COLABOR

FOR IMMEDIATE RELEASE

COLABOR INCOME FUND ANNOUNCES ITS CONVERSION TO A CORPORATION.

THE NEW CORPORATION TO PAY A 26.91 QUARTERLY DIVIDEND WHICH IS THE QUARTERLY EQUIVALENT OF CURRENT MONTHLY DISTRIBUTIONS.

BOUCHERVILLE, QUEBEC – July [8], 2009 — Colabor Income Fund (TSX: CLB.UN) ("Colabor" or the "Fund"), announced today its intention to convert from an income trust structure to a corporation (the "Conversion"). In order to effect the Conversion, Colabor has entered into an arrangement agreement (the "Arrangement Agreement") with ConjuChem Biotechnologies Inc. ("ConjuChem"), the details of which are further described below.

Following the Conversion, the new Colabor corporate entity will maintain the annual amount paid out to shareholders to a level equal to Colabor's current annual distribution on its trust units and will pay a quarterly dividend of 26.91 cents per share, which is the quarterly equivalent of Colabor's current monthly distribution of 8.97 cents per unit.

"Colabor remains focused on delivering significant value to its shareholders through its growth strategy and through the return of substantial cash flow to shareholders. We believe a corporate structure will provide greater flexibility to continue growing our business in an economic environment where, in our opinion, attractive acquisition opportunities will arise. In addition, this transaction will allow us to benefit from an equivalent of more than $100 million of tax losses over the coming years", said Colabor President and CEO, Gilles C. Lachance. Since it became public as an income trust in June 2005, Colabor grew its revenue and its EBITDA from respectively $366 million to over $1 billion and from $13 to $44 million, through a combination of organic growth and strategic acquisitions. These strategic transactions allowed Colabor to consolidate its core Quebec market and expand its footprint geographically to become a leader in the food distribution industry in Ontario, Canada's largest foodservice market. The Conversion will allow Colabor to pursue its growth strategy and its stated objective as an industry consolidator.

The Conversion is expected to be completed in late August 2009 and is subject to the approval of the unitholders of the Fund, to be obtained at a special meeting of unitholders to be held on or around August 19, 2009 and will be completed pursuant to a statutory plan of arrangement of ConjuChem (the "Plan of Arrangement") under Section 192 of the *Canada Business Corporations Act* ("CBCA").

Rationale and Benefits of the Conversion

Recent amendments to the Federal income tax rules relating to specified investment flow-through trusts ("SIFTs") allow for the conversion of a trust to a corporation to be effected on a tax deferred basis if completed prior to 2012.

Key benefits of the Conversion include:

- Greater access to equity capital markets and widening of potential investor base in light of the decreasing importance of the public business income trust market;
- The Colabor corporate entity will have an estimated equivalent of more than $100 million of tax losses following the Conversion;

- The Plan of Arrangement provides for an effective and efficient method to convert from an income trust to a corporation under existing legislation; and
- The Conversion will lead to a simplified capital structure, as a result of the elimination of a remaining minority interest in Colabor LP, and more efficient corporate structure that will reduce overhead and administrative costs.

Other elements to be considered include the fact that the new Colabor corporate entity expects to be able to pay a quarterly dividend that will, on a quarterly basis, equal Colabor's current cash distribution, the absence of negative tax impact from the Conversion given Colabor's current tax status, and finally the Conversion is tax deferred such that no income tax will be payable by Colabor or its unitholders (other than those who exercise a dissent right) as a result of the Conversion.

Details of the Conversion

As a result of the implementation of the Arrangement, Colabor's unitholders will receive one common share for every trust unit of Colabor held on the effective date of the Conversion, and ConjuChem will change its name to Colabor Group Inc. ("New Colabor"). Furthermore, the Exchangeable Colabor LP Units held by Colabor Investments Inc. will be acquired pursuant to the Arrangement by New Colabor in consideration of New Colabor common shares. Colabor Investments Inc., who will hold in the aggregate 26% of New Colabor common shares following the acquisition of its Exchangeable Colabor LP Units has indicated that it will vote in favour of the Conversion. The elimination of the remaining minority interest in Colabor LP will result in a simplified capital structure and an increase of approximately $50 million of the market capitalization of New Colabor compared to the current market capitalization of the Fund.

Outstanding convertible debentures of the Fund, amounting to $49 million, will become convertible post-arrangement into common shares of New Colabor on the same terms and conditions as were applicable to their conversion into trust units of the Fund prior to the Conversion.

The number of New Colabor common shares outstanding immediately after the Conversion will be 19,658,169 (24,445,486, when taking into account the common shares that may be issuable upon the conversion of convertible debentures).

Upon the completion of the Conversion, New Colabor will indirectly own and operate the existing businesses of Colabor LP and its subsidiaries, and the existing trustees of the Fund and management of Colabor LP will become the directors and management of New Colabor. Colabor Investments Inc., whose shareholders are the affiliated wholesalers of Colabor, currently holds the right to propose a nominee for election as trustee of the Fund. Following the Conversion, a similar right will be granted by New Colabor in favour of Colabor Investments Inc.

New Colabor will not retain any of the businesses currently carried on by ConjuChem or its related assets. Pursuant to the Plan of Arrangement, ConjuChem will transfer substantially all of its assets and all of its liabilities, including the consideration of $5 million, to a new subsidiary. All of the issued shares of this new subsidiary will be distributed to ConjuChem newly formed parent corporation ("New ConjuChem") as redemption price of New ConjuChem shares held in ConjuChem. ConjuChem, which will become New Colabor, will keep its tax attributes which are equivalent to more than $100 million of tax losses. New ConjuChem has agreed to indemnify the New Colabor corporate entity for losses or damages that may have resulted from the activities of ConjuChem prior to the Conversion.

The Conversion is subject to customary commercial conditions, including the receipt of regulatory approvals from various entities such as The Toronto Stock Exchange. As result of being an arrangement with a corporation governed by the CBCA, it is also subject to the approval of the Courts, as well as the approvals of not less than 66 2/3% of the votes cast at a meeting (the "Meeting") of the Colabor unitholders to be held to consider the Conversion. The mailing to the unitholders of an information circular in respect of the Meeting is expected on or around July 24, 2009 and the

Conversion, subject to receipt of all necessary approvals, is expected to be completed in late August 2009.

At the meeting, unitholders will be asked also to consider a resolution to implement a Stock Option Plan for New Colabor, which plan will be further described in the information circular in respect of the Meeting.

Distributions for the period starting on August 1st, 2009 and ending on the closing date of the Conversion will be paid, on or around September 15, 2009, and calculated on a prorata basis using the current monthly distribution of 8.97 cents. It is expected that the New Colabor corporate entity will make its first dividend payment to its shareholders in January 2010 for the period from the completion of the arrangement to December 31, 2009.

Complete details of the terms of the Plan of Arrangement are set out in the Arrangement Agreement that will be filed by Colabor on SEDAR (www.sedar.com).

Outlook

Colabor expects the dividend payment to represent an earnings per share payout below 90% for fiscal year 2010 and to represent less than 60% of cash flow from operations before changes in working capital. Going forward, Colabor remains strongly committed to continue growing its business and is currently reviewing several opportunities in that respect.

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.

Forward Looking Statements

This press release includes forward looking statements with respect to Colabor, including its business operations strategy and financial performance and condition. These statements generally can be identified by the use of forward looking words such as “may”, “could”, “should”, “would”, “will”, “expect, “intend”, “plan”, “estimate”, “project”, “anticipate”, “believe” or “continue”, or the negative thereof of similar variations. Although management believes that the expectations reflected in such forward looking statements are reasonable and represent Colabor’s internal expectations and belief as of July 8, 2009, such statements involve unknown risks and uncertainties beyond control which may cause its actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward looking statements.

Important factors that could cause actual results to differ materially from Colabor’s expectations include, among other things: (i) seasonal or weather related fluctuations in its sales; (ii) changes in consumer discretionary spending resulting from changes in economic conditions or general consumer confidence levels; (iii) changes in the cost of products sourced from third party manufacturers and sold through its distribution networks; (iv) changes in Canadian income tax laws; (v) changes in consumer preferences for food products; (vi) competition from other distributors; (vii) new government regulations affecting its business and operations; and (viii) other factors as discussed in Colabor Annual Information Form, which is filled electronically through SEDAR and is available online at www.sedar.com. It should be noted that this list of principal factors affecting forward looking information may not be exhaustive.

Unless otherwise indicated, the forward looking information in this document is made as of July 8, 2009 and, except as required by applicable law, will not be publicity updated or revised. This cautionary statement expressly qualifies the forward looking information in this document.

For additional information

Gilles C. Lachance
President and Chief Executive Officer
Tel.: 450-449-0026, extension 265
Fax: 450-449-6180
glachance@colabor.com

Michel Loignon CA
Vice President and Chief Financial Officer
Tel.: 450-449-0026, extension 235
Fax: 450-449-6180
mloignon@colabor.com

www.colaborincomefund.com