
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

Form 6-K
Report of Foreign Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934
For the quarter ended June 30, 2001

Ritchie Bros. Auctioneers Incorporated

6500 River Road
Richmond, BC, Canada
V6X 4G5
(604) 273 7564
(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

Form 40-F

[indicate by check mark whether the registrant by furnishing information contained
in this Form is also thereby furnishing the information to the Commission pursuant to
rule 12g3-2(b) under the Securities Exchange Act of 1934]

Yes

No

PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements do not include all information and footnotes required by Canadian or United States generally accepted accounting principles 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, 2000, a copy of which has been filed with the Securities and Exchange Commission.

RITCHIE BROS. AUCTIONEERS INCORPORATED

Consolidated Statements of Income
 (Expressed in thousands of United States Dollars except per share amounts)
 (unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2001	2000	2001	2000
Auction revenues	\$35,025	\$29,570	\$60,470	\$56,339
Direct expenses	5,874	5,367	9,752	9,293
	29,151	24,203	50,718	47,046
Expenses:				
Depreciation and amortization	2,205	1,988	4,272	3,706
General and administrative	14,316	12,952	28,896	28,039
	16,521	14,940	33,168	31,745
Income from operations	12,630	9,263	17,550	15,301
Other income (expenses):				
Interest expense	(1,078)	(910)	(2,032)	(1,656)
Other	215	251	612	585
	(863)	(659)	(1,420)	(1,071)
Income before income taxes	11,767	8,604	16,130	14,230
Income taxes:				
Current	3,211	2,306	4,302	4,114
Withholding taxes on intercompany dividend	2,000	—	2,000	—
Future	205	189	415	398
	5,416	2,495	6,717	4,512
Net income	\$ 6,351	\$ 6,109	\$ 9,413	\$ 9,718
Net income per share (in accordance with Canadian and United States GAAP):				
Basic	\$ 0.38	\$ 0.36	\$ 0.56	\$ 0.58
Diluted	\$ 0.38	\$ 0.36	\$ 0.56	\$ 0.58

See accompanying notes to consolidated financial statements.

RITCHIE BROS. AUCTIONEERS INCORPORATED

Consolidated Balance Sheets
(Expressed in thousands of United States Dollars)

	June 30, 2001	December 31, 2000
	unaudited	
Assets		
Current assets:		
Cash and cash equivalents	\$130,743	\$ 63,435
Accounts receivable	45,285	10,565
Inventory	1,705	9,175
Advances against auction contracts	35	—
Prepaid expenses and deposits	1,937	1,234
Income taxes recoverable	2,244	911
Capital assets available for sale	4,690	7,305
	186,639	92,625
Capital assets (note 3)	152,099	140,621
Funds committed for debt payment (note 4)	6,964	3,250
Goodwill	29,291	30,116
Future income taxes	1,264	1,741
	\$376,257	\$268,353
Liabilities and Equity		
Current liabilities:		
Auction proceeds payable	\$126,593	\$ 23,556
Accounts payable and accrued liabilities	20,774	28,846
Short-term debt	2,499	2,057
Current bank term loans (note 4)	7,988	7,309
	157,854	61,768
Bank term loans (note 4)	62,217	57,821
	220,071	119,589
Shareholders' equity		
Share capital (note 5)	69,133	69,132
Additional paid-in capital	4,332	4,332
Retained earnings	90,670	81,257
Foreign currency translation adjustment	(7,949)	(5,957)
	156,186	148,764
	\$376,257	\$268,353

See accompanying notes to consolidated financial statements.

RITCHIE BROS. AUCTIONEERS INCORPORATED

Consolidated Statement of Shareholders' Equity
(Expressed in thousands of United States Dollars)
(unaudited)

	<u>Share Capital</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Foreign Currency Translation Adjustment</u>	<u>Total Shareholders' Equity</u>
Balance, December 31, 2000	\$69,132	\$4,332	\$81,257	\$(5,957)	\$148,764
Net proceeds on stock options exercised . . .	1	—	—	—	1
Net income	—	—	9,413	—	9,413
Foreign currency translation adjustment	—	—	—	(1992)	(1992)
Balance, June 30, 2001	<u>\$69,133</u>	<u>\$4,332</u>	<u>\$90,670</u>	<u>\$(7,949)</u>	<u>\$156,186</u>
	<u>Share Capital</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Foreign Currency Translation Adjustment</u>	<u>Total Shareholders' Equity</u>
Balance, December 31, 1999	\$69,130	\$4,332	\$64,052	\$(3,119)	\$134,395
Net proceeds on stock options exercised . . .	1	—	—	—	1
Net income	—	—	9,718	—	9,718
Foreign currency translation adjustment	—	—	—	(1,866)	(1,866)
Balance, June 30, 2000	<u>\$69,131</u>	<u>\$4,332</u>	<u>\$73,770</u>	<u>\$(4,985)</u>	<u>\$142,248</u>

See accompanying notes to consolidated financial statements.

RITCHIE BROS. AUCTIONEERS INCORPORATED

Consolidated Statements of Cash Flows
(Expressed in thousands of United States Dollars)
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2001	2000	2001	2000
Cash provided by (used in)				
Operating Activities:				
Net income	\$ 6,351	\$ 6,109	\$ 9,413	\$ 9,718
Items not involving the use of cash				
Depreciation	1,793	1,576	3,448	2,881
Amortization of goodwill	413	412	825	825
Future income taxes	240	189	477	398
Changes in non-cash working capital:				
Accounts receivable	1,243	7,058	(34,720)	(19,542)
Inventory	2,486	7,028	7,470	(1,862)
Advances against auction contracts	3,168	1,942	(35)	599
Prepaid expenses and deposits	(986)	(1,234)	(703)	(905)
Auction proceeds payable	7,573	(50,826)	103,037	55,895
Accounts payable and accrued liabilities	4,996	4,268	(8,072)	12
Income taxes recoverable	(1,521)	(3,966)	(1,333)	(2,895)
Other	92	(173)	(11)	(141)
	<u>25,848</u>	<u>(27,617)</u>	<u>79,796</u>	<u>44,983</u>
Financing Activities:				
Issuance of share capital	1	1	1	1
Issuance of bank term loans	3,302	5,000	8,302	15,000
Repayment of bank term loans	(324)	84	(2,665)	(1,776)
Short-term debt	2,083	(6,694)	442	(4,448)
Funds committed for debt repayment	—	(3,250)	(3,714)	(3,250)
	<u>5,062</u>	<u>(4,859)</u>	<u>2,366</u>	<u>5,527</u>
Investing Activities:				
Capital asset additions	(9,134)	(8,772)	(14,854)	(23,218)
Increase in cash and cash equivalents	21,776	(41,248)	67,308	27,292
Cash and cash equivalents, beginning of period	<u>108,967</u>	<u>124,461</u>	<u>63,435</u>	<u>55,921</u>
Cash and cash equivalents, end of period	<u>\$130,743</u>	<u>\$ 83,213</u>	<u>\$130,743</u>	<u>\$ 83,213</u>
Supplemental disclosure of cash flow information				
Interest paid	\$ 1,385	\$ 1,135	\$ 2,729	\$ 1,881
Income taxes paid	\$ 6,678	\$ 6,340	\$ 7,554	\$ 7,002

See accompanying notes to consolidated financial statements.

RITCHIE BROS. AUCTIONEERS INCORPORATED

Notes to Consolidated Financial Statements (Tabular dollar amounts expressed in thousands of United States Dollars)

June 30, 2001

(Information as at June 30, 2001 and for the six-month periods
ended June 30, 2001 and 2000 is unaudited)

1. Significant accounting policies:

(a) Basis of presentation:

These unaudited consolidated financial statements present the financial position, results of operations and changes in shareholders' equity and cash flows of Ritchie Bros. Auctioneers Incorporated (the "Company").

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information and are based on accounting principles and practices consistent with those used in the preparation of the annual financial statements. There are no material differences between Canadian and United States generally accepted accounting principles. These interim consolidated financial statements should be read in conjunction with the December 31, 2000 audited consolidated financial statements. Except as indicated in note 2, the accounting policies applied by the Company in these interim financial statements are consistent with those applied in the December 31, 2000 annual consolidated financial statements.

(b) Comparative figures:

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

Due to the seasonal nature of the Company's business, the results of operations for any interim period are not necessarily indicative of the results to be expected for other interim periods or the full year.

2. Change in accounting policy:

Effective January 1, 2001 the Company adopted the Canadian Institute of Chartered Accountants ("CICA") new handbook section 3500 regarding earnings per share. The new standard requires the use of the treasury stock method instead of the current imputed earnings approach to calculate diluted earnings per share. This change was given retroactive application resulting in an increase of diluted net income per share, for the six month period ended June 30, 2000, to \$0.58 from \$0.57.

RITCHIE BROS. AUCTIONEERS INCORPORATED

Notes to Consolidated Financial Statements — (Continued)
(Tabular dollar amounts expressed in thousands of United States Dollars)
June 30, 2001

(Information as at June 30, 2001 and for the six-month periods
ended June 30, 2001 and 2000 is unaudited)

3. Capital assets

Capital assets at June 30, 2001 are as follows:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Land and buildings under development	\$ 17,929	\$ —	\$ 17,929
Land and improvements	64,216	1,861	62,355
Buildings	64,720	6,231	58,489
Automotive equipment	8,208	2,705	5,503
Computer equipment	3,231	1,738	1,493
Computer software	2,555	983	1,572
Yard equipment	4,616	2,069	2,547
Office equipment	3,584	1,852	1,732
Leasehold improvements	737	258	479
	<u>\$169,796</u>	<u>\$17,697</u>	<u>\$152,099</u>

Capital assets at December 31, 2000 are as follows:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Land and buildings under development	\$ 13,854	\$ —	\$ 13,854
Land and improvements	62,291	1,755	60,536
Buildings	58,639	5,011	53,628
Automotive equipment	7,821	2,839	4,982
Computer equipment	2,942	1,531	1,411
Computer software	2,261	621	1,640
Yard equipment	4,317	1,802	2,515
Office equipment	3,421	1,685	1,736
Leasehold improvements	520	201	319
	<u>\$156,066</u>	<u>\$15,445</u>	<u>\$140,621</u>

RITCHIE BROS. AUCTIONEERS INCORPORATED

Notes to Consolidated Financial Statements — (Continued)
(Tabular dollar amounts expressed in thousands of United States Dollars)
June 30, 2001

(Information as at June 30, 2001 and for the six-month periods ended June 30, 2001 and 2000 is unaudited)

4. Bank term loans:

	<u>June 30, 2001</u>	<u>December 31, 2000</u>
Term loan, unsecured, with \$25 million bearing interest at 7.21% and \$10 million bearing interest at 7.10%, due in minimum annual instalments of \$5 million (\$1.75 million towards principal, \$3.25 million towards a sinking fund), with the final payment occurring in 2004	31,500	33,250
Term loan, unsecured, of CAD \$10 million bearing interest at 7.195%, due in monthly instalments of interest only, with the full amount of the principal due in December, 2004	6,605	6,669
Term loan, unsecured, of CAD \$5 million bearing interest at 6.355%, due in monthly instalments of interest only, with the full amount of the principal due in June 2004	3,302	—
Term loan, unsecured, of \$5 million bearing interest at 7.81%, due in minimum annual instalments of \$250,000, with final payment occurring in 2005	4,750	5,000
Term loan, unsecured, of \$5 million bearing interest at 7.91%, due in minimum annual instalments of \$250,000, with final payment occurring in 2005	4,750	5,000
Term loan, unsecured, of \$5 million bearing interest at 7.91%, due in minimum annual instalments of \$714,300 (\$250,000 towards principal, \$464,300 towards a sinking fund), with the final payment occurring in 2005	4,750	5,000
Term loan, unsecured, of \$5 million bearing interest at 7.35%, due in minimum annual instalments of \$714,300 (\$250,000 towards principal, \$464,300 towards a sinking fund), with the final payment occurring in 2006	5,000	5,000
Term loan, unsecured of \$5 million bearing interest at 7.0% due in minimum annual instalments of \$714,300 (\$250,000 towards principal, \$464,300 towards a sinking fund) with the final payment occurring in 2006	5,000	—
Term loan of AUD \$2.7 million, secured by deeds of trust on specific property, with \$1.7 million bearing interest at 6.5% and \$1 million bearing interest at the Australian prime rate, due in quarterly instalments of AUD \$75,000, including interest, with final payment occurring in 2010	1,135	1,321
Term loan of NLG 9.6 million, secured by deeds of trust on specific property, bearing interest at the Amsterdam Interbank Offered Rate plus 7/8%, due in quarterly instalments of NLG 125,000 including interest, with the final payment occurring in 2013	\$ 3,413	\$ 3,890
	70,205	65,130
Current portion	7,988	7,309
	<u>\$62,217</u>	<u>\$57,821</u>

RITCHIE BROS. AUCTIONEERS INCORPORATED

Notes to Consolidated Financial Statements — (Continued)
(Tabular dollar amounts expressed in thousands of United States Dollars)
June 30, 2001

(Information as at June 30, 2001 and for the six-month periods
ended June 30, 2001 and 2000 is unaudited)

5. Share capital:

(a) Shares issued

Issued and outstanding, December 31, 2000	16,748,563
For cash, pursuant to stock options exercised	<u>15,466</u>
Issued and outstanding, June 30, 2001	<u><u>16,764,029</u></u>

(b) Options

	<u>Number of Options</u>	<u>Exercise Price</u>
Outstanding, December 31, 2000	241,636	\$0.10 - 38.625
Granted	147,750	23.350
Exercised	<u>(15,466)</u>	0.10
Outstanding, June 30, 2001	<u><u>373,920</u></u>	<u><u>\$0.10 - 38.625</u></u>

The options outstanding at June 30, 2001 expire from dates ranging to January 31, 2011.

(c) Net income per share

	<u>Income (numerator)</u>	<u>Shares (denominator)</u>	<u>Per share amount</u>
Basic net income per share, June 30, 2001	\$9,413,000	16,756,755	\$0.56
Effect of dilutive securities			
Stock options		<u>105,014</u>	
Diluted net income per share, June 30, 2001	<u><u>\$9,413,000</u></u>	<u><u>16,861,769</u></u>	<u><u>\$0.56</u></u>

As at June 30, 2001, the Company had 102,000 stock options outstanding with exercise prices ranging from \$26.63 to \$38.62 which were not included in the computation of diluted net income per share because the options' exercise price was greater than the average market price of the Company's shares for the period ended June 30, 2001.

(d) Warrants

Outstanding, December 31, 2000	400,000
Outstanding, June 30, 2001	NIL

The warrants expired on April 1, 2001.

6. Other:

Consolidated statements of comprehensive net income

	<u>Six months ended June 30,</u>	
	<u>2001</u>	<u>2000</u>
Net income	\$ 9,413	\$ 9,718
Other comprehensive income adjustments		
Foreign currency translation	<u>760</u>	<u>(1,866)</u>
Comprehensive net income in accordance with United States GAAP	<u><u>\$10,173</u></u>	<u><u>\$ 7,852</u></u>

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The following discussion summarizes the significant factors affecting the consolidated operating results and financial condition of Ritchie Bros. Auctioneers Incorporated ("Ritchie Bros." or the "Company") for the six months ended June 30, 2001 compared to the six months ended June 30, 2000. This discussion should be read in conjunction with the consolidated financial statements and notes thereto included herein and included in the Company's Annual Report and Report on Form 40-F for the year ended December 31, 2000. The Company prepares its consolidated financial statements in accordance with generally accepted accounting principles in Canada. There are no material measurement differences between Canadian and United States generally accepted accounting principles. Amounts discussed below are based on consolidated financial statements prepared in accordance with Canadian accounting principles.

Ritchie Bros. is the world's leading auctioneer of industrial equipment. At June 30, 2001, the Company operated from over 80 locations in North and Central America, Europe, Asia, Australia, Africa and the Middle East. The Company sells, through unreserved public auctions, a broad range of used equipment, including equipment utilized in the construction, transportation, mining, forestry, petroleum and agricultural industries.

Gross auction sales represent the aggregate selling prices of all items sold at Ritchie Bros. auctions during the periods indicated. Gross auction sales are key to understanding the financial results of the Company, since the amount of auction revenues and to a lesser extent, certain expenses, are dependent on it. Auction revenues include commissions earned as agent for consignors through both straight commission and gross guarantee contracts, plus the net profit on the sale of equipment purchased and sold by the Company as principal. Under a gross guarantee contract, the consignor is guaranteed a minimum amount of proceeds on the sale of its equipment. When the Company guarantees gross proceeds, it earns a commission on the guaranteed amount and typically participates in a negotiated percentage of proceeds, if any, in excess of the guaranteed amount. If auction proceeds are less than the guaranteed amount, the Company's commission would be reduced, or, if sufficiently lower, the Company would incur a loss. Auction revenues are reduced by the amount of any losses on gross guarantee consignments and sales by the Company as principal. Auction revenues also include interest income earned that is incidental to the auction business.

The Company's gross auction sales and auction revenues are affected by the seasonal nature of the auction business. Gross auction sales and auction revenues tend to increase during the second and fourth calendar quarters during which the Company generally conducts more auctions than in the first and third calendar quarters. The Company's gross auction sales and auction revenues are also affected on a period-to-period basis by the timing of major auctions. In newer markets where the Company is developing operations, the number and size of auctions and, as a result, the level of gross auction sales and auction revenues, is likely to vary more dramatically from period-to-period than in the Company's established markets where the number, size and frequency of the Company's auctions are more consistent. Finally, economies of scale are achieved as the Company's operations in a region mature from conducting intermittent auctions, establishing a regional auction unit, and ultimately to developing a permanent auction site. Economies of scale are also achieved when the size of the Company's auctions increases.

The Company is aware of potential restrictions that may affect the ability of equipment owners to transport certain equipment between some jurisdictions. Management believes that these potential restrictions have not had a significant impact on the Company's business, financial condition or results of operations to date. However, the extent of any future impact on the Company's business, financial condition or results of operations from these potential restrictions cannot be predicted at this time.

Although the Company cannot accurately anticipate the future effect of inflation, inflation historically has not had a material effect on the Company's operations.

During the first six months of 2001, the Company held its largest auction sale ever conducted in North America at Ocala, Florida generating gross auction sales of more than \$52 million. The Company also opened a new permanent auction site in North East Maryland, replacing an existing regional auction unit.

Results of Operations

Six Months Ended June 30, 2001 Compared to Six Months Ended June 30, 2000

Auction Revenues

Auction revenues of \$60.5 million for the six months ended June 30, 2001 increased by \$4.1 million, or 7.3%, from the comparable period in 2000 due to increased auction sales and a higher average auction revenue rate. Gross auction sales of \$663.7 million for the six months ended June 30, 2001 increased \$20.4 million or 3.2% from the comparable period in the prior year primarily as a result of increased gross auction sales in Canada, the United States and the United Arab Emirates partially offset by decreased gross auction sales in Europe and Singapore. Results for 2001 included significant auctions in Ocala, Florida; Fort Worth, Texas; and in the Port of Moerdijk, the Netherlands. In the first half of 2001 the auction revenue rate of 9.11% was higher than the long-term average and higher than the 8.76% rate experienced in the comparable period of 2000. Auction revenues as a percentage of gross auction sales have averaged approximately 8.8% on a long-term basis. The Company's expectations with respect to the long-term average auction revenue rate remain unchanged.

Direct Expenses

Direct expenses are expenses that are incurred as a direct result of an auction sale being held. Direct expenses include the costs of hiring personnel to assist in conducting the auction, lease expenses for temporary auction sites, travel costs for full time employees to attend and work at the auction site, security hired to safeguard equipment while at the auction site and advertising specifically related to the auction. Direct expenses of \$9.8 million for the six months ended June 30, 2001 increased by \$0.5 million compared to the six months ended June 30, 2000 due to increased auction activity generated by the company in 2001. As a percentage of gross auction sales, direct expenses were 1.47% for the six months ending June 30, 2001, consistent with the 1.44% experienced in the first six months of 2000. Direct expenses as a percentage of gross auction sales are expected to fluctuate slightly based on the size and location of auctions held each period. Management expects that, on average, direct expenses as a percentage of gross auction sales should average approximately 1.5% over the course of a full year.

Depreciation and Amortization Expense

Depreciation is calculated on capital assets employed in the Company's business, including building and site improvements, automobiles, yard equipment, and computers. Amortization results from expensing, over 20 years, the \$33.0 million of goodwill recorded as a result of a business acquisition in 1999. In the six-month period ended June 30, 2001, depreciation and amortization expense was \$4.3 million, compared to \$3.7 million in the comparable 2000 period. This increase is primarily the result of the depreciation of new auction facilities constructed over the past year. Management anticipates that depreciation expense will increase as existing auction sites are improved and additional permanent auction sites are acquired and developed. However, goodwill amortization will cease effective January 1, 2002. See "Recent Accounting Pronouncements" below.

General and Administrative Expense

General and administrative expense ("G&A") includes employee expenses such as salaries, wages, performance bonuses and benefits, non-auction related travel, institutional advertising, insurance, general office, and computer expenses. For the six months ended June 30, 2001, the Company incurred G&A of \$28.9 million, as compared to \$28.0 million for the comparable six-month period in 2000. This increase is attributable to an increase in employee numbers and infrastructure to support the growth initiatives of the Company, as well as costs related to the operation of new permanent auction sites.

Income from Operations

Income from operations was \$17.6 million in the six months ended June 30, 2001 compared to \$15.3 million in 2000. The increase is primarily the result of an increase in auction revenues in the first six months of 2001.

Interest Expense

Interest expense includes interest and bank charges paid on term bank debt. Interest expense for the six months ended June 30, 2001 was \$2.0 million, compared to \$1.7 million incurred in the six months ended June 30, 2000. The increase resulted primarily from debt incurred to finance the development of additional permanent auction sites. During the period, the Company capitalized \$0.8 million (2000 — \$0.5) of interest related to properties under development during the period. Management anticipates that interest expense may increase further if additional debt is incurred to finance the development of permanent auction sites. See “— Overview” and “Liquidity and Capital Resources.”

Other Income

Other income arises primarily from equipment appraisals performed by the Company offset by related expenses, and other miscellaneous sources. Other income for the six months ended June 30, 2001 of \$0.6 million did not change significantly from the comparable 2000 period.

Income Taxes

Income taxes of \$6.7 million for the six months ended June 30, 2001 have been computed based on rates of tax that apply in each of the tax jurisdictions in which the Company operates. The effective tax rate of 41.6% is higher than the 31.7% rate the Company experienced in the comparable 2000 period due to a one-time charge of \$2 million for withholding taxes paid on intercompany dividend. Excluding this one-time charge, the effective tax rate was 29.2%, lower than the rate experienced by the Company in the comparable 2000 period, due to the different jurisdictions in which the Company operates and earns its income.

Results of Operations

Three Months Ended June 30, 2001 Compared to Three Months Ended June 30, 2000

Auction Revenues

Auction revenues of \$35.0 million for the three months ended June 30, 2001 increased by \$5.5 million, or 18.4%, from the comparable period in 2000 due to increased gross auction sales and a higher average percentage of auction revenues earned on gross auction sales. Gross auction sales of \$374.0 million for the three months ended June 30, 2001 increased \$20.6 million, or 5.8%, from the comparable period in the prior year, primarily as a result of increased gross auction sales in Canada, and the United Arab Emirates. Results for the second quarter of 2001 included significant auctions in Fort Worth, Texas; and in the Port of Moerdijk, The Netherlands. Auction revenues as a percentage of gross auction sales were 9.37% in the three months ended June 30, 2001 compared to 8.37% in the comparable 2000 period and a long-term average of 8.8%.

Direct Expenses

Direct expenses of \$5.9 million for the three months ended June 30, 2001 increased by \$0.5 million compared to the comparable 2000 period. As a percentage of gross auction sales, direct expenses were 1.57% for the three months ending June 30, 2001, marginally higher than the 1.52% experienced during the 2000 period. Direct expenses are expected to fluctuate slightly based on the size and location of auctions held each period.

Depreciation and Amortization Expense

In the three-month period ended June 30, 2001, depreciation and amortization expense was 2.2 million, compared to \$2.0 million in the comparable 2000 period. This increase is primarily the result of the depreciation of new auction facilities constructed over the past year.

General and Administrative Expense

For the three months ended June 30, 2001, the Company incurred G&A of \$14.3 million, as compared to \$13.0 million for the comparable three-month period in 2000. This increase in expenses is attributable to an increase in employee numbers and infrastructure to support the growth initiatives of the Company, as well as costs related to the operation of new permanent auction sites.

Income from Operations

Income from operations was \$12.6 million in the three months ended June 30, 2001 compared to \$9.3 million in 2000. The increase is primarily the result of increased gross auction sales and a higher average percentage of auction revenues earned on gross auction sales.

Interest Expense

Interest expense for the three months ended June 30, 2001 was \$1.1 million, compared to \$0.9 million incurred in the three months ended June 30, 2000. The increase resulted primarily from increased debt incurred over the past year to finance the development of additional permanent auction sites. This increase was partially offset by the capitalization of \$0.4 million (2000 — \$0.2) of interest related to properties under development during the period.

Other Income

Other income for the three months ended June 30, 2001 of \$0.2 million did not change significantly from the comparable 2000 period.

Income Taxes

Income taxes of \$5.4 million for the three months ended June 30, 2001 have been computed based on rates of tax that apply in each of the tax jurisdictions in which the Company operates. The effective tax rate of 46.0% is higher than the 29.0% rate the Company experienced in the comparable 2000 period primarily due to a one-time charge of \$2 million for withholding taxes on intercompany dividend revenue. Excluding this one-time charge, the effective tax rate was 29.0%, consistent with the rate experienced by the Company in the comparable 2000 period.

Liquidity and Capital Resources

The Company's cash can fluctuate significantly from period to period, largely due to differences in timing of receipt of gross sale proceeds from buyers and the payment of net amounts due to consignors. If auctions are conducted near a period end, the Company may hold cash in respect of those auctions that will not be paid to consignors until after the period end. Accordingly, management believes a more meaningful measure of the Company's liquidity is working capital, including cash.

At June 30, 2001, working capital including cash was \$28.8 million, compared to \$30.9 million at December 31, 2000.

Net capital expenditures by the Company during the six months ended June 30, 2001 were \$14.9 million as compared to \$23.2 million for the six months ended June 30, 2000. In the 2001 period, the Company continued to incur site development costs in the United States and Canada. The Company is continuing with its plan to add additional permanent auction sites in selected locations and is presently in various stages of commitments to acquire land for development in the United States.

The Company has established credit facilities with financial institutions in the United States, Canada, Europe and Australia. The Company presently has access to credit lines for operations of approximately \$96.7 million and to credit lines for funding property acquisitions of approximately \$91.0 million. At June 30, 2001, bank debt relating to operations totaled \$2.5 million, and bank debt related to property acquisitions and a business acquisition totaled \$70.2 million, leaving net credit lines of \$94.2 million available for operations and \$20.8 million available for property acquisitions. See “— Overview”.

Recent Accounting Pronouncements

The Accounting Standards Board in Canada and the Financial Accounting Standards Board in the United States have announced new standards related to the accounting for goodwill. The new standards indicate that reporting entities with previously recorded goodwill, will cease amortizing goodwill commencing January 1, 2002. Instead the carrying value of goodwill will be subject to a regular test for impairment. Amortization expense on goodwill recognized to June 30, 2001 is set out on the consolidated statements of income.

Forward-Looking Statements

This Management’s Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. These statements are based on current expectations and estimates about the Company’s business. These statements include, in particular, statements relating to auction revenue rates, direct expense rates, G&A increases, income tax rates, the anticipated improvement, acquisition and development of permanent auction sites, and the financing available to the Company. Words such as “expects”, “intends”, “plans”, “believes”, “estimates”, “anticipates” and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. The following important factors, among others, could affect the Company’s actual results and could cause such results to differ materially from those expressed in the Company’s forward-looking statements: the many factors that have an impact on the supply of and demand for used equipment; fluctuations in the market values of used equipment; potential inability to achieve and manage growth; periodic and seasonal variations in operating results or financial conditions; the timing and location of auctions; potential delays in construction or development of auction sites; actions of competitors; adverse changes in economic conditions; restrictions affecting the ability of equipment owners to transport equipment between jurisdictions; potential losses from price guarantees, purchases of inventory, advances by the Company and guarantees of clear title; risks of noncompliance with governmental and environmental regulation; potential inadequacy of insurance coverage; risks of international operations; dependence of key personnel; failure, pace or lack of development of Internet-related initiatives; and other risks and uncertainties as detailed in the Company’s periodic filings with the United States Securities and Exchange Commission including its annual report for 2000 filed on Form 40-F on March 23, 2001. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities legislation. Forward-looking statements should be considered in light of these factors.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS

<u>Number</u>	<u>Description</u>
*3.1	Articles of Amalgamation, as amended
*3.2	By-laws
*4.1	Form of common share certificate
4.2	Description of capital shares contained in the Articles of Amalgamation (see Exhibit 3.1)
4.3	Description of rights of securityholders contained in the By-laws (see Exhibit 3.2)
*10.1	1997 Stock Option Plan, as amended
*10.2	Form of Indemnity Agreement for directors and officers
*10.3	Asset Purchase Agreement dated as of February 19, 1999 among Ritchie Bros. Auctioneers (America) Inc., Forke, Inc., and certain other parties
**10.4	Loan Agreement dated as of March 26, 1999 between Ritchie Bros. U.S. Finance Limited Partnership (Delaware), Ritchie Bros. Auctioneers Incorporated and U.S. Bank National Association.

* Incorporated by reference to the same exhibit number from the Registration Statement on Form F-1 filed on September 26, 1997, as amended (File No. 333-36457).

** Incorporated by reference to the same exhibit number from the Report of Foreign Issuer on Form 6-K filed on May 14, 1999 (File No. 001-13425).

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.

RITCHIE BROS. AUCTIONEERS INCORPORATED
(Registrant)

Date August 10, 2001

By /s/ ROBERT S. ARMSTRONG
Robert S. Armstrong,
Corporate Secretary