

May 2005

Liquor Stores Income Fund Announces May Cash Distribution

EDMONTON, Alberta, May 16, 2005 – Liquor Stores Income Fund (the "Fund") (TSX:"LIQ.UN") announced today a cash distribution of \$0.08958 per trust unit for the month of May, 2005. The distribution will be paid on June 15, 2005 to holders of record of trust units on May 31, 2005. On February 14, 2005, the Fund announced that it intended to increase its annual distribution by \$0.075 per unit from \$1.00 to \$1.075 (\$0.08958 per month), commencing with the distribution to be paid on June 15, 2005, to Unitholders of record on May 31, 2005, subject to the completion of the acquisition of 10 additional stores announced at that time. These acquisitions have now been completed and the Fund is proceeding with the increase in distributions.

The Fund's policy is to pay cash distributions on or about the 15th of each month to unitholders of record on the last business day of the preceding month.

About Liquor Stores Income Fund

The Fund is a publicly traded Canadian Income Fund that participates in the retail liquor industry in Alberta and British Columbia through its 59.34% interest in Liquor Stores Limited Partnership ("Liquor Stores LP"). Liquor Stores Income Fund is Canada's only publicly traded entity with interests exclusively in the retailing of liquor products.

The Fund is the largest liquor retailer in Alberta by number of stores. The Fund currently operates 65 stores, 3 of which are located in British Columbia. In the first quarter of 2005 the Fund completed the acquisition of 13 new stores in Alberta, and has recently opened two new liquor stores in British Columbia.

The Fund's Units trade on the Toronto Stock Exchange under the symbol LIQ.UN.

Additional information about Liquor Stores Income Fund is available at www.sedar.com and the Fund's website at www.liquorstoresincomefund.ca.

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