

Manitoba Lotteries Corporation



Mission

The MLC's Mission is to provide a fun and entertaining gaming experience in a socially responsible manner to generate benefits for all Manitobans.



FIRST QUARTER REPORT

FOR THE THREE MONTHS ENDED
JUNE 30, 2009

For Further Information Contact:

Manitoba Lotteries Corporation
830 Empress Street
Winnipeg, Manitoba
R3G 3H3

(204) 957-2500
www.mlc.mb.ca

Toll Free 1-800-782-0363

**MANITOBA LOTTERIES CORPORATION
OPERATIONAL HIGHLIGHTS**

Manitoba Lotteries Corporation's consolidated net income and comprehensive income for the 3 months ended June 30, 2009 was \$81.7 million, a decrease of \$2.8 million from the same period last year. This change is due to decreases of \$2.1 million in Video Lotto and \$2.2 million in the Casinos, offset by an increase in Lottery of \$1.5 million.

Revenue and other income, net of cost of sales, decreased \$0.9 million from the same period last year. Operating expenses increased \$1.9 million over the same period last year. Amortization, interest and GST expenses decreased \$0.3 million over the same period last year, and allocations and payments increased by \$0.3 million.

CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, unaudited)
3 Months Ended June 30th

	2009				2008
	Video Lotto	Casinos	Lottery	Total	Total
Revenue					
Revenue and other income	\$88,271	\$55,811	\$50,118	\$194,200	\$197,775
Cost of sales	27,840	2,446	32,769	63,055	65,736
	<u>60,431</u>	<u>53,365</u>	<u>17,349</u>	<u>131,145</u>	<u>132,039</u>
Expenses					
Operating	2,569	28,961	1,257	32,787	30,898
Amortization	3,809	5,019	-	8,828	8,933
Interest expense – long-term	763	1,773	60	2,596	2,800
Goods and services tax	1,104	180	14	1,298	1,326
	<u>8,245</u>	<u>35,933</u>	<u>1,331</u>	<u>45,509</u>	<u>43,957</u>
Income before					
Allocations and Payments	<u>52,186</u>	<u>17,432</u>	<u>16,018</u>	<u>85,636</u>	<u>88,082</u>
Allocations and Payments	<u>941</u>	<u>1,510</u>	<u>1,530</u>	<u>3,981</u>	<u>3,665</u>
Net Income and Comprehensive					
Income	<u>\$51,245</u>	<u>\$15,922</u>	<u>\$14,488</u>	<u>\$81,655</u>	<u>\$84,417</u>

**MANITOBA LOTTERIES CORPORATION
CONSOLIDATED BALANCE SHEET**
(in thousands, unaudited)
June 30th

	2009	2008
ASSETS		
Current Assets		
Cash	\$ 18,235	\$ 18,497
Accounts receivable	14,903	15,194
Prepaid expenses	6,488	5,142
Inventories	<u>3,252</u>	<u>2,580</u>
	<u>42,878</u>	<u>41,413</u>
Property and Equipment,		
and Other Assets	<u>161,556</u>	<u>175,218</u>
	<u>\$204,434</u>	<u>\$216,631</u>
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accruals	\$25,505	\$24,498
Payable to the Province of Manitoba	3,755	9,117
Current portion of long term debt	<u>13,482</u>	<u>12,846</u>
	<u>42,742</u>	<u>46,461</u>
Long Term Debt	156,125	164,791
Provision for Employee Pension Benefits	567	379
Retained Earnings	<u>5,000</u>	<u>5,000</u>
	<u>\$204,434</u>	<u>\$216,631</u>