



NEWS RELEASE

FOR IMMEDIATE RELEASE

COLABOR GROUP REPORTS RESULTS FOR FOURTH QUARTER AND FISCAL 2010

- Comparable sales up 0.9% in fourth quarter
- Fourth-quarter 2010 EBITDA margin of 4.03%
- Fourth-quarter 2010 net earnings of \$5.9 million
- Growth strategy supported by strong financial position

Boucherville, Quebec, March 8, 2011 – Colabor Group Inc. (TSX: GCL) (“Colabor” or the “Company”) today reported results for the fourth quarter and fiscal year ended December 31, 2010.

FOURTH-QUARTER RESULTS

Consolidated sales for the 111-day period ended December 31, 2010 were \$347.1 million, down 4.9% from \$365.0 million for the 110-day period ended December 31, 2009. The decrease was due mainly to the loss of a major supply contract in February 2010. The effect of this loss on fourth-quarter sales was \$44.8 million, offset in part by sales of \$20.6 million following the acquisition of RTD Distributions Ltée (“RTD”) on September 21, 2010. Excluding these items, and on the basis of an equal number of days, the Company’s comparable sales were up 0.9%, mainly because of improved market conditions for Distribution sales to the Ontario foodservice industry.

Earnings before financial expenses, income taxes, depreciation and amortization (“EBITDA”) were \$14.0 million, or 4.03% of sales, compared to \$15.1 million, or 4.13% of sales, a year earlier. The slight reduction in margin is attributable to continuing stiff competition and to the effect of lower delivery volumes on the absorption of fixed costs. Net earnings were \$5.9 million, or \$0.26 per diluted share, compared to \$9.0 million, or \$0.53 per diluted share, in the corresponding quarter of 2009. The decrease in earnings per share in part reflects the issue of 3,393,932 shares following the conversion of debentures in 2010. The results for fourth quarter 2010 include costs of \$0.9 million not related to current operations and the results for fourth quarter 2009 include costs of \$0.4 million.

Financial highlights (thousands of dollars except per-share data)	Quarter ended		Year ended	
	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Sales	347,142	364,973	1,051,961	1,182,481
EBITDA*	13,984	15,073	37,416	42,800
Net earnings	5,868	9,002	16,232	16,671
Per share/unit – basic (\$)	0.26	0.53	0.76	1.03
Per share/unit – diluted (\$)	0.26	0.53	0.76	0.94
Cash flow per share**	N.A.	N.A.	1.39	1.81
Dividend per share	N.A.	N.A.	1.08	1.08
Weighted average number of shares outstanding (basic, in thousands)	22,736	19,526	21,472	16,244

* Earnings before financial expenses, income taxes, depreciation and amortization

** Cash flow from operations before changes in operating assets and liabilities less purchases of property, plant and equipment.

“Colabor’s comparable sales increased in the fourth quarter as a result of improved conditions in the Ontario foodservice market, offset in part by intensified competitive pressures in Quebec and the Atlantic provinces,” said Gilles C. Lachance, Colabor President and Chief Executive Officer.

SEGMENTED RESULTS

Sales of the **Wholesale** segment were \$128.2 million in Q4 2010, down 7.4% from \$138.5 million in Q4 2009. Comparable sales were down 2.1%. The decrease was due essentially to a 2.5% decline in sales to the foodservice industry resulting from stiff competition in Quebec and the Atlantic provinces. Sales to retailers reflected better resistance to competitive pressure, declining only 1.2%.

Sales of the **Distribution** segment were \$218.9 million in Q4 2010, compared to \$226.5 million a year earlier. The slight decline of 3.4% was mainly due to the loss of a major contract in the restaurant sector served by the Summit Division in early February 2010, a loss that has not been offset by the contribution of RTD. Comparable sales excluding these items were up 3.4% as a result of improved conditions in the Ontario foodservice market.

RESULTS FOR 2010

For the year ended December 31, 2010, consolidated sales were \$1,052.0 million, compared to \$1,182.5 million for 2009. This reduction reflects a \$129.4-million decrease attributable to the loss of a large contract, offset in part by the contribution of RTD since September 21, 2010. Sales on a comparable basis were down 1.8%. Also on a comparable basis, Wholesale sales were down 1.2% and Distribution sales were down 2.6%.

EBITDA for 2010 was \$37.4 million, or 3.56% of sales, compared to \$42.8 million, or 3.62% of sales, in 2009. Net earnings were \$16.2 million, or \$0.76 per diluted share, in 2010, compared to \$16.7 million, or \$0.94 per diluted share, a year earlier. Results for 2010 include costs of \$0.9 million not related to current operations. Results for 2009 included costs of \$2.5 million related mainly to the process of conversion to a corporation.

“Despite the challenges posed by difficult business conditions in 2010, Colabor has maintained an EBITDA margin and net earnings comparable to those of the previous year and has ended the year with an excellent financial position,” added Mr. Lachance.

SOLID FINANCIAL POSITION

The Company's balance sheet as of December 31, 2010 was sound, with only \$24.3 million drawn on its authorized bank credit facility of \$100.0 million, up from \$9.2 million at the end of the previous quarter. The difference notably reflects the use of credit facilities to finance the acquisition of RTD. The company is presently in discussions with a lending syndicate to increase this credit facility to \$150.0 million, with a possible additional amount of \$100.0 million, for a period of five years.

The ratio of total debt at December 31, 2010 to EBITDA of the previous 12 months was 0.86:1.00. The Company's credit agreement prescribes a ratio below 3.00. The interest coverage ratio was 5.96:1.00, well above the required minimum of 3.50.

As a result of robust cash flow in 2010, the dividend attributable to the year as a percentage of cash flow was 77% per basic share and 82% per diluted share.

RECENT EVENT

On February 28, 2011, Colabor announced the closing of its purchase of the outstanding shares of Les Pêcheries Norref Québec Inc. (“Norref”), the leading importer and distributor of fresh fish and seafood products in Quebec and the Ottawa region. Norref had sales of \$113 million for the twelve-month period ended July 31, 2010. The transaction provides Colabor with a wide product assortment catering to the high-margin “centre of the plate” meal solutions category.

OUTLOOK

“The revival of sales in the Distribution segment supports an outlook of cautious optimism for the coming quarters. Though the economy seems to be improving somewhat, we think the recovery will be slow and competition will remain lively among distributors to the foodservice industry. In the immediate future, we will pursue the integration of RTD's operations and move as quickly as possible to take advantage of the opportunities the acquisition of Norref brings to us. Still more important, Colabor's sound balance sheet allows us to remain on the lookout for business opportunities that will further expand its product offering and market penetration, while generating higher operating margins,” concluded Mr. Lachance.

CONFERENCE CALL

Colabor will hold a conference call to discuss its fourth-quarter results on Tuesday, March 8, 2011, beginning at 10:30 a.m. Eastern Time. Interested parties can join the call by dialling 416-644-3425 (for Toronto and overseas participants) or 1-877-974-0445 (for all other North American participants). If you are unable to participate, you can listen to a recording by dialling 1-877-289-8525 and entering the code 4414783# on your telephone keypad. The recording will be available from 1 p.m. Tuesday March 8 to 11:59 p.m. Tuesday March 15, 2011.

NON-GAAP MEASURES

The information provided in this release includes non-GAAP measures, notably earnings before financial expenses, income taxes, depreciation and amortization (EBITDA). Since these concepts are not defined in Canadian GAAP, they may not be comparable to those of other companies.

ADDITIONAL INFORMATION

The *Management Discussion and Analysis* and financial statements of the Company will be available at SEDAR (www.sedar.com) following publication of this release. Additional information about Colabor Group Inc. may also be found at SEDAR and on the Company's website at www.colabor.com.

ABOUT COLABOR

Colabor is a wholesaler and distributor of food and non-food products serving the retail market (grocery stores, convenience stores, etc.) and the foodservice market (cafeterias, restaurants, hotels, restaurant chains, etc.), in Quebec, Ontario and the Atlantic provinces.

FORWARD-LOOKING STATEMENTS

This news release may contain forward-looking statements reflecting the opinions or current expectations of Colabor Group Inc. concerning its performance and business operations and future events. These statements are subject to risks, uncertainties and assumptions. Actual results or events may differ.

-30-

For further information, please contact:
Colabor Group Inc.

Gilles C. Lachance
President and Chief Executive Officer
Tel. 450-449-0026 ext. 265
Fax 450-449-6180
glachance@colabor.com

Michel Loignon CA
Vice-President and Chief Financial Officer
Tel. 450-449-0026 ext. 235
Fax 450-449-6180
mloignon@colabor.com

MaisonBrison Inc.

Martin Goulet, CFA
Senior Vice-President, Investor Relations
Tel. 514-731-0000 ext. 229
Fax 514-731-4525
martin@maisonbrison.com