

GLACIER WATER SERVICES, INC. *Press Release*

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For Release Immediately
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GLACIER WATER ANNOUNCES FISCAL YEAR 2009 RESULTS REVENUES EXCEED \$100 MILLION

VISTA, Calif., April 21, 2010 – Glacier Water Services, Inc. (GWSV.pk) announced results for the fiscal year ending January 3, 2010.

Brian McInerney, Chief Executive Officer of Glacier Water, said, “Glacier achieved a milestone in 2009 with revenues exceeding \$100,000,000. Our record revenues of \$103,803,000 for 2009 were up 9.6% over the prior year. The 2009 revenue growth was the result of higher machine productivity, an increase in the number of machines on location across the U.S and Canada, and an extra 53rd week of sales in the fiscal year 2009 versus 52 weeks in the fiscal year 2008. During 2009 we placed approximately 1,100 incremental Glacier machines at retailers. Income from operations for the current year grew by 85% to \$7,834,000, an increase of \$3,597,000. At the end of the year, Glacier had more than 18,000 machines located at retailers across the U.S. and Canada providing high quality, great tasting drinking water.”

Revenues for the year ended January 3, 2010 increased to \$103,803,000 from \$94,711,000, representing a 9.6% increase versus 2008. 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 and an extra week of sales. The extra week of sales is estimated to represent approximately 1.6% of the annual growth in revenues.

The Company’s income from operations for the year ended January 3, 2010 was \$7,834,000 compared to \$4,237,000 for the same period last year. Income from operations for 2009 was positively impacted by the margin generated from the increased revenues and lower fuel costs, partially offset by higher operating costs, including labor and machine maintenance associated with new location growth. Income from operations for the year includes non-cash compensation expense of \$356,000 as compared to \$324,000 for 2008.

The Company’s net loss applicable to common stockholders for the year ended January 3, 2010 was \$695,000 or \$0.26 per basic and diluted share, compared to a loss of \$4,227,000 or \$1.56 per basic and diluted share for the same period last year.

With more than 18,000 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 January 3, 2010 are available on the Company’s website, 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 January 3, 2010 and December 28, 2008

(In thousands, except share and per share data)

	<u>2009</u>	<u>2008</u>
Revenues	\$ 103,803	94,711
Operating costs and expenses:		
Operating expenses	66,097	60,703
Depreciation and amortization	15,166	15,569
Cost of goods sold	81,263	76,272
Selling, general, and administrative expenses	14,706	14,202
Total operating costs and expenses	<u>95,969</u>	<u>90,474</u>
Income from operations	7,834	4,237
Other expenses (income):		
Interest expense	8,406	8,583
Gain on early retirement of debt	-	(119)
Total other expense	<u>8,406</u>	<u>8,464</u>
Loss before income taxes	(572)	(4,227)
Income taxes	123	-
Net loss applicable to common stockholders	<u>\$ (695)</u>	<u>(4,227)</u>
Basic and diluted loss per share:		
Net loss per share applicable to common stockholders	\$ (0.26)	(1.56)
Weighted average shares used in calculation	2,711,836	2,702,790
Cash dividend per common share	\$ 1.00	1.50

FINANCIAL RESULTS**GLACIER WATER SERVICES, INC.**

Consolidated Balance Sheets
 January 3, 2010 and December 28, 2008
 (In thousands, except share data)

Assets	2009	2008
Current assets:		
Cash and cash equivalents	\$ 3,710	3,268
Accounts receivable, net of allowance for doubtful accounts of \$63 as of January 3, 2010 and December 28, 2008	1,583	1,678
Repair parts	3,084	2,778
Prepaid expenses and other	1,381	1,009
Total current assets	9,758	8,733
Property and equipment, net	43,108	44,460
Goodwill	7,080	7,080
Intangible assets, net of accumulated amortization of \$1,234 and \$1,207 as of January 3, 2010 and December 28, 2008, respectively	32	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	4,481	4,575
Other assets	762	865
Total assets	\$ 71,498	72,033
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	\$ 1,443	1,304
Accrued commissions	3,823	2,947
Accrued liabilities	3,576	2,802
Bank overdraft	1,331	1,897
Current portion of deferred rent	4	55
Total current liabilities	10,177	9,005
Long-term debt	87,629	87,629
Long-term line of credit and notes payable	28,173	26,263
Long-term portion of deferred rent	17	11
Total liabilities	125,996	122,908
Commitments and contingencies		
Stockholders' deficit:		
Preferred Stock, \$0.01 par value; liquidation preference \$100 per share; 8% cumulative redeemable convertible; Authorized 100,000 shares; issued and outstanding, 0 shares at January 3, 2010 and December 28, 2008	--	--
Common stock, \$0.01 par value. Authorized 10,000,000 shares, issued and outstanding 2,714,873, and 2,711,473 shares at January 3, 2010 and December 28, 2008, respectively	44	44
Additional paid-in capital	12,530	15,832
Retained deficit	(34,799)	(34,104)
Treasury stock, at cost, 1,587,606 shares at January 3, 2010 and December 28, 2008	(32,562)	(32,562)
Accumulated other comprehensive income (loss)	289	(85)
Total stockholders' deficit	(54,498)	(50,875)
Total liabilities and stockholders' deficit	\$ 71,498	72,033