

## **Liquor Stores Income Fund Announces the Planned Addition of 15 Liquor Stores**

**EDMONTON, Alberta, February 14, 2005** – Liquor Stores Income Fund (the "Fund") (TSX:"LIQ.UN") announced today the planned acquisition of thirteen additional liquor stores in Alberta and the development of two additional stores in British Columbia. In Alberta, the Fund will be acquiring all 10 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, and will be funded through the Fund's increased bank acquisition and operating lines. Management estimates that these stores will initially contribute approximately \$2.2 million annually to EBITDA.

The Fund also 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.

Irving Kipnes, President and CEO of the Fund, stated, "We are excited about the addition of the new stores to the Fund and the other acquisition opportunities that we are pursuing. Management estimates that the 15 stores should add in excess of \$35 million of revenue, representing an approximate 30% increase from current levels. As a result of the addition of these stores and the other opportunities that we are pursuing, we have increased the amounts available under our operating line from \$18 million to \$24 million and our acquisition line from \$10 million to \$20 million. We plan on continuing to execute our growth strategy in both Alberta and British Columbia."

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 1 store in British Columbia, which will increase to 62 stores in Alberta and 3 in British Columbia upon completing the aforementioned store acquisitions and openings. The trust units of the Fund trade on the Toronto Stock Exchange under the symbol "LIQ.UN".

Additional information about Liquor Stores Income Fund is available at [www.sedar.com](http://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](http://www.sedar.com).

Non-GAAP measures: References to "EBITDA" in this news release are to earnings before provision of interest, income taxes and amortization. Readers are cautioned that EBITDA and cash flow are not defined performance measures under Canadian generally accepted accounting principles and that EBITDA cannot be assured. The Fund's calculation of EBITDA and cash flow may differ from similar calculations by comparable entities.

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