



5 November 2004

Australian Stock Exchange Limited
Company Announcements Office
Level 6
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Ridley Inc First Quarter Results of Fiscal 2005

Attached is a press release of Ridley Inc., the 69% owned Canadian listed subsidiary of Ridley Corporation Limited for the first quarter of fiscal 2005.

Yours faithfully

A handwritten signature in black ink, appearing to read 'GP Watts', with a stylized, cursive flourish.

GP Watts
Company Secretary
RIDLEY CORPORATION LIMITED

encls

RIDLEY INC

Canadian Listed Company 69% owned by
Ridley Corporation Limited

NEWS RELEASE

Trading symbol: RCL on The Toronto Stock Exchange

FOR IMMEDIATE RELEASE

RIDLEY REPORTS RESULTS FOR FIRST QUARTER OF FISCAL 2005

Mankato, Minnesota / Winnipeg, Manitoba, November 4, 2004 — Ridley Inc., (www.ridleyinc.com) one of the largest commercial animal nutrition companies in North America, today reported earnings results for its fiscal 2005 first quarter ended September 30, 2004.

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:

(Millions of U.S. dollars except for EPS)	Three Months Ended 30 September 2004	Three Months Ended 30 September 2003
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.

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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

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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

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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.

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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%.

Ridley Inc., headquartered in Mankato, Minnesota and Winnipeg, Manitoba, is one of North America's leading commercial animal nutrition companies. Ridley manufactures and/or distributes a full range of animal nutrition products under a number of highly regarded trade names.

Ridley's common shares are listed on The Toronto Stock Exchange (Trading symbol: RCL).

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