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

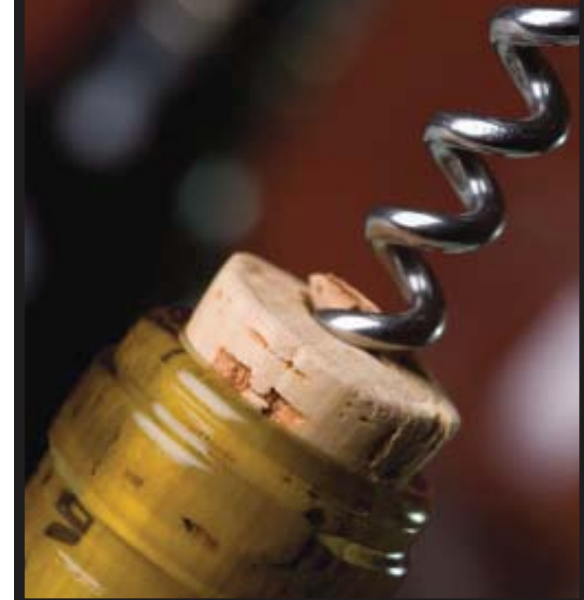
	Three Months Ended December 31		Nine Months Ended December 31	
	2009	2008	2009	2008
OPERATING ACTIVITIES				
Cash receipts:				
Sales - spirits, wine, coolers/ciders, beer	165,483	161,064	485,036	462,258
Annual and supplementary licence fees and other	1,184	1,313	3,686	4,910
Goods and Services Tax	8,300	8,174	24,659	23,615
Manitoba Retail Sales Tax	6,295	6,030	16,847	15,721
Manitoba Waste Reduction and Prevention Levy	134	137	404	402
Environmental Protection Tax	569	574	1,633	1,612
	<u>181,965</u>	<u>177,292</u>	<u>532,265</u>	<u>508,518</u>
Cash disbursements:				
Purchases - merchandise, federal duty, excise and sales taxes, etc.	82,875	84,430	253,464	238,545
General and administrative expenses	17,005	15,953	49,560	47,265
Goods and Services Tax	7,233	6,889	23,455	22,377
Manitoba Retail Sales Tax	4,940	4,592	15,254	14,285
Manitoba Waste Reduction and Prevention Levy	116	113	377	374
Environmental Protection Tax	481	472	1,515	1,496
	<u>112,650</u>	<u>112,449</u>	<u>343,625</u>	<u>324,342</u>
Net cash available from operating activities	<u>69,315</u>	<u>64,843</u>	<u>188,640</u>	<u>184,176</u>
INVESTING ACTIVITIES				
Acquisition of property and equipment	<u>(1,964)</u>	<u>(1,551)</u>	<u>(3,508)</u>	<u>(3,572)</u>
Net cash available for transfer	<u>67,351</u>	<u>63,292</u>	<u>185,132</u>	<u>180,604</u>
TRANSFERS TO PROVINCE OF MANITOBA				
Current year's net profit	63,700	56,000	141,900	132,000
Prior year's net profit	0	0	42,564	41,140
	<u>63,700</u>	<u>56,000</u>	<u>184,464</u>	<u>173,140</u>
Net increase (decrease) in cash and cash equivalents during the year	3,651	7,292	668	7,464
Cash and cash equivalents, beginning of the year	<u>6,290</u>	<u>10,196</u>	<u>9,273</u>	<u>10,024</u>
Cash and cash equivalents, end of the year	<u>9,941</u>	<u>17,488</u>	<u>9,941</u>	<u>17,488</u>
<i>See accompanying notes to the financial statements</i>				



**Manitoba Liquor
Control Commission**

QUARTERLY FINANCIAL REPORT

**For the nine months ended
December 31, 2009**



OPERATIONAL HIGHLIGHTS

Sales increased by \$21.5 million or 4.6% for this nine-month period over the same period for F09. This increase is the result of a 0.9% volume increase for spirits, a 3.2% volume increase for wine, a 1.3% volume increase for refreshment beverages and a 1.3% volume increase for beer. Consumers continued to shift to premium-priced products. Net profit increased by \$6.3 million or 3.4%.

Cabinet approved a change to the Fees Regulation to restructure occasional permit fees and remove additional fees effective February 1, 2010.

As part of the *Be the Change – Let's Stop Impaired Driving* campaign, the MLCC launched a holiday season contest promotion called "Caught Safe & Sober" to reward responsible drivers who passed through police checkpoints in Winnipeg and Brandon or used Operation Red Nose. Close to 200 contest entries were received through the web site to win three weekend getaways to Manitoba resort hotels. The MLCC also increased its annual financial support of Operation Red Nose to \$20,000.

The Tyndall Market Mall Liquor Mart opened in a new free standing location.

The new point-of-sale system was implemented in four Liquor Marts and in the Licensing, Permits and Inspection Department at Head Office. The system will be implemented in all remaining Liquor Marts in Q4.

The MLCC received the 2009 Excellence in Sustainability Award from the Government of Manitoba Round Table for Sustainable Development for energy efficient technologies in the new Distribution Centre.

A new four-year Collective Agreement with MGEU members was ratified.



Ken Hildahl
President & Chief Executive Officer

BALANCE SHEET (\$000's) UNAUDITED

	December 31 2009	March 31 2009
ASSETS		
<i>Current</i>		
Cash and cash equivalents	9,941	9,273
Accounts receivable	24,123	22,066
Inventory	36,833	35,779
Prepaid expenses and supplies	1,114	944
Total current assets	72,011	68,062
Cash (restricted)	46,659	46,284
Property and equipment	28,103	27,151
	146,773	141,497
LIABILITIES		
<i>Current</i>		
Accounts payable - trade and other	35,288	41,394
Current liability for capital lease	15	61
Goods and Services Tax payable	2,198	994
Manitoba Retail Sales Tax payable	2,974	1,381
Net profit payable to the Province of Manitoba	49,474	42,563
Environmental Protection Tax payable	251	133
Deferred licence fees	17	292
Total current liabilities	90,217	86,818
Long term obligation under capital lease	157	146
Provision for employee pension benefits	52,801	51,213
Provision for retirement allowances	3,598	3,320
	146,773	141,497

See accompanying notes to the financial statements

STATEMENT OF INCOME (\$000's) UNAUDITED

	Three Months Ended December 31		Nine Months Ended December 31	
	2009	2008	2009	2008
Sales (see Schedule of Sales, Cost of Sales and Gross Profit)	163,931	161,224	486,956	465,505
Cost of sales (see Schedule of Sales, Cost of Sales and Gross Profit)	80,925	79,019	247,196	236,145
Gross profit	83,006	82,205	239,760	229,360
Other income	1,212	900	4,205	3,905
General and administrative expenses	84,218	83,105	243,965	233,265
Depreciation	17,597	15,598	50,017	45,871
	922	800	2,573	2,286
Net profit paid or payable to the Province of Manitoba	65,699	66,707	191,375	185,108

See accompanying notes to the financial statements

Notes to Financial Statements

1. These financial statements should be read in conjunction with the MLCC's 2009 Annual Report.
2. These interim financial statements have been prepared following the same accounting policies that are disclosed in the MLCC's Annual Report.

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

	Three Months Ended December 31					Nine Months Ended December 31				
	Spirits	Wine	Coolers/ Ciders	Beer	Total	Spirits	Wine	Coolers/ Ciders	Beer	Total
SALES										
Stores	46,849	28,038	2,844	11,359	89,090	118,499	71,377	12,091	37,553	239,520
Liquor vendors	9,786	2,496	562	1,326	14,170	28,489	7,378	3,309	5,405	44,581
Licensees	5,109	1,521	380	49,888	56,898	14,889	4,034	1,517	171,742	192,182
Specialty wine stores	29	3,731	13	-	3,773	39	10,579	55	-	10,673
Total Sales for 2010	61,773	35,786	3,799	62,573	163,931	161,916	93,368	16,972	214,700	486,956
Total Sales for 2009	61,323	35,409	3,746	60,746	161,224	156,999	89,627	16,200	202,679	465,505
COST OF SALES										
Total Sales for 2010	24,569	16,353	1,682	38,321	80,925	64,001	43,147	7,662	132,386	247,196
Total Sales for 2009	24,161	16,096	1,727	37,035	79,019	62,358	41,410	7,636	124,741	236,145
GROSS PROFIT										
Gross Profit for 2010	37,204	19,433	2,117	24,252	83,006	97,915	50,221	9,310	82,314	239,760
Gross Profit for 2009	37,162	19,313	2,019	23,711	82,205	94,641	48,217	8,564	77,938	229,360