

STATEMENT OF CASH FLOWS (000's) UNAUDITED Three Months
Ended June 30

	2008 \$	2007 \$
OPERATING ACTIVITIES		
Cash receipts		
Sales - spirits, wine, coolers/ciders, beer	135,128	127,623
Annual and supplementary license fees and other	1,806	1,336
Goods and Services Tax	8,628	9,456
Manitoba Retail Sales Tax	4,471	4,159
Manitoba Waste Reduction and Prevention Levy	128	125
Environmental Protection Tax	498	484
	<u>150,659</u>	<u>143,183</u>
Cash disbursements		
Purchases - merchandise, federal duty, excise and sales taxes, etc.	64,922	62,824
General and administrative expenses	15,001	13,187
Goods and Services Tax	7,703	8,963
Manitoba Retail Sales Tax	4,065	3,794
Manitoba Waste Reduction and Prevention Levy	110	109
Environmental Protection Tax	445	434
	<u>92,246</u>	<u>89,311</u>
Net cash available from operating activities	<u>58,413</u>	<u>53,872</u>
INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,013)	(236)
Net cash available for transfer	<u>57,400</u>	<u>53,636</u>
TRANSFERS TO PROVINCE OF MANITOBA		
Current year's net profit	27,900	29,700
Prior year's net profit	24,644	22,438
	<u>52,544</u>	<u>52,138</u>
Excess (deficiency) of cash receipts over disbursements and transfers	4,856	1,498
Cash and cash equivalents, beginning of year	<u>7,143</u>	<u>7,177</u>
Cash and cash equivalents, end of year	<u>11,999</u>	<u>8,675</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, 2007



OPERATIONAL HIGHLIGHTS

Sales increased \$8.3 million for this three-month period over the same period for F07. This increase is the result of a 2.9% volume increase for spirits, a 7.1% volume increase for wine, supplier price increases and a continued consumer shift to premium-priced products. Beer volumes, which are dependent on weather, declined slightly due to a cool, wet spring.

The 6th annual Winnipeg Wine Festival was held this year from May 6 – 12 and was another resounding success. Over 7,500 people attended the various events during the week and over \$261,000 was raised for Special Olympics Manitoba. The 4th annual Portage la Prairie Wine Tasting was held on April 12 and raised over \$3,100 for the Glesby Centre. The inaugural Flin Flon Wine Tasting was held on June 6 and raised over \$3,000 for the Flinty Committee. The 3rd annual Thompson Wine Tasting was held on June 7, and raised over \$1,900 for the Thompson Community Foundation.

A new television ad for the With Child-Without Alcohol program was launched in June on all Winnipeg and Brandon TV stations. The new campaign was supported by print ads in targeted publications. The ad features several pregnant women and their partners making positive statements not to drink alcohol during pregnancy. The MLCC and the creative agency have received many positive comments from the public and industry regarding the ad.



Don Lussier
President & Chief Executive Officer

BALANCE SHEET (000's) UNAUDITED

As At June 30

	2008 \$	2007 \$
ASSETS		
<i>Current</i>		
Cash	11,999	8,675
Accounts receivable	25,892	24,064
Inventory	28,375	25,191
Prepaid expenses and supplies	799	778
	<u>67,065</u>	<u>58,708</u>
Property and equipment	15,097	12,245
Long-term loan receivable - Province of Manitoba	45,271	45,271
	<u>127,433</u>	<u>116,224</u>
LIABILITIES		
<i>Current</i>		
Accounts payable - trade and other	40,133	36,933
Goods and Services Tax payable	3,104	1,801
MB Retail Sales Tax payable	1,710	1,556
Net profit payable to the Province of Manitoba	28,930	24,425
Environmental Protection Tax payable	187	178
Deferred licence fees	150	188
	<u>74,214</u>	<u>65,081</u>
Total current liabilities	74,214	65,081
Provision for employee pension benefits	48,844	47,025
Provision for retirement allowances	4,375	4,118
	<u>127,433</u>	<u>116,224</u>

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)	141,418	133,140
Cost of sales (see Schedule of Sales, Cost of Sales and Gross Profit)	<u>72,686</u>	<u>68,152</u>
Gross profit	68,732	64,988
Other income	1,945	1,902
	<u>70,677</u>	<u>66,890</u>
General and administrative expenses	13,253	12,207
Depreciation	592	561
	<u>13,845</u>	<u>12,768</u>
Net profit paid or payable to the Province of Manitoba	<u>56,832</u>	<u>54,122</u>

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	32,062	18,592	3,361	10,025	64,040
Liquor vendors	8,391	2,215	1,237	1,653	13,496
Licensees	4,933	1,282	597	53,586	60,398
Specialty wine stores	15	3,452	17	-	3,484
YTD sales for 2008	<u>45,401</u>	<u>25,541</u>	<u>5,212</u>	<u>65,264</u>	<u>141,418</u>
YTD sales for 2007	<u>42,414</u>	<u>22,498</u>	<u>5,182</u>	<u>63,046</u>	<u>133,140</u>
COST OF SALES					
YTD cost of sales 2008	<u>17,909</u>	<u>11,868</u>	<u>2,440</u>	<u>40,469</u>	<u>72,686</u>
YTD cost of sales 2007	<u>16,662</u>	<u>10,373</u>	<u>2,426</u>	<u>38,691</u>	<u>68,152</u>
YTD gross profit 2008	<u>27,492</u>	<u>13,673</u>	<u>2,772</u>	<u>24,795</u>	<u>68,732</u>
YTD gross profit 2007	<u>25,752</u>	<u>12,125</u>	<u>2,756</u>	<u>24,355</u>	<u>64,988</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.