COLABOR

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SALES UP 43% AND EBITDA UP 44%

BOUCHERVILLE, QUEBEC, April 29, 2009. – Colabor Income Fund (TSX: CLB.UN) reports its results for its first quarter ended March 28 of the year ending December 31, 2009.

"Despite the economic recession in Canada, because of its food distribution activities, Colabor significantly increased sales and EBITDA through acquisitions and organic growth." Gilles C. Lachance, President and Chief Executive Officer stated at the Fund's annual meeting held today.

It should be recalled that Colabor Income Fund is a taxed fund, accordingly its distributions to unitholders are taxed as a dividend rather than investment income. Moreover, the distributions include a significant return of capital.

Highlights of the 2009 First Quarter Compared to 2008:

- Sales up **42.7%** to $257M
- EBITDA up **44.2%** to $7.7M
- Distributable cash per unit after **current income taxes** up **17.2%** to $0.30
- Ratio of distributed cash to distributable cash of **87.9%** compared to 97.9% in 2008;

Results of Operations

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

- Results subsequent to the Bruce Edmeades acquisition (March 17, 2008) are included for the quarter without a comparison to 2008, except for activities between March 17 and March 22, 2008;
- Results subsequent to the Bertrand Distributeur en alimentation acquisition (April 28, 2008) are included for the quarter, without a comparison to 2008.
- Integration costs and synergies from these acquisitions (see Integration and Synergies);
- The 2009 period includes 87 days compared to 82 days in 2008.

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

		2009-03-28 (87 days)		2008-03-22 (82 days)		Variance	
		$		$		$	%
Sales		256,945	100.00%	180,029	100.00%	76,916	42.72%
Earnings before financial expenses, amortization and income taxes		7,724	3.01%	5,355	2.97%	2,369	44.24%
Financial expenses		1,561	0.61%	1,423	0.79%	138	9.70%
Amortization of property, plant and equipment		888	0.35%	646	0.36%	242	37.46%
Amortization of intangible assets		2,197	0.86%	1,633	0.91%	564	34.54%
		4,646	1.82%	3,702	2.06%	944	25.50%
Earnings before income taxes and non-controlling interest		3,078	1.19%	1,653	0.91%	1,425	86.21%
Income taxes	Current	90	0.04%	205	0.11%	(115)	-56.10%
	Future	693	0.27%	259	0.14%	434	167.57%
		783	0.31%	464	0.25%	319	68.75%
Earnings before non-controlling interest		2,295	0.88%	1,189	0.66%	1,106	93.02%
Non-controlling interest		1,080	0.42%	598	0.33%	482	80.60%
Net earnings and comprehensive income		1,215	0.46%	591	0.33%	624	105.58%
Basic and diluted net earnings per unit		$0.08		$0.06			

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.

The following table presents a comparison of sales, allocated between comparable sales and sales attributable to the 2008 acquisitions, in the 2009 quarter with those of the 2008 quarter.

Additionally, sales of the 2009 quarter, which has 87 days, have been adjusted on the basis of the 2008 quarter, which has 82 days (see 2009-03-28 adjusted column), to display the actual organic growth.

Sales (in thousands of dollars, unaudited)

	2009-03-28 (87 days)			(Comparable sales)					
	(Comparable sales)	(Sales attributable to acquisitions)	(Total sales)	2009-03-28 (Adjusted)	2008-03-22 (82 days)	Variance		Variance (Total sales)	
	$	$	$	$	$	$	%	$	%
Wholesale Segment									
Retail	26,977		26,977	25,427	25,478	(51)	-0.2%	1,499	5.9%
Foodservice	74,423		74,423	70,146	58,701	11,445	19.5%	15,722	26.8%
	101,400		101,400	95,573	84,179	11,394	13.5%	17,221	20.5%
Inter-segment elimination	(8,369)	(11,573)	(19,942)	(7,888)	(337)	(7,551)	N/A	(19,605)	N/A
	93,031	(11,573)	81,458	87,685	83,842	3 843	4.6%	(2,384)	-2.8%
Distribution Segment									
Foodservice	98,322	77,165	175,487	92,671	96,187	(3,516)	-3.7%	79,300	82.4%
	191,353	65,592	256,945	180,356	180,029	327	0.2%	76,916	42.7%

Wholesale Segment:

On an *82-day comparative basis* and with inter-segment sales eliminated, sales of the Wholesale Segment were up $3,843,000, which represents organic growth of 4.6%, an interesting growth rate despite the current economic situation.

Inter-segment eliminations are sales by the Wholesale Segment to the Summit division with respect to comparable sales, that is $7,888,000 on an 82-day comparative basis and to the Bertrand division for sales attributable to the acquisitions, that is $11,573,000.

Retail

Organic growth compared to the 2008 quarter was 5.9% but was nil using the same number of days as in 2008. Maintenance of this activity is primarily attributable to the conclusion of a major distribution agreement, in the 4th quarter of 2008, between an affiliated-wholesaler and an integrated oil company.

Foodservice

The organic growth in the Wholesale Segment is attributable to sales to foodservice affiliated distributors. The most recent statistics of the Canadian Restaurant and Foodservices Association (CRFA), published for the month of December 2008, indicated Canadian growth in this segment of 1.6%. In light of the significant deterioration of the Canadian economic situation in the first quarter of 2009, organic growth in this segment is a clear indication that affiliated-wholesalers are continuing to increase their market share compared with their competitors.

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

2008 comparable sales:

Comparable sales are solely in the Summit division and include sales from the Bruce Edmeades acquisition from March 17 to March 28 only. Total sales for Bertrand are presented under Sales from acquisitions since this acquisition occurred on April 28, 2008.

Summit sales increased by $2,135,000 compared to the same quarter in 2008. However, sales in the 2009 quarter that has 87 days, adjusted on an 82-day basis for comparison with the 2008 quarter, are down 3.7% or $3,516,000. The most significant declines in sales were in the area of independent restaurants and cafeterias, primarily as a result of the very difficult economic situation in Ontario, due to the difficulties in its automobile sector and manufacturing structure, which saw extensive layoffs.

Sales attributable to acquisitions:

Bruce Edmeades	$44.2M
Bertrand	$33.0M

Bertrand continues to benefit from its significant market share in the Québec City and Saguenay region.

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

Gross Profit and Synergies

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 increased by 44.2% for the quarter, or $2,369,000 and is higher than the 42.7% improvement in sales. EBITDA as a percentage of sales was 3.01%, compared to 2.97% in 2008.

The growth is explained by:

- Organic growth in the Wholesale Segment which generated better agreements with suppliers.
- Summit purchases from certain suppliers are now billed under the Wholesale Segment, which increases the profitability of supplier agreements, as such agreements, negotiated by the Wholesale Segment, tend to be more significant.
- The Bertrand acquisition, which has already made it possible to generate a number of purchasing synergies.

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.

Balance Sheets

Consolidated Balance Sheets

(in thousands of dollars)

	2009-03-28 (unaudited)	2008-12-31
	$	$
ASSETS		
Current assets		
Accounts receivable	89,206	80,804
Inventory	67,505	73,233
Prepaid expenses	2,714	1,664
	159,425	155,701
Deferred financing expenses	251	279
Share investment in a private company, at cost	6,159	6,159
Property, plant and equipment	14,628	15,029
Intangible assets	141,122	143,319
Goodwill	69,574	69,574
	391,159	390,061
LIABILITIES		
Current liabilities		
Bank overdraft	4,147	7,714
Accounts payable and accrued liabilities	77,955	85,945
Income taxes payable	2,671	1,855
Balances of purchase price payable	10,103	10,103
Distributions payable to unitholders		1,307
Distributions payable to holders of exchangeable Colabor LP units		456
Rebates payable	16,025	15,166
Deferred revenue	1,427	1,115
Instalments on long-term debt	696	707
	113,024	124,368
Bank loan	61,100	47,501
Balance of purchase price payable	3,750	3,750
Long-term debt	769	942
Debentures	45,963	45,725
Accrued benefit liability for employee benefits	772	772
Future income taxes	18,107	17,414
Non-controlling interest	29,880	29,713
	273,365	270,185
UNITHOLDERS' EQUITY		
Unitholders' capital account	135,323	135,323
Option to convert debentures	2,315	2,315
Contributed surplus	39	349
Units held for the long-term incentive plan	(1,248)	(875)
Deficit	(18,635)	(17,236)
	117,794	119,876
	391,159	390,061

Cash Flow

Consolidated Cash Flows (in thousands of dollars)

	2009-03-28 (87 days) (unaudited)	2008-03-22 (82 days) (unaudited)
	$	$
OPERATING ACTIVITIES		
Net earnings	1,215	591
Non-cash items		
Amortization of property, plant and equipment	888	646
Amortization of intangible assets	2,197	1,633
Amortization of deferred financing expenses	28	19
Non-controlling interest	1,080	598
Future income taxes	693	259
Compensation cost from long-term incentive plan	106	66
Amortization of debenture transaction costs	238	206
	6,445	4,018
Changes in operating assets and liabilities		
Accounts receivable	(8,402)	(1,590)
Inventory	5,728	2 215
Prepaid expenses	(1,050)	(841)
Accounts payable and accrued liabilities	(7,990)	8,109
Income taxes payable	816	87
Rebates payable	859	1,088
Deferred revenue	312	(28)
	(9,727)	9,040
Cash flows from operating activities	(3,282)	13,058
INVESTING ACTIVITIES		
Business acquisition		(12,784)
Property, plant and equipment	(487)	(142)
Cash flows from investing activities	(487)	(12,926)
FINANCING ACTIVITIES		
Bank loan	13,599	9,693
Distributions paid to unitholders	(3,921)	(2,663)
Distributions paid to holders of exchangeable Colabor LP units	(1,369)	(1,369)
Repayment of long-term debt	(184)	(117)
Purchase of units held by the Fund for long-term incentive plan	(789)	(575)
Cash flows from financing activities	7,336	4,969
Net change in bank overdraft	3,567	5,101
Bank overdraft, beginning of period	(7,714)	(9,773)
Bank overdraft, end of period	(4,147)	(4,672)

Credit Facilities

The Company has entered into a three-year agreement with a banking syndicate for operating credit facilities for an authorized amount of $100M secured by a first ranking hypothec on the Company's assets.

Under the terms of the credit agreement, the Fund is required to maintain (i) a prescribed ratio of total debt (excluding the debentures) to EBITDA less than 3.00:1.00 and (ii) a prescribed ratio of EBITDA to interest expenses greater than 3.50:1.00.

Based on the banking syndicate's method of calculation, the debt/EBITDA ratio is 1.66:1.00 and the interest coverage ratio is 5.71:1.00 times for the quarter.

During the quarter, the operating credit increased $13.7M to $61.1M, primarily to cover changes in operating assets and liabilities.

Distributions

In management's opinion, cash flows from operating activities and the funds from operating credits are sufficient to support planned capital expenditures, working capital requirements, monthly cash distributions of $0.0897 per unit and current income taxes and will comply with the banking syndicate's ratio requirements.

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 is a non-GAAP measure and is a general indication of net cash from operations, which the enterprise may distribute to unitholders, at its discretion.

Colabor's business is subject to normal industry seasonal fluctuations due to weather conditions and holiday periods. Sales are generally lower at the beginning of the year due to lower consumer spending following the Christmas holiday season. They then increase gradually during the spring and summer months as sales of food consumed away from home increase and reach their peak in the last four months of the fiscal year, following the Colabor Exhibition at the end of September for the Wholesale Segment and, for the Summit division of the Distribution Segment, as a result of purchases at the Sell-A-Rama which is also held at that time.

The Fund declares monthly distributions to unitholders of record on the last day of each month and pays the distributions on or around the 15th of the following month. The annual distribution is $1.076 per unit.

The following table shows the changes in standardized distributable cash and distributed cash for the first quarter of 2009 and 2008. It also provides information since the creation of the Fund, that is, June 28, 2005.

Standardized Distributable Cash (in thousands of dollars)

	2009-03-28 (87 days) (unaudited)	2008-03-22 (82 days) (unaudited)	Since the creation of the Fund on 2005-06-28
	$	$	$
Cash flows from operating activities	(3,282)	13,058	104,646
Acquisition of property, plant and equipment	(487)	(142)	(5,362)
Standardized distributable cash	**(3,769)**	**12,916**	**99,284**
Distributions paid on units	3,921	2,663	36,753
Distributions paid on exchangeable Colabor LP units	1,369	1,369	19,954
Distributed cash	**5,290**	**4,032**	**56,707**

Negative standardized distributable cash for the quarter is primarily attributable to variations in operating assets and liabilities and the main difference with 2008 results from the operating assets and liabilities of acquired companies. In management's view, this is a temporary situation that will adjust itself in the coming quarters and does not jeopardize subsequent monthly distributions.

However, subsequent to publication, in October 2008, 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 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, amortization and income taxes (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.

EBITDA may be defined as follows:

EBITDA represents an indication of the entity's capacity to generate income from operations before taking into account management's financing decisions and costs of consuming tangible and intangible capital assets, which vary according to their vintage, technological currency, and management's estimate of their useful life. Accordingly, EBITDA comprises revenues less operating costs before interest expense, capital asset amortization and impairment charges, and income taxes.

The information disclosed in this table is 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 it is more relevant to synchronize the periods during which distributable cash is earned 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 changes in distributable cash over the same period in the previous year.

Distributable Cash (in thousands of dollars, except per unit amounts)

	2009-03-28 (87 days) (unaudited)	2008-03-22 (82 days) (unaudited)
	$	$
Earnings before financial expenses, amortization and income taxes	**7,724**	**5,355**
Financial expenses	(1,561)	(1,423)
Plus non-monetary item – Amortization of debenture transaction costs	238	206
Acquisition of property, plant and equipment	(487)	(142)
Current income taxes	(90)	(205)
Distributable cash	**5,824**	**3,791**
Weighted average number of units		
Units	14,470,552	9,839,079
Exchangeable Colabor LP units	5,087,439	5,087,439
	19,557,991	14,926,518
Distributable cash per unit	**$0.298**	**$0.254**
Variation	**17,2%**	
Distributions declared – Units	2,614	1,775
Distributions declared – Exchangeable Colabor LP units	913	913
Allowance for distributions relating to days included in the period for which no distribution was declared	1,592	1,023
Distributed cash	**5,119**	**3,711**
Excess of distributable cash over distributed cash	**705**	**80**
Ratio of distributed cash to distributable cash	**87.9%**	**97.9%**

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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