



Interim Consolidated Financial Statements
As at June 15, 2013 and June 16, 2012
(2nd quarter)
(Unaudited)

| | |
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The interim consolidated financial statements were not reviewed by the Company's auditor.

Colabor Group Inc.
Consolidated Statements of Earnings

(unaudited, in thousands of Canadian dollars, except data per share)

| | Notes | 2013-06-15 (84 days) \$ | 2012-06-16 (84 days) \$ | 2013-06-15 (166 days) \$ | 2012-06-16 (168 days) \$ |
|--|-------|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
| Sales of goods | 5 | 345,817 | 354,294 | 639,397 | 652,227 |
| Operating expenses excluding costs not relating to current operations, depreciation and amortization | | <u>336,089</u> | <u>343,643</u> | <u>627,360</u> | <u>636,120</u> |
| Operating earnings before costs not relating to current operations, depreciation and amortization | | <u>9,728</u> | <u>10,651</u> | <u>12,037</u> | <u>16,107</u> |
| Costs not relating to current operations | 6 | | 253 | 247 | 253 |
| Depreciation of property, plant and equipment | | 896 | 944 | 2,115 | 1,948 |
| Amortization of intangible assets | | <u>3,491</u> | <u>3,316</u> | <u>6,514</u> | <u>6,600</u> |
| | | <u>4,387</u> | <u>4,513</u> | <u>8,876</u> | <u>8,801</u> |
| Operating earnings | | <u>5,341</u> | <u>6,138</u> | <u>3,161</u> | <u>7,306</u> |
| Finance costs | 7 | <u>2,146</u> | <u>2,266</u> | <u>4,469</u> | <u>4,416</u> |
| Earnings before tax | | <u>3,195</u> | <u>3,872</u> | <u>(1,308)</u> | <u>2,890</u> |
| Income taxes | | | | | |
| Current | | — | — | — | — |
| Deferred | | <u>805</u> | <u>969</u> | <u>(340)</u> | <u>723</u> |
| | | <u>805</u> | <u>969</u> | <u>(340)</u> | <u>723</u> |
| Earnings | | <u><u>2,390</u></u> | <u><u>2,903</u></u> | <u><u>(968)</u></u> | <u><u>2,167</u></u> |
| After-tax cash flows per share | 8 | <u>\$ 0.15</u> | <u>\$ 0.33</u> | <u>\$ 0.15</u> | <u>\$ 0.47</u> |
| Basic and diluted earnings per share | 8 | <u><u>\$ 0.09</u></u> | <u><u>\$ 0.13</u></u> | <u><u>\$ (0.04)</u></u> | <u><u>\$ 0.09</u></u> |

The accompanying notes are an integral part of the interim consolidated financial statements.

Colabor Group Inc.
Consolidated Statements of Comprehensive Income

(unaudited, in thousands of Canadian dollars)

| | 2013-06-15 (84 days) | 2012-06-16 (84 days) | 2013-06-15 (166 days) | 2012-06-16 (168 days) |
|--|-------------------------|-------------------------|--------------------------|--------------------------|
| | \$ | \$ | \$ | \$ |
| Earnings | 2,390 | 2,903 | (968) | 2,167 |
| Other comprehensive income that will be subsequently reclassified in earnings | | | | |
| Available-for-sale financial asset | | | | |
| Loss for the period | (3,138) | 43 | (5,500) | (1,488) |
| Reclassification in earnings | 2,342 | | 2,342 | |
| Cash flow hedges – gain (loss) for the period | 253 | (919) | 104 | 157 |
| Taxes on other comprehensive income that will be subsequently reclassified in earnings | 342 | 232 | 384 | 151 |
| | (201) | (644) | (2,670) | (1,180) |
| Other comprehensive income that will not be reclassified in earnings | | | | |
| Re-measurement of pension obligation | 520 | (210) | 745 | (210) |
| Taxes on other comprehensive income that will not be reclassified in earnings | (135) | 55 | (194) | 55 |
| | 385 | (155) | 551 | (155) |
| Total other comprehensive income | 184 | (799) | (2,119) | (1,335) |
| Total comprehensive income | 2,574 | 2,104 | (3,087) | 832 |

The accompanying notes are an integral part of the interim consolidated financial statements.

Colabor Group Inc.
Consolidated Statements of Changes in Equity

(unaudited, in thousands of Canadian dollars)

| | Share capital | Convertible debenture conversion options | Contributed surplus | Shares held under stock-based compensation plans | Available-for-sale financial asset | Cash flow hedge | Deficit | Total equity |
|--|----------------|--|---------------------|--|------------------------------------|-----------------|-----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance as at January 1, 2013 | 179,652 | 1,742 | 1,136 | (381) | (1,003) | (50) | (21,639) | 159,457 |
| Earnings | | | | | | | (968) | (968) |
| Other comprehensive income | | | | | | | | |
| Loss on available-for-sale financial asset | | | | | (5,500) | | | (5,500) |
| Reclassification in earnings | | | | | 2,342 | | | 2,342 |
| Gain on cash flow hedges | | | | | | 104 | | 104 |
| Re-measurement of pension obligation | | | | | | | 745 | 745 |
| Taxes on other comprehensive income | | | | | 411 | (27) | (194) | 190 |
| Total comprehensive income | | | | | (2,747) | 77 | (417) | (3,087) |
| Declared dividend | | | | | | | (4,876) | (4,876) |
| Issuance of shares (Note 3) | 28,982 | | | | | | | 28,982 |
| Stock-based compensation plan expenses | | | 26 | | | | | 26 |
| Transactions with owners | 28,982 | | 26 | | | | (4,876) | 24,132 |
| Balance as at June 15, 2013 | 208,634 | 1,742 | 1,162 | (381) | (3,750) | 27 | (26,932) | 180,502 |
| Balance as at January 1, 2012 | 179,652 | 1,742 | 1,206 | (622) | 1,154 | (457) | (6,661) | 176,014 |
| Earnings | | | | | | | 2,167 | 2,167 |
| Other comprehensive income | | | | | | | | |
| Loss on available-for-sale financial asset | | | | | (1,488) | | | (1,488) |
| Gain on cash flow hedges | | | | | | 157 | | 157 |
| Re-measurement of pension obligation | | | | | | | (210) | (210) |
| Taxes on other comprehensive income | | | | | 192 | (41) | 55 | 206 |
| Total comprehensive income | | | | | (1,296) | 116 | 2,012 | 832 |
| Declared dividend | | | | | | | (4,161) | (4,161) |
| Stock-based compensation plan expenses | | | 7 | | | | | 7 |
| Shares released for stock-based compensation plans | | | (241) | 241 | | | | |
| Transactions with owners | | | (234) | 241 | | | (4,161) | (4,154) |
| Balance as at June 16, 2012 | 179,652 | 1,742 | 972 | (381) | (142) | (341) | (8,810) | 172,692 |

The accompanying notes are an integral part of the interim consolidated financial statements.

Colabor Group Inc.

Consolidated Statements of Cash Flows

(unaudited, in thousands of Canadian dollars)

| | Notes | 2013-06-15 (84 days) | 2012-06-16 (84 days) | 2013-06-15 (166 days) | 2012-06-16 (168 days) |
|--|-------|-------------------------|-------------------------|--------------------------|--------------------------|
| | | \$ | \$ | \$ | \$ |
| Operating activities | | | | | |
| Earnings before income taxes | | 3,195 | 3,872 | (1,308) | 2,890 |
| Fixed assets write-off following an internal restructuring of operations | | | 253 | | 253 |
| Depreciation of property, plant and equipment | | 896 | 944 | 2,115 | 1,948 |
| Amortization of intangible assets | | 3,491 | 3,316 | 6,514 | 6,600 |
| Finance costs | | 2,146 | 2,266 | 4,469 | 4,416 |
| Stock-based compensation plan expenses | | 13 | (30) | 26 | 7 |
| | | 9,741 | 10,621 | 11,816 | 16,114 |
| Income tax withholdings | | 10 | (1,678) | (164) | (2,010) |
| Net changes in working capital | 9 | 12,109 | (427) | (15,581) | (6,850) |
| Cash flows from operating activities | | <u>21,860</u> | <u>8,516</u> | <u>(3,929)</u> | <u>7,254</u> |
| Investing activities | | | | | |
| Business acquisitions, net of cash acquired | 3 | | 1,371 | (10,000) | (6,069) |
| Dividends received from Colabor Investments Inc. | | | | 2,342 | |
| Purchase of property, plant and equipment | | (3,436) | (901) | (4,068) | (1,127) |
| Purchase of intangible assets | | (137) | (47) | (137) | (47) |
| Cash flows from investing activities | | <u>(3,573)</u> | <u>423</u> | <u>(11,863)</u> | <u>(7,243)</u> |
| Financing activities | | | | | |
| Bank borrowings | | (14,632) | (11,779) | (2,685) | 12,630 |
| Issuance of shares | 3 | (11) | | 28,627 | |
| Dividends paid | | (4,876) | (4,161) | (9,037) | (10,381) |
| Refund of advance received on dividends to be declared by Colabor Investments Inc. | | | | (1,722) | |
| Payment of balances of purchase price | | | | (404) | (87) |
| Finance costs paid | 7 | (1,990) | (2,234) | (4,097) | (4,192) |
| Cash flows from financing activities | | <u>(21,509)</u> | <u>(18,174)</u> | <u>10,682</u> | <u>(2,030)</u> |
| Net change in bank overdraft | | <u>(3,222)</u> | <u>(9,235)</u> | <u>(5,110)</u> | <u>(2,019)</u> |
| Bank overdraft, beginning of period | | <u>(7,882)</u> | <u>(2,935)</u> | <u>(5,994)</u> | <u>(10,151)</u> |
| Bank overdraft, end of period | | <u><u>(11,104)</u></u> | <u><u>(12,170)</u></u> | <u><u>(11,104)</u></u> | <u><u>(12,170)</u></u> |

The accompanying notes are an integral part of the interim consolidated financial statements.

Colabor Group Inc.

Consolidated Statements of Financial Position

(unaudited, in thousands of Canadian dollars)

| | 2013-06-15 | 2012-12-31 |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| ASSETS | | |
| Current | | |
| Trade and other receivables | 119,378 | 113,495 |
| Recoverable tax assets | 2,964 | 2,800 |
| Inventory | 89,481 | 85,167 |
| Prepaid expenses | 4,748 | 3,143 |
| <i>Current assets</i> | <u>216,571</u> | <u>204,605</u> |
| Non-current | | |
| Equity investment in Colabor Investments Inc. | 4,432 | 9,932 |
| Derivative financial instrument | 37 | |
| Property, plant and equipment | 18,704 | 15,930 |
| Intangible assets | 137,231 | 142,358 |
| Goodwill | 115,696 | 115,065 |
| <i>Non-current assets</i> | <u>276,100</u> | <u>283,285</u> |
| Total assets | <u><u>492,671</u></u> | <u><u>487,890</u></u> |
| LIABILITIES AND EQUITY | | |
| LIABILITIES | | |
| Current | | |
| Bank overdraft | 11,104 | 5,994 |
| Trade and other payables | 117,890 | 134,670 |
| Dividends payable | | 4,161 |
| Rebates payable | 13,518 | 11,738 |
| Balances of purchase price payable | 13,265 | 10,735 |
| Deferred revenue | 198 | 477 |
| <i>Current liabilities</i> | <u>155,975</u> | <u>167,775</u> |
| Non-current | | |
| Bank borrowings | 85,358 | 88,008 |
| Derivative financial instrument | | 67 |
| Balances of purchase price payable | | 404 |
| Long-term debt | 14,697 | 14,665 |
| Convertible debentures | 47,008 | 46,703 |
| Pension obligation | 1,523 | 2,399 |
| Deferred income tax liabilities | 7,608 | 8,412 |
| <i>Non-current liabilities</i> | <u>156,194</u> | <u>160,658</u> |
| Total liabilities | <u><u>312,169</u></u> | <u><u>328,433</u></u> |
| EQUITY | | |
| Share capital | 208,634 | 179,652 |
| Deficit | (26,932) | (21,639) |
| Other components of equity | (1,200) | 1,444 |
| <i>Total equity</i> | <u>180,502</u> | <u>159,457</u> |
| Total liabilities and equity | <u><u>492,671</u></u> | <u><u>487,890</u></u> |

The accompanying notes are an integral part of the interim consolidated financial statements.

The Board of Directors approved and authorized the publication of the interim consolidated financial statements on July 17, 2013.

Colabor Group Inc.

Notes to Consolidated Financial Statements

(Amounts in the tables are in thousands of Canadian dollars, except data per share.)

1. NATURE OF OPERATIONS

Colabor Group Inc. (hereafter the "Group") and its wholly-owned subsidiaries (hereafter, collectively the "Company") distribute and market food and food-related products in Canada.

Sales of goods and operating profits are proportionately at their lowest in the first quarter and at their highest in the fourth quarter. Additionally, the fourth quarter has 33% more operating days than other quarters. However, costs incurred are distributed more evenly than sales throughout the year given the Company's fixed cost structure. The Company's operating margins generally increase as the year progresses. Accordingly, it would be more meaningful to compare earnings for an entire year or with the prior year's corresponding quarter than to compare two consecutive quarters.

Colabor Group Inc., the group's ultimate parent company, is incorporated under the Canada Business Corporations Act. It is a Canadian company headquartered at 1620 De Montarville Boulevard, Boucherville, Quebec, J4B 8P4. The shares and convertible debentures of Colabor Group Inc. are listed on the Toronto Stock Exchange (TSX: GCL and TSX: GCL.DB.A).

2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS

These interim consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS") and prepared in accordance with IAS 34, *Interim Financial Reporting*, taking into account the accounting policies that the Company adopted for its financial statements for the year ended December 31, 2012. The accounting policies have been similarly applied throughout all periods presented in the financial statements.

3. ISSUANCE OF SHARES AND BUSINESS COMBINATION

Acquisition of T. Lauzon Ltd. Assets

On March 4, 2013, the Company acquired substantially all of the assets of T. Lauzon Ltd. (hereafter "Lauzon"), a company operating in the Distribution and Wholesale Segments primarily in Quebec. The results of operation are included in the consolidated statement of earnings since the acquisition date. The acquisition of Lauzon reflects Colabor's strategic objective to broaden its product offering.

The preliminary purchase price allocation is determined as follows:

| | Value recognized on the acquisition date \$ |
|---|---|
| Trade and other receivables | 4,122 |
| Inventory | 8,271 |
| Prepaid expenses | 38 |
| Property, plant and equipment | 821 |
| Intangible assets | 1,250 |
| Goodwill | 631 |
| Trade and other payables | (2,522) |
| Deferred income tax liabilities | (81) |
| Acquisition cost and fair value of consideration transferred | <u>12,530</u> |
| Portion paid in balances of purchase price | <u>(2,530)</u> |
| Net cash flows on acquisition and fair value of portion transferred to cash | <u><u>10,000</u></u> |

Colabor Group Inc.

Notes to Consolidated Financial Statements

(Amounts in the tables are in thousands of Canadian dollars, except data per share.)

3. **ISSUANCE OF SHARES AND BUSINESS COMBINATION (continued)**

The purchase price allocation is still preliminary because some items used in the purchase price determination have to be determined and management is currently concluding its evaluation of the assets acquired and liabilities assumed.

Business acquisition-related costs amounting to \$247,000 are not included as part of acquisition cost and have been recognized as costs not relating to current operations in the consolidated statements of earnings.

Lauzon has contributed a total of \$20,272,000 to the Company's sale of goods and \$125,000 to operating earnings before depreciation and amortization for the period between the acquisition date and the end of the quarter.

Trade and other receivables

The contractual amount of trade and other receivables amounts to \$4,122,000 at the acquisition date. Based on the best estimate of contractual cash flows, all amounts are expected to be recovered.

Goodwill

Goodwill primarily relates to forecasted growth, future profitability, expertise and significant employee competencies as well as expected cost synergies. Goodwill from this business combination is expected to be deductible for tax purposes.

Issuance of shares

To finance the acquisition of Lauzon, the Company issued 3,974,000 common shares at \$7.55 a share for a total of \$30,004,000. The \$176,000 in share issue costs and \$1,201,000 in underwriters' compensation are applied against the shares issued while a \$355,000 deferred income tax asset was recognized as an increase in the shares issued.

4. **CHANGES TO ACCOUNTING POLICIES**

Consolidation standards

A series of consolidation standards apply to fiscal periods beginning on or after January 1, 2013. Information on these new standards is presented below. There has been no material impact on the Company's consolidated financial statements.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces IAS 27 Consolidated and Separate Financial Statements, and SIC-12 Consolidation – Special Purpose Entities. It modifies the definition of control and the related guidance to identify an interest in a subsidiary. However, consolidation requirements and mechanisms and the recognition of a non-controlling interest and any change in control remain unchanged.

Colabor Group Inc.

Notes to Consolidated Financial Statements

(Amounts in the tables are in thousands of Canadian dollars, except data per share.)

4. **CHANGES TO ACCOUNTING POLICIES (continued)**

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 incorporates and enhances the consistency of disclosure requirements for various interests, in particular, unconsolidated structured entities. It enhances the disclosure requirements regarding an entity's exposure to risk associated with its interest in a structured entity.

Fair Value Measurement

IFRS 13 Fair Value Measurement

IFRS 13 does not impact items to be measured at fair value, it clarifies the definition of fair value, provides related guidance and requires enhanced disclosures on fair value measurements. There has been no material impact on the Company's consolidated financial statements.

Presentation of Financial Statements

Amendment to IAS 1 Presentation of Financial Statements

The changes to IAS 1 require an entity to present items in other comprehensive income that, based on other IFRS standards, (a) will not be reclassified subsequently to profit or loss and (b) might be reclassified to profit or loss if certain conditions are satisfied. This standard had an impact on the presentation of other comprehensive income, but had no impact on the measurement or recognition of these items

Employee Benefits

Amendments to IAS 19 Employee Benefits

The changes include a number of specific changes to the standard, the most significant of which are related to defined benefit plans. These changes:

- eliminate the corridor approach and require recognition of gains and losses arising in defined benefit plans in the period in which they occur;
- simplify the presentation of changes in the plan assets and liabilities; and
- improve disclosure requirements, in particular concerning the characteristics of defined benefit plans and the risks arising from those plans.

The major impacts of the application of this new standard will be a \$2,057,000 and \$989,000 increase in the pension obligation, a \$514,000 and \$247,000 decrease in deferred income tax liabilities and a \$1,543,000 and \$742,000 decrease in equity for balances as at December 31, 2012 and 2011 respectively.

Colabor Group Inc.

Notes to Consolidated Financial Statements

(Amounts in the tables are in thousands of Canadian dollars, except data per share.)

5. SEGMENT REPORTING

The Company has two reportable segments: distribution to food service enterprises (Distribution Segment) and distribution to food distributors (Wholesale Segment). These operating segments are monitored and strategic decisions are made on the basis of segment operating results. Management does not take assets and liabilities into account in the analysis of the various segments.

Segment information can be analyzed as follows:

| | 2013-06-15 (84 days) | | |
|----------------------------|-------------------------|----------------------|---------|
| | Distribution Segment | Wholesale Segment | Total |
| | \$ | \$ | \$ |
| Segment sales of goods | 233,936 | 159,695 | 393,631 |
| Segment operating expenses | | | |
| Cost of goods sold | 203,968 | 148,898 | 352,866 |
| Employee remuneration | 15,511 | 2,863 | 18,374 |
| Other expenses | 9,804 | 1,299 | 11,103 |
| | 229,283 | 153,060 | 382,343 |
| Segment earnings | 4,653 | 6,635 | 11,288 |

| | 2012-06-16 (84 days) | | |
|----------------------------|-------------------------|----------------------|---------|
| | Distribution Segment | Wholesale Segment | Total |
| | \$ | \$ | \$ |
| Segment sales of goods | 250,594 | 152,932 | 403,526 |
| Segment operating expenses | | | |
| Cost of goods sold | 218,395 | 143,869 | 362,264 |
| Employee remuneration | 17,479 | 2,001 | 19,480 |
| Other expenses | 8,401 | 1,565 | 9,966 |
| | 244,275 | 147,435 | 391,710 |
| Segment earnings | 6,319 | 5,497 | 11,816 |

| | 2013-06-15 (164 days) | | |
|----------------------------|-------------------------|----------------------|---------|
| | Distribution Segment | Wholesale Segment | Total |
| | \$ | \$ | \$ |
| Segment sales of goods | 442,352 | 281,358 | 723,710 |
| Segment operating expenses | | | |
| Cost of goods sold | 387,209 | 263,645 | 650,854 |
| Employee remuneration | 31,860 | 4,946 | 36,806 |
| Other expenses | 18,977 | 2,898 | 21,875 |
| | 438,046 | 271,489 | 709,535 |
| Segment earnings | 4,306 | 9,869 | 14,175 |

Colabor Group Inc.

Notes to Consolidated Financial Statements

(Amounts in the tables are in thousands of Canadian dollars, except data per share.)

5. SEGMENT REPORTING (continued)

| | 2012-06-16 (168 days) | | |
|----------------------------|-------------------------|----------------------|---------|
| | Distribution Segment | Wholesale Segment | Total |
| | \$ | \$ | \$ |
| Segment sales of goods | 465,711 | 270,030 | 735,741 |
| Segment operating expenses | | | |
| Cost of goods sold | 404,587 | 254,538 | 659,125 |
| Employee remuneration | 33,975 | 4,025 | 38,000 |
| Other expenses | 17,115 | 2,874 | 19,989 |
| | 455,677 | 261,437 | 717,114 |
| Segment earnings | 10,034 | 8,593 | 18,627 |

The following table presents a reconciliation of the Company's total operating segment earnings and key financial data as presented in its consolidated financial statements:

| | 2013-06-15 (84 days) | 2012-06-16 (84 days) | 2013-06-15 (166 days) | 2012-06-16 (168 days) |
|---|-------------------------|-------------------------|--------------------------|--------------------------|
| | \$ | \$ | \$ | \$ |
| Sales of goods | | | | |
| Total segment earnings | 393,631 | 403,526 | 723,710 | 735,741 |
| Elimination of intersegment earnings | (47,814) | (49,232) | (84,313) | (83,514) |
| Company sales of goods | 345,817 | 354,294 | 639,397 | 652,227 |
| Earnings | | | | |
| Total segment earnings | 11,288 | 11,816 | 14,175 | 18,627 |
| Employee remuneration not allocated | (541) | (343) | (1,040) | (886) |
| Other expenses not allocated | (975) | (911) | (1,243) | (1,795) |
| Costs not relating to current operations | | (253) | (247) | (253) |
| Depreciation of property, plant and equipment | (896) | (944) | (2,115) | (1,948) |
| Amortization of intangible assets | (3,491) | (3,316) | (6,514) | (6,600) |
| Elimination of intersegment earnings | (44) | 89 | 145 | 161 |
| Company operating earnings | 5,341 | 6,138 | 3,161 | 7,306 |
| Finance costs | (2,146) | (2,266) | (4,469) | (4,416) |
| Company earnings before taxes | 3,195 | 3,872 | (1,308) | 2,890 |

6. COSTS NOT RELATING TO CURRENT OPERATIONS

| | 2013-06-15 (84 days) | 2012-06-16 (84 days) | 2013-06-15 (166 days) | 2012-06-16 (168 days) |
|--|-------------------------|-------------------------|--------------------------|--------------------------|
| | \$ | \$ | \$ | \$ |
| Direct costs relating to business acquisition | | | 247 | |
| Fixed assets write-off following an internal restructuring of operations | | | | 253 |
| Dividends received from Colabor Investments Inc. | | | (2,342) | |
| Writedown in Colabor Investments Inc. investment | | | 2,342 | |
| | | | 247 | 253 |

Colabor Group Inc.
Notes to Consolidated Financial Statements

(Amounts in the tables are in thousands of Canadian dollars, except data per share.)

7. FINANCE COSTS AND FINANCE COSTS PAID

| | 2013-06-15 (84 days) | 2012-06-16 (84 days) | 2013-06-15 (166 days) | 2012-06-16 (168 days) |
|---|-------------------------|-------------------------|--------------------------|--------------------------|
| | \$ | \$ | \$ | \$ |
| Credit facility renewal or amendment fees | 2,146 | 2,266 | 4,469 | 4,416 |
| Finance costs | (170) | (160) | (337) | (318) |
| Non-cash portion of effective interest on long-term debt and debentures included in finance costs | 66 | 165 | 66 | 165 |
| Credit facility renewal or amendment fees | (52) | (37) | (101) | (71) |
| Amortization of prepaid finance costs included in finance costs | 1,990 | 2,234 | 4,097 | 4,192 |
| Finance costs paid | <u>1,990</u> | <u>2,234</u> | <u>4,097</u> | <u>4,192</u> |

8. DATA PER SHARE

| After-tax cash flows per share | 2013-06-15 (84 days) | 2012-06-16 (84 days) | 2013-06-15 (166 days) | 2012-06-16 (168 days) |
|---|-------------------------|-------------------------|--------------------------|--------------------------|
| | \$ | \$ | \$ | \$ |
| Cash flows from operating activities before income tax recovery (withholdings) and net changes in working capital | 9,741 | 10,621 | 11,816 | 16,114 |
| Costs not relating to current operations | (2,146) | (2,266) | (4,469) | (4,416) |
| Finance costs | 170 | 160 | 337 | 318 |
| Non-cash portion of the effective interest on long-term debt and debentures included in finance costs | (3,436) | (901) | (4,068) | (1,127) |
| Purchase of property, plant and equipment | (137) | (47) | (137) | (47) |
| Purchase of intangible assets | <u>4,192</u> | <u>7,567</u> | <u>3,726</u> | <u>10,842</u> |
| Weighted average number of shares outstanding | <u>27,062,315</u> | <u>23,075,795</u> | <u>25,578,050</u> | <u>23,068,571</u> |
| After-tax cash flows per share | <u>0.15 \$</u> | <u>0.33 \$</u> | <u>0.15 \$</u> | <u>0.47 \$</u> |
| Current period portion of the annual dividend declared | <u>0.06 \$</u> | <u>0.17 \$</u> | <u>0.24 \$</u> | <u>0.33 \$</u> |

Colabor Group Inc.

Notes to Consolidated Financial Statements

(Amounts in the tables are in thousands of Canadian dollars, except data per share.)

8. DATA PER SHARE (continued)

Earnings per share

The following table presents the basic and diluted earnings per share:

| | 2013-06-15 (84 days) | 2012-06-16 (84 days) | 2013-06-15 (166 days) | 2012-06-16 (168 days) |
|--|-------------------------|-------------------------|--------------------------|--------------------------|
| | \$ | \$ | \$ | \$ |
| Earnings | 2,390 | 2,903 | (968) | 2,167 |
| Weighted average number of shares used to calculate basic and diluted earnings per share | 27,062,315 | 23,075,795 | 25,578,050 | 23,068,571 |
| Basic and diluted earnings per share | \$ 0.09 | \$ 0.13 | \$ (0.04) | \$ 0.09 |

Shares that were hypothetically issued after the conversion of convertible debentures, the exercise of stock options and the release of shares in connection with different stock-based compensation plans were not included in the calculation of diluted net earnings per share because they had an antidilutive effect.

9. NET CHANGES IN WORKING CAPITAL

Net changes in working capital between the two year-ends taking into account the working capital items assumed on the business combinations and disposal of a wholly-owned subsidiary:

| | 2013-06-15 (84 days) | 2012-06-16 (84 days) | 2013-06-15 (166 days) | 2012-06-16 (168 days) |
|-----------------------------|-------------------------|-------------------------|--------------------------|--------------------------|
| | \$ | \$ | \$ | \$ |
| Trade and other receivables | 4,739 | (2,503) | (1,761) | (1,557) |
| Inventory | (6,689) | (9,191) | 3,957 | (1,026) |
| Prepaid expenses | (1,724) | (1,403) | (1,567) | (2,105) |
| Trade and other payables | 15,221 | 10,800 | (17,580) | (5,761) |
| Rebates payable | 769 | 2,093 | 1,780 | 3,543 |
| Deferred revenue | (141) | (156) | (279) | 189 |
| Pension obligation | (66) | (67) | (131) | (133) |
| | 12,109 | (427) | (15,581) | (6,850) |