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**Liquor Stores Income Fund Prices
\$30 Million Private Placement of Trust Units**

EDMONTON, Alberta, February 17, 2005 – Liquor Stores Income Fund (the "Fund") (TSX:"LIQ.UN") announced today that it has agreed to sell 1,830,000 trust units of the Fund at a price of \$16.40 per trust unit. The gross proceeds of approximately \$30 million will be used to fund the previously announced addition of 15 new stores, to repay existing indebtedness and for general corporate purposes including potential future acquisitions. The offering is scheduled to close in early March 2005 and is subject to, amongst other things, approval by the Toronto Stock Exchange. RBC Capital Markets is acting as the Fund's lead agent in this private placement.

On February 14, 2005, the Fund announced the planned acquisition of 13 additional liquor stores in Alberta and the development of two additional stores in British Columbia. In Alberta, the Fund will be acquiring all 10 of the stores operated by the Last Call Group, as well as three independently owned and operated stores. The Last Call Group is the fourth largest independent chain of liquor stores in Alberta. The acquisition of the new stores is subject to customary closing conditions and regulatory approvals. Closings are scheduled to take place during February and March 2005. The stores located in British Columbia are expected to open in March 2005. The total cost to the Fund of the 15 additional stores will be approximately \$11.1 million, not including inventory.

The Fund has also previously announced that, subject to the closing of the Last Call acquisitions, it intends to increase its annual distribution by \$0.075 per unit from \$1.00 to \$1.075 (\$0.08958 per month), commencing with the distribution to be paid to unitholders of record on May 31, 2005. The increase in unitholder distributions is due to the continued strong financial performance of the Fund's current business and the accretive nature of the acquisitions.

The Fund is an open-ended trust that holds, indirectly, securities of Liquor Stores Limited Partnership ("Liquor Stores LP"). Liquor Stores LP is Alberta's largest liquor store operator, by number of stores, and currently operates 49 stores in Alberta and one store in British Columbia, which, with the addition of the 15 new stores, will increase to 62 stores in Alberta and three in British Columbia. The trust units of the Fund trade on the Toronto Stock Exchange under the symbol "LIQ.UN".

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the trust units in the United States. The trust units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Additional information about Liquor Stores Income Fund is available at www.sedar.com.

Disclaimer

Certain statements in this news release are "forward-looking statements", which reflect management's expectations regarding the future growth, proposed acquisitions, results of operations, performance, business prospects, opportunities and the amount and timing of the payment of distributions of the Fund. All statements other than statements of historical fact contained in this news release are forward-looking

statements. Such forward-looking statements involve risks and uncertainties, as they reflect management's current beliefs and are based on information currently available to management. Actual results may differ materially from those anticipated in the statements made. The forward-looking statements are expressly qualified in their entirety by this cautionary statement. The forward-looking statements are made as of the date of this news release and the Fund assumes no obligation to update or revise them to reflect new events or circumstances. Further information regarding the uncertainties and risks can be found in the disclosure documents filed by the Fund with the securities regulatory authorities, available at www.sedar.com.

- 30 -

For further information, please contact:

Irv Kipnes
Chief Executive Officer
Liquor Stores GP Inc.
(780) 944-9994 ext. 6

Tom Orysiuk
Chief Financial Officer
Liquor Stores GP Inc.
(780) 917-4179