

# Liquor Stores N.A. Ltd.

## REPORTS FIRST QUARTER 2018 RESULTS

**EDMONTON, ALBERTA, May 8, 2018** – Liquor Stores N.A. Ltd. (the “Company” or “Liquor Stores”) (TSX: LIQ) today reported its results for the three months ended March 31, 2018.

“As previously announced, we have commenced our strategic plan to regain our market leadership in liquor and establish a world-class cannabis business,” stated James Burns, Vice Chair and CEO, Liquor Stores N.A. Ltd. “As we focus on long-term value enhancement for our shareholders over the next two to three years, our results in the interim will need to be viewed in the context of the myriad of initiatives underway to become a dynamic growth-oriented company.”

Commenting on the Q1 2018 financial results, Mr. Burns said: “While Canadian same-store sales were slightly negative during the first quarter of 2018, primarily due to the extreme and prolonged winter weather experienced in Alberta, we believe, based on information from our vendors and market intelligence, that our sales decline was less than the declines experienced by our competitors and that we increased our market share in Alberta in Q1 2018.”

“We are confident that we are taking the right steps to reposition and re-energize our liquor brands, attack the discount competition head-on, and create a whole new recreational cannabis retail network.” Mr. Burns continued. “We have the financial strength to excel and we will use that strength to its best advantage.”

For the first quarter of 2018 compared to the first quarter of 2017:

- Consolidated sales were \$125.8 million, down 0.9% from Q1 2017 (before accounting for the decline related to the foreign exchange impact of translating our \$USD sales to \$CAD).
- Canadian same-store sales<sup>1</sup> were \$93.9 million, down 1.8% from \$95.6 million in Q1 2017.
- U.S. same-store sales<sup>1</sup> were \$17.1 million USD, up 1.8% from \$16.8 million USD in Q1 2017.
- Operating loss before amortization<sup>1</sup> was \$2.3 million, down from \$1.5 million profit in Q1 2017.
- Net loss from continuing operations was \$1.8 million for the first quarter of 2018 compared to a net loss from continuing operations of \$2.9 million in Q1 2017.

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<sup>1</sup> Same-store sales and operating (loss) profit before amortization 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’ in our Management Discussion and Analysis (“MD&A”) for the three months ended March 31, 2018, which is available on the Company’s website ([www.liquorstoresna.ca/investors](http://www.liquorstoresna.ca/investors)) and on the SEDAR website ([www.sedar.com](http://www.sedar.com)).

## FINANCIAL HIGHLIGHTS

<i>(In thousands of Canadian dollars except per share amounts, unaudited)</i>	Three months ended March 31	
	2018	2017
Sales	\$125,814	\$127,759
Operating (loss) profit before amortization <sup>(1)</sup>	(\$2,289)	\$1,501
Net loss from continuing operations	(\$1,826)	(\$2,926)
Basic and diluted loss per share from continuing operations	(\$0.06)	(\$0.11)

(1) *Operating (loss) profit before amortization is a non-IFRS measure that does not have any standardized meaning prescribed by IFRS. For more information on this non-IFRS measure, see the 'Non-IFRS Financial Measures' in our Management Discussion and Analysis ("MD&A") for the three months ended March 31, 2018, which is available on the Company's website ([www.liquorstoresna.ca/investors](http://www.liquorstoresna.ca/investors)) and on the SEDAR website ([www.sedar.com](http://www.sedar.com)).*

## CONFERENCE CALL

Liquor Stores N.A Ltd. will host an analyst and investor conference call on May 9, 2018 to discuss results for the three months ended March 31, 2018. The conference call will take place at 12:00 p.m. M.T.

To participate in the call, please dial (416) 340-2216 or toll-free (800) 273-9672. An archived recording of the conference call will be available approximately one hour after the completion of the call, by dialling: (905) 694-9451 or Toll-Free Access: (800) 408-3053. The required passcode is: 2565569.

## ABOUT LIQUOR STORES N.A. LTD.

The Company operates 229 retail liquor stores. The Company's common shares and convertible subordinated debentures trade on the Toronto Stock Exchange under the symbols "LIQ" and "LIQ.DB.B", respectively.

Additional information about Liquor Stores N.A. Ltd. is available at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.liquorstoresna.ca/investors](http://www.liquorstoresna.ca/investors).

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release constitute forward-looking statements or information (collectively "forward-looking statements") within the meaning of the "safe harbour" provisions of applicable securities legislation. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "budget", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "objective", "aim", "potential", "target", "pursue" and similar words suggesting future events or future performance. In particular, this press release contains forward-looking statements pertaining to, without limitation, the Company's strategic plan, retail cannabis strategy, plan to renovate existing liquor retail outlets, and regain lost market share in the liquor industry.

With respect to forward-looking statements contained in this press release, the Company has made assumptions regarding, among other things: the ability of management to execute the Company's strategic plan, including its capital allocation strategy and specifically its ability to enter the retail cannabis market once it is legal to do so.

Although we believe that the expectations reflected in the forward-looking statements contained in this press release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations and assumptions will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements included in this press release, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause our actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things: the risk that we will be unable to execute our strategic plan, including the capital allocation and retail cannabis strategy, as planned without significant adverse impacts from various factors beyond our control; dependence on suppliers; potential delays or changes in plans with respect to capital expenditures and the availability of capital on acceptable terms; risks inherent in the liquor retail industry; competition for, among other things, customers, supply, capital and skilled personnel; changes in labour costs and markets; incorrect assessments of the value of acquisitions; general economic and political conditions in Canada (including Alberta), Alaska and globally; industry conditions, including changes in government regulations; fluctuations in foreign exchange or interest rates; unanticipated operating events; failure to obtain regulatory and third-party consents and approvals when required; changes in tax and other laws that affect us and our security holders; the potential failure of counterparties to honour their contractual obligations; stock market volatility; and the other factors described in our public filings (including our Annual Information Form) available at [www.sedar.com](http://www.sedar.com). Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking statements contained in this press release speak only as of the date of this press release. Except as expressly required by applicable securities legislation, we do not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

### **For Further Information**

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