
ARCTIC GLACIER INCOME FUND

Arctic Glacier Posts Third Quarter Sales Record

Acquired operations increase results to new highs

WINNIPEG – November 12, 2007 – Arctic Glacier Income Fund (TSX:AG.UN) today announced results for the third quarter ended September 30, 2007.

Third Quarter Highlights

- Acquired Tropic Ice platform operation in Michigan
- Acquired tuck-in operation in New York
- Converted manufacturing plant in Michigan to a distribution center
- Rationalized three distribution centers in California and Michigan
- Increased sales 2% to quarterly record of \$106.6 million
- Increased EBITDA 2% to quarterly record of \$43.3 million
- Increased earnings 23% to quarterly record of \$23.4 million
- Increased distributable cash 10% to quarterly record of \$39.1 million

“Acquisitions since the third quarter of 2006 increased Arctic Glacier’s sales to a new quarterly high,” said Keith McMahon, President and CEO of Arctic Glacier Inc., the Fund’s operating company. “Since the end of the third quarter of 2006, the Fund completed the major platform acquisition of Union Ice in California and a smaller platform of Tropic Ice in Michigan. During the first nine months of 2007 we completed an additional six acquisitions. The revenues contributed by these new operations resulted in a gain over the same quarter last year.”

Mr. McMahon added that Arctic Glacier’s program of rationalization and integration measures for acquired operations allowed the company to capture synergies and improve operational efficiencies. These activities included the conversion of a manufacturing plant in Traverse City, Michigan to a distribution center and the closure of distribution centers in Santa Ana, California and Bad Axe and Flint, Michigan during the quarter.

Doug Bailey, Chief Financial Officer of Arctic Glacier, said revenues during the third quarter were limited by two factors: unfavorable weather early in the quarter, plus an unprecedented appreciation of the Canadian dollar. “This led to a marginal decrease in revenues in previously serviced markets, but this was offset by the Fund’s acquisitions over the past year and resulted in quarterly record highs for sales, EBITDA, earnings and distributable cash.”

Mr. Bailey also noted the improvement in the Fund’s financial position, with the net debt to EBITDA ratio falling to 2.1:1 at September 30, 2007 from 2.7:1 at December 30, 2006. “The deleveraging of our balance sheet, combined with the stronger Canadian dollar, puts Arctic Glacier in a very favorable position for further growth in the U.S.,” he said.

Third Quarter 2007 Review

Sales in the third quarter totaled \$106.6 million, an increase of \$2.4 million or 2% from the same period in 2006. Most of the gain was attributable to the platform acquisitions of Union Ice in California, Tropic Ice in Michigan and six additional acquisitions since the end of the third quarter of 2006. Sales in previously serviced markets decreased \$1.0 million or 1% compared to the same quarter in 2006, while the stronger Canadian dollar decreased reported sales by \$5.5 million for the quarter. For the first nine months of 2007, sales increased by 19% to \$212.8 million.

EBITDA during the third quarter was \$43.3 million, a 2% increase from the same period last year. Nine-month EBITDA increased 10% to \$64.3 million. Driving these gains were increased contributions from previously serviced markets and operations acquired during and since the third quarter of 2006.

Net income for the most recent quarter increased 23% to \$23.4 million. Earnings also moved up on a per unit basis, to \$0.60 (basic) and \$0.54 (diluted) from \$0.59 (basic) and \$0.52 (diluted) in the same quarter of 2006.

For the first nine months of 2007, earnings gained 2% to \$24.2 million. That equated to \$0.64 per unit (basic) and \$0.63 (diluted), versus \$0.79 per unit (basic) and \$0.78 (diluted) in the 2006 period. The decrease per unit was primarily due to the acquisitions of most operations of California Ice and all of Happy Ice during late May and early June of 2006 as summer approached, with rising temperatures driving the seasonal ramp up in sales volumes. As a result, the new operations contributed to results only during the busiest portion of the year. By contrast, these operations contributed to results during all of 2007 to date, including the slower first few months of the year. This had the effect of increasing earnings per unit (basic and diluted) for the first nine months of the previous year.

Acquisitions during the past year, partially offset by weather and the stronger Canadian dollar contributed to a 10% increase in distributable cash, to a third quarter high of \$39.1 million. On a per-unit basis that equated to \$1.01, versus \$1.09 in the same quarter of 2006, due to the factors noted above as well as an increase in the number of Fund units outstanding this year following a February 2007 equity offering that funded the Union Ice acquisition, reduced debt that was incurred as part of the California Ice acquisition and provided capital for growth.

During the first nine months of 2007, distributable cash decreased 1% to \$44.9 million compared to \$45.2 million last year. This equates to \$1.18 per unit, compared to \$1.50 last year.

The Fund declared distributions to unitholders totaling \$10.7 million during the quarter, up 19% from 2006. That equates to \$0.28 per unit for the third quarter in both years. The Fund's current monthly distribution rate of \$0.0917 per unit amounts to an annualized rate of \$1.10.

Financial Position

As at September 30, 2007, Arctic Glacier's total long-term debt, excluding convertible debentures, was \$155.1 million, compared to \$186.1 million at December 31, 2006. The decrease relates to the reduction of debt from the proceeds of a \$70.1 million equity offering in the first quarter and from seasonal cash inflows.

The Fund's net debt to EBITDA ratio at September 30, 2007 was 2.1:1 (after adjusting EBITDA by \$0.7 million to reflect the trailing 12-month contribution of acquisitions made during the year). That compares to 2.7:1 at December 31, 2006 (EBITDA adjusted by \$8.8 million). The Fund's intention is to maintain an annual average leverage ratio of less than 2.25:1. The first and second quarter ratios are typically higher due to seasonal operating requirements, while the third and fourth quarter ratios are typically lower.

Outlook

Arctic Glacier's growth strategy is achieving its objectives. During the third quarter, sales, EBITDA, distributable cash and other key operating metrics advanced to new quarterly highs. The drivers consisted mainly of acquisitions completed during and since the third quarter of 2006, and their contributions more than offset two unexpected challenges during the quarter. One was unfavorable weather early in the quarter, which slowed sales during Arctic Glacier's busiest season. The other was a rapid and unprecedented appreciation of the Canadian dollar, which reduced Canadian-dollar amounts generated in U.S. markets.

Integral to the acquisition process is the rationalization and integration of acquired operations. During the third quarter these initiatives enabled management to close distribution centers in three principal markets. As these initiatives are completed and brought onstream, the Fund benefits from the productivity enhancements, operational synergies and cost reductions they provide. This process generally requires 24 months or more for acquired operations to achieve optimum efficiency.

The appreciation of the Canadian dollar, while reducing reported amounts converted from U.S. currency, also benefits the Fund by bolstering its growth strategy. This enhances Arctic Glacier's financial ability to make acquisitions in the U.S. with funds raised in Canada. As a result, Arctic Glacier's well-established growth strategy is more viable than ever before, particularly when combined with the Fund's strong balance sheet.

Subsequent to the third quarter, Arctic Glacier acquired Kar Ice. The company, based in Barstow, California, further adds to the Fund's key operating metrics and broadens market coverage of the important western U.S. market. In addition to being the largest provider of packaged ice in California, Arctic Glacier is the market leader in the populous northeastern states, Michigan including the greater Detroit area, the central states and all of Canada. The Fund's expansion initiatives over the past year have consolidated Arctic Glacier's position as the second-largest packaged ice company in North America and provided platforms for further growth.

Going forward, the Fund's strong, reliable and growing cash flow from operations is expected to generate distributable cash exceeding monthly requirements for distributions to unitholders for 2007 at the current annualized rate of \$1.10 per unit. In 2007 the Fund will benefit from a full year of operations of California Ice and Happy Ice, plus 10 months of Union Ice. As it does so, the Fund will continue to examine acquisition opportunities to further enhance unitholder value.

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 53 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

Arctic Glacier will discuss third quarter 2007 results during a conference call with a live audio webcast for investors and analysts on **Monday, November 12 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.

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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ARCTIC GLACIER INCOME FUND

Interim Consolidated Balance Sheets

As at September 30, 2007 and 2006 (unaudited) and December 31, 2006

(thousands)	September 30, 2007	September 30, 2006	December 31, 2006
ASSETS			
Current assets			
Cash	\$ 16,744	\$ 8,835	\$ 4,676
Accounts receivable	28,385	29,829	14,791
Inventories	10,537	9,941	12,881
Prepaid expenses	5,057	3,356	4,268
	60,723	51,961	36,616
Property, plant and equipment	157,235	157,917	162,564
Investments	813	914	953
Other assets	134	8,351	7,875
Intangible assets	132,080	145,902	148,912
Goodwill	171,743	181,682	186,572
	\$ 522,728	\$ 546,727	\$ 543,492
LIABILITIES AND UNITHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	\$ 25,879	\$ 27,063	\$ 26,175
Distributions payable to unitholders	3,566	2,992	3,037
Principal due within one year on long-term debt	13,829	2,777	14,280
	43,274	32,832	43,492
Long-term debt	141,251	172,731	171,783
Convertible debentures	79,692	90,397	85,496
Future income taxes	8,613	14,191	4,696
Unitholders' equity			
Units	374,186	297,302	303,469
Contributed surplus	994	795	815
Equity portion of convertible debentures	9,206	10,161	9,566
Deficit	(71,668)	(47,932)	(63,284)
Accumulated other comprehensive loss	(62,820)	(23,750)	(12,541)
	249,898	236,576	238,025
	\$ 522,728	\$ 546,727	\$ 543,492

ARCTIC GLACIER INCOME FUND
Interim Consolidated Statements of Operations

Three and nine months ended September 30, 2007 and 2006 (unaudited)

(thousands, except per unit amounts)	Three Months		Nine Months	
	2007	2006	2007	2006
Sales	\$ 106,584	\$ 104,180	\$ 212,754	\$ 179,306
Cost of sales, selling, general and administration expenses	63,309	61,921	148,417	120,878
Earnings before the undernoted	43,275	42,259	64,337	58,428
Amortization	7,502	8,426	23,171	18,540
Interest	5,912	4,953	15,776	8,547
Acquisition integration expenses	179	434	757	721
Gain on disposal of property, plant and equipment	(729)	(23)	(853)	(149)
Loss (gain) on foreign exchange	(2,698)	86	(4,627)	(187)
Non-recurring expenses	(5)	-	1,027	-
Debt settlement costs	-	-	-	751
Earnings before income taxes	33,114	28,383	29,086	30,205
Income tax				
Current	134	26	621	366
Future	9,581	9,266	4,277	6,153
	9,715	9,292	4,898	6,519
Earnings for the period	\$ 23,399	\$ 19,091	\$ 24,188	\$ 23,686
Earnings per unit				
Basic	\$ 0.60	\$ 0.59	\$ 0.64	\$ 0.79
Diluted	0.54	0.52	0.63	0.78

ARCTIC GLACIER INCOME FUND**Interim Consolidated Statements of Changes in Unitholders' Equity**

Three and nine months ended September 30, 2007 and 2006 (unaudited)

(thousands)	Three Months		Nine Months	
	2007	2006	2007	2006
Units				
Balance, beginning of period	\$ 371,215	\$297,019	\$ 303,469	\$ 249,747
Adoption of new accounting policies	-	-	(293)	-
	<u>371,215</u>	<u>297,019</u>	<u>303,176</u>	<u>249,747</u>
Units issued, net of issue costs	2,971	283	71,010	47,555
Balance, end of period	<u>374,186</u>	<u>297,302</u>	<u>374,186</u>	<u>297,302</u>
Contributed surplus				
Balance, beginning of period	927	775	815	723
Unit-based compensation expense	68	20	217	72
Unit options exercised	(1)	-	(38)	-
Balance, end of period	<u>994</u>	<u>795</u>	<u>994</u>	<u>795</u>
Equity portion of convertible debentures				
Balance, beginning of period	9,484	10,161	9,566	-
Convertible debentures issued	-	-	-	10,161
Conversion of convertible debentures	(278)	-	(360)	-
Balance, end of period	<u>9,206</u>	<u>10,161</u>	<u>9,206</u>	<u>10,161</u>
Deficit				
Balance, beginning of period	(84,371)	(58,051)	(63,284)	(46,432)
Adoption of new accounting policies	-	-	(1,172)	-
	<u>(84,371)</u>	<u>(58,051)</u>	<u>(64,456)</u>	<u>(46,432)</u>
Earnings for the period	23,399	19,091	24,188	23,686
Distributions declared	(10,696)	(8,972)	(31,400)	(25,186)
Balance, end of period	<u>(71,668)</u>	<u>(47,932)</u>	<u>(71,668)</u>	<u>(47,932)</u>
Accumulated other comprehensive loss				
Balance, beginning of period	(41,602)	(23,957)	(12,541)	(20,782)
Adoption of new accounting policies	-	-	(397)	-
	<u>(41,602)</u>	<u>(23,957)</u>	<u>(12,938)</u>	<u>(20,782)</u>
Other comprehensive income (loss)	(21,218)	207	(49,882)	(2,968)
Balance, end of period	<u>(62,820)</u>	<u>(23,750)</u>	<u>(62,820)</u>	<u>(23,750)</u>
Total Unitholders' Equity	<u>\$ 249,898</u>	<u>\$ 236,576</u>	<u>\$ 249,898</u>	<u>\$ 236,576</u>

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

Three and nine months ended September 30, 2007 (unaudited)

(thousands)	<u>Three Months</u>	<u>Nine Months</u>
	<u>2007</u>	<u>2007</u>
Earnings for the period	<u>\$ 23,399</u>	<u>\$ 24,188</u>
Other comprehensive loss:		
Unrealized loss on translation of self-sustaining foreign operations	(21,243)	(49,963)
Amortization of transitional adjustment to loss for the period	<u>25</u>	<u>81</u>
Other comprehensive loss	<u>(21,218)</u>	<u>(49,882)</u>
Comprehensive income (loss) for the period	<u>\$ 2,181</u>	<u>\$ (25,694)</u>

ARCTIC GLACIER INCOME FUND

Interim Consolidated Statements of Cash Flows

Three and nine months ended September 30, 2007 and 2006 (unaudited)

(thousands)	Three Months		Nine Months	
	2007	2006	2007	2006
Cash from (used in):				
Operating activities				
Earnings for the period	\$ 23,399	\$ 19,091	\$ 24,188	\$ 23,686
Adjustments for:				
Amortization	7,502	8,426	23,171	18,540
Accretion of convertible debenture principal	405	398	1,191	558
Accretion of long-term debt	271	222	784	222
Accretion of deferred financing	298	-	812	-
Recognition of rents on a straight-line basis	185	-	572	-
Unit-based compensation	68	20	217	72
Non-cash portion of debt settlement costs	-	-	-	751
Gain on disposal of property, plant and equipment	(729)	(23)	(853)	(149)
Unrealized foreign exchange gain on long-term debt	(1,074)	-	(2,251)	-
Unrealized gain (loss) on foreign exchange options	(1,261)	126	(2,200)	(94)
Unrealized loss on interest rate swap	744	-	416	-
Future income taxes	9,581	9,266	4,277	6,153
	39,389	37,526	50,324	49,739
Changes in working capital items	9,519	(2,871)	(9,760)	(2,531)
	48,908	34,655	40,564	47,208
Investing activities				
Additions to property, plant and equipment	(6,278)	(2,698)	(17,383)	(15,081)
Proceeds from disposal of property, plant and equipment	864	61	1,281	588
Additions to other assets	-	(142)	-	(7,693)
Additions to goodwill	-	-	(1,701)	-
Acquisition of business operations	(5,233)	(37,171)	(33,136)	(234,437)
	(10,647)	(39,950)	(50,939)	(256,623)
Financing activities				
Proceeds from long-term debt	12,298	35,370	67,442	109,112
Principal repayments on long-term debt	(24,361)	(17,189)	(78,863)	(19,137)
Convertible debentures issued	-	-	-	100,000
Units issued, net of issue costs	304	283	67,560	47,555
Distributions paid	(10,673)	(8,969)	(30,870)	(24,751)
	(22,432)	9,495	25,269	212,779
Foreign exchange loss on cash held in foreign currency	(2,047)	(247)	(2,826)	(842)
Increase in cash	13,782	3,953	12,068	2,522
Cash, beginning of period	2,962	4,882	4,676	6,313
Cash, end of period	\$ 16,744	\$ 8,835	\$ 16,744	\$ 8,835
Supplementary cash flow information				
Interest paid	\$ 3,955	\$ 4,210	\$ 14,236	\$ 6,912
Income taxes paid	134	26	621	366

ARCTIC GLACIER INCOME FUND
Interim Schedule of Distributable Cash

Three and nine months ended September 30, 2007 and 2006 (unaudited)

(thousands, except per unit amounts)	<u>Three Months</u>		<u>Nine Months</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Cash from operating activities	\$ 48,908	\$ 34,655	\$ 40,564	\$ 47,208
Adjustments:				
Changes in working capital items	<u>(9,519)</u>	<u>2,871</u>	<u>9,760</u>	<u>2,531</u>
	39,389	37,526	50,324	49,739
Less sustaining capital expenditures, net of dispositions	<u>(255)</u>	<u>(1,828)</u>	<u>(5,473)</u>	<u>(4,496)</u>
Distributable cash	\$ 39,134	\$ 35,698	\$ 44,851	\$ 45,243
Weighted average number of units	38,828.3	32,611.2	38,007.3	30,126.2
Distributable cash per unit	\$ 1.01	\$ 1.09	\$ 1.18	\$ 1.50
Distributions declared	\$ 10,696	\$ 8,972	\$ 31,400	\$ 25,186
Distributions declared per unit	\$ 0.28	\$ 0.28	\$ 0.83	\$ 0.83
Distributions declared per unit (annualized)	<u>\$ 1.10</u>	<u>\$ 1.10</u>	<u>\$ 1.10</u>	<u>\$ 1.10</u>