Leon's Announces Opening of State of the Art Distribution Centre in Delta, B.C.

New facility to drive cost savings and efficiencies as part of national distribution network

TORONTO, ONTARIO October 16, 2017 – Leon's Furniture Limited ("**Leon's**" or the "**Company**") (**TSX: LNF**), today announced the opening of a state-of-the-art 432,346 square foot distribution centre ("Delta DC" or the "DC") in Delta, British Columbia. The Delta DC is the largest capital investment the Company has made on a single property in its over 100-year history and will significantly increase the company's inventory capacity in the province. Two existing warehouses in British Columbia will be consolidated into the Delta DC. The DC is expected to generate meaningful cost savings and efficiencies over the next several years as the Company's online and bricks and mortar businesses in the province continue to grow.

"Our new Delta facility represents an important milestone on our ongoing journey to generate meaningful efficiencies throughout our network," said Edward Leon, President and Chief Operating Officer of Leon's. "This new DC will enhance product availability and shipping times within the province of B.C. while generating meaningful cost savings over time as we continue to ramp-up our west coast presence. This is the first time since our acquisition of The Brick, that a distribution facility in our network has been positioned to handle product for both of our primary banners. Furthermore, this is an example of a model that we could replicate in other areas of the country to enhance our industry-leading, national distribution capabilities."

The Delta DC is owned 50% by Leon's and 50% by Beedie Development of Vancouver and represents an investment of over $65 million. At full capacity the DC can hold approximately $40 million in inventory at retail and features state-of-the-art equipment, systems and processes to ensure that product is moving efficiently through its more than 100 doors. The DC will be the primary conduit for the Company's bricks and mortar banners and online businesses for the province of British Columbia.

About Leon's Furniture Limited

Leon's Furniture Limited is the largest retailer of furniture, appliances and electronics in Canada. Our retail banners include: Leon's; The Brick; The Brick Mattress Store; and The Brick Outlet. Finally, the addition of the Brick's Midnorthern Appliance banner alongside with Leon's Appliance Canada banner, makes the Company the country's largest commercial retailer of appliances to builders, developers, hotels and property management companies. Leon's has in excess of 300 retail stores and 10,000 Associates from coast to coast in Canada under various banners.

Forward-Looking Statements

Information in this press release that is not current or historical factual information may constitute forward looking information within the meaning of securities laws, including future-oriented financial information and financial outlooks. This information is based on certain assumptions regarding expected growth, results of operations, performance, and business prospects and opportunities. While the Company considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Forward-looking information is subject to a number of risks, uncertainties and other factors that could cause

actual results to differ materially from what the Company currently expects. These risks, uncertainties and other factors include, but are not limited to: credit, market, currency, operational, liquidity and funding risks, including changes in economic conditions, interest rates or tax rates, the timing and market acceptance of future products, and competition in the Company's markets.

To the extent any forward-looking information in this press release constitutes future-oriented financial information or financial outlooks, within the meaning of securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are based on assumptions and subject to risks, uncertainties and other factors. Actual results may differ materially from what the Company currently expects. Other than as required under applicable securities laws, the Company does not undertake to update any forward-looking information at any particular time. The reader should not place undue importance on forward-looking information and should not rely upon this information as of any other date. All forward-looking information contained in this press release is expressly qualified in its entirety by this cautionary statement.

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