

Colabor Income Fund Completes its Acquisition of Summit Food Service Distributors Inc.

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BOUCHERVILLE, QUEBEC--(CCNMatthews - Jan. 8, 2007) - NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.

Colabor Income Fund (TSX:CLB.UN) (the "Fund") is pleased to announce today that it has successfully completed its previously announced acquisition (the "Acquisition") of the assets of Summit Food Service Distributors Inc. ("Summit"), one of Canada's largest distributors to the foodservice industry, a subsidiary of Cara Operations Limited ("Cara").

Concurrent with the acquisition of Summit, Colabor has entered into a 10-year distribution agreement with Cara to service all Cara brands within Ontario and Quebec. Cara is the largest operator of full-service restaurants in Canada and is a leading caterer to the air travel industry. Cara's brands include Swiss Chalet, Harvey's, Kelsey's Neighbourhood Bar and Grill, Montana's Cookhouse and Milestone's Grill and Bar. Sales of Summit to Cara represented approximately 55% of Summit's total revenue for the twelve-month period ended September 17, 2006. Over the last several years Summit has achieved significant growth in revenues due in part to the growth of the Cara brands.

Summit, with net sales of \$428 million for the twelve-month period ended September 17, 2006, is a leading distributor of brand name products to the foodservice industry in Ontario and Quebec. Summit distributes in excess of 8,000 products from warehouses in Ottawa, London and Mississauga to over 3,000 customers including Cara, other chain and street restaurants, and institutional accounts such as hospitals, schools and governmental institutions. Summit's product range includes frozen products, dry staples, dairy products, produce, meat, seafood, poultry, disposables and sanitation products.

The Fund completed, on January 4, 2007, a \$25 million offering of 2,825,000 subscription receipts at a price of \$8.85 per subscription receipt (the "Subscription Receipts") and \$50 million aggregate principal amount of 7.0% extendible convertible unsecured subordinated debentures (the "Debentures") for aggregate gross proceeds of \$75 million (the "Offering"). The net proceeds from the Offering, being approximately \$70.4 million, were used by Colabor Limited Partnership to partially fund the Acquisition. The Offering was co-lead by National Bank Financial Inc. and Scotia Capital Inc. and included Canaccord Capital Corporation, Desjardins Securities Inc. and HSBC Securities (Canada) Inc. The Subscription Receipts and the Debentures issued by the Fund were respectively listed on the Toronto Stock Exchange under the symbol "CLB.R" and "CLB.DB".

The Subscription Receipts will, at the close of business today, January 8, 2007, be delisted and will then be exchanged for trust units of the Fund ("Units") on the basis of one Unit per Subscription Receipt. As the Subscription Receipts traded in the "Book-Entry" System and no individual certificates were issued, holders of Subscription Receipts do not need to take any action in order to receive the Units to which they are entitled. The Units underlying the Subscription Receipts have been listed on the Toronto Stock Exchange.

Also, a \$70 million operating credit facility (the "Operating Facility") was arranged with National Bank of Canada, as underwriter (the "Credit Facilities Underwriter") and administrative agent, and National Bank Financial Inc., as lead arranger and sole bookrunner.

Approximately \$50 million of the Operating Facility were used to fund the purchase price of the Acquisition.

Concurrently with the closing of the Acquisition, Summit has agreed to subscribe, on a private placement basis, for 1,130,000 Units for gross proceeds of \$10 million. These Units will be subject to resale restrictions as provided for in National Instrument 45-102.

About Colabor Income Fund

Colabor is a wholesaler of food and non-food products that it purchases and supplies to wholesale distributors who, in turn, sell them to their retail (grocery stores, convenience stores, etc.) and food-service customers (cafeterias, restaurants, hotels, restaurant chains, etc.). Colabor is one of the largest wholesalers in Canada and the largest in Quebec, with net sales of \$399.2 million for the twelve-month period ended September 8, 2006.

Forward-looking Statements

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.

Further information can be found in the disclosure documents filed by Colabor Income Fund with the securities regulatory authorities, available at www.sedar.com.

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