



Liquor Stores N.A. Ltd.

REPORTS FOURTH QUARTER 2017 RESULTS

PROVIDES FURTHER DETAIL ON STRATEGIC PLAN AND ANNOUNCES APPOINTMENT OF TERRY BOOTH TO BOARD OF DIRECTORS

Investor Conference Call on March 15, 2018 at 7.30 A.M. MT

EDMONTON, ALBERTA, March 14, 2018 – Liquor Stores N.A. Ltd. (the “Company” or “Liquor Stores”) (TSX: LIQ) today reported its results for the three and twelve months ended December 31, 2017.

“As we transform the Company to regain our market leadership in liquor and establish a world-class cannabis business, our results will need to be viewed in the context of the myriad of initiatives underway to leave behind our past and become a dynamic growth-oriented company.” stated James Burns, Vice Chair and CEO, Liquor Stores N.A. Ltd. “Liquor Stores’ financial position is by far the strongest it has ever been. We have the financial strength to excel and we will use that strength to its best advantage. Our focus over the next two to three years is on long-term value enhancement for our shareholders.”

“The new board and management have already achieved most of what shareholders voted for in June. We will now execute our twin strategies for liquor and cannabis with an eye to where our business will be in the future rather than the next quarter. In our view, this is the best way to create meaningful shareholder value.” Mr. Burns continued. “We have positioned the Company to reposition and re-energize our liquor brands, attack the discount competition head-on, and create a whole new recreational cannabis retail network. It is an exciting time for our business.”

For the fourth quarter of 2017 compared to the fourth quarter of 2016:

- Consolidated sales were \$167.2 million, down 1.8% from \$170.3 million. Approximately half of this decline related to the foreign exchange impact of translating our \$USD sales to \$CAD.
- On an adjusted basis to exclude one-time and unusual items, operating profit before amortization was \$8.2 million for the fourth quarter of 2017. On an unadjusted basis, operating profit before amortization was \$7.8 million, down from \$11.0 million in Q4 2016.
- Canadian same-store sales were \$128.4 million, down 2.4% from \$131.6 million in Q4 2016.
- U.S. same-store sales were \$20.6 million USD, down 1.0% from \$20.8 million USD in Q4 2016.
- On an adjusted basis to exclude one-time and unusual items and impairments, net earnings from continuing operations were \$0.9 million for the fourth quarter of 2017 compared to

adjusted net earnings from continuing operations of \$4.7 million in Q4 2016. The Company realized a net loss of \$1.0 million on an unadjusted basis.

- The Company's inventory reduction efforts continued, with over \$29 million of inventory reductions from continuing operations achieved compared to the prior year.

"The board and management have made impressive progress since June in acting on the directions voted for by our shareholders. We are positioning our Company to be a world leader in cannabis and liquor retail." said Board Chair Derek H. Burney.

Mr. Burney continued "I am also pleased to announce that the Company has appointed Terry Booth, CEO of Aurora Cannabis Inc., to the board of directors effective today. Terry brings a wealth of experience in the cannabis industry but also in brand building, which will be valuable to the Company and its shareholders as we execute of our strategic plan."

FINANCIAL HIGHLIGHTS

<i>(In thousands of Canadian dollars except per share amounts, unaudited)</i>	Three months ended December 31		Twelve months ended December 31	
	2017	2016	2017	2016
Sales	\$167,192	\$170,300	\$621,361	\$637,598
Operating profit before amortization	7,826	10,990	21,246	33,004
Net earnings from continuing operations	(1,034)	3,488	(569)	11,728
Basic (loss) earnings per share from continuing operations	\$(0.04)	\$0.11	\$(0.03)	\$0.42
As adjusted ⁽¹⁾ :				
Operating profit before amortization	\$8,164	\$11,131	\$27,764	\$35,094
Net earnings from continuing operations	874	4,669	6,576	14,351
Basic earnings per share from continuing operations	\$0.03	\$0.17	\$0.24	\$0.52

(1) *Adjusted operating profit before amortization, adjusted net earnings and adjusted basic earnings per share 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 and for a reconciliation to the closest IFRS measure, see the 'Non-IFRS Financial Measures' in our Management Discussion and Analysis ("MD&A") for the three and twelve months ended December 31 2017, which is available on the Company's website (www.liquorstoresna.ca/investors) and on the SEDAR website (www.sedar.com).*

CONFERENCE CALL

Liquor Stores N.A Ltd. will host an analyst and investor conference call on March 15, 2018 to discuss results for the three and twelve months ended December 31, 2017. The conference call will take place at 7:30 a.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: 2486335.

ABOUT LIQUOR STORES N.A. LTD.

The Company operates 230 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 and the Company's website at www.liquorstoresna.com/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, our future financial position, capital and liquidity, cash dividends, business strategy, proposed acquisitions, Strategic Plan, retail cannabis strategy, plan to renovate existing liquor retail outlets, the Aurora investment, budgets, government regulation and laws, projected costs, plans and objectives of or involving Liquor Stores.

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 level to do so. In addition, many of the forward-looking statements contained in this document are located proximate to assumptions that are specific to those forward-looking statements, and such assumptions should be taken into account when reading such forward-looking statements.

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 business plan, including the capital allocation 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), the U.S. 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. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking statements contained in this document speak only as of the date of this press release. Except as expressly required by applicable securities laws, 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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