

## **Liquor Stores Income Fund Completes Acquisition of Brown Jug stores in Alaska**

EDMONTON, Alberta, November 5, 2008 - Liquor Stores Income Fund (the "Fund") (TSX: "LIQ.UN") announced today that a wholly-owned subsidiary of the Fund has completed the previously announced acquisition of 19 liquor stores in greater Anchorage, Alaska.

The acquisition consists of all stores operated by Brown Jug Inc. ("Brown Jug"), the largest independent chain of liquor stores in Anchorage measured by sales. Based on Brown Jug's historical information, management expects these stores will be accretive to distributable cash in the first full year of operation.

Brown Jug and its predecessors have been in the liquor retailing business in greater Anchorage for in excess of 50 years. In Alaska there are approximately 380 retail liquor outlets and approximately 90 stores in the greater Anchorage area. Management believes that Brown Jug is the largest independent liquor retailer in the state by sales, and that in the greater Anchorage market area Brown Jug's sales represent in excess of 30% market share. The State of Alaska regulatory environment limits the number of stores in urban areas to 1 per 3,000 people.

In addition to the Brown Jug acquisition, the Fund has so far in 2008 opened or acquired 14 stores and expects to be operating in excess of 220 stores by year-end.

Irving Kipnes, CEO of the Fund, stated, "Now that we have a foothold in the U.S. market, we will apply our disciplined acquisition strategy when considering potential further US expansion while also increasing our Canadian store count. We believe that there are excellent growth opportunities on both sides of the border and we will pursue these with the same diligence and care that we have exercised in the course of growing our company to more than 200 stores."

### About Liquor Stores

Liquor Stores Income Fund is a publicly traded Canadian income trust that participates in the retail liquor industry primarily in Alberta and British Columbia through its 81.7% interest in Liquor Stores Limited Partnership, which currently operates the largest number of private liquor stores in Canada by number of stores. The trust units of the Fund trade on the Toronto Stock Exchange under the symbol "LIQ.UN".

### 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.

Distributable cash is not a measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP. Investors are cautioned that distributable cash 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 distributable cash may differ from the methods used by other issuers. Therefore, the Fund's distributable cash may not be comparable to similar measures presented by other issuers.

### 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 future financial position and performance, cash distributions, business strategy, proposed acquisitions, projected costs and plans and objectives of or involving the Fund or Liquor Stores Limited Partnership. Specific forward-looking statements contained in this news release include, among others, statements regarding the terms of the acquisition, the completion of the acquisition and the operational and financial performance of the acquired business. 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 the 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. There can be no assurance that such expectations will prove to be correct.

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 the Fund assumes no obligation to update or revise them to reflect new events or circumstances except as expressly required by applicable securities law.

For additional information about Liquor Stores Income Fund, visit [www.sedar.com](http://www.sedar.com) and the Fund's website at [WWW.liquorstoresincomefund.ca](http://WWW.liquorstoresincomefund.ca)

For more information please contact:

Irving Kipnes, Chief Executive Officer  
Tel: (780) 944-9994 ext. 8  
Email: [ikpines@lsgp.ca](mailto:ikpines@lsgp.ca)

Richard Crook, President  
Tel: (780) 944-9994 ext. 7

Email: [rcrook@lsgp.ca](mailto:rcrook@lsgp.ca)

Patrick de Grace, Chief Financial Officer

Tel: (780) 944-9994 ext. 5

Email: [pdegrace@lsgp.ca](mailto:pdegrace@lsgp.ca)