[FOR IMMEDIATE RELEASE]

LIQUOR STORES N.A. LTD. REPORTS FIRST QUARTER FINANCIAL RESULTS

111 BPS INCREASE IN GROSS MARGIN %
7.3% SALES GROWTH
4.3% SAME-STORE SALES GROWTH IN CANADA

EDMONTON, ALBERTA, May 7, 2015 – Liquor Stores N.A. Ltd. (the "Company" or "Liquor Stores") (TSX: LIQ), North America's largest publicly traded liquor retailer, today reported its results for the three months ended March 31, 2015.

SUMMARY OPERATIONAL RESULTS

Three months ended March 31, 2015

- Consolidated sales increased 7.3% to $147.4 million (Q1 2014 - $137.4 million);
- Same-store sales[1] increased by 4.3% in Canada and by 1.1% in the U.S.;
- Gross margin percentage increased 111bps to 25.8% (2014 – 24.7%); and
- Adjusted operating margin[1] increased by $1.6 million to $2.6 million (Q1 2014 - $1.0 million), primarily as a result of increased same store sales and improved gross margin percentage.

Commenting on the results, Stephen Bebis, President and CEO of the Company said: "We had a strong first quarter with solid revenue growth and significant improvements in gross margin performance. I am pleased with our results in light of the economic headwinds the Company is starting to face in some of our core markets."

"We continue to execute our Seven Point Plan and make the necessary investments to strengthen our operating platform and drive long-term growth in profitability. The positive results in sales, gross margin and adjusted margin this quarter are a direct result of the successful execution of our Plan," said Mr. Bebis.

Mr. Bebis added, "We are also pleased to announce that we have further strengthened our senior management team in recent weeks with the addition of Dan Pellissier, Senior Vice President for Real Estate North America, and Anthony Price, Senior Vice President, Advertising and Marketing. Dan and Anthony are important appointments for Liquor Stores as they bring significant U.S. retail experience that will be critical to advancing the store growth and marketing initiatives in our Seven-Point Plan."

- Dan Pellissier joined Liquor Stores as Senior Vice President, Real Estate North America, with responsibility for leading the Real Estate team in identifying and securing all new store property leases and acquisitions, with a particular focus on the United States in our existing and growth markets. Dan was most recently with PPG Architectural Finishes, Inc., where he served as their National Real Estate Manager. He currently serves as the Chair of the ICSC Retail Board for Kentucky.

[1] *Same store sales, adjusted gross margin and adjusted operating margin are non-IFRS measures that do not have any standardized meaning prescribed by IFRS. For more information on these non-IFRS measures, see the 'Non-IFRS Financial Measures' section below.*

- Anthony Price has been appointed Senior Vice President, Advertising and Marketing, with a mandate to implement an industry leading marketing strategy, including state of the art website and e-commerce platforms. Anthony joins Liquor Stores with a wealth of retail experience in all facets of marketing, including extensive knowledge of digital strategies. He was most recently the Vice President of Digital, Media & Social Marketing for Michaels Stores in the United States and Canada, and prior to that was the Director of Advertising and Marketing for PetCo Animal Supplies.

SUMMARY FINANCIAL RESULTS AND ANALYSIS

(expressed in thousands of Canadian dollars except per share amounts)	**Three months ended**	
	March 31, 2015	**March 31, 2014**
Sales	$ 147,426	$ 137,375
Operating margin(1)	$ 1,481	$ 996
Adjusted operating margin(1)	$ 2,611	$ 996
Net loss	$ (2,313)	$ (2,498)
Adjusted net loss (1) (2)	$ (1,477)	$ (2,498)
Diluted loss per share	$ (0.09)	$ (0.11)
Adjusted diluted loss per share (1) (2)	$ (0.05)	$ (0.11)
Cash dividends per share	$ 0.27	$ 0.27
Weighted average number of shares outstanding – Basic (000's)	27,261	23,136
Stores in operation as at March 31	246	243

(1) *Operating margin, adjusted operating margin, adjusted net earnings or loss and adjusted diluted earnings or loss per share are non-IFRS measures that do not have any standardized meaning prescribed by IFRS. For more information on these non-IFRS measures, see the 'Non-IFRS Financial Measures' section below.*

(2) *Adjusting items for the three months ended March 31, 2015 includes payments made to a former member of senior management team ($0.7 million) and to certain members of a regional operations team ($0.2 million) upon their departure from the Company, and $0.2 million for expenses related to the implementation of our new enterprise resource management system. There were no adjusting items during the three months ended March 31, 2014.*

The MD&A as well as the consolidated financial statements and notes for the financial statements for the three months ended March 31, 2015 are available on the Company's website (www.liquorstoresna.ca) and on the SEDAR website (www.sedar.com).

SALES

Total sales increased by $10.0 million or 7.3% to $147.4 million in the first quarter of 2015 (Q1 2014 - $137.4 million). The increase is primarily the result of the sales contribution from same-stores, new store expansion in the United States and Canada offsetting store closures in Canada (two new stores opened in the United States, eight new stores opened in Canada, and ten stores closed since December 31, 2013), and a $4.8 million positive change in foreign exchange on the translation of U.S. dollar denominated sales to Canadian dollars.

Same-Store Sales

- Canadian same-store sales increased by $4.0 million, or 4.3%.
    - The increase in Canadian same-store sales in Q1 2015 was the result of growth in both average basket sizes and customer counts. We believe that these positive improvements were primarily related to changes that were made to our pricing and marketing strategies in

mid-2014, the introduction of store level training programs in 2014, and due to slightly more favourable weather compared to that experienced in Q1 2014.

    - The increase in Canadian same-store sales is also attributable to: (i) increased sales contribution from those stores that have been renovated over the last 18 months, and (ii) newer stores that are now included in same-store sales (i.e. those that have been open for 13 months to 36 months) contributing higher than average sales increases as they continue to mature.
    - The increase in Canadian same-store sales were in spite of an economic slowdown in certain Northern Alberta resource markets, where we are seeing declines in same-store sales.

- U.S. same-store sales increased by $0.4 million or 1.1%.
    - Same-store sales in the United States have been positively impacted by same-store sales growth in Kentucky. The increase in Kentucky is the result of making similar changes to our pricing and marketing strategies and store level training programs, similar to Canada.
    - Same-store sales in Alaska decreased during the quarter. This market has been negatively impacted by a slowdown in the economy as a result of a decline in oil and gas exploration activity in recent months. Management is focused on improving performance in this market. During the quarter, the local leadership team in the Alaska region was replaced and we continue to enhance our pricing and marketing strategies.

MARGINS

For the three months ended March 31, 2015, gross margin was $38.0 million, up 12.1% from $33.9 million for the same period last year. Gross margin as a percentage of sales for the period has increased to 25.8% (2014 – 24.7%). The increase in gross margin was primarily attributable to the improvement in same-store sales ($1.1 million), an improvement in gross margin as a percentage of sales ($1.7 million), the margin increase from new stores net of store closures ($0.2 million), and a positive change in foreign exchange on translation of U.S. dollar denominated gross margin to Canadian dollars ($1.1 million).

Adjusted operating margin for the three months ended March 31, 2015 increased by $1.6 million from $1.0 million in Q1 2014, primarily due to the increases in gross margin explained above and a decrease in head office administrative expenses ($0.2 million), offset by increases in the foreign exchange on translation of U.S. dollar denominated store level operating expense and head office administrative expenses to Canadian dollars ($1.2 million), rent escalations related to the renewal of long-term lease arrangements in the past twelve months ($0.3 million), and other increases in operating costs associated with running same-stores, including the use of additional forms of media in our marketing plans ($1.2 million).

Adjusted operating margin as a percentage of sales was 1.8%, up from 0.7% in the prior year.

LOSS AND LOSS PER SHARE

For the three months ended March 31, 2015, a net loss of $2.3 million was recorded (Q1 2014 –$2.5 million net loss). The decrease in the net loss in Q1 2015 is primarily the result of the increases in adjusted gross margin in the current period ($4.1 million), a $1.1 million increase in adjusting items as discussed above, an increase in operating and administrative expenses (inflationary increases and a $1.2 million increase related to an increase in the foreign exchange on translation of U.S. dollar denominated store level operating expense and head office administrative expenses to Canadian dollars), and increased amortization expense.

Basic and diluted loss per share for the three months ended March 31, 2015 were $0.09 per share (Q1 2014 - $0.11 loss per share). Basic and diluted earnings per share decreased as a result of the same factors that impacted net earnings, as noted above.

CASH FLOW AND DIVIDENDS

For the three months ended March 31, 2015, cash used by operating activities before changes in non-cash working capital and adjusting items was $2.7 million ($0.10 per share), decreasing by $4.3 million primarily due to the increase in adjusted operating margins and lower cash interest costs compared to the prior year.

During the three months ended March 31, 2015, the Company declared dividends of $0.27 per share, representing an annualized dividend of $1.08 per share. The Company has declared a monthly dividend consecutively since going public in 2004.

The Company has a dividend reinvestment plan (the "DRIP") to provide eligible shareholders with a convenient means of reinvesting monthly dividends into additional common shares. For further information about the DRIP and DRIP enrolment please visit the Company's website located at www.liquorstoresna.com.

CONFERENCE CALL

Liquor Stores N.A Ltd. will host an analyst and investor conference call on Friday, May 8, 2015 to discuss results for the three months ended March 31, 2015. The conference call will take place at 10:00 a.m. (MT). Participants on the call will include Stephen Bebis, President and Chief Executive Officer, and David Gordey, Senior Vice President and Chief Financial Officer.

To participate in the call, please dial 1-416-340-8530 or toll-free at 1-800-396-7098. An archived recording of the conference call will be available approximately one hour after the completion of the call until May 15, 2015, by dialing: 905-694-9451 or Toll-Free Access: 1-800-408-3053. The required Passcode is: 6952761.

ABOUT LIQUOR STORES N.A. LTD.

The Company operates 246 retail liquor stores in Alberta, British Columbia, Alaska and Kentucky. Liquor Stores' retail brands include: Liquor Depot, Liquor Barn, and Wine and Beyond in Alberta (175 stores); Liquor Depot and Liquor Barn in British Columbia (35 stores); Brown Jug in Alaska (23 stores); and Liquor Barn "The Ultimate Party Source" and Liquor Barn Express in Kentucky (13 stores). The Company's common shares and convertible subordinated debentures trade on the Toronto Stock Exchange under the symbols "LIQ" and "LIQ.DB.A", respectively.

Additional information about Liquor Stores N.A. Ltd. is available at www.sedar.com and the Company's website at www.liquorstoresna.com.

NON-IFRS FINANCIAL MEASURES

Operating margin, operating margin as a percentage of sales, adjusted operating margin, adjusting items same-store sales, adjusted net earnings or loss, and adjusted diluted earnings or loss per share are not measures recognized by IFRS and do not have a standardized meaning prescribed by IFRS. Investors are cautioned that operating margin, operating margin as a percentage of sales, adjusted operating margin, adjusting items, same-store sales, adjusted net earnings or loss, and adjusted diluted earnings or loss per share should not replace net earnings or loss (as determined in accordance with IFRS) as an indicator of the Company's performance, of its cash flows from operating, investing and financing activities as a measure of its liquidity and cash flows. The Company's method of calculating operating margin, operating margin as a percentage of sales, adjusted operating margin, adjusting items, same-store sales, adjusted net earnings or loss, and adjusted diluted earnings or loss per share may differ from the methods used by other issuers. Therefore, the Company's operating margin, operating margin as a percentage of sales, adjusted operating margin, adjusting items, same-store sales, adjusted net earnings or loss, and adjusted diluted earnings or loss per share may not be comparable to similar measures presented by other issuers.

Same-store sales, a measure that is generally used by retailers, includes sales for stores that have been open 12 full months at the beginning of the reporting period. This is one of the key metrics that we use to assess our performance and provides a useful comparison between periods. Same-store sales exclude: (i) all sales to wholesale customers, (ii) stores where sales have been negatively impacted due to sales being shifted to closely-located convenience-focused stores we've opened in the last 12 full months, and (iii) stores where sales have increased due to the closure of closely-located stores in the last 12 full months.

Operating margin has been derived by subtracting Operating and Administrative expenses from Gross Margin. Operating margin as a percentage of sales is calculated by dividing operating margin by sales.

Adjusted operating margin represents operating margin adjusted for unusual, non-recurring or non-operating factors on both a consolidated and segmented basis. These factors, referred to as adjusting items, are discussed in note 2 to the table under 'Summary Financial Results and Analysis'. Adjusted net earnings or loss is calculated as net earnings or loss less the tax effected adjusting items. The tax effect of the adjusting items is calculated by multiplying the adjusting items by the statutory rate of income tax of the applicable jurisdiction. Adjusted basic and diluted earnings or loss per share is calculated as adjusted net earnings or loss divided by basic or diluted weighted average number of common shares outstanding. Management believes the presentation of adjusted operating margin, adjusted net earnings or loss, and adjusted basic and diluted earnings or loss per share provides for useful information to investors and shareholders as it provides increased transparency and predictive value. Management uses adjusted operating margin and adjusted net earnings or loss to set targets and assess performance of the Company.

FORWARD LOOKING STATEMENTS

In the interest of providing current shareholders and potential investors with information regarding current results and future prospects, this release may contain forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects and opportunities. All statements and information other than statements of historical fact contained in this release are forward-looking statements, including, without limitation, statements regarding the future financial position and performance of the Company, business strategies, costs, as well as plans and objectives of or involving the Company. Forward-looking statements are typically identified by words such as "believe", "expect", "will", "intend", "project", "anticipate", "estimate", "continue", "forecast", "could", "goal", "foresee", "seek", "strive", "may", "should" and similar expressions or the negatives thereof, as they relate to the Company and its Management. These forward-looking statements include, but are not limited to, statements with respect to the future payment and timing of the payment of the Company's dividends, the anticipated opening dates of new stores, and Management's general expectations that the Company will have sufficient funds to complete store acquisitions, develop new stores and finance inventory.

Forward-looking statements reflect the Company's current plans, intentions, and expectations, which are based on Management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's plans, intentions, and expectations are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. 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 included in this release should not be unduly relied upon.

Forward-looking statements are subject to risks, uncertainties and assumptions, including, but not limited to, those discussed under "Risk Factors" in the Company's MD&A for the year ended December 31, 2014, and the Company's Annual Information Form. Other risks and uncertainties not presently known to the

Company or that Management presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this release are made as of the date of this release and the Company 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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