Rating Report

Report Date:
April 8, 2009

Previous Report:
April 3, 2008

Insight beyond the rating.

Finning International Inc.

Analysts

Jarrett Bilous
+1 416 597 7545
jbilous@dbrs.com

Kam Hon
+1 416 597 7543
khon@dbrs.com

The Company

Finning is the largest dealer of Caterpillar (CAT) equipment in the world. The Company is involved with the sale, rental and servicing of CAT equipment, primarily to customers in the construction, mining and petroleum industries in Western Canada, the United Kingdom and South America.

Commercial Paper Limit

C$600 Million

Rating

Debt	Rating	Rating Action	Trend
Commercial Paper	R-1 (low)	Confirmed	Stable
Senior Debentures & Medium-Term Notes	A (low)	Confirmed	Stable

Rating Rationale

DBRS has confirmed the long-term and commercial paper ratings of Finning International Inc. (Finning or the Company) at A (low) and R-1 (low), respectively. The trends are Stable. The ratings primarily reflect Finning's strong business risk profile as a leading dealer of Caterpillar Inc. (CAT) equipment, with well-diversified revenue and a strong customer support services business that helps reduce the impact of cyclical industry downturns on operating results.

Finning's financial profile weakened over the past year, mainly from higher debt and modestly lower earnings and cash flow. However, the Stable trend is based on the assumption that the Company will generate solid free cash flow in 2009 and materially reduce leverage to the low end of Finning's targeted net debt-to-capital range of 40% to 50%. While the range is relatively high for the rating category, it is acceptable when excluding implied debt related to the Company's rental operations (mainly given the highly saleable nature of the underlying equipment). Free cash flow is expected predominantly from working capital, as funding requirements for inventory and receivables decline in line with demand – consistent with Finning's working capital-oriented business model. In addition, lower net rental investments, which are discretionary, will also benefit free cash flow. While lower earnings and cash flow will result chiefly from slowing new equipment demand over the near term from peak levels in 2008, debt reduction should offset the impact on coverage ratios. (Continued on page 2.)

Rating Considerations

Strengths

(1) World's largest Caterpillar dealer
(2) Diversified by location, business and end-market
(3) Growing after-sale parts & services business adds stability to earnings
(4) Financial flexibility from working capital orientation

Challenges

(1) The new equipment market is highly cyclical
(2) Challenging U.K. market conditions
(3) Impact of a sharp economic decline on rental operations is uncertain
(4) Significant exposure to developments at Caterpillar

Financial Information

	For the year ended December 31					
(millions, where applicable)	2008	2007	2006	2005	2004	2003
Net sales	5,991	5,662	4,853	4,543	4,162	3,593
EBIT	405	454	364	280	279	259
Net income before extra. items	257	279	233	171	133	147
Gross EBIT interest coverage	4.84	6.24	5.96	4.58	2.37	3.38
Debt-to-capital	51%	42%	42%	47%	51%	53%
Adjusted debt-to-capital (1)	55%	48%	48%	53%	56%	59%
Cash flow/total debt (1) (2)	0.32	0.44	0.42	0.35	0.31	0.39
Return on equity	16.1%	17.2%	15.3%	12.5%	10.8%	14.3%
Return on capital	10.4%	11.5%	10.0%	8.0%	9.0%	9.9%

(1) Debt includes capitalized operating leases and securitizations. (2) Cash flow adjusted for leases (incl. DBRS estimates)

Rating Rationale (Continued from page 1.)

The key challenges facing Finning relate to the volatility in commodity markets and limited macroeconomic visibility, which have led to increased uncertainty regarding the extent of declines in demand for CAT equipment. A steep reduction in commodity prices, namely, oil (Alberta oil sands) and copper (Chile), would negatively affect the Company's backlog and likely materially reduce operating results. In addition, sustained weakness in macroeconomic fundamentals would further depress demand for construction-related equipment, limit improvement in Finning's U.K. division (where returns have been weak), and add pressure to the residual value of used/rental equipment. In the event of lower-than-expected operating performance and debt reduction, the ratings could come under pressure as the Company's financial risk profile would no longer be viewed as acceptable for an A (low) rating.

Despite the aforementioned risks, DBRS does not expect a sharp deterioration in earnings and cash flow over the near term. Steady growth in sales over the past several years has led to a large installed base of CAT equipment, which is expected to support continuing growth in Finning's Customer Support Services (CSS) business (which has increased to 32% of total revenue). CSS sales are expected to continue to generate margins well above new equipment sales, with limited exposure to cyclical swings in demand, which adds stability. The Company maintains a dominant CSS market share in its most profitable regions and, while commodity pricing and economic conditions sharply deteriorated in late 2008, Finning has not witnessed any material signs that trucks are being parked by their customers (activity in the Canadian oil sands and copper mining in Chile remains robust). While the near-term outlook has weakened, the medium- to longer-term fundamentals in these markets do remain solid and the cash cost of production of most of Finning's mining customers is well below current commodity prices. From a liquidity standpoint, the Company is well positioned, with no material debt maturities until 2011. Additionally, future rental investments are expected to be well below previous high levels, which should reduce balance sheet pressure when industry demand rebounds.

Rating Considerations Details

Strengths

(1) Finning has a strong franchise with a long history as a distributor of CAT products. Caterpillar Inc., rated A (high) by DBRS (with Caterpillar Financial Services Limited rated A (high) and R-1 (middle)), is a major global manufacturer of machinery and engines and has a dominant market position in the majority of its product lines and markets served. Implied support from CAT is a consideration in Finning's rating.

(2) Finning is diversified geographically, with operations in Western Canada, South America (mainly Chile) and the United Kingdom. Canada is the largest source of the Company's earnings, but South America has become an increasingly important contributor and has generated favourable profitability over the past several years. Finning is also diversified by industry, with the majority of customers operating within the construction, mining, power systems, and oil and gas industries. The diversification of operations helps to moderate the impact of changing market conditions in a particular market.

(3) Finning's CSS business, which provides after-sale parts and services, has steadily increased over the past several years and is the second largest source of revenues (after new equipment sales). CSS sales generate margins above the Company average and add stability to earnings relative to cyclical new and used equipment sales (equipment will eventually need to be serviced and require new parts). As such, after-sale service revenues and earnings help to mitigate the impact of slowing equipment sales during periods of softening demand (as is currently the case), particularly where Finning maintains a very strong market share (i.e., oil sands, South America).

(4) Finning is a working capital-oriented company, with cash and debt often required to finance accounts receivable and inventories. During a downturn in operating conditions, working capital typically generates cash that provides the flexibility to reduce debt. DBRS expects debt will decline in 2009 due to the expectation for lower equipment sales (and, as such, a reduction in inventory and receivables).

Challenges

(1) Finning's new equipment sales and earnings are largely dependent on natural resource commodity market and economic conditions, which are cyclical. Given that new equipment sales account for the largest share of sales (49% in 2008), a prolonged downturn in economic and commodity market conditions (e.g., oil, copper) would add pressure to the Company's operating results and financial metrics.

(2) Finning's U.K. operations have generated margins well below the Company average (and an operating loss in Q4 2008 following a large decline in revenue). Market conditions are very competitive, particularly for the rental businesses (Hewden Stuart Plc (Hewden)), which has resulted in aggressive pricing and volume pressure. Despite various efficiency initiatives that have been implemented, market conditions are expected to remain weak (notably in residential construction) and continue to pressure U.K. operating results.

(3) Finning's rental business accounts for a large portion of the Company's net assets, with several different channels that provide equipment with varied rental characteristics. Rental utilization rates, residual values, asset liquidity, and customer credit quality are all expected to remain under pressure over the near term due mainly to the economic recession, which is likely to pressure Finning's operating results. However, the Company's rental business accounts for a declining (and relatively modest) share of revenues, and lower net investment requirements will benefit cash flow.

(4) Finning is heavily dependent on the market acceptance and quality of CAT products, given that they account for over 90% of sales (including equipment, parts and service). In the event that the market share for CAT products materially declines, Finning would be negatively affected. However, this is currently not viewed as a significant risk.

Earnings and Outlook

	For the year ended December 31					
(CAD millions)	2008	2007	2006	2005	2004	2003
Net sales	5,991	5,662	4,853	4,543	4,162	3,593
EBITDA	731	806	722	636	646	614
Net income before other items (1)	257	279	233	171	133	147
Reported net income	96	278	204	164	115	132
Return on equity	16.1%	17.2%	15.3%	12.5%	10.8%	14.3%
EBITDA margin	12.2%	14.2%	14.9%	14.0%	15.5%	17.1%
Operating margin	6.8%	8.0%	7.5%	6.2%	6.7%	7.2%

(1) Excludes non-recurring items, as per DBRS calculations.

Summary

Finning's earnings modestly declined over the past year but remained above historical average levels. The reduction was mainly related to various cost pressures (notably in Canada) and relative strengthening in the Canadian dollar, which more than offset the impact of steadily rising revenues. Costs related to the rapid expansion of the Canadian operations, especially in the oil sands, were largely responsible for the reduction in margins, but profitability remains reasonable.

Revenues improved in all lines of business except equipment rental. Most notable was the growth in CSS in both South America and Canada, which provides above-average margins. CSS accounted for 32% of total revenues in 2008 – an increase from 30% in the prior year despite strong new equipment sales growth. The improvement in new equipment sales was largely related to deliveries to the Alberta oils sands and continuing strong demand in Chile (copper mining)..

Despite revenue growth and the improvement in mix toward CSS, earnings (before non-recurring items) and margins were lower. Higher variable costs (i.e., SG&A) in Canada were largely responsible and related mainly to increased hiring and training in anticipation of further oil sands-related expansion. In addition, U.K. division results remained weak and declined in 2008, namely from lower rental utilization (at Hewden) and slowing equipment sales as economic/construction market conditions deteriorated.

Reported net income was negatively affected by various non-recurring items, including a $166 million goodwill writedown (Hewden) and other restructuring charges (e.g., Hewden depot closures, layoffs in response to slowing global market conditions). The charges were largely non-cash.

Outlook

Earnings (before non-recurring items) are expected to decline over the near term, mainly on account of the economic downturn and the weaker commodity market fundamentals that emerged in late 2008. New equipment sales are likely to drop significantly as demand in most of Finning's customer end-markets has softened, albeit from peak levels.

The oil sands, which have been a primary contributor to the Company's growth in recent years, will largely account for slowing demand/order deferrals as new upgrader projects are not going forth as expected (given lower oil prices/cost escalations). Softer construction-related activity (particularly residential) is another contributor to the expected decline. While Finning is committed to improving the profitability at its U.K. operations following several restructuring/efficiency initiatives, its contribution to earnings is likely to be minimal as high competition, weak demand, and relative weakness in the pound sterling persist.

Despite the above-noted challenges, DBRS does not expect earnings to sharply deteriorate. The Company's CSS business is expected to grow, benefiting from a large installed base of equipment and strong market share, particularly in Alberta and Chile. South America is expected to increase as a proportion of earnings, as CSS accounts for the largest share of sales in this region. Importantly, while certain large planned projects have been deferred, activity in the oil sands and Chile remains robust, which supports CSS. Oil and copper prices remain well below peak 2008 levels, but are expected to be sustainable at levels necessary for Finning's main customers to remain cash positive and to continue producing. Furthermore, the longer-term fundamentals for the Company's oil sands and large-scale mining end-markets remain positive.

Segmented Sales	For the year ended December 31				**% of Total** For the year ended Dec. 31			
(CAD millions)	2008	2007	2006	2005	2008	2007	2006	2005
Canada	3,217	2,936	2,613	2,050	54%	52%	54%	45%
U.K.	1,273	1,400	1,231	1,486	21%	25%	25%	33%
South America	1,502	1,326	1,010	1,007	25%	23%	21%	22%
Total	5,991	5,662	4,853	4,543	100%	100%	100%	100%

Segmented EBIT (1)	For the year ended December 31				**% of Total** For the year ended Dec. 31			
(CAD millions)	2008	2007	2006	2005	2008	2007	2006	2005
Canada	235	286	233	150	60%	63%	62%	54%
U.K.	54	73	65	63	14%	16%	17%	23%
South America	148	127	109	93	38%	28%	29%	34%
Other income	(48)	-31	-34	-29	-12%	-7%	-9%	-11%
Total	388	456	374	277	100%	100%	100%	100%

(1) 2008 excludes goodwill impairment charges (other non-recurring items (as per DBRS) not excluded).

	For the year ended December 31				% of Total Revenue			
($ millions)	2008	2007	2006	2005	2008	2007	2006	2005
New equipment	2,929	2,737	2,153	1,911	49%	48%	44%	42%
Used equipment	432	418	401	403	7%	7%	8%	9%
Equipment rental	713	781	693	851	12%	14%	14%	19%
Customer services	1,900	1,701	1,584	1,369	32%	30%	33%	30%
Other	19	26	23	0	0%	0%	0%	0%
Total	5,991	5,662	4,853	4,534	100%	100%	100%	100%

- Sales growth over the past year was driven by Canada and South America, which offset lower sales in the United Kingdom.
- Canada benefited mainly from rising new equipment deliveries, while sales growth in South America stemmed mainly from CSS.

- For South America, this largely led to the strong improvement in earnings, as CSS provides margins well above equipment sales.
- In Canada, higher sales did not translate into improved earnings, largely due to increased variable costs (SG&A), restructuring initiatives, and the negative impact of average relative strength in the Canadian dollar.
- The U.K. division accounted for a lower share of revenues in 2008 – a trend that has continued over the past several years. This is partly related to restructuring (including asset sales in 2007) and also to lower equipment rental revenues caused by slowing demand. U.K. earnings modestly declined but remain a modest share of overal profits.

Financial Profile

	For the year ended December 31					
($millions)	2008	2007	2006	2005	2004	2003
EBITDA	731	806	722	636	646	614
Earnings before other items	257	279	233	171	133	147
Depreciation and amortization	326	351	358	357	366	355
Deferred taxes/other	(6)	(7)	9	1	4	4
Cash flow from operations	577	623	599	529	503	506
Capital expenditures	(49)	(54)	(42)	(60)	(77)	(64)
Investment in rental/leased equipment	(205)	(461)	(363)	(320)	(365)	(262)
Dividends	(74)	(64)	(49)	(39)	(31)	(28)
Free cash flow (before working capital)	248	43	145	109	31	153
Changes in working capital	(299)	(219)	(139)	(50)	(256)	(122)
Net free cash flow	(51)	(175)	6	59	(225)	31
Net acquisitions/dispositions/investments	(149)	236	167	15	0	(251)
All other items (1)	1	(30)	(14)	(4)	(435)	14
Cash flow before financing	(198)	31	159	70	(660)	(205)
Net change in equity	(146)	(95)	5	10	300	(33)
Net change in debt	392	47	(113)	(69)	309	270
Net change in cash	48	(17)	51	12	(51)	32
Key Figures and Ratios						
% debt in capital (2)	54.8%	48.1%	47.8%	53.3%	56.1%	59.1%
Debt-to-EBITDA (2)	2.60	1.86	2.06	2.53	2.63	2.25
Cash flow/total debt (2)(3)	0.32	0.44	0.42	0.35	0.31	0.39
EBIT interest coverage	4.84	6.24	5.96	4.58	2.37	3.38

(1) 2004 includes the redemption of non-controlling interests (2) Debt includes debt equivalents.

(3) Cash flow adjusted for capitalized operating leases (includes DBRS estimates)

Summary

Free cash flow (before working capital) increased over the past year and was well above historical levels. Sharply lower net investments in rental equipment were largely responsible, as cash flow from operations modestly declined (but remained solid and above five-year average levels). The decline in rental investments resulted from slowing demand for rental equipment (notably in Canada and the U.K. (Hewden)) relative to 2007 and, subsequently, higher sales of underutilized rental assets.

Large working capital uses led to a modest deficit in net free cash flow (albeit to a lesser degree than in 2007). The working capital cash outflow was mainly responsible for rising accounts receivables and inventory (both equipment and parts), which is typical during periods of strong sales growth. The acquisition of Collicut Energy Services Ltd. and share repurchases (which have since been suspended) led to an increase in debt.

While the increase in debt came as no surprise, market conditions and cash flow did decline at a faster rate than expected in late 2008. As a result, the Company's core credit ratios materially weakened and are at the low end of the range of acceptability for its ratings. However, Finning is afforded a slightly higher level of debt for its respective ratings since a portion of debt is related to rental investments (and viewed as less risky, given their more liquid nature).

Outlook

Finning is expected to generate solid net free cash flow over the near term, following deficits over the past two years. Further reductions in net rental investments and cash generated from working capital are largely responsible for the outlook, which should more than offset the impact of reduced earnings. Lower inventories are expected to be a main source of cash from working capital changes.

Free cash flow is expected to be used toward debt reduction – consistent with Finning's business model during periods of slowing demand. As a result, DBRS expects leverage to decline to more reasonable levels (the lower end of the Company's targeted net debt-to-capital ratio range of 40% to 50%) and coverage ratios to modestly improve. However, in the event that the debt does not decline in line with expectations, or earnings and cash flow are substantially lower, the resulting weaker credit metrics would lead to pressure on the ratings (beyond H1 2009, given seasonally high working capital requirements in the early part of the year).

Beyond 2009, DBRS does not expect significant future rental investments. As a result, DBRS expects there to be less risk of debt increasing beyond Finning's targeted net leverage range when demand eventually rebounds, as there should be less funding required for rental assets and working capital requirements relative to past years.

Liquidity is not an issue for Finning. The Company's committed bank line does not mature until the end of 2011, and there are no long-term debt repayment requirements until 2011.

Debt and Liquidity

Finning has unsecured credit facilities totalling roughly $1.3 billion, of which $870 million is committed. Included in this amount is its $800 million global syndicated credit facility that matures in December 2011. As at December 31, 2008, availability under its committed credit lines totalled over $300 million ($230 million at January 31, 2009). Finning's credit lines are used primarily to support working capital requirements and its commercial paper program, which has an authorized limit of $600 million

Liquidity is not considered an issue and is expected to increase in 2009 as free cash flow generation is used to reduce short-term debt. The Company was also in compliance with its financial covenant at end-2008.

Liquidity (in millions; at December 31, 2008)	
Cash and equivalents	$110
Credit availability	$660
Total Liquidity	$770

Finning's long-term debt repayment schedule is favourable, with no significant repayment requirements until 2011. The principal repayments (including capital leases) are listed below (in millions):

2009	2010	2011	2012	2013	Thereafter
$29	$10	$558	$1	$506	$365

The large maturity in 2011 relates to the $150 million in 4.64% medium-term notes as well as borrowings under the Company's committed bank facilities that are classified as long-term debt (but expected to be renewed).

The Company issued two unsecured medium-term notes in May 2008, including five-year $250 million (5.16%) notes and ten-year $350 million (6.02%) notes. Proceeds were used for debt repayment.

Finning's long-term debt instruments are listed below (in millions):

4.64% $150 million medium-term notes due December 14, 2011	$150
5.625% £125 million Eurobond due May 30, 2013	$222
5.16% $250 million due September 3, 2013	$249
6.02% $350 million due June 1, 2018	$348
Other loans (mainly bank line borrowings)	$444

Company Profile

Finning sells, rents and provides customer support services for CAT equipment and engines and complementary equipment in western Canada (British Columbia, Alberta, Yukon, and the Northwest Territories), South America (Chile, Argentina, Uruguay and Bolivia) and the United Kingdom. Finning is the largest dealer of CAT equipment in the world.

Finning's operations consist of five key business lines:

New equipment (49% of 2008 sales) – Finning sells primarily CAT equipment and engines. New mobile equipment is the largest sub-segment, followed by new power and energy systems. New equipment sales generate modest margins, but the Company benefits from its installed base of equipment as after-sale parts and services generate above-average profitability.

Used equipment (7%) – Finning buys and sells used equipment (primarily CAT equipment). Machines are accepted in trade, returned from lease, or purchased on the open market. This business is concentrated in the product lines for which Finning is a dealer.

Customer support services (32%) – Finning provides replacement parts and repair services for the products it sells. The Company maintains parts inventories in all the major geographic markets that it serves and complements CAT's parts distribution systems. This business is higher-margin and adds stability to earnings through an economic cycle.

Equipment rental (12%) – Finning owns fleets of equipment for short-term and long-term rental to customers. The rental agreements are available with buyout options. Rental activities have expanded rapidly in recent years through acquisitions and alliances, and account for a large share of Finning's debt due to the asset intensity of this business. Rental operations are provided through various channels, mainly dealerships (rental business typically consist of mid- to larger-size CAT equipment), Hewden Stuart Plc (light equipment in the United Kingdom), and CAT Rental Stores (light equipment in Canada and South America).

Finning International Inc.

Report Date:
April 8, 2009

Finning International Inc.

Balance Sheet

(CAD millions)

Assets	2008	2007	2006	Liabilities & Equity	2008	2007	2006
	As at December 31				As at December 31		
Cash and securities	110	62	78	Bank debt	194	371	425
Accounts receivable	841	729	667	Accts. pay./other	1,320	1,139	1,210
Inventories and other	1,864	1,458	1,487	L.t.d. due in one yr.	3	216	2
Total Current Assets	2,815	2,249	2,232	**Total Current Liabs.**	1,516	1,725	1,638
Net fixed assets	509	373	391	Long-term debt	1,411	590	736
Rental equipment	988	1,028	1,039	Deferred taxes	130	99	71
Goodwill	99	251	382	Other items	96	102	131
Other	309	232	158	Common equity	1,567	1,618	1,624
Total	4,720	4,134	4,201	**Total**	4,720	4,134	4,201

Balance Sheet Ratios

	For the year ended December 31						
	2008	2007	2006	2005	2004	2003	2002
Current ratio	1.86	1.30	1.36	1.37	1.23	1.15	1.05
Working capital/long-term debt	92%	89%	81%	58%	37%	25%	11%
Working capital/sales	22%	9%	12%	11%	8%	5%	2%
Inventory turnover (days)	124	123	136	128	121	111	122
Receivable turnover (days)	48	45	46	46	46	48	56
Accounts payable/inventory	0.89	0.92	0.91	0.86	0.93	1.20	1.33
EBIT interest coverage	4.84	6.24	5.96	4.58	2.37	3.38	3.41
EBITDA interest coverage	8.74	11.06	11.84	10.43	5.47	7.99	7.36
% debt-to-capital	50.6%	42.1%	41.7%	46.6%	50.8%	53.2%	46.7%
% adj. debt to-capital (1)	54.8%	48.1%	47.8%	53.3%	56.1%	59.1%	54.6%
Cash flow/total debt	0.36	0.53	0.51	0.43	0.37	0.46	0.57
Cash flow/total debt (1) (3)	0.32	0.44	0.42	0.35	0.31	0.39	0.44
Debt-to-EBITDA	2.20	1.46	1.61	1.94	2.12	1.77	1.39
Debt-to-EBITDA (1)	2.60	1.86	2.06	2.53	2.63	2.25	1.90

(CAD millions)	For the year ended December 31						
	2008	2007	2006	2005	2004	2003	2002
Sales	5,991	5,662	4,853	4,543	4,162	3,593	3,207
EBITDA	731	806	722	636	646	614	587
Operating profit (EBIT)	405	454	364	280	279	259	272
Interest expense	84	73	61	61	118	77	80
Pre-tax income	321	382	303	219	161	183	192
Net income before other items	257	279	233	171	133	147	139
Non-controlling interest	0	0	0	0	10	12	11
Earnings before non-recurring items	257	279	233	171	123	135	128
Net income	96	278	204	164	115	132	132
Cash Flow Statement (CAD millions)							
Net income before extra. items	257	279	233	171	133	147	139
Depreciation and amortization	326	351	358	357	366	355	315
Deferred taxes/other	(6)	(7)	9	1	4	4	7
Cash flow from operations	577	623	599	529	503	506	461
Less: capital expenditures	49	54	42	60	77	64	7
Less: rental/leased equip. investments	205	461	363	320	365	262	306
Less: dividends	74	64	49	39	31	28	23
Gross free cash flow	248	43	145	109	31	153	125
Changes in working capital	(299)	(219)	(139)	(50)	(256)	(122)	9
Free cash flow	(51)	(175)	6	59	(225)	31	133
Profitability Ratios							
Operating margin	6.8%	8.0%	7.5%	6.2%	6.7%	7.2%	8.5%
Net margin	4.3%	4.9%	4.8%	3.8%	3.0%	3.8%	4.0%
Return on equity	16.1%	17.2%	15.3%	12.5%	10.8%	14.3%	15.0%
Return on capital	10.4%	11.5%	10.0%	8.0%	9.0%	9.9%	10.1%

(1) Debt includes leases & securitizations. (2) Rental-related debt adjustment based on DBRS estimates
(3) Cash flow adjusted for capitalized operating leases (includes DBRS estimates)

Finning International Inc.

Report Date:
April 8, 2009

Rating

Debt	Rating	Rating Action	Trend
Commercial Paper	R-1 (low)	Confirmed	Stable
Senior Debentures & Medium-Term Notes	A (low)	Confirmed	Stable

Rating History

	Current	2008	2007	2006	2005	2004
Commercial Paper	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)	R-1 (low)	R-2 (high)
Senior Debentures & Medium-Term Notes	A (low)	A (low)	BBB (high)	BBB (high)	BBB (high)	BBB (high)

Note:
All figures are in Canadian dollars unless otherwise noted.