RITCHIE BROS AUCTIONEERS INC
Form 6-K
May 03, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

Form 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934
For the quarter ended March 31, 2011

Commission File Number: 001-13425
Ritchie Bros. Auctioneers Incorporated
9500 Glenlyon Parkway
Burnaby, BC, Canada
V5J 0C6
(778) 331 5500
(Address of principal executive offices)

indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F
Form 20-F o Form 40-F þ
indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): o
indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): o
indicate by check mark whether by furnishing information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934
Yes o No þ
If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-__________

PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements do not include all information and footnotes required by International Financial Reporting Standards as issued by the IASB (IFRS), for a complete set of annual financial statements. However, in the opinion of management, all adjustments (which consist only of normal recurring adjustments) necessary for a fair presentation of the results of operations for the relevant periods have been made. Results for the interim periods are not necessarily indicative of the results to be expected for the year or any other period. These financial statements should be read in conjunction with the summary of accounting policies and the notes to the consolidated financial statements included in the Company s Annual Report on Form 40-F for the fiscal year ended December 31, 2010, a copy of which has been filed with the U.S. Securities and Exchange Commission. These policies have been applied on a consistent basis with the exception of the changes as a result of the transition to IFRS, as disclosed in note 13 to these statements.

RITCHIE BROS. AUCTIONEERS INCORPORATED
Condensed Consolidated Income Statements
(Expressed in thousands of United States dollars, except share and per share amounts)
(Unaudited)

Three months ended March 31,		2011		2010
Auction revenues	$	88,463	$	83,544
Direct expenses (note 4)		8,933		10,685
		79,530		72,859
Selling, general and administrative expenses (note 4)		60,185		52,944
Earnings from operations		19,345		19,915
Other income (expense):				
Foreign exchange loss		(487)		(430)
Gain on disposition of property, plant and equipment		3,639		85
Other		684		(278)
		3,836		(623)
Finance income (costs):				
Finance income		680		611
Finance costs		(1,457)		(1,278)
		(777)		(667)
Earnings before income taxes		22,404		18,625
Income tax expense (recovery) (note 5):				
Current		3,960		6,249
Deferred		1,874		(331)
		5,834		5,918
Net earnings	$	16,570	$	12,707
Net earnings per share (note 6):				
Basic	$	0.16	$	0.12
Diluted	$	0.16	$	0.12

Weighted average number of shares outstanding:		
Basic	105,809,701	105,412,766
Diluted	106,611,182	106,080,428

See accompanying notes to condensed consolidated interim financial statements.

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on April 29, 2011.

/s/ Beverley A Briscoe	/s/ Peter J Blake
Beverley A Briscoe	Peter J Blake
Director	Chief Executive Officer

RITCHIE BROS. AUCTIONEERS INCORPORATED
Condensed Consolidated Statements of Comprehensive Income
(Expressed in thousands of United States dollars)
(Unaudited)

Three months ended March 31,	2011	2010
Net earnings	$ 16,570	$ 12,707
Other comprehensive income (loss):		
Foreign currency translation adjustment	10,638	(4,029)
Total comprehensive income	$ 27,208	$ 8,678

See accompanying notes to condensed consolidated interim financial statements.

RITCHIE BROS. AUCTIONEERS INCORPORATED
Condensed Consolidated Balance Sheets
(Expressed in thousands of United States dollars)
(Unaudited)

	March 31, 2011	December 31, 2010	January 1, 2010
Assets			
Current assets:			
Cash and cash equivalents	$ 157,589	$ 68,185	$ 122,596
Trade and other receivables	161,197	59,818	51,963
Inventory	63,261	26,533	6,640
Advances against auction contracts	12,784	2,379	4,574
Prepaid expenses and deposits	10,281	10,565	8,131
Assets held for sale		421	3,675
Current portion of loan receivable	106	105	100
Current other assets	50	37	165
Income taxes receivable	11,584	14,635	3,824
	416,852	182,678	201,668
Property, plant and equipment (note 7)	635,280	618,984	590,108
Investment property (note 8)	8,501	8,246	7,837
Loan receivable	4,999	5,026	5,131
Other non-current assets	8,235	6,227	5,666
Goodwill	46,628	46,254	45,593
Deferred tax assets	2,742	5,143	3,485
	$ 1,123,237	$ 872,558	$ 859,488
Liabilities and Shareholders Equity			
Current liabilities:			
Auction proceeds payable	$ 205,258	$ 46,463	$ 74,726
Trade and other payables	103,711	87,685	88,402
Income taxes payable	1,106	1,900	
Current borrowings (note 9)	49,983	1,087	19,326
	360,058	137,135	182,454
Non-current borrowings (note 9)	138,537	135,886	116,137
Other non-current liabilities	3,587	1,659	1,254
Deferred tax liabilities	16,976	18,011	13,565
	519,158	292,691	313,410

Shareholders equity:			
Share capital (note 10)	110,489	103,978	99,980
Additional paid-in capital	22,703	21,101	18,239
Retained earnings	455,729	450,268	427,859
Foreign currency translation reserve	15,158	4,520	
	604,079	579,867	546,078
	$ 1,123,237	$ 872,558	$ 859,488

Contingencies (note 12)
See accompanying notes to condensed consolidated interim financial statements.

RITCHIE BROS. AUCTIONEERS INCORPORATED
Condensed Consolidated Statements of Changes in Equity
(Expressed in thousands of United States dollars, except share amounts)
(Unaudited)

	Share Capital Number of Shares	Share Capital Amount	Additional Paid-In Capital	Retained Earnings	Foreign Currency Translation Reserve	Total Shareholders Equity
Balance, January 1, 2010	105,378,620	$ 99,980	$ 18,239	$ 427,859	$	$ 546,078
Total comprehensive income						
Net earnings				12,707		12,707
Foreign currency translation adjustment					(4,029)	(4,029)
				12,707	(4,029)	8,678
Exercise of stock options	80,166	1,232	(217)			1,015
Share based compensation tax adjustment			(265)			(265)
Share based compensation expense (note 11(b))			669			669
Cash dividends paid				(10,540)		(10,540)
Balance, March 31, 2010	105,458,786	101,212	18,426	430,026	(4,029)	545,635
Total comprehensive income						
Net earnings				52,968		52,968
Foreign currency translation adjustment					8,549	8,549
				52,968	8,549	61,517
Exercise of stock options	189,249	2,766	(502)			2,264
Share based compensation tax adjustment			455			455
Share based compensation expense (note 11(b))			2,722			2,722
Cash dividends paid				(32,726)		(32,726)
Balance, December 31, 2010	105,648,035	103,978	21,101	450,268	4,520	579,867

Total comprehensive income						
Net earnings				16,570		16,570
Foreign currency translation adjustment					10,638	10,638
				16,570	10,638	27,208
Exercise of stock options	395,452	6,511	(1,232)			5,279
Share based compensation tax adjustment			1,833			1,833
Share based compensation expense (note 11(b))			1,001			1,001
Cash dividends paid				(11,109)		(11,109)
Balance, March 31, 2011	106,043,487	$ 110,489	$ 22,703	$ 455,729	$ 15,158	$ 604,079

See accompanying notes to condensed consolidated interim financial statements.

RITCHIE BROS. AUCTIONEERS INCORPORATED
Condensed Consolidated Statements of Cash Flows
(Expressed in thousands of United States dollars)
(Unaudited)

Three months ended March 31,	2011	2010
Cash provided by (used in):		
Operating activities:		
Net earnings	$ 16,570	$ 12,707
Items before changes in non-cash working capital:		
Depreciation	10,312	6,409
Share based compensation expense	1,001	669
Deferred income tax expense (recovery)	1,874	(331)
Foreign exchange loss	487	430
Net gain on disposition of property, plant and equipment	(3,639)	(85)
Changes in non-cash working capital:		
Trade and other receivables	(99,453)	(45,407)
Inventory	(35,939)	(15,424)
Advances against auction contracts	(10,363)	(2,609)
Prepaid expenses and deposits	691	(1,361)
Income taxes receivable	3,051	2,590
Income taxes payable	(1,356)	(3,667)
Auction proceeds payable	157,434	145,490
Trade and other payables	13,183	(10,376)
Other	(2,090)	(396)
Interest paid	1,614	1,852
Income taxes paid	733	3,667
Net cash generated by operating activities	54,110	94,158
Investing activities:		
Property, plant and equipment additions	(14,791)	(18,932)
Proceeds on disposition of property, plant and equipment	4,669	610
Decrease/(Increase) in other assets	(1,966)	1,298
Net cash used in investing activities	(12,088)	(17,024)
Financing activities:		
Issuance of share capital	5,279	1,015
Dividends on common shares	(11,109)	(10,540)
Issuance of short-term borrowings	48,947	78
Repayment of short-term borrowings		(4,897)
Other	1,836	45
Net cash used in financing activities	44,953	(14,299)

Effect of changes in foreign currency rates on cash and cash equivalents	2,429	(279)
Increase in cash and cash equivalents	89,404	62,556
Cash and cash equivalents, beginning of period	68,185	122,596
Cash and cash equivalents, end of period	$ 157,589	$ 185,152

See accompanying notes to condensed consolidated interim financial statements.

RITCHIE BROS. AUCTIONEERS INCORPORATED

Notes to Condensed Consolidated Interim Financial Statements
Three months ended March 31, 2011 and 2010
(Tabular dollar amounts expressed in thousands of United States dollars, except share and per share amounts)
(Information as at March 31, 2011 and March 31, 2010, and for the three months then ended, is unaudited)

1. General information:

Ritchie Bros. Auctioneers Incorporated and its subsidiaries (collectively referred to as the Company) sell used and unused industrial equipment and other assets for the construction, transportation, material handling, mining, forestry, petroleum, agricultural and other industries at its unreserved auctions worldwide.

Ritchie Bros. Auctioneers Incorporated is a company incorporated in Canada whose shares are publicly traded on the Toronto Stock Exchange (TSX) and the New York Stock Exchange (NYSE). It was amalgamated in December 1997 under the Canada Business Corporations Act. The address of its registered office is located at 1300 777 Dunsmuir Street, Vancouver, British Columbia, Canada.

2. Significant accounting policies:

The principal accounting policies applied in the preparation of these condensed consolidated interim financial statements are set out below. These policies have been consistently applied to the periods presented, unless otherwise stated.

(a) Basis of preparation:

These condensed consolidated interim financial statements including comparatives present the consolidated income statements, statements of comprehensive income, balance sheets, statements of changes in equity and statements of cash flows of the Company. The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for cash flows and cash and cash equivalents, the financial instrument valued at fair value through profit and loss that is measured at fair value. A summary of the principal accounting policies is set out below.

(b) Statement of compliance:

The condensed consolidated interim financial statements of the Company have been prepared under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) incorporating Interpretations issued by the IFRS Interpretations Committee (IFRICs), and complying with the Canada Business Corporations Act 1997. These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These are the Company s first IFRS condensed consolidated interim financial statements for part of the period covered by the first IFRS annual financial statements and IFRS 1 *First-time Adoption of IFRS* has been applied. These condensed consolidated interim financial statements have been prepared in accordance with the accounting policies the Company expects to adopt in its December 31, 2011 consolidated annual financial statements. These accounting policies are based on the IFRS and IFRICs that the Company expects to be applicable at that time. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

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The disclosures concerning the transition from pre-changeover Canadian Generally Accepted Accounting Principles (previous GAAP) to IFRS are included in the First-time adoption of IFRS note (note 13). In preparing these condensed consolidated interim financial statements, management has amended certain accounting methods formerly applied in the previous GAAP financial statements to comply with IFRS. The comparative figures for 2010 were restated to reflect these adjustments.

(c) Basis of consolidation:

(i) Subsidiaries:

The condensed consolidated interim financial statements incorporate the assets and liabilities of all subsidiaries of Ritchie Bros. Auctioneers Incorporated for all periods presented and the results of all subsidiaries for the periods then ended.

Subsidiaries are all those entities which the Company controls, i.e. has the power to govern the financial and operating policies, generally accompanying an equity holding of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Company.

Inter-entity transactions, balances and unrealized gains on transactions between entities within the consolidated company are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. The Company s accounting policies are applied consistently throughout the organization.

(ii) Ultimate parent entity

Ritchie Bros. Auctioneers Incorporated is the ultimate parent entity of the consolidated company.

(d) Revenue recognition:

Auction revenues are comprised mostly of auction commissions, which are earned by the Company acting as an agent for consignors of equipment and other assets, but also include net profits on the sale of inventory, internet purchase fees, administrative and documentation fees on the sale of certain lots, and auction advertising fees.

Auction commissions represent the percentage earned by the Company on the gross proceeds from equipment and other assets sold at auction. The majority of auction commissions are earned as a pre-negotiated fixed rate of the gross selling price. Other commissions are earned when the Company guarantees a certain level of proceeds to a consignor. This type of commission typically includes a pre-negotiated percentage of the guaranteed gross proceeds plus a percentage of proceeds in excess of the guaranteed amount. If actual auction proceeds are less than the guaranteed amount, commission is reduced; if proceeds are sufficiently lower, the

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Company can incur a loss on the sale. Losses, if any, resulting from guarantee contracts are recorded in the period in which the relevant auction is completed. If a loss relating to a guarantee contract held at the period end to be sold after the period end is known at the financial statement reporting date, the loss is accrued in the financial statements for that period. The Company s exposure from these guarantee contracts fluctuates over time (see contingencies note 12).

Auction revenues also include auction fees and net profit on the sale of inventory items. In some cases the Company temporarily acquires title to items for a short time prior to a particular auction sale; the revenue recorded is the net gain or loss on the sale of the items.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is shown net of value-added tax and duties.

The Company recognizes revenue when the auction sale is complete and the Company has determined that the auction proceeds are collectible.

(e) Foreign currency translation:

The parent entity s presentation and functional currency is the United States dollar. The functional currency for each of the parent entity s subsidiaries is the currency of the primary economic environment, which is usually the currency of the country of residency. Accordingly, the financial statements of the Company s subsidiaries that are not denominated in United States dollars have been translated into United States dollars using the exchange rate at the end of each reporting period for asset and liability amounts and the monthly average exchange rate for amounts included in the determination of earnings. Any gains or losses from the translation of asset and liability amounts are included in foreign currency translation reserve in other comprehensive income, which is included as a separate component of shareholders equity.

In preparing the financial statements of the individual subsidiaries, transactions in currencies other than the entity s functional currency are recognized at the rates of exchange prevailing at the dates of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(f) Cash and cash equivalents:

Cash and cash equivalents is comprised of cash on hand, deposits with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less when acquired, that are readily convertible to known amounts of cash.

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(g) Inventory:

Inventory is represented by goods held for auction and has been valued at the lower of cost, determined by the specific identification method, and net realizable value.

(h) Financial instruments:

(i) Recognition of financial instruments:

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset, and substantially all the risks and rewards of ownership of the asset, to another entity.

Financial liabilities are derecognized when the Company s obligations are discharged, cancelled or they expire.

(ii) Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified as held for trading if it has been acquired principally for the purpose of selling in the short term or if so designated by management and meets the criteria to designate at fair value. The policy of management is to designate a financial asset as held for trading if the possibility exists that it will be sold in the short term and the asset is subject to frequent changes in fair value.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognized in the income statement. The net gain or loss recognized in the income statement incorporates any dividends or interest earned on the financial asset.

Assets in this category are classified as current assets and are cash and cash equivalents on the balance sheet.

(iii) Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides services with no intention of selling the receivable. They are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

Assets in this category are classified as current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are trade and other receivables, advances against auction contracts and other current assets on the balance sheet.

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(iv) Effective interest method:

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs, and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period.

Income is recognized on an effective interest basis for debt instruments other than those financial assets designated as fair value through profit or loss.

(v) Impairment of financial assets:

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Objective evidence of impairment could include:

a. Significant financial difficulty of the issuer or counterparty;

b. Default or delinquency in interest or principal payments; or

c. It becoming probable that the borrower will enter bankruptcy or financial re-organization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset s carrying amount and the present value of estimated future cash flows, discounted at the financial asset s original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(vi) Financial liabilities:

Trade and other payables, auction proceeds payable, other liabilities and borrowings are measured at amortized cost using the effective interest method. Transaction costs are offset against the outstanding principal of the related debts and are amortized using the effective interest rate method.

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(i) Property, plant and equipment:

All property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to working condition for their intended use, the costs of dismantling and removing items and restoring the site on which they are located (if applicable) and capitalized interest on qualifying assets. Subsequent costs are included in the asset s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

When major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment and depreciated over their respective lives. Depreciation is provided to charge the cost of the assets to operations over their estimated useful lives based on their usage as follows:

Asset	**Basis**	**Rate/term**
Improvements	declining balance	10%
Buildings	straight-line	30 years
Computer software	straight-line	3 - 5 years
Yard equipment	declining balance	20 - 30%
Automotive equipment	declining balance	30%
Computer equipment	straight-line	3 - 5 years
Office equipment	declining balance	20%
Leasehold improvements	straight-line	Terms of leases

No depreciation is provided on freehold land or on assets in the course of construction or development.

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Where assets are to be taken out of use, an impairment charge is levied. Where assets useful lives are shortened, an estimate is made of their new lives and an accelerated depreciation charge is levied.

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At the end of each reporting period, the Company reviews the carrying amounts of property, plant and equipment to determine whether depreciation policies and useful lives remain appropriate and also if there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. CGUs are identified as the smallest group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of the CGU is determined as the higher of fair value less costs to sell and value in use. The value in use is calculated by applying a pre-tax discounted cash flow modeling to management s projection of future cash flows and any impairment is determined by comparing the carrying value with the value in use. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Legal obligations to retire and constructive obligations to restore property, plant and equipment and assets under operating leases are recorded at management s best estimate in the period in which they are incurred, if a reasonable estimate can be made, with a corresponding increase in asset carrying value. The liability is accreted to face value over the remaining estimated useful life of the asset. The Company does not have any significant asset retirement obligations.

(j) Goodwill:

Goodwill represents non-identifiable intangible assets acquired on business combinations. Goodwill is not amortized and is tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. Goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes. The impairment test compares the carrying amount of the goodwill against its implied fair value. To the extent that the carrying amount of goodwill exceeds its fair value, an impairment loss is charged against profit or loss.

(k) Investment property:

The Company s investment property is held for capital appreciation, not for sale in the ordinary course of business or for administrative purposes, and is carried at cost.

(l) Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are measured at carrying amount in accordance with the Company s accounting policies. Thereafter the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognized in profit or loss.

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(m) Share-based payments:

The Company has a stock-based compensation plan, which is described in the share based payment note. The Company uses a fair value method to account for employee share-based compensation; cost attributable to options granted to employees is measured at the fair value of the underlying option at the grant date using the Black-Scholes option pricing model. Details regarding this determination are described in note 11. Compensation expense is recognized over the period in which the service conditions are fulfilled with a corresponding increase to equity, ending on the date the employees become fully entitled to the award. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

(n) Taxes:

Income tax expense represents the sum of current tax expense and deferred tax expense.

(i) Current tax:

The current tax expense is based on taxable profit for the period and includes any adjustments to tax payable in respect of previous years. Taxable profit differs from profit as reported in the condensed consolidated income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

(ii) Deferred tax:

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

RITCHIE BROS. AUCTIONEERS INCORPORATED
Notes to Condensed Consolidated Interim Financial Statements
Three months ended March 31, 2011 and 2010
(Tabular dollar amounts expressed in thousands of United States dollars, except share and per share amounts)
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A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(iii) Current and deferred tax for the period:

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity, or where they arise from the initial accounting for a business combination.

(o) Net earnings per share:

Net earnings per share has been calculated based on the weighted average number of common _____shares outstanding. Diluted net earnings per share has been calculated after giving effect to outstanding dilutive options calculated by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding for all dilutive shares.

(p) New and amended accounting standards:

At the date of authorization of these financial statements, the following standards and interpretations were issued but not yet effective:

In December 2010, the IASB issued amendments to IFRS 1 *First-time Adoption of IFRS* to eliminate references to fixed dates. This amendment is effective for years beginning on or after July 1, 2011. The Company has early adopted this amendment.

In 2009, the IASB issued the first part of IFRS 9 *Financial Instruments - Classification & Measurement*. This standard is effective for periods starting on or after January 1, 2013. The Company has chosen not to early adopt this standard.

RITCHIE BROS. AUCTIONEERS INCORPORATED
Notes to Condensed Consolidated Interim Financial Statements
Three months ended March 31, 2011 and 2010
(Tabular dollar amounts expressed in thousands of United States dollars, except share and per share amounts)
(Information as at March 31, 2011 and March 31, 2010, and for the three months then ended, is unaudited)

3. Critical accounting estimates and judgments:

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company s accounting policies and assumptions. Estimates and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are depreciation methods; valuation of inventory; valuation and recognition of income taxes; valuation of commitments under guarantee contracts; and the calculation of share based payments.

4. Expenses by nature:

The Company classifies expenses according to function in the condensed consolidated income statements. The following items are listed by function into additional components by nature:

Direct Expenses

	2011	2010
Employee compensation expense	$ 3,339	$ 3,316
Travel, advertising and promotion	2,992	4,453
Other direct expenses	2,602	2,916
	$ 8,933	$ 10,685

Selling, general and administrative expenses

	2011	2010
Employee compensation expense	$ 31,801	$ 28,815
Buildings & facilities	9,595	9,728
Travel, advertising and promotion	4,187	3,429
Other general and administrative expenses	4,290	4,563
	$ 49,873	$ 46,535
Depreciation	10,312	6,409
	$ 60,185	$ 52,944

RITCHIE BROS. AUCTIONEERS INCORPORATED
Notes to Condensed Consolidated Interim Financial Statements
Three months ended March 31, 2011 and 2010
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5. Income taxes:

Income tax expense is recognized based on management s best estimate of the annual income tax rate expected by jurisdiction for the full financial year applied to the pre-tax income of the interim period. The Company s consolidated effective tax rate in respect of operations for the three months ended March 31, 2011 was 26.0% (three months ended March 31, 2010: 31.8%). The change in effective tax rate was caused mainly by the following factors:

A greater proportion of earnings in the period ended March 31, 2011 are subject to tax in jurisdictions with lower tax rates.

A gain from the disposition of land in the period ended March 31, 2011 is subject to a low tax rate.

In the period ended March 31, 2011, some tax losses have not been recognized because management did not consider it probable that future taxable profits would be available to utilize those losses.

6. Earnings per share:

Three months ended March 31, 2011	Net earnings	Shares	Per share amount
Basic net earnings per share	$ 16,570	105,809,701	$ 0.16
Effect of dilutive securities:			
Stock options		801,481	
Diluted net earnings per share	$ 16,570	106,611,182	$ 0.16

Three months ended March 31, 2010	Net earnings	Shares	Per share amount
Basic net earnings per share	$ 12,707	105,412,766	$ 0.12
Effect of dilutive securities:			
Stock options		667,662	
Diluted net earnings per share	$ 12,707	106,080,428	$ 0.12

For the three months ended March 31, 2011, stock options to purchase 494,160 common shares were outstanding but were excluded from the calculation of diluted earnings per share as they were anti-dilutive (2010: 1,037,563).

RITCHIE BROS. AUCTIONEERS INCORPORATED
Notes to Condensed Consolidated Interim Financial Statements
Three months ended March 31, 2011 and 2010
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7. Property, plant and equipment:

	Land and improvements	Buildings	Land, buildings and leasehold improvements under development	Yard and automotive equipment	Computer software and equipment	Computer software and equipment under development	Office equipment	Leasehold improvements	Total
Cost:									
Balance, January 1, 2010	$ 286,297	$ 232,160	$ 57,367	$ 49,069	$ 44,184	$ 14,084	$ 17,275	$ 4,396	$ 704,832
Additions	51	109	44,810	7,116	843	11,067	540	1,066	65,602
Disposals	(544)	(2,812)		(5,160)	(4,229)		(727)		(13,472)
Transfers from property under development to completed assets	47,285	24,059	(84,518)	2,842	23,836	(23,836)	2,848	7,484	
Reclassified as held for sale	(436)	(87)							(523)
Foreign exchange movement	5,617	4,662	(2,356)	663	2,874	473	372	(12)	12,293
Balance, December 31, 2010	$ 338,270	$ 258,091	$ 15,303	$ 54,530	$ 67,508	$ 1,788	$ 20,308	$ 12,934	$ 768,732
Additions	371	79	10,666	1,836	1,718	810	66		15,546
Disposals		(32)		(1,127)	(14)		(68)	(16)	(1,257)
Transfers from property under development to completed assets	113	(43)	(247)	29	(141)	141	25	123	
Foreign exchange movement	5,828	3,980	52	1,016	1,882	65	471	427	13,721

Balance, March 31, 2011	$ 344,582	$ 262,075	$ 25,774	$ 56,284	$ 70,953	$ 2,804	$ 20,802	$ 13,468	$ 796,742

RITCHIE BROS. AUCTIONEERS INCORPORATED
Notes to Condensed Consolidated Interim Financial Statements
Three months ended March 31, 2011 and 2010
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7. Property, plant and equipment (continued):

	Land and improvements	Buildings	Land, buildings and leasehold improvements under development	Yard and automotive equipment	Computer software and equipment	Computer software and equipment under development	Office equipment	Leasehold improvements	Total
Accumulated depreciation:									
Balance, January 1, 2010	$ (19,684)	$ (40,882)	$	$ (21,756)	$ (22,853)	$	$ (6,998)	$ (2,551)	$ (114,724)
Depreciation for the year	(5,109)	(8,866)		(7,835)	(12,556)		(2,603)	(844)	(37,813)
Disposals	117	1,579		3,240	(313)		694		5,317
Reclassified as held for sale	71	33							104
Foreign exchange movement	13	(661)		(297)	(1,599)		(94)	6	(2,632)
Balance, December 31, 2010	$ (24,592)	$ (48,797)	$	$ (26,648)	$ (37,321)	$	$ (9,001)	$ (3,389)	$ (149,748)
Depreciation for the period	(1,848)	(2,276)		(1,787)	(3,483)		(579)	(339)	(10,312)
Disposals	110	17		672	639		52	10	1,500
Foreign exchange movement	(337)	(716)		(494)	(1,098)		(197)	(60)	(2,902)
Balance, March 31, 2011	$ (26,667 x o								

3 SEC USE ONLY

4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 37,758.847
	6	SHARED VOTING POWER 4,855,094
	7	SOLE DISPOSITIVE POWER 37,758.847
	8	SHARED DISPOSITIVE POWER 306,784
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,892,852.847	
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*	o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.6%	
12	TYPE OF REPORTING PERSON* IN	

* SEE INSTRUCTIONS BEFORE FILLING OUT!

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1	NAMES OF REPORTING PERSONS Deborah S. Novack		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a)x (b)o
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0	
	6	SHARED VOTING POWER 4,855,094	
	7	SOLE DISPOSITIVE POWER 0	
	8	SHARED DISPOSITIVE POWER 330,697	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,855,094		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*		o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.5%		
12	TYPE OF REPORTING PERSON* IN		

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Lois T. Schnitzer	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a)x (b)o
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0
	6	SHARED VOTING POWER 4,855,094
	7	SOLE DISPOSITIVE POWER 210,435
	8	SHARED DISPOSITIVE POWER 0

9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,855,094	
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*	o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.5%	
12	TYPE OF REPORTING PERSON* IN	

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Rita S. Philip	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a)x (b)o
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0
	6	SHARED VOTING POWER 4,855,094
	7	SOLE DISPOSITIVE POWER 0
	8	SHARED DISPOSITIVE POWER 417,518

9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,855,094	
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*	o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.5%	
12	TYPE OF REPORTING PERSON* IN	

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Robert W. Philip		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a)x (b)o
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0	
	6	SHARED VOTING POWER 4,855,094	
	7	SOLE DISPOSITIVE POWER 0	
	8	SHARED DISPOSITIVE POWER 358,310	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,855,094		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*		o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.5%		
12	TYPE OF REPORTING PERSON* IN		

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Michele P. Rubin		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a)x (b)o
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0	
	6	SHARED VOTING POWER 4,855,094	
	7	SOLE DISPOSITIVE POWER 358	
	8	SHARED DISPOSITIVE POWER 0	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,855,094		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*		o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.5%		
12	TYPE OF REPORTING PERSON* IN		

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Joshua H. Philip		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a)x (b)o
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0	
	6	SHARED VOTING POWER 4,855,094	
	7	SOLE DISPOSITIVE POWER 1,497	
	8	SHARED DISPOSITIVE POWER 919	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,855,094		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*		o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.5%		
12	TYPE OF REPORTING PERSON* IN		

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Gayle S. Romain		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a)x (b)o
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 1,305	
	6	SHARED VOTING POWER 4,895,594	
	7	SOLE DISPOSITIVE POWER 242,455	
	8	SHARED DISPOSITIVE POWER 254,669	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,896,899		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*		o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.6%		
12	TYPE OF REPORTING PERSON* IN		

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Bryan L. Rosencrantz	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a)x (b)o
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 1,150
	6	SHARED VOTING POWER 4,855,094
	7	SOLE DISPOSITIVE POWER 32,528
	8	SHARED DISPOSITIVE POWER 0

9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,856,244	
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*	o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.5%	
12	TYPE OF REPORTING PERSON* IN	

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Laura Schnitzer Rosencrantz	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a)x (b)o
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0
	6	SHARED VOTING POWER 4,855,094
	7	SOLE DISPOSITIVE POWER 10,389
	8	SHARED DISPOSITIVE POWER 0

9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,855,094	
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*	o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.5%	
12	TYPE OF REPORTING PERSON* IN	

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Sandra Lee Schnitzer	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a)x (b)o
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0
	6	SHARED VOTING POWER 4,895,594
	7	SOLE DISPOSITIVE POWER 245,977
	8	SHARED DISPOSITIVE POWER 40,500

9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,895,594	
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*	o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.6%	
12	TYPE OF REPORTING PERSON* IN	

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Mardi S. Schnitzer		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a)x (b)o
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 1,800	
	6	SHARED VOTING POWER 4,895,594	
	7	SOLE DISPOSITIVE POWER 237,833	
	8	SHARED DISPOSITIVE POWER 97,037	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,897,394		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*		o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.6%		
12	TYPE OF REPORTING PERSON* IN		

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Jill Schnitzer Edelson	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a)x (b)o
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 5,905.896
	6	SHARED VOTING POWER 4,900,094
	7	SOLE DISPOSITIVE POWER 163,094.896
	8	SHARED DISPOSITIVE POWER 163,361

9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,905,999.896	
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*	o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.7%	
12	TYPE OF REPORTING PERSON* IN	

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Richard H. Edelson		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a)x (b)o
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0	
	6	SHARED VOTING POWER 4,855,094	
	7	SOLE DISPOSITIVE POWER 0	
	8	SHARED DISPOSITIVE POWER 18,675	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,855,094		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*		o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.5%		
12	TYPE OF REPORTING PERSON* IN		

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Dina S. Meier	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a)x (b)o
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0
	6	SHARED VOTING POWER 4,900,094
	7	SOLE DISPOSITIVE POWER 100,000
	8	SHARED DISPOSITIVE POWER 288,339

9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,900,094	
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*	o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.6%	
12	TYPE OF REPORTING PERSON* IN	

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Eric Meier	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a)x (b)o
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0
	6	SHARED VOTING POWER 4,855,094
	7	SOLE DISPOSITIVE POWER 0
	8	SHARED DISPOSITIVE POWER 167,047

9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,855,094	
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*	o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.5%	
12	TYPE OF REPORTING PERSON* IN	

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Jean S. Reynolds		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a)x (b)o
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 5,605.896	
	6	SHARED VOTING POWER 4,907,909	
	7	SOLE DISPOSITIVE POWER 150,277.896	
	8	SHARED DISPOSITIVE POWER 108,143	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,913,514.896		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*		o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.7%		
12	TYPE OF REPORTING PERSON* IN		

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Alan Scott Davis		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a)x (b)o
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 1,000	
	6	SHARED VOTING POWER 4,855,094	
	7	SOLE DISPOSITIVE POWER 82,768	
	8	SHARED DISPOSITIVE POWER 0	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,856,094		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*		o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.5%		
12	TYPE OF REPORTING PERSON* IN		

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Samantha Paige Goldstone (formerly Samantha Paige Davis)		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a)x (b)o
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 1,000	
	6	SHARED VOTING POWER 4,855,094	
	7	SOLE DISPOSITIVE POWER 71,652	
	8	SHARED DISPOSITIVE POWER 0	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,856,094		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*		o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.5%		
12	TYPE OF REPORTING PERSON* IN		

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Dori Schnitzer	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a)x (b)o
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		
	5	SOLE VOTING POWER 34,000
	6	SHARED VOTING POWER 4,945,409
	7	SOLE DISPOSITIVE POWER 811,798
	8	SHARED DISPOSITIVE POWER 145,643

9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,979,409	
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*	o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.9%	
12	TYPE OF REPORTING PERSON* IN	

* SEE INSTRUCTIONS BEFORE FILLING OUT!

1	NAMES OF REPORTING PERSONS Susan Schnitzer		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a)x (b)o
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION U.S.		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 0	
	6	SHARED VOTING POWER 4,937,594	
	7	SOLE DISPOSITIVE POWER 452,678	
	8	SHARED DISPOSITIVE POWER 82,500	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,937,594		
10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*		o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 17.8%		
12	TYPE OF REPORTING PERSON* IN		

* SEE INSTRUCTIONS BEFORE FILLING OUT!

Item 1(a). Name of Issuer

Schnitzer Steel Industries, Inc. (the “Company”)

Item1(b). Address of Issuer’s Principal Executive Offices

3200 NW Yeon Avenue
Portland, OR 97210

Item 2(a). Names of Persons Filing

Carol S. Lewis	Michele P. Rubin
Scott Lewis	Joshua H. Philip
Emanuel Rose	Gayle S. Romain
Larry Lewis	Bryan L. Rosencrantz
Kathleen Lewis	Laura Schnitzer Rosencrantz
Marilyn S. Easly	Sandra Lee Schnitzer
David S. Easly	Mardi S. Schnitzer
Danielle Easly Nye	Jill Schnitzer Edelson
Sean M. Easly	Richard H. Edelson
Gary Schnitzer	Dina S. Meier
Gregory Schnitzer	Eric Meier
Kenneth M. Novack	Jean S. Reynolds
Deborah S. Novack	Alan Scott Davis
Lois T. Schnitzer	Samantha Paige Goldstone (formerly Davis)
Rita S. Philip	Dori Schnitzer
Robert W. Philip	Susan Schnitzer

Item 2(b). Address of Principal Business Office, or if none, Residence

For all Reporting Persons:

3200 NW Yeon Avenue
Portland, OR 97210

Item 2(c). Citizenship or Place of Organization

Each individual listed in Item 2(a) is a citizen of the United States.

Item 2(d). Title of Class of Securities

Class A Common Stock, $1 par value

Item 2(e). CUSIP NUMBER

806882 10 6

Item 3. Type of Reporting Person

Inapplicable

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Item 4. Ownership

Pursuant to the terms of the Schnitzer Steel Industries, Inc. Restated Voting Trust and Buy-Sell Agreement dated March 26, 2001 (the "Schnitzer Trust Agreement"), the beneficial owners of 4,855,094 shares of Class B Common Stock of the Company have contributed those shares to the Schnitzer Steel Industries, Inc. Voting Trust (the "Schnitzer Trust"). The Schnitzer Trust is divided into four separate groups, one for each branch of the Schnitzer family. Carol S. Lewis, Dori Schnitzer, Gary Schnitzer, and Rita S. Philip are the four trustees of the Schnitzer Trust, and each is also the separate trustee for his or her separate family group. Pursuant to the Schnitzer Trust Agreement, the trustees as a group have the power to vote the shares held in the Schnitzer Trust and, in determining how the trust shares will be voted, each trustee separately has the number of votes equal to the number of shares held in trust for his or her family group.

The Reporting Persons are all beneficial owners of shares of Class B Common Stock contributed to the Schnitzer Trust. Each share of Class B Common Stock is convertible into one share of Class A Common Stock.

See Items 5 through 9 and 11 of the Cover Pages for the beneficial ownership of Class A Common Stock by each Reporting Person. All of the shares of Class A Common Stock reported in Items 5 through 9 and 11 of the Cover Pages are shares which may be acquired upon conversion of Class B Common Stock, except for the following shares of Class A Common Stock that are actually owned, subject to exercisable options or credited to accounts under the Company's Deferred Compensation Plan for Non-Employee Directors ("Director's DCP"):

	Reporting Person	Class A Common Stock Actually Owned	Percent of Class	Sole Voting Power	Shared Voting Power	Sole Dispositive Power	Shared Dispositive Power
1.	Carol S. Lewis	4,500	0.0	4,500	0	4,500	0
2.	Scott Lewis	93,850.8961	0.3	93,850.8961	0	93,850.8961	0
3.	Danielle Easly Nye	2,500	0.0	2,500	0	2,500	0
4.	Gary Schnitzer	28,8752	0.1	28,8752	0	28,8752	0
5.	Gregory Schnitzer	8,308	0.0	8,308	0	8,308	0
6.	Kenneth M. Novack	37,758.8473	0.1	37,758.8473	0	37,758.8473	0
7.	Gayle S. Romain	1,305	0.0	1,305	0	1,305	0
8.	Bryan L. Rosencrantz	1,150	0.0	1,150	0	1,150	0
9.	Mardi S. Schnitzer	1,800	0.0	1,800	0	1,800	0
10.	Jill Schnitzer Edelson	5,905.8964	0.0	5,905.8964	0	5,905.8964	0
11.	Jean S. Reynolds	8,420.8964	0.1	5,605.8964	2,815	5,605.8964	2,815
12.	Alan Scott Davis	1,000	0.0	1,000	0	1,000	0
13.	Samantha Paige Goldstone	1,000	0.0	1,000	0	1,000	0
14.	Dori Schnitzer	36,815	0.1	34,000	2,815	34,000	2,815

1 Includes 8,100 shares subject to exercisable options under the Company's 1993 Stock Incentive Plan and 5,605.896 shares credited to an account under the Director's DCP.

2 Includes 20,856 shares subject to exercisable options under the Company's 1993 Stock Incentive Plan.

3 Includes 29,350 shares subject to exercisable options under the Company's 1993 Stock Incentive Plan and 8,408.847 shares credited to an account under the Director's DCP.

4 Includes 5,605.896 shares credited to an account under the Director's DCP.

Item 5. Ownership of Five Percent or Less of a Class

Inapplicable

Item 6. Ownership of More than Five Percent on Behalf of Another Person

Inapplicable

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

Inapplicable

Item 8. Identification and Classification of Members of the Group

The Reporting Persons are required to file this Schedule pursuant to Rule 13d-1(d) and are filing a joint Schedule on behalf of all of them. Attached as Exhibit A to this Amendment No. 16 is the Schedule 13G Filing Agreement and Power of Attorney among the Reporting Persons which identifies each member of the group.

Item 9. Notice of Dissolution of Group

Inapplicable

Item 10. Certification

Inapplicable

SIGNATURE

After reasonable inquiry and the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 11, 2010

CAROL S. LEWIS
SCOTT LEWIS
EMANUEL ROSE
LARRY LEWIS
KATHLEEN LEWIS
MARILYN S. EASLY
DAVID S. EASLY
DANIELLE EASLY NYE
SEAN M. EASLY
GARY SCHNITZER
GREGORY SCHNITZER
KENNETH M. NOVACK

DEBORAH S. NOVACK
LOIS T. SCHNITZER
RITA S. PHILIP
ROBERT W. PHILIP
MICHELE P. RUBIN
JOSHUA H. PHILIP
GAYLE S. ROMAIN
BRYAN L. ROSENCRANTZ
LAURA SCHNITZER ROSENCRANTZ

SANDRA LEE SCHNITZER
MARDI S. SCHNITZER
JILL SCHNITZER EDELSON
RICHARD H. EDELSON
DINA S. MEIER
ERIC MEIER
JEAN S. REYNOLDS
ALAN SCOTT DAVIS
SAMANTHA PAIGE GOLDSTONE
DORI SCHNITZER
SUSAN SCHNITZER

By /s/ Richard C. Josephson
Richard C. Josephson, Attorney-in-Fact
for all Reporting Persons