PRESS RELEASE FOR IMMEDIATE RELEASE

# RECORD FINANCIAL RESULTS DESPITE THE RECESSION

**BOUCHERVILLE, QUEBEC, February 24, 2010** – Colabor Group Inc. (TSX: GCL) reports its results for its fiscal year ended December 31, 2009.

**It should be recalled that on August 25, 2009, Colabor Income Fund (the "Fund") converted to a corporation through the acquisition of about $130M in tax losses for $5M paid to ConjuChem Biotechnologies Inc.**

## 2009 Fiscal Year Highlights

- Sales up 3.17% to $1,183K
- EBITDA up 6.29% to $42,800K
- Net earnings rose $8,296K to $16,671K
- Debt/EBITDA ratio: 1.31:1.00 (banking syndicate's requirement: <3.00:1.00)
- Interest coverage ratio: 6.83:1.00 (banking syndicate's requirement: >3.50:1.00)

If Colabor's conversion to a corporation had occurred on January 1, 2009, some of its results would have been:

- Earnings per share: basic:$1.10; diluted: $1.06
- Cash flows per share: basic:$1.81; diluted: $1.59
- Annual dividend: $1.08
- Payout ratio: basic: 98.2%; diluted: 101.9%
- Cash flow payout ratio: basic: 60%; diluted: 68%

## Shareholders benefit from a total return of 43.1% in 2009

- Share price: as at January 1, 2009: $8.49; as at December 31, 2009: $11.07; High:$11.25 (July 24); Low: $7.37 (January 8)
- Share price increase from January 1, 2009 to December 31, 2009: 30.4%
- Dividend (distribution) yield on share price as at January 1, 2009: 12.7%
- Total return: 43.1%

# Results of Operations

The results of operations below should be read in conjunction with the Current Economic Situation section in Management's Discussion and Analysis and the following facts:

- The conversion to a corporation on August 25, 2009, impacted the consolidated earnings;
- Results subsequent to the Bruce Edmeades acquisition are only included since March 17, 2008 for the 2008 fiscal year, but are included since January 1 for the 2009 year;
- Results subsequent to the Bertrand, distributeur en alimentation acquisition are only included since April 28, 2008 for the 2008 fiscal year, but are included since January 1 for the 2009 year;
- The 2009 fourth quarter includes 110 days compared to 116 days in 2008. For comparison purposes, sales for the 2009 fourth quarter have been adjusted based on the number of days in 2008, i.e. 116 (see 2009-12-31 adjusted column), to display the actual organic growth.

Consolidated Earnings (in thousands of dollars, except per share / unit amounts)

| | 2009-12-31 (365 days) | | 2008-12-31 (366 days) | | Variance | |
|---|---|---|---|---|---|---|
| | $ | | $ | | $ | % |
| **Sales** | 1,182,481 | 100,00% | 1,146,102 | 100.00% | 36,379 | 3.17% |
| Earnings before financial expenses, amortization and income taxes | 42,800 | 3.62% | 40,269 | 3.51% | 2,531 | 6.29% |
| Financial expenses | 6,265 | 0.53% | 7,263 | 0.63% | (998) | -13.74% |
| Amortization of property, plant and equipment | 3,864 | 0.33% | 4,039 | 0.35% | (175) | -4.33% |
| Amortization of intangible assets | 9,450 | 0.80% | 8,706 | 0.76% | 744 | 8.55% |
| | 19,579 | 1.66% | 20,008 | 1.74% | (429) | -2.14% |
| | 23,221 | 1.96% | 20,261 | 1.77% | 2,960 | 14.61% |
| Restructuring and conversion to corporation expenses | 2,125 | 0.18% | | | 2,125 | N/A |
| Expenses related to the loss of a customer | 416 | 0.04% | | | 416 | N/A |
| Earnings before income taxes and non-controlling interest | 20,680 | 1.75% | 20,261 | 1.77% | 419 | 2.07% |
| Income taxes: Current (recoverable) | (1,642) | -0.14% | 4,405 | 0.38% | (6,047) | -137.28% |
| Future | 1,650 | 0.14% | 863 | 0.08% | 787 | 91.19% |
| | 8 | 0.00% | 5,268 | 0.46% | (5,260) | -99.85% |
| Earnings before non-controlling interest | 20,672 | 1.75% | 14,993 | 1.31% | 5,679 | 37.88% |
| Non-controlling interest | 4,001 | 0.34% | 6,618 | 0.58% | (2,617) | -39.54% |
| **Net earnings** | **16,671** | **1.41%** | **8,375** | **0.73%** | **8,296** | **99.06%** |
| Basic earnings per share / unit | $1.03 | | $ 0.64 | | | |

| | 2009-12-31 (110 days) (unaudited) | | 2008-12-31 (116 days) (unaudited) | | Variance | |
|---|---|---|---|---|---|---|
| | $ | | $ | | $ | % |
| **Sales** | 364,973 | 100.00% | 398,906 | 100.00% | (33,933) | -8.51% |
| Earnings before financial expenses, amortization and income taxes | 15,073 | 4.13% | 15,472 | 3.88% | (399) | -2.58% |
| Financial expenses | 1,874 | 0.51% | 2,399 | 0.60% | (525) | -21.88% |
| Amortization of property, plant and equipment | 1,125 | 0.31% | 1,543 | 0.39% | (418) | -27.09% |
| Amortization of intangible assets | 2,894 | 0.79% | 3,613 | 0.91% | (719) | -19.90% |
| | 5,893 | 1.61% | 7,555 | 1.90% | (1,662) | -22.00% |
| | 9,180 | 2.52% | 7,917 | 1.98% | 1,263 | 15.95% |
| Expenses related to the loss of a customer | 416 | 0.11% | | | 416 | N/A |
| Earnings before income taxes and non-controlling interest | 8,764 | 2.40% | 7,917 | 1.98% | 847 | 10.70% |
| Income taxes: Current (recoverable) | (1,844) | -0.51% | 1,862 | 0.47% | (3,706) | -199.03% |
| Future | 1,606 | 0.44% | (627) | -0.16% | 2,233 | -356.14% |
| | (238) | -0.07% | 1,235 | 0.31% | (1,473) | -119.27% |
| Earnings before non-controlling interest | 9,002 | 2.47% | 6,682 | 1.67% | 2,320 | 34.72% |
| Non-controlling interest | | 0.00% | 2,356 | 0.59% | (2,356) | -100.00% |
| **Net earnings** | **9,002** | **2.47%** | **4,326** | **1.08%** | **4,676** | **108.09%** |
| Basic earnings per share / unit | $ 0.53 | | $ 0.33 | | | |

# Sales

| | 2009-12-31 (365 day) | | | Comparable sales | | | | |
|---|---|---|---|---|---|---|---|---|
| | Comparable sales | Sales attributable to acquisitions | Total sales | 2008-12-31 (366 days) | Variance | | Variance (Total sales) | |
| | $ | $ | $ | $ | $ | % | $ | % |
| **Wholesale Segment** | | | | | | | | |
| Retail | 140,171 | | 140,171 | 138,763 | 1,408 | 1.0% | 1,408 | 1.0% |
| Foodservice | 371,921 | | 371,921 | 346,452 | 25,469 | 7.4% | 25,469 | 7.4% |
| | 512,092 | | 512,092 | 485,215 | 26,877 | 5.5% | 26,877 | 5.5% |
| Inter-segment elimination | (79,988) | (17,108) | (97,096) | (64,338) | (15,650) | N/A | (32,758) | N/A |
| | 432,104 | (17,108) | 414,996 | 420,877 | 11,227 | 2.7% | (5,881) | -1.4% |
| **Distribution Segment** | | | | | | | | |
| Foodservice | 678,882 | 88,603 | 767,485 | 725,225 | (46,343) | -6.4% | 42,260 | 5.8% |
| | 1,110,986 | 71,495 | 1,182,481 | 1,146,102 | (35,116) | -3.1% | 36,379 | 3.2% |

**Sales** (in thousands of dollars)

| | 2009-12-31 (110 days) (unaudited) | | | Comparable sales | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Comparable sales | Sales attributable to acquisitions | Total sales | 2009-12-31 (adjusted) (unaudited) | 2008-12-31 (116 days) (unaudited) | Variance | | Variance (Total sales) | |
| | $ | $ | $ | $ | $ | $ | % | $ | % |
| **Wholesale Segment** | | | | | | | | | |
| Retail | 51,703 | | 51,703 | 54,523 | 52,594 | 1,929 | 3.7% | (891) | -1.7% |
| Foodservice | 117,653 | | 117,653 | 124,070 | 127,816 | (3,746) | -2.9% | (10,163) | -8.0% |
| | 169,356 | | 169,356 | 178,594 | 180,410 | (1,816) | -1.0% | (11,054) | -6.1% |
| Inter-segment elimination | (30,901) | | (30,901) | (32,587) | (37,155) | 4,568 | N/A | 6,254 | N/A |
| | 138,455 | | 138,455 | 146,007 | 143,255 | 2,752 | 1.9% | (4,800) | -3.4% |
| **Distribution Segment** | | | | | | | | | |
| Foodservice | 226,518 | | 226,518 | 238,874 | 255,651 | (16,777) | -6.6% | (29,133) | -11.4% |
| | 364,973 | | 364,973 | 384,881 | 398,906 | (14,025) | -3.5% | (33,933) | -8.5% |

Despite the serious recession in Canada, the Company has fared well in the past year, with a 3.2% growth in sales over 2008, taking into consideration growth in sales including sales from acquisitions and a year-over-year decrease of only 3.1% in comparable sales.

## Wholesale Segment

The recession had a lesser impact on this Segment, which services primarily distributors in Quebec and the Atlantic provinces, as evidenced by organic growth of 2.7% for the fiscal year and 1.9% for the fourth quarter.

Readers should bear in mind, when reading the above tables, that the 1.4% decrease for the year and the 3.4% decrease in total sales for 2009 compared to 2008 is solely attributable to the elimination of inter-segment sales.

*Retail*

This sector continues to benefit from the major procurement agreements signed in 2008 by affiliated-wholesalers in this sector, with, among others, an integrated oil company, which contributed to organic growth of 1% for the year and 3.7% for the quarter.

*Foodservice*

Considering that inter-segment eliminations relate to foodservices, organic growth of comparable foodservices sales was 3.4% for the year and 1.1% for the quarter. This is a fairly good achievement, in light of the serious recession and the poor weather conditions in the summer of 2009.

**Distribution Segment**

The overall 3.1% decline in the Company's comparable sales is attributable to the Distribution Segment which posted a 6.4% decrease, primarily as a result of the Summit Division, whose activities are mainly in Ontario, the province that was likely the hardest hit by the recession, due to its manufacturing structure and where the restaurant segment, including fast food, cafeteria and independent restaurants was affected.

Additionally, as was the case for the Wholesale Segment, the poor weather conditions affected this Segment as well.

Lower sales are also attributable, to a lesser extent, to the Bertrand Division, which, in 2008, benefited from the 400th anniversary of the founding of Québec City. In 2009, tourism activity was not as strong in this region.

## Earnings Before Financial Expenses, Amortization, Significant Non-recurring Items and Income Taxes (EBITDA)

*Gross profit*

Gross profit is composed of the following items

- Wholesale Segment: Profit on gross warehouse sales only, which consists primarily of a profit margin on private brand-name products and profit on inventory held. No profit margin is recognized on direct sales. Income is attributed on such sales for purposes of rebates from suppliers only.
  Distribution Segment: Product acquisition cost with a percentage mark-up that is market-driven or negotiated in current agreements.

- Rebates from suppliers
  A significant portion of Colabor's gross profit is derived from rebates from suppliers. These rebates consist of: (i) agreements with suppliers relating principally to distribution agreements, central billing, truck load allowance and other incentives, (ii) rebates received from suppliers based on buying volumes, (iii) cash discounts on purchases based on terms of sale, and (iv) net advertising funds received in connection with promotional activities.

*Selling, operating and administrative expenses*

The main expenses consist of salaries and employee benefits, delivery costs for the Distribution Segment and occupancy costs relating to the Company's distribution centres.

The Company had to react promptly to address the decrease in comparable sales described above, particularly in the Distribution Segment.

The Company froze senior management salaries and took this opportunity to review its operating and administrative processes to eliminate operations with no added value for the enterprise.

It was therefore able to increase its EBITDA percentage from 3.51% for the 2008 year to 3.62% in 2009 and from 3.88% in the 2008 fourth quarter to 4.13% for the 2009 fourth quarter.

The increase is attributable to the following:

- Organic growth was maintained in the Wholesale Segment which generated superior agreements with suppliers.
- Summit purchases from certain suppliers are now billed under the Wholesale Segment, which increases the profitability of supplier agreements, as such agreements tend to be more significant when negotiated by the Wholesale Segment.
- Since the start of the year, each division has reviewed its operations, which has led to a significant reduction in certain types of expenses.
- The Bertrand acquisition, which made it possible to generate a number of purchasing synergies.
- Profitability of the Cambridge distribution centre, operated by Summit and acquired from Bruce Edmeades, operated at a loss in 2008.

## Restructuring and Conversion to a Corporation Expenses

As described under the General section in Management's Discussion and Analysis, the Fund converted to a corporation on August 25, 2009. A number of expenses were incurred for this transaction, in particular, legal and accounting fees and the cost of registering on financial markets. Additional expenses were incurred to streamline the organization's overall legal structure, in particular, elimination of Colabor Income Fund and Colabor Operating Trust and the transformation of Bertrand Food Distributor Inc. into a division.

The Company's management recorded these expenses in accordance with EIC-170, Conversion of an Unincorporated Entity to an Incorporated Entity, published by the Canadian Institute of Chartered Accountants.

## Expenses Related to the Loss of a Customer

As mentioned in the 2009 third quarter MD&A and described under the Subsequent Event section of Management's Discussion and Analysis, in early February 2010, the Company lost an important distribution agreement served by the Summit division.

While management has already initiated measures to replace this contract, it has also undertaken an operational reorganization to counter the impact of this situation on its earnings. The reorganization includes cost-cutting measures, particularly in the area of labour costs.
The Company has recognized a $416,000 non-recurring expenses in its fourth quarter earnings in this respect.

## Income Taxes

The acquisition of the assets of Summit Food Service Distributors Inc. by the Fund was finalized and carried out on January 8, 2007. Since this transaction was considered an “undue expansion” by the Department of Finance in its ruling rendered at the end of 2007, the Fund became taxed immediately in 2007 instead of in 2011.

As explained under the General section, on August 25, 2009, the Fund became a corporation as a result of a Plan of Arrangement with Biotechnologies ConjuChem Inc., and acquired approximately $130M in tax losses for $5M.
Since the start of the year, the Company had recorded income taxes, however, subsequent to the above transaction, it recognized a current and future income taxes recovery to immediately benefit from the loss-carryforwards acquired in the ConjuChem transaction during the third quarter.
During the fourth quarter, the Company continued to use the tax losses to reduce current income taxes and recover some prior years’ taxes.

For future income taxes, the Company uses the liability method to account for its income taxes. Under this method, income tax assets and liabilities are determined according to differences between the carrying amounts and tax bases of assets and liabilities. They are measured by applying enacted or substantively enacted tax rates and laws at the date of the financial statements for the years in which the temporary differences are expected to reverse.

Another future income tax item is attributable to the amortization of the ConjuChem purchase price, $5,000,000, calculated proportionally to the utilization of the future income tax asset.

## Non-controlling Interest

Additionally, in connection with the conversion to a corporation described in the General section of Management's Discussion and Analysis, unitholders who had a non-controlling interest in the Fund converted their exchangeable Colabor LP units into shares of the Company and the Company therefore recorded the carrying amount of the non-controlling interest in capital stock.

An amount of $4,001,000 has been recognized as a non-controlling interest for activities preceding the conversion.

No additional expenses will be recognized in earnings thereafter.

## Basic and Diluted Earnings per Share; Basic and Diluted Cash Flows per Share; Payout Ratio;

It is difficult for investors to assess these ratios for the year ended December 31, 2009 because, for part of the year, the Company operated as an income fund (January 1 to August 24) which included a non-controlling interest that was eliminated upon conversion to a corporation and, upon conversion current income taxes became nil through the acquisition of ConjuChem's tax losses.

In order to provide investors with some insight into the calculation of earnings per share, basic and diluted cash flows per share and the basic and dilute payout ratio, **it was assumed that the Company was a corporation as of January 1, 2009**, which eliminated the non-controlling interest, current income taxes and the non-recurring items.

**EPS and cash flows per share**

| | EPS | Diluted EPS | Cash flows | Diluted cash flows |
|---|---|---|---|---|
| | $000 | $000 | $000 | $000 |
| Net earnings | 16,671 | 16,671 | 16,671 | 16,671 |
| Non-controlling interest | 4,001 | 4,001 | 4,001 | 4,001 |
| Future income taxes | | | 1,650 | 1,650 |
| Current income taxes | (1,642) | (1,642) | (1,642) | (1,642) |
| Expenses related to the loss of a customer | 416 | 416 | 416 | 416 |
| Restructuring and conversion to corporation expenses | 2,125 | 2,125 | 2,125 | 2,125 |
| Amortization of intangible assets | | | 9,450 | 9,450 |
| Amortization of property, plant and equipment | | , | 3,864 | 3,864 |
| Amortization of deferred financing expenses | | | 121 | 121 |
| Compensation cost from long-term incentive plan | | | 514 | 514 |
| Amortization of debenture transaction costs | | 1,000 | 1,000 | 1,000 |
| Interest reduction if the debentures were converted to shares | | 3,434 | | 3,434 |
| Acquisition of property, plant and equipment | | | (2,670) | (2,670) |
| Adjusted net earnings | 21,571 | 26,005 | | |
| Cash flow | | | 35,500 | 38,934 |
| Shares outstanding, end of year | 19,659,632 | 19,659,632 | 19,659,632 | 19,659,632 |
| Adjustment to take account of debenture conversion | | 4,785,854 | | 4,785,854 |
| Number of shares for calculation purposes | 19,659,632 | 24,445,486 | 19,659,632 | 24,445,486 |
| **EPS/cash flow per share** | **$1.10** | **$1.06** | **$1.81** | **$1.59** |
| Annual dividend | **$1.08** | **$1.08** | **$1.08** | **$1.08** |
| **Dividend to EPS/cash flow per share ratio** | 98.2% | 101.9% | **60%** | **68%** |

# Consolidated Balance Sheets

**Consolidated Balance Sheets**
(in thousands of dollars)

| | 2009-12-31 | 2008-12-31 |
|---|---|---|
| ***ASSETS*** | $ | $ |
| Current assets | | |
| Accounts receivable | 75,438 | 80,804 |
| Income taxes receivable | 685 | |
| Inventory | 71,909 | 73,233 |
| Prepaid expenses | 1,500 | 1,664 |
| Future income taxes | 8,540 | |
| | 158,072 | 155,701 |
| Deferred financing expenses | 158 | 279 |
| Share investment in Colabor Investments Inc., at cost | 6,159 | 6,159 |
| Property, plant and equipment | 13,835 | 15,029 |
| Intangible assets | 133,869 | 143,319 |
| Goodwill | 72,317 | 69,574 |
| Future income taxes | 1,802 | |
| | 386,212 | 390,061 |
| ***LIABILITIES*** | | |
| Current liabilities | | |
| Bank overdraft | 17,126 | 7,714 |
| Accounts payable and accrued liabilities | 65,762 | 85,945 |
| Income taxes payable | | 1,855 |
| Balance of purchase price payable, bearing interest of 4.5% | 3,750 | 3,750 |
| Balance of purchase price payable | 6,331 | 6,353 |
| Dividends payable | 7,453 | |
| Distributions payable to unitholders | | 1,307 |
| Distributions payable to holders of exchangeable Colabor LP units | | 456 |
| Sales rebates payable | 13,808 | 15,166 |
| Deferred revenue | 961 | 1,115 |
| Deferred credit | 7,290 | |
| Instalments on long-term debt | 636 | 707 |
| | 123,117 | 124,368 |
| Bank loan | 49,335 | 47,501 |
| Balance of purchase price payable, bearing interest of 4.5% | | 3,750 |
| Long-term debt | 307 | 942 |
| Debentures | 46,711 | 45,725 |
| Accrued benefit liability for employee benefits | 787 | 772 |
| Deferred credit | 19,875 | |
| Future income taxes | | 17,414 |
| Non-controlling interest | | 29,713 |
| | 240,132 | 270,185 |
| ***SHAREHOLDERS' EQUITY/UNITHOLDERS' EQUITY*** | | |
| Capital stock/unitholders' capital account | 143,018 | 135,323 |
| Option to convert debentures | 2,314 | 2,315 |
| Contributed surplus | 447 | 349 |
| Shares / units held for the long-term incentive plan | (1,248) | (875) |
| Retained earnings (deficit) | 1,549 | (17,236) |
| | 146,080 | 119,876 |
| | 386,212 | 390,061 |

# Cash Flow

Consolidated Cash Flows (in thousands of dollars)

| | 2009-12-31 (110 days) (unaudited) | 2008-12-31 (116 days) (unaudited) | 2009-12-31 (365 days) | 2008-12-31 (366 days) |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **OPERATING ACTIVITIES** | | | | |
| Net earnings | 9,002 | 4,326 | 16,671 | 8,375 |
| Non-cash items | | | | |
| Amortization of property, plant and equipment | 1,125 | 1,543 | 3,864 | 4,039 |
| Amortization of intangible assets | 2,894 | 3,613 | 9,450 | 8,706 |
| Amortization of deferred financing expenses | 37 | 38 | 121 | 110 |
| Non-controlling interest | | 2,356 | 4,001 | 6,618 |
| Future income taxes | 1,606 | (627) | 1,650 | 863 |
| Compensation cost from long-term incentive plan | 163 | 126 | 514 | 384 |
| Amortization of transaction costs related to debentures | 301 | 286 | 1,000 | 910 |
| | 15,128 | 11,661 | 37,271 | 30,005 |
| Changes in operating assets and liabilities | | | | |
| Accounts receivable | 19,205 | 18,928 | 5,366 | (1,825) |
| Income taxes receivable | (685) | 518 | (685) | |
| Inventory | (6,541) | (9,844) | 1,324 | (8,492) |
| Prepaid expenses | 817 | 2,127 | 164 | 20 |
| Accounts payable and accrued liabilities | (12,555) | (2,885) | (20,183) | 14,532 |
| Income taxes payable | (1,413) | 783 | (1,855) | 178 |
| Sales rebates payable | 3,186 | 5,007 | (1,358) | 1,713 |
| Deferred revenue | (508) | (786) | (154) | 656 |
| Accrued benefit liability for employee benefits | 15 | 20 | 15 | 20 |
| | 1,521 | 13,868 | (17,366) | 6,802 |
| Cash flows from operating activities | 16,649 | 25,529 | 19,905 | 36,807 |
| **INVESTING ACTIVITIES** | | | | |
| Transaction with ConjuChem | | | (5,000) | |
| Business acquisitions | | 1,242 | | (69,182) |
| Payment of balances of purchase price | | | (6,515) | |
| Property, plant and equipment | (1,468) | (1,462) | (2,670) | (2,340) |
| Cash flows from investing activities | (1,468) | (220) | (14,185) | (71,522) |
| **FINANCING ACTIVITIES** | | | | |
| Bank loan | (26,757) | (17,239) | 1,834 | 21,352 |
| Financing expenses | | | | (225) |
| Distributions paid to unitholders | (1,011) | (5,228) | (11,467) | (14,011) |
| Distributions paid on exchangeable Colabor LP units | (353) | (1,825) | (4,004) | (5,476) |
| Repayment of long-term debt | (230) | (373) | (706) | (779) |
| Purchase of units held by the Fund for long-term incentive plan | | | (789) | (575) |
| Issue of trust units | | | | 38,022 |
| Unit issue expenses | | (384) | | (1,534) |
| Cash flows from financing activities | (28,351) | (25,049) | (15,132) | 36,774 |
| **Net change in bank overdraft** | (13,170) | 260 | (9,412) | 2,059 |
| Bank overdraft, beginning of year | (3,956) | (7,974) | (7,714) | (9,773) |
| Bank overdraft, end of year | (17,126) | (7,714) | (17,126) | (7,714) |

**Credit Facilities**

The Company has entered into a three-year agreement with a banking syndicate for operating credit facilities for an authorized amount of $100M secured by a first ranking hypothec on the Company's assets.

Under the terms of the credit agreement, the Fund is required to maintain (i) a prescribed ratio of total debt (excluding the debentures) to EBITDA less than 3.00:1.00 and (ii) a prescribed ratio of EBITDA to interest expenses greater than 3.50:1.00.

Based on the banking syndicate's method of calculation, the debt/EBITDA ratio is 1.31:1.00 and the interest coverage ratio is 6.83:1.00 times.

During the year, the operating credit increased $1.8M to $49.3M. Cash in the amount of $5M was used to pay ConjuChem on the conversion to a corporation and $6.5M to repay balances of sale price.

**Distributions/Dividends**

On September 15, 2009, the Fund made a final distribution to unitholders of record on August 31 on a prorata basis for the number of days in the period of August 1 to August 24 calculated on the previous monthly distribution of $0.0897 per unit.

Following its conversion to a corporation, Colabor will now make quarterly dividend payments. The first dividend was paid on January 15, 2010 to shareholders of record on December 31, 2009 and amounted to $7,452,966. The dividend was calculated on an annual basis of $1.08 per share for the period of August 25, the conversion date, to December 31, 2009. This amount is included as a dividend payable in the December 31, 2009 balance sheet. Thereafter, a quarterly dividend of $0.27 will be paid, which is equivalent to an annual dividend of $1.08.

In management's opinion, cash flows from operating activities and the funds from operating credits are sufficient to support planned capital expenditures, working capital requirements, quarterly dividends of $0.27 per share and will comply with the banking syndicate's ratio requirements.

## Additional Information

The Company's MD&A and financial statements will also be available on SEDAR (at 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 Company' Internet site at www.colaborincomefund.com (currently under reconstruction).

## About Colabor

Colabor is a wholesaler and distributor of food and non-food products serving the retail (grocery stores, convenience stores, etc.) and food-service (cafeterias, restaurants, hotels, restaurant chains, etc.) markets.

## Caution

This News Release may contain forward-looking statements reflecting the opinions or present expectations of Colabor Group Inc. 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.

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**For additional information**


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