
ARCTIC GLACIER INCOME FUND

Arctic Glacier Posts Record Year-End Results

Sales, EBITDA, Earnings Reach New Highs On Acquisitions

WINNIPEG – March 7, 2008 – Arctic Glacier Income Fund (TSX:AG.UN) today announced results for the fourth quarter and fiscal year ended December 31, 2007.

Highlights for 2007

- Acquired Union Ice of Los Angeles with two manufacturing plants
- Acquired Tropic Ice of Michigan with two manufacturing plants and one distribution center
- Acquired Kar Ice of Barstow, California with manufacturing & distribution facilities
- Completed nine additional tuck-in acquisitions
- Completed integration activities for all 12 acquisitions
- Rationalized a manufacturing plant in California and three distribution centers in Michigan and Wisconsin
- Completed \$70 million bought-deal unit offering
- Increased sales 14% to \$249.1 million
- Increased earnings 17% to \$20.4 million
- Increased EBITDA 13% to \$67.1 million
- Increased distributable cash 11% to \$43.5 million

“During 2007 Arctic Glacier completed three major platform acquisitions, plus nine smaller tuck-in companies that were added to existing operations,” said Keith McMahon, President and CEO of Arctic Glacier Inc., the Fund’s operating company. “At the same time, we executed an active program of integration and rationalization measures in operations across North America.”

“Primarily driven by acquisitions, the Fund achieved strong, profitable growth in our main performance metrics, setting new record highs during 2007,” said Doug Bailey, the Fund’s Chief Financial Officer. Noting the Fund’s \$70 million equity offering at the outset of the year, he added: “Because our expansion was financed with a combination of equity and debt, and with our strong operating results, we ended the year with a strong balance sheet. As a result, the Fund is in an excellent position to continue growing.”

Fourth Quarter 2007 Review

Sales in the fourth quarter decreased 9% to \$36.3 million, compared to the same period in 2006. Acquired operations contributed \$2.5 million to sales, while sales in previously serviced markets were down by \$1.6 million or 4% as a result of below average weather in the northeastern U.S. in November and the central U.S. in December. The stronger Canadian dollar reduced reported sales by \$4.5 million.

Since Arctic Glacier's operations are in Canada and the northeastern, central and western U.S., the business is affected by seasonal weather patterns. Therefore the fourth quarter of the calendar year is normally characterized by minimal EBITDA and losses.

In the most recent period, EBITDA totaled \$2.7 million, compared to \$0.8 million for the fourth quarter of 2006. The loss in the fourth quarter totaled \$3.7 million, an improvement compared to a loss of \$6.2 million in the same quarter of 2006. On a per unit basis, the loss was \$0.10 (basic and diluted), versus \$0.19 (basic and diluted) in the fourth quarter of 2006.

Fiscal 2007 Financial Review

Sales in fiscal 2007 increased 14% from 2006 to a record \$249.1 million. The gain was largely attributable to the California Ice acquisition in August 2006 and the 2007 acquisitions, which collectively contributed \$43.3 million to sales in 2007.

Sales in previously serviced markets were down \$2.2 million or 1%, primarily due to reduced volumes, partially offset by increased pricing. Volumes were impacted by unseasonably cool and rainy summertime weather in certain markets, especially during the first two weeks of July. Sales were also affected by the stronger Canadian dollar in 2007, which decreased the Canadian dollar value of sales generated in U.S. markets by \$11.3 million compared to 2006.

EBITDA increased by \$7.9 million or 13% to a new high of \$67.1 million. Acquisitions contributed \$6.8 million to EBITDA in 2007 and EBITDA in previously serviced markets was up by \$4.7 million or 8% as a result of the benefits of rationalization initiatives in recently acquired operations. EBITDA was also affected by the stronger Canadian dollar, which decreased the Canadian dollar value of EBITDA generated in U.S. markets by \$3.6 million compared to 2006.

EBITDA margin declined to 26.9% of sales from 27.0% in 2006, because of the favorable impact of the timing of the California Ice and Happy Ice acquisitions in 2006 at the start of summer when operating efficiency was at its peak. These operations contributed for a full year in 2007, including during the off-peak season when EBITDA margins are lower.

Earnings totaled \$20.4 million, up 17% from 2006. On a per unit basis, earnings were \$0.54 per unit (basic) and \$0.53 per unit (diluted) compared to \$0.57 (basic) and \$0.56 (diluted) in 2006.

During 2007 the Fund generated distributable cash of \$43.5 million, an 11% increase over the previous year. This growth was primarily driven by the contributions of acquisitions made during 2007, partially offset by the impact of the stronger Canadian dollar. On a per-unit basis, distributable cash totaled \$1.14 for the year, versus \$1.28 in 2006. The change was due to the impact on the previous year figure of the favorable timing of the California Ice and Happy Ice acquisitions and related financing in 2006, combined with a \$70 million unit offering in February 2007 that increased the number of units outstanding. The proceeds of the offering were deployed to finance the Union Ice acquisition and pay down debt.

Financial Position

Cash from operating activities before changes in working capital totaled \$49.9 million in 2007, an increase of 10% from the previous year. The increase is mainly attributable to growth in operational scale over the past year, plus foreign exchange gains and reduced acquisition integration expenses in 2007.

The Fund raised a total of \$67.8 million in 2007 from equity issues. The funds raised were deployed to finance acquisitions, growth capital expenditures and debt reduction.

Distributions to unitholders increased 23% to \$42.1 million during 2007. The Fund's payout ratio increased to 96.8% from 87.2% in 2006 as the Fund faced an unprecedented strengthening of the Canadian dollar versus the U.S. dollar during the year and cooler than normal temperatures in many markets, especially during the first half of July.

As at December 31, 2007, Arctic Glacier's total debt, excluding convertible debentures, was \$150.3 million, compared to \$186.1 million at the same time last year.

The Fund's net debt to EBITDA ratio at year end was 2.1:1 (after adjusting EBITDA by \$2.6 million to reflect the trailing 12-month contribution of acquisitions made during the year and realized gains on foreign currency contracts) compared to 2.7:1 the previous year (after a similar adjustment to EBITDA of \$8.8 million). The Fund's intention is to maintain an annual average leverage ratio of less than 2.25 to 1 on an annual basis.

At December 31, 2007, the Fund's credit facilities were comprised of a US\$60 million senior note facility and a US\$115 million revolving credit facility.

Outlook

The strong, profitable growth of Arctic Glacier during 2007 demonstrates the soundness of the Fund's strategy and the effectiveness of its execution in markets across North America. This success is expected to continue in 2008.

Arctic Glacier benefited from the first full year of contribution from two platform acquisitions completed during 2006. Acquisition activity continued strongly in 2007, with the completion of three platforms and nine tuck-ins at various times of the year. During 2008 these 12 acquisitions will contribute to results for their first full year. Meanwhile, Arctic Glacier is continuously investigating possibilities for further growth in fiscal 2008.

The contribution of acquired operations to Arctic Glacier's profitability is increased by rationalization and integration measures that the company initiates subsequent to acquisition. During 2007 Arctic Glacier aggressively executed this strategy, continuing measures begun in 2006 and initiating new changes in conjunction with the most recent growth. Rationalization and integration have proceeded into 2008 and remain an important component of management's growth strategy.

The final component of Arctic Glacier's growth is ongoing attention to efficiency. This focus extends across all operations and encourages managers and staff to reduce costs while optimizing operational capabilities and emphasizing outstanding customer service year round.

During 2007 the unprecedented appreciation of the Canadian dollar had the effect of decreasing Canadian-dollar values of U.S. sales and EBITDA from what they otherwise would be. The Canadian dollar is not expected to return to previous levels within the same time period as it appreciated during 2007. Fortunately, the increasing strength of the Canadian dollar complements Arctic Glacier's acquisition strategy, because the investment required to acquire U.S. ice companies decreases as the dollar rises in value.

During 2008, the Fund will benefit from acquisitions made in 2007 and from rationalization initiatives. As a result, management expects the Fund's main performance metrics to attain new benchmarks in 2008. At the same time, the Fund's strong balance sheet and access to the capital markets will enhance financing options for future acquisitions and capital improvements.

Going forward, Arctic Glacier will continue to further expand its footprint in current markets, while actively investigating opportunities in new geographic areas. Concurrently, the Company will seek to improve margins with further rationalization measures and implement productivity-enhancing investments.

Management expects that Arctic Glacier's profitable and growing operations, reliable free cash flow and strong balance sheet will continue to allow the Fund to generate distributable cash in excess of requirements for distributions to unitholders for 2008 at the current annualized rate of \$1.10 per unit. This will enable the Fund to achieve its dual mandate of paying stable monthly distributions, while growing unitholder value over time.

About Arctic Glacier

Arctic Glacier Income Fund, through its operating company, Arctic Glacier Inc., is a leading producer, marketer and distributor of high-quality packaged ice in North America under the brand name of Arctic Glacier® Premium Ice. Arctic Glacier operates 37 manufacturing plants and 50 distribution facilities across Canada and the northeast, central and western United States servicing more than 70,000 retail accounts.

Arctic Glacier Income Fund trust units are listed on the Toronto Stock Exchange under the trading symbol AG.UN. There are 38.9 million trust units outstanding.

Conference Call and Webcast

<p>Arctic Glacier will discuss fourth quarter and year-end 2007 results during a conference call with a live audio webcast for investors and analysts on Friday, March 7 at 11 a.m. (EST). To access the simultaneous webcast, log on to Arctic Glacier's website at www.arcticglacierinc.com. Please note the webcast allows participants to listen only.</p>

Forward-Looking Statements

This news release contains forward-looking statements, which are subject to certain risks, uncertainties and assumptions. A number of factors could cause actual results to differ materially from the results discussed in these forward-looking statements, and there is no assurance that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as at the date of this news release, and the Fund assumes no obligation to update or revise them, either publicly or otherwise, to reflect new events, information or circumstances.

Non-GAAP measures

EBITDA and distributable cash are not recognized measures under Canadian generally accepted accounting principles (GAAP). EBITDA is defined as earnings before interest, taxes, amortization, acquisition integration charges and other non-recurring expenses. EBITDA is a performance measure used by management to provide an indication of cash available for distribution from ongoing operations prior to debt service, capital expenditures and income taxes and is often used to compare companies and income trusts on the basis of ability to generate cash from ongoing operations. Distributable cash is a performance measure used by management to summarize the funds available for distribution to unitholders in an income trust. Investors should be cautioned that EBITDA and distributable cash should not be construed as alternatives to earnings, cash from operating activities or other financial measures determined in accordance with GAAP as indicators of the Fund's performance. The Fund's method of calculating EBITDA and distributable cash may differ from other companies and income trusts and, accordingly, may not be comparable to measures used by them.

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Contact Information

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The Toronto Stock Exchange does not approve or disapprove of the adequacy or accuracy of this release.

ARCTIC GLACIER INCOME FUND
Consolidated Balance Sheets
As at December 31, 2007 and 2006 (audited)

(thousands)	2007	2006
ASSETS		
Current assets		
Cash	\$ 4,645	\$ 4,676
Accounts receivable	13,182	14,791
Inventories	11,797	12,881
Prepaid expenses	4,693	4,268
	<u>34,317</u>	<u>36,616</u>
Property, plant and equipment	156,099	162,564
Investments	811	953
Other assets	113	7,875
Intangible assets	132,173	148,912
Goodwill	172,973	186,572
	<u>\$ 496,486</u>	<u>\$ 543,492</u>
 LIABILITIES AND UNITHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 24,972	\$ 26,175
Distributions payable to unitholders	3,569	3,037
Principal due within one year on long-term debt	3,165	14,280
	<u>31,706</u>	<u>43,492</u>
Long-term debt	147,123	171,783
Convertible debentures	80,302	85,496
Future income taxes	2,790	4,696
 Unitholders' equity		
Units	374,433	303,469
Contributed surplus	1,069	815
Equity portion of convertible debentures	9,206	9,566
Deficit	(86,109)	(63,284)
Accumulated other comprehensive loss	(64,034)	(12,541)
	<u>234,565</u>	<u>238,025</u>
	<u>\$ 496,486</u>	<u>\$ 543,492</u>

ARCTIC GLACIER INCOME FUND
Consolidated Statements of Operations

Three and twelve months ended December 31, 2007 and 2006

(thousands, except per unit amounts)	Three Months		Twelve Months	
	(unaudited)		(audited)	
	2007	2006	2007	2006
Sales	\$ 36,313	\$ 39,943	\$249,067	\$219,249
Cost of sales, selling, general and administration expenses	33,595	39,182	182,012	160,060
Earnings before the undernoted	2,718	761	67,055	59,189
Amortization	7,309	8,526	30,480	27,066
Interest	5,484	4,889	21,260	13,436
Acquisition integration expenses	125	1,171	882	1,892
Gain on disposal of property, plant & equipment	(53)	(2)	(906)	(151)
Loss (gain) on foreign exchange	(205)	490	(4,832)	303
Non-recurring expenses	(6)	-	1,021	-
Debt settlement costs	-	-	-	751
Earnings (loss) before income taxes	(9,936)	(14,313)	19,150	15,892
Income taxes				
Current	216	133	837	499
Future reduction	(6,414)	(8,202)	(2,137)	(2,049)
	(6,198)	(8,069)	(1,300)	(1,550)
Earnings (loss)	\$ (3,738)	\$ (6,244)	\$ 20,450	\$ 17,442
Earnings (loss) per unit				
Basic	\$ (0.10)	\$ (0.19)	\$ 0.54	\$ 0.57
Diluted	\$ (0.10)	\$ (0.19)	\$ 0.53	\$ 0.56

ARCTIC GLACIER INCOME FUND
Consolidated Statements of Changes in Unitholders' Equity
Three and twelve months ended December 31, 2007 and 2006

(thousands)	Three Months		Twelve Months	
	(unaudited)		(audited)	
	2007	2006	2007	2006
Units				
Balance, beginning of period	\$ 374,186	\$ 297,302	\$ 303,469	\$ 249,747
Adoption of new accounting policies	-	-	(293)	-
	<u>374,186</u>	<u>297,302</u>	<u>303,176</u>	<u>249,747</u>
Units issued, net of issue costs	247	6,167	71,257	53,722
Balance, end of period	<u>374,433</u>	<u>303,469</u>	<u>374,433</u>	<u>303,469</u>
Contributed surplus				
Balance, beginning of period	994	795	815	723
Unit-based compensation expense	75	26	292	98
Unit options exercised	-	(6)	(38)	(6)
Balance, end of period	<u>1,069</u>	<u>815</u>	<u>1,069</u>	<u>815</u>
Equity portion of convertible debentures				
Balance, beginning of period	9,206	10,161	9,566	-
Convertible debentures issued	-	-	-	10,161
Conversion of convertible debentures	-	(595)	(360)	(595)
Balance, end of period	<u>9,206</u>	<u>9,566</u>	<u>9,206</u>	<u>9,566</u>
Deficit				
Balance, beginning of period	(71,668)	(47,932)	(63,284)	(46,432)
Adoption of new accounting policies	-	-	(1,172)	-
	<u>(71,668)</u>	<u>(47,932)</u>	<u>(64,456)</u>	<u>(46,432)</u>
Earnings (loss)	(3,738)	(6,244)	20,450	17,442
Distributions declared	(10,703)	(9,108)	(42,103)	(34,294)
Balance, end of period	<u>(86,109)</u>	<u>(63,284)</u>	<u>(86,109)</u>	<u>(63,284)</u>
Accumulated other comprehensive loss				
Balance, beginning of period	(62,820)	(23,750)	(12,541)	(20,782)
Adoption of new accounting policies	-	-	(397)	-
	<u>(62,820)</u>	<u>(23,750)</u>	<u>(12,938)</u>	<u>(20,782)</u>
Other comprehensive income (loss)	(1,214)	11,209	(51,096)	8,241
Balance, end of period	<u>(64,034)</u>	<u>(12,541)</u>	<u>(64,034)</u>	<u>(12,541)</u>
Total Unitholders' Equity	<u>\$ 234,565</u>	<u>\$ 238,025</u>	<u>\$ 234,565</u>	<u>\$ 238,025</u>

ARCTIC GLACIER INCOME FUND
Consolidated Statement of Comprehensive Loss
 Three and twelve months ended December 31, 2007

(thousands)	<u>Three Months</u> (unaudited) 2007	<u>Twelve Months</u> (audited) 2007
Earnings (loss)	<u>\$ (3,738)</u>	<u>\$ 20,450</u>
Other comprehensive loss:		
Unrealized loss on translation of self-sustaining foreign operations	(1,240)	(51,203)
Amortization of transitional adjustment to earnings for the period	<u>26</u>	<u>107</u>
Other comprehensive loss	<u>(1,214)</u>	<u>(51,096)</u>
Comprehensive loss	<u>\$ (4,952)</u>	<u>\$ (30,646)</u>

ARCTIC GLACIER INCOME FUND
Consolidated Statements of Cash Flows

Three and twelve months ended December 31, 2007 and 2006

(thousands)	Three Months		Twelve Months	
	(unaudited)		(audited)	
	2007	2006	2007	2006
Cash from (used in):				
Operating activities				
Earnings (loss)	\$(3,738)	\$(6,244)	\$ 20,450	\$ 17,442
Adjustments for:				
Amortization	7,390	8,526	30,480	27,066
Amortization of transitional adjustment on interest rate swap	26	-	107	-
Amortization of deferred financing	266	-	1,078	-
Accretion of convertible debenture principal	395	403	1,586	961
Accretion of long-term debt	106	188	890	410
Recognition of rents on a straight-line basis	175	409	747	409
Unit based compensation	75	26	292	98
Non-cash portion of debt settlement expenses	-	-	-	751
Gain on disposal of property, plant & equipment	(53)	(2)	(906)	(151)
Unrealized foreign exchange gain on long-term debt	(47)	-	(2,298)	-
Unrealized loss (gain) on foreign exchange options	706	499	(1,494)	405
Unrealized loss on interest rate swap	658	-	1,074	-
Future income taxes reduction	(6,414)	(8,202)	(2,137)	(2,049)
	(455)	(4,397)	49,869	45,342
Changes in working capital items	12,744	9,307	2,984	6,776
	12,289	4,910	52,853	52,118
Investing activities				
Additions to property, plant and equipment	(2,045)	(4,298)	(19,428)	(19,379)
Proceeds from disposal of property, plant and equipment	98	25	1,379	613
Additions to goodwill and other assets	-	-	(1,701)	(7,693)
Acquisition of business operations	(7,183)	413	(40,319)	(234,024)
	(9,130)	(3,860)	(60,069)	(260,483)
Financing activities				
Proceeds from long-term debt	11,896	7,968	79,338	117,080
Principal repayments on long-term debt	(15,805)	(4,861)	(94,668)	(23,998)
Convertible debentures issued	-	-	-	100,000
Units issued, net of issue costs	247	262	67,807	47,817
Distributions paid	(10,699)	(9,064)	(41,569)	(33,815)
	(14,361)	(5,695)	10,908	207,084
Foreign exchange gain (loss) on cash held in foreign currency	(897)	486	(3,723)	(356)
Decrease in cash	(12,099)	(4,159)	(31)	(1,637)
Cash, beginning of period	16,744	8,835	4,676	6,313
Cash, end of period	\$ 4,645	\$ 4,676	\$ 4,645	\$ 4,676

ARCTIC GLACIER INCOME FUND**Schedule of Distributable Cash**

Three and twelve months ended December 31, 2007 and 2006 (unaudited)

(thousands, except per unit amounts)	Three Months		Twelve Months	
	2007	2006	2007	2006
Cash from operating activities	\$ 12,289	\$ 4,910	\$ 52,853	\$ 52,118
Adjustments:				
Changes in working capital items	(12,744)	(9,307)	(2,984)	(6,776)
	(455)	(4,397)	49,869	45,342
Less sustaining capital expenditures	(902)	(1,510)	(6,375)	(6,006)
Distributable cash	\$ (1,357)	\$ (5,907)	\$ 43,494	\$ 39,336
Weighted average number of units	38,900.8	32,991.7	38,232.5	30,848.4
Distributable cash per unit	\$ (0.03)	\$ (0.18)	\$ 1.14	\$ 1.28
Distributions declared	\$ 10,703	\$ 9,108	\$ 42,103	\$ 34,294
Distributions declared per unit	\$ 0.28	\$ 0.28	\$ 1.10	\$ 1.10