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**PRESS RELEASE**  
For immediate release

**TSX:CLB.UN**

**Colabor Announces Acquisition of Gestion Bertrand & Frères Inc.  
and Concurrent \$40 million Issue of Fund Units**

**Boucherville, Québec, April 7, 2008** – Colabor Income Fund (TSX: CLB.UN) (“**Colabor**” or the “**Fund**”) announced today that Colabor Limited Partnership has entered into a definitive agreement to purchase all of the outstanding shares of Gestion Bertrand & Frères Inc. (“**Bertrand**” or the “**Company**”), a leading independent food distributor in Eastern Québec, and one of Colabor’s most important affiliated distributors for a consideration of \$84.8 million plus the assumption of \$4.5 million of outstanding debt (the “**Acquisition**”).

*“This transaction is highly strategic for Colabor.” said Gilles C. Lachance, President and CEO of Colabor. “Bertrand has played an important role in Colabor’s success for many years. By acquiring Bertrand, one of our most important affiliated distributors, we have the opportunity to further solidify our foothold in the Québec market. The acquisition will not only add additional volume to our system, but will also allow Colabor to internalize Bertrand’s higher margin distribution business.”*

Bertrand, with sales of \$159 million and adjusted EBITDA of \$11.3 million for the twelve-month period ended December 21, 2007, is a leading distributor to foodservice and retail customers in the Québec and Saguenay regions. The Company, which employs approximately 400 people, distributes over 12,000 products from its two strategically located warehouses near Québec City and in Chicoutimi, totalling 231,000 and 133,000 square feet, respectively. Bertrand’s clients consist primarily of foodservice operators but also include specialty food stores, institutional accounts such as healthcare institutions, schools, universities and certain other retail clients, in-all reaching approximately 4,000 customers. With a complete product offering including frozen products, dry staples, dairy products, fresh meat, fresh fish and seafood, poultry, fresh fruits and vegetables, disposables and sanitation, as well as meat transformation and preparation services, Bertrand offers a “one-stop-shop” solution to its clients.

*“The combination of Bertrand and Colabor is a natural step in the evolution of our two organizations.” remarked Mr. Réjean Bertrand, President of Bertrand. “We are proud of the strong management group that has developed under our leadership. We look forward to seeing them join the Colabor team, continue to execute their growth plan and increase the business’ bottom line.”*

The acquisition is subject to the usual conditions, including the receipt of all necessary regulatory approvals, and is expected to close on or about April 28, 2008.

**Transaction Highlights**

*Another Step in Colabor’s Continuing Growth Strategy.* Following the acquisition of Summit last year and the recently announced acquisition of Bruce Edmeades Foodservice Distribution (“Bruce Edmeades”) in Ontario, the acquisition of Bertrand constitutes another key step in Colabor’s plan to consolidate the Eastern Canadian foodservice distribution market.

*Acquisition of a Leading Player in the Québec Food Distribution Industry.* With this Acquisition, Colabor adds a highly strategic asset to its organization and depth to its presence in the Québec food distribution market. Bertrand distributes more than 12,000 products to over 4,000 customers, and will

add over \$100 million of third-party business to Colabor's network. Furthermore, the addition of Bertrand's value added meat transforming operations will complement Colabor's current distribution activities.

*Strong and Growing Free Cash Flow Generation.* Bertrand's operations have been historically growing, highly profitable and have enjoyed healthy EBITDA margins of 7.1% for the twelve-month period ended December 21, 2007. Recent growth has been largely driven by operational efficiencies achieved through the consolidation of warehousing activities in Québec City into one new state-of-the-art facility built in 2004. Additionally, Bertrand's capital expenditure requirements are relatively low, allowing the Company to generate important free cash flows.

*Expansion of Colabor's Distribution Footprint.* Bertrand operates strategically located warehouses in Québec City (231,000 square feet) and Chicoutimi (133,000 square feet). Both warehouses are scalable and have excess capacity, providing Bertrand with the flexibility to add additional volume. With this Acquisition, Colabor's distribution footprint will expand to seven warehouses, providing the Fund with total warehouse space of over 1,000,000 square feet.

*Decreased Purchasing Cost and Other Cost Savings.* Management believes that Colabor will be able to realize important procurement savings. Management expects that annual recurring synergies from procurement savings and other initiatives will amount to approximately \$1,000,000. These synergies are expected to be realized within 12 months following the Acquisition.

*Immediately Accretive to Distributable Cash per Unit.* Management believes that on a pro forma basis, the Acquisition will increase the Fund's fully diluted distributable cash per unit from \$1.15 to \$1.20 (4.3% accretive) for the twelve-month period ended December 31, 2007, before taking into account the expected synergies resulting from the acquisition and to \$1.23, including these synergies (7.0% accretive). Taking into account the full effect of the acquisitions of Bertrand and Bruce Edmeades, including all expected synergies, Management estimates the accretion to fully diluted distributable cash per unit to be over 20%, for the twelve-month period ended December 31, 2007.

### **Financing of the Transaction**

Under the terms of the agreement, which has been approved by the Fund's Board of Trustees, the total consideration paid for Bertrand is \$84.8 million (plus the assumption of \$4.5 million of outstanding debt), of which \$7.5 million will be paid in two equal annual instalments. The consideration will also be satisfied by i) drawing on a new \$100 million three-year revolving credit facility arranged by National Bank Financial Inc. and underwritten by National Bank of Canada, ii) the purchase by certain Bertrand shareholders of 800,000 Fund Units at \$10.45 per Unit (\$8.4 million) on a private placement basis concurrent with the closing of the Acquisition, and iii) an offering of Fund Units (collectively, the "**Financing**").

As such, the Fund today also announced it has entered into an agreement with a syndicate of underwriters led by National Bank Financial Inc. for a public offering, on a bought deal basis, of 3,830,000 Subscription Receipts at a price of \$10.45 per Subscription Receipt for gross proceeds of \$40 million (the "**Offering**").

The Fund expects to file a preliminary prospectus on or about April 9, 2008. The Offering is expected to close on or about April 23, 2008, subject to the usual conditions (the "**Closing**").

After completion of the Acquisition and related Financing, Colabor will continue to boast a healthy balance sheet with pro forma net debt of approximately 2.0x EBITDA for the twelve month period ended December 31, 2007, providing the Fund with sufficient flexibility to continue its growth strategy. The Acquisition will substantially increase Colabor's market capitalization and enhance its liquidity and financial resources.

National Bank Financial Inc. is acting as financial advisor and agent for Colabor.

*The offering of the Subscription Receipts is being made in all provinces of Canada by means of a short-form prospectus. This press release is not an offering of securities for sales in the United States. The Subscription Receipts have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements.*

### **Recent Financial Information**

The Fund intends to disclose its results for the first quarter ended March 22, 2008 on April 24th, concurrent with its annual general meeting. The seasonal nature of the foodservice industry results in the first quarter of Colabor being historically lower than those of the other three quarters. Nevertheless, Management expects that its first quarter results, driven by organic growth, will be in-line with its expectations and above the corresponding quarter of 2007.

### **Tax Considerations**

In 2007, following the acquisition of Summit and pursuant to the new SIFT rules enacted in October 2006, Colabor became a taxable entity and all of its distributions made since January 1, 2007 are taxed as eligible dividends (as opposed to ordinary income), representing a significant reduction in the effective tax rate for taxable unitholders.

In the context of the Acquisition, the Fund conducted a reorganisation of its internal affairs and the internal debts between the Fund's entities were restructured. Following the closing of the Acquisition and of its concurrent Financing, depending on the nature of the distributions to be received indirectly by the Fund from its entities, the Fund anticipates being in a position to make distributions composed entirely of dividends, non taxable returns of capital, or a combination thereof, further reducing the effective tax rate of taxable unitholders.

### **About Colabor Income Fund**

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. Colabor is one of the largest wholesalers in Canada and the largest in Québec, with net sales of \$838 million for the year ended December 31, 2007.

### **Forward-looking Statements**

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.

Further information can be found in the disclosure documents filed by Colabor Income Fund with the securities regulatory authorities, available at [www.sedar.com](http://www.sedar.com).

FOR ANY ADDITIONAL INFORMATION, PLEASE CONTACT

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