

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

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For Release Immediately  
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### GLACIER WATER ANNOUNCES FISCAL YEAR 2008 RESULTS

VISTA, Calif., April 2, 2009 – Glacier Water Services, Inc. (GWSV.pk) announced results for the year ended December 28, 2008.

Brian McInerney, Chief Executive Officer of Glacier Water, said, “Glacier achieved record revenues in 2008 of \$94,711,000, up 4.8% over the prior year. Same-store revenue growth for the twelve-month period continued its positive trend and was up 10.4%. The 2008 revenue increase was the result of higher machine productivity and an increase in the number of machines on location across the U.S. During 2008 we placed almost 900 incremental Glacier machines at retailers. Income from operations for the current year improved to \$4,237,000 but was impacted by higher operating costs, including the costs to support new location growth and increased fuel costs. At the end of the year, Glacier had more than 17,200 machines at retailers across the U.S. and Canada providing high quality, great tasting drinking water.”

Revenues for the year ended December 28, 2008 increased to \$94,711,000 from \$90,376,000, representing a 4.8% increase versus 2007. The increase in revenue was primarily the result of growth in the number of locations this year compared to last year, coupled with an increase in average sales per machine.

The Company’s income from operations for the year ended December 28, 2008 was \$4,237,000 compared to \$4,154,000 for the same period last year. Income from operations for 2008 was negatively impacted by higher operating costs, including labor and machine maintenance associated with new location growth, and fuel costs. Additionally, income from operations for the year includes non-cash compensation expense of \$324,000 as compared to \$297,000 for 2007.

The Company’s net loss applicable to common stockholders for the year ended December 28, 2008, was \$4,227,000, or \$1.56 per basic and diluted share, compared to a loss of \$4,878,000, or \$1.85 per basic and diluted share for the same period last year.

With approximately 17,200 machines located in 42 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 28, 2008 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)

**Summary Financial Information****GLACIER WATER SERVICES, INC. AND SUBSIDIARIES****Consolidated Statements of Operations**

Years ended December 28, 2008 and December 30, 2007

(In thousands, except share and per share data)

	<u>2008</u>	<u>2007</u>
Revenues	\$ 94,711	90,376
Operating costs and expenses:		
Operating expenses	60,703	56,946
Depreciation and amortization	15,569	15,835
Cost of goods sold	76,272	72,781
Selling, general, and administrative expenses	14,202	13,441
Total operating costs and expenses	90,474	86,222
Income from operations	4,237	4,154
Other expenses (income):		
Interest expense	8,583	9,032
Gain on early retirement of debt	(119)	-
Total other expense	8,464	9,032
Loss before income taxes	(4,227)	(4,878)
Income tax benefit	-	-
Net loss applicable to common stockholders	\$ (4,227)	(4,878)
Basic and diluted loss per share:		
Net loss applicable to common stockholders	\$ (1.56)	(1.85)
Weighted average shares used in calculation	2,702,790	2,642,784
Cash dividend per common share	\$ 1.50	1.80

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

December 28, 2008 and December 30, 2007

(In thousands, except share data)

<b>Assets</b>	<b>2008</b>	<b>2007</b>
Current assets:		
Cash and cash equivalents	\$ 3,268	3,120
Accounts receivable, net of allowance for doubtful accounts of \$63 and \$61 as of December 28, 2008 and December 30, 2007, respectively	1,678	1,617
Repair parts	2,778	2,561
Prepaid expenses and other	1,009	1,161
Total current assets	<u>8,733</u>	<u>8,459</u>
Property and equipment, net	44,460	47,698
Goodwill	7,080	7,080
Intangible assets, net of accumulated amortization of \$1,207 and \$1,279 as of December 28, 2008 and December 30, 2007, respectively	43	88
Investment in Glacier Water Trust I Common Securities	2,629	2,629
Investment in Glacier Water Trust I Preferred Securities	3,648	3,357
Deferred financing costs, net	4,575	4,661
Other assets	865	465
Total assets	<u>\$ 72,033</u>	<u>74,437</u>
<b>Liabilities and Stockholders' Deficit</b>		
Current liabilities:		
Accounts payable	\$ 1,304	1,148
Accrued commissions	2,947	2,580
Accrued liabilities	2,802	4,443
Bank overdraft	1,897	2,068
Current portion of deferred rent	55	50
Total current liabilities	<u>9,005</u>	<u>10,289</u>
Long-term debt	87,629	87,629
Long-term line of credit and notes payable	26,263	19,197
Long-term portion of deferred rent	11	67
Total liabilities	<u>122,908</u>	<u>117,182</u>
Commitments and contingencies		
Stockholders' deficit:		
Common stock, \$0.01 par value. Authorized 10,000,000 shares, issued and outstanding 2,711,473, and 2,690,568 shares at December 28, 2008 and December 30, 2007, respectively	44	44
Additional paid-in capital	15,832	19,244
Retained deficit	(34,104)	(29,877)
Treasury stock, at cost, 1,587,606 shares at December 28, 2008 and December 30, 2007	(32,562)	(32,562)
Accumulated other comprehensive income (loss)	(85)	406
Total stockholders' deficit	<u>(50,875)</u>	<u>(42,745)</u>
Total liabilities and stockholders' deficit	<u>\$ 72,033</u>	<u>74,437</u>