

Edgar Filing: ALICO INC - Form 10-Q/A

ALICO INC  
Form 10-Q/A  
January 06, 2005

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D. C. 20549 FORM 10-Q  QUARTERLY  
Explanatory note

This Amendment on Form 10-Q/A amends the Quarterly Report on Form 10-Q for the quarter ended February 28, 2004.

This Amendment amends the footnotes to the financial statements and Management's discussion and analysis.

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ITEM 1 PART I. FINANCIAL INFORMATION ALICO, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS

Three months ended Six months ended

Feb. 29, Feb. 28, Feb. 29, Feb. 28,

2004 2003 2004 2003

Revenue:

Citrus	\$8,539	\$9,774	\$9,893	\$11,395
Sugarcane	5,615	5,212	8,206	7,960
Ranch	1,080	1,146	4,424	3,263
Rock & sand royalties	799	563	1,564	1,080
Oil lease & land rentals	404	289	693	535
Forest products	92	77	174	128
Retail land sales	181	32	195	116

Operating revenue	16,710	17,093	25,149	24,477
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Cost of sales:

Citrus production, harvesting & marketing	8,033	9,405	10,287	10,985
Sugarcane production, harvesting and hauling	4,436	4,062	6,543	6,286
Ranch	991	1,025	3,611	3,238
Retail land sales	114	30	130	99

Total costs of sales	13,574	14,522	20,571	20,608
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Gross profit	3,136	2,571	4,578	3,869
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General & administrative expenses	2,685	1,369	4,094	2,647
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Income (loss) from operations	451	1,202	484	1,222
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Other income (expenses):

Profit on sales of real estate, net	19,472	102	19,472	553
Interest & investment income	804	245	1,254	521
Interest expense	(491)	(483)	(979)	(1,024)
Other	175	13	254	157

Total other income, net	19,960	(123)	20,001	207
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Income before income taxes	20,411	1,079	20,485	1,429
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Provision for income taxes	7,667	290	7,692	381
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Net income	\$12,744	\$789	\$12,793	\$1,048
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Weighted-average number of shares outstanding	7,180	7,108	7,161	7,102
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Per share amounts:

Basic	\$1.77	\$0.11	\$1.79	\$0.15
Fully diluted	\$1.74	\$0.11	\$1.75	\$0.14
Dividends	\$-	\$-	\$0.60	\$0.35

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See accompanying Notes to Condensed Consolidated Financial Statements.

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**ALICO, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS (See Accountants' Review Report)**  
**February 29,**  
**2004 August 31,**  
**(unaudited) 2003**

### Current assets:

Cash and cash investments	23,581,352
Marketable securities	51,750,820
Accounts receivable	7,009,680
Mortgages and notes receivable	12,311,164
Inventories	19,410,845
Other current assets	7,669,731

Total current assets **115,642,204**

Mortgages and notes payable	20,523,111
Land held for development	5,380,587
Investments	56,886
Property, buildings and equipment	146,428,157
Less: accumulated depreciation	(40,709,741)

Total assets **227,824,748**

See accompanying Notes to Condensed Consolidated Financial Statements.

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**ALICO, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS (See Accountants' Review Report)**  
**February 29,**  
**2004 August 31,**  
**(unaudited) 2003**

### LIABILITIES & STOCKHOLDERS' EQUITY

#### Current liabilities:

Accounts payable	\$2,451	\$2,110
Accrued ad valorem taxes	391	1,519
Current portion of notes payable	3,321	3,321
Accrued expenses	768	988
Deferred income taxes	1,601	1,680
Due to profit sharing	-	350
Other current liabilities	723	754

Total current liabilities **9,255 10,722**

Deferred revenue	5	91
Notes payable	49,443	54,127
Deferred income taxes	10,122	9,668
Deferred retirement benefits	411	120
Other non-current liability	17,098	9,609
Donation payable	1,513	2,229

Total liabilities **87,847 86,566**

#### Stockholders' equity:

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Common stock 7,229 7,116  
 Additional paid in capital 6,451 3,074  
 Accumulated other comprehensive income 2,747 961  
 Retained earnings 123,540 115,031

Total stockholders; equity 139,967 126,182

Total liabilities and stockholders' equity \$227,814 \$212,748

See accompanying Notes to Condensed Consolidated Financial Statements.

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**ALICO, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited - See Accountant's Report)**

**Six months ended  
 February 29, February 28,  
 2004 2003**

**Cash flows from operating activities:**

Net cash provided by operating activities \$ 9,097 \$ 6,652

**Cash flows from (used for) investing activities:**

Purchases of property and equipment	(4,068)	(4,720)	
Proceeds from sale of real estate	18,809	705	
Proceeds from sales of property and equipment		670	359
Purchases of marketable securities	(14,031)	(1,767)	
Proceeds from sales of marketable securities		3,938	2,626
Note receivable collections	28	45	
Net cash used for investing activities	5,346	(2,752)	

**Cash flows used for financing activities:**

Repayment of bank loan	(17,899)	(16,763)	
Proceeds from bank loan	13,215	17,513	
Proceeds from exercising stock options		1,727	453
Dividends paid	(4,284)	(2,483)	
Net cash provided by (used for) financing activities		(7,241)	(1,280)
Net increase (decrease) in cash and cash investments \$		7,202 \$	2,620

**Cash and cash investments:**

<b>At beginning of year \$</b>	16,352 \$	10,140
At end of period \$	23,554 \$	12,760

**Non cash investing activities:**

Issuance of mortgage notes 9,805 68  
 Fair value adjustments to securities available for sale net of tax effects 1,785 (352)  
 Reclassification of breeding herd to property and equipment 599 700  
 See accompanying Notes to Condensed Consolidated Financial Statements.

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**ALICO, INC. AND SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (See Accountant's Report)**

**February 29, 2004 August 31, 2003**

	Net Estimated	Net Estimated		Net Estimated	Net Estimated				
	Unrealized Fair	Unrealized Fair		Unrealized Fair	Unrealized Fair				
Equity securities:	Cost	gain (loss)	Value	Cost	gain (loss)	Value			
Preferred stocks	\$ 1,963	\$ 114	\$ 2,077	\$ 2,504	\$ 20	\$			
Common stocks	4,303 358	4,661 1,893	(85) 1,808						
Mutual funds*	21,138 2,946	24,084 10,181	1,801 11,982						

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Total equity securities 27,404 3,418 30,822 14,578 1,736 16,314

**Debt securities**

Municipal bonds 3,321 74 3,395 515 28 543  
 Mutual funds 3,536 98 3,634 8,435 (188) 8,247  
 Fixed maturity funds 1,967 (9) 1,958 11,146 (31) 11,115  
 Corporate bonds 11,906 35 11,941 2,762 (161) 2,601

Total debt securities 20,730 198 20,928 22,858 (352) 22,506

Marketable securities

available for sale \$ 48,134 \$ 3,616 \$ 51,750 \$ 37,436 \$ 1,384 \$ 38,820

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**4. Mortgage and notes receivable:** Mortgage and notes receivable arose from real estate sales. The  
**February 29,**  
**2004 August 31,**  
 (unaudited) **2003**

Mortgage notes receivable on retail land sales \$ 301 \$ 235  
 Mortgage notes receivable on bulk land sales 12,215 2,420  
 Other notes receivable 90 113

Total mortgage and notes receivable 12,606 2,768  
 Lee current portion 12,311 2,534

Non-current portion \$ 295 \$ 234 **5. Inventories:** A summary of the Company's inventories is shown  
**February 29,**  
**2004 August 31,**  
 (unaudited) **2003**

Unharvested fruit crop on trees 7,320 8,135  
 Unharvested sugarcane 3,264 5,159  
 Beef cattle 8,061 7,892  
 Sod 765 659

Total inventories \$ 19,410 \$ 21,845 Subject to prevailing market conditions, the Company may have  
**Three months ended Six months ended**  
**Feb. 29, Feb. 28, Feb. 29, Feb. 28,**  
**2004 2003 2004 2003**

Current:

Federal income tax \$ 5,949 \$ 248 \$ 6,230 \$ 303  
 State income tax 635 23 665 32  
 6,584 271 6,895 335

Deferred:

Federal income tax 978 19 720 42  
 State income tax 105 - 77 4  
 1,083 19 797 46

Total provision for income taxes \$ 7,667 \$ 290 \$ 7,692 \$ 381

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The Internal Revenue Service has begun its examination of the Company tax returns for the years ended  
**Six months ended,**  
**February 29, February 28,**  
**Components of net pension cost 2004 2003**

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Service cost, net of participant contributions \$ 113 \$ 256  
 Interest cost 139 117  
 Expected return on plan assets (156) (139)  
 Prior service cost amortization 1 1

Net pension cost for defined benefit plan \$ 97 \$ 235 The net benefit obligation was computed using the projected benefit method.  
**2004 2003**

Interest expense 979 1,024  
 Interest capitalized 129 123

Total interest cost 1,108 1,147 **9. Other non-current liability: Alico formed a wholly owned subsidiary**

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**Alico capitalized Agri by contributing real estate located in Lee County Florida. The real estate was valued at \$1.2 million. Since receiving the favorable IRS determination letter, certain transactions, entered into by other wholly owned subsidiaries, have been capitalized.**

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**10. Dividends:** On October 7, 2003 the Company declared a year-end dividend of \$.60 per share, which was paid on October 14, 2003.

	Consolidated				
	Citrus	Sugarcane	Ranch	Other*	Total
Revenue	\$ 9,893	\$ 8,206	\$ 4,424	\$ 23,606	\$ 46,129
Costs and expenses	10,287	6,543	3,611	5,203	25,644
Segment profit (loss)	(394)	1,663	813	18,403	20,485

Depreciation and amortization 1,186 1,150 714 192 3,242

Segment assets \$52,144 \$49,814 \$22,883 \$ 102,973 \$ 227,814 The following table presents information about the Company's segment assets.

	Consolidated				
	Citrus	Sugarcane	Ranch	Other*	Total
Revenue	\$ 9,893	\$ 8,206	\$ 4,424	\$ 23,606	\$ 46,129
Costs and expenses	10,287	6,543	3,611	5,203	25,644
Segment profit (loss)	(394)	1,663	813	18,403	20,485

Depreciation and amortization 1,186 1,150 714 192 3,242

Segment assets \$52,144 \$49,814 \$22,883 \$ 102,973 \$ 227,814

\*Consists of rents, investments, real estate activities and other such items of a general corporate nature.

**12. Stock Option Plan**

On November 3, 1998, the Company adopted the Alico, Inc., Incentive Equity Plan (The Plan) pursuant to which the Board of Directors of the Company may grant options, stock appreciation rights, and/or restricted stock to certain directors and employees.

The Plan authorizes grants of shares or options to purchase up to 650,000 shares of authorized but unissued common stock. Stock options granted have a strike price and vesting schedules which are at the discretion of the Board of Directors and determined on the effective date of the grant. The strike price cannot be less than 55% of the market price.

	Options	Weighted average exercise price	Weighted average remaining contractual life (in years)
Balance outstanding, August 31, 2001	84,080	\$ 14.62	9
Granted	69,598	15.68	
Exercised	35,831	15.53	
Balance outstanding, August 31, 2002	117,847	15.20	7
Granted	67,280	15.68	
Exercised	35,726	15.53	
Balance outstanding, August 31, 2003	149,401	15.34	9
Granted	119,462	15.34	
Exercised	113,187	\$ 15.57	
Balance outstanding, February 29, 2004	155,676	\$ 17.58	9

On February 29, 2004, there were 155,676 shares exercisable and 292,894 shares available for grant.

Had the Company determined compensation cost based on the fair value at the grant date for its stock options under SFAS 123, the Company's net income would have changed to the proforma amounts indicated below:

	Six months ended	
	Feb. 29, 2004	Feb. 28, 2003
Net income as reported	\$ 12,793	\$ 1,048
Proforma net income	\$ 12,852	\$ 1,045
Basic earnings per share as reported	\$ 1.79	\$ 0.15
Proforma basic earnings per share	\$ 1.79	\$ 0.15

### 13. Future Application of Accounting Standards

In December 2003, the FASB issued FASB Interpretation No. 46 (revised December 2003), *Consolidation of Variable Interest Entities*,

which addresses how a business enterprise should evaluate whether it has a controlling financial interest in an entity through means other than voting rights and accordingly should consolidate the entity. FIN 46R replaces FASB Interpretation No. 46, *Consolidation of Variable Interest Entities*, which was issued in January 2003. The Company will be required to apply FIN 46R to variable interests in VIEs for periods ending after December 15, 2003, and for all other types of entities for periods ending after March 15, 2004. The adoption of Interpretation No. 46 is not expected to have a material effect on the financial condition, results of operations, or liquidity of the Company.

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## **ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

### **LIQUIDITY AND CAPITAL RESOURCES:**

Working capital increased to \$106.4 million at February 29, 2004, from \$79.5 million at August 31, 2003. As of February 29, 2004, the Company had cash and cash investments of \$23.5 million compared to \$16.4 million at August 31, 2003. Marketable securities increased to \$51.8 million from \$38.8 million during the same period. The ratio of current assets to current liabilities increased to 12.50 to 1 at February 29, 2004 up from 8.41 to 1 at August 31, 2003. Total assets increased by \$15.1 million to \$227.8 million at February 29, 2004, compared to \$212.7 million at August 31, 2003.

**Management expects continued profitability from its agricultural operations in fiscal 2004. The outlook is for gross profits from citrus operations to decline due to a large crop forecast for the industry as a whole and substantial carryover inventories for the industry.**

**Management also expects gross profits from sugarcane to decline as the Company's current crop is expected to be smaller in fiscal 2004 than in fiscal 2003. Gross profits from the Company's cattle operations are expected to increase due to reduced beef supplies creating favorable market conditions for beef and an increase in the number of cattle sold.**

Management believes that the Company will be able to meet its working capital requirements for the foreseeable future with internally generated funds. In addition, the Company has credit commitments which provide for revolving credit of up to \$54.0 million, of which \$14.3 million was available for the Company's general use at February 29, 2004 (see Note 8 to condensed consolidated financial statements).

### **RESULTS OF OPERATIONS:**

The basic business of the Company is agriculture, which is of a seasonal nature and is subject to the influence of natural phenomena and

wide price fluctuations. The results of operations for the stated periods are not necessarily indicative of results to be expected for the full year.

Net income for the six months ending February 29, 2004 increased by \$11.7 million when compared to the first six months of the prior year.

This was primarily due to an increase in **income** from real estate sales for the six months ended February 29, 2004 when compared to the six months ended February 28, 2003 (\$19.5 million vs. \$0.6 million during the first six months of fiscal 2004 and 2003, respectively).

Income from operations decreased to \$484 thousand for the first six months of fiscal 2004, compared to \$1.2 million for the first six months of fiscal 2003. The increase was largely due to an increase in general and administrative expenses due to \$1.4 million of stock options vesting in the second quarter commensurate with a change in control.

Earnings from agricultural activities approximated the prior year (\$1.7 million vs. \$1.6 million for the second quarter, and \$2.1 million during the first six months of both fiscal 2004 and 2003, respectively). **For a detailed discussion of agricultural operating results please see below.**

### **Citrus**

The citrus division reported a profit of \$506 thousand for the second quarter of fiscal 2004, vs. a profit of \$369 thousand for the second quarter of fiscal 2003. The Citrus division recorded a loss of \$394 thousand for the first six months of fiscal 2004, compared to \$410 thousand profit during the first six months of fiscal 2003. The current year's Florida orange crop has been forecasted to be the largest on record. As of February 29, 2004, it appears that the projection will be significantly correct. Accordingly, citrus prices have declined (**\$4.21 vs. \$4.83 average price per box at February 29, 2004 and February 28, 2003, respectively**). In light of this, the Company recorded a valuation allowance of \$722 thousand against the unharvested fruit crop during the first quarter of fiscal 2004.

### **Sugarcane**

Sugarcane earnings were \$1.2 million for both the second quarter of fiscal 2004 and 2003. Sugarcane earnings were \$1.7 million for the six months ending February 29, 2004 and the six months ended February 28, 2003.

### **Ranching**

Ranch earnings during the second quarter of fiscal 2004 approximated those of the second quarter of prior year (\$89 thousand vs. \$121 thousand for the second quarter of fiscal 2004 and 2003, respectively). For the first six months of fiscal 2004, ranch earnings have increased when compared to the same period a year ago (\$813 thousand vs. \$25 thousand for the six months ended February 29, 2004 and February 28, 2003 respectively). Cattle prices have averaged significantly higher during fiscal 2004 than in fiscal 2003 (**\$.93 vs. \$.69 per pound for the first six months of fiscal 2004 and 2003, respectively**), and is the primary cause of the increase.

During December 2003, a cow in Washington State tested positive for bovine spongiform encephalopathy (BSE a/k/a "mad cow disease").

This has caused some foreign countries to ban beef imports from the United States. Although there have been price declines since the BSE discovery, the incident appears to be isolated and beef prices are still well above prior year levels. The Company has no reason to believe its beef herd is subject to any risk from this disease.

### **General Corporate**

The Company is continuing its marketing and permitting activities for its land that surrounds Florida Gulf Coast University in Lee County, Florida. There are sales contracts in place for all this property, totaling \$138.4 million. The agreements are at various stages in the due diligence process with closing dates expected over the next two years. The contracts are subject to various contingencies and there is no assurance that they will close.

The Company formed Agri-Insurance Company, Ltd. (Agri) a wholly owned subsidiary, during July of 2000. The insurance company was initially capitalized by transferring cash and approximately 3,000 acres of the Lee County property. Through Agri, the Company has been able to underwrite previously uninsurable risk related to catastrophic crop and other losses. The coverages currently underwritten by Agri will indemnify insureds for the loss of the revenue stream resulting from a catastrophic event that would cause a grove to be replanted. To expedite the creation of the capital liquidity necessary to underwrite the Company's exposure to catastrophic losses, another 5,600 acres were transferred during fiscal 2001. Agri underwrote a limited amount of coverage for Ben Hill Griffin, Inc. during fiscal years 2001 - 2004, and in August 2002, Agri began insuring the Alico, Inc., citrus groves. As Agri gains underwriting experience and increases its liquidity, it will be able to increase its insurance programs. Due to Agri's limited operating history, it would be difficult, if not impossible, to speculate about the impact that Agri could have on the Company's financial position, results of operations and liquidity in future periods. Since the coverages that have been written, as liquidity has been generated, are primarily for the benefit of Alico, the financial substance of this venture is to insure risk that is inherent in the Company's existing operations.

During the third quarter of fiscal 2003, the Company entered into a limited partnership with Agri to manage Agri's real estate holdings.

Agri transferred all of the Lee County property and associated sales contracts to the limited partnership, Alico-Agri, Ltd (Alico-Agri) in return for a 99% partnership interest. Alico, Inc. transferred \$1.2 million cash for a 1% interest. The creation of the partnership allows Agri to concentrate solely on insurance matters while utilizing Alico's knowledge of real estate management.

In the fourth quarter of fiscal 2003, the Company, through Alico-Agri, completed the sale of 313 acres in Lee County, Florida to Airport Interstate Associates, LLC. The sales price was \$9.7 million and resulted in a gain of \$8.7 million. Additionally, Alico-Agri completed the sale of 40 acres in Lee County, Florida to University Club Apartments/Gulf Coast, LLC. The sales price of the property was \$5.5 million and generated a gain of \$4.7 million.

During the fourth quarter of fiscal 2003, the Company sold 358 acres in Hendry County, Florida for \$669 thousand. The sale generated a gain of \$335 thousand. Additionally, the Company sold 266 acres in Polk County, Florida for \$617 thousand, generating a gain of \$612 thousand.

During the second quarter of fiscal 2004, the Company, through Alico-Agri, completed the sale of 244 acres in Lee County, Florida. The sales price was \$30.9 million and resulted in a gain of \$19.7 million. The sale generated \$20.9 million cash with the remaining \$10 million held in the form of a mortgage receivable due in December 2004.

### **Off Balance Sheet Arrangements**

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The Company has no off balance sheet arrangements that have, or are reasonably likely to have any material impact on the Company's current or future financial condition, revenues, or results of operations.

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### **Disclosure of Contractual Obligations**

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**Contractual obligations of the Company are outlined below:**

February 29, 2004  
(in thousands)

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Contractual obligations	Total	Less than 1 year	1 - 3 years	3-5 years	5 + years
Long-term debt	\$ 52,764	\$ 3,321	\$ 40,371	\$ 2,633	\$ 6,439
Leases (Operating & capital)	-	-	-	-	-
Purchase obligations (donation)	2,236	723	1,513	-	-
Other long-term liabilities	27,636	109	17,306	80	10,141
Total	82,636	4,153	59,190	2,713	16,580

August 31, 2003  
(in thousands)

Contractual obligations	Total	Less than 1 year	1 - 3 years	3-5 years	5 + years
Long-term debt	\$ 57,448	\$ 3,321	\$ 39,576	\$ 4,633	\$ 9,918
Leases (Operating & capital)	-	-	-	-	-
Purchase obligations (donation)	2,983	754	1,459	770	-
Other long-term liabilities	19,488	-	9,820	180	9,488
Total	79,919	4,075	50,855	5,583	19,406

### Critical Accounting Policies and Estimates

The preparation of the Company's financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. On an on-going basis, management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results may vary from these estimates and assumptions under different future circumstances. The following critical accounting policies that affect the more significant judgments and estimates used in the preparation of our consolidated financial statements are discussed below.

Alico records inventory at the lower of cost or market. Management regularly assesses estimated inventory valuations based on current and forecasted usage of the related commodity and any other relevant factors that affect the net realizable value.

Based on fruit buyers and processors' advances to growers, stated cash and futures markets combined experience in the industry, management reviews the reasonableness of the citrus revenue accrual. Adjustments are made throughout the year to these estimates as relevant information regarding the citrus market becomes available. Fluctuation in the market prices for citrus fruit has caused the Company to recognize additional revenue from the prior year's crop totaling \$187 thousand during fiscal 2004 and \$196 thousand in fiscal 2003.

In accordance with Statement of Position 85-3 "Accounting by Agricultural Producers and Agricultural Cooperatives", the cost of growing crops (citrus and sugarcane) are capitalized into inventory until the time of harvest. Once a given crop is harvested, the related inventoried costs are recognized as cost of sales to provide an appropriate matching of costs incurred with the related revenue earned. The inventoried cost of each crop is then compared with the estimated net realizable value (NRV) of the crop and any costs in excess of the NRV are immediately recognized as cost of sales.

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### **Cautionary Statement**

Readers should note, in particular, that this Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that involve substantial risks and uncertainties. When used in this document, or in the documents incorporated by reference herein, the words "anticipate", "believe", "estimate", "may", "intend" and other words of similar meaning, are likely to address the Company's growth strategy, financial results and/or product development programs. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained herein. The considerations listed herein represent certain important factors the Company believes could cause such results to differ. These considerations are not intended to represent a complete list of the general or specific risks that may effect the Company. It should be recognized that other risks, including general economic factors and expansion strategies, may be significant, presently or in the future, and the risks set forth herein may affect the Company to a greater extent than indicated.

### **ITEM 3. Quantitative and Qualitative Disclosures about Market Risk**

No changes

### **ITEM 4. Controls and Procedures**

#### **Evaluation of disclosure controls and procedures**

The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's

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disclosure controls and procedures as of February 29, 2004 pursuant to Exchange Act Rule 13a-15 and 15d-15. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic Securities and Exchange Commission filings. No significant deficiencies or material weaknesses in the Company's disclosure controls and procedures were identified in the evaluation and therefore, no corrective actions were taken.

### Changes in internal controls

There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

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## FORM 10-Q PART II. OTHER INFORMATION

ITEMS 1-5 have been omitted as there are no items to report during this interim period.

ITEM 6. Exhibits and reports on Form 8-K.

(a) Exhibits:

Exhibit 11. Computation of Weighted Average Shares Outstanding at November 30, 2003.

Exhibit 31.1 Rule 13a-14(a) certifications.

Exhibit 31.2 Rule 13a-14(a) certifications.

Exhibit 32.1 Section 1350 certifications.

Exhibit 32.1 Section 1350 certifications.

Exhibit 99. Accountant's Review Report.

(b) Reports on Form 8-K.

January 5, 2004 announcing real estate sale by Alico-Agri

January 30, 2004 providing tax ruling announcement pursuant to settlement agreement

February 17, 2004 announcing acceleration of real estate gain

February 26, 2004 announcing change in beneficial ownership and board of directors

February 26, 2004 change in control of Alico, Inc.

SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. ALICO, INC. (Registrant)

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/s/ W. Bernard Lester January 3, 2005 W. Bernard Lester Date President Chief Executive Officer (Signature)  
/s/ L. Craig Simmons January 3, 2005 L. Craig Simmons Date Vice President Chief Financial Officer  
(Signature) /s/ Patrick W. Murphy January 3, 2005 Patrick W. Murphy Date Controller (Signature)