



**Third Quarter and Year-to-Date 2002 Results**

**October 28, 2002**

## FINNING ANNOUNCES RECORD QUARTERLY EARNINGS

(C\$ millions, except EPS data)

	<b>Three months ended Sept 30</b>		<b>Nine months ended Sept 30</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
<b>Revenue</b>	<b>790.9</b>	799.7	<b>2,359.8</b>	2,378.0
<b>EBIT</b>	<b>76.8</b>	71.6	<b>212.3</b>	190.6
<b>Net Income</b>	<b>35.6</b>	29.9	<b>101.0</b>	76.1
<b>Basic EPS</b>	<b>\$0.46</b>	\$0.39	<b>\$1.32</b>	\$1.00
<b>Diluted EPS</b>	<b>\$0.45</b>	\$0.39	<b>\$1.28</b>	\$0.99
<b>Cash Flow after Working Capital Changes</b>	<b>84.8</b>	121.9	<b>432.3</b>	320.5

**Vancouver, Canada** – Finning International Inc. today reported record third quarter net income of \$35.6 million, up \$5.7 million, or 19.1% over the third quarter 2001. Basic EPS increased 17.9% to \$0.46. Earnings Before Interest and Taxes (EBIT) for the quarter was \$76.8 million, up 7.2% from the same period last year. The results for the quarter included net other income of \$2.5 million (2001: \$2.3 million). Normalized net income was a record high \$34.1 million (2001: \$30.7 million), up 10.9%, and normalized Basic EPS was \$0.45 (2001: \$0.40), up 12.5%.

Cash flow after working capital changes was \$84.8 million for the third quarter; down from \$121.9 million in the third quarter 2001, reflecting increases in inventory levels in Chile and the U.K. over the last three months to support current activity.

### NINE MONTHS RESULTS

Revenues were \$2,359.8 million, 0.8% lower than in 2001, while EBIT increased by 11.4% to \$212.3 million and net income increased 32.7% to \$101.0 million, when compared to the same period in 2001. Normalized net income was \$91.1 million (2001: \$82.3 million) up 10.7%. Balance sheet efficiencies generated an increase in cash flow after working capital changes of 34.9% to \$432.3 million.

### CEO COMMENTARY AND OUTLOOK

Doug Whitehead, President and CEO of Finning International Inc. said: "As we indicated earlier this year, we were expecting revenues for the year to be flat to slightly down following a record year in 2001 and an uncertain economic outlook for 2002, but we would nonetheless deliver slightly higher earnings. Our results for Q3 are consistent with this guidance, and I am very pleased to announce record quarterly earnings.

In addition to our continued focus on managing both our operating costs and our asset productivity during the quarter, these strong earnings reflect the successful execution of a strategy we started a number of years ago. Specifically, we set out to build a business base that would generate not only higher, but also a more predictable level of earnings even in challenging market conditions. This has been achieved through emphasis on increasing the contribution from the more stable parts, service and rental businesses, as well as broadening our geographic base.

Our outlook for the balance of the year remains unchanged. Overall economic activity in our markets remains challenging, but stable. We expect that the strategies we have in place will serve us well in achieving our targets for the year and delivering results in line with consensus expectations.

During the quarter, we announced some specific initiatives in support of these strategies:

- Early in September, Canadian operations concluded negotiations on a new three-year collective agreement with the Association of Machinists and Aerospace Workers, Local Lodge 99, covering Finning operations in Alberta and the Northwest Territories.
- On September 10, Finning announced further expansion in the U.K equipment rental market through the acquisition of the remaining assets of Maxxiom Ltd, a British equipment rental company, by Hewden Stuart. Hewden had previously acquired the materials handling equipment of Maxxiom (640 units) in June 2001. The final purchase was valued at \$44 million and expanded Hewden's rental fleet by 7,200 units.
- Later in September, we announced that Finning (Canada) was awarded a five-year, \$150 million equipment maintenance and repair contract with Albion Sands Energy Inc. to support a fleet of 23 Caterpillar trucks and 28 pieces of new Caterpillar support equipment purchased earlier in the year.
- In October, Finning announced the sale of Hewden's Tower Crane business. This sale is part of Hewden's strategy to focus on its core equipment rental business and to consolidate its position as the leading equipment rental company in the U.K.
- In addition, Finning (UK) has become one of the first firms in the construction industry to be awarded the international quality management system standard, ISO 9001:2000 by Lloyd's Register Quality Assurance. The new quality standard places a greater emphasis on customer expectations, monitoring and reporting on customer satisfaction and developing new business processes."

Rick Mahler, Executive Vice President and CFO of Finning noted: "Our record third quarter results reflected both continued operational improvement and sustained strengthening of our balance sheet. Our EBIT margin this quarter was 9.4%, the best it has been for the past four years. Operating earnings of \$0.45 per share represented the 13<sup>th</sup> consecutive quarterly year over year increase. Our average operating return on assets remained at the first and second quarter levels of 8.9% compared to December 2001 results of 8.5%. Our total debt to equity ratio of 0.68 increased slightly from the ten year low achieved at June 2002 of 0.62, as investment in working capital and operational assets increased to meet customer demand."

Complete financial statements and management discussion and analysis can be accessed at [www.finning.com](http://www.finning.com)

Finning International Inc. sells, rents, finances and provides customer support services for Caterpillar equipment and engines, and complementary equipment, in Western Canada, the U.K. and Chile. The corporation's Head Office is located in Vancouver, B.C., Canada. Finning International Inc. ([www.finning.com](http://www.finning.com)) is a widely held, publicly traded corporation, listed on the Toronto Stock Exchange (symbol FTT).

This report contains forward-looking statements and information, which reflect the current view of Finning International Inc. 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 do not materialize.

Refer to Finning's annual report, management information circular, annual information form and other filings with the Ontario Securities Commission and Toronto Stock Exchange for further information on risks and uncertainties that could cause actual results to differ materially from forward-looking statements contained in this report.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Results of Operations

Consolidated revenue declined by 1.1% while normalized EBIT improved 3.3% quarter over quarter. Hence normalized EBIT as a percentage of revenue, improved to 9.4% for the third quarter, up from 9.0% a year ago. Basic Earnings Per Share (EPS) for the quarter was \$0.46 compared with \$0.39 in the same period last year, representing a 17.9% increase.

Normalized results exclude the impact of other expenses/(income) items (see note 3 of Notes to the Interim Consolidated Financial Statements) and the 2001 goodwill amortization. Normalized net income for the quarter was up 10.9% to \$34.1 million (2001: \$30.7 million) and Normalized Basic EPS was up 12.5% to \$0.45 (2001: \$0.40). On a year-to-date basis, normalized net income was up 10.7% to \$91.1 million (2001: \$ 82.3 million) and Normalized Basic EPS was up 10.2% to \$1.19 (2001: \$1.08).

Cash flow after changes in working capital was \$84.8 million, down from \$121.9 million or 30.4% from the same quarter last year as inventories increased in the quarter to support activity in Chile and the UK. The Company made a net investment of \$126.3 million (2001: \$132.5 million) in revenue-earning assets in this quarter.

The table below sets forth summary financial data for the periods indicated.

	<b>Q3, 2002</b> (C\$ million)	Q3, 2001 (C\$ million)	<b>Q3, 2002</b> (% of Revenue)	Q3, 2001 (% of Revenue)
Revenue	790.9	799.7		
Gross profit	248.3	236.5	31.4%	29.6%
Selling, general & administrative expenses	174.0	164.6	22.0%	20.6%
Normalized EBIT	74.3	71.9	9.4%	9.0%
Amortization of goodwill	-	2.6	0.0%	0.3%
Other Expenses/ (Income)	(2.5)	(2.3)	-0.3%	-0.3%
EBIT	76.8	71.6	9.7%	9.0%
Finance costs and interest on other indebtedness	20.8	21.9	2.6%	2.7%
Provision for income taxes	15.6	13.1	2.0%	1.6%
Non-controlling interests	4.8	6.7	0.6%	0.8%
Net income	35.6	29.9	4.5%	3.7%

On a year-to-date basis, summary financial data is as follows:

	Year to Date			
	<b>2002</b> (C\$ million)	2001 (C\$ million)	<b>2002</b> (% of Revenue)	2001 (% of Revenue)
Revenue	2,359.8	2,378.0		
Gross profit	711.6	679.0	30.1%	28.5%
Selling, general & administrative expenses	512.5	480.9	21.7%	20.2%
Normalized EBIT	199.1	198.1	8.4%	8.3%
Amortization of goodwill	-	7.2	0.0%	0.3%
Other Expenses/ (Income)	(13.2)	0.3	-0.6%	0.0%
EBIT	212.3	190.6	9.0%	8.0%
Finance costs and interest on other indebtedness	60.0	64.2	2.5%	2.7%
Provision for income taxes	38.2	32.4	1.6%	1.4%
Non-controlling interests	13.1	17.9	0.6%	0.8%
Net income	101.0	76.1	4.3%	3.2%

## **Revenues**

Revenue in the third quarter of 2002 decreased \$8.8 million (1.1%) to \$790.9 million mainly as a result of lower revenues achieved by Canadian operations.

From a line of activity perspective, lower used equipment sales, new power & energy systems sales and leasing activity were partially offset by strength in new equipment sales and customer support services.

### ***Canada***

Revenues decreased by \$27.3 million or 8.6% in Canada. Declines were primarily experienced in new power & energy systems equipment sales and used equipment sales. Customer support services was flat to the comparative quarter last year, but was negatively impacted in Alberta due to uncertainty surrounding the union contract negotiations. Revenue also reflected the absence of revenue contributed by the Materials Handling business (Q3 2001: \$8.4 million) which was sold late 2001. New equipment order backlog and new orders were lower than the September 2001 and June 2002 levels but were higher than the December 2001 level.

### ***United Kingdom***

Revenues in the UK were higher by \$15.1 million or 7.4% a reflection of currency translation as the pound sterling appreciated against the Canadian dollar. In local currency, revenues were lower by 1.1%. New and used equipment revenue was lower than the strong prior year comparative period that was supplemented by the Birmingham Northern Relief Road project. Other components of revenue were higher than Q3 2001. Power & Energy Systems saw improvements in the petroleum sector. Materials handling continued its quarter over quarter momentum aided by its authorized dealer network.

### ***Chile***

Revenues from Chile decreased \$4.6 million or 4.3%. New incremental revenue of \$4.5 million in Power & Energy Systems was contributed through the second quarter acquisition of Diperk, while rental revenues increased with the addition of rental fleet units through the 2001 acquisition of Compania Constructora Industrial Comercial Panaericana Ltd ("CIPA") and the development of the CAT rental store. The number of rental units available to customers increased to 314 units compared to 172 units one year ago. Revenue improved by 7.3% in customer support services through improved performance on customer service contracts. These increases were offset by reductions in new equipment units delivered into mining as customers delayed purchases.

### ***Hewden***

Hewden revenues increased \$11.2 million or 6.7% compared with the third quarter of 2001 reflecting the appreciation of the pound sterling to the Canadian dollar. In local currency, revenues were 2.0% lower. Generally the overall business segments were weaker than the prior year reflecting the softness in the overall U.K. rental market.

### ***Other***

The international used parts business previously carried on by Universal Machinery Services was realigned into the other Finning dealership operations in late 2001.

The tables below provide details of revenue by operations and lines of business for the third quarter and year-to-date:

(C\$ million)	Canada	UK	Chile	Hewden	Other	Consolidated	Revenue percentage
<b>Q3, 2002</b>							
New mobile equipment	84.2	89.8	22.6	2.6	-	199.2	25.2%
New power & energy systems	13.6	21.0	6.3	-	-	40.9	5.2%
Used equipment	21.6	33.1	3.3	9.9	-	67.9	8.6%
Equipment rental	31.0	15.5	4.2	154.2	-	204.9	25.9%
Operating leases	21.5	-	-	-	-	21.5	2.7%
Customer support services	113.9	60.6	68.4	10.2	-	253.1	32.0%
Finance and other	2.9	-	0.5	-	-	3.4	0.4%
<b>Total</b>	<b>288.7</b>	<b>220.0</b>	<b>105.3</b>	<b>176.9</b>	<b>-</b>	<b>790.9</b>	<b>100.0%</b>
Revenue percentage by operations	36.5%	27.8%	13.3%	22.4%	0.0%	100.0%	

<b>Q3, 2001</b>							
New mobile equipment	69.9	84.5	28.8	2.4	-	185.6	23.2%
New power & energy systems	31.9	18.8	9.5	0.1	-	60.3	7.5%
Used equipment	37.1	36.4	3.9	7.7	0.9	86.0	10.8%
Equipment rental	34.3	14.1	3.9	146.5	0.1	198.9	24.9%
Operating leases	26.2	-	-	-	-	26.2	3.3%
Customer support services	113.5	51.1	63.7	9.0	2.2	239.5	29.9%
Finance and other	3.1	-	0.1	-	-	3.2	0.4%
<b>Total</b>	<b>316.0</b>	<b>204.9</b>	<b>109.9</b>	<b>165.7</b>	<b>3.2</b>	<b>799.7</b>	<b>100.0%</b>
Revenue percentage by operations	39.5%	25.6%	13.7%	20.7%	0.5%	100.0%	

(C\$ million)	Canada	UK	Chile	Hewden	Other	Consolidated	Revenue percentage
<b>YTD, 2002</b>							
New mobile equipment	242.8	241.2	90.6	6.6	-	581.2	24.6%
New power & energy systems	54.1	67.4	18.9	-	-	140.4	6.0%
Used equipment	104.3	104.6	9.5	33.2	-	251.6	10.7%
Equipment rental	78.1	44.5	11.7	420.5	-	554.8	23.5%
Operating leases	66.4	-	-	-	-	66.4	2.8%
Customer support services	349.6	173.1	205.2	29.8	-	757.7	32.1%
Finance and other	6.8	-	0.9	-	-	7.7	0.3%
<b>Total</b>	<b>902.1</b>	<b>630.8</b>	<b>336.8</b>	<b>490.1</b>	<b>-</b>	<b>2,359.8</b>	<b>100.0%</b>
Revenue percentage by operations	38.2%	26.7%	14.3%	20.8%	0.0%	100.0%	

<b>YTD, 2001</b>							
New mobile equipment	239.0	267.8	93.6	6.3	-	606.7	25.5%
New power & energy systems	98.2	58.7	13.7	0.2	-	170.8	7.2%
Used equipment	142.2	95.2	20.8	17.7	1.1	277.0	11.6%
Equipment rental	82.3	39.0	9.4	380.7	0.1	511.5	21.5%
Operating leases	75.1	-	-	-	-	75.1	3.2%
Customer support services	349.0	154.4	190.4	25.6	7.3	726.7	30.6%
Finance and other	9.6	-	0.4	-	0.2	10.2	0.4%
<b>Total</b>	<b>995.4</b>	<b>615.1</b>	<b>328.3</b>	<b>430.5</b>	<b>8.7</b>	<b>2,378.0</b>	<b>100.0%</b>
Revenue percentage by operations	41.9%	25.8%	13.8%	18.1%	0.4%	100.0%	

## Gross profit

Despite slightly lower revenues, gross profit of \$248.3 was 5.0% higher than the corresponding quarter last year. A revenue mix shift towards customer support services and rentals combined with stronger margins, delivered a consolidated gross profit percentage of 31.4% compared with 29.6% last year. Improvement in the gross margin percentage was mainly due to improved performance of customer support contracts in the UK and Chilean operations, parts price changes implemented in the UK operation and abandonment of low profitability sales activities also in the UK operation. In Hewden, the gross profit percentage improved due to a mix shift away from re-hire rental revenues which dilutes rental margin and improved cost recoveries.

On a year-to-date basis compared to 2001, 2002 gross profit was \$32.6 million (4.8%) higher and the gross margin percentage improved to 30.2% from 28.6%.

## Selling, general and administrative expenses

Selling, general and administrative expenses ("SG&A") increased \$9.4 million to \$174.0 million in Q3, 2002, of which, approximately \$6 million arises from foreign exchange rate changes. Other factors affecting the increase in Q3, 2002 were higher occupancy costs (approximately \$1.4 million) in the Canadian operation as a result of the sale/leaseback of Canadian properties in the first quarter of 2002 and also in Canada, a retroactive payment to union members of approximately \$1.0 million due to the Alberta union contract settlement. As a percentage of revenue, SG&A expenses were 22.0% compared with 20.6% in Q3, 2001 reflecting the above and partially as a result of the revenue mix shift towards rentals and customer support services which have a higher cost structure.

For the nine months ended September 30<sup>th</sup>, 2002, SG&A increased \$31.6 million and 1.5% as a percentage of revenue compared to 2001. This increase reflects the effect of only eight months inclusion of Hewden in 2001, the effect of the Canadian property sale/leaseback for eight months (approximately \$3.8 million), and a revenue mix shift towards the higher cost structure of rental and customer support services.

## Other expenses / (income)

Other expenses/(income) include unusual items shown separately to facilitate comparison with the corresponding quarter last year. See note 3 of Notes to the Interim Consolidated Financial Statements for further details.

## Earnings before interest and taxes (EBIT)

Earnings before interest and taxes of \$76.8 million was \$5.2 million (7.2%) higher than the same period last year and does not include amortization of goodwill, \$2.6 million which was included in the Q3 2001 results. EBIT as a percentage of revenue improved to 9.7% from 9.0% in Q3, 2001. Normalized EBIT was \$74.3 million, an improvement of 3.3% from the prior year's quarter.

On a year-to-date basis, EBIT was \$212.3 million compared to the 2001 level of \$190.6 million. On a normalized EBIT basis 2002 was \$199.1 million while 2001 was \$198.1 million.

For the segmentation of EBIT by operation, please refer to note 7 of Notes to the Interim Consolidated Financial Statements.

## Finance cost and interest on other indebtedness

Finance cost and interest on other indebtedness at \$20.8 million was \$1.1 million lower from Q3, 2001. Year-to-date finance cost was \$60.0 million which was lower by \$4.2 million compared to 2001. The lower finance cost resulted from lower borrowing levels (partially resulting from the first quarter sale/leaseback of Canadian properties) and lower effective interest rates.

## Provision for income taxes

Provision for income taxes for the quarter amounted to \$15.6 million (30.5% effective tax rate) compared with \$13.1 million (30.5% effective tax rate) for the same period last year. Excluding the tax provision of \$0.9 million on Other expense/(income) (see note 3 of Notes to the Interim Consolidated Financial Statements), provision for income taxes for the quarter was \$14.7 million. The Company's normalized effective tax rate, as a percentage of income before taxes (but after non-controlling interests), was 30.2% compared with 29.1% during the same quarter last year.

Year-to-date income tax expense was \$38.2 million compared to \$32.4 million in 2001. Excluding the tax expense of \$3.3 million on Other expense/(income), provision for income taxes year-to-date was \$34.9 million with an effective normalized tax rate of 27.7% compared with 29.1% last year. The year-to-date income tax provisions reflect a higher proportion of normalized income from lower tax jurisdictions.

### **Non-controlling interests**

The distribution to the non-controlling partnership interests for the quarter was \$4.8 million, representing a yield of 4.5% compared to \$6.7 million and a yield of 6.2% in the third quarter of 2001. Distribution for the nine months was \$13.1 million (yield of 4.1%) compared to the previous year of \$17.9 million (yield of 6.5%).

### **Net income**

Net income improved by 19.0% to \$35.6 million in Q3, 2002 compared with the same period last year. Basic earnings per share for the quarter improved by 17.9% to \$0.46 from \$0.39.

The results for the quarter included gains on property disposals and other expenses. Excluding these gains and other expenses and goodwill amortization, normalized net income was a record high \$34.1 million (2001: \$30.7 million) and normalized Basic EPS was \$0.45 (2001: \$0.40).

For the nine months ended September 30<sup>th</sup>, net income improvement of \$24.9 million (32.7%) is attributable to the gains on property disposals, lower finance costs and lower non-controlling interests distributions. Normalized net income was \$91.1 million compared to \$82.3 million last year and normalized EPS was \$1.19 vs. \$1.09.

### **Liquidity and capital resources**

Cash used in operating activities was \$41.5 million in the quarter, compared with \$10.5 million in the corresponding period last year, an increase of \$31.0 million. The increase from Q3, 2001 was primarily a result of greater cash outflow after working capital changes of \$37.1 million offset by lower net investments of \$6.1 million in revenue earning equipment. On a year-to-date basis, cash flow from operating activities was \$163.3 million up from \$46.0 million in 2001, all as a result of greater cash flow from working capital.

Net cash used for investing activities totaled \$42.8 million as a result of a \$44.0 million asset purchase of the remaining assets of Maxxiom Inc in the U.K. (see note 2 of Notes to the Interim Consolidated Financial Statements) and, modest operational capital expenditures of \$8.0 million (YTD: \$24.3 million) offset by capital divestments of \$9.2 million (YTD: \$26.8 million). On a year-to-date basis, net cash was generated in the amount of \$14.3 million reflecting the above as well as the first quarter proceeds of \$77.0 million from the Canadian property sale/leaseback, a \$15.0 million equity investment in Maxim ( a Calgary-based independent power producer providing innovative distributed power solutions in the domestic and international energy markets), and a \$6.3 million purchase of Diperk (an engine and generator set distribution company located in Chile).

The Company had a share repurchase program which expired September 23, 2002. No common shares were repurchased this quarter. In the quarter, \$1.5 million of cash was generated from the exercise of stock options. (Year-to-date, \$19.3 million was generated).

The Company's short and long-term borrowings of \$884.9 million were lower by \$161.2 million from \$1,046.1 million at December 31, 2001.

### **Financial derivatives and risk management**

The Company uses various financial instruments such as interest rate swaps and forward exchange contracts and options as hedges against actual assets or liabilities (see note 4 of Notes to the Interim Consolidated Financial Statements).

### **Financial risks and uncertainties**

The Company's financial performance may be influenced either favorably or adversely by fluctuations in foreign exchange and commodity prices (see note 8 of Notes to the Interim Consolidated Financial Statements).

For further details on the explanation and the management of liquidity and capital resources, financial derivatives and financial risks and uncertainties, please refer to the Management Discussion and Analysis as of December 31, 2001.

## INTERIM CONSOLIDATED STATEMENTS OF INCOME & RETAINED EARNINGS

(C\$ thousands except per share amounts) (unaudited)

	Three months ended Sept 30		Nine months ended Sept 30	
	2002	2001	2002	2001
Revenue				
New mobile equipment	\$ 199,224	\$ 185,557	\$ 581,190	\$ 606,715
New power and energy systems	40,934	60,263	140,393	170,780
Used equipment	67,905	86,066	251,593	276,964
Equipment rental	204,879	198,908	554,858	511,551
Operating leases	21,476	26,194	66,396	75,097
Customer support services	253,101	239,459	757,710	726,678
Finance and other	3,353	3,248	7,687	10,243
Total revenue	<b>790,872</b>	799,695	<b>2,359,827</b>	2,378,028
Cost of sales	<b>542,566</b>	563,165	<b>1,648,192</b>	1,699,019
Gross profit	<b>248,306</b>	236,530	<b>711,635</b>	679,009
Selling, general and administrative expenses	<b>173,978</b>	164,601	<b>512,493</b>	480,889
Other expenses/(income) (Note 3)	<b>(2,476)</b>	(2,330)	<b>(13,237)</b>	298
Earnings before interest, taxes, amortization of goodwill and non-controlling interests (EBITA)	<b>76,804</b>	74,259	<b>212,379</b>	197,822
Finance cost and interest on other indebtedness	<b>20,757</b>	21,918	<b>60,043</b>	64,222
Income before provision for income taxes	<b>56,047</b>	52,341	<b>152,336</b>	133,600
Provision for income taxes	<b>15,635</b>	13,119	<b>38,228</b>	32,386
Non-controlling interests	<b>4,812</b>	6,665	<b>13,082</b>	17,889
Amortization of goodwill	-	2,647	-	7,188
Net income available to shareholders	<b>35,600</b>	29,910	<b>101,026</b>	76,137
Retained earnings, beginning of period	<b>645,296</b>	554,493	<b>590,588</b>	521,569
Dividends on common shares	<b>(6,185)</b>	(3,813)	<b>(16,903)</b>	(11,369)
Premium on repurchase of common shares	-	(1,523)	-	(7,270)
Retained earnings, end of period	<b>\$ 674,711</b>	\$ 579,067	<b>\$ 674,711</b>	\$ 579,067
Gross profit as a percentage of revenue	<b>31.4%</b>	29.6%	<b>30.2%</b>	28.6%
EBITA as a percentage of revenue	<b>9.7%</b>	9.3%	<b>9.0%</b>	8.3%
Net income as a percentage of revenue	<b>4.5%</b>	3.7%	<b>4.3%</b>	3.2%
Earnings per share (EPS) (Note 6)				
Basic EPS	<b>\$0.46</b>	\$0.39	<b>\$1.32</b>	\$1.00
Diluted EPS	<b>\$0.45</b>	\$0.39	<b>\$1.28</b>	\$0.99
Basic EPS before amortization of goodwill	<b>\$0.46</b>	\$0.43	<b>\$1.32</b>	\$1.10
Diluted EPS before amortization of goodwill	<b>\$0.45</b>	\$0.42	<b>\$1.28</b>	\$1.08
Weighted average number of shares outstanding			<b>76,783,075</b>	75,817,308

The accompanying Notes to the Interim Consolidated Financial Statements are an integral part of these statements.

## INTERIM CONSOLIDATED BALANCE SHEETS

(C\$ thousands) (unaudited)

	September 30 2002	December 31 2001
<b>ASSETS</b>		
<b>Current assets</b>		
Accounts receivable and other	\$ 566,480	\$ 513,599
Inventories		
On-hand equipment	384,753	418,672
Parts and supplies	239,695	237,557
Current portion of instalment notes receivable	61,083	67,350
Total current assets	<u>1,252,011</u>	<u>1,237,178</u>
Finance assets		
Instalment notes receivable	64,326	70,468
Equipment leased to customers	222,089	233,375
Total finance assets	<u>286,415</u>	<u>303,843</u>
Rental equipment	914,416	776,832
Land, buildings and equipment (Note 1)	247,218	312,359
Future income taxes	3,965	2,825
Goodwill (Note 2)	434,010	405,744
Total assets	<u>\$ 3,138,035</u>	<u>\$ 3,038,781</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Short-term debt	\$ 262,858	\$ 372,360
Accounts payable and accruals	898,041	758,009
Income tax payable	37,916	11,364
Current portion of long-term debt	114,999	132,986
Total current liabilities	<u>1,313,814</u>	<u>1,274,719</u>
Long-term debt	507,076	540,756
Future income taxes	20,387	22,443
Total liabilities	<u>1,841,277</u>	<u>1,837,918</u>
<b>Non-controlling interests</b>	425,000	425,000
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 5)	231,450	212,122
Retained earnings	674,711	590,588
Cumulative currency translation adjustments	(34,403)	(26,847)
Total shareholders' equity	<u>871,758</u>	<u>775,863</u>
Total liabilities, non-controlling interests and shareholders' equity	<u>\$ 3,138,035</u>	<u>\$ 3,038,781</u>

The accompanying Notes to the Interim Consolidated Financial Statements are an integral part of these statements.

## INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW

(C\$ thousands) (unaudited)

	Three months ended Sept 30		Nine months ended Sept 30	
	2002	2001	2002	2001
<b>OPERATING ACTIVITIES</b>				
Net income	\$ 35,600	\$ 29,910	\$ 101,026	\$ 76,137
Add				
Depreciation	84,159	87,662	234,335	229,388
Amortization of goodwill	-	2,647	-	7,188
Future income taxes	(1,107)	2,918	(5,049)	6,849
Other items	(2,476)	(8,200)	(13,237)	(4,712)
Non-controlling interests distribution	4,812	6,665	13,082	17,889
	<u>120,988</u>	<u>121,602</u>	<u>330,157</u>	<u>332,739</u>
Changes in working capital items				
Accounts receivable	(24,808)	(20,614)	(34,687)	(50,385)
Inventories - On-hand equipment	(17,435)	16,543	42,551	(4,313)
Inventories - Parts & supplies	(4,134)	1,063	(5,393)	(24,439)
Instalment notes receivable	14,549	7,922	12,120	(267)
Accounts payable and accruals	(14,079)	(5,492)	62,661	75,145
Income taxes	9,721	908	24,912	(7,953)
Cash provided after changes in working capital items	<u>84,802</u>	<u>121,932</u>	<u>432,321</u>	<u>320,527</u>
Rental equipment, net of disposals	(108,661)	(83,958)	(232,219)	(198,140)
Equipment leased to customers, net of disposals	(17,652)	(48,504)	(36,808)	(76,420)
Cash flow from (used in) operating activities	<u>(41,511)</u>	<u>(10,530)</u>	<u>163,294</u>	<u>45,967</u>
<b>INVESTING ACTIVITIES</b>				
Net cash invested in land, buildings and equipment	1,197	(8,041)	2,528	(7,910)
Proceeds from Canadian property sale leaseback	-	-	77,049	-
Equity investment in Maxim (Note 2)	-	-	(15,000)	-
Acquisitions				
Aggregate purchase price (Note 2)	(44,025)	-	(50,308)	(750,486)
Assumed debt	-	-	-	(110,493)
Less: Initial investment in Hewden	-	-	-	218,050
Cash provided by (used for) investing activities	<u>(42,828)</u>	<u>(8,041)</u>	<u>14,269</u>	<u>(650,839)</u>
<b>FINANCING ACTIVITIES</b>				
Repayment of long-term debt	8,128	(49,783)	(58,623)	(62,304)
Issue of debenture	-	-	-	200,000
Non-controlling interests	-	-	-	425,000
Non-controlling interests distribution	(4,812)	(6,665)	(13,082)	(17,889)
Issue of common shares on exercise of stock options	1,506	4,935	19,328	12,760
Repurchase of common shares	-	(1,790)	-	(9,052)
Dividends paid	(6,185)	(3,813)	(16,903)	(11,369)
Currency translation adjustments	(293)	(6,191)	1,219	(928)
Cash provided by (used for) financing activities	<u>(1,656)</u>	<u>(63,307)</u>	<u>(68,061)</u>	<u>536,218</u>
Decrease/ (Increase) in short-term debt	(85,995)	(81,878)	109,502	(68,654)
Short-term debt at beginning of period	176,863	384,984	372,360	398,208
Short-term debt at end of period	<u>\$ 262,858</u>	<u>\$ 466,862</u>	<u>\$ 262,858</u>	<u>\$ 466,862</u>
Cash flows include the following elements				
Interest paid	\$ 9,972	\$ 15,563	\$ 48,719	\$ 57,466
Income taxes paid	\$ 6,754	\$ 17,068	\$ 21,132	\$ 27,382

The accompanying Notes to the Interim Consolidated Financial Statements are an integral part of these statements.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(unaudited)

(C\$ thousands, except for exercise and share prices)

The accompanying unaudited Interim Consolidated Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles on a basis consistent with those followed in the most recent audited annual financial statements. These unaudited Interim Consolidated Financial Statements do not include all the information and note disclosures required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the said audited annual financial statements and the notes below.

**1. Land, buildings and equipment**

During the first quarter, the Company sold its interests in various properties in its Canadian operation across Alberta and British Columbia and leased them back for a 20-year term. Total proceeds were \$77,049, resulting in a gain of \$10,281. This gain has been deferred and will be amortized to income over the lease term. The Company's obligations under these operating leases are as follows:

2002 to 2006	\$ 8,064 per annum
2007 and thereafter	\$146,810 total remaining

**2. Goodwill**

	<u>Nine months ended</u> <u>September 30, 2002</u>	<u>Year ended</u> <u>December 31, 2001</u>
Purchased goodwill, beginning of year	\$429,483	\$77,777
Goodwill on acquisitions made during the period	1,484	339,069
Reduction in goodwill in recognition of future income tax asset	-	(10,878)
Reduction in goodwill on divestitures during the year	-	(563)
Foreign exchange translation adjustment	26,782	24,078
Purchased goodwill, end of period	<u>457,749</u>	<u>429,483</u>
Accumulated amortization, beginning of year	(23,739)	(13,832)
Amortization for the period	-	(9,969)
Reduction in accumulated amortization of goodwill	-	62
Accumulated amortization, end of period	<u>(23,739)</u>	<u>(23,739)</u>
Net purchased goodwill	<u>\$434,010</u>	<u>\$405,744</u>

The Company adopted the recommendations of the new accounting standard of the CICA Handbook Section 3062, Goodwill and Other Intangible Assets on January 1<sup>st</sup>, 2002. During April 2002, the Company acquired Distribuidora Perkins Chilena SAC (Diperk), an engine and generator set distribution company located in Chile and its complementary service operation in Chile for a net total of \$6,283 with resulting goodwill of \$1,459.

During the second quarter of 2002, the Company made an equity investment in Maxim Power Corp. ("Maxim"), a Calgary-based independent power producer providing innovative distributed power solutions in domestic and international energy markets. The Company's investment of \$15,000 acquired 36.9% of the common shares of Maxim. As part of this transaction, the Company acquired warrants which entitle the Company to purchase 50 million common shares at a price of \$0.60 each and which, if exercised, would allow the Company to increase its position in Maxim to approximately 45% on a fully diluted basis. The investment in Maxim is accounted for using the equity method.

In September, the Company, through its UK subsidiary Hewden Stuart (Hewden), acquired the remaining assets of Maxxiom Ltd, a British equipment rental company. These assets, valued at \$44 million, expand Hewden's rental fleet by 7,200 units. In June 2001, Hewden had acquired an initial 640 units from Maxxiom Ltd valued at \$21 million.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS** (continued)

**3. Other expenses/(income)**

Other expenses/(income) in the quarter include the following items

	Three months ended Sept 30,		Nine months ended Sept 30,	
	2002	2001	2002	2001
a) Gain on sale of surplus properties in Canada and the U.K.	\$ (2,857)	\$ (2,330)	\$ (13,807)	\$ (8,702)
b) Amortization of deferred gain on 2001 sale of the Canadian Materials Handling business	(800)	-	(1,600)	-
c) Costs incurred on DBSi business process reengineering project	1,074	-	1,824	-
d) Loss from equity investment	107	-	346	-
c) Restructuring charges	-	-	-	9,000
	(2,476)	(2,330)	(13,237)	298
Tax (provision)/recovery on other expenses/(income)	(929)	(500)	(3,266)	1,359
Other expenses/(income), net of tax	\$ (1,547)	\$ (1,830)	\$ (9,971)	\$ (1,061)

**4. Financial Instruments**

The Company uses derivative financial instruments as part of an overall risk management strategy to manage the underlying financial and economic risks of the Company and to achieve lower cost financing. The Company uses derivative financial instruments to manage the mix of fixed and floating interest rate exposure, to manage foreign exchange exposure and to diversify sources of financing.

The fair value of financial instruments is determined by reference to quoted market prices for actual or similar instruments, where available, or by estimates derived using present value or other valuation techniques. The estimated fair value of interest rate swaps and foreign exchange contracts was negative \$139,159 at September 30, 2002 and negative \$45,397 at December 31, 2001. As these financial instruments qualify for accounting as hedges, the gains or losses are accounted for in the same manner as the underlying hedged transaction for the period over which the hedging relationship is effective.

**5. Share capital**

Common Shares	Nine months ended September 30, 2002		Year ended December 31, 2001	
	Shares	Amount	Shares	Amount
Balance, beginning of period	75,816,263	\$ 212,122	75,790,463	\$ 200,629
Exercise of stock options	1,589,157	19,328	1,483,100	15,459
Repurchase of common shares	-	-	(1,457,300)	(3,966)
Balance, end of period	77,405,420	\$ 231,450	75,816,263	\$ 212,122

**Stock and Other Stock-based Compensation Plans**

The Company adopted the recommendations of the new accounting standard of the CICA Handbook Section 3870, Stock-based Compensation and Other Stock-based Payments on January 1<sup>st</sup>, 2002.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS** (continued)

Stock Options

The following table summarizes the information about the stock option activity from the previous year-end to September 30, 2002:

			Number of stock options outstanding
Options outstanding, beginning of period			<u>6,154,442</u>
	<u>Range of exercise price</u>	<u>Weighted average exercise price</u>	<u>Options exercised</u>
Options exercised:			
	\$6 - \$9	\$ 6.63	95,934
	\$9 - \$12	\$ 10.10	769,280
	\$12 - \$15	\$ 12.86	295,198
	\$15 - \$17	\$ 16.41	<u>428,745</u>
	Total exercised		1,589,157
Options cancelled:			
	\$6 - \$17	\$ 12.58	63,467
Options outstanding, end of period			<u>4,501,818</u>
Total options exercisable, end of period		\$ 13.15	<u><u>3,644,590</u></u>

Other Stock-Based Compensation Plans

In addition to the stock based compensation plans that exist at December 31, 2001, during 2002, the Company approved a deferred share unit plan and a share appreciation rights plan for certain of its management and executive.

Deferred Share Unit Plan

Under the deferred share unit plan, awards are expensed when the units vest or are estimated to vest, and marked to market each reporting period.

The deferred share unit plan uses notional units that are valued based on the Company's common share price on the Toronto Stock Exchange. These units accumulate dividend equivalents in the form of additional units based on the dividends paid on the Company's common shares. The units granted to the executives become vested at specified percentages if the Company's common share price exceeds, at specified levels, the common share price at the date of grant. The units also vest upon death, disability or retirement of the executive. Units that have not vested within 5 years to the date that they were granted expire.

Share Appreciation Rights Plan

Under the share appreciation rights plan, awards will be expensed over the vesting period when the market price of the common shares exceeds the strike price under the plan.

Changes, either increases or decreases, in the quoted market value of those shares between the date of grant and the measurement date result in a change in the measure of compensation for the award and will be amortized over the remaining vesting period.

The share appreciation rights plan uses notional units that are valued based on the Company's common share price on the Toronto Stock Exchange. The units are exercisable for cash if incremental common share price thresholds are achieved or other performance measures are met.

Changes in the value of all deferred share units and share appreciation rights as a result of fluctuations in the Company's common share price and new issues during the current quarter totaled \$71 (Q3 2001: \$203) and for the nine months ended September 30, 2002 totaled \$1,951 (September 30, 2001: \$1,782) and was recognized in selling, general and administrative expenses on the consolidated statement of income.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Earnings per Share

Basic earnings per share is calculated by dividing net income available to the shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated to reflect the dilutive effect of exercising outstanding stock options by application of the treasury stock method.

	Income (numerator)	Shares (denominator)	Per Share Amount	Income (numerator)	Shares (denominator)	Per Share Amount
	<b><u>Three months ended Sept 30, 2002</u></b>			<b><u>Nine months ended Sept 30, 2002</u></b>		
Basic earnings per share:						
Income available to common shareholders	\$ 35,600	76,783,075	\$ 0.46	\$ 101,026	76,783,075	\$ 1.32
Effect of dilutive securities:						
Stock Options		2,084,199			2,084,199	
Diluted earnings per share:						
Income available to common shareholders and assumed conversions	<u>\$ 35,600</u>	<u>78,867,274</u>	<u>\$ 0.45</u>	<u>\$ 101,026</u>	<u>78,867,274</u>	<u>\$ 1.28</u>
	<b><u>Three months ended Sept 30, 2001</u></b>			<b><u>Nine months ended Sept 30, 2001</u></b>		
Basic earnings per share:						
Income available to common shareholders	\$ 29,910	75,817,308	\$ 0.39	\$ 76,137	75,817,308	\$ 1.00
Effect of dilutive securities:						
Stock Options		1,353,992			1,353,992	
Diluted earnings per share:						
Income available to common shareholders and assumed conversions	<u>\$ 29,910</u>	<u>77,171,300</u>	<u>\$ 0.39</u>	<u>\$ 76,137</u>	<u>77,171,300</u>	<u>\$ 0.99</u>

7. Segmented Information

The Company and its subsidiaries have operated primarily in one industry during the year, that being the selling, servicing, renting and financing of heavy equipment and related products.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

The reportable operating segments are:

**Three months ended Sept 30, 2002**

	Canada	UK	Chile	Hewden	Other	Consolidated
Revenue from external sources	\$ 288,712	\$ 220,045	\$ 105,256	\$ 176,853	\$ 6	\$ 790,872
Operating costs	227,823	199,336	88,815	113,868	2,543	632,385
Depreciation	38,419	6,144	3,069	36,527	-	84,159
Other expenses / (income)	-	-	-	-	(2,476)	(2,476)
Earnings before interest and tax	\$ 22,470	\$ 14,565	\$ 13,372	\$ 26,458	\$ (61)	\$ 76,804
Finance cost and interest on other indebtedness						20,757
Non-controlling interests						4,812
Provision for income taxes						15,635
Net income						\$ 35,600
EBIT as a percentage of revenue	7.8%	6.6%	12.7%	15.0%		9.7%
EBIT percentage by operations	29.3%	19.0%	17.4%	34.4%	-0.1%	100.0%
Identifiable assets	\$ 1,134,026	\$ 476,942	\$ 308,261	\$ 1,204,469	\$ 14,336	\$ 3,138,034
Capital expenditures	\$ 3,124	\$ 581	\$ 1,234	\$ 3,112		\$ 8,051

**Three months ended Sept 30, 2001**

	Canada	UK	Chile	Hewden	Other	Consolidated
Revenue from external sources	\$ 316,038	\$ 204,874	\$ 109,944	\$ 165,677	\$ 3,162	\$ 799,695
Operating costs	239,125	190,712	96,685	105,633	7,950	640,105
Depreciation	44,746	6,319	2,555	34,041	-	87,661
Amortization of goodwill	257	254	-	2,136	-	2,647
Other expenses / (income)	-	-	-	-	(2,330)	(2,330)
Earnings before interest and tax	\$ 31,910	\$ 7,589	\$ 10,704	\$ 23,867	\$ (2,458)	\$ 71,612
Finance cost and interest on other indebtedness						21,918
Non-controlling interests						6,665
Provision for income taxes						13,119
Net income						\$ 29,910
EBIT as a percentage of revenue	10.1%	3.7%	9.7%	14.4%		9.0%
EBIT percentage by operations	44.6%	10.6%	14.9%	33.3%	-3.4%	100.0%
Identifiable assets	\$ 1,391,209	\$ 446,040	\$ 233,946	\$ 1,097,291		\$ 3,168,486
Capital expenditures	\$ 5,968	\$ 1,576	\$ 596	\$ 8,998		\$ 17,138

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

**Nine months ended Sept 30, 2002**

	Canada	UK	Chile	Hewden	Other	Consolidated
Revenue from external sources	\$ 902,110	\$ 630,739	\$ 336,832	\$ 490,118	\$ 28	\$ 2,359,827
Operating costs	714,489	576,020	296,747	328,384	10,710	1,926,350
Depreciation	105,083	16,526	8,591	104,135	-	234,335
Other expenses / (income)	-	-	-	-	(13,237)	(13,237)
Earnings before interest and tax	\$ 82,538	\$ 38,193	\$ 31,494	\$ 57,599	\$ 2,555	\$ 212,379
Finance cost and interest on other indebtedness						60,043
Non-controlling interests						13,082
Provision for income taxes						38,228
Net income						\$ 101,026
EBIT as a percentage of revenue	9.1%	6.1%	9.4%	11.8%		9.0%
EBIT percentage by operations	38.9%	18.0%	14.8%	27.1%	1.2%	100.0%
Identifiable assets	\$ 1,134,026	\$ 476,942	\$ 308,261	\$ 1,204,469	\$ 14,336	\$ 3,138,034
Capital expenditures	\$ 9,338	\$ 1,439	\$ 3,693	\$ 9,858	\$ -	\$ 24,328

**Nine months ended Sept 30, 2001**

	Canada	UK	Chile	Hewden	Other	Consolidated
Revenue from external sources	\$ 995,413	\$ 615,092	\$ 328,260	\$ 430,447	\$ 8,816	\$ 2,378,028
Operating costs	777,858	574,177	294,053	279,783	24,650	1,950,521
Depreciation	116,857	16,525	7,106	88,899	-	229,387
Amortization of goodwill	749	775	-	5,664	-	7,188
Other expenses / (income)	-	-	-	-	298	298
Earnings before interest and tax	\$ 99,949	\$ 23,615	\$ 27,101	\$ 56,101	\$ (16,132)	\$ 190,634
Finance cost and interest on other indebtedness						64,222
Non-controlling interests						17,889
Provision for income taxes						32,386
Net income						\$ 76,137
EBIT as a percentage of revenue	10.0%	3.8%	8.3%	13.0%		8.0%
EBIT percentage by operations	52.4%	12.4%	14.2%	29.4%	-8.4%	100.0%
Identifiable assets	\$ 1,391,209	\$ 446,040	\$ 233,946	\$ 1,097,291		\$ 3,168,486
Capital expenditures	\$ 13,829	\$ 2,869	\$ 1,642	\$ 14,557		\$ 32,897

**8. Currency rates**

The Company operates in four main currencies: Canadian dollars, British pound sterling, U.S. dollars and Chilean pesos. At September 30, 2002, December 31, 2001 and September 30, 2001, the Canadian dollar was worth 0.402, 0.432 and 0.431 pounds sterling; 0.631, 0.628 and 0.633 U.S. dollars; and, 473.5, 415.1 and 440.5 Chilean pesos respectively.

**9. Subsequent Event**

Effective October 2, 2002, the Company sold its Tower Cranes business currently operated by its Hewden operations in the UK. Operating assets associated with the business are approximately \$23.0 million. The sales proceeds will be used to invest in Hewden's expanding equipment rental portfolio as part of its strategy to focus on its core equipment rental business.

## **NEXT QUARTERLY AND YEAR-END RESULTS – January 30, 2003**

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### **FOURTH QUARTER AND ANNUAL 2002 RESULTS AND CONFERENCE CALL**

Finning International's fourth quarter and year-end results for 2002 will be released at 1:00 p.m. EST on January 30, 2003. You are invited to participate in the Finning Shareholder/Analyst Conference Call at 3:00 p.m. EST on January 30, 2003 by dialing one of the following numbers:

**Toll-free number for participants dialling from  
anywhere within Canada and the United States:  
1-877-888-3490**

**Number for participants dialling from  
the Toronto area and overseas:  
(416) 695-9757**

### **ADDITIONAL INFORMATION**

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#### **REGISTRAR AND TRANSFER AGENT**

ComputerShare Trust Company of Canada:  
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#### **SHARE INQUIRIES**

Inquiries relating to shares or  
dividends: Computershare Trust  
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Telephone: (604) 661-0222

#### **STOCK**

(Symbol: FTT) on  
Toronto Stock Exchange (TSX)

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<http://www.finning.com/investor>

# FINNING INTERNATIONAL INC.

## Third Quarter Ending September 30, 2002

Finning International Inc. today reported record third quarter net income of \$35.6 million, up \$5.7 million, or 19.1% over the third quarter 2001. Basic EPS increased 17.9% to \$0.46. Earnings Before Interest and Taxes (EBIT) for the quarter was \$76.8 million, up 7.2% from the same period last year. The results for the quarter included net other income of \$2.5 million (2001: \$2.3 million). Normalized net income was a record high \$34.1 million (2001: \$30.7 million), up 10.9%, and normalized Basic EPS was \$0.45 (2001: \$0.40), up 12.5%.

Cash flow after working capital changes was \$84.8 million for the third quarter; down from \$121.9 million in the third quarter 2001, reflecting increases in inventory levels in Chile and the U.K. over the last three months to support current activity.

*Doug Whitehead, President and CEO of Finning International Inc. said:* "As we indicated earlier this year, we were expecting revenues for the year to be flat to slightly down following a record year in 2001 and an uncertain economic outlook for 2002, but we would nonetheless deliver slightly higher earnings. Our results for Q3 are consistent with this guidance, and I am very pleased to announce record quarterly earnings.

Our outlook for the balance of the year remains unchanged. Overall economic activity in our markets remains challenging, but stable. We expect that the strategies we have in place will serve us well in achieving our targets for the year and delivering results in line with consensus expectations.

Complete financial statements and management discussion and analysis can be accessed at [www.finning.com](http://www.finning.com)

Three Months Ended			Nine Months Ended	
September 30			September 30	
2002	2001		2002	2001
790.9	799.7	Revenue	2,359.8	2,378.0
76.8	71.6	EBIT	212.3	190.6
35.6	29.9	Net Income	101.0	76.1
84.8	121.9	Cash Flow after Working Capital Changes	432.3	320.5
0.46	0.39	Basic EPS	1.32	1.00
0.45	0.39	Diluted EPS	1.28	0.99

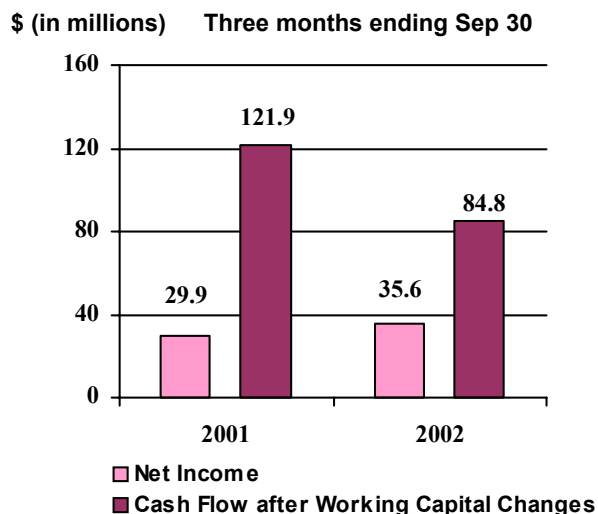
(C\$ millions, except EPS data)

## About Us

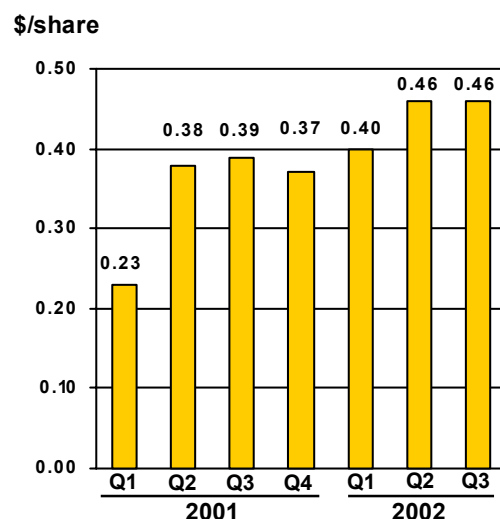
Finning International Inc. sells, rents, finances and provides customer support services for Caterpillar equipment and engines, and complementary equipment, in Western Canada, the U.K. and Chile. The corporation's Head Office is located in Vancouver, B.C., Canada. Finning International Inc. ([www.finning.com](http://www.finning.com)) is a widely held, publicly traded corporation, listed on the Toronto Stock Exchange (symbol FTT).

## FINNING ANNOUNCES RECORD QUARTERLY EARNING

### Net Income & Cash Flow



### Quarterly EPS



### Revenue & EBIT Contribution by Operation

