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NEWS RELEASE

FOR IMMEDIATE RELEASE

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STRONG RESULTS

BOUCHERVILLE, QUÉBEC, July 12, 2006. – Colabor Income Fund (TSX: CLB.UN) reports its results for the 2006 second quarter ended on June 16.

2006 Q2 Highlights

(84-day period ended June 16, 2006)

- **Gross sales up approximately 5% and earnings before financial expenses and amortization (EBITDA) up \$423,000, or 14.6%, compared to same period last year;**
- **Distributable cash of \$0.2724 per unit; cash distributed of \$0.2365 per unit; (see Distributable Cash);**
- **Net earnings up \$208,000, i.e. 21.7%, compared to same period last year.**

2006 Q1 and Q2 Highlights

(167-day period ended June 16, 2006)

- **Gross sales up about 3.5% and earnings before financial expenses and amortization (EBITDA) up \$664,000, or 15.1%, compared to same period last year;**
- **Distributable cash of \$0.4159 per unit; cash distributed of \$0.4730 per unit; (see Distributable Cash);**
- **Net earnings up \$324,000, i.e. 27.7%, compared to same period last year.**

Colabor Income Fund's fiscal year comprises thirteen 28-day periods. Three quarters comprise three 28-day periods each and the fourth quarter includes four 28-day periods. The Fund's year end is December 31. The first and second quarters of the fiscal year reflect the seasonal nature of the business.

Since the Fund does not have comparative financial statements for the corresponding prior-year period and to help readers compare, the Fund's results have been compared with the results of the Vendor for the 84-day and 168-day periods ended on June 17, 2005. These results were corrected to reflect special aspects of the Fund's activities, in particular customer rebates, the costs of a listed company and amortization of intangible assets.

**Colabor Income Fund
Consolidated Earnings**
(000)

	Quarter ended					Period ended				
	June 16, 2006 (84 days)		June 17, 2005 (84 days)		Change %	June 16, 2006 (167 days)		June 17, 2005 (168 days)		Change %
Sales	101,542	100.0%	96,699	100.0%	5.0%	177,240	100.0%	171,300	100.0%	3.5%
Rebates	3,011	3.0%	2,853	3.0%	5.5%	5,246	3.0%	5,051	2.9%	3.9%
Net sales	98,531	97.0%	93,846	97.0%	5.0%	171,994	97.0%	166,249	97.1%	3.5%
Cost of sales	99,546	98.0%	94,960	98.2%	4.8%	173,440	97.9%	167,931	98.0%	3.3%
Rebates from suppliers	7,373	7.3%	6,895	7.1%	6.9%	12,332	7.0%	11,582	6.8%	6.5%
	92,173	90.7%	88,065	91.1%	4.7%	161,108	90.9%	156,349	91.2%	3.0%
Gross profit	6,358	6.3%	5,781	5.9%	10.0%	10,886	6.1%	9,900	5.9%	10.0%
Selling, distribution and administration expenses	3,035	3.0%	2,881	3.0%	5.3%	5,839	3.3%	5,517	3.2%	5.8%
Earnings before financial expenses and amortization	3,323	3.3%	2,900	2.9%	14.6%	5,047	2.8%	4,383	2.7%	15.1%
Financial expenses	166	0.2%	117	0.1%	41.9%	315	0.2%	226	0.1%	39.4%
Amortization of property, plant and equipment	213	0.2%	231	0.2%	-7.8%	421	0.2%	456	0.3%	-7.7%
Amortization of intangible assets	744	0.7%	744	0.8%	0.0%	1,488	0.8%	1,488	0.9%	0.0%
	1,123	1.1%	1,092	1.1%	2.4%	2,224	1.2%	2,170	1.3%	2.4%
Earnings before non-controlling interest	2,200	2.2%	1,808	1.8%	21.7%	2,823	1.6%	2,213	1.4%	27.6%
Non-controlling interest	1,035	1.0%	851	0.9%	21.6%	1,331	0.8%	1,045	0.6%	27.4%
Net earnings	1,165	1.2%	957	0.9%	21.7%	1,492	0.8%	1,168	0.8%	27.7%
Basic and diluted net earnings per unit	0.20 \$		0.17 \$			0.26 \$		0.20 \$		

Distributable Cash

The following table shows the calculation of distributable cash for the second quarter of 2006, the 167-day period ended June 16, 2006 and the 354-day period starting June 28, 2005, the date the Fund started operating. For the last 354-day period, refer to the financial results in Appendix 1 of Management's Discussion & Analysis published on SEDAR.

	2006-06-16 (84 days)	2006-06-16 (167 days)	2006-06-16 (354 days)
	\$	\$	\$
Net earnings	1,165	1,492	4,778
Non-controlling interest	1,035	1,331	4,304
Financial expenses	166	315	742
Amortization of property, plant and equipment	213	421	953
Amortization of intangible assets	744	1,488	3,140
Earnings before financial expenses and amortization	3,323	5,047	13,917
Financial expenses	(166)	(315)	(742)
Acquisition of property, plant and equipment	(198)	(214)	(536)
Distributable cash	2,959	4,518	12,639
Number of units:			
Colabor LP ordinary units	5,775,000		
Exchangeable Colabor LP units	5,087,439	10,862,439	10,862,439
Distributable cash per unit	\$0.2724	\$0.4159	\$1.1636
Distributions declared	2,783	4,638	10,294
(as specified in June 17, 2005 prospectus)			
Estimate from June 1, 2006 to June 16, 2006	500	500	500
Reversal of preceding quarter's estimate	(714)		
Cash distributed	2,569	5,138	10,794
Cash distributed per unit	\$0.2365	\$0.4730	\$0.9937

Based on the foregoing schedule, the excess of distributable cash over cash distributed for the second quarter partially offsets the first quarter of 2006, when distributions exceeded distributable cash. The results for 354 days show a significant excess, thereby eliminating seasonal items.

For the 167-day and 354-day periods, distributions were paid from cash from operating activities.

Outlook

“Even though second quarter sales for 2006 are 5% higher than the second quarter in 2005, earnings before financial expenses and amortization increased in the order of 14.6%, which is a clear indication of the Fund’s ability to generate profits” stated Gilles C. Lachance, President and Chief Executive Officer of Colabor Limited Partnership.

Additional Information

In accordance with the requirements of the Canadian Securities Administrators for reporting interim results, the unitholders of Colabor Income Fund will be mailed a copy of *Management’s Discussion & Analysis* for this quarter. The documents will also be available on SEDAR (www.sedar.com) within a few days. Additional information about Colabor Income Fund may also be found on SEDAR as well as on the Income Fund’s Internet site at www.fondsderevenucolabor.com.

Colabor Overview

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.

Caution

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.

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For additional information

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