

GLACIER WATER SERVICES, INC. *Press Release*

For More Information, Call:
Steve Stringer, Chief Financial Officer
(760) 560-1111

For Release Immediately
April 24th, 2009

GLACIER WATER ANNOUNCES FIRST QUARTER 2009 RESULTS

VISTA, Calif., April 24, 2009 – Glacier Water Services, Inc. (GWSV.pk) announced results for the first quarter ended March 29, 2009.

Brian McInerney, Chief Executive Officer of Glacier Water, said, “Glacier recorded first quarter 2009 revenues of \$22,839,000, up 9.4% over the first quarter of last year. The revenue increase was driven by a combination of new location growth and increased sales productivity by machine. Glacier operated approximately 1,000 more machines at retail locations compared to last year. Income from operations for the first quarter was \$669,000 compared to a loss for the first quarter last year of \$245,000, primarily as a result of the increased margin from strong revenue growth and lower fuel costs. At the end of the quarter, Glacier had more than 17,300 machines located at retailers across the U.S. and Canada providing high quality, great tasting drinking water.”

Revenues for the quarter ended March 29, 2009 increased to \$22,839,000 from \$20,880,000, representing a 9.4% increase versus the same period last year. 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 quarter ended March 29, 2009 was \$669,000 compared to a loss from operations of \$245,000 for the same period last year. The year over year improvement was driven by increased revenues coupled with reduced fuel costs. Income from operations for the first quarter included non-cash compensation expense of \$89,000 as compared to \$80,000 for the first quarter of 2008.

The Company’s net loss applicable to common stockholders for the quarter ended March 29, 2009, was \$1,423,000, or \$0.52 per basic and diluted share, compared to a loss of \$2,440,000, or \$0.91 per basic and diluted share for the same period last year.

With approximately 17,300 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, 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. AND SUBSIDIARIES****Consolidated Statements of Operations**

(In thousands, except share and per share data)

(Unaudited)

	Three Months Ended	
	March 29, 2009	March 30, 2008
Revenues	\$ 22,839	20,880
Operating costs and expenses:		
Operating expenses	14,677	13,686
Depreciation and amortization	3,901	3,937
Cost of goods sold	18,578	17,623
Selling, general, and administrative expenses	3,592	3,502
Total operating costs and expenses	22,170	21,125
Income (loss) from operations	669	(245)
Interest expense	2,092	2,195
Loss before income taxes	(1,423)	(2,440)
Income tax benefit	-	-
Net loss applicable to common stockholders	\$ (1,423)	(2,440)
Basic and diluted loss per share:		
Net loss applicable to common stockholders	\$ (0.52)	(0.91)
Weighted average shares used in calculation	2,711,599	2,690,613
Cash dividend per common share	\$ -	0.50

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

Assets	March 29, 2009	December 28, 2008
	(Unaudited)	
Current assets:		
Cash and cash equivalents	\$ 3,110	3,268
Accounts receivable, net of allowance for doubtful accounts of \$62 and \$63 as of March 29, 2009 and December 28, 2008, respectively	1,591	1,678
Repair parts	2,784	2,778
Prepaid expenses and other	1,372	1,009
Total current assets	<u>8,857</u>	<u>8,733</u>
Property and equipment, net	42,876	44,460
Goodwill	7,080	7,080
Intangible assets, net of accumulated amortization of \$1,210 and \$1,207 as of March 29, 2009 and December 28, 2008, respectively	39	43
Investment in Glacier Water Trust I Common Securities	2,629	2,629
Investment in Glacier Water Trust I Preferred Securities	3,648	3,648
Deferred financing costs, net	4,551	4,575
Other assets	757	865
Total assets	<u>\$ 70,437</u>	<u>72,033</u>
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	\$ 1,249	1,304
Accrued commissions	3,277	2,947
Accrued liabilities	2,549	2,802
Bank overdraft	1,483	1,897
Current portion of deferred rent	32	55
Total current liabilities	<u>8,590</u>	<u>9,005</u>
Long-term debt	87,629	87,629
Long-term line of credit and notes payable	26,438	26,263
Long-term portion of deferred rent	23	11
Total liabilities	<u>122,680</u>	<u>122,908</u>
Commitments and contingencies		
Stockholders' deficit:		
Common stock, \$0.01 par value. Authorized 10,000,000 shares, issued and outstanding 2,711,673, and 2,711,473 shares at March 29, 2009 and December 28, 2008, respectively	44	44
Additional paid-in capital	15,924	15,832
Retained deficit	(35,527)	(34,104)
Treasury stock, at cost, 1,587,606 shares at March 29, 2009 and December 28, 2008	(32,562)	(32,562)
Accumulated other comprehensive income (loss)	(122)	(85)
Total stockholders' deficit	<u>(52,243)</u>	<u>(50,875)</u>
Total liabilities and stockholders' deficit	<u>\$ 70,437</u>	<u>72,033</u>