

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**
(\$000s, unaudited)
June 30

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets		
Cash	\$ 38,392	\$ 49,312
Trade and other receivables	58,155	60,827
Inventories	55,101	52,033
Prepayments	9,236	8,314
	<u>160,884</u>	<u>170,486</u>
 Property and Equipment, and Intangible Assets	 <u>394,396</u>	 <u>393,318</u>
	 <u>\$ 555,280</u>	 <u>\$ 563,804</u>
 LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	\$ 111,370	\$ 103,076
Payable to the Province of Manitoba	67,024	83,584
Current portion of long-term debt	48,289	41,482
	<u>226,683</u>	<u>228,142</u>
 Long-term Debt	 323,597	 330,662
 Equity	 <u>5,000</u>	 <u>5,000</u>
	 <u>\$ 555,280</u>	 <u>\$ 563,804</u>

FOR FURTHER INFORMATION CONTACT:

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QUARTERLY FINANCIAL REPORT

MANITOBA
LIQUOR
& LOTTERIES



**FOR THE THREE MONTHS ENDED
JUNE 30, 2016**

OPERATIONAL HIGHLIGHTS

Manitoba Liquor and Lotteries Corporation's consolidated net income and comprehensive income for the three months ended June 30, 2016 was \$150.4 million, a decrease of \$6.7 million from the same period last year. This change is due to decreases of \$3.7 million in Casinos, \$2.8 million in Lottery and \$1.0 million in Liquor Operations; offset by an increase of \$0.8 million in Video Lotto.

Revenue, net of cost of sales, increased \$3.4 million from the same period last year while the share of profit of Western Canada Lottery Corporation decreased \$2.8 million. On the expenditure side, operating expenses increased \$5.4 million; depreciation and amortization, GST expense and interest expense net of interest income increased \$0.5 million; and allocations and payments increased \$1.4 million.

CONSOLIDATED STATEMENT OF OPERATIONS

(in \$000s, unaudited)

For the three months ending June 30th

	2016					2015
	<u>Casinos</u>	<u>Liquor Operations</u>	<u>Lottery</u>	<u>Video Lotto</u>	<u>Total</u>	<u>Total</u>
Revenue						
Revenue	\$ 58,723	\$ 203,366	\$ 601	\$ 85,641	\$ 348,331	\$ 339,722
Cost of sales	4,158	100,940	443	8,198	113,739	108,493
	54,565	102,426	158	77,443	234,592	231,229
Expenses						
Operating	28,864	24,890	1,493	3,842	59,089	53,662
Depreciation and amortization	5,443	1,496	-	5,246	12,185	11,743
Goods and Services Tax	216	-	13	578	807	837
	34,523	26,386	1,506	9,666	72,081	66,242
Operating Income	20,042	76,040	(1,348)	67,777	162,511	164,987
Share of profit of Western Canada Lottery Corporation	260	-	13,437	-	13,697	16,466
Interest expense on long-term debt	(1,814)	(124)	(35)	(952)	(2,925)	(2,772)
Interest income	94	10	2	125	231	207
Income before allocations and payments	18,582	75,926	12,056	66,950	173,514	178,888
Allocations and payments	1,878	2,344	183	18,756	23,161	21,782
Net income and comprehensive income	16,704	73,582	11,873	48,194	150,353	157,106

Notes to the Consolidated Financial Statements

1. These interim consolidated financial statements should be read in conjunction with the Manitoba Liquor and Lotteries Corporation 2015-16 Annual Report.
2. These interim consolidated financial statements have been prepared following the same accounting policies that are disclosed in the Annual Report.