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NEWS RELEASE **FOR IMMEDIATE RELEASE**

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INTEGRATION OF SUMMIT BEGINS TO SHOW RESULTS

BOUCHERVILLE, QUÉBEC, July 12, 2007. – Colabor Income Fund (TSX: CLB.UN) reports its results for the second quarter of the year ending December 31, 2007.

Highlights of the second quarter ended June 16, 2007 compared with the 2006 second quarter

- **Sales up approximately $101.7 million;**
- **Earnings before financial expenses and amortization (EBITDA) increased by $3 million;**
- **Net earnings up $358,000;**
- **Distributable cash: $5.9 million; distributed cash: $4 million for the quarter (see *Distributable Cash*);**

Results of Operations

Colabor Income Fund

Consolidated Earnings

(unaudited and in thousands of dollars, except per unit amounts)

	2007-06-16 (84 days)		2006-06-16 (84 days)		Variance	
	$		$		$	%
Net sales	200,210	100.00%	98,531	100.00%	101,679	103.19%
Earnings before financial expenses and amortization	6,327	3.16%	3,323	3.37%	3,004	90.40%
Financial expenses	1,552	0.78%	166	0.17%	1,386	834.94%
Amortization of property, plant and equipment	798	0.40%	213	0.22%	585	274.65%
Amortization of intangible assets	1,655	0.83%	744	0.76%	911	122.45%
	4,005	2.01%	1 123	1.15%	2,882	256,63%
Earnings before non-controlling interest	2,322	1.15%	2,200	2.22%	122	5.55%
Non-controlling interest	799	0.40%	1 035	1.05%	(236)	-22,80%
Net earnings	1,523	0.75%	1,165	1.17%	358	30.73%
Basic and diluted net earnings per unit	$0.15		$0.20			

	2007-06-16 (167 days)		2006-06-16 (167 days)		Variance	
	$		$		$	%
Net sales	362,877	100.00%	171,994	100.00%	190 883	110.98%
Earnings before financial expenses and amortization	10,974	3.02%	5,047	2.93%	5,927	117.44%
Financial expenses	3,090	0.85%	315	0.18%	2,775	880.95%
Amortization of property, plant and equipment	1,443	0.40%	421	0.24%	1,022	242.76%
Amortization of intangible assets	3 180	0,88%	1,488	0,87%	1,692	113,71%
	7 713	2,13%	2,224	1.29%	5,489	246,81%
Earnings before non-controlling interest	3,261	0.89%	2,823	1.64%	438	15.52%
Non-controlling interest	1,192	0.33%	1,331	0.77%	(139)	-10.44%
Net earnings	2,069	0.56%	1,492	0.87%	577	38.67%
Basic and diluted net earnings per unit	$0.21		$0.26			

The growth is primarily attributable to the acquisition by Colabor of *Summit Food Service Distributors Inc.* on January 8, 2007 and the 4.7% organic growth in sales to affiliated distributors.

Synergies

As mentioned in the December 21, 2006 short form prospectus, the Fund’s management expects that synergies from the acquisition of Summit will be about $2.2 million. These synergies will primarily result of streamlining and negotiating new supply agreements with suppliers and combining certain programs, such as property insurance, group insurance and others.
Several agreements have been negotiated to date with suppliers and results reflect a portion of the negotiated synergies. The Company is confident it will achieve the targeted synergies during its fiscal year.

Information About the Fund’s Tax Position

On October 31, 2006, the Minister of Finance of Canada announced a proposal to apply a tax at the trust level on distributions of certain income from publicly traded mutual fund trusts at rates of tax comparable to the combined federal and provincial corporate tax and to treat such distributions as dividends to the unitholders. The documents released as part of this announcement provided that existing trusts would have a four-year transition period and would not be subject to the new rules until 2011. However, these documents also provide that the application date of 2011 is subject to the possible need to foreclose inappropriate new avoidance techniques. As an example, the proposals provided that, while there is now no intention to prevent existing income trusts from normal growth prior to 2011, any undue expansion of an existing income trust such as might be attempted through the insertion of a disproportionately large amount of additional capital could cause this to be revisited.

After the close of markets on December 15, 2006, i.e. after the underwriting agreement was signed and the preliminary prospectus was filed to arrange a portion of the financing required for the Summit asset acquisition, the Department of Finance issued a press release that provided guidance on what the Department means by “normal growth”. The Department indicated that it will not recommend that an income trust will not lose the benefit of the tax deferral to 2011 if the aggregate amount of new equity (including units and debt that is convertible into units) issued by it before 2008 does not exceed $50 million. The Department also provided other safe harbours limiting the issuance of new equity on an annual basis to a percentage of a trust’s market capitalisation as of October 31, 2006.

Draft legislation was tabled on December 21, 2006 which did not provide for any “normal growth” requirement. The March 19, 2007 budget confirmed the federal government’s intention of implementing the measures announced on October 31, 2006 and, finally, Bill 52 was tabled on March 29, 2007 which includes amendments to the Income Tax Act with respect to the taxation of income trusts, including the requirement that income trusts comply with the guidance in the December 15, 2006 press release. Parliament ratified Bill 52 on June 22, 2007.

The Fund’s public offering of trust units and convertible debentures, concurrently with the Summit acquisition exceeds both the $50 million threshold and the safe harbours based on market capitalisation. However, the Fund’s management believes that the

Summit acquisition was sufficiently advanced that the financing arrangement preceded the Department's guidance and that the type of financing to acquire the Summit assets could have been modified had the Fund been aware of the Department's guidance at the time of signing the underwriting agreement with the underwriters. The Fund has initiated steps with the Department of Finance to clarify Colabor's situation. When it prepared the second quarter of 2007 financial statements, the Fund's management decided to wait for the Department of Finance's interpretation before considering whether the Fund is taxable and will keep unitholders apprised of any developments in this matter.

If the Fund is considered taxable, the Fund's management intends to maintain its current distribution policy, which represents an annual distribution to unitholders of $1.076 per unit because, in the opinion of the Fund's management, the Fund's activities will make it possible to increase distributable cash available for distributions per unit during the first full year of operation following the Summit acquisition, both on an undiluted and fully diluted basis.

Distributable Cash

The Fund declares monthly distributions to unitholders of record on the last day of each month and pays the distributions on or around the 15th of the following month. The annual distribution per unit is $1.076.

The following table shows the changes in distributable cash for the second quarter of 2007 and the cumulative results for the 167 days ended June 16, compared with the same periods in 2006.

The Canadian Securities Administrators has concluded that distributable cash is in all cases a measure of cash flows a fair picture of which may only be presented if it is matched with the cash flows related to the operating activities presented in the issuer's financial statements without adjusting variations in operating assets and liabilities.

	2007-06-16 (84 days) $	2006-06-16 (84 days) $	2007-06-16 (167 days) $	2006-06-16 (167 days) $
Cash flows from operating activities	6,174	643	11,275	5,972
Acquisition of property, plant and equipment (1)	(100)	(198)	(450)	(214)
Repayment of long-term debt	(117)	(117)	(234)	(234)
Repayment of security deposits				(468)
Distributable cash	5,957	328	10,591	5,056
Distributions paid to unitholders	2,655	1,480	4,940	2,959
Distributions paid on exchangeable Colabor LP units	1,369	1,304	2,738	2,607
Distributed cash	4,024	2,784	7,678	5,566
(1) Acquisition of property, plant and equipment:				
Maintenance assets (recurring)	100	146	344	162
Distribution software (non-recurring)		52	106	52
	100	198	450	214

Outlook

The acquisition of Summit, makes it possible for the Fund's to consolidate its role in food distribution services in Canada for future years and can serve as a springboard for further expansion nationally.

Additional Information

The Fund's MD&A and financial statements will also be available on SEDAR (www.sedar.com) following publication of this News Release. 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 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.

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 differ.

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For additional information

Gilles C. Lachance
President and Chief Executive Officer
Tel: 450-449-0026, extension 265
Fax: 450-449-2098
glachance@colabor.com

Michel Loignon CA
Vice-President, Finance and Administration
Tel: 450-449-0026 extension 235
Fax: (450) 449-2098
mloignon@colabor.com