Third Quarter 2008 Results *November 13, 2008*

Finning Announces Strong Third Quarter Results

Highlights from Continuing Operations

- Record third quarter revenues of $1.5 billion
- Diluted earnings per share of $0.37, up 6% from the third quarter of 2007
- New equipment order backlog grows to a new record level of $2.0 billion
- Strong balance sheet with committed bank lines and no term debt maturities until Dec 2011. Debt to total capital at 49%.
- Management expects that earnings per share in 2008 are likely to be in a range from $1.50 to $1.60

	Three months ended September 30			Nine months ended September 30		
$ millions, except per share data	**2008**	2007	Change	**2008**	2007	Change
Revenue	**1,463.2**	1,329.1	10.1%	**4,424.7**	4,202.7	5.3%
Earnings from continuing operations before interest and income taxes [1]	**103.4**	109.9	(5.9)%	**321.2**	343.6	(6.5)%
Net income (loss)						
from continuing operations	**64.8**	63.6	1.9%	**202.8**	209.6	(3.2)%
from discontinued operations [2]	—	—	—	—	(2.0)	—
Total net income	**64.8**	63.6	1.9%	**202.8**	207.6	(2.3)%
Diluted Earnings (Loss) Per Share						
from continuing operations	**$ 0.37**	$ 0.35	5.7%	**$ 1.16**	$ 1.16	—
from discontinued operations [2]	—	—	—	—	(0.01)	—
Total diluted earnings per share	**$ 0.37**	$ 0.35	5.7%	**$ 1.16**	$ 1.15	0.9%
Cash flow after working capital changes	**84.1**	115.3	(27.1)%	**109.1**	183.1	(40.4)%

[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 interim consolidated financial statements.

[2] On July 31, 2007, the Company's U.K. subsidiary, Hewden Stuart Plc, sold its Tool Hire Division. As a consequence, the results of operations of the Tool Hire Division were reclassified as discontinued operations in 2007 and prior periods.

Vancouver, Canada - Finning International Inc. (Finning or the Company) today reported record third quarter revenue of $1.5 billion for 2008, an increase of 10.1% over the third quarter of 2007. Earnings from continuing operations before interest and income taxes (EBIT) were $103.4 million in the third quarter of 2008, a decrease of 5.9% compared with the same period last year. Third quarter net income from continuing operations was $64.8 million or $0.37 diluted earnings per share, an increase of 5.7% compared with the third quarter of 2007.

“Finning operates in two of the strongest heavy equipment areas in the world where the demand for mining and heavy construction equipment continues to be good”, said Mike Waites, Finning’s President and CEO. “We continued to execute our strategy of providing a strong service and solutions offering to our customers and building our product support business. Revenues continued to grow at attractive rates in the third quarter. On a consolidated basis, new equipment and engine sales were up 12% and parts and service revenues were up 15% compared with the same period last year. In addition, our order backlog has grown to $2.0 billion, a new record, and provides good revenue visibility for 2009 and into 2010. The backlog reflects continued solid demand from mainly our mining, oil sands, and power systems customers. Many of these mining customers are low cash-cost producers whose mines are expected to continue operating notwithstanding lower commodity prices. In addition, the cash cost of our oil sands customers are well below current oil prices. In recent weeks, financial markets have been volatile and investor interest has been focused on credit availability and the financial strength of companies. Finning has in place committed lines of credit through 2011 and expects strong cash flow generation in the fourth quarter. Debt to total capital of 49% at September 30, 2008 was within our target range of 40 to 50%.”

Third Quarter Results

Finning’s revenues from continuing operations in the third quarter were $1.5 billion, up 10.1% from the third quarter of 2007 driven by continued strong equipment sales and demand for customer support services. Revenue growth in Canada and South America was driven primarily by strong demand from mining customers. In the U.K., higher customer support services revenue and cost efficiencies experienced at the Company’s UK dealership partially offset the lower rental activity in the Hewden rental business.

Finning’s global order book (the retail value of new equipment units ordered by customers for future deliveries) of approximately $2.0 billion at the end of the third quarter of 2008 is at a new record level, up approximately 15% from the levels at June 2008 and December 2007. The Company’s current backlog is weighted towards mining customers which more than offsets weakness in other sectors. Although commodity prices have declined subsequent to the third quarter of 2008, these prices are still above historical levels and management believes that most commodity prices that affect our customers will continue at levels that will support ongoing investment in those sectors.

EBIT for the quarter was $103.4 million, compared with $109.9 million in the third quarter of 2007, a decrease of 5.9%. As anticipated, the impact of foreign exchange in the third quarter of 2008 was not significant as the Canadian dollar traded relative to the U.S. dollar, on average, at approximately the same level as the third quarter of last year.

- EBIT from Finning’s Canadian reporting segment of $63.5 million in the third quarter of 2008 was 5.6% lower than the third quarter 2007. The decrease in 2008 was primarily due to an increase in selling, general, and administrative costs to support strong customer demand and projected growth in the Alberta oil sands. In addition, higher costs were incurred in the design of a new information technology system which is expected to provide benefits in the future.
- EBIT for Finning’s South American operations in the third quarter of 2008 of $37.2 million was 33.3% higher than the 2007 third quarter, reflecting strong demand and higher volumes, particularly from customer support services and new equipment revenues.
- For the UK Group, EBIT decreased 24.2% in the third quarter of 2008 to $17.2 million compared to $22.7 million in the third quarter of 2007. In local currency, EBIT from continuing operations for the third quarter of 2008 was 18.5% lower compared with the same period in the prior year, reflecting lower results from the UK Group’s rental business. Adjusting for the restructuring costs incurred in connection with the business support integration announced in the first quarter, EBIT from continuing operations in the third quarter of 2008, in local currency, would have been 10.1% lower than the comparable period in 2007.

Finning's net income from continuing operations for the quarter was $64.8 million compared with $63.6 million in 2007. Diluted Earnings Per Share (EPS) from continuing operations for the quarter was $0.37 per share, an increase of 5.7% compared with the third quarter 2007.

Cash flow after working capital changes was $84.1 million for the third quarter of 2008, compared with $115.3 million for the same period last year. Strong demand, particularly in South America, from mining customers resulted in increased investments in inventory for committed orders for deliveries in the fourth quarter of 2008 and early 2009. The Company's South American operations also experienced an increase in accounts receivable at the end of the quarter, as a result of the strong demand.

Year-to-Date Results

Revenue from continuing operations for the nine months ended September 30, 2008, was $4.4 billion, up 5.3% from the prior year. EBIT of $321.2 million for the first nine months of 2008 was down 6.5% and year-to-date trends are similar to the third quarter trends noted above. The results for the first nine months of 2008 included certain non-recurring items in the form of gains on the sale of properties at Hewden, offset by non-recurring costs related to the transition and integration of Collicutt Energy Services Inc. (Collicutt) and restructuring costs in connection with the business support integration in the U.K. Excluding these non-recurring items, EBIT for the first nine months of 2008 would have been $323.7 million, 5.8% lower than the same period in the prior year. The total negative impact on EBIT due to the much stronger Canadian dollar for the first nine months of 2008 compared to the same period in the prior year was approximately $47 million.

- For the nine months ending September 30, 2008, revenue was up 9.4% at the Company's Canadian operations, primarily due to strong new equipment sales. Adjusting for non-recurring costs related to the transition and integration of Collicutt, EBIT from Finning's Canadian reporting segment would have been $200.0 million for the nine months ended September 30, 2008, down 7.8% from the comparable period in 2007. The results in the first nine months of 2008 were negatively impacted by the stronger Canadian dollar as well as higher variable operating costs to support the projected growth in the Alberta oil sands and costs related to the design of a new information technology system.
- For the first nine months of 2008, revenues from the Company's South American operations were 6.1% higher compared with the same period last year, in spite of the negative impact of foreign exchange due to the stronger Canadian dollar relative the U.S. dollar in the first nine months of 2008. In functional currency (the U.S. dollar), revenues were up 14.6% in the first nine months of 2008 compared to the same period in 2007. EBIT for the first nine months of 2008 of $109.9 million was 10.8% higher compared to the same period last year. In functional currency, EBIT was 20.5% higher than the first nine months of 2007, primarily due to higher revenues and better margins from customer support services.
- Revenue from the UK Group in the first nine months of 2008 was 4.1% lower compared with the same period last year, but increased 5.9% in local currency. EBIT increased 11.2% over the comparable period in 2007 (22.1% in local currency), in spite of the negative impact of foreign exchange. Adjusting for the gains on the sale of properties and restructuring costs incurred in connection with the UK business support integration, EBIT from continuing operations in the first nine months of 2008, in local currency, would have been 2.6% higher than the comparable period in 2007. The improvement at the Company's UK dealership in all lines of business and the benefit of cost initiatives more than offset the reduction in rental revenues at Hewden.

Finning's net income from continuing operations for the nine months ended September 30, 2008, was $202.8 million compared with $209.6 million in 2007. Diluted EPS from continuing operations for the first nine months of 2008 was $1.16, comparable with the same period in 2007. This was achieved in spite of the negative impact of the stronger Canadian dollar in the first nine months of 2008 compared with the same period last year of approximately $0.19 per share.

Outlook

Finning's outlook for the balance of 2008 has been impacted by the slow-down in economic growth arising out of the global financial crisis. Construction related spending in the U.K. has been lower and this has impacted business levels, particularly in the equipment rental sector. As a result, Hewden's outlook for the balance of 2008 is considerably lower than previously expected. In addition, cost pressures have increased in Finning (Canada) associated with growing the labour force and physical space capacity to meet higher mining-related business volumes. These increased cost pressures, combined with a weaker outlook for western Canadian natural gas drilling activity, and a slower construction sector have caused Finning (Canada)'s outlook for the balance of 2008 to be lower than previously expected. Business levels with Finning (Canada)'s mining customers are expected to remain on plan and results from the Company's South American operations also are expected to continue to be on plan. As a result of these factors, management now expects earnings per share in 2008 are likely to be in a range of $1.50 - $1.60.

Common Share Dividend

The Board of Directors approved a quarterly dividend of $0.11 per common share, payable on December 12, 2008, to shareholders of record on November 27, 2008.

For more information

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

Third Quarter Conference Call

Management will hold an investor conference call on Thursday, November 13, 2008 at 3:00 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 5:00 pm Eastern Time on November 13, 2008, until the end of business day on November 21, 2008. The passcode to access the playback recording is 3272399 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 Annual Results February 18, 2009

Finning International's fourth quarter and annual results for 2008 will be released and an investor conference call will be held on February 18, 2009.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the financial results 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 financial statements and accompanying notes and the management's discussion and analysis included in the Company's 2007 annual report.

Results of Operations

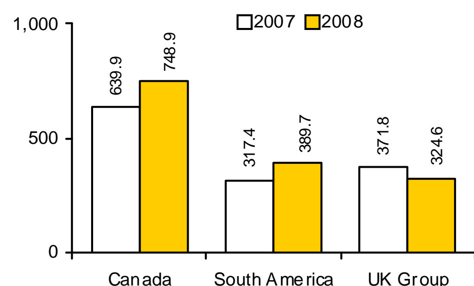
The results from continuing operations include those of acquired businesses from the date of their purchase and exclude results from operations that have been disposed of or are classified as discontinued. Results from operations that qualify as discontinued operations in 2007 have been reclassified to that category in 2007 and prior periods presented unless otherwise noted. Please see the section entitled "Discontinued Operations – Tool Hire Division" for a discussion of these operations.

Third Quarter Overview

($ millions)	**Q3 2008**	Q3 2007	**Q3 2008** (% of revenue)	Q3 2007 (% of revenue)
Revenue	**$ 1,463.2**	$ 1,329.1		
Gross profit	**432.7**	390.8	**29.6%**	29.4%
Selling, general & administrative expenses	**(322.3)**	(281.9)	**(22.0)%**	(21.2)%
Other income (expenses)	**(7.0)**	1.0	**(0.5)%**	0.1%
Earnings from continuing operations before interest and income taxes (EBIT) [(1)]	**103.4**	109.9	**7.1%**	8.3%
Finance costs	**(21.6)**	(19.3)	**(1.5)%**	(1.5)%
Provision for income taxes	**(17.0)**	(27.0)	**(1.2)%**	(2.0)%
Net income from continuing operations	**64.8**	63.6	**4.4%**	4.8%
Loss from discontinued operations, net of tax	—	—	—	—
Net income	**$ 64.8**	$ 63.6	**4.4%**	4.8%

(1) EBIT as defined above and referred to throughout this Management's Discussion and Analysis (MD&A) 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 MD&A.

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

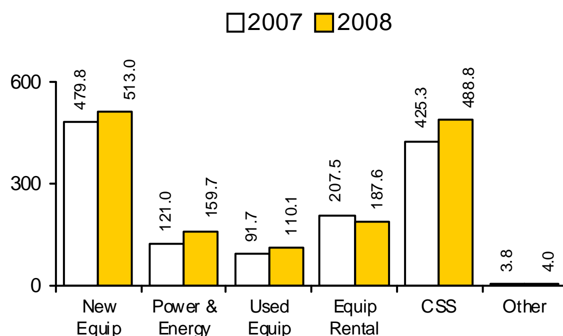


Third quarter consolidated revenues from continuing operations of $1.5 billion increased 10.1% over the third quarter of 2007. Finning achieved record third quarter revenues driven primarily by strong equipment sales and customer support services, particularly in Canada and South America. In the U.K., higher customer support services revenue and cost efficiencies experienced at the Company's UK dealership have partially offset the lower rental activity in the Hewden rental business.

Revenues from the Company's Canadian operations in the third quarter of 2008 were the highest third quarter revenues ever recorded by these operations, and were up 17.0% when compared with the same period last year. The high revenues reflect the continued strong market demand and growth in the mining sector, particularly in the Alberta oil sands. Revenues from the Company's operations in South America

increased 22.8% compared with the third quarter of 2007 with strong customer support services and new equipment revenues. Revenues were down 6.3% in local currency for the Company's operations in the U.K. compared to the similar period last year, reflecting lower rental and new equipment sales partially offset by improved customer support services. When translated to Canadian dollars, the UK Group's revenues decreased by 12.7% compared with the third quarter of 2007.

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



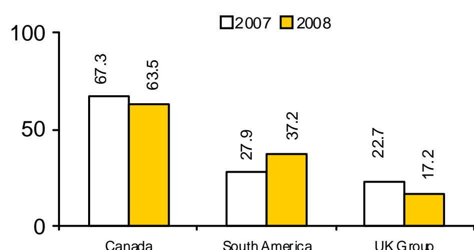
From a line of business perspective, strong demand continued in the third quarter of 2008 for both customer support services and new equipment sales. The mining and infrastructure sectors continue to demand new equipment and customer support services have increased to service the larger population of equipment. Used equipment revenues were also higher in the third quarter of 2008 and typically vary depending on product availability, customer buying preferences, and exchange rate considerations. Lower rental revenues in the third quarter of 2008 reflect the lower rental activity in the Hewden rental business.

Finning's global order book or backlog (the retail value of new equipment units ordered by customers for future deliveries) of approximately $2.0 billion at the end of the third quarter of 2008 is at a new record level, up approximately 15% from the levels at June 2008 and December 2007. Backlog of orders is up in all operations from December 2007 year end and is further weighted towards mining customers.

The Company is dependent on Caterpillar Inc. (Caterpillar) for the timely supply of parts and equipment to fulfill its deliveries and meet the requirements of the Company's service maintenance contracts. Selected models of large equipment, large engines, and some parts continue to be 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 $432.7 million in the third quarter increased 10.7% over the same period last year. As a percentage of revenue, gross profit for the quarter was 29.6%, comparable with 29.4% in the third quarter of 2007. A higher gross profit as a percentage of revenue (gross profit margin) on a consolidated basis was primarily due to higher margins earned on customer support services. Higher gross profit margin was achieved by the UK Group, primarily due to a revenue mix shift towards higher margined customer support services as well as an improvement in customer support services margins. This was offset by lower gross profit margins earned by the rental business in the U.K. In Canada, gross profit margin was comparable to the same period in 2007 with higher margins earned from customer support services offset by lower margins experienced on the sale of used equipment. The gross profit margin for the Company's South American operations decreased slightly compared with the prior year, primarily due to lower margins earned on certain new equipment sales.

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 $103.4 million decreased 5.9% from the previous year's third quarter. EBIT in the third quarter of 2008 included restructuring costs in connection with the back office integration in the U.K. Excluding these restructuring costs which are considered non-recurring, EBIT would have been $105.2 million, 4.3% lower than the third quarter of 2007.

The lower EBIT in the third quarter of 2008 was primarily due to costs incurred in the design of a new information technology system to benefit future periods as well as higher variable operating costs to support the increased level of activity anticipated in the near future for deliveries and product support. This was partially offset by long-term incentive plan (LTIP) charges that were $4.3 million lower in the third quarter of 2008 compared with the same period in 2007. This was primarily due to a lower mark-to-market impact on the valuation of certain stock-based compensation plans in 2008. Mark-to-market volatility was significantly reduced in 2008 through a compensation hedge, the cost of which is recorded in Corporate.

Higher selling, general, and administrative levels in the third quarter of 2008 were incurred in Canada to support growth and expansion in the Alberta oil sands.

Consolidated net income from continuing operations of $64.8 million increased 1.9% in the third quarter of 2008 compared with the same period in 2007.

Basic Earnings Per Share (EPS) from continuing operations for the quarter was $0.38 compared with $0.35 in the same period last year, an increase of 8.6%.

Cash Flow

Cash flow after changes in working capital for the third quarter was $84.1 million, down from cash flow of $115.3 million generated in the same period last year. Strong demand, particularly in South America, from mining customers resulted in increased investments in inventory for committed orders for deliveries in the fourth quarter of 2008 and early 2009. The Company's South American operations also experienced an increase in accounts receivable at the end of the quarter, as a result of the strong demand. 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 $68.0 million in the third quarter of 2008, which was $70.9 million lower than the same period in 2007. Demand for rental assets was up in all operations in 2007 but particularly Finning (Canada) which experienced higher demand for all rental lines of business. With lower utilization of rental assets in 2008, asset additions were moderated and underutilized assets were considered for sale.

As a result of these items, cash flow provided by operating activities was $14.8 million in the third quarter of 2008, an improvement from the use of cash of $22.5 million in the comparative period in 2007.

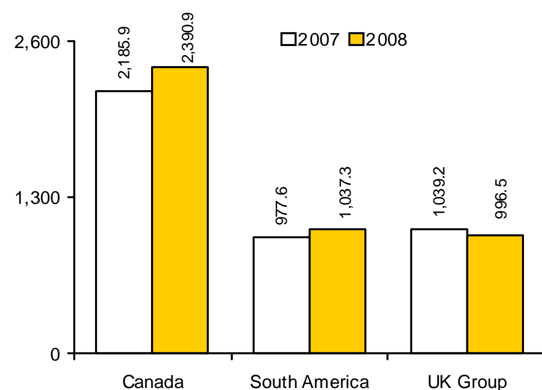
During the third quarter of 2008, under the normal course issuer bid in place, the Company repurchased and cancelled 1,385,346 common shares at an average price of $23.52. During the third quarter of 2007, the Company repurchased and cancelled 1,226,200 common shares at an average price of $28.84.

Year-to-Date Overview

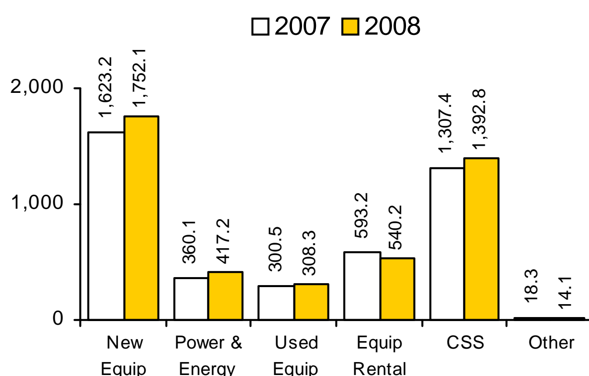
($ millions)	September 30 YTD 2008	September 30 YTD 2007	September 30 YTD 2008 (% of revenue)	September 30 YTD 2007 (% of revenue)
Revenue	**$ 4,424.7**	$ 4,202.7		
Gross profit	**1,282.5**	1,190.3	**29.0%**	28.3%
Selling, general & administrative expenses	**(961.1)**	(847.3)	**(21.7)%**	(20.1)%
Other income (expenses)	**(0.2)**	0.6	—	—
Earnings from continuing operations before interest and income taxes [(1)]	**321.2**	343.6	**7.3%**	8.2%
Finance costs	**(61.9)**	(53.9)	**(1.4)%**	(1.3)%
Provision for income taxes	**(56.5)**	(80.1)	**(1.3)%**	(1.9)%
Net income from continuing operations	**202.8**	209.6	**4.6%**	5.0%
Loss from discontinued operations, net of tax	—	(2.0)	—	(0.1)%
Net income	**$ 202.8**	$ 207.6	**4.6%**	4.9%

[(1)] EBIT as defined above and referred to throughout this MD&A 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 MD&A.

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



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

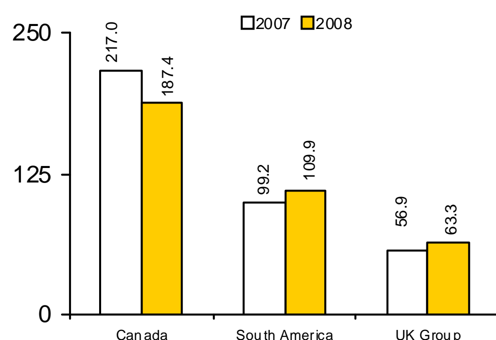


For the nine month period ending September 30, 2008, revenues from continuing operations of $4.4 billion increased 5.3% over the same period last year, in spite of the negative impact from the significant strength of the Canadian dollar relative to the U.S. dollar and the U.K. pound sterling in the first half of the year.

On a consolidated basis, strong demand continued in the first nine months of 2008 for new equipment and customer support services. New equipment sales continued to dominate revenue growth as a result of extremely strong demand for equipment, primarily in the mining and infrastructure sectors, particularly in Canada.

Gross profit of almost $1.3 billion in the first nine months of the year increased 7.7% over the same period last year, and gross profit as a percentage of revenue of 29.0% was higher compared with 28.3% in the first nine months of 2007. The gross profit margin in the Company's Canadian and South American operations was higher when compared to the first nine months of the prior year primarily due to price realization as well as a revenue mix shift towards higher margined customer support services in South America. The UK Group had a lower gross profit margin, reflecting lower rental utilization rates earned from the UK rental business partially offset by higher gross profit margins earned from the UK dealership.

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



Excluding other operations – corporate head office

EBIT of $321.2 million decreased 6.5% compared with the first nine months of 2007. Results from the nine months of 2008 included gains on the sale of certain properties in Hewden, offset by non-recurring costs related to the integration and transition of Collicutt Energy Services Ltd. (Collicutt) and business support restructuring costs in the U.K. Adjusting for these non-recurring items, EBIT for the nine months ended September 30, 2008 would have been $323.7 million, 5.8% lower than the same period in 2007.

The lower EBIT in the first nine months of 2008 was also a result of a stronger Canadian dollar and higher variable operating costs to support the increased level of activity anticipated for deliveries and product support. This was partially offset by LTIP charges that were $19.6 million lower in the first nine months of 2008 compared with the same period in 2007. This was primarily due to a lower mark-to-market impact on the valuation of certain stock-based compensation plans, net of hedging activity, in 2008.

Net income from continuing operations of $202.8 million was down 3.2% in the first nine months of 2008.

Basic EPS from continuing operations for the nine months ended September 30, 2008 was $1.17, comparable with the same period last year. The total negative impact due to the stronger Canadian dollar in 2008 compared to the nine months of the prior year was approximately $0.19 per share.

Cash flow after changes in working capital for the nine months ended September 30, 2008 was $109.1 million, compared with cash flow of $183.1 million generated in the same period last year. Throughout all operations, management continues to focus on improving cash cycle times and operating efficiencies while ensuring appropriate levels of working capital exist to support current activity levels.

The Company made a net investment in rental assets of $213.2 million in the first nine months of 2008, which was $247.2 million lower than the same period in 2007. As a result of softening demand, rental investment moderated in 2008 compared to the very high demand for rental assets in 2007, particularly at the Company's Canadian and Hewden operations.

As a result of these items, cash flow used by operating activities was $104.5 million in the first nine months of 2008, an improvement from the use of cash of $264.0 million in the comparative period in 2007.

Foreign Exchange

The Company's reporting currency is the Canadian dollar. However, due to the geographical diversity of the Company's operations, a significant portion of revenue and operating expenses are in a different currency. The most significant currencies the Company transacts business in are the Canadian dollar, the U.S. dollar, and the U.K. pound sterling. The most significant foreign exchange impact on the Company's net income is the translation of foreign currency based earnings into Canadian dollars.

The impact in the third quarter of 2008 was not significant as the Canadian dollar traded relative to the U.S. dollar, on average, at approximately the same level as the third quarter of last year. However, compared to the first nine months of 2007, foreign exchange had a significant negative impact on consolidated revenues in the first nine months of 2008 compared to the prior year of approximately $335 million due to the stronger Canadian dollar relative to the U.S. dollar (7.9% stronger than the first nine months of 2007) and the U.K. pound sterling (9.7% stronger than the first nine months of 2007). As a result, net income was negatively impacted by approximately $0.19 per share in the nine months ended September 30, 2008 compared to the prior year.

The movement of the Canadian dollar relative to the U.S. dollar and the U.K. pound sterling will affect Finning's results. The sensitivity of the Company's net earnings to fluctuations in the average annual foreign exchange rates is summarized on page 26.

The following tables provide details of revenue and EBIT contribution by operation and the foreign exchange impact for the nine months ended September 30, 2008.

Nine months ended September 30 ($ millions)	**Canada**	**South America**	**UK Group**	**Consolidated**
Revenues – Q3 YTD 2007	$ 2,185.9	$ 977.6	$ 1,039.2	$ 4,202.7
Foreign exchange impact	(158.4)	(73.8)	(103.8)	(336.0)
Operating revenue increase	363.4	133.5	61.1	558.0
Revenues – Q3 YTD 2008	$ 2,390.9	$ 1,037.3	$ 996.5	$ 4,424.7
Total revenue increase (decrease)	$ 205.0	$ 59.7	$ (42.7)	$ 222.0
- percentage increase (decrease)	9.4%	6.1%	(4.1)%	5.3%
- percentage increase, excluding foreign exchange	16.6%	13.7%	5.9%	13.3%

Nine months ended September 30 ($ millions)	Canada	South America	UK Group	Other	Consolidated
EBIT – Q3 YTD 2007	$ 217.0	$ 99.2	$ 56.9	$ (29.5)	$ 343.6
Foreign exchange impact	(27.3)	(14.1)	(5.6)	—	(47.0)
Operating EBIT increase (decrease)	(2.3)	24.8	12.0	(9.9)	24.6
EBIT – Q3 YTD 2008	$ 187.4	$ 109.9	$ 63.3	$ (39.4)	$ 321.2
Total EBIT increase (decrease)	$ (29.6)	$ 10.7	$ 6.4	$ (9.9)	$ (22.4)
- percentage increase (decrease)	(13.6)%	10.8%	11.2%	33.6%	(6.5)%
- percentage increase (decrease), excluding foreign exchange	(1.1)%	25.0%	21.1%	33.6%	7.2%

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.

Three months ended September 30, 2008 ($ millions)	**Canada**	**South America**	**UK Group**	**Consolidated**	**Revenue percentage**
New mobile equipment	**$ 270.9**	**$ 152.3**	**$ 89.8**	**$ 513.0**	**35.1%**
New power & energy systems	**72.4**	**44.0**	**43.3**	**159.7**	**10.9%**
Used equipment	**67.6**	**7.0**	**35.5**	**110.1**	**7.5%**
Equipment rental	**81.3**	**14.1**	**92.2**	**187.6**	**12.8%**
Customer support services	**253.7**	**171.3**	**63.8**	**488.8**	**33.4%**
Other	**3.0**	**1.0**	—	**4.0**	**0.3%**
Total	**$ 748.9**	**$ 389.7**	**$ 324.6**	**$ 1,463.2**	**100.0%**
Revenue percentage by operations	**51.2%**	**26.6%**	**22.2%**	**100%**	

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%	

Nine months ended September 30, 2008 ($ millions)	**Canada**	**South America**	**UK Group**	**Consolidated**	**Revenue percentage**
New mobile equipment	**$ 1,108.3**	**$ 380.4**	**$ 263.4**	**$ 1,752.1**	**39.6%**
New power & energy systems	**147.4**	**116.6**	**153.2**	**417.2**	**9.4%**
Used equipment	**175.3**	**26.5**	**106.5**	**308.3**	**7.0%**
Equipment rental	**215.0**	**43.5**	**281.7**	**540.2**	**12.2%**
Customer support services	**733.8**	**467.3**	**191.7**	**1,392.8**	**31.5%**
Other	**11.1**	**3.0**	—	**14.1**	**0.3%**
Total	**$ 2,390.9**	**$ 1,037.3**	**$ 996.5**	**$ 4,424.7**	**100.0%**
Revenue percentage by operations	**54.0%**	**23.4%**	**22.6%**	**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%	

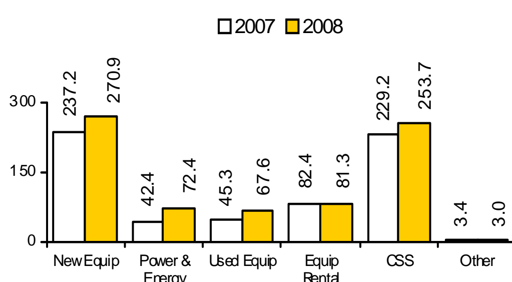
Canadian Operations

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), and a 25% interest in PipeLine Machinery International (PLM). On January 15, 2008, Finning (Canada) acquired the issued and outstanding common shares of Collicutt, a leading Canadian oilfield service company. The results of Collicutt's operations have been included in the consolidated financial statements since the acquisition date.

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

	Three months ended September 30		Nine months ended September 30	
($ millions)	**2008**	2007	**2008**	2007
Revenue from external sources	**$ 748.9**	$ 639.9	**$ 2,390.9**	$ 2,185.9
Operating costs	**(639.0)**	(526.6)	**(2,082.2)**	(1,843.6)
Depreciation and amortization	**(45.1)**	(46.0)	**(119.3)**	(124.9)
Other expenses	**(1.3)**	—	**(2.0)**	(0.4)
Earnings before interest and taxes	**$ 63.5**	$ 67.3	**$ 187.4**	$ 217.0
Earnings before interest and taxes				
- as a percentage of revenue	**8.5%**	10.5%	**7.8%**	9.9%
- as a percentage of consolidated earnings before interest and taxes	**61.4%**	61.2%	**58.4%**	63.1%

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



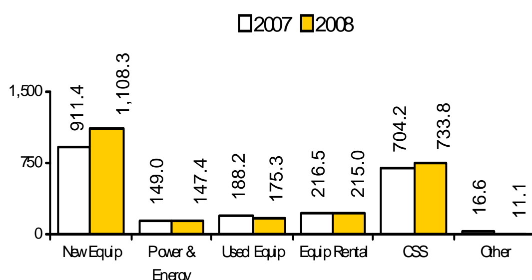
Third quarter revenues from the Canadian operations of $748.9 million were 17.0% above the same period in 2007. Revenues from most lines of business in Canada increased over 2007 levels, most notably in new and used equipment, and customer support services.

Revenues from new equipment continued to be strong in the third quarter, attributable primarily to continued market demand and growth in the mining sectors, particularly the Alberta oil sands.

Customer support services revenues in the third quarter of 2008 continued to grow and were 10.7% higher in comparison with the same period in 2007. This increase occurred in spite of no longer earning any revenues from the fuels and lubricants distribution business with Shell Canada which was terminated in the fourth quarter of 2007. Revenues from the Shell business were approximately $27 million in the third quarter of 2007.

Used equipment revenues in the third quarter of 2008 were 49.2% higher in comparison with the same period in 2007.

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



In Canada, overall gross profit as a percentage of revenue in the third quarter of 2008 was comparable with the same period in 2007, reflecting higher margins from customer support services offset by lower margins earned on the sale of used equipment.

The higher selling, general, and administrative (SG&A) costs in the third quarter of 2008 were primarily incurred to meet the long term strategic growth objectives of the Canadian operations, including an increase in our product support capability and our support of the higher activity levels in the oil sands. The SG&A increase was driven by an increased investment in people, as headcount for Finning (Canada) increased by over 700 or approximately 20% compared to September 2007. Approximately one-half of the year over year increase was due to the development of a heavy equipment centre of excellence in Red Deer, Alberta.

EBIT totalled $63.5 million in the third quarter of 2008 compared with $67.3 million in the same period in 2007. EBIT margin (EBIT divided by revenues) of the Canadian operating segment was 8.5% in the third quarter of 2008, down from 10.5% last year. The decline in EBIT margin is attributed primarily to the increase in SG&A costs required to meet the strong demand in the Alberta oil sands and from the Collicutt acquisition. Foreign exchange did not have a significant impact on EBIT as the Canadian dollar relative to the U.S. dollar in the three months ended September 30, 2008 was comparable to the same period last year.

Finning (Canada)'s order book at the end of the third quarter of 2008 achieved a new record level. Although global economic conditions are currently weaker, growth in mining is expected to continue to counter weakness in other market areas.

Revenues for the nine months ended September 30, 2008 increased 9.4% to $2,390.9 million. Quarterly trends noted above also apply to the year-to-date results of the Company's Canadian operations. The Canadian operations contributed EBIT of $187.4 million for the nine months ended September 30, 2008, compared with $217.0 million for the same period in the prior year, a decrease of 13.6%. Foreign exchange had a $27.3 million negative impact on EBIT for the first nine months of 2008 due to the 7.9% strengthening of the Canadian dollar relative to the U.S. dollar year over year. In addition, in the first quarter of 2008, the Company completed the acquisition of Collicutt and incurred costs in the first two quarters of 2008 to integrate and transition the Collicutt operations to support Finning customer service work. Excluding the costs incurred with this integration and transition, the 2008 EBIT margin in the first nine months of 2008 would have been 8.5% compared with 9.9% achieved in the first nine months of 2007. This decrease reflects the negative impact of foreign exchange and higher costs incurred in the first nine months of 2008 to meet anticipated future customer demand.

The aggregate purchase price on the acquisition of Collicutt was $135.3 million. The purchase price was funded through $84.3 million in cash, and 15,403 common shares of the Company with a value of $0.4 million. Acquisition costs of $5.8 million were incurred and paid on the transaction. On the date of the acquisition, the Company repaid $44.8 million of Collicutt's existing bank debt resulting in aggregate consideration of $135.3 million.

This acquisition provides Finning (Canada) with the opportunity to expand its capacity of regional branches to enable Finning to undertake more customer service work, accelerate throughput of new equipment prepared for delivery to customers, and increase the ability to undertake machine overhaul and rebuild work. Finning (Canada) has relocated its Edmonton-based new equipment preparation and used parts work to its new facilities in Red Deer, Alberta. This heavy equipment centre of excellence is expected to free up existing service facility capacity and give the Company the opportunity to develop a mining/heavy equipment overhaul rebuild capability in Red Deer. The transition plan is progressing well and is ahead of schedule.

Finning, Finning (Canada), and OEM have been involved in legal proceedings for the past three 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. These proceedings have been described in prior quarterly disclosures and further proceedings are currently taking place before the Alberta Labour Relations Board (ALRB). At this time, Finning, Finning (Canada), and OEM are confident that they can manage the operational impacts of these ALRB proceedings.

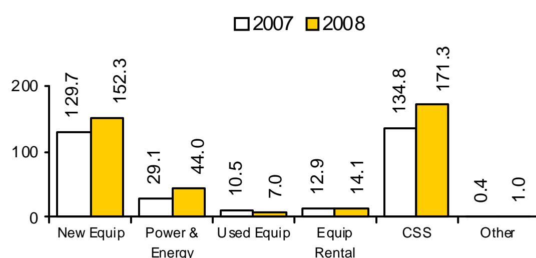
South America

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

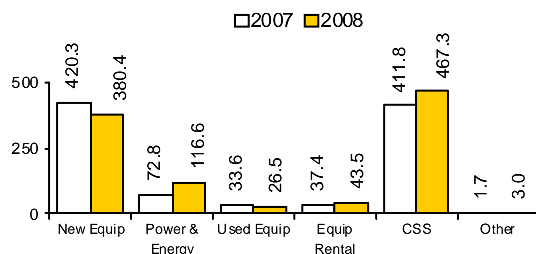
The table below provides details of the results from the South American operations:

	Three months ended September 30		Nine months ended September 30	
($ millions)	**2008**	2007	**2008**	2007
Revenue from external sources	**$ 389.7**	$ 317.4	**$ 1,037.3**	$ 977.6
Operating costs	**(343.9)**	(283.5)	**(903.1)**	(859.0)
Depreciation and amortization	**(8.3)**	(7.0)	**(23.8)**	(20.4)
Other income (expenses)	**(0.3)**	1.0	**(0.5)**	1.0
Earnings before interest and taxes	**$ 37.2**	$ 27.9	**$ 109.9**	$ 99.2
Earnings before interest and taxes				
- as a percentage of revenue	**9.5%**	8.8%	**10.6%**	10.1%
- as a percentage of consolidated earnings before interest and taxes	**36.0%**	25.4%	**34.2%**	28.9%

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



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



Revenues were very strong in the third quarter of 2008 at $389.7 million, 22.8% higher than the third quarter of 2007, reflecting higher revenues from most lines of business, particularly in customer support services and new equipment sales. Power and energy system revenues were also up compared with the prior year, primarily in Chile with higher demand for energy.

Strong growth in customer support services continues and is primarily 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 as well as the increased coverage across the region as a result of Finning's investment in branches.

Gross profit increased 19.6% in the third quarter of 2008 compared with the comparative period in 2007 and was up in most lines of business. Gross profit decreased slightly as a percentage of revenue.

Although SG&A costs have increased in absolute dollars, they have decreased as a percentage of revenue in the third quarter of 2008 compared with 2007. In order to meet customer service demand and the increasing number of service maintenance contracts, over 350 additional revenue-generating employees and support staff have been hired, representing a 6% increase over September 2007 levels. As a result of the increased headcount, SG&A expenses included higher salaries and benefit costs in the third quarter of 2008. The increase in other SG&A costs was mostly volume driven with higher associated selling costs, and continued to reflect the upward pressure of inflationary increases. Where possible, price increases have been implemented to offset rising costs. Foreign exchange did not have a significant impact on EBIT as the Canadian dollar relative to the U.S. dollar in the three months ended September 30, 2008 was comparable to the same period last year.

EBIT of the Company's South American operations of $37.2 million for the three months ended September 30, 2008 improved significantly from the third quarter of 2007, up 33.3%. This increase was driven by the higher volumes noted above and cost initiatives. EBIT as a percentage of revenue for Finning South America increased to 9.5%, up from 8.8% in the third quarter of 2007.

For the nine months ended September 30, 2008, revenue increased 6.1% to $1,037.3 million. This increase occurred in spite of the significant negative impact on the translation of revenues in the first nine months of 2008 with a 7.9% stronger Canadian dollar relative to the functional currency, the U.S. dollar, year over year. In functional currency, revenue increased by 14.6%, reflecting very strong growth in customer support services. For the first nine months of 2008, EBIT of $109.9 million was 10.8% higher compared to the same period last year, reflecting the quarterly trends noted above. Foreign exchange had a $14.1 million negative impact on EBIT for the first nine months of 2008 as compared to the same period in the prior year. In functional currency, EBIT was 20.5% higher than the first nine months of 2007 and EBIT as a percentage of revenue for Finning South America improved to 10.6%, up from 10.1% in the same period in 2007. This improvement was a result of higher price realization as well as a higher proportion of customer support services revenues in the first nine months of 2008 which earns a higher margin.

In the third quarter and early in the fourth quarter of 2008, the Company successfully renewed the collective agreements with the three unions representing the vast majority of Finning (Chile) employees. The new collective agreements have a four year term, which include an enhanced wage settlement. The contract enhancement will assist our South American operations retain and attract employees needed to meet future demand.

United Kingdom ("UK") Group

The Company's UK Group includes the following four market units: Heavy Construction, General Construction, Power Systems, and Rental (Hewden).

In July 2007, Hewden sold its Tool Hire Division. The results from the Tool Hire Division are recorded as discontinued operations with prior period results restated accordingly.

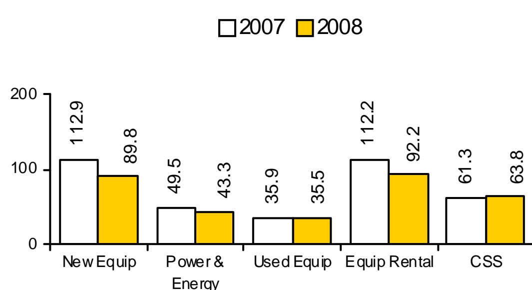
In the first quarter of 2008, Finning announced that it would centralize the business support services of its Finning UK Group into a single location at Cannock, England. As a result, Hewden will be closing its administration offices in Tannochside, near Glasgow, and strengthening a Hewden operational support team in Manchester.

Combined with investments in new information technology last year, the move is designed to achieve lower overall costs and better integrated information technology, finance, and other support services across the Finning UK Group.

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

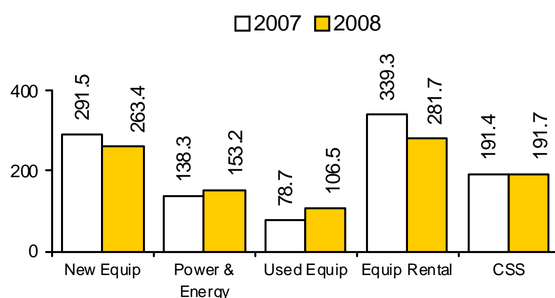
	Three months ended September 30		Nine months ended September 30	
($ millions)	**2008**	2007	**2008**	2007
Revenue from external sources	**$ 324.6**	$ 371.8	**$ 996.5**	$ 1,039.2
Operating costs	**(275.1)**	(315.4)	**(849.3)**	(881.9)
Depreciation and amortization	**(31.1)**	(33.7)	**(95.3)**	(100.4)
Other income (expenses)	**(1.2)**	—	**11.4**	—
Earnings before interest and taxes	**$ 17.2**	$ 22.7	**$ 63.3**	$ 56.9
Earnings before interest and taxes				
- as a percentage of revenue	**5.3%**	6.1%	**6.4%**	5.5%
- as a percentage of consolidated earnings before interest and taxes	**16.6%**	20.7%	**19.7%**	16.6%

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



The UK Group's revenues for the third quarter of 2008 of $324.6 million were down 12.7% from the same period last year. Foreign exchange continued to have a negative impact on the translation of revenues due to the 6.9% strengthening of the Canadian dollar relative to the U.K. pound sterling year over year. In local currency, revenues were 6.3% lower compared with the third quarter of 2007.

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



In local currency, revenues from customer support services and used equipment sales improved compared with the third quarter of 2007. Revenues from other lines of business in the third quarter of 2008 were lower compared to the same period last year. New equipment revenues were lower in 2008 due to a single significant sale to the coal mining sector recorded in the third quarter of 2007.

Rental revenues continue to be affected by lower utilization rates at Hewden. This business unit is being reorganized to improve its focus on delivering on its commitments to customers, reducing its overall cost structure, and improving the performance of its assets.

Gross profit for the third quarter of 2008 was lower compared with the same period last year in absolute terms, but increased as a percentage of revenue due to a revenue mix shift towards higher margined customer support services as well as an increase in margins from customer support services. The rental business continued to experience lower margins.

SG&A costs were lower in the third quarter of 2008 in absolute terms compared with 2007 but were slightly higher as a percentage of revenue. The improvement is a result of various initiatives and management's focus on realizing cost efficiencies.

Further to the reorganization of the UK Group business model in the fourth quarter of 2006, it was announced in the first quarter of 2008 that the Hewden Tannochside office located in Scotland would be closed. The business support functions of the UK Group will be integrated into one operation located in Cannock, England, that will provide common head office services, generating additional synergies among the four UK market units. Other expenses for the third quarter of 2008 included restructuring costs of approximately $1.8 million incurred in connection with the integration. A further $6 million is anticipated to be spent during the remainder of 2008 and early 2009. This integration will promote efficiencies and is expected to substantially reduce administrative support costs over time when the business units move to one common system.

In the third quarter of 2008, the UK Group contributed $17.2 million of EBIT, a 24.2% decrease compared with that achieved in the third quarter of 2007. In local currency, after adjusting for the restructuring costs noted above, EBIT would have been lower by 10.1% compared with the same period last year.

EBIT as a percentage of revenue for the UK Group was 5.3% in the third quarter of 2008 compared with 6.1% in the same period last year. Excluding the restructuring costs, the third quarter 2008 EBIT margin would have been 5.9%, comparable with the third quarter of 2007.

For the nine months ended September 30, 2008, revenues of $996.5 million were 4.1% lower compared to the same period in the prior year. In local currency, total revenue was 5.9% higher compared to that reported in the first nine months of 2007 with higher volumes in the UK dealership more than offsetting the lower rental revenues in Hewden. For the first nine months of 2008, the UK Group contributed $63.3 million of EBIT, 11.2% higher than the EBIT contributed during the first nine months of 2007. The results for the first nine months of 2008 included a $14.7 million pre-tax gain on the sale of certain properties at Hewden, as well as $4.6 million in restructuring costs incurred in connection with the business support integration initiative. Excluding the gain on the properties sale and the restructuring costs, the EBIT margin for the first nine months of 2008 would have been 5.3%, comparable with the same period last year. The improved results from the UK Group's dealership business offset the lower results from the UK Group's rental business.

Discontinued Operations – Tool Hire Division

On July 31, 2007, Hewden sold its Tool Hire Division. This division is 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 Division for the three and nine months ended September 30, 2007, excluding the gain on sale:

($ millions)	**Three months ended September 30, 2007**	**Nine months ended September 30, 2007**
Revenue from external sources	$ 16.2	$ 113.3
Operating costs	(13.3)	(82.2)
Depreciation and amortization	(3.3)	(23.4)
Other income (expenses)	0.9	(8.0)
Earnings before interest and taxes	$ 0.5	$ (0.3)

Corporate and Other Operations

	Three months ended September 30		**Nine months ended September 30**	
($ millions)	**2008**	2007	**2008**	2007
Operating costs – corporate	**$ (5.8)**	$ (7.3)	**$ (19.5)**	$ (22.5)
Operating costs – mark to market and equity investment	**(4.5)**	(0.7)	**(10.7)**	(7.0)
Depreciation and amortization	—	—	**(0.1)**	—
Other expenses	**(4.2)**	—	**(9.1)**	—
Earnings before interest and taxes	**$ (14.5)**	$ (8.0)	**$ (39.4)**	$ (29.5)

For the three months ended September 30, 2008, corporate operating costs were $1.5 million lower than the same period in 2007. For the nine months ended September 30, 2008, corporate operating costs decreased to $19.5 million, compared with $22.5 million for the same period in 2007.

Equity earnings from the Company's investment in Energyst B.V. for the three months ended September 30, 2008 were comparable with the same period in 2007 but were $1.1 million lower in the first nine months of 2008 compared with the prior year. The mark-to-market LTIP expense incurred at the corporate level in the third quarter of 2008 was $3.8 million higher than the third quarter of 2007, and was $2.6 million higher for the nine months ended September 30, 2008 compared with the same period last year. The Company entered into a compensation hedge at the end of 2007 which offsets the mark-to-market impact relating to certain stock-based compensation plans. The 2007 balance reflects the mark-to-market impact following the valuation of certain stock-based compensation plans. The 2008 balance primarily reflects the mark-to-market expense of the compensation hedge with offsets the LTIP mark-to-market gains recorded by the operating companies. On a consolidated basis, the mark-to-market impact, net of hedging costs, is minimal for the nine months ended September 30, 2008.

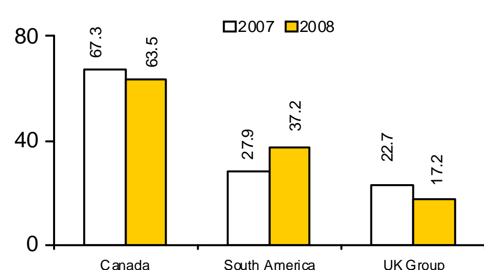
Costs included in other expenses in the first nine months of 2008 relate to the implementation of a new information technology system for the Company's global operations.

Earnings Before Interest and Taxes from Continuing Operations (EBIT)

Gross profit increased 10.7% to $432.7 million in the third quarter of 2008 compared with the third quarter of 2007 and quarterly gross profit margin (gross profit as a percentage of revenue) was slightly up from the prior year. However, the increase in gross profit was offset by higher SG&A costs, which were incurred to meet anticipated growth and customer demand primarily in the mining sector, as well as cost increases in both Western Canada and South America.

On a consolidated basis, EBIT from continuing operations in the third quarter of 2008 of $103.4 million decreased by 5.9% over the same period in 2007. The third quarter 2008 results included non-recurring restructuring costs in connection with the business support integration initiative in the U.K. Adjusting the third quarter 2008 results for these non-recurring items, EBIT would have been $105.2 million, down 4.3% from the comparable period of 2007. Adjusting for the non-recurring item noted above, EBIT as a percentage of revenue (EBIT margin) was 7.2%, compared to 8.3% for the same period in 2007.

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



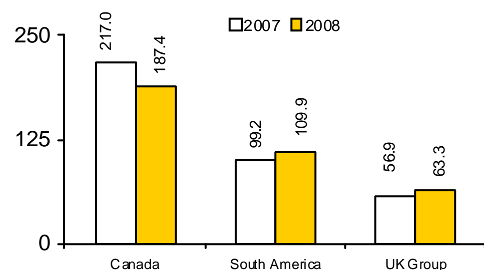
Excluding other operations – corporate head office

Major components of the EBIT variance were:

	($ millions)
2007 Q3 EBIT	109.9
Net growth (decrease) in operations	(4.8)
Foreign exchange impact	2.0
Restructuring costs in the U.K.	(1.8)
Lower LTIP costs	4.3
Other net expenses *(see Note 2 to the Consolidated Financial Statements)*	(6.2)
2008 Q3 EBIT	103.4

For the nine months ended September 30, 2008, EBIT decreased by 6.5% over the same period in 2007 to $321.2 million. EBIT in the nine months of 2008 included gains realized in the first quarter on the sale of certain properties, partially offset by costs related to the integration and transition of Collicutt and restructuring costs in the U.K. Adjusting for these non-recurring items, EBIT as a percentage of revenue would have been 7.4%, compared with 8.2% for the same period in 2007. The year to date activity reflects similar variances as the quarterly impacts above.

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



Excluding other operations – corporate head office

Major components of the EBIT variance were:

	($ millions)
2007 Year-to-Date EBIT	343.6
Net growth in operations	18.4
Foreign exchange impact	(47.0)
Gain on sale of certain properties in Hewden	14.7
Collicutt integration and start-up costs	(12.6)
Restructuring costs in the U.K.	(4.6)
Lower LTIP costs	19.6
Other net expenses *(see Note 2 to the Consolidated Financial Statements)*	(10.9)
2008 Year-to-Date EBIT	**321.2**

Finance Costs

Finance costs for the three months ended September 30, 2008 were $21.6 million (year-to-date 2008: $61.9 million) compared with $19.3 million in the third quarter of 2007 (year-to-date 2007: $53.9 million). The higher finance costs in 2008 is primarily due to higher debt in 2008 as a result of the acquisition of Collicutt, the repurchase of the Company's common shares as part of a normal course issuer bid, as well as to support the Company's higher working capital requirements.

Provision for Income Taxes

The effective income tax rate for the third quarter of 2008 was 20.8% compared to 29.8% in the comparable period of the prior year. The lower effective tax rate is primarily due to a reduction in the statutory corporate income tax rates in 2008 in both the UK and Canada and a change in the Company's earnings mix with proportionately more income earned in the lower tax jurisdictions in South America. In addition, the Company benefited from tax adjustments resulting from the closure of previously open tax years.

The year-to-date 2008 effective income tax rate was 21.8% compared to 27.6% for the same period last year, reflecting the reduction in statutory corporate income tax rates as well as lower capital tax rates applied to the sale of properties in the U.K in the first quarter of 2008 and a tax benefit recognized on the wind up of Collicutt in the second quarter of 2008. The lower effective tax rate also reflects the shift in earnings mix and settlements noted above. Adjusting for the gains and other non-recurring items, the effective tax rate would have been 22.9%. The Company expects its consolidated annual effective tax rate to be slightly below the low end of the current guidance range of 25-30%.

Net Income

Finning's net income from continuing operations increased 1.9% to $64.8 million in the third quarter of 2008 compared with $63.6 million in the comparative period in 2007. The Company realized improved margins but this was more than offset by higher costs to meet customer demand as well as non-recurring restructuring costs in connection with the business support integration initiative in the U.K. This was offset by lower tax expense as noted above.

Basic EPS increased 8.6% to $0.38 per share in the third quarter of 2008 compared with $0.35 per share in the comparative period last year. The impact in the third quarter of 2008 from foreign exchange was not significant as the Canadian dollar traded relative to the U.S. dollar, on average, at approximately the same level as the third quarter of last year.

For the nine months ended September 30, 2008, net income from continuing operations decreased by 3.2% to $202.8 million. The stronger Canadian dollar in 2008, particularly in the first half of this year, reduced earnings by approximately $32 million. Finning's 2008 earnings included gains on the sale of certain properties at Hewden offset by the non-recurring costs related to the integration of Collicutt and U.K. restructuring costs noted above.

Basic EPS in the first nine months of 2008 of $1.17 per share was comparable with the same period in 2007. The total negative impact due to a much stronger Canadian dollar compared to the first nine months of the prior year was approximately $0.19 per share.

Liquidity and Capital Resources

Cash Flow from Operating Activities

For the three months ended September 30, 2008, cash flow generated after working capital changes was $84.1 million, a decrease from cash flow of $115.3 million generated during the same period in 2007. The Company's operations experienced growth in working capital in the third quarter of 2008 as a result of strong demand, particularly in South America, to support mining customers with inventory for committed orders for deliveries in the fourth quarter of 2008 and early 2009. Throughout all operations, management continues to focus on improving cash cycle times and operating efficiencies, and anticipates a general reduction in working capital due to seasonality in the business. Together, these will generate significant free cash flow for the remainder of the year.

For the nine months ended September 30, 2008, cash flow after working capital changes was $109.1 million, compared with $183.1 million in the first nine months of 2007.

The Company made a net investment in rental assets of $68.0 million during the third quarter of 2008 (2007: $138.9 million), and a net investment in the nine months of 2008 of $213.2 million (2007: $460.4 million). Rental investment moderated in 2008 compared to the very high demand for rental assets in 2007, particularly at the Company's Canadian operations. With utilization of rental assets decreasing in 2008, rental expenditures were reduced wherever possible and underutilized assets were considered for sale.

Overall, cash flow provided by operating activities was $14.8 million in the third quarter of 2008 (year-to-date: use of cash of $104.5 million), an improvement from cash used by operating activities of $22.5 million in the third quarter of 2007 (year-to-date: $264.0 million).

Cash Used For Investing Activities

Net cash used in investing activities in the three months ended September 30, 2008 totalled $21.6 million (year-to-date 2008: $163.7 million) compared with cash provided by investing activities of $228.1 million in the third quarter of 2007 (year-to-date 2007: $193.0 million). The primary source of cash in the third quarter of 2007 related to the proceeds of $242.9 million received on the sale of the Tool Hire Division. The higher use of cash in the nine months of 2008 related to the acquisition of Collicutt in the first quarter for $135.2 million, net of cash received.

Gross capital additions for the three months ended September 30, 2008 were $26.8 million (year-to-date 2008: $68.8 million) which is higher than the $12.4 million invested in the three months ended September 30, 2007 (year-to-date 2007: $51.8 million). The capital additions in 2008 and 2007 reflect general capital spending to support operations. Capital additions in 2008 included capitalized costs related to the Company's new global information system, and capital additions in the prior year included the capitalization of certain costs related to the development of Hewden's new information system.

Investing activities in the first nine months of 2008 included approximately $8.6 million in proceeds on the sale of vehicles at Hewden in the second quarter of 2008. These vehicles were subsequently leased back under an operating lease.

In the first quarter of 2008, the Company increased its investment in Energyst B.V. by $4.6 million, increasing its equity investment to 24.85%. In 2007, the Company acquired one Cat Rental Store for $2.7 million in the first quarter, and paid proceeds of approximately $4.7 million in the third quarter on the settlement of foreign currency forwards that hedge foreign subsidiary investments.

The Company expects its net capital expenditures for 2008 to be in the range of $60 million to $75 million, below the current guidance of $110 million to $120 million due to a delay in certain capital projects. Similarly, the Company expects its net rental additions for 2008 to be approximately $220 million to $250 million, below the current guidance of $300 million to $320 million. The decrease in net rental additions is due to lower market demand, particularly in Canada.

Financing Activities

As at September 30, 2008, the Company’s short and long-term borrowings totalled $1.6 billion, an increase of $460.3 million, or 39.1% since December 31, 2007, primarily to support the acquisition of Collicutt and the repurchase of common shares as part of a normal course issuer bid, as well as support the Company’s higher working capital requirements.

Finning has committed bank facilities totalling approximately $880 million with various Canadian, U.S., and U.K. banks. The largest of these facilities is in place until December 2011. As at September 30, 2008 over $300 million was available under these facilities and no term debt matures until December 2011. Availability of these facilities, seasonal needs for working capital, and the discretionary nature of some of the outflows like rental additions and share buybacks mean that the Company has sufficient liquidity to meet operational needs in the foreseeable future.

In the first quarter of 2008, the Company’s long-term debt rating was upgraded to A (low) by Dominion Bond Rating Service, and was confirmed at BBB+ by Standard & Poor’s.

In May 2008, the Company issued two unsecured Medium Term Notes (MTN). The 5-year, $250 million MTN has a coupon interest rate of 5.16% per annum, payable semi-annually commencing September 3, 2008. The 10-year, $350 million MTN has a coupon interest rate of 6.02% per annum, payable semi-annually commencing December 1, 2008. Proceeds from these issuances were used for debt repayment, including the repayment of the Company's existing $200 million 7.40% MTN which matured in June 2008 as well as outstanding commercial paper borrowings.

Financing activities in 2008 also included a payment of $8.9 million on the settlement of a derivative that hedged future cash flows associated with the new MTN issuances noted above.

Dividends paid to shareholders were $19.0 million, $2.8 million higher than the third quarter of 2007 due to the increase in the quarterly dividend rate from $0.09 to $0.11 per share. Similarly, dividends paid to shareholders for the first nine months of 2008 increased 18.4% to $55.3 million.

The Company had an active share repurchase program in effect until March 29, 2008. During the first quarter of 2008, the Company repurchased and cancelled 3,581,500 common shares at an average price of $27.21 per share for an aggregate amount of $97.5 million. In the third quarter of 2008, the Company renewed its normal course issuer bid, which will be in effect until July 8, 2009. During the third quarter of 2008, the Company repurchased and cancelled 1,385,346 common shares at an average price of $23.52 per share for an aggregate amount of $32.6 million.

In the third 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.

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)	**2008**	2007	**2008**	2007
Earnings from continuing operations before interest and income taxes (EBIT)	**$ 103.4**	$ 109.9	**$ 321.2**	$ 343.6
Finance costs	**(21.6)**	(19.3)	**(61.9)**	(53.9)
Provision for income taxes	**(17.0)**	(27.0)	**(56.5)**	(80.1)
Net income from continuing operations	**$ 64.8**	$ 63.6	**$ 202.8**	$ 209.6

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 in order to achieve the Company's 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, 2007.

Except for the impact associated with lower business volumes arising as a result of lower access to capital by customers and the impact of slower economic growth, there have been no significant changes to existing risk factors or new key risks identified from the key risks as disclosed in the Company's AIF for the year ended December 31, 2007, 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 (USD), the U.K. pound sterling (GBP), and the Chilean peso (CLP). 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 2007 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 2008 month end rates, without any change in local currency volumes or hedging activities.

Currency	September 30, 2008 month end rates	Increase (decrease) in annual net income $ millions
USD	**1.0599**	(22)
GBP	**1.8868**	(1)
CLP	**0.0019**	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. The sensitivity to variances in foreign exchange rates as noted above is an annual view which factors in annual forecast volumes and average hedging activities which, in management's opinion, may not be representative of the inherent foreign exchange risk exposure for a quarter.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer (and other executives assuming these responsibilities), 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. There has been no change in the design of the Company's internal control over financial reporting during the quarter ended September 30, 2008, that would materially affect, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

While the officers of the Company have designed the Company's disclosure controls and procedures and internal control over financial reporting, they expect that these controls and procedures may not prevent all errors and fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

Outstanding Share Data

As at November 7, 2008	
Common shares outstanding	170,421,067
Options outstanding	6,199,870

Selected Quarterly Information

$ millions, except for share and option data	2008			2007				2006	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue (1)									
Canada	**$ 748.9**	$ 849.1	$ 792.9	$ 750.3	$ 639.9	$ 846.4	$ 699.6	$ 737.0	$ 594.7
South America	**389.7**	340.7	306.9	348.0	317.4	321.6	338.6	301.0	261.0
UK Group	**324.6**	341.5	330.4	361.2	371.8	329.6	337.8	327.1	312.0
Total revenue	**$1,463.2**	$1,531.3	$1,430.2	$1,459.5	$1,329.1	$1,497.6	$1,376.0	$1,365.1	$ 1,167.7
Net income (loss) (1)									
from continuing operations	**$ 64.8**	$ 67.2	$ 70.8	$ 70.5	$ 63.6	$ 75.3	$ 70.7	$ 53.1	$ 71.8
from discontinued operations	—	—	—	—	—	(1.2)	(0.8)	(0.4)	(33.9)
Total net income	**$ 64.8**	$ 67.2	$ 70.8	$ 70.5	$ 63.6	$ 74.1	$ 69.9	$ 52.7	$ 37.9
Basic Earnings (Loss) Per Share (1) (2)									
from continuing operations	**$ 0.38**	$ 0.39	$ 0.41	$ 0.40	$ 0.35	$ 0.42	$ 0.39	$ 0.30	$ 0.40
from discontinued operations	—	—	—	—	—	(0.01)	—	—	(0.19)
Total basic EPS	**$ 0.38**	$ 0.39	$ 0.41	$ 0.40	$ 0.35	$ 0.41	$ 0.39	$ 0.30	$ 0.21
Diluted Earnings (Loss) Per Share (2)									
from continuing operations	**$ 0.37**	$ 0.39	$ 0.40	$ 0.39	$ 0.35	$ 0.42	$ 0.39	$ 0.29	$ 0.40
from discontinued operations	—	—	—	—	—	(0.01)	—	—	(0.19)
Total diluted EPS	**$ 0.37**	$ 0.39	$ 0.40	$ 0.39	$ 0.35	$ 0.41	$ 0.39	$ 0.29	$ 0.21
Total assets (1)	**$4,604.4**	$4,603.8	$4,527.8	$4,134.2	$4,079.7	$4,434.4	$4,386.2	$4,200.8	$ 3,786.4
Long-term debt									
Current	**$ 2.5**	$ 100.5	$ 215.9	$ 215.7	$ 204.2	$ 204.1	$ 2.2	$ 2.2	$ 79.3
Non-current	**1,313.1**	1,121.8	605.7	590.4	554.5	600.6	753.8	735.9	710.7
Total long-term debt (3)	**$1,315.6**	$1,222.3	$ 821.6	$ 806.1	$ 758.7	$ 804.7	$ 756.0	$ 738.1	$ 790.0
Cash dividends paid per common share (2)	**$ 0.11**	$ 0.11	$ 0.10	$ 0.10	$ 0.09	$ 0.09	$ 0.08	$ 0.08	$ 0.065
Common shares outstanding (000's) (2)	**171,356**	172,692	172,623	176,132	178,521	179,601	179,272	179,090	178,808
Options outstanding (000's) (2)	**6,200**	6,343	4,576	4,656	4,737	4,934	3,606	3,904	4,302

(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.

On January 15, 2008, the Company's Canadian operations purchased Collicutt Energy Services Ltd. The results of operations and financial position of Collicutt are included in the Q1, Q2, and Q3 2008 figures above.

(2) On May 9, 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. During the first and third quarters of 2008, the Company repurchased 4,966,846 common shares at an average price of $26.18 as part of a normal course issuer bid. During the third and fourth quarters of 2007, 3,691,400 common shares were repurchased at an average price of $27.82.

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 or year-to-date total.

(3) In the second quarter of 2008, the issued two unsecured Medium Term Notes (MTN); a five year, $250 million MTN and a 10 year $350 million MTN. Proceeds from these issuance were used for debt repayment, including the repayment of a $200 million MTN which expired in June 2008 as well as outstanding commercial paper borrowings.

New Accounting Pronouncements

Change in Accounting Policies in 2008

Effective January 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA): Section 3031, *Inventories*; Section 3862, *Financial Instruments – Disclosures*; and Section 3863, *Financial Instruments – Presentation*. The principal changes related to these standards are described below.

i. Inventories

The new standard 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.

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Inventories are stated at the lower of cost and net realizable value. Cost is determined on a specific item basis for on-hand equipment, and on a weighted average cost basis for parts and supplies. The cost of inventories includes all costs of purchase, conversion costs, and other costs incurred in bringing inventories to their existing location and condition. In the case of internal service work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

The new standard has been applied prospectively; accordingly comparative periods have not been restated. However, prior period financial statements retroactively reflect the classification of unbilled service work in progress. Adjustments to the previous carrying amount of inventories have been recognized as an adjustment of the balance of retained earnings as at January 1, 2008.

As at January 1, 2008, the impact on the consolidated balance sheet as a result of the adoption of these standards was an increase in inventory of $8.7 million; an increase in future income tax liability of $2.4 million; and an increase in retained earnings of $6.3 million.

The effect of these changes in accounting policies on net income for the three and nine months ended September 30, 2008 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.

ii. Financial Instrument Disclosures

Section 3862 *Financial Instruments – Disclosures* and Section 3863 *Financial Instruments – Presentation*, together comprise a complete set of disclosure and presentation requirements that revise and enhance current disclosure requirements for financial instruments. 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.

The Company implemented these disclosures in the first quarter of 2008 (see Note 4 to the Company's Consolidated Interim Financial Statements).

Future Accounting Pronouncements

(b) Goodwill and Intangible Assets

In February 2008, the CICA issued Section 3064, *Goodwill and Intangible Assets*, replacing Section 3062, *Goodwill and Other Intangible Assets* and Section 3450, *Research and Development Costs*. The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This Section is effective in the first quarter of 2009, and the new standard is not expected to have a material impact on the Company's consolidated financial statements.

(c) Convergence with International Financial Reporting Standards

In February 2008, Canada's Accounting Standards Board confirmed that Canadian GAAP, as used by public companies, will be converged with International Financial Reporting Standards (IFRS) effective January 1, 2011. The transition from Canadian GAAP to IFRS will be applicable for the Company for the first quarter of 2011 when the Company will prepare both the current and comparative financial information using IFRS.

While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences on recognition, measurement, and disclosures. The Company commenced its IFRS conversion project in late 2007. The project consists of four phases: raise awareness; assessment; design; and implementation. With the assistance of an external expert advisor, the Company has begun a high level review of the major differences between Canadian GAAP and IFRS as applicable to the Company. It is expected that this work will be completed during the last half of 2008. Subsequently, the Company will initiate the design phase which will involve establishing issue-specific work teams to focus on generating options and making recommendations in identified areas. The Company will also establish a communications plan, begin to develop staff training programs, and evaluate the impacts of the IFRS transition on other business activities.

Earnings Coverage Ratio

The following earnings coverage ratio is calculated for the twelve months ended September 30, 2008 and constitutes an update to the earnings coverage ratio described in the Company's short form base shelf prospectus dated May 5, 2008.

Twelve months ended September 30, 2008	
Earnings coverage ratio	5.4

(1) The earnings coverage ratio is calculated by dividing: (a) the Company's earnings from continuing operations before interest and taxes for the period stated; by (b) finance costs incurred over the period stated.

Market Outlook

The crisis affecting the world's financial institutions escalated in the third quarter of 2008. Significantly reduced lending capacity by banks and a retrenching of consumer demand in light of economic uncertainties have increased expectations for an economic recession in many markets. Lower availability of credit, lack of access to equity markets and lower commodity prices will impact some of Finning's customers who may have less demand for new equipment.

However, a significant portion of Finning's business is derived from the sale of parts and service for previously sold equipment operating in Finning's geographic territories. Given the large volumes of new equipment sold in recent years, the demand for parts and service is expected to remain reasonably good.

In addition, the Company's order backlog for new equipment is at record levels, which supports a positive outlook for new equipment sales in 2009. While business is predicted to remain active, there is expected to be a modest slowdown in overall business levels. In addition, management's confidence in predicting future revenue levels is lower given the economic uncertainty.

Finning's financial condition is strong. The Company has committed bank facilities totalling approximately $880 million with various Canadian, US and UK banks. The largest of these facilities is committed until December 2011. As at September 30, 2008 approximately $300 million was available under these facilities. Given these committed credit facilities and the discretionary nature of some of Finning's cash outflows such as rental additions, capital expenditures and share buybacks, as well as the absence of any term debt maturities for 3 years, management believes that Finning has sufficient credit and liquidity to meet operational needs in the foreseeable future.

In Western Canada the mining industry (including the oil sands) continues to expand and capital expenditure plans for equipment remain robust especially for oil sands mining customers. A small number of non-oil sands mining projects in western Canada are expected to be delayed or cancelled by the lower commodity prices. While certain oil sands developers have announced delays to portions of their projects, this is not expected to impact demand for mobile equipment in the 2008 / 2009 period. The delays relate to new projects only and in particular to the upgrader facilities rather than the mining and bitumen separation parts of the new projects. Major construction spending continues on infrastructure projects, especially by Governments. Residential construction has slowed and this has impacted sales of equipment to this sector. The forestry and conventional oil and gas industries in Western Canada continue to undergo slower business conditions and equipment purchases are at lower levels. This situation is expected to continue through 2008 and 2009.

Heavy equipment markets in Chile remain healthy and demand for the Company's products and services is at good levels. Demand for equipment and support services for the Chilean construction and power markets continue to grow. Copper prices are lower, however are expected to remain at levels which support economic operations at most of Finning's large South American mining customers. These companies are among the lowest cost producers of copper in the world, and parts and service revenues are expected to continue to grow reflecting the impact of the large volume of new equipment sales to the industry in the recent past.

In Argentina, significant inflationary cost pressures continue and constrained liquidity in the banking sector is challenging customers in arranging financing for equipment purchases. Finning has been actively managing its business in Argentina to reduce the level of exposure to an economic crisis in that country. This includes, keeping parts and equipment inventories at modest levels, ensuring accounts receivable are as current as possible and by managing its operations to run as efficiently as possible with cost increases arising from inflation promptly passed along in the form of price increases.

Business at the Caterpillar dealership in the UK has slowed in most sectors. Demand for equipment from the Coal mining sector remains good, but the downturn in the UK housing market and slowing business conditions are being felt in most other sectors. Market conditions in the UK plant hire (equipment rental)

industry are also challenging. The business is highly competitive and utilization rates are lower. At Hewden, senior management changes are taking place in order to provide the basis for a renewed focus on operational improvements. The closing of Hewden's Glasgow, Scotland back office is underway and will lower overhead costs going forward as well as generate future efficiencies by centralizing back office functions in Finning's Cannock location.

Finning's strategy continues to be sound as it focuses on the parts and service business as well as the mining sector. Additional human resources are still required to meet the projected strategic growth in Edmonton, Red Deer and Fort McMurray as well as in the mining branches in Chile. To date, Finning has been successful in attracting significant numbers of new employees and anticipates it will attract the requisite human resources to meet future growth.

The decreases in security values in global financial markets may have an impact on the funding level of Finning's defined benefit pension plans. The predominant pension arrangement in Canada is a defined contribution plan, with the existing defined benefit plan having been closed to new members since 2004. The Company's South American employees do not participate in employee pension plans. Any significant impact on pension funding would relate to our UK operations. At present, management anticipates that any changes to the funded level and related pension expense of its defined benefit pension plans will be manageable.

Finning's financial results are impacted by changes to the value of the 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 2008 results were negatively impacted as a result of translating foreign currency based earnings from the strengthening of the Canadian dollar in the first half of 2008. Nominal changes in average foreign exchange rates in the third quarter of 2008 had a minimal impact on Q3 financial results. Should the Canadian dollar continue to be weaker against the US dollar, Finning's financial results will be positively impacted in the fourth quarter.

November 13, 2008

INTERIM CONSOLIDATED STATEMENTS OF INCOME

($ thousands, except share and per share amounts)	Three months ended September 30		Nine months ended September 30	
	2008 unaudited	2007 unaudited	**2008 unaudited**	2007 unaudited
Revenue				
New mobile equipment	**$ 513,045**	$ 479,841	**$1,752,090**	$1,623,211
New power and energy systems	**159,655**	120,958	**417,212**	360,105
Used equipment	**110,113**	91,712	**308,343**	300,534
Equipment rental	**187,660**	207,475	**540,209**	593,173
Customer support services	**488,719**	425,296	**1,392,736**	1,307,422
Other	**3,964**	3,846	**14,087**	18,305
Total revenue	**1,463,156**	1,329,128	**4,424,677**	4,202,750
Cost of sales	**1,030,476**	938,309	**3,142,182**	3,012,401
Gross profit	**432,680**	390,819	**1,282,495**	1,190,349
Selling, general, and administrative expenses	**322,278**	281,889	**961,124**	847,262
Other expenses (income) (Note 2)	**6,975**	(966)	**190**	(565)
Earnings from continuing operations before interest and income taxes	**103,427**	109,896	**321,181**	343,652
Finance costs (Note 3)	**21,570**	19,251	**61,871**	53,899
Income from continuing operations before provision for income taxes	**81,857**	90,645	**259,310**	289,753
Provision for income taxes	**16,969**	27,039	**56,485**	80,166
Net income from continuing operations	**64,888**	63,606	**202,825**	209,587
Loss from discontinued operations, net of tax (Note 10)	**—**	(16)	**—**	(2,050)
Net income	**$ 64,888**	$ 63,590	**$ 202,825**	$ 207,537
Earnings (loss) per share – basic				
From continuing operations (Note 7)	**$ 0.38**	$ 0.35	**$ 1.17**	$ 1.17
From discontinued operations	**—**	—	**—**	(0.01)
	$ 0.38	$ 0.35	**$ 1.17**	$ 1.16
Earnings (loss) per share – diluted				
From continuing operations (Note 7)	**$ 0.37**	$ 0.35	**$ 1.16**	$ 1.16
From discontinued operations	**—**	—	**—**	(0.01)
	$ 0.37	$ 0.35	**$ 1.16**	$ 1.15
Weighted average number of shares outstanding				
Basic	**172,533,309**	179,175,314	**172,980,746**	179,265,634
Diluted	**173,559,744**	180,814,490	**174,220,295**	180,921,517

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

INTERIM CONSOLIDATED BALANCE SHEETS

($ thousands)	September 30, 2008 unaudited	December 31, 2007 audited
ASSETS		
Current assets		
Cash and cash equivalents	**$ 56,491**	$ 61,860
Accounts receivable	**791,358**	713,677
Service work in progress	**123,485**	83,742
Inventories (Note 8)	**1,339,807**	1,207,802
Other assets	**266,078**	181,861
Total current assets	**2,577,219**	2,248,942
Finance assets	**14,117**	26,714
Rental equipment	**1,034,693**	1,028,301
Land, buildings, and equipment	**446,591**	348,923
Intangible assets	**38,676**	24,548
Goodwill	**252,072**	251,099
Other assets	**241,014**	205,636
	$ 4,604,382	$ 4,134,163
LIABILITIES		
Current liabilities		
Short-term debt	**$ 321,680**	$ 370,942
Accounts payable and accruals	**1,083,558**	1,106,392
Income tax payable	**6,263**	32,440
Current portion of long-term debt	**2,500**	215,663
Total current liabilities	**1,414,001**	1,725,437
Long-term debt	**1,313,079**	590,382
Long-term obligations	**89,952**	101,699
Future income taxes	**123,873**	98,848
Total liabilities	**2,940,905**	2,516,366
SHAREHOLDERS' EQUITY		
Share capital	**557,868**	571,402
Contributed surplus	**22,704**	15,356
Accumulated other comprehensive loss	**(220,252)**	(232,223)
Retained earnings	**1,303,157**	1,263,262
Total shareholders' equity	**1,663,477**	1,617,797
	$ 4,604,382	$ 4,134,163

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 2008 unaudited	Three months ended September 30 2007 unaudited	Nine months ended September 30 2008 unaudited	Nine months ended September 30 2007 unaudited
Net income	**$ 64,888**	$ 63,590	**$ 202,825**	$ 207,537
Other comprehensive income (loss), net of income tax				
Currency translation adjustments	**(43,389)**	(59,745)	**6,878**	(164,445)
Unrealized gains (losses) on net investment hedges	**(1,078)**	13,680	**6,008**	59,274
Tax recovery (expense)	**1,554**	(5,357)	**400**	(17,578)
	476	8,323	**6,408**	41,696
Realized losses (gains) on net investment hedges, reclassified to earnings, net of tax of $0.2 million	**—**	(989)	**—**	(989)
Unrealized gains (losses) on cash flow hedges, net of tax (tax recovery of $2.3 million for nine months ended September 30, 2008)	**788**	14	**(1,835)**	292
Realized losses (gains) on cash flow hedges, reclassified to earnings, net of tax	**228**	(4)	**520**	(764)
Comprehensive income	**$ 22,991**	$ 11,189	**$ 214,796**	$ 83,327

INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

($ thousands, except share amounts)	Share Capital: Shares	Share Capital: Amount	Contributed Surplus	Accumulated Other Comprehensive Income: Foreign Currency Translation and Gains / (Losses) on Net Investment Hedges	Accumulated Other Comprehensive Income: Gains / (Losses) on Cash Flow Hedges	Retained Earnings	Total
Balance, January 1, 2007	179,090,738	573,482	7,791	(77,046)	(4,303)	1,140,415	1,640,339
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
Balance, December 31, 2007	**176,131,879**	**$ 571,402**	**$ 15,356**	**$ (223,661)**	**$ (8,562)**	**$ 1,263,262**	**$ 1,617,797**
Transition adjustment (Note 1)	—	—	—	—	—	**6,282**	**6,282**
Balance, January 1, 2008	**176,131,879**	**571,402**	**15,356**	**(223,661)**	**(8,562)**	**1,269,544**	**1,624,079**
Comprehensive income	—	—	—	**13,286**	**(1,315)**	**202,825**	**214,796**
Issued on exercise of stock options	**175,627**	**2,135**	**(341)**	—	—	—	**1,794**
Issued for acquisition (Note 9)	**15,403**	**398**	**65**	—	—	—	**463**
Repurchase of common shares	**(4,966,846)**	**(16,067)**	—	—	—	**(113,961)**	**(130,028)**
Stock option expense	—	—	**7,624**	—	—	—	**7,624**
Dividends on common shares	—	—	—	—	—	**(55,251)**	**(55,251)**
Balance, September 30, 2008	**171,356,063**	**$ 557,868**	**$ 22,704**	**$ (210,375)**	**$ (9,877)**	**$ 1,303,157**	**$ 1,663,477**

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		Nine months ended September 30	
	2008 unaudited	2007 unaudited	**2008 unaudited**	2007 unaudited
OPERATING ACTIVITIES				
Net income	**$ 64,888**	$ 63,590	**$ 202,825**	$ 207,537
Add items not affecting cash				
Depreciation and amortization	**85,381**	90,054	**239,435**	269,091
Future income taxes	**5,415**	7,703	**12,153**	(2,853)
Stock-based compensation	**2,917**	7,198	**11,136**	30,735
Gain on disposal of capital assets	**(879)**	(1,766)	**(17,068)**	(3,212)
Gain on disposal of discontinued operations	—	(38,590)	—	(38,590)
Other	**(1,134)**	(3,790)	**(699)**	(4,944)
	156,588	124,399	**447,782**	457,764
Changes in working capital items (Note 12)	**(72,473)**	(9,077)	**(338,691)**	(274,611)
Cash provided after changes in working capital items	**84,115**	115,322	**109,091**	183,153
Rental equipment, net of disposals	**(67,946)**	(138,898)	**(213,204)**	(460,404)
Equipment leased to customers, net of disposals	**(1,338)**	1,081	**(382)**	13,299
Cash flow provided by (used in) operating activities	**14,831**	(22,495)	**(104,495)**	(263,952)
INVESTING ACTIVITIES				
Additions to capital assets	**(26,746)**	(12,348)	**(68,798)**	(51,771)
Proceeds on disposal of capital assets	**5,092**	2,297	**44,793**	9,572
Proceeds from sale of discontinued operations	—	242,851	—	242,851
Acquisition of businesses	—	—	**(139,729)**	(2,670)
Payment of contingent consideration	—	—	—	(267)
Payments on settlement of foreign currency forwards	—	(4,738)	—	(4,738)
Cash provided by (used in) investing activities	**(21,654)**	228,062	**(163,734)**	192,977
FINANCING ACTIVITIES				
Increase (decrease) in short-term debt	**(24,243)**	(134,505)	**(54,880)**	36,132
Increase (repayment) of long-term debt	**105,371**	(21,264)	**506,544**	72,755
Payment on settlement of derivative	—	—	**(8,914)**	—
Defined benefit pension plan special funding	—	—	—	(17,066)
Issue of common shares on exercise of stock options and on acquisition	**814**	1,567	**2,257**	7,528
Repurchase of common shares (Note 5)	**(32,578)**	(35,367)	**(130,028)**	(35,367)
Dividends paid	**(18,997)**	(16,165)	**(55,251)**	(46,655)
Cash provided by (used in) financing activities	**30,367**	(205,734)	**259,728**	17,327
Effect of currency translation on cash balances	**1,958**	(1,793)	**3,132**	(4,452)
Increase (decrease) in cash and cash equivalents	**25,502**	(1,960)	**(5,369)**	(58,100)
Cash and cash equivalents, beginning of period	**30,989**	22,345	**61,860**	78,485
Cash and cash equivalents, end of period	**$ 56,491**	$ 20,385	**$ 56,491**	$ 20,385

See supplemental cash flow information, Note 12

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, 2007 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:

(a) Change in Accounting Policies

Effective January 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA): Section 3031, *Inventories*; Section 3862, *Financial Instruments – Disclosures*; and Section 3863, *Financial Instruments – Presentation*. The principal changes related to these standards are described below.

(i) Inventories

The new standard 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.

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Inventories are stated at the lower of cost and net realizable value. Cost is determined on a specific item basis for on-hand equipment, and on a weighted average cost basis for parts and supplies. The cost of inventories includes all costs of purchase, conversion costs, and other costs incurred in bringing inventories to their existing location and condition. In the case of internal service work in progress on equipment, cost includes an appropriate share of overheads based on normal operating capacity.

The new standard has been applied prospectively; accordingly comparative periods have not been restated. However, prior period financial statements retroactively reflect the separate presentation of external unbilled service work in progress, which was previously presented in inventory. Adjustments to the previous carrying amount of inventories have been recognized as an adjustment of the balance of retained earnings as at January 1, 2008. The adoption of the new standard resulted in the following adjustments as of January 1, 2008 in accordance with the transition provisions:

1. Allocation of Fixed and Variable Overhead

In accordance with the new standard, fixed and variable overheads have been applied to internal service work in progress. Upon adoption, the carrying value of internal service work in progress has been increased by $8.7 million, with an increase in future income tax liability of $2.4 million and an increase in retained earnings of $6.3 million.

2. Presentation of Service Work in Progress

Service work in progress relates to unbilled work in progress for external customers and represents the costs incurred plus recognized profits, net of any recognized losses and progress billings. Revenue is recognized on service work in progress on a basis proportionate to the service work that has been performed based on the parts and labour service provided. Service

work in progress was previously included in inventory. It is presented as a current asset and the 2007 figure has been reclassified for comparative purposes.

The effect on net income for the three and nine months ended September 30, 2008 as a result of adopting the new standard is not material.

(ii) Financial Instrument Disclosures

Section 3862 *Financial Instruments – Disclosures* and Section 3863 *Financial Instruments – Presentation*, together comprise a complete set of disclosure and presentation requirements that revise and enhance current disclosure requirements for financial instruments, as discussed further in Note 4 to the unaudited interim consolidated financial statements. 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.

(b) Future Accounting Pronouncements

(i) Goodwill and Intangible Assets

In February 2008, the CICA issued Section 3064, *Goodwill and Intangible Assets*, replacing Section 3062, *Goodwill and Other Intangible Assets* and Section 3450, *Research and Development Costs*. The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This Section is effective in the first quarter of 2009, and the new standard is not expected to have a material impact on the Company's consolidated financial statements.

(ii) Convergence with International Financial Reporting Standards

In February 2008, Canada's Accounting Standards Board confirmed that Canadian GAAP, as used by public companies, will be converged with International Financial Reporting Standards (IFRS) effective January 1, 2011. The transition from Canadian GAAP to IFRS will be applicable for the Company for the first quarter of 2011 when the Company will prepare both the current and comparative financial information using IFRS.

While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences on recognition, measurement, and disclosures. The Company commenced its IFRS conversion project in late 2007. The project consists of four phases: raise awareness; assessment; design; and implementation. With the assistance of an external expert advisor, the Company has begun a high level review of the major differences between Canadian GAAP and IFRS as applicable to the Company. It is expected that this work will be completed during the last half of 2008. Subsequently, the Company will initiate the design phase which will involve establishing issue-specific work teams to focus on generating options and making recommendations in identified areas. The Company will also establish a communications plan, begin to develop staff training programs, and evaluate the impact of the IFRS transition on other business activities.

(c) Comparative Figures

Certain comparative figures have been reclassified to conform to the 2008 presentation. The 2007 quarterly consolidated income statement has been restated for discontinued operations (see Note 10).

2. Other Expenses (Income)

Other expenses (income) include the following items:

($ thousands)	Three months ended September 30 **2008**	2007	Nine months ended September 30 **2008**	2007
Gain on sale of properties in Hewden (a)	**$ (1,200)**	$ —	**$ (16,475)**	$ —
Restructuring and project costs	**7,854**	800	**17,258**	2,647
Loss (gain) on sale of other surplus properties	**321**	(1,766)	**(593)**	(3,212)
	$ 6,975	$ (966)	**$ 190**	$ (565)

The tax recovery on other expenses for the three months ended September 30, 2008 was $2.3 million (2007: tax expense of $0.2 million on other income) and during the nine-month period ended September 30, 2008 was $2.9 million (2007: tax expense of $nil on other income).

(a) In the first half of 2008, the Company's UK subsidiary, Hewden, sold certain properties for cash proceeds of approximately $29 million, resulting in a pre-tax gain of $15.3 million. In the third quarter of 2008, Hewden sold additional properties for cash proceeds of approximately $3 million, resulting in a pre-tax gain of $1.2 million.

3. Short-Term and Long-Term Debt

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

($ thousands)	Three months ended September 30 **2008**	2007	Nine months ended September 30 **2008**	2007
Interest on debt securities:				
Short-term debt	**$ 2,990**	$ 8,384	**$ 13,236**	$ 22,116
Long-term debt	**16,516**	10,278	**43,302**	31,990
	19,506	18,662	**56,538**	54,106
Loss (gain) on swap contracts	**489**	(207)	**1,088**	(618)
Other finance related expenses, net of sundry interest earned	**1,575**	1,373	**4,245**	4,171
	21,570	19,828	**61,871**	57,659
Less: interest expense related to discontinued operations	**—**	(577)	**—**	(3,760)
Finance costs from continuing operations	**$ 21,570**	$ 19,251	**$ 61,871**	$ 53,899

Medium Term Notes

In May 2008, the Company issued two unsecured Medium Term Notes (MTN). The 5-year, $250 million MTN has a coupon interest rate of 5.16% per annum, payable semi-annually commencing September 3, 2008. The MTN was priced at 99.994% of its principal amount to yield 5.163% per annum. The 10-year, $350 million MTN has a coupon interest rate of 6.02% per annum, payable semi-annually commencing December 1, 2008. The MTN was priced at 99.936% of its principal amount to yield 6.028% per annum.

Proceeds from these issuances were used for debt repayment, including the repayment of the Company's existing $200 million 7.40% MTN which matured in June 2008 as well as outstanding commercial paper borrowings.

4. Financial Risk Management

Overview

Finning and its subsidiaries are exposed to market, credit, liquidity, and other risks from its use of financial instruments. The Enterprise Risk Management process within the Company's risk management function is designed to ensure that such risks are identified, managed and reported. On a quarterly basis, the Audit Committee reviews the Company's process with respect to risk assessment and management of key risks, including the Company's major financial risks and exposures and the steps taken to monitor and control such exposures. Changes to the key risks are reviewed by the Audit Committee. The Audit Committee also reviews the adequacy of disclosures in the Company's Annual Information Form, Management's Discussion and Analysis, and Consolidated Financial Statements.

This note presents information about the Company's exposure to these risks and the Company's objectives, policies, and processes for managing risk.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, instalment notes receivables, and derivative counterparties.

Trade and other receivables

The Company has a large diversified customer base, and is not dependent on any single customer or group of customers. Credit risk is minimized because of the diversification of the Company's operations as well as its large customer base and its geographical dispersion.

The Company establishes an allowance for impairment that represents its estimate of potential losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that may have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Counterparty credit risk

The Company does have a certain degree of credit exposure arising from its derivative contracts and investments. There is a risk that counterparties to these derivative contracts and investments may default on their obligations. However, the Company minimizes this risk by ensuring there is no excessive concentration of credit risk with any single counterparty, by active credit management and monitoring, and by dealing only with financial institutions that have a credit rating of at least A- from Standard & Poor's and A (low) from DBRS.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

($ thousands)	September 30, 2008
Cash and cash equivalents	**$ 56,491**
Accounts receivable	**791,358**
Service work in progress	**123,485**
Supplier claims receivable	**46,901**
Instalment notes receivable	**38,275**
Other accrued customer receivables	**23,484**
Cross currency interest rate swaps used as a hedge of net investment	**46,177**
Forward foreign currency contracts	**5,931**
	$ 1,132,102

The maximum exposure to credit risk for trade receivables at the reporting date by geographic location of customer was:

($ thousands)	September 30, 2008
Canada	**$ 362,291**
U.K.	**209,664**
South America	**204,656**
U.S.	**10,827**
Other	**3,690**
	$ 791,128

Impairment losses

The aging of trade receivables at the reporting date was:

	September 30, 2008	
($ thousands)	Gross	Allowance
Not past due	**$ 560,829**	**$ 214**
Past due 0 – 30 days	**129,042**	**221**
Past due 31 – 90 days	**76,430**	**2,783**
Past due 91 – 120 days	**10,681**	**2,611**
Past due greater than 120 days	**39,698**	**19,723**
Total	**$ 816,680**	**$ 25,552**

The movement in the allowance for doubtful accounts in respect of trade receivables during the period was as follows:

Three months ended September 30 ($ thousands)	2008	2007
Balance, beginning of period	**$ 26,076**	$ 27,880
Additional allowance	**2,570**	9,865
Receivables written off	**(2,301)**	(10,002)
Foreign exchange translation adjustment	**(793)**	(1,103)
Balance, end of period	**$ 25,552**	$ 26,640

Nine months ended September 30 ($ thousands)	2008	2007
Balance, beginning of period	**$ 28,229**	$ 28,248
Additional allowance	**7,393**	15,456
Receivables written off	**(10,001)**	(13,949)
Foreign exchange translation adjustment	**(69)**	(3,115)
Balance, end of period	**$ 25,552**	$ 26,640

The allowance amounts in respect of trade receivables are used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amount is considered not recoverable and is written off against the financial asset directly.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

The following are the contractual maturities of financial liabilities and derivatives. The amounts presented represent the future undiscounted principal and interest cash flows and therefore do not equate to the carrying amount on the consolidated balance sheet.

	Carrying amount	Contractual cash flows			
($ thousands)	September 30, 2008	Oct 1-Dec 31 2008	2009-2010	2011-2012	Thereafter
Non-derivative financial liabilities					
Short-term debt	$ 321,680	$ (321,680)	$ —	$ —	$ —
Unsecured Medium Term Notes	746,894	(15,071)	(81,860)	(224,594)	(726,015)
Eurobond	234,091	—	(26,534)	(26,534)	(247,358)
Unsecured global bank facility	326,056	(3,816)	(30,312)	(341,213)	—
Other term loans	8,538	(141)	(6,513)	(2,832)	—
Capital lease liabilities	12,079	(565)	(3,118)	(2,264)	(15,798)
Accounts payable and accruals	1,083,558	(1,083,558)	—	—	—
Derivatives					
Cross currency interest rate swaps					
Pay £ (fixed)	—	(3,149)	(25,188)	(25,188)	(383,775)
Receive CAD (fixed)	46,177	3,687	29,498	29,498	446,181
Forward foreign currency contracts					
Sell CAD	—	(85,776)	(95,382)	—	—
Buy USD	4,394	88,485	97,449	—	—
Sell USD	(132)	(4,986)	(8,109)	—	—
Buy CAD	—	5,003	7,940	—	—
Sell ARS	(22)	(1,665)	—	—	—
Buy USD	—	1,590	—	—	—
Sell CLP	—	(84,228)	—	—	—
Buy USD	1,537	85,852	—	—	—
Sell USD	(1,393)	(7,949)	(31,797)	—	—
Buy CLP	—	7,348	31,777	—	—
Share forward					
Sell	(15,829)	—	—	(62,489)	—
Buy	$ —	$ —	$ —	$ 55,881	$ —

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Company buys and sells derivatives in the ordinary course of business, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Company's Global Hedging Policy approved by the Audit Committee.

Currency risk

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 U.S. dollar, the Canadian dollar, the U.K. pound sterling, and the Chilean peso. As a result, the Company has foreign currency exposure with respect to items denominated in foreign currencies. The three main types of foreign exchange risk of the Company can be categorized as follows:

Investment in Foreign Operations

All of the Company's foreign operations are considered self-sustaining. Accordingly, assets and liabilities are translated into Canadian dollars using the exchange rates in effect at the balance sheet dates. Any unrealized translation gains and losses are recorded as an item of comprehensive income and accumulated other comprehensive income. Cumulative currency translation adjustments are recognized in net income when there is a reduction in the Company's net investment in the self-sustaining foreign operations.

It is the Company's objective to manage its exposure to currency fluctuations arising from its foreign investments. The Company has hedged a portion of its foreign investments through foreign currency denominated loans and other derivative contracts. Any exchange gains or losses arising from the translation of the hedging instruments are recorded as an item of comprehensive income and accumulated other comprehensive income.

Transaction Exposure

Many of the Company's operations purchase, sell, rent, and lease products as well as incur costs throughout the world in different currencies. This mismatch of currencies creates transactional exposure at the operational level, which may affect the Company's profitability as exchange rates fluctuate. It may also impact the Company's competitive position as relative currency movements affect the business practices and/or pricing strategies of the Company's competitors.

It is the Company's objective to manage the impact of exchange rate movements and volatility in results. Each operation manages the majority of its transactional exposure through sales pricing policies and practices. The Company also enters into forward exchange contracts to manage residual mismatches in foreign currency cash flows. As a result, the foreign exchange impact on earnings with respect to transactional activity is not significant.

Translation Exposure

The most significant foreign exchange impact on the Company's net income is the translation of foreign currency based earnings into Canadian dollars each reporting period. All of the Company's foreign subsidiaries report their operating results in currencies other than the Canadian dollar. Therefore, exchange rate movements in the U.S. dollar and U.K. pound sterling relative to the Canadian dollar will impact the consolidated results of the South American and U.K. operations in Canadian dollar terms. In addition, the Company's Canadian results are impacted by the translation of its U.S. dollar based earnings. Some of the Company's earnings translation exposure is offset by interest on foreign currency denominated loans.

Exposure to currency risk

The Company is exposed to foreign currency risk. The currencies of the Company's financial instruments, based on notional amounts, were as follows:

September 30, 2008 (thousands)	**CAD**	**USD**	**GBP**	**CLP**
Cash and cash equivalents	**23,435**	**7,417**	**1,745**	**9,267,988**
Accounts receivable	**358,734**	**107,982**	**111,482**	**54,626,514**
Short-term and long-term debt	**(858,801)**	**(387,256)**	**(182,475)**	**(12,359,879)**
Accounts payable and accruals	**(453,533)**	**(300,053)**	**(122,567)**	**(23,871,350)**
Gross balance sheet exposure	**(930,165)**	**(571,910)**	**(191,815)**	**(27,663,273)**
Cross currency interest rate swaps	**328,190**	**—**	**(150,000)**	**—**
Foreign forward exchange contracts	**(168,215)**	**184,071**	**—**	**(10,974,047)**

Sensitivity analysis

A 5 percent strengthening of the Canadian dollar against the following currencies for a full year relative to the September 30, 2008 month end rates would have increased (decreased) profit or loss by the amounts shown below. A 5% strengthening of the Canadian dollar against the following currencies as at September 30, 2008 would have increased (decreased) equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, and hedging activities are unchanged.

September 30, 2008 ($ thousands)	**Equity**	**Profit or Loss**
USD	**$ (18,500)**	**$ (22,000)**
GBP	**(20,500)**	**(800)**
CLP	**$ —**	**$ 3,200**

A 5 percent weakening of the Canadian dollar against the above currencies at September 30 would have had an equal but opposite effect on the above currencies in the amounts shown above, on the basis that all other variables are unchanged.

Interest rate risk

The Company's interest bearing financial assets comprise instalment note receivables, which bear interest at a fixed rate. The Company's debt portfolio comprises both fixed and floating rate debt instruments, with terms to maturity ranging up to ten years. In relation to its debt financing, the Company is exposed to potential changes in interest rates, which may cause the Company's borrowing costs to fluctuate. Floating rate debt exposes the Company to fluctuations in short-term interest rates, while fixed rate debt exposes the Company to future interest rate movements upon refinancing the debt at maturity. Fluctuations in current or future interest rates could result in a material adverse impact on the Company's financial results, by causing related finance expense to rise. Further, the fair value of the Company's fixed rate debt obligations may be negatively affected by declines in interest rates, thereby exposing the Company to potential losses on early settlements or refinancing.

The Company minimizes its interest rate risk by balancing its portfolio of fixed and floating rate debt, as well as managing the term to maturity of its debt portfolio. At certain times the Company utilizes derivative instruments such as interest rate swaps to adjust the balance of fixed and floating rate debt to appropriately determined levels.

Profile

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

September 30, 2008 ($ thousands)		
Fixed rate instruments		
Financial assets	**$**	**38,275**
Financial liabilities		**(993,064)**
	$	**(954,789)**
Variable rate instruments		
Financial liabilities	**$**	**(656,273)**

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not currently have any derivatives (interest rate swaps) designated as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates for a full year relative to the interest rates at the reporting date would have increased or decreased equity by approximately $4 million.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in short-term interest rates for a full year relative to the interest rates at the reporting date would have increased or decreased profit or loss by approximately $6.5 million. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Other risk

The Company's revenues can be indirectly affected by fluctuations in commodity prices; in particular, changes in views on long-term commodity prices. In Canada, commodity price movements in the forestry, metals, coal, and petroleum sectors can have an impact on customers' demands for equipment and customer service. In Chile and Argentina, significant fluctuations in the price of copper and gold can have similar effects, as customers base their capital expenditure decisions on the long-term outlook for metals. In the U.K., changes to prices for thermal coal may impact equipment demand in that sector. Significant fluctuations in commodity prices could result in a material adverse impact on the Company's financial results.

STOCK-BASED COMPENSATION COSTS RISK

Stock-based compensation is an integral part of the Company's compensation program, and can result in the issuance of the Company's common shares, or cash payments that reflect the value of the shares. Since Canadian generally accepted accounting principles require certain stock-based compensation which is accounted for as liability based awards to be recorded on a mark-to-market basis, compensation cost can vary significantly as the price of the Company's common shares changes. The Company may enter into derivative contracts to manage this potential exposure, and currently has a Variable Rate Share Forward (VRSF) for the purchase of the Company's common shares.

At September 30, 2008, the VRSF is for 1.8 million common shares at a price of $28.71 plus interest maturing in 2012.

A 5% strengthening or weakening in the Company's share price as at September 30, 2008, all other variables remaining constant, would have increased or decreased earnings by approximately $1.9 million. This would offset any mark-to-market impact related to certain stock-based compensation.

5. SHARE CAPITAL

The Company repurchased and cancelled 1,385,346 common shares during the third quarter of 2008 as part of a normal course issuer bid. These shares were repurchased at an average price of $23.52 per share, which has been allocated to reduce share capital by $4.5 million and retained earnings by $28.1 million.

For the nine months ended September 30, 2008, the Company has repurchased and cancelled 4,966,846 common shares at an average price of $26.18 per share, which has been allocated to reduce share capital by $16.1 million and retained earnings by $114.0 million.

6. 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 are as follows:

	Nine months ended September 30, 2008		Twelve months ended December 31, 2007	
	Options	**Weighted Average Exercise Price**	Options	Weighted Average Exercise Price
Options outstanding, beginning of period	**4,656,402**	**$ 20.99**	3,903,526	$ 14.44
Issued	**1,853,100**	**$ 29.83**	1,721,000	$ 31.59
Exercised / cancelled	**(309,632)**	**$ 18.51**	(968,124)	$ 13.42
Options outstanding, end of period	**6,199,870**	**$ 23.76**	4,656,402	$ 20.99
Exercisable at period end	**2,782,424**	**$ 17.52**	1,745,280	$ 11.92

In the second quarter of 2008, the Company issued 1,853,100 common share options to senior executives and management of the Company (Q2 2007: 1,721,000 common share options). In 2008 and 2007, long term incentives for executives and senior management were made primarily 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, 2003 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 2008 has been estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

Dividend yield	1.27%
Expected volatility	25.44%
Risk-free interest rate	4.250%
Expected life	5.5 years

At the grant date, the weighted average fair value of options granted during the year was $8.35 per share (2007: $7.89 per share). Total stock options expense in the third quarter was $2.9 million (2007: $2.3 million) and for the nine month period was $7.6 million. (2007: $7.2 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, 2007 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 39,360 share units in May 2008 (May 2007: 13,859 share units), which were granted to the Directors and expensed over the calendar year as the units are issued.

Details of the deferred share unit plans, which reflect the vestings in the period as well as mark-to-market adjustments, excluding the impact of the Variable Rate Share Forward (VRSF) hedge, are as follows:

Nine months ended September 30	2008				2007			
Units	**DSU-A**	**DSU-B**	**DDSU**	**Total**	DSU-A	DSU-B	DDSU	Total
Outstanding and vested, beginning of period	**57,179**	**1,139,700**	**294,033**	**1,490,912**	104,964	1,353,496	358,280	1,816,740
Additions	**666**	**10,560**	**41,949**	**53,175**	598	10,707	18,455	29,760
Exercised/cancelled	**(32,834)**	**(433,553)**	**(81,817)**	**(548,204)**	(48,574)	(228,321)	(89,649)	(366,544)
Outstanding and vested, end of period	**25,011**	**716,707**	**254,165**	**995,883**	56,988	1,135,882	287,086	1,479,956
Liability ($ thousands)								
Balance, beginning of period	**$ 1,639**	**$ 32,664**	**$ 8,427**	**$ 42,730**	$ 2,508	$ 32,342	$ 8,561	$ 43,411
Expense (income)	**(156)**	**(5,179)**	**(1,001)**	**(6,336)**	594	10,384	3,413	14,391
Exercised/cancelled	**(961)**	**(12,520)**	**(2,119)**	**(15,600)**	(1,275)	(6,309)	(2,770)	(10,354)
Balance, end of period	**$ 522**	**$ 14,965**	**$ 5,307**	**$ 20,794**	$ 1,827	$ 36,417	$ 9,204	$ 47,448

Management Share Appreciation Rights Plan (SAR)

In 2008 and 2007, there were no SAR units issued to management. Details of the SAR plans, excluding the impact of the VRSF hedge, are as follows:

Nine months ended September 30 Units	2008	2007
Outstanding, beginning of period	**836,875**	1,162,132
Exercised/cancelled	**(121,889)**	(259,046)
Outstanding, end of period	**714,986**	903,086
Vested, beginning of period	**711,102**	762,722
Vested	**122,105**	264,621
Exercised/cancelled	**(118,221)**	(251,346)
Vested, end of period	**714,986**	775,997
Liability ($ thousands)		
Balance, beginning of period	**$ 11,443**	$ 9,965
Expense (income)	**(5,368)**	9,157
Exercised/cancelled	**(1,717)**	(3,912)
Balance, end of period	**$ 4,358**	$ 15,210
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 is a result of fluctuations in the Company's common share price and the impact of new issues, including stock options, partially offset by the impact of the VRSF hedge. The total impact was an expense of $2.9 million in the third quarter of 2008 (2007: $7.2 million) and during the nine-month period was an expense of $11.1 million (2007: $30.7 million).

7. 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		
2008	**Income**	**Shares**	**Per Share**	**Income**	**Shares**	**Per Share**
Basic EPS from continuing operations:						
Net income from continuing operations	**$ 64,888**	**172,533,309**	**$ 0.38**	**$ 202,825**	**172,980,746**	**$ 1.17**
Effect of dilutive securities: stock options	**—**	**1,026,435**	**—**	**—**	**1,239,549**	**—**
Diluted EPS from continuing operations:						
Net income from continuing operations and assumed conversions	**$ 64,888**	**173,559,744**	**$ 0.37**	**$202,825**	**174,220,295**	**$ 1.16**
2007						
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

8. Inventories

($ thousands)	September 30, 2008	December 31, 2007
On-hand equipment	**$ 922,643**	$ 844,699
Parts and supplies	**344,872**	326,581
Internal service work in progress	**72,292**	36,522
Inventories	**$ 1,339,807**	$ 1,207,802

For the three months ended September 30, 2008, on-hand equipment, parts, supplies, and changes in internal service work in progress recognized as an expense amounted to $901.8 million (2007: $805.6 million), and for the nine months ended September 30, 2008 amounted to an expense of $2,762.8 million (2007: $2,635.6 million). For the three months ended September 30, 2008, the write-down of inventories to net realizable value, included in cost of sales, amounted to $3.3 million (2007: $8.6 million) and for the nine months ended September 30, 2008 amounted to $14.2 million (2007: $15.4 million).

9. ACQUISITION

On January 15, 2008, the Company's Canadian operation, Finning (Canada), acquired all of the issued and outstanding common shares of Collicutt Energy Services Ltd., a Canadian oilfield service company. The purchase is accounted for under the purchase method of accounting. The results of Collicutt's operations have been included in the consolidated financial statements since that date.

The purchase price of Collicutt acquisition totaled $135.3 million. The purchase price was funded through $84.3 million in cash and 15,403 common shares of the Company with a value of $0.4 million. Acquisition costs of $5.8 million were incurred and paid on the transaction. On the date of the acquisition, the Company repaid $44.8 million of Collicutt's existing bank debt resulting in aggregate consideration of $135.3 million.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition. The preliminary allocation of the purchase price is based on management's best estimate at September 30, 2008 and will be finalized by December 31, 2008.

($ thousands)		
Cash	$	159
Inventories		33,143
Other current assets		21,072
Property, plant, and equipment		99,255
Intangible assets		6,670
Goodwill		7,247
Total assets acquired		167,546
Current liabilities		19,076
Future income taxes – long-term		13,126
Total liabilities assumed		32,202
Net assets acquired	$	135,344

The intangible assets acquired primarily represent customer relationships and non-competition agreements. Customer relationships of $4.4 million are being amortized on a straight-line basis over their estimated life of ten years, and the non-competition agreements of $1.9 million are being amortized on a straight-line basis over their estimated life of seven years.

The goodwill was assigned to the Canada operating segment and is not deductible for tax purposes.

10. Disposition of Discontinued Operation

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.

The results of operations of the Tool Hire Division 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 Division had previously been reported in the Finning UK Group segment.

Loss from the Tool Hire Division is summarized as follows:

	Three months ended September 30, 2007	**Nine months ended September 30, 2007**
Revenue	$ 16,194	$ 113,272
Loss before provision for income taxes	(106)	(4,108)
Gain on sale of discontinued operations	38,590	38,590
Provision for income tax expense	(38,500)	(36,532)
Loss from discontinued operations	$ (16)	$ (2,050)

The significant net cash flows from the Tool Hire Division are as follows:

($ thousands)	**Three months ended September 30, 2007**	**Nine months ended September 30, 2007**
Cash flows used in operating activities	$ (6,477)	$ (3,795)
Cash used in investing activities	$ (1,530)	$ (561)

11. 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, 2008**	December 31, 2007	September 30, 2007
U.S. dollar	**1.0599**	0.9881	0.9963
U.K. pound sterling	**1.8868**	1.9600	2.0313

Three months ended September 30 **Average exchange rates**	**2008**	2007
U.S. dollar	**1.0411**	1.0455
U.K. pound sterling	**1.9671**	2.1131

Nine months ended September 30 **Average exchange rates**	**2008**	2007
U.S. dollar	**1.0184**	1.1055
U.K. pound sterling	**1.9816**	2.1955

12. Supplemental Cash Flow Information

Changes in working capital

($ thousands)	Three months ended September 30 2008	Three months ended September 30 2007	Nine months ended September 30 2008	Nine months ended September 30 2007
Accounts receivable and other	**$ (15,397)**	$ 36,970	**$ (113,717)**	$ (90,571)
Inventories – on-hand equipment	**(3,445)**	53,101	**(65,452)**	(16,642)
Inventories – parts and supplies	**(1,295)**	2,359	**(42,331)**	(87,909)
Accounts payable and accruals	**(35,333)**	(129,291)	**(63,199)**	(109,759)
Income taxes	**(17,003)**	27,784	**(53,992)**	30,270
Changes in working capital items	**$ (72,473)**	$ (9,077)	**$ (338,691)**	$ (274,611)

Components of cash and cash equivalents

September 30 ($ thousands)	2008	2007
Cash	**$ 43,664**	$ 19,480
Short-term investments	**12,827**	905
Cash and cash equivalents	**$ 56,491**	$ 20,385

Interest and tax payments

($ thousands)	Three months ended September 30 2008	Three months ended September 30 2007	Nine months ended September 30 2008	Nine months ended September 30 2007
Interest paid	**$ (9,028)**	$ (9,852)	**$ (59,822)**	$ (55,886)
Income taxes paid	**$ (23,344)**	$ (24,005)	**$ (85,564)**	$ (81,359)

13. Employee Future Benefits

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

Three months ended September 30 ($ thousands)	2008 Canada	2008 UK Group	2008 Total	2007 Canada	2007 UK Group	2007 Total
Defined contribution plans	**$ 4,890**	**$ 326**	**$ 5,216**	$ 3,685	$ 276	$ 3,961
Defined benefit plans	**1,454**	**291**	**1,745**	2,196	2,838	5,034
Total benefit plan expense	**$ 6,344**	**$ 617**	**$ 6,961**	$ 5,881	$ 3,114	$ 8,995

Nine months ended September 30 ($ thousands)	2008 Canada	2008 UK Group	2008 Total	2007 Canada	2007 UK Group	2007 Total
Defined contribution plans	**$ 15,126**	**$ 906**	**$ 16,032**	$ 11,637	$ 794	$ 12,431
Defined benefit plans	**5,885**	**878**	**6,763**	6,765	8,850	15,615
Total benefit plan expense	**$ 21,011**	**$ 1,784**	**$ 22,795**	$ 18,402	$ 9,644	$ 28,046

14. 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.

The reportable operating segments are:

Three months ended September 30, 2008 ($ thousands)	**Canada**	**South America**	**UK Group**	**Other**	**Consolidated**
Revenue from external sources	**$ 748,910**	**$ 389,688**	**$ 324,558**	**$ —**	**$ 1,463,156**
Operating costs	**(638,963)**	**(343,879)**	**(275,134)**	**(10,275)**	**(1,268,251)**
Depreciation and amortization	**(45,080)**	**(8,269)**	**(31,102)**	**(52)**	**(84,503)**
Other expenses	**(1,370)**	**(271)**	**(1,146)**	**(4,188)**	**(6,975)**
Earnings from continuing operations before interest and taxes	**$ 63,497**	**$ 37,269**	**$ 17,176**	**$ (14,515)**	**$ 103,427**
Finance costs					**(21,570)**
Provision for income taxes					**(16,969)**
Net income from continuing operations					**64,888**
Loss from discontinued operations, net of tax					**—**
Net income					**$ 64,888**
Identifiable assets	**$ 1,996,337**	**$ 1,133,365**	**$ 1,366,737**	**$ 107,943**	**$ 4,604,382**
Gross capital expenditures	**$ 14,726**	**$ 7,870**	**$ 4,137**	**$ 13**	**$ 26,746**
Gross rental asset expenditures	**$ 63,551**	**$ 17,732**	**$ 24,311**	**$ —**	**$ 105,594**
Capital assets	**$ 266,338**	**$ 85,984**	**$ 122,849**	**$ 10,096**	**$ 485,267**

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	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
Capital assets	$ 159,794	$ 53,450	$ 151,236	$ 309	$ 364,789

Nine months ended September 30, 2008 ($ thousands)	**Canada**	**South America**	**UK Group**	**Other**	**Consolidated**
Revenue from external sources	**$ 2,390,927**	**$ 1,037,303**	**$ 996,444**	**$ 3**	**$ 4,424,677**
Operating costs	**(2,082,150)**	**(903,094)**	**(849,369)**	**(30,220)**	**(3,864,833)**
Depreciation and amortization	**(119,315)**	**(23,758)**	**(95,243)**	**(157)**	**(238,473)**
Other income (expenses)	**(2,023)**	**(508)**	**11,429**	**(9,088)**	**(190)**
Earnings from continuing operations before interest and taxes	**$ 187,439**	**$ 109,943**	**$ 63,261**	**$ (39,462)**	**$ 321,181**
Finance costs					**(61,871)**
Provision for income taxes					**(56,485)**
Net income from continuing operations					**202,825**
Loss from discontinued operations, net of tax					**—**
Net income					**$ 202,825**
Identifiable assets	**$ 1,996,337**	**$ 1,133,365**	**$ 1,366,737**	**$ 107,943**	**$ 4,604,382**
Gross capital expenditures	**$ 124,735**	**$ 29,611**	**$ 10,915**	**$ 9,462**	**$ 174,723**
Gross rental asset expenditures	**$ 217,890**	**$ 36,472**	**$ 136,080**	**$ —**	**$ 390,442**
Capital assets	**$ 266,338**	**$ 85,984**	**$ 122,849**	**$ 10,096**	**$ 485,267**

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
Capital assets	$ 159,794	$ 53,450	$ 151,236	$ 309	$ 364,789