

Attention Business Editors:

Davis + Henderson announces investment in Advanced Validation Systems

TORONTO, April 28 /CNW/ - Davis + Henderson Income Fund (TSX: DHF.UN - news) announced today that it has entered into definitive agreements to acquire a partnership interest in Advanced Validation Systems Limited Partnership ("AVS") of Vernon, British Columbia.

AVS provides lenders, and other credit granting organizations, services relating to the filing and searching of public record registries in Canada. Its collateral asset management system allows creditors a simple and automated way to obtain security and manage their secured interests. AVS started commercial operations in April 2002 and is now providing its modern solutions to many large and small organizations in Canada, including a national financial institution. The overall market opportunity related to these services in Canada is estimated to be in excess of \$150 million annually.

Under the agreements, Davis + Henderson will purchase 50% of AVS over the next 20 months with options to increase its ownership position to 100% thereafter. While other financial terms were not disclosed, the price for virtually all of the first 50% interest and any future purchases of AVS will be based on the financial performance of the AVS business. Financing of the committed purchases is expected to be made from Davis + Henderson's existing revolving credit facilities.

"This represents another step in our strategic evolution to increase services to the Canadian financial services industry," said Sanford McFarlane, Co-Chief Executive Officer of Davis + Henderson.

"We are delighted to have AVS and its entire team as new partners," added Bob Cronin, Co-Chief Executive Officer of Davis + Henderson. "We believe AVS has developed competitive services and that as AVS's partner we can assist them in growing in the Canadian market. We are committed to this market segment going forward."

Davis + Henderson noted that the financial impact related to the initial purchase is not expected to be significant in light of the current revenues of AVS and Davis + Henderson's percentage ownership at the outset. As AVS grows and Davis + Henderson's ownership stake increases, the transaction is expected to be an increasingly important contributor to earnings.

The AVS business will continue to be led by its founders including Garry van Soest as its President and Dean Whibley as its Vice President, Operations and Technology. "We firmly believe that by leveraging our respective capabilities, we can add significant value to lenders as they seek to automate their national requirements for lien filings and search

activities," stated Garry van Soest. "We are committed to serving the Canadian market with new, advanced technologies and processes coupled with the stability and track record of Davis + Henderson," added Dean Whibley.

#### Conference Call

As part of its quarterly financial results to be released later today, Davis + Henderson will host a conference call to review this development on Friday April 29, 2005 at 10:00 a.m. EST (Toronto time). The dial-in number is 416-640-4127 for Toronto area callers or 1-800-796-7558 for all other callers. The conference call will also be available on the web by accessing CNW Group's website [www.newswire.ca/webcast/](http://www.newswire.ca/webcast/). A rebroadcast of the call will be available at 416-640-1917 for Toronto area callers, or 1-877-289-8525 for all other callers, with reservation number 21118011 (followed by the number sign). The rebroadcast will be available until May 13, 2005. An archive recording of the conference call will also be available at [www.newswire.ca/webcast/](http://www.newswire.ca/webcast/) for one month following the call and a text version of the conference call will be available at [www.dhltd.com](http://www.dhltd.com).

#### Forward Looking Information

Certain information included in this press release is forward looking and based upon assumption and anticipated results that are subject to risks and uncertainties associated with the Davis + Henderson business and the economic environment in which it operates. Should one or more of these uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. Risks and uncertainties associated with the Davis + Henderson business and with the Fund are discussed in the Fund's most recently filed Management's Discussion and Analysis and Annual Information Form, each of which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### About Davis + Henderson

Davis + Henderson and its predecessors have been serving Canadian financial institutions and their account holders since 1875. Through an integrated service offering, Davis + Henderson has become the market leading company in Canada assisting financial institutions with the operation of their cheque supply and related programs.

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