

News Release

New Brunswick Liquor Corporation

NB Liquor announces third-quarter results for 2011-12

30 January 2012

FREDERICTON (CNB) – NB Liquor released its earnings today for the third quarter of fiscal 2011-12, which began Oct. 3, 2011 and ended Jan. 1, 2012.

NB Liquor reported net earnings of \$44.5 million, representing an increase of \$300,000 or 0.7 per cent more than the same quarter's earnings in 2010-11.

"Although holiday season traffic was lower than expected and only began to pick up one week before Christmas, I am pleased to report our net income results improved year-over-year," said Daniel Allain, president and chief executive officer, NB Liquor. "However, economic uncertainty continued to account for weak volumes in the quarter, which were responsible for an overall decline in sales."

Starting in fiscal 2011-12, NB Liquor adopted a 13-week quarter, with the first and last week of each year adjusted for the end of the fiscal year. Accordingly, the current quarter has one less day and year-to-date results include one additional selling day when compared to the previous year.

Spirits were down 3.2 per cent (0.6 per cent year-to-date), and wine declined 1.8 per cent (up 1.2 per cent year-to-date).

The beer and other beverages categories continued to fare poorly. Beer volume was down 9.8 per cent in the quarter (seven per cent year-to-date), while the other beverages category, which consists of coolers and ready-to-drink products, was off 3.4 per cent (9.5 per cent year-to-date). A provincewide other-beverages sale helped improve the category results but did not reverse the downward trend.

Operating expenses were less than the previous year's total in the third quarter; accordingly, the operating expenses-to-sales ratio, which includes depreciation, improved to 11.9 per cent in the quarter from 12.1 per cent last year. The year-to-date ratio has been consistent at 11.8 per cent.

The following reports are now available on the corporation's website:

- the Unaudited Operating and Financial Highlights for the first, second and third quarters of 2011-12;
- the expenses of the board of directors and the president and chief executive officer for the same three quarters; and
- the audited financial statements of NB Liquor for the year ended March 31, 2011.

NB Liquor is a provincial Crown corporation responsible for the purchase, importation, distribution and retail activity for all alcoholic beverages in New Brunswick. It services the public and licensees through 47 corporate retail outlets and 73 private agency store outlets.

NB Liquor's product portfolio comprises 1,878 products, including wines, spirits, beers and other products, such as coolers and ready-to-drink products.

NB Liquor: www.anbl.com

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New Brunswick Liquor Corporation
 Unaudited Operating and Financial Highlights
 For the quarter ended January 1, 2012

	Quarter ended January 1, 2012	Quarter ended December 31, 2010
Sales:		
Spirits	\$27 789 369	\$28 307 769
Wine	21 250 998	21 007 157
Beer	50 719 331	50 238 040
Other beverages	4 388 992	4 782 096
Total Sales	<u>\$104 148 689</u>	<u>\$104 335 062</u>
Gross Profit	\$56 144 585	\$56 126 316
Other Income	796 170	708 678
Operating expenses	<u>12 396 057</u>	<u>12 611 587</u>
Net earnings	<u><u>\$44 544 698</u></u>	<u><u>\$44 223 407</u></u>
Operating expenses per cent of sales	<u>11.9%</u>	<u>12.1%</u>
Volumes (in litres)		
Spirits	865 942	894 298
Wine	1 589 723	1 618 776
Beer	10 962 588	12 157 805
Other beverages	<u>617 849</u>	<u>639 585</u>
Total Volumes	<u>14 036 102</u>	<u>15 310 464</u>

New Brunswick Liquor Corporation
 Unaudited Operating and Financial Highlights
 For the nine periods ended January 1, 2012

	Nine periods ended January 1, 2012	Nine months ended December 31, 2010
Sales:		
Spirits	\$73 659 651	\$73 087 580
Wine	56 598 914	54 028 390
Beer	173 976 495	171 799 459
Other beverages	16 849 694	18 922 797
Total Sales	<u>\$321 084 754</u>	<u>\$317 838 226</u>
Gross Profit	\$169 212 931	\$167 008 962
Other Income	2 337 675	2 130 384
Operating expenses	<u>37 748 548</u>	<u>37 513 371</u>
Net earnings	<u><u>\$133 802 058</u></u>	<u><u>\$131 625 975</u></u>
Operating expenses per cent of sales	<u>11.8%</u>	<u>11.8%</u>
Volumes (in litres)		
Spirits	2 324 420	2 338 081
Wine	4 299 865	4 248 149
Beer	38 229 576	41 119 325
Other beverages	<u>2 322 777</u>	<u>2 567 996</u>
Total Volumes	<u>47 176 639</u>	<u>50 273 551</u>