



WAJAX LIMITED
News Release

TSX Symbol: WJX

FOR IMMEDIATE RELEASE

**WAJAX ANNOUNCES PROPOSAL TO CONVERT TO AN INCOME FUND
WITH A SECONDARY OFFERING BY EMPIRE COMPANY LIMITED**

Toronto, Ontario – Wednesday, March 23, 2005 - Wajax Limited announced today that its board of directors has approved a process for the conversion of Wajax into an income fund by way of a plan of arrangement (the "Conversion"). Pursuant to the Conversion, the current shareholders of Wajax will exchange their common shares for units in the new income trust structure, to be known as the Wajax Income Fund (the "Fund"), and will continue to indirectly own, through the Fund, the same pro rata economic interest in Wajax's businesses. The exchange of common shares for Fund units by shareholders will be a taxable transaction.

Shareholders Meeting

Wajax intends to hold a Special Meeting of Shareholders to consider the proposed Conversion on June 6, 2005 in Toronto. The Annual General Meeting of Shareholders previously scheduled for May 6, 2005, will be deferred and combined with the Special Meeting. A Management Proxy Circular for this Annual and Special Meeting of Shareholders, which will provide full details of the proposed Conversion, is expected to be mailed to shareholders on or about May 16, 2005. It will also be available at www.sedar.com.

Distributable Cash

Based on actual results for the fiscal year ended December 31, 2004, Wajax estimates that, organized as an income fund, it will initially generate annual distributions of approximately \$2.04 per unit on a proforma basis after adjustments, assuming that a total of 16.7 million units are outstanding.

Holders of Fund units will be entitled to receive monthly payments of distributable cash from the Fund.

New Credit Facilities

As part of this Conversion, Wajax expects to retire US\$50 million of senior notes and approximately CDN\$15 million of debentures using cash on hand and drawing down approximately CDN\$60 million under new bank credit facilities totaling CDN\$95 million.

Reasons for the Conversion

Wajax's board of directors believes that an income trust structure will benefit its shareholders as it is anticipated that the income fund structure will result in units being valued more favourably than Wajax's common shares.

In making its recommendation, the Board considered the following factors:

1. Wajax's businesses, broadly diversified by geography, industries served, customers and suppliers, are suited to the income trust structure as they have low ongoing capital requirements relative to their abilities to generate cash flow.
2. The income fund structure is expected to result in a higher level of cash distributions to Fund unitholders than would be available to shareholders under the current corporate structure.
3. It is expected that monthly cash distributions to Fund unitholders will provide an attractive return without impairing Wajax's ability to finance capital expenditures and working capital requirements.

The business and operations of Wajax will continue to be managed by the current senior executives and employees of Wajax.

Financial Advisor

Wajax has retained Scotia Capital Inc. to act as its financial advisor in connection with the proposed Conversion.

Secondary Offering

Empire Company Limited, the holder of approximately 47% of the outstanding shares of Wajax, has advised the board that it will be voting in favour of the Conversion. In addition, subject to market conditions, Empire intends to sell approximately 2.5 to 3.0 million Fund units through a secondary offering. Empire's ownership would be reduced to approximately 26 to 30 percent of the 16.7 million units anticipated to be outstanding immediately subsequent to conversion. This Secondary Offering will be led by Scotia Capital Inc. and is anticipated to enhance liquidity for unitholders of the Fund. Completion of this Secondary Offering is conditional upon the completion of the Conversion.

Approvals

This Conversion is subject to certain approvals, including approval of the Ontario Superior Court of Justice, a favourable vote of Wajax shareholders at the Annual and Special Meeting, receipt of a fairness opinion, finalization of the new credit facilities and approval of the TSX to list the Fund units.

Conference call

Wajax will webcast a conference call on Thursday, March 24, 2005 at 11:00 a.m. EST to discuss the Conversion. To access the webcast, enter www.wajax.com and click on the link for the Webcast on the Investor Relations page. The archived Webcast will be available at the above mentioned website within 24 hours after the conference call.

Wajax Limited

Wajax is a diversified company that has three core distribution businesses engaged in the sale and after-sales parts and service support of mobile equipment, diesel engines and industrial components, through a network of over 100 branches across Canada and the western United States. Its customer base spans natural resources, construction, transportation, manufacturing, industrial processing and utilities.

Forward Looking Information

This news release contains forward looking information. These statements relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management of Wajax. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. These forward-looking statements are made as of the date hereof and Wajax does not assume any obligation to update or revise them to reflect new events or circumstances.

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