Buhler Industries Inc.

Corporate Office
1260 Clarence Avenue,
Winnipeg, Manitoba, Canada
R3T 1T2
Phone (204) 661-8711
Fax (204) 654-2503

NOTICE TO READER OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The financial statements of Buhler Industries Inc. and the accompanying interim consolidated balance sheets as at June 30, 2013 and 2012 and the interim consolidated statements of earnings, retained earnings and cash flows for the nine month periods then ended are the responsibility of the Company's management. These consolidated financial statements have not been audited or reviewed on behalf of the shareholders by the independent external auditors of the Company.

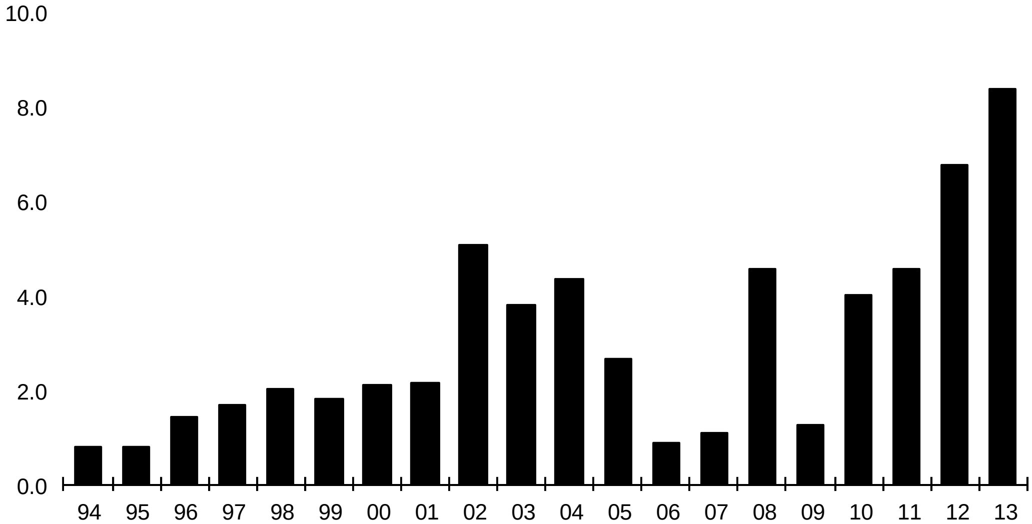
The interim consolidated financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards.

Yury Ryazanov	Willy Janzen, C.G.A., B.Comm.
Chief Executive Officer	Chief Financial Officer
August 8, 2013	August 8, 2013

Third Quarter Report

June 30, 2013

20 Year History of
3rd Quarter Net Earnings
in Millions $



Buhler has recorded 45 consecutive years of profit.

A Leading Manufacturer and Distributor of Farm Equipment

Management's Discussion & Financial Analysis

Certain statements made in the following Management's Discussion and Analysis contain forward-looking statements including, but not limited to, statements concerning possible or assumed future results of operations of Buhler Industries Inc. (the Company). Forward-looking statements represent the Company's intentions, plans, expectations and beliefs, and are not guarantees of future performance. Such forward-looking statements represent the Company's current views based on information as at the date of this report. They involve risks, uncertainties and assumptions and the Company's actual results could differ, which in some cases may be material, from those anticipated in these forward-looking statements. Unless otherwise required by applicable securities law, the Company disclaims any intention or obligation to publicly update or revise this information, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance upon forward-looking statements.

Company Overview

The Company is headquartered in Winnipeg, Manitoba, Canada. Established in 1932 as an agricultural equipment manufacturer, the original company was purchased by John Buhler in 1969. Through expansion, new products and acquisitions, the Company has experienced progress and steady growth.

Over the years, many brands have joined Buhler Industries: Farm King, Ezee-On, Allied, Inland and Versatile. Today the Company operates several modern manufacturing plants and distribution centers. Factories in Morden and Winnipeg (Manitoba), Vegreville (Alberta), Fargo (North Dakota), Salem (South Dakota) and Willmar (Minnesota) build tractors, sprayers, front-end loaders, augers, snow blowers, mowers, seeding and tillage equipment, compact implements and more. In addition, the Company maintains several well-stocked parts warehouses.

In 2007, Combine Factory Rostselmash Ltd, a major combine manufacturer located in Rostov-on-Don, Russia, acquired 80% of the common shares of the Company. The Company continues to grow with additional investment in engineering, research and development and production. The dealer/distribution network in North America remains steady, however the Rostselmash network adds more than 200 dealers in Russia, Ukraine and Kazakhstan that provides for additional sales growth into the future.

Buhler Industries remains committed to continuous product improvement and incorporating new value-added features. That tradition of excellence will continue well into the future.

Ten Year Highlights

In thousands of Canadian dollars (except per share amounts)

Year ended Sept. 30	2003 GAAP	2004 GAAP	2005 GAAP	2006 GAAP	2007 GAAP	2008 GAAP	2009 GAAP	2010 GAAP	2011 IFRS	**2012 IFRS**
Revenue	181,162	206,130	202,319	175,067	166,189	218,955	284,072	209,634	282,728	**361,234**
Gross profit	41,233	37,601	37,044	33,929	28,495	43,878	51,258	37,356	43,240	**55,754**
GP%	22.8%	18.2%	18.3%	19.4%	17.1%	20.0%	18.0%	17.8%	15.3%	**15.4%**
Income from operations	25,098	21,311	20,838	17,066	11,951	27,402	32,283	18,263	22,343	**32,462**
As percentage of revenue	14%	10%	10%	10%	7%	13%	11%	9%	8%	**9%**
Net earnings	11,314	11,726	9,331	4,406	8,012	11,670	14,388	8,180	11,917	**16,363**
Earnings per share (EPS)	0.49	0.48	0.37	0.18	0.32	0.47	0.57	0.33	0.48	**0.65**
EPS without EOI	0.49	0.48	0.37	0.18	0.32	0.18	0.57	0.33	0.48	**0.65**
EBITDA	21,380	19,534	16,915	14,129	13,391	33,504	26,710	14,206	22,357	**27,435**
Total assets	178,460	167,044	186,512	184,960	161,865	178,583	193,817	197,203	241,733	**250,755**
Working capital	82,530	87,414	86,030	81,121	76,089	75,718	93,073	101,199	123,355	**132,928**
Shareholders' equity	70,552	91,407	97,233	97,895	98,407	110,077	124,465	132,645	144,562	**160,925**
Book value per share	3.07	3.76	3.90	3.92	3.94	4.40	4.98	5.31	5.78	**6.44**
Return on average capital	13%	12%	8%	5%	7%	12%	12%	6%	8%	**10%**
Return on average equity	18%	14%	10%	5%	8%	11%	12%	6%	9%	**11%**

In this table, IFRS refers to the International Financial Reporting Standards. GAAP refers to the Canadian Generally Accepted Accounting Principles that were the standard until 2011.

Management's Discussion & Financial Analysis

General Information

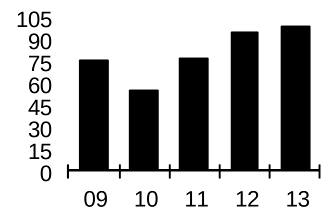
The following discussion and analysis dated August 8, 2013 was prepared by management and should be read in conjunction with the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). The following discussion and analysis is presented in millions of Canadian dollars except where otherwise noted. The consolidated financial statements include the accounts of all subsidiaries. All subsidiaries in the United States operate with the U.S. dollar as the functional currency, while the Company and all its Canadian subsidiaries operate with the Canadian dollar as the functional currency.

Highlights

Sales

Revenue for the third quarter was $100.1, surpassing the prior year's third quarter of $95.8. Sales for the first nine months were $271.7, surpassed only by last year's record of $274.8. Demand for tractors continues to be strong. Also contributing to the high sales levels was demand for the seeding and tillage lines introduced in recent years.

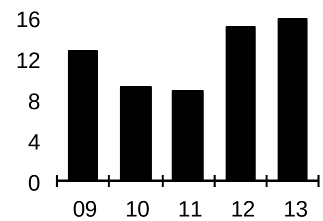
Sales (millions C$)



Gross Profit

Gross profit for the quarter was $17.0, up $1.4 over the prior year. For the nine months ended June 30th, gross profit was $44.6, up from $42.2 for the same period in the prior year. As a percentage of sales, gross profit for the quarter was 17.0%, up from 16.3% in the third quarter last year, and up 1.1% to 16.4% for the nine months ended.

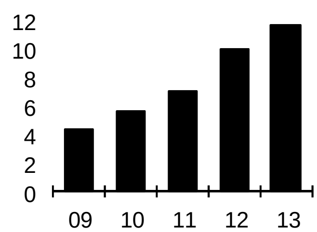
Gross Profit (millions C$)



Income from Operations

Income from operations was $11.7, up $1.6 from the third quarter in 2012. Selling and administration expenses were $5.3, down from $5.5 in the same period last year. As a percentage of sales, selling and administration expenses are down to 5.3% from 5.8% for the quarter. For the nine months ended June 30, 2013 expenses were down $0.8 over the same period in the prior year, coming in at $16.1. Decreases in salaries, advertising, commissions and warehousing expenses are the main contributors to this reduction. As a percentage of sales, selling and administration expenses are down by 0.3% to 5.9% for the nine months ending June 30, 2013.

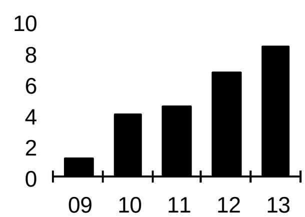
Income from Operations (millions C$)



Net Earnings

Net earnings came in at $8.4, compared to $6.8 in the prior year's third quarter. For the nine months ended June 30th, net earnings were $18.3, up $4.8 from the prior year's $13.3. Improved margins, foreign exchange gains resulting from a weaker Canadian dollar and decreased selling and administration spending, coupled with reduced research and development costs are the main drivers of this improvement in net earnings.

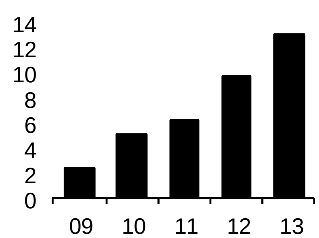
Net Earnings (millions C$)



EBITDA

EBITDA is the earnings before interest, income taxes, depreciation and amortization, and is considered to be a useful measure of the cash flow from operations of the Company. EBITDA for the quarter was $13.2, an increase of $3.5 from the same quarter last year. Year to date, EBITDA was $29.9, up $8.8 from $21.1 in the prior year. This improvement was due to increased income from operations, foreign exchange gains and decreased research and development spending, offset by a decrease in gains on sale of surplus assets.

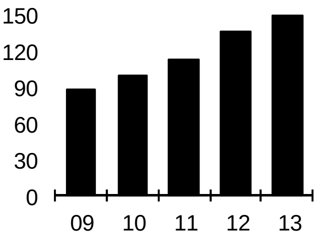
EBITDA (millions C$)



Management's Discussion & Financial Analysis

Working Capital

Working Capital (millions C$)



Working capital is a measure of company's ability to settle its current obligations with available current assets. The Company continues to be in a strong position as the working capital at quarter end was $149.4, up $13.7 (10.1%) from June 30, 2012. The Company has decreased accounts receivable by $33.8 (28.1%) facilitating a reduction in bank indebtedness of $39.1 (92.4%) as well as increasing inventory by $15.6 (11.4%) from the same quarter last year.

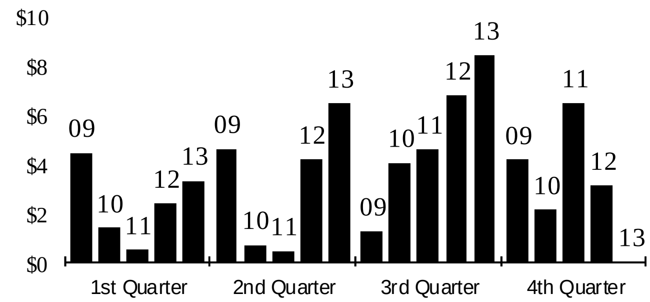
Research and Development

In keeping with the Company's strategy to invest in the development of new products for the future, expenditures for research and development (R&D) continue to be high. R&D spending for the quarter was $2.0, down from $2.3 in the third quarter of 2012. For the nine months ended June 30, 2013, spending was $6.0, down from $6.5 in 2012. Management believes this strategy will maintain the Company's competitive position in the marketplace. The demand for the Company's new equipment lines demonstrates the benefits of this strategy.

Quarterly Net Earnings Results *(000's C$)*

	2009	2010	2011	2012	**2013**
1st Q	$ 4,429	$ 1,364	$ 480	$ 2,364	**$ 3,303**
2nd Q	4,586	691	437	4,150	**6,426**
3rd Q	1,238	4,022	4,562	6,754	**8,378**
4th Q	4,135	2,103	6,438	3,095	
Total	$ 14,388	$ 8,180	$ 11,917	$ 16,363	**$ 18,107**

Net Quarterly Income *(millions C$)*

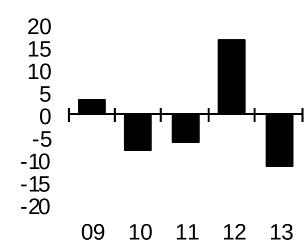


Summary of Quarterly Results

The Company achieved $100.1 in sales for the quarter, surpassing last year's $95.8 by $4.3. Profit margins improved year over year due to a change in sales mix. Selling and administration was down slightly due to reduced spending. Exchange gains of $2.3 far exceeded last years gain of $1.4 due to a weaker Canadian dollar. Research and development expenses were down for the quarter but are expected to grow for the remaining part of the year.

Cash Flow and Capital Resources

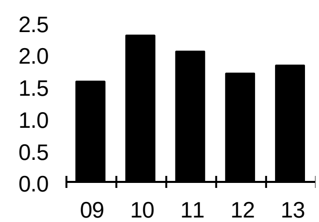
Net Cash Flow *(millions C$)*



Operating Activities

Cash flow usage for the quarter came in at $11.3, down from last years cash inflow of $16.5. Increases during the quarter in accounts receivable $19.4, inventory of $7.1, and accounts payable of $5.9 offset the increased net income accounted for most of the cash usage.

Inventory Turns

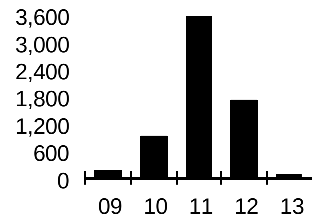


Management has diligently worked to control the investment in inventory in order to keep a strong cash position. The increase in margins has resulted in an increase in this ratio as inventory turns increased to 1.83 times, up from the prior year's third quarter of 1.70.

Investing Activities

Capital purchases in the third quarter were $0.8 (2012 - $0.6). For the nine months ended June 30, 2013, purchases amounted to $2.3, which was offset by cash received from investing activities of $0.1 due to the sale of excess capital assets. Capital purchases in the prior year to date were $1.7, offset by proceeds on the sale of excess land and building of $1.6.

Asset Purchases *(000's C$)*



Financing Activities

For the quarter, the Company had an outflow of cash of $0.4 for repayment of long term debt offset by a $0.1 decrease in long term receivables. This compares to a long term reduction of debt of $0.4 offset by a decrease of $0.1 in long term receivables in 2012. For the nine months ended June 30, 2013, cash outflows for repayment of long term debt were $1.3, offset by a reduction in long term receivables of $0.5. In the prior year these amounts were $2.0 and $0.4 respectively.

Resources

In order for the Company to operate and grow, continued funding resources are required. The Company has several options for funding available to it, such as cash in the bank, cash provided by operations and acquiring new debt. Under the current bank agreements in place, the Company has access to a $87.5 in credit facilities.

Risks and Financial Instruments

The Company recognizes that net earnings are exposed to changes in market interest rates, foreign exchange rates, prices of raw materials and risks regarding the financial condition of customers. These market conditions are regularly monitored and actions are taken when appropriate. Despite the methods employed to manage these risks, future fluctuations in interest rates, exchange rates, raw material costs and customers' conditions can be expected to impact net earnings.

The Company may enter into fixed-rate debt to minimize the risk associated with interest rate fluctuations. In addition, the Company may employ hedging programs to minimize foreign exchange risks associated with the changes in the value of the Canadian dollar relative to the U.S. dollar. To the extent possible, the Company maximizes natural currency hedging by matching inflows from sales in either currency with outflows of costs and expenses denominated in the same currency. A portion of the remaining exposure to fluctuations in exchange rates may be mitigated with forward and option contracts.

The Company currently has a variable interest bank credit facility, a low interest loan from the State of South Dakota, two loans from the State of North Dakota (one of which is zero interest, the other at low interest), loans from the Bank of Montreal, the Canadian Imperial Bank of Commerce, Export Development Canada (EDC), Heloval Holdings Ltd., US Bank and the Southwest Initiative Foundation. Should future cash requirements result in additional debt be taken on, management would evaluate the financing options available at that time and take a course of action that is in the best interests of the Company in the long term. Currently, all of the financing needs of the Company are being met by the bank credit facility, which carries a low rate of variable interest.

With respect to foreign exchange, the Company manages risk by the use of the natural hedge that exists between the U.S. dollar denominated accounts receivables and accounts payable. Where a large difference in this hedge is anticipated, forward foreign exchange contracts may be entered into to mitigate the risk. Purchases of foreign exchange products for the purpose of speculation are not permitted. Transactions are only conducted with certain approved financial institutions. Fluctuations in foreign exchange rates represent a material exposure for the Company's financial results. Hedging programs employed may mitigate a portion of exposures to short-term fluctuations in foreign currency exchange rates. The Company's financial results over the long term will be affected by sizeable changes in the value of the Canadian dollar relative to the U.S. dollar.

Credit risk arises from cash held with banks and credit exposure to customers, including outstanding accounts receivable. The Company assesses the credit quality of customers, taking into account their financial position, past experience and other factors. Management regularly monitors customer credit limits, performs credit reviews and, in certain cases, insures accounts receivable balances against credit losses. Nonetheless, unexpected deterioration in the financial condition of a customer can have a negative impact on net earnings in the case of default.

Accounting Policy Change

During the year, the company adopted the changes to IAS 12 - Income tax. There was an amendment to this standard regarding deferred taxes and the recovery of underlying assets. The standard requires an entity to recognize a deferred tax asset or liability depending on the expected manner of recovery or settlement of the asset or liability and for which the tax base is not immediately apparent, effective for accounting periods beginning on or after January 1, 2012. There was no material impact to the statements as a result of adopting this standard.

Looking Forward

Sales are projected to be off last year's record pace due to dry field conditions experienced last summer and this year's late spring start in North America. Overseas sales are also forecast to be lower due to last year's drought and slowing economic growth in Russia. Offsetting the weather conditions, the market is still experiencing high commodity prices which continue to drive demand for agricultural products as customers upgrade their equipment.

The Company's tractors, seeding and tillage equipment continue to have strong demand. The recent introduction of the combine, the new air drill and air cart and grain cart will provide additional sales during the year. The Company's balance sheet continues to improve. At the end of the third quarter shareholders equity totaled $179.0M or $7.16 per share. The Company's cash deficit position at the end of the quarter was $3.2M compared to a cash deficit of $42.3M last year. To support future growth overseas, the Company negotiated an additional $20.0M line of credit with EDC.

Research and development expenditures are projected to grow as the Company continues to invest in new products and technologies. This year, the Company unveiled its new DeltaTrack tractor at its dealer show and will begin production starting in the fourth quarter. In addition, the Company released its new Row Crop tractor and 60 Foot Liquid Fertilizer Applicator during the year which will further add to sales.

Critical Accounting Estimates

The Company believes the following accounting estimates are critical to determining and understanding the operating results and the financial position of the Company.

Allowance for doubtful accounts. The Company estimates allowances for potential losses resulting from the inability of customers to make required payments of accounts receivable. Additional allowances may be required if the financial condition of any customer deteriorates.

Allowance for inventory obsolescence. The Company estimates allowances for potential losses resulting from inventory becoming obsolete and that cannot be processed and/or sold to customers. Additional allowances may be required if the physical condition of inventory deteriorates, customer requirements change or there are changes in government regulations.

Impairment of long-lived assets. On an ongoing basis, the Company estimates the useful life of long-lived assets such as property, plant, equipment and intangible assets. The net carrying value of these assets is determined by providing depreciation and amortization based on the estimated useful life of each asset. The Company periodically reviews these assets for impairment whenever certain events or changes in circumstances indicate that the net carrying value may not be recoverable, based upon future net cash flows directly associated with the use and possible disposal of the asset. The amount of impairment, if any, is measured by deducting the fair value of the asset from its net carrying value and charged to depreciation or amortization expense. Goodwill is reviewed annually for possible impairment. Assumptions and projections used in the determination of possible impairment losses, such as future cash flows, may affect the carrying value of goodwill and require an impairment expense.

Contingencies and litigation. Should a lawsuit or claim be brought against the Company, management would assesses the potential financial exposure of the Company. In assessing any probable losses, the amount of possible insurance recoveries will be projected. The Company accrues such liabilities when a loss becomes probable and the net amount of the loss can be reasonably estimated. Due to the inherent uncertainties relating to the eventual outcome of litigation and potential insurance recovery, certain matters could ultimately be resolved for amounts materially different to provisions or disclosures previously made by the Company.

Critical Accounting Estimates - continued

Warranty obligation. The Company has accrued amounts that are expected to be potential future warranty claims. These amounts are based on management's best estimates based on the Company's sales and history of past warranty claims. Due to the inherent uncertainty associated with these estimates, the actual amount of future claims could be different than the amount accrued. Management believes that the amounts accrued are reasonable.

Income taxes. The future income tax assets and liabilities are measured using the income tax rates that are expected to apply upon realization or settlement. They are also determined on the basis of management's best estimate of the period over which they will be realized or settled. Future income tax assets are realized to the extent that the realization of benefits is considered more likely than not. In the event that the actual outcome differs from management's assumptions and estimates, the carrying amounts may be adjusted. Management believes that the estimates employed are reasonable and reflect the probable outcome of known tax contingencies.

Disclosure Controls and Internal Controls Over Financial Reporting

Disclosure Controls

Management is responsible for establishing and maintaining disclosure controls and procedures in order to provide reasonable assurance that material information relating to the Company is made known to them in a timely manner and that information required to be disclosed is reported within time periods prescribed by applicable securities legislation. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based on management's evaluation of the design and effectiveness of the Company's disclosure controls and procedures, the Company's Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures are designed and operating effectively as of June 30, 2013 to provide reasonable assurance that the information being disclosed is recorded, summarized and reported as required.

Internal Controls

Management is responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. Internal control systems, no matter how well designed, have inherent limitations and therefore can only provide reasonable assurance as to the effectiveness of internal controls over financial reporting, including the possibility of human error and the circumvention or overriding of the controls and procedures. Based on management's design and testing of the effectiveness of the Company's internal controls over financial reporting, the Company's Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures are designed and operating effectively as of June 30, 2013 to provide reasonable assurance that the financial information being reported is materially accurate. During the quarter ended June 30, 2013, there have been no changes in the design of the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

Consolidated Balance Sheet

Unaudited (000's C$)	**June 30 2013**	September 30 2012	June 30 2012
Assets			
Current Assets			
Cash	**$ -**	$ 19,293	$ -
Accounts receivable	**86,561**	54,388	120,358
Income taxes receivable	**3,608**	4,615	3,295
Inventories (note 7)	**151,975**	131,703	136,369
Prepaid expenses	**3,990**	1,553	1,688
Total Current Assets	**246,134**	211,552	261,710
Property, plant and equipment (note 8)	**23,499**	24,387	24,972
Intangible assets (note 9)	**192**	279	303
Long term receivables (note 10)	**2,200**	2,665	2,818
Deferred income tax assets (note 11)	**13,384**	11,723	11,018
Interests in other entities	**152**	149	149
Total Assets	**$ 285,561**	$ 250,755	$ 300,970
Liabilities and Shareholders' Equity			
Current Liabilities			
Bank indebtedness	**$ 3,248**	$ -	$ 42,321
Account payable and accrued liabilities	**79,111**	62,502	71,151
Income taxes payable	**9,757**	11,870	10,250
Derivative financial instruments	**317**	-	-
Current portion of deferred revenue	**-**	5	17
Current portion of long term debt (note 12)	**4,341**	4,247	2,315
Total Current Liabilities	**96,774**	78,624	126,054
Advances from related party (note 13)	**3,570**	3,570	3,570
Deferred income tax liabilities (note 11)	**59**	137	114
Long term debt (note 12)	**6,126**	7,499	13,402
Total Liabilities	**106,529**	89,830	143,140
Shareholders' Equity			
Share capital (note 14)	**30,000**	30,000	30,000
Retained earnings	**149,032**	130,925	127,830
Total Shareholders' Equity	**179,032**	160,925	157,830
Total Liabilities and Equity	**$ 285,561**	$ 250,755	$ 300,970

Contingency (note 19)

Approved on behalf of the Board:

Director:
Yury Ryazov
Chief Executive Officer
August 8, 2013

Director:
Dmitry Udras
Chairman of the Board
August 8, 2013

Consolidated Statement of Comprehensive Income

Unaudited nine months ended June 30 (000's C$)	**Q3 2013**		Q3 2012		**YTD 2013**		YTD 2012	
Revenue (note 13)	**$ 100,069**		$ 95,796		**$ 271,731**		$ 274,769	
Cost of goods sold	**83,103**		80,212		**227,163**		232,600	
Gross Profit	**16,966**	17.0%	15,584	16.3%	**44,568**	16.4%	42,169	15.3%
Selling and administration expenses	**5,269**	5.3%	5,524	5.8%	**16,142**	5.9%	16,932	6.2%
Income from Operations	**11,697**	11.7%	10,060	10.5%	**28,426**	10.5%	25,237	9.2%
Loss (gain) on disposal of assets	**12**		(504)		**(53)**		(1,173)	
Interest income	**(73)**		(169)		**(259)**		(402)	
Interest expense	**1,132**		835		**3,045**		2,531	
(Gain) loss on foreign exchange	**(2,346)**		(1,446)		**(4,265)**		1,128	
Research and development costs	**1,963**		2,324		**5,988**		6,524	
Net Earnings before Taxes	**11,009**	11.0%	9,020	9.4%	**23,970**	8.8%	16,629	6.1%
Current income taxes (note 11)	**3,495**		2,822		**7,466**		4,890	
Future income taxes recovered (note 11)	**(864)**		(556)		**(1,603)**		(1,529)	
Total income taxes	**2,631**		2,266		**5,863**		3,361	
Net Income and Comprehensive Income	**$ 8,378**	8.4%	$ 6,754	7.1%	**$ 18,107**	6.7%	$ 13,268	4.8%

Consolidated Statement of Change in Shareholders' Equity

For the periods ended June 30 (000's C$ except per share amounts)

Capital Stock, beginning and end of period	**$ 30,000**	$ 30,000	**$ 30,000**	$ 30,000
Retained Earnings, beginning of period	**$ 140,654**	$ 121,076	**$ 130,925**	$ 114,562
Net comprehensive income for the period	**8,378**	6,754	**18,107**	13,268
Retained Earnings, end of period	**$ 149,032**	$ 127,830	**$ 149,032**	$ 127,830
Earnings per share				
Basic and fully diluted	**$ 0.34**	$ 0.27	**$ 0.72**	$ 0.53

Consolidated Statement of Cash Flows

Unaudited nine months ended June 30 (000's C$)	**2013**	2012
Cash provided by (used in) operating activities		
Net comprehensive income	**$ 18,107**	$ 13,268
Add (deduct) non-cash items		
Depreciation of property, plant and equipment	**3,043**	3,457
Amortization of intangible assets	**87**	70
Gain on disposal of assets	**(53)**	(1,173)
(Gain) loss on foreign exchange	**(4,265)**	1,128
Deferred revenue	**(5)**	(161)
Deferred income taxes recovered	**(1,603)**	(1,529)
Equity earnings of investment	**(3)**	(3)
	15,308	15,057
Net change in non-cash working capital balances		
Accounts receivable	**(32,173)**	(49,019)
Inventories	**(20,272)**	(9,371)
Prepaid expenses	**(2,437)**	68
Accounts payable and accrued liabilities	**16,609**	13,858
Income taxes payable	**(1,106)**	485
Foreign exchange gain (loss) on the above items	**4,835**	(1,469)
	(34,544)	(45,448)
	(19,236)	(30,391)
Investing activities		
Purchase of property, plant, equipment and intangible assets	**(2,306)**	(1,723)
Proceeds on sale of property, plant and equipment	**97**	1,559
	(2,209)	(164)
Financing activities		
Decrease in long term receivable	**465**	386
Repayment of long term debt	**(1,279)**	(1,978)
	(814)	(1,592)
Foreign exchange (loss) gain on bank indebtedness	**(282)**	341
Net cash used in the period	**(22,541)**	(31,806)
Cash (bank indebtedness), beginning of period	**19,293**	(10,515)
Bank indebtedness, end of period	**$ (3,248)**	$ (42,321)

Notes to Consolidated Financial Statements

1. Basis of Operations

Buhler Industries Inc. (the Company) was incorporated under the laws of Canada on February 1, 1994. On March 24, 1994 the Company was listed and posted for trading on the TSX under the stock exchange symbol "BUI". The address of the registered office is 1260 Clarence Avenue, Winnipeg, Manitoba.

The Company, through its subsidiaries and a joint venture, has manufacturing and warehousing facilities in Canada and the United States of America (U.S.). The company produces farm equipment for sale in Canada, U.S. and overseas.

2. Basis of Presentation

These unaudited interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), using the same accounting policies the Company's consolidated financial statements for the year ended September 30, 2012. The unaudited interim consolidated financial statements are in compliance with IAS 34. Accordingly, certain information and note disclosure normally included in annual financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB) have been omitted or condensed. These interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended September 30, 2012.

The Company's functional currency is the Canadian dollar. The Canadian dollar is the reporting currency as much of the Company's business, as well as the majority of the Company's financing is conducted in Canadian dollars.

The interim consolidated financial statements have been prepared under the historical-cost convention, except for certain financial instruments that are stated at their fair value.

The interim consolidated financial statements were approved by the Board of Directors on August 8, 2013.

3. Significant Accounting Policies

(a) Basis of consolidation
The interim consolidated financial statements include the accounts of the Company and its active wholly-owned subsidiaries, Buhler Versatile Inc., Buhler Trading Inc., Buhler Ezee-On Inc., B.I.I. Fargo, Inc., Buhler Versatile (USA) Inc., Implement Sales Co. Inc., Haskett Properties Inc., ISCO Inc., Progressive Manufacturing Ltd., John Buhler Inc., Ezee-On (USA) Ltd., Amarillo Service and Supply Inc., Buhler Finance Inc. and McDermott Parkade Inc., as well as the Company's proportionate share of Bradley Steel Processors Inc., a joint venture in which the Company has a 50% interest. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Company holds 100% of the voting rights of the subsidiaries, and therefore controls these entities. The financial statements of all subsidiaries are prepared as of the same reporting date using consistent accounting policies. All inter-company balances and transactions, including any unrealized profits arising from inter-company transactions have been eliminated.

(b) Business combinations
Business combinations are accounted for using the acquisition method of accounting. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred by the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition costs incurred are expensed and included in general and administrative expenses. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IAS 39 either in the statement of income or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Goodwill is initially measured as the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If this consideration is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of income.

(c) Foreign currency translation
The functional currency for each of Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Transactions in foreign currencies are translated to the respective functional currencies of each entity within the consolidated group using the exchange rates in effect at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates prevailing at the end of the reporting period. Nonmonetary items measured at historical cost in a foreign currency are translated to the functional currency using the exchange rate prevalent at the date of acquisition. Non-monetary items denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate prevalent at the date that the fair value was determined. Foreign currency differences arising from translation are recognized in net income, except for exchange differences arising on the translation of financial instruments qualifying as a cash flow hedge, which are recognized directly in other comprehensive income ("OCI").

3. Significant Accounting Policies - continued

(d) Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable, net of estimated returns, rebates and discounts, and after the elimination of intercompany sales. Revenue is recognized when the risks and rewards of ownership have transferred to the customer. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, or there is continuing management involvement with the goods. Interest income is recognized as earned. Management uses historical experience to estimate and provide for discounts and returns. Volume rebates are assessed based on annual purchases.

(e) Inventories
Inventories are stated at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out principle and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of variable and fixed overheads based on normal operating capacity. Any excess, unallocated, fixed overhead costs are expensed as incurred. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventories are written down to net realizable value if net realizable value declines below carrying amount. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in selling price, the amount of the write-down previously recorded is reversed.

(f) Property, plant and equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes any directly attributable costs, borrowing costs on qualifying construction projects, and the costs of dismantling and removing the items and restoring the site on which they are located. When major components of an item of property and equipment have different useful lives, they are accounted for as separate items. Depreciation is calculated using the straight-line method to allocate the cost of assets less their residual values over their estimated useful lives as follows:

Buildings	4 to 5%	Straight line
Equipment	20 to 100%	Declining balance
Computer equipment	30 to 100%	Declining balance

Depreciation methods, useful lives and residual values are reviewed at each reporting date. Assets under construction and land are not depreciated.

Leases of property, plant and equipment on terms that transfer substantially all of the benefits and costs of ownership are accounted for as finance leases. All other leases of property, plant and equipment are accounted for as operating leases.

(g) Intangible assets
Intangible assets are stated at cost less accumulated amortization.

Amortization is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Customer lists and patents	5 year, straight line

(h) Income taxes
Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of income except to the extent that it relates to items recorded directly to equity, in which case it is recognized directly in equity.

Current income tax expense is the expected income tax payable on the taxable income for the period, using income tax rates enacted or substantively enacted in the jurisdictions the Company is required to pay income tax at the reporting date, and any income adjustments to income taxes payable in respect of previous periods. Current income tax expense is adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and by the availability of unused income tax losses.

Deferred tax expense is recognized using the balance sheet method in which temporary differences are calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases of assets and liabilities for income taxation purposes. Deferred tax is not recognized for the following temporary timing differences: the initial recognition for both goodwill and assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the income tax rates that are expected to be applied when the temporary difference reverses, that is, when the asset is realized or the liability is settled, based on the income tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognized only to the extent that it is probable that future taxable income will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

Current tax assets and liabilities are offset when the Company and its subsidiaries have a legally enforceable right to offset the amounts and intend to either settle on a net basis, or to realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to the same income tax authority.

3. Significant Accounting Policies - continued

(i) Research and development expenses
Research and development expenses are expensed in the period in which the costs are incurred.

(j) Interest in other entities
The Company accounts for its interest in other entities where significant influence is exercised using the equity method of accounting whereby original costs are increased by the Company's proportionate share of earnings, net of losses, since dates of acquisition and are decreased by dividends received.

(k) Cash/bank indebtedness
Cash/bank indebtedness includes cash on hand, bank overdrafts and bankers acceptances. Bank overdrafts are repayable on demand. Bank overdrafts and bankers acceptances form an integral part of the Company's cash management and are included as a component of cash/bank indebtedness for the purpose of the statement of cash flows.

(l) Financial instruments
Under IFRS, financial instruments are classified into one of the following five categories: fair value through profit or loss (FVTPL), held to maturity investments, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments, including derivatives, are included on the consolidated balance sheet, which are measured at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities, which are measured at amortized cost.

The Company's financial instruments are classified as follows: a) cash and cash equivalents (bank indebtedness) - loans and receivables, b) accounts and other receivables - loans and receivables c) accounts payable and accrued liabilities - other financial liabilities and d) interests in other entities - fair value through profit and loss. All financial instruments are included in the consolidated balance sheet and are measured at fair value except loans and receivables and other financial liabilities, which are measured at amortized cost.

All changes in fair value are recorded to the statement of comprehensive income unless cash flow hedge accounting is used, in which case changes in fair value are recorded in other comprehensive income.

The Company's policy is not to utilize derivative financial instruments for trading or speculative purposes. The Company may utilize derivative instruments in the management of its foreign currency and interest rate exposures.

FVTPL financial investments are subsequently measured at fair value and all gains and losses are included in net income in the period in which they arise. Available-for-sale financial instruments are subsequently measured at fair value with revaluation gains and losses included in other comprehensive income until the instrument is derecognized or impaired.

(m) Comprehensive income
Comprehensive income includes all changes in equity of the Company, except those resulting from investments by shareholders and dividends paid. Comprehensive income is the total of net income and other comprehensive income. Other comprehensive income comprises revenues, expenses, gains and losses that require recognition, but are excluded from net income. All gains and losses, including those arising from measurement of all financial instruments have been recognized in net income for the period.

(n) Impairment
Impairment of non-financial assets
Tangible assets and definite life intangible assets are reviewed at each balance sheet date to determine whether events or conditions indicate that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset, which is the higher of its fair value less costs to sell and its value in use, is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. For tangible and intangible assets excluding goodwill, the CGU is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

Impairment of financial assets
Financial assets are assessed at each reporting date to determine whether there is any objective evidence that they are impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at their original effective interest rate. All impairment losses are recognized in the consolidated statement of comprehensive income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

4. Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates may, by definition, not equal the actual results. The estimates and assumptions that are critical to the determination of carrying value of assets and liabilities are addressed below.

(a) Allowance for doubtful accounts:
The Company estimates allowances for potential losses resulting from the inability of customers to make required payments of trade receivables. Additional allowances may be required if the financial condition of any customer deteriorates.

(b) Allowance for inventory obsolescence:
The Company estimates allowances for potential losses resulting from inventory becoming obsolete and that cannot be processed and/or sold to customers. Additional allowances may be required if the physical condition of inventory deteriorates or customer requirements change.

(c) Impairment of property, plant and equipment and intangible assets:
An integral component of impairment testing is determining the asset's recoverable amount. The determination of the recoverable amount involves significant management judgment, including projections of future cash flows and the appropriate discount rates. The cash flows are derived from financial forecasts and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance. Qualitative factors, including market presence and trends, strength of customer relationships, strength of local management, strength of debt and capital markets, and degree of variability in cash flows, as well as other factors, are considered when making assumptions with regard to future cash flows and the appropriate discount rate. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. A change in any of the significant assumptions or estimates could result in a material change in the recoverable amount.

No impairment losses were recognized in the fiscal years 2013 nor 2012.

(d) Income taxes
Estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire. The Company's assessment is based upon existing tax laws and estimates of future taxable income. If the assessment of the Company's ability to utilize the underlying future tax deductions changes, the Company would be required to recognize more or fewer of the tax deductions as assets, which would decrease or increase the income tax expense in the period in which this is determined.

The Company makes claims for Scientific Research and Experimental Development (SRED) expenditures which are included in deferred taxes. Judgment is required in the determination of qualifying expenses. The final determination of qualifying expenses is not known until acceptance by tax authorities. The Company's SRED credits are recorded on the balance sheet after review of the relevant accounting pronouncements. These pronouncements require the Company to estimate the ultimate collection of these credits. Actual collection may be materially different than what is recorded in the financial statements. The Company is currently challenging the Canada Revenue Agency (CRA) in court in regards to certain of its SRED credits and believes that it will be successful in defending its SRED claim.

In addition, the Company is challenging CRA in court in regards to a prior year ruling made by CRA in regards to an income allocation ruling involving a partnership the Company was involved with. While the Company is confident that it will successfully challenge this ruling, the liability for the CRA reassessment is included in the current tax liability.

The Company is subject to taxation in multiple jurisdictions. Significant judgment is required in determining the worldwide provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company maintains provisions for uncertain tax positions that it believes appropriately reflect its risk with respect to tax matters under active discussion, audit, dispute or appeal with tax authorities, or which are otherwise considered to involve uncertainty. These provisions for uncertain tax positions are made using management's best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. Management reviews the adequacy of these provisions at each consolidated statements of financial position date. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

The operations and organizational structure of the Company are complex, and related tax interpretations, regulations and legislation are continually changing. As a result, there are usually some tax matters in question that result in uncertain tax positions. The Company approaches uncertain tax positions from a liability or exposure perspective. The Company provides for future liabilities in respect of uncertain tax positions where additional tax may become payable in future periods and such provisions are based on management's assessment of exposures.

Notes to Consolidated Financial Statements

4. Critical Accounting Estimates and Judgments - continued

(e) Provision for warranty costs
The Company offers warranties for its sale of equipment. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims.

Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives as well as parts and labor costs.

5. Future Accounting Standards

The following recently issued accounting pronouncements represent a summary of the pronouncements that are likely to, or may at some future time, have an impact on the Company.

(a) IFRS 9 - Financial instruments
This standard replaces the current IAS 39 Financial Instruments Recognition and Measurement. The Company will start the application of IFRS 9 in the financial statements effective from January 1, 2015. The Company has not yet evaluated the impact on the Statements.

(b) IFRS 10 Consolidated financial statements
The new standard uses control as the single basis of consolidation for all entities with three elements to control: power over an investee; exposure or rights to variable returns; and the ability to affect returns. Retrospective application is required, subject to certain transitional provisions, effective January 1, 2013. Management has not yet evaluated the impact on the financial statements.

(c) IFRS 11 Joint arrangements
The new standard classifies arrangements as either joint operations or joint ventures. All interests in joint ventures should now be accounted for based on the equity method. Transitional provisions vary depending on how an interest is classified under IAS 31, effective January 1, 2013. Management has not yet evaluated the impact on the financial statements.

(d) IFRS 12 Disclosure of interest in other entities
IFRS 12 requires extensive disclosure relating to an entity's interest in subsidiaries, joint arrangements, associates and unconsolidated structure entities. Incorporation of disclosure is permitted, without early adoption of IFRS 12, IFRS 10, IFRS 11, IAS 27 (as amended 2011) and IAS 28 (as amended 2011), effective January 1, 2013. Management does not expect a material impact to the financial statements as a result of adopting this standard.

6. Credit Facilities (000's C$)

The Company has available three credit facilities. The first is a financing facility with the Bank of Montreal (BMO) in the amount of $60,000. The credit facility is secured by a mortgage on specific property, debenture, general security agreement and assignment of specific receivables and inventory. The Company's financing facility is at BMO Bankers Acceptance rates plus stamping fees. At June 30, 2013 the amount drawn on this facility is $Nil (September 30, 2012 - $13,273).

The second is a financing facility with the Canadian Imperial Bank of Commerce (CIBC) in the amount of $7,500. This facility is secured by a mortgage on specific property as well as specific receivables and inventory. The Company can borrow on this facility at CIBC Bankers Acceptance rates plus stamping fees. At June 30, 2013 the amount drawn on this facility is $Nil (September 30, 2012 - $Nil).

The third is a financing facility with Export Development Canada (EDC) in the amount of $20,000 USD. This facility is secured by specific receivables and can be borrowed on at LIBOR plus stamping fees. At June 30, 2013 the amount drawn on this facility is $Nil. This facility is in place for one year beginning June 6, 2013 and is to be used for funding growth overseas.

7. Inventories (000's C$)	June 30 2013	Sept. 30 2012
Finished goods	$ 80,955	$ 62,339
Work in process	4,238	3,833
Raw materials	66,782	65,531
	$ 151,975	$ 131,703

During the period, inventories in the amount of $65,369 (2012 - $62,321) were expensed to cost of sales. For the nine months ended June 30, 2013, inventories in the amount of $173,868 (2012 - $180,247) were expensed to cost of sales.

The carrying value of inventories is pledged as security against the Company's credit facility.

8. Property, Plant and Equipment (000's C$)

	Land	Buildings	Equipment	Computer equipment	Total
Cost	$ 3,722	$ 26,492	$ 55,656	$ 6,989	$ 92,859
Accumulated depreciation	-	(13,291)	(46,146)	(6,358)	(65,795)
Sept. 30, 2011 net book value	**3,722**	**13,201**	**9,510**	**631**	**27,064**
Additions	-	313	1,494	637	2,444
Disposals	(147)	(217)	(10)	(1)	(375)
Depreciation	-	(843)	(3,470)	(433)	(4,746)
Sept. 30, 2012 net book value	**3,575**	**12,454**	**7,524**	**834**	**24,387**
Additions	-	168	2,003	135	2,306
Disposals	-	-	(151)	-	(151)
Depreciation	-	(672)	(1,953)	(418)	(3,043)
June 30, 2013 net book value	**$ 3,575**	**$ 11,950**	**$ 7,423**	**$ 551**	**$ 23,499**

Recorded as:

	Land	Buildings	Equipment	Computer equipment	Total
Cost	$ 3,575	$ 26,476	$ 57,234	$ 4,293	$ 91,578
Accumulated depreciation	-	(14,526)	(49,811)	(3,742)	(68,079)
June 30, 2013 net book value	**$ 3,575**	**$ 11,950**	**$ 7,423**	**$ 551**	**$ 23,499**

The Company reviewed its property, plant and equipment for indicators of impairment. No assets were identified as impaired.

9. Intangible Assets (000's C$)

The Company's intangible assets consist of customer lists and patents.

	Total
Cost	$ 426
Accumulated amortization	(53)
September 30, 2011 net book value	**373**
Amortization	(94)
September 30, 2012 net book value	**279**
Amortization	(87)
June 30, 2013 net book value	**$ 192**

The Company reviewed its intangible assets for indicators of impairment. No assets were identified as impaired.

10. Long Term Receivables (000's C$)	June 30 2013	Sept. 30 2012
Current portion (included in accounts receivable)	$ 618	$ 4,040
Long term receivables	2,200	2,665
	$ 2,818	$ 6,705

Long term receivables are secured by property. The receivable carries interest at 3.00% and is repayable in monthly installments of $58 including interest, due October 2017.

Amounts to be received over the next five years are as follows:

2013	$153	(included in accounts receivable)
2014	623	
2015	642	
2016	661	
2017	681	

Notes to Consolidated Financial Statements

11. Income Taxes (000's C$)

	Q3 2013	Q3 2012	YTD 2013	YTD 2012
Current year	$ 3,489	$ 2,526	$ 7,296	$ 4,806
Adjustment for prior years	6	296	170	84
Current income tax provision	$ 3,495	$ 2,822	$ 7,466	$ 4,890
Origination and reversal of timing differences	$ (204)	$ (327)	$ (27)	$ (680)
Tax losses carried forward	(527)	-	(961)	-
SR&ED credits earned	(133)	(229)	(615)	(849)
Deferred tax recovery	$ (864)	$ (556)	$ (1,603)	$ (1,529)
Combined Canadian federal and provincial income tax rate	27.0%	27.4%	27.0%	27.4%
Losses carried back to prior years at higher tax rates	(0.3)	-	(0.3)	(0.5)
Foreign tax rate differences	(2.5)	(0.8)	(2.5)	(0.6)
SR&ED credits earned	(3.0)	(2.5)	(2.6)	(4.1)
Non-taxable foreign exchange	(0.6)	0.9	(0.8)	-
Non-taxable portion of capital gains	-	(1.5)	(0.1)	(1,9)
Permanent differences and other	2.6	1.6	3.4	(0.1)
Effective income tax rate	23.2%	25.1%	24.1%	20.2%

Income taxes paid during the period were $1,552 (2012 - $532). For the year to date June 30, 2013, taxes paid were $8,631 (2012 - $4,625)

Deferred income taxes are recorded to reflect the timing differences arising from deduction of warranty costs for income tax purposes, the amounts of depreciation and amortization provided in the year compared to the allowances deducted for income tax purposes, and from expected SRED tax credit claims.

The following are the components of the deferred tax assets and liabilities recognized by the Company:

Deferred income tax assets	June 30 2013	Sept. 30 2012
Property, plant, equipment and intangibles	$ 247	$ 402
Warranty	2,513	2,155
SRED credits	8,005	7,390
Taxable losses carried forward to future periods	961	-
Temporary timing differences	1,658	1,776
	$ 13,384	$ 11,723

Deferred income tax liabilities	June 30 2013	Sept. 30 2012
Property, plant, equipment and intangibles	$ 60	$ 138
Warranty	(1)	(1)
	$ 59	$ 137

12. Long Term Debt (000's C$)

	June 30 2013	Sept. 30 2012
Heloval Holdings Ltd., bearing interest of 1.5% due on demand	$ 2,103	$ 1,967
State of North Dakota, monthly payments of $11 US non-interest bearing, due August 2013.	24	123
State of South Dakota, monthly payments of $13 US including interest at 3%, due February 2015	956	983
State of North Dakota, monthly payments of $10 US including interest at 1%, due December 2015.	282	335
CIBC, quarterly payments of $375 plus monthly interest as indicated in Note 9, due February 2016	4,125	5,250
BMO, monthly payments of $25 US, plus interest as indicated in Note 9, due April 2016	894	1,033
U.S. Bank, monthly payments of $8 US, plus interest at 2% plus the monthly LIBOR, due June 2016	1,558	1,527
Southwest Initiative Foundation, monthly payments of $6 including interest at 4%, due July 2016	525	528
	10,467	11,746
Less: current portion	4,341	4,247
Long term portion	$ 6,126	$ 7,499

These loans are all secured by company assets.

Principal payments over the next 5 years are as follows:

2013	$ 2,706	2016	$ 2,663
2014	2,215	2017	-
2015	2,883		

13. Related Party Transactions (000's C$)

	June 30 2013	Sept. 30 2012
Accounts receivable from controlling shareholder	$ 33,126	$ 23,496
Advances from controlling shareholder	3,570	3,570
	2013 Q3	2012 Q3
Net sales to controlling shareholder	$ 4,282	$ 18,525

All transactions with related parties are recorded at the exchange amount agreed to by the related parties. The advances to the shareholder were made in the normal course of trade and have no specific terms of repayment.

Compensation of Key Management

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors and Executive Committee are key management personnel. The following table details the compensation paid to these key management personnel (note - no amounts were paid for post-retirement benefits nor were there any share based payments):

	Q3 2013	Q3 2012
Salaries, fees and short term employee benefits	$ 349	$ 385

14. Capital Stock and Options (000's C$)

Authorized, an unlimited number of Class A & B common shares.

	June 30, 2013 Shares		Sept. 30 2012 Shares	
Class A common	25,000	$ 30,000	25,000	$30,000

There are no options outstanding as at June 30, 2013 nor at September 30, 2012.

Notes to Consolidated Financial Statements

15. Interest Paid (000's C$)

	Q3 2013	Q3 2012
Interest on short term and other debt	$ 968	$ 665
Interest on long term debt	80	87
	$ 1,048	$ 752

Interest expense includes interest on bank indebtedness, long term debt, floor plan interest and interest on taxes payable.

16. Expenses by Nature (000's C$)

	Q3 2013	Q3 2012
Raw materials and consumables used	$ 68,470	$ 68,885
Depreciation and amortization	1,128	1,227
Personnel expenses	16,831	15,626
Freight	3,906	2,322
	$ 90,335	$ 88,060

17. Segmented Information (000's C$)

	Q3 2013			
	Canada	U.S.	CIS	Other
Revenue	$ 39,896	$ 51,373	$ 5,267	$ 3,533
Net comprehensive income	2,927	4,445	726	280
Property, plant and equipment	14,156	9,176	167	-
Intangible assets	-	192	-	-

	Q3 2012			
	Canada	U.S.	CIS	Other
Revenue	$ 29,204	$ 44,569	$ 18,230	$ 3,793
Net comprehensive income	1,851	2,780	1,885	238
Property, plant and equipment	15,038	9,767	167	-
Intangible assets	-	303	-	-

	Nine months ended June 30, 2013			
	Canada	U.S.	CIS	Other
Revenue	$ 88,339	$137,798	$ 38,488	$ 7,106
Net comprehensive income	5,673	9,342	2,607	485

	Nine months ended June 30, 2012			
	Canada	U.S.	CIS	Other
Revenue	$ 66,280	$ 97,379	$102,675	$ 8,435
Net comprehensive income	3,200	4,702	4,959	407

CIS is the Commonwealth of Independent States, including Russia, Kazakhstan and Ukraine.

The Company has organized its business between agricultural and non-agricultural operations due to the differences in the products and approaches in marketing and manufacturing in both segments. The agricultural equipment segment produces a wide variety of agricultural equipment, whereas the non-agricultural operations consist primarily of custom metal fabrication.

	Q3 2013		Q3 2012	
	Ag	Non-Ag	Ag	Non-Ag
Revenue	$ 99,005	$ 1,064	$ 94,752	$ 1,044
Interest income	52	21	2	167
Interest expense	1,132	-	835	-
Net comprehensive income	8,251	127	5,821	933
Assets	278,161	7,400	292,328	8,642

	Nine months ended June 30, 2013		Nine months ended June 30, 2012	
	Ag	Non-Ag	Ag	Non-Ag
Revenue	$ 268,500	$ 3,231	$ 271,697	$ 3,072
Interest income	182	77	16	386
Interest expense	3,045	-	2,531	-
Net comprehensive income	17,954	153	11,567	1,701

The accounting policies of the segments are the same as described in note 3 for significant accounting policies. The Company accounts for inter-segment sales at current market prices. Revenue from the top two customers in the nine months ended June 30, 2013 were $33.1 million and $7.0 million, both in the agricultural segments. For the same period of fiscal 2012, the top two customers were $97.6 million and $13.7 million, also both in the agricultural segments.

18. Deferred Profit Sharing Plan

In 1995, the Company established a Deferred Profit Sharing Plan for its employees. The Company can contribute 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. The plan trust owns approximately 251,000 Buhler Industries Inc. shares. During the period, the company contributed $Nil to the plan (2012 - $Nil).

19. Contingent Liability (000's C$)

In a prior year, a loan from Industry Canada in the amount of $9,300 was forgiven. Should the Company fail to maintain certain tractor production levels in Winnipeg until October 22, 2017, $5,000 of the amount forgiven may become payable by the Company.

As at June 30, 2013, the Company was in compliance with this requirement, and management believes that productions levels will continue to be met during the time period set out in the contract with Industry Canada.

20. Capital Management

The Company's fundamental objectives in managing capital are to maintain financial flexibility in order to preserve its ability to meet financial obligations, ensure adequate liquidity and financial flexibility at all times, and deploy capital to provide an appropriate investment return to its shareholders while maintaining prudent levels of financial risk. The Company believes that the aforementioned objectives are appropriate in the context of the Company's business.

The Company defines its capital as cash, bank indebtedness, shareholders' equity, long-term debt including the current portion, net of any cash and cash equivalents. The Company's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above and to respond to changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may purchase shares for cancellation pursuant to normal course issuer bids, issue new shares, raise debt (secured, unsecured, convertible and/or other types of available debt instruments), enter into hedging arrangements and refinance existing debt with different characteristics, amongst others.

The Company constantly monitors and assesses its financial performance and economic conditions in order to ensure that its net debt levels are prudent.

The Company's financial objectives and strategy are reviewed on an annual basis. The Company believes that its ratios are within reasonable limits, in light of the relative size of the Company and its capital management objectives.

As part of the lending agreements for the financing facility and long term debt, the Company is subject to certain covenants. These are reviewed monthly to ensure compliance. As at June 30, 2013 all covenants were met.

There are no externally imposed capital restrictions on the Company.

There were no changes in the Company's approach to capital management during the current period.

21. Financial Instruments (000's C$)

The following presents the carrying value and fair value of the Company's financial instruments:

		June 30, 2013	
Financial Asset/Liability	Classification	Carried at cost/ Amortized cost	Carrying/ Fair Value
Bank indebtedness	Loans and receivables	$ (3,248)	
Accounts receivable	Loans and receivables	86,561	
Long term receivables	Loans and receivables	2,200	
Interest in other entities	FVTPL	152	
Accounts payable and accrued liabilities	Other liabilities	(79,111)	
Derivative financial instruments	Other liabilities	(317)	
Advances from related party	Loans and receivables	(3,570)	
Long term debt	Other liabilities	(10,467)	

		September 30, 2012	
Financial Asset/Liability	Classification	Carried at cost/ Amortized cost	Carrying/ Fair Value
Cash	Loans and receivables	$ 19,293	
Accounts receivable	Loans and receivables	54,388	
Long term receivables	Loans and receivables	2,665	
Interest in other entities	FVTPL	149	
Accounts payable and accrued liabilities	Other liabilities	(62,502)	
Advances from related party	Loans and receivables	(3,570)	
Long term debt	Other liabilities	(11,746)	

21. Financial Instruments (000's C$) - continued

Financial instruments include cash/bank indebtedness, accounts receivable, long term receivables, interests in other entities, accounts payable and accrued liabilities, advances from related party and long term debt. Except for the long term receivables, interests in other entities and long term debt, the carrying values of these financial instruments approximate fair value due to the short term nature of the financial instruments or they are carried at fair value.

The Company has classified its interest in other entities as FVTPL. These shares are not actively traded in a quoted market and accordingly have been recorded at cost.

The fair value of the long term receivables and long term debt is impacted by changes in market yields which can result in differences between the carrying value and fair value of the instruments.

The fair value of long term receivables has been estimated based on the current market rates for long term bonds with similar terms and conditions. The estimated fair value of long term receivable as at June 30, 2013 is $2,566 (September 30, 2012 - $2,597).

The fair value of long term debt has been estimated based on the current market rates for long term debt with similar terms and conditions. The estimated fair value of long term debt payable as at June 30, 2013 is $9,405 (September 30, 2012 - $11,485).

The Company categorizes its fair value measurements of financial instruments according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

Level 1 – fair value measurements that reflect unadjusted, quoted prices in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date.

Level 2 – fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in inactive markets, inputs that are observable that are not prices (such as interest rates and credit risks) and inputs that are derived from or corroborated by observable market data.

Level 3 – fair value measurements using significant non-market observable inputs. These include valuations for assets and liabilities that are derived using data, some or all of which is not market observable data, including assumptions about risk.

22. Financial Risk Management (000's C$)

The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company manages its risks and risk exposures through a combination of insurance, a system of internal and disclosure controls and sound business practices.

Risk management is primarily the responsibility of the Company's corporate finance function. Significant risks are regularly monitored and actions are taken, when appropriate, according to the Company's approved policies, established for that purpose. In addition, as required, these risks are reviewed with the Company's Board of Directors.

Interest Rate Risk
The Company's interest rate risk arises from its variable rate bank indebtedness and long term debt. The long-term debt is either interest-free or very low rate, and therefore carries minimal interest rate risk. As the bank indebtedness is all variable rate, the Company is exposed to a certain level of interest rate risk. Management feels that these risks are manageable as the interest rate on this debt is less than prime and therefore has not entered into any instruments to mitigate this risk. Based on the level of bank indebtedness outstanding at June 30, 2013, a 1% increase/decrease in the rate being charged to the Company would result in a $63 (Q3 2012 - $610) decrease/increase in net earnings.

Commodity Price Risk
The Company's manufacturing costs are affected by the price of raw materials, namely steel. In order to manage its risk, the Company applies a steel surcharge to its product when the cost of steel increases significantly. The Company's preferred practice it to match raw materials cost changes with selling price adjustments, although there is a time lag. This matching is not always possible, as customers react to selling price pressures related to raw material price fluctuations according to conditions pertaining to their markets.

22. Financial Risk Management (000's C$) - continued

Foreign Exchange Risk
The Canadian dollar is the Company's functional currency. The Company operates primarily in Canada and the United States. The reporting currency of the Company is Canadian dollars, whereas the functional currency for operations in the United States and sales to the CIS region are the U.S. dollar. Fluctuations in the exchange rate between the U.S. dollar and Canadian dollar will affect the Company's reported results. However, the impact of changes in foreign exchange rates on the Company's reported results differs over time depending on whether the Company is generating a net cash inflow or outflow of Canadian dollars. This is largely dependent on the Company's revenue mix by currency as operating costs denominated in Canadian dollars have been relatively stable.

In addition, translation differences arise when foreign currency monetary assets and liabilities are translated at foreign exchange rates that change over time. These foreign exchange gains and losses are recorded in revenues. As a result of the Company's U.S. dollar net monetary position within the Canadian dollar reporting currency operations through to June 30, 2013, a one-cent strengthening/weakening in the period-end foreign exchange rate from Canadian dollars to U.S. dollars would have decreased/increased net income by $812 (Q3 2012 - $634).

The Company is insulated from large foreign exchange gains and losses by virtue of its mix of cash inflows and outflows in U.S. dollars. Gains and losses generated by fluctuations in the exchange rates used to translate U.S. dollar assets are offset by similar gains and losses on U.S. dollar liabilities. The Company also uses foreign currency forward contracts to further mitigate these fluctuations when the natural hedges are forecasted to be insufficient.

As at June 30, 2013, The Company had US to Canadian dollar foreign currency forward contracts with a notional amount of US $25,900 in place (Q3 2012 - $Nil). These contracts expire between September and December 2013 with an average rate of 1.036. As at June 30, 2013, these foreign currency forward contracts had losses of $317 ($435 net of taxes of $118), which have been recognized in these consolidated financial statements. A one-cent strengthening/weakening in the period-end foreign exchange rate from Canadian dollars to U.S. dollars would have increased/decreased the value of these contracts by $259 (Q3 2012 - $Nil) before taxes.

Liquidity Risk
Investments to drive growth can require significant financial resources. A range of funding alternatives is available to the Company including cash on hand, cash flow provided by operations, additional debt, the issuance of equity or a combination thereof. The low level of outstanding debt and an informal investment grade credit rating allow the Company to enjoy relatively low interest rates. The Company has determined that total current credit facilities of $87,500 are adequate. The Company has remained within all bank debt covenants during 2012 and foresees no change in its ability to meet these covenants in 2013.

The 2013 requirements for capital expenditures, working capital and debt repayments can be financed from cash resources, cash flow provided by operating activities and unused credit facilities. The following table outlines the maturity analysis of the Company's liabilities:

	2013	2014	2015	2016	2017	Post 2017	Total
Accounts payable and accrued liabilities	$79,111	$ -	$ -	$ -	$ -	$ -	$79,111
Long term debt	2,706	2,215	2,883	2,663	-	-	10,467
Advances from related party	-	3,570	-	-	-	-	3,570
Total	$81,817	$5,785	$2,883	$2,663	$ -	$ -	$93,148

Credit Risk
Credit risk arises from cash held with banks and credit exposure to customers, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors. Management regularly monitors customer credit limits, performs credit reviews and, in certain cases insures accounts receivable balances against credit losses.

The carrying amount of accounts receivable is reduced through the use of an allowance account and the amount of the loss is recognized in the earnings statement within selling, general and administrative expenses. When a receivable balance is considered uncollectible, it is written off against the allowance for accounts receivable. Subsequent recoveries of amounts previously written off are credited against selling, general and administrative expenses in the earnings statement.

23. Financial Risk Management (000's C$) - continued

The following table sets out the aging details of the Company's accounts receivable balances outstanding based on the status of the receivable in relation to when the receivable was due and payable and related allowance for doubtful accounts:

	June 30 2013	Sept. 30 2012
Current - neither impaired nor past due	$ 79,706	$ 54,136
Not impaired but past the due date;		
Within 30 days	4,244	244
31-60 Days	1,098	91
Over 60 days	2,107	588
	87,155	55,059
Less: Allowance for doubtful accounts	(594)	(671)
Total receivables, net	$ 86,561	$ 54,388

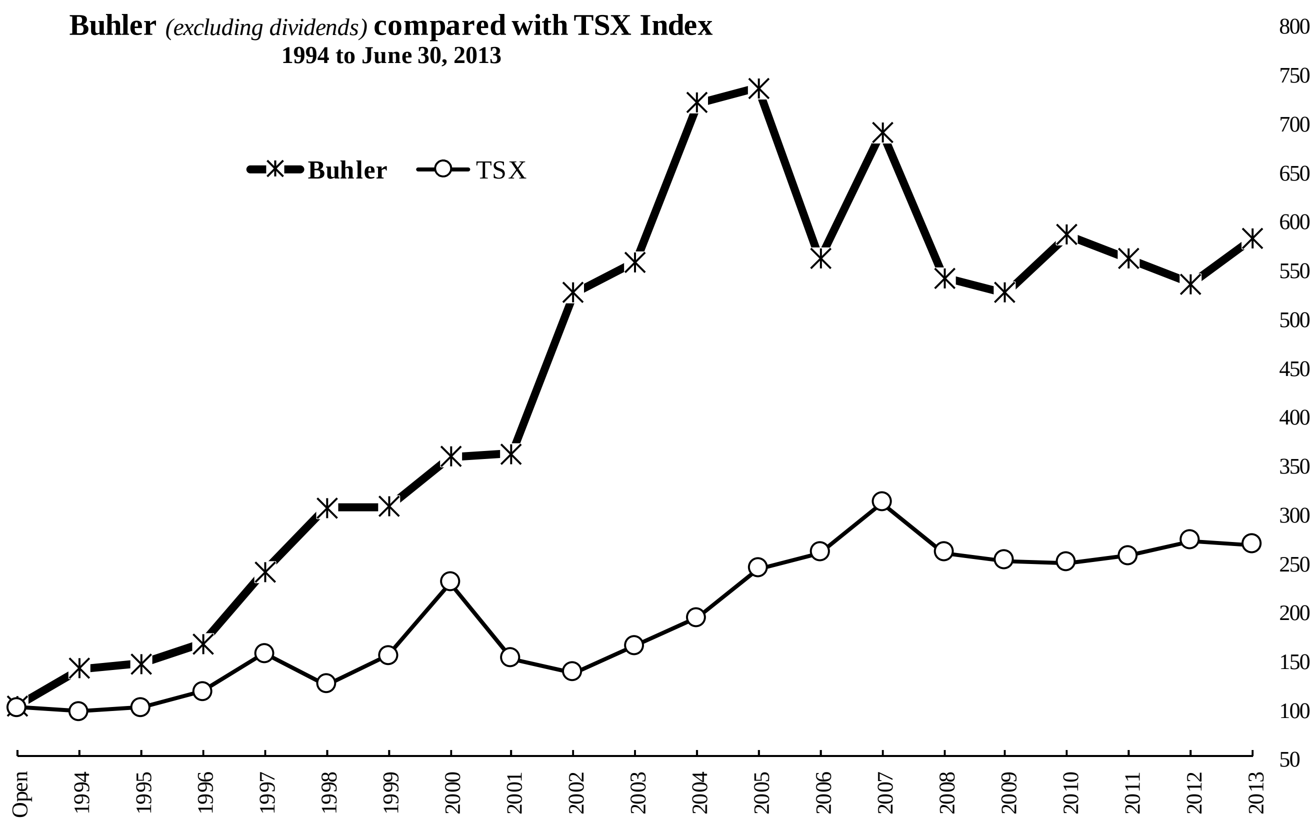
The following table details the continuity of the allowance for doubtful accounts:

	June 30 2013	Sept. 30 2012
Balance, beginning of period	$ (671)	$ (1,410)
Provisions for the period, net of recoveries	88	288
Uncollectible amounts written off	-	436
Foreign exchange impact	(11)	15
Balance, end of period	$ (594)	$ (671)

Directors, Officers and Senior Management

Name	Office	Principal Occupation
Dmitry Udras	Chairman/Officer	Director General of Novoe Sodrugestvo, CJSC
Yury Ryazanov	Director/Chief Executive Officer	Vice President of Novoe Sodrugestvo, CJSC
Konstantin Babkin	Director	Chairman of the Board of Directors of Novoe Sodrugestvo, CJSC
Oleg Gorbunov	Director	Deputy Head of Government Bank, Russia
Allan Stewart, *B.A., LL.B.*	Director	Lawyer, Thompson Dorfman Sweatman LLP
John Buhler	Director	President, Highland Park Financial Inc.
Dmitry Lyubimov	Officer	President, Buhler Industries Inc.
Maxim Loktionov	Officer	Vice President, Buhler Industries Inc.
Grant Adolph, *P.Mgr*	Officer	Chief Operating Officer, Buhler Industries Inc.
Willy Janzen, *C.G.A., B.Comm.*	Officer	Chief Financial Officer, Buhler Industries Inc.
Marty Cook	Management	Director of Sales, Tractor Division
Min Lee, *I.S.M.*	Management	Chief Information Officer, Buhler Industries Inc.
Todd Trueman, *C.I.M. P.Mgr*	Management	Director of Human Resources, Buhler Industries Inc.
Adam Reid	Management	Director of Marketing, Buhler Industries Inc.

Stock Data



Ten Year Summary

SUMMARY OF OPERATIONS	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Reported standards utilized	GAAP	GAAP	GAAP	GAAP	GAAP	GAAP	GAAP	GAAP	IFRS	IFRS
In thousands of Canadian dollars (except per share amounts)										
Revenue	181,162	206,130	202,319	175,067	166,189	218,955	284,072	209,634	282,728	361,234
Cost of goods sold	139,929	168,529	165,275	141,138	137,694	175,077	232,814	172,278	239,488	305,480
Gross profit	41,233	37,601	37,044	33,929	28,495	43,878	51,258	37,356	43,240	55,754
Selling & admin. expense	16,135	16,290	16,206	16,863	16,544	16,476	18,975	19,093	20,897	23,292
Income from operations	25,098	21,311	20,838	17,066	11,951	27,402	32,283	18,263	22,343	32,462
Gain on sale of capital assets	(726)	(2,010)	(119)	(801)	(3,689)	(1,512)	(3,247)	(3,477)	(1,184)	(1,213)
Interest income	-	-	-	-	-	-	-	-	(557)	(553)
Interest expense (income)	703	(328)	62	2,414	585	2,089	1,148	1,407	3,004	3,507
Amortization	6,894	6,812	6,411	6,133	4,768	3,933	4,070	3,584	-	-
Foreign exchange (gain) loss	-	-	-	-	-	-	-	-	(1,940)	2,705
Research & development exp.	3,683	2,903	3,342	3,183	2,003	2,621	8,820	7,534	7,480	8,375
Non-controlling interest	762	884	700	555	246	-	-	-	-	-
Net Earnings before taxes	13,783	13,050	10,442	5,582	8,038	20,271	21,492	9,215	15,540	19,641
Income taxes (expense) recovery	(2,468)	(1,324)	(1,111)	(1,176)	(26)	(15,812)	(7,104)	(1,035)	(3,623)	(3,278)
Extraordinary items	-	-	-	-	-	7,211	-	-	-	-
NET EARNINGS	11,314	11,726	9,331	4,406	8,012	11,670	14,388	8,180	11,917	16,363
CASH FLOW SUMMARY										
Capital asset purchases	7,854	4,470	7,515	2,815	3,151	3,294	2,088	4,039	9,662	2,444
Long-term debt incurred	-	-	-	-	-	-	807	2,437	17,068	-
Reduction of long-term debt	1,657	3,628	3,360	3,315	3,315	18,852	1,305	1,368	1,550	5,949
Dividends Paid	2,760	2,990	3,500	3,750	7,500	-	-	-	-	-
Net cash flow	16,938	15,778	13,132	8,079	11,640	25,843	18,958	11,295	16,287	21,203
Net cash (Bank indebtedness)	(16,560)	15,360	(17,129)	(39,203)	10,733	14,512	(6,591)	(4,772)	(10,515)	19,293
BALANCE SHEET SUMMARY										
Acc'ts rec, cash & ppd. exp.	41,777	51,222	38,138	43,202	49,420	64,860	68,764	57,573	74,422	79,849
Inventory	90,495	73,762	105,979	104,888	69,668	74,492	87,731	102,573	126,998	131,703
Total current assets	132,272	124,984	144,117	148,090	119,088	139,352	156,495	160,146	201,420	211,552
Total assets	178,460	167,044	186,512	184,960	161,865	178,583	193,817	197,203	241,733	250,755
Total current liabilities	49,742	37,570	58,087	66,969	42,999	63,634	63,422	58,947	78,065	78,624
Total short and long term debt	60,409	29,870	45,398	61,813	19,011	760	1,198	2,189	17,695	11,746
Total liabilities	107,908	75,998	96,407	87,065	63,458	68,506	69,352	64,558	97,171	89,830
Total shareholders equity	70,552	91,407	97,233	97,895	98,407	110,077	124,465	132,645	144,562	160,925
Shares o/s (avg. in millions)	23.0	24.3	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Working capital	82,530	87,414	86,030	81,121	76,089	75,718	93,073	101,199	123,355	132,928
DATA PER COMMON SHARE										
Revenue	$ 7.88	$ 8.47	$ 8.09	$ 7.00	$ 6.65	$ 8.76	$ 11.36	$ 8.39	$ 11.31	$14.45
EBITDA	0.63	0.95	0.69	0.57	0.54	1.34	1.07	0.57	0.89	1.10
Price to EBITDA	6.2	6.8	10.9	11.9	13.5	3.8	4.9	10.2	6.3	4.9
EBIT	0.60	0.54	0.42	0.22	0.32	1.27	0.91	0.42	0.72	0.90
Net earnings	0.49	0.48	0.37	0.18	0.32	0.47	0.57	0.33	0.48	0.65
Net earnings, no extraordinary item	0.49	0.48	0.37	0.18	0.32	0.18	0.57	0.33	0.48	0.65
Price to earnings	14.94	15.25	27.34	31.77	21.53	11.51	9.21	17.61	11.75	8.17
Cash flow	0.79	0.76	0.53	0.42	0.41	1.03	0.76	0.45	0.65	0.85
Dividends Paid	0.12	0.13	0.14	0.15	0.30	0.00	0.00	0.00	0.00	0.00
Closing share price	5.57	7.20	7.35	5.60	6.90	5.41	5.25	5.81	5.60	5.35
Shareholders' equity	3.07	3.76	3.90	3.92	3.94	4.40	4.98	5.31	5.78	6.44
STATISTICAL DATA										
Current ratio	2.7	3.3	2.5	2.3	2.8	2.2	2.5	2.7	2.6	2.7
Interest bearing debt/ equity ratio	0.2	-	0.2	0.4	0.1	-	0.1	0.2	0.1	0.1
Inventory turnover	1.5	2.3	1.6	1.3	2.0	2.4	2.7	1.8	1.9	2.4
Gross margin (% of revenue)	22.8%	18.2%	18.3%	19.4%	17.1%	20.0%	18.0%	17.8%	15.3%	15.4%
Selling & Admin. (% of revenue)	9%	8%	8%	10%	10%	8%	7%	9%	7%	6%
EBITDA (% of revenue)	12%	10%	9%	8%	7%	16%	9%	7%	8%	8%
Net earnings (% of revenue)	6%	6%	5%	3%	5%	5%	5%	4%	4%	5%
Return on average capital	13%	12%	8%	5%	7%	12%	12%	6%	8%	10%
Return on average equity	18%	14%	10%	5%	8%	11%	12%	6%	9%	11%