

NEWS RELEASE

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LIQUOR STORES INCOME FUND FILES PRELIMINARY PROSPECTUS

Edmonton, Alberta - Liquor Stores Income Fund (the "Fund"), The Liquor Depot Corporation ("Liquor Depot") and Liquor World Group Inc. ("Liquor World") are pleased to announce that the Fund has filed a preliminary prospectus with the securities regulatory authorities in each of the provinces of Canada in connection with a proposed initial public offering of trust units of the Fund. The Fund will hold approximately a 50% interest in Liquor Stores Limited Partnership ("Liquor Stores LP"), which will acquire, own and operate the 50 liquor stores currently operated by Liquor Depot and Liquor World. Both Liquor World and Liquor Depot have been in operation since shortly after the privatization of retail liquor distribution in Alberta. Liquor Depot opened its first store in December 1993 and Liquor World opened its first store in January 1994.

Upon completion of the offering, Liquor Stores LP will be the largest liquor store retailer in Alberta by number of stores and the second largest by revenue. Liquor Stores LP will own and operate 49 stores in Alberta and one store in British Columbia, a market that Liquor Depot recently entered. Alberta is the only province in Canada with a fully privatized retail liquor industry.

The underwriting syndicate for the offering is led by RBC Capital Markets and includes TD Securities Inc., Canaccord Capital Corporation, HSBC Securities (Canada) Inc. and Raymond James Ltd.

A copy of the preliminary prospectus will be available on SEDAR (www.sedar.com) on Wednesday, August 18.

The securities offered have not been, and will not be, registered under the *United States Securities Act of 1933*, as amended, and may not be offered or sold in the United States absent registration or any applicable exemption from the registration requirement of such Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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