



Information Bulletin

Financial results for the third quarter of fiscal 2008-2009

To all agents and suppliers

The SAQ's net earnings rise 7.4% while sales increase 5.4%

Montreal, February 27, 2009 – In the third quarter of its 2008–2009 fiscal year, the SAQ had net sales of \$877.7 million, an increase of \$44.9 million or 5.4% over the same quarter of the preceding year. The SAQ reported consolidated net earnings of \$320.5 million for the same period, up \$22.2 million or 7.4%. Consolidated net earnings for the fiscal year through the end of the third quarter rose a significant \$44.1 million or 7% to \$678 million.

Net sales: a solid performance

As in the first two quarters of the fiscal year, the outlets and specialized centres turned in a solid performance with sales of \$781.8 million, an increase on the order of 6% or \$44.4 million. Net sales for the wholesale grocer network rose a slight \$0.5 million in the third quarter, to \$95.9 million.

After 40 weeks of operation, the SAQ's overall net sales totalled \$1.943 billion, compared with \$1.838 billion in the first 40 weeks of fiscal 2007–2008, a 5.7% increase. For their part, the related volume sales rose 3.8%. The constant release of new products, the running of promotions popular with customers and the effectiveness of the advisory service were all factors that contributed to this success.

As for sales by product category, wine sales rose 2.6% to end the third quarter at 47.9 million litres. Among the various categories, wine has led the way since the start of fiscal 2008–2009 with growth of 4.2%, accounting for nearly 90% of the overall increase in volume sales. Sales of spirits remained stable while those in the ready-to-drink (coolers) and imported and microbrewery beers, ciders and related products categories increased slightly.

Continued improvement of the efficiency ratio

Since the start of the fiscal year, the SAQ has succeeded in maintaining its operating expenses below those of the preceding year. For the first 40 weeks of fiscal 2008–2009, they totalled \$352.2 million, compared with \$356.2 million in fiscal 2007–2008. The ratio of consolidated net operating expenses to consolidated net sales was 18.1% (18.7% when the new accounting standard for inventories is not applied), as opposed to 19.4% in fiscal 2007–2008. It should be noted that the SAQ achieved this strong performance while deploying additional resources in its outlet network in response to increased customer traffic.



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An initiative supported by customers

On December 31, 2008, the SAQ completely eliminated single-use bags from its sales outlets. This green project also enabled the Centre for Sustainable Development and the Regroupement national des conseils régionaux pour l'environnement du Québec to split equally the \$205,000 in proceeds from the SAQ's sale of paper and plastic single-use bags during the last phase of the lead-up to the cut-off date, namely from September through the end of December.

The SAQ's initiative was well received by customers. The SAQ would like to thank them for their support and to hail the work of its some 5,000 outlet-based employees.

View the [results for the third quarter](#) of fiscal 2008-2009 (French PDF only).