

News Release

New Brunswick Liquor Corporation

NB Liquor announces second quarter results

02 November 2011

FREDERICTON (CNB) - NB Liquor released its earnings today for the second quarter, which began July 3 and ended Oct.2.

Highlights:

- Sales declined 2.7 per cent over the second quarter last year with 330,000 fewer store visits. However, sales are up 1.6 per cent year to date.
- Net earnings decreased by 1.7 per cent in the second quarter but are up 2.1 per cent year to date.

There were net earnings of \$46.7 million for the second quarter, representing a decrease of \$0.8 million or 1.7 per cent over the same quarter's earnings in 2010-11.

Commencing with the 2011-12 fiscal year, NB Liquor adopted a 13 week quarter, with the first and last week of each year adjusted for the fiscal year end. Accordingly, the current quarter and year to date results include two additional selling days when compared to the previous year. When excluding the two additional selling days, second quarter sales decreased 3.9 per cent while year to date sales increased 0.9 per cent.

"Unfortunately, our strong start to the year did not continue into the second quarter," said Daniel Allain, president and chief executive officer, NB Liquor. "Poor summer weather and continuing economic uncertainty had an impact on customer visits."

Weak sales volumes in the quarter were responsible for the decline in sales. Spirit sales were up 0.6 per cent (1.0 per cent year to date) and wine sales grew 1.0 per cent (3.1 per cent year to date). However, the Beer and Other categories, sales of which are affected a great deal by weather, fared poorly. Beer volume was down 15.1 per cent in the quarter (5.9 per cent year to date), while the Other category, which consists of coolers and ready to drink beverages, was down 8.6 per cent (11.6 per cent year to date). Since the two categories are weather dependent, they are unlikely to recover given the poor summer results.

Operating expenses were below the previous year's total in the second quarter; however, NB Liquor's operating expenses to sales ratio, which includes depreciation, increased slightly from 11.1 per cent last year to 11.4 per cent due to the decline in sales. Year to date the ratio has been consistent at 11.7 per cent.

NB Liquor also released the expenses of the board of directors and of the president and chief executive officer for the second quarter. The expenses are available online.

The financial information provided has not been audited or otherwise verified, and contains financial estimates which are subject to change. The audited financial statements of NB Liquor for the year ended March 31, 2011, can be found online.

NB Liquor is a provincial Crown corporation responsible for the purchase, importation, distribution, and retail activity for all alcoholic beverages in the province. It serves the public and licensees through 47 corporate retail outlets and 73 private agency store outlets. NB Liquor's product portfolio comprises more than 1,878 products, including wines, spirits, beers and other products, such as coolers and ready to drink products. The corporation was named one of Canada's Top 100 Employers for 2011 and, for the

second year in a row, it was publicly recognized for its human resource programs and benefits by being named one of the top 25 employers in Atlantic Canada for 2011.

LINK:

- NB Liquor: www.anbl.com

Media Contact(s)

Marcelle Saulnier, communications, NB Liquor, 506-452-6486, marcelle.saulnier@anbl.com

New Brunswick Liquor Corporation
 Unaudited Operating and Financial Highlights
 For the quarter ended October 2, 2011

	Quarter ended October 2, 2011	Quarter ended September 30, 2010
Sales:		
Spirits	\$23 695 489	\$23 331 972
Wine	18 298 988	17 633 370
Beer	60 800 959	64 050 187
Other beverages	7 169 272	7 971 419
Total Sales	<u>\$109 964 708</u>	<u>\$112 986 947</u>
Gross Profit	\$58 354 588	\$59 251 066
Other Income	897 445	808 893
Operating expenses	<u>12 545 973</u>	<u>12 556 420</u>
Net earnings	<u><u>\$46 706 060</u></u>	<u><u>\$47 503 539</u></u>
Payments to the Province of New Brunswick	<u>\$51 727 433</u>	<u>\$36 427 668</u>
Operating expenses per cent of sales	<u>11.4%</u>	<u>11.1%</u>
Volumes (in litres)		
Spirits	754 154	749 400
Wine	1 396 793	1 382 557
Beer	13 037 183	15 353 901
Other beverages	<u>978 776</u>	<u>1 071 314</u>
Total Volumes	<u>16 166 906</u>	<u>18 557 172</u>

New Brunswick Liquor Corporation
 Unaudited Operating and Financial Highlights
 For the six periods ended October 2, 2011

	Six periods ended October 2, 2011	Six periods ended September 30, 2010
Sales:		
Spirits	\$45 870 282	\$44 779 811
Wine	35 347 917	33 021 233
Beer	123 257 164	121 561 419
Other beverages	12 460 702	14 140 701
Total Sales	<u>\$216 936 065</u>	<u>\$213 503 163</u>
Gross Profit	\$113 068 346	\$110 882 646
Other Income	1 541 505	1 421 706
Operating expenses	<u>25 352 491</u>	<u>24 901 784</u>
Net earnings	<u><u>\$89 257 360</u></u>	<u><u>\$87 402 568</u></u>
Payments to the Province of New Brunswick	<u>\$92 633 608</u>	<u>\$87 300 770</u>
Operating expenses per cent of sales	<u>11.7%</u>	<u>11.7%</u>
Volumes (in litres)		
Spirits	1 458 478	1 443 783
Wine	2 710 142	2 629 373
Beer	27 266 988	28 961 520
Other beverages	<u>1 704 928</u>	<u>1 928 411</u>
Total Volumes	<u>33 140 537</u>	<u>34 963 087</u>