. Thomas

K. Thomas
ACCOUNT MANAGER
Tel: 237 1489

ANNEXURE "A"

TERMS AND CONDITIONS APPLYING TO THE FACILITIES EXTENDED TO CASE CORPORATION PTY LIMITED ("COMPANY")

1. CHANGE OF CIRCUMSTANCES - INCREASED COST AND ILLEGALITY

- (a) In the event that any change in applicable law or regulation or in the interpretation thereof by any governmental authority charged with the administration thereof shall make it unlawful and/or impossible for the Bank to maintain or give effect to its obligations as contemplated by this letter, and the Bank shall so certify to the Company, the Bank shall during the period that such condition exists be discharged from those obligations.
- (b) If any order of any court or any change in applicable law or regulation (including any policy, directive or guideline, whether or

not having the force of law, but compliance with which is in accordance with the practice of responsible Bankers) or in the official interpretation or application thereof by any governmental authority charged with the administration thereof shall:

- (i) subject the Bank to any taxes or duties with respect to the said facilities or any part thereof or change the basis of taxation of the Bank for payments hereunder (except for taxes on the overall net income of the Bank imposed by any taxing authorities having the power to levy taxes on the Bank);
- (ii) impose, modify or deem applicable any reserve, capital adequacy and/or liquidity adequacy requirements against any asset of, deposit with or for the account of, or loans by the Bank; or
- (iii) impose on the Bank any other condition with respect to this letter or the obligations assumed by the Bank hereunder or if the Bank complies with any request from any applicable fiscal or monetary authority (whether or not having the force of law),

and the result of any of the foregoing is to increase the cost to the Bank of making available or maintaining the said facilities or to reduce the amount receivable in respect of the facilities or any other payment due to the Bank in connection with the said facilities by an amount which the Bank deems material then and in each case the provisions of the following clause 1(c) shall apply.

- (c) In the circumstances envisaged in clause 1(b) above:
 - (i) the Bank shall use its best efforts to promptly notify the Company in writing of the happening of such event; and
 - (ii) the Company shall pay to the Bank on demand as additional interest or charges such amount as will compensate the Bank for such additional cost calculated from the date of notification, provided however that the Company may at its option elect to repay all or part of the facilities in full.
- (d) The Bank shall not be entitled to require the Company to pay to the Bank as contemplated in clause 1(c) above any increased costs arising from circumstances envisaged in clause 1(b) above unless it notifies the Company in writing within a period of 6 months after the Bank becomes aware of any such circumstances.

2. CONTESTING OF TAXES

- (a) In the event of the Bank receiving any formal assessment, notification

or demand for payment in respect of the above facilities from any proper authority whether under existing law or as a result of the occurrence of any event contemplated by clause 1(b) above, it will notify the Company in writing thereof by the fastest reasonable means available or in any event no later than 15 days following receipt of such assessment, notification or demand.

- (b) if any of the events contemplated by clause 1(b) or clause 2(a) above occur and the Company produces to the Bank written legal advice to the effect that there is reasonable argument that any tax, duty, impost or condition is wrongfully or improperly assessed, levied or imposed on the Bank in relation to the above facilities then the Bank and the Company will discuss in good faith;
 - (i) such action (if any) that may be appropriate to take in all the circumstances including, but without limiting the generality of the foregoing, the commencement of proceedings to contest such assessment, levy or imposition; and
 - (ii) the terms and conditions of such action that the Bank and the Company reasonably agree to be in their best interests.

3. COSTS AND EXPENSES

The Company will pay to the Bank on demand all legal costs (including the Bank's solicitors' fees on a solicitor and own client basis in excess of \$10,000) and all other costs and expenses of any nature incurred by the Bank including without limitation stamp duty, financial institutions duty and bank account debits tax (whether payable directly or otherwise paid by the Bank) and in the case of stamp duty any penalties, fines and interest for late payment (other than penalties, fines and interest for late payment where the Bank has been put in funds by the Company to make the payment and has not done so, except for any negligent or willful omissions or errors by the Bank) thereof in any case in relation to the preparation, negotiation, execution, registration, administration and enforcement of this arrangement and all costs and expenses in respect of all transactions (including, without limitation, all payments, receipts and the banking thereof) and all matters connected with or arising out of or contemplated by this arrangement.

4. TERMS AND CONDITIONS APPLICABLE TO FACILITIES INVOLVING FOREIGN CURRENCY

All facilities referred to herein and which involve foreign currencies are made available subject to those of the following terms and conditions which may be appropriate:

(a) FUNDING RISK AND NON-AVAILABILITY

Notwithstanding anything to the contrary herein contained, if the Bank shall at any time determine (which determination shall be conclusive

and binding on the Company) that by reason of;

- (i) any change in national or international financial, political or economic conditions, currency exchange rates, currency availability or exchange controls;
- (ii) the occurrence of an event or contingency which materially and adversely affects the inter-bank markets generally;
- (iii) any change in applicable law or governmental regulation or order (whether or not having the force of law);

the making redenomination or continuation of the facilities is impractical or impossible the Bank shall as soon as practicable give written notice to the Company.

During the period of thirty days from the giving of notice, the Bank shall negotiate with the Company for a mutually acceptable alternative basis to make or continue to make available or

redenominate the facilities. Should the parties fail to agree to an alternative basis acceptable to both of them within the said period of thirty days the obligation of the Company to borrow and the obligation of the Bank to provide the facilities shall be terminated and the Company shall repay the facilities (together with accrued interest and such amounts as may be necessary to compensate the Bank for any losses or expenses of liquidation of or re-employing fixed deposits) within fourteen days from the end of such period.

(b) CURRENCY INDEMNITY

- (i) In the event of a judgment or order being rendered by any court or tribunal for the payment of any amounts owing to the Bank under this letter or for the payment of damages in respect of any breach of the terms hereof or under or in respect of a judgement or order of another court or tribunal for payment of such amounts or damages, such judgement or order being expressed in a currency ("JUDGEMENT CURRENCY") other than the foreign currency otherwise expressed to be payable pursuant to the facility in question ("RELEVANT FOREIGN CURRENCY"), the Company shall indemnify and hold harmless the Bank against any deficiency in terms of the Relevant Foreign Currency in the amounts received by the Bank arising or resulting from any variation between:
 - (A) the rate of exchange at which the Relevant Foreign Currency is converted into the Judgement Currency for the purposes of such judgement or order; and

- (B) the rate of exchange at which the Bank is able to purchase the Relevant Foreign Currency with the amount of the Judgement Currency actually received at the time of its receipt by the Bank.
- (ii) The above indemnity shall constitute a separate and independent obligation of the Company from its other obligations hereunder and shall apply irrespective of any time or other indulgence granted by the Bank, and no proof or evidence of actual loss shall be required by the Company.
- (c) The Bank should not be regarded as managing or supervising the Company's exposure as aforesaid.

5. NON-WAIVER CLAUSE

No delay in exercising or failure to exercise any right power or remedy accruing to the Bank upon the happening of any of the events of default herein shall affect the Bank's rights, powers or remedies or be construed as a waiver of any such event of default or agreement to waive any future happening of any events of default herein.

ANNEXURE "B"

TERMS AND CONDITIONS APPLYING TO THE BILL FACILITY EXTENDED TO CASE CORPORATION PTY LIMITED ("COMPANY")

1. DRAWINGS

- 1.1 Bills drawn by the Company under a Bill acceptance and/or discount facility will be accepted by the Bank in accordance with the Bank's normal requirements and the letter of offer for the accommodation of the Company. Subject to paragraph 2 below, the Bank will pay to the Company the discounted proceeds of the Bills less any moneys due and payable to the Bank by the Company. The face value of all Bills so accepted by the Bank and outstanding will not exceed the limit of the facility at any time.
- 1.2 The Company must give the Bank not less than three Banking Days' notice prior to the proposed discount date or such shorter period of notice as the Bank may permit and must deliver to the Bank the Bills which the Company wishes to accept and discount.
- 1.3 The Bank is not obliged to accept any Bill having a maturity date later than the expiry date for the Term of the facility.

- 1.4 Bills will be drawn by the Company on the Bank with face values, payable on such days to such persons and at such places in Australia as the Company and the Bank shall agree. A Bill must not mature on a day which is not a Banking Day.
- 1.5 The Company and the Bank agree to observe the provisions of the Bills of Exchange Act (Cwth) as to anything necessary to be done to ensure the validity of any Bills to be drawn or accepted under this facility or to attract the benefit of any provision of that Act.
- 1.6 Bills accepted by the Bank will be discounted by the Bank at the "BBSY" bid rate (that rate shown at approximately 10.10am (Sydney time) on page "BBSY" on the Reuters Monitor System on the day the Bills are to be discounted). The proceeds will be paid into the Company's account or as the Company may direct in the Drawing Notice, or applied under paragraph 3.2 below.

2. REPLACEMENT BILLS

The Bank will accept and discount replacement Bills tendered to it in accordance with paragraph 1 at least two Banking Days or such shorter

period as agreed before the maturity of those Bills previously accepted and discounted pursuant to the letter of offer so that the maturing Bills will be funded in whole or in part by replacement Bills and in such circumstances the amount payable by the Bank to the Company in respect of the replacement Bills will be netted off to satisfy or partly satisfy the payment obligations of the Company in respect of the maturing Bills.

3. INDEMNITY IN RESPECT OF BILLS

- 3.1 The Company indemnifies the Bank against all liabilities of any kind whether actual or contingent which are incurred by the Bank in accepting, discounting, endorsing or becoming the payee or other holder of any Bill to which the Company is party. Subject to paragraph 3.2, the Company will pay to the Bank in immediately available funds an amount equal to the face value of each Bill not later than 11 am on the date of maturity of each Bill.
- 3.2 Where the Bank accepts replacement Bills under paragraph 2, the obligation of the Company to pay to the Bank the face value of a maturing Bill on its maturity date will be satisfied by the Bank:
 - (a) debiting the face value of the maturing Bill to an internal suspense account of the Bank;

- (b) accepting a replacement Bill;
 - (c) crediting the discounted proceeds of the replacement Bill in reduction of the debit created to the suspense account; and
 - (d) debiting the account of the Company for the amount of the remaining balance of the debit to the suspense account.
- 3.3 The procedure outlined in paragraph 3.2 shall not prejudice the right of the Bank at any time to require the Company to pay to it the face value of any Bill on its maturity date where the Bank does not accept replacement Bills under paragraph 2.
- 3.4 The obligations and liabilities of the Company under this facility and in relation to each Bill drawn and accepted shall continue notwithstanding that the Bank becomes the holder of a Bill in its own right on or after its maturity date.
- 3.5 The Bank may pay any Bill on or after its maturity date without being under any obligation to enquire as to the title of the person presenting the same for payment.
- 3.6 If the Company fails to pay to the Bank the face value of any Bill either on its maturity date or upon service of a notice of default pursuant to this letter of offer, the Bank may debit an account in the name of the Company (whether opened by the Bank or the Company) with the face value of each such Bill, and any costs, expenses and outgoings payable by the Company pursuant to this letter of offer.
- 3.7 The entitlements of the Bank herein set forth and the consequent obligations of the Company shall be subject to any liability the Bank may have in accordance with law by reason of any wilful misconduct or gross negligence on the part of the Bank.

ANNEXURE C
(COMPRISING 1 PAGE)
BILL DRAWING NOTICE

To: National Australia Bank Limited ("Bank")
Level 25, 255 George Street
Sydney NSW 2000

Attention: Senior Relationship Manager - Set 630 - Corporate Banking & Finance - NSW & ACT

Letter of offer from the Bank to Case Corporate Pty Limited (ACN 000 031 130) ("Customer") ("Letter of Offer")

The Customer gives you notice that it wishes to switch the whole or part of a principal amount of A\$[] to Bills accepted and discounted under either the Bill Acceptance and/or Discount Facility or the A Co Acquisition Acceptance and/or Discount Facility.

The particular required to be given are as follows:

- A. proposed Drawdown Date: []
- B. proposed tenor of the Bills: [] days
- C. aggregate Face Value of the Bills: A\$[]
- D. Other instructions: []

[** Delete whichever is inapplicable] ** Duly completed "Bank" form(s) and form of Bill or Bills are attached.

OR

** The Customer hereby authorises and directs the Bank to complete on the Customer's behalf, the "Bank" form(s) and form of Bill or Bills.

Please confirm in due course the applicable interest rates in respect of this drawing.

The Customer confirms that:

- (a) all representations and warranties contained in clause 6 of the Negative Pledge which are deemed to be repeated in this notice are correct and not misleading and that each will be correct and not misleading on the Drawdown Date; and
- (b) no Event of Default or event which with the giving of notice, lapse of time or fulfilment of any condition would be likely to become an Event of Default continues unremedied or would result from any acceptance or discounting of a Bill requested in this notice.

The Customer acknowledges that a term or expression which has a defined meaning in the Letter of Offer has the same meaning as in the Letter of Offer when used in this Bill Drawing Notice unless otherwise defined in this Bill Drawing Notice.

DATED: [199]

Signed for and on behalf of
CASE CORPORATION PTY LIMITED

by an authorised signatory
in the present of:

.....
Signature of witness

.....
Occupation

.....
Name of witness (block letters)

.....
Signature of authorised signatory

.....
Office held

.....
Name of authorised signature
(block letters)

BILL FACILITY
POWER OF ATTORNEY

BY THIS POWER OF ATTORNEY each individual or company named in Item 1 of the Schedule (the "Customer") IRREVOCABLY NOMINATES CONSTITUTES AND APPOINTS National Australia Bank Limited A.C.N. 004044937 (the "Bank") to be the trust and lawful attorney of the Customer for and on behalf of the Customer and in the Customer's name to draw, make, deliver, sign, endorse or negotiate any bill of exchange ("Bill") drawn or which may be drawn under the terms of the bill facility or facilities referred to in Item 2 of the Schedule (the "Facility"), as the same may be extended or varied from time to time.

THE CUSTOMER DECLARES that:

1. The Bank may act on instructions in writing received from the Customer concerning whether or not to draw Bills and the aggregate face value and tenor of Bills to be drawn.
2. This Power of Attorney may be exercised under hand or by facsimile signature of any two officers of the Bank acting jointly who, at the time of exercise of power under this Power of Attorney, are authorised by the Bank to sign, accept or endorse bills of exchange on behalf of the Bank (each an "Authorised Officer").
3. This Power of Attorney is granted to secure the performance of the obligations of the Customer under the Facility, is irrevocable and shall remain in full force and effect until all obligations of the Customer under the Facility and any Bills are discharged unless the Bank expressly consents in writing to the earlier revocation of the Power of Attorney.
4. The Customer will indemnify and keep indemnified the Bank and each Authorised Officer against all claims, demands, costs, damages, losses and expenses arising from the exercise of all or any of the powers and authorities contained in this Power of Attorney.
5. No person dealing with the Bank be concerned to see or enquire as to the

propriety or expediency of any act, deed, matter or thing which the Bank may do or purport or agree to do or perform in the Customer's name by virtue of this Power of Attorney and the Customer shall ratify and confirm all that the Bank lawfully does or causes to be done by virtue of this Power of Attorney.

Case Corporation Pty Limited (ACN 000 031 130)

Address/Registered Office

31-67 Kurrajong Avenue, St Marys, New South Wales 2760

ITEM 2

+Bill Acceptance Facility, the terms and conditions of which are set out in a Bill Facility -- Letter of Offer dated* 13/2/96.

+DELETE WHICHEVER ARE INAPPLICABLE

*INSERT RELEVANT DATE

EXECUTED as a Deed this 14th day of February 1996.

NON INCORPORATED CUSTOMERS (If more than one, each must sign)

SIGNED SEALED AND DELIVERED by)
the Customer in the presence of:) _____

Signature of Witness

Full Name of Witness

SIGNED SEALED AND DELIVERED by)
the Customer in the presence of:) _____

Signature of Witness

Full Name of Witness

THE COMMON SEAL of the Customer was)
hereunto affixed in accordance with its Articles)
of Association in the presence of:)

Director

[SEAL]

Director or Secretary

15 February 1996

Finance Director
Case Corporation Pty Limited
31-67 Kurrajong Avenue
ST MARYS NSW 2760

Dear Sir,

BANKING FACILITIES TO CASE CORPORATION PTY LIMITED LETTER OF AMENDMENT TO LETTER OF OFFER DATED 13 FEBRUARY, 1996 FROM NATIONAL AUSTRALIA BANK LIMITED ("BANK") TO CASE CORPORATION PTY LIMITED ("COMPANY")

We refer to the Bank's Letter of Offer dated 13 February, 1996 that sets out various facilities numbered 1 to 8 approved by the Bank for the Company's use ("LETTER OF OFFER").

The Bank has agreed at the request of the Company to vary the "Limit" in Facility 3- "A Co Acquisition Bill Acceptance and/or Discount Facility" on page 2 of the Letter of Offer by deleting:

"Limit: Up to A\$80,000,000 (eighty million Australian Dollars) as reduced by any prepayment or cancellation which will be permanent."

and replacing that paragraph with:

"Limit: Up to A\$90,000,000 (ninety million Australian Dollars) as reduced by any prepayment or cancellation which will be permanent."

All other facilities, terms and conditions contained in the Letter of Offer remain unchanged.

The increase in the "Limit" in Facility 3 (as provided for above) will require provision to the Bank of further documentation that will constitute additional conditions precedent to those set out on page 5 of the Letter of Offer. The Bank

has instructed Dibbs Crowther & Osborne to contact the Company's solicitors in order to settle those additional conditions precedent between them.

The above arrangements may be accepted before 27 February, 1996 or at a later date acceptable to the Bank by forwarding a certified copy of the Board Resolution of the Company. In the meantime, please do not hesitate to contact either one of us on the numbers mentioned below if any matter requires clarification or if we can be of further assistance.

Yours faithfully,

/s/ M.A. Harvey

/s/ K. Thomas

M.A. Harvey
SENIOR RELATIONSHIP MANAGER
Tel: 237 1827

K. Thomas
ACCOUNT MANAGER
Tel: 237 1489

[LETTERHEAD OF CASE CORPORATION APPEARS HERE]

February 15, 1996

Mr. Malcolm A. Harvey
Senior Relationship Manager
National Australia Bank Limited
255 George Street
Sydney, Australia

Ref: Banking Facilities to Case Corporation Pty Limited

Dear Sir:

In relation to your letter of offer dated 13 February 1996 to our wholly-owned subsidiary, Case Corporation Pty Limited ("Letter of Offer"), we wish to confirm that our obligations under the Deed of Guarantee and Indemnity dated 14 February 1996 ("Guarantee") continue in full force and effect and that the Guaranteed Amount (as that term is defined in the Guarantee) extend to all amounts owing under or in connection with the Letter of Offer, as amended on 15 February 1996 (including without limitation, the increase in the limit to A\$90,000,000 from A\$80,000,000 for the "A Co Acquisition Bill Acceptance and/or Discount Facility").

Very truly,

CASE CORPORATION

by /s/ Benson K. Woo

Benson K. Woo
Vice President & Treasurer

[LETTERHEAD OF NATIONAL AUSTRALIA BANK]

22 October 1996

Finance Director
Case Corporation Pty Limited
31-67 Kurrajong Avenue
ST MARYS NSW 2760

[SEAL]

Dear Sir,

BANKING FACILITIES TO CASE CORPORATION PTY LIMITED
SECOND LETTER OF AMENDMENT TO LETTER OF OFFER DATED 13 FEBRUARY, 1996 FROM
NATIONAL AUSTRALIA BANK LIMITED ("BANK") TO CASE CORPORATION PTY LIMITED
("COMPANY")

We refer to the Bank's Letter of Offer dated 13 February, 1996 (as varied by a first letter of amendment dated 15 February, 1996) in which the Bank agreed to provide certain banking facilities (described in paragraphs 1-8) approved by the Bank for the Company's use ("LETTER OF OFFER").

Words used but not defined in this letter have the same meaning given to them in the Letter of Offer.

At the request of the Company, the Bank has agreed:-

1. to vary the "Limit" in Facility 2 "Bill Acceptance and/or Discount Facility" on page 2 of the Letter of Offer by deleting:-

"Limit: A\$35,000,000 (Thirty Five Million Australian Dollars)."

and replacing that paragraph with:-

"Limit: A\$50,000,000 (Fifty Million Australian Dollars).";

2. to vary the "Limit" in Facility 3 "A Co Acquisition Bill Acceptance and/or Discount Facility" on page 2 of the Letter of Offer, amended on page 1 of the first Letter of Amendment by deleting:-

"Limit: up to A\$90,000,000 (ninety million Australian Dollars) as reduced by any prepayment or cancellation which will be permanent."

and replacing that paragraph with:-

"Limit: up to A\$84,100,000 (eighty four million one hundred thousand Australian Dollars) as reduced by any prepayment or cancellation which will be permanent."

All other facilities, terms and conditions contained in the Letter of Offer remain unchanged.

It is a condition precedent to the Bank's agreement to vary the facilities in the manner contemplated above that each of the Company, Case Credit Wholesale Pty Limited (formerly J.I. Case Credit Corporation of Australia Pty Limited) and Case Corporation acknowledge and consent to the above variations (such acknowledgment and consent to be evidenced in each case by their respective execution of the attached acknowledgment of this letter) and also that their respective obligations under:-

- (a) an Interlocking Guarantee and Indemnity dated 22 June, 1994; and
- (b) a Deed of Guarantee and Indemnity dated 14 February, 1996.

remain in full force and effect in accordance with their respective terms (as varied by this letter) and all moneys owing under either of those documents extend to all amounts owing under or in connection with the Letter of Offer (as varied by this letter).

The above arrangements may be accepted before 30 November, 1996 or at a later date acceptable to the Bank by forwarding a certified copy of the Board Resolution of the Company.

In the meantime, please do not hesitate to contact either one of us on the numbers mentioned below if any matters require clarification or if we can be of any further assistance.

Yours faithfully,

/s/ M. A. Harvey
M. A. Harvey
Senior Relationship Manager
Tel: 9237 1827

/s/ W. Shaw
W. Shaw
Relationship Manager
Tel: 9237 1828

ACKNOWLEDGMENT AND CONSENT

In consideration of the Bank agreeing to the amendments to the Letter of Offer referred to on pages 1 and 2 of this letter, at the request of the Company, Case Credit Wholesale Pty Limited and Case Corporation, each of the Company, Case Credit Wholesale Pty Limited and Case Corporation, jointly and severally, by

their respective execution of this letter, consents to those amendments and:-

1. acknowledges that the Letter of Offer as varied by this letter, mutatis mutandis, remains in full force and effect;
2. acknowledges and agrees that each of the security interests granted by them in favour of the Bank to secure the "Guaranteed Amount" or the "Moneys Owing" (as those terms are defined in any Transaction Document) continue in full force and effect in accordance with their terms and conditions to secure the Guaranteed Amount and the Moneys Owing and their obligations to the Bank;
3. acknowledge their continuing liability to the Bank under the Interlocking Guarantee dated 22 June, 1994 and under the Deed of Guarantee and Indemnity dated 14 February, 1996 (as the case may be) notwithstanding the Bank varying the "Limits" of Facility 2 and 3 in the Letter of Offer;
4. acknowledge and confirm that the financial accommodation contemplated in the Letter of Offer (as varied by this letter) is or will be (as the case may be) for the benefit of the Company and for the benefit of each person granting a security interest; and
5. acknowledge and agree with the Bank that this letter constitutes a Transaction Document and is also supplemental and collateral to the Letter of Offer (unless otherwise agreed to by the Bank).

The common seal of CASE)	
CORPORATION PTY LIMITED was)	
affixed in accordance with its)	
articles of association in the)	
presence of:)	
	)	/s/ Stuart Redman
)	-----
/s/ Ian Fisher	)	Signature of
-----	)	authorised person
Signature of authorised)	
person	)	Director
)	-----
Alternate Director	)	Office held
-----)	
Office held	)	STUART REDMAN
)	-----
IAN FISHER	)	Name of authorised person
-----	)	(block letters)
Name of authorised person)	
(block letters))	

The common seal of CASE CREDIT)
WHOLESALE PTY LIMITED was)

affixed in accordance with its articles of association in the presence of:

/s/ Ian Fisher

Signature of authorised person

Alternate Director

Office held

IAN FISHER

Name of authorised person (block letters)

Signed for and on behalf of CASE CORPORATION by a person duly authorised in that regard in the presence of:

Signature of witness

Name of Witness (block letters)

)
)
) /s/ STUART REDMAN
) -----
) Signature of
) authorised person
)
) Director
) -----
) Office held
)
)
) STUART REDMAN
) -----
) Name of authorised person
) (block letters)

)
) _____
) Signature of
) authorised person

)
) _____
) Office held

)
) _____
) Name of authorised person
) (block letters)

AMENDING AGREEMENT

TO NEGATIVE PLEDGE AGREEMENT

DATE: 14 February, 1996

BETWEEN

CASE CORPORATION PTY LIMITED
A.C.N. 000 031 130

AND

NATIONAL AUSTRALIA BANK LIMITED
A.C.N. 004 044 937

DIBBS CROWTHER & OSBORNE
Solicitors
50 Carrington Street
SYDNEY NSW 2000
DX 101 Sydney
Tel: 290-8200
Fax: 290-2964
Ref: RG/PRE

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TO NEGATIVE PLEDGE AGREEMENT

THIS AGREEMENT is made on 14 February 1996

BETWEEN: CASE CORPORATION PTY LIMITED A.C.N. 000 031 130 of 31-67
Kurrajong Avenue, St. Marys, New South Wales, 2760 ("CUSTOMER")

AND: NATIONAL AUSTRALIA BANK LIMITED A.C.N. 004 044 937 of Level 25,
National Australia Bank House, 255 George Street, Sydney, New
South Wales, 2000 ("BANK")

RECITALS:

A. The Customer and the Bank entered into a Negative Pledge Agreement dated 29

September 1995 ("NEGATIVE PLEDGE").

- B. The Customer and the Bank have agreed to vary the Negative Pledge in the manner set out in this agreement.
- C. This Agreement is collateral to and secures the same money and obligations as contained in the Negative Pledge.

OPERATIVE PROVISIONS:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Words defined in the Negative Pledge that are not defined in this agreement have the same meaning given to them in the Negative Pledge unless contrary to or inconsistent with the intention or as the context otherwise requires.
- 1.2 The provisions of clauses 1.1 (definitions), 1.2 (interpretation), 8 (miscellaneous), 9 (notices) and 10 (governing law and jurisdiction) of the Negative Pledge apply to this agreement, mutatis mutandis, as if they are set out in full in this agreement.

2. CONSIDERATION

The parties acknowledge entering into this agreement for valuable consideration.

3. TRANSACTION DOCUMENT

Each of the parties to this agreement acknowledges and agrees with the Bank that:

- (a) this agreement;
- (b) any other document dated on or before the date of this agreement which varies or evidences a facility, or any other financial accommodation by the Bank to or in favor of the Customer; and
- (c) all Security Interest granted or to be granted from time to time by the Customer to or in favor of the Bank (which provide financial accommodation as contemplated by any document),

constitute a "TRANSACTION DOCUMENT" unless otherwise agreed to by the Bank.

[LETTERHEAD OF NATIONAL AUSTRALIA BANK]

19th March 1996

Finance Director

Case Corporation Pty Limited and
Case Credit Australia Pty Limited
31-67 Kurrajong Avenue
ST. MARYS NSW 2760

Dear Sir,

NATIONAL AUSTRALIA BANK LIMITED ("BANK")
BANKING FACILITIES TO CASE CORPORATION PTY LTD
AND CASE CREDIT AUSTRALIA PTY LTD

The Bank refers to the following documents:-

1. Negative Pledge Agreement dated 29 September, 1995 between Case Corporation Pty Limited ("Case Corporation") and the Bank (as varied by an Amending Agreement to Negative Pledge Agreement dated 14 February, 1996); and
2. Negative Pledge Agreement dated 29 September, 1995 between Case Credit Australia Pty Limited ("Case Credit") and the Bank,

(collectively, "Negative Pledges").

Words defined in the Negative Pledges that are not defined in this letter have the same meaning given to them in the Negative Pledges.

On the joint and several request of each of the Case Corporation, Case Credit and each Group member, the Bank agrees to amend clauses 4.1(d) in the Negative Pledges by inserting the words "(other than interim draft documents)" immediately after the word "document" in the first line of clauses 4.1(d) of the Negative Pledges.

It is a condition precedent to the Bank agreeing to amend the Negative Pledges in the manner contemplated above that each of Case Corporation, Case Credit and each Group Member acknowledge and consent-

1. to the above amendment (such acknowledgement and consent to be evidenced in each case by their respective execution of the attached acknowledgment of this letter); and

- (i) in relation to tangible rather than intangible assets;
- (ii) is conducted by a qualified independent valuer; and
- (iii) is supported by the Customer's directors and auditors."

- (c) clause 5.1 "Financial Undertakings" on page 9 of the Negative Pledge is deleted and replaced with the following new clause 5.1;

"5.1 The Customer undertakes to ensure that the Customer and its consolidated subsidiaries complies with the following financial undertakings:

- (a) Shareholders' Funds shall not be less than 25% of Total Tangible Assets at any time;
- (b) the ratio of Current Assets to Current Liabilities shall not be less than 1.25:1 at any time;
- (c) Shareholders' Funds shall not be less than A\$65,000,000 at any time;
- (d) the Financial Charges Cover Ratio shall not be less than 2:1 at any time in respect of any fiscal quarter; and
- (e) unless the Bank otherwise agrees in writing, aggregate dividend repatriation to Case Corporation (US) shall not exceed 100% of the Customer's aggregate net profit after for the period from 30 June, 1994 up to the date the Customer's board of directors declares the latest dividend."

6. CONDITIONS PRECEDENT

6.1 The variation of the Negative Pledge contemplated by clause 5 of this agreement is subject to the condition precedent that the Bank has received the following in form and substance reasonably satisfactory to it:

- (a) a disclosure fee of AUD40,000:
- (b) an establishment fee of AUD40,000; and
- (c) any other information or document (whether originals or copies) which the Bank reasonably considers necessary or desirable to examine or hold.

6.2 It is a further condition precedent to the Bank agreeing to amend the Negative Pledge, as contemplated by clause 5 of this agreement, that no Event of Default or event which with the giving of notice, lapse of time or any determination would be an Event of Default, has occurred or would be likely to occur.

7.1 The Customer repeats the representations and warranties in clause 6 of the Negative Pledge for the benefit of the Bank; and

7.2 The Customer acknowledges that the Bank will be entering into this

agreement in reliance, inter alia, on these representations and warranties.

9. MISCELLANEOUS

- 9.1 Nothing contained in this agreement abrogates, prejudices, diminishes or otherwise adversely affects any rights, powers remedies, obligations or liabilities (in any case whether present, future or contingent) in relation to any act, matter or thing done or effected or otherwise arising in relation to a Transaction Document or any document to which the Customer and the Bank are parties before the execution of this agreement.
- 9.2 This agreement binds each of the signatories to it even if one or more of those persons named in this agreement never executes it or that the execution by any one or more of those persons (other than the persons sought to be made liable under it) is or may become void or voidable.
- 9.3 If there is any inconsistency between the terms of this agreement and any prior communications between the Customer and the Bank, the terms of this agreement will prevail and the parties acknowledge that this agreement supersedes in all respects the terms of those prior communications.
- 9.4 The Customer agrees to pay to the Bank, and to indemnify and keep indemnified the Bank against all and any costs, charges, fees, expenses and taxes (including any late fees or penalties) and in relation to the preparation, negotiation, settlement, stamping, enforcement or attempted enforcement of this agreement now and in the future, except insofar as the Bank will meet any legal fees of the Bank in respect of this transaction up to \$10,000.
- 9.5 Each of the covenants of this agreement are severable and distinct from one another and if at any time any one or more of the provisions of this agreement is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.
- 9.6 This agreement is governed by the laws in force in New South Wales and each party irrevocably and unconditionally consents to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them.
- 9.7 This agreement may consist of a number of counterparts and the counterparts taken together constitute one and the same instrument.

Executed as an agreement.

Signed by MALCOLM ARTHUR HARVEY)

for and on behalf of NATIONAL AUSTRALIA)
BANK LIMITED under power of attorney)
registered book 3834 number 549 in the)
presence of:)
)
)
)

(SIGNED) K A THOMAS)
Signature of witness)

KATHERINE A THOMAS)
Name of witness (block letters))

(Signed) M A HARVEY)
By executing this agreement the)
attorney states that the attorney)
has received no notice of)
revocation of the power of)
attorney)

The common seal of CASE CORPORATION PTY)
LIMITED was affixed in accordance with its)
articles of association in the presence of:)
)
)

(Signed) IAN FISHER GORDON CADROW)
Signature of authorised)
person)

Company Officer Director)
Office held)

IAN FISHER GORDON CADROW)
Name of authorised person)
(block letters))

(Signed) PHILIP MOORE)
Signature of)
authorised person)
Managing Director)
Office held)
)
)
)
PHILIP MOORE)
Name of authorised person)
(block Letters))

- 4.1 The Customer unconditionally and irrevocably consents to the execution and performance of this agreement.
- 4.2 For the removal of doubt, nothing in this agreement affects any rights, powers or remedies of the Bank which may have accrued to the Bank as a result of any act, omission, matter or thing occurring before the date of this agreement.
- 4.3 The Customer confirms and acknowledges that:
 - (a) the Customer's obligations under the Negative Pledge (as varied by this agreement), and the obligations of each person that is a party to a Transaction Document will continue in full force and effect in accordance with their terms notwithstanding the execution and performance of this agreement;

- (b) the Negative Pledge will continue to secure the obligations of the Customer pursuant to any facility or other financial accommodation provided or to be provided for the time being by the Bank;
- (c) each Security Interest granted by the Customer in favor of the Bank to secure the Moneys Owing continues in full force and effect in accordance with its terms and conditions to secure the Moneys Owing; and
- (d) the financial accommodation contemplated by any one or more of the documents to which the Customer or the Bank are a party are or will be (as the case may be) for the benefit of the Customer.

5. AMENDMENT

Subject to clause 6 of this agreement, from the date of this agreement the Negative Pledge is amended in the following manner:

- (a) the definition of "LETTER OF OFFER" on page 3 of the Negative Pledge is deleted and replaced with the following:

""LETTER OF OFFER" means the Letter of Offer from the Bank to the Customer dated 13 February, 1996";
- (b) the definition of "SHAREHOLDERS' FUNDS" on page 5 of the Negative Pledge is deleted and replace with the following:

""SHAREHOLDERS' FUNDS" means the Customer's Total Tangible Assets, minus:
 - (a) Total Liabilities (excluding Subordinated Debt);
 - (b) the amount of any redeemable preference share capital (and the associated premium attached thereto);
 - (c) the amount of any minority interests; and
 - (d) any asset revaluation reserve made after the date of the Letter of Offer (unless the Bank agrees in writing to include that amount in the calculation of Shareholders' Funds), provided that the

-2-

- 2. that the Negative Pledges and each of the "Security Documents" referred to in the Letters of Offer (as varied from time to time) each remain in full force and effect in accordance with their respective terms (as varied by this letter) and each of the "Security Documents" continue to secure, inter alia, the Moneys Owing.

Yours faithfully,

/s/ M.A. Harvey
M.A. Harvey
Senior Relationship Manager
Tel: 237 1827

/s/ T.V. Walker
T.V. Walker
Relationship Manager
Tel: 237 1569

ACKNOWLEDGMENT AND CONSENT

In consideration of the bank agreeing to the amendment to the Negative Pledges referred to on page 1 of this letter, at the request of Case Corporation and Case Credit, each of Case Corporation and Case Credit by their respective execution of this letter consents to the amendment and acknowledges that:-

1. the Negative Pledges (as varied) and the "Security Documents" (referred to in the Letters of Offer), mutatis mutandis, each remain in full force and effect; and
2. this letter is also supplemental and collateral to the Negative Pledges and is deemed to be a "Security Document" in the Letters of Offer.

The common seal of CASE CORPORATION PTY LIMITED was affixed in accordance with its articles of association in the presence of:)	
	)	[SEAL]
/s/ Gordon Cadrow	)	/s/ Ian Fisher
-----)	-----
Signature of authorised person	)	Signature of authorised person
	)	(Director - alternate)
Director)	-----
-----	)	Office held
Office held)	
	)	IAN FISHER
GORDON CADROW)	-----
-----	)	Name of authorised person
Name of authorised person (block letters)	)	(block letters)

The common seal of CASE CREDIT AUSTRALIA PTY LIMITED was affixed in accordance with its articles of association in the presence of:)	
	)	[SEAL]

/s/ Andrew Mohr

Signature of authorised
person

Director

Office held

ANDREW MOHR

Name of authorised person
(block letters)

) _____
) Signature of
) authorised person
)
)
) _____
) Office held
)
)
)
) _____
) Name of authorised person
) (block letters)

DEED OF AMENDMENT AND ACKNOWLEDGMENT

DATED: 17 February 1997

BETWEEN

CASE CORPORATION PTY LIMITED
A.C.N. 000 031 130

AND

CASE CREDIT WHOLESALE LIMITED
(formerly J.I. Case Credit Corporation of Australia Pty Limited)
A.C.N. 000 108 387

AND

CASE CORPORATION

AND

NATIONAL AUSTRALIA BANK LIMITED
A.C.N. 004 044 937

DIBBS CROWTHER & OSBORNE
50 Carrington Street
Sydney 2000
Phone: (02) 290 8200 Fax: (02) 290 2964
DX 101 Sydney

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DEED OF AMENDMENT AND ACKNOWLEDGMENT

THIS DEED is made on 17 February 1997

BETWEEN: CASE CORPORATION PTY LIMITED A.C.N. 000 031 130 of 31-67 Kurrajong Avenue, St Marys, New South Wales, 2760 ("Case Australia")

AND: CASE CREDIT WHOLESAL PTY LIMITED (formerly J. I. Case Credit Corporation of Australia Pty Limited) A.C.N. 000 108 387 of 31-67 Kurrajong Avenue, St Marys, New South Wales, 2760 ("Case Credit Wholesale")

AND: CASE CORPORATION of 621 State Street, Racine, Wisconsin, 53404, United

States of America ("Case Corporation")

AND: NATIONAL AUSTRALIA BANK LIMITED A.C.N. 004 044 937 of Level 25,
National Australia Bank House, 255 George Street, Sydney, New South
Wales, 2000 ("Bank")

RECITALS:

- A. Under the Bank's Letter of Offer, the Bank agreed to make available financial accommodation to the Customer on the terms and conditions set out in the Letter of Offer.
- B. The Customer and the Bank entered into a Negative Pledge Agreement which, in addition to the Letter of Offer, set out the Customer's obligations to the Bank.
- C. In support of the Customer's obligations under the Letter of Offer and the Negative Pledge Agreement, Case Corporation, the Customer and Case Credit Wholesale respectively provided to the Bank the Guarantees and Indemnities.
- D. The Customer, Case Corporation and Case Credit Wholesale have requested the Bank to vary the terms of the Facility provided under the terms of the Letter of Offer, the Negative Pledge Agreement and the Guarantees and Indemnities.
- E. The Bank has agreed to that request on the basis that the Customer, Case Corporation and Case Credit Wholesale deliver to the Bank a deed in the form of this deed.
- F. This deed is collateral to and secures the same moneys and obligations under the Facility as provided for in the Letter of Offer and in the Negative Pledge Agreement.

OPERATIVE PROVISIONS:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Words defined in the Negative Pledge Agreement that are not defined in this deed have the same meaning given to them in the Negative Pledge Agreement unless contrary to or inconsistent with the intention or as the context otherwise requires.
- 1.2 The provisions of clauses 1.1 (definitions), 1.2 (interpretation), 8 (miscellaneous), 9 (notices) and 10 (governing law and jurisdiction) of the Negative Pledge Agreement apply to this deed, mutatis mutandis, as if they are set out in full in this deed.
- 1.3 In this deed (including the Recitals), the following expressions have the following meanings unless inconsistent or contrary to the context:

"Customer" means Case Australia.

"Guarantees and Indemnities" means:-

- (a) a Deed of Guarantee and Indemnity (unconditional) dated February 14, 1996 granted by Case Corporation in favour of the Bank in respect of all of the obligations of Case Australia but without creating any liability on Case Corporation for any moneys or amounts owing by Case Credit Australia to the Bank including, but not limited to the debts of Case Credit Australia under the Interlocking Guarantee; and
- (b) an Interlocking Guarantee dated 22 June, 1994 between Case Australia, Case Credit Wholesale and all wholly owned subsidiaries of Case Australia ("Interlocking Guarantee").

"Guarantors" means a reference to each as well as all of Case Corporation and Case Credit Wholesale under the terms of their respective Guarantees and Indemnities.

"Letter of Offer" means a Letter of Offer dated 13 February, 1996 from the Bank to Case Australia (as varied by a first letter of amendment dated 15 February, 1996 and a second letter of amendment dated 22 October, 1996).

"Negative Pledge Agreement" means a Negative Pledge Agreement dated 29 September, 1995 between Case Australia and the Bank (as amended by an Amending Agreement to Negative Pledge Agreement dated 14 February, 1996 and a letter of amendment dated 19 March, 1996).

2. CONSIDERATION

The parties to this deed acknowledge entering into this deed an incurring obligations and granting rights under this deed for valuable consideration.

3. RELEVANT AGREEMENT

Each of the parties to this deed acknowledges and agrees with the Bank that:

- (a) this deed;
- (b) any other document dated on or before the date of this deed which varies or evidences a facility, or any other financial accommodation by the Bank to or in favour of the Customer; and

(c) all Security Interests granted or to be granted from time to time by the Customer to or in favour of the Bank.

constitute a "Relevant Agreement" unless otherwise agreed to by the Bank,

4. CONSENT, CONFIRMATION AND ACKNOWLEDGMENT

4.1 The Customer and the Guarantors unconditionally and irrevocably consent to their entry into, execution of and performance of the terms of this deed and the observance by each of them of their respective obligations under this deed and the Relevant Agreements.

4.2 For the removal of doubt, nothing in this deed affects any rights, powers or remedies of the Bank which may have accrued to the Bank as a result of any act, omission, matter or thing occurring before the date of this deed.

4.3 The Customer and the Guarantors all jointly and each of them severally confirm and acknowledge:

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(a) that the Customer's obligations under the Letter of Offer and under the Negative Pledge Agreement (as varied by this deed), and the obligations of each person that is a party to a Relevant Agreement will continue in full force and effect in accordance with their terms notwithstanding the execution and performance of this deed;

(b) their continuing obligations under the Letter of Offer, the Negative Pledge Agreement and the Guarantees and Indemnities and acknowledge and agree that, except as varied or supplemented by this deed, the Customer's obligations and the Guarantors' obligations under the Relevant Agreements to which they are a party remain and will continue in full force and effect in accordance with their terms; and

(c) that the financial accommodation contemplated in the Letter of

Offer (as amended, varied or supplemented from time to time) is or will be (as the case may be) for the benefit of the Customer and for the benefit of each person entering into a Relevant Agreement.

4.4 The Guarantors acknowledge that all of the terms of their Guarantees and Indemnities (except as varied by clause 5.3 of this deed) continue in full force and effect to secure the obligations of the Customer to the Bank.

5. AMENDMENT

Subject to clause 6 of this deed, from the date of this deed the following amendments are made in the following manner:-

5.1 Letter of Offer dated 13 February, 1996 (as varied) from the Bank to Case Australia

(a) Overdraft Facility

The following words are inserted at the end of the paragraph entitled "Purposes":

"For general corporate purposes of the Company and otherwise to permit the Company to make funds available to any Group Member on an intercompany loan account basis in order to maximize the Group's cash management flexibility."

(b) Bill Acceptance and/or Discount Facility

(i) The following words are inserted at the end of the paragraph entitled "Purpose":

"For general corporate purposes of the Company and otherwise to permit the Company to make funds available to any Group Member on an intercompany loan account basis in order to maximize the Group's cash management flexibility."

(ii) The following words are inserted at the end of the paragraph entitled "Conditions":

"The Company must give to the Bank written notice of its request to drawdown funds under this facility by at least 5:00pm on the day before it requires those funds."

(iii) The paragraphs entitled "Line Fee" and the "Activation Fee" are deleted and replaced with the following provision:-

"While the Bank continues to have the benefit of the Guarantee and Indemnity given to it by Case Corporation, the Bank will charge to the Company Line Fees and Activation

Fees as a direct consequence of Case Corporation's Senior Unsecured Long Term Rating determined by two nationally recognised rating

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agencies selected by the Company (at least one of which shall be Standard & Poors or Moody's), in accordance with the pricing grid set out in the schedule to letter of offer.

If the ratings of such nationally recognised rating agencies do not coincide, the Line Fee and Activation Fee set out opposite the higher of such ratings will apply. If at any time an event occurs which results in there being no rating or only one rating in effect, a new Line Fee and Activation Fee will be determined in a manner to be agreed upon by the Bank and the Company and until such new Line Fee and Activation Fee shall be so agreed upon, the relevant fees will be deemed to be the Line Fee and Activation Fee in effect immediately prior to the date on which such event occurs.

As at 15 December, 1996, the Line Fees and Activation Fees for this facility are:

Rating	Line Fee	Activation Fee
BBB/Baa2	0.125% p.a.	0.250% p.a.

The Line Fees are payable quarterly in advance of each 15 March, June, September and December.

Activation Fees are calculated on the face value and tenor of bills drawn and charged upon activation."

(c) A Co Acquisition Bill Acceptance and/or Discount Facility

The paragraphs entitled "Line Fee" and the "Activation Fee" are deleted and replaced with the following provision:

"While the Bank continues to have the benefit of the Guarantee and Indemnity given to it by Case Corporation, the bank will charge to the Company Line Fees and Activation Fees as a direct consequence of Case Corporation's Senior Unsecured Long Term Rating determined by two nationally recognized rating agencies selected by the Company (at least one of which shall be Standard & Poors or Moody's), in accordance with the pricing grid set out in the schedule to this letter or offer.

If the ratings of such nationally rating agencies do not coincide, the Line Fee and Activation Fee set out opposite the higher of such ratings will apply. If at any time an event occurs which results in there being no rating or only one rating in effect, a new Line Fee and Activation Fee will be determined in a manner to be agreed upon by the Bank and the Company and until such new Line Fee and Activation Fee shall be so agreed upon, the relevant fees will be deemed to be the Line Fee and Activation Fee in effect immediately prior to the date on which such event occurs. As of 15 December, 1996, the Line Fees and the Activation Fees for this facility are:

Rating	Line Fee	Activation Fee
BBB/Baa2	0.125% p.a.	0.250% p.a.

The Line Fees are payable quarterly in advance on each 15 March, June, September and December.

Activation Fees are calculated on the face value and tenor of bills drawn and charged upon activation."

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- 5.2 Negative Pledge Agreement dated 29 September, 1995 between Case Australia and the Bank (as amended by Amending Agreement dated 14 February, 1996).
- (a) The definition of "Financial Charges Cover Ratio" is deleted.
 - (b) The definition of "Financial Charges Expenses" is deleted.
 - (c) The definition of "Financial Undertakings" is deleted.
 - (d) The following words are inserted after the words "the Bank" in line 2 of paragraph (c) of the definition of "insolvency Event":

"or except if Austoft Industries Limited (ACN 009 736 234) merges, amalgamates or is consolidated with Case Australia":
 - (e) The definition of "Permitted Security Interest" is deleted.
 - (f) Clause 3 is deleted.
 - (g) Clause 4.1(b) is deleted.
 - (h) Clause 4.1(c) is amended by deleting the words "and the half yearly unaudited" accounts.
 - (i) Clause 4.1(c) (i) (A) is deleted.

- (j) Clause 5 is deleted.
- (k) Clause 7.1(g) is deleted.
- (l) Clause 7.4 is deleted.

5.3 Guarantees and Indemnities

- (a) The definition of or reference to the "Revolving Credit Agreement" in the Guarantees and Indemnities (except the Interlock Guarantee) is deleted and replaced with the following new definition or description (where applicable):

"Case Corporation Revolving Credit and Guarantee Agreement" means a document entitled "US\$1,100,000,000 Revolving Credit and Guarantee Agreement" dated as of August 23, 1996 between Case Corporation, Case Canada Corporation, its foreign subsidiary borrowers, the Co-Agents and the Lead Managers named in that document, the Bank of Nova Scotia and the Chase Manhattan Bank."

- (b) All references to sections 7, 9 and 10 of the Revolving Credit Agreement referred to in clause 9 of the Guarantees and Indemnities (except the Interlocking Guarantee) are deleted and replaced with references to sections 10, 12 and 13 in the Case Corporation Revolving Credit and Guarantee Agreement.

5.4 Deed of Guarantee and Indemnity dated 14 February, 1996 between Case Corporation and the Bank

The following words are inserted after the first paragraph in clause 9 of the Guarantee and Indemnity:

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"Notwithstanding the preceding paragraph, the Guarantor is not bound by section 12.1(b) of the Case Corporation Revolving Credit and Guarantee Agreement to cause the Debtor and its consolidated subsidiaries to furnish to the Bank the financial statements referred to in that section."

6. CONDITIONS PRECEDENT

- 6.1 The variation of the Letter of Offer, the Negative Pledge Agreement and the Guarantees and Indemnities contemplated by clause 5 of this deed is subject to the condition precedent that the Bank has received the following in form and substance reasonably satisfactory to it:

- (a) the execution and delivery of this deed;

- (b) a certified copy of each authority under which each party to this deed (other than the Bank) signs and delivers this deed (or any other document contemplated by this deed) and if the authority is a power of attorney, evidence of its stamping (where required by law) and its registration;
- (c) certified extracts evidencing the resolutions of each party to this deed (where relevant) (other than the Bank) approving the entry into this deed and authorising execution, delivery and observance of obligations under this deed; and
- (d) such ancillary documents or any other information or document (whether originals or copies) which the Bank, in its discretion, may request or reasonably considers necessary or desirable to examine or hold.

6.2 It is a further condition precedent to the Bank agreeing to amend the Letter of Offer, the Negative Pledge Agreement and the Guarantees and Indemnities, as contemplated by clause 5 of this deed, that no Event of Default or event which with the giving of notice, lapse of time or any determination would be an Event of Default, has occurred or would be likely to occur.

7. REPRESENTATIONS AND WARRANTIES

- 7.1 The Customer repeats the representations and warranties in clause 6 of the Negative Pledge Agreement for the benefit of the Bank.
- 7.2 The Guarantors repeat the representations and warranties in the Guarantees and Indemnities for the benefit of the Bank.
- 7.3 The Customer acknowledges that the Bank will be entering into this deed in reliance, inter alia, on all of these representations and warranties.

8. MISCELLANEOUS

- 8.1 Nothing contained in this deed abrogates, prejudices, diminishes or otherwise adversely affects any rights, powers, remedies, obligations or liabilities (in any case whether present, future or contingent) in relation to any act, matter or thing done or effected or otherwise arising in relation to a Relevant Agreement or any documents which the Customer, the Guarantors and the Bank are parties before the execution of this deed.
- 8.2 This deed binds each of the signatories to it even if one or more of those persons named in this deed never executes it or that the execution by any one or more of those persons (other than the persons sought to be made liable under it) is or may become void or voidable.
- 8.3 If there is any inconsistency between the terms of this deed and any

prior communications between the Customer and the Bank, the terms of this deed will prevail and the parties

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acknowledge that this deed supersedes in all respects the terms of those prior communications.

- 8.4 The Customer agrees to pay to the Bank, and to indemnify and keep indemnified the Bank against all and any costs, charges, fees, expenses and taxes (including any late fees or penalties) in relation to the preparation, negotiation, settlement, stamping, enforcement or attempted enforcement of this deed now and in the future.
- 8.5 Each of the covenants of this deed are severable and distinct from one another and if at any time any one or more of the provisions of this deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.
- 8.6 This deed is governed by the laws in force in New South Wales and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them.
- 8.7 This deed may consist of a number of counterparts and the counterparts taken together constitute one and the same instrument.

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SCHEDULE TO LETTER OF OFFER

<TABLE>
<CAPTION>

Pricing Grid:	Sr. Unsec. L T Rating Standard & Poors/Moody's	Line Fee	Activation Fee
<S>	<C> A/A2 and above	<C> 0.07% p.a.	<C> 0.155% p.a.
	A-/A3	0.08% p.a.	0.17% p.a.

BBB+/Baa1	0.10% p.a.	0.20% p.a.
BBB/Baa2	0.125% p.a.	0.25% p.a.
BBB-/Baa3	0.175% p.a.	0.275% p.a.
BB+/Ba1	0.25% p.a.	0.425% p.a.
Under BB+/Ba1	0.30% p.a.	0.575% p.a.

</TABLE>

EXECUTED as a deed.

The common seal of CASE CORPORATION PTY LIMITED was affixed in accordance with its articles of association in the presence of:)	
)	
-----)	-----
Signature of authorised person	)	Signature of authorised person
)	
-----)	-----
Office held	)	Office held
)	
-----)	-----
Name of authorised person (block letters)	)	Name of authorised person (block letters)

The common seal of CASE CREDIT WHOLESALE PTY LIMITED (formerly J. I. Case Credit Corporation of Australia Pty Limited) was affixed in accordance with its articles of association in the presence of:)	
)	
-----)	-----
Signature of authorised person	)	Signature of authorised person
)	
-----)	-----
Office held	)	Office held

Name of authorised person
(block letters)

Signed, sealed and delivered for and on
behalf of CASE CORPORATION by a person
duly authorised in that regard in the
presence of:

/s/ Dawn M. Beck

Signature of Witness

/s/ Dawn M. Beck

Name of Witness (block letters)

)
) -----
) Name of authorised person
) (block letters)

)
)
)
) /s/ Benson K. Woo
) -----
) Signature of authorised person
)
) Vice President and Treasurer
) -----
) Office held
)
) /s/ Benson K. Woo
) -----
) Name of authorised person
) (block letters)

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EXECUTED as a deed.

The common seal of CASE CORPORATION PTY
LIMITED was affixed in accordance with
its articles of association in the
presence of:

/s/ Philip E. Moore

Signature of authorised person

Vice President GM APC

Office held

/s/ Philip E. Moore

Name of authorised person
(block letters)

) [CORPORATE SEAL
) APPEARS HERE]
)
)
) /s/ Ian P. Fisher
) -----
) Signature of authorised person
)
) G.M. Finance
) -----
) Office held
)
) /s/ Ian P. Fisher
) -----
) Name of authorised person
) (block letters)

/s/ Petra Tinker

Company Secretary
Petra Tinker

The common seal of CASE CREDIT WHOLESALE)

[CORPORATE SEAL

PTY LIMITED (formerly J. I. Case Credit Corporation of Australia Pty Limited) was affixed in accordance in the presence of:

APPEARS HERE]

/s/ Philip E. Moore

) /s/ Ian P. Fisher

Signature of authorised person

) -----
Signature of authorised person

Vice President GM APAC

) GM Finance

Office held

) -----
Office held

/s/ Philip E. Moore

) /s/ Ian P. Fisher

Name of authorised person

) -----
Name of authorised person

(block letters)

) (block letters)

/s/ Petra Tinker

Company Secretary
Petra Tinker

Signed, sealed and delivered for and on behalf of CASE CORPORATION by a person duly authorised in that regard in the presence of:

)
)
)
)
) -----
) Signature of authorised person

Signature of Witness

) -----
) Office held

Name of Witness (block letters)

) -----
) Name of authorised person
) (block letters)

Signed, sealed and delivered by MALCOLM ARTHUR HARVEY for and on behalf of NATIONAL AUSTRALIA BANK LIMITED under power of attorney registered book 3834 number 549 in the presence of:

)
)
)
)
)
)
)
)
)
)

/s/ Warren Shaw

Signature of witness

/s/ WARREN JAMES SHAW

Name of witness (block letters)

) /s/ ????
) -----
) By executing this deed the attorney
) states that the attorney has
) received no notice of revocation of
) the power of attorney
)

DEED OF AMENDMENT AND ACKNOWLEDGMENT

DATED: 31ST DECEMBER 1996

BETWEEN

CASE CREDIT AUSTRALIA PTY LIMITED
A.C.N. 069 132 396

AND

CASE CREDIT CORPORATION

AND

NATIONAL AUSTRALIA BANK LIMITED
A.C.N. 004 044 927

DIBBS CROWTHER & OSBORNE
Solicitors
50 Carrington Street
SYDNEY NSW 2000
OX 101 Sydney
Tel: 290-8200
Fax: 290-2964
Ref: RG/PRE

(I)

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DEED OF AMENDMENT AND ACKNOWLEDGMENT

THIS DEED is made on 31st December 1996,

BETWEEN: CASE CREDIT AUSTRALIA PTY LIMITED A.C.N. 069 132 396 of 31-87
Kurrajong Avenue, St Marys, New South Wales, 2760 ("Case Credit
Australia")

AND: CASE CREDIT CORPORATION of 621 State Street, Racine, Wisconsin, 53404,
United States of America ("Case Credit")

AND: NATIONAL AUSTRALIA BANK LIMITED A.C.N. 004 044 937 of Level 25,
National Australia Bank House, 255 George Street, Sydney, New South
Wales, 2000 ("Bank")

RECITALS:

- A. Under the Bank's Letter of Offer, the Bank agreed to make available financial recommodation to the Customer on the terms and conditions set out in the Letter of Offer.
- B. The Customer and the Bank entered into a Negative Pledge Agreement which, in addition to the Letter of Offer, set out the Customer's obligations to the Bank.
- C. In support of the Customer's obligations under the Letter of Offer and the Negative Pledge Agreement, Case Credit provided to the Bank the Guarantee and Indemnity.
- D. The Customer and Case Credit have requested the Bank to vary the terms of

the Facility provided under the terms of the Letter of Offer, the Negative Pledge Agreement and the Guarantee and Indemnity.

- E. The Bank has agreed to that request on the basis that the Customer and Case Credit deliver to the Bank a deed in the form of this deed.
- F. This deed is collateral to and secures the same moneys and obligations under the Facilities as provided for in the Letter of Offer and in the Negative Pledge Agreement.

OPERATIVE PROVISIONS:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Words defined in the Negative Pledge Agreement that are not defined in this deed have the same meaning given to them in the Negative Pledge Agreement unless contrary to or inconsistent with the intention or as the context otherwise requires.
- 1.2 The provisions of clauses 1.1 (definitions), 1.2 (interpretation), ___ (miscellaneous), ___ (notices) and 10 (governing law and jurisdiction) of the Negative Pledge Agreement apply to this deed, mutatis mutandis, as if they are set out in full in this deed.
- 1.3 In this deed (including the Recitals), the following expressions have the following meanings unless inconsistent or contrary to the context.

"Customer" means Case Credit Australia.

"Guarantee and Indemnity" means a Deed of Guarantee and Indemnity dated September 26, 1996 (unconditional) granted by Case Credit in favour of the Bank in respect of the obligations of Case Credit Australia.

"Guarantor" means Case Credit.

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"Letter of Offer" means a Letter of Offer dated 28 September, 1996 from the Bank to Case Credit Australia.

"Negative Pledge Agreement" means a Negative Pledge Agreement dated 29 September, 1996 between Case Credit Australia and the Bank (as varied by a letter of amendment dated 19 March, 1996).

2. CONSIDERATION

The parties to this deed acknowledge entering into this deed and incurring

obligations and granting rights under this deed for valuable consideration.

3. RELEVANT AGREEMENT

Each of the parties to this deed acknowledges and agrees with the Bank that:

- (a) this deed;
- (b) any other document dated on or before the date of this deed which varies or evidences a facility, or any other financial accommodation by the Bank to or in favour of the Customer's end
- (c) all Security interests granted or to be granted from time to time by the Customer to or in favour of the Bank,

constitute a "Relevant Agreement" unless otherwise agreed to by the Bank.

4. CONSENT, CONFIRMATION AND ACKNOWLEDGEMENT

4.1 The Customer and the Guarantor unconditionally and irrevocably consent to their entry into, execution of and performance of the terms of this deed and the observance by each of them of their respective obligations under this deed and the Relevant Agreements.

4.2 For the removal of doubt, nothing in this deed affects any rights, powers or remedies of the Bank which may have accrued to the Bank as a result of any set, emission, matter or thing occurring before the date of this deed.

4.3 The Customer and the Guarantor both jointly and severally confirm and acknowledge:

- (a) that the Customer's obligations under the Letter of Offer and under the Negative Pledge Agreement (as varied by this deed), and the obligations of each person that is a party to a Relevant Agreement will continue in full force and affect in accordance with their terms notwithstanding the execution and performance of this deed;
- (b) their continuing obligations under the Letter of Offer, the Negative Pledge Agreement and the Guarantee and Indemnity and acknowledge and agree that, except as varied or supplemented by this deed, the Customer's obligations and the Guarantor's obligations under the Relevant Agreements to which they are a party remain and will continue in full force and effect in accordance with their terms; and
- (c) that the financial accommodation contemplated in the Letter of Offer (as amended, varied or supplemented from time to time) is or will be (as the case may be) for the benefit of the Customer

and for the benefit of each person entering into a Relevant Agreement.

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4.4 The Guarantor acknowledges that all of the terms of the Guarantee and Indemnity (except as varied by clause 5.3 of this deed) continue in full force and effect to secure the obligations of the Customer to the Bank.

5. AMENDMENT

Subject to clause 6 of this deed, from the date of this deed the following amendments are made in the following manner:

5.1 Letter of Offer dated 28 September, 1995 from the Bank to Case Credit Australia

(a) the Acceptance and/or Discount Facility

(i) The following words are inserted at the end of the paragraph entitled "Purpose":

"Otherwise to make funds available to any Group Member on an intercompany loan account basis in order to maximize the Group's cash management flexibility."

(ii) The paragraph entitled "Line Fee" and the "Activation Fee" are deleted and replaced with the following provision:

"While the Bank continues to have the benefit of the Guarantee and Indemnity given to it by Case Credit Corporation, the Bank will charge to the Company Line Fees and Activation Fees as a direct consequence of Case Corporation's Senior Unsecured Long Term Rating determined by two nationally recognized rating agencies selected by the Company (at least one of which shall be Standard & Poor's or Moody's), in accordance with the pricing grid set out in the schedule to this letter of offer.

If the ratings of such nationally recognized rating agencies do not coincide, the Line Fee and Activation Fee set out opposite the higher of such ratings will apply. If at any time an event occurs which results in there being no rating or only one rating in effect, a new Line Fee and Activation Fee will be determined in a manner to be agreed upon by the Bank and the Company and until such new Line Fee and

Activation Fee shall be so agreed upon, the relevant fees will be deemed to be the Line Fee and Activation Fee in effect immediately prior to the date on which such event occurs.

As at 15 December, 1996, the Line Fees and the Activation Fees for this facility are:

Rating	Line Fee	Activation Fee
BBB/Baa2	0.125% p.a.	0.250% p.a.

Line Fees are payable quarterly in advance on each 18 March, June, September and December.

Activation Fees are calculated on the face value and tenor of bills drawn and charged upon activation."

(b) Stand-by Bill Acceptance and/or Discount Facility

(i) The following words are inserted at the end of the paragraph entitled "Purpose":

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"Otherwise to make funds available to any Group Member on an Intercompany loan account basis in order to maximise the Group's cash management flexibility.

(ii) In the paragraph entitled "Drawdown Conditions" the words, "at least 2 other Banking Days before the day it requires funds" are deleted and replaced with the following words:

"at least by 6:00 p.m. on the day before it requires funds".

(iii) Following the Bank's annual review of this facility at the end of 1996, this facility is extended to 30 November 1997.

(iv) The paragraph entitled "Line Fee" is deleted and replaced with the following:

"Line Fee: 0.10% per annum on the Limit, payable quarterly in advance on each 15 March, June, September and December".

5.2 Negative Pledge Agreement dated 29 September, 1995 between Case Credit Australia and the Bank

- (a) The definition of "Third Party Receivables" on page 5 of the Negative Pledge Agreement is deleted and replaced with the following:

""Third Party Receivables" means receivables owing to the Customer by any person other than a Related Body Corporate excluding any component of such receivable that comprises unearned finance charges and any provision for bad or doubtful debts".

- (b) In paragraph (?) of the definition of "Permitted Security Interest" the words, "\$100,000 in aggregate" are deleted and replaced with the following words, " "\$10,000,000 in aggregate".

- (c) In clause 4.2 "General Undertakings" on page 8 and 9 of the Negative Pledge Agreement, clause 4.2(d) is deleted and replaced with the following new clause 4.2(d):-

"(d) net, without first obtaining the Bank's prior written consent (such consent not to be unreasonably withheld), to apply any funds available to it under the Facility for the acquisition of Third Party Receivables where the debtor and/or the equipment to which the Third Party Receivables relate are outside Australia except where the total of the non-Australian Third Party Receivables does not exceed 10% of the aggregate total of Third Party Receivables at any time."

- (d) In clause 5.1 "financial undertakings" on page 9 of the Negative Pledge Agreement, clause 5.1(a) is deleted and replaced with the following new clause 6.1(a):-

"(?) The ratio of Total Liabilities to Shareholders' Funds shall not exceed ?.1 at any time;"

- (e) The reference to the ratio "1.10:1" in paragraph (b) of clause 6.1 of the Negative Pledge Agreement is deleted and replaced with the ratio "1.05:1".

- (f) Paragraphs (c) and (d) of clause 5.1 of the Negative Pledge Agreement are deleted.

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- (g) Clause 7.1 (g) of the Negative Pledge Agreement is deleted.

(h) Clause 7.4 of the Negative Pledge Agreement is deleted.

5.3 Guarantee and Indemnity

(a) The definition of or reference to the "Revolving Credit Agreement" in the Guarantee and Indemnity is deleted and replaced with the following new definition or description:-

""Case Credit Corporation Revolving Credit and Guarantee Agreement" means a document entitled "US \$1,200,000,000 Revolving Credit and Guarantee Agreement" dated as of August 23, 1996 between Case Credit Corporation, the foreign subsidiary borrowers, the Co-Agents and the Lead Managers named in that document and the Chase Manhattan Bank."

(b) All references to sections 7.5 and 10 of the Revolving Credit Agreement referred to in clause 9 of the Guarantee and Indemnity are deleted and replaced with references to sections 8, 10 and 11 in the Case Credit Corporation Revolving Credit and Guarantee Agreement.

6. CONDITIONS PRECEDENT

6.1 The variation of the Letter of Offer, the Negative Pledge Agreement and the Guarantee and Indemnity contemplated by clause 5 of this deed is subject to the condition precedent that the Bank has received the following in form and substance reasonably satisfactory to it:

- (a) the execution and delivery of this deed;
- (b) a certified copy of each authority under which each party to this deed (other than the Bank) signs and delivers this deed (or any other document contemplated by this deed) and if the authority is a power of attorney, evidence of its stamping (where required by law) and its registration;
- (c) certified extracts evidencing the resolutions of each party to this deed (where relevant) (other than the Bank) approving the entry into this deed and authorising execution, delivery and observance of obligations under this deed; and
- (d) such ancillary documents or any other information or document (whether originals or copies) which the Bank, in its discretion, may request or reasonably considers necessary or desirable to examine or hold.

6.2 It is a further condition precedent to the Bank agreeing to amend the Letter of Offer, the Negative Pledge Agreement and the Guarantee and Indemnity, as contemplated by clause 6 of this deed, that no Event of Default or event which with the giving of notice, lapse of time or any determination would be an Event of Default, has occurred or would be

likely to occur.

7. REPRESENTATIONS AND WARRANTIES

- 7.1 The Customer repeats the representations and warranties in clause 6 of the Negative Pledge Agreement for the benefit of the Bank.
- 7.2 The Guarantor repeats the representations and warranties in the Guarantee and Indemnity for the benefit of the Bank.
- 7.3 The Customer acknowledges that the Bank will be entering into this deed in reliance, inter alia, on all of these representations and warranties.

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8. MISCELLANEOUS

- 8.1 Nothing contained in this deed abrogates, prejudices, diminishes or otherwise adversely affects any rights, powers, remedies, obligations or liabilities (in any case whether present, future or contingent) in relation to any act, matter or thing done or effected or otherwise arising in relation to a Relevant Agreement or any documents to which the Customer and the Bank are parties before the execution of this deed.
- 8.2 This deed binds each of the signatories to it even if one or more of these persons named in this deed never executes it or that the execution by any one or more of those persons (other than the persons sought to be made liable under it) is or may become void or voidable.
- 8.3 If there is any inconsistency between the terms of this deed and any prior communications between the Customer and the Bank, the terms of this deed will prevail and the parties acknowledge that this deed supersedes in all respects the terms of those prior communications.
- 8.4 The Customer agrees to pay to the Bank, and to indemnify and keep indemnified the Bank against all and any costs, charges, fees, expenses and taxes (including any lost fees or penalties) in relation to the preparation, negotiation, settlement, attempting, enforcement or attempted enforcement of this deed now and in the future.
- 8.5 Each of the covenants of this deed are severable and distinct from one another and if at any time any one or more of the provisions of this deed is or becomes invalid, illegal or unenforceable in any respect

under any law, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.

8.6 This deed is governed by the laws in force in New South Wales and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them.

8.7 This deed may consist of a number of counterparts and the counterparts taken together constitute one and the same instrument.

SCHEDULE TO LETTER OF OFFER

<TABLE>
<CAPTION>

Pricing Grid:	Sr. Unsec. L T Rating Standard & Poors/Moody's	Line Fee	Activation Fee
<S>	<C> A/A2 and above	<C> 0.07% p.a.	<C> 0.155% p.a.
	A-/A3	0.08% p.a.	0.17% p.a.
	BBB+/Baa1	0.10% p.a.	0.20% p.a.
	BBB/Baa2	0.125% p.a.	0.25% p.a.
	BBB-/Baa3	0.175% p.a.	0.275% p.a.
	BB+/Ba1	0.25% p.a.	0.425% p.a.
	Under BB+/Ba1	0.30% p.a.	0.575% p.a.

</TABLE>

EXECUTED as a deed.

The common seal of CASE CREDIT AUSTRALIA PTY LIMITED was affixed in accordance) with Its articles of association in the presence of:)

/s/ Andrew Mour)

-----)
Signature of authorised person)

DIRECTOR)
-----)
Office held)
)
/s/ ANDREW MOUR)
-----)
Name of authorised person)
(block letters))

Signed, sealed and delivered for and on behalf of CASE CREDIT CORPORATION by a)
person duly authorized in that regard in the presence of:)

/s/ Frank A. Anglin)
-----)
Signature of Witness)
)
/s/ FRANK A. ANGLIN)
-----)
Name of Witness (block letters))

Signed, sealed and delivered by)
)
for and on behalf of NATIONAL AUSTRALIA BANK LIMITED under power of attorney)
registered book 5834 number 549 in the presence of:)

/s/ D. Muter)
-----)
Signature of witness)
)
/s/ DARREN MUTER)
-----)
Name of witness (block letters))

[CORPORATE SEAL APPEARS HERE]

/s/ Robert A. Wegner)
-----)
Signature of authorised person)

DIRECTOR)
-----)

Office held

/s/ ROBERT A. WEGNER

Name of authorised person
(block letters)

/s/ Robert A. Wegner

Signature of authorised person

VICE PRESIDENT

Office held

/s/ ROBERT A. WEGNER

Name of authorised person (block letters)

/s/ Warren James Shaw

By executing this deed the attorney states that the attorney has received no
notice of revocation of the power of attorney

CASE CORPORATION EQUITY INCENTIVE PLAN
(As Amended and Restated, Effective January 1, 1996,
including amendments through December 11, 1996)

1. Purpose

The purpose of the Plan is to promote the long-term success of the Case Companies for the benefit of the Corporation's stockholders by encouraging its officers and key employees to have meaningful investments in the Corporation so that, as stockholders themselves, those individuals will be more likely to represent the views and interests of other stockholders and by providing incentives to such officers and key employees for continued service. The Corporation believes that the possibility of participation under the Plan will provide this group of officers and employees an incentive to perform more effectively and will assist the Corporation and the Case Companies in attracting and retaining people of outstanding training, experience and ability.

2. Definitions

"Authorized Plan Shares" shall mean the shares of capital stock of the Corporation available for issuance under the Plan as set forth in Section 6.A.

"Award" means an award or grant made to a Participant under Section 8.

"Award Agreement" means the agreement provided in connection with an Award under Section 12.

"Award Date" means the date that an Award is made, as specified in an Award Agreement.

"Board of Directors" means the Board of Directors of the Corporation.

"Case Company" means the Corporation, any stock corporation of which a majority of the capital stock generally entitled to vote for directors is owned directly or indirectly by the Corporation, and any other company designated as such by the Committee, but only during the period of such ownership or designation.

"Code" means the Internal Revenue Code of 1986, as amended, or any successor legislation.

"Corporation" means Case Corporation, a Delaware corporation.

"Committee" means the Compensation Committee of the Board of Directors, or any sub-committee thereof, or any successor committee thereto.

"Common Stock" means the Corporation's common stock, par value \$0.01 per share.

"Covered Employees" shall have the meaning specified in Section 162(m) (3) of the Code.

"Dividend Equivalent" means an amount equal to the amount of the cash dividends that are declared and become payable after the Award Date for the Award to which it relates and on or before the Settlement Date for such Award.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fair Market Value" on any date means the average of the highest and the lowest sales prices of a share of Common Stock on the Composite Tape for such date, as reported by the National Quotation Bureau Incorporated; provided that if (i) no sales of Common Stock are included on the Composite Tape for such date, or (ii) in the opinion of the Committee, the sales of Common Stock on such date are insufficient to constitute a representative market, then the Fair Market Value of a share of Common Stock on such date shall be deemed to be the average of the highest and lowest prices of a share of Common Stock as reported on said Composite Tape for the next preceding day on which (x) sales of Common Stock are included and (y) the circumstances described in clause (ii) do not exist.

"ISO" means any Stock Option designated in an Award Agreement as an "Incentive Stock Option" within the meaning of Section 422 of the Code.

"Non-Qualified Stock Option" means any Stock Option that is not an ISO.

"Option Price" means the purchase price of one share of Common Stock under a Stock Option.

"Participant" means an employee or officer of a Case Company who has been selected by the Committee to receive an Award under the Plan.

"Performance Unit" means an Award denominated in cash, the amount of which may be based on performance of the Participant or of Case Corporation or of any subsidiary or division thereof.

"Plan" means this Case Corporation Equity Incentive Plan, as amended from time to time.

"Reload Stock Option" means a Stock Option (i) that is awarded, either automatically in accordance with the terms of an Award Agreement in which one or more other Awards are made or by separate Award, upon the exercise of a Stock Option granted under this Plan or otherwise where the option price is paid by the option holder by delivery of shares of Common Stock on the Settlement Date for such exercise and (ii) that entitles such holder to purchase the number of

shares so delivered for an Option Price equal to the Fair Market Value of a share of Common Stock on such Settlement Date.

"Restricted Stock" means shares of Common Stock subject to restrictions and conditions pursuant to Section 8.C.

"Rule 16b-3" means Regulation (S) 240.16b-3 of the rules and regulations of the Securities and Exchange Commission promulgated under the Exchange Act, as such Rule became effective May 1, 1991, as it may be amended after December 8, 1993.

"Second Preferred Stock" shall mean the Cumulative Convertible Second Preferred Stock of the Corporation, par value \$0.01 per share.

"Settlement Date" means, (i) with respect to any Stock Option that has been exercised in whole or in part, the date or dates upon which shares of Common Stock are to be delivered to the Participant and the Option Price therefor paid, (ii) with respect to any SARs that have been exercised, the date or dates upon which a cash payment is to be made to the Participant, or in the case of SARs that are to be settled in shares of Common Stock, the date or dates upon which such shares are to be delivered to the Participant, (iii) with respect to Performance Units, the date or dates upon which cash or shares of Common Stock are to be delivered to the Participant, (iv) with respect to Dividend Equivalents, the date upon which payment thereof is to be made, and (v) with respect to Stock Equivalent Units, the date upon which payment thereof is to be made, in each case determined in accordance with the terms of the Award Agreement under which any such Award was made.

"Stock Appreciation Right" or "SAR" means an Award that entitles the Participant to receive on the Settlement Date an amount equal to the excess of

(i) the Fair Market Value of a share of Common Stock on the date of exercise of the SAR over

(ii) the Fair Market Value of one share of Common Stock on the Award Date or any other higher amount specified in the Award Agreement.

"Stock Equivalent Unit" means an Award that entitles the Participant to receive on the Settlement Date an amount equal to the Fair Market Value of one share of Common Stock on such date.

"Stock Option" or "Option" means any right to purchase shares of Common Stock (including a Reload Stock Option) awarded pursuant to Section 8.A.

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3. Term

The Plan shall be effective as of June 1, 1994, and shall remain in effect

through December 31, 2003. After termination of the Plan, no further Awards may be granted other than Reload Stock Options granted in accordance with Award Agreements existing as of December 31, 2003, but outstanding Awards shall remain effective in accordance with their terms and the terms of the Plan.

4. Plan Administration

A. The Committee shall be responsible for administering the Plan.

(i) Composition of the Committee. The Committee shall be comprised of two or more members of the Board of Directors, all of whom shall be "disinterested persons" as defined in Rule 16b-3.

(ii) Powers. The Committee shall have full and exclusive discretionary power to interpret the Plan and to determine eligibility for benefits and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such power shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions and, subject to Section 13, adopting modifications and amendments to the Plan or any Award Agreement, including without limitation, any that are necessary to comply with the laws of the countries in which the Corporation or its affiliates operate; provided, however, no such modification or amendment shall impair the rights of any Participant, without his consent, in any Award previously granted under the Plan. Notwithstanding the foregoing provisions of this paragraph, subject to Section 13, the Chief Executive Officer of the Corporation shall have the authority to select Award recipients and establish the terms and conditions of such Awards within the limits of the Plan with respect to officers and employees of the Corporation and its subsidiaries who at the time such authority is exercised are not subject to Section 16(a) and Section 16(b) of the Exchange Act.

(iii) Delegation. The Committee may delegate to one or more of its members or to one or more agents or advisors such non-discretionary administrative duties as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan.

B. The Committee may employ attorneys, consultants, accountants and other persons, and the Committee, the Corporation and its officers and directors shall be entitled

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to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon the Participants, the Corporation and all other interested persons. No member of the

Committee shall be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or Awards, and all members of the Committee shall be fully protected by the Corporation, to the fullest extent permitted by applicable law, in respect of any such action, determination or interpretation.

5. Eligibility

Awards will be limited to persons who are officers or employees of the Case Companies. In determining the persons to whom Awards shall be made, the Committee shall, in its discretion, take into account the nature of the person's duties, past and potential contributions to the success of the Case Companies and such other factors as the Committee shall deem relevant in connection with accomplishing the purposes of the Plan. A director of the Corporation or a Case Company who is not also an officer or employee shall not be eligible to receive an Award. A person who has received an Award or Awards may receive an additional Award or Awards. For purposes of this Section 5, the terms "employee" and "officer" shall also include any former employee or former officer of a Case Company eligible to receive a replacement award as contemplated in the third sentence of Section 8.

6. Authorized Awards; Limitations

A. Except for adjustments pursuant to Section 7, the maximum number of shares of Common Stock that shall be available for issuance under the Plan shall be 9,500,000 and the maximum number of shares of Second Preferred Stock that shall be available for issuance under the Plan shall be 40,000.

B. Determinations as to the number of Authorized Plan Shares that remain available for issuance under the Plan shall be made in accordance with such rules or procedures as the Committee shall determine from time to time, which shall be consistent with the requirements of Rule 16b-3 and such interpretations thereof as have been made, or may be made from time to time, by courts of competent jurisdiction or the Securities and Exchange Commission or the staff of such Commission to the end that all persons subject to Section 16 of the Exchange Act shall be entitled to the fullest extent possible to the exemption provided by Rule 16b-3.

If an Award expires unexercised or is forfeited, surrendered, canceled, terminated or settled in cash in lieu of Common Stock, the shares of Common Stock or Second Preferred Stock that were theretofore subject (or potentially subject) to such Award may again be made subject to an Award Agreement; provided, however, that any such shares subject to a forfeited Award shall not again be made subject to an Award Agreement to

Participants who are subject to Section 16 of the Exchange Act if any Participant received, directly or indirectly, any of the benefits of

ownership of the securities of the Corporation underlying such Award, including without limitation, the receipt of dividend payments but excluding (i) the right to vote such shares and (ii) the accumulation of dividends or Dividend Equivalents which also are forfeited.

C. Common Stock and Second Preferred Stock that may be issued under the Plan may be either authorized and unissued shares or issued shares that have been reacquired by the Corporation and that are being held as treasury shares. No fractional shares of Common Stock or Second Preferred Stock shall be issued under the Plan; provided, however, that cash, in an amount equal to the Fair Market Value of a fractional share of Common Stock or Second Preferred Stock as of the Settlement Date of the Award, shall be paid in lieu of any fractional shares in the settlement of Awards payable in shares of Common Stock or Second Preferred Stock.

D. In no event shall the aggregate number of shares of Common Stock underlying Options and SARs awarded to any one Participant during any four-consecutive-year period exceed 1,000,000 shares.

7. Adjustments and Reorganization

The Committee may make such adjustments to Awards granted under the Plan (including the terms, exercise price and otherwise) as it deems appropriate in the event of changes that impact the Corporation, the Corporation's share price, or share status, provided that any such actions are consistently and equitably applied to all affected Participants; provided, however, that, notwithstanding any other provisions hereof, insofar as any Award is subject to performance goals established to qualify payments thereunder as "performance-based compensation" as described in Section 162(m) of the Code, the Committee shall have no power to adjust such Awards other than (i) negative discretion and (ii) the power to adjust Awards for corporate transactions, in either case to the extent permissible under regulations interpreting Code Section 162(m).

In the event of any merger, reorganization, consolidation, recapitalization, separation, liquidation, stock dividend, extraordinary dividend, spin-off, split-up, rights offering, share combination, or other change in the corporate structure of the Corporation affecting the Common Stock, the number and kind of shares that may be delivered under the Plan shall be subject to such equitable adjustment as the Committee, in its sole discretion, may deem appropriate in order to preserve the benefits or potential benefits to be made available under the Plan, and the number and kind and price of shares subject to outstanding Awards and any other terms of outstanding Awards shall be subject to such equitable adjustment as the Committee, in its sole discretion, may deem appropriate in order to prevent dilution or enlargement of outstanding Awards.

8. Awards

The Committee shall determine the type and amount of any Award to be made to any Participant; provided, however, that, except as provided in paragraph G, no Awards granted pursuant to this Plan shall vest in less than six months after the date the Award is granted. Awards may be granted singly, in combination, or in tandem. Awards may also be made in combination or in tandem with, in replacement of, as alternatives to, or as the payment form for, grants or rights under any other employee benefit or compensation plan of the Case Companies, including any such employee benefit or compensation plan of any acquired entity.

A. Stock Options

(i) Grants. Stock Options (including Reload Stock Options) granted under this Plan may be any of the following:

- (a) an ISO; or
- (b) a Non-Qualified Stock Option.

The Committee may grant any Participant one or more ISOs, Non-Qualified Stock Options, or both, in each case with or without SARs or Reload Stock Options or any other form of Award. Stock Options granted pursuant to this Plan shall be subject to such additional terms, conditions, or restrictions as may be provided in the Award Agreement relating to such Stock Option.

(ii) Option Price. The Option Price of a Stock Option shall be not less than 100% of the Fair Market Value of a share of Common Stock on the Award Date; provided, however, that in the case of a Stock Option granted retroactively in tandem with or as substitution for another Award, including for this purpose substitution of an award designated in shares of Tenneco, Inc. common stock (a "Tenneco Award"), the Option Price shall not be less than 100% of the Fair Market Value of a share of Common Stock on the date of such other Award or, with respect to a Tenneco Award, shall not be lower than the price that the Committee determines necessary to preserve the value of the Tenneco Award on the date of substitution; and provided further that in any case ISOs shall have a price equal to 100% of the Fair Market Value of a share of Common Stock on the Award Date.

(iii) ISOs. Anything in this Plan to the contrary notwithstanding, no term of this Plan relating to ISOs shall be interpreted, amended or altered, nor shall any discretion or authority awarded under the Plan be exercised, so as to disqualify this Plan under Section 422 of the Code, or, without the consent of the Participants affected, to disqualify any ISO under Section 422 of the Code.

An ISO shall not be granted to an individual who, on the date of grant, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the employing Case Company or of its parent or any subsidiary corporation.

The aggregate Fair Market Value, determined on the Award Date, of the shares of Common Stock or other stock with respect to which one or more ISOs (or other "incentive stock options," within the meaning of Subsection (b) of Section 422 of the Code, under all other stock option plans of the Participant's employing Case Company and its parent and subsidiary corporations) granted on or after January 1, 1987, that are exercisable for the first time by the Participant during any particular calendar year shall not exceed the \$100,000 limitation imposed by Section 422(d) of the Code.

(iv) Manner of Payment of Option Price. The Option Price shall be paid in full at the time of the exercise of the Stock Option and may be paid in any of the following methods or combinations thereof;

(a) In the United States dollars in cash, check, bank draft or money order payable to the order of the Corporation;

(b) By the delivery of shares of Common Stock having an aggregate Fair Market Value on the date of such exercise equal to the Option Price;

(c) In any other manner that the Committee shall approve, including without limitation, any arrangement that the Committee may establish to enable Participants to simultaneously exercise Stock Options and sell the shares of Common Stock acquired thereby and apply the proceeds to the payment of the Option Price therefor.

(v) Reload Stock Options. The Committee may award Reload Stock Options to any Participant either in combination with other Awards or in separate Award Agreements that grant Reload Stock Options upon exercise of outstanding stock options granted under this Plan or otherwise.

B. Stock Appreciation Rights.

(i) Grants. The Committee may award any Participant SARs, which shall be subject to such additional terms, conditions, or restrictions as may be provided in the Award Agreement relating to such SAR Award, including any

limits on aggregate appreciation. SARs may be settled in Common Stock

or cash or both.

(ii) Award Price. The Award Price per share of Common Stock of a SAR shall be fixed in the Award Agreement and shall be not less than 100% of the Fair Market Value of a share of Common Stock on the date of the Award; provided, however, that in the case of a SAR awarded retroactively in tandem with or as a substitution for another Award, the Award Price per share of a SAR shall be not less than 100% of the Fair Market Value of a share of Common Stock on the date of such other Award.

(iii) Distribution of SARs. SARs shall be exercisable in accordance with the conditions and procedures set out in the Award Agreement relating to such SAR Award.

C. Restricted Stock. The Committee may award Restricted Stock to any Participant. Awards of Restricted Stock shall be subject to such conditions and restrictions as are established by the Committee and set forth in the Award Agreement, which may include, but are not limited to, continued service with the Corporation, achievement of specific business objectives, and other measurements of individual or business unit or Corporation performance.

In addition to Awards of Restricted Stock described in the preceding paragraph, the Committee may make Awards of restricted Second Preferred Stock ("Restricted Preferred Stock"). All provisions of this Plan that apply to Awards of Restricted Stock shall also apply to Awards of Restricted Preferred Stock.

D. Stock Equivalent Units. The Committee may award Stock Equivalent Units to any Participant. All or part of any Stock Equivalent Units Award may be subject to conditions and restrictions established by the Committee, and set forth in the Award Agreement, which may include, but are not limited to, continued service with the Corporation, achievement of specific business objectives, and other measurements of individual or business unit or Corporation performance that may include but shall not be limited to, earnings per share, net profits, total stockholder return, cash flow, return on stockholders' equity, and cumulative return on net assets employed.

E. Dividend Equivalents. The Committee may provide in any Award Agreement in which Stock Equivalent Units are awarded that such Stock Equivalent Units may accrue Dividend Equivalents. In lieu of awarding Dividend Equivalents, the Committee may provide for automatic awards of additional Stock Equivalent Units on each date that cash dividends are paid on the Common Stock in an amount equal to (i) the product of the dividend per share on the Common Stock times the total number of Stock

Equivalent Units then held by the Participant, divided by (ii) the Fair Market Value of the Common Stock on the dividend payment date.

F. Performance Units. Performance Units shall be based on attainment over a specified period of individual performance targets or on other parameters that may include, but shall not be limited to, earnings per share, total stockholder return, cash flow, return on stockholders' equity, and cumulative return on net assets employed. Performance Units may be settled in Common Stock or cash or both.

G. The Committee may also, in its sole discretion, shorten or terminate the restricted period of waive any other conditions for the lapse of restrictions with respect to all or any portion of any Award. Notwithstanding the foregoing, all restricted periods shall terminate and the Awards shall be fully vested with respect to any Participant upon the Participant's (a) retirement at age 65 or older, (b) with respect to the service recognition award granted July 20, 1994, retirement at age 55 or older, (c) death, or (d) Total Disability, coincident with termination of employment with the Corporation; provided that the application of this sentence shall not cause an Award to vest in less than six months after the date the Award is granted. For purposes of this Section 8:

"Total Disability" means the permanent inability of the Participant, which is a result of accident or sickness, to perform such Participant's occupation or employment for which the Participant is suited by reason of the Participant's previous training, education and experience and which results in the termination of the Participant's employment with any Case Company.

H. Change in Control. Notwithstanding the foregoing provisions of this Section 8, to the extent provided by the Committee at the time of an Award or thereafter, stock options and restricted stock awards which have been outstanding for a period of at least six months shall become fully vested if the Participant's employment is terminated by the Corporation for reasons other than cause during the 24 month period following a Change in Control of the Corporation. For purposes of this paragraph H, the term "Change in Control" means a change in the beneficial ownership of the Corporation's voting stock or a change in the composition of the Corporation's Board of Directors which occurs as follows:

(i) any "person" (as such term is used in Section 13(d) and 14(d) (2) of the Securities Exchange Act of 1934) other than:

(a) a trustee or other fiduciary of securities held under an employee benefit plan of the Corporation;

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(b) a corporation owned, directly or indirectly, by the

stockholders of the Corporation in substantially the same proportions as their ownership of the Corporation; or

(c) with respect to any Participant, any person in which such Participant has a substantial equity interest;

is or becomes a beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934), directly or indirectly, of stock of the Corporation representing 25% or more of the total voting power of the Corporation's then outstanding stock;

(ii) a tender offer is made for the stock of the Corporation by a person other than a person described in subparagraph (i) (a), (b) or (c), and one of the following occurs:

(a) the person making the offer owns or has accepted for payment stock of the Corporation representing 25% or more of the total voting power of the Corporation's stock; or

(b) three business days before the offer is to terminate (unless the offer is withdrawn first) such person could own, by the terms of the offer plus any shares owned by such person, stock representing 50% or more of the total voting power of the Corporation's outstanding stock when the offer terminates;

(iii) during any period of two consecutive years there shall cease to be a majority of the Corporation's Board of Directors comprised as follows: individuals who at the beginning of such period constitute the Board of Directors and any new director(s) whose election by the Board of Directors or nomination for election by the Corporation's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved; or

(iv) the stockholders of the Corporation approve a merger or consolidation of the Corporation with any other company other than:

(a) such a merger or consolidation which would result in the Corporation's voting stock outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting stock of the surviving entity) more than 70% of the combined voting

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power of the Corporation's or such surviving entity's outstanding voting stock immediately after such merger or consolidation; or

(b) such a merger or consolidation which would result in the

directors of the Corporation who were directors immediately prior thereto continuing to constitute at least 50% of the directors of the surviving entity immediately after such merger or consolidation.

For purposes of this paragraph (iv), "surviving entity" shall mean only an entity in which all of the Corporation's stockholders become stockholders by the terms of such merger or consolidation, and the phrase "directors of the Corporation who were directors immediately prior thereto" shall not include:

(a) any director of the Corporation who was designated by a person who has entered into an agreement with the Corporation to effect a transaction described in this paragraph or in paragraph (i) next above; or

(b) any director who was not a director at the beginning of the 24-consecutive-month period preceding the date of such merger or consolidation

unless his election by the Board of Directors or nomination for election by the Corporation's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who were directors before the beginning of such period.

9. Dividends

The Committee may provide in the appropriate Award Agreement that dividends on Restricted Stock may be paid currently in cash or credited to a Participant's account for subsequent distribution as determined by the Committee. The Award Agreement may provide for the reinvestment of dividends paid on Restricted Stock in shares of Common Stock.

10. Deferrals and Settlements

Settlement of Awards may be in the form of cash, Common Stock, other Awards, or in combinations thereof as the Committee shall determine, and with such other restrictions as it may impose. Subject to paragraph 4.A.(ii), the Committee may also require or permit Participants to defer the issuance or vesting of shares or the settlement of Awards under such rules and procedures as it may establish under the Plan. The Committee may also provide that deferred settlements include the payment of, or crediting of interest on, the deferral amounts or the payment or crediting of Dividend Equivalents on deferred settlements denominated in shares.

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11. Transferability and Beneficiaries

No Awards under the Plan shall be assignable, alienable, saleable or

otherwise transferable other than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order (as defined by the Code) or Title I of the Employee Retirement Income Security Act or the rules thereunder unless otherwise determined by the Committee; provided, however, unless otherwise provided by the Committee, a Participant who is an executive officer of the Corporation (as designated by the Corporation from time to time) may transfer a Non-Qualified Stock Option to or for the benefit of a member or members of such Participant's immediate family (including, without limitation to a trust for the benefit of members of such Participant's immediate family), subject to such limitations as the Committee may determine.

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12. Award Agreements

Awards under the Plan shall be evidenced by Award Agreements that set forth the details, conditions and limitations for each Award, which may include the term of an Award (except that (i) except as provided in Section 8.G, no Award shall vest in less than six months after the date the Award is granted and (ii) in no event shall the term of any ISO exceed a period of ten years from the date of its grant), the provisions applicable in the event the Participant's employment terminates, and the Corporation's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind any Award, subject to the terms of the Plan.

13. Amendments: Compliance with Rule 16b-3

The Committee may suspend, terminate, or amend the Plan as it deems necessary or appropriate to better achieve the purposes of the Plan, except that, without the approval of the Corporation's stockholders, no such amendment shall be made for which stockholder approval is necessary to comply with any applicable tax or regulatory requirement, including for these purposes any approval requirement which is a prerequisite for exemptive relief under Section 16(b) of the Exchange Act, and provided that no such suspension, termination or amendment shall impair the rights of any Participant, without his consent, in any Award previously granted under the Plan.

14. Tax Withholding

The Corporation shall have the right to (i) make deductions from any settlement of an Award made under the Plan, including the delivery or vesting of shares, or require shares or cash or both be withheld from any Award, in each case in an amount sufficient to satisfy withholding of any federal, state or local taxes required by law, or (ii) take such other action as may be necessary or appropriate to satisfy any such withholding obligations. The Committee may determine the manner in which such tax withholding may be satisfied, and may permit shares of Common Stock (rounded up to the next whole number) to be used to satisfy required tax withholding based on the Fair Market Value of any such shares of Common Stock, as of the Settlement Date of the applicable Award.

15. Other Corporation Benefit and Compensation Programs

Unless otherwise specifically determined by the Committee, settlements of Awards received by a Participant under the Plan shall not be deemed a part of the Participant's regular, recurring compensation for purposes of calculating payments or benefits from any Corporation benefit plan, severance program or severance pay law of any country. Further, the Corporation may adopt other compensation programs, plans or arrangements as it deems appropriate or necessary.

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16. Unfunded Plan

Unless otherwise determined by the Committee, the Plan shall be unfunded and shall not create (or be construed to create) a trust or a separate fund or funds. The Plan shall not establish any fiduciary relationship between the Corporation and any Participant or other person. To the extent any person holds any rights by virtue of a grant awarded under the Plan, such right (unless otherwise determined by the Committee) shall be not greater than the right of an unsecured general creditor of the Corporation.

17. Future Rights

No person shall have any claim or right to be granted an Award under the Plan, and no Participant shall have any right under the Plan to be retained in the employment of the Corporation or its affiliates.

18. Governing Law

The validity, construction and effect of the Plan, and any actions taken or relating to the Plan, shall be determined in accordance with the laws of the State of Delaware and applicable federal law.

19. Successors and Assigns

The Plan shall be binding on all successors and assigns of a Participant, including, without limitation, the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

20. Rights as a Stockholder

Except as otherwise provided in any Award Agreement, a Participant shall have no rights as a stockholder of the Corporation until he or she becomes the holder of record of Common Stock or Second Preferred Stock.

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CASE CORPORATION AND CONSOLIDATED SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE OF COMMON STOCK

(MILLIONS EXCEPT SHARE AMOUNTS)

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,		
	1996	1995	1994 (A)
	<C>	<C>	<C>
COMPUTATIONS FOR STATEMENTS OF INCOME			
Primary earnings per share of common stock (average shares outstanding):			
Income before cumulative effect of changes in accounting principles and extraordinary loss.....	\$ 349	\$ 346	\$ 163
Cumulative effect of changes in accounting principles.....	--	(9)	(29)
Extraordinary loss.....	(33)	--	(5)
Net income.....	316	337	129
Preferred stock dividends.....	7	7	7
Net income to common.....	\$ 309	\$ 330	\$ 122
Average shares of common stock outstanding.....	72,196,920	70,553,376	70,069,447
Incremental common shares applicable to restricted common stock based on the common stock daily average market price during the period.....	188,547	109,866	--
Incremental common shares applicable to common stock options based on the common stock daily average market price during the period.....	1,645,138	1,101,489	25,701
Average common shares, as adjusted.....	74,030,605	71,764,731	70,095,148
Earnings per share of common stock (including common stock equivalents):			
Net income after preferred stock dividends and before cumulative effect of changes in accounting principles and extraordinary loss...	\$ 4.61	\$ 4.72	\$ 2.22

Cumulative effect of changes in accounting principles.....	--	(0.12)	(0.41)
Extraordinary loss.....	(0.44)	--	(0.07)
	-----	-----	-----
Net earnings per share of common stock.....	\$ 4.17	\$ 4.60	\$ 1.74
	=====	=====	=====
Fully diluted earnings per share:			
Average shares of common stock outstanding.....	72,196,920	70,553,376	70,069,447
Incremental common shares applicable to restricted common stock based on the more dilutive of the common stock ending or average market price during the period.....	195,831	152,350	--
Incremental common shares applicable to common stock options based on the more dilutive of the common stock ending or average market price during the period.....	1,801,893	1,704,203	109,519
Average common shares issuable assuming conversion of the Series A Cumulative Convertible Preferred Stock and the Cumulative Convertible Second Preferred Stock.....	3,488,711	3,483,354	3,494,432
	-----	-----	-----
Average common shares assuming full dilution.....	77,683,355	75,893,283	73,673,398
	=====	=====	=====
Fully diluted earnings per average share of common stock, assuming conversion of all applicable securities:			
Net income before cumulative effect of changes in accounting principles and extraordinary loss.....	\$ 4.48	\$ 4.56	\$ 2.21
Cumulative effect of changes in accounting principles.....	--	(0.12)	(0.39)
Extraordinary loss.....	(0.42)	--	(0.07)
	-----	-----	-----
Net earnings per share of common stock.....	\$ 4.06	\$ 4.44	\$ 1.75
	=====	=====	=====

</TABLE>

(a) The 1994 presentation is on a pro forma basis. For all periods prior to June 23, 1994, pro forma earnings per common share is computed based upon historical income and assumes 70 million shares outstanding and payment of preferred stock dividends. For more information on the pro forma adjustments, see Note 16 to the Case Financial Statements.

CASE CORPORATION AND CONSOLIDATED SUBSIDIARIES
AND
THE FARM AND CONSTRUCTION EQUIPMENT BUSINESS
OF TENNECO INC.

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
AND PREFERRED DIVIDENDS
(DOLLARS IN MILLIONS)

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1996	1995	1994
	-----	-----	-----
	1996	1995	1994
	----	----	----
<S>	<C>	<C>	<C>
Net Income.....	\$316	\$337	\$131
Add:			
Interest.....	160	174	160
Amortization of capitalized debt expense.....	4	6	--
Portion of rentals representative of interest factor.....	12	12	11
Income tax expense and other taxes on income.....	185	81	93
Fixed charges of unconsolidated subsidiaries.....	3	2	2
Extraordinary loss (net of taxes).....	33	--	5
Cumulative effect of change in accounting principles (net of taxes).....	--	9	29
	----	----	----
Earnings as defined.....	\$713	\$621	\$431
	====	====	====
Interest.....	\$160	\$174	\$160
Interest capitalized.....	1	2	3
Amortization of capitalized debt expense.....	4	6	--
Portion of rentals representative of interest factor.....	12	12	11
Fixed charges of unconsolidated subsidiaries.....	3	2	2
	----	----	----
Fixed charges as defined.....	\$180	\$196	\$176
	====	====	====
Preferred dividends:			
Amount declared.....	\$ 7	\$ 7	\$ 3
Gross-up to pre-tax based on 35%, 19% and 36% effective rates, respectively.....	\$ 11	\$ 9	\$ 5
Ratio of earnings to fixed charges and preferred dividends...	3.73x	3.03x	2.38x
	====	====	====

</TABLE>

SUBSIDIARIES OF CASE CORPORATION
As of December 31, 1996

NAME OF SUBSIDIARY -----	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION -----	OTHER NAMES (S) UNDER WHICH SUBSIDIARY DOES BUSINESS -----
A. M. Exports Limited	United Kingdom	None
Austoft Holdings Limited	Australia	None
Austoft Inc.	Florida	None
Austoft Industries Limited	Australia	None
Brahma Steyr Tractors Limited	India	None
Brascor Corretora de Seguros Participacoes e Servicos S.A.	Brazil	None
Brastoft Maquinas E Systemas Agro-Industrials S.A.	Brazil	None
C.W., Inc.	North Dakota	None
Case (Barbados) FSC, Ltd.	Barbados	None
Case Belgium N.V.	Belgium	None
Case Beteiligungsverwaltung GmbH	Austria	None
Case Bodenverdichtungsgerate Verwaltungs GmbH	Germany	None
Case bor-mor Holdings, Inc.	Delaware	None
Case Brasil & Cia	Brazil	None
Case Brasil Holdings, Inc.	Delaware	None
Case Canada Corporation	Ontario	Case Canada Case Power & Equipment
Case Canada Equipment Corporation	Delaware	None
Case Canada Investments, Ltd.	Alberta	None

SUBSIDIARIES OF CASE CORPORATION
As of December 31, 1996

<TABLE>
<CAPTION>

NAME OF SUBSIDIARY -----	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION -----	OTHER NAME(S) UNDER WHICH SUBSIDIARY DOES BUSINESS -----
<S>	<C>	<C>
Case CDC Holdings, Inc.	Delaware	None
Case Corporation Pty. Ltd	Australia	None
Case Credit Australia Pty., Ltd.	Australia	None
Case Credit Corporation	Delaware	None
Case Credit Holdings Limited	Delaware	None
Case Credit Insurance Agency Inc.	Delaware	None
Case Credit Limited	United Kingdom	None
Case Credit Ltd.	Alberta	None
Case Credit Wholesale Pty. Limited	Australia	None
Case Credits Limited	United Kingdom	None
Case Equipment Baumaschinen GmbH	Germany	None
Case Equipment Holdings Limited	Delaware	None
Case Equipment International Corporation	Delaware	None
Case Equipment International Marketing	Delaware	None
Case Europe S.A.R.L.	France	None

Case France S.A.	France	None
Case Germany GmbH	Germany	None
Case International Marketing, Inc.	Delaware	None
Case Irrigation Company	Delaware	None
Case Italy SpA	Italy	None
Case Licensing/Lending Company	Delaware	None

</TABLE>

2

SUBSIDIARIES OF CASE CORPORATION
AS OF DECEMBER 31, 1996

NAME OF SUBSIDIARY -----	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION -----	OTHER NAME(S) UNDER WHICH SUBSIDIARY DOES BUSINESS -----
Case Mexico, S.A.	Mexico	None
Case Poclain GmbH & Co. KG.	German General Partnership	None
Case Receivables II Inc.	Delaware	None
Case Receivables, Inc.	Delaware	None
Case Spain S.A.	Spain	None
Case Steyr Landmaschinentechnik AG	Austria	None
Case United Kingdom Limited	United Kingdom	None
Case Wholesale Receivables, Inc.	Delaware	None
Case-Poclain Ltd.	United Kingdom	None
Concord, Inc.	North Dakota	None
Consolidated Diesel Company	North Carolina General Partnership	None
Consolidated Diesel of North Carolina, Inc.	North Carolina	None
Consolidated Diesel, Inc.	Delaware	None
David Brown Tractors (Belfast) Ltd.	United Kingdom	None
David Brown Tractors (Ireland) Ltd.	Ireland	None
David Brown Tractors (Retail) Ltd.	United Kingdom	None
David Brown Tractors Limited	United Kingdom	None
Farm One AgServices, Inc.	Delaware	None
Fermec Baumaschinen GmbH	Germany	None
Fermec Holdings Limited	United Kingdom	None

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SUBSIDIARIES OF CASE CORPORATION
As of December 31, 1996

<TABLE>

<CAPTION>

NAME OF SUBSIDIARY -----	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION -----	OTHER NAME(S) UNDER WHICH SUBSIDIARY DOES BUSINESS -----
<S>	<C>	<C>
Ferrec International Limited	United Kingdom	None
Ferrec Manufacturing Limited	United Kingdom	None
Ferrec North America Limited	United Kingdom	None
Ferrec S.A.	France	None
Ferrec Trustee Limited	United Kingdom	None
Grand Detour Plow Company	Wisconsin	None
Hay & Forage Industries	Kansas General Partnership	None
HFI Holdings, Inc.	Delaware	None
Highlyn Pty. Ltd.	Australia	None
International Harvester Company	Delaware	None
International Harvester Co. of Belgium N.V.	Belgium	None
International Harvester Co. of Great Britain Limited	United Kingdom	None
J. I. Case A/S	Denmark	None
J. I. Case Argentina, S.A.	Argentina	None
J. I. Case Company Limited	United Kingdom	None
J. I. Case Germany Holdings, Inc.	Delaware	None
J. I. Case International, S.A.	Venezuela	None
J. I. Case Leasing Corporation	Wisconsin	None
J. I. Case Property Company	Delaware	None
J. I. Case Sweden A.B.	Sweden	None

</TABLE>

SUBSIDIARIES OF CASE CORPORATION
As of December 31, 1996

<TABLE>

NAME OF SUBSIDIARY -----	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION -----	OTHER NAME(S) UNDER WHICH SUBSIDIARY DOES BUSINESS -----
<S>	<C>	<C>
J.I. Case Threshing Machine Company	Wisconsin	None
Jaxborough Pty. Ltd.	Australia	None
Kase, S.A. De C. V.	Mexico	None
Kestrin Pty. Ltd.	Australia	None
Lake Hull Pty. Ltd.	Australia	None
Liuzhou Case Liugong Construction Equipment Company Limited	China	None
Masstock (Zambia) Limited	Zambia	None
Megavolt L.P.	Delaware Limited Partnership	None
Poclain do Brasil S.A.	Brazil	None
Poclain GmbH	Germany	None
Poclain Limited	United Kingdom	None
Poclain Services North America Inc.	Delaware	None
PPM do Brasil Ltda.	Brazil	None
Pryor Foundry, Inc.	Oklahoma	None
Receivables Credit Corporation	Alberta	None
Servicios Case Mexicana, S.A. de C.V.	Mexico	None
Steiger Credit Canada Ltd.	Saskatchewan	None
Steiger Credit Company	North Dakota	None
Steiger International, Ltd.	Guam	None
Steyr Traktorem Handles GmbH	Germany	None
Tractorwork, Limited	United Kingdom	None

</TABLE>

SUBSIDIARIES OF CASE CORPORATION
As of December 31, 1996

<TABLE>

NAME OF SUBSIDIARY -----	STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION -----	OTHER NAME(S) UNDER WHICH SUBSIDIARY DOES BUSINESS -----
<S>	<C>	<C>
Ukrainian Agricultural Development Co.	Delaware	None
Universaltrac Beteiligungs GmbH	Germany	None
UzCaseagroleasing	Uzbekistan	None
Versatile Credit Pty. Ltd.	Australia	None
Versatile Farm Equipment Pty. Ltd.	Australia	None

</TABLE>

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report included in this Form 10-K, into the Company's previously filed Registration Statement File Nos. 33-82158, 33-80775, 333-04995, 33-93298, 33-99128, 33-83862.

ARTHUR ANDERSEN LLP

Milwaukee, Wisconsin
March 12, 1997

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<ARTICLE> 5

<LEGEND> THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S FORM 10K AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

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