



FOR IMMEDIATE RELEASE

**COLABOR GROUP ANNOUNCES A \$50 MILLION BOUGHT DEAL OFFERING OF CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES**

**BOUCHERVILLE, QUEBEC** – April 7, 2010 – NOT FOR DISTRIBUTION TO NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Colabor Group Inc. (TSX: GCL) announced today that it has entered into an agreement with a syndicate of underwriters led by National Bank Financial Inc. pursuant to which the underwriters have agreed to purchase, on a bought-deal basis, convertible unsecured subordinated debentures in the aggregate principal amount of \$50 million (the “Debentures”).

The Debentures will bear interest at a rate of 5.70% per annum payable semi-annually on April 30 and October 31 each year, commencing on October 31, 2010. The debentures will be convertible at the holder’s option into common shares (“Common Shares”) of the Corporation at a conversion rate of 59.347 Common Shares per \$1,000 principal amount of Debentures which is equal to a conversion price of \$16.85 per Common Share. The Debentures will mature on April 30, 2017 and may be redeemed by the Corporation in certain circumstances, after April 30, 2015.

Closing is expected to occur on or about April 27, 2010 and is subject to certain conditions including, but not limited to, on the receipt of normal regulatory approvals, including the approval of the Toronto Stock Exchange.

The Corporation intends to use the net proceeds of the offering to enhance its financial flexibility by reducing existing indebtedness under its current credit facilities and for general corporate purposes.

The Debentures, and any Common Shares which may be issued upon their conversion, have not been and will not be registered under the *United States Securities Act of 1933* and may not be offered or sold within the United States, or to the account of or the benefit of U.S. persons, except in compliance with exemption from the registration requirements of any applicable laws.

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.

Additional information can be found in the information documents filed by the Colabor Group Inc. with securities regulators, at [www.sedar.com](http://www.sedar.com).

FOR ADDITIONAL INFORMATION, PLEASE CONTACT THE FOLLOWING PERSONS:

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