Consolidated Interim Financial Statements of

GLACIER MEDIA INC.

Three months ended March 31, 2009

Report to Shareholders

GLACIER MEDIA INC. ("Glacier" or the "Company") reported consolidated cash flow from operations (excluding restructuring expenses) of $5.6 million for the three months ended March 31, 2009, as compared to $11.3 million for the same period last year. Revenue for the period was $54.8 million compared to $58.8 million for the same period last year, EBITA was $6.7 million compared to $13.1 million last year, and net income was $2.4 million compared to $8.0 million last year.

For the three months ended March 31, 2009, cash flow from operations per share decreased 49.9% to $0.06 (excluding restructuring expenses) from $0.12 for the same period last year, EBITA per share was $0.07 compared to $0.14 for the same period last year and net income per share was $0.03 compared to $0.09 for the same period last year. As outlined following, significant cost reduction initiatives have been implemented to offset the reduction in revenues, although only a small amount of savings were realized from these initiatives in the first quarter.

Review of Operations

Glacier's revenue and cash flow from operations were impacted by the recession in the first quarter of 2009. Same-store revenue and EBITA declined 9.8% and 48.1% respectively compared to the same period last year. For the quarter, business and professional revenues declined 1%, trade information revenues declined 7% and newspaper revenues declined 11% compared to the same period last year (standalone specialty real estate publications accounted for the remainder of the overall revenue decline). National sales, real estate, auto and classified revenues were most impacted, as well as certain sector specific trade related advertising.

The 6.9% decline in GAAP financial statement revenue for the quarter was less than the same-store revenue decline as a result of the acquisitions made subsequent to the first quarter of 2008, including Printwest Communications which historically breaks even in the first quarter. Efforts are being made to move a significant amount of Glacier's trade publication printing from outside printers to Printwest in order to capture the profit associated with this printing.

While the severity of the recession has clearly had a significant impact on advertising revenues, the diversification of Glacier's businesses resulted in better revenue performance than a number of other media companies in Canada and the United States. Local advertising revenue held up relatively well for most of Glacier's local newspapers. Financial information revenue increased despite the severe challenges faced by the investment and banking industry. Agricultural, medical and certain other trade information operations also grew or maintained revenue levels compared to the same period last year. Subscription revenue for Glacier's paid local newspapers, energy, technical and regulatory information and business directories continue to be resilient.

On a same-store basis, Glacier's consolidated revenue declined $6.0 million and EBITA declined $6.0 million. Variable cost savings in newsprint consumption and sales commission (which are typically approximately 25% of revenue) were offset by newsprint prices that were 29% higher in the first quarter compared to the same period last year, lower advertising yields that resulted from rate discounting in some markets, certain wage increases for existing staff, and investment in a substantially expanded Internet presence for local newspaper markets, which offers new revenue growth opportunities. Newsprint prices subsequently fell 20% effective April 1, 2009, although these savings will not be realized by Glacier until existing newsprint inventories are consumed, which is expected by May.

It is 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.

Despite the challenging economic conditions, Glacier expects to generate strong cash flows during the remainder of 2009 and beyond through a combination of the resilience of its businesses and significant cost reduction initiatives as outlined following.

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 resulted in the higher profit levels achieved in 2008.

During the first quarter of 2009, significant additional cost reduction measures were implemented 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 savings initiatives, 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 and phase in the 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. Glacier's same-store revenues declined 3% in December, 9% in January, 11% in February and 5% in March.

As a result of this strategy, the cost reduction initiatives were implemented at various times during the first quarter and weighted towards the end of the quarter. Given the various factors required for the programs to come into effect, only a small net amount of cost savings were realized during the quarter.

In total, Glacier has targeted more than $12 million of cost saving initiatives on an annualized basis, excluding direct variable cost savings such as reduced newsprint consumption and sales commissions that result from lower revenues (which as stated are typically approximately 25% of revenue). In addition, Glacier expects to incur lower interest expense during 2009 as a result of lower debt levels and interest rates.

Part of Glacier's past success has come from investing in people and initiatives where prudent and 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 prudent 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.

Financial Position and Acquisition Opportunities

Glacier's consolidated debt net of cash outstanding before deferred financing charges and other expenses was $115.6 million as at March 31, 2009 as compared to $112.6 million as at December 31, 2008. This variance in debt level was partially the result of i) a $6.3 million payment as a result of an affiliated entity's participation in an arbitration settlement between CanWest Global Communications Inc. and Sun Times Media Group Inc. that related to Glacier's acquisition of the Hollinger Canada operations in 2006, and ii) $1.7 million of investment capital expenditures made 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. The Company used its cash flow from operations to reduce the increase in debt.

Glacier's consolidated debt net of cash outstanding before deferred financing charges and other expenses was 2.6x trailing 12 months EBITA as at March 31, 2009. During the quarter, 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 and use free cash flow generated to maintain debt at manageable ongoing levels and carefully target and structure acquisitions within acceptable risk profiles. These acquisitions will only be undertaken if debt and operating levels are deemed prudent within the context of the increased risks entailed in a recessionary environment.

Management is monitoring economic conditions and business events in the United States and Canada closely to identify acquisition opportunities 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

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

Forward Looking Statements

Glacier Media Inc.'s first 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 Acquisition Opportunities" in the accompanying Report to Shareholders, and statements relating to our expectations regarding our revenues, expenses, cash flows and future profitability, including our expectation to generate sufficient cash flow from operations to meet anticipated working capital, capital expenditures and debt service requirements.

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 Acquisition 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 May 7, 2009 and should be read in conjunction with the Company's interim financial statements and notes thereto as at and for the three months ended March 31, 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 May 7, 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, and consolidation and cost efficiency efforts. Particular focus is being given to 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 in worsened in the first quarter of 2009 and is expected to continue for the near term. While the recession has affected revenues 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. Local advertising revenue held up relatively well for most of Glacier's local newspapers, and a number of trade and business and professional operations have either grown or maintained revenue levels.

Cost Reduction Programs. Glacier implemented comprehensive cost reduction strategies during the first quarter of 2009 in order to offset the weakening economic conditions. As these initiatives were implemented throughout the quarter and weighted to the latter part of the period, and given the various factors entailed for the programs to come into effect, only a small amount of the cost savings were realized in the Company's results of operations for the three months ended March 31, 2009.

The Company has structured the cost reduction initiatives to reduce operating expenses while maintaining the strength and competitiveness of the businesses as much as possible. The Company believes it is important to maintain this strength and competitiveness 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.

Acquisition Opportunities. Glacier continues to pursue acquisition opportunities of information communication businesses that fit within its business strategy. The Company believes a wide variety of acquisition opportunities will arise during the recession given the challenging business and financial conditions many companies are facing.

First Quarter Results and Overview of Operating Performance

Revenue

Glacier's consolidated revenue for the quarter ended March 31, 2009 was $54.8 million compared to $58.8 million in the same period last year.

The 6.9% decline in consolidated revenue during the first quarter compared to last year was a result of 1) a 9.8% decrease in "same-store" revenue that has occurred due to the recession, which has directly affected advertising activity in most markets and industries in which the Company operates and 2) new revenue generated from acquisitions that Glacier made during the last three quarters of 2008.

Newspaper and Trade Information

The newspaper and trade information group, generated $50.8 million of revenue for the quarter ended March 31, 2009, as compared to $54.8 million for the same period last year. The decline in revenue during the first quarter compared to last year was a result of the recession and its direct impact on advertising activity in the trade information and newspaper group, as many advertisers have scaled back spending in an effort to reduce their own costs. The decrease in revenue was partially offset by growth in the agricultural group and a number of local newspapers in Saskatchewan and Manitoba, as well as revenue generated from acquisitions completed during the last three 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 $4.0 million for the quarter ended March 31, 2009, as compared to $4.0 million for the same period last year. This segment has maintained revenues due to higher revenues from our mutual fund and interactive medical education businesses. These higher revenues were offset by revenue decreases at STP and Eco Log as a result of the recession.

Gross Margin

Glacier's consolidated gross profit for the quarter ended March 31, 2009 was $17.7 million compared to $22.5 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, c) a 29% increase in newsprint prices compared to the same period last year and d) certain wage increases for existing staff, amongst other things. Newsprint prices were reduced 20% effective April 1, 2009, although these savings will not be realized by Glacier until existing newsprint inventories are consumed, which is expected by May.

These decreases were partially offset by the realization of cost saving initiatives implemented during the quarter. The majority of the impact of the cost saving and restructuring initiatives is expected to be realized by the second quarter of this year. Additional cost reduction measures will be implemented if required.

The decrease in the gross margin percentage was also a result of the acquisition of the Printwest Communications printing business, which has lower gross margins and historically breaks even in the first quarter. 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 $11.0 million for the quarter ended March 31, 2009 as compared to $9.4 million for the same period last year. The increase was due to a) wage increases realized in the first quarter of 2009, b) new corporate internet and information system initiatives and c) impact of non-recurring corporate items. These increases were partially offset by realization of cost saving initiatives implemented in late 2008 and early 2009. As mentioned above, the majority of the impact of the cost saving and restructuring initiatives is expected to be realized by the second quarter of this year and additional cost reduction measures will be implemented if required. The Company's cost reduction plans included a reduction in general and administrative expenses which, although finalized in early 2009, will be implemented at various points during the year. Full realization of these actions will be reflected in the results of operations going forward.

EBITA

EBITA was $6.7 million for the quarter ended March 31, 2009 as compared to $13.1 million for the same period last year. The decrease in EBITA was due to the reasons stated under **Gross Margin** and **General & Administrative Expenses** and certain non-recurring corporate items. The decrease in EBITA was partially offset by the initial phases of the cost saving and restructuring programs indicated.

Non-Operating Items

Amortization expense was largely unchanged for the quarter ended March 31, 2009 as compared to the same period last year. Glacier's consolidated net interest expense for the quarter ended March 31, 2009 was $1.5 million, down $0.8 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 March 31, 2009 included $0.3 million of non-cash interest expense as a result of the prospective adoption of a new accounting pronouncement adopted in 2007.

Restructuring Expenses

The $1.0 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 began 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.

Net Income

Net income decreased by $5.6 million to $2.4 million in the first quarter of 2009. This decrease was caused by a) the decline in revenue and profitability of existing operations due to the recession, b) $1.0 million in restructuring expenses due to initiatives implemented to combat current economic conditions, c) a $0.4 million decrease in equity investee earnings and d) a $0.1 million negative variance in foreign exchange amounts. The decrease was offset by a) a $1.1 million positive variance from fair market value adjustment to the Company's interest rate swap, b) a $0.8 million reduction in interest expense and c) a $0.6 million increase in income tax recovery.

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 March 31, 2009**	Three months ended March 31, 2008
EBITA [1]		
Net Income	**$ 2,368**	$ 7,960
Add (deduct):		
Amortization	**$ 2,724**	$ 2,673
Provision for income taxes	**$ (1,410)**	$ (798)
Foreign exchange gain	**$ (20)**	$ (132)
Interest	**$ 1,536**	$ 2,275
Share of losses (earnings) from equity investee	**$ 263**	$ (116)
Unrealized (gain) loss on financial instruments	**$ (205)**	$ 907
Non-controlling interest	**$ 461**	$ 334
Restructuring expenses	**$ 995**	$ -
EBITA [1]	**$ 6,712**	$ 13,103
Cash flow from operations [1]		
Net income	**$ 2,368**	$ 7,960
Add (deduct):		
Amortization	**$ 2,724**	$ 2,673
Employee future benefits	**$ 230**	$ 216
Future income taxes	**$ (1,527)**	$ (940)
Unrealized foreign exchange (gain)	**$ (3)**	$ (42)
Non-controlling interest	**$ 461**	$ 334
Non cash interest	**$ 307**	$ 272
Share of losses (earnings) from equity investee	**$ 263**	$ (116)
Unrealized (gain) loss on financial instruments	**$ (205)**	$ 907
Restructuring expenses	**$ 995**	$ -
Cash flow from operations [1]	**$ 5,613**	$ 11,264
Weighted average shares outstanding, net	**92,721,210**	93,197,364
EBITA per share [1]	**$ 0.07**	$ 0.14
Net income per share	**$ 0.03**	$ 0.09
Cash flow from operations per share [1]	**$ 0.06**	$ 0.12

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	Q1 2009	Q4 2008	Q3 2008	Q2 2008
Revenue	$ 245,058	$ 54,795	$ 61,447	$ 59,932	$ 68,884
EBITA [1]	$ 45,012	$ 6,712	$ 9,747	$ 10,059	$ 18,494
EBITA margin [1]	18.4%	12.2%	15.9%	16.8%	26.8%
EBITA per share [1]	$ 0.48	$ 0.07	$ 0.10	$ 0.11	$ 0.20
Interest expense, net	$ 8,361	$ 1,536	$ 2,062	$ 2,460	$ 2,303
Net income before non-recurring item [2] [3]	$ 29,947	$ 3,363	$ 9,546	$ 3,968	$ 13,070
Net income before non-recurring item per share [2] [3]	$ 0.32	$ 0.04	$ 0.10	$ 0.04	$ 0.14
Net income	$ 22,677	$ 2,368	$ 3,271	$ 3,968	$ 13,070
Net income per share	$ 0.24	$ 0.03	$ 0.03	$ 0.04	$ 0.14
Cash flow from operations [1][2][3]	$ 38,712	$ 5,613	$ 8,751	$ 7,986	$ 16,362
Cash flow from operations per share [1][2][3]	$ 0.42	$ 0.06	$ 0.09	$ 0.09	$ 0.18
Capital expenditures	$ 11,036	$ 2,444	$ 3,011	$ 3,755	$ 1,826
Debt net of cash outstanding before deferred financing charges and other expenses	$ 115,635	$ 115,635	$ 112,577	$ 121,259	$ 122,177
Shareholders' equity	$ 300,049	$ 300,049	$ 297,517	$ 294,801	$ 290,879
Weighted average shares outstanding, net	93,013,594	92,721,210	92,982,485	93,150,994	93,195,304

	Trailing 12 Months	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Revenue	$ 221,766	$ 58,830	$ 57,099	$ 49,551	$ 56,286
EBITA [1]	$ 48,592	$ 13,103	$ 12,351	$ 9,516	$ 13,622
EBITA margin [1]	21.9%	22.3%	21.6%	19.2%	24.2%
EBITA per share [1]	$ 0.52	$ 0.14	$ 0.13	$ 0.10	$ 0.15
Interest expense, net	$ 9,930	$ 2,275	$ 2,321	$ 2,515	$ 2,819
Net income before non-recurring item	$ 34,174	$ 7,960	$ 11,955	$ 3,819	$ 10,440
Net income before non-recurring item per share	$ 0.37	$ 0.09	$ 0.13	$ 0.04	$ 0.11
Net income	$ 34,174	$ 7,960	$ 11,955	$ 3,819	$ 10,440
Net income per share	$ 0.37	$ 0.09	$ 0.13	$ 0.04	$ 0.11
Cash flow from operations [1]	$ 40,487	$ 11,264	$ 11,155	$ 7,102	$ 10,966
Cash flow from operations per share [1]	$ 0.44	$ 0.12	$ 0.12	$ 0.08	$ 0.12
Capital expenditures	$ 3,091	$ 891	$ 1,079	$ 326	$ 795
Debt net of cash outstanding before deferred financing charges and other expenses	$ 119,500	$ 119,500	$ 111,231	$ 105,286	$ 103,605
Shareholders' equity	$ 277,805	$ 277,805	$ 269,828	$ 257,397	$ 253,626
Weighted average shares outstanding, net	93,174,882	93,197,364	93,107,923	93,197,364	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.

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

- The occurrence of the recession during the first quarter of 2009 that has resulted in decreased revenue, profitability and cash flow;
- Restructuring expenses of $1.0 million in the first quarter of 2009 mainly related to severance payments as part of Glacier's cost reduction programs;
- Internal revenue growth, 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 one-time dilution gain that was realized in the second quarter of 2007 from the sale of treasury shares of GVIC Communications Corp.;
- A $3.0 million future income tax recovery in the second quarter of 2007 and $5.6 million recovery in the fourth quarter of 2008 both 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; and
- A $6.3 million non-recurring item in the fourth quarter of 2008.

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 March 31, 2009, Glacier had consolidated cash of $2.4 million, current and long-term debt of $118.0 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 $27.3 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 Consolidated Interim Statements of Cash Flows) is the most appropriate measure to determine Glacier's profitability and return on equity, as the Company has low ongoing 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 $2.4 million for the quarter ended March 31, 2009 were higher than the $0.9 million spent for the same period last year due to $1.7 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

(thousands of dollars)	**March 31, 2009**	March 31, 2008
Cash generated from (used in)		
Operating activities	**(151)**	11,676
Investing activities	**(2,972)**	(19,458)
Financing activities	**2,092**	10,592
(Decrease) Increase in cash	**(1,031)**	2,810

Glacier had $2.4 million of cash on hand as at March 31, 2009. The changes in the components of these cash flows during the first quarter of 2009 and 2008 are detailed in the interim consolidated statements 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 $5.6 million compared to $11.3 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 $0.8 million from operations compared to $11.7 million in the prior year. This decrease was due primarily to lower net cash generated through operations and the 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.

Investing Activities

Cash used in investing activities totaled $3.0 million in the first quarter of 2009 compared to $19.5 million for the same period last year. The main cash flows were $2.4 million paid for purchases of property, plant and equipment described in **Summary of Financial Position, Financial Requirements and Liquidity**. In 2008, the major investing cash expenditures, net of bank indebtedness and preferred share financing, were $24.5 million paid for the acquisitions of JuneWarren Publications and community newspapers in British Columbia and Manitoba and $0.9 million paid for purchases of property, plant and equipment, offset by the $6.2 million receipt of the Company's proportionate share of advances to ANGLP concurrent to ANGLP's refinancing of its senior debt.

Financing Activities

During the first quarter of 2009, the Company generated $2.1 million in consolidated financing cash flow primarily from the increase in the Company's revolving bank loan whereas in the first quarter of 2008, the Company generated $10.6 million in consolidated cash flow primarily from the increased proportionate share of external debt in ANGLP.

Outstanding Share Data

As of March 31, 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. The expiry date of the warrants is June 28, 2009. Shareholder approval is being sought to extend the expiry of the warrants to June 28, 2014 in order to avoid a potential tax liability.

As at May 7, 2009 the Company had the 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.

In December 2007, the Company converted its senior debt term facility into a revolving bank loan with the ability to re-borrow to a certain level. 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.

In connection with its revolving bank loan, the Company has a five year interest rate swap contract for 50% of the 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 $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 addition, 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.

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	117,037	5,033	103,554	8,450	-	-
Operating Leases	7,453	1,993	2,220	1,978	852	410
	124,490	7,026	105,774	10,428	852	410

Of the long term debt maturing at December 31, 2010, $94.0 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 March 31, 2009 and 2008.

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 are 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 March 31, 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.

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 receivables 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 March 31, 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 March 31, 2009, the exchange and interest rate swap contracts were in an unrealized loss position of $2.1 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 Board and the Audit Committee. 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 March 31, 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 March 31, 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 March 31, 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 $1.3 million for the quarter ended March 31, 2009 and net assets of $90.4 million as at March 31, 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 underway, 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 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 is in fiscal years beginning on or after January 1, 2011. 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. 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. 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 months ended March 31,

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

	2009	2008
	$	$
Revenue	**54,795**	58,830
Direct expenses	**37,127**	36,355
Gross profit	**17,668**	22,475
Expenses		
General and administrative	**10,956**	9,372
Income before the undernoted	**6,712**	13,103
Interest expense, net	**1,536**	2,275
Amortization of property, plant and equipment	**1,299**	1,036
Amortization of intangible and other assets	**1,425**	1,637
Foreign exchange (gain)	**(20)**	(132)
Share of losses (earnings) from equity investee	**263**	(116)
Unrealized (gain) loss on financial instruments	**(205)**	907
Restructuring expenses (Note 4)	**995**	-
Income before provision for income taxes and non-controlling interest	**1,419**	7,496
Provision for income taxes		
Current	**117**	142
Future	**(1,527)**	(940)
Provision for income taxes (Note 10)	**(1,410)**	(798)
Income before non-controlling interest	**2,829**	8,294
Non-controlling interest	**461**	334
Net income for the period	**2,368**	7,960
Other comprehensive income		
Translation adjustment of a self-sustaining investee	**164**	17
Comprehensive income	**2,532**	7,977
Earnings per share		
Basic	**0.03**	0.09
Diluted	**0.03**	0.09
Weighted average number of common shares		
Basic	**92,721,210**	93,197,364
Diluted	**92,721,210**	93,466,174

See accompanying notes to these interim consolidated financial statements

GLACIER MEDIA INC.

INTERIM CONSOLIDATED BALANCE SHEET

(Unaudited)
(Expressed in thousands of dollars)

	As at March 31, 2009	As at December 31, 2008
	$	$
Assets		
Current assets		
Cash	**2,383**	3,414
Accounts receivable	**38,479**	40,034
Inventory	**7,163**	6,423
Prepaid expenses	**3,967**	3,867
Future income tax asset	**2,287**	3,873
	54,279	57,611
Investments (Note 5)	**25,876**	26,030
Other assets	**3,821**	3,735
Property, plant and equipment	**40,521**	39,376
Intangible assets	**162,045**	163,336
Goodwill	**228,919**	228,862
	515,461	518,950
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	**19,632**	27,877
Deferred revenue	**23,522**	20,648
Current portion of long-term debt (Note 7)	**5,033**	4,958
	48,187	53,483
Non-current portion of deferred revenue	**940**	918
Deferred credit (Note 10)	**21,207**	23,327
Other non-current liabilities	**4,506**	4,467
Long-term debt (Note 7)	**112,004**	109,840
Preferred shares of an affiliated company	**5,000**	5,000
Future income taxes	**12,248**	13,334
	204,092	210,369
Non-controlling interest	**11,320**	11,064
Shareholders' equity		
Share capital (Note 8)	**206,713**	206,713
Contributed surplus	**8,886**	8,886
Accumulated other comprehensive income	**302**	138
Retained earnings	**84,148**	81,780
	300,049	297,517
	515,461	518,950

See accompanying notes to these interim consolidated financial statements

GLACIER MEDIA INC.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
Three months ended March 31,

(Unaudited)
(Expressed in thousands of dollars)

	2009	2008
	$	$
Operating activities		
Net income	**2,368**	7,960
Items not affecting cash		
Amortization of property, plant and equipment	**1,299**	1,036
Amortization of intangible and other assets	**1,425**	1,637
Employee future benefit expense in excess of employer contributions	**230**	216
Future income taxes	**(1,527)**	(940)
Non-controlling interest	**461**	334
Non-cash interest expense	**307**	272
Share of losses (earnings) from equity investee	**263**	(116)
Unrealized (gain) loss on financial instruments	**(205)**	907
Unrealized foreign exchange (gain) on long-term receivable	**(3)**	(42)
Cash flow from operations before changes in non-cash operating accounts	**4,618**	11,264
Changes in non-cash operating accounts		
Accounts receivable	**1,555**	(134)
Inventory	**(740)**	(1,046)
Prepaid expenses	**(100)**	242
Accounts payable and accrued liabilities (Note 6)	**(8,380)**	429
Deferred revenue	**2,896**	921
	(151)	11,676
Investing activities		
Acquisitions, inclusive of bank indebtedness assumed and related financing	**(95)**	(24,887)
Purchase of property, plant and equipment	**(2,444)**	(891)
Distribution to non-controlling interests	**(205)**	-
Other assets	**(228)**	6,433
Investments	**-**	(113)
	(2,972)	(19,458)
Financing activities		
Proceeds from long-term debt	**7,210**	11,494
Repayment of long-term debt	**(5,118)**	(902)
	2,092	10,592
Net cash (outflow) inflow	**(1,031)**	2,810
Cash, beginning of period	**3,414**	7,228
Cash, end of period	**2,383**	10,038
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
Three months ended March 31,

(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**

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 months ended March 31, 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 is in fiscal years beginning on or after January 1, 2011. 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. 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. The Section establishes standards for the accounting of the non-controlling interests in a subsidiary in the consolidated financial statements subsequent to a

3. Future accounting standards (continued)

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

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

4. Restructuring expenses

During the three months ended March 31, 2009, Glacier and its subsidiaries initiated a major cost reduction plan to offset 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. The restructuring expenses of $1.0 million recorded during the first quarter of 2009 were primarily for severance as the Company reduced its workforce in an effort to reduce costs. Implementation of the cost reduction plan began at various times during the quarter and the majority of the impact of the cost saving and restructuring initiatives is expected to be realized by the second quarter of the year ended December 31, 2009. Additional cost reduction measures will be implemented if required. The total amount expected to be incurred by the Company in connection with its cost reduction plan is unknown at March 31, 2009 as further cost reduction initiatives will be dependent on business conditions. At March 31, 2009, $0.1 million of the $1.0 million restructuring expenses are included in accounts payable and accrued liabilities.

5. Investments

	March 31, 2009	December 31, 2008
	$	$
Investment in equity accounted investees (a)	**22,947**	23,110
Other investments (b)	**2,929**	2,920
	25,876	26,030

(a) Investment includes 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) Investment includes 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 three months ended March 31, 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 March 31, 2009 and December 31, 2008:

	March 31, 2009	December 31, 2008
	$	$
Revolving bank loan	**94,000**	92,000
Proportionate share of non-recourse long-term debt owed by ANGLP	**20,489**	21,594
Fair value of derivative instruments	**2,055**	2,215
Deferred financing charges	**(3,036)**	(3,408)
Other	**3,529**	2,397
	117,037	114,798
Less: Current	**5,033**	4,958
	112,004	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. Share capital

At March 31, 2009 the Company has authorized an unlimited number of common shares without par value and unlimited number of preferred shares. There were no changes to the Company's share capital, options or warrants during the three months ended March 31, 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 March 31, 2009, there are 1,100,000 share purchase options. 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 March 31, 2009, the Company has 1,115,000 warrants outstanding allowing the holder to purchase one common share per warrant at $4.48 per share. The expiry date of the warrants is June 28, 2009. Shareholder approval is being sought to extend the expiry of the warrants to June 28, 2014 in order to avoid a potential tax liability.

9. 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.

10. 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 March 31, 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 $21.2 million (March 31, 2008 – $31.1 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:

	March 31, 2009	March 31, 2008
	$	$
Current	**117**	142
Future	**593**	2,643
Total income tax expense	**710**	2,785
Amortization of deferred credit	**(2,120)**	(3,583)
Provision for income taxes	**(1,410)**	(798)

11. Joint ventures

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

	March 31, 2009	March 31, 2008
	$	$
Income statement		
Sales	**12,123**	10,298
Costs and expenses	**10,785**	8,278
Net income	**1,338**	2,020

	March 31, 2009	December 31, 2008
	$	$
Balance sheet		
Cash	**2,699**	3,952
Other current assets	**8,707**	11,028
Property, plant and equipment	**11,656**	11,833
Intangibles	**37,961**	38,396
Goodwill	**66,730**	66,427
Accounts payable and accrued liabilities	**(3,003)**	(4,256)
Other current liabilities	**(9,163)**	(10,136)
Long-term debt	**(17,615)**	(18,557)
Future income tax liabilities	**(7,617)**	(7,646)
Net assets	**90,355**	91,041

12. 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. All of the Company's operating assets are located in Canada. The following segmented information is as at March 31, 2009 and 2008:

(thousands of dollars)	Newspaper and Trade	Business and Professional	Corporate and Other	Consolidated
	$	$	$	$
3 months ended March 31, 2009				
Revenues	**50,840**	**3,955**	**-**	**54,795**
Income (loss) before interest, taxes, amortization and other	**5,650**	**1,083**	**(21)**	**6,712**
Net income	**1,620**	**561**	**187**	**2,368**
Assets	**465,974**	**48,759**	**728**	**515,461**
Capital expenditures	**2,419**	**25**	**-**	**2,444**
3 months ended March 31, 2008				
Revenues	54,832	3,998	-	58,830
Income (loss) before interest, taxes, amortization and other	11,808	1,319	(24)	13,103
Net income	8,494	627	(1,161)	7,960
Assets	459,219	50,197	971	510,387
Capital expenditures	759	132	-	891

13. Comparative figures

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

Board of Directors

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

*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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