



For further information contact:

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

	Three Months Ended December 31		Nine Months Ended December 31	
	2010	2009	2010	2009
<b>OPERATING ACTIVITIES</b>				
Cash receipts:				
Sales - spirits, wine, coolers/ciders, beer	168,074	165,483	495,204	485,036
Annual and supplementary licence fees and other	1,500	1,184	3,808	3,686
Goods and Services Tax	8,653	8,300	25,361	24,659
Manitoba Retail Sales Tax	6,479	6,295	17,273	16,847
Manitoba Waste Reduction and Prevention Levy	-	134	-	404
Environmental Protection Tax	582	569	1,645	1,633
	<u>185,288</u>	<u>181,965</u>	<u>543,291</u>	<u>532,265</u>
Cash disbursements:				
Purchases - merchandise, federal duty, excise and sales taxes, etc.	80,394	82,875	242,515	253,464
General and administrative expenses	16,492	17,005	50,286	49,560
Goods and Services Tax	7,893	7,233	24,553	23,455
Manitoba Retail Sales Tax	5,070	4,940	15,703	15,254
Manitoba Waste Reduction and Prevention Levy	-	116	34	377
Environmental Protection Tax	492	481	1,539	1,515
	<u>110,341</u>	<u>112,650</u>	<u>334,630</u>	<u>343,625</u>
Net cash available from operating activities	<u>74,947</u>	<u>69,315</u>	<u>208,661</u>	<u>188,640</u>
<b>INVESTING ACTIVITIES</b>				
Acquisition of property and equipment	<u>(2,170)</u>	<u>(1,964)</u>	<u>(3,487)</u>	<u>(3,508)</u>
Net cash available for transfer	<u>72,777</u>	<u>67,351</u>	<u>205,174</u>	<u>185,132</u>
<b>TRANSFERS TO PROVINCE OF MANITOBA</b>				
Current year's net profit	71,700	63,700	156,000	141,900
Prior year's net profit	0	0	47,777	42,564
	<u>71,700</u>	<u>63,700</u>	<u>203,777</u>	<u>184,464</u>
Net increase (decrease) in cash and cash equivalents during the year	1,077	3,651	1,397	668
Cash and cash equivalents, beginning of period	9,510	6,290	9,190	9,273
Cash and cash equivalents, end of period	<u>10,587</u>	<u>9,941</u>	<u>10,587</u>	<u>9,941</u>

See accompanying notes to the financial statements



**Manitoba Liquor  
 Control Commission**

## QUARTERLY FINANCIAL REPORT

**For the nine months ended  
 December 31, 2010**



## OPERATIONAL HIGHLIGHTS

Sales increased by \$11.8 million or 2.4% for this nine-month period over the same period for F10. Sales volumes increased 4% for wine, remained flat for spirits and decreased slightly for coolers/ciders and beer. The average price paid per litre continues to increase. MLCC pension assets managed by the Civil Service Superannuation Board since September continued to increase in value. The pension liability was increased by \$4 million based on new actuarial assumptions. Net profit increased by \$10.2 million or 5.3%.

In accordance with *The Crown Corporations Public Review and Accountability Act*, the MLCC reported on its activities at a Public Meeting in Lac du Bonnet on October 13. Two other public meetings were held in Swan River and Winnipeg in the previous quarter.

Renovations continued for the Dominion Shopping Center and St. Vital Square Liquor Marts. In keeping with our commitment to sustainable development, both stores have registered for LEED silver status. The store renovations will be completed in Q4.

A *Summit on Youth & Alcohol* was held on October 20, 2010 in Winnipeg. The summit brought stakeholders together to share ideas and make recommendations to government on delaying or preventing alcohol use by youth.

The *Be With Child-Without Alcohol* program was refreshed with a simplified information booklet available in English, French Cree and Ojibway and an updated web site. The new materials will be distributed and promoted early in the next quarter.

To thank sober drivers during the holiday season, the MLCC partnered with Operation Red Nose and both Winnipeg and Brandon police services to promote the 'Caught Safe & Sober' campaign. The campaign provided sober drivers and users of Operation Red Nose with an opportunity to win a weekend getaway.

Chip enabled credit card payment technology was successfully implemented and certified in all 50 Liquor Marts.

The MLCC was recognized as one of Manitoba's Top 25 Employers as part of the annual Top 100 Employers in Canada competition.



Ken Hildahl  
President & Chief Executive Officer

## BALANCE SHEET (\$000's) UNAUDITED

	December 31 2010	March 31 2010
<b>ASSETS</b>		
<i>Current</i>		
Cash and cash equivalents	10,587	9,190
Accounts receivable	24,732	20,726
Inventory	35,273	35,690
Prepaid expenses	1,217	1,256
Total current assets	71,809	66,862
Cash (restricted)		46,360
Pension assets	52,500	-
Property and equipment, net	27,630	25,937
Intangibles	2,474	3,403
	<b>154,413</b>	<b>142,562</b>
<b>LIABILITIES</b>		
<i>Current</i>		
Accounts payable - trade and other	40,195	34,759
Goods and Services Tax payable	1,903	1,096
Manitoba Retail Sales Tax payable	3,041	1,471
Net profit payable to the Province of Manitoba	45,573	47,777
Environmental Protection Tax payable	247	141
Deferred licence fees	9	327
Total current liabilities	90,968	85,571
Provision for employee pension benefits	59,929	53,318
Provision for retirement allowances	3,516	3,673
	<b>154,413</b>	<b>142,562</b>

See accompanying notes to the financial statements

## STATEMENT OF INCOME (\$000's) UNAUDITED

	Three Months Ended December 31		Nine Months Ended December 31	
	2010	2009	2010	2009
Sales (see Schedule of Sales, Cost of Sales and Gross Profit)	170,126	163,931	498,725	486,956
Cost of sales (see Schedule of Sales, Cost of Sales and Gross Profit)	82,460	80,925	248,939	247,196
Gross profit	87,666	83,006	249,786	239,760
Other income	1,670	1,212	4,559	4,205
General and administrative expenses	89,336	84,218	254,345	243,965
Depreciation	18,069	17,597	49,971	50,017
	972	922	2,800	2,573
Net profit paid or payable to the Province of Manitoba	<b>70,295</b>	<b>65,699</b>	<b>201,574</b>	<b>191,375</b>

See accompanying notes to the financial statements

### Notes to Financial Statements

1. These financial statements should be read in conjunction with the MLCC's 2010 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
<b>SALES</b>										
Stores	47,731	29,825	2,932	11,689	92,177	120,750	74,952	12,016	38,592	246,310
Liquor vendors	9,715	2,642	558	1,548	14,463	28,028	7,658	3,161	5,965	44,812
Licensees	5,265	1,496	336	51,882	58,979	14,761	4,114	1,402	176,192	196,469
Specialty wine stores	43	4,450	14	-	4,507	45	11,035	54	-	11,134
Total Sales for F11	<b>62,754</b>	<b>38,413</b>	<b>3,840</b>	<b>65,119</b>	<b>170,126</b>	<b>163,584</b>	<b>97,759</b>	<b>16,633</b>	<b>220,749</b>	<b>498,725</b>
Total Sales for F10	61,773	35,786	3,799	62,573	163,931	161,916	93,368	16,972	214,700	486,956
<b>COST OF SALES</b>										
Total Sales for F11	<b>24,800</b>	<b>17,655</b>	<b>1,708</b>	<b>38,297</b>	<b>82,460</b>	<b>64,729</b>	<b>45,224</b>	<b>7,557</b>	<b>131,429</b>	<b>248,939</b>
Total Sales for F10	24,569	16,353	1,682	38,321	80,925	64,001	43,147	7,662	132,386	247,196
<b>GROSS PROFIT</b>										
Gross Profit for F11	<b>37,954</b>	<b>20,758</b>	<b>2,132</b>	<b>26,822</b>	<b>87,666</b>	<b>98,855</b>	<b>52,535</b>	<b>9,076</b>	<b>89,320</b>	<b>249,786</b>
Gross Profit for F10	37,204	19,433	2,117	24,252	83,006	97,915	50,221	9,310	82,314	239,760