

**Consolidated Statement of Financial Position**  
**As at December 31**  
(\$000s, unaudited)

**Consolidated Statement of Cash Flows**  
**For the nine months ended December 31**  
(\$000s, unaudited)

	2018	2017
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 49,022	\$ 47,647
Trade and other receivables	55,412	55,485
Inventories	52,468	49,148
Prepayments	11,731	7,201
	<u>168,633</u>	<u>159,481</u>
<b>Property and Equipment, and Intangible Assets</b>	<u>392,715</u>	<u>401,674</u>
	<u><b>\$ 561,348</b></u>	<u><b>\$ 561,155</b></u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables	\$ 133,662	\$ 116,368
Payable to the Province of Manitoba	65,280	58,646
Current portion of long-term debt	54,333	51,238
	<u>253,275</u>	<u>226,252</u>
<b>Long-term debt</b>	303,073	329,903
<b>Equity</b>	<u>5,000</u>	<u>5,000</u>
	<u><b>\$ 561,348</b></u>	<u><b>\$ 561,155</b></u>

	2018	2017
<b>Operating Activities</b>		
Net income and comprehensive income	\$ 491,280	\$ 487,646
Add (deduct) items not involving cash:		
Depreciation and amortization	38,906	37,368
Depreciation on assets related to Conduct and Management agreements	3,151	3,718
Gain on disposal of property and equipment & assets held for sale	(6)	(6,001)
	<u>533,331</u>	<u>522,731</u>
Trade and other receivables	(4,112)	(5,180)
Inventories	(4,460)	2,452
Prepayments	(7,382)	(2,011)
Trade and other payables	12,776	10,044
<b>Cash provided by operating activities</b>	<u><b>530,153</b></u>	<u><b>528,036</b></u>
<b>Investing Activities</b>		
Purchase of property and equipment, and intangible assets	(39,678)	(36,762)
Proceeds from disposal of property and equipment & assets held for sale	224	15,388
<b>Cash used in investing activities</b>	<u><b>(39,454)</b></u>	<u><b>(21,374)</b></u>
<b>Financing Activities</b>		
Cash distributions to the Province of Manitoba	(480,362)	(492,725)
Proceeds from long-term debt	38,790	40,000
Repayment of long-term debt	(42,226)	(39,458)
<b>Cash used in financing activities</b>	<u><b>(483,798)</b></u>	<u><b>(492,183)</b></u>
<b>Net increase in cash during the year</b>	<u><b>6,901</b></u>	<u><b>14,479</b></u>
<b>Cash, beginning of the year</b>	<u><b>42,121</b></u>	<u><b>33,168</b></u>
<b>Cash, end of the year</b>	<u><b>\$ 49,022</b></u>	<u><b>\$ 47,647</b></u>

# QUARTERLY FINANCIAL REPORT

MANITOBA  
LIQUOR  
& LOTTERIES



**For the nine months ended  
December 31, 2018**

For further information, contact:

Manitoba Liquor & Lotteries  
830 Empress Street  
Winnipeg, MB R3G 3H3

(204) 957-2500 www.mbl.ca  
Toll free: 1-800-782-0363

This publication is available  
in alternate formats upon request.

## Operational Highlights

Manitoba Liquor and Lotteries Corporation's consolidated net income and comprehensive income for the nine months ended December 31, 2018 was \$491.3 million, an increase of \$3.6 million from the same period last year. Consolidated net income from operations was up from last year by \$9.4 million, but this increase was offset by a one-time gain of \$5.8 million on the disposal of the head office location in the prior year. There were increases of \$10.1 million in Lottery and \$0.9 million in Video Lotto; offset by decreases of \$2.2 million in Liquor Operations and \$0.6 million in Casinos. Cannabis Operations recorded net income of \$1.2 million.

Revenue, net of cost of sales, decreased \$5.0 million from the same period last year, the result of the one-time gain on disposal of the head office location, while the share of profit of Western Canada Lottery Corporation increased \$10.1 million. On the expenditure side, operating expenses increased \$4.1 million; depreciation and amortization, GST expense and interest expense net of interest income increased \$0.9 million; and allocations and payments decreased \$3.5 million.

### Consolidated Statement of Operations For the nine months ended December 31 (\$000s, unaudited)

	2018						2017
	Cannabis Operations	Casinos	Liquor Operations	Lottery	Video Lotto	Total	Total
<b>Revenue</b>							
Revenue	\$ 10,976	\$ 195,029	\$ 638,993	\$ 1,579	\$ 267,737	\$ 1,114,314	\$ 1,108,665
Cost of Sales	9,078	14,453	316,834	947	87,301	428,613	417,917
	<b>1,898</b>	<b>180,576</b>	<b>322,159</b>	<b>632</b>	<b>180,436</b>	<b>685,701</b>	<b>690,748</b>
<b>Expenses</b>							
Operating	723	91,660	82,208	4,722	10,969	190,282	186,189
Depreciation and amortization	-	19,027	4,950	-	14,929	38,906	37,368
Goods and Services Tax	-	665	-	30	1,349	2,044	2,011
	<b>723</b>	<b>111,352</b>	<b>87,158</b>	<b>4,752</b>	<b>27,247</b>	<b>231,232</b>	<b>225,568</b>
<b>Operating Income</b>	<b>1,175</b>	<b>69,224</b>	<b>235,001</b>	<b>(4,120)</b>	<b>153,189</b>	<b>454,469</b>	<b>465,180</b>
Share of profit of Western Canada Lottery Corporation	-	1,280	-	54,031	-	55,311	45,161
Interest expense on long-term debt	-	(5,769)	(501)	(84)	(2,029)	(8,383)	(8,931)
Interest income	-	351	154	15	362	882	690
<b>Income before Allocations and Payments</b>	<b>1,175</b>	<b>65,086</b>	<b>234,654</b>	<b>49,842</b>	<b>151,522</b>	<b>502,279</b>	<b>502,100</b>
Allocations and payments	-	2,910	5,711	455	1,923	10,999	14,454
<b>Net Income and Total Comprehensive Income</b>	<b>1,175</b>	<b>62,176</b>	<b>228,943</b>	<b>49,387</b>	<b>149,599</b>	<b>491,280</b>	<b>487,646</b>

#### Notes to the Consolidated Financial Statements

1. These interim consolidated financial statements should be read in conjunction with the Manitoba Liquor and Lotteries Corporation 2017-18 Annual Report.
2. These interim consolidated financial statements have been prepared following the same accounting policies that are disclosed in the Annual Report.