



Interim Report to Shareholders  
For the three months ended 30 September 2004

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following Management Discussion and Analysis as of November 3, 2004 is based on the accompanying financial statements prepared using Canadian Generally Accepted Accounting Principles ("GAAP"). All amounts are in U.S. dollars unless otherwise stated.

**First Quarter Results**

The following summary data is presented to assist in understanding the fiscal 2005 first quarter results:

<b>(Millions of U.S. dollars except for EPS)</b>	<b>Three Months Ended 30 September 2004</b>	<b>Three Months Ended 30 September 2003</b>
Revenues	\$117.8	\$109.1
Net earnings from continuing operations	(1.1)	2.6
Discontinued operations	(0.2)	(0.1)
Net earnings	(1.3)	2.5
Diluted EPS	(0.10)	.18
EBITDA*	2.3	7.1

\*EBITDA – earnings from continuing operations before interest, income taxes, depreciation and amortization. EBITDA does not have a standardized meaning prescribed by Canadian GAAP and therefore is not readily comparable to similar measures presented by other companies. However, management believes that this measure provides investors with useful supplemental information.

## Consolidated Financial Results

Revenues increased to \$117.8 million compared with \$109.1 million in the same period last year. Generally, a comparison of revenues on a dollar basis is not necessarily indicative of the strength of Ridley's business because revenues can be influenced by fluctuating commodity prices. Ridley's first quarter sales and operating results are traditionally not as strong as the colder second and third fiscal quarters from October through March, when cattle have higher energy requirements and snow cover reduces their ability to graze. For the fiscal 2005 first quarter, the increase in reported revenues includes the revenues generated by the Company's recently acquired Sweetlix, LLC feed supplement business, offset by lower volumes in the existing businesses and lower selling prices per ton.

Gross profit in the first quarter of fiscal 2005 was \$17.6 million compared with \$20.7 million in the first quarter of fiscal 2004. The lower gross profit reflects the unusual volatility of feed ingredient prices in the first quarter. The rapid and unexpected drop in price for soybean meal and canola meal resulted in losses on inventory and existing purchasing positions since the sale price on feed moves in near tandem to the market price of the inputs, impacting gross profit by approximately \$1.2 million.

Overall operating expenses in the first quarter were \$18.7 million, an increase of \$3.1 million from the previous year. Operating expenses are higher because of professional fees and wage increases, and include a \$1.3 million impairment loss related to our St. Paul, Alberta feed mill, and \$0.7 million for severance costs due to a cost reduction program. The St. Paul facility is planned for closure in the second quarter as it is no longer profitable and operates in a marketplace experiencing reduced livestock numbers. We anticipate closure and severance costs of \$0.2 million related to St. Paul in the second quarter.

Ridley is reporting an operating loss before interest and taxes of \$1.0 million in the quarter, compared with operating income before interest and taxes of \$5.1 million in the same period of fiscal 2004. Lower average debt levels resulted in a \$0.2 million reduction in interest expense. The loss after tax from continuing operations is \$1.1 million in the fiscal 2005 first quarter, compared with income after tax from continuing operations of \$2.6 million last year. The Company's discontinued operations reported a loss of \$0.2 million in the quarter compared with a loss of \$0.1 million in the first quarter of fiscal 2004. The Company has no remaining swine purchase commitments or inventory relating to the Cotswold North American operations as of September 30, 2004.

The net loss for the first quarter was \$1.3 million (diluted loss per share of \$0.10) compared with earnings of \$2.5 million (diluted earnings per share of \$0.18) in the fiscal 2004 first quarter. Earnings before interest, income taxes, depreciation and goodwill amortization (EBITDA) were \$2.3 million in the fiscal 2005 first quarter, compared with \$7.1 million for the previous year.

## Segment Results

Ridley Feed Operations' sales volumes declined by 4.5% in the first quarter of fiscal 2005, with all of the reduction being in the Canadian plants, offset by a modest volume increase in the U.S. The Canadian operations continue to be affected by the two reported cases of Bovine Spongiform Encephalopathy (BSE), in May and December 2003, which resulted in the closure of the U.S./Canadian border for live cattle movements and the dramatic repercussions on the North American beef industry. In addition, generally poor market prices for Canadian pork producers over the past two years finally rose above break-even in the spring of 2004, but not in time to prevent a significant degree of producer liquidation and consolidation. Consequently, the Canadian plants have lost feed volumes in the swine and beef sectors. Sales volumes in the U.S. plants were level with last year.

As noted above, volatile markets for feed ingredients resulted in lower margins as losses were taken on some purchasing positions. For the quarter, Ridley Feed Operations reported an operating loss of \$1.4 million, including an asset impairment charge of \$1.3 million for the St. Paul closing and severance costs at \$0.7 million in respect of a cost reduction program, compared with operating income of \$4.2 million in the same period of fiscal 2004.

Ridley Nutrition Solutions, which includes the low moisture block operations, specialty products, Sweetlix feed supplements and the equine nutrition business, McCauley Bros., Inc., recorded higher sales volumes than last year, but the increase is attributable solely to the additional tons generated by the Sweetlix business.

Ridley Nutrition Solutions was adversely impacted by weather conditions that produced good forage for cattle, and by customers delaying their purchasing decisions following rapid declines in the feed ingredient market. Integration of the new Sweetlix business is progressing well, but production and results from the Sweetlix operations were hampered in the first quarter by the four hurricanes that hit the southeastern U.S. The hurricanes forced the Montgomery, Alabama plant to close for several days, as serious flooding and disruptions to transportation in and out of the area impeded inbound shipments of ingredients and outbound feed shipments.

Although the Montgomery plant suffered no major damage, business in the southeastern U.S. has been significantly disrupted. For the first quarter of fiscal 2005, Ridley Nutrition Solutions reported operating income of \$1.2 million compared with \$1.6 million in the same period of fiscal 2004.

## Liquidity/Capital Resources/Cash Flow

The Company's debt to equity position is summarized below:

Balances in \$000's as of:			
	30-Sep-04	30-Jun-04	30-Sep-03
Debt*	60,369	41,341	54,908
Equity	105,986	105,576	100,466
Debt to equity	57%	39%	55%

\*Debt is defined as bank obligations and capital leases

The increase in debt from June 30, 2004 to September 30, 2004 is due primarily to financing the Sweetlix acquisition. The stronger Canadian dollar as well as normal working capital requirements also contributed to the debt increase.

## Capital Expenditures and Acquisitions

Expenditures on capital assets of \$1.9 million in the first quarter are consistent with the spending of a year ago. Operating activities utilized \$1.2 million of resources as compared to \$3.4 million generated in the first quarter of last year. A more favorable tax payment position impacted the first quarter of fiscal 2004. Last year's first quarter also included \$2.8 million proceeds on sale of liquidated assets from discontinued operations.

## Financial Reporting Changes

Effective July 1, 2004, the Company adopted the U.S. dollar as its reporting currency. The Company decided to effect the change to U.S. dollar reporting since a significant portion of the business is conducted in U.S. dollars, thereby reducing the volatility of reported financial results due to fluctuation in the rate of exchange between the U.S. and Canadian currencies. In accordance with GAAP, all opening balances of assets, liabilities and shareholders' equity were translated into U.S. dollars using the exchange rate in effect on that date. Comparative financial information for all periods since July 1, 2000 has been restated in U.S. dollars as though the U.S. dollar had always been the reporting currency.

For periods subsequent to July 1, 2000, assets and liabilities of self-sustaining subsidiaries denominated in Canadian dollars are translated into U.S. dollars at the period-end exchange rate. Revenue and expenses are translated at the weighted average exchange rate for the period. Unrealized gains and losses on the net investment in self-sustaining subsidiaries are deferred and included in cumulative foreign currency translation adjustments in shareholders' equity.

Effective July 1, 2004, the Company changed the basis on which to report segments from a geographic basis to an operational basis due to a change in the management structure and a recent acquisition in one of the segments. This change was applied on a retroactive basis with restatement of the comparative amounts. A segment called "Ridley Nutrition Solutions" consisting of the block operations, equine, and specialty products is reported separately due to the scope of the operations and the way the

businesses are managed. The other segment of the Company is Ridley Feed Operations, consisting of both the U.S. and Canadian feed operations that are now managed as one business segment.

Effective July 1, 2004, the Company adopted CICA 1100, Generally Accepted Accounting Principles. CICA 1100 establishes standards for financial reporting in accordance with Canadian GAAP. It describes what constitutes Canadian GAAP and its sources. The new standard eliminates industry practices as a possible source to consult. The Company's implementation of this new standard resulted in reclassification of shipping and handling costs. The Company's prior practice of netting the shipping and handling revenues and expenses on the grounds of industry practice is no longer acceptable. This standard did not have any other material effect on the consolidated financial statements.

### **Business Acquisitions**

On July 23, 2004, the Company acquired the assets of the livestock feed supplement business of Sweetlix, LLC (Sweetlix) for \$16.9 million. The Sweetlix acquisition includes three manufacturing facilities located in Montgomery, Alabama; Syracuse, Indiana; and Fort Worth, Texas. The Company now has the capability to manufacture low-moisture blocks, pressed blocks, poured blocks and bagged minerals for beef, dairy, equine, bison, wildlife, sheep and goats. Included in the acquisition are products with EPA and FDA approvals that will enhance the product line of the Ridley Nutrition Solutions business segment.

### **Interest Rate Risk**

The Company finances a portion of its business through the use of several long-term variable rate credit facilities, which exposes the Company to some risk of loss as a result of interest rate movement. The Company has implemented a strategy to hedge interest rates on a significant portion of the total bank debt outstanding at any time. This strategy may utilize several hedging instruments, but primarily involves the use of interest rate swaps. The Company entered into additional swap agreements during the current period to extend coverage into future years.

### **Subsequent Event**

The Company expects to complete an agreement on November 1, 2004 to acquire the accounts receivable, inventory and specified transportation equipment of a farmer co-op's feed business located in the Midwestern U.S. for an estimated \$1.1 million. As part of the agreement, the Company will lease the facility and production equipment for a period of five years with an option to renew the lease on a month-to-month basis. The total lease obligation over the initial five year period is \$611,000, payable in equal monthly installments.

## **Forward Looking**

This report contains “forward-looking” information within the meaning of the federal securities laws. The forward-looking information includes statements concerning the Company’s outlook for the future, as well as other statements of beliefs, plans and strategies or anticipated events, and similar expressions concerning matters that are not historical facts. Forward-looking information and statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, the statements. These risks and uncertainties include the ability to make effective acquisitions and successfully integrate newly acquired businesses into existing operations, the availability and prices of raw materials and supplies, livestock disease, product pricing, the competitive environment and related market conditions, operating efficiencies, access to capital, the cost of compliance with environmental and health standards, adverse results from ongoing litigation and actions of domestic and foreign governments.

## **Outlook**

The demanding operating environment of fiscal 2004 is continuing in fiscal 2005. In response, Ridley is examining all areas of our business to ensure it meets current market needs and is implementing stringent cost controls in a changing environment. Targeted manpower reductions and cost containment programs have been initiated. Headcounts as of October 31, 2004 for Ridley Inc. have been reduced by 80 from one year ago, excluding discontinued operations and net of acquisitions, which represent 7% of the total Company workforce. Manpower reductions are planned, that together with savings in discretionary expenditures, are anticipated to produce annualized cost savings of \$8.0 million. After severance costs of \$0.7 million recorded in the first quarter, the expected benefit of these initiatives in fiscal 2005 is \$6.0 million.

As we enter the remaining three quarters of fiscal 2005, the entire Ridley organization is fully engaged in overcoming the obstacles before us. The challenges presented by this operating environment call for a very disciplined and aggressive approach and we are responding accordingly. We are determined not to let the market environment dictate our results, and we remain cautiously optimistic about our performance in the months ahead. On the basis of current trends, successful implementation of the cost reduction program, and barring any unusual events, we expect 2005 net earnings to exceed the U.S.\$8.1 million recorded last year by 40-50%.



November 4, 2004

**DISCLOSURE OF AUDITORS' REVIEW  
IN ACCORDANCE WITH NATIONAL INSTRUMENT 52-102**

The accompanying unaudited interim financial statements, including Consolidated Balance Sheets as at September 30, 2004 and September 30, 2003 and the interim Consolidated Statements of Earnings and Retained Earnings, Cash Flows and Notes to Consolidated Financial Statements for the three-month periods then ended are the responsibility of the Company's management.

The comparative interim amounts (September 30, 2003) in these consolidated financial statements have not been reviewed by PricewaterhouseCoopers LLP, the independent external auditors of Ridley Inc.

Robert B. Gallaway  
Chief Executive Officer

Michael S. Mitchell  
Chief Financial Officer

**Ridley Inc.****Consolidated Balance Sheet (Unaudited)**  
(U.S.\$ in thousands)

	30 September 2004	30 June 2004	30 September 2003
<b>Assets</b>			
<b>Current assets</b>			
Cash and short-term deposits.....	1,910	3,500	1,983
Accounts receivable .....	29,904	25,829	29,550
Inventories.....	35,939	34,032	31,811
Prepays and other current assets .....	3,019	1,515	1,351
Current portion of loans receivable.....	3,717	3,818	4,337
Current assets of discontinued operations.....	1,404	1,318	4,479
Future tax benefit.....	4,375	4,615	1,288
Total current assets.....	80,268	74,627	74,799
Loans receivable, less current portion.....	4,018	4,094	7,714
Investments .....	141	138	293
Property, plant and equipment.....	95,614	86,457	86,408
Other assets .....	1,211	1,729	1,915
Goodwill.....	49,657	42,937	42,783
Non-current assets of discontinued operations.....	1,197	2,411	2,180
Total non-current assets .....	151,838	137,766	141,293
Total assets.....	232,106	212,393	216,092
<b>Liabilities and Shareholders' Equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities .....	35,407	33,346	32,375
Income taxes payable.....	563	1,251	426
Short-term debt.....	2,406	2,524	113
Current portion of long-term debt.....	12,129	11,683	11,703
Current liabilities of discontinued operations.....	418	1,569	2,102
Total current liabilities .....	50,923	50,373	46,719
Long-term debt, less current portion.....	45,834	27,134	43,092
Future income tax liability .....	25,591	25,518	22,453
Pension and post-retirement benefits .....	3,427	3,428	3,068
Minority interest.....	345	364	294
Total long-term liabilities .....	75,197	56,444	68,907
<b>Shareholders' Equity</b>			
Share capital.....	57,087	56,972	56,689
Cumulative foreign currency translation adjustment.....	6,578	4,949	5,755
Retained earnings .....	42,321	43,655	38,022
Total shareholders equity .....	105,986	105,576	100,466
Total liabilities and shareholders' equity .....	232,106	212,393	216,092



**Ridley Inc.****Consolidated Statement of Cash Flows** (Unaudited)  
(U.S.\$ in thousands)

	Three Months Ended 30 September 2004	Three Months Ended 30 September 2003
<b>Operating activities</b>		
Net earnings (loss) for the period.....	(1,334)	2,490
Add (deduct) items not affecting cash:		
Amortization of property, plant and equipment .....	1,892	1,810
Future income taxes .....	80	1,393
Gain on sale of property, plant and equipment .....	(21)	(10)
Asset impairment loss.....	1,305	-
Loss (gain) on liquidated assets .....	154	(1,725)
Amortization.....	96	182
Loan impairments .....	-	847
Other items not affecting cash.....	48	(38)
Cash flow from earnings.....	2,220	4,949
Net change in non-cash working capital balances related to operations:		
Accounts receivable .....	(1,573)	(5,045)
Inventories .....	1,587	1,199
Prepaid expenses .....	(1,369)	(49)
Accounts payable, accruals and other liabilities.....	(1,379)	70
Income taxes payable (recoverable).....	(726)	2,276
Net cash from (utilized for) operating activities .....	(1,240)	3,400
<b>Investing activities</b>		
Proceeds on disposal of property, plant and equipment.....	25	72
Purchase of property, plant and equipment and investments .....	(1,874)	(1,683)
Proceeds on liquidated assets .....	-	2,775
Decrease in loans receivable.....	460	2,325
Business acquisitions (Note 5) .....	(16,876)	(4,239)
Net cash utilized for investing activities .....	(18,265)	(750)
<b>Financing activities</b>		
Repayment of short- and long-term debt.....	(6,309)	(5,832)
Proceeds from short- and long-term debt.....	23,869	4,474
Issuance of share capital.....	116	78
Net cash from (utilized for) financing activities.....	17,676	(1,280)
Effect of exchange rate changes on cash.....	9	4
<b>Increase (decrease) in cash and short-term deposits .....</b>	<b>(1,820)</b>	<b>1,374</b>
<b>Net cash and short-term deposits– beginning.....</b>	<b>3,801</b>	<b>688</b>
<b>Net cash and short-term deposits– ending .....</b>	<b>1,981</b>	<b>2,062</b>
Cash of discontinued operations.....	(71)	(79)
<b>Net cash and short-term deposits.....</b>	<b>1,910</b>	<b>1,983</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

### 1. Significant accounting policies and basis of presentation

These interim unaudited consolidated financial statements are based on accounting principles and practices consistent with those used in preparation of the annual audited financial statements except as described in note 2. These interim consolidated financial statements do not include all the disclosures normally included in the Company's annual consolidated financial statements. They should be read in conjunction with the Company's consolidated financial statements for the year ended June 30, 2004, as set out in the 2004 Annual Report. All amounts are in U.S. dollars unless otherwise stated.

### 2. Accounting policy changes

- *U.S. dollar reporting*

Effective July 1, 2004, the Company adopted the U.S. dollar as its reporting currency. The Company decided, for financial statement reporting purposes, to effect the change to U.S. dollar reporting as of July 1, 2000. In accordance with GAAP, all opening balances of assets, liabilities and shareholders' equity were translated into U.S. dollars using the exchange rate in effect on that date.

For periods subsequent to July 1, 2000, assets and liabilities of self-sustaining subsidiaries denominated in Canadian dollars are translated into U.S. dollars at the period-end exchange rate. Revenue and expenses are translated at the weighted average exchange rate for the period. Unrealized gains and losses on the net investment in self-sustaining subsidiaries are deferred and included in cumulative foreign currency translation adjustments in shareholders' equity.

Comparative financial information for all periods prior to fiscal 2005 have been restated in U.S. dollars.

- *New segment reporting*

Effective July 1, 2004, the Company changed its segment reporting due to a change in the management structure and a recent acquisition in one of the segments. This change was adopted on a retroactive basis and the financial statements have been restated on a comparative basis.

- *CICA 1100, Generally Accepted Accounting Principles*

On July 1, 2004, the Company adopted CICA 1100, *Generally Accepted Accounting Principles*. CICA 1100 establishes standards for financial reporting in accordance with Canadian GAAP. It describes what constitutes Canadian GAAP and its sources. The new standard eliminates industry practices as a possible source to consult. The Company's implementation of this new standard resulted in reclassification of shipping and handling costs. The Company's prior practice of netting the related shipping and handling revenues and expenses in revenue on the grounds of industry practice is no longer acceptable. This standard did not have any other material effect on the consolidated financial statements.

### 3. Seasonality

The Company experiences seasonal variations in revenue, with revenue historically being the strongest in the second and third quarters when the usually cold October through March weather creates increased demand for beef feed, low-moisture supplement blocks and, to a lesser degree, dairy feed. Other product lines are only marginally affected by seasonal conditions.

### 4. Revenue

A comparison of revenue on a dollar basis is not necessarily indicative of the strength of Ridley's business because fluctuating commodities prices can influence revenues. Commodity grain and protein meals constitute a significant component of the Company's complete feed production.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(unaudited)

**5. Business acquisitions**

On July 23, 2004, the Company acquired the assets of the livestock feed supplement business of Sweetlix, LLC (Sweetlix) for an estimated \$16.9 million. Sweetlix includes three manufacturing facilities located in Montgomery, Alabama; Syracuse, Indiana; and Fort Worth, Texas.

This acquisition is accounted for using the purchase method of accounting, and the results of operations of this business are included in the consolidated financial statements from the date of acquisition. The transaction is summarized as follows:

<b>Assets</b>	<u>\$000's</u>
Accounts receivable	1,929
Inventory	2,238
Prepaid expenses	54
Property, plant & equipment	8,732
Goodwill	<u>5,693</u>
	18,646
<b>Liabilities</b>	
Accounts payable	<u>1,770</u>
<b>Consideration - cash</b>	<u>16,876</u>

The goodwill associated with the Sweetlix acquisition is fully deductible for income tax purposes.

**6. Asset impairment**

In the first quarter of this fiscal year, the Company recorded a \$1.3 million (\$0.8 million after tax) impairment loss related to a feed mill in Northern Alberta. Due to the economic condition of the beef industry in Western Canada, the Company is taking action to consolidate its production facilities in this geographic area. To that effect, the Company plans to shut down its most remote feed mill and accordingly has reduced the book value of the feed mill's property, plant and equipment to fair value.

Fair value was determined based on the net realizable value that could be obtained for the assets, less costs of disposal or sale. The assets are reported under the Ridley Feed Operations Segment.

**7. Discontinued operations**

The summarized operating results of the discontinued operations, net of income taxes, for the quarter ending September 30, 2004 and 2003 are as follows:

	2005	2004
	<u>\$000's</u>	<u>\$000's</u>
Operating loss	(93)	(76)
Gain (loss) on liquidated assets	(154)	1,057
Liquidation and exit costs	-	<u>(1,097)</u>
Loss from discontinued operations	<u>(247)</u>	<u>(116)</u>

**8. Subsequent event**

The Company has entered into an agreement to acquire the accounts receivable, inventory and specified transportation equipment of a farmer co-op's feed business located in the Midwestern U.S. for an estimated \$1.1 million. As part of the agreement, the Company will lease the facility and production equipment for a period of five years with an option to renew the lease on a month-to-month basis. The total lease obligation over the initial five year period is \$611,000, payable in equal monthly installments.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(unaudited)

**9. Interest rate risk**

The Company enters into derivative financial instrument in order to hedge its risk against interest rate fluctuations. During the first quarter of fiscal 2005, the Company's debt obligation increased due primarily to the Sweetlix acquisition. The Company has fixed its variable rate long-term borrowing obligations with the following outstanding interest rate swap agreements.

Notional Amount	Term of Agreement	Interest Rate
U.S.\$10,000,000	December 24, 2001 – December 24, 2004	4.335%
U.S.\$10,000,000	December 24, 2001 – December 24, 2004	7.110%
U.S.\$10,000,000	December 24, 2004 – December 24, 2005	2.600%
U.S.\$10,000,000	January 18, 2005 – January 18, 2006	2.835%
C\$10,000,000	January 18, 2006 – January 18, 2007	4.060%
C\$10,000,000	January 18, 2005 – January 18, 2008	4.060%
C\$10,000,000	January 5, 2004 – January 5, 2005	5.560%
C\$10,000,000	January 5, 2004 – January 6, 2006	5.560%

**10. Pensions and post-retirement benefits**

The Company has recorded estimated costs related to its non-contributory pension plans, post-retirement medical plan, and defined contribution plans, for the quarter ending September 30, 2004 and 2003, as follows:

	2005 \$000's	2004 \$000's
Non-contributory pension plans	303	293
Post-retirement medical costs	181	167
Defined contribution plans	299	288

**11. Segment Information**

A segment called "Ridley Nutrition Solutions" consisting of the block operations, equine, and specialty products is reported separately due to the scope of the operations and the way the businesses are managed. The other segment of the Company is Ridley Feed Operations, consisting of both the U.S. and Canadian feed operations that are now managed as one business (see table on following page).

**12. Comparative amounts**

Comparative amounts have been reclassified to conform to current year presentation. The reclassifications had no impact on net earnings or shareholders' equity as previously reported.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(unaudited)

**Ridley Inc.**

<b>Segment Information</b> (Unaudited) (U.S.\$ in thousands)	Three Months Ended 30 September 2004	Three Months Ended 30 September 2003
<b>Revenue</b>		
Ridley Feed Operations .....	102,870	98,232
Ridley Nutrition Solutions .....	14,971	10,876
Total revenue.....	117,841	109,108
<b>Cost of sales</b>		
Ridley Feed Operations .....	89,319	81,152
Ridley Nutrition Solutions .....	10,902	7,281
Total cost of sales.....	100,221	88,433
<b>Gross profit</b> .....	17,620	20,675
<b>Operating expenses</b>		
Ridley Feed Operations .....	14,982	12,865
Ridley Nutrition Solutions .....	2,883	1,978
Unallocated.....	787	766
Total operating expenses .....	18,652	15,609
<b>Operating income</b>		
Ridley Feed Operations .....	(1,431)	4,215
Ridley Nutrition Solutions .....	1,186	1,617
Unallocated.....	(787)	(766)
Total operating income .....	(1,032)	5,066

Revenue and operating income by country:

<b>Revenue</b>		
U.S. ....	87,521	77,798
Canada.....	30,320	31,310
Total revenue.....	117,841	109,108
<b>Operating Income</b>		
U.S. ....	1,346	4,785
Canada.....	(1,577)	1,063
Unallocated.....	(801)	(782)
Total operating income .....	(1,032)	5,066



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