



For further information contact:
MLCC
 1555 Buffalo Place
 P.O. Box 1023
 Winnipeg, Manitoba R3C 2X1
 Phone: (204) 284-2501

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

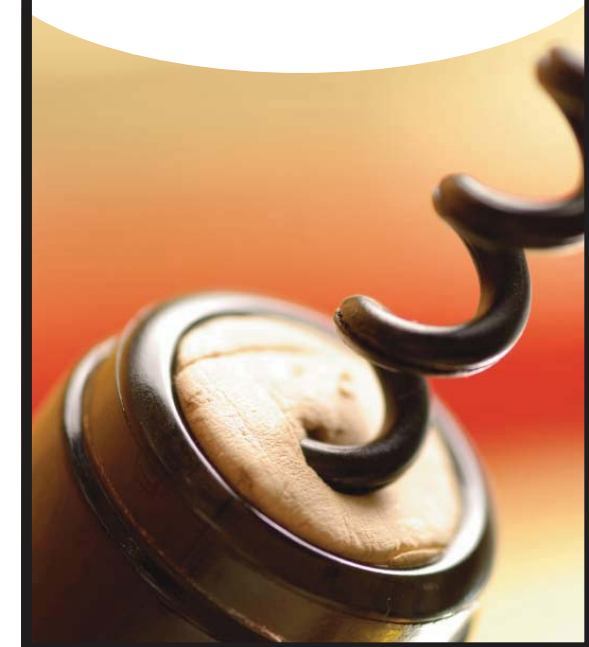
	Three Months Ended September 30		Six Months Ended September 30	
	2009	2008	2009	2008
OPERATING ACTIVITIES				
Cash receipts:				
Sales - spirits, wine, coolers/ciders, beer	169,158	159,636	319,553	301,194
Annual and supplementary licence fees and other	637	946	2,502	3,597
Goods and Services Tax	8,399	7,858	16,359	15,441
Manitoba Retail Sales Tax	5,358	4,918	10,552	9,691
Manitoba Waste Reduction and Prevention Levy	138	135	270	265
Environmental Protection Tax	539	526	1,064	1,038
	<u>184,229</u>	<u>174,019</u>	<u>350,300</u>	<u>331,226</u>
Cash disbursements:				
Purchases - merchandise, federal duty, excise and sales taxes, etc.	95,815	85,237	170,589	154,715
General and administrative expenses	15,352	14,105	32,555	30,712
Goods and Services Tax	8,743	8,296	16,222	15,488
Manitoba Retail Sales Tax	5,609	5,241	10,314	9,693
Manitoba Waste Reduction and Prevention Levy	148	147	261	261
Environmental Protection Tax	572	563	1,034	1,024
	<u>126,239</u>	<u>113,679</u>	<u>230,975</u>	<u>211,893</u>
Net cash available from operating activities	<u>57,990</u>	<u>60,340</u>	<u>119,325</u>	<u>119,333</u>
INVESTING ACTIVITIES				
Acquisition of property and equipment	(698)	(879)	(1,544)	(2,021)
Net cash available for transfer	<u>57,292</u>	<u>59,461</u>	<u>117,781</u>	<u>117,312</u>
TRANSFERS TO PROVINCE OF MANITOBA				
Current year's net profit	66,100	62,000	78,200	76,000
Prior year's net profit	0	29	42,564	41,140
	<u>66,100</u>	<u>62,029</u>	<u>120,764</u>	<u>117,140</u>
Net increase (decrease) in cash and cash equivalents during the year	(8,808)	(2,568)	(2,983)	172
Cash and cash equivalents, beginning of period	<u>15,098</u>	<u>12,764</u>	<u>9,273</u>	<u>10,024</u>
Cash and cash equivalents, end of period	<u>6,290</u>	<u>10,196</u>	<u>6,290</u>	<u>10,196</u>
<i>See accompanying notes to the financial statements</i>				



**Manitoba Liquor
Control Commission**

QUARTERLY FINANCIAL REPORT

**For the six months ended
September 30, 2009**



OPERATIONAL HIGHLIGHTS

Sales increased by \$18.7 million or 6.2% for this six-month period over the same period for F09. This increase is the result of a 1.9% volume increase for spirits, a 4.6% volume increase for wine, a 2.2% volume increase for refreshment beverages and a 2.3% volume increase for beer. Consumers continued to shift to premium-priced products. Net profit increased by \$7.3 million or 6.1%.

Preparedness plans for dealing with the H1N1 Flu Pandemic were completed.

The CHEERS program to replace the outdated retail POS system was given the go-ahead to begin implementation in October.

Television and radio ads promoting the MLCC's newest social responsibility program, *Be the Change – Let's Stop Impaired Driving* campaign continued throughout July. The *Be Undrunk* program was refreshed with new creative materials featuring mannequins and an on-line contest.

As part of its sustainable development action plan, the MLCC eliminated bottled water and implemented composting at Head Office; provided additional recycling bins for Head Office and Liquor Marts; and implemented a light bulb recycling program throughout the organization

Community sponsorships included various summer festivals such as Dauphin Countryfest, Folk Festival, Fringe Festival, Folklorama and the Gimli Film Festival. Liquor Marts also sponsored the Flatlanders Beer Festival in support of the Manitoba Moose Yearling Foundation.

The annual Managers' Conference was held on September 22 -23 and focused on gathering ideas for the next three-year strategic plan.

The F09 Annual Report was released and F09 activities were discussed during two public meetings held in Thompson on September 1 and in Steinbach on September 29.



Ken Hildahl
President & Chief Executive Officer

BALANCE SHEET (\$000's) UNAUDITED

	September 30 2009	March 31 2009
ASSETS		
<u>Current</u>		
Cash and cash equivalents	6,290	9,273
Accounts receivable	25,378	22,066
Inventory	41,252	35,779
Prepaid expenses and supplies	1,054	944
Total current assets	73,974	68,062
Cash (restricted)	46,534	46,284
Property and equipment	27,018	27,151
	147,526	141,497
LIABILITIES		
<u>Current</u>		
Accounts payable - trade and other	41,519	41,394
Current liability for capital lease	30	61
Goods and Services Tax payable	1,132	994
Manitoba Retail Sales Tax payable	1,618	1,381
Net profit payable to the Province of Manitoba	47,474	42,563
Environmental Protection Tax payable	163	133
Deferred licence fees	17	292
Total current liabilities	91,953	86,818
Long term obligation under capital lease	154	146
Provision for employee pension benefits	52,281	51,213
Provision for retirement allowances	3,138	3,320
	147,526	141,497

See accompanying notes to the financial statements

STATEMENT OF INCOME (\$000's) UNAUDITED

	Three Months Ended September 30		Six Months Ended September 30	
	2009	2008	2009	2008
Sales (see Schedule of Sales, Cost of Sales and Gross Profit)	165,734	154,997	323,025	304,281
Cost of sales (see Schedule of Sales, Cost of Sales and Gross Profit)	85,186	79,724	166,271	157,126
Gross profit	80,548	75,273	156,754	147,155
Other income	1,114	822	2,993	3,005
General and administrative expenses	81,662	76,095	159,747	150,160
Depreciation	16,416	15,312	32,420	30,273
	837	766	1,651	1,486
Net profit paid or payable to the Province of Manitoba	64,409	60,017	125,676	118,401

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 September 30					Six Months Ended September 30				
	Spirits	Wine	Coolers/ Ciders	Beer	Total	Spirits	Wine	Coolers/ Ciders	Beer	Total
SALES										
Stores	36,076	21,407	5,099	14,078	76,660	71,650	43,339	9,247	26,194	150,430
Liquor vendors	9,839	2,620	1,390	2,216	16,065	18,703	4,882	2,747	4,079	30,411
Licensees	4,782	1,192	577	63,220	69,771	9,780	2,513	1,137	121,854	135,284
Specialty wine stores	8	3,213	17	-	3,238	10	6,848	42	-	6,900
Total Sales for 2010	50,705	28,432	7,083	79,514	165,734	100,143	57,582	13,173	152,127	323,025
Total Sales for 2009	48,376	27,198	6,676	72,747	154,997	95,676	54,218	12,454	141,933	304,281
COST OF SALES										
Total cost of sales for 2010	19,998	13,070	3,206	48,912	85,186	39,432	26,794	5,980	94,065	166,271
Total cost of sales for 2009	19,357	12,491	3,169	44,707	79,724	38,197	25,314	5,909	87,706	157,126
GROSS PROFIT										
Gross profit for 2010	30,707	15,362	3,877	30,602	80,548	60,711	30,788	7,193	58,062	156,754
Gross profit for 2009	29,019	14,707	3,507	28,040	75,273	57,479	28,904	6,545	54,227	147,155