

BUHLER INDUSTRIES INC.

TSX: BUI

Closing Price (December 22): \$6.21

52-Week Range: \$6.25-\$5.26

Shares O/S: 25 million

Market Cap: \$156.3 million

PROFILE: Manufacturer of a wide range of agricultural equipment marketed in North America and overseas.



Source: www.BigCharts.com

FISCAL YEAR-END RESULTS REPORTED

For the fiscal year ended September 30, 2010, Bühler Industries Inc. reported revenue of \$209.6 million, down from the previous fiscal year's record \$284.1 million, with the decrease attributable to a reduction in overseas sales (tractor sales were negatively impacted by the credit crisis in the Company's main overseas markets: Russia, Kazakhstan, and Ukraine) and a stronger Canadian dollar.

EBITDA was \$14.3 million, down from \$26.7 million a year earlier. Net earnings were \$8.2 million, down from \$14.4 million, while earnings per share were \$0.33 compared with \$0.57.

Bühler generated \$1.8 million in cash in the year, which was used to pay down some of the Company's bank debt, which remains at a modest \$4.8 million

At the fiscal 2010 year-end, Bühler's working capital ratio was 2.7:1, compared with 2.5:1 in 2009.

Total debt of \$6.96 million to total capitalization at the end of fiscal 2010 was only 5.0%. Cash flow of \$7.1 million to total debt was above-average at 1.02x. Interest coverage, after amortization and R&D costs, is a strong 5.1x. Before, coverage is 13.0x. The balance sheet is strong.



Bühler's quarterly net earnings for the past five years are shown in Table 1 below:

\$000s	2006	2007	2008	2009	2010
	(restated)	(restated)	(restated)		
Q1	1,707	149	1,203	4,429	1,364
Q2	1,875	1,132	3,223	4,586	691
Q3	701	1,104	4,374	1,238	4,022
Q4	123	5,627	2,870	4,135	2,103
Total	4,406	8,012	11,670	14,388	8,180

Source: The Company.

Further details on Bühler's results are contained in the Company's December 21, 2010 news release and the annual report, available on SEDAR at www.sedar.com.

COMMENT: *Bühler began shipping to new markets in Asia and Africa in fiscal 2010, and the Company is intent on enhancing its presence in these markets. Bühler continues to place a high priority on research and development, with a view to maintaining its competitive position. In fiscal 2010, Bühler spent \$7.5 million on R&D activities, its second-highest amount on record. The Company's dividend policy is still under review. Two dividends were paid in 2007, but no dividends have been paid since then, with the Company requiring cash for growth. Cash flow is expected to decrease in the first two quarters of fiscal 2011 (due to an increase in inventory from an end-of-life inventory purchase), although cash flow for the year is expected to improve with the collection of receivables and the use of inventory in production.*

THE COMPANY

Bühler Industries Inc. manufactures a wide range of agricultural equipment that is marketed in North America under the *Versatile* and *Farm King* brand names. *Versatile* tractors are also sold in Russia, Ukraine, and Kazakhstan, through the 200-dealer network of Combine Factory Rostselmash Ltd. ("Rostselmash"), a Russian company that acquired an 80% equity interest in Bühler in October 2007.

In 2009, Bühler re-entered the Australian market where there is a strong market for the Company's products. The Company has also begun to work on new business in China and Africa.

STRATEGIC ALLIANCE WITH WESTEEL

Subsequent to the fiscal 2010 year end, Bühler announced a multi-step strategic global alliance with Westeel, a Canadian manufacturer of steel storage products. Westeel is a division of the Vicwest Income Fund.



-3-

In the first phase of the alliance, Bühler began manufacturing the Westeel-branded grain-handling line for distribution through the Westeel distribution network in Canada. In late October 2010, it was announced that, in the second phase of the alliance, Bühler would become the exclusive distributor of Westeel-built on-farm storage products in the USA, and would market both Westeel-built products sold under Bühler's Farm King division, and all Westeel-branded products sold in the United States. This includes grain bins, storage accessories, grain augers, grain vacs, and grain cleaners.

ADDITIONAL INFORMATION

eResearch issued its initiating *StockPotentials* report on Bühler Industries Inc. on November 25, 2010. It is available at: http://www.eresearch.ca/_report/BUI_112510-SP.pdf.

NOTE: eResearch reports on Bühler Industries Inc. and other companies are available FREE on our website at www.eresearch.ca. You must REGISTER to gain access to these reports.

eResearch Analyst: Bob Weir, B.Sc., B. Comm., CFA

eResearch Corporation

eResearch was established in 2000 as Canada's first equity issuer-sponsored research organization. Our various research packages allow corporate management to choose the form of research coverage that best meets their company's needs. We are a primary source for professional investment research, focused primarily on small- and mid-cap companies. Our research and analysis is of institutional quality, and has the potential to reach millions of global investors through our extensive electronic distribution network.

StockPotentials Reports

eResearch Disclaimer: The eResearch *StockPotentials* reports are written on companies that eResearch believes have interesting prospects, are smaller in size and, therefore, have little or no following on the Street, and which would benefit from the exposure that eResearch can provide through the dissemination of the reports via our extensive electronic distribution network.

eResearch wrote this report from publicly-available information. Neither a Target Price nor a Recommendation concerning the shares of the Company is provided.

eResearch does not receive a fee for the preparation and publication of *StockPotentials* reports, and Bühler Industries Inc. did not pay eResearch a fee for the preparation and publication of this report.

eResearch Corporation
56 Temperance Street, Suite 501
Toronto, ON M5H 3V5
Toll-Free: 1-877-856-0765