

## GLACIER WATER SERVICES, INC. *Press Release*

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For Release Immediately  
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### GLACIER WATER ANNOUNCES THIRD QUARTER RESULTS

VISTA, Calif., November 5, 2007 – Glacier Water Services, Inc. (Pink Sheets: GWSV) announced results for the quarter ended September 30, 2007.

Brian McInerney, Chief Executive Officer of Glacier Water, said, “Total revenues for the third quarter and the nine-month period were up 3.7% and 3.6%, respectively, versus the same periods last year. Same store revenue growth for the nine-month period was 8.0%. Income from operations for the third quarter was \$2,847,000 and was impacted by higher operating costs, including costs to support new location growth. On a year to date basis, comparisons were also impacted by record wet weather in the Southwest and record heat during the same period last year. “

Revenues for the quarter ended September 30, 2007 increased 3.7% to \$26,140,000 compared to \$25,205,000 for the same quarter a year ago. For the nine-month period ended September 30, 2007, revenues increased 3.6% to \$69,648,000 compared to \$67,247,000 for the same period a year ago. The increases in revenues for both the quarter and the nine-month periods were primarily the result of higher volume per machine and more machine locations this year compared to the same periods last year.

The Company’s income from operations for the quarter ended September 30, 2007 was \$2,847,000 compared to \$2,915,000 for the same period last year. For the nine-month period ended September 30, 2007, income from operations was \$4,145,000 compared to \$4,561,000 for the same period last year. Income from operations in both the three- and nine-month periods includes incremental non-cash compensation expense of \$78,000 and \$207,000 for the two periods respectively. Additionally, the Company incurred higher operating costs to support new location growth and higher fuel and labor costs.

The Company’s net income applicable to common stockholders for the quarter ended September 30, 2007, was \$606,000, or \$0.23 per basic and \$0.21 per diluted share, compared to a net income of \$631,000, or \$0.27 per basic and \$0.25 per diluted share, for the same period last year. For the nine-month period ended September 30, 2007, the net loss applicable to common stockholders was \$2,667,000, or \$1.01 per basic and diluted share, compared to a loss of \$2,471,000 or \$1.04 per basic and diluted share, for the same period last year.

With approximately 16,100 machines located in 43 states throughout the United States and Canada, Glacier is the leading provider of high quality, low-priced drinking water dispensed to consumers through self-service bottled water machines located at supermarkets and other retail locations.

*Statements in this announcement that are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. A copy of the Company’s audited financial statements for the year ended December 31, 2006 are available on the Company’s website, [www.glacierwater.com](http://www.glacierwater.com), or can be obtained by contacting Steve Stringer at (760) 560-1111.*

(more)

**FINANCIAL RESULTS****GLACIER WATER SERVICES, INC.****Summary Financial Information****GLACIER WATER SERVICES, INC.****Consolidated Statements of Operations**

(In thousands, except share and per share data)

(Unaudited)

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>Sept 30, 2007</b>	<b>October 1, 2006</b>	<b>Sept 30, 2007</b>	<b>October 1, 2006</b>
Revenues	\$ 26,140	\$ 25,205	\$ 69,648	\$ 67,247
Operating costs and expenses:				
Operating expenses	15,946	15,097	43,556	41,229
Depreciation and amortization	3,963	3,969	11,837	11,889
Cost of goods sold	19,909	19,066	55,393	53,118
Selling, general, and administrative expenses	3,384	3,224	10,110	9,568
Total operating costs and expenses	23,293	22,290	65,503	62,686
Income from operations	2,847	2,915	4,145	4,561
Interest expense	2,241	2,284	6,812	7,032
Income (loss) before income taxes	606	631	(2,667)	(2,471)
Income tax benefit	-	-	-	-
Net income (loss) applicable to common stockholders	\$ 606	\$ 631	\$ (2,667)	\$ (2,471)
Basic income (loss) per share:				
Net income (loss) applicable to common stockholders	\$ 0.23	\$ 0.27	\$ (1.01)	\$ (1.04)
Weighted average shares used in calculation	2,666,418	2,328,639	2,628,888	2,387,218
Diluted income (loss) per share:				
Net income (loss) applicable to common stockholders	\$ 0.21	\$ 0.25	\$ (1.01)	\$ (1.04)
Weighted average shares used in calculation	2,821,345	2,523,668	2,628,888	2,387,218
Cash dividend per common share	\$ 0.50	\$ 0.40	\$ 1.30	\$ 0.40

**FINANCIAL RESULTS****GLACIER WATER SERVICES, INC.****GLACIER WATER SERVICES, INC.**  
**Consolidated Balance Sheets**  
(In thousands, except share data)

<b>Assets</b>	<b>September 30, 2007</b>	<b>December 31, 2006*</b>
	<u>(Unaudited)</u>	<u></u>
Current assets:		
Cash and cash equivalents	\$ 3,443	\$ 3,841
Accounts receivable, net of allowance for doubtful accounts of \$103 and \$96 as of Sept. 30, 2007 and December 31, 2006, respectively	1,880	2,119
Repair parts	2,396	2,180
Prepaid expenses and other	1,530	1,099
Total current assets	<u>9,249</u>	<u>9,239</u>
Property and equipment, net	49,276	54,459
Goodwill	7,116	7,080
Intangible assets, net of accumulated amortization of \$1,136 and \$1,113 as of Sept. 30, 2007 and December 31, 2006, respectively	97	151
Investment in Glacier Water Trust I Common Securities	2,629	2,629
Investment in Glacier Water Trust I Preferred Securities	3,357	3,357
Other assets	5,178	5,213
Total assets	<u>\$ 76,902</u>	<u>\$ 82,128</u>
<b>Liabilities and Stockholders' Deficit</b>		
Current liabilities:		
Accounts payable	\$ 1,047	\$ 1,016
Accrued commissions	3,434	2,353
Accrued liabilities	3,835	4,237
Bank overdraft	2,531	1,750
Current portion of long-term notes payable	127	112
Current portion of deferred rent	56	52
Current portion of obligations under capital lease	-	404
Total current liabilities	<u>11,030</u>	<u>9,924</u>
Long-term debt	87,629	87,629
Long-term notes payable	17,733	19,599
Long-term portion of deferred rent	74	111
Total liabilities	<u>116,466</u>	<u>117,263</u>
Commitments and contingencies		
Stockholders' deficit:		
Common stock, \$0.01 par value. Authorized 10,000,000 shares, issued and outstanding 2,675,046, and 2,590,405 shares at September 30, 2007 and December 31, 2006, respectively	44	43
Additional paid-in capital	20,204	22,379
Retained deficit	(27,665)	(24,999)
Treasury stock, at cost, 1,587,606 shares at Sept. 30, 2007 and Dec. 31, 2006	(32,562)	(32,562)
Accumulated other comprehensive income	415	4
Total stockholders' deficit	<u>(39,564)</u>	<u>(35,135)</u>
Total liabilities and stockholders' deficit	<u>\$ 76,902</u>	<u>\$ 82,128</u>

\*Amounts derived from audited information