LIQUOR DEPOT
LIQUOR STORES N.A. LTD.

[FOR IMMEDIATE RELEASE]

LIQUOR STORES N.A. LTD REPORTS 2011 STRONG SECOND QUARTER RESULTS, SAME STORE SALES GROWTH AND STRENGTHENED OPERATING MARGIN

EDMONTON, ALBERTA, August 8, 2011 – Liquor Stores N.A. Ltd (the "Company") (TSX: LIQ), Canada's largest private liquor retailer (based upon number of stores and revenue) reports its results for the second quarter ended June 30, 2011.

HIGHLIGHTS

Three Months Ended June 30, 2011

- Same store sales increased across all markets, with Canadian same store sales up by 3.4% (lead by Alberta, the Company's largest market, with a 4.2% increase) and United States same store sales up by 2.4%.
- Operating margin before non-recurring items increased by 7.4% to $12.3 million.

Consolidated sales were $150.2 million, representing an increase of 1.0% over the second quarter 2010, despite a $2.1 million decrease in the Canadian dollar equivalent for US store sales (as a result of foreign exchange rate differences) and increased competition for the Company's Canadian lower margin wholesale business.

Canadian same-store sales increased 3.4% to $103.0 million in the second quarter, compared with $99.7 million in second quarter 2010. U.S. same store sales also strengthened, improving 2.4% in the second quarter, from US$34.2 million to US$35.0 million.

Six Months Ended June 30, 2011

- Same store sales increased in all markets except British Columbia (Canada and the United States increased by 3.0% and 1.4 %, respectively). Alberta continues to improve, with a 4.4% increase in same store sales. British Columbia saw a 1.3% decrease.
- Operating margin before non-recurring items increased by 5.9% to $17.5 million.

"In the second quarter we continued to improve our business and delivered growth in same store sales and operating margin" said Rick Crook, President & CEO. "We're experiencing positive results from our renewed focus on store-level and customer service initiatives, and these initiatives, coupled with a further improving economy, have boosted overall sales and operating margins."

QUARTER ENDED JUNE 30, 2011

SECOND QUARTER SALES

Sales for the three months ended June 30, 2011 and 2010 were $150.2 million and $148.7 million, respectively, and for the six months ended June 30, 2011 and 2010, were $266.2 million and $264.5 million, respectively.

Same Store Sales

- Led by Alberta, Canadian same store sales for the three and six months ended were up $3.4 million or 3.4% and $5.3 million or 3.0% respectively.
- Led by Alaska, US same store sales for the three and six months ended were up US$0.8 million or 2.4% and $0.9 million or 1.4% respectively.

SECOND QUARTER MARGINS

For the three months ended June 30, 2011, gross margin was $36.8 million, up 0.5% from $36.6 million for the same period last year. For the six months ended June 30, 2011, gross margin was $65.9 million, up 1.9% from $64.7 million for the same period last year. Gross margin is up overall due to increased sales volumes and an improvement in the gross margin percentage.

Operating margin for the three months ended June 30, 2011 and 2010 before non-recurring items was $12.3 million, up 7.0% from $11.5 million respectively. For the six months ended June 30, 2011, operating margin before non-recurring items was $17.5 million, up 12.2% from $15.6 million for the same period last year.

SECOND QUARTER CASH FLOW AND DIVIDENDS

For the three months ended June 30, 2011, cash provided by operating activities before changes in working capital was $10.3 million, up 9.6% compared to $9.4 million for the same quarter in 2010. For the six months ended June 30, 2011, cash provided by operating activities before changes in working capital was $12.7 million, up 9.5% compared to $11.6 million for the same quarter in 2010.

For the three months ended June 30, 2011, cash flow per share excluding non-recurring items is $0.46 (2010: $0.44). For the six months ended June 30, 2011, cash flow per share excluding non-recurring items is $0.61 (2010: $0.53). For the three months ended June 30, 2011, cash flow per share including non-recurring items is $0.45 (2010: $0.42). For the six months ended June 30, 2011, cash flow per share including non-recurring items is $0.58 (2010: $0.51).

During the three and six months ended June 30, 2011, the Company declared dividends of $0.27 and $0.54 per share respectively. The Company's current annual dividend is $1.08. The Company has paid a monthly dividend consecutively since going public in 2004.

The Company recently implemented 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.

SECOND QUARTER AND SIX MONTH EARNINGS AND EARNINGS PER SHARE

Net earnings for the three months ended June 30, 2011 were $5.8 million. Before IFRS adjustments, net earnings for the three months ended June 30, 2010 were $4.8 million. The $1.0 million increase is largely attributable to improved operating margins net of an increase in interest and tax expense and lower non-recurring costs compared to the same quarter last year.

Under IFRS, net earnings for the three months ended June 30, 2011 were $5.8 million, compared to $13.3 million for the same period in 2010. IFRS adjustments increased 2010 net earnings largely as a result of fair value adjustments to exchangeable units and deferred income tax offset by dividends paid to exchangeable units.

Net earnings for the six months ended June 30, 2011 were $5.9 million. Before IFRS adjustments, the six month ended June 30, 2010 net earnings were $4.8 million. The $1.1 million increase is largely due to improved operating margins net of an increase in interest and tax expense and increased non-recurring costs compared to the same quarter last year.

Under IFRS, net earnings for the six months ended June 30, 2011 were $5.9 million compared to $4.7 million for the same period in 2010. IFRS adjustments increased 2010 net earnings largely as a result of fair value adjustments to exchangeable units and deferred income tax offset by dividends paid to exchangeable units.

Basic and diluted earnings per share for the three months ended June 30, 2011 were $0.25. Before IFRS adjustments, basic and diluted earnings per share for the three months ended June 30, 2010 were $0.20. As referred to above IFRS adjustments increased earnings, leading to basic and diluted earnings per share under IFRS of $0.71 for the three months ended June 30, 2010.

Basic and diluted earnings per share for the six months ended June 30, 2011 were $0.26. Before IFRS adjustments, basic and diluted earnings per share for the six months ended June 30, 2010 were $0.20. As referred to above IFRS adjustments increased earnings, leading to basic and diluted earnings per share under IFRS of $0.25 for the six months ended June 30, 2010.

Liquor Stores Summary Financial Results, three and six months ended June 30, 2011 with comparisons to 2010

(expressed in thousands of Canadian dollars,	Three months ended		Six months ended	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
Sales	$ 150,210	$ 148,742	$ 266,177	$ 264,540
Operating margin before non-recurring items	$ 12,342	$ 11,503	$ 17,542	$ 15,603
Operating margin	$ 12,200	$ 10,953	$ 16,863	$ 15,048
Net earnings (loss)	$ 5,783	$ 13,314	$ 5,928	$ 4,710
Diluted earnings (loss) per share (1)	$ 0.25	$ 0.71	$ 0.26	$ 0.25
Cash dividends per share (1)	$ 0.27	$ 0.41	$ 0.54	$ 0.81
Weighted average number of shares outstanding (1) (000's)	22,599	18,527	22,594	18,521
Stores in operation at June 30	236	237	236	237

(1) *Prior to December 31, 2010 the Company was an income trust. References to" share" and "dividend" above should be read as "unit" and "distribution" for such prior periods.*

The Management's Discussion and Analysis (MD&A) as well as the complete financial statements and notes for the second quarter ended June 30, 2011 are available on the Company's website at this link: www.liquorstoresna.com and on the SEDAR website at www.sedar.com.

Conference Call

As previously announced, Liquor Stores N.A Ltd. will conduct an investor conference call on Tuesday August 9, 2011 to discuss results for the second quarter ended June 30, 2011. The conference call will take place at 3 p.m. MT. Participants in the call include Rick Crook, President and Chief Executive Officer, Pat de Grace, Senior Vice President and Chief Financial Officer and Scott Morrow, Chief Operating Officer.

To take part in the call, please dial 416-340-9432, or toll-free 1-877-240-9772. An archived recording of the conference call will be available approximately one hour after the completion of the call until August 16, 2011, by dialling 905-694-9451, or toll-free 1-800-408-3053. The required pass code is 8017802. An archived recording of the call will also be available on the Liquor Stores N.A Ltd. website.

About Liquor Stores N.A. Ltd.

The Company currently operates 236 retail liquor stores in Alberta, British Columbia, Alaska and Kentucky. The Company's common shares and 6.75% convertible subordinated debentures trade on the Toronto Stock Exchange under the symbols "LIQ" and "LIQ.DB", 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-GAAP FINANCIAL MEASURES

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

EBITDA is defined as the net income of the Company plus the following: interest expense, provision for income taxes, any portion of expense in respect of non-cash items including any long-term incentive plan amounts not to be settled in cash, depreciation, amortization, deferred taxes, and non-recurring losses to a maximum of $3.5 million in any fiscal year, write down of goodwill and other restructuring charges for store closures, and amortization of inventory fair value adjustments. EBITDA is also less any non-recurring extraordinary or one-time gains from any capital asset sales or certain foreign currency transactions.

Cash provided by operating activities before changes in working capital and non-recurring items and the calculation of this measure and on the additional GAAP measure on a per share basis are all non-GAAP financial measures that do not have a standardized meaning prescribed by GAAP and therefore are unlikely to be comparable to similar measures presented by other issuers. Investors are cautioned that this should not be construed as an alternative measure of profitability.

Operating margin for purposes of disclosure herein 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. Operating margin before non-recurring items has been derived by adding non-recurring items to operating margin as described above.

Non-recurring items include costs incurred by the Company for expenses that are not part of on-going operations and that are not expected to recur.

FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements or information. All statements and information other than statements of historical fact contained in this press release are forward-looking statements, including, without limitation, statements regarding the future financial position and performance of the Company, the Company's assessment of key retail economic indicators, customer buyer habits and the economy, future business strategy and operational initiatives, monthly and annual dividend rates, and the future plans and objectives of or involving the Company. You can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues", "forecasts' or similar words or the negative thereof. 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 press release should not be unduly relied upon. Forward-looking statements are subject to risks, uncertainties and assumptions, including, but not limited to, those discussed elsewhere in this press release. There is no assurance that such expectations will prove to be correct.

Some of the factors that could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include, but are not limited to, those discussed under "Risk Factors" in the Company's Annual Information Form dated March 15, 2011, and the Company's Annual Management Discussion and Analysis for the year-ended December 31, 2010, both of which are filed on SEDAR at www.sedar.com.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this press release are made as of the date of this press 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. New factors emerge from time to time, and it is not possible for the Company to predict all of such factors and to assess in advance the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

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