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NEWS RELEASE

FOR IMMEDIATE RELEASE

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COLABOR INCOME FUND INCREASES ITS MONTHLY CASH DISTRIBUTIONS OF 5%

BOUCHERVILLE, QUÉBEC, July 12, 2006. – Colabor Income Fund (TSX: CLB.UN) today announced that its Trustees approved an increase in the monthly cash distributions by 5%, from \$0.0854 to \$0.0897 per unit. The distribution of \$0.0897 per unit will be payable on August 15, 2006, to Unitholders of record on July 31st, 2006.

“We are pleased to announce an increase of our monthly cash distribution one year after completing our IPO June 28, 2005. Because of our sales growth and our financial performance, we are in good position to increase our monthly cash distributions to Unitholders” concluded Mr. Jacques Landreville, Chairman of the Colabor Income Fund Board.

Colabor is a wholesaler of food and non-food products that it purchases and supplies to wholesale distributors who, in turn, sell them to their retail (grocery stores, convenience stores, etc.) and food service customers (cafeterias, restaurants, hotels, restaurant chains, etc.). Colabor is one of the largest wholesalers in Canada and the largest in Québec, with sales of \$408.5 million for the 12-month period ending June 16, 2006.

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 be different.

For additional information

Gilles C. Lachance

President and Chief Executive Officer

Tel: (514) 449-0026 ext. 265

Fax: (514) 449-2098

glachance@colabor.com

Michel Loignon CA

Vice-President, Finance and Administration

Tel: (514) 449-0026 ext. 235

Fax: (514) 449-2098

mloignon@colabor.com