



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 sheets as at December 31, 2011 and 2010 and the interim consolidated statements of earnings, retained earnings and cash flows for the three 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 Canadian generally accepted accounting principles.

Yury Ryazanov
Chief Executive Officer
February 10, 2012

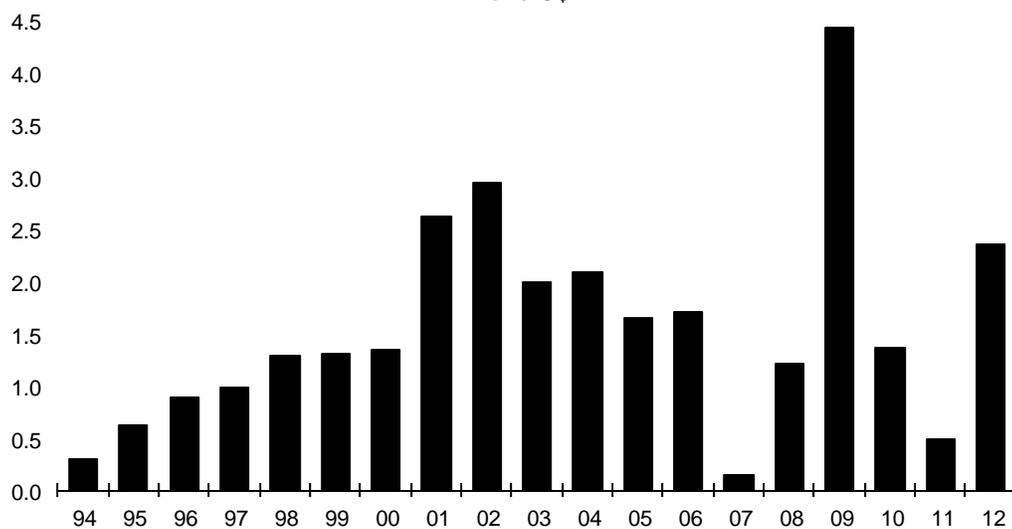
Willy Janzen, C.G.A., B.Comm.
Chief Financial Officer
February 10, 2012

bühler

First Quarter Report

December 31, 2011

19 Year History of
1st Quarter Net Earnings
in Millions C\$



Buhler has recorded 43 consecutive years of profit.

A Leading Manufacturer and Distributor of Farm Equipment

Management 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	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
		restated	restated	restated	restated	restated	restated			
Revenue	232,619	181,162	206,130	202,319	175,067	166,189	218,955	284,072	209,634	284,668
Gross profit	49,485	41,233	37,601	37,044	33,929	28,495	43,878	51,258	37,356	48,637
GP%	21.3%	22.8%	18.2%	18.3%	19.4%	17.1%	20.0%	18.0%	17.8%	17.1%
Income from operations	29,727	25,098	21,311	20,838	17,066	11,951	27,402	32,283	18,263	28,628
As percentage of revenue	13%	14%	10%	10%	10%	7%	13%	11%	9%	10%
Net earnings	13,360	11,314	11,726	9,331	4,406	8,012	11,670	14,388	8,180	11,917
Earnings per share (EPS)	0.58	0.49	0.48	0.37	0.18	0.32	0.47	0.57	0.33	0.48
EPS without EOI	0.58	0.49	0.48	0.37	0.18	0.32	0.18	0.57	0.33	0.48
EBITDA	26,202	21,380	19,534	16,915	14,129	13,391	33,504	26,710	14,206	22,357
Total assets	156,305	178,460	167,044	186,512	184,960	161,865	178,583	193,817	197,203	240,287
Working capital	60,595	82,530	87,414	86,030	81,121	76,089	75,718	93,073	101,199	123,355
Shareholders' equity	61,998	70,552	91,407	97,233	97,895	98,407	110,077	124,465	132,645	144,562
Book value per share	2.70	3.07	3.76	3.90	3.92	3.94	4.40	4.98	5.31	5.78
Return on average capital	18%	13%	12%	8%	5%	7%	12%	12%	6%	8%
Return on average equity	23%	18%	14%	10%	5%	8%	11%	12%	6%	9%

Management Discussion & Financial Analysis

General Information

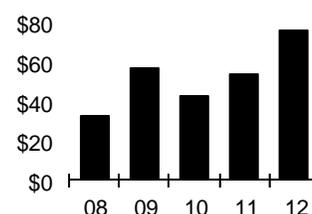
The following discussion and analysis dated February 10, 2012 was prepared by management and should be read in conjunction with the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS). The following discussion and analysis is presented in millions 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

Revenues increased by \$22.6 (41.9%) to \$76.5 for the first quarter. This represents a record level for the first quarter for the Company. The rise in sales was due to strong demand for tractors in the overseas market, as well as continued demand for the sprayer line that was introduced in 2010. Further contributing to the increase in sales was the seeding and tillage lines introduced in 2011 with the purchase of Ezee-On. Revenues in the short-line division remain strong.

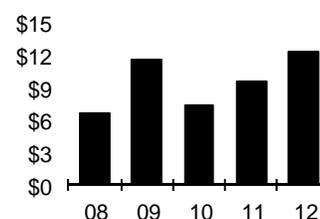
Sales (millions)



Gross Profit

Gross profits for the quarter also reached a record level, hitting \$12.3, an increase of \$2.7 (28.5%), largely due to the increased level of sales for the quarter. As a percentage of sales, gross profit for the quarter was 16.1%, down from 17.8% in the first quarter last year. The decrease was due to economic and competitive pressures. Increases in sales in the tractor division generated lower margin as a percentage of sales.

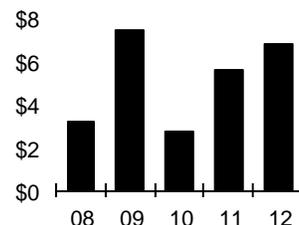
Gross Profit (millions)



Income from Operations

Income from operations were amongst the highest recorded by the Company in the first quarter, coming in at \$6.8, an increase of 22.3% over the prior year first quarter. Selling and administration expenses were \$5.5, an increase of \$1.5 from the prior year. Commissions, marketing, salaries and the additions of the Willmar and Vegreville manufacturing sites contributed to the increase in spending. As a percentage of sales, selling and administration expenses was 7.2%, a decrease of 0.2% from the prior year.

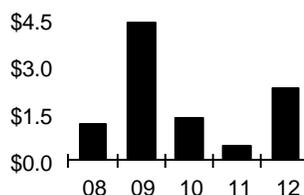
Income from Operation (millions)



Net Earnings

Net earnings was \$2.4, up from \$0.5 in the prior year first quarter. Contributing to this was the \$2.7 increase in gross margin as well as a \$1.2 decrease in research and development spending from the first quarter of 2010. Offsetting this was an increase in depreciation as a result of the acquisitions in 2011 of new manufacturing facilities.

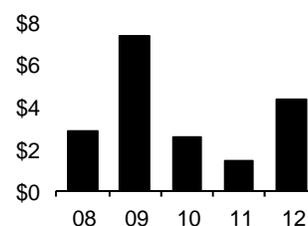
Net Earnings (millions)



EBITDA

EBITDA is the earnings before 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 \$4.4, an increase of \$2.9 from the same period last year. The improvement was due to an increase in income from operations, as a result of higher sales, as well as the decrease in research and development spending.

EBITDA (millions)

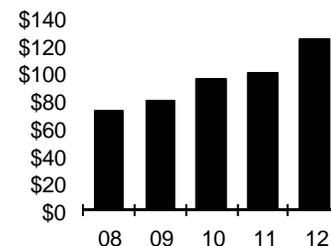


Management Discussion & Financial Analysis

Working Capital

Working capital is a measure of company's ability to discharge its current obligations by using its current assets. The Company continues to be in a strong position as the working capital at quarter end was \$125.3, up \$25.0 (24.9%) from December 31, 2010. As a result of the record sales in the quarter, accounts receivable have risen \$30.3 to \$83.0. In addition, due to increased sales, the Company increased inventory by \$14.6 (11.9%) from the same quarter last year. The increase in inventory led to an increase in bank indebtedness of \$6.1 (25.2%) and accounts payable and accrued liabilities by \$13.6 (28.9%).

Working Capital (millions)



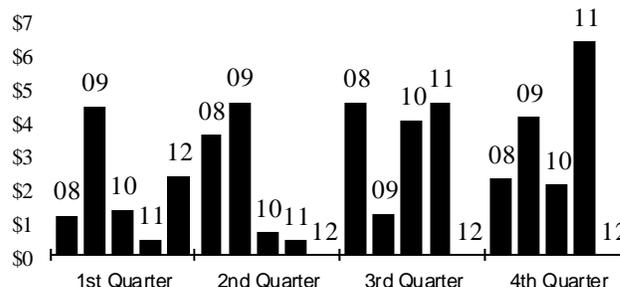
Research and Development

In keeping with the Company's strategy to invest in the development of new products for the future, expenditures for research and development continued to be high. While the spending for the first quarter was down \$1.2 from last year's first quarter of \$2.7, it was still among the highest quarters in Company history. Management believes this strategy will maintain the Company's competitive position in the marketplace.

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

	2008	2009	2010	2011	2012
	restated				
1st Q	\$ 1,203	\$ 4,429	\$ 1,364	\$ 480	\$ 2,364
2nd Q	3,223	4,586	691	437	
3rd Q	4,374	1,238	4,022	4,562	
4th Q	2,870	4,135	2,103	6,438	
Total	\$ 11,670	\$ 14,388	\$ 8,180	\$ 11,917	\$ 2,364

Net Quarterly Income (millions)



Summary of Quarterly Results

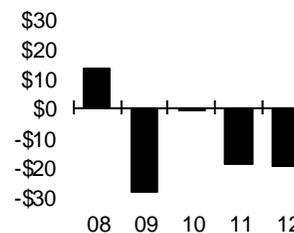
With the increase in demand for tractors and sprayers, especially in the overseas market, and the demand for the seeding and tillage product lines introduced in 2011, sales increased over the prior first quarter. Gross profit rose due to the increase in sales, despite the strengthening of the Canadian dollar and competitive pressures prevalent in the current market place. Net earnings were up sharply from the first quarter last year due to this increase in gross profit, as well as the decrease from the record level of research and development spending seen in the prior year.

Cash Flow and Capital Resources

Operating Activities

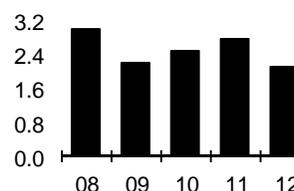
Cash for the quarter was down \$19.8 from September 30, 2011. Increases in accounts receivable of \$11.7 and inventory of \$10.4 accounted for much of the cash usage. Increases in accounts payable and accrued liabilities of \$3.6 were offset by decreases in income taxes payable of \$2.5 and long term debt of \$0.9. Net earnings contributed \$2.4 for the quarter.

Net Cash Flow (millions)



Management has diligently worked to control the investment in inventory in order to keep a strong cash position. The increase in inventory has resulted in a decline in this ratio as inventory turns declined to 2.14 times, down from the prior first quarter's 2.77. Inventory turns have decreased due to bringing more inventory in as the result of higher anticipated sales. In addition, parts shortages reduced the amount available to ship during the quarter.

Inventory Turns

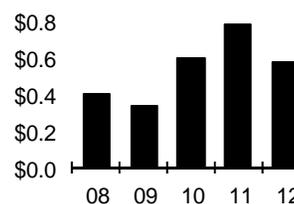


Management Discussion & Financial Analysis

Investing Activities

Cash received in the quarter from investing activities was \$0.8 due to the sale of excess land and building offset by capital purchases of \$0.6. Capital purchases in the prior year was \$0.8.

Asset Purchases (thousand's)



Financing Activities

The Company had an outflow of cash of \$0.9 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 \$0.1 offset by a decrease of \$0.1 in long term receivables in the prior year for a net financing of \$0.0.

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 \$68.5 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 condition 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, 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 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.

Management Discussion & Financial Analysis

Accounting Policy Changes

In February 2008, the Canadian Accounting Standards Board confirmed that Publicly Accountable Enterprises were required to adopt International Financial Reporting Standards (IFRS) for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. As described more fully in note 2 to the consolidated financial statements, the Company adopted this change in these statements, the first quarter of 2012. These statements present both the fiscal 2012 and fiscal 2011 comparative financial information using IFRS.

The initial adoption of IFRS under the provisions of IFRS 1, First-Time Adoption of IFRS has resulted in changes to the presentation of income taxes, deferred income taxes, intangible assets, gains/losses on foreign exchange, amortization and interest income. The Company utilized the exemptions available to not revalue previous business combinations, property, plant and equipment or intangibles. Despite the change in accounting principles, there was no impact on previously reported retained earnings.

Looking Forward

The Company completed the purchase of Ezee-On (a seeding and tillage manufacturer in Canada) in the second quarter of 2011 and is projecting higher sales in 2012 due to strong demand. Farm King, in partnership with Westeel, anticipates higher grain bin sales into the U.S. after having a successful first year in 2011. Versatile will be releasing a brand new four wheel drive high horse power tractor in 2012 and has already received much interest in the product after displaying it at trade shows. In addition, Versatile will be adding combines to its product line later this year.

The Company continues to see strong demand for tractors, sprayers and tillage along with its short-line product for 2012. Overseas demand for tractors, sprayers and tillage has increased and will contribute to achieving another record sales year for the Company.

Net earnings for the remainder of the year are expected to be higher as the result of an anticipated increase in sales. Research and development spending is expected to increase as the company continues to invest in the future. Continued exchange rate pressure from the strengthening of the Canadian dollar may impact future results negatively.

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 or customer requirements change.

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.

Management Discussion & Financial Analysis

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 reasonably be 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.

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 estimates employed are reasonable and reflect the probable outcome of known tax contingencies.

Disclosure Controls and Internal Controls

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 December 31, 2011 to provide reasonable assurance that the information being disclosed is recorded, summarized and reported as required.

Internal Controls Over Financial Reporting

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 Canadian generally accepted accounting principles. 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 December 31, 2011 to provide reasonable assurance that the financial information being reported is materially accurate. During the quarter ended December 31, 2011, 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

<i>Unaudited (000's C\$)</i>	December 31 2011	September 30 2011
Assets		
Current Assets		
Accounts receivable	\$ 83,088	\$ 71,339
Income taxes receivable	2,798	1,327
Inventories (note 7)	137,380	126,998
Prepaid expenses	2,307	1,756
Total Current Assets	225,573	201,420
Property, plant and equipment (note 8)	26,475	27,064
Intangible assets (note 9)	349	373
Long term receivables (note 10)	3,061	3,204
Deferred income tax assets (note 11)	9,768	9,526
Interests in other entities	146	146
Total Assets	\$ 265,372	\$ 241,733
Liabilities and Shareholders' Equity		
Current Liabilities		
Bank indebtedness (note 12)	\$ 30,278	\$ 10,515
Accounts payable and accrued liabilities	60,849	57,293
Income taxes payable	6,739	7,797
Current portion of deferred gains	-	4
Current portion of deferred revenue	78	134
Current portion of long term debt (note 13)	2,303	2,322
Total Current Liabilities	100,247	78,065
Advances from related party (note 14)	3,570	3,570
Deferred revenue	4	44
Deferred income tax liabilities (note 11)	112	119
Long term debt (note 13)	14,513	15,373
Total Liabilities	118,446	97,171
Shareholders' Equity		
Share capital (note 15)	30,000	30,000
Retained earnings	116,926	114,562
Total Shareholders' Equity	146,926	144,562
Total Liabilities and Equity	\$ 265,372	\$ 241,733

Contingency (note 20)

Approved on behalf of the Board:

Director:

Yury Ryazov
Chief Executive Officer
February 10, 2012

Director:

Dmitry Udras
Director General
February 10, 2012

Consolidated Statement of Earnings

<i>Unaudited three months ended December 31 (000's C\$)</i>	2011		2010	
Revenue (note 14)	\$ 76,507		\$ 53,943	
Cost of goods sold	<u>64,191</u>		<u>44,359</u>	
Gross Profit	12,316	16.1%	9,584	17.8%
Selling & administration expenses	<u>5,504</u>	7.2%	<u>4,013</u>	7.4%
Income from Operations	6,812	8.9%	5,571	10.3%
Gain on disposal of assets	(656)		(310)	
Interest income	(157)		(141)	
Interest expense	841		585	
Depreciation of property, plant and equipment	1,093		802	
Amortization of intangible assets	24		21	
Loss on foreign exchange	1,595		1,764	
Research and development costs	<u>1,516</u>		<u>2,668</u>	
Net Earnings before Taxes	2,556	3.3%	182	0.3%
Current income taxes (note 17)	467		981	
Deferred income taxes (recovered) (note 11)	<u>(275)</u>		<u>(1,279)</u>	
Total income taxes	<u>192</u>		<u>(298)</u>	
Net Earnings	<u>\$ 2,364</u>	3.1%	<u>\$ 480</u>	0.9%

Consolidated Statement of Retained Earnings

Unaudited three months ended December 31 (000's C\$) except per share amounts

Retained Earnings, beginning of period	\$ 114,562		\$ 102,645	
Net earnings for the period	<u>2,364</u>		<u>480</u>	
Retained Earnings, end of period	<u>\$ 116,926</u>		<u>\$ 103,125</u>	
Earnings per share				
Basic	\$ 0.09		\$ 0.02	
Fully diluted	\$ 0.09		\$ 0.02	

Consolidated Statement of Cash Flows

<i>Unaudited three months ended December 31 (000's C\$)</i>	2011	2010
Cash provided by (used in) operating activities		
Net earnings	\$ 2,364	\$ 480
Add (deduct) non-cash items		
Depreciation of property, plant and equipment	1,093	802
Amortization of intangible assets	24	21
Gain on disposal of assets	(656)	(310)
Loss on foreign exchange	1,595	1,764
Deferred revenue	(96)	(57)
Deferred income taxes recovered	(275)	(1,279)
	<u>4,049</u>	<u>1,421</u>
Net change in non-cash working capital balances		
Accounts receivable	(11,749)	2,567
Inventories	(10,382)	(20,224)
Prepaid expenses	(551)	751
Accounts payable and accrued liabilities	3,556	1,457
Income taxes payable	(2,529)	(2,820)
Foreign exchange loss on the above items	(1,688)	(2,080)
	<u>(23,343)</u>	<u>(20,349)</u>
	<u>(19,294)</u>	<u>(18,928)</u>
Investing activities		
Purchase of capital assets, net of investment tax credits	(575)	(781)
Proceeds on sale of capital assets	759	3
	<u>184</u>	<u>(778)</u>
Financing activities		
Decrease in long term receivable	143	135
Repayment of long term debt	(888)	(151)
Decrease in obligations under capital lease	-	(3)
	<u>(745)</u>	<u>(19)</u>
Foreign exchange gain on bank indebtedness	<u>92</u>	<u>316</u>
Net cash used in the period	(19,763)	(19,409)
Bank indebtedness, beginning of period	(10,515)	(4,772)
Bank indebtedness, end of period	<u>\$ (30,278)</u>	<u>\$ (24,181)</u>

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 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

The Company prepares its consolidated financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants (CICA). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards (IFRS), and require publicly accountable enterprises to apply such standards for years beginning on or after January 1, 2011. The Company's current fiscal year commenced on October 1, 2011. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 and IFRS 1. Subject to certain transition elections disclosed in note 6, the Company has consistently applied the same accounting policies in its opening IFRS balance sheet at October 1, 2011 and throughout all periods presented, as if these policies had always been in effect. Note 6 discloses the impact of the transition to IFRS on the Company's reported balance sheet, statements of income, comprehensive income and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's Canadian GAAP consolidated financial statements for the year ended September 30, 2011.

These interim consolidated financial statements have been prepared in accordance with the accounting policies the Company expects to adopt in its September 30, 2012 annual consolidated financial statements, which are based on the IFRS standards that the Company expects to be applicable at that time. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending September 30, 2012 could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

The interim consolidated financial statements should be read in conjunction with the Company's Canadian GAAP annual consolidated financial statements for the year ended September 30, 2011. Such Canadian GAAP financial statements may not be comparable in all material respects. Accordingly, notes 8 and 9 disclose IFRS information for the year ended September 30, 2011 that is material to the understanding of these interim consolidated financial statements.

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.

The interim consolidated financial statements were approved by the Audit Committee on behalf of the Board of Directors on February 9, 2012.

3. Significant Accounting Policies

(a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, 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) 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

(b) Foreign currency translation - continued

The results and financial position of entities within the consolidated group that have a functional currency different from the presentation currency are translated into Canadian dollars as follows: assets and liabilities are translated at the exchange rate prevailing at the end of the reporting period; income and expenses are translated at the average rate for the reporting period; all resulting exchange differences are recognized in other comprehensive income. On disposal of a foreign operation, the deferred cumulative amount recognized in OCI relating to that particular foreign operation is recognized in net income.

(c) 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.

(d) 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.

(e) Property, plant and equipment

Property, plant and equipment are recorded at cost reduced by applicable investment tax credits, less accumulated depreciation.

Depreciation is calculated at the following annual rates:

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

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.

(f) 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
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(g) 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.

Notes to Consolidated Financial Statements

3. Significant Accounting Policies - continued

(g) Income taxes - continued

Management periodically evaluates positions taken in income tax returns with respect to situations in which applicable income tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to income tax authorities.

(h) Research and Development Expenses:

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

(i) 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.

(j) Bank indebtedness

Bank indebtedness includes cash on hand and bankers acceptances. Bank overdrafts are shown within current liabilities. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of bank indebtedness for the purpose of the statement of cash flows.

(k) Financial Instruments

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) trade payables and other liabilities - other financial liabilities and d) interests in other entities - available for sale. 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 income unless cash flow hedge accounting is used, in which case changes in fair value are recorded in other comprehensive income.

(l) 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. The Company does not have any items giving rise to other comprehensive income, nor is there any accumulated balance of other comprehensive income. All gains and losses, including those arising from measurement of all financial instruments have been recognized in net income for the year.

(m) Impairment

The carrying amount of the Company's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the applicable asset's recoverable amount is estimated.

The recoverable amount of the Company's assets are calculated as the value-in-use, being the present value of future cash flows, using a pre-tax discount rate that reflects the current assessment of the time value of money, or the fair value less costs to sell, if greater. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the business unit to which it belongs. The Company bases its impairment calculation on detailed financial forecasts, which are prepared separately for each of the Company's units to which the individual assets are allocated. These financial forecasts are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

An impairment loss is recognized whenever the carrying amount of an asset or its unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income within other expenses. Impairment losses recognized in respect of these units are allocated first to reduce the carrying amount of any goodwill allocated to the unit and then, to reduce the carrying amount of other assets in the unit on a pro rata basis.

Impairment losses in respect of property, plant and equipment and intangible assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been previously recognized.

4. Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom 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.

4. Critical Accounting Estimates and Judgments - continued

(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 year 2011 or the first quarter ended December 31, 2011.

(d) Income taxes

Income taxes in interim reporting periods are accrued, to the extent practicable, by applying estimated average annual effective income tax rates for each taxing jurisdiction to the interim pre-tax income in those jurisdictions. The estimated average annual effective income tax rates are re-estimated at each interim reporting date.

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 income tax laws and estimates of future taxable income. If the assessment of the Company's ability to utilize the underlying future income tax deductions changes, the Company would be required to recognize more or fewer of the income tax deductions as assets, which would decrease or increase the income tax expense in the period in which this is determined.

The Company maintains provisions for uncertain income tax positions that it believes appropriately reflect its risk with respect to income tax matters under active discussion, audit, dispute or appeal with income tax authorities, or which are otherwise considered to involve uncertainty. These provisions for uncertain income tax positions are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at each balance sheet date. However, it is possible that at some future date an additional liability could result from audits by income tax authorities. Where the final income tax outcome of these matters is different from the amounts that were initially recorded, such differences will affect the income tax provisions in the period in which such determination is made.

5. Future Accounting Standards

(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, 2013. The Company has not yet evaluated the impact on the Statements.

(b) IAS 12 - Income tax, amendment regarding deferred tax: recovery of underlying asset

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. The Company does not expect any material impact to the Statements as a result of adopting this standard.

6. First Time Adoption of IFRS

The Company has adopted IFRS on October 1, 2011 ("Transition date"). IFRS 1 First-time Adoption of International Financial Reporting Standards sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional statement of financial position date with all adjustments to assets and liabilities recorded to deficit unless certain exemptions or exceptions are applied. The Company has applied the following exemptions to its opening statement of financial position dated October 1, 2011:

IFRS Exemption Options

Set forth below are the IFRS 1 applicable exemptions applied in the conversion from Canadian GAAP to IFRS.

Notes to Consolidated Financial Statements

6. First Time Adoption of IFRS - continued

(a) Business combinations and consolidated and separate financial statements

IFRS 1.C1 indicates that a first-time adopter may elect not to apply IFRS 3 Business Combinations retrospectively to business combinations that occurred before the date of transition to IFRS. The Company has taken advantage of this election and has applied IFRS 3 to business combinations that occurred on or after Transition date. In accordance with IFRS 1, if a company elects to apply IFRS 3 Business Combinations retrospectively, IAS 27 Consolidated and Separate Financial Statements must also be applied retrospectively. As the Company elected to apply IFRS 3 prospectively, the Company has also elected to apply IAS 27 prospectively.

(b) Leases

Leases were not reassessed to determine whether an arrangement contained a lease under IFRIC 4, "Determining whether an Arrangement contains a Lease" for contracts that were already assessed under previous GAAP given that they result in the same outcome.

(c) Fair value or revaluation as deemed cost

This exemption allows a Company to revalue property, plant and equipment at fair value at its transition date and use this fair value as the deemed transition cost. This election applies to individual assets. The Company did not apply this exemption.

(d) Estimates

Hindsight is not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

Below is the Company's consolidated statement of financial position as at the Transition date under IFRS. IFRS employs a conceptual framework that is similar to Canadian GAAP. While the adoption of IFRS has not changed the actual cash flows of the Company, the adoption has resulted in significant changes to the reported financial position and results of operations of the Company. Presented below are reconciliations prepared by the Company to reconcile to IFRS the assets, liabilities, equity, net earnings and cash flows of the Company from those reported under Canadian GAAP:

At October 1, 2011 (000's C\$)	Canadian GAAP	Effect of transition to IFRS	IFRS	Notes
Assets				
Current assets				
Accounts receivable	\$ 71,339	\$ -	\$ 71,339	
Income taxes receivable	-	1,327	1,327	a
Inventories	126,998	-	126,998	
Prepaid expenses	1,756	-	1,756	
Total current assets	200,093	1,327	201,420	
Property, plant and equipment	27,437	(373)	27,064	b
Intangible assets	-	373	373	b
Long term receivables	3,204	-	3,204	
Deferred income tax assets	9,407	119	9,526	a
Interest in other entities	146	-	146	
Total assets	\$ 240,287	\$ 1,446	\$ 241,733	
Liabilities and Shareholders' Equity				
Current Liabilities				
Bank indebtedness	\$ 10,515	\$ -	\$ 10,515	
Accounts payable and accrued liabilities	57,293	-	57,293	
Income taxes payable	6,470	1,327	7,797	a
Current portion of deferred gains	4	-	4	
Current portion of deferred revenue	134	-	134	
Current portion of long term debt	2,322	-	2,322	
Total Current Liabilities	76,738	1,327	78,605	
Advances from related party	3,570	-	3,570	
Deferred revenue	44	-	44	
Deferred income tax liabilities	-	119	119	a
Long term debt	15,373	-	15,373	
Total Liabilities	95,725	1,446	97,171	
Shareholders' Equity				
Share capital	30,000	-	30,000	
Retained earnings	114,562	-	114,562	
Total shareholders' equity	144,562	-	144,562	
Total liabilities and equity	\$ 240,287	\$ 1,446	\$ 241,733	

6. First Time Adoption of IFRS - continued

At December 31, 2010 (000's C\$)	Canadian GAAP	Effect of transition to IFRS	IFRS	Notes
Assets				
Current assets				
Accounts receivable	\$ 52,805	\$ -	\$ 52,805	
Income taxes receivable	-	3,210	3,210	a
Inventories	122,797	-	122,797	
Prepaid expenses	1,450	-	1,450	
Total current assets	177,052	3,210	180,262	
Property, plant and equipment	22,006	(405)	21,601	b
Intangible assets	-	405	405	b
Long term receivables	7,052	-	7,052	
Deferred income tax assets	8,994	144	9,138	a
Interest in other entities	152	-	152	
Total assets	\$ 215,256	\$ 3,354	\$ 218,610	
Liabilities and Shareholders' Equity				
Current Liabilities				
Bank indebtedness	\$ 24,181	\$ -	\$ 24,181	
Accounts payable and accrued liabilities	47,218	-	47,218	
Income taxes payable	4,103	3,210	7,313	a
Current portion of deferred gains	693	-	693	
Current portion of deferred revenue	191	-	191	
Current portion of long term debt	324	-	324	
Total Current Liabilities	76,710	3,210	79,920	
Advances from related party	3,570	-	3,570	
Deferred revenue	137	-	137	
Deferred income tax liabilities	-	144	144	a
Long term debt	1,714	-	1,714	
Total Liabilities	82,131	3,354	85,485	
Shareholders' Equity				
Share capital	30,000	-	30,000	
Retained earnings	103,125	-	103,125	
Total shareholders' equity	133,125	-	133,125	
Total liabilities and equity	\$ 215,256	\$ 3,354	\$ 218,610	

Principal Differences between Canadian GAAP and IFRS

a - Netting - Under IAS 1, assets and liabilities should not be offset unless offsetting is specifically allowed in another standard. Therefore, in the consolidated IFRS balance sheets income taxes and deferred taxes are now presented in both assets and liabilities, where applicable.

b - Intangible Assets - Under IAS 1, intangible assets should be shown separately from property, plant and equipment. As such, in the consolidated IFRS balance sheets intangible assets are shown on a separate line under the long term assets.

Notes to Consolidated Financial Statements

6. First Time Adoption of IFRS - continued

Three months ended December 31, 2010 (000's C\$)	Canadian GAAP	Effect of transition to IFRS	IFRS	Notes
Revenue	\$ 52,179	\$ 1,764	\$ 53,943	a
Cost of goods sold	44,359	-	44,359	
Gross Profit	7,820	1,764	9,584	
Selling & administration expenses	4,013	-	4,013	
Income from operations	3,807	1,764	5,571	
Gain on disposal of assets	(310)	-	(310)	
Interest income	-	(141)	(141)	b
Interest expense	444	141	585	b
Depreciation of property, plant and equipment	823	(21)	802	c
Amortization of intangible assets	-	21	21	c
Loss on foreign exchange	-	1,764	1,764	a
Research and development costs	2,668	-	2,668	
Net earnings before taxes	182	-	182	
Current income taxes	981	-	981	
Deferred income taxes (recovered)	(1,279)	-	(1,279)	
Total income taxes	(298)	-	(298)	
Net Earnings	\$ 480	\$ -	\$ 480	
Year ended September 30, 2011 (000's C\$)	Canadian GAAP	Effect of transition to IFRS	IFRS	Notes
Revenue	\$ 284,668	\$ (1,940)	\$ 282,728	a
Cost of goods sold	236,031	-	236,031	
Gross Profit	48,637	(1,940)	46,697	
Selling & administration expenses	20,009	-	20,009	
Income from operations	28,628	(1,940)	26,688	
Gain on disposal of assets	(1,184)	-	(1,184)	
Interest income	-	(557)	(557)	b
Interest expense	2,447	557	3,004	b
Depreciation of property, plant and equipment	4,370	(53)	4,317	c
Amortization of intangible assets	-	53	53	c
Gain on foreign exchange	-	(1,940)	(1,940)	a
Research and development costs	7,455	-	7,455	
Net earnings before taxes	15,540	-	15,540	
Current income taxes	5,289	-	5,289	
Deferred income taxes (recovered)	(1,666)	-	(1,666)	
Total income taxes	3,623	-	3,623	
Net Earnings	\$ 11,917	\$ -	\$ 11,917	

Principal Differences between Canadian GAAP and IFRS

a - Foreign exchange gains and losses were previously included with revenue. These gains and losses are now shown with other income and expenses.

b - Finance income and finance expense were previously shown on a net basis under Canadian GAAP. Under IFRS, the two components are shown separately.

c - Amortization of intangible assets were previously shown with depreciation expenses. Under IFRS, these are now shown separately.

7. Inventories (000's C\$)

	Dec. 31 2011	Sept. 30 2011
Finished goods	\$ 64,222	\$ 54,839
Work in process	5,519	6,344
Raw materials	67,639	65,815
	\$ 137,380	\$ 126,998

During the period, inventories in the amount of \$49,413 (2010 - \$33,500) 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 hardware	Software & tools	Total
Cost	\$ 2,996	\$ 23,410	\$ 49,198	\$ 4,679	\$ 3,331	\$ 83,614
Acc. Depr. September 30, 2010 net book value	-	(12,492)	(42,022)	(4,323)	(3,226)	(62,063)
2,996	10,918	7,176	356	105	21,551	
Additions	596	2,343	2,698	386	177	6,200
Additions from business combinations	130	798	2,950	-	-	3,878
Disposals	-	(23)	(224)	-	(1)	(248)
Depreciation September 30, 2011 net book value	-	(835)	(3,090)	(182)	(210)	(4,317)
3,722	13,201	9,510	560	71	27,064	
Additions	-	106	349	65	55	575
Disposals	(30)	(25)	(16)	-	-	(71)
Depreciation December 31, 2011 net book value	-	(222)	(799)	(46)	(26)	(1,093)
\$ 3,692	\$ 13,060	\$ 9,044	\$ 579	\$ 100	\$ 26,475	

Recorded as:

	Land	Buildings	Equipment	Computer hardware	Software & tools	Total
Cost	\$ 3,722	\$ 26,492	\$ 54,125	\$ 5,066	\$ 3,454	\$ 92,859
Acc. Depr. September 30, 2011 net book value	-	(13,291)	(44,615)	(4,506)	(3,383)	(65,795)
\$ 3,722	\$ 13,201	\$ 9,510	\$ 560	\$ 71	\$ 27,064	
Cost	\$ 3,692	\$ 26,448	\$ 53,906	\$ 5,131	\$ 3,509	\$ 92,686
Acc. Depr. December 31, 2011 net book value	-	(13,388)	(44,862)	(4,552)	(3,409)	(66,211)
\$ 3,692	\$ 13,060	\$ 9,044	\$ 579	\$ 100	\$ 26,475	

The Company is a lessor of certain equipment under a financing lease agreement. During 2011 and the first quarter of 2012 there were no additions to this equipment. The net book value of this equipment as at December 31, 2011 is as follows:

	Equipment
Cost	\$ 1,353
Accumulated depreciation	(1,137)
Net book value	\$ 216

Notes to Consolidated Financial Statements

9. Intangible assets (000's C\$)

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

	Total
Cost	\$ 426
Accumulated depreciation	-
September 30, 2010 net book value	426
Additions	-
Disposals	-
Depreciation	(53)
September 30, 2011 net book value	373
Additions	-
Disposals	-
Depreciation	(24)
December 31, 2011 net book value	\$ 349

10. Long Term Receivables (000's C\$)

	Dec. 31 2011	Sept. 30 2011
Current portion (included in accounts receivable)	\$ 3,988	\$ 3,982
Long Term receivables	3,061	3,204
	\$ 7,049	\$ 7,186

Long term receivables are secured by property. One receivable carries interest at 6.50% and is repayable in blended monthly installments of \$22, the balance due in October 2012. The other receivable carries interest at 6.00% and is repayable in monthly installments of \$61 plus interest, with a renewal date of December 2012.

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

2012	\$ 3,845	(included in accounts receivable)
2013	589	
2014	611	
2015	630	
2016	649	

11. Deferred Income Taxes (000's C\$)

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 Scientific Research and Experimental Development (SR&ED) tax credit claims.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets are composed of an asset of \$392 (September 30, 2011 - \$350) relating to depreciation of capital assets, a benefit of \$1,953 (September 30, 2011 - \$1,985) in respect of provisions for warranty, and a benefit from SR&ED of \$6,599 (September 30, 2011 - \$6,357), and losses carried forward and other amounts of \$824 (September 30, 2011 - \$834).

Deferred tax liabilities are composed of an liability of \$112 (September 30, 2011 - \$119) relating to depreciation of capital assets.

12. Bank Indebtedness (000's C\$)

The Company has available 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.

The Company also has 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.

The Company also has a financing facility with the US Bank of \$1,000 US. This facility has been secured by a security agreement and guarantees by the Company. The Company can borrow on this facility at 2% plus the monthly LIBOR rate.

13. Long Term Debt (000's C\$)

	Dec. 31 2011	Sept. 30 2011
State of North Dakota, monthly payments of \$10 US non-interest bearing, due August 2013.	\$ 226	\$ 265
State of North Dakota, monthly payments of \$10 US including interest at 1%, due December 2015.	418	455
Heloval Holdings Ltd., principal and interest of 1.5% due February 2016	5,155	5,294
CIBC, quarterly payments of \$375 plus monthly interest as indicated in Note 9, due February 2016	6,375	6,750
BMO, monthly payments of \$25 US, plus interest as indicated in Note 9, due April 2016	1,295	1,415
U.S. Bank, monthly payments of \$8 US, plus interest as indicated in Note 9, due June 2016	1,652	1,727
Southwest Initiative Foundation, monthly payments of \$6 including interest at 4%, due July 2016	586	616
State of South Dakota, monthly payments of \$13 US including interest at 3%, due February 2020	1,109	1,173
	16,816	17,695
Less: Current portion	2,303	2,322
Long term portion	\$ 14,513	\$ 15,373

These loans are all secured by company assets.

Principal payments over the next 5 years are as follows:

2012	\$ 1,727	2015	\$ 2,205
2013	2,305	2016	7,890
2014	2,192		

14. Related Party Transactions (000's C\$)

	Dec. 31 2011	Sept. 30 2011
Accounts receivable from controlling shareholder	\$ 57,859	\$ 25,598
Advances from controlling shareholder	3,570	3,570
Net sales to controlling shareholder	\$ 34,601	\$ 4,326

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):

	Q1 2012	Q1 2011
Salaries, fees and short term employee benefits	\$ 567	\$ 443

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

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

	Dec. 31 2011	Sept. 30 2011
Issued at December 31		
Class A Common	25,000 \$30,000	25,000 \$30,000

There are no options outstanding as of December 31, 2011 nor September 30, 2011.

Notes to Consolidated Financial Statements

16. Interest Paid (000's C\$)	Q1 2012	Q1 2011
Operating loan	\$ 660	\$ 473
Long term debt	96	13
	\$ 756	\$ 486

17. Income Taxes (000's C\$)	2012 Q1	2011 Q1
Weighted average income tax rate	30.5%	35.8%
At applicable statutory rate	\$ 780	\$ 298
Federal SRED Credits Earned	(242)	(252)
Tax effect of adjustments to income for tax purposes	(346)	211
Income tax provision	\$ 192	\$ 257

Income taxes paid during the period were \$3,066 (2010 - \$3,895).

18. Segmented Information (000's C\$)

	Q1 2012			
	Canada	U.S.	CIS	Other
Revenue	\$ 14,074	\$ 25,269	\$ 34,848	\$ 2,316
Earnings	435	1,077	781	72
Property, Plant, and Equipment	16,242	10,066	167	-
Intangible assets	-	349	-	-
	Q1 2011			
	Canada	U.S.	CIS	Other
Revenue	\$ 16,777	\$ 31,988	\$ 4,747	\$ 431
Earnings	149	285	42	4
Property, Plant and Equipment	14,179	7,256	167	-
Intangible assets	-	405	-	-

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.

	Q1 2012		Q1 2011	
	Ag	Non-Ag	Ag	Non-Ag
Revenue	\$ 75,627	\$ 880	\$ 53,131	\$ 812
Interest income	133	24	104	23
Interest expense	841	-	585	-
Earnings	2,007	357	529	(49)
Assets	258,109	7,263	206,830	8,425

The accounting policies of the segments are the same as described in the note for significant accounting policies. The Company accounts for inter-segment sales at current market prices. Revenue from the top two customers in the first quarter of 2012 were \$34.6 million and \$1.2 million, both in the agricultural segments. For the same period of fiscal 2011, the top two customers were \$4.9 million and \$1.1 million, also both in the agricultural segments.

19. 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 255,000 Buhler Industries Inc. shares.

20. 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 December 31, 2011, the Company was in compliance with this requirement, and management believes that production levels will continue to be met during the time period set out in the contract with Industry Canada.

21. 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.

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 December 31, 2011, all covenants were met.

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

22. Financial Instruments (000's C\$)

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.

Categories of financial assets and liabilities

Under Canadian GAAP, financial instruments are classified into one of the following five categories: held for trading, 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.

Held for trading 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 instruments is derecognized or impaired.

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

Financial Asset/Liability	Classification	Carried at cost/ Amortized cost	Carrying/ Fair Value
Cash (bank indebtedness)	Loans and receivables		(\$30,278)
Accounts receivable	Loans and receivables	83,088	
Long term receivables	Loans and receivables	3,061	
Interest in other entities	Available for Sale	146	
Accounts payable and accrued liabilities	Other liabilities	(60,849)	
Advances from related party	Loans and receivables	(3,570)	
Long term debt	Other liabilities	(16,816)	

Financial instruments include cash/bank indebtedness, accounts receivable, long term receivables, investments, accounts payable and accrued liabilities, advances from related party and long term debt. Except for the long term receivables, investments 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 available for sale. 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 for the period ended December 31, 2011 is \$3,455 (September 30, 2011 - \$3,649).

Notes to Consolidated Financial Statements

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

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 for the year ended December 31, 2011 is \$15,196 (September 30, 2011 - \$15,976).

In accordance with CICA Handbook Section 3862, Financial Instruments - Disclosures, 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.

All of the financial instruments carried at fair value have been measured within the Level 1 hierarchy.

23. 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.

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 is 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 December 31, 2011, a one-cent strengthening/weakening in the year-end foreign exchange rate from Canadian dollars to U.S. dollars would have increased/decreased net earnings by \$665 for 2011 (2010 - \$442).

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 forward contracts to further mitigate these fluctuations when the natural hedges are forecasted to be insufficient. There were no forward contracts in place at December 31, 2011.

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.

Interest Rate Risk

The Company's interest rate risk arises from its variable rate bank indebtedness. 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 December 31, 2011, a 1% increase/decrease in the rate being charged to the Company would result in a \$278 (2010 - \$178) decrease/increase in net earnings.

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

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 \$68,500 are adequate. The Company has remained within all bank debt covenants during 2011 and foresees no change in its ability to meet these covenants in 2012.

The 2012 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:

	2012	2013	2014	2015	2016	Post 2016	Total
Accounts payable and accrued liabilities	\$60,849	-	-	-	-	-	\$60,849
Income taxes payable	6,739	-	-	-	-	-	6,739
Long term debt	1,727	2,305	2,192	2,205	7,890	497	16,816
Advances from related party	-	-	-	-	-	3,570	3,570
Total	\$69,315	\$2,305	\$2,192	\$2,205	\$7,890	\$4,067	\$87,974

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 is 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.

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.

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:

	Dec. 31 2011	Sept. 30 2011
Current - neither impaired nor past due	\$ 74,673	\$ 66,115
Not impaired but past the due date:		
Within 30 days	1,304	1,811
31-60 Days	1,152	359
Over 60 days	6,756	4,464
	83,885	72,749
Less: Allowance for doubtful accounts	(797)	(1,410)
Total receivables, net	\$ 83,088	\$ 71,339

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

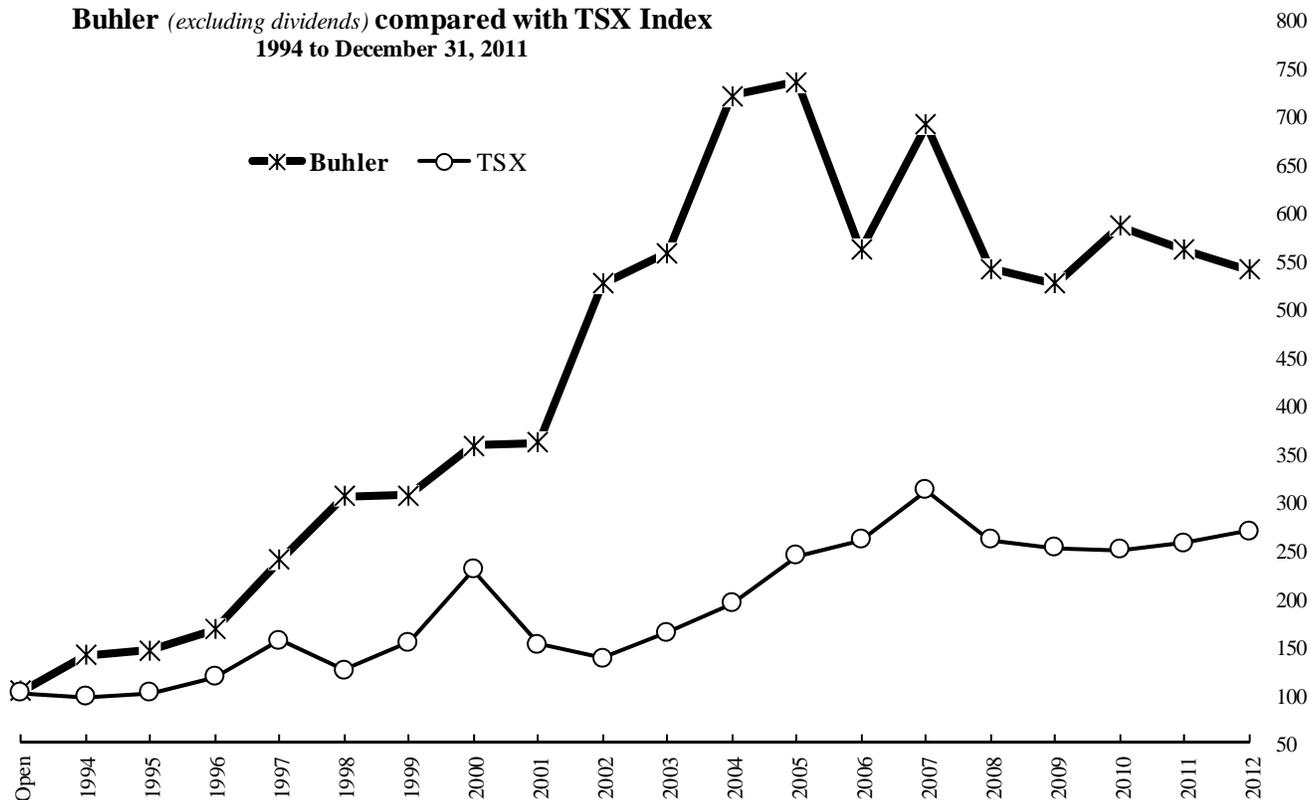
	Q1 2012	Q1 2011
Balance, beginning of period	\$ (1,410)	\$ (953)
Provisions for the period, net of recoveries	267	1
Uncollectible amounts written off	337	-
Foreign exchange impact	9	22
Balance, end of period	\$ (797)	\$ (930)

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, <i>B.A., LL.B.</i>	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, <i>P.Mgr</i>	Officer	Chief Operating Officer, Buhler Industries Inc.
Willy Janzen, <i>C.G.A., B.Comm.</i>	Officer	Chief Financial Officer, Buhler Industries Inc.
Darrell Steiner	Management	Director of Sales, Tractor division
Bill Morgan	Management	Director of Sales, Short Line division
Min Lee, <i>I.S.M.</i>	Management	Chief Information Officer, Buhler Industries Inc.
Todd Trueman, <i>C.I.M. P.Mgr</i>	Management	Director of Human Resources, Buhler Industries Inc.
Adam Reid	Management	Director of Marketing, Buhler Industries Inc.

Stock Data

Buhler (excluding dividends) compared with TSX Index
1994 to December 31, 2011



Ten Year Summary

SUMMARY OF OPERATIONS	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Reported under Canadian GAAP		restated	restated	restated	restated	restated	restated			
	In thousands of Canadian dollars (except per share amounts)									
Revenue	232,619	181,162	206,130	202,319	175,067	166,189	218,955	284,072	209,634	284,668
Cost of goods sold	183,134	139,929	168,529	165,275	141,138	137,694	175,077	232,814	172,278	236,031
Gross profit	49,485	41,233	37,601	37,044	33,929	28,495	43,878	51,258	37,356	48,637
Selling & admin. expense	19,758	16,135	16,290	16,206	16,863	16,544	16,476	18,975	19,093	20,009
Income from operations	29,727	25,098	21,311	20,838	17,066	11,951	27,402	32,283	18,263	28,628
Gain on sale of capital assets	(134)	(726)	(2,010)	(119)	(801)	(3,689)	(1,512)	(3,247)	(3,477)	(1,184)
Interest expense (Income)	369	703	(328)	62	2,414	585	2,089	1,148	1,407	2,447
Amortization	7,339	6,894	6,812	6,411	6,133	4,768	3,933	4,070	3,584	4,370
Research & development exp.	2,850	3,683	2,903	3,342	3,183	2,003	2,621	8,820	7,534	7,455
Non-controlling interest	809	762	884	700	555	246	-	-	-	-
Net Earnings before taxes	18,494	13,783	13,050	10,442	5,582	8,038	20,271	21,492	9,215	15,540
Income taxes (expense) recovery	(5,134)	(2,468)	(1,324)	(1,111)	(1,176)	(26)	(15,812)	(7,104)	(1,035)	(3,623)
Extraordinary items	-	-	-	-	-	-	7,211	-	-	-
NET EARNINGS	13,360	11,314	11,726	9,331	4,406	8,012	11,670	14,388	8,180	11,917
CASH FLOW SUMMARY										
Capital asset purchases	14,546	7,854	4,470	7,515	2,815	3,151	3,294	2,088	4,039	9,662
Long-term debt incurred	-	-	-	-	-	-	-	807	2,437	17,068
Reduction of long-term debt	795	1,657	3,628	3,360	3,315	3,315	18,852	1,305	1,368	1,550
Dividends Paid	2,584	2,760	2,990	3,500	3,750	7,500	-	-	-	-
Net cash flow	20,699	16,938	15,778	13,132	8,079	11,640	25,843	18,958	11,295	16,287
Net cash (Bank indebtedness)	(14,258)	(16,560)	15,360	(17,129)	(39,203)	10,733	14,512	(6,591)	(4,772)	(10,515)
BALANCE SHEET SUMMARY										
Acc'ts rec, cash & ppd. exp.	40,094	41,777	51,222	38,138	43,202	49,420	64,860	68,764	57,573	73,095
Inventory	70,361	90,495	73,762	105,979	104,888	69,668	74,492	87,731	102,573	126,998
Total current assets	110,455	132,272	124,984	144,117	148,090	119,088	139,352	156,495	160,146	200,093
Total assets	156,305	178,460	167,044	186,512	184,960	161,865	178,583	193,817	197,203	240,287
Total current liabilities	49,860	49,742	37,570	58,087	66,969	42,999	63,634	63,422	58,947	76,738
Total short and long term debt	57,743	60,409	29,870	45,398	61,813	19,011	760	1,198	2,189	17,695
Total liabilities	94,307	107,908	75,998	96,407	87,065	63,458	68,506	69,352	64,558	95,725
Total shareholders equity	61,998	70,552	91,407	97,233	97,895	98,407	110,077	124,465	132,645	144,562
Shares o/s (avg. in millions)	23.0	23.0	24.3	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Working capital	60,595	82,530	87,414	86,030	81,121	76,089	75,718	93,073	101,199	123,355
DATA PER COMMON SHARE										
Revenue	\$ 10.11	\$ 7.88	\$ 8.47	\$ 8.09	\$ 7.00	\$ 6.65	\$ 8.76	\$ 11.36	\$ 8.39	\$ 11.39
EBITDA	1.14	0.63	0.95	0.69	0.57	0.54	1.34	1.07	0.57	0.89
Price to EBITDA	4.6	6.2	6.8	10.9	11.9	13.5	3.8	4.9	10.2	6.3
EBIT	0.82	0.60	0.54	0.42	0.22	0.32	1.27	0.91	0.72	1.07
Net earnings	0.58	0.49	0.48	0.37	0.18	0.32	0.47	0.57	0.33	0.48
Net earnings, no extraordinary item	0.58	0.49	0.48	0.37	0.18	0.32	0.18	0.57	0.33	0.48
Price to earnings	9.04	14.94	15.25	27.34	31.77	21.53	11.51	9.21	17.61	11.67
Cash flow	0.90	0.79	0.76	0.53	0.42	0.41	1.03	0.76	0.45	0.65
Dividends Paid	0.11	0.12	0.13	0.14	0.15	0.30	0.00	0.00	0.00	0.00
Closing share price	5.25	5.57	7.20	7.35	5.60	6.90	5.41	5.25	5.81	5.60
Shareholders' equity	2.70	3.07	3.76	3.90	3.92	3.94	4.40	4.98	5.31	5.78
STATISTICAL DATA										
Current ratio	2.2	2.7	3.3	2.5	2.3	2.8	2.2	2.5	2.7	2.6
Interest bearing debt/ equity ratio	0.2	0.2	-	0.2	0.4	0.1	-	0.1	0.2	0.1
Inventory turnover	2.6	1.5	2.3	1.6	1.3	2.0	2.4	2.7	1.8	1.9
Gross margin (% of revenue)	21.3%	22.8%	18.2%	18.3%	19.4%	17.1%	20.0%	18.0%	17.8%	17.1%
Selling & Admin. (% of revenue)	8%	9%	8%	8%	10%	10%	8%	7%	9%	7%
EBITDA (% of revenue)	11%	12%	10%	9%	8%	7%	16%	9%	7%	8%
Net earnings (% of revenue)	6%	6%	6%	5%	3%	5%	5%	5%	4%	4%
Return on average capital	18%	13%	12%	8%	5%	7%	12%	12%	6%	8%
Return on average equity	23%	18%	14%	10%	5%	8%	11%	12%	6%	9%