

STATEMENT OF CASH FLOWS (\$'000's) UNAUDITED

	Three Months Ended June 30	
	2008	2007
	\$	\$
OPERATING ACTIVITIES		
Cash receipts		
Sales - spirits, wine, coolers/ciders, beer	141,558	135,128
Annual and supplementary license fees and other	2,651	1,806
Goods and Services Tax	7,583	8,628
Manitoba Retail Sales Tax	4,773	4,471
Manitoba Waste Reduction and Prevention Levy	130	128
Environmental Protection Tax	512	498
	<u>157,207</u>	<u>150,659</u>
Cash disbursements:		
Purchases - merchandise, federal duty, excise and sales taxes, etc.	69,388	64,922
General and administrative expenses	16,607	15,001
Goods and Services Tax	7,192	7,703
Manitoba Retail Sales Tax	4,452	4,065
Manitoba Waste Reduction and Prevention Levy	114	110
Environmental Protection Tax	461	445
	<u>98,214</u>	<u>92,246</u>
Net cash available from operating activities	<u>58,993</u>	<u>58,413</u>
INVESTING ACTIVITIES		
Acquisition of property and equipment	<u>(1,142)</u>	<u>(1,013)</u>
Net cash available for transfer	<u>57,851</u>	<u>57,400</u>
TRANSFERS TO PROVINCE OF MANITOBA		
Current year's net profit	14,000	27,900
Prior year's net profit	41,111	24,644
	<u>55,111</u>	<u>52,544</u>
Excess (deficiency) of cash receipts over disbursements and transfers	2,740	4,856
Cash and cash equivalents, beginning of period	<u>55,295</u>	<u>7,143</u>
Cash and cash equivalents, end of period	<u>58,035</u>	<u>11,999</u>

See accompanying notes to the financial statements



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Manitoba Liquor Control Commission

QUARTERLY FINANCIAL REPORT

For the three months ended June 30, 2008



OPERATIONAL HIGHLIGHTS

Sales increased by \$7.8 million or 5.6% for this three-month period over the same period for F08. This increase is the result of a 3% volume increase for spirits, a 3.8% volume increase for wine, and a 2.5% volume increase for beer. Sales also increased due to supplier price increases and a continued consumer shift to premium-priced products. Net profit increased by \$1.6 million or 2.7%.

Amendments to the Licence Application and Appeal Regulation and the Liquor Licensing Regulation were approved by the Board of Commissioners. Amendments to The Liquor Control Act to address safety in licensed premises received Royal Assent on June 12, 2008.

Social responsibility programs, including With Child-Without Alcohol, Be Undrunk and Be the Influence continue to be promoted through various advertising mediums.

The MLCC is a season sponsor for the Winnipeg Blue Bombers and the Winnipeg Goldeyes.

The 7th annual Winnipeg Wine Festival was held April 27 to May 3; raising over \$275,000 for Special Olympics Manitoba. Wine tastings in support of charitable community organizations were held in Portage la Prairie, Pine Falls, and Flin Flon.

For the second year in a row, Winnipeg Liquor Marts were awarded a Consumers' Choice Award in the category of Liquor and Wine.



Don Lussier
President & Chief Executive Officer

BALANCE SHEET (\$000's) UNAUDITED

	June 30 2008	March 31 2008
ASSETS		
<u>Current</u>		
Cash and cash equivalents	12,764	10,024
Accounts receivable	28,768	21,669
Inventory	34,190	34,052
Prepaid expenses and supplies	1,019	972
Total current assets	76,741	66,717
Cash (restricted)	45,271	45,271
Property and equipment	23,550	23,117
	145,562	135,105
LIABILITIES		
<u>Current</u>		
Accounts payable - trade and other	42,678	36,596
Current liability for capital lease	46	-
Goods and Services Tax payable	1,420	1,029
Manitoba Retail Sales Tax payable	1,719	1,398
Net profit payable to the Province of Manitoba	44,412	41,141
Environmental Protection Tax payable	186	135
Deferred licence fees	65	351
Total current liabilities	90,526	80,650
Provision for employee pension benefits	51,650	51,124
Long term obligation under capital lease	194	-
Provision for retirement allowances	3,192	3,331
	145,562	135,105

See accompanying notes to the financial statements

STATEMENT OF INCOME (\$000's) UNAUDITED

	Three Months Ended June 30	
	2008 \$	2007 \$
Sales (see Schedule of Sales, Cost of Sales and Gross Profit)	149,284	141,418
Cost of sales (see Schedule of Sales, Cost of Sales and Gross Profit)	<u>77,402</u>	<u>72,686</u>
Gross profit	71,882	68,732
Other income	<u>2,183</u>	<u>1,945</u>
	74,065	70,677
General and administrative expenses	14,961	13,253
Depreciation	<u>720</u>	<u>592</u>
Net profit paid or payable to the Province of Manitoba	58,384	56,832

See accompanying notes to the financial statements

SCHEDULE OF SALES, COST OF SALES AND GROSS PROFIT (\$000's) UNAUDITED

	Three Months Ended June 30				
	Spirits	Wine	Coolers/ Ciders	Beer	Total
SALES					
Stores	33,365	19,930	3,869	10,974	68,138
Liquor vendors	8,681	2,346	1,286	1,764	14,077
Licensees	5,253	1,299	606	56,448	63,606
Specialty wine stores	<u>1</u>	<u>3,445</u>	<u>17</u>	-	<u>3,463</u>
To June 30, 2008	47,300	27,020	5,778	69,186	149,284
To June 30, 2007	<u>45,401</u>	<u>25,541</u>	<u>5,212</u>	<u>65,264</u>	<u>141,418</u>
COST OF SALES					
To June 30, 2008	18,840	12,823	2,740	42,999	77,402
To June 30, 2007	<u>17,909</u>	<u>11,868</u>	<u>2,440</u>	<u>40,469</u>	<u>72,686</u>
GROSS PROFIT					
To June 30, 2008	28,460	14,197	3,038	26,187	71,882
To June 30, 2007	<u>27,492</u>	<u>13,673</u>	<u>2,772</u>	<u>24,795</u>	<u>68,732</u>

Notes to Financial Statements

- These financial statements should be read in conjunction with the MLCC's 2007 Annual Report.
- These interim financial statements have been prepared following the same accounting policies that are disclosed in the MLCC's Annual Report.