LIQUOR STORES INCOME FUND

[FOR IMMEDIATE RELEASE]

LIQUOR STORES INCOME FUND REPORTS 2010 THIRD QUARTER RESULTS

EDMONTON, ALBERTA, November 9, 2010 – Liquor Stores Income Fund (the "Fund") (TSX: LIQ.UN) today reported its results for the 2010 third quarter and nine months ended September 30, 2010.

On May 6, 2010, the Fund provided guidance that distributable cash before non-recurring items was expected to be in the range of $1.70 to $1.80 for 2010. With extremely poor weather conditions in Alberta throughout the third quarter, sales were negatively impacted leading the Fund to revise its 2010 guidance concerning distributable cash per Unit before non-recurring items to a range of $1.62 to $1.66 per Unit.

Commenting on results for 2010, Rick Crook, President and CEO of Liquor Stores GP, Inc, administrator of the Fund, stated "Extremely poor weather conditions in Alberta through much of the third quarter of 2010 had a significant impact on the Fund's operating margins and same store sales". Mr. Crook went on to say "We are glad that the negative impact of the mark up changes made last year by the Government of the Province of Alberta is now behind us and anticipate year over year improvements in operating margin next two quarters".

THREE AND NINE MONTHS ENDED September 30, 2010

OPERATING RESULTS

Sales for the three months ended September 30, 2010 and 2009 were $151.6 million and $138.9 million, respectively, and for the nine months ended September 30, 2010 and 2009, were $416.1 million and $385.5 million, respectively. Operating margin before non-recurring expenses for the three months ended September 30, 2010 was $13.2 million, up $0.7 million from $12.5 million in 2009. As described under the heading "Alberta Mark Ups" below, the Fund's response to mark up changes implemented by the Government of the Province of Alberta had a significant impact on the comparability of operating results. Excluding this impact, the Fund reports:

- Canadian same stores sales for the three and nine months ended September 30, 2010 decreased by 2.7% and 1.4%, respectively due primarily to the effect of inclement weather on customer counts and a reduction in items purchased per customer visit earlier in the year.
- In the first quarter of 2010, customers were purchasing fewer items per visit compared to 2009. This trend has reversed and in the six months ended September 30, 2010 items purchased per customer were comparable to 2009.
- For the three and nine months ended September 30, 2010, respectively, sales for the Fund's Kentucky operation, acquired in the fourth quarter of 2009, and for a store opened in Alaska last year were US$16.9 and US$47.9 million.
- For the three months ended September 30, 2010 operating margin before non-recurring items was $13.2 million, down $1.2 million from $14.4 million last year.

- For the nine months ended September 30, 2010, operating margin before non-recurring items was $29.0 million, down $2.7 million from $31.7 million last year.

DISTRIBUTABLE CASH

Distributable cash before non-recurring items was $0.49 per Unit for the third quarter of 2010 compared with $0.47 per Unit for 2009. In the third quarter of 2009, the sale of inventory purchased while increased mark ups were in effect in the Province of Alberta represented a charge against distributable cash of $0.09 per Unit.

For the nine months ended September 30, 2010 distributable cash per Unit before non-recurring items was $1.01 compared to $1.26 a year earlier. In 2009, distributable cash per Unit included residual holding gains on inventory of $0.4 per Unit.

In the fourth quarter of 2009, distributable cash before non-recurring items of $0.56 per Unit included a reduction of approximately $0.05 per Unit related to increased cost of goods sold in the Fund's Alberta stores. The Fund expects that the return to normal inventory replenishment costs in its Alberta stores will result in year over year improvements in operating results for the final quarter of 2010 and early 2011.

EARNINGS AND EARNINGS PER UNIT

Net earnings for the three months ended September 30, 2010 were $7.0 million, down from earnings of $7.5 million for the same period in 2009. Net earnings were down due to a $0.4 million increase in operating margin, a $0.2 million increase in non-cash future income tax and a $0.6 million increase in interest expense related to fees incurred in 2010 for the renewal of the Fund's credit facility and the fourth quarter 2009 acquisition of the Fund's Kentucky operation. In addition, amortization expense increased by $0.3 million due to an increase in the number of stores operated offset by a decrease in amortization of intangible assets related to the extension of the useful lives of purchased liquor licenses. The foreign exchange gain in 2010 was $0.3 million. A foreign exchange loss in the third quarter of 2009 was offset by a gain related to the sale of an investment. No foreign exchange gain or loss was realized in the quarter and in the third quarter last year a foreign exchange gain of $0.1 million was realized.

Net earnings were $11.9 million for the nine months ended September 30, 2010, down from $19.2 million for the same period in 2009. Net earnings were down due to a $4.2 million decrease in operating margin and a $1.2 million increase in non-cash future income tax. In addition, interest expense increased by $1.5 million due primarily to fees incurred in 2009 and 2010 for the renewals of the Fund's credit facility and the fourth quarter 2009 acquisition of the Fund's Kentucky operation. Amortization expense for the nine months ended September 30, 2010 was up $1.1 million primarily due to a $1.2 million increase related to accelerated amortization for property and equipment for store and pub closures and an increase in the number of stores operated, offset by a decrease in amortization of intangible assets related to the extension of the useful lives of purchased liquor licenses. Foreign exchange gains in 2010 were $0.7 million. A foreign exchange loss for the nine months ended September 30, 2009 was offset by a gain related to the sale of an investment. Realized foreign exchange gains for the nine months ended September 30, 2010 were $0.2 million compared to a realized loss of $0.1 million for the same period last year.

Basic and diluted earnings per unit were $0.30 in the third quarter of 2010, compared with basic and diluted earnings of $0.32 a year earlier. Basic and diluted earnings per unit were $0.50 in the nine months ended September 30, 2010, compared with basic and diluted earnings of $0.84 a year earlier.

Liquor Stores Summary Financial Results, three and nine months ended September 30, 2010 with comparisons to 2009

(expressed in thousands of Canadian dollars, except per unit amounts)	Three months ended		Nine months ended	
	September 30, 2010	September 30, 2009 (restated – note 1)	September 30, 2010	September 30, 2009 (restated – note 1)
Sales	$ 151,605	$ 138,915	$ 416,144	$ 385,520
Operating margin before non-recurring items	$ 13,194	$ 12,457	$ 28,747	$ 32,642
Adjusted operating margin	$ 12,611	$ 12,277	$ 27,764	$ 32,025
Earnings before non-cash tax charge	$ 7,680	$ 7,889	$ 13,271	$ 19,408
Net earnings	$ 7,042	$ 7,466	$ 11,850	$ 19,212
Diluted earnings per unit	$ 0.30	$ 0.32	$ 0.50	$ 0.84
Distributable cash (before non-recurring items)	$ 10,966	$ 10,708	$ 22,795	$ 28,334
Distributable cash (after non-recurring items)	$ 10,383	$ 10,528	$ 21,812	$ 27,717
Distributable cash per Unit (before non-recurring items)	$ 0.49	$ 0.47	$ 1.01	$ 1.26
Distributable cash per Unit (after non-recurring items)	$ 0.46	$ 0.47	$ 0.97	$ 1.23
Cash distributions per Unit	$ 0.405	$ 0.405	$ 1.22	$ 1.22
Diluted average units outstanding	18,572	18,472	18,545	18453
Stores in operation at November 8,	235	225	235	225

(1) *Net earnings have been restated in accordance with the adoption of CICA Handbook sections 1601 Consolidated Financial Statements and 1602 Non-Controlling Interests.*

The Management's Discussion and Analysis (MD&A) as well as the complete financial statements and notes for the third quarter ended September 30, 2010 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 Wednesday, November 10, 2010 to discuss results for the third quarter ended September 30, 2010. The conference call will take place at 9 a.m. MT. Participants in the call include Rick Crook, President and CEO, Pat de Grace, Chief Financial Officer and Scott Morrow, Chief Operating Officer.

To take part in the call, please dial 416-340-2218, or toll-free 1-866-226-1793. An archived recording of the conference call will be available approximately one hour after the completion of the call until November 17, 2010, by dialling 416-695-5800, or toll-free 1-800-408-3053. The required passcode is 2207510. 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, Alaska and Kentucky through its 83.9% 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 235 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 ''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, 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. 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.

Same store sales include sales for stores that have been open 12 full months at the beginning of the reporting period. Stores which have significant wholesale business and stores where sales have shifted to closely-located Liquor Depot stores have been excluded.

Operating margin has been derived by adding amortization of inventory fair value adjustments, interest expense, non-recurring items, pre-opening and acquisition costs, and amortization of property and equipment and intangibles to net earnings. 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 information. All information other than statements of historical fact contained in this press release is forward-looking information, including, without limitation, statements regarding the future financial position and performance, cash distributions, distributable cash before non-recurring items, distributable cash before non-recurring items per Unit, business strategy, proposed or recent acquisitions and the benefits derived therefrom, budgets, projected costs and plans and objectives of or involving the Fund or Liquor Stores Limited Partnership. You can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues", "forecasts" 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 is no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur and such forward-looking statements in this press release should not be unduly relied upon. Forward-looking statements are subject to risks, uncertainties and assumptions, including, but not limited to, those discussed elsewhere in this press release. There is 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" and "Financial Outlook" in the Third Quarter 2010 Management's Discussion and Analysis. Specific forward-looking statements contained in this press release include, among others, the Fund's guidance that distributable cash before non-recurring items per Unit is estimated to be in the range of $1.62 to $1.66 for the year.

The information contained in this press release, including the information set forth under "Risk Factors" and "Financial Outlook" in the Third Quarter 2010 Management's Discussion and Analysis, identifies additional factors that could affect the operating results and performance of the Fund and Liquor Stores Limited Partnership.

Financial outlook information contained in this press release about prospective results of operations, financial position, cash flows or distributable cash before non-recurring items is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this press release should not be used for purposes other than for which it is disclosed therein.

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.

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