AUTOCANADA INCOME FUND

Announces Initial Cash Distribution for May 2006

Edmonton, Alberta (May 18, 2006) AutoCanada Income Fund ("AutoCanada") (TSX:ACQ.UN) announced today its initial cash distribution of $0.0564 per trust unit for the period from May 11, 2006 to May 31, 2006 (equivalent to $1.00 per trust unit on an annualized basis). This distribution will be paid on June 15, 2006 to unitholders of record at the close of business of May 31, 2006.

The policy of the AutoCanada is to pay cash distributions on or about the 15th of each month to the unitholders of record on the last business day of the preceding month.

<u>About AutoCanada</u>

AutoCanada is Canada's only publicly traded entity with interests exclusively in the operation of franchised automobile dealerships. Through its 50.4% interest in AutoCanada LP, it operates 14 franchised automobile dealerships in six provinces and has over 800 employees. It currently sells various new vehicle brands, including Chrysler, Dodge, Jeep, and Hyundai. In 2005, its franchised automobile dealerships sold approximately 19,000 vehicles and processed approximately 204,000 service and collision repair orders in 223 service bays, generating revenue of approximately $628 million.

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

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