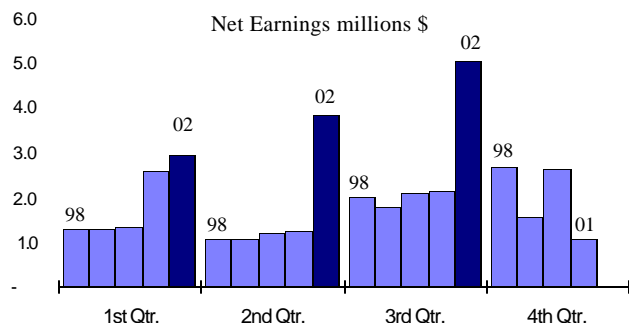


Net Earnings Up

Third quarter earnings increased to \$5.1 million or \$0.22 per share, compared with \$2.2 million last year or \$0.09 per share. Year to date earnings increased by 96.3% to \$11.8 million compared with \$6.0 million last year. The number of shares outstanding is 23.2 million compared to 24.5 million last year.

Revenue Up

Third quarter revenue increased to \$71.0 million compared with \$48.6 million last year. Year to date revenue is up 36.6% to \$194 million compared with \$142 million last year.



Outlook

During the previous two quarters, the Company has reported that the tractor factory has unexpectedly been supplying tractors to the new Buhler tractor dealers, as well as to CNH. This has resulted in greater than anticipated revenue. As forecasted, the CNH volume is expected to decrease during Q4, resulting in more normalized revenue going forward. The core products manufactured by factories other than the tractor factory are continuing to show increased revenue and net earnings.

Balance Sheet Items

Inventory has returned to a more typical level compared to last year's record high levels, created as a result of a 9 month strike at the tractor plant. Accounts receivable have increased to \$37.6 million compared with \$28.2 million, in the previous year. This increase is primarily due to the increased dealer direct tractor sales. This trend is expected to continue as the business grows. The long term debt consists of an Industry Canada interest free loan inherited from CNH. The Company will begin repaying the loan in July 2003.

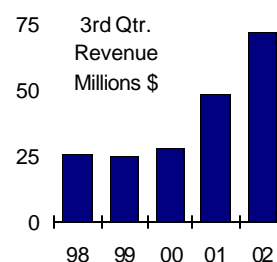
Fargo Acquisition

An agreement to purchase the Alloway factory in Fargo, ND was signed on June 27th. The Company will take possession on August 1st. The facility will be used to manufacture component parts and some proprietary items for the other Buhler factories. Tractors will not be manufactured in this facility.

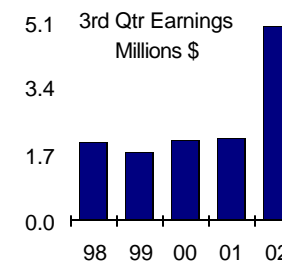


A Leading Manufacturer and Distributor of Farm Equipment

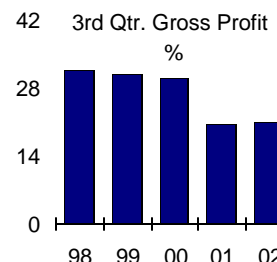
FINANCIAL ANALYSIS



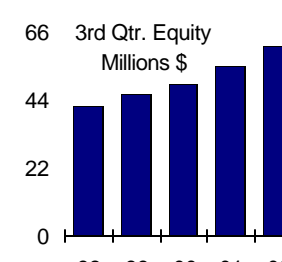
Revenue in Q3 increased to \$71.0 million compared with \$48.6 million last year. This increase is largely due to the overlap of tractor sales to CNH and to Buhler dealers. Future revenue increases will be dependant on our ability to penetrate the North American tractor market.



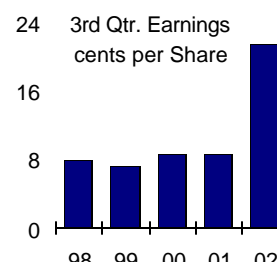
Earnings in Q3 increased to \$5.1 million compared with \$2.2 million last year. Increased earnings from our core products and increased tractor sales contributed to these record breaking results.



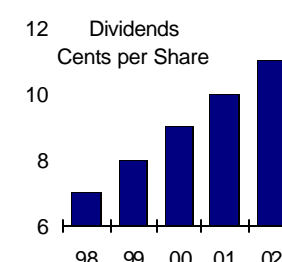
21.1% gross profit is up slightly compared with last year's 20.6%. The gross profit is greatly affected by the mix of traditional sales and lower margin tractor sales. As a result, future consolidated margins are uncertain.



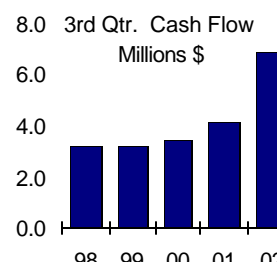
Equity has increased for 34 consecutive years. Shareholders' equity is now \$61.8 million or \$2.66 per share compared to \$55.3 million last year or \$2.26 per share.



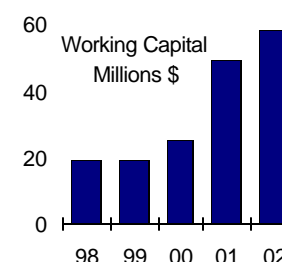
Third quarter earnings increased to \$0.22 per share compared with \$0.09 last year. The Company is continuing to purchase shares under the Normal Course Issuers Bid for cancellation.



Dividends have increased for nine consecutive years and the practice of increasing dividends by \$0.01 per year is expected to continue until dividends exceed 50% of net annual earnings. Dividends are paid annually in January of each year.



Cash flow of \$6.9 million in Q3 increased by 68% over last year's \$4.1 million. The healthy cash flow enables the Company to pay for acquisitions with cash. Cash flow is the sum of net after tax earnings, plus amortization.



Net working capital of \$59 million has improved over last year's \$49.0 million. The increased working capital allows the Company to react quickly to changes in the market and take advantage of acquisition opportunities as they occur.

Consolidated Balance Sheet

Buhler Industries Inc. 3rd Quarter 2002

Unaudited (000's)

| As at June 30 | 2002 | 2001 |
|--|-------------------|-------------------|
| ASSETS | | |
| Current assets | | |
| Cash | 273 | - |
| Accounts receivable | \$ 37,648 | \$ 28,226 |
| Inventories | 55,339 | 61,614 |
| Prepaid expenses | 741 | 1,380 |
| Total current assets | 94,001 | 91,220 |
| Loan receivable | - | 2,070 |
| Capital assets | 35,397 | 38,833 |
| Future income taxes | 3,141 | - |
| Investments - at cost | 46 | 51 |
| Total assets | \$ 132,585 | \$ 132,174 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | |
| Current liabilities | | |
| Bank indebtedness | \$ 72 | \$ 25,200 |
| Account payable & accrued | 34,754 | 16,932 |
| Advances from related party | 680 | - |
| Total current liabilities | 35,506 | 42,132 |
| Long term debt (unsecured) | 31,850 | 31,850 |
| Future income taxes | - | 845 |
| Total liabilities | 67,356 | 74,827 |
| Non-controlling interest | 3,472 | 2,070 |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 18,052 | 18,750 |
| Retained earnings | 43,705 | 36,527 |
| Total shareholders equity | 61,757 | 55,277 |
| Total Liabilities and equity | \$ 132,585 | \$ 132,174 |

On behalf of the Board of Directors

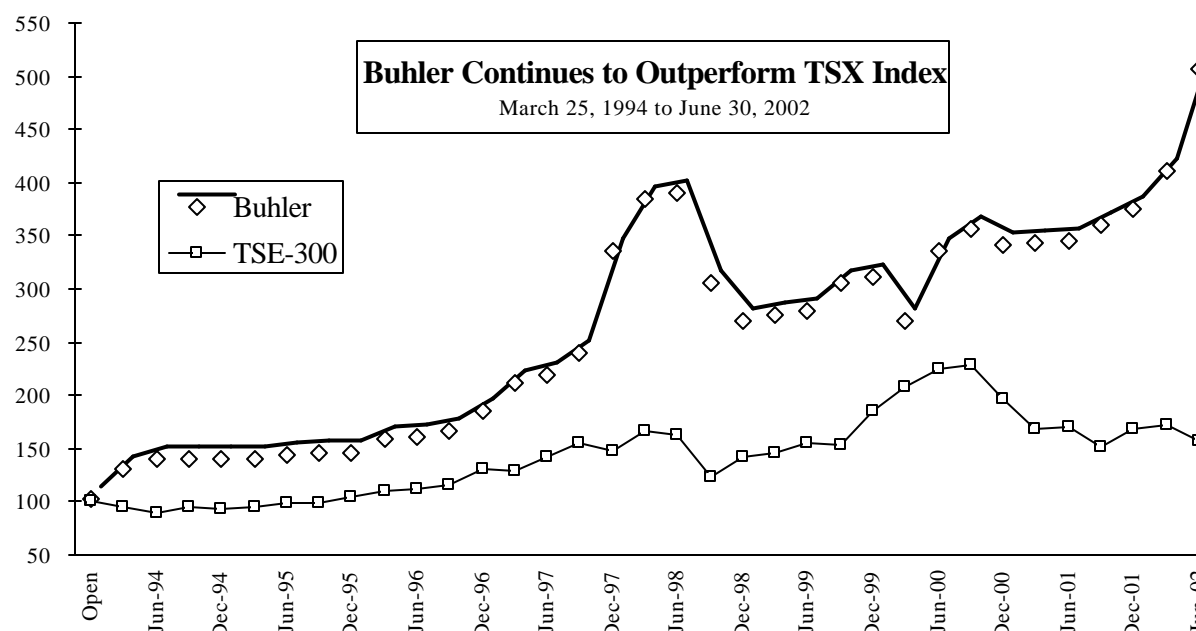
John Buhler,
Chairman

Consolidated Statement of Earnings and Retained Earnings

Buhler Industries Inc. 3rd Quarter 2002

Unaudited (000's except per share amounts)

| | Three Months Ended June 30 | | | | Nine Months Ended June 30 | | | |
|---|----------------------------|------------------|-------|-------|---------------------------|------------------|-------|--|
| | 2002 | | 2001 | | 2002 | | 2001 | |
| Revenue | \$ 70,976 | \$ 48,624 | | | \$ 194,275 | \$ 142,206 | | |
| Cost of Goods Sold | 55,991 | 38,624 | | | 153,946 | 113,920 | | |
| Gross Profit | 14,985 | 10,000 | 21.1% | 20.6% | 40,329 | 28,286 | 19.9% | |
| Selling & administration expenses | 4,537 | 4,060 | 6.4% | 8.3% | 14,548 | 11,028 | 7.8% | |
| Income From Operations | 10,448 | 5,940 | 14.7% | 12.2% | 25,781 | 17,258 | 12.1% | |
| Loss (gain) sale capital assets | (24) | (25) | | | (61) | (79) | | |
| Interest expense | 51 | 371 | | | 228 | 825 | | |
| Amortization | 1,836 | 1,933 | | | 5,215 | 5,636 | | |
| Research & Development | 971 | 319 | | | 1,969 | 1,258 | | |
| Non-controlling interest | 220 | 220 | | | 643 | 648 | | |
| Earnings Before Taxes | 7,394 | 3,122 | 10.4% | 6.4% | 17,787 | 8,970 | 6.3% | |
| Income taxes | 2,335 | 972 | | | 5,947 | 2,937 | | |
| NET EARNINGS | \$ 5,059 | \$ 2,150 | 7.1% | 4.4% | \$ 11,840 | \$ 6,033 | 4.2% | |
| Retained Earnings, begin period | 38,763 | 34,514 | | | 35,212 | 33,339 | | |
| Dividends | - | - | | | (2,584) | (2,435) | | |
| Retirement of shares | (117) | (137) | | | (763) | (410) | | |
| Retained Earnings, End of Period | \$ 43,705 | \$ 36,527 | | | \$ 43,705 | \$ 36,527 | | |
| Earnings per share | | | | | | | | |
| Fully Diluted | \$ 0.22 | \$ 0.09 | | | \$ 0.51 | \$ 0.25 | | |



Consolidated Statement of Cash Flows

Unaudited (000's)

| 9 months ended June 30 | 2002 | 2001 |
|---|----------------|-----------------|
| Cash provided by (used in) operating activities | | |
| Net earnings | 11,840 | 6,033 |
| Add (deduct) non-cash items | | |
| Amortization | 5,216 | 5,636 |
| Gain on disposal of assets | (61) | (79) |
| Loss on foreign exchange | 59 | - |
| Deferred income taxes | (480) | - |
| | 16,574 | 11,590 |
| Net change in non-cash working capital balances* | (3,362) | (16,651) |
| | 13,212 | (5,061) |
| Investing activities | | |
| Purchase of capital assets | (3,979) | (2,860) |
| Proceeds (sale of capital assets) | 799 | 535 |
| Investments | (4) | (9) |
| | (3,184) | (2,334) |
| Financing activities | | |
| Issuance of share capital | 17 | 556 |
| Retirement of shares | (958) | (536) |
| Increase in non-controlling interest | 3,472 | - |
| Advances (repayment) from related party | 224 | (3,350) |
| Dividends paid | (2,584) | (2,435) |
| | 171 | (5,765) |
| Foreign exchange loss on cash held in foreign currency | (59) | - |
| Net cash used in the period | 10,140 | (13,160) |
| Bank debt, beginning | (9,939) | (12,040) |
| Bank debt, end of period | 201 | (25,200) |
| *Net change in non-cash working capital balances is comprised of | | |
| Accounts receivable | (10,903) | 18,016 |
| Inventories | 4,841 | (8,768) |
| Prepaid expenses | (210) | (833) |
| Acc'ts payable and accrued | 2,910 | (25,066) |
| Net cash used | (3,362) | (16,651) |