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NEWS RELEASE

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SALES AND FINANCIAL RESULTS SHOW SOLID PERFORMANCE

BOUCHERVILLE, QUEBEC, October 4, 2007. – Colabor Income Fund (TSX: CLB.UN) reports its results for the third quarter of the year ending December 31, 2007.

Highlights of the third quarter ended September 8, 2007 compared with the 2006 third quarter

- **Sales up approximately \$104.2 million, an increase of 114%;**
- **Organic growth of sales of 8.4%;**
- **Earnings before financial expenses and amortization (EBITDA) increase by \$3.6 million, an increase of 111%;**

Results of Operations

Consolidated Earnings

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

	2007-09-08 (84 days)		2006-09-08 (84 days)		Variance	
	\$	%	\$	%	\$	%
Net sales	<u>195,488</u>	<u>100.00%</u>	<u>91,285</u>	<u>100.00%</u>	<u>104,203</u>	<u>114.15%</u>
Earnings before financial expenses and amortization	<u>6,798</u>	<u>3.48%</u>	<u>3,215</u>	<u>3.52%</u>	<u>3,583</u>	<u>111.45%</u>
Financial expenses	1,622	0.83%	259	0.28%	1,363	526.25%
Amortization of property, plant and equipment	858	0.44%	215	0.24%	643	299.07%
Amortization of intangible assets	<u>1,634</u>	<u>0.84%</u>	<u>744</u>	<u>0.82%</u>	<u>890</u>	<u>119.62%</u>
	<u>4,114</u>	<u>2.11%</u>	<u>1,218</u>	<u>1.34%</u>	<u>2,896</u>	<u>237.77%</u>
Earnings before non-controlling interest	2,684	1.37%	1,997	2.18%	687	34.40%
Non-controlling interest	<u>948</u>	<u>0.48%</u>	<u>935</u>	<u>1.02%</u>	<u>13</u>	<u>1.39%</u>
Net earnings	<u>1,736</u>	<u>0.89%</u>	<u>1,062</u>	<u>1.16%</u>	<u>674</u>	<u>63.47%</u>

	2007-09-08 (251 days)		2006-09-08 (251 days)		Variance	
	\$	%	\$	%	\$	%
Net sales	<u>558,365</u>	<u>100.00%</u>	<u>263,279</u>	<u>100.00%</u>	<u>295,086</u>	<u>112.08%</u>
Earnings before financial expenses and amortization	<u>17,772</u>	<u>3.18%</u>	<u>8,262</u>	<u>3.14%</u>	<u>9,510</u>	<u>115.11%</u>
Financial expenses	4,712	0.84%	574	0.22%	4,138	720.91%
Amortization of property, plant and equipment	2,301	0.41%	636	0.24%	1,665	261.79%
Amortization of intangible assets	<u>4,814</u>	<u>0.86%</u>	<u>2,232</u>	<u>0.85%</u>	<u>2,582</u>	<u>115.68%</u>
	<u>11,827</u>	<u>2.11%</u>	<u>3,442</u>	<u>1.31%</u>	<u>8,385</u>	<u>243.1%</u>
Earnings before non-controlling interest	5,945	1.07%	4,820	1.83%	1,125	23.34%
Non-controlling interest	<u>2,140</u>	<u>0.38%</u>	<u>2,266</u>	<u>0.86%</u>	<u>(126)</u>	<u>-5.56%</u>
Net earnings	<u>3,805</u>	<u>0.69%</u>	<u>2,554</u>	<u>0.97%</u>	<u>1,251</u>	<u>48.98%</u>

Sales

(in thousands of dollars)

	2007-09-08 (84 days)		2006-09-08 (84 days)		Variance	
	\$	%	\$	%	\$	%
Boucherville Division						
Retail	29,841	15.3%	27,051	29.6%	2,790	10.3%
Foodservice	69,157	35.4%	64,234	70.4%	4,923	7.7%
	98,998	50.7%	91,285	100.0%	7,713	8.4%
Summit Division						
Foodservice	96,490	49.3%			96,490	S/O
	195,488	100.0%	91,285	100.0%	104,203	114.2%

	2007-09-08 (251 days)		2006-09-08 (251 days)		Variance	
	\$	%	\$	%	\$	%
Boucherville Division						
Retail	81,943	14.7%	79,984	30.4%	1,959	2.4%
Foodservice	196,733	35.2%	183,295	69.6%	13,438	7.3%
	278,676	49.9%	263,279	100.0%	15,397	5.8%
Summit Division						
Foodservice	279,689	50.1%			279,689	S/O
	558,365	100.0%	263,279	100.0%	295,086	112.1%

Boucherville Division

Retail

The growth in sales of the retail division is primarily attributable to the recruitment of two new customers by one of the affiliated wholesalers during the third quarter, which will contribute to improving this sector during the fourth quarter as well.

Foodservice

Organic growth in the affiliated wholesalers' foodservice sales continues to outpace industry levels.

The 7.7% increase in sales for the quarter and 7.3% for the 251-day period ended September 8, 2007, compared with the previous year is more than 3% higher than the 4.1% (including inflation) growth over 2006 anticipated by the Canadian Restaurant and Foodservices Association.

Summit Division

The acquisition of Summit has made it possible to double the Fund's sales and is consistent with management expectations.

Synergies

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.

At this time, most agreements have been negotiated 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. Synergies will primarily be realized at the end of September for the Boucherville Division as a result of purchases at the Colabor Exhibition and for the Summit Division as a result of purchases at the Sell-A-Rama.

Information About the Fund's Tax Position

The Fund's public offering of trust units and convertible debentures, concurrently with the Summit acquisition in January 2007 exceeded both the \$50 million threshold and the safe harbours based on market capitalization. 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 2007 third-quarter financial statements, the Fund's management was still waiting 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.

Cash

Consolidated cash flows

(unaudited and in thousands of dollars)

	2007-09-08 (84 days)	2006-09-08 (84 days)	2007-09-08 (251 days)	2006-09-08 (251 days)
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net earnings	1,736	1,062	3,805	2,554
Non-cash items				
Amortization of property, plant and equipment	858	215	2,301	636
Amortization of intangible assets	1,634	744	4,814	2,232
Non-controlling interest	948	935	2,140	2,266
Compensation cost from long-term incentive plan	53	34	144	81
Accretion of difference between effective and nominal debenture rate	194		573	
	<u>5,423</u>	<u>2,990</u>	<u>13,777</u>	<u>7,769</u>
Changes in operating assets and liabilities				
Accounts receivable	12,282	2,929	516	(5,145)
Withholding taxes recoverable	(50)		(297)	
Inventory	1,053	2,763	6,193	(1,453)
Prepaid expenses	389	480	(166)	(15)
Deferred financing expenses	19		37	
Accounts payable and accrued liabilities	(591)	(2,051)	5,854	7,291
Rebates payable	(7,666)	(1,203)	(3,985)	2,786
Deferred revenue	321	657	526	1,304
	<u>5,757</u>	<u>3,575</u>	<u>8,678</u>	<u>4,768</u>
Cash flows from operating activities	<u>11,180</u>	<u>6,565</u>	<u>22,455</u>	<u>12,537</u>
INVESTING ACTIVITIES				
Business acquisition			(109,048)	
Property, plant and equipment	(134)	(249)	(584)	(463)
Cash flows from investing activities	<u>(134)</u>	<u>(249)</u>	<u>(109,632)</u>	<u>(463)</u>
FINANCING ACTIVITIES				
Bank loans	(8,658)	1,683	26,919	1,801
Distributions paid to unitholders	(1,775)	(1,011)	(6,715)	(3,970)
Distributions paid on exchangeable Colabor LP units	(913)	(987)	(3,651)	(3,594)
Repayment of notes payable		(6,087)		(6,195)
Repayment of long-term debt	(78)	(78)	(312)	(312)
Repayment of security deposits				(468)
Purchase of units held by the Fund for long-term incentive plan		(301)	(238)	(448)
Issue of debentures			47,186	
Issue of trust units			24,171	
Cash flows from financing activities	<u>(11,424)</u>	<u>(6,781)</u>	<u>87,360</u>	<u>(13,186)</u>
Net change in cash	<u>(378)</u>	<u>(465)</u>	<u>183</u>	<u>(1,112)</u>
Bank overdraft, beginning of period	<u>(2,776)</u>	<u>(899)</u>	<u>(3,337)</u>	<u>(252)</u>
Bank overdraft, end of period	<u>(3,154)</u>	<u>(1,364)</u>	<u>(3,154)</u>	<u>(1,364)</u>

Standardized Distributable Cash

Standardized Distributable Cash

(unaudited and in thousands of dollars)

	2007-09-08 (84 days)	2006-09-08 (84 days)	2007-09-08 (251 days)	2006-09-08 (251 days)	Since the creation of the Fund (2005-06-28)
	\$	\$	\$	\$	\$
Cash flows from operating activities	11,180	6,565	22,455	12,537	64,171
Acquisition of property, plant and equipment (1)	(134)	(249)	(584)	(463)	(1,650)
Standardized distributable cash	11,046	6,316	21,871	12,074	62,521
Acquisition of property, plant and (1) equipment:					
Maintenance assets (recurring)	134	7	477	168	768
Distribution software (non-recurring)		242	107	295	882
	134	249	584	463	1,650
Distributions paid on units	1,775	1,011	6,715	3,970	15,271
Distributions paid on exchangeable Colabor LP units	913	987	3,651	3,594	11,284
Distributed cash	2,688	1,998	10,366	7,564	26,555
Weighted average number of units					
Units	9,895,793	5,775,000	9,714,557	5,775,000	6,998,884
Exchangeable Colabor LP units	5,087,439	5,087,439	5,087,439	5,087,439	5,087,439
	14,983,232	10,862,439	14,801,996	10,862,439	12,086,323
Standardized distributable cash per unit	\$0.74	\$0.58	\$1.48	\$1.11	\$5.17
Cash distributed per unit	\$0.18	\$0.18	\$0.70	\$0.70	\$2.20
Ratio of distributed cash to standardized distributable cash	24.3%	31.6%	47.4%	62.6%	42.5%

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

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.colaborincomefund.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

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