



[About Marketwire](#) | [Workflow Solutions](#) | [Resource Center](#) | [News Room](#) | [Contact Us](#) | [Home](#) | [Version Française](#)

[Advanced Search](#) | [All Recent News](#) | [Email a Friend](#) | [Print-Friendly](#)

Drive Products Income Fund

TSX: **DPI.UN**



Dec 14, 2007 11:20 ET

Drive Products Income Fund Adds the Docap Product Lines and Distribution Channel

TORONTO, ONTARIO--(Marketwire - Dec. 14, 2007) - Drive Products Income Fund (TSX:DPI.UN) today announced that it has added new product lines and expanded its distribution channel by adding the "Docap" line of products. "The Docap line includes automotive and industrial aftermarket products and fits in nicely with our core line of products", said Greg Edmonds, Chief Executive Officer. Docap (1985) Corporation has been operating under creditor protection since 2003 and its assets were recently purchased by a third party liquidator. The Fund has negotiated with the third party liquidator to purchase specific inventory and will continue to sell to their long list of customers. Inventory that is expected to sell within the next 12-month period will be purchased and it will be purchased at a discounted cost price. The Fund will have access to the Docap database and their extensive customer list which is currently comprised of about 1,200 active customers. The Fund has commenced selling the Docap product lines and these sales will be reflected in the Q4 2007 results of the Fund. An analysis of the inventory is presently underway and the actual acquisition of the inventory is not expected to be finalized prior to January 1, 2008. Management anticipates the purchase price will not exceed \$2 million.

"With an experienced sales force and a defined distribution channel, we saw an opportunity to add complementary product lines and markets without the burden of a start up. Docap has branches in Toronto, Montreal and Edmonton and we believe that we will be able to internalize a good portion of these operations into our existing premises. By accessing their existing customer list, we will be able to upsell many of their customers with our complementary products and they will be able to do likewise with our customers. The Fund has not acquired Docap (1985) Corporation nor any goodwill or liabilities. The existing customers will continue to be sold under the Docap brand, which will operate as a new division of the Fund. This transaction is in line with our growth strategy and further diversifies our exposure to certain markets and industries", said Greg Edmonds. For the previous five fiscal periods, sales averaged approximately \$13.3 million per year and for the 11-month period ended November 30, 2007, Docap had sales of approximately \$10.3 million. Management expects to retain at least 75% of this level of business. In addition, while operating under creditor protection, the company's order fill rate was probably less than ideal and management believes that this will improve under the Fund. Management believes that the transaction will be accretive to the Fund.

About Drive Products Income Fund

Founded in 1983, Drive Products is a Canadian leader in the design and installation of systems solutions that transform a conventional new truck chassis into a specialized vehicle that meets a customer's technical and performance requirements. To achieve this, Drive Products offers a wide variety of products such as power take-offs, hydraulic pumps, motors and coolers, winches, cables and controls, drivelines, blowers and compressors, hoses and fittings, custom consoles, snowplows, spreaders and electronic spreader controls, from leading international manufacturers, in many instances as the sole distributor in Canada. The Fund was created on August 25, 2006 and the Fund's units trade on the Toronto Stock Exchange under the symbol DPI.UN. Drive Products Income Fund holds a 54.5% indirect interest in Drive Products. The remaining 45.5% is indirectly held by senior management.

Forward-Looking Statements

This press release contains forward-looking statements relating to expected future events and financial and operating results of the Fund. These statements involve known and unknown risks and uncertainties. Actual results may differ materially from those anticipated by such forward-looking statements for a variety of reasons, including without limitation, market and general economic conditions and the risks and uncertainties detailed from time to time in the Fund's continuous disclosure documents filed with the Canadian securities regulatory authorities. The Fund disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

For more information, please contact



Wholesale Distributors
Web: www.tackle-by-dy.com
Email: info@tackle-by-dy.com
Phone/Fax: 807-933-4946
Kaministiquia, Ont., P0T1X0

[Click here to see all recent news from this company](#)

Privacy Statement | Terms of Service | Sitemap | © 2007 Marketwire, Incorporated. All rights reserved.
1-800-774-9473 (US) | 1-888-299-0338 (Canada) | +44-20-7562-6550 (UK)

