

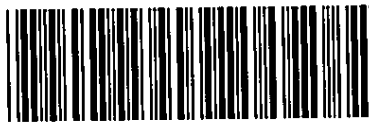
CNH CAPITAL EUROPE LTD

REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

COMPANY NO 3420615

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CNH CAPITAL EUROPE LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008

The directors have pleasure in submitting their report and the audited financial statements of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company is a wholly owned subsidiary of CNH Capital Europe SAS, a joint operation between BNP Paribas Lease Group SA and CNH Global NV.

The company's principal activity is to provide retail finance to the customer base and dealer network of the CNH group within the UK. The company has achieved satisfactory results in the year, has traded successfully in its chosen markets and is expected to continue to do so.

The company's profit and loss account on page 4, demonstrates that the company achieved a gross profit of £5.8m (2007: £4.3m). Net assets increased to £16.1m (2007: £14.7m). The company recorded satisfactory results for the year.

CNH Capital Europe Ltd operates as part of a group managed on a sectoral basis for which comprehensive KPI's are regularly provided to its shareholder. For this reason, the company's directors believe that it is not necessary to present further key performance indicators as part of the directors' report.

FINANCIAL INSTRUMENTS

Treasury operations and financial instruments

The company is responsible for managing the liquidity and interest rate risks associated with its activities.

Interest rate and liquidity risk

Fixed rate borrowings are taken from BNP Paribas, a related party, to match fixed rate lending and minimise exposure to interest rate risk.

The company manages cash and borrowing requirements to maximise interest income and minimise interest expense, whilst ensuring it has sufficient liquid resources to meet the operating needs of its business.

Credit risk

Investments of cash surpluses and borrowings are made with BNP Paribas, a related party.

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

RESULTS AND DIVIDEND

The profit and loss account for the year ended 31 December 2008 is set out on page 4. The directors recommend a final dividend of £2,150,100, being 23.89p a share, for the year. A final dividend of £2,400,000 was paid in the year (2007: £4,300,200).

DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the company who served during the period were:

Mr M J Dix (Resigned 31st March 2009)
 Ms C Vasseur (Resigned 9th January 2008)
 Mr C Rosso (Appointed 23rd April 2008)
 Mr L Trudelle (Appointed 10th June 2008)
 Mr B Gousset (Resigned 8th March 2009)
 Mr B Dilly (Appointed 1 April 2009)
 Mr H Pinner (Appointed 9th March 2009)

No director of the company has at any time had any interest in the shares of the company.

CNH CAPITAL EUROPE LTD
DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the result of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

PAYMENT OF SUPPLIERS

It is the Company's general policy to pay trade creditors when they fall due for payment. In the case of a number of major suppliers, specific terms and conditions of business have been agreed, and it is the Company's policy to pay in accordance with these terms provided that the supplier is also meeting all relevant terms and conditions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors have taken all the necessary steps they reasonably ought to have taken, as directors, to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware.

By order of the Board

01/10/09

B Dilly
Director

Northern Cross
Basing View
Basingstoke
Hants, RG21 4HL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CNH CAPITAL EUROPE LIMITED

We have audited the financial statements of CNH Capital Europe Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cashflow Statement and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Director's report is consistent with the financial statements.

Mazars Ltd

MAZARS LLP
Chartered Accountants
And Registered Auditors
Tower Bridge House
St Katharine's Way
London E1W 1DD

8 October 2009

CNH CAPITAL EUROPE LTD**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008**

<u>CONTINUING OPERATIONS</u>	Notes	2008 <u>£'000</u>	2007 <u>£'000</u>
Interest receivable		12,885	9,804
Interest payable	3	(7,119)	(5,534)
GROSS PROFIT		5,766	4,270
Other operating income		654	639
Administrative expenses	4	(1,189)	(773)
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,231	4,136
Taxation on profit on ordinary activities	5	(1,434)	(1,241)
PROFIT FOR THE FINANCIAL YEAR	13	3,797	2,895

The accompanying notes are an integral part of this statement
The company has no recognised gains or losses other than the result for the year.

CNH CAPITAL EUROPE LTD**BALANCE SHEET AT 31 DECEMBER 2008**

	Notes	2008 <u>£'000</u>	2008 <u>£'000</u>	2007 <u>£'000</u>	2007 <u>£'000</u>
FIXED ASSETS					
Operating lease assets	7		17,771		16,336
CURRENT ASSETS					
Cash at bank and in hand		4,435		13,550	
Debtors: amounts falling due within one year	8	78,196		70,311	
Debtors: amounts falling due after more than one year	8	70,556		64,613	
CREDITORS : amounts falling due within one year	9	(89,603)		(84,997)	
		<hr/>		<hr/>	
NET CURRENT ASSETS			63,584		63,477
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			81,355		79,813
CREDITORS : amounts falling due after more than one year	10		(63,900)		(64,200)
DEFERRED TAXATION	11		(1,386)		(941)
			<hr/>		<hr/>
NET ASSETS			16,069		14,672
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	12		9,000		9,000
Profit and loss account			7,069		5,672
EQUITY SHAREHOLDERS' FUNDS	13		16,069		14,672
			<hr/>		<hr/>

The accompanying notes are an integral part of this statement
 These financial statements were approved by the Board of Directors on

B Dilly
 Director

01/10/09

CNH CAPITAL EUROPE LTD**CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2008 <u>£'000</u>	2007 <u>£'000</u>
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	14	(8,921)	26,241
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	15	(7,119)	(5,534)
TAXATION		(290)	-
CAPTIAL EXPENDITURE			
Acquisition of operating leases		(17,706)	(12,966)
Proceeds on sales of operating lease assets		12,949	5,919
DIVIDEND PAID	6	(2,400)	(4,300)
		(23,487)	9,360
FINANCING			
Increase in loans from group undertakings	16/17	14,372	280
(DECREASE) / INCREASE IN CASH	16/17	(9,115)	9,640

CNH CAPITAL EUROPE LTD**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2008****1. ACCOUNTING POLICIES****a) Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards on a going concern basis.

b) Gross Profit

Gross profit comprises interest charges, finance income on leases, loans and hire purchase agreements, operating lease rental income and depreciation charges and commissions receivable during the year less interest payable and similar charges.

Gross profit is apportioned over the life of agreements to give a constant periodic rate of return on the net investment. Income from insurance related products is apportioned over the period of the agreements to which they relate.

c) Deferred Taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at future dates, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise where the recognition and measurement of items of income and expenditure in taxation computations, in accordance with taxation legislation, differs from UK GAAP. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

d) Finance Leases and Hire Purchase Agreements

The Company's net investment in finance leases and hire purchase agreements is included in the balance sheet at the gross amount of minimum future receivables, less gross earnings allocated to future periods and specific bad debt provisions.

e) Depreciation of Tangible Fixed Assets

Operating lease assets are depreciated over the life of the lease agreement to anticipated residual value at the end of the agreements. The basis of the calculation of depreciation is as per note 1b.

f) Intercompany Balances

All intercompany loan transactions are on commercial terms.

CNH CAPITAL EUROPE LTD**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2008**

(Continued)

2. LEASING ACTIVITY RENTAL INCOME

Interest earned on activities, all within the UK, includes aggregate lease and hire purchase rentals receivable of £18,403,458 (2007: £15,182,787). Of this amount, £3,935,534 (2007: £2,878,606) was derived from operating leases.

Interest earned on leasing activities includes a charge of £5,238,470 (2007: £1,119,852) being depreciation in respect of operating lease assets (Note 7).

3. INTEREST PAYABLE

	<u>2008</u> <u>£'000</u>	<u>2007</u> <u>£'000</u>
Interest payable to group undertakings	7,118	5,528
Other interest payable and similar charges	1	6
	<hr/> 7,119 <hr/>	<hr/> 5,534 <hr/>

Interest payable to related parties is payable on loans advanced by BNP Paribas SA a related party (Note 12). Interest is charged on loans and finance lease agreements on normal commercial terms.

4. ADMINISTRATIVE EXPENSES

Auditors remuneration for the period amounts to £13,764 (2007: £9,456) and is for audit work only.

A management charge of £293,108 (2007: £308,654) is payable to BNP Paribas Lease Group, a related party, for the provision of administration services. During the year there were management charges payable to CNH Financial Services SAS, a related party, of £583,823 (2007: £564,446).

The Directors receive no remuneration for their role as directors of the company.

CNH CAPITAL EUROPE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008
(Continued)

5. TAXATION

a) Analysis of charge in period

	2008	2007
	<u>£'000</u>	<u>£'000</u>
Current Tax (see note b below):		
UK Corporation tax on profits of the period	989	293
Deferred Tax (see note 11):		
Origination and reversal of timing differences	445	948
	<u>1,434</u>	<u>1,241</u>

b) Factors affecting the tax charge for the period:

The tax assessed for the period is different to the standard rate of corporation tax in the UK.

The differences are explained below:

	2008	2007
	<u>£'000</u>	<u>£'000</u>
Profit on ordinary activities before tax	5,231	4,136
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007:30%)	1,491	1,241
Permanent differences	(57)	
Depreciation for the period less than capital allowances	(445)	(948)
Current tax charge for the period:	<u>989</u>	<u>293</u>

CNH CAPITAL EUROPE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008
(Continued)

6. DIVIDENDS

	2008	2007
	<u>£'000</u>	<u>£'000</u>
Dividends paid – 26.67 pence per share (2007: 47.78 pence per share)	2,400	4,300

7. OPERATING LEASE ASSETS

	<u>£'000</u>
<u>Cost</u>	
At 1 January 2008	17,691
Additions	17,706
Disposals	(14,835)
	<hr/>
At 31 December 2008	20,562
	<hr/>
<u>Depreciation</u>	
At 1 January 2008	(1,355)
Charge for the year (Note 2)	(5,238)
Disposals	3,802
	<hr/>
At 31 December 2008	(2,791)
	<hr/>
<u>Net Book Value</u>	
At 1 January 2008	16,336
	<hr/>
At 31 December 2008	17,771
	<hr/>

CNH CAPITAL EUROPE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008
(Continued)

8. DEBTORS:

	<u>2008</u> <u>Receivable within</u> <u>one year</u> <u>£'000</u>	<u>2008</u> <u>Receivable</u> <u>after one year</u> <u>£'000</u>	<u>2007</u> <u>Receivable within</u> <u>one year</u> <u>£'000</u>	<u>2007</u> <u>Receivable</u> <u>after one year</u> <u>£'000</u>
Net investments in hire purchase agreements	71,009	67,798	62,958	61,065
Net investments in leases	2,358	2,750	3,541	3,541
Fixed term advances to customers	7	8	16	16
Other debtors	4,822	-	3,796	-
	<u>78,196</u>	<u>70,556</u>	<u>70,311</u>	<u>64,613</u>

CNH UK Limited has given shortfall undertakings on residual values included within Net investments in leases to the value of £10,973,255 (2007: £11,117,114). This undertaking is conditional upon the sale of the underlying assets.

Within other debtors is £25,526 (2007: £108,580) of interest owed from CNH UK Limited relating to residual values.

The cost of the assets acquired during the year for onwads finance leasing was £3,136,205 (2007: £3,659,342)

The costs of the assets acquired during the year for onwads hire purchase was £206,320,530 (2007: £176,446,725)

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2008</u> <u>£'000</u>	<u>2007</u> <u>£'000</u>
Bank loans and overdrafts	72,901	58,229
Amounts owed to related parties	989	2,305
Other creditors	14,800	24,249
Corporation Tax	913	214
	<u>89,603</u>	<u>84,997</u>

Bank Loans and overdrafts includes the sum of £72,555,532 (2007: £58,138,667) owed to related parties in the BNP Paribas Group

CNH CAPITAL EUROPE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008
(Continued)

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008	2007
	<u>£'000</u>	<u>£'000</u>
Bank loans and overdrafts, falling due		
between one and two years	42,700	40,500
between two and five years	21,100	23,400
over five years	100	300
	<u>63,900</u>	<u>64,200</u>

All bank loans and overdrafts are owed to related parties in the BNP Paribas Group.

11. PROVISIONS FOR LIABILITIES & CHARGES

**Deferred taxation
Potential & fully provided**

	2008	2007
	<u>£'000</u>	<u>£'000</u>
Capital allowance timing differences	(1,386)	(941)
	<u> </u>	<u> </u>
The movement in deferred taxation is as follows:	<u>£'000</u>	
Balance at 1 January	(941)	
Charge for the year (Note 5)	(445)	
	<u> </u>	
Balance at 31 December	<u>(1,386)</u>	

12. SHARE CAPITAL

	2008	2007
	<u>£'000</u>	<u>£'000</u>
Authorised, allotted and fully paid £1 Ordinary shares	<u>9,000</u>	<u>9,000</u>

The company is a wholly owned subsidiary of CNH Capital Europe SAS, a company registered and incorporated in France, which is in turn a joint operation of BNP Paribas Lease Group SA which owns 50.1% of the share capital of the company and CNH Global NV which owns 49.9% of the share capital of the company. Both investors have been disclosed in the financial statements as related parties. Through its parent and subsidiary companies BNP Paribas Lease Group SA provides the company with the majority of its finance. CNH Global NV via its UK dealer network provides the company with its underlying customer base.

CNH CAPITAL EUROPE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008
(Continued)

13. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2008	2007
	<u>£'000</u>	<u>£'000</u>
At 1 January	14,672	16,077
Profit for the period	3,797	2,895
Dividends paid (Note 6)	(2,400)	(4,300)
	<hr/>	<hr/>
At 31 December	16,069	14,672
	<hr/>	<hr/>

14. RECONCILIATION OF OPERATING PROFIT TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2008	2007
	<u>£'000</u>	<u>£'000</u>
Operating profit before tax	5,231	4,136
Increase in advances to customers	(12,802)	(412)
Depreciation on fixed assets	5,238	1,120
Profit on disposal of fixed assets	(1,916)	(11)
(Increase)/decrease in other debtors	(1,026)	1,529
(Decrease)/increase in creditors	(10,765)	14,345
Interest paid (Note 15)	7,119	5,534
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(8,921)	26,241
	<hr/>	<hr/>

15. RETURNS ON INVESTMENT AND SERVICING OF FINANCE

	2008	2007
	<u>£'000</u>	<u>£'000</u>
Interest payable to related parties	7,118	5,528
Other interest payable and similar charges	1	6
	<hr/>	<hr/>
	7,119	5,534
	<hr/>	<hr/>

CNH CAPITAL EUROPE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008
(Continued)

16. ANALYSIS OF CHANGES IN NET DEBT

	<u>At 1.1.08</u> <u>£'000</u>	<u>Cash flows</u> <u>£'000</u>	<u>At 31.12.08</u> <u>£'000</u>
Cash at bank and in hand	13,550	(9,115)	4,435
Overdrafts	(91)	(255)	(346)
Debt due within one year	(58,138)	7,283	(50,855)
Debt due after one year	(64,200)	(21,400)	(85,600)
	<u> </u>	<u> </u>	<u> </u>
	(108,879)	(23,487)	(132,366)
	<u> </u>	<u> </u>	<u> </u>

17. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	<u>2008</u> <u>£'000</u>
Decrease in cash in period (Note 16)	(9,115)
Cash outflow from decrease in debt from related parties	(14,372)
	<u> </u>
Change in net debt resulting from cash flows	(23,487)
Net debt at 1 January	(108,879)
	<u> </u>
Net debt at 31 December (Note 16)	(132,366)
	<u> </u>

Liquid resources include Cash at bank and in hand and Overdrafts only.

18. ULTIMATE PARENT COMPANY

The immediate holding company is CNH Capital Europe SAS which is incorporated and registered in France.

The smallest group in which the results of the company are consolidated is that headed by CNH Capital Europe SAS. Financial statements for that company may be obtained from 5 Avenue Kleber, Paris, France.

The largest group into which the results of the company are consolidated are those headed by BNP Paribas SA which is registered in France. The consolidated financial statements of BNP Paribas SA are available to the public and may be obtained from 16 Boulevard des Italiens, 75009 Paris, France.