



NEWS RELEASE

FOR IMMEDIATE RELEASE

COLABOR GROUP REPORTS RESULTS FOR THE FIRST QUARTER OF 2016

- Comparable sales up 0.8%
- Adjusted EBITDA of \$1.9 million, up significantly from \$0.5 million a year ago
- Recurring cost savings related to the rationalization plan materializing as anticipated, resulting in a sustainable profitability improvement

Boucherville, Quebec, April 28, 2016 – Colabor Group Inc. (TSX: GCL) (“Colabor” or the “Corporation”) today reported its results for the first quarter of fiscal 2016 ended March 19, 2016. The first quarter has historically produced lower results than other periods in terms of sales and profitability.

“I am proud to report that we have reversed the trend seen in prior quarters. Most of our divisions improved their operating profitability in the first quarter. The implementation of the plan was carried out perfectly and cost savings are materializing as anticipated. We are also pursuing our efforts to achieve expected synergies from the integration of contract renewals and to optimize the operational efficiency of our network,” said Claude Gariépy, President and Chief Executive Officer of Colabor.

Financial highlights (thousands of dollars except per-share data)	Quarter ended	
	March 19, 2016	March 21, 2015
Sales	307,064	304,662
Adjusted EBITDA	1,905	464
Operating earnings before the following items	(814)	(2,952)
Impairment loss on equity investment	-	1,731
Charges not related to current operations	3,337	838
Net loss	(5,298)	(6,315)
Per share – basic and diluted (\$)	(0.19)	(0.23)
Cash flow from operations *	2,166	7,855
Weighted average number of shares outstanding (basic, in thousands)	27,454	27,454

* After the net change in working capital.

FIRST QUARTER RESULTS

Consolidated sales were \$307.1 million for the 84-day period ended March 19, 2016, up from \$304.7 million for the 84-day period ended March 21, 2015. This increase of 0.8% is on a fully-comparable basis.

Sales of the Distribution segment rose 4.8% to \$215.5 million from \$205.6 million the previous year, essentially due to sales gains in Ontario that were primarily attributable to the growth of Cara. Sales for the Lauzon division also grew, due to increases in market share.

Sales for the Wholesale segment were \$91.5 million, down from \$99.0 million last year. The 7.6% decrease reflects a decline in the sales of the Décarie division, which was primarily due to a market strategy of maximizing gross margin dollars and the non-renewal of a supply agreement with an affiliate distributor in the Boucherville division.

Adjusted EBITDA was \$1.9 million compared to \$464,000 in the first quarter of 2015. The increase reflects the positive impact of the cost reduction measures in Colabor's rationalization plan and an overall improved performance. These elements were partially offset by lower margins on renewed contracts.

Results for the first quarter of 2016 included charges not related to current operations of \$3.3 million related to the rationalization plan, in line with the announcement of January 26, 2016, while the results for the first quarter of 2015 included a \$1.7 million write-down of an equity investment and charges not related to current operations of \$838,000 related to the internal restructuring of operations. Excluding these charges, operating earnings, i.e., earnings before financial expenses and income taxes, improved by \$2.1 million from the previous year. Finally, the Corporation recorded a net loss of \$5.3 million for the first quarter versus a net loss of \$6.3 million a year earlier.

CASH FLOW AND FINANCIAL POSITION

Cash flow from operations was \$2.2 million in the first quarter of 2016. This source of funds reflects the seasonal nature of working capital, which generated funds of \$3.9 million during the quarter. The seasonal effect was less pronounced in 2016, with organic sales growth limiting the seasonal decline in accounts receivable and inventories.

With the bank loan and a portion of the Corporation's long-term debt set to mature in the next 12 months, an amount of \$109.3 million is presented as part of current liabilities as at March 19, 2016. The committee of independent directors is continuing to review Colabor's debt structure with a view to providing the Corporation with the financial flexibility required to achieve its business objectives.

OUTLOOK

"The implementation of the rationalization plan is proceeding as planned and we are confident to achieve our cost reduction targets for the current year. Meanwhile, the impact on profitability from contract renewals will lap in the second quarter at Boucherville and in the third quarter in Ontario. We also continue to be proactive in terms of structured initiatives aimed at stimulating profitability. These measures will give Colabor added flexibility in performing our core activities, which will lead more rapidly to a higher and sustainable level of profitability," concluded Mr. Gariépy.

CONFERENCE CALL

Colabor will hold a conference call to discuss these results on Thursday, April 28, beginning at 3:00 p.m. Eastern Time. Interested parties can join the call by dialling 647-788-4922 (from Toronto and overseas) or 1-877-223-4471 (from elsewhere in North America). If you are unable to participate, you can listen to a recording by dialling 1-800-585-8367 and entering the code 91199974 on your telephone keypad. The recording will be available from 6:00 p.m. Thursday, April 28, 2016, until 11:59 p.m. Thursday, May 5, 2016.

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. As these concepts are not defined by IFRS, they may not be comparable to those of other companies.

ADDITIONAL INFORMATION

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

FORWARD-LOOKING STATEMENTS

This news release contains certain statements that may be deemed forward-looking statements reflecting the opinions or current expectations of Colabor Group Inc. concerning its performance, business operations and future events. Such statements are subject to risks, uncertainties and assumptions and the analysis of the debt structure and available alternatives, and risks mentioned in the Corporation's annual information form found under its profile on SEDAR (www.sedar.com), such as the risk of dilution for existing shareholders. As such, these statements are not guarantees of future performance, and actual results, realities, or events may differ materially. Except as required by law, the Corporation

assumes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions or other factors change.

ABOUT COLABOR

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

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