

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549  
FORM 10-Q/A

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For quarterly period ended November 30, 2003.

OR

\_\_\_\_\_ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number 0-261.

ALICO, INC.  
(Exact name of registrant as specified in its charter)

Florida  
(State or other jurisdiction of  
incorporation of organization)

59-0906081  
(I.R.S. Employer  
Identification No.)

P. O. Box 338, La Belle, FL  
(Address of principal executive offices)

33975  
(Zip Code)

Registrant's telephone number, including area code 863/675-2966

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

There were 7,159,104 shares of common stock, par value \$1.00 per share, outstanding at January 13, 2004.

**Explanatory note:**

**This Amendment on Form 10-Q/A amends the Quarterly Report on Form 10-Q for the quarter ended November 30, 2003 which was previously filed with the Securities and Exchange Commission (the "SEC") on January 13, 2004. The footnotes to the financial statements and disclosures set forth in Management's Discussion and Analysis are amended herein.**

**This Amendment amends the footnotes to the financial statements and Management's discussion and analysis portions of the Quarterly Report as specified above and does not reflect events occurring after the original filing date of the Quarterly Report on January 13, 2004.**

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

ALICO, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(in thousands, except per share data)  
(Unaudited - See Accountants' Review Report)

	Three Months Ended November 30,	
	2003	2002
Revenue:		
Citrus	\$ 1,354	\$ 1,621
Sugarcane	2,591	2,748
Ranch	3,344	2,118
Rock products and sand	765	517
Oil lease and land rentals	289	246
Forest products	82	50
Retail land sales	14	84
Total operating revenue	8,439	7,384
Cost of sales		
Citrus production, harvesting and marketing	2,254	1,580
Sugarcane production and harvesting	2,107	2,224
Ranch	2,620	2,214
Retail land sales	16	69
Total costs of sales	6,997	6,087
Gross Profit	1,442	1,297
General and administration expenses	1,409	1,278
Income from operations	33	19
Other income (expenses):		
(loss) profit on sales of real estate	-	451
Interest and investment income	450	276
Interest expense	(488)	(541)
Other	79	144
Total other income, net	41	330
Income before income taxes	74	349
Provision for income taxes	25	91
Net income	49	258
Weighted average number of shares outstanding	7,140	7,097

Per share amounts:

Basic	\$	.01	\$	.04
Fully diluted	\$	.01	\$	.04
Dividends	\$	.60	\$	.35

See accompanying Notes to Condensed Consolidated Financial Statements.

ALICO, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(in thousands)

(See Accountants' Review Report)

	November 30, 2003 (unaudited)	August 31, 2003
ASSETS	_____	_____
Current assets:		
Cash and cash investments	\$ 7,244	\$ 16,352
Marketable securities	44,720	38,820
Accounts receivable	5,933	9,680
Mortgage and notes receivable	2,514	2,534
Inventories	21,160	21,845
Other current assets	1,084	973
	_____	_____
Total current assets	82,655	90,204
Notes receivable, non-current	221	234
Land held for development and sale	16,714	16,587
Investments	856	886
Property, buildings and equipment	147,034	144,578
Less: Accumulated depreciation	(41,022)	(39,741)
	_____	_____
Total assets	\$ 206,458	\$ 212,748
	_____	_____

ALICO, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(in thousands)

(See Accountants' Review Report)

(Continued)

	November 30, 2003 (unaudited)	August 31, 2003
LIABILITIES	_____	_____
Current liabilities:		
Accounts payable	\$ 908	\$ 2,110
Accrued ad valorem taxes	-	1,519
Current portion of notes payable	3,321	3,321

Accrued expenses	978	988
Deferred income taxes	1,638	1,680
Due to profit sharing	-	350
Other current liabilities	863	754
	<hr/>	<hr/>
Total current liabilities	7,708	10,722
Deferred revenue	10	91
Notes payable	53,276	54,127
Deferred income taxes	9,574	9,668
Deferred retirement benefits	511	120
Other non-current liability	9,609	9,609
Donation payable	2,228	2,229
	<hr/>	<hr/>
Total liabilities	82,916	86,566
	<hr/>	<hr/>
STOCKHOLDERS' EQUITY		
Common stock	\$ 7,152	\$ 7,116
Additional paid in capital	3,810	3,074
Accumulated other comprehensive income	1,784	961
Retained earnings	110,796	115,031
	<hr/>	<hr/>
Total stockholders' equity	123,542	126,182
	<hr/>	<hr/>
Total liabilities and stockholders' equity	\$ 206,458	\$ 212,748
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See accompanying Notes to Condensed Consolidated Financial Statements.

ALICO, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands)  
(Unaudited - See Accountants' Review Report)

	Three Months Ended November 30,	
	2003	2002
	<hr/>	<hr/>
Cash flows from operating activities:		
Net cash provided from operating activities	\$ 2,448	\$ 2,367
	<hr/>	<hr/>
Cash flows used for investing activities:		
Purchases of property and equipment	(2,343)	(2,270)
Proceeds from sales of real estate	-	541
Proceeds from sales of property and equipment	143	157
Purchases of marketable securities	(5,690)	(814)
Proceeds from sales of marketable securities	999	2,195
Other	(95)	4
	<hr/>	<hr/>
Net cash used for investing activities	(6,986)	(187)
	<hr/>	<hr/>
Cash flows used for financing activities:		
Repayment of bank loan	(8,561)	(6,684)

Proceeds from bank loan	7,710	9,127
Proceeds from exercising stock options	566	383
Dividends paid	(4,285)	(2,482)
	<hr/>	<hr/>
Net cash (used for) provided from financing activities	(4,570)	344
	<hr/>	<hr/>
Net (decrease)increase in cash and cash investments	\$ (9,108)	\$ 2,524

Cash and cash investments

At the beginning of year	16,352	10,140
	<hr/>	<hr/>
At end of period	7,244	12,664
	<hr/>	<hr/>

See accompanying Notes to Condensed Consolidated Financial Statements.

ALICO, INC. AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(See Accountants' Review Report)  
(in thousands except for per share data)

1. Basis of financial statement presentation:

The accompanying condensed consolidated financial statements include the accounts of Alico, Inc. and its wholly owned subsidiaries, Saddlebag Lake Resorts, Inc. (Saddlebag), Agri-Insurance Company, Ltd. (Agri), and Alico-Agri, LLC after elimination of all significant intercompany balances and transactions.

The accompanying unaudited condensed consolidated financial statements have been prepared on a basis consistent with the accounting principles and policies reflected in the Company's annual report for the year ended August 31, 2003. In the opinion of Management, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary for a fair presentation of its consolidated financial position at November 30, 2003 and the consolidated results of operations and cash flows for the three months ended November 30, 2003 and 2002.

The basic business of the Company is agriculture which is of a seasonal nature and subject to the influence of natural phenomena and wide price fluctuations. Fluctuation in the market prices for citrus fruit has caused the Company to recognize additional revenue from the prior year's crop totaling \$174 in 2003 and \$193 in 2002. Due to current market conditions for citrus, the Company recorded a valuation allowance of (\$722) for its unharvested fruit crop on trees at November 30, 2003.

The results of operations for the stated periods are not necessarily indicative of results to be expected for the full year. Certain items from 2002 have been reclassified to conform to the 2003 presentation.

2. Real Estate:

Real estate sales are recorded under the accrual method of accounting. Under this method, a sale is not recognized until payment is received, including interest, aggregating 10% of the contract sales price for residential properties and 20% for commercial properties.

3. Mortgage and notes receivable:

Mortgage and notes receivable arose from real estate sales. The balances at November 30, 2003 and August 31, 2003 are as follows:

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	November 30, 2003 (Unaudited)	August 31, 2003
	<u>                    </u>	<u>                    </u>
Mortgage notes receivable on retail land sales	\$ 235	\$ 235
Mortgage notes receivable on bulk land sales	2,410	2,420
Other notes receivable	90	113
	<u>                    </u>	<u>                    </u>
Total mortgage notes receivable	\$ 2,735	\$ 2,768
Less current portion	2,514	2,534
	<u>                    </u>	<u>                    </u>
Non-current portion	\$ 221	\$ 234
	<u>                    </u>	<u>                    </u>

4. Inventories:

A summary of the Company's inventories is shown below:

	November 30, 2003 (Unaudited)	August 31, 2003
	<u>                    </u>	<u>                    </u>
Unharvested fruit crop on trees	\$ 8,692	\$ 8,135
Unharvested sugarcane	4,829	5,159
Beef cattle	6,943	7,892
Sod	696	659
	<u>                    </u>	<u>                    </u>
Total inventories	\$ 21,160	\$ 21,845
	<u>                    </u>	<u>                    </u>

Subject to prevailing market conditions, the Company may hedge a portion of its beef inventory by entering into cattle futures contracts to reduce exposure to changes in market prices. Any gains or losses anticipated under these agreements were deferred, with the cost of the related cattle being adjusted when the contracts are settled. At November 30, 2003, the Company had no open positions.

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5. Income taxes:

The provision for income taxes for the quarters ended November 30, 2003 and 2002 is summarized as follows:

	Three Months Ended November 30, 2003 (Unaudited)	2002 (Unaudited)
Current:		
Federal income tax	\$ 281	\$ 55
State income tax	30	9
	<u>311</u>	<u>64</u>
Deferred:		
Federal income tax	(258)	23
State income tax	(28)	4
	<u>(286)</u>	<u>27</u>
Total provision for income taxes	<u>\$ 25</u>	<u>\$ 91</u>

The Internal Revenue Service has begun its examination of the Company tax returns for the years ended August 31, 2000, 2001 and 2002, and Agri tax returns for calendar years 2000, 2001 and 2002. Any adjustments resulting from the examination will be currently due and payable. No adjustments have been proposed to date.

#### 6. Indebtedness:

The Company has financing agreements with commercial banks that permit the Company to borrow up to \$54.0 million. Financing agreements allowing the Company to borrow up to \$41.0 million are due in 2005, and up to \$3.0 million which is due on demand. In December 2001, the Company entered into an additional financing agreement to borrow \$10 million to be paid in equal principal installments over five years with interest to be paid quarterly. The outstanding debt under these agreements was \$43.3 million and \$41.0 million at November 30 and August 31, 2003 respectively. In March 1999, the Company mortgaged 7,680 acres for \$19 million in connection with a \$22.5 million acquisition of producing citrus and sugarcane operations. The total long-term portion of debt at November 30, 2003 and August 31, 2003 was \$53.3 million and \$54.1 million respectively.

Maturities of the indebtedness of the Company over the next five years are as follows : 2004- \$3,321; 2005- \$36,260; 2006- \$3,312; 2007- \$3,315; 2008- \$1,318; and \$9,071 thereafter.

Interest cost expensed and capitalized during the three months ended November 30, 2003 and 2002 was as follows:

	2003	2002
Interest expensed	\$ 488	\$ 541
Interest capitalized	66	60
	<u>\$ 554</u>	<u>\$ 601</u>

7. Other non-current liability:

Alico formed a wholly owned insurance subsidiary, Agri Insurance Company, Ltd. (Bermuda) ("Agri") in June of 2000. Agri was formed in response to the lack of insurance availability, both in the traditional commercial insurance markets and governmental sponsored insurance programs, suitable to provide coverages for the increasing number and potential severity of agricultural related events. Such events include citrus canker, crop diseases, livestock related maladies and weather. Alico's goal included not only prefunding its potential exposures related to the aforementioned events, but also to attempt to attract new underwriting capital if it is successful in profitably underwriting its own potential risks as well as similar risks of its historic business partners. Alico primarily utilized its inventory of land and additional contributed capital to bolster the underwriting capacity of Agri.

Alico capitalized Agri by contributing real estate located in Lee County Florida. The real estate was transferred at its historical cost basis. Agri received a determination letter from the Internal Revenue Service (IRS) stating that Agri was exempt from taxation provided that net premium levels, consisting only of premiums with third parties, were below an annual stated level (\$350 thousand). Third party premiums have remained below the stated annual level. As the Lee county real estate was sold, substantial gains were generated in Agri, creating permanent book/tax differences.

Since receiving the favorable IRS determination letter, certain transactions, entered into by other taxpayers under the same IRS Code Section came under scrutiny and criticism by the news media. In reaction, Management has recorded a contingent liability of \$9.6 million for income taxes in the event of an IRS challenge. Management's decision has been influenced by perceived changes in the regulatory environment. The Company believes that it can successfully defend any such challenge, however, because it is probable that a challenge will be made and possible that it may be successful, Management has provided for the contingency.

The Internal Revenue Service has begun its examination of the Company tax returns for the years ended August 31, 2000, 2001 and 2002, and Agri tax returns for calendar years 2000, 2001 and 2002. Any adjustments resulting from the examination will be currently due and payable. No adjustments have been proposed to date.

8. Dividends:

On October 7, 2003 the Company declared a dividend of \$.60 per share, which was paid on October 31, 2003.

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9. Disclosures about reportable segments:

Alico, Inc. has three reportable segments: citrus, sugarcane, and ranching. The commodities produced by these segments are sold to wholesalers and processors who prepare the products for consumption. The Company's operations are located in Florida.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Alico, Inc. evaluates performance based on profit or loss from operations before income taxes. Alico, Inc.'s reportable segments are strategic business units that offer different products. They are managed separately because each segment requires different management techniques, knowledge and skills.

The following table presents information for each of the Company's

operating segments as of and for the three months ended November 30, 2003:

	Citrus	Sugarcane	Ranch	Other*	Consolidated Total
Revenue	\$ 1,354	2,591	3,344	1,630	8,919
Costs and expenses	2,254	2,107	2,620	1,864	8,845
Depreciation and amortization	603	535	356	81	1,575
Segment profit (loss)	(900)	484	724	(234)	74
Segment assets	52,972	50,164	23,630	79,692	206,458

The following table presents information for each of the Company's operating segments as of and for the three months ended November 30, 2002:

	Citrus	Sugarcane	Ranch	Other*	Consolidated Total
Revenue	\$ 1,621	2,748	2,118	1,768	8,255
Costs and expenses	1,580	2,224	2,214	1,888	7,906
Depreciation and amortization	593	592	364	136	1,685
Segment profit	41	524	(96)	(120)	349
Segment assets	53,388	50,461	24,169	64,494	192,512

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

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## 10. 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.

On November 30, 2003, there were 113,883 shares exercisable and 347,225 shares available for grant.

	Options	Weighted average exercise price	Weighted average remaining contractual Life (in years)
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	65,081	15.34	
Exercised	35,518	15.57	
Balance outstanding, November 30, 2003	178,964	15.38	

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 (in thousands):

	Three months ended November 30,	
	2003	2002
Net income as reported	\$ 49	\$ 258
Proforma net income	\$ 63	\$ 256
Basic earnings per share reported	\$ .01	\$ .04
Proforma basic earnings per share	\$ .01	\$ .04

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#### 11. Future Application of Accounting Standards

In January 2003, the Financial Accounting Standards Board (FASB) issued Interpretation No. 46, "Consolidation of Variable Interest Entities." Interpretation No. 46 requires unconsolidated variable interest entities to be consolidated by their primary beneficiaries if the entities do not effectively disperse the risks and rewards of ownership among their owners and other parties involved. The provisions of interpretation No. 46 are applicable immediately to all variable interest entities created after January 31, 2003 and variable interest entities in which an enterprise obtains an interest after that date, and for variable interest entities created before that date, the provisions are effective for reporting periods beginning after December 31, 2003. 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 decreased to \$74.9 million at November 30, 2003, down from \$79.5 million at August 31, 2003. As of November 30, 2003, the Company had cash and cash investments of \$7.2 million compared to \$16.4 million at August 31, 2003. Marketable securities increased to \$44.7 million from \$38.8 million during the same period. The ratio of current assets to current liabilities increased to 10.72 to 1 at November 30, 2003 up from 8.41 to 1 at August 31, 2003. Total assets decreased by \$6.2 million to \$206.5 million at November 30, 2003, compared to \$212.7 million at August 31, 2003.

Management expects several real estate transactions to close in fiscal 2004. Additionally, 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.

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 \$10.7 million was available for the Company's general use at November 30, 2003 (see Note 6 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 three months ending November 30, 2003 decreased by \$209 thousand when compared to the first quarter of the prior year. This was primarily due to a decrease in profit from bulk real estate sales for the quarter ended November 30, 2003 when compared to the quarter ended November 30, 2002. No bulk real estate sales occurred in the first quarter of fiscal 2004, while a profit of \$451 thousand was earned from bulk real estate sales during the first quarter of fiscal 2003.

Income from operations increased to \$33 thousand for the first quarter of fiscal 2004 from \$19 thousand for the first quarter of fiscal 2003. The increase was primarily due to an increase in income from rock and sand product sales. Income from agricultural operations decreased when compared to the first quarter of fiscal 2003 (\$308 thousand vs. \$469 thousand for the first three months of fiscal 2004 and 2003, respectively). **For a detailed discussion of agricultural operating results please see below.**

#### Citrus

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The Citrus division recorded a loss of \$900 thousand for the first quarter of fiscal 2004, compared to \$41 thousand profit during the first quarter of fiscal 2003. Recognition of revenue from the prior year's crop totaled \$174 thousand in fiscal 2003 vs. \$193 thousand in the first quarter of fiscal 2003 (see Note 1 to Condensed Consolidated Financial Statements). The current year Florida orange crop has been forecasted to be the largest on record. Accordingly, citrus prices have declined **(\$4.28 vs. \$4.91 average price per box at November 30, 2003 and 2002, respectively)**. In light of this, the Company recorded a valuation allowance of \$722 thousand for its unharvested fruit crop on trees at November 30, 2003.

#### Sugarcane

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Sugarcane earnings were \$484 thousand for the first quarter of fiscal 2004, compared to \$524 thousand during the first quarter of fiscal 2003. Less acres were harvested during the first quarter of fiscal 2004 than the first quarter of fiscal 2003 **(2,904 vs. 3,263 acres harvested for the first quarter of fiscal 2004 and 2003, respectively)**, and was the primary reason for the decline.

#### Ranching

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Ranch earnings increased during the first quarter of 2004 when compared to the same period a year ago (\$724 thousand vs. (\$96 thousand) for the three months ended November 30, 2003 and 2002, respectively). The number of cattle sold increased by 28% during the first quarter of fiscal 2004 compared to the same period in 2003 **(3,395 vs. 2,658 for the first quarter of fiscal 2004 and 2003, respectively)**. **More animals of the age and size required by meat packers were available for sale in fiscal 2004 than in 2003 because of the timing of placements into western feedlots.** Additionally, cattle prices increased 34% when compared to the same period a year ago **(\$.91 vs. \$.68 per pound in fiscal 2004 and 2003, respectively)**.

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 currently at prior year levels. The Company has no reason to believe its beef herd is subject to any risk from this disease.

#### General Corporate

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The Company is continuing its marketing and permitting activities for its land which surrounds Florida Gulf Coast University in Lee County, Florida. There are sales contracts in place for all this property, totaling \$171.8 million. The agreements are at various stages in the due diligence process with closing dates expected over the next three years.

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. The partnership will pay Alico a management fee for real estate management and administrative services.

During the second quarter of fiscal 2003, Agri contracted to sell an additional 53 acres in Lee County, Florida to the Ginn Company. The contract price is \$10.6 million. Agri also announced an addition to the original Ginn Company contract, adding 555 acres for a price of \$13.3 million. This amendment brought the total acreage of the contract to 5,060.

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 will result in a gain of \$18.2 million, of which \$2.1 million will be recorded in the second quarter of fiscal 2004, while the remainder is expected to be recognized by August 31, 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.

#### Disclosure of Contractual Obligations

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Contractual obligations of the Company are outlined below:

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November 30, 2003

(in thousands)

	Total	Less than 1 year	1-3 years	3-5 years	5+
Contractual obligations					
Long-term debt	\$56,597	\$3,321	\$39,572	\$4,633	\$9,071
Leases (Operating & capital)	-	-	-	-	-
Purchase obligations (donation)	3,012	784	1,458	770	-
Other long-term liabilities	19,704	-	9,931	180	9,593

August 31, 2003

(in thousands)

	Total	Less than 1 year	1-3 years	3-5 years	5+
Contractual obligations					
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

#### Critical Accounting Policies and Estimates

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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 \$174 thousand during fiscal 2004 and \$193 thousand in fiscal 2003.

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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.

#### Cautionary Statement

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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 maintains controls and procedures designed to ensure that

information required to be disclosed in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Based upon their evaluation of those controls and procedures performed within 90 days of the filing date of this report, the Chief Executive and Chief Financial officers of the Company concluded that the Company's disclosure controls and procedures were adequate.

#### Changes in internal controls

The Company made no significant changes in its internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation of those controls by the Chief Executive and Chief Financial officers.

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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) certification.

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

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Exhibit 32.1 Section 1350 certification.

Exhibit 32.2 Section 1350 certification.

Exhibit 99. Accountant's Review Report.

(b) Reports on Form 8-K.

January 8, 2004 announcing real estate sale by Alico-Agri

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#### 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)

January 3, 2005  
Date

W. Bernard Lester  
President  
Chief Executive Officer

(Signature)

January 3, 2005  
Date

L. Craig Simmons  
Vice President  
Chief Financial Officer  
(Signature)

January 3, 2005  
Date

Patrick W. Murphy  
Controller  
(Signature)

## EXHIBIT 11

## ALICO, INC.

Computation of Weighted Average Shares Outstanding and earnings per share  
as of November 30, 2003:

Date	Shares	Outstanding	Days	Weight
09/01/03 -	7,116,070	3	21,348,210	
09/03/03 4,461	7,120,531	1	7,120,531	
09/04/03 3,206	7,123,737	-		
09/04/03 2,000	7,125,737	4	28,502,948	
09/08/03 4,529	7,130,266	-		
09/08/03 2,000	7,132,266	-		
09/08/03 2,181	7,134,447	1	7,134,447	
09/09/03 4,000	7,138,447	14	99,938,258	
09/23/03 2,000	7,140,447	48	342,741,456	
11/10/03 4,940	7,145,387	7	50,017,709	
11/17/03 1,712	7,147,099	3	21,441,297	
11/20/03 2,000	7,149,099	-		
11/20/03 2,000	7,151,099	6	42,906,594	
11/26/03 539	7,151,638	4	28,606,552	
	123,811	7,140,198	91	649,758,002
Average outstanding shares (Total weight / days)				7,140,198
Net income for the three months ended November 30, 2003				\$ 49,000
Earnings per share				
(Net income / Average outstanding shares)				\$.01
Average outstanding shares (non diluted)			7,140,198	
Dilutive securities (stock options)			113,883	
Diluted shares			7,254,081	
Fully diluted earnings per share				\$.01
(Net income / diluted shares)				

## **Report of Independent Registered Public Accounting Firm**

The Stockholders and

Board of Directors

Alico, Inc.:

We have reviewed the condensed consolidated balance sheet of Alico, Inc. and subsidiaries as of November 30, 2003, and the related condensed consolidated statements of operations for the three month periods ended November 30, 2003 and 2002, and the condensed consolidated statements of cash flows for the three month periods ended November 30, 2003 and 2002. These condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical review procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with standards established by the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Alico, Inc. and subsidiaries as of August 31, 2003 and the related consolidated statements of operations, stockholders' equity and cash flows for the year then ended (not presented herein); and in our report dated October 10, 2003 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of August 31, 2003, is fairly presented, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ KPMG

Orlando, Florida December 31, 2003

Exhibit 31.1

I, W. Bernard Lester, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Alico, Inc. (Alico) for the three months ended November 30, 2003,
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Alico as of, and for, the periods presented in this report;
4. Alico's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for Alico and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Alico, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of Alico's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in Alico's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter included in this quarterly report on Form 10-Q/A that has materially affected, or is reasonably likely to materially affect, Alico's internal control over financial reporting; and
5. Alico's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Alico's auditors and audit committee of Alico's Board of Directors:
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect Alico's ability to record, process, summarize, and report financial information; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in Alico's internal controls over financial reporting.

Dated: January 6,  
2005

/S/ W. BERNARD LESTER  
W. Bernard Lester  
Chief Executive Officer

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Exhibit 31.2

I, L. Craig Simmons, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A of Alico, Inc. (Alico) for the three months ended November 30, 2003,
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Alico as of, and for, the periods presented in this report;

4. Alico's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for Alico and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Alico, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Evaluated the effectiveness of Alico's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
- (c) Disclosed in this report any change in Alico's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter included in this quarterly report on Form 10-Q/A that has materially affected, or is reasonably likely to materially affect, Alico's internal control over financial reporting; and

5. Alico's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Alico's auditors and audit committee of Alico's Board of Directors:

- (a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect Alico's ability to record, process, summarize, and report financial information; and
- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in Alico's internal controls over financial reporting.

Dated:  
2005

January

6,

/S/ L. CRAIG SIMMONS  
L. Craig Simmons  
Chief Executive Officer

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**Exhibit 32.1**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Alico, Inc. (the "Company") on Form 10-Q/A for the three months ended November 30, 2003 as filed with the Securities and Exchange Commission on January 6, 2005 (the "Form 10-Q/A"), I, W. Bernard Lester, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-Q/A fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q/A fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 6, 2005

/S/ W. BERNARD LESTER  
W. Bernard Lester  
Chief Financial Officer

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**Exhibit 32.2**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Alico, Inc. (the "Company") on Form 10-Q/A for the three months ended November 30, 2003 as filed with the Securities and Exchange Commission on January 6, 2005 (the "Form 10-Q/A"), I, L. Craig Simmons, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-Q/A fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q/A fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 6, 2005

/S/ L. CRAIG SIMMONS  
L. Craig Simmons  
Chief Financial Officer