



**FINNING**<sup>®</sup>

# Investor Presentation

March 2007

**Doug Whitehead**

President and CEO

# Forward Looking Information

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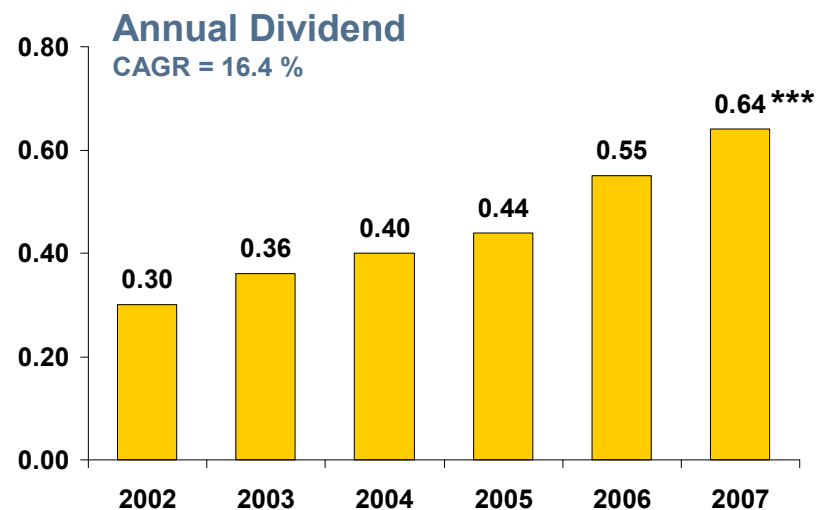
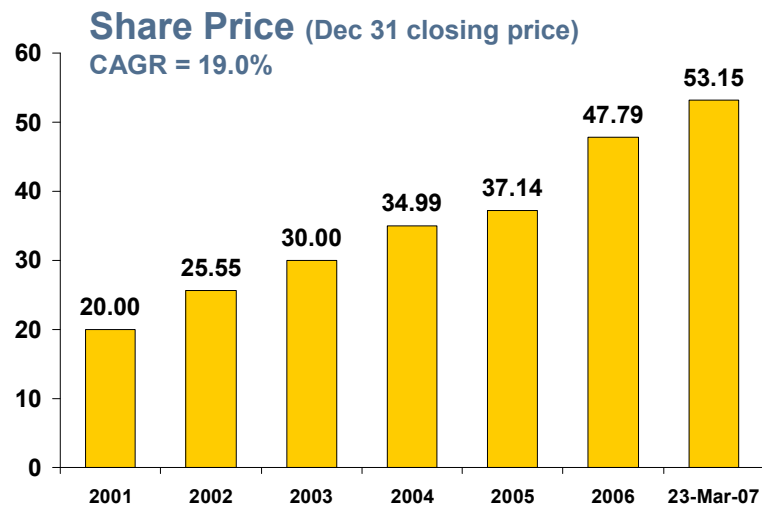
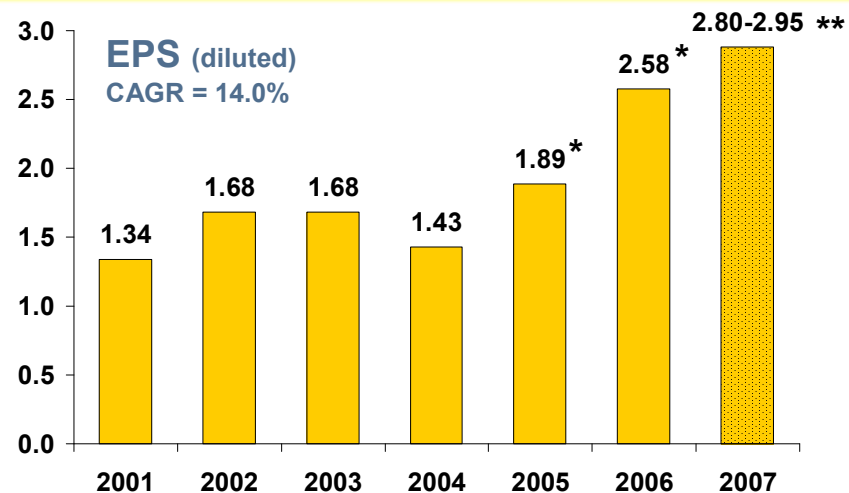
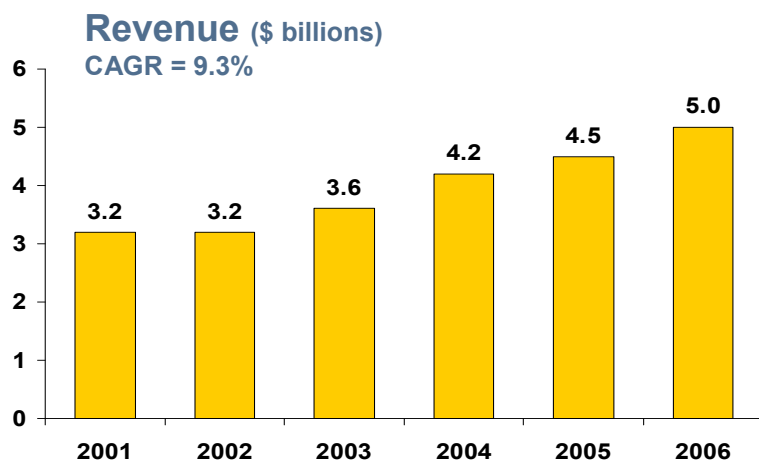
This presentation contains forward-looking statements and information which reflect the current view of Finning International Inc. ("Finning" or the "Company") with respect to future events and financial performance. Any such forward-looking statements are subject to risks and uncertainties and Finning's actual results of operations could differ materially from historical results or current expectations. Finning assumes no obligation to publicly update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

Refer to Finning's annual report, management information circular, annual information form and other filings with Canadian securities regulatory authorities for further information on risks and uncertainties that could cause actual results to differ materially from forward-looking statements contained in this presentation.

***Note: All amounts in this presentation are in Canadian dollars  
unless otherwise noted***

# Performance

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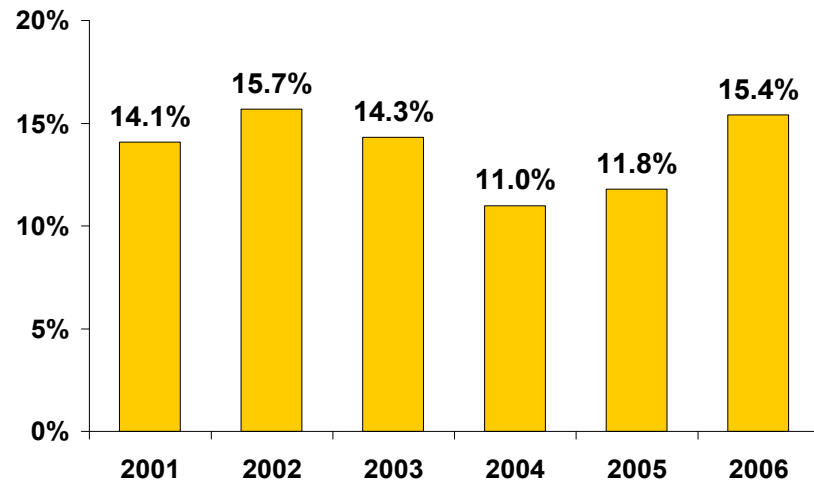
\* From continuing operations & adjusted

\*\* '07 Guidance \$2.80 - \$2.95    \*\*\* Indicated dividend

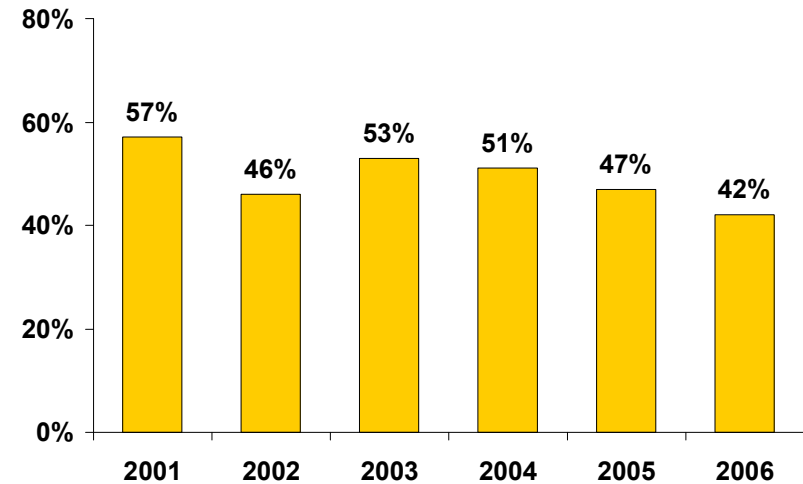
# Performance

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### Return on Equity



### Leverage = Debt/(Debt + Equity)



\$305 million equity issue, November 2004

# Relationship With Caterpillar

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**We will be Caterpillar's best global business partner, providing unrivalled services that earn customer loyalty**

# Strategic Plan

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“Great People, Great Solutions, Great Results”



# Finning Today

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- Largest Caterpillar dealer in the world (TSX:FTT)
- C\$4.6 billion market capitalization
- Operations in 6 countries
- Over 12,000 highly skilled employees

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# Finning Today

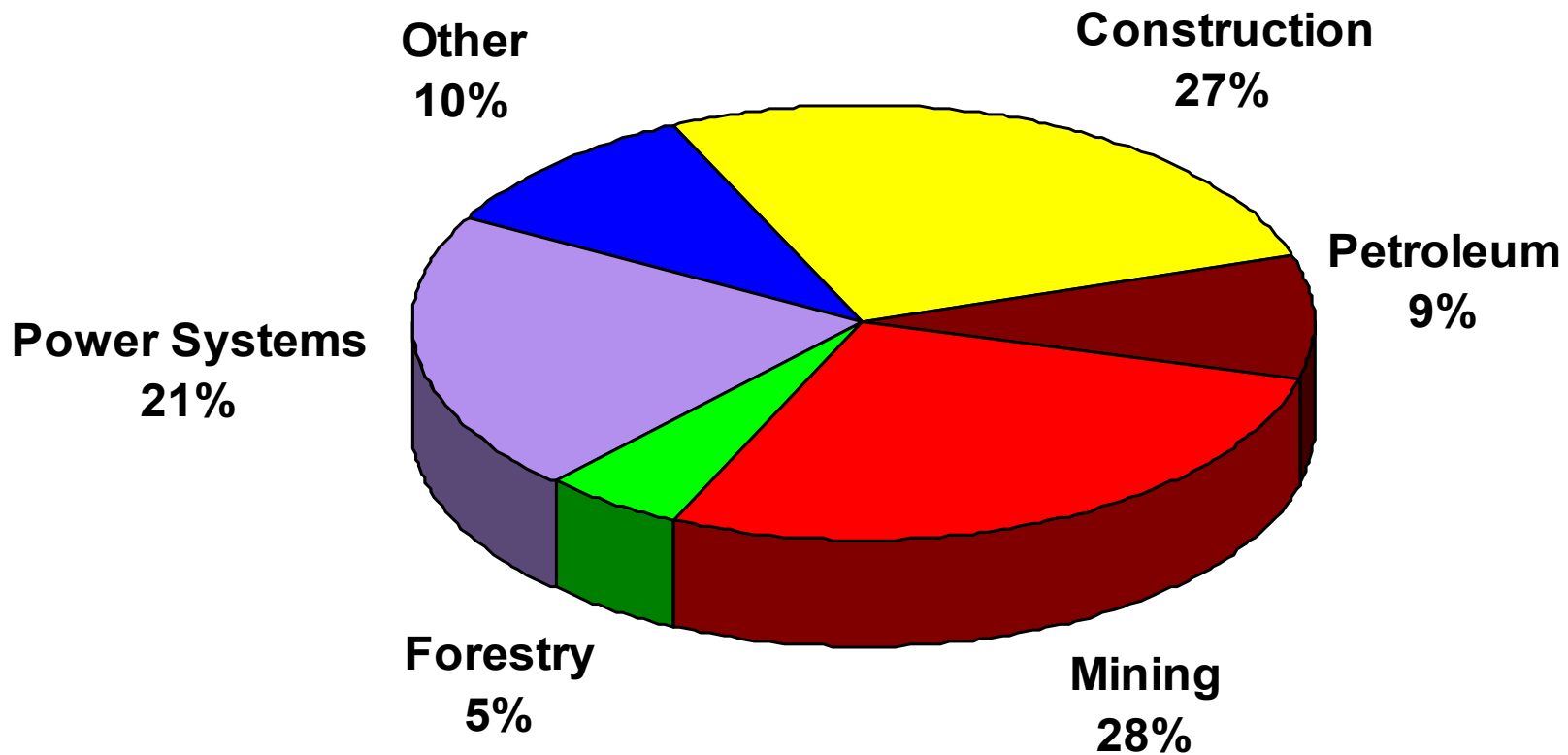
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- 2 of the best large equipment dealer territories in the world
- Linked to resource industries, but without direct commodity exposure
- Many large resource customers among the lower cost producers in the world
- Large and growing stream of steady parts & service business
- Strong market share & significant barriers to entry for competitors



# Diversified End Market

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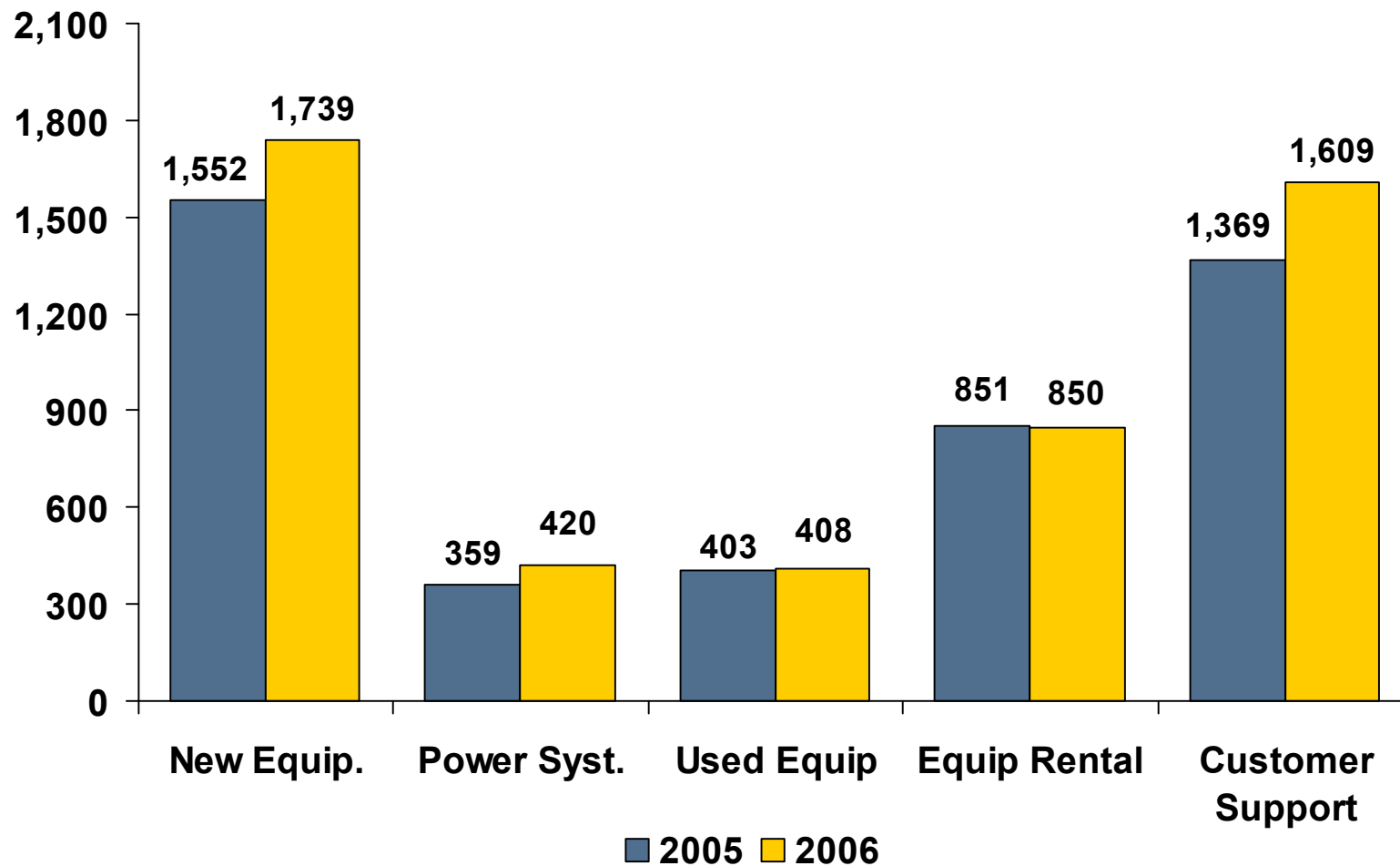
Serving a diversified industry base

\* New equipment deliveries at December 31, 2006

# Revenue by Line of Business

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C\$ Millions



# 2006 Strategic Execution

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## **Ride Commodity Prices in Canada and FINSA**

- Operating & financial results at record levels
- Total revenue up 11% to \$5B
- EBIT up 40% to \$388M
- Canada new equipment sales up 40% to \$1.2B
- Order backlog at record \$1.5 billion

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## **UK Operational Improvements**

- UK dealership operating costs down \$59M
- Hewden operating costs down \$17M
- Hewden headcount down by 3%
- UK Group EBIT up by 25% to \$79M

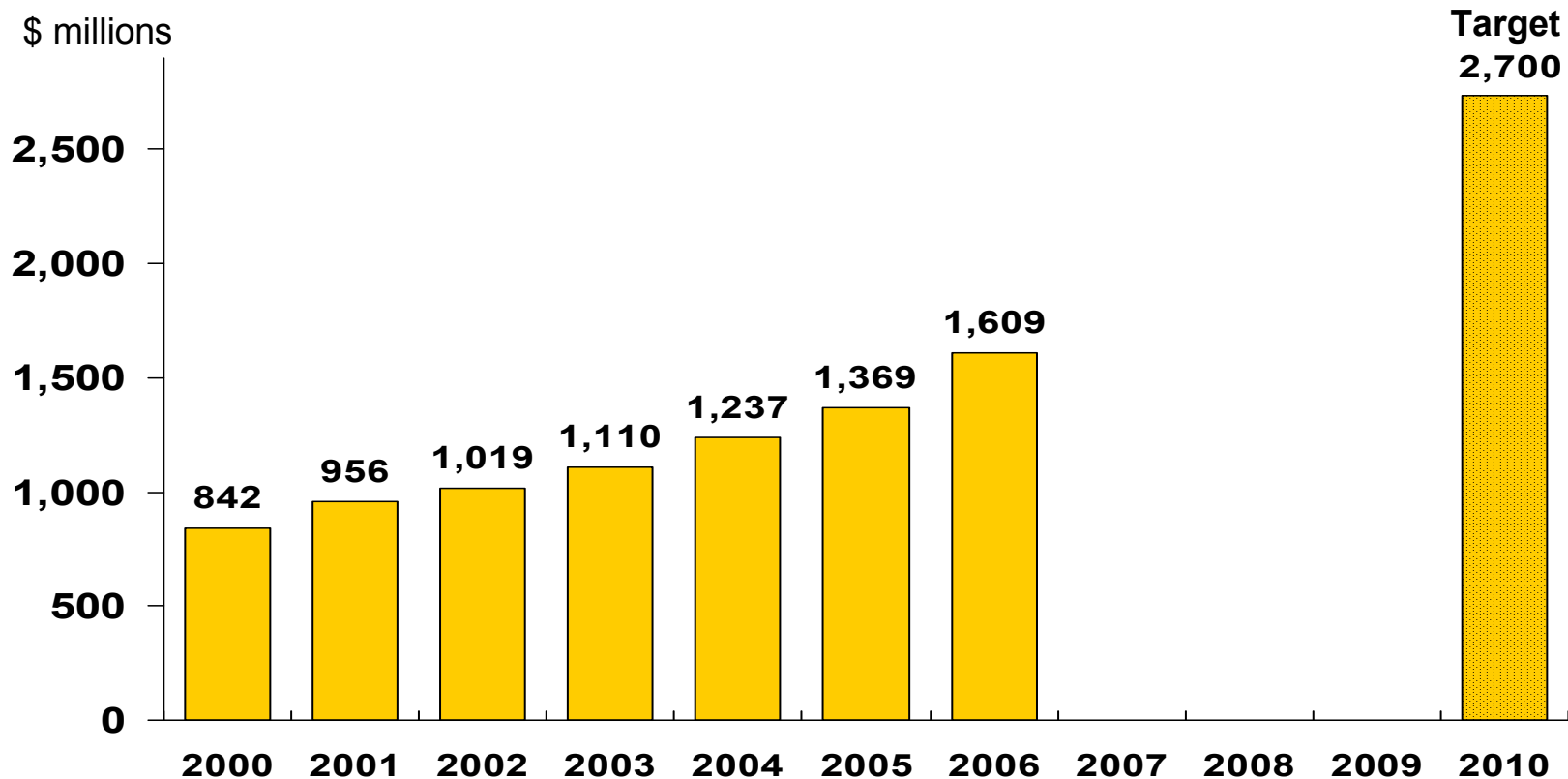
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## **UK Strategic Initiatives**

- Disposed of Materials Handling
- Re-deployed capital to Canada and FINSA
- Restructured operations – 4 lines of business (Cat focus)
- Appointed new senior management team
- Agreement with Cat on multi-year business plan

# Growing Customer Support Services

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2000 to 2005:

~\$100+ million per year, product-support revenue growth (CAGR = ~10+%)

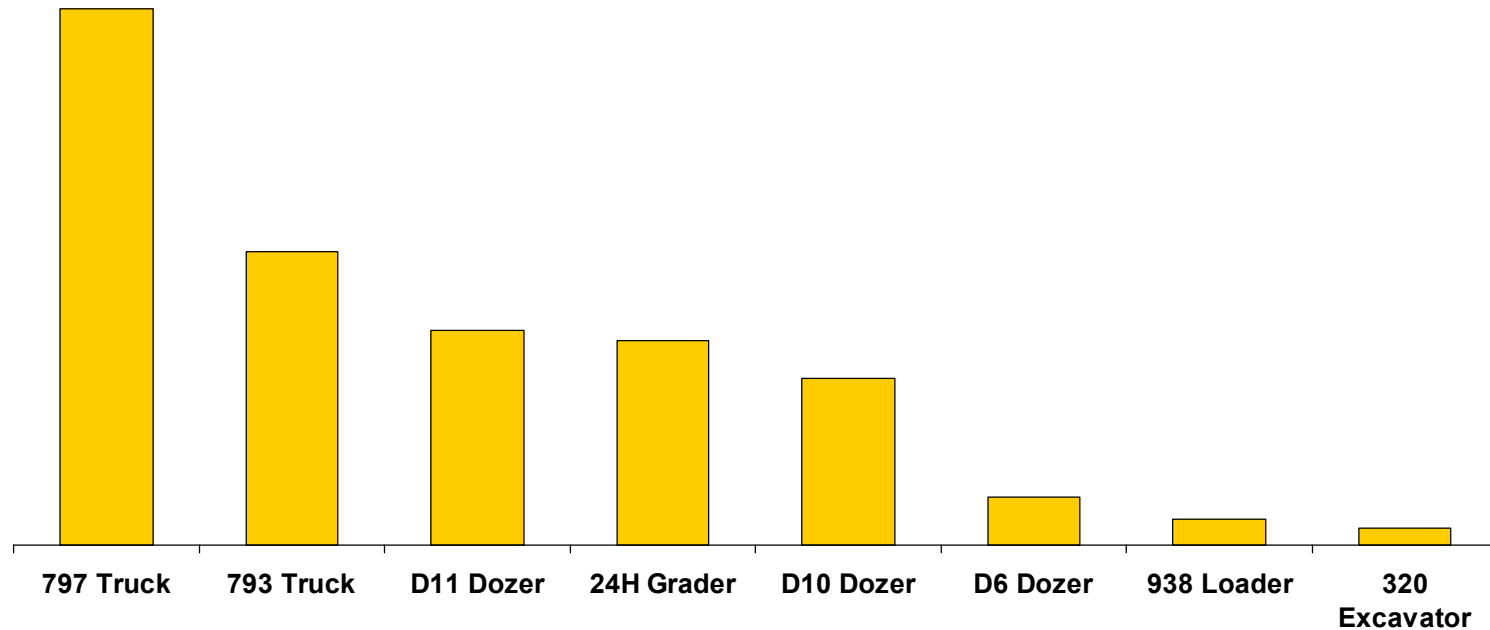
To double from 2005 by 2010 requires:

CAGR ~15% or ~\$275 million / year of additional CSS revenue on average

# Sample Annual Parts & Labour Consumption Rates

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Average Annual Parts & Service Spend Per Unit Over 10 years



Large mining equipment generates higher parts & service revenues

# Recent 797 Mining Truck Announcements

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|                      | <b>Units</b> | <b>Delivery</b>    |
|----------------------|--------------|--------------------|
| Suncor               | 6            | 2006 / 07          |
| Escondida            | 20           | 2006 / 2007        |
| CNRL (Horizon Ph. 1) | 23           | 2008               |
| Syncrude             | 20           | 2009               |
| Escondida            | 45           | 2009 / 2010        |
| <b>Total</b>         | <b>114</b>   | <b>2006 - 2010</b> |

# Full Year EBIT Margins Improve

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|               | <u>2006</u> | <u>2005</u> |
|---------------|-------------|-------------|
| Canada        | 8.2%*       | 7.3%        |
| FINSA         | 10.8%       | 9.3%        |
| UK Dealership | 4.4%        | 1.6%        |
| <u>Hewden</u> | <u>7.0%</u> | <u>7.6%</u> |
| Consolidated  | 7.3%*       | 6.1%        |

Improved profitability reflects:

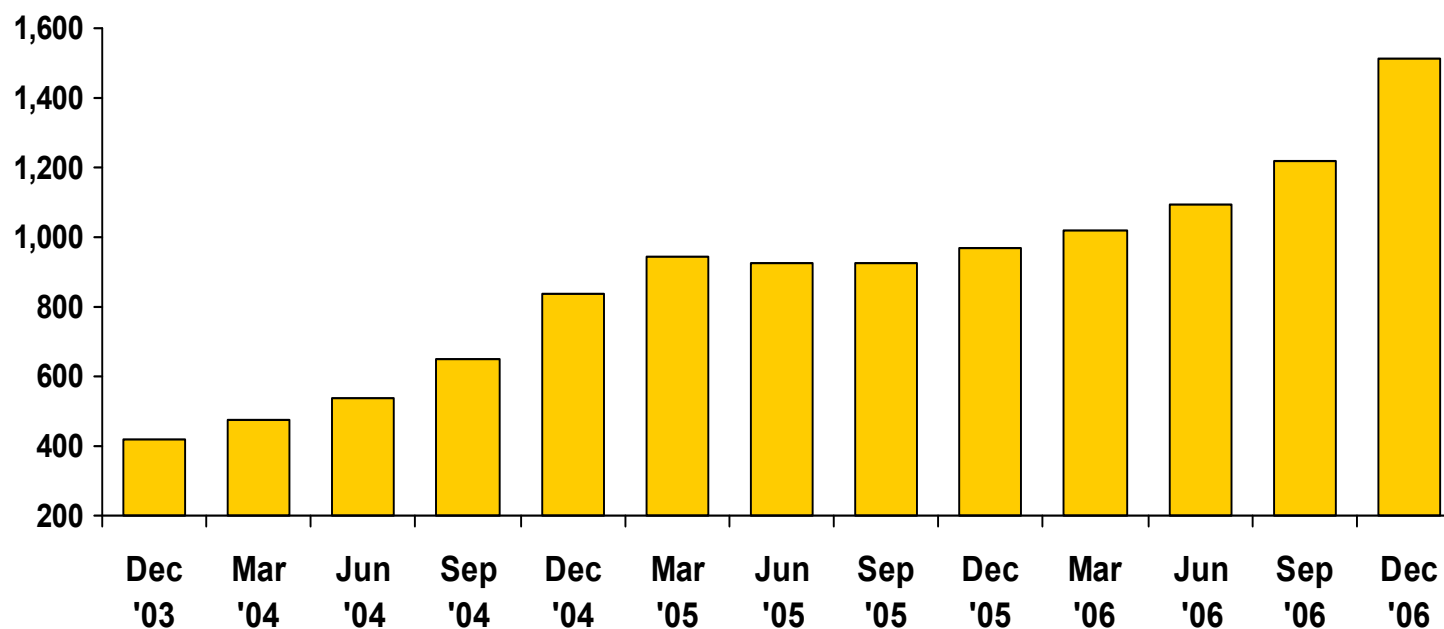
- Growing parts & service business in Canada, FINSA & UK
- Improved UK dealership results
- Successful cost control initiatives
- Better price realization

\* Adjusted for sale of real estate and OEM business line

# Order Backlog

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- Consolidated order backlog at \$1.5 billion
- Record levels in all 3 regions – outlook very positive
- Provides good visibility on earnings for 2007 and Q1 2008, with some truck orders to 2009/10



# An Excellent Outlook

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- Strong commodity markets drive western Canadian and South American operations
- Major expansion and fleet replacement opportunities in mining markets including oil sands
- Broad economic growth supports infrastructure spending and general construction markets
- Growing high margin parts and service revenues
- Finning and Caterpillar committed to a long-term strategy for the U.K. business to deliver appropriate returns on capital
- Overall focus on profitability and return on capital