



## **News Release**

For Immediate Release

### **Liquidation World Announces Fiscal 2010 Revenue**

BRANTFORD, ON, November 22, 2010 – Liquidation World Inc. (LQW - TSX) today announces revenue for fiscal 2010 and the fourth quarter of fiscal 2010.

#### **Revenue for Fiscal 2010 versus Fiscal 2009**

Revenue for fiscal 2010, comprising 52 weeks of operations ended October 3, 2010, decreased \$4.4 million or 2.8% to \$153.4 million from \$157.8 million during fiscal 2009. The variance was attributable to several factors. During fiscal 2010, same store sales increased 10.4%, or \$1.2 million in the weeks following the conversions, for store locations that were renovated and reopened under the “LW – Everybody’s Outlet Store” banner. During the same time period, same store sales decreased 3.5%, or \$4.3 million, for legacy “Liquidation World” banner stores. In total, same store sales declined 2.3%, or \$3.1 million. Other factors causing a variance in the Company’s fiscal 2010 revenue versus the Company’s fiscal 2009 revenue include (i) a decline in liquidation services fee revenue of \$0.5 million, (ii) a decline of \$0.8 million in US wholesale revenue, (iii) an increase of \$11.9 million in sales from seven new store openings and (iv) a decline of \$11.5 million from 10 store closures.

#### **Revenue for Fourth Quarter of Fiscal 2010 versus Fourth Quarter of Fiscal 2009**

Revenue for the fourth quarter of fiscal 2010, comprising 13 weeks of operations ended October 3, 2010, decreased \$0.9 million or 2.5% to \$34.7 million from \$35.6 million during the fourth quarter of fiscal 2009. The fourth quarter variance was attributable to several factors. During the fourth quarter of fiscal 2010, same store sales increased 6.8%, or \$0.6 million in the weeks following the conversions for store locations that were renovated and reopened under the “LW – Everybody’s Outlet Store” banner. During the same time period, same store sales decreased 4.6%, or \$1.1 million, for legacy “Liquidation World” banner stores. In total, same store sales declined 1.6% or \$0.5 million during the fourth quarter of fiscal 2010. Other factors causing a variance in the Company’s fourth quarter fiscal 2010 revenue versus its fourth quarter fiscal 2009 revenue include (i) a decline of \$0.4 million attributable to US wholesale revenue, (ii) an increase of \$3.0 million from seven new store openings in fiscal 2010 and (iii) a decline of \$2.7 million from 10 store closures in fiscal 2010.

### **Fiscal 2010 Store Openings, Closings and Conversions to the “LW - Everybody’s Outlet Store” Banner**

During fiscal 2010, the Company opened five new stores in the first quarter and one new store in Canada in the third quarter and one store in the US in the third quarter. The Company closed one store in Canada in the first quarter, six stores in Canada and one store in the US in the second quarter and two stores in Canada in the fourth quarter of fiscal 2010. All the Company’s new stores in Canada were opened under its “LW – Everybody’s Outlet Store” banner. The Company ended the 2010 fiscal year with 87 stores in Canada and one store in Chicago, IL. Of the Company’s 87 Canadian stores, 33 were operating under the “LW – Everybody’s Outlet Store” banner and 55 were operating under the “Liquidation World” banner.

During fiscal 2010, the Company converted 27 “Liquidation World” banner stores to its new “LW – Everybody’s Outlet Store” banner. Two conversions were completed in the second quarter of fiscal 2010, eight conversions were completed in the third quarter of fiscal 2010 and 17 conversions were completed in the fourth quarter of fiscal 2010.

### **Fiscal 2011 Store Openings, Closings and Conversions to the “LW - Everybody’s Outlet Store” Banner**

During the first seven weeks of fiscal 2011, the Company opened seven new stores. The Company also closed two stores during the same time period. All the Company’s new stores operate under its “LW – Everybody’s Outlet Store” banner. Four of the Company’s seven new stores are replacing stores that the Company closed in the same geographic market during the last six months.

In addition to the seven store openings during the first seven weeks of fiscal 2011, the Company converted two “Liquidation World” banner stores to its new “LW – Everybody’s Outlet Store” banner.

At present, the Company is operating a total of 92 stores in Canada and one store in Chicago, IL. Of its 92 Canadian stores, 42 are operating under the “LW – Everybody’s Outlet Store” banner and 50 are operating under the “Liquidation World banner.

Liquidation World will release complete financial results in December 2010.

Liquidation World President and CEO Seth Marks said, “I continue to be pleased with the progress the Company is making in its transformation from a lot based liquidator of opportunistically purchased goods to a professionally managed closeout retailer that offers its customers great values on a broad selection of food, consumables, furniture, home goods and seasonal merchandise.” Marks added, “During the fourth quarter of fiscal 2010, we continued to convert “Liquidation World” branded stores to the “LW – Everybody’s Outlet Store” banner. While we are disappointed that system wide, same store sales declined in the quarter, we are pleased that LW branded stores had a year-over-year increase in sales, validating the Company’s strategy of changing the look and feel of the stores, while continuing to improve its allocation, merchandising and store management functions.” Commenting further on the Company’s fourth quarter 2010 sales, Marks added, “We experienced weaker than anticipated sales in the last two weeks of August and through the entire month of September. We have seen sales return to more normal levels in the first quarter of fiscal 2011 and are experiencing positive system wide same store sales growth through November 21, 2010.”

## **Forward-Looking Statements**

This release includes forward-looking statements and potential future circumstances and developments. Forward-looking statements regarding future performance are subject to risks and uncertainties, and actual results may differ materially. Due to fluctuations in gross margins and expenses, an increase in revenue does not directly correlate to an increase in net earnings.

## **About Liquidation World**

Liquidation World operates 93 stores in Canada and one in the United States. Liquidation World is based in Brantford, Ontario. The Company opened its first store in Calgary, Alberta in 1986 and today, with more than 1,500 employees, is Canada's largest operator of closeout retail stores.

For further information, please contact:

Seth Marks, President & CEO  
519-720-2552 phone  
866-237-3778 fax  
[sethm@lwstores.com](mailto:sethm@lwstores.com)

Chris Rath, CFO  
519-720-2553 phone  
866-237-3778 fax  
[chrisr@lwstores.com](mailto:chrisr@lwstores.com)