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FOR IMMEDIATE RELEASE

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**NUCO2 REPORTS STRONG RESULTS FOR FISCAL FIRST QUARTER
IN LINE WITH OPERATING AND FINANCIAL GOALS**

**NEW ACCOUNT BOOKINGS IN THE QUARTER DOUBLE OVER PRIOR YEAR PERIOD
TO 4,400 LOCATIONS**

STUART, FLORIDA, November 8, 2004 – NuCO2 Inc. (NASDAQ: NUCO), the largest supplier in the U.S. of bulk CO2 systems and services for carbonating fountain beverages, today reported strong across the board operating results for the first quarter of fiscal 2005, the three months ended September 30, 2004.

“We are pleased to report that our Company in the first fiscal quarter continued with gains in all segments, especially in new account signings. New account activations, revenue, and profitability were on target despite the impact of four recent hurricanes in Florida,” said Michael E. DeDomenico, Chairman and CEO. “Our strategic model is based on excellence in service and the steady addition of major new accounts, both of which are contributing importantly to our excellent performance, and to which recently we added an acquisition that will benefit results starting in the second quarter. NuCO2 is off to a fine start.”

NuCO2’s new account bookings in the first quarter point to the Company’s expanding market strength in gaining new business through new multi-unit location agreements as well as improved penetration at the local market level. The Company signed three new major contracts during the quarter, adding to the previously signed 31 master service agreements with major restaurant chains. “We are very pleased with our growing progress in being recognized by the food service industry as a unique and dedicated nationwide provider of the highest quality product and services,” said Mr. DeDomenico. First quarter bookings approximately doubled from a year ago, amounting to 4,410, as compared with 2,219. Backlog as of September 30, 2004 increased to 5,983 customer locations awaiting activation, an increase of approximately 2,100 locations from June 2004. Total locations serviced at the end of the first quarter of fiscal 2005 were over 83,000, compared with 76,000 a year earlier.

For the quarter, total revenues amounted to \$21.9 million, compared with \$20.2 million in the corresponding year-ago period, an increase of 8.1%. Gross profit advanced 10.5%, to \$11.9 million, compared with \$10.8 million last year, with operating income increasing 61.7%, to \$3.9 million, compared with \$2.4 million last year. Gross margin grew to 54.5%, compared with 53.3% in the year-ago first quarter. Operating income margin advanced to 18.0%, from 12.1%, with selling, general and administrative expenses, as a percentage of total revenues, improving to 18.7%, from 19.8% a year ago. Net income amounted to \$1.9 million, increasing from a net loss of \$1.4 million in the corresponding

year-ago quarter. First quarter net income amounted to \$0.14 per diluted share, compared to a net loss a year ago of (\$0.15) per diluted share.

EBITDA (earnings before interest, taxes, depreciation and amortization), one of the principal financial measures by which the Company measures its financial performance, increased to \$7.7 million, compared with \$6.4 million in the corresponding year-ago period, a gain of 21%.

The previously announced acquisition of the bulk CO₂ beverage carbonation business, including nearly 9,800 customer accounts, from privately owned Pain Enterprises, Inc. closed on October 1, 2004. NuCO₂ at the time of the announcement said it expects the \$15.5 million cash acquisition to be accretive to profits, and to increase revenues by approximately \$10 million on a run rate basis. The Company anticipates a steady buildup in revenues starting in the current quarter and progressing over the balance of the year.

About NuCO₂

NuCO₂ Inc. is the leading and only national provider of bulk CO₂ products and services to the U.S. fountain beverage industry. With service locations within reach of 99% of the fountain beverage users in the Continental U.S., NuCO₂'s experienced professionals comprise the largest network of sales and support specialists in the industry serving national restaurant chains, convenience stores, theme parks and sports and entertainment complexes, among others. NuCO₂'s revenues are largely derived from the installation, maintenance and rental of bulk CO₂ systems and delivery of beverage grade CO₂, which are increasingly replacing high pressure CO₂, until now the traditional method for carbonating fountain beverages. The technology offers consistent quality, greater ease of operation, and heightened efficiency and safety utilizing permanently installed on-site cryogenic storage tanks. NuCO₂ provides systems and services that allow its customers to spend more time serving their customers. Visit the Company's website at www.nuco2.com

Conference Call

A conference call to report operating results for the first quarter of fiscal 2005 will be held tomorrow at 11:00 a.m. Eastern Time. It can be accessed over the Internet via NuCO₂'s website at www.nuco2.com. To listen to the live call, please go to the website at least fifteen minutes early to register, download and install any necessary audio software. For those who cannot listen to the live broadcast, a replay will be available shortly after the call.

Statements contained in this press release concerning the Company's outlook, competitive position and other statements of management's beliefs, goals and expectations are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements. With respect to such forward-looking statements, we claim protection under the Private Securities Litigation Reform Act of 1995. These risks and uncertainties include, but are not limited to, the ability of the Company to add new accounts, competition and future operating performance. The Company disclaims any obligation to update any forward looking statement as a result of developments occurring after the date of this press release.

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NuCO₂ Inc.
CONDENSED BALANCE SHEETS
(In thousands)

ASSETS	<u>Sept 30, 2004</u>	<u>June 30, 2004</u>
Current assets:		
Cash and cash equivalents	\$ 3,192	\$ 505
Trade accounts receivable, net of allowance for doubtful accounts of \$2,070 and 2,095 respectively	7,218	6,141
Inventories	257	226
Prepaid insurance expense and other deposits	2,262	2,104
Prepaid expenses and other current assets	<u>1,311</u>	<u>808</u>
Total current assets	<u>14,240</u>	<u>9,784</u>
Property and equipment, net	<u>93,574</u>	<u>92,969</u>
Goodwill and other intangible assets, net	25,851	25,602
Other	176	181
Total other assets	<u>26,027</u>	<u>25,783</u>
Total assets	<u>\$ 133,841</u>	<u>\$ 128,536</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 7,199	\$ 6,048
Accounts payable	4,590	4,579
Accrued expenses and other current liabilities	<u>2,483</u>	<u>3,760</u>
Total current liabilities	<u>14,272</u>	<u>14,387</u>
Senior debt, less current maturities	33,189	30,962
Long-term subordinated debt	29,603	29,163
Customer deposits	<u>3,351</u>	<u>3,247</u>
Total liabilities	<u>80,415</u>	<u>77,759</u>
Redeemable preferred stock	3,150	10,021
Total shareholders' equity	<u>50,276</u>	<u>40,756</u>
Total liabilities & shareholders' equity	<u>\$ 133,841</u>	<u>\$ 128,536</u>

NuCO₂ Inc.

STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

	Three Months Ended September 30,	
	<u>2004</u>	<u>2003</u>
Revenues:		
Product sales	\$ 13,545	\$ 12,569
Equipment rentals	<u>8,336</u>	<u>7,669</u>
Total Revenues	21,881	20,238
Costs and expenses:		
Cost of products sold, excluding depreciation and amortization	9,407	8,626
Cost of equipment rentals, excluding depreciation and amortization	553	828
Selling, general and administrative expenses	4,072	4,015
Depreciation and amortization	3,740	3,912
Loss on asset disposal	<u>161</u>	<u>415</u>
	<u>17,933</u>	<u>17,796</u>
Operating income	3,948	2,442
Loss on early extinguishment of debt	-	1,964
Interest expense	<u>2,040</u>	<u>1,897</u>
Income (loss) before taxes	1,908	(1,419)
Provision for income taxes	<u>54</u>	<u>-</u>
Net income (loss)	<u>\$ 1,854</u>	<u>\$ (1,419)</u>
Weighted average number of common and common equivalent shares outstanding		
Basic	<u>11,200</u>	<u>10,633</u>
Diluted	<u>12,725</u>	<u>10,633</u>
Net income (loss) per basic share	<u>\$ 0.15</u>	<u>\$ (0.15)</u>
Net income (loss) per diluted share	<u>\$ 0.14</u>	<u>\$ (0.15)</u>

RECONCILIATION OF GAAP AND EBITDA

	Three Months Ended		
	September 30,	June 30,	
	<u>2004</u>	<u>2003</u>	<u>2004</u>
Reconciliation of Net Income to EBITDA			
Net income (loss)	\$ 1,854	\$ (1,419)	\$ 1,753
Interest expense	2,040	1,897	2,020
Depreciation and amortization	3,740	3,912	3,753
Provision for income taxes	54	-	142
Loss on early extinguishment of debt	-	1,964	-
	<u>\$ 7,688</u>	<u>\$ 6,354</u>	<u>\$ 7,668</u>
Cash flows provided by (used in):			
Operating activities	\$ 3,277	\$ 3,498	\$ 7,367
Investing activities	\$ (4,441)	\$ (3,577)	\$ (4,862)
Financing activities	\$ 3,851	\$ (223)	\$ (2,294)

Earnings before interest, taxes, depreciation and amortization (“EBITDA”) is one of the principal financial measures by which the Company measures its financial performance. EBITDA is a widely accepted financial indicator used by many investors, lenders and analysts to analyze and compare companies on the basis of operating performance, and the Company believes that EBITDA provides useful information regarding the Company’s ability to service its debt and other obligations. However, EBITDA does not represent cash flow from operations, nor has it been presented as a substitute to operating income or net income as indicators of the Company’s operating performance. EBITDA excludes significant costs of doing business and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with accounting principles generally accepted in the United States of America. In addition, the Company’s calculation of EBITDA may be different from the calculation used by its competitors, and therefore comparability may be affected. The Company’s lenders also use EBITDA to assess the Company’s compliance with debt covenants. These financial covenants are based on a measure that is not consistent with accounting principles generally accepted in the United States of America. Such measure is EBITDA (as defined) as modified by certain defined adjustments.