AutoCanada

News Release

AUTOCANADA INC.

Announces 2014 Annual Results with 26.2% Increase in Basic EPS

EDMONTON, Alberta (March 19, 2015) - AutoCanada Inc. (the "Company" or "AutoCanada") (TSX: ACQ) today announced financial results for the quarter ended December 31, 2014 and the year ended December 31, 2014.

2014 Fourth Quarter Highlights

- Revenue increased 95.8% or $319.7 million to $653.5 million
- Gross profit increased by 80.4% or $50.1 million to $112.4 million
- Adjusted EBITDA increased by 60.7% or $9.1 million to $24.1 million
- EBITDA increased 65.5% to $24.5 million from $14.8 million in Q4 of 2013
- Pre-tax earnings attributable to AutoCanada shareholders increased by $7.1 million or 54.6% to $20.1 million
- Adjusted net earnings attributable to AutoCanada shareholders increased by $4.3 million or 47.8% to $13.3 million
- Net earnings attributable to AutoCanada shareholders increased by $5.3 million or 55.2% to $14.9 million
- Basic adjusted net earnings per share attributable to AutoCanada shareholders increased by 28.6% to $0.54 from $0.42
- Basic earnings per share increased by 36.4% to $0.60 from $0.44
- Same store revenue increased by 10.9%
- Same store gross profit increased by 5.7%
- Same store new vehicle retail revenue increased by 4.1%
- Same store used vehicles retail revenue increased by 11.7%
- Same store parts, service and collision repair revenue increased by 11.2%

2014 Annual Highlights

- Revenue increased 57.2% or $805.7 million to $2,214.8 million
- Gross profit increased by 51.7% or $127.1 million to $373.1 million
- Adjusted EBITDA increased by 50.5% or $29.9 million to $89.1 million
- EBITDA increased 52.8% to $89.4 million from $58.5 million in 2013
- Pre-tax earnings attributable to AutoCanada shareholders increased by $19.7 million or 38.0% to $71.6 million
- Adjusted net earnings attributable to AutoCanada shareholders increased by $13.6 million or 35.8% to $51.6 million
- Net earnings attributable to AutoCanada shareholders increased by $14.9 million or 39.0% to $53.1 million
- Basic adjusted net earnings per share attributable to AutoCanada shareholders increased by 23.1% to $2.24 from $1.82
- Basic earnings per share increased by 26.2% to $2.31 from $1.83
- Same store revenue increased by 8.9%
- Same store gross profit increased by 7.9%
- Same store new vehicle retail revenue increased by 7.3%
- Same store used vehicles retail revenue increased by 11.2%
- Same store parts, service and collision repair revenue increased by 10.5%

"We are proud of our annual 2014 results and our growth in units retailed, revenue, gross profit and net income are reflective of the 17 stores which we added to our family during the year. The past year was a milestone for AutoCanada as we exceeded $2 billion in revenue and reached $89 million in EBITDA," stated Patrick Priestner, Executive Chairman. "During the year we were entrusted by the manufacturers with four new brands including Cadillac, BMW, MINI and most recently, Kia in the form of an open point. We now represent eight manufacturers and 19 different brands, operate in eight provinces and employee over 3,400 dedicated staff. We are pleased with the dealerships we acquired this past year as they are integrating well into AutoCanada and we believe they will provide long-term value for our stakeholders."

"Our financial results indicate the size and strength of AutoCanada, with fiscal 2014 resulting in a 57% growth in revenues and a 26% increase in basic earnings per share," stated Tom Orysiuk, President & Chief Executive Officer. "Same store gross profit grew by 7.9% year-over-year and we now operate 48 dealerships, encompassing 56 franchises, across the country. We managed over 700,000 service repair work orders in our 822 service bays. Also during the year we were successful in completing over $1 billion in financing transactions, including a $200 million equity offering and a $150 million debt issuance, complemented by new facilities of $550 million floorplan and $200 million revolving credit."

Mr. Priestner and Mr. Orysiuk further added, "We would like to sincerely thank our dealer partners, our dealership and dealer support services staff, and of course our customers for their dedication and loyalty to AutoCanada throughout 2014 and into the future."

Fourth Quarter 2014 Highlights

- The Company generated net earnings attributable to AutoCanada shareholders of $14.9 million or basic earnings per share of $0.60 versus earnings per share of $0.44 in the fourth quarter of 2013. Pre-tax earnings attributable to AutoCanada shareholders increased by $7.1 million to $20.1 million in the fourth quarter of 2014 as compared to $13.0 million in the same period in 2013.

- Same store revenue increased by 10.9% in the fourth quarter of 2014, compared to the same quarter in 2013. Same store gross profit increased by 5.7% in the fourth quarter of 2014, compared to the same quarter in 2013.

- Revenue from existing and new dealerships increased 95.8% to $653.5 million in the fourth quarter of 2014 from $333.8 million in the same quarter in 2013.

- Gross profit from existing and new dealerships increased 80.4% to $112.4 million in the fourth quarter of 2014 from $62.3 million in the same quarter in 2013.

- EBITDA increased 65.5% to $24.5 million in the fourth quarter of 2014 from $14.8 million in the same quarter in 2013.

- Free cash flow increased to $39.8 million in the fourth quarter of 2014 or $1.63 per share as compared to $8.4 million or $0.39 per share in the fourth quarter of 2013.

- Adjusted free cash flow increased to $17.1 million in the fourth quarter of 2014 or $0.70 per share as compared to $11.9 million or $0.55 per share in the same quarter in 2013.

2014 Annual Highlights

- The Company generated net earnings attributable to AutoCanada shareholders of $53.1 million or basic earnings per share of $2.31 versus earnings per share of $1.83 in 2013. Pre-tax earnings attributable to AutoCanada shareholders increased by $19.7 million to $71.6 million in 2014 as compared to $51.9 million in 2013 year.

- Same store revenue increased by 8.9% in 2014, compared to 2013. Same store gross profit increased by 7.9% in 2014, compared to 2013.
- Revenue from existing and new dealerships increased 57.2% to $2,214.8 million in 2014 from $1,409.0 million in 2013.
- Gross profit from existing and new dealerships increased 51.7% to $373.1 million in 2014 from $246.0 million in 2013.
- EBITDA increased 52.8% to $89.4 million in 2014 from $58.5 million in 2013.
- Free cash flow increased to $63.7 million in 2014 as compared $34.6 million in 2013.
- Adjusted free cash flow increased to $62.1 million in 2014 as compared to $44.9 million in 2013.

Dividends

Management reviews the Company's financial results on a monthly basis. The Board of Directors reviews the financial results periodically to determine whether a dividend shall be paid based on a number of factors.

The following table summarizes the dividends declared by the Company in 2014 (in thousands of dollars):

Record date	Payment date	Per Share $	Total $
February 28, 2014	March 17, 2014	0.22	4,760
May 30, 2014	June 16, 2014	0.23	5,022
August 29, 2014	September 15, 2014	0.24	5,858
November 28, 2014	December 15, 2014	0.25	6,105
		0.94	21,745

On February 17, 2015, the Board declared a quarterly eligible dividend of $0.25 per common share on AutoCanada's outstanding shares, payable on March 16, 2015 to shareholders of record at the close of business on February 28, 2015. The quarterly eligible dividend of $0.25 represents an annual dividend rate of $1.00 per share.

Eligible dividend designation

For purposes of the enhanced dividend tax credit rules contained in the Income Tax Act (Canada) (the "ITA") and any corresponding provincial and territorial tax legislation, all dividends paid by AutoCanada or any of its subsidiaries in 2010 and thereafter are designated as "eligible dividends" (as defined in 89(1) of the ITA), unless otherwise indicated. Please consult with your own tax advisor for advice with respect to the income tax consequences to you of AutoCanada Inc. designating dividends as "eligible dividends".

Outlook

The outlook for the Canadian economy has softened with economists revising their previous estimates downward, especially affecting the West in general and Alberta in particular, much as a result of falling oil prices. Revised GDP growth forecasts for Canada presently sit at 1.9 percent for 2015, down from 2.4 percent in previous forecasts from November 2014. As a result, the economy, especially in Alberta, has observed a slowdown in capital spending and a reduction in employment levels. More importantly, there has been a significant reduction in consumer confidence with a recent study showing that 40% of Albertans are deferring major purchases of homes and automobiles (Source: ATB Financial, Economics and Research, Alberta Economic Outlook, Q1 2015, January 5, 2015).

The first two months of 2015, and the latter half of December 2014, have, however, proved very challenging for the Company. We note, for example, R.L. Polk reported a 9.4% decline in retail volumes in January 2015 compared to January 2014 in the Calgary area. Relating to brands which the Company operates in Calgary, this decline includes decreases in retail sales of 17.5%, 10.2%, and 33.3%, for FCA Canada (formerly Chrysler Canada), Japanese, and Korean manufacturers, respectively. Edmonton and Grande Prairie, markets where the Company also has significant market presence, have likewise proved challenging. Additionally, the Company has experienced volume and/or margin challenges at a number of its dealerships elsewhere in Canada. Consequently, the Company has experienced significantly lower than forecasted vehicle sales and margins with a corresponding decline in dealership profitability in early fiscal 2015, resulting in weak performance relative to the comparative results of 2014.

To the extent the challenges are related to the price of oil and its impact on consumer confidence, the Company is taking the necessary steps to reduce variable costs to mitigate the impact. The Company's ability to moderate the effect of reduced sales activity is encompassed in the variable cost structure. However, such reductions are not immediate for several reasons, including: (i) the acceptance of lower vehicle sales margins to stimulate unit sales to achieve manufacturer sales-based performance targets; (ii) higher than normal per unit advertising cost due to reduced volume; (iii) inventory carrying costs incurred to support forecasted stronger sales volumes in excess of actual sales volumes; and (iv) the industry practice of paying advances to top-up the incomes of front line key sales staff in order to retain key individuals. Other operational challenges incurred to date with respect to the first two months of 2015 would include record snowfall in the Maritimes and a more pronounced seasonality impact experienced by certain recently purchased dealerships compared to the Company’s experience. The Company is aggressively taking the necessary steps to address these challenges at the individual dealership level.

Management remains fully confident in its model and that it can take full advantage of its variable cost structure should the period of reduced economic activity continue. Furthermore, the Company believes that the West and Alberta in particular shall continue to provide superior long-term shareholder returns. Further, should the Western economy continue for a period at a slower pace, Management anticipates that acquisition multiples for Western dealerships shall decline, thus providing more attractive buying opportunities, further enhancing long term shareholder value. Additionally, the Company shall continue to seek opportunities elsewhere in Canada so as to provide continued diversity where appropriate. With a strong balance sheet, available liquidity and cash flow, the Company has maintained the current quarterly dividend rate at $0.25 to allow it to be in a position to patiently pursue its acquisition strategy thereby maximizing its ability to take advantage of anticipated buying opportunities that times of economic uncertainty generally provide. Management believes the current acquisition guidance of 3-5 additional dealerships to be announced by the end of May 2015 is accurate and we are presently monitoring the impact current market conditions are having on acquisition multiples so that we can continue to grow the company through acquisitions at reasonable multiples.

During the second half of fiscal 2014, the Company was pleased to open its first Kia Canada store, an open point in Edmonton, Alberta. Although the store's performance is typical for most open points where losses in the first one or two years are common, the Company is pleased with its most recent progress and is very confident in its future. During fiscal 2015 and 2016, the Company also plans to open additional open points including a Nissan dealership in Calgary, a Volkswagen dealership in Sherwood Park (Edmonton), and a second Kia dealership in North Winnipeg. Management believes these stores will provide long term shareholder value.

The decline in the exchange rate of the Canadian dollar to the US dollar should have a limited impact on AutoCanada. All of its vehicle purchases and predominantly all of its automotive parts purchases are denominated in Canadian currency resulting in limited foreign exchange risk. Furthermore, the price of vehicles from the manufacturers are determined annually, in the first quarter, and typically do not move in close correlation with the spot market foreign exchange rates.

Finally, in early 2015, the Company filed for a normal course issuer bid in order to opportunistically repurchase our shares. Share purchases will only be conducted if, based on the Company's share price, Management believes it is the best use of its capital at that time to drive long term shareholder value.

By-Law No. 2

The Company also announces that the Board has approved and adopted an advance notice by-law ("By-Law No. 2") for the Company. Among other things, By-Law No. 2 fixes a deadline by which shareholders must submit a notice of director nominations to the Company prior to any annual or special meeting of shareholders where directors are to be elected. By-Law No. 2 also sets forth the information that a shareholder must include in the notice for it to be valid. Advance notice by-laws benefit shareholders by facilitating an orderly and efficient meeting process, ensuring that all shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees. This allows the Company and shareholders to evaluate each nominee's qualifications and suitability as a director of Company in advance of a meeting, so that shareholders can cast an informed vote.

By-Law No. 2 is effective immediately, subject to confirmation by the shareholders. At the next meeting of shareholders of Company, scheduled to be held on May 8, 2015, shareholders will be asked to confirm By-Law No. 2. The full text of By-Law No. 2 has been filed under the Company's profile at www.sedar.com.

Conference Call

A conference call to discuss the results for the year ended December 31, 2014 will be held on March 20, 2015 at 11:00am Eastern time (9:00am Mountain time). To participate in the conference call, please dial 1.888.231.8191 approximately 10 minutes prior to the call. A live and archived audio webcast of the conference call will also be available at the following http://www.newswire.ca/en/webcast/detail/1473187/1639949.

SELECTED ANNUAL FINANCIAL INFORMATION

The following table shows the results of the Company for the years ended December 31, 2014, 2013, and 2012. The results of operations for these periods are not necessarily indicative of the results of operations to be expected in any given comparable period.

(in thousands of dollars, except Gross Profit %, Earnings per share, and Operating Data)	2014(1)	2013	2012
Income Statement Data			
New vehicles	1,342,346	882,858	683,375
Used vehicles	495,352	300,881	243,351
Parts, service and collision repair	255,707	142,343	114,600
Finance, insurance and other	121,373	82,958	62,587
Revenue	2,214,778	1,409,040	1,103,913
New vehicles	106,002	75,835	57,575
Used vehicles	29,501	20,273	16,311
Parts, service and collision repair	128,566	73,755	59,643
Finance, insurance and other	109,080	76,172	56,836
Gross profit	373,149	246,035	190,365
Gross Profit %	16.8 %	17.5 %	17.2 %
Operating expenses	290,904	188,519	149,140
Operating expenses as a % of gross profit	78.0 %	76.6 %	78.3 %
Income from investments in associates	3,490	2,241	468
Net earnings attributable to AutoCanada shareholders	53,132	38,166	24,236
EBITDA(2)	89,434	58,469	37,885
Basic earnings per share	2.31	1.83	1.22
Diluted earnings per share	2.30	1.83	1.22
Operating Data			
Vehicles (new and used) sold excluding GM	46,393	35,774	29,780
Vehicles (new and used) sold including GM (3)	52,147	40,136	31,554
New vehicles sold including GM (3)	36,422	28,024	21,501
New retail vehicles sold	30,346	20,523	16,226
New fleet vehicles sold	6,076	4,876	4,096
Used retail vehicles sold	15,725	10,375	9,458
Number of service & collision repair orders completed(4)	601,597	364,361	309,488
Absorption rate(2)	85 %	87 %	86 %
# of dealerships at year end(4)	48	28	24
# of same store dealerships	23	21	22
# of service bays at year end(4)	822	406	333
Same store revenue growth(5)	8.9 %	17.2 %	8.6 %
Same store gross profit growth(5)	7.9 %	17.5 %	10.9 %
Balance Sheet Data			
Cash and cash equivalents	72,462	35,113	34,472
Restricted cash	-	-	10,000
Trade and other receivables	92,138	57,771	47,944
Inventories	563,277	278,091	199,226
Revolving floorplan facilities	527,780	264,178	203,525

1 In conjunction with the business combination under common control completed on July 11, 2014, the Selected Annual Financial Information for 2014 includes the consolidated results of the Company's GM stores from July 11, 2014. All 2014 financial information includes 100% of the results of the GM stores, except for Net earnings, EBITDA, and EPS amounts, which are presented net of non-controlling interests. Had the consolidation been effected for fiscal 2013, additional revenues of $205.6 million and gross profit of $33.1 million would have been recognized.

2 EBITDA and absorption rate have been calculated as described under "NON-GAAP MEASURES".

3 Until July 10, 2014, the Company had investments in General Motors dealerships that were not consolidated. In Q3 2014, these GM dealerships were consolidated. This number includes 100% of vehicles sold by these dealerships in which we have less than 100% investment.

4 The results presented for 2013 and 2012 do not include the GM stores and their associated service bays or repair orders.

5 Same store revenue growth & same store gross profit growth is calculated using franchised automobile dealerships that we have owned for at least 2 full years, excluding the GM stores, as these stores have been treated as acquisitions as at July 11, 2014.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table shows the unaudited results of the Company for each of the eight most recently completed quarters. The results of operations for these periods are not necessarily indicative of the results of operations to be expected in any given comparable period.

(in thousands of dollars, except Gross Profit %, Earnings per share, and Operating Data)	Q4 2014[1]	Q3 2014[1]	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Income Statement Data								
New vehicles	379,094	457,198	289,918	216,524	197,097	257,543	254,403	174,410
Used vehicles	148,579	158,779	102,025	85,969	75,137	85,975	77,113	62,656
Parts, service and collision repair	91,045	78,371	46,078	40,724	41,268	37,341	34,629	29,667
Finance, insurance and other	34,749	39,002	27,304	21,047	20,271	22,676	22,620	17,529
Revenue[7]	653,467	733,350	465,325	364,264	333,773	403,535	388,765	284,262
New vehicles	28,390	35,711	23,822	17,813	18,326	20,510	20,664	15,947
Used vehicles	7,817	9,637	6,506	5,551	4,450	6,242	5,795	3,789
Parts, service and collision repair	45,631	38,942	23,373	20,593	20,822	20,113	17,586	15,232
Finance, insurance and other	30,606	35,615	24,342	19,514	18,734	20,831	20,783	16,157
Gross profit[7]	112,444	119,905	78,043	63,471	62,332	67,696	64,828	51,125
Gross Profit %	17.2%	16.4%	16.8%	17.4%	18.7%	16.8%	16.7%	18.0%
Operating expenses	89,482	89,713	58,920	50,400	48,447	51,080	48,639	40,353
Operating expenses as a % of gross profit	79.6%	74.8%	75.5%	79.4%	77.7%	75.5%	75.0%	78.9%
Income from investments in associates	-	359	2,238	893	837	555	648	201
Net earnings attributable to AutoCanada shareholders[6]	14,918	17,765	12,831	8,296	9,553	10,968	10,823	6,822
EBITDA[2,6,7]	24,527	28,674	21,702	14,453	14,754	16,607	16,463	10,511
Basic earnings per share	0.60	0.74	0.59	0.38	0.44	0.51	0.53	0.35
Diluted earnings per share	0.59	0.74	0.59	0.38	0.44	0.51	0.53	0.35
Operating Data								
Vehicles (new and used) sold excluding GM	12,774	14,966	9,887	8,766	8,046	10,325	10,062	7,341
Vehicles (new and used) sold including GM[3]	15,415	18,079	12,414	9,945	9,209	11,405	11,399	8,123
New vehicles sold including GM[3]	10,570	12,821	8,658	6,570	6,090	8,023	8,246	5,665
New retail vehicles sold	8,907	10,686	5,980	4,773	4,932	5,986	5,487	4,118
New fleet vehicles sold	1,663	2,135	1,146	1,132	552	1,365	1,923	1,036
Used retail vehicles sold	4,845	5,258	2,761	2,861	2,562	2,974	2,652	2,187
Number of service & collision repair orders completed[4]	214,077	198,612	97,559	91,999	95,958	97,074	93,352	77,977
Absorption rate[2]	85%	93%	92%	85%	90%	88%	90%	82%
# of dealerships at period end[4]	48	45	34	28	28	29	27	25
# of same store dealerships	23	23	23	23	21	22	22	22
# of service bays at period end[4]	822	734	516	406	406	413	368	341
Same store revenue growth[5]	10.9%	8.9%	4.1%	13.0%	8.9%	19.9%	26.2%	12.9%
Same store gross profit growth[5]	5.7%	11.4%	5.4%	8.1%	9.2%	18.5%	25.8%	16.9%
Balance Sheet Data								
Cash and cash equivalents	72,462	64,559	91,622	41,541	35,113	37,940	35,058	41,991
Restricted cash	-	-	-	-	-	-	10,000	10,000
Trade and other receivables	92,138	115,074	85,837	69,747	57,771	62,105	69,656	57,663
Inventories	563,277	471,664	324,077	261,764	278,091	236,351	232,319	217,268
Revolving floorplan facilities	527,780	437,935	313,752	261,263	264,178	228,526	246,325	225,387

1 In conjunction with the business combination under common control completed on July 11, 2014, the Selected Quarterly Financial Information for Q3 2014 and Q4 2014 includes the consolidated results of the Company's GM stores from July 11, 2014. All Q3 2014 and Q4 2014 financial information includes 100% of the results of the GM stores, except for Net earnings, EBITDA, and EPS amounts, which are presented net of non-controlling interests.

2 EBITDA and absorption rate have been calculated as described under "NON-GAAP MEASURES".

3 Until July 10, 2014, the Company had investments in General Motors dealerships that were not consolidated. In Q3 2014, these GM dealerships were consolidated. This number includes 100% of vehicles sold by these dealerships in which we have less than 100% investment.

4 The results presented for all quarters prior to Q3 2014 do not include the GM stores and their associated service bays or repair orders.

5 Same store revenue growth & same store gross profit growth is calculated using franchised automobile dealerships that we have owned for at least 2 full years, excluding the GM stores, as these stores have been treated as acquisitions as at July 11, 2014.

6 The results from operations have been lower in the first and fourth quarters of each year, largely due to consumer purchasing patterns during the holiday season, inclement weather and the reduced number of business days during the holiday season. As a result, our financial performance is generally not as strong during the first and fourth quarters than during the other quarters of each fiscal year. The timing of acquisitions may have also caused significant fluctuations in operating results from quarter to quarter.

7 Due to the impact of financial rounding throughout the interim periods, the aggregate quarterly results may not equal the annual total for the corresponding year.

The following table summarizes the results for the year ended December 31, 2014 on a same store basis by revenue source and compare these results to the same period in 2013.

Same Store Revenue and Vehicles Sold

(in thousands of dollars)	For the Year Ended December 31, 2014	December 31, 2013	% Change
Revenue Source			
New vehicles - Retail	711,924	663,665	7.3 %
New vehicles - Fleet	134,973	139,005	(2.9)%
New vehicles	846,897	802,670	5.5 %
Used vehicles - Retail	228,327	205,384	11.2 %
Used vehicles - Wholesale	97,180	69,961	38.9 %
Used Vehicles	325,507	275,345	18.2 %
Finance, insurance and other	81,867	75,561	8.3 %
Subtotal	1,254,271	1,153,576	8.7 %
Parts, service and collision repair	135,116	122,298	10.5 %
Total	1,389,387	1,275,874	8.9 %
(in number of units)			
New retail vehicles sold	19,229	18,591	3.4 %
New fleet vehicles sold	4,264	4,756	(10.3)%
Used retail vehicles sold	9,888	9,457	4.6 %
Total	33,381	32,804	1.8 %
Total vehicles retailed	29,117	28,048	3.7 %

Same Store Gross Profit and Gross Profit Percentage

For the Year Ended

	Gross Profit			Gross Profit %		
(in thousands of dollars)	**December 31, 2014**	**December 31, 2013**	**% Change**	**December 31, 2014**	**December 31, 2013**	**% Change**
Revenue Source						
New vehicles - Retail	71,869	68,037	5.6 %	10.1 %	10.3 %	(0.2)%
New vehicles - Fleet	1,272	1,171	8.6 %	0.9 %	0.8 %	0.1 %
New vehicles	73,141	69,208	5.7 %	8.6 %	8.6 %	- %
Used vehicles - Retail	17,569	16,044	9.5 %	7.7 %	7.8 %	(0.1)%
Used vehicles - Wholesale	1,288	2,830	(54.5)%	1.3 %	4.0 %	(2.7)%
Used Vehicles	18,857	18,874	(0.1)%	5.8 %	6.9 %	(1.1)%
Finance, insurance and other	75,267	69,115	8.9 %	91.9 %	91.5 %	0.4 %
Subtotal	167,265	157,197	6.4 %	13.3 %	13.6 %	(0.3)%
Parts, service and collision repair	71,536	64,020	11.7 %	52.9 %	52.3 %	0.6 %
Total	238,801	221,217	7.9 %	17.2 %	17.3 %	(0.1)%

The following table summarizes the results for the three month period and the year ended December 31, 2014 on a same store basis by revenue source and compares these results to the same period in 2013.

Same Store Revenue and Vehicles Sold

(in thousands of dollars)	For the Three Months Ended December 31, 2014	December 31, 2013	% Change
Revenue Source			
New vehicles - Retail	156,602	150,463	4.1 %
New vehicles - Fleet	24,748	16,767	47.6 %
New vehicles	181,350	167,230	8.4 %
Used vehicles - Retail	53,225	47,655	11.7 %
Used vehicles - Wholesale	23,410	17,031	37.5 %
Used vehicles	76,635	64,686	18.5 %
Finance, insurance and other	18,781	17,754	5.8 %
Subtotal	276,766	249,670	10.9 %
Parts, service and collision repair	35,889	32,271	11.2 %
Total	312,655	281,941	10.9 %
New retail vehicles sold	4,307	4,191	2.8 %
New fleet vehicles sold	896	515	74.0 %
Used retail vehicles sold	2,329	2,177	7.0 %
Total	7,532	6,883	9.4 %
Total vehicles retailed	6,636	6,368	4.2 %

Same Store Gross Profit and Gross Profit Percentage

	For the Three Months Ended					
	Gross Profit			Gross Profit %		
(in thousands of dollars)	December 31, 2014	December 31, 2013	% Change	December 31, 2014	December 31, 2013	Change
Revenue Source						
New vehicles - Retail	14,626	15,563	(6.0)%	9.3 %	10.3 %	(1.0)%
New vehicles - Fleet	550	49	1,022.4 %	2.2 %	0.3 %	1.9 %
New vehicles	15,176	15,612	(2.8)%	8.4 %	9.3 %	(0.9)%
Used vehicles - Retail	3,759	2,230	68.6 %	7.1 %	4.7 %	2.4 %
Used vehicles - Wholesale	63	1,970	(96.8)%	0.3 %	11.6 %	(11.3)%
Used vehicles	3,822	4,200	(9.0)%	5.0 %	6.5 %	(1.5)%
Finance, insurance and other	17,283	16,017	7.9 %	92.0 %	90.2 %	1.8 %
Subtotal	36,281	35,829	1.3 %	13.1 %	14.4 %	(1.3)%
Parts, service and collision repair	19,069	16,550	15.2 %	53.1 %	51.3 %	1.8 %
Total	55,350	52,379	5.7 %	17.7 %	18.6 %	(0.9)%

Consolidated Statements of Comprehensive Income

For the Years Ended

(in thousands of Canadian dollars except for share and per share amounts)

	December 31, 2014 $	December 31, 2013 $
Revenue	2,214,778	1,409,040
Cost of sales	(1,841,629)	(1,163,005)
Gross profit	373,149	246,035
Operating expenses	(290,904)	(188,519)
Operating profit before other income (expense)	82,245	57,516
Lease and other income, net	5,524	-
Loss on disposal of assets, net	(183)	(210)
Recovery of impairment of intangible assets	1,767	746
Income from investments in associates	3,490	2,241
Operating profit	92,843	60,293
Finance costs	(20,363)	(9,618)
Finance income	2,147	1,187
Net income for the year before taxation	74,627	51,862
Income tax	18,335	13,696
Net and comprehensive income for the year	56,292	38,166
Net and comprehensive income for the year attributable to:		
AutoCanada shareholders	53,132	38,166
Non-controlling interests	3,160	-
	56,292	38,166
Net earnings per share attributable to AutoCanada shareholders		
Basic	2.31	1.83
Diluted	2.30	1.83
Weighted average shares		
Basic	23,018,588	20,868,726
Diluted	23,139,403	20,934,828

Consolidated Statements of Financial Position

(in thousands of Canadian dollars)

	December 31, 2014 $	December 31, 2013 $
ASSETS		
Current assets		
Cash and cash equivalents	72,462	35,113
Trade and other receivables	92,138	57,771
Inventories	563,277	278,091
Current portion of finance lease receivables	3,537	-
Other current assets	5,166	1,603
	736,580	372,578
Property and equipment	214,938	122,915
Investments in associates	-	13,131
Intangible assets	356,612	96,985
Goodwill	29,620	6,672
Long-term portion of finance lease receivables	10,292	-
Other long-term assets	6,713	6,797
	1,354,755	619,078
LIABILITIES		
Current liabilities		
Bank indebtedness	2,181	-
Trade and other payables	82,670	50,428
Revolving floorplan facilities	527,780	264,178
Current tax payable	9,708	4,906
Vehicle repurchase obligations	1,539	1,398
Current indebtedness	4,651	2,866
Current portion of redemption liabilities	7,665	-
	636,194	323,776
Long-term indebtedness	223,009	83,580
Deferred income tax	24,963	21,480
Redemption liabilities	34,133	-
	918,299	428,836
EQUITY		
Attributable to AutoCanada shareholders	381,428	190,242
Attributable to Non-controlling interests	55,028	-
	436,456	190,242
	1,354,755	619,078

Consolidated Statements of Changes in Equity

For the Years Ended

(in thousands of Canadian dollars)

	Attributable to AutoCanada shareholders					
	Share capital	**Contributed surplus**	**Accumulated deficit**	**Total**	**Non-controlling interests**	**Total Equity**
	$	**$**	**$**	**$**	**$**	**$**
Balance, January 1, 2014	232,938	4,758	(47,454)	190,242	-	190,242
Net and comprehensive income	-	-	53,132	53,132	3,160	56,292
Dividends declared on common shares	-	-	(21,745)	(21,745)	-	(21,745)
Non-controlling interests arising on business combinations and acquisitions	-	-	-	-	52,309	52,309
Recognition of redemption liability granted to non-controlling interests	-	-	(41,798)	(41,798)	-	(41,798)
Dividends declared by subsidiaries to non-controlling interests	-	-	-	-	(441)	(441)
Common shares issued	203,655	-	-	203,655	-	203,655
Treasury shares acquired	(2,776)	-	-	(2,776)	-	(2,776)
Shares settled from treasury	755	(760)	-	(5)	-	(5)
Share-based compensation	-	723	-	723	-	723
Balance, December 31, 2014	434,572	4,721	(57,865)	381,428	55,028	436,456

	Attributable to AutoCanada shareholders					
	Share capital	**Contributed surplus**	**Accumulated deficit**	**Total capital**	**Non-controlling interests**	**Equity**
	$	**$**	**$**	**$**	**$**	**$**
Balance, January 1, 2013	189,500	4,423	(69,423)	124,500	-	124,500
Net and comprehensive income	-	-	38,166	38,166	-	38,166
Dividends declared on common shares	-	-	(16,197)	(16,197)	-	(16,197)
Common shares issued	43,811	-	-	43,811	-	43,811
Treasury shares acquired	(579)	-	-	(579)	-	(579)
Shares settled from treasury	206	(240)	-	(34)	-	(34)
Share-based compensation	-	575	-	575	-	575
Balance, December 31, 2013	232,938	4,758	(47,454)	190,242	-	190,242

Consolidated Statements of Cash Flows For the Years Ended *(in thousands of Canadian dollars)*

	December 31, 2014	December 31, 2013
Cash provided by (used in):	**$**	**$**
Operating activities		
Net and comprehensive income	56,292	38,166
Income taxes	18,335	13,696
Amortization of prepaid rent	452	452
Depreciation of property and equipment	13,624	6,346
Loss on disposal of assets	183	210
Recovery of impairment of intangible assets	(1,767)	(746)
Share-based compensation - equity-settled	723	575
Share-based compensation - cash-settled	(487)	2,054
Income from investment in associates	(3,490)	(2,241)
Income taxes paid	(16,824)	(10,559)
Gain on embedded derivative	(243)	-
Net change in non-cash working capital	4,339	(9,968)
	71,137	37,985
Investing activities		
Business acquisitions, net of cash acquired	(269,983)	(65,368)
Investments in associates	(43,900)	(7,057)
Dividends received from investments in associates	1,458	897
Combination of entities under common control	4,699	-
Purchases of property and equipment	(23,441)	(67,105)
Proceeds on sale of property and equipment	32	3,304
Proceeds on divestiture of dealership	-	1,354
Reduction in restricted cash	-	10,000
	(331,135)	(123,975)
Financing activities		
Proceeds from long-term indebtedness	770,449	241,287
Repayment of long-term indebtedness	(787,945)	(181,757)
Common shares repurchased	(2,776)	(513)
Dividends paid	(21,745)	(16,197)
Dividends paid to non-controlling interests by subsidiaries	(441)	-
Proceeds from issuance of common shares	191,262	43,811
Proceeds from senior unsecured notes	146,362	-
	295,166	86,631
Increase in cash	35,168	641
Cash and cash equivalents at beginning of year	35,113	34,472
Cash and cash equivalents at end of year	70,281	35,113

ABOUT AUTOCANADA

AutoCanada is one of Canada's largest multi-location automobile dealership groups, currently operating 48 dealerships, comprised of 56 franchises, in eight provinces and has over 3,400 employees. AutoCanada currently sells Chrysler, Dodge, Jeep, Ram, FIAT, Chevrolet, GMC, Buick, Cadillac, Infiniti, Nissan, Hyundai, Subaru, Mitsubishi, Audi, Volkswagen, Kia, BMW and MINI branded vehicles. In 2014, our dealerships sold approximately 57,000 vehicles and processed approximately 786,000 service and collision repair orders in our 822 service bays during that time.

Our dealerships derive their revenue from the following four inter-related business operations: new vehicle sales; used vehicle sales; parts, service and collision repair; and finance and insurance. While new vehicle sales are the most important source of revenue, they generally result in lower gross profits than parts, service and collision repair operations and finance and insurance sales. Overall gross profit margins increase as revenues from higher margin operations increase relative to revenues from lower margin operations. We earn fees for arranging financing on new and used vehicle purchases on behalf of third parties. Under our agreements with our retail financing sources we are required to collect and provide accurate financial information, which if not accurate, may require us to be responsible for the underlying loan provided to the consumer.

FORWARD LOOKING STATEMENTS

Certain statements contained in this press release are forward-looking statements and information (collectively "forward-looking statements"), within the meaning of the applicable Canadian securities legislation. We hereby provide cautionary statements identifying important factors that could cause our actual results to differ materially from those projected in these forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "will continue", "is anticipated", "projection", "vision", "goals", "objective", "target", "schedules", "outlook", "anticipate", "expect", "estimate", "could", "should", "expect", "plan", "seek", "may", "intend", "likely", "will", "believe" and similar expressions are not historical facts and are forward-looking and may involve estimates and assumptions and are subject to risks, uncertainties and other factors some of which are beyond our control and difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. Therefore, any such forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this document.

The Company's Annual Information Form and other documents filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com describe the risks, material assumptions and other factors that could influence actual results and which are incorporated herein by reference.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

NON-GAAP MEASURES

This press release contains certain financial measures that do not have any standardized meaning prescribed by Canadian GAAP. Therefore, these financial measures may not be comparable to similar measures presented by other issuers. Investors are cautioned these measures should not be construed as an alternative to net earnings (loss) or to cash provided by (used in) operating, investing, and financing activities determined in accordance with Canadian GAAP, as indicators of our performance. We provide these measures to assist investors in determining our ability to generate earnings and cash provided by (used in) operating activities and to provide additional information on how these cash resources are used. We list and define these "NON-GAAP MEASURES" below:

EBITDA

EBITDA is a measure commonly reported and widely used by investors as an indicator of a company's operating performance and ability to incur and service debt, and as a valuation metric. The Company believes EBITDA assists investors in comparing a company's performance on a consistent basis without regard to depreciation and amortization and asset impairment charges which are non-cash in nature and can vary significantly depending upon accounting methods or non-operating factors such as historical cost. References to "EBITDA" are to earnings before interest expense (other than interest expense on floorplan financing and other interest), income taxes, depreciation, amortization and asset impairment charges.

Adjusted EBITDA

Adjusted EBITDA is an indicator of a company's operating performance and ability to incur and service debt prior to recognizing the portion of share-based compensation related to changes in the share price and its impact on the Company's cash-settled portions of its share-based compensation programs. The Company considers this expense to be non-cash in nature as we maintain a share purchase trust in which we purchase shares on the open market as these units are granted to reduce the cash flow risk associated with fluctuations in the share price. Share-based compensation, a component of employee remuneration, can vary significantly with changes in the price of the Company's common shares. The Company believes adjusted EBITDA provides improved continuity with respect to the comparison of our operating results over a period of time.

Adjusted Net Earnings and Adjusted Net Earnings per Share

Adjusted net earnings and adjusted net earnings per share are measures of our profitability. Adjusted net earnings is calculated by adding back the after-tax effect of impairment or reversals of impairment of intangible assets, impairments of goodwill, and the portion of share-based compensation related to changes in the share price and its impact on the Company's cash-settled portions of its share-based compensation programs. The Company considers this expense to be non-cash in nature as we maintain a share purchase trust in which we purchase shares on the open market as these units are granted to reduce the cash flow risk associated with fluctuations in the share price. Share-based compensation, a component of employee remuneration, can vary significantly with changes in the price of the Company's common shares. Adding back these amounts to net earnings allows management to assess the net earnings of the Company from ongoing operations. Adjusted net earnings per share is calculated by dividing adjusted net earnings by the weighted-average number of shares outstanding.

EBIT

EBIT is a measure used by management in the calculation of Return on capital employed (defined below). Management's calculation of EBIT is EBITDA (calculated above) less depreciation and amortization.

Free Cash Flow

Free cash flow is a measure used by management to evaluate its performance. While the closest Canadian GAAP measure is cash provided by operating activities, free cash flow is considered relevant because it provides an indication of how much cash generated by operations is available after capital expenditures. It shall be noted that although we consider this measure to be free cash flow, financial and non-financial covenants in our credit facilities and dealer agreements may restrict cash from being available for distributions, re-investment in the Company, potential acquisitions, or other purposes. Investors should be cautioned that free cash flow may not actually be available for growth or distribution of the Company. References to "Free cash flow" are to cash provided by (used in) operating activities (including the net change in non-cash working capital balances) less capital expenditures (not including acquisitions of dealerships and dealership facilities).

Adjusted Free Cash Flow

Adjusted free cash flow is a measure used by management to evaluate its performance. Adjusted free cash flow is considered relevant because it provides an indication of how much cash generated by operations before changes in non-cash working capital is available after deducting expenditures for non-growth capital assets. It shall be noted that although we consider this measure to be adjusted free cash flow, financial and non-financial covenants in our credit facilities and dealer agreements may restrict cash from being available for distributions, re-investment in the Company, potential acquisitions, or other purposes. Investors should be cautioned that adjusted free cash flow may not actually be available for growth or distribution of the Company. References to "Adjusted free cash flow" are to cash provided by (used in) operating activities (before changes in non-cash working capital balances) less non-growth capital expenditures.

Adjusted Average Capital Employed

Adjusted average capital employed is a measure used by management to determine the amount of capital invested in AutoCanada and is used in the measure of Adjusted Return on Capital Employed (described below). Adjusted average capital employed is calculated as the average balance of interest bearing debt for the period (including current portion of long term debt, excluding revolving floorplan facilities) and the average balance of shareholders equity for the period, adjusted for impairments of intangible assets, net of deferred tax. Management does not include future income tax, non-interest bearing debt, or revolving floorplan facilities in the calculation of adjusted average capital employed as it does not consider these items to be capital, but rather debt incurred to finance the operating activities of the Company.

Absorption Rate

Absorption rate is an operating measure commonly used in the retail automotive industry as an indicator of the performance of the parts, service and collision repair operations of a franchised automobile dealership. Absorption rate is not a measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, absorption rate may not be comparable to similar measures presented by other issuers that operate in the retail automotive industry. References to ''absorption rate'' are to the extent to which the gross profits of a franchised automobile dealership from parts, service and collision repair cover the costs of these departments plus the fixed costs of operating the dealership, but does not include expenses pertaining to our head office. For this purpose, fixed operating costs include fixed salaries and benefits, administration costs, occupancy costs, insurance expense, utilities expense and interest expense (other than interest expense relating to floor plan financing) of the dealerships only.

Average Capital Employed

Average capital employed is a measure used by management to determine the amount of capital invested in AutoCanada and is used in the measure of Return on Capital Employed (described below). Average capital employed is calculated as the average balance of interest bearing debt for the period (including current portion of long term debt, excluding revolving floorplan facilities) and the average balance of shareholders equity for the period. Management does not include future income tax, non-interest bearing debt, or revolving floorplan facilities in the calculation of average capital employed as it does not consider these items to be capital, but rather debt incurred to finance the operating activities of the Company.

Return on Capital Employed

Return on capital employed is a measure used by management to evaluate the profitability of our invested capital. As a corporation, management of AutoCanada may use this measure to compare potential acquisitions and other capital investments against our internally computed cost of capital to determine whether the investment shall create value for our shareholders. Management may also use this measure to look at past acquisitions, capital investments and the Company as a whole in order to ensure shareholder value is being achieved by these capital investments. Return on capital employed is calculated as EBIT (defined above) divided by Average Capital Employed (defined above).

Adjusted Return on Capital Employed

Adjusted return on capital employed is a measure used by management to evaluate the profitability of our invested capital. As a corporation, management of AutoCanada may use this measure to compare potential acquisitions and other capital investments against our internally computed cost of capital to determine whether the investment shall create value for our shareholders. Management may also use this measure to look at past acquisitions, capital investments and the Company as a whole in order to ensure shareholder value is being achieved by these capital investments. Adjusted return on capital employed is calculated as EBIT (defined above) divided by Adjusted Average Capital Employed (defined above).

Cautionary Note Regarding Non-GAAP Measures

EBITDA, EBIT, Free Cash Flow, Adjusted Free Cash Flow, Absorption Rate, Average Capital Employed and Return on Capital Employed are not earnings measures recognized by GAAP and do not have standardized meanings prescribed by GAAP. Investors are cautioned that these non-GAAP measures should not replace net earnings or loss (as determined in accordance with GAAP) as an indicator of the Company's performance, of its cash flows from operating, investing and financing activities or as a measure of its liquidity and cash flows. The Company's methods of calculating EBITDA, EBIT, Free Cash Flow, Adjusted Free Cash Flow, Absorption Rate, Average Capital Employed and Return on Capital Employed may differ from the methods used by other issuers. Therefore, the Company's EBITDA, EBIT, Free Cash Flow, Adjusted Free Cash Flow, Absorption Rate, Average Capital Employed and Return on Capital Employed may not be comparable to similar measures presented by other issuers.

Additional Information

Additional information about AutoCanada Inc. is available at the Company's website at www.autocan.ca and www.sedar.com.

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