

Liquor Stores Income Fund Commences Closing of Kentucky Acquisition

EDMONTON, Alberta, October 14, 2009 - Liquor Stores Income Fund (the "Fund") (TSX: "LIQ.UN") announced today that a wholly-owned subsidiary of the Fund has commenced the final closing of the previously-announced strategic acquisition of a chain of eight (8) liquor stores in Kentucky. Closing is being completed on a store-by-store basis and management expects the transaction to close in full on October 22, 2009.

The Fund is acquiring the eight (8) stores which comprise the Kentucky-based Liquor Barn chain of liquor stores, operating in the cities of Louisville and Lexington. Liquor Barn is the largest independent liquor store chain in the state measured by revenue. Based on Liquor Barn's historical information, management expects these stores will be accretive to distributable cash in the first full year of operation and will allow the Fund to approximately double its US business in terms of revenue.

This acquisition is the second US acquisition for the Fund. In 2008 the Fund acquired all nineteen (19) retail liquor stores in Greater Anchorage, Alaska comprising the Brown Jug chain, the largest independent chain of stores in Alaska based on revenue.

Rick Crook, President & CEO of the Fund stated, "We're very excited about the Fund's second entry into the U.S. market. Kentucky's Liquor Barn is well-recognized as an industry and community leader, and will provide us with a solid platform for future growth in the region."

Following completion of the Kentucky acquisition, the Fund will operate a total of 233 stores in Canada and the United States.

About Liquor Stores

Liquor Stores Income Fund is a publicly traded Canadian income trust that participates in the retail liquor industry in Alberta, British Columbia, and Alaska through its 82.1% interest in Liquor Stores Limited Partnership, which currently operates the largest number of private liquor stores in Canada by number of stores (currently 206 stores). The trust units of the Fund trade on the Toronto Stock Exchange under the symbol "LIQ.UN".

About Liquor Barn of Kentucky

The Liquor Barn chain, which operates under the trade names Liquor Barn and Shopper's Village Liquors, has eight liquor stores in Kentucky and it (and its predecessors) has been in the liquor retailing business in the Louisville and Lexington areas since 1967. In addition to alcoholic beverages, Liquor Barn outlets offer tobacco products deli items, and party supplies.

For additional information about Liquor Barn in Kentucky, please visit the company's website at www.liquorbarn.com.

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 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 and the Fund's website at www.liquorstoresincomefund.ca

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