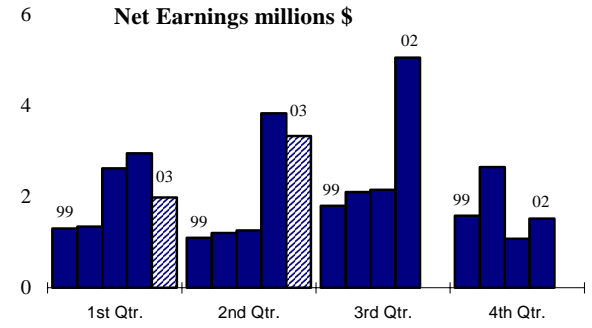


Net Earnings Return to Normal

Six-month earnings returned to a more normal level of \$5.3 million or \$0.23 per share compared to \$0.29 per share last year. The number of shares outstanding is 23.0 million.

Revenue Returns to Normal

As forecast, Q2 revenue also returned to a more normal level of \$48.8 million compared with \$67.9 million last year. Year to date, the Company has increased its' dealer direct sales by 50%. As anticipated, this gain has not fully offset the loss of revenue resulting from the wind-down of the OEM tractor supply contract with CNH Global.



Earnings History

The Company now has 126 consecutive quarters of profit. The increased earnings shown in the first 3 quarters of last year are as a result of the extension of a contract to sell tractors to CNH, while at the same time tractor sales to our own growing dealer organization were increasing.

Looking Forward

Management expects that Q3 will meet or exceed Q2 earnings, but will be lower than last year. Q4 should show an improvement over last year. Our core products are maintaining steady sales increases in spite of the continuing sluggish farm economy.

Tractor Dealers

Just 17 months ago we signed up our first Buhler Versatile tractor dealer. Today we have over 150 dealers that are aggressively selling tractors.

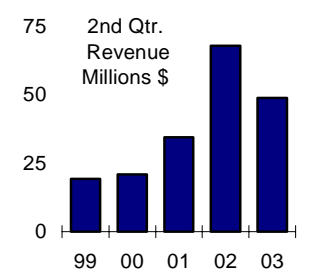
Balance Sheet Items

Receivable and inventory levels are higher due to the requirement of providing extended terms and carrying a larger supply of finished goods to accommodate the needs of newly established dealers.

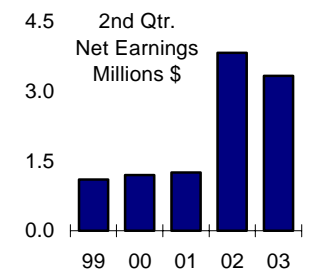


A Leading Manufacturer and Distributor of Farm Equipment

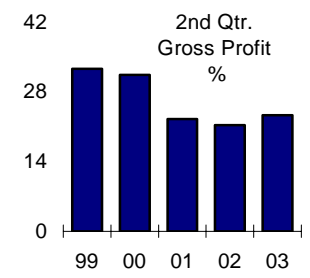
FINANCIAL ANALYSIS



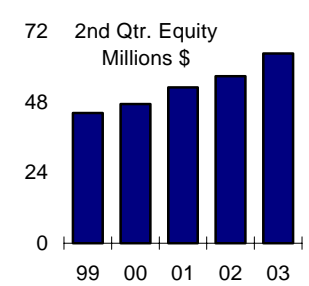
Revenue of \$49 million for Q2 is back to more normal levels as forecast last year. The extraordinary revenue from the sale of tractors to CNH has now ended and future increases will depend on the Company's ability to establish new tractor dealers.



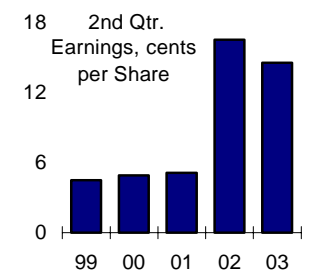
Earnings of \$3.3 million for Q2 are down from last year but well ahead previous years earnings. Net earnings as a percentage of revenue increased to 6.8% a healthy improvement over last year's 5.6%.



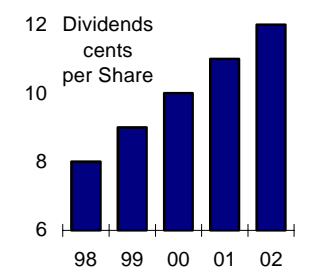
Gross profit of 23.3% is an improvement over 21.3% in 2002 and 22.5% in year 2001. We expect that gross margins will stay in this range as tractor sales carry a much lower margin.



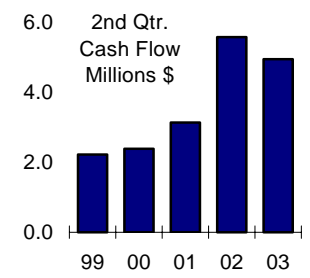
Equity has increased for 34 consecutive years. Shareholders' equity is now \$65 million or \$2.81 per share compared with \$57 million last year or \$2.44 per share.



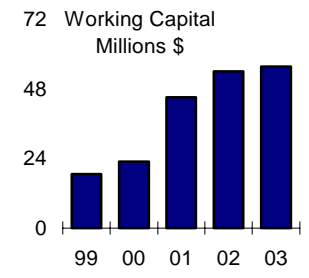
Second quarter earnings per share of \$0.15 are lower than last year's \$0.16 but well ahead of earlier years. This drop in EPS was anticipated and is in line with previous forecasts. Third quarter earnings are expected to improve slightly.



Dividends increased for the 10th consecutive year and the Company expects to continue the practice of increasing dividends. The dividend for fiscal year ending Sept. 30, 2002 was paid on January 29, 2003 to shareholders of record on Dec. 30, 2002.



Second Quarter cash flow of \$5 million is lower than last year's \$5.6 million, but well above the 5 year average of \$3.6 million. Cash is sufficient to meet all obligations and to utilize all cash discounts offered by suppliers. Cash flow is the sum of net after tax earnings, plus amortization.



Net working capital of \$56 million is an improvement over last year's \$54 million. The assumption of the long-term, interest free loan contributes to this very satisfactory number.

Consolidated Balance Sheet

Buhler Industries Inc. 2nd Quarter 2003

Unaudited (000's)

| As at March 31 | 2003 | 2002 |
|--|-------------------|------------|
| ASSETS | | |
| Current assets | | |
| Accounts receivable | \$ 55,768 | \$ 48,172 |
| Inventories | 91,551 | 59,029 |
| Prepaid expenses | 484 | 71 |
| Total current assets | 147,803 | 107,272 |
| Loan receivable | - | 2,706 |
| Capital assets | 41,766 | 35,356 |
| Future income taxes | 1,780 | 2,702 |
| Investments - at cost | 155 | 57 |
| Total assets | \$ 191,504 | \$ 148,093 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | |
| Current liabilities | | |
| Bank indebtedness | \$ 55,513 | \$ 18,816 |
| Account payable & accrued | 34,034 | 34,302 |
| Current portion, long term | 2,385 | - |
| Total current liabilities | 91,932 | 53,118 |
| Advances from related party | 5,560 | - |
| Long term debt (unsecured) | 29,465 | 31,850 |
| Total liabilities | 126,957 | 84,968 |
| Non-controlling interest | - | 6,288 |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 17,880 | 18,074 |
| Retained earnings | 46,667 | 38,763 |
| Total shareholders equity | 64,547 | 56,837 |
| Total Liabilities and equity | \$ 191,504 | \$ 148,093 |

On behalf of the Board of Directors

John Buhler,
Chairman

Consolidated Statement of Earnings and Retained Earnings

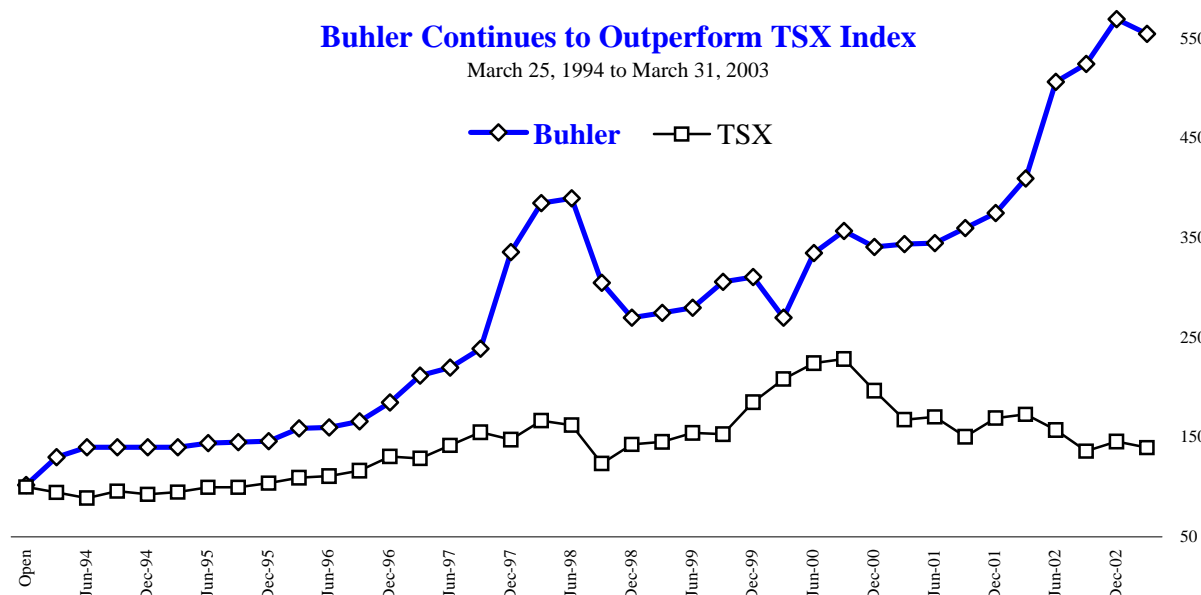
Buhler Industries Inc. 2nd Quarter 2003

Unaudited (000's except per share amounts)

| | Three Months Ended March 31 | | | | Six Months Ended March 31 | | | |
|---|-----------------------------|-------|-----------|-------|---------------------------|-------|------------|-------|
| | 2003 | | 2002 | | 2003 | | 2002 | |
| Revenue | \$ 48,803 | | \$ 67,904 | | \$ 87,456 | | \$ 123,299 | |
| Cost of Goods Sold | 37,455 | | 53,446 | | 67,733 | | 97,955 | |
| Gross Profit | 11,348 | 23.3% | 14,458 | 21.3% | 19,723 | 22.6% | 25,344 | 20.6% |
| Selling & administration expenses | 4,030 | 8.3% | 5,855 | 8.6% | 7,176 | 8.2% | 10,011 | 8.1% |
| Income From Operations | 7,318 | 15.0% | 8,603 | 12.7% | 12,547 | 14.3% | 15,333 | 12.4% |
| Loss (gain) sale capital assets | (183) | | (23) | | (597) | | (37) | |
| Interest expense | 282 | | 108 | | 486 | | 177 | |
| Amortization | 1,624 | | 1,756 | | 3,267 | | 3,379 | |
| Research & Development | 913 | | 429 | | 2,035 | | 998 | |
| Non-controlling interest | - | | 218 | | 91 | | 423 | |
| Earnings Before Taxes | 4,682 | 9.6% | 6,115 | 9.0% | 7,265 | 8.3% | 10,393 | 8.4% |
| Income taxes | 1,346 | | 2,284 | | 1,944 | | 3,612 | |
| NET EARNINGS | \$ 3,336 | 6.8% | \$ 3,831 | 5.6% | \$ 5,321 | 6.1% | \$ 6,781 | 5.5% |
| Retained Earnings, begin period | 43,343 | | 35,498 | | 44,118 | | 35,212 | |
| Dividends | (12) | | - | | (2,772) | | (2,584) | |
| Retirement of shares | - | | (566) | | - | | (646) | |
| Retained Earnings, End of Period | \$ 46,667 | | \$ 38,763 | | \$ 46,667 | | \$ 38,763 | |
| Earnings per share (fully diluted) | \$ 0.15 | | \$ 0.16 | | \$ 0.23 | | \$ 0.29 | |

Buhler Continues to Outperform TSX Index

March 25, 1994 to March 31, 2003



Consolidated Statement of Cash Flows

Unaudited (000's)

| 6 months ended March 31 | 2003 | 2002 |
|---|-----------------|----------|
| Cash provided by (used in) operating activities | | |
| Net earnings | \$ 5,321 | \$ 6,781 |
| Add (deduct) non-cash items | | |
| Amortization | 3,267 | 3,379 |
| Gain on disposal of assets | (597) | (37) |
| Loss on foreign exchange | 284 | 76 |
| Future income taxes | - | (41) |
| | 8,275 | 10,158 |
| Net change in non-cash working capital balances* | (38,121) | (17,357) |
| | (29,846) | (7,199) |
| Investing activities | | |
| Purchase of capital assets | (2,156) | (1,691) |
| Proceeds (sale of capital assets) | 1,635 | 364 |
| Investments | - | (15) |
| | (521) | (1,342) |
| Financing activities | | |
| Issuance of share capital | - | 17 |
| Retirement of shares (note 11) | - | (819) |
| Increase of non-control interest | (1,757) | 6,288 |
| Advances from (to) related party | (6,075) | (3,162) |
| Dividends paid | (2,772) | (2,584) |
| | (10,604) | (260) |
| Foreign exchange loss on cash held in foreign currency | | |
| | (284) | (76) |
| Net cash used in the period | (41,255) | (8,877) |
| Bank debt, beginning | (14,258) | (9,939) |
| Bank debt, end of period | (55,513) | (18,816) |
| *Net change in non-cash working capital balances is comprised of | | |
| Accounts receivable | (16,580) | (21,425) |
| Inventories | (21,190) | 1,150 |
| Prepaid expenses | 422 | 460 |
| Acc'ts payable and accrued | (773) | 2,458 |
| Net cash used | (38,121) | (17,357) |