



FOR IMMEDIATE RELEASE

## **LIQUOR STORES ACQUIRES LIQUOR BARN**

EDMONTON, June 8, 2007 -- Liquor Stores Income Fund (TSX:LIQ.UN) today announced that it has successfully completed the acquisition of Liquor Barn Income Fund (TSX:LBN.UN).

“We welcome former Liquor Barn unitholders as unitholders of Liquor Stores,” said Irv Kipnes, Chief Executive Officer of Liquor Stores. “We completed the transaction with the support of Liquor Barn’s Trustees, the majority of Liquor Barn’s founders and the vast majority of its public unitholders. We also welcome and look forward to working with Liquor Barn’s employees. Now we can all benefit from having created the leading independent liquor store retailer in Alberta and British Columbia.”

Liquor Stores has issued approximately 6.8 million units to Liquor Barn unitholders under the transaction and reserved an additional approximately 2.2 million units for the Liquor Barn exchangeable partnership units. Following the transaction, Liquor Stores has approximately 23.5 million units outstanding (including units reserved for exchangeable partnership units), a market capitalization of approximately \$470 million, and a total of 188 stores in Alberta and British Columbia.

Liquor Stores offered Liquor Barn unitholders 0.57 of a trust unit of Liquor Stores for each Liquor Barn trust unit. All conditions of the offer, including the valid tendering of at least 66 2/3 percent of the outstanding Liquor Barn voting units, were satisfied before expiry of the offer at 12:00 midnight (Vancouver time) on June 7, 2007. Approximately 74% of Liquor Barn’s voting units (or approximately 81% of the publicly traded trust units) were validly tendered or voted in favour of the transaction. As a result, Liquor Barn unitholders approved the special resolution in respect of, among other things, the merger transaction, which provides a tax deferred exchange for Canadian income tax purposes for “merger electing” unitholders.

Liquor Stores has taken up and paid for all Liquor Barn units deposited under the offer and has completed the merger transaction with Liquor Barn. Liquor Stores expects that former Liquor Barn unitholders will receive their Liquor Stores units payable under the offer and merger shortly, after which the Liquor Barn units will be delisted from the Toronto Stock Exchange.

RBC Capital Markets acted as financial advisor and dealer manager in connection with the offer.

### **About Liquor Stores Income Fund**

Liquor Stores Income Fund is a publicly traded Canadian income trust that participates in the retail liquor industry in Alberta and British Columbia through its 75.6% interest in Liquor Stores Limited Partnership and its 72.9% interest in Liquor Barn Limited Partnership. In aggregate these partnerships operate the largest number of private liquor stores in Canada by number of stores (currently 188 stores). Liquor Stores Income Fund trades on the Toronto Stock Exchange under the symbol LIQ.UN. For additional information about Liquor Stores Income Fund, visit [www.sedar.com](http://www.sedar.com) and Liquor Stores Income Fund’s website at [www.liquorstoresincomefund.ca](http://www.liquorstoresincomefund.ca).

**Forward-looking statements**

This press release contains forward-looking statements. All statements other than statements of historical fact contained in this press release are forward-looking statements, including, without limitation, statements regarding the potential benefits to be derived from the combination of Liquor Stores Income Fund and Liquor Barn Income Fund, future financial position, cash distributions, business strategy, proposed acquisitions, budgets, litigation, projected costs and plans and objectives of or involving Liquor Stores Income Fund.

You can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" 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 Liquor Stores Income Fund. There can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur. Forward-looking statements are subject to risks, uncertainties and assumptions, including, but not limited to, those discussed elsewhere in this press release. 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" in Liquor Stores Income Fund's Annual Information Form and other documents Liquor Stores Income Fund files with Canadian securities regulatory authorities, copies of which are available from Liquor Stores Income Fund directly, or its website, [www.liquorstoresincomefund.ca](http://www.liquorstoresincomefund.ca), or on the SEDAR website at [www.sedar.com](http://www.sedar.com). The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this press release are made as of the date of this press release and Liquor Stores Income Fund assumes no obligation to update or revise them to reflect new events or circumstances except as expressly required by applicable securities law.

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