[FOR IMMEDIATE RELEASE]

LIQUOR STORES N.A. LTD. REPORTS FOURTH QUARTER AND FISCAL 2014 FINANCIAL RESULTS

6.9% SALES GROWTH, 3.5% SAME-STORE SALES GROWTH AND 50 BPS INCREASE IN GROSS MARGIN % IN Q4 2014

EDMONTON, ALBERTA, March 4, 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 months and year ended December 31, 2014.

SUMMARY OPERATIONAL RESULTS

Three months Ended December 31, 2014

- Consolidated sales increased 6.9% to $196.7 million (2013 - $184.1 million);
- Same-store sales[1] increased by 3.5% in Canada and by 3.6% in the U.S.;
- Adjusted gross margin[1] percentage increased 50bps to 25.8% (2013 – 25.3%); and
- Adjusted operating margin[1] decreased by $0.4 million to $13.7 million (2013 - $14.1 million), as a result of the ongoing investments related to the execution of our Seven Point Plan to support the Company's business strategies (see the *'Company Strategy'* section of the Company's 2014 MD&A for further discussion), offset by the increased gross margin from the higher same-store sales and improved gross margin percentages.

Year Ended December 31, 2014

- Consolidated sales increased 5.0% to $694.2 million (2013 - $661.0 million);
- Same-store sales[1] increased by 2.5% in Canada and by 1.1% in the U.S.;
- Adjusted gross margin[1] increased 20bps to 25.4% (2013 – 25.2%); and
- Adjusted operating margin[1] decreased by $8.2 million to $37.9 million (2013 - $46.1 million), primarily as a result of:
    - Temporary reductions in gross margin as a percentage of sales in the first four months of 2014, including sales of clearance inventory and the upfront investment to launch our new digital marketing program (the *Celebration Club*),

[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' section of this earnings press release.*

- Competitive pressures in certain regions where we implemented more competitive pricing strategies to gain back market share, and

- Ongoing information technology and other investments to support the Company's growth and business strategies.

Commenting on the results, Stephen Bebis, President and CEO of the Company said: "We had an excellent fourth quarter and we are particularly pleased with our same-store sales growth in Canada and Kentucky, and the improvement in gross margin as a percentage of sales compared to the prior year."

"This positive momentum is the result of our continued commitment to executing our Seven Point Plan," said Mr. Bebis. "During 2014, we made several investments that will strengthen our operating platform and drive long-term growth in profitability, including:

- Enhancement of our senior leadership team;
- Improvement of our pricing and marketing strategies to build market share;
- Introduction of our digital marketing program called the Celebration Club, and the launch of our social media engagement strategy;
- Beginning to implement product assortment plans in our stores;
- Increasing our selection of exclusive and control brands;
- Launching our formal training program called Liquor Stores University;
- Starting the planning for our new enterprise resource systems;
- Improvements to our store network by closing or repositioning certain of our underperforming stores, and renovating eleven of our existing stores; and
- Executing on our growth strategy by opening seven new stores in 2014 and securing our pipeline with new stores in 2015 and beyond."

"We continue to anticipate that the full positive earnings impact from the plan will be achieved starting in 2016," said Mr. Bebis.

SUMMARY FINANCIAL RESULTS AND ANALYSIS

(expressed in thousands of Canadian dollars except per share amounts)	**Three months ended**		**Year ended**	
	December 31, 2014	**December 31, 2013**	**December 31, 2014**	**December 31, 2013**
Sales	$ 196,722	$ 184,106	$ 694,186	$ 660,979
Operating margin (1)	$ 13,742	$ 12,380	$ 36,530	$ 43,241
Adjusted operating margin (1)	$ 13,742	$ 14,147	$ 37,916	$ 46,077
Net earnings/(loss)	$ 6,714	$ (1,106)	$ 12,949	$ 11,483
Adjusted net earnings (1) (2) (3)	$ 6,714	$7,789	$13,989	$20,977
Diluted earnings/(loss) per share	$ 0.28	$ (0.05)	$ 0.54	$ 0.49
Adjusted diluted earnings per share (1) (2)	$ 0.28	$ 0.34	$ 0.59	$ 0.90
Cash dividends per share	$ 0.27	$ 0.27	$ 1.08	$ 1.08
Weighted average number of shares outstanding – Basic (000's)	23,803	23,093	23,344	23,025
Stores in operation as at December 31	243	246	243	246

(1) *Operating margin, adjusted operating margin, adjusted net earnings and adjusted diluted earnings 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' section of this earnings press release.*

(2) *There were no adjusting items during the three months ended December 31, 2014. The adjusting items in Q4 2013 related to a $9.8 million non-cash impairment loss on indefinite life intangible assets, a $1.1 million write-down in inventory for unsellable/expired product, a $0.7 million provision recorded for the early termination of a lease, and $0.2 million for amounts paid to former members of the Company's senior management team.*

(3) *The adjusting items for the year ended December 31, 2014 include $0.6 million for a payment made to a former officer of the Company upon his departure from the Company, $0.4 million for a settlement with a vendor for software license fees from prior years, $0.3 million for legal and tax professional fees not expected to reoccur related to changes made to our corporate structure, 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 adjusting items in the prior year included the items noted for Q4 2013 in note 1 above, and a further $0.8 million for payments made to former memers of the senior management team upon their departure from the Company.*

The MD&A as well as the consolidated financial statements and notes for the financial statements for the year ended December 31, 2014 are available on the Company's website (www.liquorstoresna.ca) and on the SEDAR website (www.sedar.com).

SALES

Total sales increased by $12.6 million or 6.9% to $196.7 million in the fourth quarter of 2014 (Q4 2013 - $184.1 million). The increase is primarily the result of the sales contribution from same-stores, new store expansion in the United States and Canada offsetting store closures in Canada (three new stores opened in the United States, five new stores opened in Canada, and eleven stores closed since September 30, 2013), and a $4.3 million positive change in foreign exchange on the translation of U.S. dollar denominated sales to Canadian dollars.

Same-Store Sales

- Canadian same-store sales increased by $4.4 million, or 3.5%.
  - The increase in Canadian same-store sales in Q4 2014 was primarily the result of changes to our pricing and marketing strategies. Historically, the Company has relied almost exclusively on price promotion through a flyer circulation program to drive customers to our stores and remain competitive. Consistent with our Seven Point Plan, we have taken the initial steps to implement new pricing and promotion strategies, improve customer loyalty with the introduction of the Celebration Club, and increase brand promotion. In 2014, as part of this strategy, we placed more emphasis on the use of various forms of media that were not historically fully utilized by the Company. We believe that the use of multiple forms of media allows us to better target our customers and will allow us, in time, to focus more on brand promotion and customer loyalty programs. However, it will take time to realize the full benefits from these changes and we anticipate that our same-store sales growth in the interim may vary from quarter to quarter as we transition from flyers to these other forms of media and promotion.
  - The increase in Canadian same-store sales is also attributable to: (i) increased sales contribution from those stores that have been renovated over the last 18 months, and (ii) newer stores that are now included in same-store sales (i.e. those that have been opened for 13 months to 36 months) contributing higher than average sales increases as they continue to mature.
- U.S. same-store sales increased by $1.6 million or 3.6%.
  - Same-store sales in the United States have been positively impacted by same-store sales growth in Kentucky. While we continue to be impacted by certain counties in Kentucky that

have gone from ‘dry’ to ‘wet’ in recent periods, we believe that changes to our pricing and marketing strategies and the introduction of store level training programs during the latter half of 2013 and early 2014 have assisted in counteracting this challenge to our business and allowed us to compete more effectively.

- Same-store sales in Alaska increased slightly during the quarter. Subsequent to year end, the local leadership team in the Alaska region was replaced and we continue to enhance our pricing and marketing strategies to more effectively respond to increased competition in this market.

MARGINS

For the three months ended December 31, 2014, gross margin was $50.7 million, up 11.2% from $45.6 million for the same period last year. Gross margin as a percentage of sales for the period has increased to 25.8% (2013 – 24.8%). Excluding adjusting items in 2013 of $1.1 million primarily related to costs associated with an inventory write-down for expired/unsellable product, adjusted gross margin in 2013 was $46.7 million and adjusted gross margin as a percentage of sales in 2013 was 25.3%.

The increase in adjusted gross margin of $4.0 million or 8.7% was primarily attributable to the improvement in same-store sales ($1.6 million), an improvement in gross margin as a percentage of sales ($1.0 million), the sales increase from new stores net of store closures ($0.4 million), and a positive change in foreign exchange on translation of U.S. dollar denominated gross margin to Canadian dollars ($1.0 million).

Adjusted operating margin for the three months ended December 31, 2014 decreased by $0.4 million from $14.1 million in Q4 2013, primarily due to the increases in operating expenses and ongoing investments in the Company’s store level training programs, customer relationship management strategies and tools, branding strategies, information technology infrastructure, and additional head office staff to support the Company’s business strategies, which were partially offset by increases in gross margin as explained above. Adjusted operating margin as a percentage of sales was 7.0%, down from 7.7%.

Operating and administrative expenses for the three months ended December 31, 2014 were $37.0 million, up 10.4% from $33.5 million a year earlier. Excluding adjusting items of $0.9 million in the prior year ($0.7 million provision related to the early termination of a lease in conjunction with a store closure in 2014, and $0.2 million in payments made to former members of the senior management team upon their departure from the Company), these expenses increased by 13.5% or $4.4 million.

- The increases related to the operation of our stores include: rent escalations related to the renewal of long-term lease arrangements in the past twelve months ($0.4 million), increases in operating costs associated with running same-stores, including the use of additional forms of media in our marketing plans ($1.6 million), and an increase in operating expenses as a result of the foreign exchange on translation of U.S. dollar denominated expenses to Canadian dollars ($0.7 million).
- Administrative expenses have increased by approximately $1.7 million over the prior year. This increase is primarily attributable to increased costs associated with the execution of our Seven-Point Plan, including investments in store level training programs, customer relationship management strategies and tools, branding strategies, efforts to remodel certain stores, information technology infrastructure, and additional head office staff to support the Company’s growth and other business strategies.

EARNINGS AND EARNINGS PER SHARE

For the three months ended December 31, 2014, net earnings of $6.7 million were recorded (Q4 2013 – $1.1 million net loss). The increase in net earnings in Q4 2014 is primarily the result of the increases in adjusted gross margin in the current period ($4.0 million), no impairment losses being recorded in the period (2013 - $9.8 million), and a $2.0 million decline in adjusting items as discussed above, being offset by an increase in operating and administrative expenses (inflationary increases and ongoing investments to support the Company's growth and business strategies), increased amortization expense, and increased income tax expense.

Basic and diluted earnings per share for the three months ended December 31, 2014 were $0.28 per share (Q4 2013: $0.05 loss). Basic and diluted earnings per share decreased as a result of the same factors that impacted net earnings, as noted above.

CASH FLOW AND DIVIDENDS

For the three months ended December 31, 2014, cash provided by operating activities before changes in non-cash working capital and adjusting items was $11.1 million ($0.47 per share), declining $1.3 million from the prior year primarily as a result of the decline in operating margin.

During the three months ended Decembe 31, 2014, the Company declared dividends of $0.27 per share, representing an annualized dividend of $1.08 per share. The Company has declared a monthly dividend consecutively since going public in 2004.

The Company has 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.

CONFERENCE CALL

Liquor Stores N.A Ltd. will host an analyst and investor conference call on Thursday, March 5, 2015 to discuss results for the three months and year ended December 31, 2014. The conference call will take place at 8:00 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 1-416-340-2216 or toll-free at 1-866-355-4959. An archived recording of the conference call will be available approximately one hour after the completion of the call until March 12, 2015, by dialling 1-905-964-9451 or toll-free 1-800-408-3053 (passcode is 6675991).

APPROVAL OF ADVANCE NOTICE BY-LAW

The Company also announces the adoption of an Advance Notice Bylaw (the "Bylaw"), which is intended to provide a transparent and fair process for the nomination of directors of the Company at annual or special meetings of shareholders. Among other things, the Bylaw fixes a deadline by which shareholders must submit director nominations to Liquor Stores prior to any annual or special meeting of shareholders and sets forth the specific information that a shareholder must include in the written notice to Liquor Stores for an effective nomination to occur. No person will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Bylaw.

Notice of director nominations must be given to the Company not less than 30 days prior to the date of an annual meeting (including an annual and special meeting) of shareholders unless the annual meeting is held on a date that is less than 50 days following public announcement of the date of the meeting, in which case notice must be given to the Company no later than the close of business on the 10th day following the date of such public announcement.

For a special meeting of shareholders (which is not also an annual meeting), notice to the Company must be given not later than the close of business on the 15th day following the day on which public announcement of the date of the special meeting was made.

Shareholders will be asked to confirm and ratify the Bylaw at the next annual meeting of shareholders. If the Bylaw is not confirmed by ordinary resolution of the shareholders at such annual meeting, it will cease to be effective at the termination of the meeting. A copy of the Bylaw is available under the Company's profile on SEDAR at www.sedar.com.

ABOUT LIQUOR STORES N.A. LTD.

The Company operates 244 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 (173 stores); Liquor Depot and Liquor Barn in British Columbia (35 stores); Brown Jug in Alaska (23 stores); and Liquor Barn "The Ultimate Party Source" and Liquor Barn Express in Kentucky (13 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.

NON-IFRS FINANCIAL MEASURES

Same-store sales, operating margin, operating margin as a percentage of sales, adjusted gross margin, adjusted operating margin, adjusting items, adjusted net earnings, adjusted basic and diluted earnings per share, cash provided by operating activities before changes in working capital, and cash provided by operating activities before changes in non-cash working capital on a per share basis are not measures recognized by IFRS and do not have a standardized meaning prescribed by IFRS. Investors are cautioned that these measures should not replace net earnings or loss (as determined in accordance with IFRS) 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 same-store sales, operating margin, operating margin as a percentage of sales, adjusted gross margin, adjusted operating margin, adjusting items, adjusted net earnings, adjusted basic and diluted earnings per share, cash provided in operating activities before changes in non-cash working capital, and cash provided in operating activities before changes in non-cash working capital on a per share basis may differ from the methods used by other issuers. Therefore, these measures may not be comparable to similar measures presented by other issuers.

Same-store sales, a measure that is generally used by retailers, includes sales for stores that have been open 12 full months at the beginning of the reporting period. This is one of the key metrics that we use to assess our performance and provides a useful comparison between periods. Same-store sales exclude: (i) all sales to wholesale customers, (ii) stores where same-store sales have been negatively impacted due to sales being shifted to closely-located convenience-focused stores we've opened in the last 12 full months, and (iii) stores where same-store sales have increased due to the closure of closely-located stores in the last 12 full months.

Operating margin 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.

Adjusted operating margin represents operating margin adjusted for unusual, non-recurring or non-operating factors on both a consolidated and segmented basis. These factors, referred to as adjusting items, are discussed in notes 2 and 3 to the table under 'Summary Financial Results and Analysis. Management believes the presentation of adjusted operating margin provides for useful information to investors and shareholders as it provides increased transparency and predictive value. Management uses adjusted operating margin to set targets and assess performance of the Company.

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.

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