August 4, 2010

Attention Business/Financial Editors:

AutoCanada Inc. releases financial results for the reporting period ended June 30, 2010 and declares a quarterly dividend of $0.04 per common share:

A conference call to discuss the results for the reporting period ended June 30, 2010 will be held on August 5, 2010 at 10:00 a.m. Eastern time. To participate in the conference call, please dial 1-888-231-8191 or (647) 427-7450 approximately 10 minutes prior to the call. A live and archived audio webcast of the conference call will also be available on the Company's website www.autocan.ca.

EDMONTON, Alberta, August 4, 2010/CNW - AutoCanada Inc. (the "Company" or "AutoCanada") (TSX: ACQ) today announced financial results for the reporting period ended June 30, 2010:

2010 Second Quarter Operating Results

- Revenue increased by 20.8% or $42.0 million
- Same store revenue increased by 19.4% or $35.1 million
- Gross profit increased by 10.6% or $4.0 million
- Same store gross profit increased by 7.5% or $2.6 million
- Pre-tax earnings increased by 3.5% to $5.0 million
- EBITDA increased 0.7% to $6.2 million
- Net earnings decreased by 23.2% to $3.6 million
- Repair orders completed for the quarter were up 6.7%
- The number of new vehicles retailed increased by 19.0%

In commenting on the financial results for the reporting period ended June 30, 2010, Pat Priestner, Chief Executive Officer of AutoCanada Inc. stated that, "The Canadian automotive retail market continues to improve from 2009 levels with respect to new vehicle sales. Strong competition among OEM's has created what is truly a "buyer's market" as a result of large customer incentives and rebates being offered by manufacturers. The incentives and rebates being offered have attracted many customers into dealer showrooms the past six months and have also made buying a new vehicle in Canada more affordable to the average customer. We continue to focus on growing our market share in key markets and improving the sales experience for our customers in order to build and maintain long-term relationships. During the second quarter, we are pleased to have signed an exclusivity agreement which enables us to provide AIR MILES Reward Miles to our customers. This customer reward program provides us with a competitive edge and should have a positive impact on customer loyalty. "

Second Quarter 2010 Highlights

- Net earnings of $3.6 million or basic and diluted earnings per share of $0.183.
- Pre-tax earnings of $5.0 million or basic and diluted pre-tax earnings per share of $0.251.
- Same store revenue increased by 19.4% in the second quarter of 2010, compared to the same quarter in 2009.
- Same store gross profit increased by 7.5% in the second quarter of 2010, compared to the same quarter in 2009.
- Revenue from existing and new dealerships increased 20.8% to $244.3 million in the second quarter of 2010 from $202.3 million in the same quarter in 2009.
- Gross profit from existing and new dealerships increased 10.6% to $41.8 million in the second quarter of 2010 from $37.8 million in the same quarter in 2009.
- EBITDA increased 0.7% to $6.2 million in the second quarter of 2010 from $6.1 million in the same quarter in 2009.
- Free cash flow generated of $0.660 per share and adjusted free cash flow of $0.258 in the second quarter of 2010.
- On April 12, 2010 the Company completed the acquisition of Future Hyundai, located in Mississauga, Ontario, to be continued under the name 401/Dixie Hyundai.

Declaration of a Quarterly Dividend

The Board of Directors of AutoCanada declared today a quarterly eligible dividend of $0.04 per common share on AutoCanada's outstanding Class A common shares, payable on September 15, 2010 to shareholders of record at the close of business on August 31, 2010.

"AutoCanada will continue to move forward as a re-energized company. We have renewed our focus on customer loyalty by investing in our own people and building our relationships with various stakeholders in our industry in order to better serve our customers. We are committed to delivering shareholder value by investing in our Company and by returning cash to our shareholders by way of a regular quarterly dividend." said Pat Priestner, CEO of AutoCanada.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table shows the unaudited results of the AutoCanada 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 Operating Data and gross profit %)	**Q3 2008**	**Q4 2008**	**Q1 2009**	**Q2 2009**	**Q3 2009**	**Q4 2009**	**Q1 2010**	**Q2 2010**
Income Statement Data								
New vehicles	118,807	96,634	87,176	108,181	117,513	102,880	115,395	146,664
Used vehicles	57,790	47,605	49,550	55,098	56,386	48,135	48,216	56,124
Parts, service & collision repair	26,492	27,105	26,390	27,322	26,941	27,730	27,011	28,555
Finance, insurance & other	13,597	11,023	9,683	11,669	12,027	10,252	10,918	12,958
Revenue	216,686	182,367	172,799	202,270	212,867	188,997	201,540	244,301
New vehicles	9,266	6,729	5,828	7,951	9,003	7,157	7,809	11,017
Used vehicles	5,156	3,671	3,810	5,677	5,744	4,309	3,977	4,720
Parts, service & collision repair	13,290	13,090	12,811	13,708	13,374	13,447	13,106	14,443
Finance, insurance & other	12,629	10,137	8,732	10,489	10,717	9,218	9,825	11,666
Gross profit	40,341	33,627	31,181	37,825	38,838	34,131	34,717	41,846
Gross profit %	18.6%	18.4%	18.0%	18.7%	18.3%	18.1%	17.2%	17.1%
Sales, general & admin expenses	30,491	28,157	27,813	30,450	30,565	29,313	29,834	33,273
SG&A exp. as % of gross profit	75.5%	83.7%	89.2%	80.5%	78.7%	85.9%	85.9%	79.5%
Floorplan interest expense	1,693	1,443	970	1,104	1,399	1,382	1,661	2,198
Other interest & bank charges	458	441	375	552	802	552	362	442
Income taxes	(1,869)	(8,579)	97	67	37	248	522	1,337
Net earnings [4]	(38,318)	(67,121)	1,054	4,750	5,099	1,675	1,433	3,647
EBITDA [1 4]	7,975	3,868	2,230	6,135	6,716	3,271	3,079	6,180
Operating Data								
Vehicles (new and used) sold	6,462	5,124	5,149	6,067	6,415	5,451	5,676	7,017
New retail vehicles sold	3,245	2,376	2,219	3,030	3,236	2,559	2,787	3,613
New fleet vehicles sold	532	526	473	446	619	695	661	943
Used retail vehicles sold	2,685	2,222	2,385	2,591	2,560	2,197	2,228	2,461
Number of service & collision repair orders completed	74,300	69,560	70,021	75,062	79,346	76,853	75,311	80,072
Absorption rate [2]	99%	94%	84%	90%	92%	91%	85%	87%
# of dealerships	21	22	22	22	22	22	22	23
# of same store dealerships [3]	14	14	16	17	18	19	19	19
# of service bays at period end	284	284	319	319	321	331	331	339
Same store revenue growth [3]	(17.1)%	(16.7)%	(19.8)%	(15.3)%	(3.9)%	1.3%	16.9%	19.4%
Same store gross profit growth [3]	(3.3)%	(8.0)%	(12.8)%	(8.7)%	(6.3)%	(1.1)%	11.1%	7.5%
Balance Sheet Data								
Cash and cash equivalents	19,194	19,592	12,522	14,842	23,224	22,465	23,615	31,880
Accounts receivable	39,390	31,195	33,821	27,034	38,134	35,388	40,752	46,826
Inventories	134,565	139,948	116,478	90,141	107,431	108,324	153,847	177,524
Revolving floorplan facilities	135,562	137,453	114,625	73,161	105,254	102,650	160,590	194,388

Company management considers same store gross profit and sales information to be an important operating metric when comparing the results of the Company to other industry participants.

The following table summarizes the sales for the three and six months ended June 30, 2010 on a same store basis by revenue source and compares these results to the same periods in 2009.

Same Store Revenue and Vehicles Sold

(In thousands of dollars except % change and vehicle data)	For the Three Months Ended June 30, 2010	June 30, 2009	% Change	For the Six Months Ended June 30, 2010	June 30, 2009	% Change
Revenue Source						
New vehicles	128,116	94,436	35.7%	232,844	172,252	35.2%
Used vehicles	51,959	51,387	1.1%	97,046	98,193	(1.2)%
Finance & insurance and other	11,133	10,656	4.5%	21,017	19,509	7.7%
Subtotal	191,208	156,479		350,907	289,954	
Parts, service & collision repair	25,226	24,862	1.5%	49,860	49,113	1.5%
Total	216,434	181,341	19.4%	400,767	339,067	18.2%
New vehicles – retail sold	3,039	2,560	18.7%	5,528	4,618	19.7%
New vehicles – fleet sold	941	464	102.8%	1,588	876	81.3%
Used vehicles sold	2,267	2,398	(5.5)%	4,322	4,606	(6.2)%
Total	6,247	5,422	15.2%	11,438	10,100	13.2%
Total vehicles retailed	5,306	4,958	7.0%	9,850	9,224	6.8%

The following table summarizes the gross profit for the three and six months ended June 30, 2010 on a same store basis by revenue source and compares these results to the same period in 2009.

Same Store Gross Profit and Gross Profit Percentage

	For the Three Months Ended						For the Six Months Ended					
	Gross Profit			Gross Profit %			Gross Profit			Gross Profit %		
(In thousands of dollars except % change and gross profit %)	June 30, 2010	June 30, 2009	% Change	June 30, 2010	June 30, 2009	% Change	June 30, 2010	June 30, 2009	% Change	June 30, 2010	June 30, 2009	% Change
Revenue Source												
New vehicles	9,702	7,204	34.7%	7.5%	7.6%	(1.3)%	16,791	12,126	38.5%	7.2%	7.0%	2.9%
Used vehicles	4,522	5,146	(12.1)%	8.7%	10.0%	(13.0)%	8,253	8,984	(8.1)%	8.5%	9.2%	(7.6)%
Finance & insurance and other	10,351	9,788	5.8%	93.0%	91.9%	1.2%	19,444	17,931	8.4%	92.5%	91.9%	0.7%
Subtotal	24,575	22,138	10.5%				44,488	39,041	14.0%			
Parts, service & collision repair	12,728	12,559	1.3%	50.5%	50.5%	0.0%	24,730	24,393	1.4%	49.6%	49.7%	(0.2)%
Total	37,303	34,697	7.5%	17.2%	19.1%	(9.9)%	69,218	63,434	9.1%	17.3%	18.7%	(7.5)%

About AutoCanada

AutoCanada is one of Canada's largest multi-location automobile dealership groups, currently operating 23 franchised dealerships in British Columbia, Alberta, Manitoba, Ontario, New Brunswick and Nova Scotia. In 2009, the 22 franchised automobile dealerships owned by the Company, sold approximately 23,000 vehicles and processed approximately 300,000 service and collision repair orders in our 331 service bays. We have grown, and intend to continue to grow, our business through the acquisition of franchised automobile dealerships in key markets, the organic growth of our existing dealerships, the opening of new franchised automobile dealerships, or "Open Points", and the management of franchised automobile dealerships.

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 used vehicle sales, 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 and therefore we do not have an in-house lease program and as a result we do not have exposure to residual value risk of returned lease vehicles.

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.

In particular, material forward-looking statements in this press release include:

- The impact that the AIR MILES Reward Miles program may have on customer loyalty;
- Our commitment to future quarterly dividends;

The foregoing factors are further discussed in the Company's Annual Information Form dated March 22, 2010 which is filed on SEDAR at www.sedar.com.

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

Our 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.

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 expenditure.

Adjusted Free Cash Flow

Adjusted free cash flow is a measure used by management to evaluate its performance. 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.

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.

Cautionary Note Regarding Non-GAAP Measures

EBITDA and Free Cash Flow 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 and Free Cash Flow may differ from the methods used by other issuers. Therefore, the Company's EBITDA and Free Cash Flow may not be comparable to similar measures presented by other issuers.

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

Interim Consolidated Balance Sheet

(expressed in Canadian dollar thousands)

	June 30, 2010 (Unaudited)	December 31, 2009
	$	$
ASSETS		
Current assets		
Cash and cash equivalents	31,880	22,465
Accounts receivable	46,826	35,388
Inventories (note 5)	177,524	108,324
Prepaid expenses	3,037	1,649
Future income taxes	-	500
	259,267	168,326
Property & equipment	18,070	17,794
Intangible assets (note 4)	45,059	43,700
Goodwill (note 4)	221	-
Future income taxes	-	1,647
Leasehold inducements (note 8)	2,996	2,142
Other assets	56	56
	325,669	233,665
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	25,965	25,556
Revolving floorplan facilities (note 6)	194,388	102,650
Income taxes payable	1,533	-
Current portion of long-term debt (note 7)	263	271
Future income taxes	-	2,012
	222,149	130,489
Long-term debt (note 7)	18,942	23,074
Future income taxes	191	-
	241,282	153,563
Economic dependence (note 2)		
SHAREHOLDERS' EQUITY		
Share capital	190,435	190,435
Contributed surplus	3,918	3,918
Deficit	(109,966)	(114,251)
	84,387	80,102
	325,669	233,665

AutoCanada Inc.

Interim Consolidated Statement of Operations, Comprehensive Income and Deficit

(expressed in Canadian dollar thousands except share and per share amounts)

	Three Months ended June 30, 2010 (unaudited)	***Three Months ended June 30, 2009 (unaudited)***	***Six Months ended June 30, 2010 (unaudited)***	***Six Months ended June 30, 2009 (unaudited)***
	$	**$**	**$**	**$**
Revenue				
Vehicles	215,064	174,549	389,188	320,495
Parts, service and collision repair	28,747	27,323	55,802	53,718
Other	490	398	851	856
	244,301	202,270	445,841	375,069
Cost of sales (note 5)	202,454	164,445	369,277	306,063
Gross profit	41,847	37,825	76,564	69,006
Expenses				
Selling, general and administrative	33,273	30,450	63,107	58,263
Interest	2,640	1,656	4,663	3,001
Amortization	950	902	1,855	1,774
	36,863	33,008	69,625	63,038
Earnings before income taxes	4,984	4,817	6,939	5,968
Income taxes	1,337	67	1,859	164
Net earnings & comprehensive income for the period	3,647	4,750	5,080	5,804
Deficit, beginning of period	(112,818)	(125,775)	(114,251)	(124,344)
Dividends declared	(795)	-	(795)	(2,485)
Deficit, end of period	(109,966)	(121,025)	(109,966)	(121,025)
Earnings per share				
Basic	0.183	0.239	0.256	0.292
Diluted	0.183	0.239	0.256	0.292
Weighted average shares				
Basic	19,880,930	19,880,930	19,880,930	19,880,930
Diluted	19,880,930	19,880,930	19,880,930	19,880,930

AutoCanada Inc.

Interim Consolidated Statement of Cash Flows

(expressed in Canadian dollar thousands)

	Three Months Ended June 30, 2010 (unaudited)	*Three Months Ended June 30, 2009 (unaudited)*	*Six Months ended June 30, 2010 (unaudited)*	*Six Months ended June 30, 2009 (unaudited)*
Cash provided by (used in)	**$**	**$**	**$**	**$**
Operating activities				
Net earnings for the period	3,647	4,750	5,080	5,804
Items not affecting cash				
Future income taxes	1,351	67	326	164
Unit based compensation	-	22	-	61
Amortization	950	902	1,855	1,774
(Gain) loss on disposal of property & equipment	-	(18)	(2)	(9)
	5,948	5,723	7,259	7,794
Net change in non-cash working capital balances	8,321	(3,112)	13,128	(8,397)
	14,269	2,611	20,387	(603)
Investing activities				
Business acquisitions (note 4)	(3,550)	-	(3,550)	-
Payments of leasehold inducements	(427)	-	(854)	-
Purchase of property & equipment	(1,156)	(2,175)	(1,697)	(3,240)
Proceeds on sale of property & equipment	1	11	64	55
Restricted cash	-	2,531	-	2,313
	(5,132)	367	(6,037)	(872)
Financing activities				
Proceeds from long term debt	-	-	-	286
Repayment of long term debt	(77)	(658)	(4,140)	(1,076)
Dividends paid	(795)	-	(795)	(2,485)
	(872)	(658)	(4,935)	(3,275)
Increase (decrease) in cash	8,265	2,320	9,415	(4,750)
Cash and cash equivalents, beginning of period	23,615	12,522	22,465	19,592
Cash and cash equivalents, end of period	31,880	14,842	31,880	14,842
Supplementary information				
Cash interest paid	2,685	1,306	4,542	2,792
Transfer of inventory to property & equipment	395	189	502	366
Transfer of property & equipment to inventory	333	168	410	420