



*NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.*

## **NEWS RELEASE**

### **Exchange Income Corporation Announces \$40,000,000 Bought Deal Financing of 6.00% Convertible Unsecured Subordinated Debentures**

**WINNIPEG, Manitoba – January 22, 2014** – Exchange Income Corporation (TSX: EIF) (the “Corporation”) announced today that it has reached an agreement with a syndicate of underwriters co-led by National Bank Financial Inc., CIBC World Markets Inc. and Laurentian Bank Securities Inc. and including Raymond James Ltd., Scotia Capital Inc., TD Securities Inc., Canaccord Genuity Corp., AltaCorp Capital Inc., and Stonecap Securities Inc. (the “Underwriters”), pursuant to which the Corporation will issue on a “bought deal” basis, subject to regulatory approval, \$40,000,000 aggregate principal amount of convertible unsecured subordinated debentures (the “Debentures”) at a price of \$1,000 per principal amount of Debentures (the “Offering”). The Corporation has granted to the Underwriters an over-allotment option to purchase up to an additional \$6,000,000 aggregate principal amount of Debentures at the same price, exercisable in whole or in part at any time for a period of up to 30 days following closing of the Offering, to cover over-allotments. The Corporation intends to use the net proceeds from the Offering to reduce indebtedness and for general corporate purposes.

The Debentures will bear interest from the date of closing at 6.00% per annum, payable semiannually in arrears on September 30 and March 31 each year commencing March 31, 2014. The Debentures will each have a maturity date of March 31, 2021 (the “Maturity Date”).

The Debentures will be convertible at the holder’s option at any time prior to the close of business on the earlier of the Maturity Date and the business day immediately preceding the date specified by the Corporation for redemption of the Debentures into common shares of the Corporation (“Common Shares”) at a conversion price of approximately \$31.70 per Common Share, being a conversion rate of 31.5457 Common Shares for each \$1,000 principal amount of Debentures, subject to adjustment as provided in the indenture governing the Debentures.

Closing of the Offering is expected to occur on or about February 11, 2014. The Offering is subject to normal regulatory approvals, including approval of the Toronto Stock Exchange of the listing of the Debentures and the Common Shares to be issued upon conversion of the Debentures. The Debentures will be offered in each of the provinces of Canada other than the province of Quebec by way of a short form prospectus, and by way of private placement in the United States to Qualified Institutional Buyers pursuant to Rule 144A.

#### **About Exchange Income Corporation**

The Corporation is a diversified acquisition-oriented company, focused on opportunities in the industrial products and transportation sectors which are ideally suited for public markets except for their size. The strategy of the Corporation is to invest in profitable, well-established companies with strong cash flows operating in niche markets in Canada and/or the United States.

The Corporation is currently operating in two niche business segments: aviation and specialty manufacturing. The aviation segment consists of the operations by Perimeter Aviation, Keewatin Air, Calm Air International, Bearskin Lake Services, Custom Helicopters and Regional One, and the specialty manufacturing segment consists of the operations by Jasper Tank, Overlanders Manufacturing, Water Blast Manufacturing, Stainless Fabrication and WesTower Communications. For more information on Exchange Income Corporation, please visit [www.exchangeincomecorp.ca](http://www.exchangeincomecorp.ca).

Additional information relating to the Corporation, including all public filings, is available on SEDAR ([www.sedar.com](http://www.sedar.com)).

**Forward-Looking Information:**

*This news release of Exchange Income Corporation (the "Corporation") contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). All statements other than statements of historical fact contained herein are forward-looking statements, including, without limitation, statements regarding the offering and the results, performance, achievements and developments of the Corporation and/or its subsidiaries. Words such as "believes", "expects", "will", "may", "could", "intends", "projects", "anticipates", "plans", "estimates", "continues" or similar words or the negative thereof are intended to identify forward-looking statements. Forward-looking statements are necessarily based upon a number of expectations or assumptions that, while considered reasonable by management at the time the statements are made, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Readers are cautioned to not place undue reliance on forward-looking statements which only speak as to the date they are made. Although management believes that the expectations and assumptions underlying such forward-looking statements are reasonable, there can be no assurance that such expectations or assumptions will prove to be correct. A number of factors could cause actual future results, performance, achievements and developments of the Corporation and/or its subsidiaries to differ materially from anticipated results, performance, achievements and developments expressed or implied by such forward-looking statements. Such factors include, but are not limited to: (i) risks associated with the ability to satisfy regulatory and commercial closing conditions of the offering; (ii) risks specific to the Corporation, including risks related to the credit facilities of the Corporation, level of economic growth, state of capital markets, management of acquisitions, availability of dividends, volatility of the price of the Corporation's shares, availability of future financing, growth initiatives by the Corporation, interest rates, diversification, capital investment, general economic factors, regulation, investment risk, dilution risk, dependence on key personnel and income tax issues; (iii) risks specific to the Corporation's operating subsidiaries, including risks related to seasonality and cyclicity, restrictions on potential growth of the Corporation's operating subsidiaries, dependence on key personnel, competition, risk of liability, management and operations, general uninsured losses, environmental matters, foreign exchange risk, commodity price risk, raw material exposure, potential conflicts of interest, labour disruptions, labour supply and dependence on information systems and technology; (iv) risks relating to the aviation industry, including fluctuations in operating results, seasonality and cyclicity, contract with the Government of Nunavut, fuel costs, compliance with government regulations, government funding for First Nations health care and aviation accidents; and (v) risks specifically relating to the specialty manufacturing industry, including supply dependency, contracts with distributors, dependence on sales and marketing organizations, market trends, labour supply and exposure to the Alberta economy and the energy sector.*

*The foregoing list of factors is not exhaustive of the factors that may affect any of the Corporation's forward-looking statements. Risks and uncertainties regarding the Corporation and its subsidiaries are more fully discussed in the Corporation's filings with Canadian provincial securities regulatory authorities, including its most recent annual information form and management discussion and analysis, copies of which are available on [www.sedar.com](http://www.sedar.com). The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The Corporation does not undertake any obligation to update forward-looking statements.*

**For further information, please contact:**

Mike Pyle  
President and CEO  
Exchange Income Corporation  
Phone: (204) 982-1850  
[mpyle@eig.ca](mailto:mpyle@eig.ca)

Joe Racanelli  
Investor Relations  
The Equicom Group Inc.  
Phone: (416) 815-0700 Ext. 243  
[jracanelli@equicomgroup.com](mailto:jracanelli@equicomgroup.com)