



PRESS RELEASE

FOR IMMEDIATE RELEASE

**NOT FOR DISTRIBUTION IN THE UNITED STATES OR OVER UNITED STATES NEWS WIRE SERVICES****COLABOR GROUP ANNOUNCES  
DEBENTUREHOLDER AND SHAREHOLDER APPROVALS**

**Boucherville, Québec**, August 22, 2016 – Colabor Group Inc. (TSX: GCL) (“**Colabor**” or the “**Corporation**”) announces that, as part of meetings held earlier today in connection with the previously announced proposed recapitalization transactions to reduce Colabor’s indebtedness and significantly enhance the Corporation’s capital structure (the “**Recapitalization Transactions**”), the holders (the “**Debentureholders**”) of its 5.70% Convertible Unsecured Subordinated Debentures due April 30, 2017 (the “**Convertible Debentures**”) have approved the proposed amendments to the Convertible Debentures (the “**Debenture Amendments**”) and its shareholders have approved the proposed \$50 million rights offering (the “**Rights Offering**”), including the offering price under the Rights Offering.

Debentureholders holding more than 97.75% of the principal amount of the Convertible Debentures present or represented at the meeting have approved the Debenture Amendments and shareholders holding more than 96.79% of the issued and outstanding shares of Colabor (the “**Common Shares**”) present or represented at the meeting have approved the Rights Offering. The Debenture Amendments, if completed, will have the effect of extending the maturity date for a 5-year period from the closing date of the Recapitalization Transactions, to increase the interest rate from 5.70% to 6.00% (as of October 31, 2016) and to reduce the conversion price from \$16.85 to \$2.50 per Common Share. Under the Rights Offering, each holder of record of Common Shares as of a record date to be determined in connection with the Rights Offering will receive transferable rights (each, a “**Right**”) to subscribe for an aggregate number of Common Shares for an aggregate amount of \$50 million.

Colabor intends to file a preliminary short form prospectus with the securities regulatory authorities in each of the provinces of Canada in connection with the Rights Offering which will contain further details regarding the Rights Offering in the coming days. The completion of the Recapitalization Transactions is subject to customary closing conditions, including the concurrent effectiveness of the previously announced amendments to the Corporation’s subordinated loan and to the senior credit facilities of the Corporation. If all closing conditions are satisfied (or waived), closing is currently expected to occur in October 2016, after completion of the Rights Offering, and in any event no later than November 30, 2016.

**This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in the United States or in any province, state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such province, state or jurisdiction. The securities referenced herein may not be offered or sold in the United States except in transaction exempt from or not subject to the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws.**

**Forward-looking statements**

Certain statements included herein constitute “forward-looking statements”. All statements included in this press release that address future events, conditions or results of operations, including in respect of the Recapitalization Transactions, its realization and its potential consequences and benefits, the timing of the completion of the Rights Offering, the filing and content of the prospectus, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”,

“future” or “continue” or the negative forms thereof or similar variations. These forward-looking statements are based on certain assumptions and analyses made by management in light of their experiences and their perception of historical trends, current conditions and expected future developments, as well as other factors they believe are appropriate in the circumstances. These statements are subject to risks, uncertainties and assumptions, including risks related to the successful completion of the Recapitalization Transactions, timing of the completion of the Recapitalization Transactions and that the Corporation, Debentureholders, shareholders and/or other stakeholders may not realize the anticipated benefits of the Recapitalization Transactions and other risks, such as the risk of dilution for existing shareholders, including those mentioned in the Corporation’s management information circulars dated July 25, 2016 in connection with the meetings of Debentureholders and shareholders and annual information form, which can be found under its profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and risks relating to the failure to obtain any required regulatory approvals. Many of such risks and uncertainties are outside the control of the Corporation and could cause actual results to differ materially from those expressed or implied by such forward-looking statements. In making such forward-looking statements, management has relied upon a number of material factors and assumptions, including with respect to general economic and financial conditions, interest rates, exchange rates, equity and debt markets, business competition, changes in government regulations or in tax laws, acts and omissions of third parties and the ability of the Corporation to obtain approval for, and carry on, the Recapitalization Transactions. Such forward-looking statements should, therefore, be construed in light of such factors and assumptions. All forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth above. The Corporation is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

#### **ABOUT COLABOR**

Colabor is a wholesaler and distributor of food and non-food products serving the foodservice market (cafeterias, restaurants, hotels, restaurant chains, etc.) in Québec, Ontario and the Atlantic provinces, as well as the retail market (grocery stores, convenience stores, etc.).

#### **For additional information:**

##### **Investors:**

##### **Colabor Group Inc.**

##### **Jean-François Neault, CPA, CMA, MBA**

Senior Vice President and Chief Financial Officer

Tel.: 450-449-4911, ext. 1308

Fax: 450-449-6180

[jean-francois.neault@colabor.com](mailto:jean-francois.neault@colabor.com)