
ARCTIC GLACIER INCOME FUND

Arctic Glacier Posts Third Quarter Results

WINNIPEG – November 6, 2009 – Arctic Glacier Income Fund (TSX:AG.UN) today announced results for the third quarter ended September 30, 2009.

Summary*

- Reached agreement with U.S. Department of Justice in U.S. packaged ice investigation
- Third quarter sales decreased by \$9 million or 8% due to poor weather and economic slowdown
- Third quarter EBITDA decreased \$4.2 million or 10% due to lower sales volumes
- Nine-month EBITDA decreased by \$3.8 million or 6% due to lower sales volumes
- Nine-month EBITDA margin increased to 28.6% of sales from 28.2%

**All dollar amounts in U.S. currency unless otherwise specified*

“During the third quarter we continued to closely monitor expenses, maximize cash flow and reduce debt. This operating strategy minimized the financial effects of reduced sales volumes caused by poor weather and the economic slowdown,” said Keith McMahon, President and CEO of Arctic Glacier Inc., the Fund’s operating company.

“Arctic Glacier’s continued generation of strong free cash flow enables us to pay operating expenses, finance capital improvements and pay down debt,” added Doug Bailey, the Fund’s Chief Financial Officer. “Our close monitoring of operating expenses and focus on improving balance sheet strength enable the Fund to counter the challenges of the current business environment.”

Third Quarter 2009 Review

Sales in the third quarter totaled \$100.8 million, a decrease of \$9.0 million or 8% compared to the same period in 2008. The change was mainly attributable to a sales reduction in previously serviced markets of \$7.9 million or 8% as a result of unseasonably cool and wet weather conditions and the slowdown in the North American economy. In addition, the weaker Canadian dollar decreased the U.S. dollar value of sales generated in Canadian markets by \$1.4 million. The decrease was partially offset by acquisitions that contributed \$0.3 million to sales during the third quarter of 2009. Nine-month sales decreased by 8% from the same period in 2008 to \$194.3 million.

Cost of sales, selling, general and administration expenses totaled \$62.4 million, a reduction of \$4.9 million or 7% from the third quarter of 2008. The decline was primarily a result of an expense reduction in previously serviced markets of \$4.1 million or 6% as a result of reduced volumes, lower fuel costs and the results of recent productivity enhancement initiatives. In addition, the weaker Canadian dollar decreased the U.S. dollar value of costs incurred in Canadian operations by \$1.0 million. Acquisitions added \$0.2 million to operating costs in the quarter. For the nine-month period, cost of sales, selling, general and administration expenses decreased by \$12.7 million to \$138.7 million.

EBITDA during the third quarter decreased by \$4.2 million, or 10%, to \$38.4 million. The change was mainly due to an EBITDA reduction in previously serviced markets as a result of lower volumes from unseasonably cool and wet weather and the slow economy. Nine-month EBITDA decreased by \$3.8 million or 6% to \$55.6 million.

EBITDA margins decreased to 38.1% of sales for the third quarter of 2009 compared to 38.8% for the same period of 2008. For the nine-month period, EBITDA margin increased to 28.6% of sales from 28.2% last year.

On October 13, 2009 a subsidiary of the Fund entered into an agreement with the U.S. Department of Justice (“DOJ”) Antitrust Division (see “U.S. DOJ Investigation and Related Litigation”, below). Terms of the agreement, among others, require the Fund to pay a fine of \$9 million in installments over five years. For the third quarter of 2009, legal fees and other expenses in connection with investigations by the DOJ, various state attorneys general and the DOJ Civil Division plus related civil litigation totaled \$7.3 million, including legal outlays of \$0.9 million and the discounted fair market value of the fine of \$6.4 million. The year-to-date total legal costs at September 30 were \$9.9 million, comprised of the discounted fair market value of the fine of \$6.4 million and legal outlays of \$3.5 million.

Adjusted earnings for the third quarter totaled \$15.2 million, compared to \$18.3 million in the same quarter of 2008. That was equivalent to \$0.39 (basic) and \$0.37 (diluted) per unit, compared to \$0.47 (basic) and \$0.44 (diluted) last year. The decrease was due to lower EBITDA results and higher interest costs. Including costs of the antitrust investigations and related expenses, three-month net income was \$8.3 million or \$0.21 (basic and diluted), compared to a loss of \$6.5 million or \$0.17 per unit (basic and diluted) in the same quarter of 2008.

Distributable cash, excluding costs of the antitrust investigations and related expenses, totaled \$30.4 million, compared to \$36.4 million for the third quarter of 2008. The decrease was due to reduced EBITDA, higher interest charges, reduced realized gains on foreign exchange contracts and higher sustaining capital expenditures. Including costs of the antitrust investigations and related expenses, distributable cash was \$29.4 million, down from \$34.8 million in the same quarter last year. For the nine-month period, excluding these expenses the Fund generated distributable cash of \$34.2 million, compared to \$40.8 million in the same period of 2008.

Financial Position

As at September 30, 2009, Arctic Glacier’s net debt, excluding convertible debentures, was \$161.3 million, down from \$176.6 million at the same time last year. A total of \$28.1 million of cash was applied to reduce debt following the suspension of distributions in September 2008, partially offset by \$6.4 million of antitrust costs paid and \$6.4 million representing the net present value of the fine that was recorded as debt.

The Fund had a working capital deficiency of \$44.0 million at September 30, 2009. This resulted from the classification of \$60 million of senior secured notes as current liabilities since they mature on January 4, 2010. The Fund is actively working to extend or refinance these notes. At the present time it cannot be predicted if the Fund will be successful in extending or refinancing the notes prior to maturity. Excluding the notes, the Fund’s working capital was \$16.0 million, compared to working capital of \$19.6 million at the same time in 2008.

The Fund's net debt to EBITDA ratio at September 30, 2009 was 2.8:1 compared to 3.0:1 at the same time last year. The suspension of cash distributions allows the Fund to conserve cash and redeploy available resources to reduce debt and strengthen the balance sheet, better positioning the Fund to adjust to changing financial circumstances.

At September 30, 2009, the Fund's credit facilities were comprised of \$60 million of senior notes and a \$147.5 million revolving term credit facility. The Fund had approximately \$53.7 million of available liquidity at September 30, 2009, including \$47.4 million of unused capacity on its revolving term credit facility and \$6.3 million of cash. As of September 30, 2009 the Fund was in compliance with all debt covenants.

U.S. DOJ Investigation and Related Litigation

The October 13, 2009 agreement with the DOJ (see above) settled all charges related to allegations that three former employees conspired with a co-conspirator company from January 2001 through July 2007 to allocate packaged ice customers in southeastern Michigan. Under terms of the agreement, which remains subject to court approval, the subsidiary agreed to plead guilty and to pay a fine of \$9 million in installments over five years. The Fund has also agreed to cooperate with the DOJ's ongoing investigation of other companies and individuals. The agreement concludes the DOJ Antitrust Division investigation as it relates in any way to the Fund, its board, management and staff in all markets.

Still ongoing is an investigation by the DOJ Civil Division to determine if the U.S. government has been overcharged in its purchases of packaged ice and a number of state investigations to determine if state antitrust laws have been broken. Also outstanding are several class action lawsuits initiated in Canada and the U.S. Two court judgments have been rendered on civil cases during 2009. In February a class action in Kansas state court was dismissed for the plaintiff's failure to state an actionable claim against the Fund. In May a U.S. judge in Michigan dismissed the bulk of a civil case brought by a former employee against a subsidiary of the Fund. At this time, it is not possible to predict the timeline or final outcome of the investigations or litigation, or any potential effect they may have on the Fund or its operations.

Outlook

These challenges of poor weather, the slow economy and legal matters have not distracted Arctic Glacier from its core objectives of providing quality product and industry-leading customer service.

Management will continue to follow a strategic direction defined by a number of objectives. The first is to improve profitability by close monitoring of expenses and capital outlays. The second is to gain strength and enhance liquidity by maximizing cash flow and ensuring credit availability. Third, the Fund aims to strengthen its financial position by reducing balance sheet leverage. The fourth is to capitalize on business opportunities as they arise.

The Fund's strengthening financial position will enable management to capitalize on these opportunities. Arctic Glacier's strong growth to date has been largely fueled by acquisitions amid a consolidating industry, and while such activities are currently secondary in importance, management intends to resume growing when the business climate improves.

Arctic Glacier's ability to maintain strong operating cash flows and improve margins in spite of reduced sales volumes demonstrates that Arctic Glacier is well equipped to mitigate the challenging business environment. It also positions the Fund to take advantage of improvements in both economic factors and weather in the future.

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, primarily under the brand name of Arctic Glacier[®] Premium Ice. Arctic Glacier operates 38 production plants and 48 distribution facilities across Canada and the northeast, central and western United States servicing more than 75,000 retail accounts.

Arctic Glacier Income Fund trust units are listed on the Toronto Stock Exchange under the trading symbol AG.UN. There are 39.0 million trust units outstanding.

Conference Call and Webcast

Arctic Glacier will discuss third quarter 2009 results during a conference call with a live audio webcast for investors and analysts on **Friday, November 6 at 11 a.m. (EDT)**. To access the simultaneous webcast, log on to Arctic Glacier's website at www.arcticglacier.com. Please note the webcast allows participants to listen only.

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, adjusted earnings and distributable cash are not recognized measures under Canadian generally accepted accounting principles (GAAP). EBITDA is defined as earnings before interest, income taxes, depreciation, amortization, acquisition integration charges, gains or losses on foreign exchange, goodwill impairment charges, costs of antitrust investigations and related expenses 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. Adjusted earnings is defined as earnings before one-time after tax costs of antitrust investigations and related expenses and goodwill impairment. Adjusted earnings is used by management to evaluate the ongoing profitability of the Fund by eliminating the effect

of these material non-operating costs. 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, adjusted earnings 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, adjusted earnings 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

Keith McMahon, President & CEO
Doug Bailey, Chief Financial Officer
Toll free investor relations phone: 1-888-573-9237

www.arcticglacier.com

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

ARCTIC GLACIER INCOME FUND**Interim Consolidated Balance Sheets**

As at September 30, 2009 and 2008 (unaudited) and December 31, 2008 (audited)

(thousands of U.S. dollars)	September 30, 2009	September 30, 2008	December 31, 2008
ASSETS			
Current assets			
Cash	\$ 6,321	\$ 6,972	\$ 303
Accounts receivable	26,049	28,476	11,813
Inventories	9,839	9,785	9,032
Prepaid expenses	3,653	3,940	4,323
	<u>45,862</u>	<u>49,173</u>	<u>25,471</u>
Future income taxes	-	4,827	-
Property, plant and equipment	144,947	156,503	148,821
Investments	818	818	818
Intangible assets	124,633	133,720	130,811
Goodwill	146,441	147,818	144,416
	<u>\$ 462,701</u>	<u>\$ 492,859</u>	<u>\$ 450,337</u>
LIABILITIES AND UNITHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	\$ 28,824	\$ 28,079	\$ 25,219
Principal due within one year on long-term debt	61,053	1,538	1,361
	<u>89,877</u>	<u>29,617</u>	<u>26,580</u>
Long-term debt	106,532	182,055	167,431
Convertible debentures	79,330	77,232	68,023
Future income taxes	6,920	-	1,511
Unitholders' equity			
Units	325,207	325,207	325,207
Contributed surplus	1,652	1,237	1,320
Equity portion of convertible debentures	8,358	8,358	8,358
Deficit	(138,156)	(114,127)	(139,900)
Accumulated other comprehensive loss	(17,019)	(16,720)	(8,193)
	<u>180,042</u>	<u>203,955</u>	<u>186,792</u>
	<u>\$ 462,701</u>	<u>\$ 492,859</u>	<u>\$ 450,337</u>

ARCTIC GLACIER INCOME FUND**Interim Consolidated Statements of Operations**

Three months and nine months ended September 30, 2009 and 2008 (unaudited)

	Three Months		Nine Months	
(thousands of U.S. dollars, except per unit amounts)	2009	2008	2009	2008
Sales	\$ 100,825	\$ 109,854	\$ 194,307	\$ 210,831
Cost of sales, selling, general and administration expenses	62,389	67,259	138,662	151,387
Earnings before the undernoted	38,436	42,595	55,645	59,444
Amortization	7,521	7,934	22,693	23,051
Interest	7,043	6,288	16,971	16,685
Acquisition integration expenses	5	92	228	299
Loss on disposal of property, plant and equipment	69	89	388	58
Loss (gain) on foreign exchange	(1,314)	227	(2,111)	929
Costs of antitrust investigations and related expenses	7,297	1,617	9,913	4,675
Goodwill impairment	-	31,966	-	31,966
Earnings (loss) before income taxes	17,815	(5,618)	7,563	(18,219)
Income taxes				
Current	(138)	146	380	499
Future (reduction)	9,677	692	5,439	(7,632)
	9,539	838	5,819	(7,133)
Earnings (loss) for the period	\$ 8,276	\$ (6,456)	\$ 1,744	\$ (11,086)
Earnings (loss) per unit				
Basic	\$ 0.21	\$ (0.17)	\$ 0.04	\$ (0.28)
Diluted	0.21	(0.17)	0.04	(0.28)

ARCTIC GLACIER INCOME FUND

Interim Consolidated Statements of Changes in Unitholders' Equity

Three months and nine months ended September 30, 2009 and 2008 (unaudited)

	Three Months		Nine Months	
(thousands of U.S. dollars)	2009	2008	2009	2008
Units				
Balance, beginning of period	\$ 325,207	\$ 324,824	\$ 325,207	\$ 324,191
Units issued, net of issue costs	-	383	-	1,016
Balance, end of period	325,207	325,207	325,207	325,207
Contributed surplus				
Balance, beginning of period	1,526	1,142	1,320	942
Unit-based compensation expense	126	95	332	295
Balance, end of period	1,652	1,237	1,652	1,237
Equity portion of convertible debentures				
Balance, beginning and end of period	8,358	8,358	8,358	8,358
Deficit				
Balance, beginning of period	(146,432)	(101,423)	(139,900)	(75,482)
Earnings (loss) for the period	8,276	(6,456)	1,744	(11,086)
Distributions declared	-	(6,248)	-	(27,559)
Balance, end of period	(138,156)	(114,127)	(138,156)	(114,127)
Accumulated other comprehensive loss				
Balance, beginning of period	(11,539)	(19,557)	(8,193)	(21,385)
Other comprehensive income (loss)	(5,480)	2,837	(8,826)	4,665
Balance, end of period	(17,019)	(16,720)	(17,019)	(16,720)
Total Unitholders' Equity	\$ 180,042	\$ 203,955	\$ 180,042	\$ 203,955

ARCTIC GLACIER INCOME FUND**Interim Consolidated Statements of Comprehensive Income (Loss)**

Three months and nine months ended September 30, 2009 and 2008 (unaudited)

	Three Months		Nine Months	
(thousands of U.S. dollars)	2009	2008	2009	2008
Earnings (loss) for the period	\$ 8,276	\$ (6,456)	\$ 1,744	\$ (11,086)
Other comprehensive income (loss)				
Net unrealized foreign currency translation gain (loss)	(5,498)	2,819	(8,879)	4,648
Amortization of transitional adjustment to earnings (loss) for the period	18	18	53	17
Other comprehensive income (loss)	(5,480)	2,837	(8,826)	4,665
Comprehensive income (loss) for the period	\$ 2,796	\$ (3,619)	\$ (7,082)	\$ (6,421)

ARCTIC GLACIER INCOME FUND

Interim Consolidated Statements of Cash Flows

Three months and nine months ended September 30, 2009 and 2008 (unaudited)

	Three Months		Nine Months	
(thousands of U.S. dollars)	2009	2008	2009	2008
Cash from (used in):				
Operating activities				
Earnings (loss) for the period	\$ 8,276	\$ (6,456)	\$ 1,744	\$ (11,086)
Adjustments for:				
Amortization	7,521	7,934	22,693	23,051
Amortization of deferred financing	370	348	1,033	939
Amortization of transitional adjustment on interest rate swap	18	17	53	55
Accretion of convertible debenture principal	431	415	1,176	1,234
Accretion of long-term debt	36	56	89	212
Recognition of rents on a straight-line basis	179	179	537	537
Unit-based compensation expense	126	95	332	295
Loss on disposal of property, plant and equipment	69	89	388	58
Unrealized foreign exchange loss (gain) on long-term debt	(1,090)	560	(1,691)	929
Unrealized loss (gain) on foreign exchange contracts	(262)	258	(515)	1,051
Changes in fair value of interest rate swap	(112)	430	(524)	643
Costs of antitrust investigations	6,374	-	6,374	-
Goodwill impairment	-	31,966	-	31,966
Future income taxes (reduction)	9,677	692	5,439	(7,632)
	31,613	36,583	37,128	42,252
Changes in non-cash working capital items	4,873	5,340	(10,046)	(10,719)
	36,486	41,923	27,082	31,533
Investing activities				
Additions to property, plant and equipment	(2,422)	(3,067)	(8,627)	(12,446)
Proceeds from disposal of property, plant and equipment	36	153	188	405
Additions to intangibles and goodwill	(23)	-	(23)	(1,272)
Acquisition of business operations	(228)	-	(228)	(19,495)
	(2,637)	(2,914)	(8,690)	(32,808)
Financing activities				
Proceeds from long-term debt	-	-	36,560	62,155
Principal repayments on long-term debt	(30,588)	(24,266)	(49,464)	(28,419)
Units issued, net of issue costs	-	383	-	1,016
Distributions paid	-	(9,753)	-	(31,158)
	(30,588)	(33,636)	(12,904)	3,594
Foreign exchange gain (loss) on cash held in foreign currency	417	(298)	530	(32)
Increase in cash	3,678	5,075	6,018	2,287
Cash, beginning of period	2,643	1,897	303	4,685
Cash, end of period	\$ 6,321	\$ 6,972	\$ 6,321	\$ 6,972
Supplementary cash flow information				
Interest paid	\$ 6,346	\$ 6,382	\$ 14,454	\$ 14,702
Income taxes paid (received)	(138)	146	380	499

ARCTIC GLACIER INCOME FUND
Interim Schedule of Distributable Cash

Three months and nine months ended September 30, 2009 and 2008 (unaudited)

	Three Months		Nine Months	
<i>(in thousands of U.S. dollars, except per unit amounts)</i>	2009	2008	2009	2008
Cash from operating activities	\$ 36,486	\$ 41,923	\$ 27,082	\$ 31,533
Adjustments:				
Changes in non-cash working capital items ⁽¹⁾	(4,873)	(5,340)	10,046	10,719
Less sustaining capital expenditures, net of dispositions ⁽²⁾	(2,169)	(1,822)	(6,493)	(6,085)
Distributable cash	29,444	34,761	30,635	36,167
Add back costs of antitrust investigations and related expenses	923	1,617	3,539	4,675
Distributable cash excluding costs of antitrust investigations and related expenses	\$ 30,367	\$ 36,378	\$ 34,174	\$ 40,842
Weighted average number of units	39,042.2	39,009.9	39,042.2	38,965.7
Distributable cash per unit	\$ 0.75	\$ 0.89	\$ 0.78	\$ 0.93
Distributable cash per unit excluding costs of antitrust investigations and related expenses	\$ 0.78	\$ 0.93	\$ 0.88	\$ 1.05
Distributions declared ⁽³⁾	\$ -	\$ 6,248	\$ -	\$ 27,559
Distributions declared per unit ⁽³⁾	\$ -	\$ 0.16	\$ -	\$ 0.71

⁽¹⁾ Changes in non-cash working capital items have been excluded from cash from operating activities so as to remove the effects of timing differences in cash receipts and cash disbursements, which have significant seasonal fluctuations and vary significantly across quarters but generally reverse themselves. These fluctuations are funded from cash resources or the revolving term credit facility.

⁽²⁾ Sustaining capital expenditures represent the replacement of property, plant and equipment to sustain current business operations and are funded from operating cash flow.

⁽³⁾ Distributions to unitholders were suspended after the August 2008 distribution that was declared on August 18, 2008 and paid on September 15, 2008.

ARCTIC GLACIER INCOME FUND
Reconciliation of Adjusted Earnings (Loss)

Three months and nine months ended September 30, 2009 and 2008 (unaudited)

<i>(in thousands of U.S. dollars)</i>	Three Months		Nine Months	
	2009	2008	2009	2008
				\$
Earnings (loss) for the period	\$ 8,276	\$ (6,456)	\$ 1,744	(11,086)
Add:				
Costs of antitrust investigations and related expenses ⁽¹⁾	6,928	970	8,498	2,805
Goodwill impairment ⁽²⁾	-	23,775	-	23,775
Adjusted earnings	15,204	18,289	10,242	15,494
Add dilutive effect of convertible debentures	1,784	1,836	-	-
Diluted adjusted earnings	\$ 16,988	\$ 20,125	\$ 10,242	\$ 15,494
Basic weighted average number of units	39,042.2	39,009.9	39,042.2	38,965.7
Dilutive effect of:				
Convertible debentures	7,190.5	7,190.5	-	-
Options	86.9	-	47.2	-
Diluted weighted average number of units	46,319.6	46,200.4	39,089.4	38,965.7
Earnings (loss) per unit:				
Basic	\$ 0.21	\$ (0.17)	\$ 0.04	\$ (0.28)
Diluted	\$ 0.21	\$ (0.17)	\$ 0.04	\$ (0.28)
Adjusted earnings per unit				
Basic	\$ 0.39	\$ 0.47	\$ 0.26	\$ 0.40
Diluted	\$ 0.37	\$ 0.44	\$ 0.26	\$ 0.40

⁽¹⁾ Net of tax effect of \$369 and \$1,415 for the three and nine months ended September 30, 2009 (2008 - \$647 and \$1,870).

⁽²⁾ Net of tax effect of \$nil for the three and nine months ended September 30, 2009 (2008 - \$8,191).