

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

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For Release Immediately  
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### GLACIER WATER ANNOUNCES FISCAL YEAR 2007 RESULTS

VISTA, Calif., March 28, 2008 – Glacier Water Services, Inc. (GWSV.pk) announced results for the year ended December 30, 2007.

Brian McInerney, Chief Executive Officer of Glacier Water, said, “Glacier achieved record revenues in 2007 of \$90,376,000, up 3.7% over the prior year. The 2007 revenue increase was the result of higher machine productivity and an increase in the number of machines on location across the U.S. During 2007 we added our 42<sup>nd</sup> and 43<sup>rd</sup> U.S. States with Glacier machines. Income from operations for the current year was \$4,154,000 and was impacted by higher operating costs, including the costs to support new location growth. At the end of the year, Glacier had more than 16,300 machines at retailers across the U.S. and Canada providing high quality, great tasting drinking water.”

Revenues for the year ended December 30, 2007 increased to \$90,376,000 from \$87,154,000, representing a 3.7% increase versus last year. The increase in revenue was primarily the result of higher volume per machine and more machine locations year-over-year. The net increase in machines in operation at the end of 2007 as compared to 2006 was approximately 400.

The Company’s income from operations for the year ended December 30, 2007 was \$4,154,000 compared to \$4,577,000 for the same period last year. Income from operations for 2007 includes incremental non-cash compensation expense of \$285,000 as compared to 2006. Additionally, the Company incurred higher operating costs in the form of labor, machine maintenance, licensing and permits, and fuel costs.

The Company’s net loss applicable to common stockholders for the year ended December 30, 2007, was \$4,878,000, or \$1.85 per basic and diluted share, compared to a loss of \$4,708,000, or \$1.93 per basic and diluted share for the same period last year.

With approximately 16,300 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 30, 2007 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**

Years ended December 30, 2007 and December 31, 2006

(In thousands, except share and per share data)

	<u>2007</u>	<u>2006</u>
Revenues	\$ 90,376	\$ 87,154
Operating costs and expenses:		
Operating expenses	56,946	53,871
Depreciation and amortization	15,835	15,829
Cost of goods sold	72,781	69,700
Selling, general, and administrative expenses	13,441	12,877
Total operating costs and expenses	<u>86,222</u>	<u>82,577</u>
Income from operations	4,154	4,577
Interest expense	9,032	9,285
Loss before income taxes	(4,878)	(4,708)
Income tax benefit	-	-
Net loss applicable to common stockholders	<u>\$ (4,878)</u>	<u>\$ (4,708)</u>
Basic and diluted loss per share:		
Net loss applicable to common stockholders	\$ (1.85)	\$ (1.93)
Weighted average shares used in calculation	2,642,784	2,434,114
Cash dividend per common share	\$ 1.80	\$ 0.80

**FINANCIAL RESULTS****GLACIER WATER SERVICES, INC.****GLACIER WATER SERVICES, INC.****Consolidated Balance Sheets**

December 30, 2007 and December 31, 2006

(In thousands, except share data)

<b>Assets</b>	<b>2007</b>	<b>2006</b>
Current assets:		
Cash and cash equivalents	\$ 3,120	\$ 3,841
Accounts receivable, net of allowance for doubtful accounts of \$61 and \$96 as of December 30, 2007 and December 31, 2006, respectively	1,617	2,119
Repair parts	2,561	2,180
Prepaid expenses and other	1,161	1,099
Total current assets	<u>8,459</u>	<u>9,239</u>
Property and equipment, net	47,698	54,459
Goodwill	7,080	7,080
Intangible assets, net of accumulated amortization of \$1,279 and \$1,178 as of December 30, 2007 and December 31, 2006, respectively	88	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
Deferred financing costs, net	4,661	4,739
Other assets	465	474
Total assets	<u>\$ 74,437</u>	<u>\$ 82,128</u>
<b>Liabilities and Stockholders' Deficit</b>		
Current liabilities:		
Accounts payable	\$ 1,148	\$ 1,016
Accrued commissions	2,580	2,353
Accrued liabilities	4,386	4,237
Bank overdraft	2,068	1,750
Current portion of long-term notes payable	57	112
Current portion of deferred rent	50	52
Current portion of obligations under capital lease	-	404
Total current liabilities	<u>10,289</u>	<u>9,924</u>
Long-term debt	87,629	87,629
Long-term line of credit and notes payable	19,197	19,599
Long-term portion of deferred rent	67	111
Total liabilities	<u>117,182</u>	<u>117,263</u>
Commitments and contingencies		
Stockholders' deficit:		
Common stock, \$0.01 par value. Authorized 10,000,000 shares; issued and outstanding 2,690,568, and 2,590,405 shares at December 30, 2007 and December 31, 2006, respectively	44	43
Additional paid-in capital	19,244	22,379
Retained deficit	(29,877)	(24,999)
Treasury stock, at cost, 1,587,606 shares at December 30, 2007 and December 31, 2006	(32,562)	(32,562)
Accumulated other comprehensive income	406	4
Total stockholders' deficit	<u>(42,745)</u>	<u>(35,135)</u>
Total liabilities and stockholders' deficit	<u>\$ 74,437</u>	<u>\$ 82,128</u>