FORM 51-102F3

NATIONAL INSTRUMENT 51-102

MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company:

RIDLEY Inc.
17 Speers Road
WINNIPEG MB R2J 1M1

ITEM 2 Date of Material Change:

November 2, 2007

ITEM 3 News Release:

A news release dated November 2, 2007 was released from Mankato, Minnesota and Winnipeg, Manitoba, and disseminated via Marketwire. All amounts are in U.S. dollars unless otherwise stated.

ITEM 4 Summary of Material Change:

RIDLEY Inc., (**www.ridleyinc.com**) one of the leading animal nutrition companies in North America, today reported its financial results for its fiscal 2008 first quarter ended September 30, 2007.

ITEM 5 Full Description of Material Change:

Consolidated Financial Results

Revenue in the first quarter of fiscal 2008 increased by 12.4% to $139.8 million compared with $124.4 million in the prior year. Generally, a comparison of revenue on a dollar basis is not necessarily indicative of the strength of Ridley's business since fluctuating commodity prices may influence revenue. The revenue increase in the first quarter of 2008 is due mainly to higher commodity prices and the effect of currency exchange rates on Canadian revenues.

Overall tonnage sales volumes in the first quarter of the current year declined by 6.3% relative to last year. Feed demand was softer in both Canadian and U.S. feed operations in the first quarter while a general trend continued in the shift from lower-margin complete feed products to higher-margin premixes and supplements. Demand was also soft for feed supplement blocks in advance of the normally more active winter feeding season and as a result of unfavourable beef pasture conditions in the southern U.S. states.

Gross profit was $21.0 million in the first quarter of fiscal 2008 compared with $21.1 million in the same period last year. Strong revenue growth and good manufacturing expense controls in U.S. feed operations and the company's vitamin and trace mineral premix business offset lower gross profits in Canadian feed operations and block supplements.

Selling, general and administrative expenses of $14.8 million were lower in the first quarter of fiscal 2008 by $0.5 million compared to the prior year.

Operating income before interest and taxes in the first quarter was $4.8 million compared to $3.4 million last year. The $1.4 million increase in operating income reflects lower selling, general and administrative expenses and a one-time gain of $0.8 million on the sale of a premix facility and a fabrication/repair shop both located in Winnipeg, Manitoba.

First quarter income tax provisions were $1.7 million compared to $1.2 million in the previous year. Tax expense as a percentage of earnings in the first quarter was 39.2% compared to 39.8% in the prior year.

Net earnings for the fiscal 2008 first quarter were $2.6 million (diluted earnings per share of $0.19) compared with $1.8 million (diluted earnings per share of $0.13) in fiscal 2007. EBITA was $6.8 million in the first quarter of fiscal 2008 and $5.6 million for the same period in 2007.

As noted in its interim financials statements, the Company has adopted new guidelines of the Canadian Institute of Chartered Accounts (CICA) including the reporting of comprehensive income and its components. Comprehensive income is the change in the Company's net assets that result from transactions, events and circumstances from sources other than investments by and/or distributions to the Company's shareholders. The Company's comprehensive income in the first quarter of fiscal 2008 was $4.8 million comprised of $2.6 million in net earnings as reported above, and $2.2 million of unrealized gains on translation to U.S. currency of financial statements of related entities with foreign functional currency. Comprehensive income in the first quarter of the prior year was $1.8 million and was not materially affected by other comprehensive income. Other changes in accounting policies noted in the Company's interim financial statements had no material effect on its financial condition.

Segment Results

Starting in this interim report, the Company is reporting the results of its Ridley Feed Ingredients (RFI) business unit as a separate reporting segment. The prior year's segment results have been reclassified to conform to the current year reporting. RFI accounts for about 9% of Ridley's net revenues and about 10% of total assets. In prior financial reports, the results of RFI were included with the results of the Ridley Feeds Operations (RFO) reporting segment.

The Ridley Feed Operations (RFO) segment consists of full-line feed production facilities operating in the United States and Canada, producing and marketing products for the core animal nutrition market. RFO net revenues increased in the first quarter of fiscal 2008 over the prior year by 13.2% as a result of higher unit prices for manufactured feed products that followed from higher input costs of feed commodities. With about one-third of RFO revenues originating in Canada, RFO's reported net revenues were also higher due to the appreciation of the Canadian dollar against the U.S. dollar by approximately 6% between the first quarter of fiscal 2008 and 2007. Overall sales volumes of the RFO segment were lower by 6.1% in the first quarter of fiscal 2008 compared to last year.

Sales volumes of the U.S. operations of RFO were lower by 7.3% in the first quarter of fiscal 2008 as a result of lower seasonal volumes for young calves and declining swine feed sales. For the same period, RFO's sales revenues increased in the U.S. by 12.3% reflecting higher commodity prices and the continuing shift to higher-margin, lower-inclusion feed products such as premixes. Canadian feed sales volumes were lower by 3.7% in the first quarter as a result of competitive pressures, closure of a feed production plant in Alberta in January 2007 and reduction in the re-sale of low-margin feed ingredients. The strong Canadian dollar, lower producers' receipts and uncertainty over Canadian pork processing capacity continue to affect Canadian farm economics.

RFO reported lower gross profits by 3.9% in the first quarter of fiscal 2008 compared to the prior year. Continued growth in gross profit margins in the U.S. operations of RFO in the first quarter of fiscal 2008 were more than offset by a 28% decrease in the company's gross profits at its Canadian operations which experienced lower premix volumes resulting from sales force issues arising last year. For the first quarter of fiscal 2008, RFO reported operating income of $3.5 million, compared with $2.4 million in the same period of fiscal 2007. Most of this increase was accounted for by a one-time gain of $0.8 million resulting from the disposal of redundant assets including a fabrication shop and a premix facility in Canada whose production has been consolidated into an existing plant.

Ridley Nutrition Solutions (RNS) includes the feed supplement block operations and equine nutrition business. Sales volumes of RNS in the first quarter of fiscal 2008 (including inter-segment sales) were 7.1% lower than the first quarter of last year when the volume of feed supplement blocks manufactured by RNS reflected an early gain on the marketing season. In the current year, sales of feed supplement blocks, which are substantially dependent upon the beef cattle sector, were negatively impacted by continuing drought in the south-eastern region of the U.S. causing some liquidation of cattle herds in the region. At the same time, an abundance of grass following an unusually wet season in Texas has softened demand for supplemental feeding products in that key beef trade state. Gross profits in RNS decreased by 11.6% in the first quarter of 2008 due to reduced sales volumes and lower unit margins. The equine business unit within RNS reported moderately increased volume and gross profits.

The Ridley Feed Ingredients (RFI) segment consists of Ridley vitamin and trace mineral premixes, small packaged specialty products, medicated and non-medicated feed additives and micro feed ingredients produced and distributed through RFI's facility located in Illinois. RFI's net revenues in the first quarter of fiscal 2008 increased over the previous year by 18.9%, partly due to higher ingredient prices as well as increased volume of toll manufacturing for other ingredient suppliers. RFI generated a solid increase in gross profit on higher revenues over the same period last year reflecting an improved product-margin mix. Higher raw materials prices resulted in an increase in the value of RFI's inventories by $3.4 million from the first quarter of fiscal 2007 to the same period of the current year.

Corporate expenses were $1.2 million in the first quarter of fiscal 2008 compared to $1.6 million in the same period of fiscal 2007. Corporate expenses were higher in the prior year as a result of expenditures on potential expansion plans.

ITEM 6 Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102:

Not applicable.

ITEM 7 Omitted Information:

Not applicable.

ITEM 8 Executive Officer:

For further information please contact K. B. Campbell, Corporate Secretary of RIDLEY Inc. at (507) 388-9421.

ITEM 9 Date of Report:

Dated at Mankato, Minnesota this 2nd Day of November, 2007.

RIDLEY Inc.

K.B. Campbell
Corporate Secretary