



[FOR IMMEDIATE RELEASE]

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

EDMONTON, ALBERTA, November 5, 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 and nine months ended September 30, 2015.

THIRD QUARTER HIGHLIGHTS

- Consolidated sales of \$194.2 million, a 6.7% increase when compared to the third quarter of 2014;
- Same-store sales¹ decreased by 0.9% in Canada and increased by 1.0% in the U.S.;
- Gross margin percentage of 25.7%, compared to 25.8% for the third quarter of 2014;
- Adjusted operating margin¹ of \$11.5 million, a decrease of \$1.0 million when compared to the third quarter of 2014; and
- Two new large format stores opened in Kentucky on July 1, 2015. Closed one location in the Edmonton area and one location in the Anchorage area to consolidate these sales into our nearby stores. Subsequent to the conclusion of the third quarter, opened two new convenience-format stores in the Edmonton area.

“Liquor Stores’ results for the third quarter were in-line with our expectations, given the economic headwinds facing several of our more oil and gas activity-reliant markets,” stated Stephen Bebis, Liquor Stores’ President and CEO. “Pressure on these markets – notably Fort McMurray and Grande Prairie – served as the primary cause of our quarterly decline in Canadian same-store sales.”

“Despite these challenges, we are encouraged by the strong performance of our locations in Edmonton, Calgary, British Columbia, and Kentucky. In addition, overall basket size has increased over the first nine months of 2015. We believe these positive trends can be attributed to the continued execution of our Seven Point Plan, in particular its emphasis on both employee education and the introduction of higher margin preferred label products. These initiatives have helped mitigate the pressure we are experiencing within our more resource-reliant markets.”

“The Seven Point Plan is also intended to drive future growth. We continue to focus on improving the quality of our existing locations, and to expand into new locations and jurisdictions. To date in 2015, we have opened nine new stores – seven in Canada and two in the United States. Over the next twenty-four months, we have commitments to open ten more stores – seven in Canada and three in the United States. We’re confident we can augment this growth by executing on one or more strategic acquisitions which would give us access to new growth markets while diversifying our revenue base.”

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’ in the Company’s Management Discussion and Analysis (“MD&A”) for the three and nine month periods ended September 30, 2015.

FINANCIAL HIGHLIGHTS

<i>(In thousands of Canadian dollars except per share amounts, unaudited)</i>	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
Sales	\$ 194,186	\$ 181,921	\$ 532,218	\$ 497,464
Net earnings	\$ 4,169	\$ 5,316	\$ 6,416	\$ 6,237
Diluted earnings per share	\$ 0.15	\$ 0.23	\$ 0.23	\$ 0.26
As adjusted ^{(1) (2):}				
Operating margin	\$ 11,507	\$ 12,536	\$ 26,923	\$ 24,174
Net earnings	\$ 4,617	\$ 5,316	\$ 9,135	\$ 7,255
Diluted earnings per share	\$ 0.17	\$ 0.23	\$ 0.33	\$ 0.33
Cash provided by operating activities before changes in non-cash working capital and adjusting items per share ⁽¹⁾	\$0.36	\$0.46	\$0.66	\$0.53
Cash dividends per share	\$ 0.27	\$ 0.27	\$ 0.81	\$ 0.81
Stores in operation as at September 30	247	246	247	246

(1) Adjusted operating margin, adjusted net earnings, adjusted diluted earnings per share, and cash provided by operating activities before changes in non-cash working capital and adjusting items 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' in our Management Discussion and Analysis ("MD&A") for the three and nine months ended September 30, 2015.

(2) Adjusting items for the three months ended September 30, 2015 include \$0.3 million for expenses related to the implementation of our new enterprise resource management system and \$0.3 million in legal, professional, and travel fees incurred in evaluating potential acquisitions. There were no adjusting items for the three months ended September 30, 2014.

Adjusting items for the nine months ended September 30, 2015 includes payments made to a former member of the senior management team (\$0.7 million) and to certain members of a regional operations team (\$0.2 million) upon their departure from the Company, \$0.7 million for expenses related to the implementation of our new enterprise resource management system, \$0.3 million in legal, professional, and travel fees incurred in evaluating potential acquisitions, and a \$1.3 million one-time tax adjustment related to a re-measurement of opening net deferred tax liabilities – note this tax adjusting item only impacts adjusted net earnings and adjusted diluted earnings per share. Adjusting items for the nine months ended September 30, 2014 include payments made to a former member of the senior management team of the Company upon his departure from the Company (\$0.6 million), a settlement with a vendor for software license fees from prior years (\$0.4 million), legal and tax professional fees not expected to reoccur related to changes made to our corporate structure (\$0.3 million), and \$0.1 million for a settlement related to an early termination of a lease in conjunction with a store closure in a prior year.

The MD&A and the consolidated financial statements for the three and nine months ended September 30, 2015 are available on the Company's website (www.liquorstoresna.ca) and on the SEDAR website (www.sedar.com).

Sales

Total sales for the third quarter were \$194.2 million, an increase of \$12.3 million (6.7%) when compared to the third quarter of 2014. This increase can be attributed to increased same-stores sales in the US, increased sales from Canadian wholesale operations, the opening of new locations, and a \$9.6 million positive impact from foreign exchange.

Same-store Sales

Canadian same-store sales for the third quarter decreased by \$1.1 million (0.9%) when compared to the third quarter of 2014.

- The decrease in Canadian same-store sales was primarily related to the economic slowdown in rural Alberta communities where oil and gas activity has dropped, where the Company is witnessing larger declines in same-store sales compared to those in the first half of 2015.

- Same-store sales in Edmonton and Calgary continue to grow, with increases in both average basket sizes and transaction counts. British Columbia also recorded same-store sales growth, despite increased competition faced from government-owned stores as a result of the recent regulatory changes.

U.S. same-store sales for the third quarter increased by \$0.3 million (1.0%) when compared to the third quarter of 2014.

- Same-store sales in the United States were positively impacted by same-store sales growth in Kentucky. The increase in Kentucky is the result of changes to the Company's pricing and marketing strategies and store level training programs. Both basket size and transaction count in Kentucky increased when compared to the third quarter of 2014.
- The increases in Kentucky were partially offset by a decrease in same-store sales in Alaska during the third quarter. This market has been negatively impacted by a weakened energy industry. The Company has been focused on improving performance in this market and is witnessing improvements as 2015 progresses.

Gross Margin

Gross margin for the third quarter was \$49.8 million, an increase of \$2.8 million (6.0%) when compared to the third quarter of 2014. The improvement in gross margin was primarily due to the margin increase from new stores net of store closures (\$1.0 million) and a positive change in foreign exchange on translation of U.S. dollar denominated gross margin to Canadian dollars (\$2.2 million). These factors were partially offset by the impact from the net decline in same-store sales (\$0.4 million).

Adjusted Operating Margin

Adjusted operating margin for the third quarter was \$11.5 million, a decrease of \$1.0 million from the third quarter of 2014. This decline was primarily due to inflationary increases in store operating expenses, which were only partially offset by the increase in gross margin.

CONFERENCE CALL

Liquor Stores N.A Ltd. will host an analyst and investor conference call on Friday, November 6, 2015 to discuss results for the third quarter ended September 30, 2015. The conference call will take place at 9:00 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 November 13, 2015, by dialing: 905-694-9451 or Toll-Free Access: 1-800-408-3053. The required Passcode is: 4252198.

ABOUT LIQUOR STORES N.A. LTD.

The Company currently operates 249 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 (177 stores); Liquor Depot and Liquor Barn in British Columbia (35 stores); Brown Jug in Alaska (22 stores); and Liquor Barn "The Ultimate Party Source" and Liquor Barn Express in Kentucky (15 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.

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.

For further information, please contact:

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