



WAJAX INCOME FUND
News Release

TSX Symbol: WJX.UN

**WAJAX ANNOUNCES SPECIAL YEAR-END DISTRIBUTION AND
REGULAR MONTHLY CASH DISTRIBUTIONS FOR JANUARY AND FEBRUARY**

Mississauga, Ontario – December 16, 2008 – Wajax Income Fund today announced a special non-cash distribution of Fund units for 2008 estimated to be \$0.39 per unit. The Fund has opted to not pay the special distribution in cash as it believes it is prudent to maintain liquidity given the level of economic uncertainty going into 2009. The actual amount of this distribution for 2008 will be disclosed on February 27, 2009, when the Fund announces its year-end results and will be attributed to unitholders of record December 31, 2008.

As well, the Fund also announced its regular monthly cash distributions for January and February of \$0.36 per unit (\$4.32 per unit annualized), payable on February 20, 2009 and March 20, 2009, to unitholders of record on January 30, 2009 and February 27, 2009 respectively.

The Fund's current expectation is that it will delay conversion to a corporate structure until January 1, 2011 so long as it continues to benefit from the efficient distribution of its taxable income to unitholders and continues to meet the limitations on growth in equity. After conversion it is anticipated that the Fund's dividends will be equal to its distributions prior to conversion, less incremental income taxes to be paid as a corporation. The Fund will continue to monitor its position on timing of conversion to a corporation and its distribution policy taking into account any changes in tax rules governing income trusts and other capital market considerations.

The amount of the 2008 non-cash special distribution will be equal to the excess of the actual year-end taxable income of the Fund compared to the cash distributions declared for 2008. As provided in the Fund's Declaration of Trust, to the extent additional Fund units are deemed to have been issued, the outstanding units of the Fund will be immediately consolidated such that the number of units will remain unchanged from the number held prior to the special non-cash distribution.

The Fund is required to provide advance notice to the TSX of any special non-cash distributions. The estimated \$0.39 per unit non-cash special is based upon the Fund's current expectations and is subject to change since the Fund's taxable position cannot be known with certainty until year-end results have been reviewed by the Fund's auditors, Audit Committee and Board of Trustees on February 27, 2009. This estimate may constitute forward-looking information within the meaning of applicable securities laws.

The News Release announcing the Fund's year-end results on February 27, 2009 will provide details of the distribution of Fund units which will be deemed to have occurred. It is presently anticipated that all 2008 distributions will be considered other income for tax purposes and that the amount of the non-cash distribution will be added to the adjusted cost base of units held as capital property.

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

Forward-looking information is subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what the Fund currently expects and there can be no assurance that such information will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking information.

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