LIQUOR DEPOT

LIQUOR STORES INCOME FUND

FOR IMMEDIATE RELEASE

LIQUOR STORES INCOME FUND REPORTS THIRD QUARTER 2008 RESULTS

RICK CROOK TO BECOME CEO AT YEAR-END; IRV KIPNES TO BECOME EXECUTIVE CHAIRMAN

EDMONTON, ALBERTA, November 13, 2008 – Liquor Stores Income Fund ("Liquor Stores" or the "Fund") (TSX: LIQ.UN) today reported its results for the 2008 third quarter and nine months ended September 30, 2008.

On November 5, 2008, the Fund announced that it had completed the acquisition of 19 liquor stores from Brown Jug Inc. in Anchorage, Alaska.

The Fund also announced that its Board has appointed Rick Crook as President, Chief Executive Officer and Director of Liquor Stores GP Inc. ("LSGP"), administrator of the Fund. Mr. Kipnes, who is currently CEO, will become Executive Chairman of LSGP. Henry Bereznicki will continue as Board Chairman. These changes are effective January 1, 2009.

HIGHLIGHTS: (Third quarter 2008 compared with third quarter 2007)

- Operating margin increased to $12.4 million, up 4.2% from $11.9 million.
- Adjusted gross margin increased to 25.5% from 24.3%.
- Sales increased 1.5% to $123.9 million.
- Net earnings increased to $6.2 million or $0.34 per unit, up 10.7% from $5.6 million or $0.31 per unit.
- As a result of price harmonization of Liquor Barn stores to Fund stores, blended gross margin for same stores was up substantially to 26.3% from 25.2%.
- Distributable cash remained constant at $11.1 million.
- Distributable cash per unit was $0.49, unchanged.
- Distributions declared increased by 7.9% to $0.41 per unit.
- Stores open (as at September 30) were 208, up 7.8% from 193.

Irv Kipnes, CEO of LSGP, stated, "The improvement in overall sales and margins has offset a moderate decrease of 1.7% in same store sales for the nine months ended September 30, 2008. Price harmonization has accounted for the increased margin and new stores for the increased sales."

Mr. Kipnes added, "Same store sales for October 2008 are up over October 2007."

"Looking forward, we estimate that the 19 Brown Jug stores will be immediately accretive to distributable cash in the first full year of operation." In 2007, Brown Jug had sales in excess of US$60 million.

CEO SUCCESSION

Regarding the plan to appoint Mr. Crook as his successor, Mr. Kipnes, said, "Having worked with Rick for the past eight years, I am confident that he will be an excellent Chief Executive Officer for LSGP, and that the transition will be seamless. Mr. Crook has all of the required experience and skills and has the benefit of a strong team of executives and employees."

Added Mr. Crook, "Irv Kipnes has led the Fund through a period of exceptional growth and created a strong platform for the future. I am honoured to be succeeding him, and am grateful that he will continue to provide us with his counsel as Executive Chairman of LSGP."

Mr. Crook joined Liquor Depot in 2000 and has served in a number of executive positions over the past eight years, including Senior Vice-President and General Manager and Chief Operating Officer of LSGP. He was appointed President in 2006.

THREE MONTHS ENDED SEPTEMBER 30, 2008

SALES AND MARGINS

Sales for the existing 208 stores totalled $123.9 million, up 1.5% from $122.1 million for 193 stores a year earlier.

On a combined basis, same store sales were $106.8 million, down 2.9% from $110.0 million. There was a decrease of $0.5 million or 0.9% for the 101 Fund stores and a decrease of $2.7 million or 5.4% for the 81 Liquor Barn stores.

Operating margin was $12.4 million, up 4.2% from $11.9 million a year earlier.

DISTRIBUTABLE CASH AND DISTRIBUTIONS

For the third quarter of 2008 distributable cash before non-recurring items was $11.2 million compared with $11.3 million for the third quarter of 2007. Distributable cash after non-recurring items was $11.1 million for the three months ended September 30, 2008, consistent with the same period in 2007.

On a weighted average basis, for the third quarter of 2008 distributable cash including non-recurring items was $0.49 per unit, consistent with the third quarter of 2007. Distributable cash before non-recurring items was $0.50 for the third quarter of 2008, also consistent with the third quarter of 2007.

For the three months ended September 30, 2008 and 2007, non-recurring items were $90,000 and $277,000 respectively and represent non-recurring professional and consulting fees for certain business matters in 2008 and head office move and Liquor Barn acquisition expenses in 2007.

For the third quarter of 2008 the Fund declared distributions of $0.41 per unit, up 7.9% from $0.38 per unit a year earlier.

EARNINGS AND EARNINGS PER UNIT

Net earnings for the third quarter of 2008, before non-controlling interest and before a non-cash income tax charge, were $8.4 million, up 3.7% from $8.1 million a year earlier. The non-cash income tax charge, which totalled $0.6 million, was future income tax expense resulting from the amortization of and additions to goodwill, property, plant and equipment, and intangible assets. The future tax expense for the same period in 2007 was $0.7 million, on a restated basis.

After the non-cash charge, the Fund's net earnings before non-controlling interest were $7.9 million compared with $7.4 million a year earlier. Third quarter 2008 net earnings were $6.2 million or $0.34 per unit (basic and diluted) compared with $5.6 million or $0.31 per unit a year earlier.

NINE MONTHS ENDED SEPTEMBER 30, 2008

SALES AND MARGINS (PROFORMA)

The proforma comparison includes results for Liquor Barn stores for the period January 1, 2007 to September 30, 2007 even though Liquor Barn was not acquired by the Fund until June 7, 2007.

On this basis, sales for all stores totalled $339.9 million, up 5.4% from $322.6 million proforma a year earlier due to the addition of 15 stores between September 30, 2007 and September 30, 2008. Operating margin was $27.5 million, up 29.7% from $21.2 million proforma a year earlier due to price harmonization.

Same store sales for 99 Fund stores increased by $2.8 million or 1.7% compared to the prior year. This was offset by a decrease of $7.4 million or 6.6% in same store sales for 66 Liquor Barn stores. On a combined basis, same store sales were $266.3 million, down 1.7% from $271.0 million.

Same store sales were negatively impacted by: extensive road construction activities affecting traffic routes around several stores; a drop in tourism resulting from high gasoline prices and the strong Canadian dollar and financial uncertainties; reduced natural gas and oil exploration activity throughout northern Alberta and reduced forestry activities in Alberta and British Columbia; sales cannibalization by other Fund and Liquor Barn stores as well as competitors opening in certain market areas.

SALES AND MARGINS

Sales for all stores totalled $339.9 million, up 32.2% from $257.1 million due to the Fund's results including nine full months of operations for the Liquor Barn stores in 2008 compared with operations from June 7 onward for 2007 and the addition of 15 stores between September 30, 2007 and September 30, 2008. Operating margin for the nine months ended September 30, 2008 was $27.5 million, up 23.5% from $22.3 million due to price harmonization.

Same store sales includes sales for those stores which were operating for a full 12 months at the beginning of the reporting period. On a combined basis, same store sales for Fund and Liquor Barn stores for the nine months ended September 30, 2008 were down a moderate 1.7% compared with the same period in 2007.

DISTRIBUTABLE CASH AND DISTRIBUTIONS

Distributable cash before non-recurring items was $24.8 million, up from $20.6 million a year earlier. For the nine months ended September 30, 2008, distributable cash was $24.0 million, up 19.1% from $20.2 million in the comparable period in 2007. For a per weighted average unit comparison, the Fund has determined that using the weighted average number of units for the year ended December 31, 2007 provides a more informative comparison for the first nine months of 2007 because a nine-month weighted average unit calculation does not reflect the full dilutive effect of the units issued on June 7, 2007 in respect of the Liquor Barn acquisition. On this basis, distributable cash per weighted average unit was $1.10 before non-recurring items for the first nine months of 2008, compared with distributable cash per weighted average unit of $1.11 for the same period using the weighted average units outstanding for the 12 months ended December 31, 2007. After non-recurring items, distributable cash per weighted average unit is $1.07 compared with $1.09 for the nine months ended September 30, 2007.

For the first nine months of 2008 the Fund declared distributions of $1.22 per unit, up 9.9% from $1.11 per unit a year earlier.

The liquor industry is subject to seasonal variations, with higher sales in the second half of the year. As a result, distributable cash typically will be less than actual distributions early in the year but will exceed distributions in the later portion of the year.

EARNINGS AND EARNINGS PER UNIT

For the nine months ended September 30, 2008, net earnings before non-controlling interest and before a non-cash income tax charge, were $16.3 million up 12.4% from $14.5 million a year earlier. After the non-cash charge, net earnings before non-controlling interest were $12.7 million compared with $3.9 million a year earlier. First nine months of 2008 net earnings were $9.5 million or $0.52 per unit, compared with $0.4 million or $0.03 per unit a year earlier.

STORE ADDITIONS

On November 5, 2008 the Fund completed the acquisition of 19 retail liquor stores in greater Anchorage, Alaska.

To date in 2008, the Fund has acquired or opened 34 stores including the 19 Brown Jug stores, giving the Fund 228 stores in which it is invested or operates. One store was closed in October 2008.

Liquor Stores Summary Financial Results, three and nine months ended September 30, 2008 with comparisons to 2007

(000) except per unit	Three months ended			Nine months ended		
	September 30, 2008	September 30, 2007 (restated – note 1)	% change	September 30, 2008	September 30, 2007 (restated – note 1)	% Change
Sales	$123,913	$122,097	1.5%	$339,902	$257,142	32.2%
Operating margin before non-recurring items	$12,500	$12,202	2.5%	$28,340	$22,762	24.1%
Operating margin	$12,410	$11,925	4.2%	$27,545	$22,303	23.5%
Earnings before non-controlling interest (and before non-cash tax charge)	$8,437	$8,123	3.7%	$16,255	$14,505	12.4%
Earnings before non-controlling interest	$7,850	$7,438	5.5%	$12,675	$3,908	224%
Earnings	$6,228	$5,600	9.6%	$9,483	$429	2110%
Diluted earnings per unit	$0.34	$0.31	9.7%	$0.52	$0.03	1633%
Distributable cash (before non-recurring items)	$11,216	$11,337	1.1%	$24,826	$20,637	20.3%
Distributable cash (after non-recurring items)	$11,126	$11,060	0.6%	$24,031	$20,178	19.1%
Distributable cash per unit (before non-recurring items)	$0.50	$0.50	-	$1.10	$1.11	-0.9%
Distributable cash per unit (after non-recurring items)	$0.49	$0.49	-	$1.07	$1.09	-1.8%
Cash distributions per unit	$0.41	$0.38	7.9%	$1.22	$1.11	9.9%
Diluted average units outstanding	22,557	22,508	0.2%	22,545	16,167	39.3%
Stores in operation at September 30	208	193	7.8%	208	193	7.8%

Note 1: Information has been restated in accordance with the adoption of CICA Emerging Issues Committee Abstract #171 Future Income Tax Consequences of Exchangeable Interests in an Income Trust or Specified Investment Flow-Through.

The Management's Discussion and Analysis (MD&A) as well as the complete financial statements and notes for the third quarter of 2008 are available on the Fund's website at this link: www.liquorstoresincomefund.ca and on the SEDAR website at www.sedar.com.

Conference Call

Liquor Stores Income Fund will conduct an investor conference call on Friday, November 14, 2008 to discuss results for the third quarter ending September 30, 2008. The conference call will take place at 9 a.m. MT. Participants in the call include Irv Kipnes, Chief Executive Officer, Rick Crook, President, Pat de Grace, Vice-President, Finance and Chief Financial Officer.

To take part in the call, please dial 416-695-6320, or toll-free 1-800-952-6845. An archived recording of the conference call will be available approximately one hour after the completion of the call until November 21, 2008, by dialling 416-695-5800, or toll-free 1-800-408-3053. The required passcode is 3273876. An archived recording of the call will also be available on the Liquor Stores Income Fund website.

About Liquor Stores Income Fund

The Fund is a publicly traded Canadian income fund that participates in the retail liquor industry in Alberta, British Columbia and Alaska through its 81.7% interest in Liquor Stores Limited Partnership. Management believes the Fund is Alberta's largest operator of private liquor stores by both number of stores and sales revenue. The Fund currently operates or has investments in 228 stores. The trust units and 6.75% convertible subordinated debentures of the Fund trade on the Toronto Stock Exchange under the symbols "LIQ.UN" and "LIQ.DB", respectively.

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

NON-GAAP MEASURES

References to "EBITDA" are to earnings before interest, income taxes, depreciation and amortization and references to ''distributable cash'' are to cash available for distribution to unitholders in accordance with the distribution policies of the Fund. Management believes that, in addition to income or loss, EBITDA, distributable cash, distributable cash before non-recurring items, and operating margin before non-recurring items are useful supplemental measures of performance. 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.

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

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

Operating margin and operating margin as a percentage of sales are not measures recognized by GAAP and do not have a standardized meaning prescribed by GAAP. Investors are cautioned that operating margin and operating margin as a percentage of sales 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 and operating margin as a percentage of sales may differ from the methods used by other issuers. Therefore, the Fund's operating margin and operating margin as a percentage of sales 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, cash distributions, business strategy, proposed acquisitions, budgets, litigation, 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 anticipated future operational and financial performance of the business acquired pursuant to the Brown Jug acquisition. 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, 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 the Third Quarter 2008 Management’s Discussion and Analysis.

The information contained in this press release, including the information set forth under "Risk Factors" in the Third Quarter 2008 Management’s Discussion and Analysis, identifies additional factors that could affect the operating results and performance of the Fund and Liquor Stores Limited Partnership.

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 further information, please contact:

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