



AutoCanada

General Overview of the Company

May 2010



Forward-Looking Statements

Certain of the information presented looks forward in time and deals with other than historical or current facts for 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 our 2009 Annual Information Form dated March 22, 2010, 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.

Presentation Agenda

- 2006 - Our Business Model at IPO
- 2006 – 2008 Progress to Plan
- 2009 – Recession Resilience
- Looking to the Future

OEM vs. Dealer Business Model

Dealership Groups:

- 4 income streams allowing profitability even at times of declining new car sales
- Variable cost structure
- Relatively stable profits
- Right Product / Right Market
- Aging of Vehicles Support Parts & Service Operations

Manufacturers:

- Income stream primarily dependent on new car sales
- Fixed cost structure
- Cyclical nature of profits
- Limited Product / Various Markets
- Aging of Vehicles Support Parts Operations

Dealership Business Model Different from OEM's

2006 - Our Business Model at IPO

Financial Strength

- Strong balance sheet
- EBITDA of \$20 million
- Acquisition line of credit with Chrysler Financial of \$50 million
- Floorplan financing with Chrysler Financial of \$183 million
- Distribution of \$1.00 per unit annually
- Experienced, incentivized management team



Growth Strategy

- Consolidator of industry (4-6 targeted acquisitions per year)
- Diversification of our brands
- Organic growth through open points and same store growth
- Equity offerings to replenish credit lines





Presentation Agenda

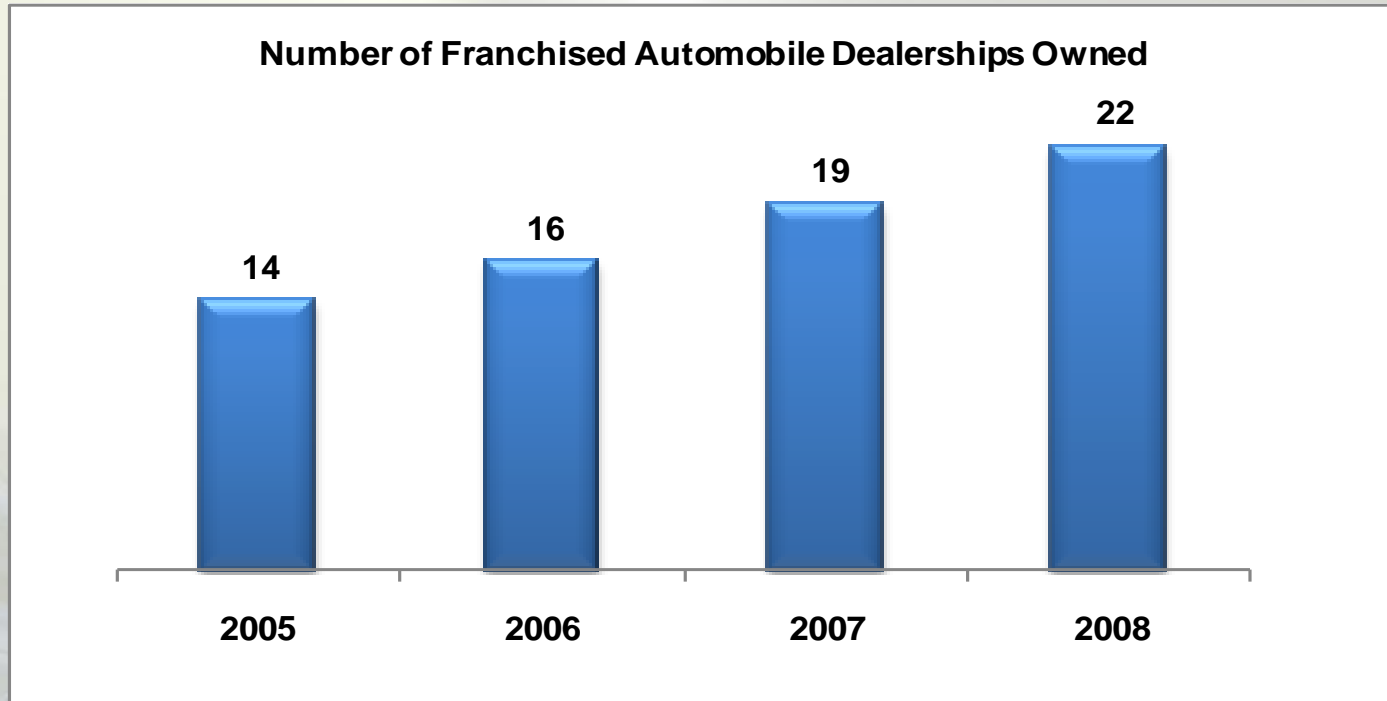
- 2006 - Our Business Model at IPO

- 2006 – 2008 Progress to Plan

- 2009 – Recession Resilience

- Looking to the Future

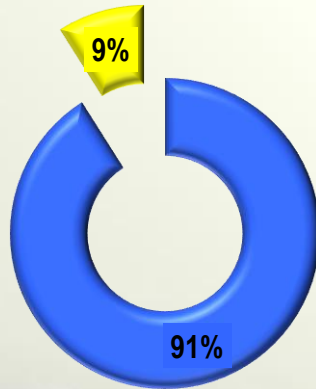
2006 – 2008 Progress to Plan



Acquired or opened 2-3 dealerships each year

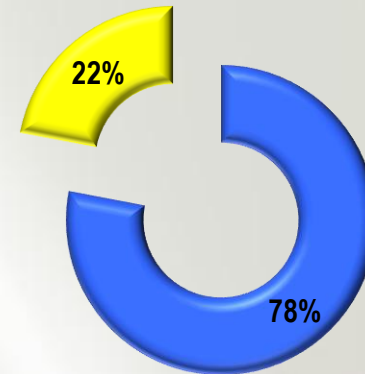
Diversification of Our Brands

Sales Mix at IPO



■ Domestic ■ Import

Sales Mix 2008



■ Domestic ■ Import



2006 – 2008 Distributions to Unitholders

High Yield Distributions Under the Income Trust Structure

- Monthly distributions at annualized rate of \$1.00
- Aggregate distributions paid to unitholders of \$53.4 million during this period
- Aggregate distributions paid to unitholders of \$2.64 per unit during this period





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Distress of a Major Vehicle Supplier

Chrysler Restructuring

- Chrysler plants idle in 2009 from April to July
- No new Chrysler product until August of 2009



We remained profitable in each quarter of 2009

Q1 2009 Earnings - \$1.1 million

Q2 2009 Earnings - \$4.8 million

Q3 2009 Earnings - \$5.1 million

Q4 2009 Earnings - \$1.7 million

Near Collapse of Our Primary Lender

CFC Suspension of Lending

- Acquisition line of credit of \$50 million converted to \$20 million non-revolving term loan on May 1, 2010
- Wholesale floorplan financing line of \$183 million suspended and no further advances under the facility on April 30, 2009



Chrysler Financial

**We self-financed inventory for the period
of April 30, 2009 – June 30, 2009**



Financial Crisis Impact on the Dealer Model

Fundamentally, the dealer model did not change as a result of the financial crisis, however it did impact the following:

- Access to vehicle financing
- Leasing evaporated – approximately 40% of the market
- Banks “run” from anything auto as OEM / Supplier fears spread
- Unemployment and uncertainty changes consumer behaviour
- Floorplan financing expense increases (if you can get financing)

New challenges emerge for all dealers in Canada



2009 - A Year of Change

- Replaced the Chrysler Financial wholesale floorplan facility with GMAC wholesale flooring line in June of 2009
- Refinanced the Chrysler Financial non-revolving fixed term loan in October of 2009 with a revolving term loan from HSBC Canada
- Relocated two large dealerships in Edmonton, Alberta to new “world-class” facilities during 2009
- Converted from an income trust structure to a corporate structure on December 31, 2009

Net earnings of \$12.6 million

EBITDA of \$18.4 million

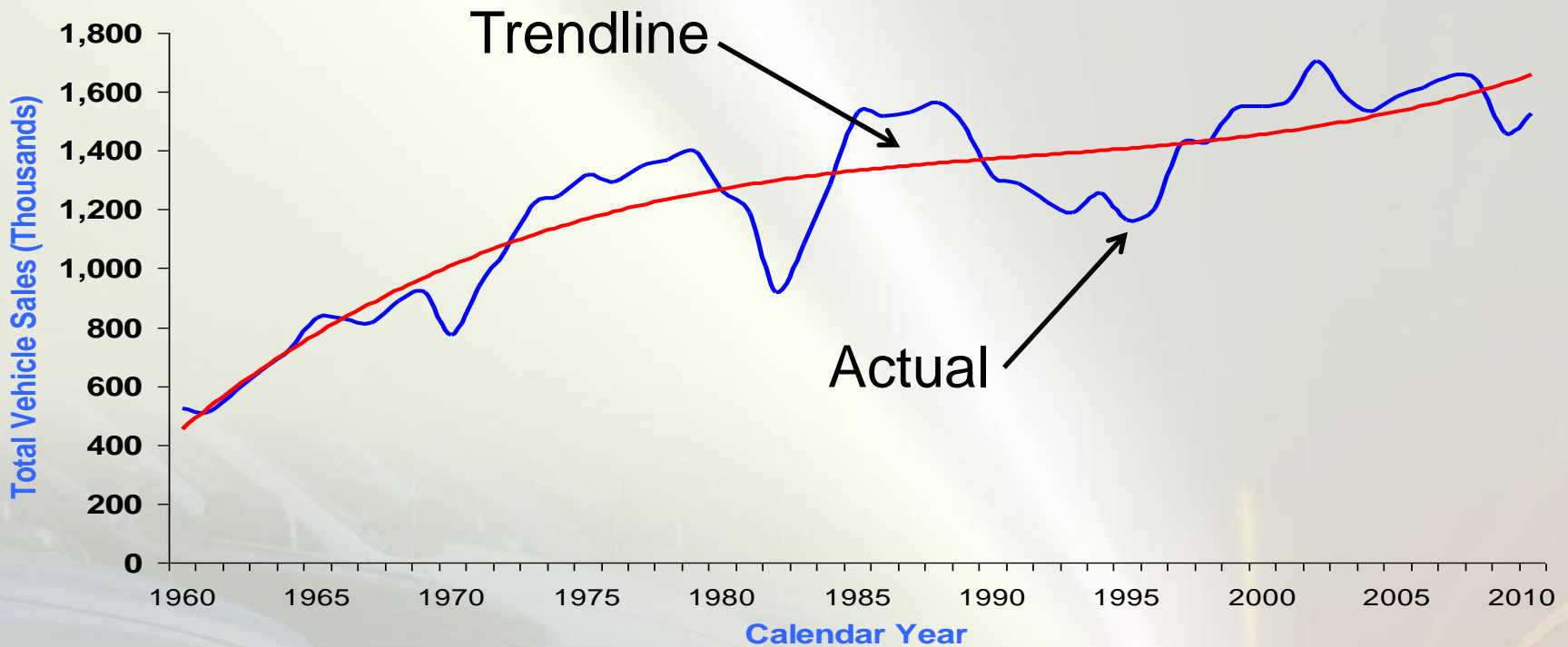
Cash flow from operations of \$11.3 million



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Canadian New Vehicle Sales Expected to be Healthy



Industry Forecast 1.52 million to 1.60 million units in 2010
We base our planning for 2010 on 1.52 million

Strong OEM Performance in 2010

CHRYSLER



Jeep



"It's an impressive (2010) result and shows how much cost was taken out by Chapter 11 and Fiat's actions," - Bernstein Research



**"Hyundai is awesome. They are undoubtedly a threat because their products are cheap, and the quality is improving." - Takanobu Ito
– CEO of Honda**

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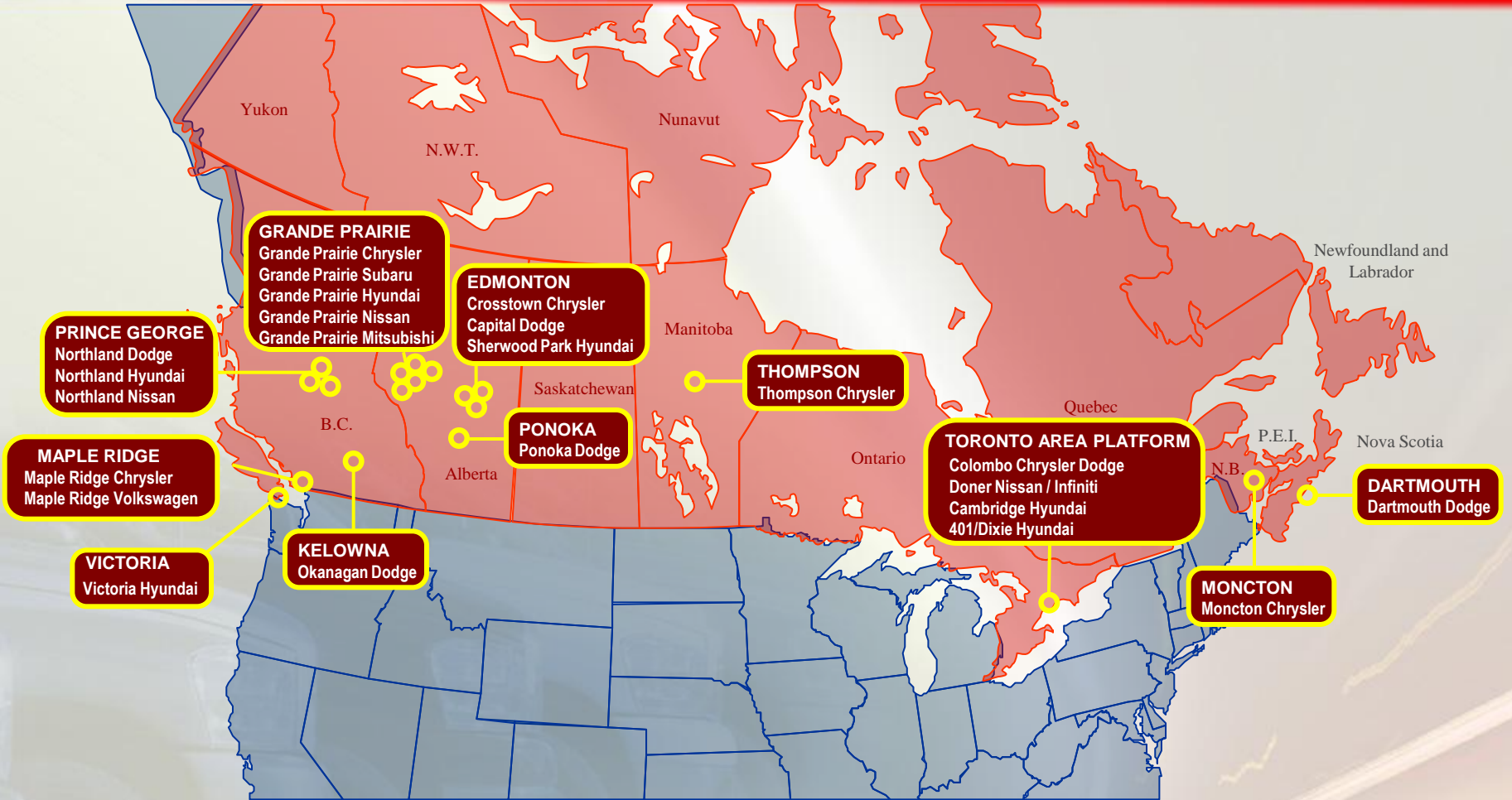


Our remaining OEM manufacturer partners all posting double-digit increases from 2009





Growing our Business



Organic and Acquisition Growth by Expanding Platforms



Our Performance – 2010 YTD

Strong Balance Sheet

- \$23.6 million cash balance
- \$35.7 million working capital
- \$4 million available on revolver
- Purchase of 401 Dixie Hyundai in April of 2010



Reinstated a Quarterly Dividend of \$0.04 on May 12, 2010

Exceeding Analyst Expectations

Double-Digit Growth in Same Store Sales and Gross Profit



Our Performance – 2010 YTD

Revenue - \$201.5 million	↑	16.6%
Same Store Revenue	↑	16.9%
Gross Profit	↑	11.3%
Same Store Gross Profit	↑	11.1%
EBITDA	↑	38.1% to \$3.2 million
Pre-tax Earnings	↑	66.7% to \$2.0 million
Net Earnings	↑	27.2% to \$1.4 million

Strong performance in first quarter of 2010



Our Share Performance

- Quarterly dividend of \$0.04 per share (annualized \$0.16)
- Current share price of \$5.08 represents 3.2% yield to investors
- Adjusted free cash flow in 2009 of \$0.82 per share (2008 - \$1.14)



Analyst coverage:

Tanya Messinger – RBC Capital Markets – (416) 842-3803

Our Business Model for the Future

Financial Strength

- Maintain strong balance sheet
- Revolving term facility with HSBC of \$20 million
- Wholesale floorplan financing with GMAC Canada
- Dividend of \$0.16 per share (annualized)
- Experienced, incentivized management team



Our Business Model for the Future

Growth Strategy

- Consolidator of industry (2-3 targeted acquisitions per year)
- Diversification of our brands
- Organic growth through open points and same store growth
- Finance acquisitions with cash from operations



Closing Summary

- Business model generally unchanged from IPO
- Four new brands added in four years
- Nine dealerships added since IPO
 - 3 open points opened since IPO
 - 6 acquisitions completed
- Strong performance in 2009 despite market conditions
- Steady future growth and return to shareholders