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LIQUOR STORES INCOME FUND CLOSES \$32.4 MILLION TREASURY OFFERING AND \$16.7 MILLION SECONDARY OFFERING ON A BOUGHT DEAL BASIS

EDMONTON, ALBERTA (March 15, 2006) – Liquor Stores Income Fund (the “Fund”) (TSX:LIQ.UN) is pleased to announce that the Fund and The Liquor Depot Corporation, Liquor Stop Group Inc., Liquor World Group Inc. and Daly Grove Liquor Store Inc. (collectively, the "Selling Unitholders") have closed the previously announced sale of an aggregate of 2,427,132 trust units at a price of \$20.25 per unit for aggregate gross proceeds of approximately \$49.1 million. The trust units were sold on a bought deal basis to a syndicate of underwriters led by RBC Capital Markets and including Sprott Securities Inc., Clarus Securities Inc., National Bank Financial Inc. and HSBC Securities (Canada) Inc.

The Fund issued and sold 1,600,000 trust units under the offering for gross proceeds of approximately \$32.4 million. The net proceeds of the offering received by the Fund will be used to repay current indebtedness, to fund acquisitions and new store development, and for general corporate purposes.

The Selling Unitholders sold 827,132 trust units under the offering for aggregate gross proceeds of approximately \$16.7 million. The Fund will not receive any proceeds from the sale of trust units by the Selling Unitholders.

Subscribers who purchased trust units under the offering and who continue to hold such trust units on the relevant record date will be eligible to receive distributions commencing with the distribution expected to be payable on or about April 17, 2006, the record date for which is expected to be March 31, 2006.

The Fund's trust units have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Fund's trust units in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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 72.23% interest in Liquor Stores Limited Partnership. 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 76 stores, 5 of which are located in British Columbia. In 2005, the Fund acquired or developed 21 stores in Alberta, and 4 in British Columbia.

The trust 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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FORWARD LOOKING STATEMENTS

Certain statements in this news release are “forward-looking statements”, which reflect management’s expectations regarding, among other things, the use of proceeds from the offering and the amount and timing of the payment of distributions of the Fund. All statements other than statements of historical fact contained in this news release are forward-looking statements. Such forward-looking statements involve risks and uncertainties, as they reflect management’s current beliefs and are based on information currently available to management. Actual results may differ materially from those anticipated in the statements made. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements are made as of the date of this news release 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. Further information regarding the uncertainties and risks can be found in the disclosure documents filed by the Fund with the securities regulatory authorities, available at www.sedar.com.