Consolidated Interim Financial Statements of

GLACIER MEDIA INC.

Three months ended March 31, 2010

President's Message

For the three months ending March 31, 2010, Glacier Media Inc.'s ("Glacier" or the "Company") revenue increased 4.9% to $57.5 million from $54.8 million for the year prior. Cash flow from operations (before changes in non-cash operating accounts and non-recurring items) improved 54.4% to $8.7 million and earnings before interest, taxes and amortization (EBITA) increased 50.6% to $10.1 million compared to the year prior. Net income (before non-recurring items) increased 59.1% to $5.4 million.

Cash flow from operations (before changes in non-cash operating accounts and non-recurring items) per share increased 54.4% to $0.09 per share for the three months ending March 31, 2010 from $0.06 per share for the same period in 2009, EBITA per share increased 50.6% to $0.11 from $0.07 for the same period in 2009 and net income per share increased 126.0% to $0.06 from $0.03 for the same period in 2009.

Review of Operations

Improving Revenues

Glacier's revenue grew on a consolidated basis for the first time since the recession began. The improvements in the overall economy and the markets in which Glacier does business as well as concerted sales efforts are driving resumed growth in Glacier's operations.

After experiencing revenue declines during the first three quarters of 2009, with the worst results occurring in the summer of 2009, Glacier's revenue began to improve in September and continued strengthening such that Glacier's revenue returned to 97.6% of 2008 levels for the fourth quarter of 2009. Consolidated revenues continued at approximately these levels in January, then grew in February and March, resulting in 2.5% consolidated revenue growth for the quarter on a same-store basis and 4.9% including several small acquisitions and a related consolidation.

The trend in revenue performance has been encouraging in that the majority of Glacier's businesses are experiencing growth. By March, Glacier's trade and business information operations generating revenue growth included regulatory and compliance, environmental, financial, agriculture, energy, mining, transportation, construction and design, automotive and directories.

Glacier's local newspapers' revenue grew in each province within which the Company operates. This includes B.C., Alberta, Saskatchewan, Manitoba, Ontario and Quebec. It is instructive to note that these local newspapers were growing at approximately 8% in same-store revenue until October of 2008 while the economy was strong and have resumed growth as the economy has recovered. During 2009, despite all of the uncertainty instilled by the recession and its impact, same-store local newspaper revenues remained at 89% of prior year levels, where 2008 was a record year.

These statistics underscore the continued effectiveness of local newspapers for readers and advertisers, and the different attributes that exist between local community newspapers and large metropolitan daily newspapers. Glacier's local newspapers offer a unique selling proposition and competitive advantage through the local information that they provide, of which they are a primary source. This information can be delivered by Glacier in print or online, or perhaps in tablet form in the future. Given that the demand for this information is expected to exist for the long term, Glacier expects to be able to continue to monetize the information and marketing value through advertising and other revenue sources. As 85% of Glacier's local newspaper distribution is free, this also provides for a more durable reach of readership for advertisers over time wherein total market coverage can always be provided.

Glacier intends to pursue a complementary platform strategy in which the Internet and various information delivery devices are fully utilized, and in which print delivery of quality content augmented with attractive design continues to be fully utilized. While the Internet offers many attractive new opportunities, the print platform well provided continues to offer effective utility to both readers and advertisers. Management will seek to drive incremental growth from all platforms where possible, as opposed to unnecessarily expediting a transition from and cannibalization of print when in fact it still offers value, albeit as only one of a variety of platforms.

To this end, Glacier continued to increase its investment in electronic, wireless and Internet platforms and resources throughout 2009 and 2010 despite the overall focus on cost reduction. Senior management personnel have been hired from outside the newspaper and trade magazine industry to strengthen and complement Glacier's digital team, and a diverse array of digital initiatives are being implemented. This investment and efforts have resulted in a variety of new sources of revenue for the Company's local newspapers, trade information and business information operations.

A number of other efforts have been made during 2009 and 2010 to increase sales effectiveness despite the recession. New revenues have been generated in a number of areas including special publishing initiatives, special features, supplements, new community magazines, production and promotion of community events, custom publishing, sponsored industry specific research studies, conferences and tradeshows, new directories, and other new revenue initiatives. Efforts continue to be made to leverage and monetize the diverse and rich content and distribution channels Glacier owns and is developing.

Investments to improve printing facilities have also resulted in increased revenues and cash flows as well as improvements in quality. During the quarter Glacier was awarded the contract to print *The Globe and Mail* for Saskatchewan and Manitoba, which will commence in the fourth quarter.

While the North American economy continues to evidence some areas of weakness and caution should be maintained in assessing outlook, a wide variety of consumer, manufacturing and other indicators have been strengthening, which will bode well for Glacier's businesses assuming the generally favourable economic trend continues.

Improving Profitability

As stated, Glacier's consolidated EBITA grew 50.6% to $10.1 million for the first quarter compared to last year. This was a result of both the high level of profitability associated with Glacier's incremental print and digital revenues, as well as the realization of a wide variety of cost reduction initiatives that were implemented during 2009, the majority of which were only fully implemented in the second and third quarters of last year. These initiatives included staff layoffs, reduction in hours for part-time employees, reduction in newsprint consumption, and a wide variety of other measures.

In total, Glacier reduced its non-variable expenses in 2009 by more than $14 million on an annualized basis. The Company structured these cost reduction initiatives to reduce operating expenses while maintaining the strength of its businesses and competitiveness as much as possible. This strategy appears to have been effective, as Glacier staff are proving able to respond quickly and successfully in generated revenue growth as the economy recovers, while benefiting from greater operating cost efficiency.

It should also be noted that consolidated general and administrative expenses as reported on the Company's financial statements decreased only $0.4 million on a year-over-year basis primarily due to the proportionate consolidation of a previously equity accounted investee and the reclassification of some direct expenses. While same-store general and administrative expenses did increase incrementally due to some wage increases that took effect in the first quarter of 2010 and increased Internet expenses, same-store general and administrative expenses were reduced through a variety of cost reduction measures. However, the vast majority of the $14 million of annualized cost savings relate to direct expenses, which include the newsprint consumption savings and the majority of the labour cost savings.

Importantly, product and content quality was maintained during the recession, and paid subscription levels have proven resilient as a result for local newspapers, energy, technical and regulatory information and business.

Management expects that Glacier's profitability will continue to improve as the economic recovery and new revenue initiatives drive incremental revenue growth while the lower cost base is maintained and further cost efficiencies are pursued.

Financial Position

Glacier's consolidated debt net of cash outstanding before deferred financing charges and other expenses was $98.4 million as at March 31, 2010 compared to $99.9 million as at December 31, 2009.

The Company used its cash flow from operations to pay down $2.4 million of debt during the quarter, invest $0.7 million in several small acquisitions and fund $1.5 million of capital expenditures, $0.9 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.

Glacier reduced its consolidated debt (net of cash outstanding before deferred financing charges and other expenses) to EBITA ratio to 2.5x trailing 12 months EBITA as at March 31, 2010. During the quarter, Glacier extended the maturity date of its senior revolving loan facility, which has no required principal repayments, until July 1, 2011.

Outlook

The economy now appears to be on more stable footings, its recovery is being reflected in the improvement in Glacier's financial performance and management is cautiously optimistic that the recovery will continue.

As a result, Glacier is reviewing transaction opportunities that fit with the Company's business strategy. A core component of Glacier's historical success has been the realization of growth through accretive acquisitions. The Company has been able to prudently acquire and organically grow a significant number of businesses to consistently increase shareholder value with above average returns.

During the recession, management focused on paying down debt, maintaining a balance of operating cost reduction and long-term operating strength, and integrating the operations acquired over the past several years. These efforts have produced a stable platform of operations from which to generate continued growth from operations and pursue acquisitions and other opportunities to grow shareholder value using internally generated cash flow.

Glacier is encouraged by the opportunities for value creation that are arising from market conditions and intends to pursue transactions that will strengthen the Company's existing operating platforms and allocate capital to attractive growth areas.

Jonathon J.L. Kennedy
President and Chief Executive Officer

First Quarter 2010 Management's Discussion & Analysis ("MD&A")

Forward Looking Statements

Glacier Media Inc.'s first quarter 2010 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 2010 and Outlook", "Cost Reduction Programs", and "Investment Opportunities", and the headings "Improving Revenues", "Improving Profitability", "Financial Position", and "Outlook" in the accompanying President's Message, 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, to monetize our information and content, that profitability will continue to improve as the economy recovers, that debt will be maintained at manageable levels, and that cost savings will be maintained.

These forward looking statements are based on certain assumptions, including continued economic recovery and the realization of cost savings, 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 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 financial condition and results of operations of the Company and other information is dated May 5, 2010 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, 2010. 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, 2009. The Company's consolidated financial statements for the year ended December 31, 2009 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, cash flow from operations per share, net income before non-recurring items and net income before non-recurring items 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, Cash Flow from Operations and Net Income before Non-recurring Items Reconciliation in this MD&A.

All financial references are in 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 5, 2010.

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 sectors.

The operations in the local 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, Quebec and Rhode Island. The Company also has standalone printing operations in British Columbia and Saskatchewan.

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 2010 and Outlook

For a detailed description of Glacier's business outlook see its 2009 Annual MD&A under *"Significant Developments in 2009 and Outlook"*.

The Company is focused on improving revenues and operating profitability and reduce debt levels in order to strengthen its financial position through increasing sales effectiveness, new product offerings, quality improvement and cost efficiency efforts. The Company is also reviewing acquisition targets as the economy recovers and the opportunities increase of acquiring businesses with attractive growth potential at accretive valuations in a reducing risk environment.

Operational Performance

The Company has now seen improvement in operational performance in both the fourth quarter of 2009 and the first quarter of 2010 compared to the first three quarters of 2009. First quarter results followed the trend that began to emerge during the fourth quarter of 2009 where improvements began taking place in a number of the Company's markets and operations. In particular, local newspaper revenues and the majority of the trade and business information operations continued to improve, real estate revenues improved and revenues from printing operations increased due to new business. Additional revenues were also generated from sales of the official 2010 Olympic Souvenir Program and Hockey Guide of which the Company was the exclusive publisher. Subscription revenues for Glacier's paid local newspapers, energy, technical and regulatory information and business directories continued to be resilient.

The full impact of cost savings initiatives implemented during the first nine months of 2009 are also being realized in current period results. The high profitability of increased incremental revenue coupled with the realization of these cost savings initiatives resulted in improvements in both gross margin and EBITA.

Efforts continue to be made to leverage and monetize content across print, online, wireless and other channels and platforms. In this regard, Glacier continued to increase its investment in electronic, wireless and Internet platforms and resources through the recession. The investment has resulted in a variety of new sources of revenue for our local newspapers, trade information and business information operations.

Investments to improve printing facilities have also resulted in increased revenues and cash flows as well as improvements in quality.

Cost Reduction Programs. Glacier reduced its cost base significantly during 2009 in order to mitigate the impact of the decline in revenues during the year. These measures included staff layoffs, reduction in hours for part-time employees, reduction in newsprint consumption, and a wide variety of other measures. In total the Company reduced its non-variable cost base by over $14 million on an annualized basis. The Company structured these cost reduction initiatives to reduce operating expenses while maintaining the strength of its businesses and competitiveness as much as possible.

Investment Opportunities. While the Company intends to maintain debt at manageable levels and continue to focus on strengthening operations, it is expected that attractive investment opportunities will arise as a result of the recession and the unfolding economic recovery. Glacier intends to pursue acquisition opportunities that fit with its business strategy. Particular focus will be given to expanding the Company's electronic business information and digital media operations given the growth prospects of these businesses.

First Quarter Results and Overview of Operating Performance

Selected Financial Data

thousands of dollars *except share and per share amounts*	Three months ended March 31, 2010	Three months ended March 31, 2009
Revenue	$ 57,488	$ 54,795
Gross profit	$ 20,910	$ 17,862
Gross margin	36.4%	32.6%
EBITA (1)	$ 10,108	$ 6,712
EBITA margin (1)	17.6%	12.2%
EBITA per share (1)	$ 0.11	$ 0.07
Interest expense, net	$ 1,811	$ 1,536
Net income before non-recurring items (1)(2)	$ 5,352	$ 3,363
Net income before non-recurring items per share (1)(2)	$ 0.06	$ 0.04
Net income	$ 5,352	$ 2,368
Net income per share	$ 0.06	$ 0.03
Cash flow from operations (1)(2)	$ 8,664	$ 5,613
Cash flow from operations per share (1)(2)	$ 0.09	$ 0.06
Capital expenditures	$ 1,534	$ 2,444
Total assets	$ 506,508	$ 515,461
Debt net of cash outstanding before deferred financing charges and other expenses	$ 98,394	$ 115,635
Shareholders' equity	$ 316,272	$ 300,049
Weighted average shares outstanding, net	92,721,210	92,721,210

Notes:
(1) Refer to "Non-GAAP Measures" section for calculation of non-GAAP measures used in this table.
(2) 2009 excludes $1.0 million in restructuring expense

Revenue

Glacier's consolidated revenue for the quarter ended March 31, 2010 was $57.5 million compared to $54.8 million in the same period last year.

The 4.9% increase in consolidated revenue during the first quarter compared to last year was a result of 1) revenue increases in most of the Company's businesses, 2) proportionate consolidation of Rhode Island Newspapers Inc. and 3) new revenue generated from minor acquisitions that Glacier made during the first quarter of 2010.

Local Newspaper and Trade Information

The local newspaper and trade information group, generated $53.8 million of revenue for the quarter ended March 31, 2010, as compared to $50.8 million for the same period last year. The increase in revenue during the first quarter compared to last year was a result of increasing sales in most of the Company's operations, revenue from the proportionate consolidation of Rhode Island Newspapers and minor acquisitions during the period. General advertising activity and confidence increased as the economy appears to be recovering.

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 $3.7 million for the quarter ended March 31, 2010, as compared to $4.0 million for the same period last year. Specialty Technical Publishers has suffered from the impact of the strengthening Canadian dollar versus the U.S. dollar.

The Company's interactive medical education business has been affected by slower new drug releases and industry consolidation, although new product developments and other initiatives are being made to improve revenues. Overall revenue performance for the group improved steadily during the quarter, however. In March, revenues for Specialty Technical Publishers, Eco Log and Fundata were all higher than prior year.

Gross Margin

Glacier's consolidated gross profit for the quarter ended March 31, 2010 was $20.9 million compared to $17.9 million in the same period last year. The absolute dollar increase in gross profit is largely attributable to a) revenue increases and related direct contribution, b) decreased newsprint prices compared to the same period last year and c) realization of cost saving initiatives implemented during 2009, the majority of which were not fully implemented until the second and third quarters of last year.

The increase in the gross margin percentage was also a result of the improved performance of the Printwest Communications printing business, which is showing improved results as a significant amount of Glacier's trade publication printing has been 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 $10.8 million for the quarter ended March 31, 2010 as compared to $11.2 million for the same period last year. The decrease was due to realization of cost savings from restructuring initiatives implemented during 2009 offset partially by a) the proportionate consolidation of a previously equity accounted investee and b) increased expenses associated with the Company's Internet operations.

EBITA

EBITA was $10.1 million for the quarter ended March 31, 2010 as compared to $6.7 million for the same period last year. The increase in EBITA was due to the reasons stated under **Gross Margin** and **General & Administrative Expenses**.

Amortization

Amortization expense increased for the quarter ended March 31, 2010 as compared to the same period last year as a result of additions to property, plant and equipment during the current period and in 2009. The Company has made significant investments in several of the Company's printing facilities and made improvements in production technology.

Non-Operating Items

Glacier's consolidated net interest expense for the quarter ended March 31, 2010 was $1.8 million compared to $1.5 million for the same period in 2009. Interest expense for the quarter ended March 31, 2009 was reduced due to timing of non-cash interest expense.

Restructuring Expenses

Restructuring expenses decreased from $1.0 million in the first quarter of 2009 to $nil in the current period (although staff reductions are still being implemented where prudent). These expenses related to employee severance costs incurred as part of the Company's cost restructuring initiatives. These expenses have been presented separately in the Company's interim consolidated statement of operations. Beginning at the end of 2008, the Company implemented a restructuring plan to reduce costs across the entire organization in order to offset the impact of the recession and to centralize certain corporate functions in strategic regions within the country, amongst other things. Management will closely monitor operational performance during 2010 and will assess whether further restructuring initiatives will be required.

Net Income

Net income increased by $3.0 million to $5.4 million in the first quarter of 2010. This increase was caused by a) an increase in profitability of existing operations due to increase in revenues and the impact of the cost saving initiatives implemented in 2009, b) a $0.7 million increase in equity investee earnings, c) a $0.2 million positive variance from fair market value adjustment to the Company's interest rate swap, and d) a $1.0 million reduction in restructuring expenses. The increase was offset by a) a $0.3 million increase in interest expense, b) a $0.3 million increase in amortization expense, c) a $0.1 million negative variance in foreign exchange amounts, d) a $0.2 million increase to non-controlling interest, and e) a $1.4 million decrease in recovery for income taxes.

See "**Summary of Financial Position, Financial Requirements and Liquidity**" for further details.

EBITA, Cash Flow from Operations and Net Income before Non-recurring Items Reconciliation

The following table reconciles the Company's net income as reported under GAAP to EBITA, cash flow from operations and net income before non-recurring items.

thousands of dollars *except share and per share amounts*	**Three months ended March 31, 2010**	Three months ended March 31, 2009
EBITA (1)		
Net Income	**$ 5,352**	$ 2,368
Add (deduct):		
Amortization	**$ 3,067**	$ 2,724
(Recovery) provision for income taxes	**$ (49)**	$ (1,410)
Foreign exchange loss (gain)	**$ 91**	$ (20)
Interest	**$ 1,811**	$ 1,536
Share of (earnings) losses from equity investee	**$ (413)**	$ 263
Unrealized (gain) on financial instruments	**$ (371)**	$ (205)
Non-controlling interest	**$ 620**	$ 461
Restructuring expense	**$ -**	$ 995
EBITA (1)	**$ 10,108**	$ 6,712
Cash flow from operations (1)		
Net income	**$ 5,352**	$ 2,368
Add (deduct):		
Amortization	**$ 3,067**	$ 2,724
Employee future benefits	**$ 170**	$ 230
Future income taxes	**$ (254)**	$ (1,527)
Unrealized foreign exchange loss (gain)	**$ 69**	$ (3)
Non-controlling interest	**$ 620**	$ 461
Non cash interest	**$ 424**	$ 307
Share of (earnings) losses from equity investee	**$ (413)**	$ 263
Unrealized (gain) on financial instruments	**$ (371)**	$ (205)
Restructuring expense	**$ -**	$ 995
Cash flow from operations (1)	**$ 8,664**	$ 5,613
Net income before non-recurring items (1)		
Net income	**$ 5,352**	$ 2,368
Add (deduct):		
Restructuring expense	**$ -**	$ 995
Net income before non-recurring items (1)	**$ 5,352**	$ 3,363
Weighted average shares outstanding, net	**92,721,210**	92,721,210
EBITA per share (1)	**$ 0.11**	$ 0.07
Net income before non-recurring items per share (1)	**$ 0.06**	$ 0.04
Net income per share	**$ 0.06**	$ 0.03
Cash flow from operations per share (1)	**$ 0.09**	$ 0.06

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 2010	Q4 2009	Q3 2009	Q2 2009
Revenue	$ 231,821	$ 57,488	$ 59,982	$ 50,838	$ 63,513
EBITA [1]	$ 39,188	$ 10,108	$ 11,122	$ 5,654	$ 12,304
EBITA margin [1]	16.9%	17.6%	18.5%	11.1%	19.4%
EBITA per share [1]	$ 0.42	$ 0.11	$ 0.12	$ 0.06	$ 0.13
Interest expense, net	$ 6,725	$ 1,811	$ 1,723	$ 1,046	$ 2,145
Net income before non-recurring items [1][3][4][5]	$ 24,152	$ 5,352	$ 5,131	$ 4,619	$ 9,050
Net income before non-recurring items per share [1][3][4][5]	$ 0.26	$ 0.06	$ 0.05	$ 0.05	$ 0.10
Net income	$ 16,910	$ 5,352	$ (1,384)	$ 4,243	$ 8,699
Net income per share	$ 0.18	$ 0.06	$ (0.02)	$ 0.05	$ 0.09
Cash flow from operations [1][3][4][5]	$ 33,507	$ 8,664	$ 9,819	$ 4,770	$ 10,254
Cash flow from operations per share [1][3][4][5]	$ 0.36	$ 0.09	$ 0.11	$ 0.05	$ 0.11
Capital expenditures	$ 8,435	$ 1,534	$ 2,186	$ 1,891	$ 2,824
Debt net of cash outstanding before deferred financing charges and other expenses	$ 98,394	$ 98,394	$ 99,939	$ 106,097	$ 111,561
Shareholders' equity	$ 316,272	$ 316,272	$ 311,043	$ 312,437	$ 308,563
Weighted average shares outstanding, net	92,721,210	92,721,210	92,721,210	92,721,210	92,721,210

	Trailing 12 Months	Q1 2009	Q4 2008	Q3 2008	Q2 2008
Revenue	$ 245,058	$ 54,795	$ 61,447	$ 59,932	$ 68,884
EBITA [1]	$ 45,431	$ 6,712	$ 10,124	$ 10,101	$ 18,494
EBITA margin [1]	18.5%	12.2%	16.5%	16.9%	26.8%
EBITA per share [1]	$ 0.49	$ 0.07	$ 0.11	$ 0.11	$ 0.20
Interest expense, net	$ 8,361	$ 1,536	$ 2,062	$ 2,460	$ 2,303
Net income before non-recurring items [1][2][4][5]	$ 30,366	$ 3,363	$ 9,923	$ 4,010	$ 13,070
Net income before non-recurring items per share [1][2][4][5]	$ 0.33	$ 0.04	$ 0.11	$ 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][4][5]	$ 39,131	$ 5,613	$ 9,128	$ 8,028	$ 16,362
Cash flow from operations per share [1][2][4][5]	$ 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

Notes:

[1] Refer to "**Non-GAAP Measures**" section for calculation of non-GAAP measures used in this table.

[2] First quarter 2009 excludes $1.0 million of restructuring expense.

[3] Second quarter 2009 excludes $0.4 million restructuring expense.

[4] Third quarters 2009 and 2008 exclude $0.4 million and $0.1 million respectively of restructuring expense.

[5] Fourth quarter 2009 excludes $0.4 million non-recurring item, $0.3 million restructuring expense and $5.8 million impairment of goodwill and intangible assets. Fourth quarter 2008 excludes $6.3 million non-recurring item and $0.4 million of restructuring expense.

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

- Improvements in operations during the fourth quarter of 2009 and the first quarter of 2010 due to the recovering economy, new sales efforts and cost reduction initiatives implemented during 2009;
- The impact of the recession during the fourth quarter of 2008 and 2009 that resulted in decreased revenue, profitability and cash flow;
- Restructuring expenses of $1.0 million, $0.4 million, $0.4 million, and $0.3 million in the first, second, third, and fourth quarters of 2009, respectively, and $0.1 million and $0.4 million in the

third and fourth quarters of 2008, respectively. Restructuring expenses are 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 during 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;
- A $6.3 million non-recurring item relating to settlement of a claim in the fourth quarter of 2008;
- A $0.4 million allowance against refundable liability insurance premiums in the fourth quarter of 2009;
- Goodwill and intangible assets impairment charge of $5.8 million in the fourth 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 March 31, 2010, Glacier had consolidated cash of $2.1 million, current and long-term debt of $100.5 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 $20.9 million excluding the future income tax asset and liabilities and deferred revenue.

Glacier's actual cash working capital is greater 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 $1.5 million for the year ended March 31, 2010 are lower than capital expenditures for the prior year as the Company undertook investment capital expenditures beginning in the first quarter of 2009 in several of the Company's printing facilities and production technology improvements. The capital expenditures during 2010 included $0.9 million of investment capital expenditures which primarily represented investments in printing facilities and production technology improvements, which investments are expected to result in attractive direct cash flow improvements and payback, as well as improved quality and colour capacity.

Changes in Financial Position

	Three months ended	
(thousands of dollars)	**March 31, 2010**	March 31, 2009
Cash generated from (used in)		
Operating activities	**4,901**	(151)
Investing activities	**(2,822)**	(2,972)
Financing activities	**(2,373)**	2,092
(Decrease) in cash	**(294)**	(1,031)

Glacier had $2.1 million of cash on hand as at March 31, 2010. The changes in the components of these cash flows during the first quarter of 2010 and 2009 are detailed in the interim consolidated statements of cash flows 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 $8.7 million compared to $5.6 million in the prior year. This increase was primarily due to higher net cash generated through operations. Cash from operations before restructuring expense and after changes in non-cash operating accounts was $4.9 million from operations compared to $0.8 million in the prior year. This increase was due to an increase in net cash generated through operations and an increase in cash generated from net changes in working capital.

Investing Activities

Cash used in investing activities totalled $2.8 million for the period ended March 31, 2010 compared to $3.0 million in the same period of 2009. The change in investing activities was primarily due to lower purchases of property, plant and equipment offset by an increase in acquisitions. The Company continues to make strategic investments in new printing equipment and production, Internet related technology and information system improvements.

Financing Activities

Cash used for financing activities was $2.4 million for the quarter ended March 31, 2010 compared to cash generated from financing activities of $2.1 million in 2009. In the current quarter, cash used for financing activities was due to the Company's unscheduled repayment of the Company's revolving bank loan and a joint venture's scheduled repayment of term debt. The Company made $1.0 million in unscheduled repayments of the Company's revolving bank loan. Cash generated from financing activities in the first quarter of 2009 was due to $6.0 million in proceeds from the revolving bank loan which were used for the payment of an affiliated entity's participation in the final settlement between Sun Times Media Group Inc. and CanWest Global Communications Inc. This amount was partially offset by the Company's unscheduled repayment of the Company's revolving bank loan and a joint venture's scheduled repayment of term debt.

Outstanding Share Data

As of March 31, 2010, 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. These warrants expire on June 28, 2014.

As at May 5, 2010 the Company had 92,721,210 common shares outstanding.

Contractual Agreements

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

Glacier amended the facility from a revolver and line of credit into a single revolving loan facility with significantly increased borrowing capacity. The amended facility will mature on July 1, 2011 and has no required principal repayments during its term.

The Company has a five year amortizing interest rate swap contract which at March 31, 2010 had a notional value of $29.4 million. 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 current portion of long-term debt. The contract 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	2010	2011	2012	2013	2014	Thereafter
Long term debt	99,206	5,958	84,361	4,631	3,379	67	810
Operating Leases	6,857	2,048	2,277	1,421	770	279	62
	106,063	8,006	86,638	6,052	4,149	346	872

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, 2010 and 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 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, 2010 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 amortizing interest rate swap contract which at March 31, 2010 had a notional value of $29.4 million. 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, 2010 would have a $0.1 million negative 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, 2010, the exchange and interest rate swap contracts were in an unrealized loss position of $0.3 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 2009 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 March 31, 2010, and have concluded that they are effective.

The CEO and CFO, while acknowledging responsibility for the design of internal controls over financial reporting ("ICFR"), and confirming that there were no changes in these controls that occurred during the most recent interim period ended March 31, 2010 which materially affected, or are reasonably likely to materially affect, the Company's ICFR and based upon their evaluation of these controls for the quarter ended March 31, 2010, the CEO and CFO have concluded that these controls are operating effectively. The CEO and CFO have certified such findings and reported to the Audit Committee, who in turn, has included such certification and report in the Audit Committee's recommendation to the Board of Directors. The Board of Directors in passing its resolutions acknowledge that they are basing and relying on such certifications and report.

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, Rhode Island Suburban Newspaper Inc. and ANGLP, each a proportionately consolidated entity in which the Company has an interest. These entities have combined net income of $1.4 million for the three months ended March 31, 2010 and net assets of $96.1 million as at March 31, 2010.

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. The most significant areas requiring the use of management estimates and assumptions include goodwill, intangible assets, accounting for future employee benefits and income taxes. 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.

Effect of New Accounting Pronouncements Not Yet Implemented

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.

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, 2011.

The process of converting to IFRS has been divided into a number of different stages, many of which will run concurrently. The initial diagnostic phase has now been completed. The planning phase and a detailed review of the impact that IFRS will have on Glacier's consolidated financial statements, and other areas of the Company is underway.

A draft opening balance sheet prepared under IFRS at the date of transition (January 1, 2011) 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 following IFRS standards currently in effect have been identified as having the most likely significant impact on the Company's consolidated financial statements and/or financial reporting process:

- IFRS 1 – First-time adoption of international Financial Reporting Standards
- IAS 1 – Presentation of Financial Statements
- IAS 12 – Income Taxes
- IAS 16 – Property, Plant and Equipment
- IAS 19 – Employee Benefits
- IAS 27 – Consolidated and Separate Financial Statements
- IAS 36 – Impairment of Assets
- IAS 38 – Intangible Assets
- ED 9 – Joint Arrangements

As the Company continues to progress through its transition plan the IFRS standards identified as having the most likely significant impact may change as a result of more detailed analysis and possible changes to the standards as they currently exist or the issuance of new standards.

The following table provides the Company's timeline for transition to IFRS and progress towards transition at March 31, 2010.

<table>
<tr><th>Key Elements</th><th>Procedures</th><th>Timeline</th><th>Status</th></tr>
<tr><td rowspan="4">Accounting policies</td><td>Identify and analyze differences between IFRS and Canadian GAAP currently being applied by the Company</td><td rowspan="3">Second quarter of 2010</td><td rowspan="3">Preliminary diagnostic of differences and selections has been completed

Detailed analysis of differences and selection of accounting policies is underway</td></tr>
<tr><td>Identify and select IFRS accounting standards and exemptions permitted in accordance with IFRS 1</td></tr>
<tr><td>Prepare IFRS financial statements and notes</td></tr>
<tr><td>Prepare January 1, 2010 opening balance sheet applying IFRS 1 and all other applicable international financial reporting standards</td><td>Third quarter of 2010</td><td>Pending</td></tr>
<tr><td>Internal control over financial reporting (ICFR) and disclosure controls and procedures (DC&P)</td><td>Evaluate current ICFR and DC&P in order to identify any changes required to ensure ICFR and DC&P are sufficient to address changes resulting from IFRS transition</td><td>Evaluation of current controls during second quarter of 2010

Implement any required internal controls in first quarter of 2010</td><td>Preliminary evaluation of impact on internal controls has been completed</td></tr>
<tr><td rowspan="3">Financial reporting expertise</td><td>Identify resource requirements to establish appropriate IFRS financial reporting expertise</td><td rowspan="2">Fiscal 2010</td><td rowspan="3">Primary individuals working on transition have participated in training

Evaluation of resource and training requirements for stakeholders is in-progress</td></tr>
<tr><td>Determine training requirements for the Company's stakeholders</td></tr>
<tr><td>Communicate progress of the transition and provide training to stakeholders</td><td>Regular communications throughout 2010 and 2011</td></tr>
<tr><td>Business activities</td><td>Assess the impact on the Company's contractual agreements (compliance with financial covenants, etc)

Make changes required to contractual agreements</td><td>Changes made prior to March 31, 2011</td><td>Initial evaluation completed

Detailed analysis in-progress</td></tr>
</table>

Key Elements	Procedures	Timeline	Status
IT systems	Evaluate impact on the Company's information systems (primarily the Company's accounting platform)	Any required changes to be made during fiscal 2010	Evaluation completed Implementation of required changes currently in-progress

Subsequent Event

On April 30, 2010 the Company acquired its joint venture partners' 50% joint interests in Printwest Communications Ltd.

GLACIER MEDIA INC.

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS
Three months ended March 31,

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

	2010	2009
	$	$
Revenue	**57,488**	54,795
Direct expenses	**36,578**	36,933
Gross profit	**20,910**	17,862
Expenses		
General and administrative	**10,802**	11,150
Income before the undernoted	**10,108**	6,712
Interest expense, net	**1,811**	1,536
Amortization of property, plant and equipment	**1,599**	1,299
Amortization of intangible and other assets	**1,468**	1,425
Foreign exchange loss (gain)	**91**	(20)
Share of (earnings) losses from equity investee	**(413)**	263
Unrealized (gain) on financial instruments	**(371)**	(205)
Restructuring expense (Note 3)	**-**	995
Income before provision for income taxes and non-controlling interest	**5,923**	1,419
(Recovery) Provision for income taxes		
Current	**205**	117
Future	**(254)**	(1,527)
(Recovery) Provision for income taxes (Note 10)	**(49)**	(1,410)
Income before non-controlling interest	**5,972**	2,829
Non-controlling interest	**620**	461
Net income for the period	**5,352**	2,368
Other comprehensive income		
Translation adjustment of a self-sustaining joint venture	**(123)**	164
Comprehensive income	**5,229**	2,532
Earnings per share		
Basic	**0.06**	0.03
Diluted	**0.06**	0.03
Weighted average number of common shares		
Basic	**92,721,210**	92,721,210
Diluted	**92,721,210**	92,721,210

See accompanying notes to these interim consolidated financial statements

INTERIM CONSOLIDATED BALANCE SHEETS

(Unaudited)
(Expressed in thousands of dollars)

	As at March 31, 2010	As at December 31, 2009
	$	$
Assets		
Current assets		
Cash	**2,070**	2,364
Accounts receivable	**35,255**	33,511
Inventory	**6,133**	5,708
Prepaid expenses	**7,736**	4,336
Future income tax asset	**288**	2,521
	51,482	48,440
Investments (Note 5)	**25,343**	24,994
Other assets	**2,915**	2,975
Property, plant and equipment	**43,820**	43,974
Intangible assets	**158,765**	159,181
Goodwill	**224,183**	224,183
	506,508	503,747
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**18,042**	19,060
Deferred revenue	**22,017**	19,266
Current portion of long-term debt (Note 6)	**7,301**	7,422
Preferred shares of an affiliated company (Note 7)	**5,000**	5,000
	52,360	50,748
Non-current portion of deferred revenue	**904**	899
Deferred credit (Note 10)	**12,631**	14,489
Other non-current liabilities	**4,591**	4,665
Long-term debt (Note 6)	**91,905**	93,688
Future income taxes	**15,456**	16,093
	177,847	180,582
Non-controlling interest	**12,389**	12,122
Shareholders' equity		
Share capital (Note 8)	**206,713**	206,713
Contributed surplus	**8,886**	8,886
Accumulated other comprehensive (loss)	**(385)**	(262)
Retained earnings	**101,058**	95,706
	316,272	311,043
	506,508	503,747

Subsequent event (Note 7 and 13)

See accompanying notes to these interim consolidated financial statements

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

(Unaudited)
(Expressed in thousands of dollars)

	2010	2009
	$	$
Operating activities		
Net income	**5,352**	2,368
Items not affecting cash		
Amortization of property, plant and equipment	**1,599**	1,299
Amortization of intangible and other assets	**1,468**	1,425
Employee future benefit expense in excess of employer contributions	**170**	230
Future income taxes	**(254)**	(1,527)
Non-controlling interest	**620**	461
Non-cash interest expense	**424**	307
Share of (earnings) losses from equity investee	**(413)**	263
Unrealized (gain) on financial instruments	**(371)**	(205)
Unrealized foreign exchange loss (gain) on long-term receivable	**69**	(3)
Cash flow from operations before changes in non-cash operating accounts	**8,664**	4,618
Changes in non-cash operating accounts		
Accounts receivable	**(1,607)**	1,555
Inventory	**(425)**	(740)
Prepaid expenses	**(3,379)**	(100)
Accounts payable and accrued liabilities	**(999)**	(8,380)
Deferred revenue	**2,647**	2,896
	4,901	(151)
Investing activities		
Acquisitions, net of related financing liabilities	**(735)**	(95)
Purchase of property, plant and equipment	**(1,534)**	(2,444)
Distribution to non-controlling interests	**(430)**	(205)
Other assets	**-**	(228)
Investments	**(123)**	-
	(2,822)	(2,972)
Financing activities		
Proceeds from long-term debt	**-**	7,210
Repayment of long-term debt	**(2,373)**	(5,118)
	(2,373)	2,092
Net cash outflow	**(294)**	(1,031)
Cash, beginning of period	**2,364**	3,414
Cash, end of period	**2,070**	2,383

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, 2009	92,721,210	206,713	8,886	138	81,780	297,517
Net income	-	-	-	-	13,926	13,926
Translation adjustment of a self-sustaining joint venture	-	-	-	(400)	-	(400)
Total comprehensive income						13,526
Balance, January 1, 2010	92,721,210	206,713	8,886	(262)	95,706	311,043
Net income	-	-	-	-	5,352	5,352
Translation adjustment of a self-sustaining joint venture	-	-	-	(123)	-	(123)
Total comprehensive income						5,229
Balance, March 31, 2010	**92,721,210**	**206,713**	**8,886**	**(385)**	**101,058**	**316,272**

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, 2009 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.

2. Effect of future accounting standards not yet implemented

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

(d) *International Financial Reporting Standards (IFRS)*

In 2008, the Canadian Accounting Standards Board confirmed that Canadian publicly accountable enterprises will be required to adopt International Financial Reporting Standards ("IFRS") by 2011 in replacement of Canadian GAAP. The conversion to IFRS will be applicable to the Company's reporting no later than in the first quarter of 2011, with restatement of comparative information presented. The Company's accounting policies, information technology and data systems, internal controls over financial reporting and disclosure controls and procedures will be impacted by the conversion.

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

3. Restructuring expenses

During the three months ended March 31, 2010, the Company did not incur restructuring expenses (2009 - $1.0 million). Restructuring expenses incurred in the prior year were recognized with respect to severance costs as the Company reduced its work force. The cost reduction plan included staff layoffs, reduction in hours for part-time employees, reduction in newsprint consumption, and a wide variety of other measures. Management will closely monitor operational performance during 2010 and will assess whether further restructuring initiatives will be required.

4. Acquisitions

During the three months ended March 31, 2010, Glacier and its subsidiaries completed minor acquisitions at a cost of $1.0 million (2009 - $0.1 million) including $0.3 million of related financing liabilities.

5. Investments

	March 31, 2010	December 31, 2009
	$	$
Investment in equity accounted investees (a)	**22,404**	22,055
Other investments (b)	**2,939**	2,939
	25,343	24,994

(a) Investment in equity accounted investees includes an equity interest in Continental Newspapers Ltd., which owns and operates newspapers in British Columbia and Ontario.

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

6. Long-term debt

The Company has the following long-term debt outstanding at March 31, 2010 and December 31, 2009:

	March 31, 2010	December 31, 2009
	$	$
Revolving bank loan	**81,000**	82,000
Proportionate share of non-recourse long-term debt owed by ANGLP	**15,919**	17,098
Fair value of derivative instruments	**727**	1,030
Deferred financing charges	**(1,985)**	(2,223)
Mortgages and other loans	**3,545**	3,205
	99,206	101,110
Less: Current portion	**7,301**	7,422
	91,905	93,688

During the first quarter of 2009, Glacier amended its revolving facility with a separate operating loan facility and operating line of credit into a single revolving loan facility with substantially increased borrowing capacity and no required principal repayments during its term. The maximum amount that can be drawn on the revolving facility is dependent on the Company's debt to earnings ratio. The Company subsequently, amended its revolving facility by extending the maturity date to July 1, 2011 on substantially the same terms and conditions.

7. Preferred shares

An affiliated company, GVIC Communications Corp. ("GVIC"), whose results and balances are consolidated in these financial statements, has issued and outstanding 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. The preferred shares can be redeemed and retracted at the election of the Company and holder, respectively, 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.

Subsequent to March 31, 2010, the Company paid an aggregate amount of $5.0 million plus accrued and unpaid dividends for redemption of all of the preferred shares.

8. Share capital

At March 31, 2010 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 months ended March 31, 2010.

On September 23, 2009, the Company filed a renewed NCIB ("September 2009 NCIB") which authorized the Company to repurchase for cancellation up to 2,500,000 common shares and ends no later than September 27, 2010.

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, 2010, 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 March 31, 2010, the Company has 1,115,000 warrants outstanding allowing the holder to purchase one common share per warrant at $4.48 per share. The warrants, if not extended, will expire June 28, 2014.

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, 2010 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 $12.6 million (March 31, 2009 – $21.2 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, 2010	March 31, 2009
	$	$
Current	**205**	117
Future	**1,604**	593
Total income tax expense	**1,809**	710
Amortization of deferred credit	**(1,858)**	(2,120)
Provision for income taxes	**(49)**	(1,410)

11. Joint ventures

At March 31, 2010, the Company exercised joint control over the operations of Great West, Fundata, ANGLP, Rhode Island Suburban Newspaper Inc. and Printwest Communications Ltd. The balances below at March 31, 2010 and December 31, 2009 and results of operations for the three months ended March 31, 2010, representing the Company's ownership interests in these operations, have been proportionately consolidated in the Company's consolidated financial statements. The results of operations for the three months ended March 31, 2009 include the Company's ownership interests in Great West, Fundata, ANGLP and Printwest Communications Ltd. but do not include the Company's ownership interests in Rhode Island Suburban Newspaper Inc. as the Company applied equity accounting method to account for this investment as at and for the period ended March 31, 2009. At July 1, 2009, as a result of reorganization, this investment was determined to be a joint venture. As such, the Company has proportionately consolidated the balances and results of operations of Rhode Island Newspaper Inc. in the Company's consolidated financial statements for reporting periods subsequent to July 1, 2009:

	March 31, 2010	March 31, 2009
	$	$
Income statement		
Sales	**12,644**	12,123
Costs and expenses	**11,289**	10,785
Net income	**1,355**	1,338

	March 31, 2010	December 31, 2009
	$	$
Balance sheet		
Cash	**3,386**	1,900
Other current assets	**8,293**	10,381
Property, plant and equipment	**11,946**	12,022
Intangibles	**38,074**	38,572
Goodwill	**66,799**	66,798
Accounts payable and accrued liabilities	**(3,007)**	(3,696)
Other current liabilities	**(10,703)**	(9,758)
Long-term debt	**(11,518)**	(13,924)
Future income tax liabilities	**(7,156)**	(7,265)
Net assets	**96,114**	95,030

12. Segment disclosure

The Company and its subsidiaries operate within two distinct operating segments throughout the United States and Canada. These segments are the business and professional market within which Specialty Technical Publishers, CD-Pharma, Eco Log and Fundata operate and the newspaper and trade information market within which the rest of Glacier's businesses operate. All of the Company's assets are located in Canada except the assets of a joint venture located in the United States. The following segment information is as at March 31, 2010 and 2009:

(thousands of dollars)	Newspaper and Trade	Business and Professional	Corporate and Other	Consolidated
	$	$	$	$
3 months ended March 31, 2010				
Revenues	**53,829**	**3,659**	**-**	**57,488**
Income (loss) before interest, taxes, amortization and other	**9,079**	**1,037**	**(8)**	**10,108**
Net income	**4,582**	**476**	**294**	**5,352**
Assets	**462,649**	**43,773**	**86**	**506,508**
Capital expenditures	**1,502**	**32**	**-**	**1,534**
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

13. Subsequent event

On April 30, 2010 the Company acquired its joint venture partners' 50% joint interests in Printwest Communications Ltd.

14. Comparative figures

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

Glacier Media Inc.
Corporate Information

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.

Head Office

1970 Alberta Street
Vancouver, B.C. V5Y 3X4
Phone: 604.872.8565
Fax: 604.879.1483

Glacier Media Inc.
1970 Alberta Street, Vancouver, British Columbia, Canada V5Y 3X4
Tel: 604.872.8565   Fax: 604.879.1483
www.glaciermedia.ca