

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

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For Release Immediately  
January 11, 2012

### GLACIER WATER RAISES \$20 MILLION IN PRIVATE PLACEMENT

VISTA, Calif., January 11, 2012 – Glacier Water Services, Inc. (GWSV.pk) announced today that it has raised a total of \$20 million, \$10 million from the sale of 500,000 shares of common stock and \$10 million from the sale of \$12.5 million in principal amount of 9.0625% subordinated debt due in 2028.

The common shares are not registered under the U.S. securities laws and must be held for at least six months before they can be sold.

In January 2017, approximately \$3.6 million of the subordinated debt will automatically be exchanged for approximately 14,400 shares of Glacier Water's Trust Preferred Securities, and the remaining \$8.9 million of the subordinated debt will become redeemable thereafter by its holders for cash.

The proceeds from this sale are being used to repay bank debt, including \$10 million of term debt already repaid, and \$10 million of revolving debt, which revolving facility will remain available for future use.

Glacier Water's common stock and Trust Preferred Securities are traded in the Pink Sheets under the symbols GWSV.pk and GWSVP.pk.

With more than 20,400 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 2, 2011 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.*