

**Mike Waites, EVP and CFO**  
**Finning International Inc.**

Remarks – Annual General Meeting - May 6, 2008  
(check against delivery)

Thank you, Doug. Good morning everyone.

Ever since word got out that I would succeed Doug as CEO, I've been hearing comments about the size of Doug's shoes. I'm not really sure what people are trying to get at. What I do know is that it's an honour to follow in Doug's footsteps.

Doug has made a remarkable contribution to Finning in his 10 years with the company and his eight years as CEO, leaving us with a strong, diversified and highly profitable company. Our scorecard for 2007 clearly attests to this. Despite a stronger Canadian dollar and a slowdown in some sectors of the economy, we met, exceeded or made good progress towards a demanding list of targets. Here are just some of the highlights:

Our revenue grew 17% year-over-year, surpassing our current target of 8-to-10% growth. Diluted earnings per share were up 18%, significantly exceeding our expectations. Our return on equity of 16.8% was also well within our target range.

And on the non-financial measure that matters most...safety... we performed significantly better than target with a very low occurrence of lost-time injuries...0.52 lost time injuries per 200,000 work hours.

Unfortunately, despite our best efforts, a tragedy did occur in February of 2008 when Juan Alvarez, a long time Finning employee lost his life as a result of injuries that he sustained while at work in Santiago, Chile. Juan Alvarez will be missed by his family, friends and co-workers.

His death is an important reminder to us that safety can never be taken for granted and must be our primary consideration every day. Finning has one of the best safety records in our industry and we will continue to strive to do better every year.

Turning to our results on a division-by-division basis.

Finning (Canada), under the leadership of Ian Reid, surpassed all previous sales and earnings records in 2007. Revenue from this division was up 12% to 2.9 billion, and earnings before interest and taxes climbed a remarkable 23% to \$286 million. These excellent results reflect strong equipment sales to the mining and construction industries, as well as our growing parts and service business in Western Canada.

Our South American operations also had an excellent year. Under the leadership of Juan Carlos Villegas, revenue grew an impressive 31% compared to 2006. This gain reflects very strong demand from the mining, construction and power systems sectors. EBIT also grew, but at a slower rate, because of rapidly rising labour costs due to inflation in Argentina and to a lesser extent in Chile. A revenue mix shift to lower-margin new equipment sales in 2007 also impacted our earnings growth. We are working to manage these inflationary cost pressures by reducing our overhead costs and by adjusting our service pricing in those markets. We also expect to benefit from continued growth in our parts and service revenue in this region.

Turning to the UK, we continued to make good progress in 2007 against a backdrop of healthy economic conditions. Under the direction of Andy Fraser, revenue increased 14% to \$1.4 billion and EBIT improved by over 12% to \$73 million. These gains were driven by strong sales of large and core equipment and by a very successful year in power systems at the CAT dealership.

We sold Hewden's Tool Hire business as we continued to align our UK operations more closely with our Caterpillar equipment-related strengths. Hewden is now a smaller business, focused on construction equipment rentals while remaining the largest supplier of rental construction equipment in the UK. Over the past two years, we have reduced our UK assets from 45% of our assets to about one third of the total at the end of 2007.

Finally, our Power Systems business, led by Steve Mallett, also enjoyed an excellent year, with revenue climbing 18% and EBIT up 31%. These gains reflect the strong demand for our products. This division was also very successful in capturing higher-margin product support opportunities. Steve retired from Finning in January and I'm pleased to report that Andy Bone was appointed the new global head of our power systems business.

Looking at 2007 as a whole, there were a few challenges, but we clearly met our objectives for profitable growth and advanced our strategic initiatives. And we expect to see solid results again in 2008, despite a slightly soft start to the year.

Our first quarter 2008 revenues of \$1.4 billion were once again at record levels for a first quarter and up almost 4% from the first quarter of 2007. Strong equipment sales in Canada and higher customer support revenues in South America were the primary revenue drivers this quarter.

Earnings before interest and taxes of \$110 million was comparable to the same period last year and reported diluted earnings per share were \$0.40 compared to \$0.39 in Q1 last year. Our first quarter results included a number of non-recurring items that are not part of our normal operations. Excluding these items, our adjusted diluted earnings per share came in at \$0.35. Apart from the non-recurring items, our Q1 results were impacted by a much stronger Canadian

dollar which squeezed our margins in Canada and reduced the earnings contribution from our South American and UK operations when those earnings are translated to Canadian dollars for our consolidated results.

The negative impact of the foreign exchange accounted for the most significant variance in our earnings to the prior year's first quarter – approximately \$0.10 cents on a per share basis. This is the largest quarter over quarter strengthening of the Canadian dollar that we have seen and it has proven to be a considerable hurdle to overcome. If we were to add back the negative impact of foreign exchange this quarter to our adjusted diluted EPS of \$0.35, our first quarter EPS would be coming in at \$0.45.

The key thing for me to point out is that - overall, our first quarter results are pretty much on plan and the outlook for the balance of the year remains positive. The new equipment sales are at a very healthy level and we expect to see continued good growth in our parts and service business. As a result, we are leaving our 2008 earnings guidance unchanged at \$1.70 - \$1.80 per share.

We are also increasing our quarterly dividend by 10% to \$0.11 per share.

We continue to see a high level of capital investment in the mining and oil sands sectors, which should in turn, provide strong support for our Canadian and South American operations. Heavy construction activity also remains robust in all our regions. On a more subdued note, Western Canada's forestry and conventional oil and gas industries are currently challenged and are expected to remain weak in 2008. We could also see some cross-border impact from soft economic conditions in the US. Overall, however, we expect both our Canadian and South American operations will have a solid performance in 2008.

In the UK, business at the dealership continues to improve and the stable UK construction industry should help us sustain those gains. With the new IT system now implemented at Hewden and a clear 'Plant Plus' focus of our rental operations, we expect a stronger financial performance will begin to emerge from our UK Group later in 2008.

Demand for power systems also remains robust, particularly in the UK and energy-short South America.

So overall, a positive outlook.

We also see continued growth for Finning.

Over the coming weeks and months, I will be working closely with our executive team to develop specific targets and strategies. We'll be able to give you more details once that process is complete, but for now I can provide a broad overview of where we see opportunities.

One of Finning's core strengths is in the mining sector...and by mining I mean both metals and oil sands. This is one area of the economy that shows no signs of letting up and you can bet we'll be there, expanding our capabilities...both in terms of equipment sales and product support.

As Doug mentioned, product support is our highest-margin business, and I believe it represents one of our best opportunities for organic growth. We're on track to meet our target of doubling our parts and service business by 2010 from 2005 levels. I believe we can go further still.

Our recent acquisition of Collicutt Energy Services has gone a long way to addressing our need for more service people and facilities in the fast growing Alberta market. Our OEM Remanufacturing facility in Edmonton is working closer

to capacity and we anticipate we'll need to expand the facility in 3 - 4 years. In South America, we're undertaking a major expansion of our service facility at La Negra, Chile. This facility rebuilds and overhauls large mining equipment. In addition we are constructing a larger, modern parts distribution centre adjacent to the La Negra facility.

As we move forward, more initiatives will follow, including IT investments, as we work to better support our service business.

Our broader goal will remain long-term, profitable growth and I have every confidence in our ability to achieve it.

Thanks to leaders like Doug Whitehead, we have a strong and diversified business and over 75 years of profitable experience to draw on as we prepare our plans.

We have significant strengths in the growing mining, construction and power generation sectors and a unique ability to provide service to customers in all of the markets we serve. These capabilities differentiate us from our competitors.

We also have a long track record of investing for the future and a conservative balance sheet that gives us the freedom to pursue compelling opportunities.

But what gives me the most confidence in the future of Finning are the people who surround and support us. Our 13,000 motivated and talented employees are closely aligned with our strategies and committed to helping us reach our goals. We benefit from an involved and highly capable board of directors. We have a wonderful business partner in Caterpillar and strong customer relationships in many sectors of the economy.

In closing, I'd like to thank you - our shareholders, for your support.

As I take on the leadership of Finning, it will be my priority to ensure that we continue to reward your trust in us.

I look forward to leading Finning through the first part of the next 75 years. That wraps up our formal remarks for today. At this point we'll open the meeting to questions.