COLABOR

NEWS RELEASE **FOR IMMEDIATE RELEASE**

COLABOR GROUP REPORTS RESULTS FOR FOURTH QUARTER AND FISCAL 2011

- **Comparable sales for the year up 0.9% (total sales up 24.8%)**
- **EBITDA margin of 2.91% in 2011, versus 3.56% in 2010**
- **Cash flow of $26.3 million or $1.15 per share in 2011**
- **Quarterly dividend reduced to $0.18 per share, from $0.2691 in the previous quarter**
- **Action and development plans set by new management for 2012**

Boucherville, Quebec, March 21, 2012 – Colabor Group Inc. (TSX: GCL) ("Colabor" or the "Company") today reported results for the fourth quarter and fiscal year ended December 31, 2011.

"These results fall well short of our expectations," said Claude Gariépy, President and Chief Executive Officer of Colabor. "As synergies from the expansion of our network did not reach anticipated levels, we are accelerating the implementation of our action plan to maximize Colabor's sales in its current markets and to optimize profitability by improving operating efficiency. Though our profit margins are under pressure from the constraints of the current business environment, we intend to redouble our efforts and to become more proactive in achieving adequate profitability without delay."

"Also in order to be proactive, the Company made the decision to reduce the dividend paid to shareholders. This reduction will allow Colabor to use the funds to lower its debt, further improve its operations or proceed with synergistic acquisitions, while continuing to offer an attractive dividend to shareholders and being a source of value creation through sustained expansion initiatives," added Mr. Gariépy.

Financial highlights	**Quarter ended**		**Year ended**	
(thousands of dollars except per-share data)	**Dec. 31, 2011**	**Dec. 31, 2010**	**Dec. 31, 2011**	**Dec. 31, 2010**
Sales	**431,664**	347,141	**1,313,251**	1,051,960
EBITDA	**12,513**	14,005	**38,198**	37,485
Net earnings	**2,002**	3,193	**6,828**	10,117
Cash flow*	**8,021**	12,297	**26,262**	30,409
Per share – basic ($)	**0.35**	0.54	**1.15**	1.42
Weighted average number of shares outstanding (basic, in thousands)	**22,779**	22,736	**22,928**	21,472

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

2011 YEAR-END RESULTS

Consolidated sales were $1,313.3 million, compared to $1,052.0 million for the year ended December 31, 2010. The 24.8% increase was due essentially to the acquisitions of Les Pêcheries Norref Québec Inc. on February 28, 2011, Edfrex Inc. on March 30, 2011 and The Skor Food Group Inc. on May 9, 2011, and to the contribution of RTD Distributions Ltée over a full year in 2011 versus 102 days in 2010. These acquisitions together accounted for $260.1 million in additional sales during 2011. Conversely, the residual effort from the loss of a large supply contract in February 2010, reduced 2011 sales by $8.2 million. Excluding these factors, comparable sales were up 0.9%.

Earnings before financial expenses, income taxes, depreciation and amortization ("EBITDA") were $38.2 million, or 2.91% of sales, compared to $37.5 million, or 3.56% of sales, in 2010. The reduction in percentage of sales reflects stiff competition in the foodservice distribution industry, as distributors reduce their margins to retain customers in an economy that has constrained consumers' discretionary purchasing power.

Taking into account deduction of $3.6 million in costs not related to operations, mainly related to acquisitions during the year, net earnings in 2011 were $6.8 million, or $0.30 per share. By way of comparison, 2010 net earnings were $10.1 million, or $0.47 per share, after taking into consideration $1.7 million in costs not related to operations. Cash flow in 2011 was $26.3 million, or $1.15 per share, compared to $30.4 million, or $1.42 per share, in 2010. The ratio of dividend to cash flow per share over the previous 12 months was 94% as at December 31, 2011.

SEGMENTED RESULTS

Sales of the Wholesale segment were $371.4 million in 2011, down from $401.9 million in 2010. The decrease was due mainly to elimination of sales to Colabor divisions, including the acquisitions of 2010 and 2011. Comparable sales were up 2.0% as a result of initiatives to stimulate the sales of selected product categories.

Sales of the Distribution segment were $941.9 million in 2011, compared to $650.1 million a year earlier. The $291.8-million increase is attributable to the acquisitions noted above. Comparable sales were up 0.2% under relatively difficult market conditions in most of the Company's target markets.

FOURTH-QUARTER RESULTS

Consolidated sales for the 112-day period ended December 31, 2011 were $431.7 million, up 24.3% from $347.1 million for the 111-day period ended December 31, 2010. The increase reflects $75.8 million in additional sales from Norref, Edfrex and Skor for the entire quarter and from RTD for 10 more days than in 2010 (112 days versus 102 days). Excluding these items and adjusting for the difference in the number of days, the Company's comparable sales were up 1.6%. Also on a comparable basis, Wholesale segment sales were up 4.4% and Distribution segment sales were flat.

As a result of strong competitive pressures and synergies not fully realized, EBITDA for the quarter was $12.5 million, or 2.90% of sales, compared to $14.0 million, or 4.03% of sales, a year earlier. Net earnings were $2.0 million, or $0.09 per share, in 2011 compared to $3.2 million, or $0.14 per share, a year earlier. Cash flow was $8.0 million, or $0.35 per share, in the fourth quarter of 2011 compared to $12.3 million, or $0.54 per share, in the corresponding quarter of 2010.

DEVELOPMENT PLAN

"Our development plan focuses essentially on increasing the density of our distribution network and improving our purchasing power. On one hand, given the fragmentation of our industry in eastern Canada, we can increase our market share significantly by means of highly synergistic acquisitions. At the same time, Colabor will pursue its aim of offering its customers a one-stop-shop solution by adding related products such as fruits and vegetables, packaging products, natural and organic products and ethnic foods," added Mr. Gariépy.

To gain flexibility in the execution of its development plan, the Company made the decision to pay a quarterly dividend of $0.18 per share, compared with $0.2691 per share, as of the first quarter of the fiscal year ending December 31, 2012.

"Colabor is also a growth company, as shown by our track record of acquisitions since we went public in June 2005," said Michel Loignon, Colabor Vice-President and Chief Financial Officer. "The funds retained will enable Colabor to seize growth opportunities, reduce its debt and invest further in initiatives to improve its operating efficiency and its profitability, creating greater value for its shareholders."

FINANCIAL POSITION

At December 31, 2011, the Company's balance sheet remained sound. The $96.2 million drawn on its authorized bank credit facility of $150.0 million was down from $113.5 million at the end of the third quarter. Also at December 31, 2011, the ratio of total debt to EBITDA of the previous 12 months was 2.69:1.00, an improvement from 2.82:1.00 at the end of the third quarter; while the Company's credit agreement prescribes a ratio below 3.25:1.00. The interest coverage ratio was 4.50:1.00, above the required minimum of 3.50:1.00.

Under a normal-course issuer bid that ended October 27, 2011, the Company repurchased 351,800 common shares at an average price of $9.08 per share during 2011. Under an extension of this bid, the Company may repurchase up to 500,000 common shares over the 12-month period ending October 27, 2012.

OUTLOOK

"Since we do not expect the business environment to improve materially in 2012, improvement in profitability and cash flow will come primarily from the execution of our action plan to optimize operations. Meanwhile, implementation of the development plan will focus on major markets such as Toronto and Montreal, where our market shares are well below potential. Higher sales and greater density will improve profitability by increasing our purchasing power and our absorption of fixed costs," concluded Mr. Gariépy.

CONFERENCE CALL

Colabor will hold a conference call to discuss its results on Thursday, March 22, 2012, beginning at 10 a.m. Eastern Time. Interested parties can join the call by dialling 647-427-7450 (from Toronto and overseas) or 1-888-231-8191 (from elsewhere in North America). If you are unable to participate, you can listen to a recording by dialling 1-855-859-2056 and entering the code 60909552 on your telephone keypad. The recording will be available from 1 p.m. Thursday, March 22 to 11:59 p.m. Thursday, March 29, 2012.

NON-IFRS MEASURES

The information provided in this release includes non-IFRS performance measures, notably earnings before financial expenses, income taxes, depreciation and amortization (EBITDA) and cash flow. Since these concepts are not defined by IFRS, 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), 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.

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