Buhler Industries Inc.

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NOTICE TO READER OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The financial statements of Buhler Industries Inc. and the accompanying interim consolidated balance sheet as at March 31, 2005 and the interim consolidated statements of earnings, retained earnings and cash flows for the six month period then ended are the responsibility of the Company's management. These consolidated financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Gislason Targownik Peters.

The interim consolidated financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with Canadian generally accepted accounting principles.

__/d/ J. Buhler ____________________

John Buhler
Chief Executive Officer
Winnipeg, Canada
April 21, 2005

__/d/ Ossama AbouZeid____________________

Ossama A. AbouZeid, Ph.D., MBA
Chief Financial Officer
Winnipeg, Canada
April 21, 2005

Second Quarter report

March 31, 2005

Buhler has recorded 36 consecutive years and 130 consecutive quarters of profit.

A Leading Manufacturer and Distributor of Farm Equipment

Management Discussion and Financial Analysis

Results for the second quarter of 2005 are in line with expectations.

Revenues have slightly exceeded last year's second quarter. Increased selling prices were implemented in January of this year resulting in improved percentage in gross profit. Although we have begun to see certain steel costs moderate, we don't expect to fully recover our cost increases within the next 12 months. We do expect the remaining quarters of fiscal 2005 to sustain gross margins in the vicinity of 18%.

Selling and administration expenses are down. Research and development expenses are being curtailed and we are confident that we are not jeopardizing our mid or long term objectives.

The Company remains in a strong cash position and benefits from net interest income (as opposed to net interest expense). This will permit the Company to achieve timely closure of acquisition opportunities that we are continuing to pursue.

We continue to invest in new manufacturing equipment and maintain our long-term focus of increasing efficiencies and decreasing manufacturing costs, while preserving the durability and quality of our products.

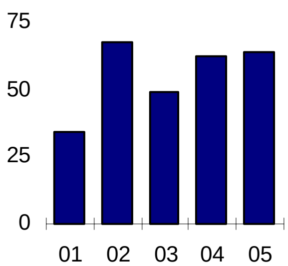
Looking Forward

Our current order backlog varies from product to product and ranges from "stronger than normal" to "weaker than normal". Due to the uncertain, long term reaction of our customers to our increased 2005 prices, we continue to forecast flat or slightly improved annual revenues in spite of the increases we experienced during the first two quarters of this year.

Please refer to the following discussions about specific aspects of our financial reports.

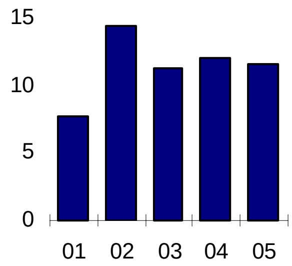
Craig Engel
President
March 31, 2005

Sales and Growth *(million C$)*



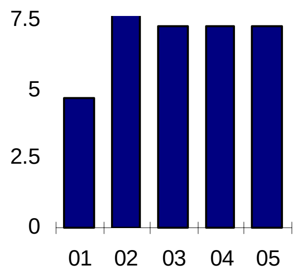
Revenue for the second quarter increased by 2.2% to $64.0 million compared with $62.6 million last year. Revenue for six months increased by 4.6% to $109.8 million compared with $104.9 million last year. Tractor sales accounted for most of the increase. Our core products continue to experience sales increases in areas which are not affected by the BSE (Mad Cow) disease.

Gross Profit *(million C$)*



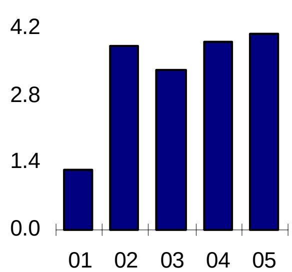
Gross profit for the second quarter decreased to $11.6 million or 18.1% of revenue compared with $12.0 million or 19.2% of revenue last year. Gross profit for 6 months decreased to $19.2 million or 17.5% of revenue compared with $20.6 million or 19.6% of revenue last year. The drop in gross profit is the result of the continuing weak US dollar and the recent, unprecedented increases in the cost of steel. We expect that gross margins will continue at a reduced level of around 18% for the next several quarters.

Income from Operations *(million C$)*



Second quarter income from operations remained flat at $7.3 million or 11.3% of revenue compared with $7.3 million or 11.7% of revenue last year. Income from operations for six months reduced to $11.1 million or 10.1% of revenue compared with $12.3 million or 14.3% of revenue last year. The reduced income from operations is a direct result of costs incurred due to the significant increases in steel prices, lingering effects of the weakened US dollar and the "Mad Cow" crisis.

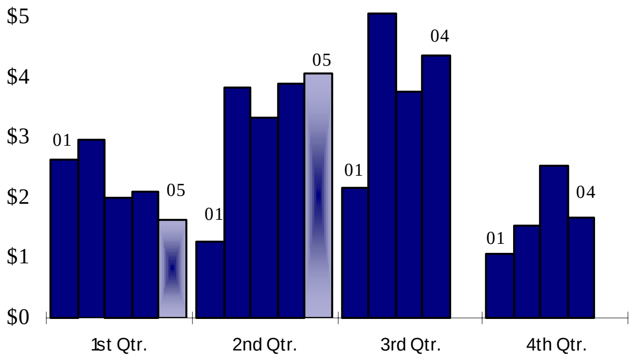
Net Earnings *(millions C$)*



Net earnings for the second quarter increased by 4.2% to $4.1 million or $0.16 per share compared with $3.9 million or $0.16 per share last year. Net earnings for 6 months decreased to $5.7 million or $0.23 per share compared with $6.0 million or $0.25 per share last year. Steel prices have come down recently, but still remain high and will continue to have a negative impact on earnings. We are forecasting flat or lower earnings for the next three quarters or until such time that the BSE crisis is settled and we are able to recoup more of the steel price increases.

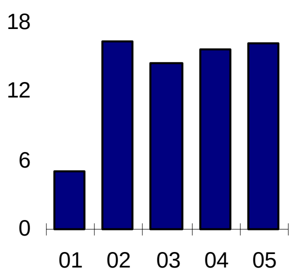
Management Discussion and Financial Analysis

Quarterly Earnings History *(million C$)*



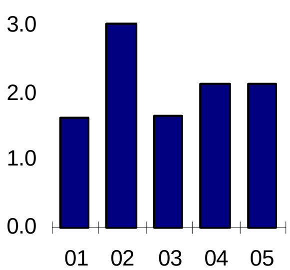
Earnings are up slightly in the second quarter compared to last year, however, the third and fourth quarters will remain flat. We are anticipating minimal improvements in earnings for fiscal 2006.

Earnings per Share *(cents)*



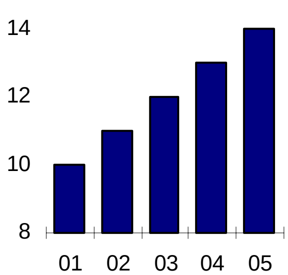
Earnings per share (EPS) of $0.16 for the second quarter are in line with forecasts. We are forecasting reduced EPS for 2005 (46 to 47 cents per share) due to last year's large gain on the sale of capital assets. The total number of shares outstanding remain at 25 million.

Inventory Turns



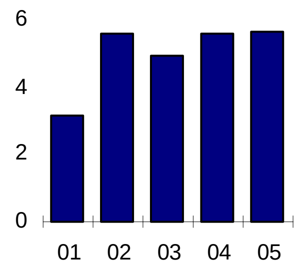
Inventory turns of 2.1 remain flat compared with last year and still far from our record of three turns per year. Management is working very hard to control inventory, while continuing the policy of not buying "just in time" at increased cost.

Dividends *(cents)*



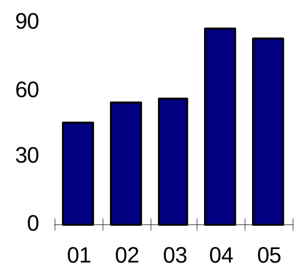
Dividends increased for the 12th consecutive year and the Company expects to continue the practice of increasing dividends by one cent per year. The dividend of $0.14 per share for fiscal year ending September 30, 2004 was paid on January 14, 2005.

Net Cash Flow *(million C$)*



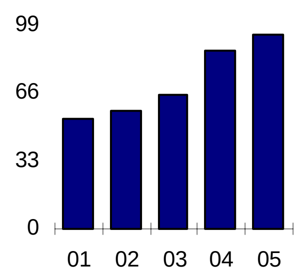
Second quarter cash flow remained flat at $5.6 million and an improvement over our 5 year average of $5.0 million. Cash flow is the sum of net after tax earnings plus amortization. The cash flow is sufficient to take advantage of all cash discounts and to create a reserve that will allow the Company to pursue acquisitions.

Liquidity, Working Capital *(million C$)*



Working capital of $83.0 million is down slightly compared with last year's $87.1 million. The Company is always on the lookout for acquisitions that will compliment the existing lines. The healthy working capital combined with the Company's line of credit provides adequate cash reserves for expansion and future acquisitions.

Equity *(million C$)*



Equity has increased for 36 consecutive years as a result of stable earnings. Equity now stands at $94.3 million or $3.77 per share compared with $86.0 million last year or $3.44 per share. Share capital remains at $30 million.

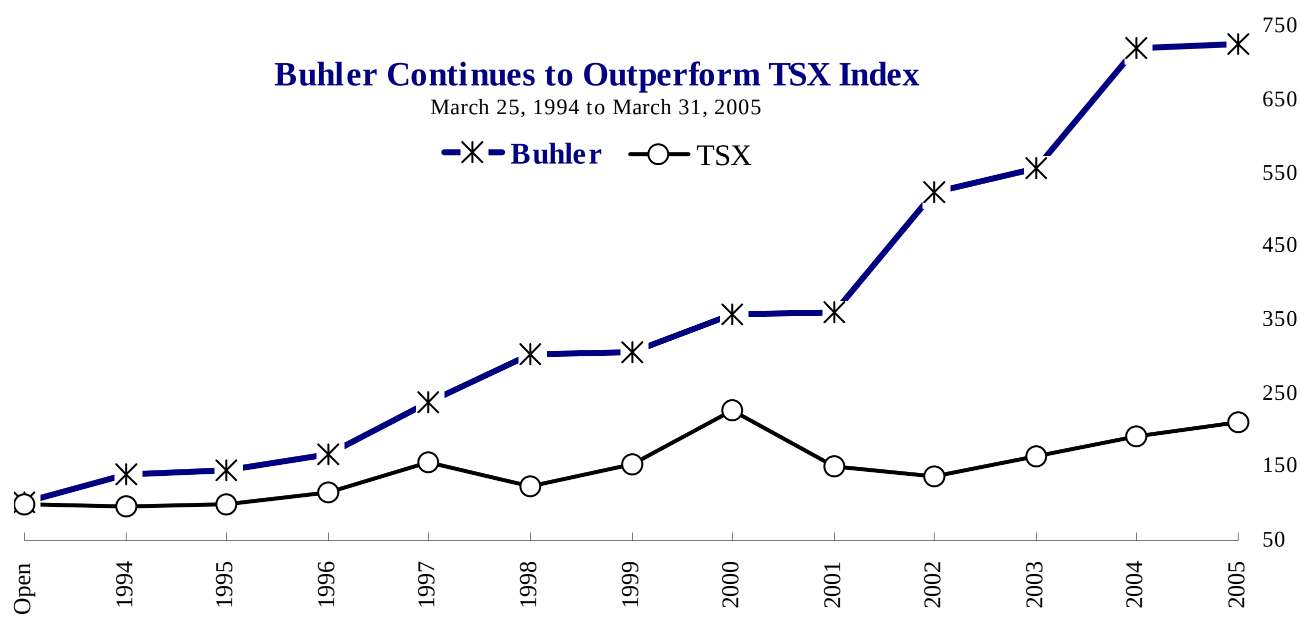
Consolidated Balance Sheet

Buhler Industries Inc. 2nd Quarter 2005

Unaudited (000's) C$

ASSETS as at March 31	2005	2004
Current assets		
Accounts receivable	$ 47,319	$ 51,457
Inventories (note 2)	81,967	72,834
Prepaid expenses	333	722
Total current assets	129,619	125,013
Property Plant and Equipment (note 3)	36,674	40,370
Related party loan (note 5)	2,561	-
Future income taxes (note 10)	4,712	3,460
Investments - at cost	182	175
Total assets	$ 173,748	$ 169,018
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities		
Bank indebtedness (note 4)	$ 11,681	$ 6,364
Account payable & accrued liabilities	31,625	28,323
Current portion, long term	3,274	3,277
Total current liabilities	46,580	37,964
Advances from related party (note 5)	-	3,457
Long term debt (note 7)	24,088	27,453
Total liabilities	70,668	68,874
Non-controlling interest (note 8)	8,808	14,138
SHAREHOLDERS' EQUITY		
Share capital (note 12)	30,000	30,000
Retained earnings	64,272	56,006
Total shareholders equity	94,272	86,006
Total Liabilities and equity	$ 173,748	$ 169,018

Stock Data

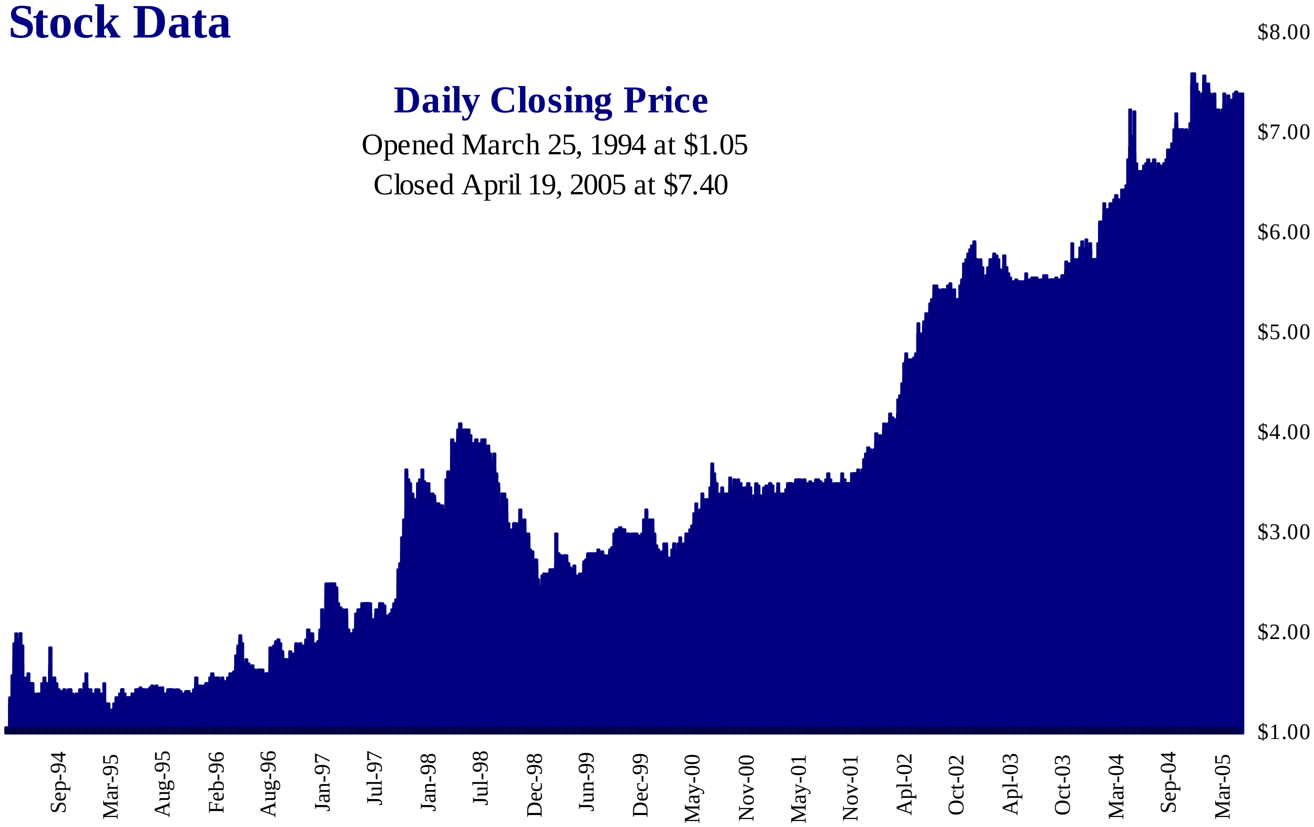


Consolidated Statements of Earnings and Retained Earnings

Buhler Industries Inc. 2nd Quarter 2005

Unaudited (000's) except per share amounts	Three Months Ended March 31				Six Months Ended March 31			
	2005		2004		**2005**		2004	
Revenue	**$ 63,989**		$ 62,634		**$ 109,800**		$ 104,937	
Cost of Goods Sold	**52,420**		50,633		**90,638**		84,345	
Gross Profit	**11,569**	18.1%	12,001	19.2%	**19,162**	17.5%	20,592	22.6%
Selling & administration expenses	**4,315**	6.7%	4,694	7.5%	**8,036**	7.3%	8,292	8.2%
Income From Operations	**7,254**	11.3%	7,307	11.7%	**11,126**	10.1%	12,300	14.3%
Loss (gain) sale capital assets	**(36)**		(239)		**(52)**		(303)	
Interest expense (income)	**(157)**		(7)		**(391)**		139	
Amortization	**1,564**		1,669		**3,070**		3,338	
Research & Development	**978**		1,024		**1,681**		1,538	
Non-controlling interest	**61**		85		**123**		179	
Earnings Before Taxes	**4,844**	7.6%	4,775	7.6%	**6,695**	6.1%	7,409	8.3%
Provision for income taxes	**766**		860		**970**		1,401	
NET EARNINGS	**$ 4,078**	6.4%	$ 3,915	6.3%	**$ 5,725**	5.2%	$ 6,008	6.1%
Retained Earnings, begin period	**60,194**		52,091		**62,047**		52,988	
Dividends	**-**		-		**(3,500)**		(2,990)	
Retained Earnings, End of Period	**$ 64,272**		$ 56,006		**$ 64,272**		$ 56,006	
Earnings per share *(fully diluted)*	**$ 0.16**		$ 0.16		**$ 0.23**		$ 0.25	

Stock Data



Consolidated Statement of Cash Flow

For 6 months ended March 31 (000's) C$	2005	2004
Cash provided by (used in) operating activities		
Net earnings	$ 5,725	6,008
Add (deduct) non-cash items		
Amortization	3,070	3,338
Gain on disposal of assets	(52)	(303)
Gain on foreign exchange	3	219
Future income taxes	(1,160)	(1,080)
	7,586	8,182
Net change in non-cash working capital balances*	(22,667)	5,671
	(15,081)	13,853
Investing activities		
Purchase of capital assets, net of investment tax credits	(1,524)	(938)
Proceeds on sale of capital assets	169	993
Investments	(9)	-
	(1,364)	55
Financing activities		
Issuance of share capital	-	12,120
Repayment of long term debt	(1,681)	(1,945)
Increase in non-controlling interest	(2,027)	(2,956)
Advances (repayment) from related party	(3,384)	(7,722)
Dividends paid	(3,500)	(2,990)
	(10,592)	(3,493)
Foreign exchange gain on cash held in foreign currer	(3)	(219)
Net cash provided (used) in the period	(27,040)	10,196
Bank balance (debt), beginning of period	15,360	(16,560)
Bank balance (debt), end of period	$ (11,680)	$ (6,364)

***Net change in non-cash working capital balances is comprised of:**		
Accounts receivable	$ (12,229)	(10,763)
Inventories	(8,205)	17,661
Prepaid expenses	437	361
Accounts payable, accrued liabilities and taxes payable	(2,670)	(1,588)
Net cash provided (used)	$ (22,667)	$ 5,671

Notes to Consolidated Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and include the accounts of the Company and all of its subsidiaries, including a 50% joint venture interest in Bradley Steel Processors Inc., which is accounted for using proportionate consolidation.

(b) Inventories

Inventories are stated at the lower of cost (first-in, first-out basis) and net realizable value. It is the Company's policy to record provisions for obsolete and slow moving inventory based on management estimates. These estimates are necessarily subject to a degree of measurement uncertainty.

(c) Capital assets and amortization

Capital assets are recorded at cost less accumulated amortization and related investment tax credits. Amortization is provided over the estimated useful lives using the following rates and methods:

Buildings	4 to 5%	Straight line
Equipment	20 to 30%	Declining balance
Computers	30%	Declining balance
Software and tools	100%	Year acquired

(d) Foreign currency translation

The accounts of the United States subsidiaries, which are considered integrated foreign operations, have been translated into Canadian dollars on the following basis:

1) monetary assets and monetary liabilities at the quarter-end rates of exchange;
2) non-monetary assets and related amortization at rates prevailing at dates of transactions;
3) revenue and expense items other than amortization, at the average rate for period.

The resulting currency translation gains and losses are included in earnings.

(e) Financial instruments

Foreign exchange and interest rate risk

These are the risks to the Company's earnings that arise from fluctuations in interest rates and foreign exchange rates. The Company does not use any derivative financial instruments to reduce its exposure to interest rate or foreign exchange rate risk.

Other risks

The Company is exposed to credit risk on its accounts receivable. Going forward, as part of the Company's risk management, the Company will assume some risk in insuring some of its widely held assets.

Fair value

The carrying values of financial assets and financial liabilities are considered to approximate fair value unless otherwise disclosed.

2. INVENTORIES *(000's C$)*

	2005 Q2	2004 Y/E
Land for development	**$ 2,558**	$ 2,482
Finished goods	**36,306**	36,126
Work in process	**7,039**	4,797
Raw materials	**36.064**	30.357
	$ 81,967	$ 73,762

3. CAPITAL ASSETS *(000's)*

	Cost	Accum. Amort.	2005 Q2 Net Book Value	2004 Y/E Net Book Value
Land	$ 4,272	$ 0	**$ 4,272**	$ 4,255
Buildings	29,042	10,675	**18,367**	18,313
Equipment	47,694	35,130	**12,564**	14,122
Computers	4,453	3,069	**1,384**	1,555
Software & tools	3,075	2,988	**087**	90
	$ 88,536	$ 51,891	**$ 36,674**	$ 38,335

4. BANK INDEBTEDNESS

The Company has available a financing facility with the Bank of Montreal in the amount of $34,460,000. The credit facility is secured by a mortgage, debenture, general security agreement and assignment of receivables and inventory. All interest rates are at prime or less.

5. ADVANCES TO/FROM RELATED PARTY *(000's C$)*

Throughout the year, the majority shareholder advances or borrows funds from the Company. Interest is calculated at bank prime. The Company has provided a letter of credit for $665 (2004 - $665) to secure a line of credit for an entity in which the majority shareholder has a significant influence.

6. RELATED PARTY TRANSACTIONS

Related party transactions are detailed in the annual report.

7. LONG TERM DEBT *(000's C$)*

	2005 Q2	2004 y/e
Long term debt	**$ 27,362**	$ 29,047
Current portion	**3,274**	3,277
Long term portion	**$ 24,088**	$ 25,770

The unsecured, interest free, Industry Canada loan is repayable in 120 equal monthly installments of $265 commencing July 31, 2003. The U.S. Bank loan (State of North Dakota interest free loan) is repayable over 10 years and is secured by Company assets. $3,274 is repayable annually over the next 5 years.

8. NON-CONTROLLING INTEREST

During the 1999 fiscal year, Buhler Industries Inc. created a controlled manufacturing partnership operating as Buhler Manufacturing, through which a significant portion of the manufacturing activity is now conducted. The partnership was formed to optimize the organizational structure and efficiency of the Company.

The non-controlling interest represents a partner's interest in the assets, liabilities & income in the partnership. The partnership's financial activities have been accounted for by consolidation. The Company has provided a $20 million dollar guarantee, for a fee, to the Bank of Montreal to secure a loan to the new partner. These proceeds were used by the new partner to invest in the partnership.

9. INTEREST PAID *(000's C$)*

	2005 Q2	2004 y/e
Operating loan	**$ 156**	$ 411
Long term debt	**0**	0
	$ 156	$ 411

10. FUTURE INCOME TAXES

Future income taxes are recorded to reflect the timing differences arising from expensing of warranty costs for tax purposes and from the amounts of amortization provided in the year compared to the amounts deducted for income tax purposes.

11. DEFERRED PROFIT SHARING PLAN

In 1995, the Company established a Deferred Profit Sharing Plan for its employees. The Company contributes funds to the plan annually as determined by the Board of Directors, subject to certain maximum limits established by the plan. Contributions are used to purchase common shares of the Company for the employees from the plan trust. In 2004, the Company contributed $200,000 to the plan (2003-$150,000). The plan trust owns approximately 1.2 million Buhler shares.

12. CAPITAL STOCK AND OPTIONS *(000's)*

Authorized, an unlimited number of common shares.

	2005 Q2 No. of Shares	2005 Q2 $	2004 y/e No. of Shares	2004 y/e $
Issued as at Dec.31	**25,000**	**30,000**	25,000	30,000
Options exercised	**0**	**0**	2,000	12,120

There are no options outstanding as of December 31st, 2004.

Ten Year Summary

Year Ended September 30,	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
SUMMARY OF OPERATIONS						In thousands of Canadian dollars (except per share amounts)				
Revenue	56,575	66,517	85,375	89,194	79,961	116,700	187,633	232,619	181,162	206,130
Cost of goods sold	40,053	45,229	58,315	59,951	53,754	86,398	156,223	183,134	139,929	168,529
Gross profit	16,522	21,288	27,060	29,243	26,207	30,302	31,410	49,485	41,233	37,601
Selling & admin. expense	7,459	9,081	10,747	11,823	11,264	13,513	14,883	19,758	16,135	16,290
Income from operations	9,063	12,207	16,313	17,420	14,943	16,789	16,527	29,727	25,098	21,311
Gain on sale of capital assets	-	-	-	(727)	(346)	(1,039)	(733)	(134)	(726)	(2,010)
Interest expense (Income)	1,063	679	457	458	434	671	1,032	369	703	(328)
Amortization	2,727	3,685	4,809	4,808	5,126	5,520	7,684	7,339	6,894	6,812
Research & development exp.	470	498	645	552	577	1,043	1,895	2,850	3,683	2,903
Non-controlling interest	-	-	-	-	224	903	847	809	267	378
Net Earnings before taxes	4,803	7,345	10,402	12,329	8,928	9,691	5,802	18,494	14,277	13,556
Income taxes	1,100	2,212	4,271	5,216	3,131	2,393	(1,313)	5,134	2,647	1,507
NET EARNINGS	3,703	5,133	6,131	7,113	5,797	7,298	7,115	13,360	11,630	12,049
CASH FLOW SUMMARY										
Capital asset purchases	7,884	9,552	12,253	5,917	5,960	17,278	3,593	14,546	7,854	4,470
Long-term debt incurred	2,587	-	1,201	-	2,417	31,656	-	-	-	-
Reduction of long-term debt	-	1,689	-	7,696	-	-	2,894	795	1,657	3,628
Dividends Paid	832	1,097	1,432	1,703	1,992	2,209	2,435	2,584	2,760	2,990
Net cash flow	6,430	8,573	10,940	11,921	10,923	12,818	14,799	20,699	18,524	18,861
Bank cash (indebtedness)	365	(1,576)	(2,724)	(2,348)	(4,043)	(12,040)	(9,939)	(14,258)	(16,560)	15,360
BALANCE SHEET SUMMARY										
Acc'ts rec, cash & ppd. exp.	8,616	13,386	12,352	12,996	13,793	46,789	27,277	40,094	41,777	51,222
Inventory	12,792	13,188	16,586	19,014	20,610	52,846	60,179	70,361	90,495	73,762
Total current assets	21,408	26,574	28,938	32,010	34,403	99,635	87,456	110,455	132,272	124,984
Total assets	44,180	54,341	60,716	61,139	74,843	149,073	127,531	156,305	178,281	167,044
Total current liabilities	9,731	16,108	16,131	13,004	14,195	54,038	41,783	49,860	49,742	37,570
Total short and long term debt	10,409	10,034	11,246	5,741	7,587	47,240	42,245	57,743	60,409	29,870
Total liabilities	18,863	22,530	23,219	16,349	27,516	97,414	74,089	94,307	107,413	74,997
Total shareholders equity	25,317	31,811	37,497	44,790	47,327	51,659	53,442	61,998	70,868	92,047
Shares o/s (avg. in millions)	20.8	23.0	23.9	24.9	24.5	24.2	23.5	23.0	23.0	24.3
Working capital	11,677	10,466	12,807	19,006	20,208	45,597	45,673	60,595	82,530	87,414
DATA PER COMMON SHARE										
Revenue	$ 2.72	$ 2.89	$ 3.57	$ 3.57	$ 3.27	$ 4.82	$ 7.98	$ 10.11	$ 7.88	$ 8.47
EBITDA	0.41	0.51	0.66	0.71	0.59	0.66	0.62	1.14	0.95	0.82
Price to EBITDA	3.5	3.3	3.6	4.3	5.2	5.4	5.8	4.6	5.9	8.7
EBIT	0.28	0.35	0.45	0.51	0.38	0.43	0.29	0.82	0.65	0.54
Net earnings	0.18	0.22	0.26	0.29	0.24	0.30	0.30	0.58	0.51	0.50
Price to earnings	8.14	7.44	9.32	10.68	12.91	11.85	11.90	9.04	11.02	14.54
Cash flow	0.31	0.37	0.46	0.48	0.45	0.53	0.63	0.90	0.81	0.78
Dividends Paid	0.04	0.05	0.06	0.07	0.08	0.09	0.10	0.11	0.12	0.13
Closing share price	1.45	1.66	2.39	3.05	3.06	3.57	3.60	5.25	5.57	7.20
Shareholders' equity	1.22	1.38	1.57	1.80	1.93	2.13	2.27	2.70	3.08	3.78
STATISTICAL DATA										
Current ratio	2.2	1.6	1.8	2.5	2.4	1.8	2.1	2.2	2.7	3.3
Int. bearing debt to equity ratio	0.3	0.3	0.3	0.1	0.1	0.2	0.2	0.2	0.2	-
Number of shareholders	1,000	1,350	1,600	1,700	1,700	1,600	1,600	1,600	1,600	1,600
Inventory turnover	3.1	3.4	3.5	3.2	2.7	2.8	2.6	2.6	1.5	2.3
Gross margin (% of revenue)	29%	32%	32%	33%	33%	26%	17%	21%	23%	18%
SG&A (% of revenue)	13%	14%	13%	13%	14%	12%	8%	8%	9%	8%
EBITDA (% of revenue)	15%	18%	18%	20%	18%	14%	8%	11%	12%	10%
Net earnings (% of revenue)	7%	8%	7%	8%	7%	6%	4%	6%	6%	6%
Return on average capital	18%	21%	24%	26%	18%	14%	8%	18%	13%	12%
Return on average equity	16%	18%	18%	17%	13%	15%	13%	23%	18%	14%