Consolidated Interim Financial Statements of

GLACIER MEDIA INC.

Six months ended June 30, 2009

Report to Shareholders

GLACIER MEDIA INC. ("Glacier" or the "Company") reported consolidated cash flow from operations (excluding $0.4 million of restructuring expenses) of $10.3 million for the three months ended June 30, 2009, as compared to $16.4 million for the same period last year. Revenue for the period was $63.5 million compared to $68.9 million for the same period last year, EBITA was $12.3 million compared to $18.5 million last year, and net income was $8.7 million compared to $13.1 million last year.

For the three months ended June 30, 2009, cash flow from operations per share decreased 37.0% to $0.11 (excluding restructuring expenses) from $0.18 for the same period last year, EBITA per share decreased 33.1% to $0.13 from $0.20 for the same period last year and net income per share was $0.09 compared to $0.14 for the same period last year.

Consolidated cash flow from operations (excluding $1.4 million of restructuring expenses) was $15.9 million for the six months ended June 30, 2009 as compared to $27.6 million for the same period last year. Revenue for the period was $118.3 million compared to $127.7 million for the same period last year, EBITA was $19.0 million compared to $31.6 million last year and net income was $11.1 million compared to $21.0 million last year.

For the six months ended June 30, 2009, cash flow from operations per share decreased 42.3% to $0.17 (excluding restructuring expenses) from $0.30 for the same period last year, EBITA per share decreased 39.5% to $0.21 from $0.34 for the same period last year and net income per share was $0.12 compared to $0.23 for the same period last year. As outlined following, significant cost reduction initiatives have been implemented to offset the reduction in revenues.

Review of Operations

Glacier's consolidated revenue for the second quarter declined 7.8% and consolidated EBITA declined 33.5% compared to the same period last year, as the recession continued to impact advertising revenues. Same-store revenues and EBITA for the newspaper and trade group declined 10.9% and 23.1% respectively for the quarter compared to last year. Same-store revenues and EBITA for the business and professional information group declined 5.1% and 3.5% respectively for the quarter compared to last year. The remainder of the consolidated revenue and EBITA decline was a result of lower sales for Glacier's standalone real estate and commercial printing businesses. The consolidated revenue decline was less than the same-store revenue decline because of the acquisitions completed during the first half of 2008, as the revenue for these businesses was only recorded from the date of acquisition for GAAP financial statement purposes. Glacier's April and May 2009 consolidated revenue declines levelled off compared to last year, then declined at a greater level in June. It appears that a number of advertisers may have cut back for the summer months in anticipation of slower business and consumer activity, particularly national advertisers.

When comparing results to last year, it is relevant to note that the second quarter of 2008 was one of Glacier's strongest quarters on record, with revenue growth of 22.4% and EBITA growth of 35.8% compared to the prior year.

Despite the continued softness in advertising revenue during the quarter, a number of areas indicate signs for potential sales improvement. Agriculture, medical, and financial information revenues grew during the second quarter of 2009 compared to last year. Revenues for the energy, regulatory & compliance and environmental information businesses declined less in the second quarter of 2009 compared to the first quarter. Local newspaper revenues in a number of B.C., Alberta, Saskatchewan and Manitoba markets grew compared to last year during various months of the quarter. Subscription revenues for Glacier's paid local newspapers, energy, technical and regulatory information and business directories continued to be resilient. Glacier's trade information Internet revenue has held up well, being essentially flat to prior year. Glacier continues to make progress on expanding its Internet presence in its local newspaper markets.

While the summer months are expected to be slow, there are some encouraging factors for the latter part of 2009. A number of economic indicators suggest that the recession may be levelling out. While management will operate Glacier's businesses on the assumption that the recession will continue for the near term, some sectors of the economy are evidencing positive signs, including real estate and automotive, amongst others.

Cost Reduction Strategy. Glacier began efforts to identify comprehensive cost reduction opportunities and contingency plans at the beginning of 2008 in order to be prepared for a potential economic downturn. Some of these initiatives were implemented during the year which contributed to the higher profit levels achieved in 2008. This has made the Company's year-over-year EBITA decline appear greater than would have been the case had management waited until 2009 to reduce costs.

During the first quarter of 2009, significant additional cost reduction measures were targeted to offset the revenue declines experienced by the Company's operations, including staff layoffs, reduction in hours for part-time employees, reduction in newsprint consumption, and a wide variety of other measures.

The Company structured these cost reduction initiatives to reduce operating expenses while maintaining the strength of its businesses and competitiveness as much as possible. Consequently, management chose to monitor revenue declines as the recession unfolded and phase in further cost reductions so as not to overreach in the reduction of resources required. This was deemed better for the business than cutting costs deeper initially than may be required and weakening operating strength as a result.

A significant number of cost reduction measures have been implemented that have resulted in over $14 million of annualized non-variable cost savings. Some of these initiatives were implemented part way through the second quarter and the full benefit of the savings will be realized during the remainder of the year. Variable costs including newsprint consumption and sales commission expense have also reduced as revenues have declined. Newsprint prices fell during the quarter, although the savings were only realized in May and June after existing inventories were consumed in April.

The contribution of the cost savings was partially offset by lower advertising rates that resulted from price discounting in some markets. While considerable efforts are being made to maintain prices, some discounting has been required to retain revenue and corresponding profit, albeit at lower margins.

The net cost savings contributed to the relative improvement in consolidated EBITA for the second quarter, which as stated declined 33.5% compared to last year. This was an improvement from the 48.8% decline in the first quarter of 2009 compared to the same period last year.

The $6.2 million decline in consolidated EBITA for the second quarter was greater than the $5.4 million decline in consolidated revenue primarily because of the acquisition of 50% of Printwest Communications Ltd. ("Printwest") on May 15, 2008. Glacier recorded the revenue for Printwest for the entire second quarter of 2009 and a small operating loss for its share of the business. This had the effect of reducing Glacier's consolidated revenue decline while increasing its EBITA decline. A significant amount of Glacier's trade publication printing is being moved from outside printers to Printwest in order to capture profit associated with this printing.

While management continues to pursue additional cost reduction measures, care is being taken not to adversely impact content quality and the competitiveness of our businesses as mentioned.

Part of Glacier's success has come from investing in people and initiatives where appropriate to drive revenue, quality and competitiveness. Management would like to maintain this long-term strength and competitiveness in order to gain market share during the recession and be in a position to exploit opportunities and grow when the economy recovers. As a result, Glacier intends to pursue cost efficiency initiatives where appropriate to reduce operating costs through measures that do not negatively impact content, quality and revenue related resources. Historically this strategy has been successful for Glacier as the combination of revenue growth and related profitability has been balanced with targeted cost savings to result in an overall sustainability of profit growth.

This balanced approach to cost reduction is deemed appropriate at this time particularly in light of the expectations that the recession may be levelling out. Given Glacier's relatively lower debt levels, management has taken a long-term view and not reduced costs to the same extent as other more leveraged companies.

It is also important to note that Glacier's operations were generating strong organic same-store revenue growth until the third quarter of 2008, which reflects the strength of 1) its local newspapers that are a primary source of information for the communities they serve and a primary marketing channel for advertisers and 2) its trade and business and professional information operations that provide essential information for business and industry readers who need information to make informed and prudent decisions. The weakening Canadian and U.S. economies began to affect the Company`s revenues primarily in the latter part of the fourth quarter of 2008. It is expected that revenue growth will resume once the economy recovers.

Financial Position and Investment Opportunities

Glacier's consolidated debt net of cash outstanding before deferred financing charges and other expenses was $111.6 million as at June 30, 2009 as compared to $115.6 million as at March 31, 2009.

The Company used its cash flow from operations to pay down debt during the quarter and fund $2.8 million of capital expenditures, $2.0 million of which were investment capital expenditures made primarily to consolidate and expand several printing facilities and upgrade production technology, which investments are expected to result in attractive direct cash flow improvements and payback, as well as improved quality and colour capacity. As the investment projects are substantially completed, capital expenditures are expected to reduce significantly for the remainder of the year.

Glacier's consolidated debt net of cash outstanding before deferred financing charges and other expenses was 2.9x trailing 12 months EBITA as at June 30, 2009. During the first quarter of 2009, Glacier restructured its senior credit facility into a single revolving loan facility that has no required principal repayments, significantly increased borrowing capacity and does not renew until December 31, 2010.

Management intends to continually assess risk levels in the context of the recession, use free cash flow generated to maintain debt at manageable ongoing levels and evaluate acquisitions, share buy-backs and operating investment opportunities within the context of expected investment returns and related risk profiles. These investments will only be undertaken if debt and operating levels are deemed prudent within the context of the increased risks entailed in a recessionary environment. While there are increasing signs that the recession may be abating, management intends to be cautious until greater certainty is apparent in this regard.

Management is monitoring opportunities in the United States and Canada closely to identify acquisitions that can benefit Glacier. It is expected that the recession will create distressed conditions that should offer a variety of attractive opportunities. Patience will be exercised to assess optimal timing for these acquisitions.

Jonathon J.L. Kennedy
President and Chief Executive Officer

Second Quarter 2009 Management's Discussion & Analysis ("MD&A")

Forward Looking Statements

Glacier Media Inc.'s second quarter 2009 Interim Report, including this MD&A, contains forward-looking statements that relate to, among other things, our objectives, goals, strategies, intentions, plans, beliefs, expectations and estimates and can generally be identified by the use of statements that include phrases such as "believe", "expect", "anticipate", "intend", "plan", "likely", "will", "may", "could", "should", "would", "suspect", "outlook" estimate", "forecast", "objective", "continue" (or the negative thereof) or similar words or phrases. These forward-looking statements include, among other things, statements under the heading "Significant Developments in 2009 and Outlook" and the headings "Review of Operations", "Cost Reduction Strategy" and "Financial Position and Investment Opportunities" in the accompanying Report to Shareholders, and statements relating to our expectations regarding our revenues, expenses, cash flows and future profitability, including our expectations to generate sufficient cash flow from operations to meet anticipated working capital, capital expenditures and debt service requirements, that the Company will capture profit associated with printing operations, that revenue growth will resume once the economy recovers, and that capital expenditures will reduce significantly for the remainder of the year.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, such statements are based on certain assumptions, including those assumptions described under the heading "Significant Developments in 2009 and Outlook" and the headings "Review of Operations", "Cost Reduction Strategy" and "Financial Position and Investment Opportunities" in the accompanying Report to Shareholders, and are subject to risks, uncertainties and other factors which may cause results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, and undue reliance should not be placed on such statements. Important factors that could cause actual results to differ materially from these expectations are listed in our annual MD&A under the heading "Business Environment and Risks" and in our Annual Information Form under the heading "Risk Factors", many of which are out of our control. These factors include, but are not limited to, the ability of the Company to sell advertising and subscriptions related to its publications, foreign exchange rate fluctuations, the seasonal and cyclical nature of the agricultural industry, discontinuation of Department of Canadian Heritage postal subsidies, general market conditions in both Canada and the United States, changes in the prices of purchased supplies including newsprint, the effects of competition in the Company's markets, dependence on key personnel, integration of newly acquired businesses, technological changes, and financing and debt service risk.

The forward-looking statements made in the Company's interim report, including this MD&A, relate only to events or information as of the date on which the statements are made in the report and this MD&A. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

You should read the interim report and this MD&A and the documents to which we refer to herein completely and with the understanding that our actual future results may be materially different from what we expect.

Basis of Discussion and Analysis

The following management discussion and analysis of the interim financial condition and results of operations of the Company and other information is dated August 4, 2009 and should be read in conjunction with the Company's interim financial statements and notes thereto as at and for the three and six months ended June 30, 2009. These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and include only significant events and transactions affecting the Company during the current fiscal period and do not include all disclosures normally provided in the Company's annual financial statements. As a result, these interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2008. The Company's consolidated financial statements for the year ended December 31, 2008 and related MD&A can be obtained on the Company's web site:

www.glaciermedia.ca and on the System for Electronic Document Analysis and Retrieval ("SEDAR"). Interim results are not necessarily indicative of the results expected for the fiscal year.

Non-GAAP Measures

Earnings before interest, taxes and amortization, ("EBITA"), EBITA margin, EBITA per share, cash flow from operations and cash flow from operations per share are not recognized measures of financial performance under Canadian GAAP. Management utilizes these financial performance measures to assess profitability and return on equity in its decision making. In addition, the Company and its lenders and investors use EBITA to measure performance and value for various purposes. Investors are cautioned, however, that EBITA should not be construed as an alternative to net income determined in accordance with GAAP as an indicator of the Company's performance. The Company's method of calculating these financial performance measures may differ from other companies and, accordingly, they may not be comparable to measures used by other companies. A quantitative reconciliation of these Non-GAAP measures is included in the section entitled EBITA and Cash Flow from Operations Reconciliation in this MD&A.

All financial references are in millions of Canadian dollars unless otherwise noted.

In this MD&A, Glacier and its subsidiaries are referred to collectively as "Glacier" or "the Company" unless the context requires otherwise.

Certain prior year comparative information throughout this report has been restated for consistency with the presentation in the current year. The information in this report is as at August 4, 2009.

Overview of the Business

Glacier Media Inc. is an information communications company focused on the provision of primary and essential information and related services through print, electronic and online media. Glacier is pursuing this strategy through its core business segments: the local newspaper, trade information and business and professional information markets.

The operations in the newspaper and trade information group include the Western Producer Publications and Farm Business Communications agricultural information group, Business In Vancouver Media Group, the JuneWarren/Nickle's Energy Group, the Business Information Group, and the Glacier Newspaper Group, which includes direct, joint venture and other interests in community and local daily newspapers and related publications in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec.

Glacier's operations in the business and professional information group include Specialty Technical Publishers, CD-Pharma, Eco Log, and a 50% joint venture interest in Fundata.

For additional information on Glacier's operations see the Company's Annual Information Form as filed on SEDAR.

Significant Developments in 2009 and Outlook

For a detailed description of Glacier's business outlook see its 2008 Annual MD&A under *"Significant Developments in 2008 and Outlook"*.

Glacier is focused on improving the revenues and operating profitability of its operations through efforts to increase sales effectiveness, new product offerings, regional sales efforts that allow advertisers to benefit from Glacier's larger group of publications and expertise, quality improvement of all product offerings, and consolidation and cost efficiency efforts. Particular focus is being given to cost efficiencies and maintaining operating profitability given the challenges of the recession.

The softness that was seen in late 2008 in some of the industry and economic sectors that Glacier operates worsened during the first six months of 2009. While the summer months are expected to remain slow, there are some indications that conditions may improve somewhat in the fall of 2009. Although the recession has affected revenues and operating profitability in many of Glacier's publications, Glacier's diversification through local and community newspapers, trade information, and business and professional information has helped mitigate the revenue impact of the challenging economic conditions.

Cost Reduction Programs. As these initiatives were implemented throughout the first quarter and beginning of the second quarter of 2009 a significant portion of the cost savings were realized during the second quarter with full realization expected in the remainder of the year.

Given the state of the overall economy and its impact on revenues, management has identified and implemented a wide variety of measures to reduce costs. During the first two quarters of 2009, significant cost reduction measures were implemented including staff layoffs, reduction in hours for part-time employees, newsprint consumption reduction measures, and a variety of other initiatives.

The Company has structured the cost reduction initiatives to reduce operating expenses while maintaining the strength and competitiveness of its businesses as much as possible. The Company believes it is important to maintain this strength in order to gain market share and exploit and integrate acquisition opportunities during the recession, and be in a strong position to compete and exploit growth opportunities when the economy recovers.

Investment Opportunities. Glacier continues to evaluate a variety of investment opportunities that fit within its business strategy. The Company believes a wide variety of opportunities will arise during the recession given the challenging business and financial conditions many companies are facing. Acquisition opportunities will be assessed relative to the potential returns of share buy-back and internal investment opportunities. These investments will only be undertaken if debt and operating levels are deemed prudent within the context of the increased risks entailed in a recessionary environment.

Second Quarter Results and Overview of Operating Performance

Revenue

Glacier's consolidated revenue for the quarter ended June 30, 2009 was $63.5 million compared to $68.9 million in the same period last year.

The 7.8% decline in consolidated revenue during the first quarter compared to last year was driven by a 12.7% decrease in "same-store" revenue that resulted from the impact of the recession, which has directly affected advertising activity in most markets and industries in which the Company operates. This impact was partially offset by the full inclusion of revenue generated from the acquisitions that Glacier made during the first two quarters of 2008.

Newspaper and Trade Information

The newspaper and trade information group generated $59.6 million of revenue for the quarter ended June 30, 2009, as compared to $64.8 million for the same period last year. The decline in revenue during the second quarter compared to last year was a result of the recession and its direct impact on advertising activity, as many advertisers continued to scale back spending in an effort to reduce their operating costs. The decrease in revenue was partially offset by growth in the agricultural group, some local newspapers, and recognition of revenue generated from acquisitions completed during the first two quarters of 2008.

Business and Professional Information

The business and professional group (which includes Specialty Technical Publishers, CD-Pharma, Eco Log and a 50% joint venture interest in Fundata), generated revenues of $3.9 million for the quarter ended June 30, 2009, as compared to $4.1 million for the same period last year. This segment has performed relatively well through the recession, with revenue growth being generated from the mutual fund and interactive medical education businesses. This revenue growth was offset by revenue declines at STP and Eco Log, although revenues for these two businesses declined less in the second quarter of 2009 compared to last year than in the first quarter.

Gross Margin

Glacier's consolidated gross profit for the quarter ended June 30, 2009 was $25.4 million compared to $30.3 million in the same period last year. The absolute dollar decrease in gross profit is largely attributable to a) lower advertising activity and the resulting decline in revenue and direct contribution b) lower advertising rate yields as a result of increased discounting in some markets, and c) certain wage increases for existing staff, amongst other things.

The decrease in absolute gross margin was partially offset by a) a decrease in newsprint prices compared to the same period last year and b) cost cutting initiatives implemented in the first quarter of 2009. Newsprint prices were reduced 20% effective April 1, 2009, although the benefit of the savings was not realized until May and June after newsprint inventories were consumed.

The majority of the impact of the cost saving and restructuring initiatives that were identified towards the end of 2008 and during the first quarter were realized during the second quarter of this year, although some initiatives were only completed during the quarter. The full benefit of these initiatives is expected to be realized during the second half of the year, and additional cost reduction measures will be pursued as deemed prudent.

The decrease in the gross margin percentage was also a result of the acquisition of the Printwest Communications printing business, which historically has lower gross margins. A significant amount of Glacier's trade publication printing is being moved from outside printers to Printwest in order to capture profit associated with this printing.

General & Administrative Expenses

Glacier's consolidated general and administrative expenses were $13.1 million for the quarter ended June 30, 2009 as compared to $11.8 million for the same period last year. The increase was due to a) wage increases that took effect in the first quarter of 2009, b) increased Internet expenses, c) new information system initiatives, d) the impact of non-recurring corporate items, and e) acquisition of 50% of Printwest Communications Ltd. ("Printwest") on May 15, 2008. Glacier recorded the general and administrative expenses for Printwest for the entire second quarter of 2009. The increase was partially offset by realization of cost savings from restructuring initiatives previously mentioned..

As mentioned above, the cost saving and restructuring initiatives took place throughout the first quarter of 2009 resulting in the majority of the impact of these savings being realized during the second quarter of this year. It is expected that the full savings from these initiatives will continue to be realized for the foreseeable future and additional cost reduction measures will be implemented as deemed prudent.

EBITA

EBITA was $12.3 million for the quarter ended June 30, 2009 as compared to $18.5 million for the same period last year. The decrease in EBITA was due to the reasons stated under **Revenue, Gross Margin** and **General & Administrative Expenses** and certain non-recurring corporate items. The decrease in revenues and related contribution was significantly offset by the realization of the cost saving and restructuring programs implemented as described. This is reflected by the improvement in the EBITA decrease to 33.5% for the second quarter compared to the same period last year from 48.8% in the first quarter of 2009 compared to the same period last year. The $6.2 million decline in consolidated EBITA for the second quarter was greater than the $5.4 million decline in consolidated revenue primarily because of the acquisition of 50% of Printwest on May 15, 2008. Glacier recorded the revenue for Printwest for the entire second quarter of 2009 and a small operating loss for its share of the business. This had the effect of reducing Glacier's consolidated revenue decline while increasing its EBITA decline. A significant amount of Glacier's trade publication printing is being moved from outside printers to Printwest in order to capture profit associated with this printing.

Non-Operating Items

Amortization expense increased by $0.4 million for the quarter ended June 30, 2009 as compared to the same period last year as a result of additions to property, plant and equipment. These additions consisted of continued upgrades of several of the Company's printing facilities and production technology improvements. Glacier's consolidated net interest expense for the quarter ended June 30, 2009 was $2.1 million, down $0.2 million from $2.3 million for the same period in 2008. The decrease in net interest expense reflected the Company's repayment of its revolving debt and decreased borrowing costs. Interest expense for the quarter ended June 30, 2009 included $0.3 million of non-cash interest expense.

Restructuring Expenses

The $0.4 million of restructuring expenses relate to employee severance costs incurred as part of the Company's cost reduction initiatives. These expenses have been presented separately in the Company's consolidated statement of operations. During the quarter, the Company continued implementation of a restructuring plan to reduce costs across the entire organization to address the recession and to centralize certain corporate functions in strategic regions within the country, amongst other things. The Company has incurred $1.4 million of restructuring costs year-to-date for these initiatives.

Net Income

Net income decreased by $4.4 million to $8.7 million in the second quarter of 2009. This decrease was caused by a) the decline in revenue and profitability of existing operations due to the recession, b) $0.4 million in restructuring expenses due to continued cost reduction initiatives implemented to combat current economic conditions, c) a $0.4 million increase in amortization expense due to the additional property, plant and equipment investments and d) a $0.1 million decrease in equity investee earnings. The decrease was offset by a) a $0.1 million positive variance from the fair market value adjustment to the Company's interest rate swap, b) a $0.2 million reduction in interest expense, c) a $2.3 million increase in income tax recovery and d) a $0.1 million positive variance in foreign exchange amounts.

EBITA and Cash Flow from Operations Reconciliation

The following table reconciles the Company's net income as reported under GAAP to EBITA and cash flow from operations.

thousands of dollars *except share and per share amounts*	**Three months ended June 30, 2009**	Three months ended June 30, 2008	**Six months ended June 30, 2009**	Six months ended June 30, 2008
EBITA (1)				
Net Income	**$ 8,699**	$ 13,070	**$ 11,067**	$ 21,031
Add (deduct):				
Amortization	**$ 2,730**	$ 2,374	**$ 5,454**	$ 5,046
(Recovery) provision for income taxes	**$ (1,167)**	$ 1,138	**$ (2,577)**	$ 340
Foreign exchange (gain) loss	**$ (55)**	$ 43	**$ (75)**	$ (90)
Interest	**$ 2,145**	$ 2,303	**$ 3,681**	$ 4,578
Share of (earnings) from equity investee	**$ (474)**	$ (582)	**$ (211)**	$ (697)
Unrealized (gain) loss on financial instruments	**$ (526)**	$ (422)	**$ (731)**	$ 485
Non-controlling interest	**$ 601**	$ 570	**$ 1,062**	$ 904
Restructuring expenses	**$ 351**	$ -	**$ 1,346**	$ -
EBITA (1)	**$ 12,304**	$ 18,494	**$ 19,016**	$ 31,597
Cash flow from operations (1)				
Net income	**$ 8,699**	$ 13,070	**$ 11,067**	$ 21,031
Add (deduct):				
Amortization	**$ 2,730**	$ 2,374	**$ 5,454**	$ 5,046
Employee future benefits	**$ 167**	$ 240	**$ 397**	$ 456
Future income taxes	**$ (1,536)**	$ 787	**$ (3,063)**	$ (153)
Unrealized foreign exchange (gain) loss	**$ (68)**	$ 13	**$ (71)**	$ (30)
Non-controlling interest	**$ 601**	$ 570	**$ 1,062**	$ 904
Non cash interest	**$ 310**	$ 312	**$ 617**	$ 585
Share of (earnings) from equity investee	**$ (474)**	$ (582)	**$ (211)**	$ (697)
Unrealized (gain) loss on financial instruments	**$ (526)**	$ (422)	**$ (731)**	$ 485
Restructuring expenses	**$ 351**	$ -	**$ 1,346**	$ -
Cash flow from operations (1)	**$ 10,254**	$ 16,362	**$ 15,867**	$ 27,627
Weighted average shares outstanding, net	**92,721,210**	93,195,304	**92,721,210**	93,196,334
EBITA per share (1)	**$ 0.13**	$ 0.20	**$ 0.21**	$ 0.34
Net income per share	**$ 0.09**	$ 0.14	**$ 0.12**	$ 0.23
Cash flow from operations per share (1)	**$ 0.11**	$ 0.18	**$ 0.17**	$ 0.30

Notes:
(1) Refer to "**Non-GAAP Measures**" section for calculation of non-GAAP measures used in this table.

Summary of Selected Quarterly Results

The following outlines the significant financial performance measures for Glacier for the last eight quarters:

thousands of dollars *except share and per share amounts*	Trailing 12 Months	Q2 2009	Q1 2009	Q4 2008	Q3 2008
Revenue	$ 239,687	$ 63,513	$ 54,795	$ 61,447	$ 59,932
EBITA [(1)]	$ 38,822	$ 12,304	$ 6,712	$ 9,747	$ 10,059
EBITA margin [(1)]	16.2%	19.4%	12.2%	15.9%	16.8%
EBITA per share [(1)]	$ 0.41	$ 0.13	$ 0.07	$ 0.10	$ 0.11
Interest expense, net	$ 8,203	$ 2,145	$ 1,536	$ 2,062	$ 2,460
Net income before non-recurring items [(2) (3) (4)]	$ 25,927	$ 9,050	$ 3,363	$ 9,546	$ 3,968
Net income before non-recurring items per share [(2) (3) (4)]	$ 0.28	$ 0.10	$ 0.04	$ 0.10	$ 0.04
Net income	$ 18,306	$ 8,699	$ 2,368	$ 3,271	$ 3,968
Net income per share	$ 0.19	$ 0.09	$ 0.03	$ 0.03	$ 0.04
Cash flow from operations [(1)(2)(3)(4)]	$ 32,604	$ 10,254	$ 5,613	$ 8,751	$ 7,986
Cash flow from operations per share [(1)(2)(3)(4)]	$ 0.35	$ 0.11	$ 0.06	$ 0.09	$ 0.09
Capital expenditures	$ 12,034	$ 2,824	$ 2,444	$ 3,011	$ 3,755
Debt net of cash outstanding before deferred financing charges and other expenses	$ 111,561	$ 111,561	$ 115,635	$ 112,577	$ 121,259
Shareholders' equity	$ 308,563	$ 308,563	$ 300,049	$ 297,517	$ 294,801
Weighted average shares outstanding, net	92,895,395	92,721,210	92,721,210	92,982,485	93,150,994

	Trailing 12 Months	Q2 2008	Q1 2008	Q4 2007	Q3 2007
Revenue	$ 234,364	$ 68,884	$ 58,830	$ 57,099	$ 49,551
EBITA [(1)]	$ 53,464	$ 18,494	$ 13,103	$ 12,351	$ 9,516
EBITA margin [(1)]	22.8%	26.8%	22.3%	21.6%	19.2%
EBITA per share [(1)]	$ 0.57	$ 0.20	$ 0.14	$ 0.13	$ 0.10
Interest expense, net	$ 9,414	$ 2,303	$ 2,275	$ 2,321	$ 2,515
Net income before non-recurring items	$ 36,804	$ 13,070	$ 7,960	$ 11,955	$ 3,819
Net income before non-recurring items per share	$ 0.40	$ 0.14	$ 0.09	$ 0.13	$ 0.04
Net income	$ 36,804	$ 13,070	$ 7,960	$ 11,955	$ 3,819
Net income per share	$ 0.40	$ 0.14	$ 0.09	$ 0.13	$ 0.04
Cash flow from operations [(1)]	$ 45,883	$ 16,362	$ 11,264	$ 11,155	$ 7,102
Cash flow from operations per share [(1)]	$ 0.50	$ 0.18	$ 0.12	$ 0.12	$ 0.08
Capital expenditures	$ 4,122	$ 1,826	$ 891	$ 1,079	$ 326
Debt net of cash outstanding before deferred financing charges and other expenses	$ 122,177	$ 122,177	$ 119,500	$ 111,231	$ 105,286
Shareholders' equity	$ 290,879	$ 290,879	$ 277,805	$ 269,828	$ 257,397
Weighted average shares outstanding, net	93,174,369	93,195,304	93,197,364	93,107,923	93,197,364

Notes:
(1) Refer to "**Non-GAAP Measures**" section for calculation of non-GAAP measures used in this table.
(2) Fourth quarter 2008 excludes $6.3 million non-recurring item.
(3) First quarter 2009 excludes $1.0 million restructuring expenses.
(4) Second quarter 2009 excludes $0.4 million restructuring expenses.

The main factors affecting comparability of results over the last eight quarters are:

- The occurrence of the recession during the fourth quarter of 2008 and the first and second quarters of 2009 that has resulted in decreased revenue, profitability and cash flow;
- Restructuring expenses of $1.0 million in the first quarter of 2009 and $0.4 million in the second quarter of 2009 mainly related to severance payments as part of Glacier's cost reduction programs;
- New product offerings, synergies and increased cost efficiencies which collectively resulted in increased profitability and cash flow until the first quarter of 2009;
- The acquisitions made throughout 2008;
- General market conditions during the reported periods;
- A $5.6 million recovery in the fourth quarter of 2008 caused by changes in the federal enacted tax rate;

- Non-cash stock compensation cost of $0.7 million, the majority of which was expensed in the fourth quarter of 2007;
- A $6.3 million non-recurring item in the fourth quarter of 2008; and
- The implementation of cost saving and restructuring initiatives in the first six months of 2009 with the majority of the impact of these savings not being realized until the second quarter of 2009.

Summary of Financial Position, Financial Requirements and Liquidity

Glacier generates sufficient cash flow from operations to meet anticipated working capital, capital expenditures, and debt service requirements.

As at June 30, 2009, Glacier had consolidated cash of $0.2 million, current and long-term debt of $111.8 million before adjustment for deferred financing fees attributable directly to the issuance of long-term debt and a fair market adjustment to derivative instruments, and working capital of $15.6 million excluding future income tax asset and deferred revenue.

Glacier's actual cash working capital is stronger than reflected by the amounts indicated on the consolidated balance sheet for several reasons: 1) deferred revenue relates to quarterly updates, renewals and newspaper subscriptions that have been paid for by subscribers but not yet delivered, and the costs associated with the fulfillment of this liability are less than the amount indicated in current liabilities in the case of Specialty Technical Publishers, 2) Glacier receives cash revenue on an ongoing basis that offsets the deferred revenue liability, and 3) as Specialty Technical Publishers sells on a trial basis, it does not record accounts receivable or revenue when orders are shipped, but nonetheless receives revenue from these orders on a regular basis based on the acceptance rate realized, which results in revenue regularly being received that is not reflected in current assets.

Management believes that cash flow from operations before changes in non-cash operating accounts (see Interim Consolidated Statements of Cash Flows) is the most appropriate measure to determine Glacier's profitability and return on equity, as the Company has low ongoing sustaining capital expenditures and amortization largely relates to intangible assets and does not represent a corresponding ongoing sustaining capital expense. Management also monitors free cash flow (being cash flow from operations net of capital expenditures, debt service and investment in working capital) closely to measure ongoing overall cash flow strength.

Net capital expenditures of $2.8 million for the quarter ended June 30, 2009 were higher than the $1.8 million spent for the same period last year due to $2.0 million of investment capital spending for consolidation and upgrades of several of the Company's printing facilities and production technology improvements, which are expected to provide direct cash flow improvements as well as improved quality and colour capacity. Investments were also made in the Company's Internet platforms.

Changes in Financial Position

	Three months ended		Six months ended	
(thousands of dollars)	**June 30, 2009**	June 30, 2008	**June 30, 2009**	June 30, 2008
Cash generated from (used in)				
Operating activities	**7,237**	9,861	**7,086**	21,538
Investing activities	**(3,187)**	(12,069)	**(6,159)**	(31,528)
Financing activities	**(6,230)**	(3,446)	**(4,138)**	7,146
(Decrease) in cash	**(2,180)**	(5,654)	**(3,211)**	(2,844)

Glacier had $0.2 million of cash on hand as at June 30, 2009. The changes in the components of these cash flows during the second quarter of 2009 and 2008 are detailed in the interim consolidated statement of cash flow of the Financial Statements. The more significant changes are discussed below.

Operating Activities

Glacier generated cash from operations before restructuring expense and changes in non-cash operating accounts of $10.3 million compared to $16.4 million in the prior year. This decrease was primarily due to lower net cash generated through operations. Cash generated before restructuring expense and after changes in non-cash operating accounts was $7.6 million from operations compared to $9.9 million in the prior year. This decrease was due to lower net cash generated through operations and partially offset by an increase in cash generated from net changes in working capital.

Investing Activities

Cash used in investing activities totalled $3.2 million in the second quarter of 2009 compared to $12.1 million for the same period last year. The main cash flows were $2.8 million paid for purchases of property, plant and equipment described in **Summary of Financial Position, Financial Requirements and Liquidity**. In the second quarter of 2008, the major investing cash expenditures were for the investments in a) a Western Canadian community newspaper, b) a 50% interest in a strategic publishing and printing operation in Saskatchewan, c) the Electronic Products & Technology magazine and related shows, d) the non-controlling interest in Iron Solutions, and e) an increased interest in Continental Newspapers Ltd.

Financing Activities

During the second quarter of 2009, the Company used $6.2 million in consolidated financing cash flow primarily for the repayment of debt. This repayment included an unscheduled amount of $5.0 million to repay the Company's revolving bank loan. During the second quarter of 2008, the Company used $3.4 million in consolidated cash flow for the repayment of debt including an unscheduled repayment in the amount of $2.5 million to repay the Company's revolving bank loan.

Outstanding Share Data

As of June 30, 2009, there were 92,721,210 common shares, 1,100,000 share purchase options and 1,115,000 share purchase warrants outstanding. The options entitle the holder to acquire a common share of the Company at an exercise price of $3.25, expire on April 3, 2012 and are the only share purchase options outstanding. The warrants outstanding allow the holder to purchase one common share per warrant at $4.48 per share. On June 23, 2009, the Company's shareholders approved the extension of the expiry of the warrants from June 28, 2009 to June 28, 2014.

As at August 4, 2009 the Company had 92,721,210 common shares outstanding.

Contractual Agreements

The vendor of a business the Company acquired in 2003 contracted with Glacier to purchase advertising consistent with historical levels, at a minimum of $1.0 million annually. This contractual obligation expires on September 30, 2009.

Glacier has agreements with three major Canadian banks whereby the lenders provide revolving long-term loan and line of credit facilities.

During the first quarter of 2009, Glacier restructured the facility from a revolver and line of credit into a single revolving loan facility with substantially increased borrowing capacity. The restructured facility will mature on December 31, 2010.

The Company has a five year interest rate swap contract for $62.5 million of the bank loan amount outstanding. The interest rate for this facility has been fixed at 4.455% plus the acceptance fee which varies with debt levels. The interest rate swap contract has been recorded at fair market value and is included in other assets. The contract runs concurrently with the Company's revolving facility and matures on December 31, 2010.

The Company entered into a foreign exchange contract to sell $83,333 U.S. dollars per month commencing October 2008 at a rate of $CAD0.94 : $USD1.00, which expires in October 2010. In addition, the Company had entered into a foreign exchange contract to sell $125,000 U.S. dollars per month commencing April 9, 2008 at a rate of $CAD0.97: $USD1.00, which expired on March 3, 2009. In April 2009, the Company entered into a new foreign exchange contract to sell $125,000 U.S. dollars per month commencing April 2009 at a rate of $CAD0.86: $USD1.00, which expires in April 2012.

The Company has also entered into operating leases for premises and office equipment, which expire on various dates up to 2015.

In summary, the Company's contractual obligations, including its proportionate share of ANGLP's term loan facility and excluding the U.S. dollar foreign exchange contract, due over the next five calendar years, are as follows:

(thousands of dollars)	**Total**	**2009**	**2010**	**2011**	**2012**	**2013**
Long term debt	110,767	5,133	98,376	7,258	-	-
Operating Leases	6,526	1,238	2,152	1,991	791	354
	117,293	6,371	100,528	9,249	791	354

Of the long term debt maturing at December 31, 2010, $89.0 million relates to the revolving bank loan. It is the Company's intention to refinance the revolving bank loan prior to December 31, 2010. Under various financing arrangements with its banks, the Company is required to meet certain covenants. The Company was fully in compliance with these covenants at June 30, 2009.

Financial Instruments

The Company's activities result in exposure to a variety of financial risks, including risks relating to foreign exchange, credit, and interest rate risk.

A small portion of the Company's products is sold at prices denominated in US dollars or based on prevailing US dollar prices while the majority of its operational costs and expenses are incurred in Canadian dollars. Therefore, an increase in the value of the Canadian dollar relative to the US dollar reduces the revenue in Canadian dollar terms realized by the Company from sales made in US dollars. The Company also has investments in US self-sustaining operations, whose net assets are exposed to foreign currency translation risk.

As indicated, the Company currently hedges a portion of its foreign exchange exposure with financial forward contracts. At June 30, 2009 Glacier had foreign exchange swap contracts to sell US$83,333 per month commencing October 2008 at a rate of $CAD0.94 : $USD1.00, expiring October 2010 and US$125,000 per month commencing April 2009 at a rate of $CAD0.86 : $USD1.00, expiring April 2012.

The Company sells its products and services to a variety of customers under various payment terms and therefore is exposed to credit risks from its accounts receivable from customers. The Company has adopted policies and procedures designed to limit these risks. The carrying amounts for accounts receivable are net of applicable allowances for doubtful accounts, which are estimated based on past experience, specific risks associated with the customer and other relevant information. The Company is protected against any concentration of credit risk through its products, broad clientele and geographic diversity.

The Company's interest rate risk mainly arises from the interest rate impact on cash and floating rate debt. The Company manages a portion of the interest rate risk through a five year interest rate swap contract at 50% of its outstanding revolving bank loan. The interest rate for this facility has been fixed at 4.455% plus the acceptance fee which varies with debt levels. An assumed 100 basis points increase in interest rates during the quarter ended June 30, 2009 would have a $0.3 million impact on pre-tax net income, excluding impact of interest rate change on the fair value of the Company's interest rate swap contracts. An assumed 100 basis points decrease would have had an equal but opposite effect on pre-tax net income.

The fair value of the exchange and interest rate swap contracts represents an estimate of the amount that the Company would receive or pay if the contracts were closed out at a market price on the balance sheet date. At June 30, 2009, the exchange and interest rate swap contracts were in an unrealized loss position of $1.9 million. The Company has concluded that these contracts do not qualify for hedge accounting; therefore changes in fair value of the contracts are recorded in the statement of operations each period.

Business Environment and Risks

A comprehensive discussion of Risks and Uncertainties was included in the 2008 Annual Report and can be found on SEDAR.

Disclosure Controls and Internal Controls over Financial Reporting

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related financial statements was properly recorded, processed, summarized and reported to the Audit Committee and the Board. The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have evaluated the effectiveness of these disclosure controls and procedures for the interim period ending June 30, 2009, and have concluded that they are effective.

The CEO and CFO acknowledge responsibility for the design of internal controls over financial reporting ("ICFR"), and confirm that there were no changes in these controls that occurred during the most recent interim period ended June 30, 2009 which materially affected, or are reasonably likely to materially affect, the Company's ICFR. Based upon their evaluation of these controls for the quarter ended June 30, 2009, the CEO and CFO have concluded that these controls are operating effectively.

The CEO and the CFO have limited the scope of design of disclosure controls and procedures and ICFR to exclude controls, policies and procedures of Great West, Fundata, PrintWest and ANGLP, each a proportionately consolidated entity in which the Company has an interest. These entities have combined net income of $2.4 million for the quarter ended June 30, 2009 and net assets of $95.1 million as at June 30, 2009.

Critical Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements. Management regularly reviews these estimates and assumptions based on currently available information. While it is reasonably possible that circumstances may arise which cause actual results to differ from these estimates, management does not believe it is likely that any such differences will materially affect Glacier's financial position.

Changes in Accounting Policies

Effective January 1, 2009, the Company adopted new accounting standards issued by the Canadian Institute of Chartered Accountants (the "CICA") as follows:

Section 3064 – Goodwill and intangible assets

This section establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets.

Conversion to International Financial Reporting Standards (IFRS)

In February of 2008, the Accounting Standards Board announced that publicly accountable entities will be required to prepare financial statements in accordance with International Financial Reporting Standards ("IFRS") for interim and annual periods in fiscal years beginning on or after January 1, 2011.

The Company has developed a conversion implementation plan to ensure that differences between Canadian GAAP and IFRS that affect Glacier are identified, and any required changes to accounting processes and controls are made in a timely manner to ensure a smooth transition to IFRS on January 1, 2010.

A draft opening balance sheet prepared under IFRS at the date of transition (January 1, 2010) is currently planned to be completed in the first half of 2010. Draft financial statements and disclosure information will be prepared for each quarter in 2010 (to be used for comparative purposes in 2011) and reporting under IFRS will commence for interim and annual periods in 2011.

The Company has completed the planning phase of the project and the initial diagnostic between Canadian GAAP and IFRS. While the effects of IFRS have not yet been fully determined, the Company has identified a number of key areas where it is likely to be impacted by changes in accounting policy. These include:

- Employee future benefits
- Property, plant and equipment
- Intangible assets
- Impairment of assets
- Presentation of financial statements, including presentation of minority interests and joint venture accounting.

A detailed diagnostic is under way, and no decisions have yet been made with regard to accounting policy choices.

As a first time adopter of IFRS, the Company is required to apply IFRS 1 "First time adoption of International Financial Reporting Standards". A number of exemptions are available under the Standard which the Company is currently evaluating. The more significant exemptions include: recognizing through opening retained earnings all cumulative actuarial gains and losses on employee benefit plans; avoiding a retroactive restatement of previous business combinations under IFRS; and electing to use fair value at the transition date as the deemed cost for capital assets in certain circumstances.

New Accounting Pronouncements

Section 1582 – Business Combinations

In January 2009, the CICA issued Section 1582, Business Combinations, which supersedes the like-named Section 1581. This Section applies to business combinations for which the date of acquisition occurs in fiscal years beginning on or after January 1, 2011 and earlier application is permitted. The Section establishes standards for the recognition of a business combination.

Section 1601 – Consolidated Financial Statements

In January 2009, the CICA issued Section 1601, Consolidated Financial Statements, which supersedes the like-named Section 1600. This Section applies to interim and annual financial statements for fiscal years beginning on or after January 1, 2011 and earlier application is permitted. The Section establishes standards for the preparation of consolidated financial statements.

Section 1602 – Non-controlling Interests

In January 2009, the CICA issued Section 1602, Non-controlling Interests, which supersedes Section 1600, Consolidated Financial Statements. This Section applies to interim and annual financial statements for fiscal years beginning on or after January 1, 2011 and earlier application is permitted. The Section establishes standards for the accounting of the non-controlling interests in a subsidiary in the consolidated financial statements subsequent to a business combination.

GLACIER MEDIA INC.

INTERIM CONSOLIDATED STATEMENT OF OPERATIONS
Three and six months ended June 30,

(Unaudited)
(Expressed in thousands of dollars, except share and per share amounts)

	Three months ended June 30, 2009	Three months ended June 30, 2008	Six months ended June 30, 2009	Six months ended June 30, 2008
	$	$	**$**	$
Revenue	**63,513**	68,884	**118,308**	127,715
Direct expenses	**38,124**	38,568	**75,251**	74,924
Gross profit	**25,389**	30,316	**43,057**	52,791
Expenses				
General and administrative	**13,085**	11,822	**24,041**	21,194
Income before the undernoted	**12,304**	18,494	**19,016**	31,597
Interest expense, net	**2,145**	2,303	**3,681**	4,578
Amortization of property, plant and equipment	**1,341**	1,008	**2,640**	2,044
Amortization of intangible and other assets	**1,389**	1,366	**2,814**	3,002
Foreign exchange (gain) loss	**(55)**	43	**(75)**	(90)
Share of (earnings) from equity investee	**(474)**	(582)	**(211)**	(697)
Unrealized (gain) loss on financial instruments	**(526)**	(422)	**(731)**	485
Restructuring expenses (Note 4)	**351**	-	**1,346**	-
Income before provision for income taxes and non-controlling interest	**8,133**	14,778	**9,552**	22,275
(Recovery) Provision for income taxes				
Current	**369**	351	**486**	493
Future	**(1,536)**	787	**(3,063)**	(153)
(Recovery) Provision for income taxes (Note 11)	**(1,167)**	1,138	**(2,577)**	340
Income before non-controlling interest	**9,300**	13,640	**12,129**	21,935
Non-controlling interest	**601**	570	**1,062**	904
Net income for the period	**8,699**	13,070	**11,067**	21,031
Other comprehensive income				
Unrealized gains on available-for-sale financial assets	**-**	40	**-**	40
Translation adjustment of a self-sustaining investee	**(185)**	100	**(21)**	117
Comprehensive income	**8,514**	13,210	**11,046**	21,188
Earnings per share				
Basic	**0.09**	0.14	**0.12**	0.23
Diluted	**0.09**	0.14	**0.12**	0.23
Weighted average number of common shares				
Basic	**92,721,210**	93,195,304	**92,721,210**	93,196,334
Diluted	**92,721,210**	93,400,324	**92,721,210**	93,412,592

See accompanying notes to these interim consolidated financial statements

GLACIER MEDIA INC.

INTERIM CONSOLIDATED BALANCE SHEET

(Unaudited)
(Expressed in thousands of dollars)

	As at June 30, 2009	As at December 31, 2008
	$	$
Assets		
Current assets		
Cash	**203**	3,414
Accounts receivable	**34,928**	40,034
Inventory	**3,520**	6,423
Prepaid expenses	**4,279**	3,867
Future income tax asset	**882**	3,873
	43,812	57,611
Investments (Note 5)	**26,101**	26,030
Other assets	**4,083**	3,735
Property, plant and equipment	**42,004**	39,376
Intangible assets	**160,718**	163,336
Goodwill	**228,983**	228,862
	505,701	518,950
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	**17,221**	27,877
Deferred revenue	**16,451**	20,648
Current portion of long-term debt (Note 7)	**5,133**	4,958
Current portion of preferred shares of an affiliated company (Note 8)	**5,000**	-
	43,805	53,483
Non-current portion of deferred revenue	**841**	918
Deferred credit (Note 11)	**19,251**	23,327
Other non-current liabilities	**4,587**	4,467
Long-term debt (Note 7)	**105,634**	109,840
Preferred shares of an affiliated company (Note 8)	**-**	5,000
Future income taxes	**11,245**	13,334
	185,363	210,369
Non-controlling interest	**11,775**	11,064
Shareholders' equity		
Share capital (Note 9)	**206,713**	206,713
Contributed surplus	**8,886**	8,886
Accumulated other comprehensive income	**117**	138
Retained earnings	**92,847**	81,780
	308,563	297,517
	505,701	518,950

See accompanying notes to these interim consolidated financial statements

GLACIER MEDIA INC.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
Three and six months ended June 30,

(Unaudited)
(Expressed in thousands of dollars)

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	**2009**	2008
	$	$	**$**	$
Operating activities				
Net income	**8,699**	13,070	**11,067**	21,031
Items not affecting cash				
Amortization of property, plant and equipment	**1,341**	1,008	**2,640**	2,044
Amortization of intangible and other assets	**1,389**	1,366	**2,814**	3,002
Employee future benefit expense in excess of employer contributions	**167**	240	**397**	456
Future income taxes	**(1,536)**	787	**(3,063)**	(153)
Non-controlling interest	**601**	570	**1,062**	904
Non-cash interest expense	**310**	312	**617**	585
Share of (earnings) from equity investee	**(474)**	(582)	**(211)**	(697)
Unrealized (gain) loss on financial instruments	**(526)**	(422)	**(731)**	485
Unrealized foreign exchange (gain) loss on long-term receivable	**(68)**	13	**(71)**	(30)
Cash flow from operations before changes in non-cash operating accounts	**9,903**	16,362	**14,521**	27,627
Changes in non-cash operating accounts				
Accounts receivable	**3,551**	1,870	**5,106**	1,735
Inventory	**3,643**	2,115	**2,903**	1,070
Prepaid expenses	**(312)**	(1,024)	**(412)**	(782)
Accounts payable and accrued liabilities (Note 6)	**(2,378)**	(3,154)	**(10,758)**	(2,725)
Deferred revenue	**(7,170)**	(6,308)	**(4,274)**	(5,387)
	7,237	9,861	**7,086**	21,538
Investing activities				
Acquisitions, inclusive of bank indebtedness assumed and related financing	**(68)**	(7,161)	**(163)**	(32,049)
Purchase of property, plant and equipment	**(2,824)**	(1,826)	**(5,268)**	(2,717)
Distribution to non-controlling interests	**(366)**	-	**(571)**	-
Other assets	**6**	593	**(222)**	7,026
Investments	**65**	(3,675)	**65**	(3,788)
	(3,187)	(12,069)	**(6,159)**	(31,528)
Financing activities				
Proceeds from long-term debt	**-**	-	**7,210**	11,494
Repayment of long-term debt	**(6,230)**	(3,446)	**(11,348)**	(4,348)
	(6,230)	(3,446)	**(4,138)**	7,146
Net cash (outflow)	**(2,180)**	(5,654)	**(3,211)**	(2,844)
Cash, beginning of period	**2,383**	10,038	**3,414**	7,228
Cash, end of period	**203**	4,384	**203**	4,384
Supplemental information:				
Non-cash investing activities:				
Issuance of preferred shares	**-**	-	**-**	5,000

See accompanying notes to these interim consolidated financial statements

GLACIER MEDIA INC.

INTERIM CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY, RETAINED EARNINGS AND ACCUMULATED OTHER COMPREHENSIVE INCOME
Six months ended June 30,

(Unaudited)
(Expressed in thousands of dollars, except share amounts)

	Share capital		Contributed	Accumulated other comprehensive	Retained	
	Shares	Amount	surplus	income	earnings	Total
		$	$	$	$	$
Balance, January 1, 2008	93,197,364	207,775	8,947	(405)	53,511	269,828
Repurchase of common shares	(476,154)	(1,062)	(61)	-	-	(1,123)
Net income for the period	-	-	-	-	28,269	28,269
Other comprehensive income						
Unrealized gains and losses on available-for-sale financial assets	-	-	-	(75)	-	(75)
Translation adjustment of a self-sustaining investee	-	-	-	618	-	618
Total comprehensive income for the year						28,812
Balance, January 1, 2009	92,721,210	206,713	8,886	138	81,780	297,517
Net income	-	-	-	-	2,368	2,368
Other comprehensive income						
Translation adjustment of a self-sustaining investee	-	-	-	164	-	164
Total comprehensive income						2,532
Balance, March 31, 2009	92,721,210	206,713	8,886	302	84,148	300,049
Net income	-	-	-	-	8,699	8,699
Other comprehensive income						
Translation adjustment of a self-sustaining investee	-	-	-	(185)	-	(185)
Total comprehensive income						8,514
Balance, June 30, 2009	**92,721,210**	**206,713**	**8,886**	**117**	**92,847**	**308,563**

See accompanying notes to these interim consolidated financial statements

1. Significant accounting policies

The accompanying unaudited consolidated interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a basis consistent with those disclosed in the most recent audited annual financial statements. These unaudited consolidated interim financial statements do not include all the information and note disclosures required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the December 31, 2008 audited annual consolidated financial statements and the notes below.

The unaudited consolidated interim financial statements follow the same accounting policies and methods of computation as the most recent annual consolidated financial statements, except for the impact of the change in accounting policies disclosed below in note 2.

2. Change in accounting policy

Effective January 1, 2009, the Company adopted the following new accounting standards and recommendations issued by the Canadian Institute of Chartered Accountants ("CICA"):

Goodwill and Intangible Assets

Section 3064, *Goodwill and Intangible Assets*, replaced Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-orientated enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The new standard does not have a material impact on the Company's interim consolidated financial statements for the three and six months ended June 30, 2009.

3. Future accounting standards

(a) *Section 1582 – Business Combinations*

In January 2009, the CICA issued Section 1582, Business Combinations, which supersedes the like-named Section 1581. This Section applies to business combinations for which the date of acquisition occurs in fiscal years beginning on or after January 1, 2011 and earlier application is permitted. The Section establishes standards for the recognition of a business combination. The Company is currently evaluating the impact of the adoption of these new Sections on its consolidated financial statements.

(b) *Section 1601 – Consolidated Financial Statements*

In January 2009, the CICA issued Section 1601, Consolidated Financial Statements, which supersedes the like-named Section 1600. This Section applies to interim and annual financial statements for fiscal years beginning on or after January 1, 2011 and earlier application is permitted. The Section establishes standards for the preparation of consolidated financial statements. The Company is currently evaluating the impact of the adoption of these new Sections on its consolidated financial statements.

(c) *Section 1602 – Non-controlling Interests*

In January 2009, the CICA issued Section 1602, Non-controlling Interests, which supersedes Section 1600, Consolidated Financial Statements. This Section applies to interim and annual financial statements for fiscal years beginning on or after January 1, 2011 and earlier application is permitted. The Section establishes standards for the accounting of the non-controlling interests in a subsidiary in the consolidated financial statements subsequent to a business combination.

3. Future accounting standards (continued)

(c) Section 1602 – Non-controlling Interests (continued)

The Company is currently evaluating the impact of the adoption of these new Sections on its consolidated financial statements.

4. Restructuring expenses

During the six months ended June 30, 2009, restructuring expenses of $1.4 million were recognized with respect to severance costs as the Company reduced its workforce. Glacier and its subsidiaries initiated cost reduction plans to reduce the economic effect of the weakening economic conditions in the markets the Company operates in. The cost reduction plan included staff layoffs, reduction in hours for part-time employees, reduction in newsprint consumption savings initiative, and a wide variety of other measures. At June 30, 2009, $0.1 million of the $1.4 million restructuring expenses are included in accounts payable and accrued liabilities.

5. Investments

	June 30, 2009	December 31, 2008
	$	$
Investment in equity accounted investees (a)	**23,172**	23,110
Other investments (b)	**2,929**	2,920
	26,101	26,030

(a) Investment in equity accounted investees includes an equity interest in Continental Newspapers Ltd., which owns and operates newspapers in British Columbia and Ontario and an equity interest in a company that owns and operates newspapers on the east coast of the United States.

(b) Other investments include interest in Iron Solutions LLC, a Company based in the United States which operates and publishes agricultural print and online information communication.

6. Accounts payable and accrued liabilities

During the six months ended June 30, 2009, the Company made payment of a one-time $6.3 million settlement amount charged to income during the year ended December 31, 2008 and included in accounts payable and accrued liabilities at December 31, 2008. This amount represented an affiliated entity's participation in a settlement between Sun Times Media Group Inc. ("Sun Times") and CanWest Global Communications Inc. ("CanWest") regarding an arbitrated dispute arising from CanWest's purchase of certain newspaper assets from Sun Times in 2000.

7. Long-term debt

The Company has the following long term debt outstanding at June 30, 2009 and December 31, 2008:

	June 30, 2009	December 31, 2008
	$	$
Revolving bank loan	**89,000**	92,000
Proportionate share of non-recourse long-term debt owed by ANGLP	**19,383**	21,594
Fair value of derivative instruments	**1,704**	2,215
Deferred financing charges	**(2,701)**	(3,408)
Mortgages and other loans	**3,381**	2,397
	110,767	114,798
Less: Current portion	**5,133**	4,958
	105,634	109,840

During the first quarter of 2009, Glacier restructured its revolving loan facility from a revolver and line of credit into a single revolving loan facility with no scheduled principal repayments and increased borrowing capacity. The restructured facility will mature on December 31, 2010.

8. Preferred shares

On January 8, 2008, an affiliated company, GVIC Communications Corp. ("GVIC"), whose results and balances are consolidated in these financial statements, issued 5,000,000 convertible retractable redeemable preferred shares with an issue price of $1.00 per share, for an aggregate face value of $5.0 million as partial consideration for an acquisition which occurred during the twelve months ended December 31, 2008. The preferred shares can be redeemed and retracted at the election of the Company and holder beginning January 7, 2010 for an aggregate amount of $5.0 million plus accrued and unpaid dividends and as a result are classified as a current liability. The preferred shares are convertible at any time into common shares of GVIC at a conversion rate based on a five-day weighted average trading price of GVIC shares. The preferred shares have an annual cumulative dividend of 6.0 per cent, payable semi-annually.

9. Share capital

At June 30, 2009 the Company has an authorized unlimited number of common shares without par value and an unlimited number of preferred shares. There were no changes to the Company's issued and outstanding share capital, options or warrants during the three and six months ended June 30, 2009.

On September 11, 2008, the Company filed a renewed NCIB ("September 2008 NCIB") which authorized the Company to repurchase for cancellation up to 2,500,000 common shares and ends no later than September 25, 2009.

The Company has a stock option plan for officers, directors and certain employees. The maximum number of options available for issuance is 2,238,348. At June 30, 2009, there are 1,100,000 share purchase options outstanding. The options entitle the holder to acquire a common share of the Company at an exercise price of $3.25 and expire April 3, 2012 and are the only share purchase options outstanding.

At June 30, 2009, the Company has 1,115,000 warrants outstanding allowing the holder to purchase one common share per warrant at $4.48 per share expiring June 28, 2014.

10. Earnings per share

Basic earnings per share is calculated by dividing the net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by dividing the net earnings available to common shareholders by the weighted average number of common shares during the period using the treasury stock method. Under this method, proceeds from the potential exercise of stock options are assumed to be used to purchase the Company's common shares.

11. Income taxes

The provision for income taxes varies from the amount that would be expected if computed by applying the Canadian federal and provincial statutory income tax rates to the Company's income before income taxes principally due to the amortization of the deferred credit on utilization of unused tax losses.

At June 30, 2009 the Company has available non-capital losses and unclaimed tax credits which may be used to reduce future Canadian income taxes otherwise payable. The Company has not recognized a valuation allowance against the non-capital losses as the Company determined it meets the 'more likely than not' criteria as established in Section 3865 - *Future Income Taxes*. In addition, the Company has recognized a deferred credit in the amount of $19.3 million (June 30, 2008 – $28.3 million) representing the excess over cost of the value of future income taxes which management believes is more likely than not to be realized.

The deferred credit is recognized as an adjustment to tax expense in the same period that the related future tax asset is realized. The Company has recorded the following tax provision:

	Six Months Ended	
	June 30, 2009	June 30, 2008
	$	$
Current	**486**	493
Future	**1,013**	6,162
Total income tax expense	**1,499**	6,655
Amortization of deferred credit	**(4,076)**	(6,315)
(Recovery) Provision for income taxes	**(2,577)**	340

12. Joint ventures

At June 30, 2009, the Company exercised joint control over the operations of Great West, Fundata, ANGLP, and Printwest Communications Ltd. The following balances at June 30, 2009 and December 31, 2008 and results of operations for the six months ended June 30, 2009 and 2008, representing the Company's ownership interests in these operations, have been proportionately consolidated in the Company's consolidated financial statements:

	Six Months Ended	
	June 30, 2009	June 30, 2008
	$	$
Income statement		
Sales	**24,396**	23,608
Costs and expenses	**22,032**	18,385
Net income	**2,364**	5,223

	June 30, 2009	December 31, 2008
	$	$
Balance sheet		
Cash	**2,134**	3,952
Other current assets	**8,258**	11,028
Property, plant and equipment	**11,352**	11,833
Intangibles	**41,678**	38,396
Goodwill	**66,798**	66,427
Accounts payable and accrued liabilities	**(3,291)**	(4,256)
Other current liabilities	**(8,080)**	(10,136)
Long-term debt	**(16,200)**	(18,557)
Future income tax liabilities	**(7,596)**	(7,646)
Net assets	**95,053**	91,041

13. Segmented information

The Company and its subsidiaries operate in two distinct operating segments throughout the United States and Canada. These segments are the business and professional market that Specialty Technical Publishers, CD-Pharma, Eco Log and Fundata operate in and the newspaper and trade information market in which the rest of Glacier's businesses operate.. The following segmented information is as at June 30, 2009 and 2008:

(thousands of dollars)	Newspaper and Trade	Business and Professional	Corporate and Other	Consolidated
	$	$	$	$
3 months ended June 30, 2009				
Revenues	**59,628**	**3,885**	**-**	**63,513**
Income (loss) before interest, taxes, amortization and other	**11,193**	**1,127**	**(16)**	**12,304**
Net income	**7,708**	**411**	**580**	**8,699**
Assets	**457,266**	**47,669**	**766**	**505,701**
Capital expenditures	**2,743**	**81**	**-**	**2,824**
3 months ended June 30, 2008				
Revenues	64,792	4,092	-	68,884
Income (loss) before interest, taxes, amortization and other	17,366	1,156	(28)	18,494
Net income	14,117	435	(1,482)	13,070
Assets	462,714	48,629	972	512,315
Capital expenditures	1,788	38	-	1,826
6 months ended June 30, 2009				
Revenues	**110,468**	**7,840**	**-**	**118,308**
Income (loss) before interest, taxes, amortization and other	**16,843**	**2,210**	**(37)**	**19,016**
Net income	**9,328**	**972**	**767**	**11,067**
Assets	**457,266**	**47,669**	**766**	**505,701**
Capital expenditures	**5,162**	**106**	**-**	**5,268**
6 months ended June 30, 2008				
Revenues	119,625	8,090	-	127,715
Income (loss) before interest, taxes, amortization and other	29,174	2,475	(52)	31,597
Net income	21,256	1,062	(1,287)	21,031
Assets	462,714	48,629	972	512,315
Capital expenditures	2,647	70	-	2,717

14. Comparative figures

Certain comparative information has been reclassified to conform to the presentation in the current period.

Board of Directors

Bruce W. Aunger*
John S. Burns, Q.C.*
Sam Grippo
Brian Hayward
S. Christopher Heming
Jonathon J.L. Kennedy
Geoffrey L. Scott*

*Member of the Audit Committee

Officers

Sam Grippo, Chairman
Jonathon J.L. Kennedy, President & Chief Executive Officer
Orest Smysnuik, CA, Chief Financial Officer
Bruce W. Aunger, Secretary

Transfer Agent

Computershare Trust Company of Canada
Toronto, Calgary and Vancouver

Auditors

Deloitte & Touche LLP

Stock Exchange Listing

The Toronto Stock Exchange
Trading symbol: GVC

Investor Relations

Institutional investors, brokers, security analysts and others requiring financial and corporate information about Glacier should visit our website *www.glaciermedia.ca* or contact: Orest Smysnuik, CA, Chief Financial Officer.

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