Third Quarter 2007 Results *November 13, 2007*

Finning Announces Third Quarter Results

Highlights from Continuing Operations

- Record third quarter revenues, up 14% from third quarter of 2006, up in all operations
- Successfully completed the sale of the UK Tool Hire Division, classified as discontinued operations
- Quarterly diluted earnings of $0.35 per share
- Quarterly dividend increase of 11% to $0.10 per share, the second increase announced this year
- Strong new equipment order backlog of $1.8 billion

	Three months ended September 30			Nine months ended September 30		
$ millions, except per share data	**2007**	2006	Change	**2007**	2006	Change
Revenue	**1,329.1**	1,167.7	13.8%	**4,202.7**	3,488.1	20.5%
Earnings from continuing operations before interest and income taxes [(1)]	**109.9**	114.7	(4.2)%	**343.6**	289.8	18.6%
Net income (loss)						
from continuing operations	**63.6**	71.8	(11.4)%	**209.6**	183.1	14.5%
from discontinued operations [(2)]	**—**	(33.9)		**(2.0)**	(31.7)	
Total net income	**63.6**	37.9	67.8%	**207.6**	151.4	37.1%
Diluted Earnings (Loss) Per Share						
from continuing operations	**$ 0.35**	$ 0.40	(12.5)%	**$ 1.16**	$ 1.02	13.7%
from discontinued operations [(2)]	**—**	(0.19)		**(0.01)**	(0.18)	
Total diluted earnings per share	**$ 0.35**	$ 0.21	66.7%	**$ 1.15**	$ 0.84	36.9%
Cash flow after working capital changes	**115.3**	55.5	107.7%	**183.1**	381.2	(52.0)%

[(1)] This amount does not have a standardized meaning under generally accepted accounting principles. For a reconciliation of this amount to net income from continuing operations, see the heading “Description of Non-GAAP Measure” in the Company’s management discussion and analysis which accompanies the third quarter consolidated financial statements.

[(2)] On July 31, 2007, the Company’s U.K. subsidiary, Hewden Stuart Plc, sold its Tool Hire Division. In the third quarter of 2006, the Company’s U.K. subsidiary, Finning (UK) Ltd., sold its Materials Handling Division. As a consequence, the results of operations of the Tool Hire and Materials Handling divisions have been reclassified as discontinued operations for all periods presented.

Vancouver, Canada - Finning International Inc. (Finning) today reported quarterly revenue of $1.3 billion for the third quarter of 2007, an increase of 13.8% over the third quarter of 2006. Earnings from continuing operations before interest and income taxes (EBIT) were $109.9 million in the third quarter of 2007, a decrease of 4.2% compared with the same period last year. Third quarter net income from continuing operations was $63.6 million or $0.35 diluted earnings per share, a decrease of 12.5% compared with the third quarter of 2006.

"Business remained strong in the third quarter and revenues continued to grow at attractive rates", said Doug Whitehead, President and CEO of Finning International Inc. "Our order book continues to be robust and near the record levels set earlier this year. We continue to be affected by the stronger Canadian dollar and higher long term incentive plan costs, however, we have been successful in overcoming the impact of these items previously. We are also experiencing cost pressures in our South American operations and have initiatives underway to address these".

"Adjusting for the impact of a significant property gain in 2006, third quarter EBIT was up this year", said Mike Waites, Executive Vice President and CFO of Finning International Inc. "We saw solid performance in our Canadian and UK dealership operations as they continue to show attractive growth in new equipment revenues. Hewden's third quarter 2007 results were weaker as anticipated due to the significant operational changes experienced by Hewden this quarter. Our South American operations delivered strong revenue growth but results were below expectations due to higher costs which is an area of focus for the Company".

Third Quarter Results

Finning's revenues from continuing operations in the third quarter were $1.3 billion, up 13.8% from the third quarter of 2006 driven by continued strong equipment sales and demand for customer support services. Key commodity prices continue to be strong and drive demand in Canada and South America, and good overall economic conditions are supporting these businesses. Management believes these conditions are likely to continue throughout 2007 and into 2008. In the U.K., robust activity experienced at the Company's UK dealership contributed to improved revenues from the UK Group.

Finning's global order book (the retail value of new equipment units ordered by customers for future deliveries) of approximately $1.8 billion at the end of the third quarter of 2007 is comparable to June 2007 and is up 45% from September 2006 levels. The dollar value of new orders and delivery of new equipment for the third quarter of 2007 exceeded that of the comparable period in 2006.

EBIT for the quarter was $109.9 million, compared with $114.7 million in the third quarter of 2006. Adjusting prior year quarterly results for a $7.8 million pre-tax gain on the sale of certain properties, EBIT for the third quarter of 2007 is up $3.0 million or 2.8%.

- EBIT from Finning's Canadian reporting segment of $67.3 million in the third quarter of 2007 was 6.3% higher than the third quarter 2006, the result of exceptionally strong volumes in most lines of business and, in particular, new equipment sales. The third quarter 2006 results included a $7.8 million pre-tax gain from the sale of certain properties. Excluding the 2006 gain, EBIT for the third quarter of 2007 was 21.3% higher than the same period last year in spite of the stronger Canadian dollar.
- EBIT for Finning's South American operations in the third quarter of 2007 of $27.9 million was 6.7% lower than the 2006 third quarter, a result of higher operating costs to support the increased level of sales activity and cost pressures in South America.
- For the UK Group, EBIT decreased in the third quarter of 2007 to $22.7 million compared to $26.4 million in the third quarter of 2006, due to lower returns from the Hewden rental business.
- In all dealership operations, although customer support services revenues were higher in 2007, new equipment sales grew at a higher rate so that the Company continued to experience a shift in revenue mix to a higher proportion of new equipment sales.

In the third quarter of 2006, the Company incurred incremental finance costs of $8.9 million for the early partial repayment of Eurobond notes. Adjusting for these costs, finance costs increased 17.7% in the third quarter of 2007 compared with the same period last year due to higher short-term interest rates and higher average debt levels to support working capital growth and customer demand requirements. Income tax expenses were also higher than the third quarter of 2006 due to a change in the earnings mix with proportionately more income earned in the higher tax jurisdictions of the Canadian and UK operations and the lower benefit from tax planning strategies.

As a result, Finning's net income from continuing operations for the quarter was $63.6 million compared with $71.8 million in 2006. Diluted Earnings Per Share (EPS) from continuing operations for the quarter was $0.35, down from the 2006 comparable diluted EPS of $0.40.

Cash flow after working capital changes was $115.3 million for the third quarter of 2007, compared with $55.5 million for the same period last year. Working capital demands have stabilized in the third quarter of 2007, which combined with initiatives to improve cash cycle times, have resulted in improved cash flow.

The Company has an active share repurchase program in effect until March 29, 2008. During the third quarter of 2007, the Company repurchased and cancelled 1,226,200 common shares at an average price of $28.84.

Year-to-Date Results

Revenue from continuing operations for the nine months ended September 30, 2007, was $4.2 billion, up 20.5% from the prior year. EBIT of $343.6 million for the first nine months of 2007 was up 18.6%. Adjusting prior year results for $18.2 million of property and business sale gains, EBIT for the first nine months of 2007 was up over 26%.

- For the nine months ending September 30, 2007, revenue was up 16.5% at the Company's Canadian operations, reflecting growth in most lines of business, particularly equipment sales. Adjusting for non-recurring pre-tax gains of $18.2 million recorded in the first and third quarters of 2006, EBIT from Finning's Canadian reporting segment would have been $159.5 million for the nine months ended September 30, 2006. EBIT from the Canadian reporting segment in the first nine months of 2007 of $217.0 million was 36.1% higher than the 2006 adjusted EBIT noted above. The increase was a result of exceptionally strong volumes in most lines of business.
- For the first nine months of 2007, revenues from the Company's South American operations increased 37.9% (41.5% in local currency) with strong new equipment sales and continued growth in customer support service revenues. EBIT for the first nine months of 2007 of $99.2 million was 24.8% higher compared to the same period last year (27.3% in local currency).
- Revenue from the UK Group increased 15.0% in the first nine months of 2007 compared with the same period last year, and increased 8.1% in local currency. EBIT increased 15.7% (10.1% in local currency), a significant improvement over the prior year with higher margins achieved in most lines of business and continued management of operating costs. The results from Hewden were lower than prior year, as expected, due to the significant operational changes experienced during the first nine months of 2007.

Finning's net income from continuing operations for the nine months ended September 30, 2007, was $209.6 million compared with $183.1 million in 2006. Diluted EPS from continuing operations for the first nine months of 2007 was $1.16, and improved over the 2006 comparable diluted EPS of $1.02 reflecting the EBIT improvements noted above. The 2006 results included $0.09 per share of gains on the sale of surplus properties and businesses in Canada, partially offset by incremental finance costs of approximately $0.04 per share for the early repayment of Finning's previously issued Eurobond notes in the third quarter of 2006. Adjusting the prior year results for the gains on dispositions and the incremental finance costs noted above, diluted EPS for the first nine months of 2007 was up approximately 20%.

Important New Business

During the third quarter of 2007, PipeLine Machinery International Partnership (PLM), the global Caterpillar pipeline equipment dealer in which Finning has a 25% interest, delivered 20 Caterpillar 320 D excavators and 4 D7G tractors to Lanfang China for ultimate deployment on China Petroleum Pipeline

Bureau projects. The contract for the provision of pipeline equipment to this Chinese customer resulted from the team effort of PLM, Caterpillar Asia-Pacific District and WesTrac China, Caterpillar's north and northeast China local dealership.

Executive Appointments and Announcements

- After 28 years of a distinguished career and dedicated service to Finning, Steve Mallett, currently President Power Systems, will retire effective January 4, 2008.
- Andy Bone, currently Senior Vice President, Customer Support Solutions, will be promoted to President, Power Systems, effective January 7, 2008.

Director Appointment

In October, Mr. James Carter was appointed to the Board of Directors. Mr. Carter is a corporate director and resident of Canada and is the former President and Chief Operating Officer of Syncrude Canada. In 2005, Mr. Carter was named Resource Person of the Year by the Alberta Chamber of Resources, inducted as a Fellow of the Canadian Academy of Engineering, and received an Alberta Centennial Medal from the Province of Alberta. He has extensive community and professional affiliations including director positions on various other Boards.

Other

Finning, Finning (Canada), and OEM have been involved in legal proceedings for the past two years with the Alberta division of the International Association of Machinists and Aerospace Workers – Local Lodge 99 (IAM) relating to Finning (Canada)'s outsourcing of component repair and rebuilding services to OEM in 2005. On October 17, 2007 the Alberta Court of Appeal overturned previous labour board and court decisions in favour of Finning and OEM and reinstated a finding of the original Alberta Labour Relations Board (ALRB) panel. The original ALRB panel had found that OEM was a successor employer to Finning (Canada) in respect of the component repair and rebuilding activities being carried out by OEM as a service provider to Finning (Canada). The full operational and legal implications of the Court's decision are still being considered and, at this time, Finning and OEM are confident that they can manage the operational impacts of this recent Court decision.

Finning, Finning (Canada), and OEM intend to file for leave to appeal this decision to the Supreme Court of Canada, and expect to file supporting documentation within the 60 day appeal period. The timing of the appeal, if allowed, is not yet known.

Outlook

The full year outlook for 2007 remains within the previous earnings guidance range of $1.48 – $1.60 per share. Due to the strengthening Canadian dollar, management now anticipates earnings per share will be in the lower end of the range.

Common Share Dividend

The Board of Directors increased the Company's quarterly dividend to $0.10 per common share, payable on December 12, 2007, to shareholders of record on November 27, 2007. This is the second increase announced this year and the sixth consecutive year of dividend increases.

<u>For more information</u>

Please call Tom Merinsky, Vice President, Investor Relations
Phone: (604) 331-4950
Email: investor_relations@finning.ca

Third Quarter Conference Call
Management will hold an investor conference call on Tuesday, November 13, 2007 at 2:00 pm Eastern Time. Dial-in numbers:

1-866-898-9626 (anywhere within Canada and the U.S.)
(416) 340-2216 (for participants dialing from Toronto and overseas)

The call will be webcast live at http://www.finning.com/investors/investors.aspx and subsequently archived on the Finning website. Playback recording will be available at **1-800-408-3053** from 7:00 pm Eastern Time on November 13, 2007, until the end of business day on November 20, 2007. The passcode to access the playback recording is 3237548 followed by the number sign.

About Finning International Inc.

Finning International Inc. sells, rents and provides customer support services for Caterpillar equipment and engines, and complementary equipment, in Western Canada (Alberta, British Columbia, the Northwest Territories and the Yukon Territory and a portion of Nunavut), the U.K. and South America (Argentina, Bolivia, Chile and Uruguay). Headquartered in Vancouver, B.C., Canada, Finning International Inc. (www.finning.com) is a widely held, publicly traded corporation, listed on the Toronto Stock Exchange (symbol FTT). Complete financial statements and Management's Discussion and Analysis can be accessed at www.finning.com.

Forward-Looking Disclaimer

This report (including the attached Management's Discussion and Analysis) 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 Canadian securities regulators, which can be found at www.sedar.com, for further information on risks and uncertainties that could cause actual results to differ materially from forward-looking statements contained in this report.

Next Quarterly and Year-End Results February 19, 2008

Finning International's fourth quarter and year-end results for 2007 will be released and an investor conference call will be held on February 19, 2008.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Finning International Inc. (Finning or the Company) should be read in conjunction with the interim consolidated financial statements and accompanying notes. The results reported herein have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and are presented in Canadian dollars unless otherwise stated. For additional information, please refer to Finning's audited annual financial statements and accompanying notes and the management's discussion and analysis included in the Company's 2006 annual report.

Results of Operations

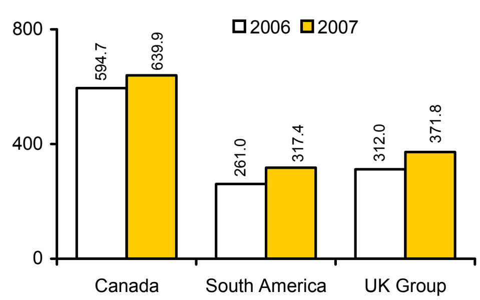
The results from continuing operations include the results of acquired businesses from the date of their purchase and exclude results from operations that have been disposed or are classified as discontinued. Results from operations that qualify as discontinued operations have been reclassified to that category for all periods presented unless otherwise noted. Please see the section entitled "Discontinued Operations" for a discussion of these operations.

Third Quarter Overview

($ millions)	**Q3 2007**	Q3 2006	**Q3 2007** (% of revenue)	Q3 2006 (% of revenue)
Revenue	**$ 1,329.1**	$ 1,167.7		
Gross profit	**390.8**	341.6	**29.4%**	29.3%
Selling, general & administrative expenses	**(281.9)**	(233.0)	**(21.2)%**	(20.0)%
Other income	**1.0**	6.1	**0.1%**	0.5%
Earnings from continuing operations before interest and income taxes [1]	**109.9**	114.7	**8.3%**	9.8%
Finance costs	**(19.3)**	(25.3)	**(1.5)%**	(2.2)%
Provision for income taxes	**(27.0)**	(17.6)	**(2.0)%**	(1.5)%
Net income from continuing operations	**63.6**	71.8	**4.8%**	6.1%
Loss from discontinued operations, net of tax	—	(33.9)	—	(2.9)%
Net income	**$ 63.6**	$ 37.9	**4.8%**	3.2%

[1] This amount does not have a standardized meaning under generally accepted accounting principles. For a reconciliation of this amount to net income from continuing operations, see the heading "Description of Non-GAAP Measure" in this Management's Discussion and Analysis.

Revenue by Operation
($ millions)
Three months ended September 30



Third quarter consolidated revenues from continuing operations of $1.3 billion increased 13.8% from the third quarter of 2006. In spite of the downward pressure from the strengthening of the Canadian dollar relative to the U.S. dollar, record third quarter revenues were achieved driven by continued strong equipment sales and good demand for customer support services in all Finning territories. Continued growth in resource-based industries and the construction sector has led to sustained equipment demand in the dealership operations in Canada, South America, and the U.K.

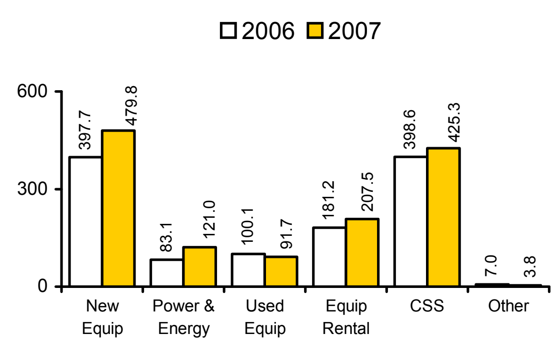
Revenue was 7.6% higher in the third quarter of 2007 compared with the same period last year in the Company's Canadian operations as a result of robust activity driven by strong market demand and high prices in key commodities. Revenue from the Company's operations in South America increased 21.6% in Canadian dollars compared with the third quarter of 2006 with strong new equipment sales combined with an increase in customer support services. The Company's operations in the U.K. also experienced a 19.2% increase in revenue in Canadian dollars compared with the third quarter of 2006 primarily due to 45% higher new equipment and power systems sales. This revenue growth was diluted by only modest growth from the UK rental business (Hewden), where management's time was diverted somewhat by the sale of its Tool Hire Division and the implementation of a new information technology system.

Finning's business is geographically diversified and the Company conducts business in multiple currencies, the most significant of which are the Canadian dollar, the U.S. dollar, and the U.K. pound sterling. The most significant foreign exchange impact on the Company's revenues and net income is the translation of foreign currency based results into Canadian dollars. Compared to the prior year, foreign exchange had a negative impact on consolidated revenues in the third quarter of 2007 of approximately $30 million mainly due to a 6.7% stronger Canadian dollar in the quarter relative to the U.S. dollar. The Canadian dollar relative to the U.K. pound sterling was comparable to the same period last year. At the net income level, the foreign exchange rate movement quarter over quarter had a negative impact of approximately $0.02 per share.

In addition to the above impact as a result of translating foreign currency based earnings, the Company experiences foreign currency translation gains or losses as a result of consolidating the financial statements of self-sustaining foreign operations. These unrealized foreign currency translation gains or losses are recorded in the Accumulated Other Comprehensive Income/Loss account on the Consolidated Balance Sheet. Currency translation adjustments arise as a result of fluctuations in foreign currency exchange rates at the period end. The unrealized currency translation loss of $59.7 million recorded in the third quarter of 2007 mainly resulted from the 4.8% and 6.3% stronger spot Canadian dollar against the U.K. pound sterling and the U.S. dollar, respectively, from June 30, 2007 to September 30, 2007. This was partially offset by $8.3 million of unrealized foreign exchange gains on net investment hedges.

Excluding the impact of foreign exchange when translating results, revenues for the third quarter of 2007 in local currency increased by 30.6% in the Company's South American operations and increased by 18.4% in the UK Group when compared to last year's third quarter.

Revenue by Line of Business
($ millions)
Three months ended September 30



From a line of business perspective, strong demand continued in the third quarter of 2007 for new equipment sales, rentals, and customer support services. On a consolidated basis, all lines of business increased over third quarter 2006 levels, with the exception of used equipment. Used equipment revenues typically vary depending on product availability, customer buying preferences, and exchange rate considerations. New equipment is currently in high demand and, while product availability has improved in most operations, certain models remain in short supply. As a result, some customers are utilizing their older units longer and as such, availability of used equipment is low. In addition, with the stronger Canadian dollar, many customers in Canada are currently opting to buy new rather than used equipment.

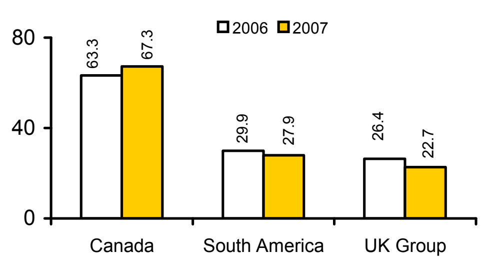
Revenue mix continued to be more heavily weighted to new equipment sales as a result of extremely strong demand for equipment. Revenues from the Canadian operations continue to grow, most notably in new equipment, rental, and customer support services. The South American operations recorded a 28.5% increase in new equipment and power systems revenues as demand in the construction sector continued to be strong. The UK Group experienced stronger revenues from all lines of business in the third quarter of 2007 compared to the prior year, most notably new equipment and power and energy solutions, with higher unit deliveries.

Finning's global order book or backlog (the retail value of new equipment units ordered by customers for future deliveries) continues to be very strong at $1.8 billion at the end of the third quarter of 2007, similar to the level at June 2007, but down marginally from the record $1.9 billion March 2007 levels. The backlog at September 2006 was $1.2 billion. Backlog is dependent on various factors, such as order intake or bookings as well as the level of deliveries. In the third quarter of 2007, the dollar value of order intake and delivery of new equipment exceeded that of the comparable period last year.

The Company is dependent on Caterpillar for the timely supply of parts and equipment to fulfill its deliveries and meet the requirements of the Company's service maintenance contracts. Although availability of most models has been improving, there continues to be certain models of large equipment, large engines, and some parts under managed distribution. Finning continues to work closely with Caterpillar and customers to ensure that demand for parts and equipment can be met.

Gross profit of $390.8 million in the third quarter increased 14.4% over the same period last year. Gross profit as a percentage of revenue for the quarter was 29.4%, slightly higher when compared with the same period last year. The higher margins achieved by the Canadian and South American operations reflected higher customer support services margins as well as improved margins from new equipment sales. The gross profit margin for the UK Group was lower when compared to the prior year's quarter due to lower rental utilization as well as a higher proportion of revenues from new equipment sales, which typically have lower margins.

EBIT by Operation – continuing operations
($ millions)
Three months ended September 30



Excluding other operations – corporate head office

Earnings from continuing operations before interest and income taxes (EBIT) of $109.9 million in the third quarter of 2007 decreased 4.2% year over year. EBIT in the third quarter of 2006 included a $7.8 million pre-tax gain on the sale of certain properties in Canada. Excluding the gain on the 2006 property sale, EBIT of $109.9 million in the third quarter of 2007 increased 2.8% compared with the same period last year. EBIT in the third quarter of 2007 included higher variable operating costs to support the increased level of sales activity, higher employee related costs, and higher long-term incentive plan (LTIP) charges. Headcount at September 2007 increased by over 1,500 employees from the September 2006 level, with increases in the Company's Canadian operations of 13% and in the South American operations of 24%.

The LTIP charges in the third quarter of 2007 were higher by $5.1 million compared with the same period in 2006, primarily due to the mark-to-market impact on the valuation of certain stock-based compensation plans as a result of the appreciation of the Company's share price in the quarter.

The Company's EBIT margin (EBIT divided by revenues) was 8.3% in the third quarter of 2007, down from 9.8% earned in the third quarter of 2006. Excluding the gain on the 2006 property sale noted above, the 2006 EBIT margin would have been 9.2% versus 8.3% in the third quarter of 2007. The lower EBIT margin in 2007 is due to higher costs incurred to meet customer demand as well as cost pressures in South America.

In the third quarter of 2006, the Company incurred incremental finance costs of $8.9 million for the early partial repayment of Eurobond notes. Adjusting for these costs, finance costs increased 17.7% in the third quarter of 2007 compared with the same period last year due to higher short-term interest rates and higher average debt levels. Income tax expenses were also 53.4% higher than the third quarter of 2006, with a higher effective tax rate. This is a result of capital tax treatment on the 2006 Canadian property gains, a lower benefit from tax planning strategies, and a change in the earnings mix with proportionately more income earned in the higher tax jurisdictions of the Canadian and UK operations.

Consolidated net income from continuing operations of $63.6 million was 11.4% lower in the third quarter of 2007 compared with the same period in 2006.

Basic Earnings Per Share (EPS) from continuing operations for the quarter was $0.35 compared with $0.40 in the same period last year, a decrease of 12.5%.

Discontinued Operations – Tool Hire and Materials Handling divisions

On July 31, 2007, the Company sold its U.K. Tool Hire Division for cash proceeds of $242.9 million (approximately £112 million), net of costs. The gross sale price, net of taxes and transaction costs, was approximately equal to the net book value of the net tangible assets and goodwill associated with the tools rental business, and resulted in an after-tax gain on disposal of $0.1 million.

Restructuring and other costs associated with the disposition of the Tool Hire Division of $2.0 million after tax were recorded in the second and third quarters of 2007.

On September 29, 2006, the U.K. Materials Handling Division was sold for cash proceeds of $170.6 million (£81.7 million), net of costs, which resulted in an after-tax loss on disposal of $32.7 million (approximately £15.5 million).

These divisions are classified as discontinued operations within the consolidated income statements for all periods presented prior to the disposition.

Net income after discontinued operations for the third quarter of 2007 was $63.6 million compared with $37.9 million for the same period in 2006, reflecting the gains and losses on disposal and costs related to the disposition of the businesses noted above.

Cash Flow

Cash flow after changes in working capital for the third quarter was $115.3 million, compared with cash flow of $55.5 million generated in the same period last year. Working capital demands have stabilized in the third quarter of 2007 and, combined with initiatives to improve cash cycle times, have resulted in improved cash flow. As disclosed in the prior quarter, an improvement in cash flow was anticipated due to the scheduled delivery and sale of inventories in the second half of the year.

The Company made a net investment in rental assets of $138.9 million in the third quarter, which was $39.0 million higher than the same period in 2006. Demand for rental assets was up in all operations. In the third quarter of 2007, there was strong demand from customers for equipment to be supplied under rental purchase option contracts which are reported as rental assets on the consolidated balance sheet. As part of the Company's strategy to increase its market penetration, further investment was made into the rental fleet to target non-traditional customers. Finning (Canada) and South America also experienced a higher investment in rental assets to support product availability constraints and mining contracts.

As a result of these items, cash flow used by operating activities was $22.5 million in the third quarter of 2007 compared to cash flow used of $47.6 million in the comparative period in 2006. Cash flow in the third quarter of 2007 improved as a result of various initiatives to improve cash cycle times.

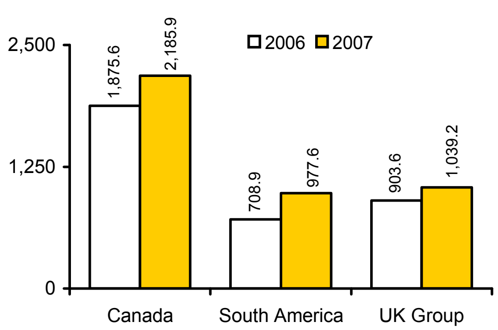
During the third quarter of 2007, under a share repurchase program, the Company repurchased 1,226,200 common shares at an average price of $28.84.

Year-to-Date Overview

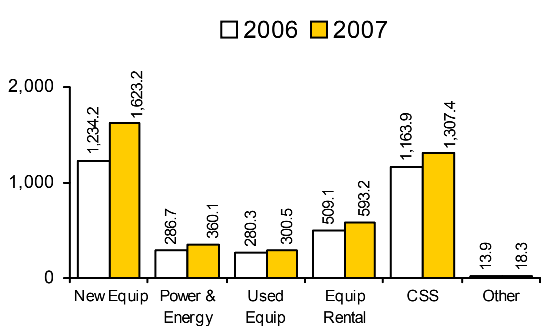
($ millions)	September 30 YTD 2007	September 30 YTD 2006	September 30 YTD 2007 (% of revenue)	September 30 YTD 2006 (% of revenue)
Revenue	**$ 4,202.7**	$ 3,488.1		
Gross profit	**1,190.3**	996.1	**28.3%**	28.6%
Selling, general & administrative expenses	**(847.3)**	(718.1)	**(20.1)%**	(20.6)%
Other income	**0.6**	11.8	**—**	0.3%
Earnings from continuing operations before interest and income taxes [(1)]	**343.6**	289.8	**8.2%**	8.3%
Finance costs	**(53.9)**	(53.4)	**(1.3)%**	(1.6)%
Provision for income taxes	**(80.1)**	(53.3)	**(1.9)%**	(1.5)%
Net income from continuing operations	**209.6**	183.1	**5.0%**	5.2%
Loss from discontinued operations, net of tax	**(2.0)**	(31.7)	**(0.1)%**	(0.9)%
Net income	**$ 207.6**	$ 151.4	**4.9%**	4.3%

(1) This amount does not have a standardized meaning under generally accepted accounting principles. For a reconciliation of this amount to net income from continuing operations, see the heading "Description of Non-GAAP Measure" in this Management's Discussion and Analysis.

Revenue by Operation
($ millions)
Nine months ended September 30



Revenue by Line of Business
($ millions)
Nine months ended September 30



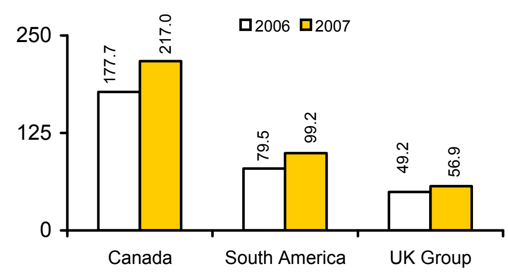
For the nine month period ending September 30, 2007, revenues from continuing operations of $4.2 billion increased 20.5%, year over year, as continued strong growth in resource-based industries and the construction sector continue to drive demand in Canada and South America. Revenue from the UK Group increased 15.0% in the first nine months of 2007, reflecting improvement in most lines of business but primarily in new equipment sales.

On a consolidated basis, all lines of business increased in the first nine months of 2007 over the same period last year. New equipment sales continued to dominate revenue growth as a result of extremely strong demand for equipment.

Foreign exchange translation had a positive impact of approximately $15 million on revenues due to the 6.7% weaker Canadian dollar in the first nine months of 2007 relative to the U.K. pound sterling, partially offset by a 2.4% stronger Canadian dollar relative to the U.S dollar.

Gross profit of $1,190.3 million in the first nine months of the year increased 19.5% over the same period last year, while gross profit as a percentage of revenue of 28.3% was slightly lower. The gross profit margin in the Canadian operations for the first nine months of 2007 was higher when compared to the first nine months of the prior year with a lower gross profit margin contributed by South American and UK operations, primarily due to a revenue mix shift from customer support services to lower margin new equipment sales.

EBIT by Operation – continuing operations
($ millions)
Nine months ended September 30



Excluding other operations – corporate head office

EBIT of $343.6 million increased 18.6% year over year, primarily due to the strong performance of the Company's Canadian and South American operations and a continued improvement in the UK Group. EBIT in the first nine months of 2007 included higher variable operating costs to support the increased level of activity and higher employee costs related to the increased headcount and aggressive competition for a skilled workforce, as well as cost pressures in South America. Higher LTIP charges also had a significant impact on EBIT. LTIP charges in the first nine months of 2007 are higher by $25.6 million compared with the same period in 2006. This was primarily due to the mark-to-market impact on the valuation of certain stock-based compensation plans resulting from the appreciation of the Company's share price in the second and third quarters of 2007.

The results of the first nine months of 2006 also included non-recurring pre-tax gains of $18.2 million from the disposal of surplus properties in Canada and the sale of OEM Remanufacturing's railroad and non-Caterpillar engine component remanufacturing business to Caterpillar. Excluding these pre-tax gains from 2006 results, the 2007 EBIT was 26.5% higher than the same period last year and EBIT margin of 8.2% was above the prior year of 7.8%.

Net income from continuing operations of $209.6 million improved 14.5% in the first nine months of 2007 compared to the same period last year, reflecting the solid activity noted above.

Basic EPS from continuing operations for the nine months ended September 30, 2007, was $1.17 compared with $1.02 in the same period last year. The 2006 results included $0.09 per share of non-recurring gains on the sale of surplus properties and a portion of the OEM remanufacturing business in Canada, partially offset by incremental finance costs of approximately $0.04 per share for the early repayment of Finning's previously issued Eurobond notes in the third quarter of 2006. Adjusting the prior year results for the gains on dispositions and the incremental finance costs noted above, basic EPS would have been $0.97 for the nine months ended September 30, 2006, compared to $1.17 in the first nine months of 2007, an improvement of 20.6%.

Net income after discontinued operations for the first nine months of 2007 was $207.6 million compared with net income of $151.4 million for the same period in 2006. Basic EPS after discontinued operations was $1.16 in the first nine months of 2007 compared with $0.84 in the first nine months of 2006 ($0.79 after adjusting for non-recurring gains and incremental finance costs noted previously).

Cash flow after changes in working capital for the nine months ended September 30, 2007, was $183.1 million, compared with cash flow of $381.2 million generated in the same period last year. The Company's operations experienced a significant increase in working capital as a result of the timing of equipment and parts deliveries in relation to strong customer demand requirements in 2007. Throughout all operations, management continues to focus on improving cash cycle times and operating efficiencies.

The Company made a net investment in rental assets of $460.4 million in the first nine months of 2007, which was $181.0 million higher than the same period in 2006, and up in all operations to support increased demand for all rental lines, particularly in Finning (Canada). The Company experienced strong demand from customers of Finning (Canada) for equipment to be supplied under rental purchase option contracts. Rental additions were also higher in the Finning UK Group due to the earlier delivery of rental assets at Hewden in 2007 compared to the prior year.

As a result of these items, cash flow used by operating activities was $264.0 million in the first nine months of 2007 compared to cash flow provided by operating activities of $85.5 million in the comparative period in 2006. Cash flow in the first nine months of 2007 reflects the growth in assets to meet customer demand with strong deliveries and cash generation anticipated for the remainder of the year.

Results by Business Segment

The Company and its subsidiaries operate primarily in one principal business, that being the selling, servicing and renting of heavy equipment and related products in various markets worldwide as noted below.

Finning's operating units are as follows:

- *Canadian operations*: British Columbia, Alberta, the Yukon Territory, the Northwest Territories, and a portion of Nunavut.
- *South American operations*: Chile, Argentina, Uruguay and Bolivia.
- *UK Group operations*: England, Scotland, Wales, Falkland Islands, and the Channel Islands.
- *Other*: corporate head office.

The table below provides details of revenue by operations and lines of business for continuing operations. Comparative periods have been reclassified to conform to the 2007 presentation.

Three months ended September 30, 2007 ($ millions)	**Canada**	**South America**	**UK Group**	**Consolidated**	**Revenue percentage**
New mobile equipment	**$ 237.2**	**$ 129.7**	**$ 112.9**	**$ 479.8**	**36.1%**
New power & energy systems	**42.4**	**29.1**	**49.5**	**121.0**	**9.1%**
Used equipment	**45.3**	**10.5**	**35.9**	**91.7**	**6.9%**
Equipment rental	**82.4**	**12.9**	**112.2**	**207.5**	**15.6%**
Customer support services	**229.2**	**134.8**	**61.3**	**425.3**	**32.0%**
Other	**3.4**	**0.4**	**—**	**3.8**	**0.3%**
Total	**$ 639.9**	**$ 317.4**	**$ 371.8**	**$ 1,329.1**	**100.0%**
Revenue percentage by operations	**48.1%**	**23.9%**	**28.0%**	**100.0%**	

Three months ended September 30, 2006 ($ millions)	Canada	South America	UK Group	Consolidated	Revenue percentage
New mobile equipment	$ 209.9	$ 110.3	$ 77.5	$ 397.7	34.1%
New power & energy systems	35.6	13.3	34.2	83.1	7.1%
Used equipment	60.5	7.1	32.5	100.1	8.6%
Equipment rental	64.8	9.2	107.2	181.2	15.5%
Customer support services	217.2	120.8	60.6	398.6	34.1%
Other	6.7	0.3	—	7.0	0.6%
Total	$ 594.7	$ 261.0	$ 312.0	$ 1,167.7	100.0%
Revenue percentage by operations	50.9%	22.4%	26.7%	100.0%	

Nine months ended September 30, 2007 ($ millions)	**Canada**	**South America**	**UK Group**	**Consolidated**	**Revenue percentage**
New mobile equipment	**$ 911.4**	**$ 420.3**	**$ 291.5**	**$ 1,623.2**	**38.6%**
New power & energy systems	**149.0**	**72.8**	**138.3**	**360.1**	**8.6%**
Used equipment	**188.2**	**33.6**	**78.7**	**300.5**	**7.2%**
Equipment rental	**216.5**	**37.4**	**339.3**	**593.2**	**14.1%**
Customer support services	**704.2**	**411.8**	**191.4**	**1,307.4**	**31.1%**
Other	**16.6**	**1.7**	**—**	**18.3**	**0.4%**
Total	**$ 2,185.9**	**$ 977.6**	**$ 1,039.2**	**$ 4,202.7**	**100.0%**
Revenue percentage by operations	**52.0%**	**23.3%**	**24.7%**	**100.0%**	

Nine months ended September 30, 2006 ($ millions)	Canada	South America	UK Group	Consolidated	Revenue percentage
New mobile equipment	$ 732.6	$ 268.0	$ 233.6	$ 1,234.2	35.4%
New power & energy systems	136.6	40.4	109.7	286.7	8.2%
Used equipment	170.6	30.6	79.1	280.3	8.0%
Equipment rental	174.5	27.9	306.7	509.1	14.6%
Customer support services	648.7	340.7	174.5	1,163.9	33.4%
Other	12.6	1.3	—	13.9	0.4%
Total	$ 1,875.6	$ 708.9	$ 903.6	$ 3,488.1	100.0%
Revenue percentage by operations	53.8%	20.3%	25.9%	100.0%	

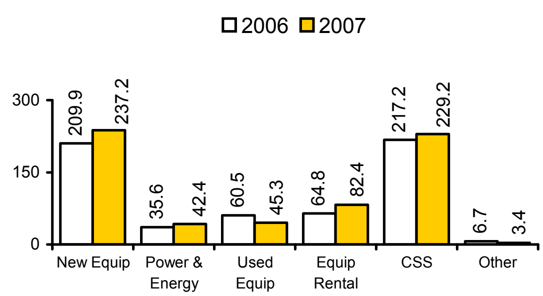
Canadian Operations

The Canadian operating segment primarily reflects the results of the Company's operating division, Finning (Canada). This reporting segment also includes the Company's interest in OEM Remanufacturing Company Inc. (OEM), which is separately managed from Finning (Canada). OEM is a component remanufacturing business based in Edmonton, Alberta.

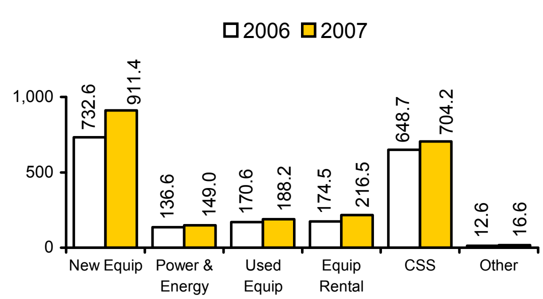
The table below provides details of the results from the Canadian operating segment:

	Three months ended September 30		Nine months ended September 30	
($ millions)	**2007**	2006	**2007**	2006
Revenue from external sources	**$ 639.9**	$ 594.7	**$ 2,185.9**	$ 1,875.6
Operating costs	**(526.6)**	(498.6)	**(1,843.6)**	(1,608.3)
Depreciation and amortization	**(46.0)**	(40.6)	**(124.9)**	(107.4)
Other income (expenses)	**—**	7.8	**(0.4)**	17.8
Earnings before interest and taxes	**$ 67.3**	$ 63.3	**$ 217.0**	$ 177.7
Earnings before interest and taxes				
- as a percentage of revenue	**10.5%**	10.6%	**9.9%**	9.5%
- as a percentage of consolidated earnings before interest and taxes	**61.2%**	55.2%	**63.1%**	61.3%

Canada – Revenue by Line of Business
($ millions)
Three months ended September 30



Canada – Revenue by Line of Business
($ millions)
Nine months ended September 30



The results from the Company's Canadian operations continue to be strong. Third quarter revenues increased 7.6% over the 2006 levels to $639.9 million. Revenues from most lines of business in Canada increased over 2006 levels, most notably in new equipment, rental, and customer support services, continuing the trend experienced in 2006.

The increase in new equipment revenues was attributable to strong market demand and continued growth in the mining, construction, and government sectors, driven by strong commodity and oil prices and infrastructure spending.

Higher revenues from customer support services were a result of servicing the steadily increasing population of Caterpillar units in the Company's Canadian dealership territory and the accompanying demand for Caterpillar parts. Rental revenues in the third quarter of 2007 increased 27.2% over 2006 as a result of strong customer demand in this sector and a corresponding increased investment in the rental fleet and in the Cat Rental Store operations. All rental categories continue to generate strong returns.

In Canada, overall gross profit as a percentage of revenue in the third quarter of 2007 was slightly higher than last year, primarily due to higher margins across most lines of business reflecting good price realization in a robust market.

Selling, general, and administrative (SG&A) costs have increased both in absolute dollars and as a percentage of revenue in the third quarter of 2007 to support the strong revenue growth and to meet customer demand. In order to support the strong demand in western Canada, headcount for Finning (Canada) increased by approximately 470 or 13% compared to September 2006. As a result, higher salaries, benefit, pension, training, and recruitment costs were incurred in the third quarter of 2007. In addition, standard variable selling costs such as warranty and freight have increased. SG&A costs in the third quarter of 2007 also include higher LTIP costs due to the appreciation of the Company's share price.

Strong revenues and good price realization due to robust market activity and demand translated into a significant contribution by the Company's Canadian operating segment in the quarter. EBIT of $67.3 million in the third quarter of 2007 was 6.3% higher than the $63.3 million earned in the same period in 2006. Excluding the $7.8 million pre-tax gain recorded in 2006 on property sales included in other income, EBIT for the third quarter of 2007 was 21.3% higher than the prior year. Excluding the gain on the 2006 property sale noted above, the 2006 EBIT margin (EBIT divided by revenues) would have been 9.3% in 2006 versus 10.5% in the third quarter of 2007.

Revenues for the nine months ended September 30, 2007, increased 16.5% to $2,185.9 million. Year-to-date revenues from all lines of business increased over 2006 levels, and the quarterly trends noted above for new equipment sales and customer support services also hold for the year-to-date results of the Company's Canadian operations. Strong returns from the Canadian operations resulted in an EBIT of $217.0 million for the nine months ended September 30, 2007, compared with $177.7 million for the same period in the prior year, an increase of 22.1%. The nine month results for 2006 included a $12.9 million pre-tax gain on the sale of surplus properties at Finning (Canada) and a $5.3 million pre-tax gain recorded on the sale of a portion of OEM's remanufacturing business. OEM sold its railroad and non-Caterpillar engine component remanufacturing business to Caterpillar, and Caterpillar and OEM have signed an initial two-year agreement under which OEM will provide remanufacturing services to Caterpillar for these lines of business.

Excluding the gains on the 2006 property sales and the OEM sale, the 2006 EBIT margin would have been 8.5% versus 9.9% achieved in the first nine months of 2007.

Other Developments

Finning, Finning (Canada), and OEM have been involved in legal proceedings for the past two years with the Alberta division of the International Association of Machinists and Aerospace Workers – Local Lodge 99 (IAM) relating to Finning (Canada)'s outsourcing of component repair and rebuilding services to OEM in 2005. On October 17, 2007 the Alberta Court of Appeal overturned previous decisions in favour of Finning and OEM made by the Court of Queens Bench and by a Reconsideration Panel of the Alberta Labour Relations Board (ALRB), and reinstated a finding of the original ALRB panel. The original ALRB panel had found that OEM was a successor employer to Finning (Canada) in respect of the component repair and rebuilding activities being carried out by OEM as a service provider to Finning (Canada).

The result of the Court of Appeal finding is that IAM may now have the right to assert that it is the authorized bargaining agent for some or all of the non-management employees of OEM. These OEM employees are currently represented by another union, the Christian Labour Association of Canada. The Court of Appeal did not overturn other aspects of the previous decisions in Finning's and OEM's favour and the full operational and legal implications of the Court's decision are still being considered. At this time, Finning and OEM are confident that they can manage the operational impacts of this recent Court decision.

Finning, Finning (Canada), and OEM intend to file for leave to appeal this decision to the Supreme Court of Canada, and expect to file supporting documentation within the 60 day appeal period. The timing of the appeal, if allowed, is not yet known.

In a separate matter in the second quarter of 2007, Finning (Canada) and the IAM, representing Finning (Canada) hourly employees in Alberta and the Northwest Territories, agreed to a two year extension of the existing collective agreement with an enhanced wage settlement. This extends the agreement to April 2010. All other terms and conditions of the existing collective agreement continue in effect.

A transition agreement was signed in the second quarter of 2007 by Finning (Canada) and Shell Canada terminating their alliance agreement relating to the distribution of Shell's lubricant and light oil products. The transition will be completed before the end of this year with minimal business impacts.

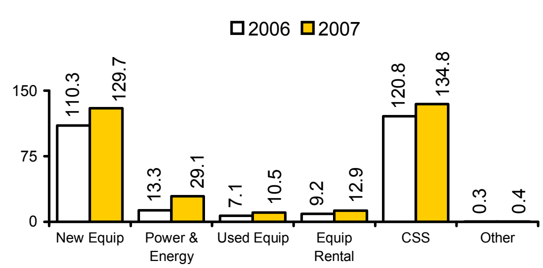
South America

The Company's South American operations include the results of its Caterpillar dealerships in Chile, Argentina, Uruguay, and Bolivia.

The table below provides details of the results from the South American operations:

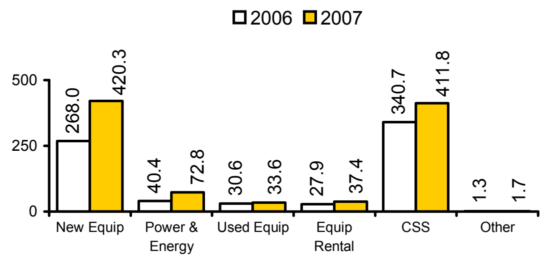
	Three months ended September 30		Nine months ended September 30	
($ millions)	**2007**	2006	**2007**	2006
Revenue from external sources	**$ 317.4**	$ 261.0	**$ 977.6**	$ 708.9
Operating costs	**(283.5)**	(225.1)	**(859.0)**	(611.0)
Depreciation and amortization	**(7.0)**	(6.0)	**(20.4)**	(18.4)
Other income (expenses)	**1.0**	—	**1.0**	—
Earnings before interest and taxes	**$ 27.9**	$ 29.9	**$ 99.2**	$ 79.5
Earnings before interest and taxes				
- as a percentage of revenue	**8.8%**	11.5%	**10.1%**	11.2%
- as a percentage of consolidated earnings before interest and taxes	**25.4%**	26.1%	**28.9%**	27.4%

South America – Revenue by Line of Business
($ millions)
Three months ended September 30



Revenues for the third quarter of 2007 of $317.4 million exceeded revenues for the third quarter of 2006 by 21.6%. Revenues from all lines of business in South America increased over 2006 levels, most notably in new equipment sales, power and energy, and customer support services. The strong commodity cycle and high metal prices continue to fuel increased demand for equipment and support services in the countries in which Finning South America operates.

South America – Revenue by Line of Business
($ millions)
Nine months ended September 30



Although revenues for customer support services were higher in 2007, new equipment sales continued to dominate revenue growth in the third quarter of 2007. The significant growth in new equipment revenues was attributable to the strong demand in the construction sector, primarily in Argentina. Revenue growth in customer support services, up 11.6%, was driven by the higher number of Caterpillar units operating in the field and reflects the increasing number of mining maintenance and repair contracts entered into over the past couple of years.

For the nine months ended September 30, 2007, revenue increased 37.9% over 2006 to $977.6 million, reflecting the same quarterly trends noted above.

Gross profit increased in the third quarter of 2007 compared with the same period in 2006 in absolute terms and as a percentage of revenue. Stronger margins were achieved in most lines of business partially through price realization in a robust market. Margins from customer support services remained relatively level compared with the third quarter of 2006, in spite of the higher customer support costs. In order to meet strong customer service demand due to the higher number of service maintenance contracts, over 1,000 additional revenue-generating employees and support staff have been hired, representing a 24% increase over September 2006 levels.

As a result of an increased headcount for associated support staff, SG&A expenses included higher salaries and benefit costs in the third quarter of 2007 compared with the same period in 2006 together with higher recruitment and training costs. Parts availability constraints also increased parts delivery costs. Other operating costs reflect the upward pressure of inflationary increases, especially from Argentina which continues to have a comparatively high rate of inflation. Where possible, price increases have been implemented to offset rising costs. SG&A costs in the third quarter of 2007 also include higher LTIP costs due to the appreciation of the Company's share price.

EBIT of the Company's South American operations of $27.9 million for the three months ended September 30, 2007, was 6.7% lower than the third quarter of 2006, and in local currency was comparable to the prior year's quarter. As a result of the higher costs to meet customer demand, a sales mix oriented to a higher proportion of equipment sales (which typically attract a lower margin), and higher LTIP costs, EBIT as a percentage of revenue for Finning South America declined to 8.8%, down from 11.5% in the third quarter of 2006. Management continues to undertake cost saving initiatives to drive productivity efficiencies in work flow processes wherever possible but continues to be challenged by product availability constraints and the supply of a skilled workforce to fulfill current demand levels.

For the first nine months of 2007, EBIT of $99.2 million was 24.8% higher compared to the same period last year, reflecting the strong revenue growth, but as a result of the revenue mix shift to lower margin equipment sales as well as the higher costs associated with meeting demand, EBIT as a percentage of revenue for the nine months ended September 30, 2007 declined to 10.1%, down from 11.2% for the same period in 2006.

United Kingdom ("UK") Group

During the fourth quarter of 2006, the UK Group business model was reorganized to combine the operations of Finning (UK) and Hewden into one organization creating four distinct lines of business to more effectively service customers, improve alignment with Caterpillar and to generate operating efficiencies. At the same time a new management team was appointed. These four business units will, over time, be supported by an integrated back office operation that will provide common head office services, generating additional synergies among the business units. As a result of this reorganization, the Finning UK Group is reported as one operating segment in 2007, with the four lines of business being: Heavy Construction, General Construction, Power Systems, and Rental (Hewden).

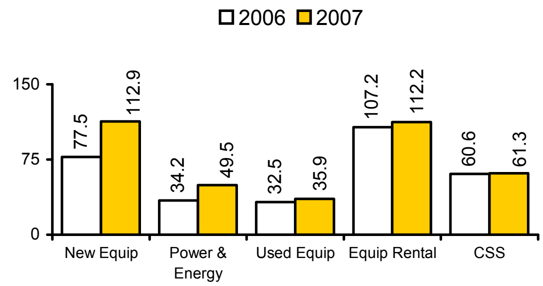
Prior to 2007, results from the UK Group were reported as two separate operating segments: Finning UK Operations, reflecting the results of Finning (UK), the UK Caterpillar dealership operation and Diperk UK, which distributes and services Perkins engines in the U.K; and Hewden Operations, an equipment rental and associated services operation in the U.K.

On July 31, 2007, Hewden sold its Tool Hire Division. In September 2006, Finning (UK) sold its Materials Handling Division. The results from the Tool Hire and Materials Handling divisions are recorded as discontinued operations with prior period results restated accordingly.

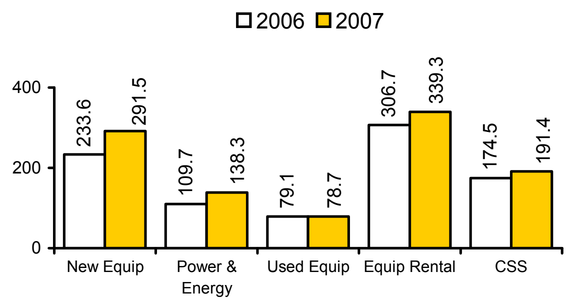
The table below provides details of the results of the continuing operations from the UK Group:

	Three months ended September 30		**Nine months ended September 30**	
($ millions)	**2007**	2006	**2007**	2006
Revenue from external sources	**$ 371.8**	$ 312.0	**$ 1,039.2**	$ 903.6
Operating costs	**(315.4)**	(254.2)	**(881.9)**	(763.1)
Depreciation and amortization	**(33.7)**	(29.7)	**(100.4)**	(85.3)
Other income (expenses)	**—**	(1.7)	**—**	(6.0)
Earnings before interest and taxes	**$ 22.7**	$ 26.4	**$ 56.9**	$ 49.2
Earnings before interest and taxes				
- as a percentage of revenue	**6.1%**	8.5%	**5.5%**	5.4%
- as a percentage of consolidated earnings before interest and taxes	**20.7%**	23.0%	**16.6%**	17.0%

UK Group – Revenue by Line of Business
($ millions)
Three months ended September 30



UK Group – Revenue by Line of Business
($ millions)
Nine months ended September 30



The UK Group's revenues for the third quarter of 2007 of $371.8 million were up 19.2% from the same period last year due to strong trading results of new mobile and power system revenues. In local currency, revenues were 18.4% higher compared with the third quarter of 2006.

Revenues from all lines of business for the UK Group increased over 2006 third quarter levels, most notably in new equipment sales. The UK Group's revenue mix was more heavily weighted to new equipment sales in the third quarter of 2007 compared with the same period in 2006. Revenue from rental operations was 4.7% higher in the third quarter of 2007 compared with the same quarter of 2006, resulting from a higher asset base. The UK Group continues to be impacted by lower rental utilization rates and price realization. Although rental revenues were higher in 2007, EBIT was below the prior year due to competitive market conditions in the U.K. In addition, during the quarter, management focused on the disposition of the Tools Hire Division and implementation of a new information technology system during the quarter.

During the third quarter of 2007, a new information technology system was implemented for Hewden's continuing operations. As this new system, improved processes, and revised product line become fully embedded in rental operations, management expects that utilization, price realization, and operating results will significantly improve.

For the nine months ending September 30, 2007, revenues increased 15.0% to $1,039.2 million and in local currency, total revenue was 8.1% higher compared to that reported in the first nine months of 2006.

Gross profit for the third quarter of 2007 was higher compared with the same period last year in absolute terms, but decreased as a percentage of revenue partially due to a revenue mix shift towards a higher proportion of new equipment sales which typically generate lower margins compared to customer support services. In addition, the rental business experienced lower margins in the third quarter compared to the same period last year by the reasons noted above, and margins were also lower in customer support services.

SG&A costs were higher in the third quarter of 2007 compared with 2006 both in absolute terms and as a percentage of revenue, reflecting higher costs in line with higher revenues and a higher rental asset base, increased information technology costs, and higher LTIP costs due to the appreciation of the Company's share price.

In the third quarter of 2007, the UK Group contributed $22.7 million of EBIT, a 14.0% decrease compared with that achieved in the third quarter of 2006, primarily due to the reduced gross margin and higher SG&A costs as noted above.

EBIT as a percentage of revenue for the UK Group was 6.1% in the third quarter of 2007 compared with 8.5% in the same period last year and was lower primarily due to Hewden's results.

For the nine months ended September 30, 2007, the UK Group contributed $56.9 million of EBIT, 15.7% higher than the EBIT contributed during the first nine months of 2006. Other expenses incurred in the first nine months of 2006 were primarily project costs at Hewden and related to various initiatives to assess products, the distribution network, organizational structure, and process efficiency to meet customers' needs. On July 2, 2007, a new information technology system was implemented for Hewden's continuing operations. This new system is expected to support the simplification and standardization of business processes and also provide enhanced management and customer information which will provide Hewden the opportunity to improve performance. Management continues to examine and assess the business model in the U.K. in order to pursue the goal of building market share, growing the customer service business, generating higher returns on invested capital, and improving financial results.

Discontinued Operations – Tool Hire and Materials Handling divisions

On September 29, 2006, the Materials Handling Division was sold for cash proceeds of $170.6 million (£81.7 million), net of costs, which resulted in a one-time after-tax loss of $32.7 million (approximately £15.5 million).

On July 31, 2007, the Company sold its Tool Hire Division for cash proceeds of approximately $242.9 million (approximately £112 million), net of costs. The gross sale price, net of taxes and transaction costs, was approximately equal to the net book value of the net tangible assets and goodwill associated with the tools rental business, and resulted in a one-time after-tax gain of $0.1 million.

Restructuring and other costs associated with the disposition of this business of $2.0 million after tax were recorded in the second and third quarters of 2007.

These divisions are classified as discontinued operations within the consolidated income statements for all periods presented prior to the disposition. The table below provides details of the discontinued operations of the Tool Hire and Materials Handling divisions, excluding the gain and loss on sale, respectively:

Three months ended September 30	**Tool Hire Division**		**Materials Handling Division**	
($ thousands)	**2007**	2006	**2007**	2006
Revenue from external sources	**$ 16.2**	$ 49.0	**$ —**	$ 56.9
Operating costs	**(13.3)**	(34.6)	**—**	(46.4)
Depreciation and amortization	**(3.3)**	(9.4)	**—**	(10.3)
Other income (expenses)	**0.9**	(1.3)	**—**	—
Earnings before interest and taxes	**$ 0.5**	$ 3.7	**$ —**	$ 0.2

Nine months ended September 30	**Tool Hire Division**		**Materials Handling Division**	
($ thousands)	**2007**	2006	**2007**	2006
Revenue from external sources	**$ 113.3**	$ 145.8	**$ —**	$ 183.6
Operating costs	**(82.2)**	(102.9)	**—**	(147.7)
Depreciation and amortization	**(23.4)**	(28.2)	**—**	(31.1)
Other income (expenses)	**(8.0)**	(2.4)	**—**	—
Earnings before interest and taxes	**$ (0.3)**	$ 12.3	**$ —**	$ 4.8

Corporate and Other Operations

($ millions)	Three months ended September 30 2007	2006	Nine months ended September 30 2007	2006
Operating costs	**$ (8.0)**	$ (4.9)	**$ (29.5)**	$ (16.6)
Earnings before interest and taxes	**$ (8.0)**	$ (4.9)	**$ (29.5)**	$ (16.6)

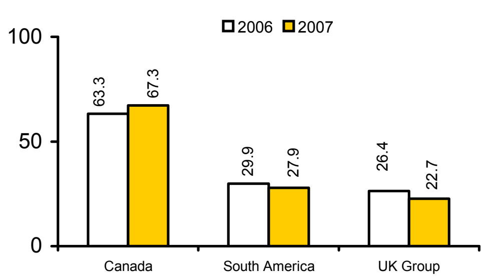
For the three months ended September 30, 2007, Corporate operating costs increased to $8.0 million, compared with $4.9 million for the same period in 2006. This increase was substantially due to $1.6 million higher LTIP costs incurred at the Corporate level in the third quarter of 2007, compared to the same period in 2006 as a result of the appreciation of the Company's share price. Costs were also higher in 2007 as the Company investigated various information technology systems solutions for its global operations.

For the nine months ended September 30, 2007, operating costs increased to $29.5 million, compared with $16.6 million for the same period in 2006, for similar reasons noted above for the quarterly results. LTIP costs incurred in the first nine months of 2007 were $10.7 million higher than the first nine months of 2006.

Earnings Before Interest and Taxes from Continuing Operations (EBIT)

On a consolidated basis, EBIT in the third quarter of 2007 decreased by 4.2% over the same period in 2006 to $109.9 million. Adjusting prior year quarterly results for a $7.8 million pre-tax gain on the sale of certain properties in Canada, EBIT for the third quarter of 2007 is up $3.0 million or 2.8%. Gross profit increased $49.2 million to $390.8 million in the third quarter of 2007 compared with the third quarter of 2006, up in all business segments. The increase in gross profit was almost entirely offset by a similar increase in SG&A costs. SG&A costs were higher in the third quarter of 2007 compared with 2006, reflecting higher costs incurred to meet customer demand, inflationary cost increases in South America, and higher LTIP charges. EBIT continued to be negatively impacted in 2007 due to the stronger Canadian dollar relative to the U.S. dollar. Consolidated EBIT margin (EBIT as a percentage of revenue) decreased from 9.8% in the third quarter of 2006 to 8.3% in the third quarter of 2007. Excluding the prior year gain on the sale of properties in Canada, EBIT margin would be 9.2% in the third quarter of 2006 compared with 8.3% in the same period in 2007 due to the higher SG&A costs noted above.

EBIT by operation
($ millions)
Three months ended September 30



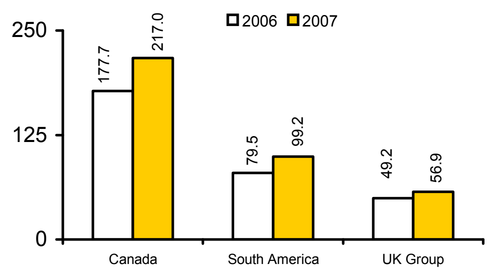
Excluding other operations – corporate head office

Major components of the EBIT variance were:

	($ millions)
2006 Q3 EBIT	114.7
Net growth in operations	9.9
Foreign exchange impact	(4.5)
Higher LTIP costs	(5.1)
Gain on sale of properties in Canada in 2006	(7.8)
Other net expenses *(see Note 2 to the Consolidated Financial Statements)*	2.7
2007 Q3 EBIT	109.9

For the nine months ended September 30, 2007, EBIT increased by 18.6% over the same period in 2006 to $343.6 million. EBIT in the first nine months of the prior year included gains realized in the first and third quarters of 2006 on the disposal of surplus properties in Canada and a portion of OEM's business. Excluding these gains, EBIT as a percentage of revenue in 2006 would have been 7.8%, slightly lower than the consolidated EBIT margin of 8.2% in the first nine months of 2007. EBIT is up in all business segments.

EBIT by operation
($ millions)
Nine months ended September 30



Excluding other operations – corporate head office

Major components of the EBIT variance were:

	($ millions)
2006 Year-to-Date EBIT	289.8
Net growth in operations	89.6
Foreign exchange impact	1.1
Gain on sale of OEM's railroad and non-Cat remanufacturing business in 2006	(5.3)
Gain on sale of surplus properties in Canada in 2006	(12.9)
Higher LTIP costs	(25.6)
Other net expenses *(see Note 2 to the Consolidated Financial Statements)*	6.9
2007 Year-to-Date EBIT	343.6

Finance Costs

Finance costs for the three months ended September 30, 2007 of $19.3 million were 23.7% lower than the comparable period last year primarily due to:

- Following the sale of the Company's Materials Handling Division in the U.K. in the third quarter of 2006, the Company used a portion of the proceeds to redeem £75 million of its £200 million Eurobond notes. As a result, the Company recorded a charge of approximately $8.9 million, reflecting costs associated with the recognition of deferred financing costs and related redemption costs.

Adjusting for the costs associated with the redemption of the Eurobond notes in 2006, finance costs increased 17.7% in the third quarter of 2007 due to:

- Higher short-term interest rates in the third quarter of 2007; and
- Higher average debt levels at each of the Company's operations to support working capital requirements.

For the nine months ended September 30, 2007, finance costs increased marginally to $53.9 million. Excluding the incremental finance costs incurred in 2006 on the early repayment of a portion of the Eurobond notes noted above, finance costs increased 21.1% over the same period last year for similar reasons noted for the quarter.

Provision for Income Taxes

The effective income tax rate for the third quarter of 2007 was 29.8% compared to 19.7% in the comparable period of the prior year, reflecting the lower benefit from tax planning strategies and a change in the earnings mix with proportionately more income earned in the higher tax jurisdictions of the Canadian and UK operations. The income tax provision was also lower in the third quarter of 2006 due to a lower capital tax rate on the gain on property sales in Canada.

The year-to-date income tax expense was $80.1 million (27.6% effective tax rate) compared with $53.3 million (22.5% effective tax rate) for the same period last year. The higher effective tax rate reflects similar adjustments as noted above.

The effective income tax rate for the third quarter of 2007 as well as year-to-date is within the forecast range of 25 – 30% disclosed in the Company's 2006 Annual Report.

Net Income

Finning's net income from continuing operations decreased 11.4% to $63.6 million in the third quarter of 2007 compared with $71.8 million in the comparative period in 2006. Results from the third quarter of 2007 continue to reflect strong contributions from the Company's operations in Canada, but are impacted by higher costs to meet customer demand, inflationary operating cost pressures in certain markets, higher LTIP costs, and the unfavourable impact of foreign exchange translation. Finning's 2006 earnings included an after-tax gain on the sale of certain properties in Canada, which was offset by incremental finance costs incurred on the early partial repayment of the Eurobond notes.

Basic EPS from continuing operations decreased 12.5% to $0.35 in the third quarter of 2007 compared with $0.40 in the comparative period last year.

For the nine months ended September 30, 2007, net income from continuing operations increased by 14.5% to $209.6 million, reflecting the strength in the Company's Canadian and South American operations as well as improved results from the UK Group. Finning's 2006 earnings included after-tax gains on the sale of properties in Canada and a portion of the OEM business, partially offset by the incremental finance costs noted above.

Basic EPS from continuing operations in the first nine months of 2007 increased 14.7% to $1.17 compared with $1.02 in the first nine months of 2006. Excluding the gains and incremental finance costs incurred in 2006 noted above, basic EPS would have been $0.97 in the first nine months of 2006, 20.6% lower than the first nine months of 2007.

Liquidity and Capital Resources

Cash Flow from Operating Activities

For the three months ended September 30, 2007, cash flow generated after working capital changes was $115.3 million, an increase from cash flow of $55.5 million generated during the same period in 2006. Working capital demands have stabilized in the third quarter of 2007 and, combined with balance sheet initiatives to improve cash cycle time, resulted in an improved cash flow. As disclosed in the prior quarter, an improvement in cash flow was anticipated due to the scheduled delivery and sale of inventories in the second half of 2007.

For the nine months ended September 30, 2007, cash flow after working capital changes was $183.1 million, compared with $381.2 million in the first nine months of 2006. The Company's operations experienced a significant increase in working capital as a result of the timing of equipment and parts deliveries in relation to strong customer demand requirements in 2007. Throughout all operations, management continues to focus on improving cash cycle times and operating efficiencies, which was evident in the third quarter of 2007.

The Company made a net investment in rental assets of $138.9 million during the third quarter of 2007 (2006: $99.9 million), and a net investment in the first nine months of 2007 of $460.4 million (2006: $279.4 million). Rental expenditures increased as the Company experienced higher demand for these assets in all rental lines of business. Rental assets continued to be replenished where they have been utilized to help support customer demand and offset product availability issues. Rental additions were higher in the Company's Canadian operations due to increased demand for rental assets as well as equipment being supplied under rental purchase option contracts. Rental additions were higher in the Finning UK Group due to the earlier delivery of rental assets at Hewden in 2007 compared to the prior year.

Overall, cash flow used by operating activities was $22.5 million in the third quarter of 2007 (year-to-date: $ 264.0 million) compared to $47.6 million in the third quarter of 2006 (year-to-date 2006: cash flow provided by operating activities of $85.5 million). Strong growth in the Company's business required an increase in working capital. The Company anticipates further significant deliveries of new equipment currently held in inventory, which should result in good cash generation for the remainder of the year.

Cash Used For Investing Activities

Net cash provided by investing activities in the three months ended September 30, 2007, totalled $228.1 million (year-to-date 2007: $193.0 million) compared with $144.7 million in the third quarter of 2006 (year-to-date 2006: $114.1 million). The primary source of cash in the third quarter of 2007 was the proceeds of $242.9 million received on the sale of the Tool Hire Division, and in the third quarter of 2006 was the proceeds of $170.6 million received on the sale of the Materials Handling Division.

Gross capital additions for the three months ended September 30, 2007, including capital leases, were $12.4 million (year-to-date 2007: $51.8 million) which is lower than the $29.2 million invested in the three months ended September 30, 2006 (year-to-date 2006: $66.8 million). The capital additions in 2007 and 2006 reflect general capital spending to support operations and also included the capitalization of certain costs related to the development of Hewden's new information system.

In the first quarter of 2007, the Company's Canadian operations acquired a Cat Rental Store for $2.7 million and in the third quarter of 2006, the Company made a $10.3 million investment in a new Cat Rental Store.

In the third quarter, proceeds of approximately $4.7 million were paid in 2007 and $13.7 million were received in 2006 on the settlement of foreign currency forwards that hedged foreign subsidiary investments. In 2006, proceeds of $5.3 million were received on the divestiture of a portion of the OEM Remanufacturing business. Investing activities in 2006 also reflected the payment of a $22.4 million (U.S. $20 million) purchase price adjustment as a result of achieving performance criteria by the Argentina Caterpillar dealership acquired in 2003.

Financing Activities

As at September 30, 2007, the Company's short and long-term borrowings totalled $1,203.8 million, an increase of $40.2 million or 3.5% since December 31, 2006, primarily to support the Company's higher working capital requirements to meet customer demand.

In the second quarter of 2007, an additional pension payment of $17.1 million was made to fund the UK pension plans as agreed at the time of the sale of the Materials Handling Division.

Dividends paid to shareholders were $16.2 million, $4.5 million higher than the third quarter of 2006 due to the increase in the quarterly dividend rate from $0.065 to $0.09 per share. Similarly, dividends paid to shareholders for the nine months ended September 30, 2007, increased 34.2% to $46.7 million.

The Company has an active share repurchase program in effect until March 29, 2008. During the third quarter of 2007, the Company repurchased 1,226,200 common shares at an average price of $28.84.

Description of Non-GAAP Measure

EBIT is defined herein as earnings from continuing operations before interest expense, interest income, and income taxes and is a measure of performance utilized by management to measure and evaluate the financial performance of its operating segments. It is also a measure that is commonly reported and widely used in the industry to assist in understanding and comparing operating results. EBIT does not have any standardized meaning prescribed by generally accepted accounting principles (GAAP) and is therefore unlikely to be comparable to similar measures presented by other issuers. Accordingly, this measure should not be considered as a substitute or alternative for net income or cash flow, in each case as determined in accordance with GAAP.

Reconciliation between EBIT and net income from continuing operations:

	Three months ended September 30		**Nine months ended September 30**	
($ millions)	**2007**	2006	**2007**	2006
Earnings from continuing operations before interest and income taxes (EBIT)	**$ 109.9**	$ 114.7	**$ 343.6**	$ 289.8
Finance costs	**(19.3)**	(25.3)	**(53.9)**	(53.4)
Provision for income taxes	**(27.0)**	(17.6)	**(80.1)**	(53.3)
Net income from continuing operations	**$ 63.6**	$ 71.8	**$ 209.6**	$ 183.1

Risk Management

Finning and its subsidiaries are exposed to market, financial and other risks in the normal course of their business activities. The Company has adopted an Enterprise Risk Management (ERM) approach in identifying, prioritizing, and evaluating risks. This ERM framework assists the Company in managing business activities and risks across the organization to assist the Company in achieving its strategic objectives.

The Company is dedicated to a strong risk management culture to protect and enhance shareholder value. The processes within Finning's risk management function are designed to ensure that risks are properly identified, managed, and reported. The Company discloses all of its key risks in its most recent Annual Information Form (AIF) with key financial risks also included in the Company's Annual Management's Discussion and Analysis (MD&A). On a quarterly basis, the Company assesses all of its key risks and any changes to key financial or business risks are disclosed in the Company's quarterly MD&A. For further details on the management of liquidity and capital resources, financial derivatives, and financial risks and uncertainties, please refer to the Company's AIF and MD&A for the year ended December 31, 2006.

There have been no significant changes or new key risks identified from the key risks as disclosed in the Company's AIF for the year ended December 31, 2006, which can be found at www.sedar.com and www.finning.com.

Sensitivity to variances in foreign exchange rates

The Company is geographically diversified, with significant investments in several different countries. The Company transacts business in multiple currencies, the most significant of which are the Canadian dollar, the U.S. dollar, the U.K. pound sterling, and the Chilean peso. As a result, the Company has a certain degree of foreign currency exposure with respect to items denominated in foreign currencies. The three main types of foreign exchange risk of the Company are investment in foreign operations, transaction exposure and translation exposure. These are explained further in the 2006 annual MD&A.

The sensitivity of the Company's net earnings to fluctuations in average annual foreign exchange rates is summarized in the table below. The table assumes that the Canadian dollar strengthens 5% against the currency noted, for a full year relative to the September 2007 month end rates, without any change in local currency volumes or hedging activities.

Currency	September 30, 2007 month end rates	Increase (decrease) in annual net income $ millions
USD	0.9963	(14)
GBP	2.0313	(1)
CHP	0.0020	3

The sensitivities noted above ignore the impact of exchange rate movements on other macroeconomic variables, including overall levels of demand and relative competitive advantages. If it were possible to quantify these impacts, the results would likely be different from the sensitivities shown above.

Controls and Procedures Certification

Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer, together with other members of management, have designed the Company's disclosure controls and procedures in order to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries would have been known to them, and by others, within those entities.

Management have also designed internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian generally accepted accounting principles.

During the quarter ended September 30, 2007, the Company's subsidiary, Hewden Stuart Plc, implemented a new, integrated Enterprise Resource Planning (ERP) computer system which provides a new and improved software-based framework for working across many areas of Hewden's business. The system simplifies and standardizes business processes and provides improved management and customer information to improve performance.

There has been no change in the design of the Company's internal control over financial reporting during the quarter ended September 30, 2007, that would materially affect, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Selected Quarterly Information

$ millions, except for share and option data	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4	2005 Q3
Revenue [(1)]									
Canada	**$ 639.9**	$ 846.4	$ 699.6	$ 737.0	$ 594.7	$ 681.0	$ 599.9	$ 521.5	$ 531.1
South America	**317.4**	321.6	338.6	301.0	261.0	216.2	231.7	246.9	258.9
UK Group	**371.8**	329.6	337.8	327.1	312.0	294.5	297.1	299.7	315.5
Total revenue	**$1,329.1**	$1,497.6	$1,376.0	$1,365.1	$1,167.7	$1,191.7	$1,128.7	$1,068.1	$1,105.5
Net income (loss)									
from continuing operations	**$ 63.6**	$ 75.3	$ 70.7	$ 53.1	$ 71.8	$ 56.0	$ 55.3	$ 39.0	$ 42.8
from discontinued operations	—	(1.2)	(0.8)	(0.4)	(33.9)	0.6	1.6	(2.8)	2.0
Total net income	**$ 63.6**	$ 74.1	$ 69.9	$ 52.7	$ 37.9	$ 56.6	$ 56.9	$ 36.2	$ 44.8
Basic Earnings (Loss) Per Share [(2)]									
from continuing operations	**$ 0.35**	$ 0.42	$ 0.39	$ 0.30	$ 0.40	$ 0.31	$ 0.31	$ 0.22	$ 0.24
from discontinued operations	—	(0.01)	—	—	(0.19)	—	0.01	(0.02)	0.01
Total basic EPS	**$ 0.35**	$ 0.41	$ 0.39	$ 0.30	$ 0.21	$ 0.31	$ 0.32	$ 0.20	$ 0.25
Diluted Earnings (Loss) Per Share [(2)]									
from continuing operations	**$ 0.35**	$ 0.42	$ 0.39	$ 0.29	$ 0.40	$ 0.31	$ 0.31	$ 0.22	$ 0.24
from discontinued operations	—	(0.01)	—	—	(0.19)	—	0.01	(0.02)	0.01
Total diluted EPS	**$ 0.35**	$ 0.41	$ 0.39	$ 0.29	$ 0.21	$ 0.31	$ 0.32	$ 0.20	$ 0.25
Total assets [(1)]	**$4,079.7**	$4,434.4	$4,386.2	$4,200.8	$3,786.4	$3,900.2	$3,868.0	$3,736.4	$3,754.3
Long-term debt									
Current	**$ 204.2**	$ 204.1	$ 2.2	$ 2.2	$ 79.3	$ 79.1	$ 80.3	$ 80.3	$ 6.3
Non-current	**554.5**	600.6	753.8	735.9	710.7	851.5	848.9	844.6	843.0
Total long-term debt [(3)]	**$ 758.7**	$ 804.7	$ 756.0	$ 738.1	$ 790.0	$ 930.6	$ 929.2	$ 924.9	$ 849.3
Cash dividends paid per common share [(2)]	**$ 0.09**	$ 0.09	$ 0.08	$ 0.08	$ 0.065	$ 0.065	$ 0.065	$ 0.055	$ 0.055
Common shares outstanding (000's) [(2)]	**178,521**	179,601	179,272	179,090	178,808	178,778	178,742	178,404	178,276
Options outstanding (000's) [(2)]	**4,737**	4,934	3,606	3,904	4,302	4,330	2,610	2,948	3,090

(1) On July 31, 2007, the Company's U.K. subsidiary, Hewden Stuart Plc, sold its Tool Hire Division. On September 29, 2006, the Company's U.K. subsidiary, Finning (UK), sold its Materials Handling Division.

Results from the Tool Hire and Materials Handling divisions qualify as discontinued operations and have been reclassified to that category for all periods presented. Included in the loss from discontinued operations in the third quarter of 2007 is the after-tax gain on the sale of the Tool Hire Division of $0.1 million. Restructuring and other costs associated with the disposition of $2.0 million after tax were recorded in the second and third quarters of 2007. Included in the loss from discontinued operations in the third quarter of 2006 is the after-tax loss on the sale of the Materials Handling Division of $32.7 million or $0.18 per share. Revenues from the UK Tool Hire and Materials Handling divisions have been excluded from the revenue figures above. Assets from the Tool Hire and Materials Handling divisions have been included in the total assets figures for periods prior to their sale – see Note 7 to the Interim Consolidated Financial Statements.

(2) On May 11, 2007, the Company's shareholders approved a split of the Company's outstanding common shares on a two-for-one basis. Each shareholder of record at the close of business on May 30, 2007, received one additional share for every outstanding share held on the record date. All share and per-share data have been adjusted to reflect the stock split. The Company repurchased 1,226,200 common shares at an average price of $28.84 during the third quarter of 2007 as part of a normal course issuer bid.

Earnings per share (EPS) for each quarter has been computed based on the weighted average number of shares issued and outstanding during the respective quarter; therefore, quarterly amounts may not add to the annual total.

(3) In the third quarter of 2006, the Company utilized funds from the sale of the UK Materials Handling Division to redeem £75 million of its £200 million Eurobond notes.

Outstanding Share Data

As at November 9, 2007	
Common shares outstanding	178,520,544
Options outstanding	4,733,542

New Accounting Pronouncements

Change in Accounting Policies in 2007

Financial Instruments and Comprehensive Income

On January 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA): Handbook Section 3855 *Financial Instruments – Recognition and Measurement*, Section 3865 *Hedges*, Section 1530 *Comprehensive Income*, Section 3251 *Equity*, and Section 3861 *Financial Instruments – Disclosure and Presentation.* These new standards require all derivatives to be recorded on the balance sheet at fair value and establish new accounting requirements for hedges. In addition, these standards provide guidance for reporting items in other comprehensive income, which is included on the Consolidated Balance Sheets as a separate component of shareholders' equity.

If a derivative qualifies as a hedge, depending on the nature of the hedge, the effective portion of changes in the fair value of the derivative will either be offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. Any ineffective portion of designated hedges will be recognized immediately in income.

As at January 1, 2007, the impact on the consolidated balance sheet as a result of the adoption of these standards was a decrease in other long-term assets of $8.4 million; an increase in future income tax assets of $5.9 million; a decrease in accounts payable of $4.5 million; a decrease in long-term obligations of $13.1 million; a decrease of $0.8 million in long-term debt; an increase of $5.7 million in accumulated other comprehensive income; and an increase in retained earnings of $10.2 million.

The effect of these changes in accounting policies on net income for the first nine months of 2007 is not material.

Details of the specific impact of these standards on the Company are disclosed in Note 1 to the Company's Consolidated Interim Financial Statements.

Recent Accounting Pronouncements

(a) Financial Instrument Disclosures

In March, 2007, the CICA issued Section 3862 *Financial Instruments – Disclosures* and Section 3863 *Financial Instruments – Presentation*, which together comprise a complete set of disclosure and presentation requirements that revise and enhance current disclosure requirements. Section 3862 requires disclosure of additional detail by financial asset and liability categories. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

These sections are effective in the first quarter of 2008, and Finning is currently evaluating the impact on the Company's disclosure and presentation.

(b) Capital Disclosures

In December 2006, the CICA issued Section 1535 *Capital Disclosures.* This Section establishes standards for disclosing information about an entity's objectives, policies, and processes for managing capital. This section is effective in the first quarter of 2008, and Finning is currently evaluating the impact on the Company's disclosure and presentation.

(c) Inventories

In June 2007, the CICA issued Section 3031 *Inventories* which provides more guidance on the measurement and disclosure requirements for inventories. Specifically the new pronouncement requires inventories to be measured at the lower of cost and net realizable value, and provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. The new pronouncement is effective in the first quarter of 2008, and Finning is currently evaluating the impact on the Company's accounting and disclosure for inventories.

(d) Convergence with International Financial Reporting Standards

In 2006, Canada's Accounting Standards Board ratified a strategic plan that will result in Canadian GAAP, as used by public companies, being evolved and converged with International Financial Reporting Standards (IFRS) over a transitional period currently expected to be complete by 2011. It is anticipated that the decision on the changeover date from Canadian GAAP to IFRS will be made by March 31, 2008. As the International Accounting Standards Board currently has projects underway that should result in new pronouncements and since this Canadian convergence initiative is very much in its infancy as of the date of this Management's Discussion and Analysis, the Company has not yet assessed the impact of the ultimate adoption of IFRS on the Company.

Market Outlook

The overall outlook for Finning's businesses continues to be good. The Company's order backlog remains at very high levels and the outlook for certain key commodities is positive. As well, good economic growth in the Company's market areas underpins solid demand for both equipment and parts and service.

The outlook for Finning's business in western Canada continues to be strong overall. The mining industry (including the oil sands) continues to expand and capital expenditure plans for equipment remain robust for mining customers. General construction activity also continues at high levels and spending on infrastructure remains very strong. The forestry and natural gas industries in western Canada are presently undergoing challenging business conditions and equipment purchases are lower as a result. This situation is expected to continue through 2008. The lower revenues from these sectors are expected to be offset by growth in sales to other industry sectors. Weak housing markets and soft economic conditions in the United States are not having a noticeable impact on business conditions for the Company in western Canada.

The heavy equipment markets in the Company's South American operations also remain healthy and demand for the Company's products and services remains very strong. The construction and power markets in Argentina and Chile are strong and demand for equipment support services continues to grow. Copper and gold prices are expected to remain at very attractive levels supporting ongoing good business conditions in mining. The outlook for strong growth in sales of new mining equipment is beginning to moderate as the number of new projects and expansions to existing mining operations slows. However, revenues from support services for mining customers will continue to grow at attractive rates over the next several years reflecting the impact of the large volume of new equipment sales to the industry in the past several years.

Business at the Caterpillar dealership in the UK has improved and is expected to continue at attractive levels as construction activity remains healthy. Demand for power systems products and services also remain strong. Market conditions in the UK plant hire (equipment rental) industry are reasonable, although the business remains highly competitive. At Hewden, the Company continues to manage the effects of the recent disposition of the tool hire division and the start-up of a new information system. Both items have been disruptive to normal operations. While execution of both projects has gone reasonably well to this point, ongoing management of these changes continues to challenge Hewden employees. The improved management information that will be available from the new system will take several quarters of operations to gather and analyze and the operational and pricing changes which may be driven by this information will take a further period of time to implement and become visible in operating results.

Additional human resources are required to meet the projected growth in business in western Canada and South America. To date, Finning has been successful in attracting sufficient numbers of appropriate new employees and believes it will continue to be successful in attracting human resources as required to meet future growth.

Finning’s financial results are negatively impacted by a stronger Canadian dollar compared to the U.S. dollar and the U.K. pound sterling in the translation of its foreign currency earnings. The Company’s remaining 2007 results will continue to be negatively impacted as a result of translating foreign currency based earnings should the strength of the Canadian dollar continue against the U.S. dollar and the U.K. pound sterling.

The Company’s outlook remains positive for the medium and longer term.

November 13, 2007

INTERIM CONSOLIDATED STATEMENTS OF INCOME

($ thousands, except share and per share amounts)	Three months ended September 30 2007 unaudited	Three months ended September 30 2006 unaudited	Nine months ended September 30 2007 unaudited	Nine months ended September 30 2006 unaudited
Revenue				
New mobile equipment	**$ 479,841**	$ 397,626	**$ 1,623,211**	$ 1,234,196
New power and energy systems	**120,958**	83,197	**360,105**	286,746
Used equipment	**91,712**	100,084	**300,534**	280,286
Equipment rental	**207,475**	181,173	**593,173**	509,043
Customer support services	**425,296**	398,569	**1,307,422**	1,163,855
Other	**3,846**	7,053	**18,305**	13,960
Total revenue	**1,329,128**	1,167,702	**4,202,750**	3,488,086
Cost of sales	**938,309**	826,033	**3,012,401**	2,491,944
Gross profit	**390,819**	341,669	**1,190,349**	996,142
Selling, general, and administrative expenses	**281,889**	233,022	**847,262**	718,148
Other income (Note 2)	**(966)**	(6,074)	**(565)**	(11,812)
Earnings from continuing operations before interest and income taxes	**109,896**	114,721	**343,652**	289,806
Finance costs (Note 3)	**19,251**	25,306	**53,899**	53,388
Income from continuing operations before provision for income taxes	**90,645**	89,415	**289,753**	236,418
Provision for income taxes	**27,039**	17,644	**80,166**	53,319
Net income from continuing operations	**63,606**	71,771	**209,587**	183,099
Loss from discontinued operations, net of tax (Note 7)	**(16)**	(33,887)	**(2,050)**	(31,693)
Net income	**$ 63,590**	$ 37,884	**$ 207,537**	$ 151,406
Earnings (loss) per share – basic				
From continuing operations (Note 6)	**$ 0.35**	$ 0.40	**$ 1.17**	$ 1.02
From discontinued operations	**—**	(0.19)	**(0.01)**	(0.18)
	$ 0.35	$ 0.21	**$ 1.16**	$ 0.84
Earnings (loss) per share – diluted				
From continuing operations (Note 6)	**$ 0.35**	$ 0.40	**$ 1.16**	$ 1.02
From discontinued operations	**—**	(0.19)	**(0.01)**	(0.18)
	$ 0.35	$ 0.21	**$ 1.15**	$ 0.84
Weighted average number of shares outstanding				
Basic	**179,175,314**	178,791,766	**179,265,634**	178,679,558
Diluted	**180,814,490**	180,030,870	**180,921,517**	179,923,006

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

INTERIM CONSOLIDATED BALANCE SHEETS

($ thousands)	September 30 2007 unaudited	December 31 2006 audited
ASSETS		
Current assets		
Cash and cash equivalents	**$ 20,385**	$ 78,485
Accounts receivable	**630,279**	666,602
Inventories		
On-hand equipment	**798,035**	839,819
Parts and supplies	**502,258**	450,612
Other assets	**194,321**	196,509
Total current assets	**2,145,278**	2,232,027
Finance assets	**17,047**	34,046
Rental equipment	**1,108,372**	1,038,640
Land, building and equipment	**334,124**	365,656
Intangible assets	**30,665**	24,931
Goodwill	**257,712**	381,870
Other assets	**186,458**	123,583
	$ 4,079,656	$ 4,200,753
LIABILITIES		
Current liabilities		
Short-term debt	**$ 445,140**	$ 425,423
Accounts payable and accruals	**955,849**	1,176,531
Income tax payable	**55,202**	33,554
Current portion of long-term debt	**204,218**	2,224
Total current liabilities	**1,660,409**	1,637,732
Long-term debt	**554,477**	735,926
Long-term obligations	**123,514**	131,294
Future income taxes	**84,898**	71,395
Total liabilities	**2,423,298**	2,576,347
SHAREHOLDERS' EQUITY		
Share capital	**578,742**	573,482
Contributed surplus	**13,288**	7,791
Accumulated other comprehensive loss	**(205,559)**	(87,038)
Retained earnings	**1,269,887**	1,130,171
Total shareholders' equity	**1,656,358**	1,624,406
	$ 4,079,656	$ 4,200,753

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

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

($ thousands)	Three months ended September 30 2007 unaudited	Three months ended September 30 2006 unaudited	Nine months ended September 30 2007 unaudited	Nine months ended September 30 2006 unaudited
Net income	**$ 63,590**	$ 37,884	**$ 207,537**	$ 151,406
Other comprehensive income (loss), net of income tax				
Currency translation adjustments	**(59,745)**	5,254	**(164,445)**	2,711
Unrealized gains on net investment hedges, net of tax of $5.4 million and $17.6 million, respectively	**8,323**	—	**41,696**	—
Realized gain on net investment hedges, reclassified to earnings, net of tax of $0.2 million	**(989)**	—	**(989)**	—
Unrealized gains on cash flow hedges, net of tax of $nil and $0.1 million, respectively	**14**	—	**292**	—
Realized gains on cash flow hedges, reclassified to earnings, net of tax of $0.3 million and $0.9 million, respectively	**(4)**	—	**(764)**	—
Comprehensive income	**$ 11,189**	$ 43,138	**$ 83,327**	$ 154,117

INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

($ thousands, except share amounts)	Share Capital: Shares	Share Capital: Amount	Contributed Surplus	Accumulated Other Comprehensive Income (Loss): Foreign Currency Translation and Gains / (Losses) on Net Investment Hedges	Accumulated Other Comprehensive Income (Loss): Gains / (Losses) on Cash Flow Hedges	Retained Earnings	Total
Balance, December 31, 2005	178,403,328	$ 568,121	$ 2,739	$ (133,136)	$ —	$ 975,254	$ 1,412,978
Other comprehensive income	—	—	—	2,711	—	151,406	154,117
Issued on exercise of stock options	405,362	3,225	(129)	—	—	—	3,096
Stock option expense	—	—	3,124	—	—	—	3,124
Dividends on common shares	—	—	—	—	—	(34,842)	(34,842)
Balance, September 30, 2006	178,808,690	$ 571,346	$ 5,734	$ (130,425)	$ —	$ 1,091,818	$ 1,538,473
Balance, December 31, 2006	**179,090,738**	**$ 573,482**	**$ 7,791**	**$ (87,038)**	**$ —**	**$ 1,130,171**	**$ 1,624,406**
Transition adjustment (Note 1)	—	—	—	**9,992**	**(4,303)**	**10,244**	**15,933**
Balance, January 1, 2007	**179,090,738**	**573,482**	**7,791**	**(77,046)**	**(4,303)**	**1,140,415**	**1,640,339**
Other comprehensive income (loss)	—	—	—	**(123,738)**	**(472)**	**207,537**	**83,327**
Issued on exercise of stock options	**656,306**	**9,217**	**(1,689)**	—	—	—	**7,528**
Repurchase of common shares	**(1,226,200)**	**(3,957)**				**(31,410)**	**(35,367)**
Stock option expense	—	—	**7,186**	—	—	—	**7,186**
Dividends on common shares	—	—	—	—	—	**(46,655)**	**(46,655)**
Balance, September 30, 2007	**178,520,844**	**$ 578,742**	**$ 13,288**	**$ (200,784)**	**$ (4,775)**	**$ 1,269,887**	**$ 1,656,358**

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW

($ thousands)	Three months ended September 30 2007 unaudited	Three months ended September 30 2006 unaudited	Nine months ended September 30 2007 unaudited	Nine months ended September 30 2006 unaudited
OPERATING ACTIVITIES				
Net income	**$ 63,590**	$ 37,884	**$ 207,537**	$ 151,406
Add items not affecting cash				
Depreciation and amortization	**90,054**	95,863	**269,091**	270,382
Future income taxes	**7,703**	(8,133)	**(2,853)**	(7,865)
Stock-based compensation	**7,198**	2,090	**30,735**	5,126
Gain on disposal of capital assets	**(1,766)**	(8,163)	**(3,212)**	(20,045)
Loss (gain) on disposal of discontinued operations	**(38,590)**	33,974	**(38,590)**	33,974
Other	**(3,790)**	8,531	**(4,944)**	7,485
	124,399	162,046	**457,764**	440,463
Changes in working capital items (Note 9)	**(9,077)**	(106,522)	**(274,611)**	(59,306)
Cash provided after changes in working capital items	**115,322**	55,524	**183,153**	381,157
Rental equipment, net of disposals	**(138,898)**	(99,894)	**(460,404)**	(279,416)
Equipment leased to customers, net of disposals	**1,081**	(3,222)	**13,299**	(16,243)
Cash flow provided by (used in) operating activities	**(22,495)**	(47,592)	**(263,952)**	85,498
INVESTING ACTIVITIES				
Additions to capital assets	**(12,348)**	(29,222)	**(51,771)**	(66,806)
Proceeds on disposal of capital assets	**2,297**	13,549	**9,572**	23,901
Proceeds from sale of discontinued operations (Note 7)	**242,851**	170,595	**242,851**	170,595
Acquisition of business	**—**	(10,250)	**(2,670)**	(10,250)
Proceeds on sale of business	**—**	—	**—**	5,331
Payment of contingent consideration	**—**	—	**(267)**	(22,350)
Proceeds (payments) on settlement of foreign currency forwards	**(4,738)**	—	**(4,738)**	13,723
Cash provided by investing activities	**228,062**	144,672	**192,977**	114,144
FINANCING ACTIVITIES				
Increase (decrease) in short-term debt	**(134,505)**	49,313	**36,132**	9,976
Increase (repayment) of long-term debt	**(21,264)**	10,791	**72,755**	8,780
Repayment of Eurobond and premium (Note 3)	**—**	(158,809)	**—**	(158,809)
Defined benefit pension plan funding	**—**	—	**(17,066)**	—
Issue of common shares on exercise of stock options	**1,567**	285	**7,528**	3,096
Repurchase of common shares (Note 4)	**(35,367)**	—	**(35,367)**	—
Dividends paid	**(16,165)**	(11,622)	**(46,655)**	(34,842)
Cash provided by (used in) financing activities	**(205,734)**	(110,042)	**17,327**	(171,799)
Effect of currency translation on cash balances	**(1,793)**	807	**(4,452)**	1,105
Increase (decrease) in cash and cash equivalents	**(1,960)**	(12,155)	**(58,100)**	28,948
Cash and cash equivalents, beginning of period	**22,345**	68,786	**78,485**	27,683
Cash and cash equivalents, end of period	**$ 20,385**	$ 56,631	**$ 20,385**	$ 56,631

See supplemental cash flow information, Note 9

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

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited Interim Consolidated Financial Statements (Interim Statements) have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) on a basis consistent with those disclosed in the most recent audited annual financial statements. These Interim Statements do not include all the information and note disclosures required by GAAP for annual financial statements and therefore should be read in conjunction with the December 31, 2006 audited annual consolidated financial statements and the notes below.

The Interim Statements follow the same accounting policies and methods of computation as the most recent annual consolidated financial statements, except for the impact of the change in accounting policies disclosed below:

Change in Accounting Policies

(a) Comprehensive Income, Financial Instruments, and Hedges

On January 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA): Handbook Section 1530, *Comprehensive Income,* Section 3855, *Financial Instruments – Recognition and Measurement,* Section 3865, *Hedges*, Section 3251, *Equity*, and Section 3861, *Financial Instruments – Disclosure and Presentation* (the New Standards). The principal changes related to these standards are described below.

Comprehensive Income

Comprehensive income comprises the Company's net income and other comprehensive income. Other comprehensive income represents changes in shareholders' equity during a period arising from non-owner sources and, for the Company, includes currency translation adjustments on its net investment in self-sustaining foreign operations and related hedging gains and losses, unrealized gains and losses on available-for-sale securities, and hedging gains and losses on cash flow hedges. The Company's comprehensive income, components of other comprehensive income, and accumulated other comprehensive income are presented in the Statements of Comprehensive Income and the Statements of Shareholders' Equity. Prior period financial statements retroactively reflect the classification of the currency translation adjustments on the Company's net investment in self-sustaining operations and related hedging gains and losses as components of other comprehensive income.

Financial Assets and Financial Liabilities

Classification

The Company has implemented the following classification of its financial assets and financial liabilities:

- Accounts and notes receivable are classified as "Loans and Receivables". After their initial fair value assessment, they are measured at amortized cost using the effective interest rate method. At January 1 and September 30, 2007, the measured amount approximates cost.
- Short-term and long-term debt, accounts payable and accruals, and obligations under capital leases are classified as "Other Financial Liabilities". After their initial fair value assessment, they are measured at amortized cost using the effective interest rate method. At January 1 and September 30, 2007, the measured amount approximates cost, with the exception of long-term debt. The estimated fair value of the Company's long-term debt as at September 30, 2007, is $757.0 million (December 31, 2006: $745.7 million).

Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability will be added to the carrying amount of the financial asset or financial liability, and will be amortized to income using the effective interest rate method. Upon transition, previously deferred debt issue costs and discounts of $3.5 million were reclassified from other long-term assets, resulting in a reduction of long-term debt of $3.5 million.

Derivatives

Upon adoption of the new standards, all derivative instruments were recorded on the balance sheet at fair value.

Embedded Derivatives

Derivatives may be embedded in other financial instruments (host instruments). Prior to the adoption of the New Standards, such embedded derivatives were not accounted for separately from their host instruments. Under the New Standards, embedded derivatives are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host instrument, the terms of the embedded derivative are the same as those of a stand-alone derivative, and the combined contract is not classified as held for trading. These embedded derivatives are measured at fair value on the balance sheet with subsequent changes in fair value recognized in income. Upon transition and for the nine month period ended September 30, 2007, the Company has not identified any embedded derivatives that are required to be accounted for separately from the host contract.

Hedges

The Company utilizes derivative financial instruments and foreign currency debt in order to manage its foreign currency and interest rate exposures. The Company uses derivative financial instruments only in connection with managing related risk positions and does not use them for trading or speculative purposes.

The Company determines whether or not to formally designate, for accounting purposes, eligible hedging relationships between hedging instruments and hedged items. This process includes linking derivatives to specific hedged risks from assets or liabilities on the balance sheet or specific firm commitments or forecasted transactions. For hedges designated as such for accounting purposes, the Company formally assesses, both at inception and on an ongoing basis, whether the hedging item is highly effective in offsetting changes in fair value or cash flows associated with the identified hedged items. When derivative instruments have been designated as a hedge and are highly effective in offsetting the identified hedged risk, hedge accounting is applied to the derivative instruments. Under the New Standards, the ineffective portion of hedging gains and losses of highly effective hedges is reported in income. The accounting treatment for the types of hedges used by the Company is described below.

Cash Flow Hedges

The Company uses foreign exchange forward contracts to hedge the currency risk associated with certain foreign currency purchase commitments, payroll and associated accounts payable and accounts receivable. The effective portion of hedging gains and losses associated with these cash flow hedges is recorded in other comprehensive income and is released from accumulated other comprehensive income and recorded in income when the hedged item affects income.

When a hedging instrument expires or is sold, or when a hedge is discontinued or no longer meets the criteria for hedge accounting, any cumulative gain or loss recorded in other comprehensive income at that time remains in other comprehensive income until the forecasted transaction is recorded. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately recorded in the income statement.

The Company discontinued hedge accounting for existing hedges of foreign currency purchase commitments at the time of adoption of the new standards. As such, upon adoption, the carrying value of the forward foreign exchange contracts was adjusted to fair value and the previously unrecognized after-tax gain of $2.5 million was recorded as an increase to accumulated other comprehensive income, with a corresponding decrease in accounts payable of $3.3 million, an increase in future income tax liability of

$1.0 million and a decrease in retained earnings of $0.2 million. These gains will be recognized in cost of sales at the time the hedged inventory is sold. Gains and losses of forward foreign exchange contracts that are not designated as hedges for accounting purposes are recorded in selling, general, and administrative expenses.

From time to time, the Company has also used derivative financial instruments to hedge interest rate risk associated with future proceeds of debt. In accordance with the Company's policy, previously deferred losses of $6.8 million associated with prior cash flow hedges of debt proceeds recorded in other long-term assets were reclassified as a reduction to accumulated other comprehensive income.

As at September 30, 2007, approximately $0.2 million of deferred net gains (net of tax) included in accumulated other comprehensive income are expected to be reclassified to current earnings over the next twelve months when earnings are affected by the hedged transactions.

Fair Value Hedges

The Company uses interest rate swaps as fair value hedges of long-term debt. Changes in the fair value of derivatives designated and qualifying as fair value hedging instruments are recorded in income along with changes in the fair value of the hedged item attributable to the hedged risk.

Generally, if a hedging relationship no longer meets the criteria for hedge accounting, the cumulative adjustment to the carrying amount of the hedged item is amortized to income based on a recalculated effective interest rate over the remaining expected life of the hedged item, unless the hedged item has been derecognized in which case the cumulative adjustment is also recorded immediately to income.

Upon transition, the Company had no interest rate swaps, but reclassified a $2.7 million deferred gain from a previous fair value hedge recorded in other long-term assets as an adjustment to the carrying value of the hedged debt.

Net Investment Hedges

The Company uses forward contracts, cross-currency interest rate swaps, and foreign currency debt to hedge foreign currency gains and losses on its long-term net investments in self-sustaining foreign operations. The effective portion of the gain or loss of such instruments associated with the hedged risk is recorded in other comprehensive income each period. These gains or losses will be recorded in income in the same period during which corresponding exchange gains or losses arising from the translation of the financial statements of self-sustaining foreign operations are recognized in net income.

Prior to adoption of the new accounting standards, the Company valued its derivative instruments hedging net investments in self-sustaining foreign operations using spot exchange rates. Upon transition, the carrying value of the hedging derivative instruments was adjusted to their fair value and the effective portion of the gains and losses, net of associated income taxes, including amounts previously reported in cumulative currency translation adjustments, were recorded in accumulated other comprehensive income based on the previously designated hedged risk. As a result, accounts payable decreased by $1.2 million, long-term other assets decreased by $0.8 million, long-term obligations decreased by $13.1 million, future income tax assets increased by $6.9 million, accumulated other comprehensive income increased by $10.0 million, and retained earnings increased by $10.4 million. Upon adoption, the Company adopted the forward rate method on a prospective basis for net investment hedges where derivative financial instruments are used. The Company continues to use the spot method, as required, when the Company uses debt to hedge foreign currency net investments.

The Company uses perpetual cross currency interest rate swaps and perpetual foreign exchange contracts to hedge a portion of the Company's net investment in the U.K. At September 30, 2007, the mark-to-market gain on the cross currency interest rate swaps of $35.5 million has been recognized on the consolidated balance sheet in long-term other assets and offset to accumulated other comprehensive income (December 31, 2006: $14.2 million loss was recorded in long-term obligations). The mark-to-market loss on the foreign exchange contracts of $1.5 million has been recognized on the consolidated balance sheet in accounts payable and accruals and offset to accumulated other comprehensive income (December 31, 2006: $29.8 million loss was recorded in accounts payable and accruals).

(b) Comparative Figures

Certain comparative figures have been reclassified to conform to the 2007 presentation. The consolidated income statement has been restated for discontinued operations (see Note 7).

Recent Accounting Pronouncements

(c) Financial Instrument Disclosures

In March, 2007, the CICA issued Section 3862 *Financial Instruments – Disclosures* and Section 3863 *Financial Instruments – Presentation*, which together comprise a complete set of disclosure and presentation requirements that revise and enhance current disclosure requirements. Section 3862 requires disclosure of additional detail by financial asset and liability categories. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

These sections are effective in the first quarter of 2008, and Finning is currently evaluating the impact on the Company's disclosure and presentation.

(d) Capital Disclosures

In December 2006, the CICA issued Section 1535 *Capital Disclosures.* This Section establishes standards for disclosing information about an entity's objectives, policies, and processes for managing capital. This section is effective in the first quarter of 2008, and Finning is currently evaluating the impact on the Company's disclosure and presentation.

(e) Inventories

In June 2007, the CICA issued Section 3031 *Inventories* which provides more guidance on the measurement and disclosure requirements for inventories. Specifically the new pronouncement requires inventories to be measured at the lower of cost and net realizable value, and provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. The new pronouncement is effective in the first quarter of 2008, and Finning is currently evaluating the impact on the Company's accounting and disclosure for inventories.

(f) Convergence with International Financial Reporting Standards

In 2006, Canada's Accounting Standards Board ratified a strategic plan that will result in Canadian GAAP, as used by public companies, being evolved and converged with International Financial Reporting Standards (IFRS) over a transitional period currently expected to be complete by 2011. It is anticipated that the decision on the changeover date from Canadian GAAP to IFRS will be made by March 31, 2008. As the International Accounting Standards Board currently has projects underway that should result in new pronouncements and since this Canadian convergence initiative is very much in its infancy as of the date of these Interim Statements, the Company has not yet assessed the impact of the ultimate adoption of IFRS on the Company.

2. Other Expenses (Income)

Other expenses (income) include the following items:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	**2007**	2006	**2007**	2006
Gain on sale of properties in Canada (a)	**$ —**	$ (7,766)	**$ —**	$ (12,854)
Gain on sale of railroad and non-Cat remanufacturing business in Canada (b)	**—**	—	**—**	(5,331)
Restructuring and project costs	**800**	2,091	**2,647**	8,239
Gain on sale of other surplus properties	**(1,766)**	(399)	**(3,212)**	(1,866)
	$ (966)	$ (6,074)	**$ (565)**	$ (11,812)

The tax expense on other income for the three months ended September 30, 2007 was $0.2 million (2006: $nil) and during the nine-month period ended September 30, 2007 was $nil (2006: $0.3 million).

(a) In the first quarter of 2006, the Company sold certain surplus properties at Finning (Canada) for cash proceeds of $6.3 million, resulting in a pre-tax gain of $5.1 million. In the third quarter of 2006, the Company sold its interest in its Canadian operation's head office properties in Edmonton. As part of the this transaction, the Company also terminated lease agreements for land and building in the same area and assigned the repurchase option to the buyer so as to lease back the entire property over lease terms ranging from 2 to 22 years. Net proceeds from this transaction were $12.7 million, resulting in a pre-tax gain of $7.8 million and a deferred gain of $2.5 million, which is being amortized to income over the lease terms.

(b) In the first quarter of 2006, the Company sold its railroad and non-Cat engine component remanufacturing business for cash proceeds of $5.3 million, resulting in a pre-tax gain of approximately $5.3 million.

3. Finance Costs

Finance costs as shown on the consolidated statement of income is comprised of the following elements:

	Three months ended September 30		Nine months ended September 30	
($ thousands)	**2007**	2006	**2007**	2006
Interest on debt securities:				
Short-term debt	**$ 8,384**	$ 4,340	**$ 22,116**	$ 11,533
Long-term debt	**10,278**	13,641	**31,990**	41,495
	18,662	17,981	**54,106**	53,028
Interest on swap contracts	**(207)**	(83)	**(618)**	(481)
Costs associated with debt redemption (a)	**—**	8,864	**—**	8,864
Other finance related expenses and sundry interest earned	**1,373**	3,499	**4,171**	6,874
	19,828	30,261	**57,659**	68,285
Less: interest expense related to discontinued operations	**(577)**	(4,955)	**(3,760)**	(14,897)
Finance costs from continuing operations	**$ 19,251**	$ 25,306	**$ 53,899**	$ 53,388

(a) Following the September 2006 sale of the Company's Materials Handling Division in the U.K. (see Note 7), the Company used a portion of the proceeds to redeem £75 million ($156.6 million) of the £200 million Eurobond. The Company recorded a pre-tax charge of approximately $8.9 million, reflecting the early recognition of deferred financing costs and other costs associated with this redemption.

4. Share Capital

On May 11, 2007, the Company's shareholders approved a split of the Company's outstanding common shares on a two-for-one basis. Each shareholder of record at the close of business on May 30, 2007, received one additional share for every outstanding share held on the record date.

All equity-based benefit plans, share, and per-share data have been adjusted to reflect the stock split.

The Company repurchased 1,226,200 common shares during the third quarter of 2007 as part of a normal course issuer bid. These shares were repurchased at an average price of $28.84, which has been allocated to reduce share capital by $4.0 million and retained earnings by $31.4 million.

5. Stock-Based Compensation Plans

The Company has a number of stock-based compensation plans in the form of stock options and other stock-based compensations plans noted below.

Stock Options

Details of the stock option plans, adjusted to reflect the impact of the May 2007 stock split, are as follows:

	Nine months ended September 30 2007		Twelve months ended December 31 2006	
	Options	**Weighted Average Exercise Price**	Options	Weighted Average Exercise Price
Options outstanding, beginning of period	**3,903,526**	**$ 14.44**	2,948,586	$ 9.77
Issued	**1,721,000**	**$ 31.59**	1,769,400	$ 19.75
Exercised / cancelled	**(887,984)**	**$ 13.79**	(814,460)	$ 9.08
Options outstanding, end of period	**4,736,542**	**$ 20.80**	3,903,526	$ 14.44
Exercisable at period end	**1,822,420**	**$ 11.71**	1,691,974	$ 8.59

In the second quarter of 2007, the Company issued 1,721,000 common share options to senior executives and management of the Company (Q2 2006: 1,769,400 common share options). In 2007 and 2006, long term incentives for executives and senior management were all made in the form of stock options. It is the Company's practice to grant and price stock options only when it is felt that all material information has been disclosed to the market.

The Company determines the cost of all stock options granted since January 1, 2002 using the fair value-based method of accounting for stock options. This method of accounting uses an option-pricing model to determine the fair value of stock options granted which is amortized over the vesting period. The fair value of the options granted in 2007 has been estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

Dividend yield	1.21%
Expected volatility	21.57%
Risk-free interest rate	4.09%
Expected life	5.5 years

The weighted average grant-date fair value of options granted during the year was $13.6 million (2006: $8.8 million). Total stock option expense in the third quarter was $2.3 million (2006: $1.5 million) and for the nine-month period was $7.2 million ($3.1 million).

Other Stock-Based Compensation Plans

The Company has other stock-based compensation plans in the form of deferred share units and stock appreciation rights plans that use notional common share units. Details of the plans with significant changes subsequent to December 31, 2006 are as follows:

Directors

Directors' Deferred Share Unit Plan A (DDSU)

Under the Deferred Share Unit Plan (DDSU) for members of the Board of Directors, non-employee Directors of the Company were allocated a total of 13,859 share units in May 2007 (May 2006: 22,952 share units), to be issued to the Directors and expensed equally over the 2007 calendar year.

Details of the deferred share unit plans, which reflect the vestings in the period as well as mark-to-market adjustments, are as follows:

Nine months ended September 30	2007				2006			
Units	**DSU-A**	**DSU-B**	**DDSU**	**Total**	DSU-A	DSU-B	DDSU	Total
Outstanding, beginning of period	**104,964**	**1,353,496**	**358,280**	**1,816,740**	103,566	1,510,172	316,958	1,930,696
Additions	**598**	**10,707**	**18,455**	**29,760**	1,032	12,058	29,634	42,724
Exercised/cancelled	**(48,574)**	**(228,321)**	**(89,649)**	**(366,544)**	—	(147,736)	—	(147,736)
Outstanding, end of period	**56,988**	**1,135,882**	**287,086**	**1,479,956**	104,598	1,374,494	346,592	1,825,684
Vested, beginning of period	**104,964**	**1,353,496**	**358,280**	**1,816,740**	103,566	1,337,522	316,958	1,758,046
Vested	**598**	**10,707**	**18,455**	**29,760**	1,032	12,058	29,634	42,724
Exercised/cancelled	**(48,574)**	**(228,321)**	**(89,649)**	**(366,544)**	—	(131,736)	—	(131,736)
Vested, end of period	**56,988**	**1,135,882**	**287,086**	**1,479,956**	104,598	1,217,844	346,592	1,669,034
Liability ($ thousands)								
Balance, beginning of period	**$ 2,508**	**$ 32,342**	**$ 8,561**	**$ 43,411**	$ 1,923	$ 24,838	$ 5,886	$ 32,647
Expensed	**594**	**10,384**	**3,413**	**14,391**	33	520	597	1,150
Exercised/cancelled	**(1,275)**	**(6,309)**	**(2,770)**	**(10,354)**	—	(2,578)	—	(2,578)
Balance, end of period	**$ 1,827**	**$ 36,417**	**$ 9,204**	**$ 47,448**	$ 1,956	$ 22,780	$ 6,483	$ 31,219

Management Share Appreciation Rights Plan (SAR)

In 2007 and 2006, there were no SAR units issued to management. Details of the SAR plans are as follows:

Nine months ended September 30 Units	2007	2006
Outstanding, beginning of period	**1,162,132**	1,430,000
Exercised/cancelled	**(259,046)**	(167,980)
Outstanding, end of period	**903,086**	1,262,020
Vested, beginning of period	**762,722**	573,400
Vested	**264,621**	412,590
Exercised/cancelled	**(251,346)**	(131,188)
Vested, end of period	**775,997**	854,802
Liability ($ thousands)	**2007**	2006
Balance, beginning of period	**$ 9,965**	$ 4,655
Expensed	**9,157**	852
Exercised/cancelled	**(3,912)**	(796)
Balance, end of period	**$ 15,210**	$ 4,711
Strike price ranges:	**$13.03 - $16.22**	

Summary – Impact of Stock Based Compensation Plans

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 the impact of new issues, including stock options, was an expense of $7.2 million in the third quarter of 2007 (2006: $2.1 million) and during the nine-month period was an expense of $30.7 million (2006: $5.1 million).

6. Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing net income available to common 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 applying the treasury stock method.

Earnings used in determining earnings per share from continuing operations are presented below. Earnings used in determining earnings per share from discontinued operations are the earnings from discontinued operations as reported within the consolidated statements of income and retained earnings.

($ thousands, except share and per share amounts)	Three months ended September 30			Nine months ended September 30		
2007	**Income**	**Shares**	**Per Share**	**Income**	**Shares**	**Per Share**
Basic EPS from continuing operations:						
Net income from continuing operations	**$ 63,606**	**179,175,314**	**$ 0.35**	**$ 209,587**	**179,265,634**	**$ 1.17**
Effect of dilutive securities: stock options	**—**	**1,639,176**	**—**	**—**	**1,655,883**	**—**
Diluted EPS from continuing operations:						
Net income from continuing operations and assumed conversions	**$ 63,606**	**180,814,490**	**$ 0.35**	**$ 209,587**	**180,921,517**	**$ 1.16**
2006						
Basic EPS from continuing operations:						
Net income from continuing operations	$ 71,771	178,791,766	$ 0.40	$ 183,099	178,679,558	$ 1.02
Effect of dilutive securities: stock options	—	1,239,104	—	—	1,243,448	—
Diluted EPS from continuing operations:						
Net income from continuing operations and assumed conversions	$ 71,771	180,030,870	$ 0.40	$ 183,099	179,923,006	$ 1.02

7. Disposition of Discontinued Operation

Finning UK Group – Tools Hire Division

On July 31, 2007, the Company sold the business and assets of the Tool Hire Division of the Company's U.K. subsidiary, Hewden Stuart Plc, excluding real estate, for cash proceeds of $242.9 million (approximately £112 million), net of costs.

The gross sale price, net of taxes and transaction costs, was approximately equal to the net book value of the net tangible assets and goodwill associated with the tools rental business, and resulted in an after-tax gain on disposal of $0.1 million.

Restructuring and other costs associated with the disposition of this business of $2.0 million after tax were recorded in the second and third quarters of 2007.

Finning UK Group – Materials Handling Division

On September 29, 2006, the Company sold its Materials Handling Division for cash proceeds of $170.6 million (£81.7 million), net of costs. The sale of this business resulted in an after-tax loss on disposal of

$32.7 million (£15.5 million) in the third quarter of 2006, which included the write-off of the goodwill and intangible assets associated with this business.

The results of operations of the Tool Hire and the Materials Handling divisions have been included in the consolidated statements of cash flow up to the date of disposition and as discontinued operations in the consolidated statements of income up to the date of disposition. The results of the Tool Hire and the Materials Handling divisions had previously been reported in the Finning UK Group segment.

Income from discontinued operations (to the date of disposition, if applicable) is summarized as follows:

Three months ended September 30	**Tool Hire Division**		**Materials Handling Division**	
($ thousands)	**2007**	2006	**2007**	2006
Revenue	**$ 16,194**	$ 48,981	**$ —**	$ 56,905
Income (loss) before provision for income taxes	**(106)**	2,134	**—**	(3,220)
Gain (loss) on sale of discontinued operations	**38,590**	—	**—**	(33,974)
Provision for income taxes (expense) recovery	**(38,500)**	(1,089)	**—**	2,262
Income (loss) from discontinued operations	**$ (16)**	$ 1,045	**$ —**	$ (34,932)

Nine months ended September 30	**Tool Hire Division**		**Materials Handling Division**	
($ thousands)	**2007**	2006	**2007**	2006
Revenue	**$ 113,272**	$ 145,824	**$ —**	$ 183,563
Income (loss) before provision for income taxes	**(4,108)**	7,903	**—**	(5,690)
Gain (loss) on sale of discontinued operations	**38,590**	—	**—**	(33,974)
Provision for income taxes (expense) recovery	**(36,532)**	(2,934)	**—**	3,002
Income (loss) from discontinued operations	**$ (2,050)**	$ 4,969	**$ —**	$ (36,662)

The assets and liabilities of the Materials Handling Division were removed from the Consolidated Balance Sheet upon disposition and are not presented on the Consolidated Balance Sheet at September 30, 2007 or December 31, 2006. The carrying amounts of assets and liabilities related to the Tool Hire Division as at the date of disposition, and for the comparative period presented, are as follows:

($ thousands)	**July 31 2007 [date of disposition]**	December 31 2006
ASSETS		
Current assets		
Accounts receivable	**$ 35,270**	$ 38,284
Inventories	**3,893**	5,169
Other assets	**1,277**	3,130
Total current assets	**40,440**	46,583
Rental equipment	**77,334**	81,775
Land, building and equipment	**13,841**	16,526
Goodwill	**91,136**	95,861
Other assets	**—**	7,529
	$ 222,751	$ 248,274
LIABILITIES		
Current liabilities		
Accounts payable and accruals	**$ 19,071**	$ 32,726
Income tax payable	**—**	1,011
Total current liabilities	**19,071**	33,737
Long-term obligations	**—**	2,915
	$ 19,071	$ 36,652

The significant net cash flows from discontinued operations are as follows:

Three months ended September 30	**Tool Hire Division**		**Materials Handling Division**	
($ thousands)	**2007**	2006	**2007**	2006
Cash flows provided by (used in) operating activities	**$ (6,477)**	$ (4,065)	**$ —**	$ 7,964
Cash used in investing activities	**$ (1,530)**	$ (339)	**$ —**	$ —

Nine months ended September 30	**Tool Hire Division**		**Materials Handling Division**	
($ thousands)	**2007**	2006	**2007**	2006
Cash flows provided by (used in) operating activities	**$ (3,795)**	$ 17,298	**$ —**	$ 28,052
Cash provided by (used in) investing activities	**$ (561)**	$ 1,407	**$ —**	$ —

As part of the Tool Hire Division Purchase and Sale Agreement, Finning has provided indemnifications to the third party purchaser, covering breaches of representation and warranties as well as litigation and other matters set forth in the agreement. Claims may be made by the third party purchaser under this agreement for various periods of time depending on the nature of the claim. The maximum potential exposure of Finning under these indemnifications is 100% of the purchase price. As at September 30, 2007, Finning had no material liabilities recorded for these indemnifications.

8. Currency Rates

The Company operates in three functional currencies: Canadian dollars, U.S. dollars, and U.K. pound sterling.

The exchange rates of the Canadian dollar against the following foreign currencies were as follows:

Exchange rate	**September 30 2007**	December 31 2006	September 30 2006
U.S. dollar	**0.9963**	1.1653	1.1153
U.K. pound sterling	**2.0313**	2.2824	2.0874

Three months ended September 30 Average exchange rates	**2007**	2006
U.S. dollar	**1.0455**	1.1211
U.K. pound sterling	**2.1131**	2.1013

Nine months ended September 30 Average exchange rates	**2007**	2006
U.S. dollar	**1.1055**	1.1326
U.K. pound sterling	**2.1955**	2.0584

9. Supplemental Cash Flow Information

Changes in working capital

($ thousands)	Three months ended September 30 2007	Three months ended September 30 2006	Nine months ended September 30 2007	Nine months ended September 30 2006
Accounts receivable and other	**$ 36,970**	$ (4,012)	**$ (90,571)**	$ (50,525)
Inventories – on-hand equipment	**53,101**	(64,718)	**(16,642)**	(35,540)
Inventories – parts and supplies	**2,359**	(24,175)	**(87,909)**	(60,396)
Accounts payable and accruals	**(129,291)**	(20,348)	**(109,759)**	99,825
Income taxes	**27,784**	6,731	**30,270**	(12,670)
Changes in working capital items	**$ (9,077)**	$ (106,522)	**$ (274,611)**	$ (59,306)

Components of cash and cash equivalents

September 30 ($ thousands)	2007	2006
Cash	**$ 19,480**	$ 50,237
Short-term investments	**905**	6,394
Cash and cash equivalents	**$ 20,385**	$ 56,631

Interest and tax payments

($ thousands)	Three months ended September 30 2007	Three months ended September 30 2006	Nine months ended September 30 2007	Nine months ended September 30 2006
Interest paid	**$ (9,852)**	$ (15,863)	**$ (55,886)**	$ (65,921)
Income taxes paid	**$ (24,005)**	$ (14,932)	**$ (81,359)**	$ (68,168)

10. Employee Future Benefits

The expense for the Company's benefit plans, primarily for pension benefits, is as follows:

Three months ended September 30 ($ thousands)	2007 Canada	2007 UK Group	2007 Total	2006 Canada	2006 UK Group	2006 Total
Defined contribution plans	**$ 3,685**	**$ 276**	**$ 3,961**	$ 2,996	$ 418	$ 3,414
Defined benefit plans	**2,196**	**2,838**	**5,034**	3,338	5,113	8,451
Total benefit plan expense	**$ 5,881**	**$ 3,114**	**$ 8,995**	$ 6,334	$ 5,531	$ 11,865

Nine months ended September 30 ($ thousands)	2007 Canada	2007 UK Group	2007 Total	2006 Canada	2006 UK Group	2006 Total
Defined contribution plans	**$ 11,637**	**$ 794**	**$ 12,431**	$ 9,140	$ 1,035	$ 10,175
Defined benefit plans	**6,765**	**8,850**	**15,615**	9,824	14,998	24,822
Total benefit plan expense	**$ 18,402**	**$ 9,644**	**$ 28,046**	$ 18,964	$ 16,033	$ 34,997

11. Segmented Information

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

During the fourth quarter of 2006, the UK Group business model was reorganized to combine the operations of Finning (UK) and Hewden into one organization creating four distinct lines of business to more effectively service customers, improve alignment with Caterpillar and to generate operating efficiencies. At the same time a new management team was appointed. These four business units will, over time, be supported by an integrated back office operation that will provide common head office services, generating additional synergies among the business units. As a result of this reorganization, the Finning UK Group is reported as one operating segment beginning in 2007, with the four lines of business being: Heavy Construction, General Construction, Power Systems, and Rental (Hewden).

Prior to 2007, results from the UK Group were reported as two separate operating segments: Finning UK Operations, reflecting the results of Finning (UK), the UK Caterpillar dealership operation and Diperk UK, which distributes and services Perkins engines in the U.K; and Hewden Operations, an equipment rental and associated services operation in the U.K.

The reportable operating segments are:

Three months ended September 30, 2007 ($ thousands)	**Canada**	**South America**	**UK Group**	**Other**	**Consolidated**
Revenue from external sources	**$ 639,891**	**$ 317,393**	**$ 371,843**	**$ 1**	**$ 1,329,128**
Operating costs	**(526,623)**	**(283,460)**	**(315,438)**	**(7,937)**	**(1,133,458)**
Depreciation and amortization	**(46,030)**	**(6,997)**	**(33,713)**	**—**	**(86,740)**
Other income (expenses)	**12**	**952**	**2**	**—**	**966**
Earnings from continuing operations before interest and taxes	**$ 67,250**	**$ 27,888**	**$ 22,694**	**$ (7,936)**	**$ 109,896**
Finance costs					**(19,251)**
Provision for income taxes					**(27,039)**
Net income from continuing operations					**63,606**
Loss from discontinued operations, net of tax					**(16)**
Net income					**$ 63,590**
Identifiable assets	**$ 1,704,938**	**$ 792,023**	**$ 1,519,634**	**$ 63,061**	**$ 4,079,656**
Gross capital expenditures	**$ 5,469**	**$ 3,119**	**$ 3,760**	**$ —**	**$ 12,348**
Gross rental asset expenditures	**$ 84,453**	**$ 21,462**	**$ 59,933**	**$ —**	**$ 165,848**

Three months ended September 30, 2006 ($ thousands)	**Canada**	**South America**	**UK Group**	**Other**	**Consolidated**
Revenue from external sources	$ 594,751	$ 260,947	$ 312,002	$ 2	$ 1,167,702
Operating costs	(498,680)	(225,072)	(254,213)	(4,877)	(982,842)
Depreciation and amortization	(40,532)	(5,988)	(29,693)	—	(76,213)
Other income (expenses)	7,768	—	(1,694)	—	6,074
Earnings from continuing operations before interest and taxes	$ 63,307	$ 29,887	$ 26,402	$ (4,875)	$ 114,721
Finance costs					(25,306)
Provision for income taxes					(17,644)
Net income from continuing operations					71,771
Loss from discontinued operations, net of tax					(33,887)
Net income					$ 37,884
Identifiable assets	$ 1,528,095	$ 665,961	$ 1,533,144	$ 59,223	$ 3,786,423
Gross capital expenditures	$ 18,309	$ 3,358	$ 7,555	$ —	$ 29,222
Gross rental asset expenditures	$ 72,406	$ 10,959	$ 54,203	$ —	$ 137,568

Nine months ended September 30, 2007 ($ thousands)	**Canada**	**South America**	**UK Group**	**Other**	**Consolidated**
Revenue from external sources	**$ 2,185,902**	**$ 977,551**	**$ 1,039,293**	**$ 4**	**$ 4,202,750**
Operating costs	**(1,843,635)**	**(858,965)**	**(881,959)**	**(29,459)**	**(3,614,018)**
Depreciation and amortization	**(124,907)**	**(20,354)**	**(100,384)**	**—**	**(245,645)**
Other income (expenses)	**(337)**	**952**	**(50)**	**—**	**565**
Earnings from continuing operations before interest and taxes	**$ 217,023**	**$ 99,184**	**$ 56,900**	**$ (29,455)**	**$ 343,652**
Finance costs					**(53,899)**
Provision for income taxes					**(80,166)**
Net income from continuing operations					**209,587**
Loss from discontinued operations, net of tax					**(2,050)**
Net income					**$ 207,537**
Identifiable assets	**$ 1,704,938**	**$ 792,023**	**$ 1,519,634**	**$ 63,061**	**$ 4,079,656**
Gross capital expenditures	**$ 15,327**	**$ 14,324**	**$ 23,141**	**$ —**	**$ 52,792**
Gross rental asset expenditures	**$ 275,279**	**$ 52,160**	**$ 217,596**	**$ —**	**$ 545,035**
Nine months ended September 30, 2006 ($ thousands)	**Canada**	**South America**	**UK Group**	**Other**	**Consolidated**
Revenue from external sources	$ 1,875,586	$ 708,870	$ 903,626	$ 4	$ 3,488,086
Operating costs	(1,608,309)	(610,959)	(763,096)	(16,636)	(2,999,000)
Depreciation and amortization	(107,349)	(18,396)	(85,347)	—	(211,092)
Other income (expenses)	17,791	—	(5,979)	—	11,812
Earnings from continuing operations before interest and taxes	$ 177,719	$ 79,515	$ 49,204	$ (16,632)	$ 289,806
Finance costs					(53,388)
Provision for income taxes					(53,319)
Net income from continuing operations					183,099
Loss from discontinued operations, net of tax					(31,693)
Net income					$ 151,406
Identifiable assets	$ 1,528,095	$ 665,961	$ 1,533,144	$ 59,223	$ 3,786,423
Gross capital expenditures	$ 31,471	$ 11,662	$ 23,673	$ —	$ 66,806
Gross rental asset expenditures	$ 222,404	$ 26,414	$ 147,546	$ —	$ 396,364