



**Company Overview and
2013 Second Quarter
Highlights**

September 2013

Presentation Agenda

1 COMPANY OVERVIEW

2 INDUSTRY OVERVIEW

3 FINANCIAL REVIEW

4 CAPITAL DEPLOYMENT

5 GROWTH OPPORTUNITIES

Forward-Looking Statements

Certain of the information presented today looks forward in time and deals with other than historical or current facts for the AutoCanada Inc. (the “Company”). Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including, but not limited to, the risks associated with: the retail automotive industry; our business; our acquisition strategy; our dependence on automobile manufacturers; and our structure. For additional information with respect to these factors, please refer to the prospectus and other information filed by the Company with Canadian provincial securities commissions.

The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

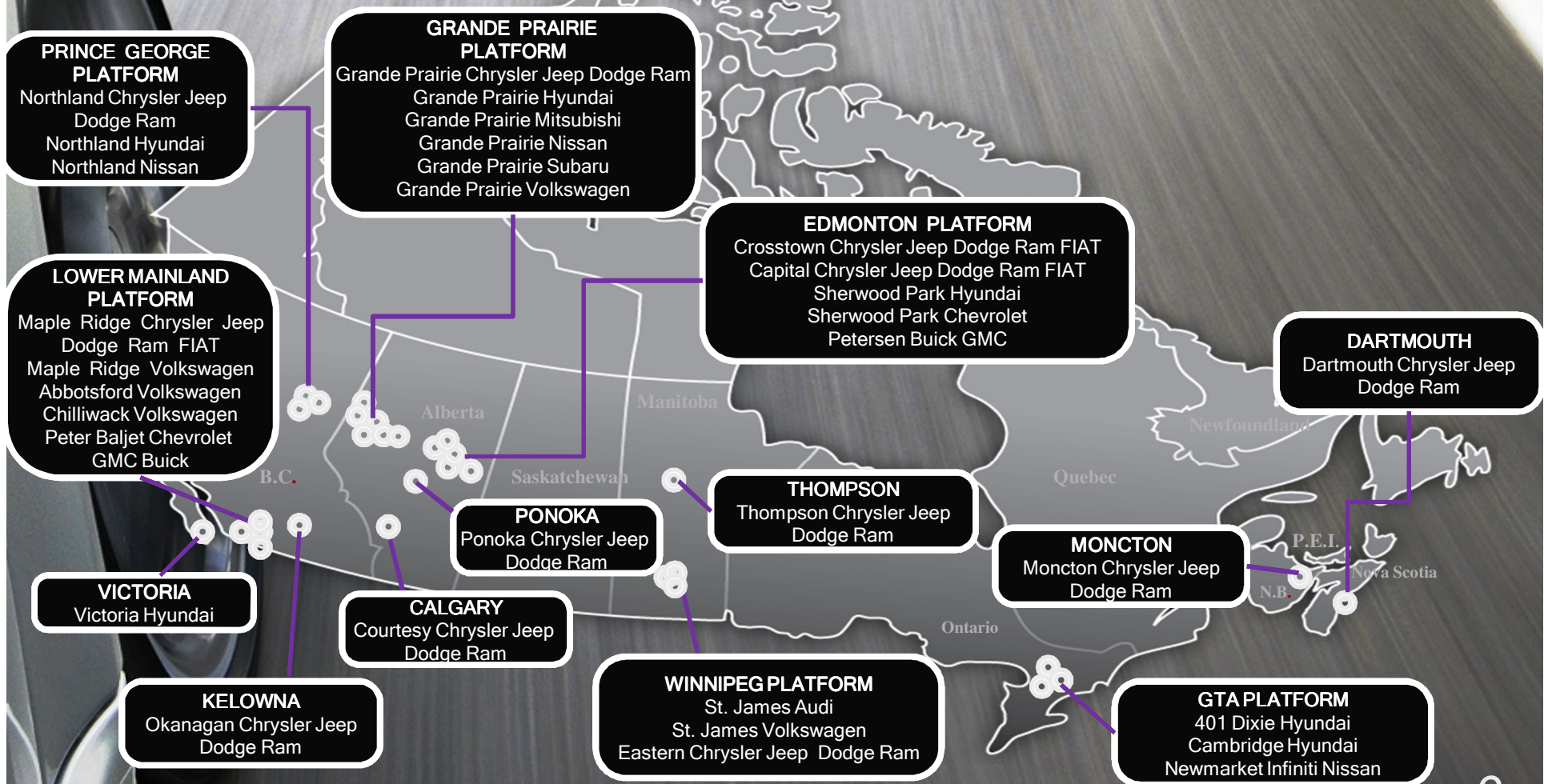
Experienced and Aligned Management Team

- Patrick Priestner, Chairman and CEO owned his first dealership at age of 24
- Senior management team and dealers own a significant stake in AutoCanada shares
- Very experienced and talented dealers
- Corporate head office team provides management, internet marketing, financial and operational support to dealerships and facilitates the sharing of best practices

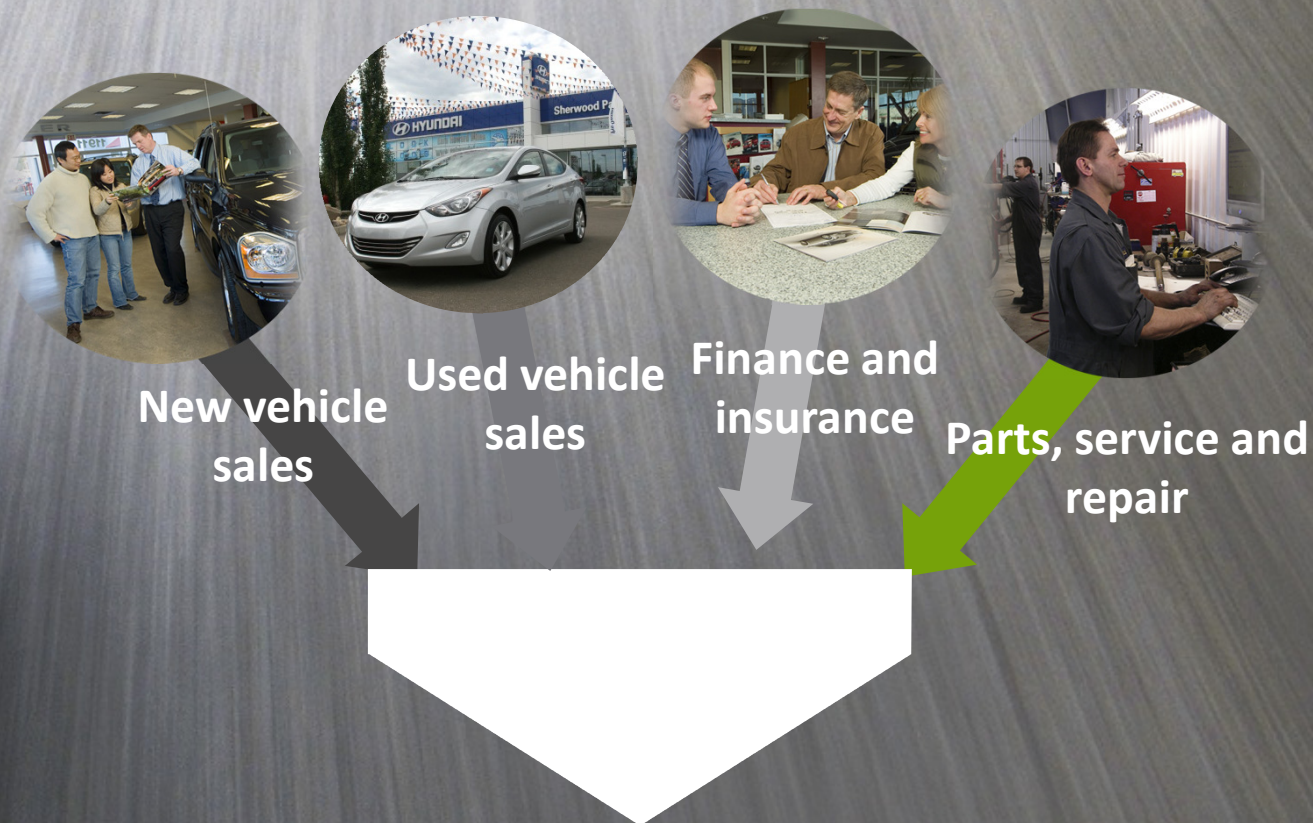
Our Business

- Operate 32 franchised dealerships representing 15 brands
- Over 35,000 vehicles sold over the last 12 months
- 1 in every 62 new vehicles sold in Canada were from an AutoCanada dealership
- Completed over 350,000 service and collision orders in our 368 service bays over the last 12 months

Developing Regional Platforms



Franchised Auto Dealerships Operate Four Complementary Business Segments



**Annual consumer spending more than any
other Canadian retail segment**

Dealership Business Model

- Historically stable and profitable business (profitable during wars, recessions, etc.)
- Variable cost structure – most fixed costs offset by parts and service business
- New and used vehicle sales counter-cyclical and drive higher margin business such as finance and insurance and parts and service

Automobile dealerships generate relatively stable cash flows

Benefits of Dealership Franchise Agreements

Exclusive
Sales
Territories

No Cost
Consumer
Sales
Incentives

Brand
Marketing

Warranty
Repair
Work



Substantial Value Attributed to Franchise Rights

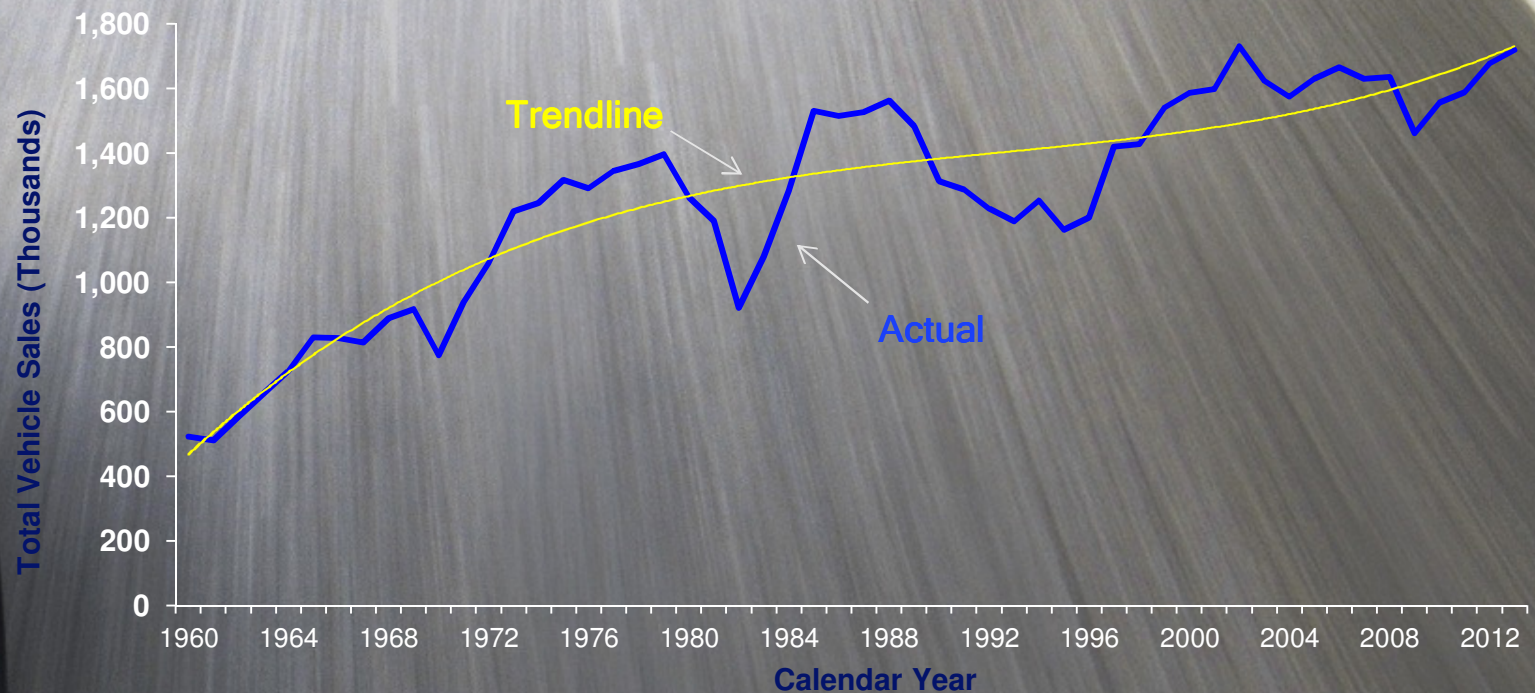
New Vehicle Sales

Drives high-margin related transactions

- Resale of trade-ins
- Sale of third-party financing, service or insurance products
- Recurring service and repair business



Total Canadian New Vehicle Sales 1960 – 2013F



Source: Scotia Economics - Global Auto Report, August 2, 2013

New vehicle technology, styling and safety improvement to drive increases in annual sales

Used Vehicle Sales

Drives high-margin related transactions

- Service contracts
- Reconditioning opportunities for parts and service
- Recurring parts and service business
- Financing commissions



Parts, Service and Collision Repair

- **High Margins and Stable Business**
 - Increasingly complex vehicles cost more to maintain
 - Highly specialized equipment and skilled labour required
 - Independent repair shops closing
 - Number of vehicles on the road is growing, creating more demand for available service bays

Parts, Service and Collision Repair

“Absorption Rate”

- Percentage of dealership’s fixed expenses covered by gross profit generated by parts and service segment
- AutoCanada’s 2012 absorption rate = 86%



Finance, Insurance & Other

- **High Margins and Excellent Growth**
 - Represents 6% of total revenue and 32% of gross profit
 - New vehicle sales increases a driver of growth in the finance and insurance department
 - Relatively low cost operation

2013 First Six Months Results



\$ millions (except EPS)

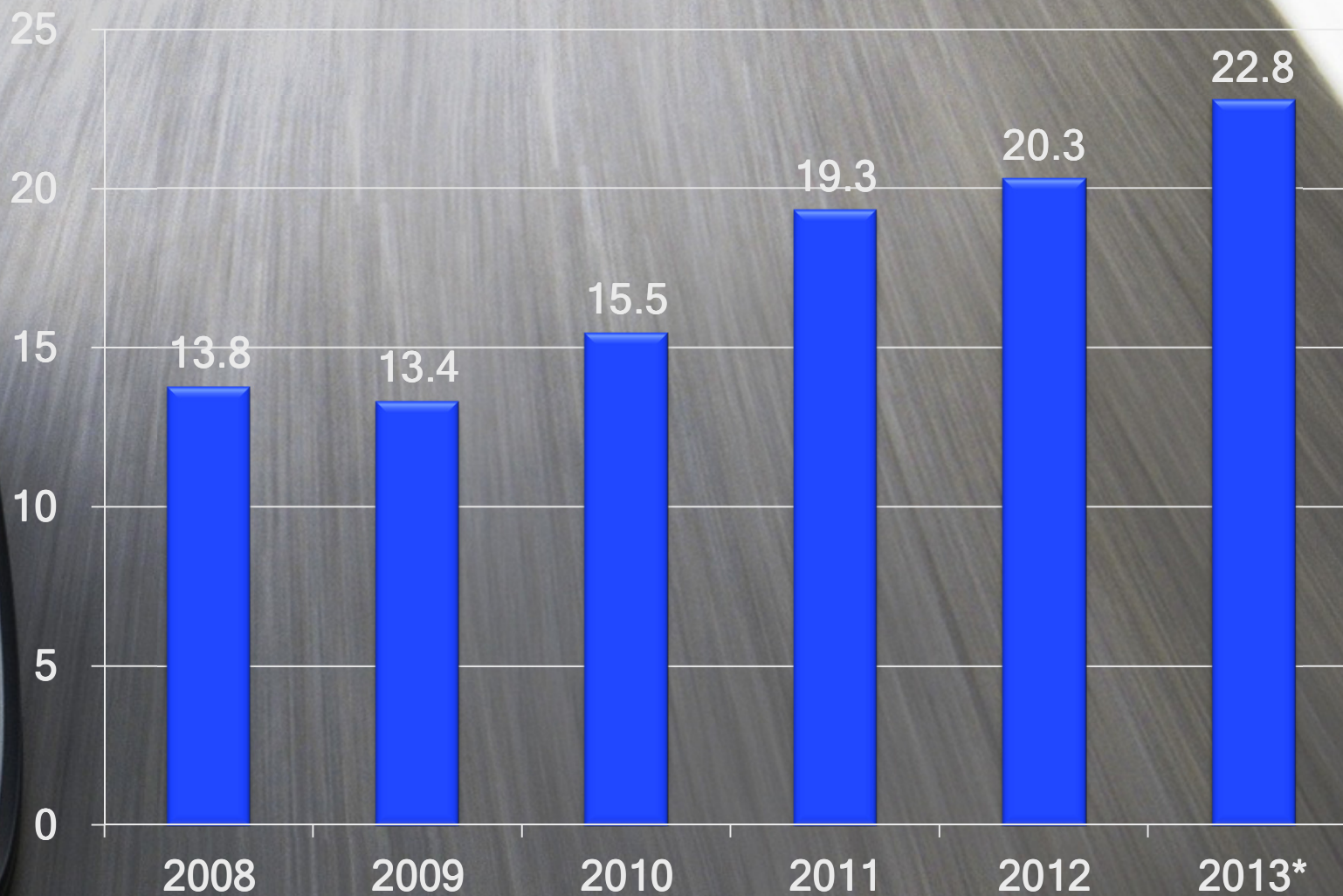
Revenue	\$ 673.0	23.9%	↑
Gross Profit	\$ 116.0	26.2%	↑
EBITDA*	\$ 27.0	58.5%	↑
Adjusted EPS**	\$ 0.88	61.6%	↑
Adjusted Free Cash Flow	\$ 18.4	37.3%	↑

* EBITDA does not add back interest on floorplan financing

** Adjusted EPS does not include effects of goodwill and intangible asset impairments and reversals of impairments net of deferred taxes

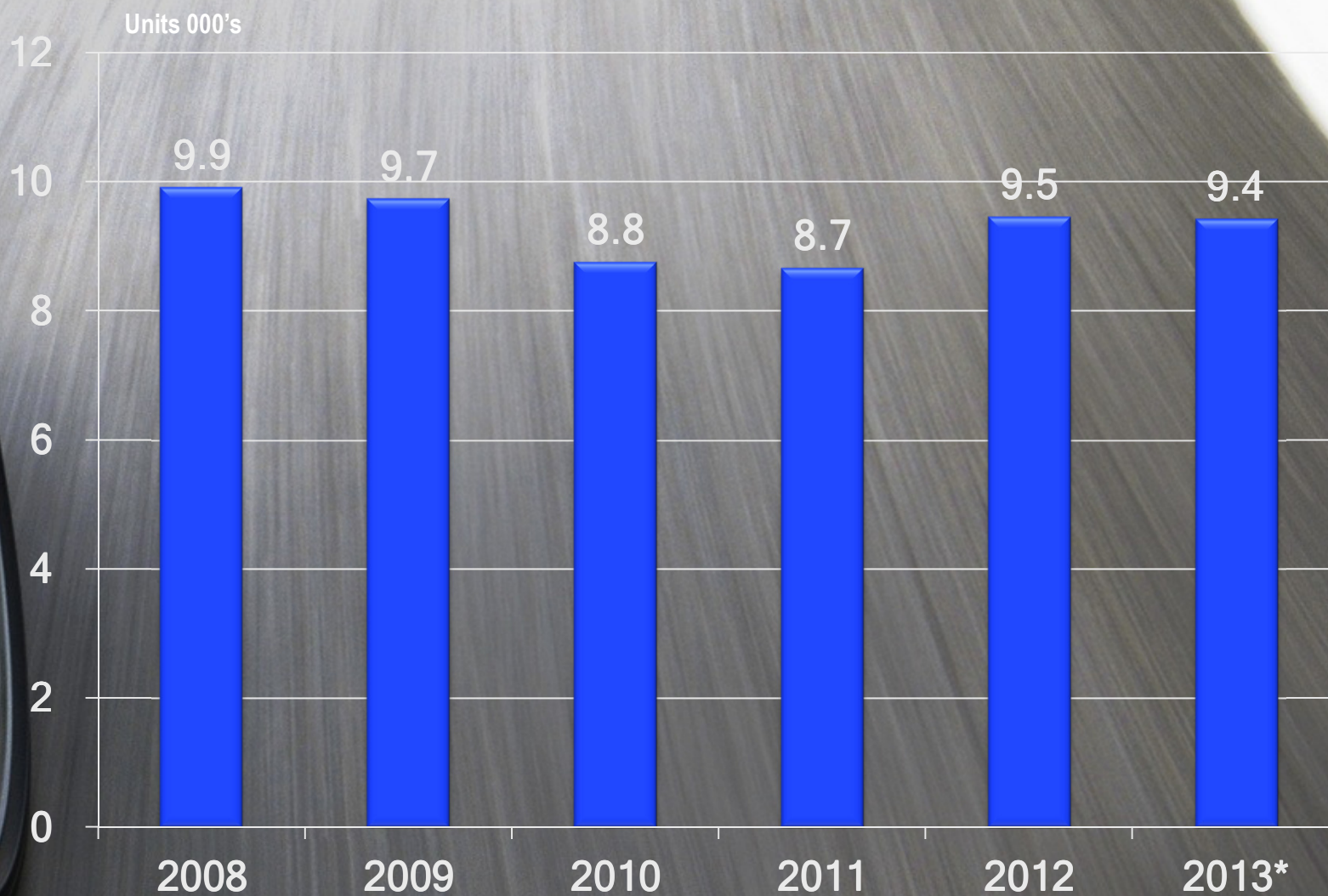
New Vehicle Sales

Units 000's



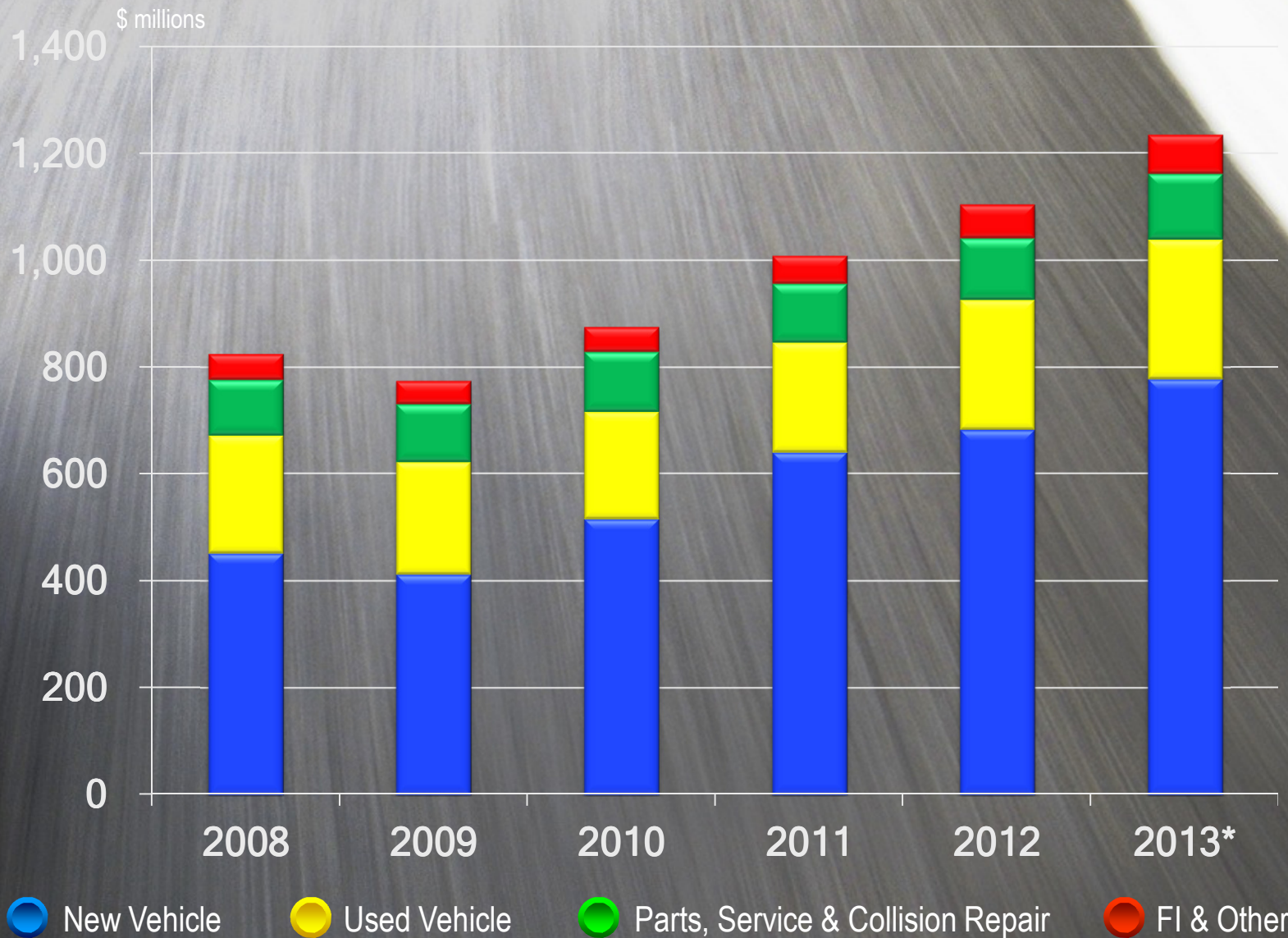
* Rolling 12-month total ending June 30, 2013

Used Vehicle Sales



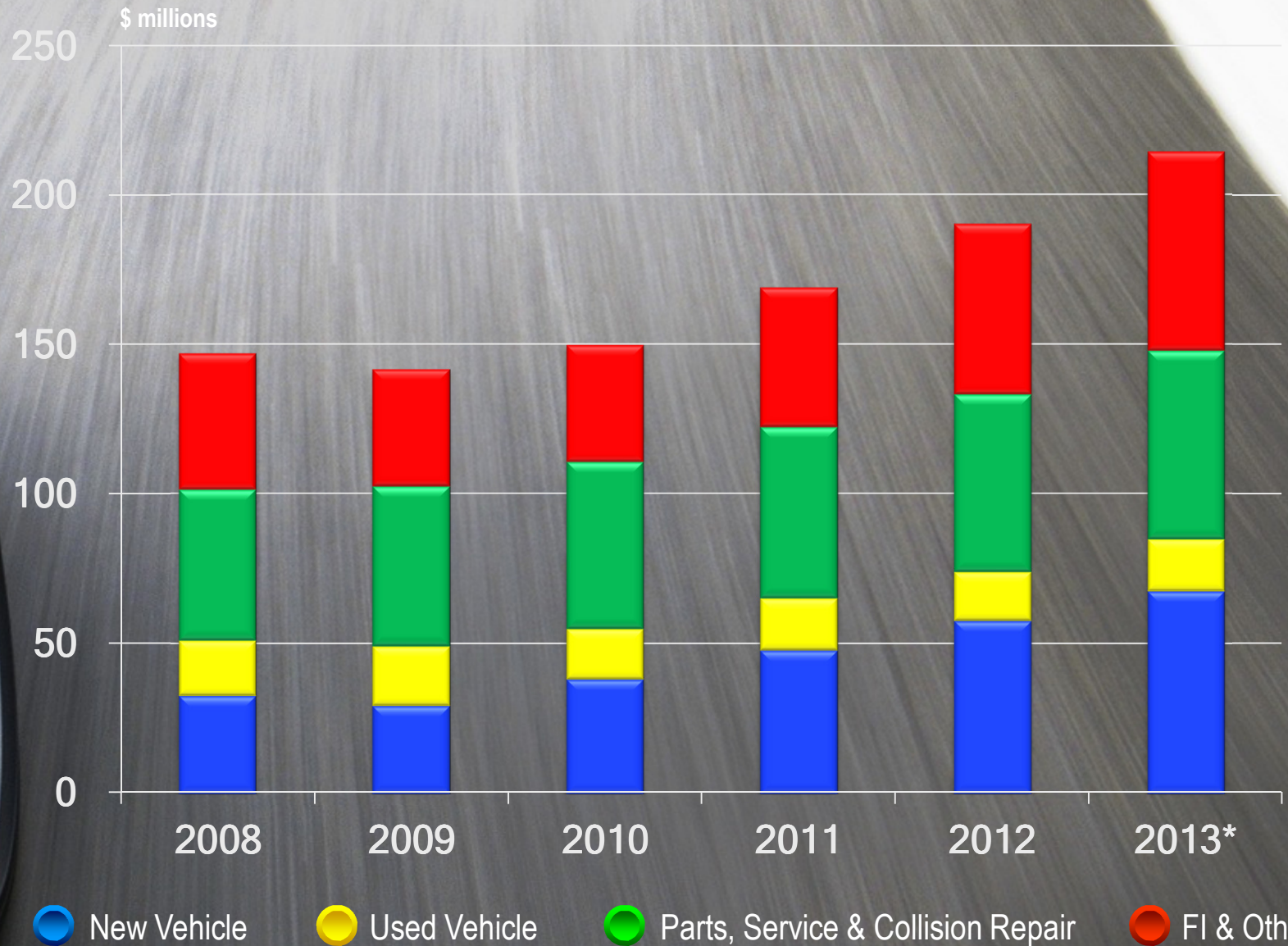
* Rolling 12-month total ending June 30, 2013

Revenue By Business Operation



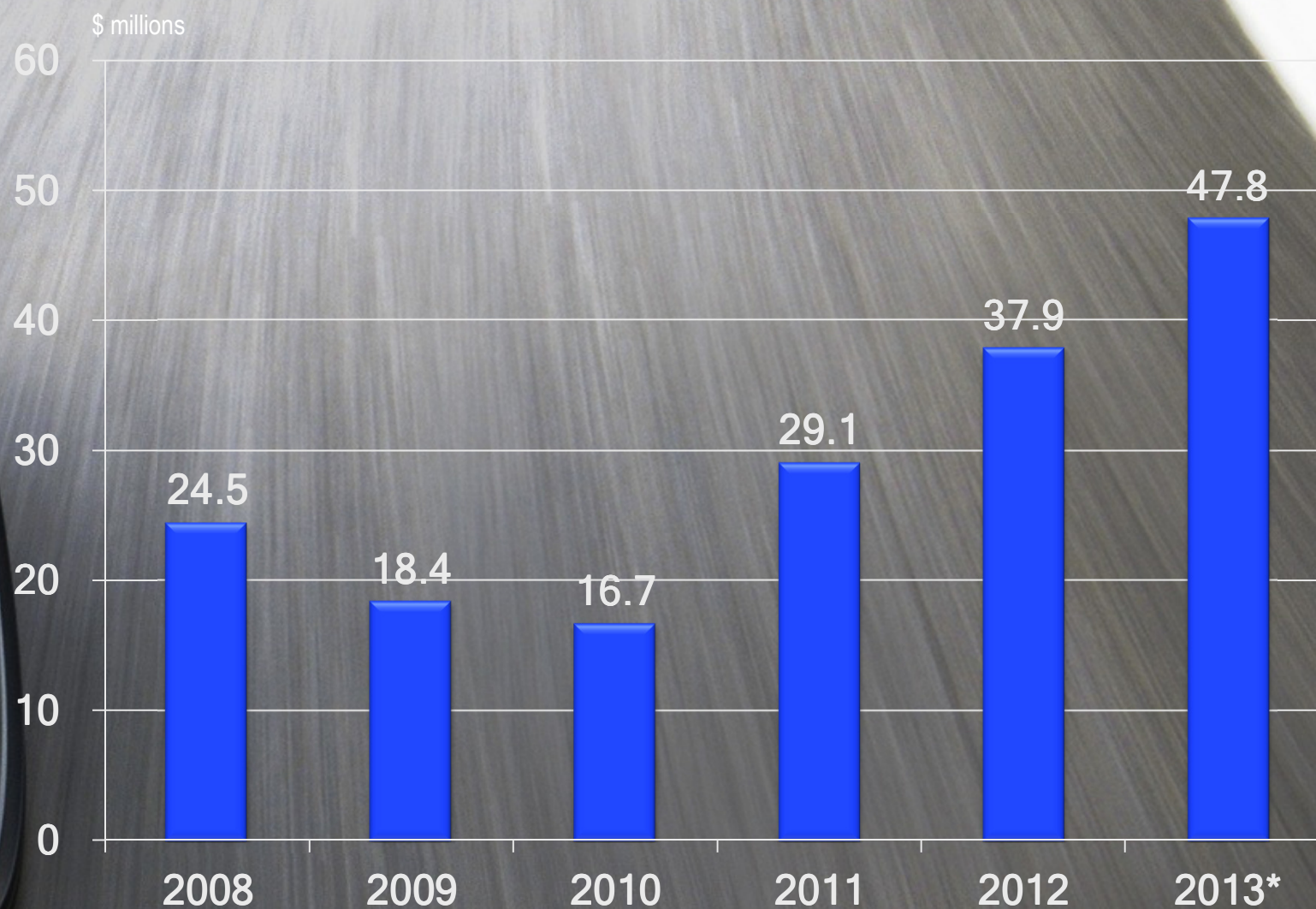
* Rolling 12-month total ending June 30, 2013

Gross Profit by Business Operation



* Rolling 12-month total ending June 30, 2013

Adjusted EBITDA



** Rolling 12-month total ending June 30, 2013*

Strong Balance Sheet

As at June 30, 2013

\$ millions

Current Assets	\$349.5
Current Liabilities	\$307.4
Net Working Capital	\$ 42.1
Long-term Debt	\$ 8.7

- Total floorplan debt of \$246.3 million (inventory financing) included in current liabilities and is paid as vehicles are sold

Relatively low long term debt

Capital Prioritization

Acquisitions that meet investment returns criteria:

- 15% - 20% pretax annual return on net investment
- Focus on immediately accretive acquisitions

Real estate investments:

- Preference to own real estate as opposed to leasing
- Greater control over properties and improved cash flows

Return cash to shareholders:

- Quarterly cash dividend of \$0.20 per share (\$0.80 annualized)

**Prioritizing Capital to Maximize Returns to
Shareholders**

Industry Succession

There are currently 3,464 auto dealerships in Canada

Results of 2012 PwC Trendsetter Survey:

- PwC identifies a succession crisis amongst Canadian auto retailers
- Over 50% of dealers have owned their dealership for more than 20 years
- 70% of dealers would like to be semi-retired or completely out of the business in 5 years
- 60% of owners of dealer groups would like to be semi-retired or completely out of the business in 10 years

Industry succession issues present an opportunity for dealer groups

Growth Opportunities



Management update:

- Expecting to close purchase of 11 dealership real estate facilities in next 30 days
 - Expected to add \$0.10 - \$0.12 per share in adjusted free cash flow
- Completed six acquisitions in first nine months of 2013:
 - Grande Prairie Volkswagen
 - Peter Baljet Chevrolet Buick GMC (investment)
 - St. James Volkswagen
 - St. James Audi
 - Courtesy Chrysler Dodge Jeep Ram
 - Eastern Chrysler Dodge Jeep Ram
- Management targeting to add additional 4 – 7 dealerships over the next 18 months

Investment Highlights




We Operate in a Excellent and Profitable Industry

Almost Everyone Owns at Least One Car or Truck

Proven Track Record of Strong Performance

Multiple Acquisition Opportunities Ahead



Question and Answer

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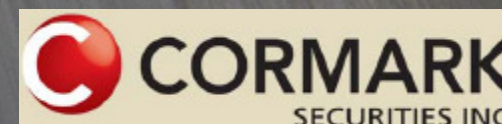
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