



NEWS RELEASE

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**COLABOR INCOME FUND ANNOUNCES ITS FIRST QUARTERLY RESULTS  
SINCE ITS INITIAL PUBLIC OFFERING**

BOUCHERVILLE, QUÉBEC, October 6, 2005 — Colabor Income Fund (TSX: CLB.UN) today disclosed its financial results since its initial public offering. These results correspond to the Fund's third quarter of 2005 ended September 9, 2005.

**Highlights**

- Increase in earnings before financial expenses and amortization (equivalent to EBITDA) of \$406,000, or 15.9% compared to the same period in the previous year
- Increase in sales of about 4.2%
- Declaration of distribution for August 2005 of \$0.08540 per unit (\$0.09368 per unit for the initial 34-day distribution) for an annual return of 10.25% based on the issue price of \$10 per unit
- Conclusion of initial public offering of 5,775,000 units for proceeds of \$57,500,000 (\$54,285,000 net of the underwriters' fee)

This is the first disclosure of the results of the Colabor Income Fund since the initial public offer, which took place on June 28, 2005. These results cover the 74-day period from June 28 and September 9, 2005.

The regular fiscal year of the Colabor Income Fund is composed of thirteen 28-day periods. The first three quarters of the year are composed of three 28-day periods, while the last quarter is composed of four 28-day periods. The fiscal year ends on December 31.

Since the Fund does not have comparative financial statements for the corresponding 74-day period in 2004, the Fund's results have been compared with the unaudited results of Colabor Inc. for the 74-day period ended September 10, 2004, and these results were corrected to reflect special aspects of the Fund's activities, in particular customer rebates and amortization of intangible assets.

"We are very pleased with these results," noted Gilles C. Lachance, president and CEO. "They confirm our commitments and fit perfectly with our corporate tradition for more than 40 years of generating stable revenues year after year along with sustained growth in earnings."

## Results of Operations

### Colabor Income Fund Earnings

(In thousands of dollars)  
(Unaudited)

	2005-09-09 (74 days) \$	2005-09-09 (74 days) % of sales	2004-09-10 (74 days) \$	2004-09-10 (74 days) % of sales
<b>Sales</b>	81 547	100,0%	78 233	100,0%
Rebates	<u>2 401</u>	<u>3,0%</u>	<u>2 309</u>	<u>3,0%</u>
Net sales	79 146	97,0%	75 924	97,0%
Cost of sales	79 584	97,6%	76 340	97,6%
Rebates from suppliers	<u>5 691</u>	<u>7,0%</u>	<u>5 286</u>	<u>6,8%</u>
	<u>73 893</u>	<u>90,6%</u>	<u>71 054</u>	<u>90,8%</u>
Gross profit	<u>5 253</u>	<u>6,4%</u>	<u>4 870</u>	<u>6,2%</u>
Selling, distribution and administration expenses	2 327	2,9%	2 360	3,0%
Other revenue	<u>(38)</u>	<u>-0,1%</u>	<u>(48)</u>	<u>-0,1%</u>
	<u>2 289</u>	<u>2,8%</u>	<u>2 312</u>	<u>2,9%</u>
Earnings before financial expenses and amortization	<u>2 964</u>	<u>3,6%</u>	<u>2 558</u>	<u>3,3%</u>
Financial expenses	161	0,2%	149	0,2%
Amortization of property, plant and equipment	226	0,3%	252	0,3%
Amortization of intangible assets	<u>349</u>	<u>0,4%</u>	<u>349</u>	<u>0,4%</u>
	<u>736</u>	<u>0,9%</u>	<u>750</u>	<u>0,9%</u>
Earnings before non-controlling interest	<u>2 228</u>	<u>2,7%</u>	<u>1 808</u>	<u>2,4%</u>

## Distributable Cash

The following table sets forth the calculation of distributable cash for the 74-day period ended September 9, 2005:

Earnings before financial expenses and amortization (as per Fund's September 9, 2005, financial statements)		2,964,000
Deduct		
Financial expenses	161,000	
Acquisition of property, plant and equipment	<u>86,000</u>	<u>247,000</u>
<b>Distributable cash</b>		<b><u>2,717,000</u></b>
Number of units:		
Units of Colabor LP issued to the public	5,775,000	
Exchangeable units of Colabor LP held by the vendor	<u>5,087,439</u>	<b><u>10,862,439</u></b>
<b>Distributable cash per unit</b>		<b>\$0.2501</b>
Distributions paid (as specified in the prospectus of June 17, 2005)		
From June 28, 2005, to July 31, 2005	<b>\$0.0937</b>	1,017,811
From August 1, 2005, to August 31, 2005	<b>\$0.0854</b>	<u>927,652</u>
		<u>1,945,463</u>
Unpaid distribution declared:		
Estimate for period of September 1 to September 9	<b>\$0.0854</b>	<u>278,296</u>
		<b><u>2,223,759</u></b>
		<b>\$0.2047</b>
<b>Distribution ratio of distributable cash</b>		<b><u>81.85%</u></b>

Distributions were paid from cash from activities.

## Distributions

The fund declares its monthly distributions to unit-holders registered in its books on the last day of each month and pays them on or around the 15th of the following month. The Fund paid \$0.09368 per unit at its first 34-day distribution, and for the month of August it declared a distribution at the rate of \$0.08540 per unit, representing an annual return of 10.25% based on the issue price of \$10 per unit.

## **Outlook**

“We are anticipating continued growth in revenue and earnings up to the end of 2005 in both of our firm’s sectors of operation, retail and food services,” Mr. Lachance explained. “Traditionally, the last quarter of our fiscal year is the most profitable. It begins with the Colabor Show, a large-scale event that has been held since 1988 in late September and brings together manufacturers, distributors, retailers, and restaurant owners, who come to exchange information and conduct transactions. In addition, the period before the holiday season is the time when sales of products consumed outside the home increase, reaching their high point for the year.”

In a longer-term perspective, Mr. Lachance expressed his optimism for the future of Colabor. “Our affiliated wholesalers have a great sense of entrepreneurship and customer service. Our recent investments in information technologies and low operating costs contribute to our profitability. We are constantly looking for ways to broaden our product lines and improve our services to affiliated wholesalers, and we are continuing our efforts to recruit new wholesale distributors, in line with our strategic plan.”

## **Additional Information**

In conformity with the requirements of Canadian law with regard to disclosure of interim results, unit holders of the Colabor Income Fund will receive by mail a copy of the document *Management’s Discussion and Analysis of Financial Condition and Results of Operations* for the period from June 28 to September 9, 2005, corresponding to the third quarter of operations of Colabor. The document will also be available from SEDAR ([www.sedar.com](http://www.sedar.com)) within several days. Other information concerning the Colabor Income Fund is also available at SEDAR.

## **About Colabor**

Colabor is a master distributor of food and non-food products, which it purchases and supplies to wholesale distributors that redistribute the products to their customers operating in the retail (supermarkets, convenience stores, etc.) or food-services (cafeterias, restaurants, hotels, restaurant chains, etc.) market segments. Today, Colabor is one of the largest master distributors in Canada and the leader in this market in Quebec, with sales of \$394.5 million for the 12-month period ending September 9, 2005.

## **Warning**

This news release may contain certain forward-looking statements reflecting current opinions or expectations of the Colabor Income Fund or of Colabor Limited Partnership concerning their returns, respective commercial activities, and future events. These statements are subject to certain risks, uncertainties, and hypotheses. Real results and events may differ.

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