

## **RUM Reports Fiscal 2010 Results**

EDMONTON, April 25, 2011 – Rocky Mountain Liquor Inc. (TSX-V: **RUM**) (the “Company” or “Rocky Mountain”), listed on the TSX Venture Exchange (the “Exchange”), today reported its financial results for the year ending December 31, 2010.

### **Results for the 12-month period ending December 31, 2010:**

- Sales increased 45.60% from \$32,717,175 to \$47,635,244;
- Operating margin after adjusting for the one time inventory margin gain in 2009 of \$579,313 increased 47.53% from \$1,526,215 to \$2,251,759;
- Operating and Administrative Expenses as a percentage of sales reduced from 16.48% to 16.17%;
- Average Revenue per store grew 18.30% from \$1,258,353 to \$1,488,601

### **Key Highlights for the 12-month period ending December 31, 2010:**

Andersons purchased four stores during 2010 and built two, resulting in a total of 32 liquor stores.

The Company increased its senior bank financing from \$15 million to \$25 million and extended the maturity of the facilities to July 11, 2011.

The Company entered into an agreement on November 24, 2010 with Roynat Capital for a subordinated-debt credit facility, consisting of a \$3.0 million, non-amortizing term facility maturing November 24, 2014.

During 2010, the founding shareholders converted a total of 6,593,499 warrants to infuse \$2,076,952 new equity into the Company. The founding shareholders have completed their final warrant conversions.

### **Events Subsequent to December 31, 2010:**

One additional store has been purchased and three stores have been constructed and placed into operation since December 31, 2010. The Company has announced the acquisition of two more stores in Lethbridge, Alberta to close Q2 2011, and one new store development in Northern Alberta expected to open in Q3. Should these new developments and acquisitions occur, the Company would own and operate 39 stores in Alberta.

On April 13, 2011 the Company completed financing of \$9,200,000 in convertible unsecured subordinated debentures (net proceeds \$8,662,365). The Debentures will bear interest at an annual rate of 7.75% payable semi-annually in arrears on April 30 and October 31 in each year, commencing October 31, 2011. The maturity date of the Debentures will be April 30, 2016. The Debentures will be convertible into common shares of the Company at a conversion price of \$0.50 per Common Share.

The Company collapsed \$5.5 million of its \$10 million in interest rate swaps on April 5, 2011, which resulted in a one time gain of \$14,700. This was to facilitate repayment of senior secured debt.

"I am pleased with the accomplishments of our enterprise in 2010," stated Peter Byrne, CEO. "Successful rapid growth is the result of a strong commitment from our team at all levels of our enterprise" Mr. Byrne said. "Being recognized for the Alberta Venture Magazine Fast Growth 50 Award was an honour." Rocky Mountain placed 2<sup>nd</sup> among companies over \$20 million in annual revenue, and 16<sup>th</sup> overall. The magazine and its partners analysed 1100 Alberta companies in ranking the award winners. The Company also graduated from being a Tier 2 issuer to a Tier 1 issuer on the Exchange during 2010.

"The graduation to Tier 1 resulted in a full release of all escrow shares about 18 months earlier than had been expected. This appears to have improved the liquidity of the company in the market and has resulted in a larger float of shares available for trading" Mr. Byrne indicated.

Speaking about growth Mr. Byrne added "Our capital structure has allowed us to grow with minimum dilution and we commit to continuing our growth in the most beneficial way to our shareholders. The Company has previously stated its goal to grow with new developments and acquisition of existing privatized liquor stores in the provinces of Alberta and British Columbia. The Company's growth to date has been funded to a minor extent by raising new equity and convertible debt, but mainly with reinvestment of earnings and senior bank debt.

The Company's audited consolidated financial statements and Management Discussion and Analysis for the year ending December 31, 2010 are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and also on the Company's website at [www.ruminvestor.com](http://www.ruminvestor.com).

### **About Rocky Mountain**

Rocky Mountain owns 100% of Andersons Liquor Inc. ("Andersons"), headquartered in Edmonton Alberta, which now own and operate 36 private liquor stores in that province, up from 18 stores since the Common Shares began trading in December 2008. Should the three previously announced acquisitions occur, the Company will own and operate 39 stores. It is listed on the TSX Venture Exchange (TSX-V:RUM).

### **Forward-Looking Statements**

This news release may contain "forward-looking statements" within the meaning of applicable securities laws relating to the future growth of the Company, and the ability to execute its business strategy. Readers are cautioned not to place undue reliance on forward-looking statements, and in particular results achieved in 2010 and previous periods. Past results might not be a certain indication of future performance, which is subject to other risks, including but not limited to changes in operational policies, changes in management, changes in strategic focus, market conditions and customer preferences. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risks that these events may not materialize as well as those additional factors discussed in the section entitled "Risk Factors" in RUM's Management Discussion and Analysis, which can be obtained at [www.sedar.com](http://www.sedar.com). If they do materialize, there remains a risk of non-execution for any reason.

*Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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