



FOR IMMEDIATE RELEASE

## COLABOR GROUP ACQUIRES EDFREX INC.'S ASSETS

**Acquisition establishes a bridge-head for Colabor's activities in New Brunswick and consolidates its presence in Eastern Québec.**

**Boucherville, Québec, March 10, 2011** – Colabor Group Inc. (TSX: GCL) ("**Colabor**" or the "**Company**") announced today the signing of an agreement to acquire the assets of Edfrex Inc. ("**Edfrex**"), a distributor affiliated with Colabor operating mainly in New Brunswick. These assets also include Edfrex's 2.5% stake in Colabor Investments Inc.

Founded in 1945, Edfrex is a company specialized in the distribution of food products and in food servings to food stores, convenience stores, hotels, restaurants and institutions. Edfrex operates a 96,000 square foot distribution center located in Edmundston, New Brunswick and offers 8,000 products to some 2,800 customers with a fleet of around 15 trucks.

"The acquisition of Edfrex will allow Colabor to significantly increase its presence in New Brunswick. Edfrex offers the highest quality services and has an excellent reputation with its customers. This acquisition will also allow Colabor to realize synergies in terms of supply and operations," said Gilles C. Lachance, President and CEO of Colabor.

Edfrex shareholders are Donald Dubé and his spouse. Because Mr. Dubé is also a director of Colabor Group Inc., the acquisition constitutes a transaction with a related party, within the meaning of *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions*.

As the transaction's fair market value and the consideration paid by Colabor for the acquisition of assets does not exceed 25% of the market capitalization of Colabor, this related party transaction is thus exempted from the obligation to obtain a formal valuation and the approval of Colabor's shareholders.

However, the members of the Board of Directors, other than Mr. Dubé, examined the fairness of this transaction and, following a review of the financial and contractual terms of the operation, based on the parameters of other acquisitions recently concluded by Colabor, and due to the fact that because its size, the operation is exempted from the obligations to obtain a formal valuation and the approval of the shareholders, the directors came to the unanimous conclusion that the transaction was fair to company's shareholders. In addition, the distribution centre occupied by Edfrex which is owned indirectly by Mr. Dubé will be leased for a 10-year period. This lease agreement will be concluded on normal commercial terms for a building of this nature, and the terms of the lease are generally equivalent to other leases entered into by the company.

This acquisition is subject to the usual conditions, and closing should take place on or about March 30, 2011.

## **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, etc.) 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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