NEWS RELEASE **FOR IMMEDIATE RELEASE**

COLABOR GROUP REPORTS RESULTS FOR SECOND QUARTER 2011

- **Total sales up 29.5% (comparable sales down a marginal 1.1%)**
- **Solid contribution from companies acquired over last 12 months**
- **EBITDA up 13.7% to $10.2 million**
- **Cash flow of $7.3 million, up from $6.8 million a year earlier**

Boucherville, Quebec, July 20, 2011 – Colabor Group Inc. (TSX: GCL) ("Colabor" or the "Company") today reported results for the second quarter of fiscal 2011 ended June 18, 2011.

SECOND-QUARTER RESULTS

Consolidated sales for the 84-day period ended June 18, 2011 were $317.4 million, up 29.5% from $245.2 million for the 84-day period ended June 19, 2010. The increase reflects the acquisition of RTD Distributions Ltée ("RTD") on September 21, 2010, of Les Pêcheries Norref Québec Inc. ("Norref") on February 28, 2011, of Edfrex Inc. ("Edfrex") on March 30, 2011, and of The SKOR Food Group Inc. ("SKOR") on May 9, 2011. These acquisitions contributed $75.0 million to sales of the quarter. Excluding this contribution, the Company's comparable sales declined a marginal 1.1% in consequence of difficult conditions in the foodservice industry and bad weather affecting many sectors of the economy.

Earnings before financial expenses, income taxes, depreciation and amortization ("EBITDA") were $10.2 million, or 3.22% of sales, compared to $9.0 million, or 3.67% of sales, a year earlier. The increase in EBITDA reflects the contributions of the acquisitions, while the decrease relative to sales reflects stiff competition in the foodservice distribution industry. However, EBITDA as a percentage of sales has made good progress since the first quarter of the fiscal year, reflecting the contribution of acquisitions and the partial recovery of a previously incurred increase in fuel costs.

After acquisition-related charges of $1.8 million before taxes (recorded as required under the newly applicable International Financial Reporting Standards ("IFRS")), net earnings for the quarter were $1.7 million, or $0.07 per share, compared to $3.2 million, or $0.15 per share, in the corresponding quarter of 2010. Cash flow, however, was up 6.8% to $7.3 million, or $0.32 per share, in the 2011 quarter, from $6.8 million, or $0.32 per share, a year earlier. The Company's ability to maintain solid cash flow resulted in a ratio of dividend to cash flow per share over the past 12 months of 86%.

Financial highlights	**Quarter ended**		**Six months ended**	
(thousands of dollars except per-share data)	**June 18, 2011**	**June 19, 2010**	**June 18, 2011**	**June 19, 2010**
Sales	**317,411**	245,155	**556,827**	470,510
EBITDA*	**10,227**	8,997	**15,131**	15,886
Net earnings	**1,675**	3,196	**1,727**	5,133
Cash flow*	**7,290**	6,824	**10,411**	12,333
Per share – basic ($)	**0.32**	0.32	**0.45**	0.60
Weighted average number of shares outstanding (basic, in thousands)	**23,100**	21,259	**23,042**	20,502

***** *Cash flow from operations before changes in operating assets and liabilities less purchases of property, plant and equipment and interest paid.*

Under IFRS, the use of tax losses acquired at the time of conversion to a corporation in 2009 requires the recording of a deferred income tax charge against the Company's income. By way of comparison, the previous accounting treatment, under Generally Accepted Accounting Principles, entailed only a minimal deferred income tax charge and amortization of the deferred credit in the Company's liabilities. Since the deferred income tax charge involves no disbursement of funds, management considers that cash flow is a better measure of Colabor's financial performance. Results for the 84-day and 170-day periods ended June 19, 2010 have been restated.

"The results of the second quarter show a good improvement over the first quarter of the year and reflected favourably the contribution of our recent acquisitions," said Gilles C. Lachance, Colabor President and Chief Executive Officer. "Colabor showed satisfactory improvement in its operating profitability and its cash flow despite vigorous competition and poor spring weather that significantly affected the restaurant industry in eastern Canada. In addition, comparables sales of the Distribution segment increased slightly, as market conditions in Ontario are gradually improving due to good growth in employment."

SEGMENTED RESULTS

Sales of the **Wholesale** segment were \$88.6 million in the second quarter of 2011, down 13.5% from \$102.4 million in the second quarter of 2010. The decrease essentially reflects the elimination of sales to entities of the Distribution segment. Comparable sales were down 2.9%.

Sales of the **Distribution** segment were \$228.8 million in second quarter 2011 compared to \$142.8 million a year earlier. The increase of \$86.0 million is attributable mainly to the acquisitions noted above. Comparable sales were up 0.2%, with a slight improvement in Ontario offset in part by strong competitive pressures in Quebec and the Atlantic provinces.

SIX-MONTH RESULTS

For the 169-day period ended June 18, 2011, consolidated sales were \$556.8 million, compared to \$470.5 million for the 170-day period ended June 19, 2010. The increase of 18.3% is attributable mainly to the acquisitions noted above. The residual effect of the loss of a large supply contract in February 2010 subtracted \$8.2 million from sales in the first half of 2011 relative to the same period a year earlier. Excluding these factors, and on the basis of an equal number of days, comparable sales declined a marginal 0.9%.

EBITDA in the first six months of 2011 was \$15.1 million, or 2.72% of sales, compared to \$15.9 million, or 3.38% of sales, in the first six months of 2010. Net earnings for the period were \$1.7 million, or \$0.07 per share, compared to \$5.1 million, or \$0.25 per share, in the year-earlier period. Cash flow was \$10.4 million, or \$0.45 per share, compared to \$12.3 million, or \$0.60 per share, a year earlier.

FINANCIAL POSITION

As of June 18, 2011, the Company's balance sheet was sound, with \$116.0 million drawn on its authorized bank credit facility of \$150.0 million. The increase from the previous quarter reflects mainly the acquisition of Edfrex and of SKOR for a total consideration of \$36.1 million. As of the same date, the ratio of total debt to EBITDA of the previous 12 months was 2.84:1.00. The interest coverage ratio was 5.11:1.00, well above the required minimum of 3.50:1.00.

During the second quarter, the Company repurchased 19,700 common shares under a normal course issuer bid. Under this program, Colabor is authorized to repurchase 500,000 common shares between October 28, 2010 and October 27, 2011.

OUTLOOK

"Over the months ahead, Colabor will realize greater benefits from the synergies made possible by its recent acquisitions. Its appreciable cash flow will be directed in particular to the repayment of debt. Although current conditions of recently increased consumer taxes and soaring fuel costs do not favour discretionary spending, the broadening of Colabor's product offering and geographical scope have positioned it advantageously to benefit from the economic recovery. In addition, we remain on the lookout for business opportunities meeting our strategic objectives," Mr. Lachance concluded.

CONFERENCE CALL

Colabor will hold a conference call to discuss its second-quarter results on Wednesday, July 20, 2011, beginning at 3 p.m. Eastern Time. Interested parties can join the call by dialling 1-800-731-5319. If you are unable to participate, you can listen to a recording by dialling 1-877-289-8525 and entering the code 4453642# on your telephone keypad. The recording will be available from 6 p.m. Wednesday, July 20 to 11:59 p.m. Wednesday, July 27, 2011.

NON-IFRS MEASURES

The information provided in this release includes non-IFRS performance measures, notably earnings before financial expenses, income taxes, depreciation and amortization (EBITDA) and cash flow. Since these concepts are not defined by IFRS, they may not be comparable to those of other companies.

ADDITIONAL INFORMATION

The *Management Discussion and Analysis* and financial statements of the Company will be available at SEDAR (www.sedar.com) following publication of this release. Additional information about Colabor Group Inc. may also be found at SEDAR and on the Company's website at www.colabor.com.

ABOUT COLABOR

Colabor is a wholesaler and distributor of food and non-food products serving the retail market (grocery stores, convenience stores, etc.) and the foodservice market (cafeterias, restaurants, hotels, restaurant chains), in Quebec, Ontario and the Atlantic provinces.

FORWARD-LOOKING STATEMENTS

This news release may contain forward-looking statements reflecting the opinions or current expectations of Colabor Group Inc. concerning its performance and business operations and future events. These statements are subject to risks, uncertainties and assumptions. Actual results or events may differ.

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