



NEWS RELEASE

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BUCYRUS Announces Expansion of Operations

South Milwaukee, Wisconsin, USA, January 21, 2005 – Bucyrus International, Inc. formally announces its plans for expansion of its manufacturing operations. Bucyrus' customers are the world's primary producers of commodities including coal, copper, and iron ore. Global demand for these commodities has increased dramatically and market indicators predict that demand will remain strong for an extended period of time. As a result of the strong commodity market, the demand for Bucyrus' equipment to mine those commodities has increased dramatically and Bucyrus' manufacturing operations must expand to meet both current and future product requirements.

Bucyrus began the expansion process in 2004 at its primary manufacturing facility in South Milwaukee, Wisconsin. Operating systems and manufacturing capabilities have and will continue to be upgraded. Of particular note is the purchase of a high speed, state-of-the-art gear grinder and additional high-speed gear cutting equipment. There have been numerous process improvements instituted as well. New equipment is on order and plans for additional equipment are being reviewed. Through this process over 125 jobs have already been added at the South Milwaukee facility and additional positions are required.

Tom Phillips, Executive Vice President and COO, and a third generation Bucyrus employee explains that, "To move into the next phase of Bucyrus' expansion requires the immediate addition of a suitable space for the manufacture of our large machine components. Due to the long lead-time required to construct the type of facility that is required, the building of a suitable space on our South Milwaukee campus was not a viable option. An existing facility had to be found quickly and an extensive search for a suitable facility was conducted."

Bucyrus' machines are large excavators (draglines & shovels) and blasthole drills used extensively in the surface mining industry. The excavators weigh millions of pounds when assembled. Components manufactured and shipped to the field for Bucyrus' largest machines, draglines, can weigh as much as 260,000 pounds (117,934 kg) and can be as long as a 60 ft. (18.3 m) heavy-duty flat-bed rail car. The facility selected for Bucyrus's manufacturing expansion has to provide a safe and cost effective infrastructure to support the manufacture of such large components. In addition the business climate, availability of a skilled workforce and the cost of doing business at each location was carefully reviewed.

Bucyrus completed that search and is pleased to announce the selection of a facility located at 3073 South Chase Avenue in Milwaukee, Wisconsin; approximately 8 miles north of its primary South Milwaukee, Wisconsin facility. Bucyrus will occupy the plant under a long-term lease agreement and invest in necessary property improvements. The new manufacturing site was formerly used as a heavy equipment manufacturing plant. The existing infrastructure at the facility will allow Bucyrus to start using the plant immediately and ramp up operations as property improvements are completed. The ramp up is expected to take 12 – 16 months with 100 manufacturing employees ultimately being located at the facility.

The proximity of the new site to Bucyrus' primary facility in South Milwaukee will provide for simplified logistics between the two locations. In addition, Bucyrus will have the advantage of working closely with an existing, highly skilled local workforce including members of the USWA (United Steel Workers of America).

Steve Brahm, Vice President of Manufacturing at Bucyrus noted that, "Local expansion was made possible through the direct efforts and support of Bucyrus' management team, the leaders and members of the USWA (especially Local 1343 in South Milwaukee), Wisconsin's Governor James Doyle, Milwaukee's Mayor Tom Barrett, Alderman Tony Zielinski and their respective offices. The Wisconsin Department of Commerce and the Milwaukee Economic Development Corporation provided key support and through the joint effort of

these parties Bucyrus was able to retain much needed manufacturing jobs not only in southeast Wisconsin, but in the Milwaukee area."

"My Grow Wisconsin plan calls for investing in manufacturing, and Wisconsin is currently leading the nation in manufacturing job creation," Gov. Doyle said. "I salute Bucyrus International for expanding in Milwaukee and continuing its 125-year history of providing good jobs in Wisconsin. The Department of Commerce is providing a \$300,000 loan to assist the expansion."

"Bucyrus International has shown a tremendous commitment to this community and we thank President and CEO Tim Sullivan for his leadership," said Milwaukee Mayor Tom Barrett. "This city's workforce is eager to help make Bucyrus International a Milwaukee success story. We welcome the opportunity to sell other companies on the advantage of moving to or expanding their operations in Milwaukee."

Bucyrus' President and CEO, Tim Sullivan, began his career with Bucyrus in 1976 and has witnessed the significant changes in the mining industry since that time. Mr. Sullivan recently noted that the current upswing in the mining industry and subsequent demand for mining equipment has not been rivaled in nearly fifty years. In relating the decision to expand Bucyrus' operations in the local Milwaukee area Mr. Sullivan stated, "We are gratified by the support provided by Governor Doyle and Mayor Barrett which provided us with the format to make these major expansions in South Milwaukee and at the Chase Avenue facility. I am confident that with their leadership and dedication, other companies will be able to make the decision to remain in southeast Wisconsin as well."

Bucyrus International, Inc. is a world leader in the manufacture of electric rope shovels, blasthole drills and draglines for the surface mining industry and will celebrate its 125th anniversary in 2005. Bucyrus also provides first quality OEM parts, components, maintenance and support services for that equipment. Bucyrus' corporate headquarters and primary manufacturing facility is located in South Milwaukee, Wisconsin, USA.

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