bühler

Buhler Industries Inc.

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NOTICE TO READER OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

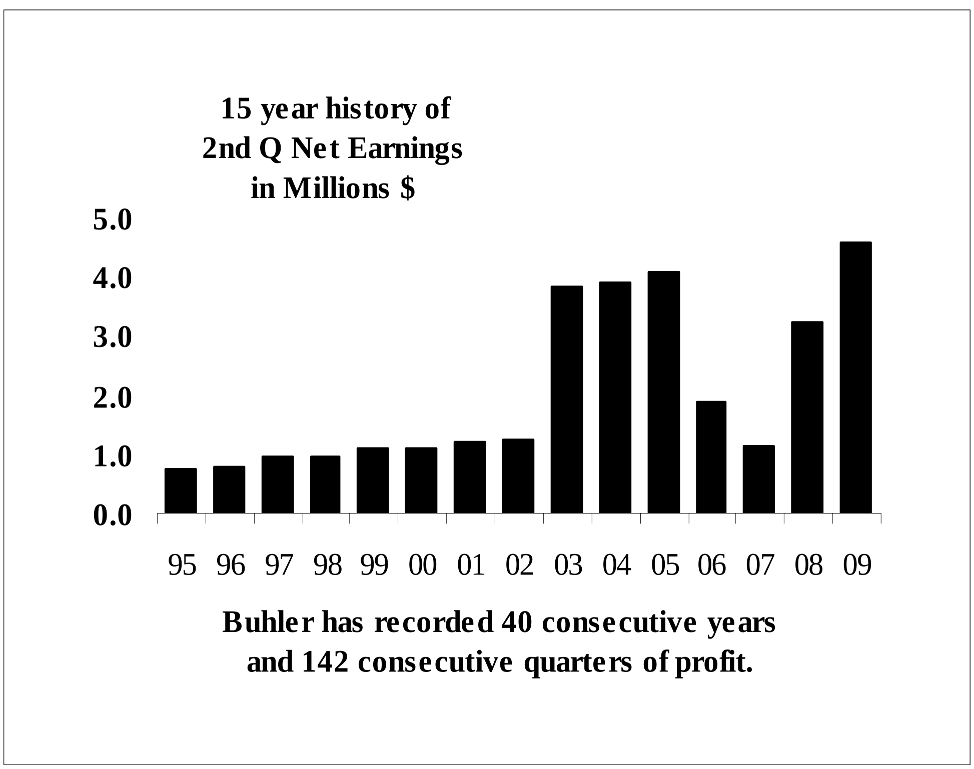
The financial statements of Buhler Industries Inc. and the accompanying interim consolidated balance sheet as at March 31, 2009 and the interim consolidated statements of earnings, retained earnings and cash flows for the six month period then ended are the responsibility of the Company's management. These consolidated financial statements have not been 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 Canadian generally accepted accounting principles.

Yury Ryazanov	Dmitry Lyubimov
Chief Executive Officer	President
April 28, 2009	April 28, 2009

Second Quarter Report

March 31, 2009



A Leading Manufacturer and Distributor of Farm Equipment

The Company posted record sales for the quarter coming in at $93.4 million, up $42.8 million or 85% over the second quarter in the previous year. Sales for the first six months are $150.4 million, up $67.4 million from the prior year. Contributing to the year to date sales increase, overseas sales to our majority owner were up $40.7 million over the prior year.

Gross profit percentage has decreased to 15.2% from 19.0% in the prior year due to higher material costs and stronger sales in the tractor division which traditionally carries lower margins.

Sales of our short-line products are up 12% for the first six months over the prior year. Our short-line manufacturing facilities continue to operate near capacity.

Second quarter selling and administrative expenses are $4.9 million up from $3.9 million the year before. Year to date expenses are at $8.9 million up from $7.4 million in the prior year. Contributing factors to the increase in expenses are additional headcount, advertising and travel expenses.

Research and development expense for the quarter increased to $2.0 million up from $0.6 million in the prior year. The Company remains committed to the development of new products.

The increase in sales volume and manufacturing activity has required additional working capital, primarily in inventory and receivables. Inventory increased to $105.0 million up from $81.1 million due to the increase in sales. In addition, the recent decline in tractor demand has left the Company with higher than planned for inventory levels. Accounts receivable is up due to strong sales in the second quarter. As a result of the increase in inventory and receivables, bank indebtedness is $48.9 million. The Company is currently in discussion to secure additional financing to support its growth.

Looking Forward

We expect record sales in 2009, despite the global economic crisis. The market for agricultural equipment in North America is projected to see a small decline from the prior year. Eastern Europe and Russia are experiencing significant credit issues and as a result overseas sales for the remainder of 2009 will decline.

Due to strong sales in prior periods, the Company had been projecting higher overseas volumes and produced additional tractors over and above the current market demand. As a result, inventory levels have increased and we are reducing our production schedule to reflect the lower demand in the marketplace. Despite the production reduction, we anticipate sales for the next six months to be only slightly below the first six months of the year. Short-line sales continue to grow, however this will be offset by a larger reduction in tractor sales for the remainder of the year.

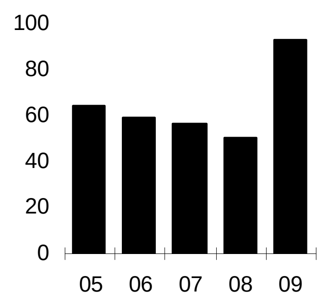
Cash flow for the Company is expected to improve as receivables are collected and as inventory levels begin to decline by year end. The Balance Sheet remains strong, with only $1.2 million in long term debt. The Company is in the process to secure additional financing and expects it to be in place shortly.

The recent strength in the Canadian dollar coupled with weaker demand for tractors will increase pressure to margins, although this will be partially offset by lower material costs. Overall, our continued implementation of cost saving measures will prove to be the most important factor in increasing margins.

The Company remains committed to it's long term strategic growth plan. The net book value of the Company's current shareholders' equity is currently at $4.76 per share up from $3.70 one year ago. The Company does not have plans to issue dividends in the near future.

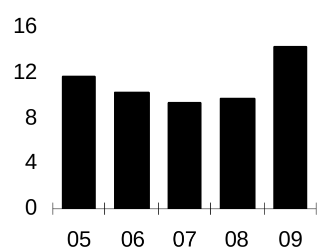
Dmitry Lyubimov
President
April 28, 2009

Sales and Growth *(millions $)*



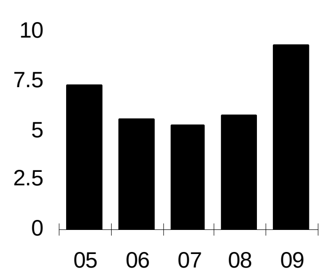
Revenue increased by 85% to a record $93.4 million compared to last year. Revenue for six months is up 81% to $150.4 million. Sales to our majority owner increased by $40.7 million over the same six month period. We expect sales for the next six months will be slightly less than the first six months of the year.

Gross Profit *(millions $)*



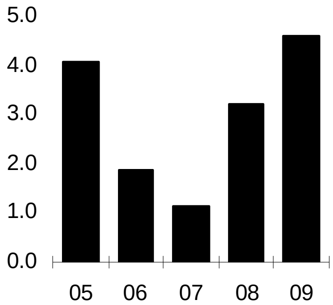
Gross profit increased to $14.2 million or 15.2% of revenue compared with $9.6 million or 19.0% of revenue last year. Gross profit for six months increased to $25.9 million or 17.2% of revenue from $15.6 million or 19.3% of revenue last year. Increased sales in the tractor division contributed to the higher margin dollars, however tractor sales carry lower margins and as a result the overall margin percentage decreased. In addition, increases in material costs also contributed to lower margins.

Income from Operations *(millions $)*



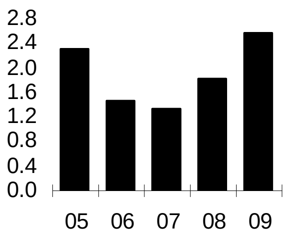
Income from operations increased to $9.3 million or 10.0% compared with $5.7 million or 11.3% of revenue last year. Income from operations for 6 months increased to $17.0 million or 11.3% of revenue compared with $8.6 million or 10.4% of revenue last year. Selling and administration expense dropped to 5.9% down from 8.9% sales contributing 3.0% to the bottom line.

Net Earnings *(millions $)*



Net earnings increased by 42.2% to $4.6 million or $0.18 per share compared with $3.2 million or $0.13 per share last year. Net earnings for 6 months increased to $9.0 million or $0.36 per share compared with $4.4 million or $0.18 per share last year.

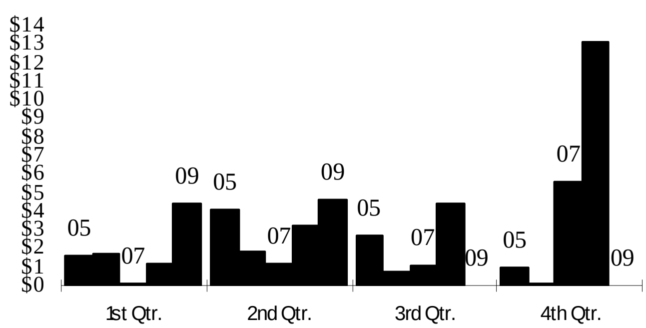
Inventory Turns



Inventory turns increased to 2.6 from 1.8 last year. The improvement is due to better management of inventory and increased production levels from last year. Inventory increased to $105.0 million up from $81.1 million in the prior year.

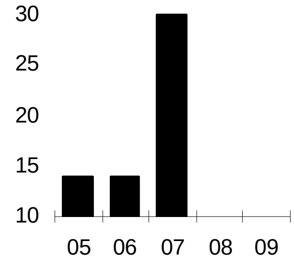
Quarterly Net Earnings Results *(000's C$)*

	2005 restated	2006 restated	2007 restated	2008 restated	2009
1st Q	$ 1,186	$ 754	$ 128	$ 1,203	**$ 4,429**
2nd Q	2,937	828	971	3,223	**$ 4,586**
3rd Q	1,923	310	947	4,374	
4th Q	674	54	4,826	13,110	
Total	**$ 6,721**	**$ 1,946**	**$ 6,872**	**$21,910**	**$ 9,015**



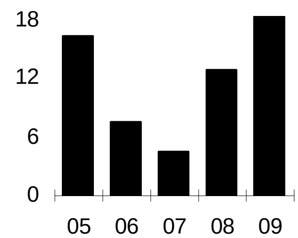
Second quarter earnings were strong when compared with the previous five years earnings. We expect increased pressure on margins due to increased competition for customers and the strengthening of the Canadian dollar. This will be partially offset by decreases in material cost. Earnings will also be impacted as the Company continues to invest in research and development of new products.

Dividends *(cents $)*



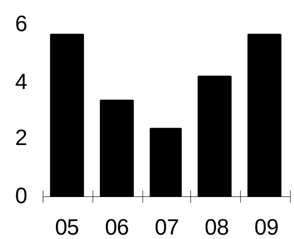
The Company has not paid a dividend since the 2007 fiscal year. Earnings are being re-invested in the Company to fund its growth.

Net Earnings *(cents per share $)*



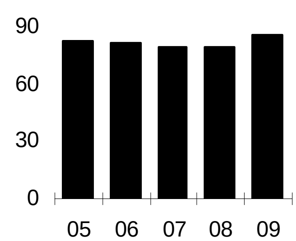
Earnings per share for the quarter increased to $0.18 per share from $0.13 the prior year. Earnings for six months increased to $0.36 up from $0.18 per share an increase of 100%. There are no options issued or outstanding and the number of shares outstanding remains at 25 million.

Net Cash Flow *(millions $)*



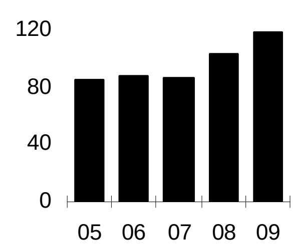
The Company generated $5.6 million cash flow in the second quarter, up 33.3% from last year and higher than our 5 year average of $4.2 million. This non GAAP measure is defined as the sum of net after tax earnings plus amortization. Actual cash flow for the quarter decreased $34.8 million largely due to the increase in accounts receivable. Year to date, cash flow dropped $63.4 million due to increases in accounts receivable and inventory.

Liquidity, Working Capital *(millions C$)*



Working capital of $85.4 million is up from last year's $79.7 million. However, the current ratio has dropped to 1.8 from 3.2. The Company is currently in negotiations to secure additional credit and has taken steps to reduce excess inventory.

Equity *(millions C$)*



Equity has increased to $119.1 million or $4.76 per share compared with last year's $92.6 million or $3.70 per share. The change in equity accounts for a 28.6% increase over from the prior year.

Consolidated Balance Sheets

Buhler Industries Inc. 2nd Quarter Fiscal 2009

Unaudited second quarters ended March 31 ($000's C$)	**2009**	2008 Restated
ASSETS		
Current Assets		
Cash	$ -	$ 8,853
Accounts receivable (note 6, 7, 8)	90,293	26,461
Inventories (note 2)	105,047	81,092
Prepaid expenses	701	216
Total Current Assets	196,041	116,622
Property plant and equipment (note 4)	24,864	25,579
Long term receivables (note 6)	7,917	8,657
Related party loan (note 5)	-	31
Future income taxes (note 11)	5,405	6,625
Investments - (note 7)	297	227
Total Assets	$ 234,524	$ 157,741
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Bank indebtedness (note 3)	$ 48,887	$ -
Account payable and accrued liabilities	48,549	31,674
Income Taxes Payable	9,259	10,617
Current portion of deferred revenue & deposits	1,466	1,767
Current obligation under capital lease	40	40
Current portion of long term debt (note 9)	230	3,279
Total Current Liabilities	108,431	47,377
Advances from related party (note 8)	3,595	-
Deferred revenue	2,141	3,600
Obligation under capital lease	21	58
Long term debt (note 9)	1,244	14,113
Total Liabilities	115,432	65,148
SHAREHOLDERS' EQUITY		
Share capital (note 12)	30,000	30,000
Retained earnings	89,092	62,593
Total Shareholders' Equity	119,092	92,593
Total Liabilities and Equity	$ 234,524	$ 157,741

Consolidated Statements of Earnings and Retained Earnings

Buhler Industries Inc. 2nd Quarter Fiscal 2009

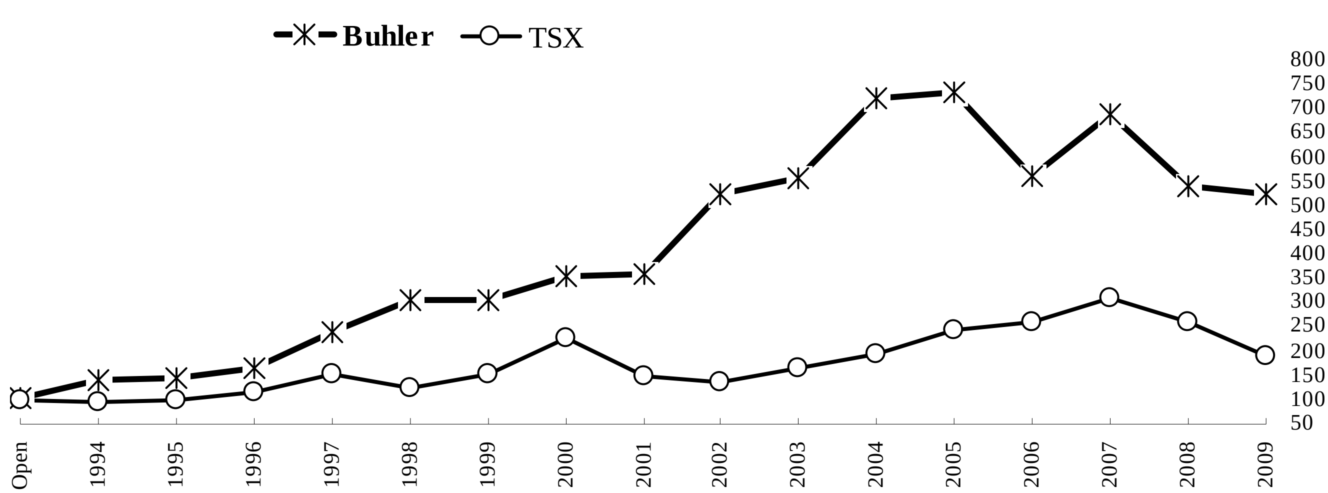
Unaudited *(000's C$) except per share amounts*

For 6 months ended March 31 (000's)

	Q2 2009		Q2 2008 Restated		**YTD 2009**		YTD 2008 Restated	
Revenue	**$ 93,352**		**$ 50,561**		**$150,449**		**$ 82,966**	
Cost of Goods Sold	**79,135**		**40,943**		**124,584**		**66,988**	
Gross Profit	**14,217**	**15.2%**	**9,618**	**19.0%**	**25,865**	**17.2%**	**15,978**	**19.3%**
Selling & administration expenses	**4,887**	**5.2%**	**3,882**	**7.7%**	**8,901**	**5.9%**	**7,361**	**8.9%**
Income From Operations	**9,330**	**10.0%**	**5,736**	**11.3%**	**16,964**	**11.3%**	**8,617**	**10.4%**
Loss (gain) sale capital assets	**(423)**		**(369)**		**(807)**		**(771)**	
Interest expense (income) (note 10)	**328**		**359**		**540**		**484**	
Amortization	**1,039**		**968**		**2,012**		**1,915**	
Research & Development	**1,997**		**605**		**2,677**		**1,081**	
Earnings Before Taxes	**6,389**	**6.8%**	**4,173**	**8.3%**	**12,542**	**8.3%**	**5,908**	**7.1%**
Provision for income taxes	**1,803**		**950**		**3,527**		**1,482**	
NET EARNINGS	**$ 4,586**	**4.9%**	**$ 3,223**	**6.4%**	**$ 9,015**	**6.0%**	**$ 4,426**	**5.3%**
Retained Earnings, beginning period as previously reported	**84,506**		**59,370**		**80,077**		**68,407**	
Proposed Tax Reassessment							**(10,240)**	
Retained Earnings beginning period as restated	**84,506**		**59,370**		**80,077**		**58,167**	
Retained Earnings, End of Period	**$ 89,092**		**$ 62,593**		**$ 89,092**		**$ 62,593**	
Earnings per share *(fully diluted)*	**$ 0.18**		**$ 0.13**		**$ 0.36**		**$ 0.18**	

Buhler *(excluding dividends)* **compared with TSX Index**

1994 to March 31, 2009



Consolidated Statement of Cash Flows

For 6 months ended March 31 (000's)	Q2 2009	Q2 2008	YTD 2009	YTD 2008
Cash provided by (used in) operating activities		Restated		Restated
Net earnings	**$ 4,586**	**$ 3,223**	**$ 9,015**	**$ 4,426**
Add (deduct) non-cash items				
Amortization	**1,039**	**968**	**2,012**	**1,915**
Loss (gain) on disposal of assets	**(423)**	**(369)**	**(807)**	**(771)**
Loss (gain) on foreign exchange	**(498)**	**(470)**	**(625)**	**(180)**
Deferred gain	**353**	**-**	**727**	**-**
Future income taxes	**(16)**	**(6)**	**(75)**	**4**
	5,041	**3,346**	**10,247**	**5,394**
Net change in non-cash working capital balances*	**(40,291)**	**(5,913)**	**(76,072)**	**(6,443)**
	(35,250)	**(2,567)**	**(65,825)**	**(1,049)**
Investing activities				
Purchase of capital assets, net of investment tax credits	**(825)**	**(599)**	**(1,164)**	**(1,003)**
Proceeds on sale of capital assets	**108**	**477**	**136**	**1,151**
Investments	**(13)**	**19**	**(13)**	**19**
	(730)	**(103)**	**(1,041)**	**167**
Financing activities				
Increase in long term receivables	**(182)**	**-**	**(68)**	**(627)**
Increase in long term debt	**28**	**-**	**945**	**-**
Repayment of long term debt	**(42)**	**(1,327)**	**(93)**	**(1,619)**
Decrease in obligation under capital lease	**(61)**	**98**	**(77)**	**98**
Advances (repayment) from related party	**903**	**232**	**2,135**	**970**
	646	**(997)**	**2,842**	**(1,178)**
Foreign exchange gain on cash held in foreign currency	**498**	**470**	**625**	**180**
Net cash provided (used) in the period	**(34,836)**	**(3,197)**	**(63,399)**	**(1,880)**
Bank balance (debt), beginning of period	**14,051**	**12,050**	**14,512**	**10,733**
Bank balance (debt), end of period	**$ (48,887)**	**$ 8,853**	**$ (48,887)**	**$ 8,853**

***Net change in non-cash working capital balances is comprised of:**

Accounts receivable	**$ (36,319)**	**$ (4,812)**	**$ (40,969)**	**$ 11,567**
Inventories	**(3,888)**	**(2,669)**	**(30,555)**	**(11,424)**
Prepaid expenses	**950**	**(61)**	**323**	**443**
Accounts payable, accrued liabilities and taxes payable	**(651)**	**10,706**	**(4,022)**	**(1,474)**
Deferred revenue	**(383)**	**(9,077)**	**(849)**	**(5,555)**
Net cash provided (used)	**$ (40,291)**	**$ (5,913)**	**$ (76,072)**	**$ (6,443)**

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 in Bradley Steel Processors Inc., which is accounted for using proportionate consolidation.

(b) Inventories

Inventories are stated at the lower of cost and net realizable value. Its 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) Property plant & equipment and amortization

Capital assets are recorded at cost (first-in, first-out method) 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%	Calendar year acquired
Paving	6.52% & 5%	Straight line
Leaseholds	20%	Straight line
Signs	20%	Straight line
Fence	5%	Straight line

(d) Revenue recognition

Sales are recognized when the risks and rewards of ownership have transferred to the customer, which is generally considered to have occurred as products are shipped. Interest income is recognized as earned.

(e) Investments,

The Company accounts for its investments where significant influence is exercised using the equity method of accounting whereby original costs are increased by the Company's proportionate share of earnings and net of losses, since the date of acquisition and are decreased by dividends received.

(f) 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 year-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 year.

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

(g) 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 uses derivative financial instruments to reduce its exposure to foreign exchange rate risk. The Company does not use derivatives financial instruments to reduce its exposure to interest rate risk.

Other risks

The Company is exposed to credit risk on its accounts receivable. Also, 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.

(h) Use of Estimates

The preparation of financial statements in conformity with Canadian Generally Accepted Accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses, during the year. The more subjective of such estimates is valuation of accounts receivable, inventory, future income tax asset, long term receivables and long term investments. Management believes its
estimates to be appropriate; however, actual results could differ from the amounts estimated.

2. INVENTORIES *(000's)*

	Q2 2009	Q2 2008
Land for development	**$ 3**	$ 156
Finished goods	**50,481**	40,926
Work in process	**3,176**	3,524
Raw materials	**51,387**	36,486
	$ 105,047	$ 81,092

3. CREDIT FACILITY

The Company has a financing facility available with the Bank of Montreal in the amount of $60,000,000. The credit facility is secured by a mortgage, debenture, general security agreement and assignment of receivables and inventory. On average, the company borrows money at interest rates less than prime.

4. PROPERTY, PLANT & EQUIPMENT *(000's)*

	Cost	Accum. Amort..	**Q2 2009 . Net Book Value**	Q2 2008 Net Book Value
Land	$ 3,379		**$ 3,379**	$ 3,416
Buildings	26,351	(13,289)	13,062	13,938
Equipment	45,568	(38,504)	**7,064**	6,381
Equipment under capital lease	113	(104)	**9**	75
Equipment held for leasing	1,353	(589)	**764**	1,160
Computers	4,525	(4,093)	**432**	609
Software & tools	3,019	(2,865)	**154**	-
	$ 84,308	$ (59,444)	**$ 24,864**	$ 25,579

5. ADVANCES TO/FROM RELATED PARTY

The advances from related party are from the majority shareholder, holding 80% of the shares of the Company. The advances were made in the normal course of trade and have no specific terms of repayment.

6. LONG TERM RECEIVABLES *(000'S)*

	Q2 2009	Q2 2008
Current portion included in Accounts Receivable	**$ 533**	$ 174
Long term receivables	**$ 7,917**	$ 8,657

Long term receivables are secured by property.

7. INVESTMENTS *(000'S)*

	Q2 2009	Q2 2008
Investments accounted for by the equity method	$ **188**	$ 118
Investments held at cost	**109**	109
	$ **297**	$ 227

8. RELATED PARTY TRANSACTIONS (*000's)*

Controlling Shareholder	**Q2 2009**	Q2 2008
Accounts Receivable	**$ 48,763**	$ 704
Miscellaneous Payable	**3,595**	-

Accounts receivables due from the controlling shareholder carry a six month payment term. Miscellaneous payables have no repayment terms. Sales and purchases from majority shareholder as follows:

	YTD 2009	YTD 2008
Net sales to controlling shareholder	**$ 41,376**	$ 664
Net purchases from controlling shareholder	**2,135**	-

9. LONG TERM DEBT *(000's)*	**Q2 2009**	Q2 2008
Long term debt	**$ 1,474**	$ 17,392
Current portion	**230**	3,279
Long term portion	**$ 1,244**	$ 14,113

The unsecured, interest free, Industry Canada loan was repayable in 120 equal monthly installments of $265 commencing July 31, 2003. In 2008, this loan was retired, with Industry Canada forgiving $9,300 of the total due.

The U.S. Bank loan (State of North Dakota PACE loan) is repayable over 7 years and is secured by a specific piece of equipment. Interest is currently being charged at 1% with a buy down provision at the end of term. Principal payments over the next 5 years in $US are noted under Loan 1.

The U.S. Bank loan (State of North Dakota interest free loan) is repayable over 10 years and is secured by Company assets. Principal payments over the next 5 years in $US are as follows (loan 2):

	Loan 1	Loan 2
2009	**$** 39	$ 55
2010	82	111
2001	87	119
2012	93	127
2013	98	124

Notes to Consolidated Financial Statements

10. INTEREST PAID *(000's)*

	YTD Q2 2009	YTD Q2 2008
Operating loan	**$ 586**	$ 1,064
Long term debt	**6**	-
	$ 592	$ 1,064

11. FUTURE INCOME TAXES

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

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

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

	2009 Shares		2008 Shares	
Issued at Apr 30				
Class A Common	**25,000**	**$30,000**	25,000	$30,000

There are no options outstanding as of April 30, 2009

13. 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. The plan trust owns approximately 150,000 Buhler shares.

14. OBLIGATION UNDER CAPITAL LEASE ***(000'S)***

	Q2 2009	Q2 2008
To Cisco Systems Capital, requiring monthly payments of $5,526 (including maintenance of $1,800 excluding sales tax) with the final payment due October 31, 2010.	**$ 61**	$ 98
Less current portion	**40**	40
	$ 21	$ 58

Minimum payments over the next 3 years are as follows:

2009	$ 20	2010	$40	2011	$3

15. FINANCIAL INSTRUMENTS ***(000'S)***

For the period ended March 31, 2009, the Company recorded unrealized losses of $207 resulting from the mark-to-market adjustments of foreign exchange contracts at the end of the period. For the second quarter and six months period ended March 31, 2009 the Company recorded cash losses of $206 and $314 respectively realized on the exercise of currency option contracts that matured during the period.

At March 31, 2009, the aggregate amount of foreign exchange forward contracts outstanding was US$14,000 at an average exchange rate of 1.2465 Cdn. to 1.00 U.S.

16. Operating Lease Revenue (000'S)

Year to date, the Company received income from operating leases of $106 (2008 YTD, $106)

17. TAX REASSESSMENT ***(000'S)***

In the interest of conservatism, the Company is recording as a prior period adjustment a tax reassessment from Canada Revenue Agency (CRA). The Company believes the reassessment is without merit and is vigorously disputing it.

As a result, the 2007 accounts payable and accrued liabilities were understated by $2,310 and income taxes payable were understated by $7,930. The comparative figures have been restated to properly reflect opening retained earnings.

Interest expense of $770 due to CRA was accrued in the fourth quarter of 2008 as a result of the assessment above. There is no net change to 2008, however, the quarterly comparative data has been restated to allocate the interest expense over the 2008 period. For the second quarter in 2008, taxes payable was understated by $484 and has been restated. On the 2008 statement of operations and deficit, year to date interest expenses have been increased by $484.

18. CAPITAL DISCLOSURES

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 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 including an appropriate debt to capital ratio 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.

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

Directors, Officers and Senior Management

Name	Office	Principal Occupation
Dmitry Udras	Chairman/Officer	Director General of Novoe Sodrugestvo, CJSC
Yury Ryazanov	Director/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, Perlov Stewart Lincoln
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.*	Management	Chief Operating Officer, Buhler Industries Inc.
Eric Allison	Management	Director of Sales, Tractor Division
Bill Morgan	Management	Director of Sales, Short Line Division
Willy Janzen, *C.G.A., B.Comm.*	Management	Chief Financial Officer, Buhler Industries Inc.
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

Ten Year Summary

	1999	2000	2001	2002	2003 restated	2004 restated	2005 restated	2006 restated	2007 restated	2008
SUMMARY OF OPERATIONS					In thousands of Canadian dollars (except per share amounts)					
Revenue	79,961	116,700	187,633	232,619	181,162	206,130	202,319	175,067	166,189	**218,955**
Cost of goods sold	53,754	86,398	156,223	183,134	139,929	168,529	165,275	141,138	137,694	**175,077**
Gross profit	26,207	30,302	31,410	49,485	41,233	37,601	37,044	33,929	28,495	**43,878**
Selling & admin. expense	11,264	13,513	14,883	19,758	16,135	16,290	16,206	16,863	16,544	**16,476**
Income from operations	14,943	16,789	16,527	29,727	25,098	21,311	20,838	17,066	11,951	**27,402**
Gain on sale of capital assets	(346)	(1,039)	(733)	(134)	(726)	(2,010)	(119)	(801)	(3,689)	**(10,812)**
Interest expense (Income)	434	671	1,032	369	793	(68)	492	3,094	1,435	**(221)**
Amortization	5,126	5,520	7,684	7,339	6,894	6,812	6,411	6,133	4,768	**3,933**
Research & development exp.	577	1,043	1,895	2,850	3,683	2,903	3,342	3,183	2,003	**2,621**
Non-controlling interest	224	903	847	809	762	884	700	555	246	**-**
Net Earnings before taxes	8,928	9,691	5,802	18,494	13,692	12,790	10,012	4,902	7,188	**31,881**
Income taxes	3,131	2,393	(1,313)	5,134	3,648	3,824	3,291	2,956	316	**9,971**
NET EARNINGS	**5,797**	**7,298**	**7,115**	**13,360**	**10,044**	**8,966**	**6,721**	**1,946**	**6,872**	**21,910**
CASH FLOW SUMMARY										
Capital asset purchases	5,960	17,278	3,593	14,546	7,854	4,470	7,515	2,815	3,151	**3,294**
Long-term debt incurred	2,417	31,656	-	-	-	-	-	-	-	**-**
Reduction of long-term debt	-	-	2,894	795	1,657	3,628	3,360	3,315	3,315	**18,852**
Dividends Paid	1,992	2,209	2,435	2,584	2,760	2,990	3,500	3,750	7,500	**-**
Net cash flow	10,923	12,818	14,799	20,699	16,938	15,778	13,132	8,079	11,640	**25,843**
Net cash (Bank indebtedness)	(4,043)	(12,040)	(9,939)	(14,258)	(16,560)	15,360	(17,129)	(39,203)	10,733	**14,512**
BALANCE SHEET SUMMARY										
Acc'ts rec, cash & ppd. exp.	13,793	46,789	27,277	40,094	41,777	51,222	38,138	43,202	49,420	**63,221**
Inventory	20,610	52,846	60,179	70,361	90,495	73,762	105,979	104,888	69,668	**74,492**
Total current assets	34,403	99,635	87,456	110,455	132,272	124,984	144,117	148,090	119,088	**139,352**
Total assets	74,843	149,073	127,531	156,305	178,281	167,044	186,512	184,366	161,865	**178,853**
Total current liabilities	14,195	54,038	41,783	49,860	51,012	41,600	64,727	74,423	53,239	**63,706**
Total short and long term debt	7,587	47,240	42,245	57,743	60,409	29,870	45,398	61,813	19,011	**2,082**
Total liabilities	27,516	97,414	74,089	94,307	109,178	80,028	96,407	96,165	63,458	**68,506**
Total shareholders equity	47,327	51,659	53,442	61,998	69,282	87,377	90,593	88,795	88,167	**110,077**
Shares o/s (avg. in millions)	24.5	24.2	23.5	23.0	23.0	24.3	25.0	25.0	25.0	**25.0**
Working capital	20,208	45,597	45,673	60,595	81,260	83,384	79,390	73,667	65,849	**75,646**
DATA PER COMMON SHARE										
Revenue	$ 3.27	$ 4.82	$ 7.98	$ 10.11	$ 7.88	$ 8.47	$ 8.09	$ 7.00	$ 6.65	**8.76**
EBITDA	0.59	0.66	0.62	1.14	0.93	0.80	0.68	0.57	0.54	**1.42**
Price to EBITDA	5.2	5.4	5.8	4.6	6.0	9.0	10.9	9.9	12.9	**3.8**
EBIT	0.38	0.43	0.29	0.82	0.63	0.52	0.42	0.32	0.34	**1.27**
Net earnings	0.24	0.30	0.30	0.58	0.44	0.37	0.27	0.08	0.27	**0.88**
Price to earnings	12.91	11.85	11.90	9.04	12.75	19.54	27.34	71.94	25.10	**6.17**
Cash flow	0.45	0.53	0.63	0.90	0.74	0.65	0.53	0.32	0.47	**1.03**
Dividends Paid	0.08	0.09	0.10	0.11	0.12	0.13	0.14	0.15	0.30	**0.30**
Closing share price	3.06	3.57	3.60	5.25	5.57	7.20	7.35	5.60	6.90	**5.41**
Shareholders' equity	1.93	2.13	2.27	2.70	3.01	3.59	3.62	3.55	3.53	**4.40**
STATISTICAL DATA										
Current ratio	2.4	1.8	2.1	2.2	2.7	3.3	2.5	2.3	2.2	**2.2**
Interest bearing debt to equity ratio	0.1	0.2	0.2	0.2	0.2	-	0.2	0.4	0.1	**-**
Inventory turnover	2.7	2.8	2.6	2.6	1.5	2.3	1.6	1.3	2.0	**2.4**
Gross margin (% of revenue)	32.8%	26.0%	16.7%	21.3%	22.8%	18.2%	18.3%	19.4%	17.1%	**20.0%**
Selling & Admin. (% of revenue)	14%	12%	8%	8%	9%	8%	8%	10%	10%	**8%**
EBITDA (% of revenue)	18%	14%	8%	11%	12%	10%	9%	8%	7%	**16%**
Net earnings (% of revenue)	7%	6%	4%	6%	6%	6%	5%	3%	5%	**10%**
Return on average capital	18%	14%	8%	18%	13%	12%	8%	5%	7%	**28%**
Return on average equity	13%	15%	13%	23%	18%	14%	10%	5%	8%	**20%**