



Liquor Stores Income Fund

Annual General Meeting
Thursday, May 6, 2010



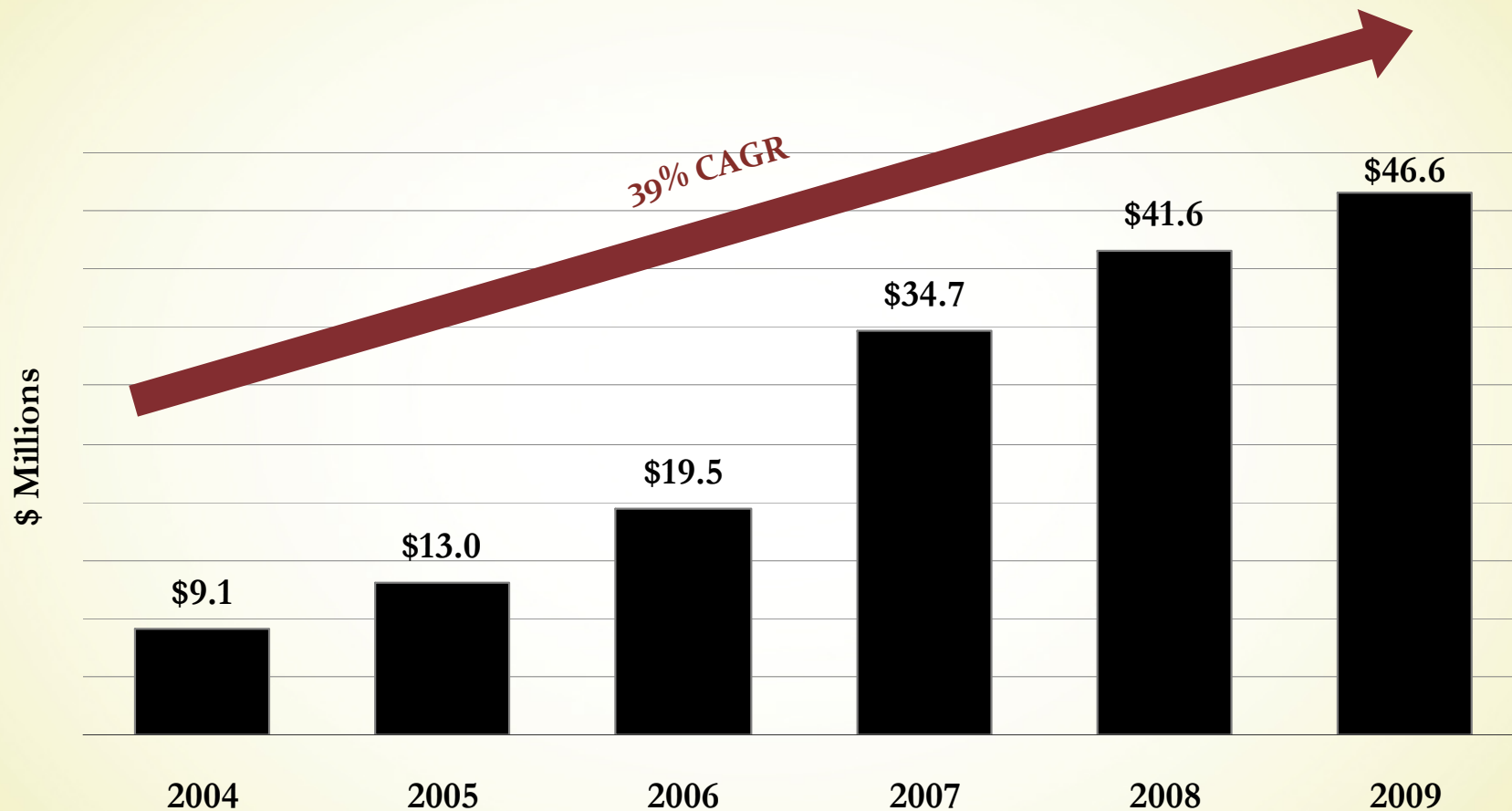
Operating Results for the year ended December 31, 2009

(expressed in millions of Canadian dollars)	2009		2008	
	\$	% of sales	\$	% of sales
Number of Stores ⁽¹⁾	236		223	
Canadian store sales	444.9	82.2%	468.6	97.0%
US store sales	96.1	17.8%	14.3	3.0%
Total sales	541.0	100.0%	482.9	100.0%
Operating margin before non-recurring items	47.7	8.8%	43.8	9.1%
Non-recurring items ⁽²⁾	1.1	0.2%	2.3	0.5%
Operating margin	46.6	8.6%	41.6	8.6%
Distributable cash/unit before non-recurring items	1.81	-	1.72	-
Distributable cash/unit after non-recurring items	1.76	-	1.76	-
Distributions declared/unit	1.62	-	1.62	-

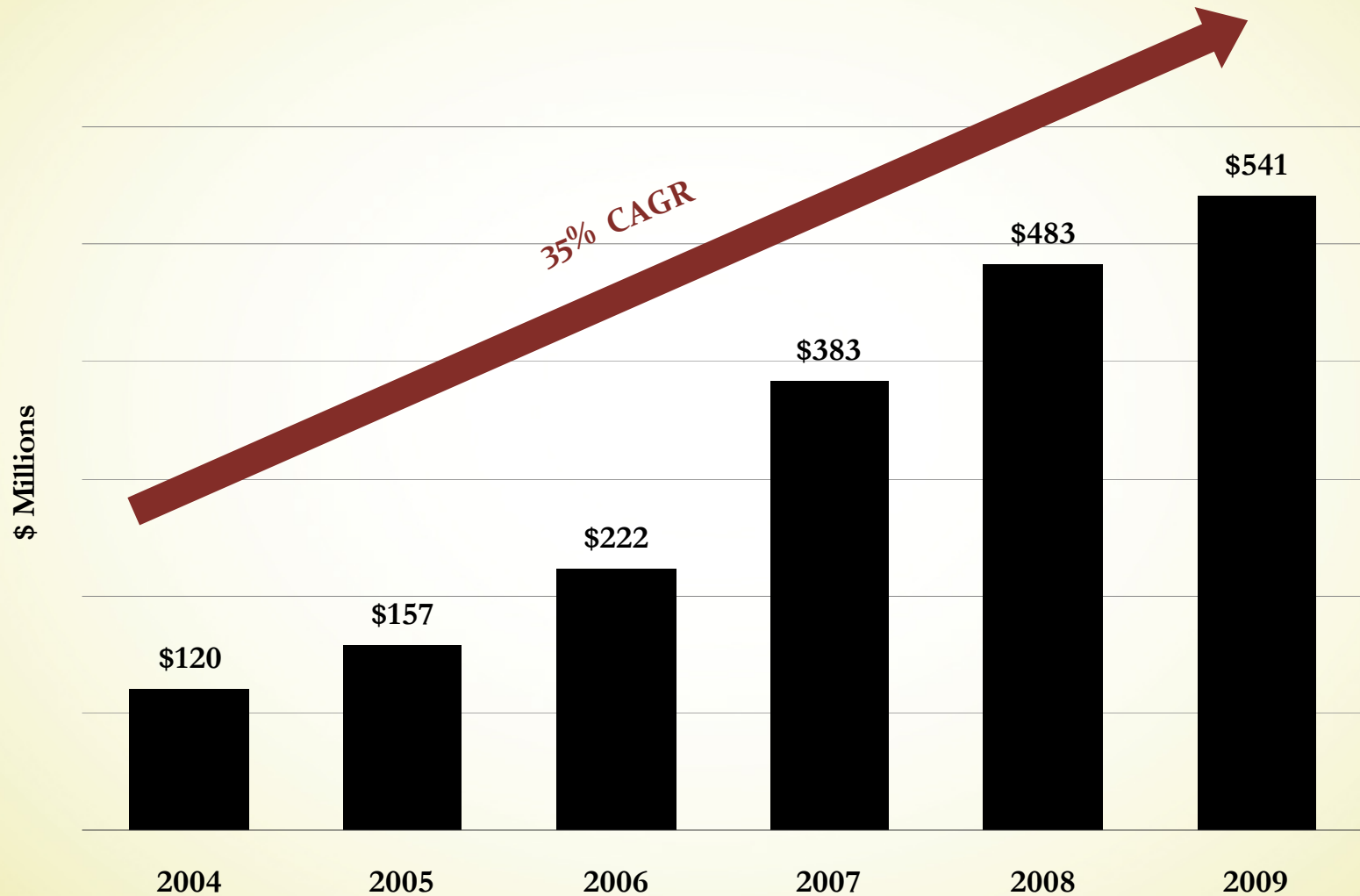
(1) The number of stores and corresponding results for the year ended December 31, 2009 includes partial months of operations for 14 stores (2008 - 35) opened or acquired and one store sold during the period. The results for 2008 also include seven stores which were closed prior to December 31, 2008.

(2) Non-recurring items for the year ended December 31, 2009 and 2008 include professional and consulting fees for litigation matters relating to the 2007 acquisition of Liquor Barn Income Fund. Non-recurring items for 2009 also include employee severance provisions. Non-recurring items for 2008 also include recruitment and relocation expenses and operating lease provisions for closed stores.

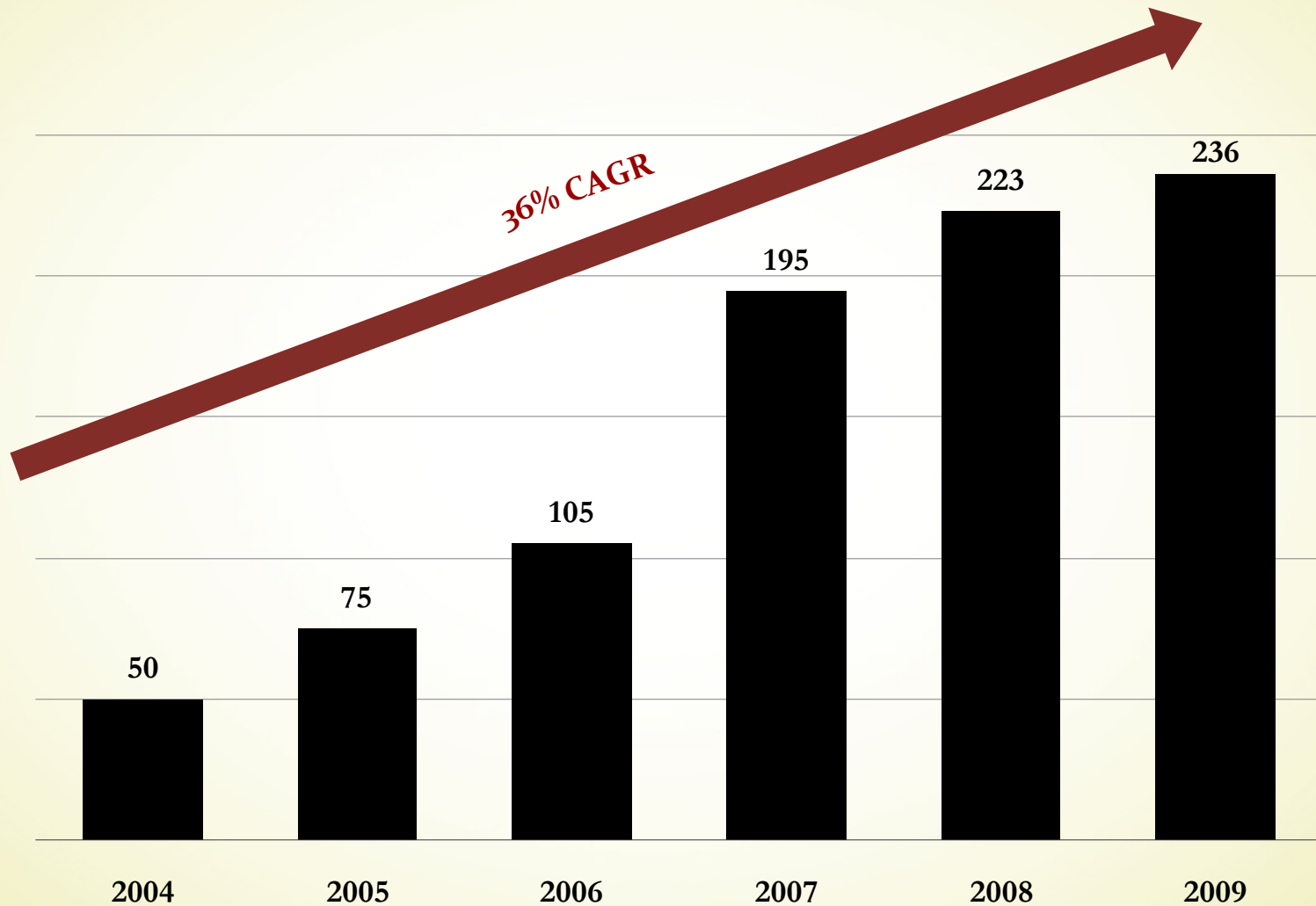
Reliable and Growing EBITDA



Strong Sales Growth



Track Record of Consistent Store Growth



Cash Distributions

- Cash distributions
 - Initial Distribution - \$1.00
 - To date five increases in distributions:
 - May 2005 - 7.5% to \$1.075 per year
 - February 2006 - 11.6% to \$1.20 per year
 - November 2006 - 16.7% to \$1.40 per year
 - March 2007 - 7.1% to \$1.50 per year
 - December 2007 - 8.0% to \$1.62 per year
 - 2009 payout ratio of 89%



Store Locations

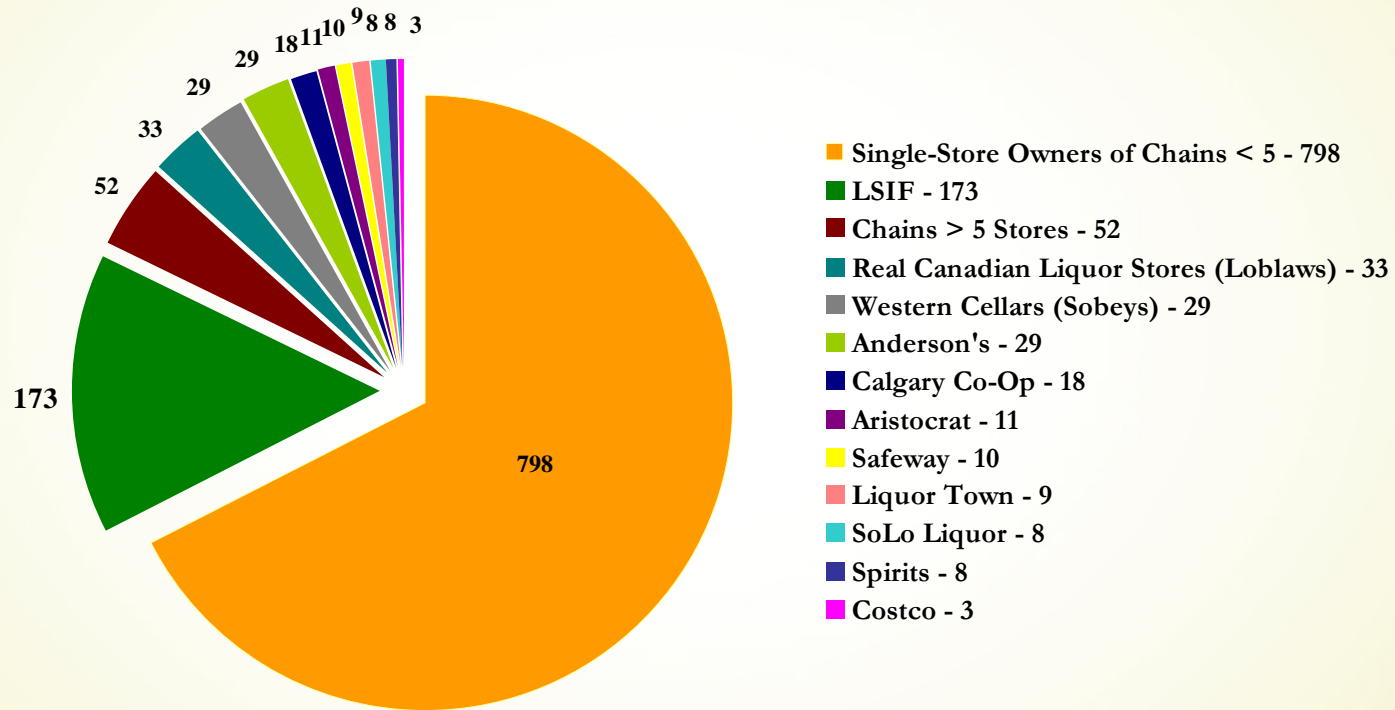
	Alberta			British Columbia			Alaska	Kentucky		
	Edmonton (1)	Calgary (1)	Other (2)	Lower Mainland	Vancouver Island	Interior	Greater Anchorage	Lexington	Louisville	Total
Number of Stores	80	45	48	13	11	11	20	5	3	236

Notes:

- (1) References to Edmonton and Calgary are to stores located in or near those urban centres.
- (2) Other communities served in Alberta include, by region, Northern (23), Southern (9), Central (14) and Resort communities (2).

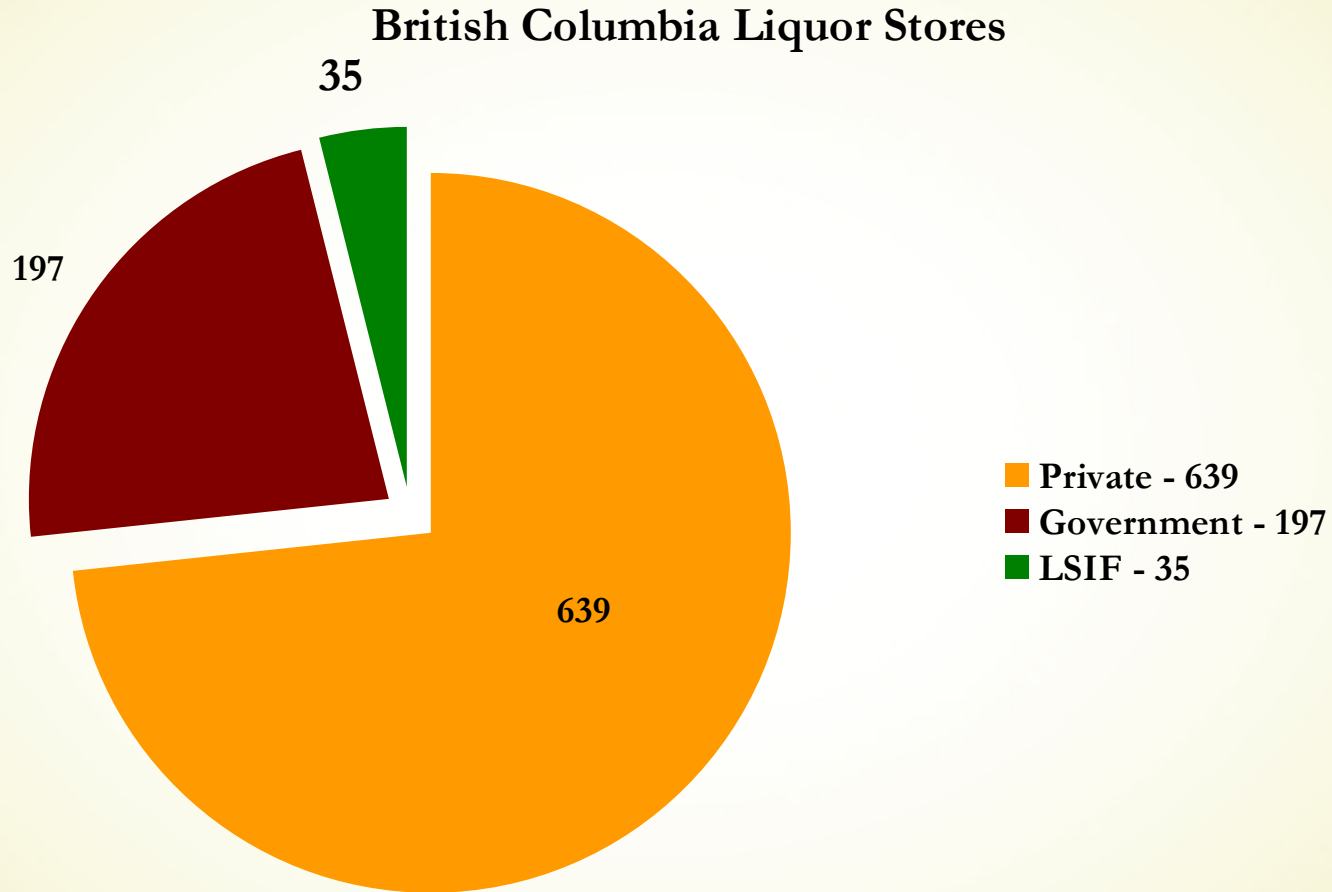
Alberta - Competition

Alberta Retail Liquor Stores



Total Stores Alberta – 1,181 approximately
(Source: Alberta Liquor and Gaming Commission)

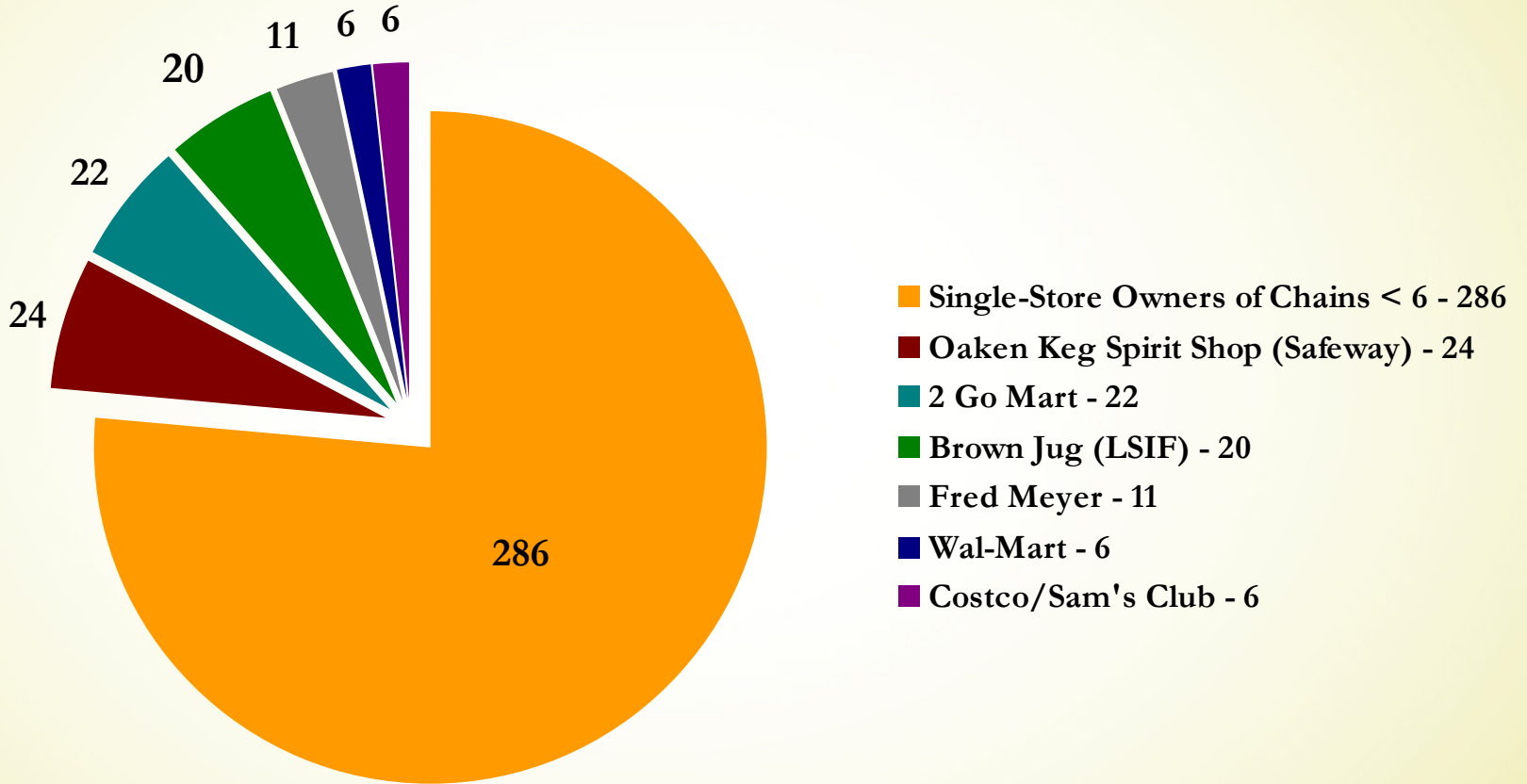
British Columbia - Competition



Total Stores British Columbia – 871 approximately
(Source: British Columbia Liquor Distribution Branch)

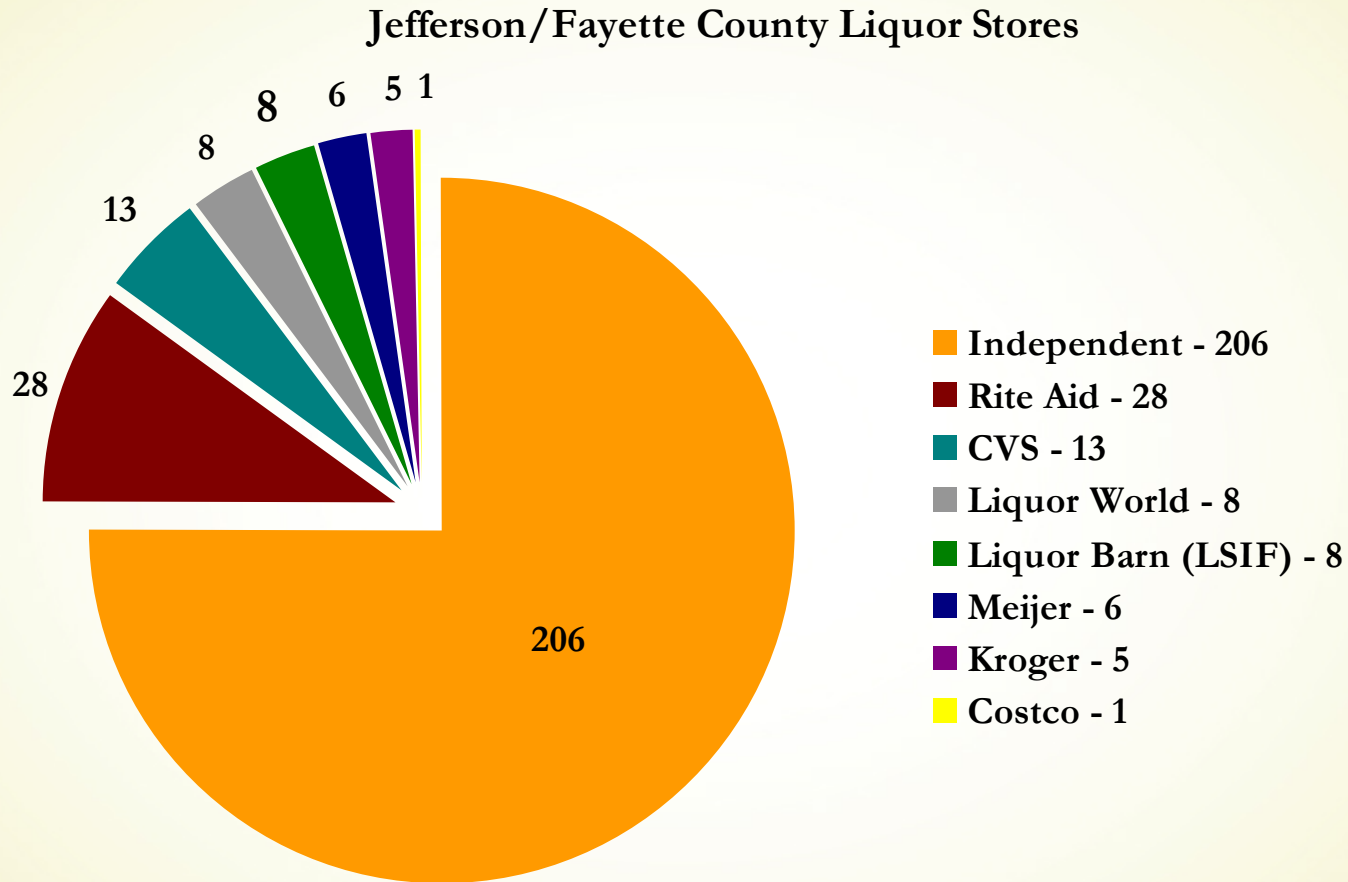
Alaska - Competition

Alaska Liquor Stores



Total Stores Alaska – 375 approximately
(Source: Alcohol Beverage Control)

Kentucky - Competition



Total Stores Jefferson / Fayette County- 275 approximately
(Source: Alcohol Beverage Control)

2009 Highlights

- Milestones
 - Celebrated fifth year of operations as a publicly-traded trust
- Growth strategy
 - Opened or acquired 14 stores in 2009, including eight Liquor Barn stores in Kentucky
 - Developed solid bases of operations in Alaska and Kentucky, positioning the Fund to expand in these areas and other US markets



Canadian stores

- Currently operate 173 stores in Alberta and 35 stores in British Columbia
- Conveniently located to generate optimal traffic flow



Kentucky stores

- Acquired eight Liquor Barn stores in 2009, located in Kentucky's two major cities, Louisville and Lexington
- Primary focus on “big box store” concept



Alaska stores

- Acquired 19 Brown Jug stores in 2008, located in the Greater Anchorage Area
- Developed one new store in 2009



Historic Unit Price

Liquor Stores Income Fund Unit Price



Risk Factors

The Fund's results of operations, business prospects, financial condition, cash distributions to unitholders and the trading price of the Units are subject to a number of risks. These risk factors include: state of economy; unpredictability and volatility of unit price; risks relating to government regulation; changes in excise taxes; competition; its ability to locate and secure acceptable store sites and to adapt to changing market conditions; risks relating to future acquisitions and development of new stores; failure to successfully integrate acquisitions; dependence on key personnel; the Fund's ability to hire and retain staff at acceptable wage levels; risks related to the possibility of future unionization; supply interruption or delays; reliance on information and control systems; dependence on capital markets to fund its growth strategy beyond its available credit facilities; dependence of the Fund on Liquor Stores LP and Liquor Barn LP; leverage and restrictive covenants in agreements relating to current and future indebtedness of Liquor Stores LP and Liquor Barn LP; restrictions on the potential growth of Liquor Stores LP and Liquor Barn LP as a consequence of the payment by Liquor Stores LP and Liquor Barn LP of a substantial amount of their respective operating cash flow; income tax related risks including the provisions related to the taxation of income trusts.

For a discussion of these risks and other risks associated with an investment in Units, see "Risk Factors" detailed in the Fund's Annual Information Form, which is available at www.sedar.com.

Non-GAAP Measures

Distributable cash of the Fund is a measure generally used by Canadian open-ended trusts as an indicator of financial performance. As one of the factors that may be considered relevant by unitholders and prospective investors is the cash distributed by the Fund relative to the price of the Fund's trust units, management believes that distributable cash of the Fund is a useful supplemental measure that may assist unitholders and prospective investors in assessing an investment in the Fund.

Operating margin has been derived by adding interest expense, amortization of inventory fair value adjustments, pre-opening and acquisition cost expense and amortization of property and equipment and intangibles to net earnings. Operating margin as a percentage of sales is calculated by dividing operating margin by sales. Operating margin before non-recurring items has been derived by adding non-recurring items to operating margin as described above.

Non-recurring items include expenses incurred by the Fund for expenses that are not part of on-going operations and that are not expected to recur. These include professional fees paid in respect of law suits that originated with regards to the Fund's acquisition of Liquor Barn Income Fund in 2007, non-ordinary severance expenses and acquisition related foreign exchange gains and losses.

"Payout ratio" is calculated by dividing cash distributions declared by distributable cash.

Operating margin, operating margin as a percentage of sales, distributable cash and payout ratio are not measures recognized by GAAP and do not have a standardized meaning prescribed by GAAP. Investors are cautioned that operating margin, operating margin as a percentage of sales, distributable cash and payout ratio should not replace net earnings or loss (as determined in accordance with GAAP) as an indicator of the Fund's performance, of its cash flows from operating, investing and financing activities or as a measure of its liquidity and cash flows. The Fund's method of calculating operating margin, operating margin as a percentage of sales, distributable cash and payout ratio may differ from the methods used by other issuers. Therefore, the Fund's operating margin, operating margin as a percentage of sales, distributable cash and payout ratio may not be comparable to similar measures presented by other issuers.

Forward Looking Information

This presentation contains forward-looking statements or information. All statements and information other than statements of historical fact contained in this presentation are forward-looking statements, including, without limitation, statements regarding the future financial position and performance, cash distributions, distributable cash before non-recurring items, business strategy, proposed or recent acquisitions and the benefits to be derived therefrom, budgets, litigation, projected costs and plans and objectives of or involving the Fund. You can identify many of these statements by looking for words such as “believes”, “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues”, “forecasts” or similar words or the negative thereof. These forward-looking statements include statements with respect to the amount and timing of the payment of the distributions of the Fund. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur and such forward-looking statements in this presentation should not be unduly relied upon. Forward-looking statements are subject to risks, uncertainties and assumptions, including, but not limited to, those discussed elsewhere in this management’s discussion and analysis. There can be no assurance that such expectations will prove to be correct.

Some of the factors that could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include, but are not limited to, those discussed under “Risk Factors”. Specific forward-looking statements contained in this presentation include, among others, the management’s expectations that the Fund will have sufficient funds to complete store acquisitions, develop new stores and finance inventory.

The information contained in this presentation, including the information set forth under “Risk Factors”, identifies additional factors that could affect the operating results and performance of the Fund.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this presentation are made as of the date of this presentation and the Fund assumes no obligation to update or revise them to reflect new events or circumstances except as expressly required by applicable securities law.