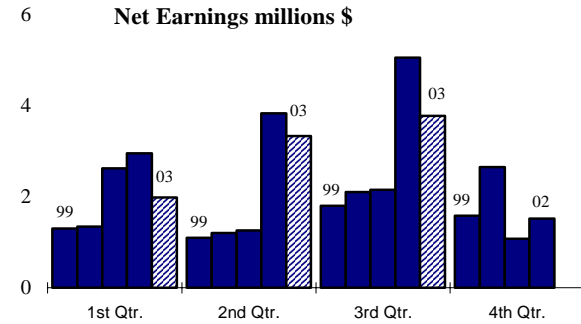


### Revenue Returns to Normal

As forecast, Q3 revenue returned to a more normal level of \$53.3 million compared with \$71.0 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.

### Net Earnings Return to Normal

Nine-month earnings returned to a more normal level of \$9.1 million or \$0.40 per share compared to \$0.51 per share last year. The number of shares outstanding is 23.0 million.



### Earnings History

The Company now has 127 consecutive quarters of profit. As anticipated, the chart above shows this year's earnings have returned to normal following the wind-down of the OEM tractor supply contract with CNH Global.

### Looking Forward

Management expects that Q4 earnings will exceed last year's earnings. We are forecasting annual 2003 earnings of \$0.50 per share compared with \$0.58 last year. Our core products are maintaining steady sales increases in spite of the continuing sluggish farm economy.

### Tractor Dealers

Just 20 months ago we signed up our first Buhler Versatile tractor dealer. Today we have over 170 dealers that are aggressively selling tractors.

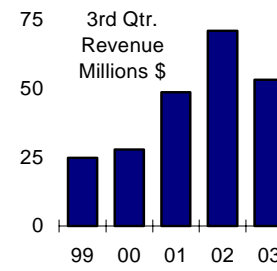
### Balance Sheet Items

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

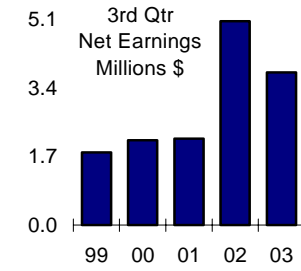


A Leading Manufacturer and Distributor  
of Farm Equipment

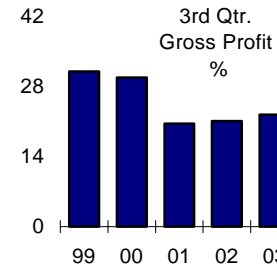
## FINANCIAL ANALYSIS



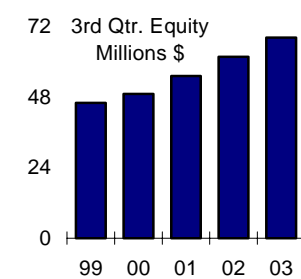
Revenue of \$53.3 million for Q3 is back to more normal levels as forecast last year. Last year's additional revenue from the sale of tractors to CNH has now ended and future increases will depend on the Company's new and growing base of tractor dealers.



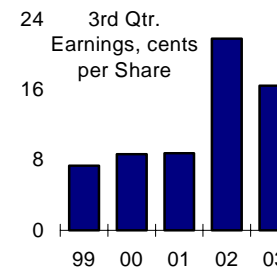
Earnings of \$3.8 million for Q3 are down from last year, but well ahead of the previous year's earnings. Net earnings as a % of revenue is 7.1%, an improvement over the five year average of 6.2%



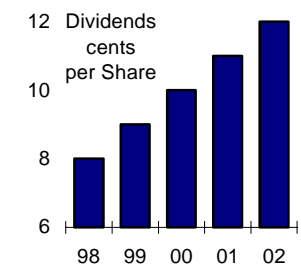
Gross profit of 22.4% is an improvement over last year's 21.1% and 21.0% in year 2001. These percentages are lower than the five year average of 25.9% and we expect that future gross margins will remain between 21% and 23%.



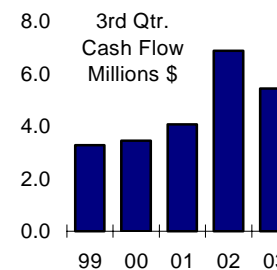
Equity has increased for 34 consecutive years. Shareholders' equity is now \$68.3 million or \$2.97 per share compared with \$61.8 million last year or \$2.65 per share.



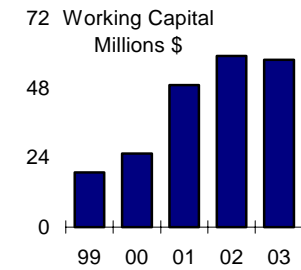
Third quarter earnings per share of \$0.16 are lower than last year's \$0.22, but well ahead of previous years. EPS of \$0.16 was anticipated and is in line with forecasts. We are forecasting 2003 annual earnings of \$0.50 per share compared with \$0.58 last year.



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



Third Quarter cash flow of \$5.4 million is lower than last year's \$6.9 million, but well above the 5 year average of \$4.6 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 \$57.8 million is slightly lower than last year's \$59.2 million. The capital expenditures of \$6.1 million in the first three quarters has contributed to this slight decrease.

## Consolidated Balance Sheet

Buhler Industries Inc. 3rd Quarter 2002

Unaudited (000's)

As at June 30	2003	2002
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	-	273
Accounts receivable	\$ 51,009	\$ 37,648
Inventories	91,619	55,339
Prepaid expenses	1,476	741
<b>Total current assets</b>	<b>144,104</b>	94,001
Capital assets	43,836	35,397
Future income taxes	1,775	3,141
Investments - at cost	154	46
<b>Total assets</b>	<b>\$ 189,869</b>	\$ 132,585
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>		
<b>Current liabilities</b>		
Bank indebtedness	\$ 48,952	\$ 72
Account payable & accrued	34,158	34,754
Current portion, long term	3,180	
<b>Total current liabilities</b>	<b>86,290</b>	34,826
Advances from related party	6,568	-
Long term debt (unsecured)	28,670	31,850
<b>Total liabilities</b>	<b>121,528</b>	66,676
Non-controlling interest	-	3,472
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	17,880	18,052
Retained earnings	50,461	43,705
<b>Total shareholders equity</b>	<b>68,341</b>	61,757
<b>Total Liabilities and equity</b>	<b>\$ 189,869</b>	131,905

On behalf of the Board of Directors

John Buhler,  
Chairman

## Consolidated Statement of Earnings and Retained Earnings

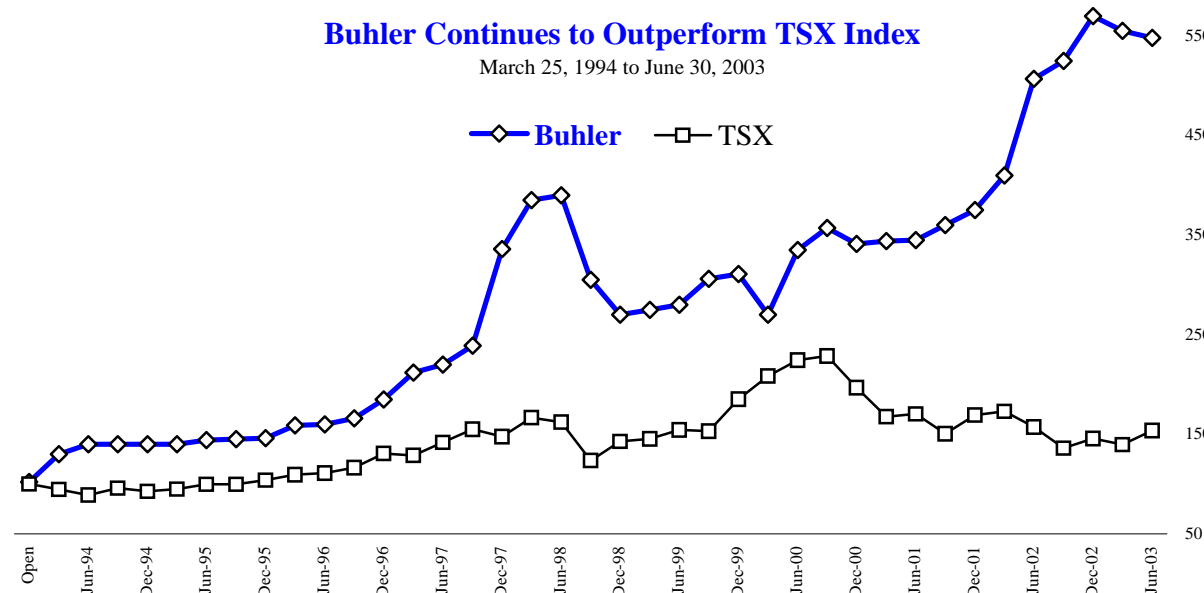
Buhler Industries Inc. 3rd Quarter 2003

Unaudited (000's except per share amounts)

	Three Months Ended June 30				Nine Months Ended June 30			
	2003		2002		2003		2002	
<b>Revenue</b>	<b>\$ 53,250</b>	\$ 70,976			<b>\$ 140,706</b>	\$ 194,275		
Cost of Goods Sold	41,305	55,991			109,038	153,946		
<b>Gross Profit</b>	<b>11,945</b>	14,985	22.4%	21.1%	<b>31,668</b>	40,329	22.5%	20.8%
Selling & administration expenses	4,460	4,537	8.4%	6.4%	11,636	14,548	8.3%	7.5%
<b>Income From Operations</b>	<b>7,485</b>	10,448	14.1%	14.7%	<b>20,032</b>	25,781	14.2%	13.3%
Loss (gain) sale capital assets	3	(24)			(594)	(61)		
Interest expense	155	51			641	228		
Amortization	1,661	1,836			4,928	5,215		
Research & Development	902	971			2,937	1,969		
Non-controlling interest	-	220			91	643		
<b>Earnings Before Taxes</b>	<b>4,764</b>	7,394	8.9%	10.4%	<b>12,029</b>	17,787	8.5%	9.2%
Income taxes	982	2,335			2,926	5,947		
<b>NET EARNINGS</b>	<b>\$ 3,782</b>	\$ 5,059	7.1%	7.1%	<b>\$ 9,103</b>	\$ 11,840	6.5%	6.1%
Retained Earnings, begin period	46,667	38,763			44,118	35,212		
Dividends	0.012	-			(2,760)	(2,584)		
Retirement of shares	-	(117)			-	(763)		
<b>Retained Earnings, End of Period</b>	<b>\$ 50,449</b>	\$ 43,705			<b>\$ 50,461</b>	\$ 43,705		
<b>Earnings per share (fully diluted)</b>	<b>\$ 0.16</b>	\$ 0.22			<b>\$ 0.40</b>	\$ 0.51		

### Buhler Continues to Outperform TSX Index

March 25, 1994 to June 30, 2003



## Consolidated Statement of Cash Flows

Unaudited (000's)

9 months ended June 30	2003	2002
<b>Cash provided by (used in) operating activities</b>		
Net earnings	9,103	11,840
Add (deduct) non-cash items		
Amortization	4,928	5,216
Gain on disposal of assets	(594)	(61)
Loss on foreign exchange	312	59
Deferred income taxes	5	(480)
	<b>13,754</b>	16,574
Net change in non-cash working capital balances*	<b>(34,298)</b>	(3,362)
	<b>(20,544)</b>	13,212
<b>Investing activities</b>		
Purchase of capital assets	(6,068)	(3,979)
Proceeds (sale of capital assets)	1,814	799
Investments	-	(4)
	<b>(4,254)</b>	(3,184)
<b>Financing activities</b>		
Issuance of share capital	-	17
Retirement of shares	-	(958)
Increase in non-controlling interest	(1,757)	3,472
Advances (repayment) from related party	(5,067)	224
Dividends paid	(2,760)	(2,584)
	<b>(9,584)</b>	171
<b>Foreign exchange loss on cash held in foreign currency</b>		
	<b>(312)</b>	(59)
<b>Net cash used in the period</b>	<b>(34,694)</b>	10,140
<b>Bank debt, beginning</b>	<b>(14,258)</b>	(9,939)
<b>Bank debt, end of period</b>	<b>(48,952)</b>	201
<b>*Net change in non-cash working capital balances is comprised of</b>		
Accounts receivable	(11,821)	(10,903)
Inventories	(21,258)	4,841
Prepaid expenses	(570)	(210)
Acc'ts payable and accrued	(649)	2,910
<b>Net cash used</b>	<b>(34,298)</b>	(3,362)