October 1, 2008

PRESS RELEASE **FOR IMMEDIATE RELEASE**

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ANOTHER QUARTER MARKED BY STRONG GROWTH

BOUCHERVILLE, QUEBEC, October 1, 2008. – Colabor Income Fund (TSX: CLB.UN) reports its results for the third quarter of the year ending December 31, 2008.

Highlights for the third quarter ended September 6, 2008 compared with the same quarter in 2007:

- **SALES UP 47.5%**
- **EBITDA UP 47.3%**
- **ORGANIC GROWTH OF 5.9%**

Highlights for the 250-day period ended September 6, 2008 compared with the 251-day period ended September 8, 2007:

- **SALES UP 33.8%**
- **EBITDA UP 39.5%**
- **ORGANIC GROWTH OF 5.3%**

Results of Operations

The results of operations below should be read taking the following into account:

- Results subsequent to the Bruce Edmeades acquisition are included for the entire second quarter without a comparison to 2007;

- Results subsequent to the Bertrand Distributeur en alimentation acquisition are included for the entire quarter, also without a comparison to 2007.

Consolidated Earnings (in thousands of dollars, except per unit amounts)

		2008-09-06 (84 days) (unaudited)		2007-09-08 (84 days) (unaudited)		Variance	
		$		$		$	%
Sales		288,446	100.00%	195,488	100.00%	92,958	47.55%
Earnings before the following items		10,014	3.47%	6,798	3.48%	3,216	47.31%
Financial expenses		1,813	0.63%	1,622	0.83%	191	11.78%
Amortization of property, plant and equipment		975	0.34%	858	0.44%	117	13.64%
Amortization of intangible assets		1,633	0.57%	1,634	0.84%	(1)	-0.06%
		4,421	1.54%	4,114	2.11%	307	7.46%
Earnings before income taxes and non-controlling interest		5,593	1.93%	2,684	1.37%	2,909	108.38%
Income taxes	Current	1,224	0.42%			1,224	
	Future	297	0.10%			297	
		1,521	0.52%			1,521	
Earnings before non-controlling interest		4,072	1.41%	2,684	1.37%	1,388	51.71%
Non-controlling interest		1,761	0.61%	948	0.48%	813	85.76%
Net earnings		**2,311**	**0.80%**	**1,736**	**0.89%**	**575**	**33.12%**

		2008-09-06 (250 days) (unaudited)		2007-09-08 (251 days) (unaudited)		Variance	
		$		$		$	%
Sales		747,196	100.00%	558,365	100.00%	188,831	33.82%
Earnings before the following items		24,797	3.32%	17,772	3.18%	7,025	39.53%
Financial expenses		4,864	0.65%	4,712	0.84%	152	3.23%
Amortization of property, plant and equipment		2,496	0.33%	2,301	0.41%	195	8.47%
Amortization of intangible assets		5,093	0.68%	4,814	0.86%	279	5.80%
		12,453	1.66%	11,827	2.11%	626	5.29%
Earnings before income taxes and non-controlling interest		12,344	1.66%	5,945	1.07%	6,399	107.64%
Income taxes	Current	2,543	0.34%			2,543	
	Future	1,490	0.20%			1,490	
		4,033	0.54%			4,033	
Earnings before non-controlling interest		8,311	1.12%	5,945	1.07%	2,366	39.80%
Non-controlling interest		4,262	0.57%	2,140	0.38%	2,122	99.16%
Net earnings		**4,049**	**0.55%**	**3,805**	**0.69%**	**244**	**6.41%**

Sales

Sales consist of:

For the Wholesale Segment: Gross sales to customers from the Boucherville warehouse and direct sales to affiliated wholesalers, less rebates of 3% of the affiliated-wholesalers' sales, as provided in the agreement between Colabor LP and the affiliated-wholesalers.

For the Distribution Segment: Gross sales to customers from the London, Mississauga, Ottawa, Cambridge, Lévis and Saguenay warehouses less rebates, as provided in individual agreements with these customers.

Inter-segment sales are then eliminated.

Sales (in thousands of dollars, unaudited)

	2008-09-06 (84 days)			2007-09-08 (84 days)	Variance		Variance	
	(Comparable sales)	(Post-acquisition sales)	(Total sales)	(Comparable sales)	(Comparable sales)		(Total sales)	
	$	$	$	$	$	%	$	%
Wholesale Segment								
Retail	29,350		29,350	29,874	(524)	-1.8%	(524)	-1.8%
Foodservice	78,958		78,958	69,418	9,540	13.7%	9,540	13.7%
	108,308		108,308	99,292	9,016	9.1%	9,016	9.1%
Distribution Segment								
Foodservice	99,874	96,416	196,290	96,490	3,384	3.5%	99,800	103.4%
	208,182	96,416	304,598	195,782	12,400	6.3%	108,816	55.6%
Inter-segment elimination	(1,063)	(15,089)	(16,152)	(294)	(769)	N/A	(15,858)	N/A
	207,119	81,327	288,446	195,488	11,631	5.9%	92,958	47.6%

	2008-09-06 (250 days)			2007-09-08 (251 days)	Variance		Variance	
	(Comparable sales)	(Post-acquisition sales)	(Total sales)	(Comparable sales)	(Comparable sales)		(Total sales)	
	$	$	$	$	$	%	$	%
Wholesale Segment								
Retail	86,169		86,169	81,943	4,226	5.2%	4,226	5.2%
Foodservice	218,636		218,636	197,092	21,544	10.9%	21,544	10.9%
	304,805		304,805	279,035	25,770	9.2%	25,770	9.2%
Distribution Segment								
Foodservice	285,461	184,113	469,574	279,689	5,772	2.1%	189,885	67.9%
	590,266	184,113	774,379	558,724	31,542	5.6%	215,655	38.6%
Inter-segment elimination	(2,054)	(25,129)	(27,183)	(359)	(1,695)	N/A	(26,824)	N/A
	588,212	158,984	747,196	558,365	29,847	5.3%	188,831	33.8%

Wholesale Segment

The Wholesale Segment continues to experience significant sustained organic growth of 9.1% for the quarter and 9.2% for the cumulative period, at a faster pace than in the 2007 fiscal period, which was about 6.6%.

Retail

Sales of products for the retail market are down slightly by 1.8% for the quarter, while posting growth of 5.2% for the cumulative 250-day period compared with the prior year's corresponding period. The primary reason for the quarter decline is attributable to a major confectionary products customer postponing deliveries of seasonal products to the fourth quarter.

Foodservice

Organic growth in the affiliated wholesalers' foodservice sales continues to outpace industry levels, anticipated to be 3.3% in 2008 according to the Canadian Restaurant and Foodservices Association (CRFA), an indication that affiliated wholesalers are continuing to increase their market share compared with their competitors. The increase was about 13.7% for the quarter and 10.9% for the cumulative 250-day period.
The increase is partially attributable to the acquisition, by an affiliated-wholesaler serving the Gaspé and Lower St. Lawrence region in Quebec, of the activities of its main competitor.

Distribution Segment

2007 comparable sales:

Only sales in the Summit Division are comparable. Sales for the first week of January 2008, of approximately $7.5 million are not included in the comparison since the acquisition occurred on January 8, 2007. The 3.5% increase in sales during the third quarter over the prior year's sales is comparable with the CFRA's expected growth of 3.3%. The cumulative 250-day period nevertheless posted growth of 2.1% despite a difficult first quarter attributable to the economic situation in Ontario and a severe winter.

Sales attributable to acquisitions:

	3rd Quarter	Cumulative
Bruce Edmeades	$53.4M	$107.5M
Bertrand	$43.0M	$69.1M
Summit (1st week of January 2008)		$7.5M

Bertrand is currently experiencing strong sales growth due to the festivities surrounding the 400th anniversary of the founding of Québec City.

Inter-segment elimination

Eliminated sales are sales by the Wholesale Segment to the Summit and Bertrand divisions of the Distribution Segment.

Earnings Before Financial Expenses, Income Taxes and Amortization (EBITDA)

The Fund posted solid results again in the third quarter, with an approximate 47.3% increase in EBITDA over the same quarter of the 2007 fiscal year and 39.5% for the 250-day period. The increase in earnings is virtually identical to the 47.5% increase in sales for the quarter, but 5.7% higher than the 33.8% increase in sales for the cumulative 250-day period.

Gross Profit

Gross profit is composed of the following items:

- Wholesale Segment: profit on *gross warehouse sales only*, which consists primarily of a profit margin on private brand-name products and profit on inventory held. No profit margin is recognized on direct sales. Income is attributed on such sales for purposes of rebates from suppliers only.
  Distribution Segment: Product acquisition cost with a percentage mark-up that is market-driven or negotiated in current agreements.

- Rebates from suppliers
  A significant portion of Colabor's gross profit is derived from rebates from suppliers. These rebates consist of: (i) agreements with suppliers relating principally to distribution agreements, central billing, truck load allowances and other incentives, (ii) rebates received from suppliers based on buying volumes, (iii) cash discounts on purchases based on terms of sale, and (iv) net advertising funds received in connection with promotional activities.

EBITDA for the quarter increased from $6.8M in 2007 to over $10M in 2008 For the cumulative 250-day period, EBITDA is $24.8M compared with $17.8M in 2007, primarily as a result of:

- Significant organic growth in the Wholesale Segment which generated better agreements with suppliers.
- The Bertrand acquisition, which has already made it possible to generate a number of sales synergies.

These factors helped to offset the negative effect of the following on EBITDA:

- Skyrocketing fuel prices.
  While the Summit division is able to recover fuel costs from its clients, additional net costs attributable to rising fuel costs were almost $230,000 for the quarter and $480,000 for the 250-day period ended September 6, 2008 compared to the same period in 2007.
- Bruce Edmeades operating loss.

Income Taxes

The acquisition of the assets of Summit Food Service Distributors Inc. was finalized and carried out on January 8, 2007. Under the new tax regime for "specified investment flowthrough" ("SIFT") entities, also called listed income trusts and partnerships, SIFTs are now subject to a similar tax treatment as corporations. This new tax treatment is applicable as of fiscal year 2007. However, existing SIFTs on October 31, 2006 could benefit from certain transitional rules and would not be taxable under the new rules until 2011, provided they had not undergone an "undue expansion". As indicated in its decision rendered at the end of 2007, the Department of Finance considered the Summit acquisition transaction as an undue expansion. Accordingly, the Fund does not benefit from the transitional rules and is therefore subject to the new SIFT tax regime as of the 2007 taxation year. Since the total amount these taxes for the entire the 2007 year was recognized only in the fourth quarter of 2007, there is no comparative amount with the third quarter and cumulative period of 2007.

Cash Flow

Consolidated Cash Flows (in thousands of dollars)

	2008-09-06 (84 days) (unaudited)	2007-09-08 (84 days) (unaudited)	2008-09-06 (250 days) (unaudited)	2007-09-08 (251 days) (unaudited)
	$	$	$	$
OPERATING ACTIVITIES				
Net earnings	2,311	1,736	4,049	3,805
Non-cash items				
Amortization of property, plant and equipment	975	858	2,496	2,301
Amortization of intangible assets	1,633	1,634	5,093	4,814
Amortization of deferred financing expenses	29	19	72	57
Non-controlling interest	1,761	948	4,262	2,140
Future income taxes	297		1,490	
Compensation cost from long-term incentive plan	96	53	258	144
Amortization of debenture transaction costs	210	194	624	573
	7,312	5,442	18,344	13,834
Changes in operating assets and liabilities				
Accounts receivable	(5,012)	12,262	(20,753)	496
Withholding taxes recoverable	350	(50)	(518)	(297)
Inventory	5,079	1,053	1,352	6,193
Prepaid expenses	(936)	409	(2,107)	(166)
Accounts payable and accrued liabilities	(766)	(591)	17,417	5,854
Income taxes payable			(605)	
Rebates payable	(6,226)	(7,666)	(3,294)	(3,985)
Deferred revenue	1,082	321	1,442	526
	(6,429)	5,738	(7,066)	8,621
Cash flows from operating activities	883	11,180	11,278	22,455
INVESTING ACTIVITIES				
Business acquisitions			(70,424)	(109,048)
Property, plant and equipment	(428)	(134)	(878)	(584)
Cash flows from investing activities	(428)	(134)	(71,302)	(109,632)
FINANCING ACTIVITIES				
Bank loans	4,607	(8,658)	38,591	26,919
Financing expenses			(225)	
Distributions paid to unitholders	(3,921)	(1,775)	(8,783)	(6,715)
Distributions paid on exchangeable Colabor LP units	(1,369)	(913)	(3,651)	(3,651)
Repayment of long-term debt	(146)	(78)	(406)	(312)
Purchase of units held by the Fund for long-term incentive plan			(575)	(238)
Issue of debentures				48,000
Issue of trust units			38,022	24,761
Units and debentures issue costs			(1,150)	(1,404)
Cash flows from financing activities	(829)	(11,424)	61,823	87,360
Net change in bank overdraft	(374)	(378)	1,799	183
Bank overdraft, beginning of period	(7,600)	(2,776)	(9,773)	(3,337)
Bank overdraft, end of period	(7,974)	(3,154)	(7,974)	(3,154)

Standardized Distributable Cash

Information about standardized distributable cash has been prepared, in all material respects, in accordance with National Policy 41-201 – Income Trusts and Other Indirect Offerings published by the Canadian Securities Administrator in July 2007 and in accordance with the guidelines on disclosures in management's discussion and analysis in Standardized Distributable Cash in Income Trusts and Other Flow-through Entities, also released in July 2007 by the Canadian Institute of Chartered Accountants.

Standardized Distributable Cash (in thousands of dollars)

	2008-09-06 (84 days) (unaudited)	2007-09-08 (84 days) (unaudited)	2008-09-06 (250 days) (unaudited)	2007-09-08 (251 days) (unaudited)	Since the creation of the Fund as at 2005-06-28
	$	$	$	$	$
Cash flows from operating activities	883	11,180	11,278	22,455	82,399
Acquisition of property, plant and equipment:	(428)	(134)	(878)	(584)	(3,413)
Standardized distributable cash	**455**	**11,046**	**10,400**	**21,871**	**78,986**
Distributions paid on units	3,921	1,775	8,783	6,715	27,604
Distributions paid on exchangeable Colabor LP units	1,369	913	3,651	3,651	16,760
Distributed cash	**5,290**	**2,688**	**12,434**	**10,366**	**44,364**
Weighted average number of units					
Units	14,490,072	9,895,793	12,297,469	9,714,557	9,823,863
Exchangeable Colabor LP units	5,087,439	5,087,439	5,087,439	5,087,439	5,087,439
	19,577,511	14,983,232	17,384,908	14,801,996	14,911,302
Standardized distributable cash per unit	**0.02 $**	**0.74 $**	**0.60 $**	**1.48 $**	**5.30 $**
Cash distributed per unit	**0.27 $**	**0.18 $**	**0.72 $**	**0.70 $**	**2.98 $**

While cash flows related to the operating activities amounted to only $883,000 for the quarter, it should be noted that cash flows from operations before variations in operating assets and liabilities amounted to $7.3M (see Cash Flow). The overall negative variation in operating assets and liabilities of $6.4M is primarily attributable to the $5M increase in accounts receivable in the wake of a significant increase in sales. However, the 250-day period ended September 6, 2008 indicates distributable cash of $10.4M or $0.60 per unit.

These negative variations in operating assets and liabilities are expected to reverse in the fourth quarter.

Subsequent to publication by the Canadian Institute of Chartered Accountants of a document entitled Improved Communication with Non-GAAP Financial Measures – General Principles and Guidance for Reporting EBITDA and Free Cash Flow, the Fund's management decided to present the following table, which is presented in a format that is largely used by financial analysts in their evaluation of distributable cash when making recommendations to investors.

This table contains information that is a non-GAAP measure of performance, such as the concept of earnings before financial expenses, income taxes and amortization (EBITDA) and the concept of standardized distributable cash. Since these concepts are not defined in Canadian GAAP, they may not be comparable with those of other funds.

However, the information disclosed in this table are shown directly in the Fund's financial statements, either in the consolidated statement of earnings, consolidated cash flows and notes to the consolidated financial statements.

The Fund's management also believes that the periods during which distributable cash is earned are synchronized with the same periods in which distributed cash is reported, even though such cash is not yet distributed and with the weighted average number of units issued for those periods.

Readers may also obtain information on the growth of distributable cash over the previous year, before and after income taxes, with the knowledge that the Fund did not recognize income taxes before the last quarter of the 2007 fiscal year.

Distributable cash (in thousands of dollars)

	2008-09-06 (84 days) (unaudited)	2007-09-08 (84 days) (unaudited)	2008-09-06 (250 days) (unaudited)	2007-09-08 (251 days) (unaudited)
	$	$	$	$
Earnings before financial expenses, amortization and income taxes	**10,014**	**6,798**	**24,797**	**17,772**
Financial expenses	(1,813)	(1,622)	(4,864)	(4,712)
Acquisition of property, plant and equipment:	(428)	(134)	(878)	(584)
Distributable cash before current income taxes	**7,773**	**5,042**	**19,055**	**12,476**
Current income taxes	(1,224)		(2,543)	
Distributable cash after current income taxes	**6,549**	**5,042**	**16,512**	**12,476**
Weighted average number of units				
Units	14,490,072	9,895,793	12,297,469	9,714,557
Exchangeable Colabor LP units	5,087,439	5,087,439	5,087,439	5,087,439
	19,577,511	14,983,232	17,384,908	14,801,996
Distributable cash per unit before current income taxes	**$ 0.397**	**$ 0.337**	**$ 1.096**	**$ 0.843**
Variation before current income taxes	**18.0%**		**30.0%**	
Distributable cash per unit after current income taxes	**$ 0.335**	**$ 0.337**	**$ 0.950**	**$ 0.843**
Variation after current income taxes	**-0.6%**		**12,7%**	
Distributions declared – Units	3,921	2,663	9,202	7,085
Distributions declared – Exchangeable Colabor LP units	1,369	1,369	3,651	3,651
Allowance for distributions relating to days included in the period for which no distribution was declared	382	358	382	358
Reversal of allowance	(823)	(715)		
Distributed cash	**4,849**	**3,675**	**13,235**	**11,094**
Excess of distributable cash over distributed cash	**1,700**	**1,367**	**3,277**	**1,382**
Ratio of distributed cash to standardized distributable cash	**74.0%**	**72.9%**	**80.2%**	**88.9%**

In reading this table, it becomes obvious that, for the 250-day period ended September 6, 2008, the Fund was able to increase distributable cash by 12.7% despite recognition of $2.543M in income taxes, whereas no income taxes were recognized in 2007.
The table also highlights the improvement in the payout ratio from 88.9% to 80.2%, taking into account the impact of recognizing income taxes in 2008.

Additional Information

The Fund's MD&A, financial statements and Annual Information Form 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.

About Colabor

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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