

March 2, 2007



NEWS RELEASE

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COLABOR ANNOUNCES AN INCREASE IN NET EARNINGS IN THE ORDER OF 5.2%

BOUCHERVILLE, QUÉBEC, March 2, 2007. – Colabor Income Fund (TSX: CLB.UN) reports its results for the fiscal year ended December 31, 2006 and the fourth quarter ended on that date.

Colabor Income Fund continued its earnings growth, declaring net earnings of \$4,811,000, up 5.2% compared to the previous year.

Highlights of the fiscal year ended December 31, 2006

- **Increase in gross sales in the order of 2.5%;**
- **Increase in earnings before financial expenses and amortization (EBITDA) of 3.6% compared to last year;**
- **Distributable cash: \$19,642,000; distributed cash: \$11,461,000; (see *Distributable Cash*)**
- **Net earnings up 5.2% from 2005;**
- **Basic and diluted earnings per unit up from \$0.79 to \$0.83.**

Highlights of 114-day Period (4th Quarter) Ended December 31, 2006
(Compared to a 113-day period in 2005)

- Increase in gross sales in the order of 0.9%;
- Slight decrease in earnings before financial expenses and amortization (EBITDA) of 1.8%, considering the fact that in 2005, Colabor accounted for a significant portion of rebates from suppliers during the 4th quarter of its financial year, whereas in 2006, it divided these rebates over its financial year based on purchases made;
- Distributable cash: \$8,348,000; distributed cash: \$3,897,000; (see *Distributable Cash*);
- Slight decrease in net earnings of 0.7%;
- Basic and diluted earnings per unit stable at \$0.39.

Results of Operations

Colabor Income Fund
Consolidated Earnings
('000)

	Quarter ended					Period ended				
	December 31, 2006 (114 days)		December 31, 2005 (113 days)		Change %	December 31, 2006 (365 days)		December 31, 2005 (365 days)		Change %
Sales	141,308	100.0%	140,109	100.0%	0.9%	412,621	100.0%	402,548	100.0%	2.5%
Rebates	4,189	3.0%	4,163	3.0%	0.6%	12,223	3.0%	11,898	3.0%	2.7%
Net sales	137,119	97.0%	135,946	97.0%	0.9%	400,398	97.0%	390,650	97.0%	2.5%
Cost of sales	138,867	98.3%	137,047	97.8%	1.3%	404,146	97.9%	393,961	97.9%	2.6%
Rebates from suppliers	10,976	7.8%	10,736	7.7%	2.2%	29,921	7.3%	28,668	7.1%	4.4%
	127,891	90.5%	126,311	90.1%	1.3%	374,225	90.6%	365,293	90.8%	2.4%
Gross profit	9,228	6.5%	9,635	6.9%	-4.2%	26,173	6.4%	25,357	6.2%	3.2%
Selling, distribution and administration expenses	3,429	2.4%	3,729	2.7%	-8.0%	12,112	2.9%	11,782	2.9%	2.8%
Earnings before financial expenses and amortization	5,799	4.1%	5,906	4.2%	-1.8%	14,061	3.5%	13,575	3.3%	3.6%
Financial expenses	269	0.2%	266	0.2%	1.1%	843	0.2%	666	0.2%	26.6%
Amortization of property, plant and equipment	291	0.2%	306	0.2%	-4.9%	927	0.2%	988	0.2%	-6.2%
Amortization of intangible assets	993	0.7%	993	0.7%	0.0%	3,225	0.8%	3,225	0.8%	0.0%
	1,553	1.1%	1,565	1.1%	2.4%	4,995	1.2%	4,879	1.2%	2.4%
Earnings before non-controlling interest	4,246	3.0%	4,341	3.1%	-2.2%	9,066	2.3%	8,696	2.1%	4.3%
Non-controlling interest	1,989	1.4%	2,069	1.5%	-3.9%	4,255	1.0%	4,121	1.0%	3.3%
Net earnings	2,257	1.6%	2,272	1.6%	-0.7%	4,811	1.3%	4,575	1.1%	5.2%
Basic and diluted net earnings per unit	\$0.39		\$0.39			\$0.83		\$0.79		

Colabor Income Fund's fiscal year comprises thirteen 28-day periods. Three quarters comprise three 28-day periods each, and the fourth quarter includes four 28-day periods. The Fund's year-end is December 31.

Since the Fund does not have financial statements for the period prior to formation of the Fund, that is, as at June 28, 2005, to help readers compare, the Fund's results have been compared with the results of the Vendor for the periods prior to June 28, 2005 by correcting them to reflect special

aspects of the Fund's activities, in particular customer rebates, the costs of a listed company and amortization of intangible assets. Accordingly, the comparative figures differ from those reported in the Fund's financial statements as at December 31, 2006.

Distributable Cash

The Fund declares monthly distributions to unitholders of record on the last day of each month and pays the distributions on or around the 15th of the following month. The annual distribution per unit that was \$1.0248 increased to \$1.076 in July 2006, for an increase to the order of 5%.

The following table shows the calculation of distributable cash for the 4th quarter of 2006 and of 2005 and for the fiscal years ended December 31, 2006 and 2005.

The Canadian Securities Administrators has concluded that distributable cash is in all cases a measure of cash flows of which we may present a fair picture only if we match it with the cash flows related to the operating activities presented in the issuer's financial statements.

	2006-12-31 (114 days)	2005-12-31 (113 days)	2006-12-31 (365 days)	2005-12-31 (187 days)
	\$	\$	\$	\$
Cash flows related to operating activities	8,785	7,795	21,322	20,394
Acquisition of property, plant and equipment (1)	(281)	(236)	(744)	(322)
Repayment of long-term debt	(156)	(156)	(468)	(187)
Repayment of security deposits			(468)	
Distributable cash	<u>8,348</u>	<u>7,403</u>	<u>19,642</u>	<u>19,885</u>
Distributed cash	<u>3,897</u>	<u>3,710</u>	<u>11,461</u>	<u>4,728</u>

(1) Acquisition of property, plant and equipment:

Maintenance assets (Recurring)	80	90	249	42
Distribution software (Non-recurring)	<u>201</u>	<u>146</u>	<u>495</u>	<u>280</u>
	<u>281</u>	<u>236</u>	<u>744</u>	<u>322</u>

The excess distributable cash over distributed cash, for the above-mentioned periods, is primarily attributable to the variation in operating liabilities relating to rebates the Fund must pay to affiliated wholesalers under the terms of the 3% agreement negotiated with them.

Outlook

On January 8, 2007, Colabor acquired Summit Food Service Distributors Inc., an Ontario-based distributor that is one of the largest in the food service industry in Canada. This transaction will make it possible to double Colabor Income Fund's sales for the fiscal year ending December 31, 2007.

Following the acquisition of Summit, the Fund's management is consolidating its role in food distribution services in Canada for future years.

Firstly, Colabor will continue to benefit from its loyal and entrepreneurial affiliated-wholesalers network in Québec and the Atlantic provinces, its customer-driven distribution network, recent investments in information technology and low operating costs.

Secondly, the acquisition of Summit will help to:

- create a major player in the food services industry that has a foothold in Ontario, one of the most important food services market in Canada;
- significantly increase its purchasing power and ability to generate cost savings;
- increase its distributable cash per unit through the growth of its operating revenue.

Additional Information

The Fund's MD&A and financial statements will also be available on SEDAR (www.sedar.com) following publication of this News Release. Additional information about Colabor Income Fund may also be found on SEDAR as well as on the Income Fund's Internet site at www.colaborincomefund.com.

Colabor Overview

Colabor is a wholesaler of food and non-food products that it purchases and supplies to wholesale distributors who, in turn, sell them to their retail (grocery stores, convenience stores, etc.) and food-service customers (cafeterias, restaurants, hotels, restaurant chains, etc.). Excluding the Summit acquisition, Colabor is one of the largest wholesalers in Canada and the largest in Québec, with gross sales of \$412.6 million for the year ended December 31, 2006.

Caution

This News Release may contain forward-looking statements reflecting the opinions or present expectations of Colabor Income Fund or Colabor Limited Partnership concerning their performance as well as their respective business activities and future events. These statements are subject to a number of risks, uncertainties and assumptions. Actual results or events may differ.

For additional information

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