LIQUOR STORES N.A. LTD.

[FOR IMMEDIATE RELEASE]

LIQUOR STORES N.A. LTD REPORTS 2011 FOURTH QUARTER AND FULL YEAR RESULTS

STRONG RESULTS GROUNDED IN CONTINUED GROWTH IN SAME STORE SALES & OPERATING MARGIN

EDMONTON, ALBERTA, March 13, 2012 – 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 fourth quarter and year ended December 31, 2011.

HIGHLIGHTS

Three Months Ended December 31, 2011

- Same store sales increased 2.0% in Canada and 2.3% in the United States.
- Overall operating margin before non-recurring items increased by 6.0% to $15.7 million.
- Four new stores were opened in the fourth quarter (three stores in Alberta and one in Kentucky).

Consolidated sales were $168.2 million, representing an increase of 2.9% over the fourth quarter of 2010.

Canadian same-store sales strengthened by 2.0% to $112.2 million in the fourth quarter, compared with $110.0 million in fourth quarter of 2010. U.S. same store sales also improved, increasing by 2.3% in the fourth quarter, from US$39.4 million to US$40.3 million.

Overall gross margin, as a percentage of sales, increased to 24.9% for the fourth quarter from 24.7% last year. Operating margin, before non-recurring items increased 6.0% to $15.7 million for the fourth quarter of 2011, from $14.8 million in the fourth quarter of 2010.

The foregoing fourth quarter results represent five consecutive quarters of comparative increases in same store sales and operating margin.

Year Ended December 31, 2011

- Overall Canadian same store sales increased by 3.7% and U.S. same store sales increased by 1.6%. Same store sales increases in Alberta and Alaska were offset by marginal same store sales decreases in British Columbia and Kentucky.
- Operating margin before non-recurring items increased by 8.1% to $46.9 million.
- Consolidated sales for the year increased to $591.5 million, representing an increase of 2.0% from consolidated sales of $579.7 million in 2010.

Commenting on the fourth quarter and year-end results, Rick Crook, President & Chief Executive Officer said, "We had a great fourth quarter. Increases in same store sales, operating margin and consolidated sales contributed to the Company's strong results. We enter 2012 with positive momentum and a solid platform for continued growth."

QUARTER ENDED DECEMBER 31, 2011

SALES

Sales for the three months ended December 31, 2011 and 2010 were $168.2 million and $163.6 million, respectively, up 2.9%.

Same Store Sales

- Canadian same store sales were up $2.2 million or 2.0%.
    - Overall same store sales increased by 1.9% in Alberta while same store sales for our British Columbia stores increased 2.6%.
    - In Alberta same store sales increases in resource communities achieved growth in excess of 10%.
- U.S. same store sales were up US$0.9 million or 2.3% primarily because of a more aggressive promotional campaign in our Alaska stores compared to the fourth quarter last year.

In the fall of 2011 the Government of Alberta announced that it intended to adopt legislation with more stringent standards concerning impaired driving. Management believes that the media coverage and increased public awareness of the prospective legislation may have had an effect on sales and same store sales in our Alberta stores.

Sales for the twelve months ended December 31, 2011 and 2010 were $591.5 million and $579.7 million, respectively, up 2.0%. This occurred despite a $5.2 million decrease in the Canadian currency equivalent for U.S. sales as a result of foreign exchange rate differences.

Same Store Sales

- Canadian same store sales - up $14.3 million or 3.7%.
    - Canadian same store sales have benefitted from extended operational hours and enhanced customer service at the store level, a more aggressive promotional campaign in the first nine months of 2011 compared to the same period in 2010, and improved economic conditions in resource based communities. In British Columbia, our same store sales were adversely affected by more stringent impaired driving laws and the effect of the imposition of HST in the province on customer buying habits.
- U.S. same store sales - up US$2.2 million or 1.6% due in part to more aggressive promotional campaigns in our Alaska stores.

MARGINS

For the three months ended December 31, 2011, gross margin was $41.8 million, up 3.4% from $40.5 million for the same period last year due to increased sales revenue. For the twelve months ended December 31, 2011, gross margin was $146.5 million, up 2.1% from $143.5 million for the same period last year. Gross margin is up overall due to increased same store sales volumes.

Operating margin before non-recurring items was $15.7 million for the quarter ended December 31, 2011, up 6.0% from $14.8 million in 2010. As a percentage of sales, operating margin before non-recurring items was 9.3%, up from 9.0% a year earlier. Operating margin before non-recurring items was $46.9 million for the twelve months ended December 31, 2011, up 8.1% from $43.4 million in 2010. As a percentage of sales, operating margin was 7.9%, up 0.4% from a year earlier.

CASH FLOW AND DIVIDENDS

For the three months ended December 31, 2011, cash provided by operating activities before changes in non cash working capital was $13.9 million, up 16.4% compared to $12.0 million for the same quarter in 2010. For the year ended December 31, 2011, cash provided by operating activities before changes in working capital was $42.4 million, a significant increase from the $34.1 million for the same period last year.

For the three months ended December 31, cash flow per share before non-recurring items is $0.62 (2010: $0.57). For the year ended December 31, 2011, cash flow per share before non-recurring items is $1.74 (2010:$1.59). For the three months ended December 31, 2011, cash flow per share is $0.62 (2010: $0.53) and for the year ended December 31, 2011 it is $1.88 (2010:$1.51).

During the three and twelve months ended December 31, 2011, the Company declared dividends of $0.27 and $1.08 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.

EARNINGS AND EARNINGS PER SHARE

Net earnings for the three months ended December 31, 2011 were $7.9 million, compared to $12.7 million for the same period in 2010. Operating earnings before finance costs and income tax for the three months ended December 31, 2011 increased to $13.8 million from $10.9 last year. While interest expense was unchanged from 2010, the absence in 2011 of distributions to exchangeable interests and mark to market adjustments of the conversion feature on the convertible debentures and exchangeable interests led to a reduction in finance costs of $2.5 million. Income tax expense for the three months ended December 31, 2011 was $3.1 million compared to a recovery of $7.1 in the same period last year. In 2010, finance costs and deferred income tax expense were affected by the treatment of exchangeable interests for accounting purposes and the conversion from a trust to a corporation. See page 6 of the Management's Discussion and Analysis (MD&A) for the three and twelve months ended December 31, 2011 for further discussion.

Net earnings for the year ended December 31, 2011 were $24.8 million, compared to $20.3 million last year. Operating earnings before litigation settlement, finance costs and income tax for the year ended December 31, 2011 increased to $38.1 million from $30.6 last year. The settlement of the Liquor Barn litigation contributed $4.9 million in 2011. While interest expense increased by $0.6 million, the absence in 2011 of distributions to exchangeable interests and mark to market adjustments of the conversion feature on the convertible debentures and exchangeable interests led to a reduction in finance costs of $6.3 million. Income tax expense for the year ended December 31, 2011 was $7.7 million compared to a recovery of $6.4 in the same period last year.

Basic and diluted earnings per share for the three months ended December 31, 2011 was $0.35 per share compared to $0.69 a year earlier. Basic and diluted earnings per share for the year ended December 31, 2011 were $1.08 per share compared to $1.08 a year earlier.

Liquor Stores Summary Financial Results, three and twelve months ended December 31, 2011 with comparisons to 2010

(expressed in thousands of Canadian dollars,	Three months ended		Twelve months ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Sales	$ 168,244	$ 163,556	$ 591,502	$ 579,700
Operating margin before non-recurring items	$ 15,662	$ 14,772	$ 46,928	$ 43,423
Operating margin	$ 15,662	$ 13,967	$ 45,899	$ 41,636
Net earnings	$ 7,904	$ 12,657	$ 24,802	$ 20,337
Diluted earnings per share [(1)]	$ 0.35	$ 0.69	$ 1.08	$ 1.08
Cash dividends per share [(1)]	$ 0.27	$ 0.41	$ 1.08	$ 1.62
Weighted average number of shares (outstanding [(1)] (000's)	22,651	18,911	22,614	18,446
Stores in operation at December 31	239	237	239	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 three and twelve months ended December 31, 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 March 13, 2012 to discuss results for the fourth quarter and year ended December 31, 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 416-340-2216, or toll-free 1-866-226-1792. An archived recording of the conference call will be available approximately one hour after the completion of the call until March 21, 2012, by dialling 905-694-9451, or toll-free 1-800-408-3053. The required pass code is 7804603. 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 240 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.

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