

Juan Carlos Villegas – EVP and COO
Finning International Inc.

Remarks - Annual General Meeting - May 8, 2013
(check against delivery)

Thanks Dave. Good afternoon everyone.

As we look ahead to the balance of 2013, we're anticipating some challenges in the resource sector. However, Finning is well positioned to continue driving value.

In Western Canada, we have the benefit of serving diverse industries that provide numerous revenue opportunities. Although equipment sales will likely be slower in the resource industry, demand for product support is projected to remain healthy. This reflects the large equipment fleet in our territories and strong machine utilization rates across most industries.

In South America, while some mining customers are delaying new projects, we continue to see a great long-term mining story. This industry, along with construction and power systems, will continue to provide equipment opportunities and we are well-positioned to capitalize on them. Product support is also expected to remain strong in this region, as utilization rates are high here as well.

Our UK and Ireland operations continue to face uncertain market conditions which are expected to translate into lower business volumes. Overall, we are in a good position to capitalize on our opportunities while continuing to improve our profitability. Our ability to provide custom solutions and add value to our customers is key to securing product support business in this region.

We have taken steps to size the business appropriately and are confident the team is executing on its strategy to deliver solid results.

Providing customer value while driving earnings consistency is a major focus at Finning. And, operational excellence will be a big part of the way we achieve these goals. This is a key part of our strategy and it starts with continuous improvement. We know that we must constantly raise the bar on our performance. It's much more than a short-term initiative – it is how we will conduct business at Finning.

Collaboration is also key to improving our performance. To move forward with greater efficiency and consistency, we are gathering input, identifying best practices and sharing learnings across the regions. We are also partnering with Caterpillar, who shares our vision for working together to improve efficiencies – right from the initial order through to the final delivery. As Mike mentioned, we are also fostering a high performance culture in a variety of ways across Finning. Earlier this year, we made some organizational changes at the executive level to set us up for success. Deploying the right talent in the right roles is vital.

Another key success factor is making sure we focus on priorities. Rather than launching a massive number of initiatives, we target achievable goals in a few key areas where we see the greatest opportunities. For 2013, we have identified supply chain, service efficiency and cost management as our priorities.

I'm confident that the improvements we are making in all facets of our business will add up to a substantial and sustainable improvement in our operating performance and financial results. Supported by 15,000 dedicated employees globally, we are well on our way in this journey. Improving our operating performance represents our biggest opportunity to: contribute more to the bottom-line, enhance our partnership with Caterpillar, and improve on our customer commitment. We look forward to making continued progress in this area.

With that, I'll turn it back to Mike.