



**Interim Consolidated Financial Statements
as September 8, 2012 and September 10, 2011
(3rd Quarter)**

(unaudited)

Consolidated Financial Statements

Consolidated Income Statements	2
Consolidated Statements of Comprehensive Income	3
Consolidated Statements of Changes in Equity	4
Consolidated Statements of Cash Flows	5
Consolidated Statements of Financial Position	6
Notes to Consolidated Financial Statements	7-12

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

Colabor Group Inc.

Consolidated Income Statements

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

	Notes	2012-09-08 (84 days) \$	2011-09-10 (84 days) \$	2012-09-08 (252 days) \$	2011-09-10 (253 days) \$
Sales of goods	4	350,341	324,760	1,002,568	881,587
Operating expenses excluding costs not relating to current operations, depreciation and amortization		<u>339,319</u>	<u>314,206</u>	<u>975,439</u>	<u>855,902</u>
Operating earnings before costs not relating to current operations, depreciation and amortization		<u>11,022</u>	<u>10,554</u>	<u>27,129</u>	<u>25,685</u>
Costs not relating to current operations	5	1,102		1,355	1,795
Depreciation of property, plant and equipment		935	1,125	2,883	2,696
Amortization of intangible assets		<u>3,324</u>	<u>3,031</u>	<u>9,924</u>	<u>8,775</u>
		<u>5,361</u>	<u>4,156</u>	<u>14,162</u>	<u>13,266</u>
Operating profit		5,661	6,398	12,967	12,419
Finance costs	6	<u>2,151</u>	<u>1,861</u>	<u>6,567</u>	<u>5,484</u>
Profit before tax		<u>3,510</u>	<u>4,537</u>	<u>6,400</u>	<u>6,935</u>
Tax expense					
Current		-	-	-	-
Deferred		<u>463</u>	<u>1,438</u>	<u>1,186</u>	<u>2,109</u>
		<u>463</u>	<u>1,438</u>	<u>1,186</u>	<u>2,109</u>
Profit		<u>3,047</u>	<u>3,099</u>	<u>5,214</u>	<u>4,826</u>
After-tax cash flows per share	7	<u>\$ 0.33</u>	<u>\$ 0.34</u>	<u>\$ 0.81</u>	<u>\$ 0.79</u>
Basic and diluted earnings per share	7	<u>\$ 0.13</u>	<u>\$ 0.14</u>	<u>\$ 0.23</u>	<u>\$ 0.21</u>

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

Colabor Group Inc.

Consolidated Comprehensive Income

(unaudited, in thousands of Canadian dollars)

	2012-09-08 (84 days) \$	2011-09-10 (84 days) \$	2012-09-08 (252 days) \$	2011-09-10 (253 days) \$
Profit (loss)	3,047	3,099	5,214	4,826
Other comprehensive income, net of taxes				
Available-for-sale financial asset - gain (loss) for the period	368		(1,120)	
Cash flow hedges - gain for the period	482		639	
Taxes on other comprehensive income	(171)		(20)	
Total other comprehensive income	679		(501)	
Total comprehensive income	3,726	3,099	4,713	4,826

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

Colabor Group Inc.
Consolidated 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 hedges	Retained earnings	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at January 1, 2011	177,960	2,415	771	(936)	1,982	-	11,789	193,981
Profit and Total comprehensive income							4,826	4,826
Dividends declared							(12,445)	(12,445)
Normal-course issuer bid	(2,540)						(450)	(2,990)
Conversion of convertible debentures	998	(46)						952
Stock-based compensation plan expenses			302					302
Purchase of shares by the Company for stock-based compensation plans				(141)				(141)
Shares released for stock-based compensation plans			(455)	455				
Transactions with owners	(1,542)	(46)	(153)	314	-	-	(12,895)	(14,322)
Balance as at September 10, 2011	176,418	2,369	618	(622)	1,982	-	3,720	184,485
Balance as at January 1, 2012	179,652	1,742	1,206	(622)	1,154	(457)	(6,661)	176,014
Profit							5,214	5,214
Other comprehensive income								
Gain (loss) on available-for-sale financial asset					(1,120)			(1,120)
Gain (loss) on cash flow hedges						639		639
Taxes on other comprehensive income					145	(165)		(20)
Total comprehensive income	-	-	-	-	(975)	474	5,214	4,713
Dividends declared							(8,322)	(8,322)
Stock-based compensation plan expenses			36					36
Shares released for stock-based compensation plans			(241)	241				
Transactions with owners	-	-	(205)	241	-	-	(8,322)	(8,286)
Balance as at September 8, 2012	179,652	1,742	1,001	(381)	179	17	(9,769)	172,441

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

Colabor Group Inc. Consolidated Cash Flows

(unaudited, in thousands of Canadian dollars)

	Notes	2012-09-08 (84 days) \$	2011-09-10 (84 days) \$	2012-09-08 (252 days) \$	2011-09-10 (253 days) \$
Operating activities					
Profit (loss) before income taxes		3,510	4,537	6,400	6,935
Fixed assets write-off following an internal restructuring of operations				253	
Depreciation of property, plant and equipment		935	1,125	2,883	2,696
Amortization of intangible assets		3,324	3,031	9,924	8,775
Finance costs		2,151	1,861	6,567	5,484
Stock-based compensation plan expenses		29	77	36	302
Purchase of shares held by the Company for stock-based compensation plans					(141)
		<u>9,949</u>	<u>10,631</u>	<u>26,063</u>	<u>24,051</u>
Income tax recovery (withholdings)		1,225	1,201	(785)	830
Net changes in working capital	8	<u>(9,164)</u>	<u>12,637</u>	<u>(16,014)</u>	<u>(1,735)</u>
Cash flows from operating activities					
Investing activities		<u>2,010</u>	<u>24,469</u>	<u>9,264</u>	<u>23,146</u>
Business acquisitions, net of cash acquired	3			(6,069)	(78,941)
Purchase of property, plant and equipment		(1,049)	(988)	(2,176)	(2,399)
Purchase of intangible assets		(416)	(160)	(463)	(354)
Cash flows from investing activities					
Financing activities		<u>(1,465)</u>	<u>(1,148)</u>	<u>(8,708)</u>	<u>(81,694)</u>
Bank borrowings		9,252	(2,550)	21,882	89,770
Normal-course issuer bid			(2,812)		(2,990)
Repayment of long-term debt			(39)		(307)
Dividends paid		(4,161)	(6,220)	(14,542)	(18,649)
Payment of balances of purchase price		(1,250)		(1,337)	(2,013)
Finance costs paid	6	<u>(1,949)</u>	<u>(1,689)</u>	<u>(6,141)</u>	<u>(5,474)</u>
Cash flows from financing activities		<u>1,892</u>	<u>(13,310)</u>	<u>(138)</u>	<u>60,337</u>
Net change in bank overdraft		<u>2,437</u>	<u>10,011</u>	<u>418</u>	<u>1,789</u>
Bank overdraft, beginning of period		<u>(12,170)</u>	<u>(18,931)</u>	<u>(10,151)</u>	<u>(10,709)</u>
Bank overdraft, end of period		<u>(9,733)</u>	<u>(8,920)</u>	<u>(9,733)</u>	<u>(8,920)</u>

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

Colabor Group Inc.

Consolidated Financial Position

(unaudited, in thousands of Canadian dollars)

	<u>2012-09-08</u>	<u>2011-12-31</u>
	\$	\$
ASSETS		
Current		
Trade and other receivables	120,988	108,164
Recoverable tax assets	3,206	2,421
Inventory	78,752	76,632
Prepaid expenses	4,348	2,596
<i>Current assets</i>	<u>207,294</u>	<u>189,813</u>
Non-current		
Equity investment in Colabor Investments Inc.	11,290	12,410
Derivative financial instrument	21	
Property, plant and equipment	17,325	17,319
Intangible assets	147,719	154,845
Goodwill	115,065	114,775
<i>Non-current assets</i>	<u>291,420</u>	<u>299,349</u>
Total assets	<u><u>498,714</u></u>	<u><u>489,162</u></u>
LIABILITIES AND EQUITY		
LIABILITIES		
Current		
Bank overdraft	9,733	10,151
Trade and other payables	103,701	105,575
Dividends payable		6,220
Rebates payable	9,621	11,783
Balances of purchase price payable	11,877	12,560
Deferred revenue	1,720	344
<i>Current liabilities</i>	<u>136,652</u>	<u>146,633</u>
Non-current		
Bank borrowings	117,999	96,167
Derivative financial instrument		618
Balances of purchase price payable	404	250
Long-term debt	14,644	14,598
Convertible debentures	46,510	46,080
Pension obligations	249	448
Deferred income tax liabilities	9,815	8,354
<i>Non-current liabilities</i>	<u>189,621</u>	<u>166,515</u>
Total liabilities	<u><u>326,273</u></u>	<u><u>313,148</u></u>
EQUITY		
Share capital	179,652	179,652
Deficit	(9,769)	(6,661)
Other components of equity	2,558	3,023
<i>Total equity</i>	<u>172,441</u>	<u>176,014</u>
Total liabilities and equity	<u><u>498,714</u></u>	<u><u>489,162</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 consolidated financial statements on October 22, 2012.

Colabor Group Inc.

Notes to Consolidated Financial Statements

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

1. NATURE OF OPERATIONS

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

Sales of goods and operating profits are proportionately the smallest in the first quarter and the largest in the fourth quarter. Additionally, the fourth quarter has 33% more operating days than other quarters. However, costs are incurred more evenly throughout the year given the Company's fixed cost structure. The Company's operating margins generally increase gradually 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, 2011. The accounting policies have been similarly applied throughout all periods presented in the financial statements.

3. BUSINESS COMBINATION

Acquisition of the assets of Les Viandes Décarie Inc.

On January 1, 2012, the Company acquired substantially all of the assets of Viandes Décarie ("Décarie"), a company which operates in the Wholesale Segment primarily in Quebec. The results of operation are included in the consolidated statement of income since the acquisition date. The acquisition of Décarie reflects Colabor's strategic objectives to broaden its product offering.

The preliminary purchase price allocation is determined as follows:

	Value recognized on the acquisition date \$
Trade and other receivables	4,449
Inventory	3,426
Prepaid expenses	12
Property, plant and equipment	966
Intangible assets	2,335
Goodwill	290
Trade and other payables	(4,346)
Deferred tax assets	(255)
Acquisition cost and fair value of the consideration transferred	6,877
Portion settled as balances of purchase price	(808)
Net cash flows on acquisition and fair value of portion transferred to cash	6,069

Colabor Group Inc.

Notes to Consolidated Financial Statements

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

3. 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 \$90,000 are not included as part of acquisition cost and have been recognized as costs not relating to current operations in the prior year's consolidated statements of income.

Décarie has contributed a total of \$45,247,000 to the Company's sale of goods and \$537,000 to operating profit before depreciation and amortization for the period between the date of acquisition and the end of the quarter.

Trade and other receivables

The gross contractual amount of trade and other receivables amounts to \$4,449,000 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.

4. SEGMENT REPORTING

The Company has two reportable segments: distribution to foodservice enterprises (Distribution Segment) and distribution to food distributors (Wholesale Segment). These operating segments are monitored and strategic decisions are made on the basis of adjusted 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:

	2012-09-08 (84 days)		
	Distribution Segment	Wholesale Segment	Total
	\$	\$	\$
Segment sale of goods	253,065	151,570	404,635
Segment operating expenses			
Cost of goods sold	220,971	143,033	364,004
Employee compensation	16,156	2,326	18,482
Other expenses	9,148	1,054	10,202
	246,275	146,413	392,688
Segment earnings	6,790	5,157	11,947

Colabor Group Inc.

Notes to Consolidated Financial Statements

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

4. SEGMENT REPORTING (continued)

	2011-09-10 (84 days)		
	Distribution Segment	Wholesale Segment	Total
	\$	\$	\$
Segment sale of goods	239,938	123,521	363,459
Segment operating expenses			
Cost of goods sold	207,256	116,512	323,768
Employee compensation	16,485	1,321	17,806
Other expenses	9,050	1,039	10,089
	232,791	118,872	351,663
Segment earnings	7,147	4,649	11,796
	2012-09-08 (252 days)		
	Distribution Segment	Wholesale Segment	Total
	\$	\$	\$
Segment sale of goods	726,666	421,600	1,148,266
Segment operating expenses			
Cost of goods sold	633,448	397,571	1,031,019
Employee compensation	50,131	6,351	56,482
Other expenses	26,263	3,928	30,191
	709,842	407,850	1,117,692
Segment earnings	16,824	13,750	30,574
	2011-09-10 (253 days)		
	Distribution Segment	Wholesale Segment	Total
	\$	\$	\$
Segment sale of goods	635,988	346,502	982,490
Segment operating expenses			
Cost of goods sold	551,016	326,862	877,878
Employee compensation	43,369	3,962	47,331
Other expenses	24,631	3,400	28,031
	619,016	334,224	953,240
Segment earnings	16,972	12,278	29,250

The totals presented for the Company's operating segments reconcile to key financial figures as presented in its financial statements as follows:

	2012-09-08 (84 days)	2011-09-10 (84 days)	2012-09-08 (252 days)	2011-09-10 (253 days)
	\$	\$	\$	\$
Sales of goods				
Total segment sale of goods	404,635	363,459	1,148,266	982,490
Elimination of intersegment sales	(54,294)	(38,699)	(145,698)	(100,903)
Company sale of goods	350,341	324,760	1,002,568	881,587

Colabor Group Inc.

Notes to Consolidated Financial Statements

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

4. SEGMENT REPORTING (continued)

	2012-09-08 (84 days)	2011-09-10 (84 days)	2012-09-08 (252 days)	2011-09-10 (253 days)
	\$	\$	\$	\$
Earnings				
Total segment earnings	11,947	11,796	30,574	29,250
Employee compensation not allocated	(386)	(538)	(1,272)	(1,381)
Other expenses not allocated	(451)	(762)	(2,246)	(2,127)
Depreciation of property, plant and equipment	(935)	(1,125)	(2,883)	(2,696)
Amortization of intangible assets	(3,324)	(3,031)	(9,924)	(8,775)
Costs not relating to current operations	(1,102)		(1,355)	(1,795)
Elimination of intersegment earnings	(88)	58	73	(57)
Company operating earnings	5,661	6,398	12,967	12,419
Finance costs	(2,151)	(1,861)	(6,567)	(5,484)
Company earnings before taxes	<u>3,510</u>	<u>4,537</u>	<u>6,400</u>	<u>6,935</u>

5. COSTS NOT RELATING TO CURRENT OPERATIONS

	2012-09-08 (84 days)	2011-09-10 (84 days)	2012-09-08 (252 days)	2011-09-10 (253 days)
	\$	\$	\$	\$
Internal restructuring of operations	2,757		3,010	
Adjustment of Les Pêcheries Norref Québec Inc. acquisition cost following an arbitration ruling	(1,655)		(1,655)	
Direct costs relating to realized, unrealized and potential business acquisitions				1,795
	<u>1,102</u>		<u>1,355</u>	<u>1,795</u>

6. FINANCE COSTS AND FINANCE COSTS PAID

	2012-09-08 (84 days)	2011-09-10 (84 days)	2012-09-08 (252 days)	2011-09-10 (253 days)
	\$	\$	\$	\$
Finance costs	2,151	1,861	6,567	5,484
Non-cash portion of effective interest on long-term debt and debentures included in finance costs	(158)	(208)	(476)	(632)
Credit facility renewal or amendment fees		71	165	714
Amortization of prepaid finance costs included in finance costs	(44)	(35)	(115)	(92)
Finance costs paid	<u>1,949</u>	<u>1,689</u>	<u>6,141</u>	<u>5,474</u>

Colabor Group Inc.

Notes to Consolidated Financial Statements

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

7. DATA PER SHARE

After-tax cash flows per share

	2012-09-08 (84 days)	2011-09-10 (84 days)	2012-09-08 (252 days)	2011-09-10 (253 days)
	\$	\$	\$	\$
Cash flows from operating activities before income tax recovery (withholdings) and net changes in working capital	9,949	10,631	26,063	24,051
Costs not relating to current operations	1,102		1,355	1,795
Finance costs	(2,151)	(1,861)	(6,567)	(5,484)
Non-cash portion of effective interest on long-term debt and debentures included in finance costs	158	208	476	632
Purchase of property, plant and equipment	(1,049)	(988)	(2,176)	(2,399)
Purchase of intangible assets	(416)	(160)	(463)	(354)
	<u>7,593</u>	<u>7,830</u>	<u>18,688</u>	<u>18,241</u>
Weighted average number of shares outstanding	<u>23,088,315</u>	<u>22,923,146</u>	<u>23,075,153</u>	<u>23,002,391</u>
After-tax cash flows per share	<u>\$ 0.33</u>	<u>\$ 0.34</u>	<u>\$ 0.81</u>	<u>\$ 0.79</u>
Annual dividend declared for the quarter	<u>\$ 0.17</u>	<u>\$ 0.25</u>	<u>\$ 0.50</u>	<u>\$ 0.75</u>
Ratio of dividend to after-tax cash flows per share	<u>52%</u>	<u>74%</u>	<u>62%</u>	<u>95%</u>

Earnings per share

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

	2012-09-08 (84 days)	2011-09-10 (84 days)	2012-09-08 (252 days)	2011-09-10 (253 days)
	\$	\$	\$	\$
Earnings	<u>3,047</u>	<u>3,099</u>	<u>5,214</u>	<u>4,826</u>
Weighted average number of shares outstanding used to calculate basic and diluted earnings per share	<u>23,088,315</u>	<u>22,923,146</u>	<u>23,075,153</u>	<u>23,002,391</u>
Basic and diluted earnings per share	<u>\$ 0.13</u>	<u>\$ 0.14</u>	<u>\$ 0.23</u>	<u>\$ 0.21</u>

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

Colabor Group Inc.

Notes to Consolidated Financial Statements

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

8. NET CHANGES IN WORKING CAPITAL

Net changes in working capital between the two period-ends taking into account the working capital assumed on the business combinations:

	2012-09-08 (84 days)	2011-09-10 (84 days)	2012-09-08 (252 days)	2011-09-10 (253 days)
	\$	\$	\$	\$
Trade and other receivables	(6,818)	18,011	(8,375)	(8,881)
Inventory	2,332	6,605	1,306	7,908
Prepaid expenses	365	(870)	(1,740)	(1,928)
Trade and other payables	(459)	(4,932)	(6,220)	4,864
Rebates payable	(5,705)	(6,790)	(2,162)	(4,765)
Deferred revenue	1,187	679	1,376	1,266
Pension obligations	(66)	(66)	(199)	(199)
	<u>(9,164)</u>	<u>12,637</u>	<u>(16,014)</u>	<u>(1,735)</u>