THIRD QUARTER REPORT TO SHAREHOLDERS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2012

WAJAX CORPORATION 2012

WAJAX
Corporation

WAJAX CORPORATION
News Release

TSX Symbol: WJX

WAJAX ANNOUNCES 2012 THIRD QUARTER EARNINGS

(Dollars in millions, except per share data)	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
CONSOLIDATED RESULTS				
Revenue	**$356.4**	**$361.9**	**$1,101.1**	**$999.9**
Net earnings	**$16.2**	**$17.9**	**$51.7**	**$47.2**
Basic earnings per share	**$0.97**	**$1.08**	**$3.10**	**$2.84**
SEGMENTS				
Revenue – Equipment	**$194.2**	**$177.9**	**$576.9**	**$493.6**
- Power Systems	**$75.6**	**$98.0**	**$253.3**	**$251.9**
- Industrial Components	**$87.5**	**$86.7**	**$274.7**	**$257.3**
Net Earnings – Equipment	**$13.3**	**$12.7**	**$42.1**	**$35.9**
% margin	*6.9%*	*7.1%*	*7.3%*	*7.3%*
- Power Systems	**$6.0**	**$9.7**	**$21.1**	**$25.0**
% margin	*7.9%*	*9.9%*	*8.3%*	*9.9%*
- Industrial Components	**$5.5**	**$6.2**	**$18.5**	**$17.2**
% margin	*6.3%*	*7.2%*	*6.7%*	*6.7%*

Toronto, Ontario – November 6, 2012 – Wajax Corporation ("Wajax" or the "Corporation") today announced its 2012 third quarter results.

Third Quarter Highlights

- Consolidated third quarter revenue of $356.4 million decreased $5.5 million, or 2%, compared to last year as a result of a $22.4 million reduction in sales in the Power Systems segment largely due to reduced activity in the western Canada oil and gas sector. Equipment sales rose 9% on higher revenue in all key product sectors, with particular strength noted in the construction sector. Industrial Components revenue increased 1%.

- Net earnings for the quarter were $16.2 million, or $0.97 per share, compared to $17.9 million, or $1.08 per share recorded in 2011. Equipment segment net earnings increased 5% on the higher volumes. Power Systems segment net earnings declined $3.7 million on the lower revenue and Industrial Components segment net earnings declined by $0.7 million as an increase in selling and administrative costs more than outweighed the positive effect of the slightly higher sales.

- Consolidated backlog of $202.4 million at September 30, 2012 decreased 17% compared to June 30, 2012, mainly as a result of lower customer orders in the mining and oil and gas sectors in the Equipment and Industrial Components segments. Power Systems backlog increased 8% for the same period.

The Corporation announced that, effective November 2, 2012, Wajax Equipment became the exclusive Canadian distributor of Bell articulated dump trucks. These trucks, manufactured by Bell Equipment Limited, are one of the world's leading truck lines for construction, quarry and medium duty resource applications and are sold in 80 countries. Wajax estimates the annual size of the Canadian market to be at least 500 units, or $225 million. Wajax also estimates the existing Canadian installed base of trucks manufactured by Bell to be approximately 300 units, which is expected to yield an immediate parts and service opportunity. The geographic scope and capability of Wajax Equipment's Canada-wide distribution network were central factors in securing distribution rights to this world-class product line.

Effective September 4, 2012, Katie Hunter was appointed Senior Vice President, Human Resources of Wajax Corporation. Ms. Hunter has held the position of Vice President, Human Resources at various companies in the manufacturing, mining and health care sectors and brings extensive experience in human resource management.

The Corporation declared monthly dividends of $0.27 per share ($3.24 annualized) for the months of November and December, 2012 and January and February, 2013.

Commenting on the third quarter results and the outlook for the remainder of 2012, Mark Foote, President and CEO, stated:

"Overall results for the quarter met our expectations. We were very pleased with the performance of the Equipment division which continued to grow earnings year-over-year in spite of the loss of the LeTourneau product support business. We enjoyed higher equipment sales on stronger construction and material handling markets. Softer economic conditions, particularly related to the western Canadian oil and gas sector, negatively impacted profitability in Power Systems and Industrial Components. Overall backlog declined primarily as a result of a reduction in customer orders in the mining and oil and gas sectors and the delivery of the last two LeTourneau mining loaders. While the number of outstanding quotes for mining equipment continues to be significant, customers have been delaying their purchasing decisions in the face of lower commodity prices.

Looking forward we expect softness in the oil and gas and mining sectors to continue into 2013. This, combined with initial signs of some slowing in other areas of the Canadian economy leads us to a more cautious view of near term results. However, we continue to expect that full year earnings will be modestly higher compared to 2011.

We believe the addition of the Bell truck line will play an important role in the continued growth of our Equipment division. We remain confident in our strategy and will continue to invest in our mining equipment inventory program and our other strategic initiatives to ensure we are well positioned to capitalize on market opportunities as customer purchasing decisions accelerate."

Wajax is a leading Canadian distributor and service support provider of mobile equipment, power systems and industrial components. Reflecting a diversified exposure to the Canadian economy, its three distinct core businesses operate through a network of 118 branches across Canada. Its customer base spans natural resources, construction, transportation, manufacturing, industrial processing and utilities.

Cautionary Statement Regarding Forward Looking Information

This news release contains certain forward-looking statements and forward-looking information, as defined in applicable securities laws (collectively, "forward-looking statements"). These forward-looking statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "anticipates", "intends", "predicts", "expects", "is expected", "scheduled", "believes", "estimates", "projects" or "forecasts", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward looking statements involve known and unknown risks, uncertainties and other factors beyond the Corporation’s ability to predict or control which may cause actual results, performance and achievements to differ materially from those anticipated or implied in such forward looking statements. There can be no assurance that any forward looking statement will materialize. Accordingly, readers should not place undue reliance on forward looking statements. The forward looking statements in this news release are made as of the date of this news release, reflect management’s current beliefs and are based on information currently available to management. Although management believes that the expectations represented in such forward-looking statements are reasonable, there is no assurance that such expectations will prove to be correct. Specifically, this news release includes forward looking statements regarding, among other things, our outlook for the Canadian economy for the remainder of 2012 and into 2013, the impact of commodity prices on our end markets, our outlook with respect to results for the financial year, the addition of the Bell articulated dump truck line and our investment in our strategic initiatives. These statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions regarding general business and economic conditions, the supply and demand for, and the level and volatility of prices for, commodities, financial market conditions, including interest rates, the future financial performance of the Corporation, our costs, market competition, our ability to attract and retain skilled staff, our ability to procure quality products and inventory and our ongoing relations with suppliers, employees and customers. The foregoing list of assumptions is not exhaustive. Factors that may cause actual results to vary materially include, but are not limited to, a deterioration in general business and economic conditions, volatility in the supply and demand for, and the level of prices for, commodities, fluctuations in financial market conditions, including interest rates, the level of demand for, and prices of, the products and services we offer, market acceptance of the products we offer, termination of distribution or original equipment manufacturer agreements, unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of quality products or inventory, supply disruptions, job action and unanticipated events related to health, safety and environmental matters), our ability to attract and retain skilled staff and our ability to maintain our relationships with suppliers, employees and customers. The foregoing list of factors is not exhaustive. The forward-looking statements contained in this news release are expressly qualified in their entirety by this cautionary statement. The Corporation does not undertake any obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws. Further information concerning the risks and uncertainties associated with these forward looking statements and the Corporation’s business may be found in our Annual Information Form for the year ended December 31, 2011, filed on SEDAR.

Management's Discussion and Analysis – Q3 2012

The following management's discussion and analysis ("MD&A") discusses the consolidated financial condition and results of operations of Wajax Corporation ("Wajax" or the "Corporation") for the quarter ended September 30, 2012. This MD&A should be read in conjunction with the information contained in the unaudited Condensed Consolidated Financial Statements and accompanying notes for the quarter ended September 30, 2012, the annual audited Consolidated Financial Statements and accompanying notes for the year ended December 31, 2011 and the associated MD&A. Information contained in this MD&A is based on information available to management as of November 6, 2012.

Unless otherwise indicated, all financial information within this MD&A is in millions of dollars, except share and per share data.

Additional information, including Wajax's Annual Report and Annual Information Form, are available on SEDAR at www.sedar.com.

Responsibility of Management and the Board of Directors

Management is responsible for the information disclosed in this MD&A and the unaudited Condensed Consolidated Financial Statements and accompanying notes, and has in place appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is materially complete and reliable. Wajax's Board of Directors has approved this MD&A and the unaudited Condensed Consolidated Financial Statements and accompanying notes. In addition, Wajax's Audit Committee, on behalf of the Board of Directors, provides an oversight role with respect to all public financial disclosures made by Wajax, and has reviewed this MD&A and the unaudited Condensed Consolidated Financial Statements and accompanying notes.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

As at September 30, 2012, Wajax's management, under the supervision of its CEO and CFO, had designed disclosure controls and procedures ("DC&P") to provide reasonable assurance that information required to be disclosed by Wajax in annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. DC&P are designed to ensure that information required to be disclosed by Wajax in annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to Wajax's management, including its CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

As at September 30, 2012, Wajax's management, under the supervision of its CEO and CFO, had designed internal control over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS"). In completing the design, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control – Integrated Framework. With regard to general controls over information technology, management also used the set of practices of Control Objectives for Information and related Technology ("COBIT") created by the IT Governance Institute.

There was no change in Wajax's ICFR that occurred during the three months ended September 30, 2012 that has materially affected, or is reasonably likely to materially affect, Wajax's ICFR.

Wajax Corporation Overview

Wajax's core distribution businesses are engaged in the sale and after-sale parts and service support of mobile equipment, power systems and industrial components through a network of 118 branches across Canada. Wajax is a multi-line distributor and represents a number of leading worldwide manufacturers in its core businesses. Its customer base is diversified, spanning natural resources, construction, transportation, manufacturing, industrial processing and utilities.

Wajax's strategy is to continue to grow earnings in all segments through continuous improvement of operating margins and revenue growth while maintaining a strong balance sheet. Revenue growth will be achieved through market share gains, the addition of new or complementary product lines and aftermarket support services and expansion into new Canadian geographic territories, either organically or through acquisitions.

In 2012, the Corporation established an objective of declaring annual dividends equal to at least 75% of earnings subject to the Corporation's financial condition, economic outlook and capital requirements for growth including acquisitions. The Corporation's intention is to continue paying dividends on a monthly basis.

Cautionary Statement Regarding Forward-Looking Information

This MD&A contains certain forward-looking statements and forward-looking information, as defined in applicable securities laws (collectively, "**forward-looking statements**"). These forward-looking statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "anticipates", "intends", "predicts", "expects", "is expected", "scheduled", "believes", "estimates", "projects" or "forecasts", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward looking statements involve known and unknown risks, uncertainties and other factors beyond the Corporation's ability to predict or control which may cause actual results, performance and achievements to differ materially from those anticipated or implied in such forward looking statements. There can be no assurance that any forward looking statement will materialize. Accordingly, readers should not place undue reliance on forward looking statements. The forward looking statements in this MD&A are made as of the date of this MD&A, reflect management's current beliefs and are based on information currently available to management. Although management believes that the expectations represented in such forward-looking statements are reasonable, there is no assurance that such expectations will prove to be correct. Specifically, this MD&A includes forward looking statements regarding, among other things, our outlook for the Canadian economy for the remainder of 2012 and 2013, the impact of commodity prices on our end markets, our outlook with respect to results for the financial year, the addition of the Bell articulated dump truck line, our plans and expectations for revenue and earnings growth, planned marketing, strategic, operational and growth initiatives and their expected outcomes, our current and future plans regarding the expansion of our business, the addition of new product offerings and aftermarket support services and expansion into new Canadian geographic territories, our financing and capital requirements and our objectives with respect to the future payment of dividends. These statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions regarding general business and economic conditions, the supply and demand for, and the level and volatility of prices for, commodities, financial market conditions, including interest rates, the future financial performance of the Corporation, our costs, market competition, our ability to attract and retain skilled staff, our ability to procure quality products and inventory and our ongoing relations with suppliers, employees and customers. The foregoing list of assumptions is not exhaustive. Factors that may cause actual results to vary materially include, but are not limited to, a deterioration in general business and economic conditions, volatility in the supply and demand for, and the level of prices for, commodities, fluctuations in financial market conditions, including interest rates, the level of demand for, and prices of, the products and services we offer, market acceptance of the products we offer, termination of distribution or original equipment manufacturer agreements, unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of quality products or inventory, supply disruptions, job action and unanticipated events related to health, safety and environmental matters), our ability to attract and retain skilled staff and our ability to maintain our relationships with suppliers, employees and customers. The foregoing list of factors is not exhaustive. Further information concerning the risks and uncertainties associated with these forward looking statements and the Corporation's business may be found in this MD&A under the heading "Risk Management and Uncertainties" and in our Annual Information Form for the year ended December 31, 2011, filed on SEDAR. The forward-looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement. The Corporation does not undertake any obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws. Readers are further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.

Consolidated Results

	Three months ended September 30		Nine months ended September 30	
	2012	2011	**2012**	2011
Revenue	**$356.4**	$361.9	**$1,101.1**	$999.9
Gross profit	**$71.1**	$74.7	**$228.2**	$213.1
Selling and administrative expenses	**$48.1**	$48.7	**$154.7**	$144.6
Earnings before finance costs and income taxes	**$23.0**	$26.0	**$73.5**	$68.5
Finance costs	**$1.2**	$1.4	**$3.1**	$3.5
Earnings before income taxes	**$21.8**	$24.6	**$70.4**	$65.0
Income tax expense	**$5.7**	$6.7	**$18.7**	$17.8
Net earnings	**$16.2**	$17.9	**$51.7**	$47.2
Earnings per share				
- Basic	**$0.97**	$1.08	**$3.10**	$2.84
- Diluted	**$0.95**	$1.06	**$3.05**	$2.79

Revenue
Revenue in the third quarter of 2012 decreased 2%, or $5.5 million, to $356.4 million, from $361.9 million in the third quarter of 2011. Segment revenue increased 9% in Equipment, decreased 23% in Power Systems and increased 1% in Industrial Components compared to the same quarter last year.

For the nine months ended September 30, 2012, revenue increased 10%, or $101.2 million, over the same period last year. Excluding revenue from the former operations of Harper Power Products Inc. ("Harper") acquired on May 2, 2011, revenue increased 9%, or $84.3 million.

Gross profit
Gross profit in the third quarter of 2012 decreased $3.6 million due to the decrease in volumes and a lower gross profit margin percentage compared to the third quarter last year. The gross profit margin percentage for the quarter of 19.9% declined from 20.6% in the third quarter of 2011 due mainly to lower equipment margins compared to last year.

For the nine months ended September 30, 2012, gross profit increased $15.1 million due mainly to higher volumes compared to the same period last year. The gross profit margin percentage decreased to 20.7% in 2012 from 21.3% in 2011 due mainly to a negative sales mix variance resulting from a higher proportion of equipment sales and lower equipment margins in Power Systems compared to the same period last year.

Selling and administrative expenses
Selling and administrative expenses decreased $0.6 million in the third quarter of 2012 compared to the same quarter last year. Decreases resulting from lower annual incentive accruals were offset in part by higher personnel and sales related costs. Selling and administrative expenses as a percentage of revenue remained the same at 13.5% in the third quarter of 2012 compared to the same quarter of 2011.

For the nine months ended September 30, 2012, selling and administrative expenses increased $10.1 million compared to the same period last year due primarily to increased personnel and sales related costs, $3.7 million related to the former Harper operation and a $0.7 million increase in share-based mid-term incentive accruals. These increases were partially offset by lower annual incentive accruals and reduced bad debt expense. Selling and administrative expenses as a percentage of revenue decreased to 14.0% in 2012 from 14.5% in 2011.

Finance costs
Quarterly finance costs of $1.2 million decreased $0.2 million compared to the same quarter last year. For the nine months ended September 30, 2012, finance costs of $3.1 million decreased $0.4 million compared to the same period in 2011.

The cost of higher funded debt levels outstanding during the quarter and for the nine months ending September 30, 2012 were more than offset by the Corporation's lower cost of borrowing compared to the same periods last year. Funded net debt includes bank debt, bank indebtedness and obligations under finance leases, net of cash.

Income tax expense
The effective income tax rate of 26.0% for the quarter decreased from 27.2% the previous year due primarily to the impact of reduced statutory income tax rates.

For the nine months ended September 30, 2012, the effective income tax rate of 26.5% decreased from 27.3% in the previous year as a result of the impact of reduced statutory income tax rates and lower expenses not deductible for tax purposes.

Net earnings
Quarterly net earnings decreased $1.7 million to $16.2 million, or $0.97 per share, from $17.9 million, or $1.08 per share, in the same quarter of 2011. The negative impact of reduced volumes and a lower gross profit margin percentage more than offset decreased selling and administrative expenses and lower finance costs compared to the same quarter last year.

For the nine months ended September 30, 2012, net earnings increased $4.5 million to $51.7 million, or $3.10 per share, from $47.2 million, or $2.84 per share, in the same period in 2011. The positive impact of higher volumes and lower finance costs more than compensated for the lower gross profit margin percentage and increased selling and administrative expenses compared to the same period last year.

Comprehensive income
Total comprehensive income of $16.0 million in the third quarter of 2012 included net earnings of $16.2 million less an other comprehensive loss of $0.2 million. The other comprehensive loss of $0.2 million resulted primarily from losses on derivative instruments designated as cash flow hedges outstanding at the end of the quarter.

For the nine months ended September 30, 2012, total comprehensive income of $51.7 million included net earnings of $51.7 million and a nominal other comprehensive loss.

Funded net debt
Funded net debt of $139.3 million at September 30, 2012 increased $20.0 million compared to June 30, 2012. Increases in operating assets and liabilities ("operating working capital") of $23.2 million resulted in negative cash flows from operating activities for the quarter of $4.2 million. Other uses of cash included dividends paid of $13.6 million, investing activities of $1.5 million and finance lease payments of $0.3 million. Wajax's quarter-end funded net debt-to-equity ratio of 0.58:1 at September 30, 2012 increased from the June 30, 2012 ratio of 0.50:1.

Funded net debt of $139.3 million at September 30, 2012 increased $75.6 million compared to December 31, 2011. Increases in operating working capital of $89.0 million resulted in negative cash flows from operating activities for the nine months ending September 30, 2012 of $30.3 million. Other uses of cash included dividends paid of $37.0 million, investing activities of $5.4 million and finance lease payments of $1.7 million. Wajax's period-end funded net debt-to-equity ratio of 0.58:1 at September 30, 2012 increased from the December 31, 2011 ratio of 0.28:1.

See the Cash Flow, Liquidity and Capital Resources section for further detail.

Dividends

For the third quarter ended September 30, 2012 monthly dividends declared totaled $0.81 per share and included $0.27 per share for each of the months of July, August and September. For the third quarter ended September 30, 2011 monthly dividends declared were $0.58 per share.

For the nine months ended September 30, 2012 monthly dividends declared totaled $2.29 per share. For the nine months ended September 30, 2011 monthly dividends declared were $1.54 per share.

On August 10, 2012 Wajax announced monthly dividends of $0.27 per share ($3.24 annualized) for the month of October payable on November 20, 2012 to shareholders of record on October 31, 2012.

On November 6, 2012 Wajax announced monthly dividends of $0.27 per share ($3.24 annualized) for each of the months of November, December, January and February payable on December 20, 2012, January 21, 2013, February 20, 2013 and March 20, 2013 to shareholders of record on November 30, 2012, December 31, 2012, January 31, 2013 and February 28, 2013, respectively.

Backlog

Consolidated backlog at September 30, 2012 of $202.4 million decreased $41.6 million or 17% compared to June 30, 2012 due to reductions in the Equipment and Industrial Components segments, partially offset by increases in the Power Systems segment. Consolidated backlog decreased $61.4 million compared to September 30, 2011 on reductions in all segments. Backlog includes the total retail value of customer purchase orders for future delivery or commissioning. See the Results of Operations section for further backlog detail by segment.

Senior Vice President, Human Resources

Effective September 4, 2012, Katie Hunter was appointed Senior Vice President, Human Resources of Wajax Corporation. Ms. Hunter has held the position of Vice President, Human Resources at various companies in the manufacturing, mining and health care sectors and brings extensive experience in human resource management.

Results of Operations

Equipment

	Three months ended September 30		Nine months ended September 30	
	2012	2011	**2012**	2011
Equipment*	**$132.5**	$116.5	**$383.2**	$302.5
Parts and service	**$61.7**	$61.4	**$193.7**	$191.1
Segment revenue	**$194.2**	$177.9	**$576.9**	$493.6
Segment earnings	**$13.3**	$12.7	**$42.1**	$35.9
Segment earnings margin	***6.9%***	*7.1%*	***7.3%***	*7.3%*

* Includes rental revenue.

Revenue in the third quarter of 2012 increased $16.3 million, or 9%, to $194.2 million from $177.9 million in the third quarter of 2011. Segment earnings for the quarter increased $0.6 million to $13.3 million compared to the third quarter of 2011. The following factors contributed to the Equipment segment's third quarter results:

- Equipment revenue for the third quarter increased $16.0 million compared to the same quarter last year.

Specific quarter-over-quarter variances included the following:

- Construction equipment revenue increased $10.2 million mainly as a result of market demand which drove increases in sales of Hitachi excavators, primarily in western Canada. Higher Wirtgen road building equipment sales in Ontario and increased JCB construction equipment volumes also contributed to the increase.
- Material handling equipment revenue increased $3.4 million on higher volumes in all regions.
- Crane and utility equipment revenue increased $1.1 million attributable to higher new equipment sales to utility customers in Ontario and eastern Canada, offset partially by lower crane sales in western Canada.
- Mining equipment sales increased $1.1 million. The delivery of two LeTourneau loaders in eastern Canada was somewhat offset by fewer Hitachi mining equipment deliveries in western Canada.
- Forestry equipment revenues increased $0.2 million.

- Parts and service volumes for the third quarter increased $0.3 million compared to the same quarter last year. Excluding the LeTourneau product line, which was discontinued in the second quarter of this year, parts and service volumes for the third quarter increased $4.9 million, or 9%. Higher mining, construction and forestry sector sales, primarily in western Canada, were offset by lower materials handling and crane & utilities sector volumes in all regions.

- Segment earnings for the third quarter increased $0.6 million to $13.3 million compared to the same quarter last year. The positive impact of higher volumes outweighed the negative impact of a lower gross profit margin resulting from a higher proportion of equipment sales and a $0.6 million increase in selling and administrative expenses. Selling and administrative expenses increased compared to the same quarter last year on higher personnel and sales related expenses.

Backlog of $95.4 million at September 30, 2012 decreased $38.5 million compared to June 30, 2012. Mining equipment backlog declined on a reduction of customer orders and the delivery of the last two LeTourneau loaders. In addition, construction and forestry sector related backlog is lower as manufacturers' inventory levels currently allow for timelier product shipments. Backlog decreased $50.5 million compared to September 30, 2011 due mainly to reduced mining equipment backlog.

Effective November 2, 2012, the Equipment segment became the exclusive Canadian distributor of Bell articulated dump trucks. These trucks, manufactured by Bell Equipment Limited, are one of the world's leading truck lines for construction, quarry and medium duty resource applications and are sold in 80 countries. Wajax estimates the annual size of the Canadian market to be at least 500 units, or $225 million. Wajax also estimates the existing Canadian installed base of trucks manufactured by Bell to be approximately 300 units, which is expected to yield an immediate parts and service opportunity. The geographic scope and capability of Equipment's Canada-wide distribution network were central factors in securing distribution rights to this world-class product line.

On October 17, 2011, Wajax announced it had reached an agreement with LeTourneau Technologies, Inc. ("LeTourneau") providing for the dealer agreement relating to Wajax's distribution of LeTourneau mining equipment and parts products in Canada to be discontinued effective April 27, 2012. Wajax Equipment delivered all the remaining equipment orders in backlog during the quarter. LeTourneau revenue for the nine months ended September 30, 2012 included equipment sales of $25.6 million and parts and service volumes of $13.0 million and contributed approximately $8 million to the Equipment segments earnings.

Power Systems

	Three months ended September 30		Nine months ended September 30	
	2012	2011	**2012**	2011
Equipment*	**$28.6**	$45.3	**$97.5**	$116.9
Parts and service	**$47.0**	$52.7	**$155.8**	$135.0
Segment revenue	**$75.6**	$98.0	**$253.3**	$251.9
Segment earnings	**$6.0**	$9.7	**$21.1**	$25.0
Segment earnings margin	***7.9%***	*9.9%*	***8.3%***	*9.9%*

* Includes rental and other revenue.

Revenue in the third quarter of 2012 decreased $22.4 million, or 23%, to $75.6 million compared to $98.0 million in the same quarter of 2011. Segment earnings decreased $3.7 million to $6.0 million in the third quarter compared to the same quarter in the previous year. The following factors impacted quarterly revenue and earnings compared to last year:

- Equipment revenue decreased $16.7 million. The majority of the decrease was due to lower equipment volumes to off-highway oil and gas customers as a result of reduced industry activity in western Canada. In addition, lower volumes from an OEM customer in Ontario more than offset increased power generation equipment sales.

- Parts and service volumes decreased $5.7 million compared to last year mainly as a result of lower sales to off-highway customers resulting from reduced activity in western Canada's oil and gas sector. Increased power generation parts and service volumes essentially offset reduced sales to on-highway customers.

- Segment earnings in the third quarter of 2012 decreased $3.7 million compared to the same quarter last year as the impact of lower volumes and reduced equipment margins was mitigated somewhat by a $1.1 million decrease in selling and administrative expenses. Selling and administrative expenses decreased due mainly to lower annual incentive accruals.

Backlog of $65.5 million as of September 30, 2012 increased $4.6 million compared to June 30, 2012 as a large power generation order received in the Ontario region during the quarter offset the impact of a decline in oil and gas sector related backlog. Backlog decreased $5.0 million compared to September 30, 2011 due to lower oil and gas sector related backlog.

Industrial Components

	Three months ended September 30		Nine months ended September 30	
	2012	2011	**2012**	2011
Segment revenue	**$87.5**	$86.7	**$274.7**	$257.3
Segment earnings	**$5.5**	$6.2	**$18.5**	$17.2
Segment earnings margin	***6.3%***	*7.2%*	***6.7%***	*6.7%*

Revenue of $87.5 million in the third quarter of 2012 increased $0.8 million from $86.7 million in the third quarter of 2011. Segment earnings decreased $0.7 million to $5.5 million in the third quarter compared to the same quarter in the previous year. The following factors contributed to the segment's third quarter results:

- Bearings and power transmission parts sales increased $1.8 million, or 4%, compared to the same quarter last year led by higher mining sector volumes in Ontario and western Canada, improved transportation sector sales in eastern Canada and increased oil and gas and construction sector sales in western Canada. These increases were offset by a decline in revenue from industrial sector customers in eastern Canada and Ontario.

- Fluid power and process equipment products and service revenue in the third quarter of 2012 decreased $1.0 million, or 2%. Lower mining sector sales in western Canada and Ontario and lower oil and gas sector volumes more than offset higher sales to agriculture and metal processing sector customers.

- Segment earnings in the third quarter of 2012 decreased $0.7 million compared to the same quarter last year due mainly to a $0.8 million increase in selling and administration expenses. The increase in selling and administrative expenses resulted primarily from higher personnel and sales related costs and computer system upgrade expenses.

Backlog of $41.5 million as of September 30, 2012 decreased $7.7 million compared to June 30, 2012. During the quarter, $3.7 million of orders were removed from backlog due primarily to the indefinite delay of an order for the supply of hydraulic systems and related parts into the oil and gas sector. Backlog decreased $5.7 million compared to September 30, 2011.

On October 22, 2012, Industrial Components acquired all of the issued and outstanding shares of ACE Hydraulic Limited, a hydraulic cylinder repair business located in Bathurst, New Brunswick with revenues of approximately $2.0 million. The consideration for the business was $1.7 million, subject to post-closing adjustments. The acquisition represents an important step towards the segment's strategy of expanding its engineering, service and repair capabilities across Canada.

Selected Quarterly Information

The following table summarizes unaudited quarterly consolidated financial data for the eight most recently completed quarters. This quarterly information is unaudited but has been prepared on the same basis as the 2011 annual audited Consolidated Financial Statements.

	2012			**2011**				**2010**
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	**$356.4**	$386.6	$358.1	$377.2	$361.9	$334.1	$303.9	$316.4
Earnings before income taxes	**$21.8**	$25.2	$23.3	$22.5	$24.6	$22.4	$18.0	$14.9
Net earnings	**$16.2**	$18.5	$17.1	$16.6	$17.9	$16.5	$12.8	$15.8
Net earnings per share								
- Basic	**$0.97**	$1.11	$1.03	$1.00	$1.08	$0.99	$0.77	$0.95
- Diluted	**$0.95**	$1.09	$1.01	$0.98	$1.06	$0.98	$0.76	$0.93

Significant seasonal trends in quarterly revenue and earnings have not been evident over the last two years.

A discussion of Wajax's previous quarterly results can be found in Wajax's quarterly MD&A reports available on SEDAR at www.sedar.com.

Cash Flow, Liquidity and Capital Resources

Net Cash Flows Used In Operating Activities

Net cash flows used in operating activities amounted to $4.2 million in the third quarter of 2012, compared to $26.7 million generated in the same quarter of the previous year. The $30.9 million decrease was due mainly to an increased use of operating assets and liabilities ("operating working capital") of $24.3 million, higher rental equipment additions of $4.5 million and lower cash flows from operating activities before changes in operating working capital of $1.8 million.

For the nine months ended September 30, 2012, net cash flows used in operating activities amounted to $30.3 million, compared to $12.5 million generated for the same period in the previous year. The $42.8 million decrease was due primarily to an increased use of operating working capital of $42.1 million, higher rental equipment additions of $6.3 million and other liabilities of $2.6 million. This was partially offset by higher cash flows from operating activities before changes in operating working capital of $7.8 million.

Changes in operating working capital for the three and nine months of 2012 compared to the same periods in 2011 include the following components:

	Three months ended September 30		Nine months ended September 30	
Changes in operating working capital *	**2012**	2011	**2012**	2011
Trade and other receivables	**($11.4)**	$3.6	**$10.2**	$42.0
Inventories	**$5.3**	$12.5	**$47.9**	$24.6
Prepaid expenses	**($2.5)**	$2.2	**($1.7)**	$2.1
Accounts payable and accrued liabilities	**$31.6**	($18.6)	**$31.4**	($21.1)
Provisions	**$0.1**	($0.7)	**$1.1**	($0.7)
Total	**$23.2**	($1.1)	**$89.0**	$46.9

* Cash used in (generated)

Significant components of the changes in operating working capital for the quarter ended September 30, 2012 are as follows:

- Trade and other receivables decreased $11.4 million resulting from lower sales activity in the Power Systems segment's western Canada operation and in the Industrial Components segment.
- Inventories increased $5.3 million due mainly to higher mining equipment inventory in the Equipment segment.
- Accounts payable and accrued liabilities decreased $31.6 million reflecting reductions in the Equipment segment's non-interest bearing inventory supplier financing and customer deposits related to mining equipment sales. Lower inventory related trade payables, in the Industrial Components and Power Systems segments, also contributed to the decrease.

Significant components of the changes in operating working capital for the nine months ended September 30, 2012 are as follows:

- Trade and other receivables increased $10.2 million. A significant increase in the Equipment segment related to mining equipment deliveries was partially offset by reductions in the Power Systems segment on lower sales activity.
- Inventories increased $47.9 million due mainly to a $26.8 million increase in mining equipment in the Equipment segment. Also contributing to the increase were higher levels of construction equipment in the Equipment segment, project related engines in Power Systems segment's eastern Canada operation and increased stock levels in the Industrial Components segment's western Canada operation.
- Accounts payable and accrued liabilities decreased $31.4 million reflecting reductions in the Equipment segment. This was attributable to decreased customer deposits related to mining equipment sales and lower

non-interest bearing inventory supplier financing partially offset by increases in inventory trade payables. Lower inventory related trade payables in the Power Systems segment and a reduction in annual incentive accruals also contributed to the decrease.

On the consolidated statement of financial position at September 30, 2012, Wajax had employed $214.2 million in current assets net of current liabilities, exclusive of funded net debt, compared to $165.0 million at December 31, 2011. The $49.2 million increase was due primarily to the $89.0 million increase in operating working capital as detailed above, offset partially by an increase of $39.9 million in income taxes payable due in January 2013. The $39.9 million increase in income taxes payable includes approximately $23 million of tax on partnership income generated in 2011 and tax on income to be included in 2012 taxable income. See Liquidity and Capital Resources section for further detail.

Investing Activities

During the third quarter of 2012, Wajax invested $1.4 million in property, plant and equipment additions, net of disposals, compared to $0.8 million in the third quarter of 2011. Investing activities in the third quarter of 2011 also included $1.7 million of cash paid on post-closing adjustments related to the acquisition of Harper.

For the nine months ended September 30, 2012, Wajax invested $5.2 million in property, plant and equipment additions, net of disposals, compared to $2.7 million in the same period of 2011. The increase of $2.5 million includes $1.9 million of shop equipment related to the Power Systems segment's new leased facility in Drummondville, Quebec. Investing activities for the nine months ended September 30, 2011 also included $23.3 million of cash paid on the acquisition of Harper.

Financing Activities

The Corporation generated $15.1 million of cash from financing activities in the third quarter of 2012 compared to $18.3 million of cash used in financing activities in the same quarter of 2011. Financing activities in the quarter included bank debt borrowings of $29.0 million, offset partially by dividends paid to shareholders totaling $13.6 million, or $0.81 per share and finance lease payments of $0.3 million.

For the nine months ended September 30, 2012, the Corporation generated $24.0 million of cash from financing activities compared to $31.3 million of cash used in financing activities in the same period of 2011. Financing activities for the nine months ended included bank debt borrowing of $63.0 million, offset partially by dividends paid to shareholders totaling $37.0 million, or $2.22 per share, finance lease payments of $1.7 million and debt facility amendment costs of $0.2 million.

Funded net debt of $139.3 million at September 30, 2012 increased $20.0 million compared to June 30, 2012. Increases in operating working capital of $23.2 million resulted in negative cash flows from operating activities for the quarter of $4.2 million. Other uses of cash included dividends paid of $13.6 million, investing activities of $1.5 million and finance lease payments of $0.3 million. Wajax's quarter-end funded net debt-to-equity ratio of 0.58:1 at September 30, 2012 increased from the June 30, 2012 ratio of 0.50:1

Funded net debt of $139.3 million at September 30, 2012 increased $75.6 million compared to December 31, 2011. Increases in operating working capital of $89.0 million resulted in negative cash flows from operating activities for the nine months ending September 30, 2012 of $30.3 million. Other uses of cash included dividends paid of $37.0 million, investing activities of $5.4 million and finance lease payments of $1.7 million. Wajax's period-end funded net debt-to-equity ratio of 0.58:1 at September 30, 2012 increased from the December 31, 2011 ratio of 0.28:1.

Liquidity and Capital Resources

At September 30, 2012, Wajax had borrowed $123.0 million and issued $6.2 million of letters of credit for a total utilization of $129.2 million of its $225 million bank credit facility and had no utilization of its $15 million equipment financing facility. Borrowing capacity under the bank credit facility is dependent on the level of inventories on-hand and outstanding trade accounts receivables. At September 30, 2012 borrowing capacity under the bank credit facility was equal to $225.0 million.

Since its conversion back to a corporation on January 1, 2011, Wajax has not made any significant income tax payments and will not be required to make any such payments until 2013. This is due to income tax payments being deferred as a result of its partnership structure. In January 2013, Wajax will be required to make an income tax payment of approximately $44 million. This includes approximately $23 million of tax on partnership income generated in 2011 and the balance representing tax on income to be included in 2012 taxable income as a result of a change in tax legislation that has effectively removed the partnership income deferral benefit. The Corporation will also commence making monthly income tax installments in January 2013.

A key strategy of the Equipment segment is to grow its mining business through expansion into eastern Canada and the introduction of the new Hitachi mining truck. To ensure mining equipment is available to execute its strategy, Wajax has ordered certain mining equipment (large excavators and trucks) that do not currently have committed purchase orders. As such, since the beginning of the year Wajax has increased its investment in Hitachi mining equipment inventory by $26.8 million to $31.9 million as at September 30, 2012 of which $16.4 million is available to fill future customer purchases. Depending on the level of economic activity in the Canadian mining sector, Wajax may continue to finance a portion of this and other mining equipment scheduled for delivery in late 2012 and 2013 for a period of time during 2013.

Wajax's $225 million bank credit facility along with the $15 million demand inventory equipment financing facility should be sufficient to meet Wajax's short-term normal course working capital and maintenance capital requirements, including the income tax payment in January 2013 and additional mining equipment inventory. However, Wajax may be required to access the equity or debt markets in order to fund acquisitions and growth related working capital and capital expenditures.

Financial Instruments

Wajax uses derivative financial instruments in the management of its foreign currency and interest rate exposures. Wajax's policy is not to utilize derivative financial instruments for trading or speculative purposes. Significant derivative financial instruments outstanding at the end of the quarter were as follows:

- As at September 30, 2012, Wajax had no interest rate swaps outstanding. (As at September 30, 2011, Wajax was party to interest rate swaps that effectively fixed the interest rate on $80 million of debt until December 31, 2011).

- Wajax enters into short-term currency forward contracts to fix the exchange rate on the cost of certain inbound inventory and to hedge certain foreign currency-denominated sales to (receivables from) customers as part of its normal course of business. As at September 30, 2012, Wajax had contracts outstanding to buy U.S.$25.8 million and to sell U.S.$4.1 million (December 31, 2011 – to buy U.S.$36.0 million and €0.2 million and to sell U.S.$1.0 million, September 30, 2011 – to buy U.S.$29.8 million). The U.S. dollar contracts expire between October 2012 and April 2014, with a weighted average U.S./Canadian dollar rate of 1.0038.

Wajax measures derivative instruments not accounted for as hedging items, at fair value with subsequent changes in fair value being recorded in earnings. Derivatives designated as effective hedges are measured at fair value with subsequent changes in fair value being recorded in other comprehensive income until the related hedged item is recorded and affects income. The fair value of derivative instruments is estimated based upon market conditions using appropriate valuation models. The carrying values reported in the balance sheet for financial instruments are not significantly different from their fair values.

Wajax is exposed to the risk of non-performance by counterparties to short-term currency forward contracts. These counterparties are large financial institutions with a "Stable" outlook and high short-term and long-term credit ratings from Standard and Poor's. To date, no such counterparty has failed to meet its financial obligations to Wajax. Management does not believe there is a significant risk of non-performance by these counterparties and will continue to monitor the credit risk of these counterparties.

Currency Risk

There have been no material changes to currency risk since December 31, 2011.

Contractual Obligations

There have been no material changes to the Corporation's contractual obligations since December 31, 2011.

Off Balance Sheet Financing

Off balance sheet financing arrangements include operating lease contracts entered into for facilities with various landlords, a portion of the long-term lift truck rental fleet in Equipment with a non-bank lender, and office equipment with various non-bank lenders. There have been no material changes to the Corporation's total obligations for all operating leases since December 31, 2011, see the Contractual Obligations section.

Although Wajax's consolidated contractual annual lease commitments decline year-by-year, it is anticipated that existing leases will either be renewed or replaced, resulting in lease commitments being sustained at current levels. In the alternative, Wajax may incur capital expenditures to acquire equivalent capacity.

The Equipment segment had $91.2 million (2011 - $26.1 million) of consigned inventory on-hand from a major manufacturer at September 30, 2012. In the normal course of business, Wajax receives inventory on consignment from this manufacturer which is generally sold to customers or purchased by Wajax. This consigned inventory is not included in Wajax's inventory as the manufacturer retains title to the goods.

In the event the inventory consignment program was terminated, Wajax would utilize interest free financing, if any, made available by the manufacturer and/or utilize capacity under its credit facilities. Although management currently believes Wajax has adequate debt capacity, Wajax would have to access the equity or debt markets, or temporarily reduce dividends to accommodate any shortfalls in Wajax's credit facilities. See the Liquidity and Capital Resources section.

Dividends

Dividends to shareholders were declared as follows:

Record Date	Payment Date	Per Share	Amount
July 31, 2012	August 20, 2012	$0.27	$4.5
August 31, 2012	September 20, 2012	0.27	4.5
September 28, 2012	October 22, 2012	0.27	4.5
Three months ended September 30, 2012		**$0.81**	**$13.6**

On August 10, 2012 Wajax announced monthly dividends of $0.27 per share ($3.24 annualized) for the month of October payable on November 20, 2012 to shareholders of record on October 31, 2012.

On November 6, 2012 Wajax announced monthly dividends of $0.27 per share ($3.24 annualized) for each of the months of November, December, January and February payable on December 20, 2012, January 21, 2013, February 20, 2013 and March 20, 2013 to shareholders of record on November 30, 2013, December 31, 2012, January 31, 2012 and February 28, 2013, respectively.

Productive Capacity and Productive Capacity Management

There have been no material changes to the Corporation's productive capacity and productive capacity management since December 31, 2011.

Financing Strategies

Wajax's $225 million bank credit facility along with the $15 million demand inventory equipment financing facility should be sufficient to meet Wajax's short-term normal course working capital and maintenance capital requirements, including the income tax payment in January 2013 and additional mining equipment inventory. However, Wajax may be required to access the equity or debt markets in order to fund acquisitions and growth related working capital and capital expenditures. See Liquidity and Capital Resources section for additional detail.

Wajax's short-term normal course requirements for current assets net of current liabilities, exclusive of funded net debt, ("working capital") can swing widely quarter-to-quarter due to the timing of large inventory purchases and/or sales and changes in market activity. In general, as Wajax experiences growth, there is a need for additional working capital as was the case in 2011 and currently in 2012. Conversely, as Wajax experiences economic slowdowns working capital reduces reflecting the lower activity levels as was the case in 2009. Fluctuations in working capital are generally funded by, or used to repay, the bank credit facility.

Borrowing capacity under the bank credit facility is dependent on the level of Wajax's inventories on-hand and outstanding trade accounts receivables. At September 30, 2012, total borrowing capacity under the bank credit facility was equal to $225 million of which $129.2 million was utilized at September 30, 2012.

The bank credit facility contains covenants that could restrict the ability of Wajax to make dividend payments, if (i) the leverage ratio (Debt to EBITDA) is greater than 3.0 at the time of declaration of the dividend, and (ii) an event of default exists or would exist as a result of a dividend payment.

Share Capital

The shares of Wajax issued are included in shareholders' equity on the balance sheet as follows:

Issued and fully paid Shares as at September 30, 2012	**Number**	**Amount**
Balance at the beginning of the quarter	16,736,447	$106.7
Rights exercised	-	-
Balance at the end of the quarter	**16,736,447**	**$106.7**

Wajax has five share-based compensation plans; the Wajax Share Ownership Plan ("SOP"), the Deferred Share Program ("DSP"), the Directors' Deferred Share Unit Plan ("DDSUP"), the Mid-Term Incentive Plan for Senior Executives ("MTIP") and the Deferred Share Unit Plan ("DSUP"). SOP, DSP and DDSUP rights are issued to the participants and are settled by issuing Wajax Corporation shares. The cash-settled MTIP and DSUP consist of annual grants that vest over three years and are subject to time and performance vesting criteria. A portion of the MTIP and the full amount of the DSUP grants are determined by the price of the Corporation's shares. Compensation expense for the SOP, DSP and DDSUP is determined based upon the fair value of the rights at the date of grant and charged to earnings on a straight line basis over the vesting period, with an offsetting adjustment to contributed surplus. Compensation expense for the DSUP and the share-based portion of the MTIP varies with the price of the Corporation's shares and is recognized over the vesting period. Wajax recorded compensation cost of $0.6 million for the quarter (2011 - $1.2 million) and $3.7 million for the nine months ended (2011 - $3.6 million) in respect of these plans.

Critical Accounting Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and revenue and expenses during the reporting period. Actual results could differ from those estimates. The Corporation bases its estimates on historical experience and various other assumptions that are believed to be reasonable in the circumstances.

The areas where significant judgements and assumptions are used to determine the amounts recognized in the financial statements include the provision for doubtful accounts, inventory obsolescence, asset impairment, classification of leases, impairment of intangible assets, warranty provision and the measurement of employee defined benefit obligations. In preparing the financial statements for the quarter ended September 30, 2012, the significant judgments made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty are the same as those applied in the recently reported audited consolidated financial statements for the year ended December 31, 2011 which can be found on SEDAR at www.sedar.com.

Accounting Changes

Standards and interpretations not yet effective

In its MD&A for the year ended December 31, 2011 the Corporation described numerous new accounting standards which have been published but which have not yet been adopted by the Corporation. There have been no updates to these standards except as follows:

During the first quarter of 2012, the Corporation assessed the impact of adopting IFRS 9 *Financial Instruments* and does not believe that it will have a material impact on its consolidated financial statements because of the types of financial instruments that it holds.

As of January 1, 2013, the Corporation will be required to adopt amendments to IFRS 7 *Financial Instruments: Disclosures*, which contain new disclosure requirements for financial assets and financial liabilities that are offset in the statement of financial position. The Corporation is currently assessing the impact of the amendments to this standard on its consolidated financial statements.

As of January 1, 2014, the Corporation will be required to adopt amendments to IAS 32 *Financial Instruments: Presentation*, which clarifies the conditions for offsetting financial assets and financial liabilities. As the amendments only require changes in the presentation of items in the statement of financial position, the Corporation does not expect the amendments to IAS 32 to have a material impact on the financial statements.

Risk Management and Uncertainties

As with most businesses, Wajax is subject to a number of marketplace and industry related risks and uncertainties which could have a material impact on operating results and Wajax's ability to pay cash dividends to shareholders. Wajax attempts to minimize many of these risks through diversification of core businesses and through the geographic diversity of its operations. In addition, Wajax has adopted an annual enterprise risk management assessment which is prepared by the Corporation's senior management and overseen by the Board of Directors and Committees of the Board. The enterprise risk management framework sets out principles and tools for identifying, evaluating, prioritizing and managing risk effectively and consistently across Wajax. There are however, a number of risks that deserve particular comment which are discussed in detail in the MD&A for the year ended December 31, 2011 which can be found on SEDAR at www.sedar.com. There have been no material changes to the business of Wajax that require an update to the discussion of the applicable risks discussed in the MD&A for the year ended December 31, 2011.

Outlook

Overall results for the quarter met management's expectations. The Equipment segment continued to grow earnings year-over-year in spite of the loss of the LeTourneau product support business. The Equipment segment enjoyed higher equipment sales on stronger construction and material handling markets. Softer economic conditions, particularly related to the western Canadian oil and gas sector, negatively impacted profitability in the Power Systems and Industrial Components segments. Overall backlog declined primarily as a result of a reduction in customer orders in the mining and oil and gas sectors and the delivery of the last two LeTourneau mining loaders. While the number of outstanding quotes for mining equipment continues to be significant, customers have been delaying their purchasing decisions in the face of lower commodity prices.

Looking forward Wajax expects softness in the oil and gas and mining sectors to continue into 2013. This, combined with initial signs of some slowing in other areas of the Canadian economy leads management to a more cautious view of near term results. However, management continues to expect that full year earnings will be modestly higher compared to 2011.

Wajax believes the addition of the Bell truck line will play an important role in the continued growth of its Equipment segment. Management remains confident in its strategy and will continue to invest in its mining equipment inventory program and other strategic initiatives to ensure Wajax is well positioned to capitalize on market opportunities as customer purchasing decisions accelerate.

Additional information, including Wajax's Annual Report and Annual Information Form, are available on SEDAR at www.sedar.com.

WAJAX CORPORATION

Unaudited Condensed Consolidated Financial Statements

For the three and nine months ended September 30, 2012

Notice required under National Instrument 51-102, “Continuous Disclosure Obligations” Part 4.3(3) (a):

The attached condensed consolidated financial statements have been prepared by Management of Wajax Corporation and have not been reviewed by the Corporation’s auditors.

W A J A X   C O R P O R A T I O N

C O N D E N S E D   C O N S O L I D A T E D   S T A T E M E N T S   O F   F I N A N C I A L   P O S I T I O N

As at (unaudited, in thousands of Canadian dollars)	Note		**September 30, 2012**		December 31, 2011
ASSETS					
CURRENT					
Cash		**$**	**-**	$	5,659
Trade and other receivables			**184,472**		174,233
Inventories			**290,659**		241,524
Prepaid expenses			**6,354**		8,033
			481,485		429,449
NON-CURRENT					
Rental equipment	3		**42,828**		28,060
Property, plant and equipment	4		**49,439**		47,924
Intangible assets			**83,608**		84,493
Deferred taxes	9		**4,058**		-
			179,933		160,477
		$	**661,418**	$	589,926
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT					
Bank indebtedness		**$**	**6,013**	$	-
Accounts payable and accrued liabilities			**215,244**		247,158
Provisions			**4,602**		5,704
Dividends payable			**4,519**		3,326
Income taxes payable			**42,332**		2,398
Obligations under finance leases			**3,577**		3,646
Derivative instruments			**586**		208
			276,873		262,440
NON-CURRENT					
Provisions			**4,578**		4,010
Deferred taxes	9		**-**		17,694
Employee benefits			**6,858**		6,843
Other liabilities			**1,854**		5,644
Obligations under finance leases			**7,716**		6,688
Bank debt	5		**121,971**		59,021
			142,977		99,900
SHAREHOLDERS' EQUITY					
Share capital	6		**106,651**		105,371
Contributed surplus			**4,127**		4,888
Retained earnings			**130,990**		117,477
Accumulated other comprehensive loss			**(200)**		(150)
Total shareholders' equity			**241,568**		227,586
		$	**661,418**	$	589,926

These condensed consolidated financial statements were approved by the Board of Directors on November 6, 2012.

WAJAX CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(unaudited, in thousands of Canadian dollars, except per share data)	Note	Three months ended September 30 2012	2011	Nine months ended September 30 2012	2011
Revenue		**$ 356,396**	$ 361,920	**$ 1,101,085**	$ 999,918
Cost of sales		**285,304**	287,212	**872,880**	786,817
Gross profit		**71,092**	74,708	**228,205**	213,101
Selling and administrative expenses		**48,087**	48,736	**154,662**	144,623
Earnings before finance costs and income taxes		**23,005**	25,972	**73,543**	68,478
Finance costs		**1,161**	1,392	**3,105**	3,477
Earnings before income taxes		**21,844**	24,580	**70,438**	65,001
Income tax expense	9	**5,669**	6,692	**18,693**	17,759
Net earnings		**$ 16,175**	$ 17,888	**$ 51,745**	$ 47,242
Basic earnings per share	10	**$ 0.97**	$ 1.08	**$ 3.10**	$ 2.84
Diluted earnings per share	10	**$ 0.95**	$ 1.06	**$ 3.05**	$ 2.79

WAJAX CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited, in thousands of Canadian dollars)	Three months ended September 30 2012	2011	Nine months ended September 30 2012	2011
Net earnings	**$ 16,175**	$ 17,888	**$ 51,745**	$ 47,242
Losses on derivative instruments designated as cash flow hedges in prior periods reclassified to cost of inventory or finance costs during the period, net of tax of $12 (2011 – $70) and year to date, net of tax of $121 (2011 – $460)	**34**	185	**331**	1,214
(Losses) gains on derivative instruments outstanding at the end of the period designated as cash flow hedges, net of tax of $79 (2011 – $593) and year to date, net of tax of $134 (2011 – $506)	**(223)**	1,654	**(381)**	1,416
Other comprehensive (loss) income, net of tax	**(189)**	1,839	**(50)**	2,630
Total comprehensive income	**$ 15,986**	$ 19,727	**$ 51,695**	$ 49,872

WAJAX CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the nine months ended September 30, 2012 (unaudited, in thousands of Canadian dollars)	Note		Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive (loss) income ("AOCL") Cash flow hedges		Total
January 1, 2012		$	105,371	4,888	117,477	(150)	$	227,586
Net earnings			-	-	51,745	-		51,745
Other comprehensive loss			-	-	-	(50)		(50)
Total comprehensive income for the period			-	-	51,745	(50)		51,695
Shares issued to settle share-based compensation plans			1,280	(1,280)	-	-		-
Dividends	7		-	-	(38,232)	-		(38,232)
Share-based compensation expense	8		-	519	-	-		519
September 30, 2012		**$**	**106,651**	**4,127**	**130,990**	**(200)**	**$**	**241,568**

W A J A X   C O R P O R A T I O N

C O N D E N S E D   C O N S O L I D A T E D   S T A T E M E N T S   O F   C H A N G E S   I N   S H A R E H O L D E R S ' E Q U I T Y

For the nine months ended September 30, 2011 (unaudited, in thousands of Canadian dollars)	Note	Share capital	Trust units	Contributed surplus	Retained earnings	AOCL Cash flow hedges	Total
January 1, 2011		$ -	105,371	3,931	91,805	(1,777)	$ 199,330
Conversion to corporation		105,371	(105,371)	-	-	-	-
Net earnings		-	-	-	47,242	-	47,242
Other comprehensive income		-	-	-	-	2,630	2,630
Total comprehensive income for the period		-	-	-	47,242	2,630	49,872
Dividends	7	-	-	-	(25,609)	-	(25,609)
Share-based compensation expense	8	-	-	1,343	-	-	1,343
September 30, 2011		**$ 105,371**	**-**	**5,274**	**113,438**	**853**	**$ 224,936**

W A J A X   C O R P O R A T I O N

C O N D E N S E D   C O N S O L I D A T E D   S T A T E M E N T S   O F   C A S H   F L O W S

(unaudited, in thousands of Canadian dollars)	Note	Three months ended September 30 2012	Three months ended September 30 2011	Nine months ended September 30 2012	Nine months ended September 30 2011
OPERATING ACTIVITIES					
Net earnings		**$ 16,175**	$ 17,888	**$ 51,745**	$ 47,242
Items not affecting cash flow:					
Depreciation and amortization					
Rental equipment		**2,079**	1,301	**5,479**	3,367
Property, plant and equipment		**1,286**	1,142	**3,598**	3,177
Assets under finance lease		**867**	783	**2,604**	2,229
Intangible assets		**360**	320	**1,090**	901
(Gain) loss on disposal of property, plant and equipment	4	**(17)**	2	**129**	(14)
Share rights plans compensation expense	8	**222**	431	**519**	1,343
Non-cash rental income		**(374)**	(129)	**(663)**	(178)
Employee benefits expense (income), net of payments		**21**	(270)	**15**	(524)
Non-cash loss on derivative instruments		**295**	-	**313**	-
Finance costs		**1,161**	1,392	**3,105**	3,477
Income tax expense	9	**5,669**	6,692	**18,693**	17,759
Cash flows from operating activities before changes in operating assets and liabilities		**27,744**	29,552	**86,627**	78,779
Changes in operating assets and liabilities:					
Trade and other receivables		**11,386**	(3,588)	**(10,239)**	(41,964)
Inventories		**(5,281)**	(12,462)	**(47,889)**	(24,569)
Prepaid expenses		**2,447**	(2,207)	**1,679**	(2,106)
Accounts payable and accrued liabilities		**(31,631)**	18,601	**(31,434)**	21,072
Provisions		**(112)**	726	**(1,102)**	659
		(23,191)	1,070	**(88,985)**	(46,908)
Cash flows generated from (used in) operating activities		**4,553**	30,622	**(2,358)**	31,871
Rental equipment additions	3	**(7,926)**	(3,472)	**(21,493)**	(15,181)
Provisions, non-current		**(210)**	233	**568**	270
Other liabilities		**489**	633	**(3,790)**	(1,216)
Finance costs paid		**(1,072)**	(1,295)	**(2,741)**	(3,121)
Income taxes paid		**(25)**	(61)	**(500)**	(98)
Net cash flows (used in) generated from operating activities		**(4,191)**	26,660	**(30,314)**	12,525
INVESTING ACTIVITIES					
Property, plant and equipment additions	4	**(1,469)**	(811)	**(5,648)**	(2,775)
Proceeds on disposal of property, plant and equipment	4	**108**	28	**495**	85
Intangible assets additions		**(168)**	(50)	**(205)**	(293)
Acquisition of business		**-**	(1,654)	**-**	(23,257)
Net cash flows used in investing activities		**(1,529)**	(2,487)	**(5,358)**	(26,240)
FINANCING ACTIVITIES					
Increase (decrease) in bank debt	5	**29,000**	(7,000)	**62,998**	7,000
Debt facility amendment income (expense)	5	**7**	(1,072)	**(225)**	(1,072)
Finance lease payments		**(339)**	(916)	**(1,734)**	(2,509)
Dividends paid		**(13,557)**	(9,312)	**(37,039)**	(34,755)
Net cash flows generated from (used in) financing activities		**15,111**	(18,300)	**24,000**	(31,336)
Net change in cash		**9,391**	5,873	**(11,672)**	(45,051)
(Bank indebtedness) cash - beginning of period		**(15,404)**	(7,970)	**5,659**	42,954
Bank indebtedness - end of period		**$ (6,013)**	$ (2,097)	**$ (6,013)**	$ (2,097)

SEPTEMBER 30, 2012
(unaudited, amounts in thousands of Canadian dollars, except share and per share data)

1. COMPANY PROFILE

Wajax Corporation (the "Corporation") is incorporated in Canada. The address of the Corporation's registered office is 3280 Wharton Way, Mississauga, Ontario, Canada. The Corporation's core distribution businesses are engaged in the sale and after-sale parts and service support of equipment, power systems and industrial components, through a network of 118 branches across Canada. The Corporation is a multi-line distributor and represents a number of leading worldwide manufacturers across its core businesses. Its customer base is diversified, spanning natural resources, construction, transportation, manufacturing, industrial processing and utilities.

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and do not include all of the disclosures required for full consolidated financial statements. Accordingly, these condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of Wajax Corporation for the year ended December 31, 2011. The significant accounting policies follow those disclosed in the most recently reported audited consolidated financial statements.

Basis of measurement

The condensed consolidated financial statements have been prepared under the historical cost basis except for derivative financial instruments and liabilities for cash-settled share-based payment arrangements that have been measured at fair value. The employee benefit liability is recognized as the net total of the pension plan assets, plus unrecognized past service cost and unrecognized actuarial losses, less unrecognized actuarial gains and losses and the present value of the defined benefit obligation.

Functional and presentation currency

These condensed consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand, unless otherwise stated and except share and per share data.

3. RENTAL EQUIPMENT

The Corporation acquired rental equipment with a cost of $7,926 during the quarter (2011 – $3,472) and $21,493 year to date (2011 – $15,181). Rental equipment with a carrying amount of $596 during the quarter (2011 – $230) and $1,246 year to date (2011 – $2,296) ceased to be rented and was classified as held for sale in the normal course of business and transferred to inventories.

4. PROPERTY, PLANT AND EQUIPMENT

The Corporation acquired property, plant and equipment with a cost of $1,469 during the quarter (2011 – $811) and $5,648 year to date (2011 – $2,775). Assets with a carrying amount of $91 during the quarter (2011 – $30) and $624 year to date (2011 – $71) were disposed of, resulting in gains on disposal of $17 during the quarter (2011 – loss of $2) and losses on disposal of $129 year to date (2011 – gain of $14).

5. BANK DEBT

On May 24, 2012, the Corporation amended its bank credit facility to increase the limit of the revolving term portion of the facility by $50,000 on substantially the same terms and conditions as the existing facility. The fully secured facility, due August 12, 2016, is now comprised of a $30,000 non-revolving term portion and a $195,000 revolving term portion. The $225 cost of amending the facility has been capitalized and will be amortized over the remaining term of the facility.

6. SHARE CAPITAL

	Number of Shares		Amount
Balance, January 1, 2012	16,629,444	$	105,371
Shares issued to settle share-based compensation plans	107,003		1,280
Balance, September 30, 2012	**16,736,447**	**$**	**106,651**

7. DIVIDENDS DECLARED

During the three months ended September 30, 2012, the Corporation declared cash dividends of $0.81 per share or $13,557 (September 30, 2011, dividends of $0.58 per share or $9,645).

Year to date, the Corporation declared cash dividends of $2.29 per share or $38,232 (September 30, 2011, dividends of $1.54 per share or $25,609).

The Corporation has declared dividends of $0.27 per share or $4,519 in the month of October 2012.

8. SHARE-BASED COMPENSATION PLANS

The Corporation has five share-based compensation plans: the Wajax Share Ownership Plan (“SOP”), the Deferred Share Program (“DSP”), the Directors’ Deferred Share Unit Plan (“DDSUP”), the Mid-Term Incentive Plan for Senior Executives (“MTIP”) and the Deferred Share Unit Plan (“DSUP”).

a) Share Rights Plans

The Corporation recorded compensation cost of $222 for the quarter (2011 – $431) and $519 for the year to date (2011 – $1,343) in respect of these plans.

Share Ownership Plan	**September 30, 2012**			September 30, 2011		
	Number of Rights		Fair value at time of grant	Number of Rights		Fair value at time of grant
Outstanding at beginning of year	**109,788**	**$**	**1,024**	101,999	$	1,024
Granted in the period – new grants	**14,311**		**725**	-		-
– dividend equivalents	**4,009**		**-**	5,977		-
Settled in the period	**(55,522)**		**(471)**	-		-
Outstanding at end of period	**72,586**	**$**	**1,278**	107,976	$	1,024

At September 30, 2012, 53,225 SOP rights were vested (September 30, 2011 – 99,077).

Deferred Share Program	**September 30, 2012**			September 30, 2011		
	Number of Rights		Fair value at time of grant	Number of Rights		Fair value at time of grant
Outstanding at beginning of year	**30,216**	**$**	**750**	24,164	$	600
Granted in the period – new grants	**-**		**-**	3,989		150
– dividend equivalents	**1,475**		**-**	1,565		-
Outstanding at end of period	**31,691**	**$**	**750**	29,718	$	750

All DSP rights have vested at September 30, 2012 (no rights had vested at September 30, 2011).

Directors' Deferred Share Unit Plan	**September 30, 2012**			September 30, 2011		
	Number of Rights		Fair value at time of grant	Number of Rights		Fair value at time of grant
Outstanding at beginning of year	**176,591**	**$**	**3,134**	147,797	$	2,509
Granted in the period – new grants	**9,106**		**423**	11,907		424
– dividend equivalents	**7,778**		**-**	8,816		-
Settled in the period	**(51,481)**		**(809)**	-		-
Outstanding at end of period	**141,994**	**$**	**2,748**	168,520	$	2,933

DDSUP rights vest immediately upon grant.

b) Mid-Term Incentive Plan for Senior Executives ("MTIP")

The Corporation recorded compensation cost of $293 for the quarter (2011 – $591) and $2,868 for the year to date (2011 – $2,150) in respect of the share-based portion of the MTIP. At September 30, 2012, the carrying amount of the share-based portion of the MTIP liability was $6,166 (2011 – $6,002).

c) Deferred Share Unit Plan ("DSUP")

The Corporation recorded compensation cost of $104 for the quarter (2011 – $142) and $298 for the year to date (2011 – $142) in respect of the DSUP. At September 30, 2012, the carrying amount of the DSUP liability was $467 (2011 – $142).

9. INCOME TAXES

Income tax expense comprises current and deferred tax as follows:

For the nine months ended September 30		**2012**		2011
Current	**$**	**40,430**	$	716
Deferred – Origination and reversal of temporary difference		**(21,692)**		17,867
– Change in tax law and rates		**(45)**		(824)
Income tax expense	**$**	**18,693**	$	17,759

The calculation of current tax is based on a combined federal and provincial statutory income tax rate of 26.2% (2011 – 27.7%). The tax rate for the current year is 1.5% lower than 2011 due to the effect of the reduced statutory tax rates. Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax assets and liabilities have been measured using an expected average combined statutory income tax rate of 26.1% based on the tax rates in years when the temporary differences are expected to reverse.

The reconciliation of effective income tax is as follows:

For the nine months ended September 30		**2012**		2011
Combined statutory income tax rate		**26.2%**		27.7%
Expected income tax expense at statutory rates	**$**	**18,455**	$	18,005
Non-deductible expenses		**383**		619
Deferred tax related to changes in tax law and rates		**(45)**		(824)
Other		**(100)**		(41)
Income tax expense	**$**	**18,693**	$	17,759

Recognized deferred tax assets and liabilities

Recognized deferred tax assets and liabilities are comprised as follows:

		September 30, 2012		December 31, 2011
Accrued liabilities	**$**	**5,380**	$	5,249
Provisions		**1,431**		2,504
Employee benefits		**1,777**		1,752
Property, plant and equipment		**(1,890)**		(1,773)
Finance leases		**85**		(195)
Intangible assets		**(2,740)**		(2,355)
Deferred financing costs		**40**		(29)
Partnership income not currently taxable		**(421)**		(23,236)
Tax loss carryforwards		**325**		333
Derivative instruments		**71**		56
Net deferred tax assets (liabilities)	**$**	**4,058**	$	(17,694)

10. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	Three months ended September 30		Nine months ended September 30	
	2012	2011	**2012**	2011
Numerator for basic and diluted earnings per share:				
– net earnings	**$ 16,175**	$ 17,888	**$ 51,745**	$ 47,242
Denominator for basic earnings per share: – weighted average shares	**16,736,447**	16,629,444	**16,687,593**	16,629,444
Denominator for diluted earnings per share:				
– weighted average shares	**16,736,447**	16,629,444	**16,687,593**	16,629,444
– effect of dilutive share rights	**227,247**	294,679	**259,443**	287,184
Denominator for diluted earnings per share	**16,963,694**	16,924,123	**16,947,036**	16,916,628
Basic earnings per share	**$ 0.97**	$ 1.08	**$ 3.10**	$ 2.84
Diluted earnings per share	**$ 0.95**	$ 1.06	**$ 3.05**	$ 2.79

No share rights were excluded from the above calculations as none were anti-dilutive.

11. OPERATING SEGMENTS

The Corporation operates through a network of 118 branches in Canada in three core businesses which reflect the internal organization and management structure according to the nature of the products and services provided. The Corporation's three core businesses are: i) the distribution, modification and servicing of equipment; ii) the distribution, servicing and assembly of power systems; and iii) the distribution, servicing and assembly of industrial components.

For the three months ended September 30, 2012	**Equipment**	**Power Systems**	**Industrial Components**	**Segment Eliminations and Unallocated Amounts**	**Total**
Equipment	$ 122,300	$ 27,383	$ -	$ -	$ 149,683
Parts	38,526	31,114	82,909	-	152,549
Service	23,177	15,863	4,575	-	43,615
Rental and other	10,190	1,234	-	(875)	10,549
Revenue	$ 194,193	$ 75,594	$ 87,484	$ (875)	$ 356,396
Segment earnings before finance costs and income taxes	$ 13,306	$ 6,004	$ 5,511	$	$ 24,821
Corporate costs and eliminations				(1,816)	(1,816)
Earnings before finance costs and income taxes	13,306	6,004	5,511	(1,816)	23,005
Finance costs				1,161	1,161
Income tax expense				5,669	5,669
Net earnings	$ 13,306	$ 6,004	$ 5,511	$ (8,646)	$ 16,175

For the nine months ended September 30, 2012	**Equipment**	**Power Systems**	**Industrial Components**	**Segment Eliminations and Unallocated Amounts**	**Total**
Equipment	$ 356,832	$ 93,518	$ -	$ -	$ 450,350
Parts	123,203	103,738	260,485	-	487,426
Service	70,493	52,087	14,239	-	136,819
Rental and other	26,337	3,924	-	(3,771)	26,490
Revenue	$ 576,865	$ 253,267	$ 274,724	$ (3,771)	$ 1,101,085
Segment earnings before finance costs and income taxes	$ 42,135	$ 21,115	$ 18,523	$	$ 81,773
Corporate costs and eliminations				(8,230)	(8,230)
Earnings before finance costs and income taxes	42,135	21,115	18,523	(8,230)	73,543
Finance costs				3,105	3,105
Income tax expense				18,693	18,693
Net earnings	$ 42,135	$ 21,115	$ 18,523	$ (30,028)	$ 51,745
As at September 30, 2012					
Segment assets excluding intangible assets	$ 307,928	$ 144,692	$ 121,398	$	$ 574,018
Intangible assets	21,906	14,558	47,139	5	83,608
Corporate and other assets				3,792	3,792
Total assets	$ 329,834	$ 159,250	$ 168,537	$ 3,797	$ 661,418

For the three months ended September 30, 2011	Equipment	Power Systems	Industrial Components	Segment Eliminations and Unallocated Amounts	Total
Equipment	$ 108,446	$ 44,682	$ -	$ -	$ 153,128
Parts	40,407	36,787	82,113	-	159,307
Service	21,027	15,842	4,614	-	41,483
Rental and other	8,048	662	-	(708)	8,002
Revenue	$ 177,928	$ 97,973	$ 86,727	$ (708)	$ 361,920
Segment earnings before finance costs and income taxes	$ 12,714	$ 9,745	$ 6,215	$	$ 28,674
Corporate costs and eliminations				(2,702)	(2,702)
Earnings before finance costs and income taxes	12,714	9,745	6,215	(2,702)	25,972
Finance costs				1,392	1,392
Income tax expense				6,692	6,692
Net earnings	$ 12,714	$ 9,745	$ 6,215	$ (10,786)	$ 17,888

For the nine months ended September 30, 2011	Equipment	Power Systems	Industrial Components	Segment Eliminations and Unallocated Amounts	Total
Equipment	$ 280,032	$ 113,529	$ -	$ -	$ 393,561
Parts	129,184	90,236	243,808	-	463,228
Service	61,843	44,805	13,538	-	120,186
Rental and other	22,493	3,366	-	(2,916)	22,943
Revenue	$ 493,552	$ 251,936	$ 257,346	$ (2,916)	$ 999,918
Segment earnings before finance costs and income taxes	$ 35,856	$ 25,030	$ 17,204	$	$ 78,090
Corporate costs and eliminations				(9,612)	(9,612)
Earnings before finance costs and income taxes	35,856	25,030	17,204	(9,612)	68,478
Finance costs				3,477	3,477
Income tax expense				17,759	17,759
Net earnings	$ 35,856	$ 25,030	$ 17,204	$ (30,848)	$ 47,242

As at September 30, 2011					
Segment assets excluding intangible assets	$ 243,857	$ 143,400	$ 112,371	$	$ 499,628
Intangible assets	21,660	14,836	47,888	11	84,395
Corporate and other assets				1,912	1,912
Total assets	$ 265,517	$ 158,236	$ 160,259	$ 1,923	$ 585,935

Segment assets do not include assets associated with the corporate office or income tax balances. Additions to corporate assets, and depreciation of these assets, are included in segment eliminations and unallocated amounts.

12. SUBSEQUENT EVENT

On October 22, 2012, Wajax Industrial Components acquired all of the issued and outstanding shares of ACE Hydraulic Limited, a hydraulic cylinder repair business located in Bathurst, New Brunswick with revenues of approximately $2.0 million. The consideration for the business was $1.7 million, subject to post-closing adjustments. The acquisition represents a step towards the segment's strategy of expanding its engineering, service and repair capabilities across Canada.