LIQUOR STORES N.A. LTD.

[FOR IMMEDIATE RELEASE]

LIQUOR STORES N.A. LTD REPORTS 2011 THIRD QUARTER RESULTS ROBUST CANADIAN SAME STORE SALES GROWTH AND STRENGTHENED OPERATING MARGIN

EDMONTON, ALBERTA, November 9, 2011 – Liquor Stores N.A. Ltd (the "Company") (TSX: LIQ), Canada's largest private liquor retailer (based upon number of stores and revenue) today reported its results for the third quarter ended September 30, 2011.

HIGHLIGHTS

Three Months Ended September 30, 2011

- Canadian same store sales increased a robust 7.1% (led by Alberta with a 10.1% increase) and same store sales strengthened by 1.2% in the United States.
- Overall operating margin before gains from non-recurring items rose by 3.8% to $13.7 million.
- Consolidated sales were $157.1 million, a significant increase of 3.6% over the third quarter of 2010 (despite a $2.0 million decrease in the Canadian dollar equivalent for US store sales due to foreign exchange rate differences).

Canadian same-store sales strengthened by 7.1% to $110.4 million in the third quarter, compared with $103.0 million and a 3.0% decline in the third quarter of 2010. U.S. same store sales also improved, increasing by 1.2% in the third quarter, from US$34.4 million to US$34.8 million.

Overall gross margin, as a percentage of sales, decreased to 24.7% for the third quarter from 25.3% last year. However, operating margin before non-recurring items increased 3.8% to $13.7 million for the third quarter of 2011, from $13.1 million in the third quarter of 2010.

Nine Months Ended September 30, 2011

- Same store sales experienced growth in all markets except British Columbia. Overall same store sales in Canada increased by 4.5% and U.S. same store sales increased by 1.4%. Alberta continued its growth trend, with a 6.3% increase in same store sales during this period while British Columbia saw a 1.0% decrease.
- Operating margin before non-recurring items gained by 9.1% to $31.1 million.
- Overall gross margin as a percentage of sales was 24.8%, unchanged from 2010.

Commenting on the third quarter results, Rick Crook, President & Chief Executive Officer said, "We are very pleased with the results for the year to date. During the third quarter we experienced accelerated improvements in same store sales, operating margin, and consolidated sales. Our renewed focus on store-level customer service initiatives has resulted in positive returns."

QUARTER ENDED SEPTEMBER 30, 2011

THIRD QUARTER SALES

Sales for the three months ended September 30, 2011 and 2010 were $157.1 million and $151.6 million, respectively, representing a third quarter 2011 increase of 3.6% over the same period last year (despite a $2.0 million decrease in the Canadian dollar equivalent for US sales as a result of foreign exchange differences).

Same Store Sales

- Led by Alberta's dramatic 10.1% increase, Canadian same store sales were up $7.4 million or 7.1%.
- Canadian same store sales have benefitted from extended operational hours and enhanced customer service at the store level, a more aggressive third quarter promotional campaign compared to the same period in 2010, and favourable weather conditions in the third quarter compared to 2010. Management believes British Columbia same store sales were adversely affected by more stringent impaired driving penalties and the effect in BC of the imposition of HST on customer buying habits.
- US same store sales were up US$0.4 million or 1.2%.

Sales for the nine months ended September 30, 2011 and 2010 were $423.3 million and $416.1 million, respectively, an increase of 1.7% despite a $5.7 million decrease in the Canadian currency equivalent for US sales as a result of foreign exchange rate differences.

Same Store Sales

- Canadian same store sales for the nine months ended September 30, 2011 were up $12.3 million or 4.5%.
- US same store sales also increased during this nine month period, by US$1.3 million or 1.4%.

THIRD QUARTER MARGINS

For the three months ended September 30, 2011, gross margin was $38.8 million, up 1.1% from $38.3 million for the same period last year due primarily to increased sales revenue. For the nine months ended September 30, 2011, gross margin was $104.7 million, up 1.6% from $103.0 million for the same period last year, also as a result of increased sales volumes.

Operating margin before non-recurring items was $13.6 million for the quarter ended September 30, 2011, up 3.8% from $13.1 million in 2010. Operating margin before non-recurring items was $31.1 million for the nine months ended September 30, 2011, up 9.1% from $28.6 million in 2010.

THIRD QUARTER CASH FLOW AND DIVIDENDS

For the three months ended September 30, 2011, cash provided by operating activities before changes in working capital was $15.8 million, up 33.0% compared to $10.5 million for the same quarter in 2010. For the nine-months ended September 30, 2011, cash provided by operating activities before changes in working capital was $28.5 million, a significant increase from the $22.1 million for the same period last year.

For the three months ended September 30, 2011, cash flow per share before non-recurring items is $0.54 (2010: $0.49). For the nine months ended September 30, 2011, cash flow per share before non-recurring items is $1.13 (2010:$1.03). For the three months ended September 30, 2011, cash flow per share is $0.70 (2010: $0.47) and for the nine months ended September 30, 2011 it is $1.26 (2010:$0.98).

During the three and nine months ended September 30, 2011, the Company declared dividends of $0.27 and $0.81 per share respectively. The Company's current annual dividend is $1.08. The Company has declared a monthly dividend consecutively since going public in 2004.

The Company 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.

THIRD QUARTER EARNINGS AND EARNINGS PER SHARE

Net earnings for the three months ended September 30, 2011 were $11.0 million. Before IFRS adjustments, net earnings for the three months ended September 30, 2010 were $7.0 million. Approximately $0.6 million of the increase is due to improved operating performance and reduced cash interest. The remaining $3.4 million improvement relates to non-recurring items and variations in amortization, non-cash interest, foreign exchange and deferred income tax.

Under IFRS, net earnings for the three months ended September 30, 2011 were $11.0 million, compared to $3.0 million for the same period in 2010.

Net earnings for the nine months ended September 30, 2011 were $16.9 million. Before IFRS adjustments, the nine month ended September 30, 2010 net earnings were $11.4 million. Approximately $2.1 million of the increase is due to improved operating performance less an increase in cash interest. The remaining $3.4 million improvement relates to non-recurring items and variations in amortization, non-cash interest, foreign exchange and deferred income tax.

Under IFRS, net earnings for the nine months ended September 30, 2011 were $16.9 million compared to $7.7 million for the same period in 2010. IFRS adjustments reduced 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 September 30, 2011 was $0.48 per share compared to $0.71 a year earlier. Basic and diluted earnings per share for the nine months ended September 30, 2011 were $0.74 per share compared to $0.40 a year earlier.

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

(expressed in thousands of Canadian dollars,	Three months ended		Nine months ended	
	September 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Sales	$ 157,080	$ 151,605	$ 423,258	$ 416,145
Operating margin before non-recurring items	$ 13,632	$ 13,145	$ 31,182	$ 28,593
Operating margin	$ 13,282	$ 12,562	$ 30,153	$ 27,610
Net earnings	$ 10,970	$ 2,970	$ 16,898	$ 7,680
Diluted earnings per share (1)	$ 0.48	$ 0.15	$ 0.74	$ 0.40
Cash dividends per share (1)	$ 0.27	$ 0.41	$ 0.81	$ 1.21
Weighted average number of shares	22,613	18,563	22,602	18,535
Stores in operation at September 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. Please see page 6 in the MD&A for IFRS implementation discussions.*

The Management's Discussion and Analysis (MD&A) as well as the complete financial statements and notes for the third quarter ended September 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 Wednesday November 9, 2011 to discuss results for the third quarter ended September 30, 2011. The conference call will take place at 5:30 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 November 17, 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 238 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, cash provided by operating activities before changes in working capital and non-recurring items on a per share basis, 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, cash provided by operating activities before changes in working capital and non-recurring items on a per share basis, 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, cash provided by operating activities before changes in working capital and non-recurring items on a per share basis, 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, cash provided by operating activities before changes in working capital and non-recurring items on a per share basis, 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 is a non-GAAP financial measure that does not have a standardized meaning prescribed by GAAP and therefore is 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 under "Operating Results" 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 and recoveries received by the Company that are not part of on-going operations and that are not expected to recur. Among others, these non-recurring items include professional fees paid in respect of lawsuits that originated following and arising from the Company's acquisition of Liquor Barn Income Fund in 2007 and the proceeds received on settlement of these matters.

For further information, please contact:

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