May 12, 2008

Attention Business/Financial Editors:

AutoCanada Income Fund releases financial results for the reporting period ended March 31, 2008:

A conference call to discuss the results for the period ended March 31, 2008 will be held on May 13, 2008 at 10 a.m. Eastern time. To participate in the conference call, please dial 1-800-590-1508 approximately 10 minutes prior to the call. A live and archived audio webcast of the conference call will also be available on the Fund's website www.autocan.ca.

EDMONTON, Alberta, May 12, 2008/CNW - AutoCanada Income Fund (the "Fund") (TSX: ACQ.UN) today announced financial results for the three-month period ended March 31, 2008.

2008 First Quarter Operating Results

- Revenue increased by 1.9%
- Gross profit increased by 5.7%
- Same store revenue decreased by 0.6%
- Same store gross profit increased by 0.7%
- EBITDA decreased by 14.8%

First Quarter 2008 Summary

- For the first quarter of 2008, the Fund generated net earnings of $3,078 or basic earnings per unit of $0.152, standardized distributable cash of $0.115 per unit and adjusted distributable cash of $0.214 per unit, and declared distributions of $0.25 per unit, for a standardized payout ratio of 217.7% and an adjusted payout ratio of 116.8%.

- Same store revenue decreased 0.6% and same store gross profit increased by 0.7% in the first quarter of 2008, compared to the results of the Fund for the same quarter in 2007.

- Revenue from existing and new dealerships increased by 1.9% to $198.1 million in the first quarter of 2008 from the $194.4 million in the same quarter in 2007.

- Gross profit from existing and new dealerships increased by 5.7% to $33.1 million in the first quarter of 2008 from the $31.3 million in the same quarter in 2007.

- EBITDA decreased by 14.8% to $4.6 million in the first quarter of 2008 from the $5.4 million in the same quarter in 2007.

- Net earnings decreased by 31.3% to $3.1 million in the first quarter of 2008 from $4.5 million in the same quarter in 2007.

- On March 27, 2008, Nissan Canada and AutoCanada settled the terms of a framework agreement which, among other things, provides the basis upon which AutoCanada may seek Nissan Canada's approval to add additional Nissan and/or Infiniti dealerships. AutoCanada had been indirectly participating in the earnings of Northland Nissan and Grande Prairie Nissan, owned by GPN Auto Ltd., a company controlled by Canada One Auto Group which owns approximately 46% of the outstanding units of the Fund. AutoCanada shall request of Nissan Canada that each of Northland Nissan and Grande Prairie Nissan be transferred to AutoCanada.

Highlights of Events Subsequent to March 31, 2008

- On March 27, 2008, the Fund announced that Nissan Canada Inc. had approved the purchase which closed on April 1, 2008 by AutoCanada of the assets of Doner Infiniti Nissan, located in Newmarket, Ontario. The dealership shall continue under the name Doner Infiniti Nissan, and shall operate out of a 22,000 square foot facility with 14 service bays plus 4 other bays and a 16 new car showroom. Doner Nissan/Infiniti has been in operation since 1977, and in 2007, sold 754 new vehicles and 429 used vehicles.

- The Grande Prairie Subaru dealership in Grande Prairie, Alberta, relocated in late April, 2008 to a new dealership facility. The new dealership facility expanded the dealership from approximately 2,500 sq. ft. to 7,300 sq. ft. with a four vehicle showroom and increased the number of service bays from two to five.

- On May 6, 2008, the Fund announced that it had not been able to secure Toyota's approval to permit its dealerships to be owned directly by the Fund. The Fund shall continue with its efforts to cultivate relationships with all manufacturers of brands not presently represented by the Fund to address issues that they may have with respect to the Fund, with the intent of building a relationship that shall benefit both the Fund and the manufacturer. As a result, the Fund has adjusted its projections with respect to the Fund's ability to grow the number of dealerships for the balance of the year from the three to six dealerships that we projected most recently when we released our December 31, 2007 results, to two or three additional dealerships.

In commenting on the results of the past quarter, Patrick Priestner, AutoCanada's Founder and Chief Executive Officer commented that "Despite facing some challenges this quarter in select markets and with the turbulent used vehicle market, we are pleased that we were able to increase overall gross profit from operations. Our business fundamentals continue to be solid with consistent distributions to unitholders and management is focused on achieving our growth targets as we move into our two busiest quarters of the year.

Mr; Priestner further noted that "We are particularly proud of expanding our relationship with Nissan Canada with the recent acquisition of Doner Infiniti Nissan and look forward to working with all of our manufacturer partners to take advantage of a robust Canadian retail market in 2008."

Distributions to Unitholders

The Fund's policy is to distribute annually to Unitholders available cash provided by operations after cash required for capital expenditures, working capital reserves, growth capital reserves and other reserves considered advisable by the Trustees of the Fund. The policy allows the Fund to make stable monthly distributions to its Unitholders based on the Fund's estimate of distributable cash for the year. The Fund pays cash distributions on or about the 15th of each month to Unitholders of record on the last business day of the previous month.

The following table summarizes the distributions declared by the Fund for the period from January 1, 2008 to March 31, 2008.

(In thousands of dollars)

		Fund Units		**Exchangeable Units**		**Total**	
Record date	**Payment date**	**Declared**	**Paid**	**Declared**	**Paid**	**Declared**	**Paid**
		$	**$**	**$**	**$**	**$**	**$**
January 31, 2008	February 15, 2008	912	912	775	775	1,687	1,687
February 28, 2008	March 15, 2008	913	913	775	775	1,688	1,688
March 31, 2008	April 16, 2008 (1)	912	-	775	-	1,687	-
		2,737	1,825	2,325	1,550	5,062	3,375

Note:
(1) Distributions payable to all Unitholders in the amount of $1,687 as at March 31, 2008 were paid in April, 2008.

Distributions are paid on Fund Units and Exchangeable Units. As of March 31, 2008 the following numbers of units were outstanding:

Fund Units	10,949,500
Exchangeable Units	9,307,500
	20,257,000

During the three-month period ended March 31, 2008, the Fund declared distributions of $0.25 per Fund Unit to Unitholders and holders of Exchangeable Units. The distributions in the period ended March 31, 2008 were funded from cash flow generated from operations and cash on hand generated in previous quarters. The Fund reviews its distribution policy on a periodic basis.

SELECTED QUARTERLY FINANCIAL INFORMATION AND RESULTS FROM OPERATIONS

The following table shows the unaudited results of the Fund for the 51-day period ended June 30, 2006 and the seven 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 %)	The Fund	The Fund	The Fund	The Fund	The Fund	The Fund	The Fund	The Fund
	Q2 2006 (51 days)	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008
Income Statement Data								
New vehicles	59,044	106,424	98,970	109,862	117,204	133,853	111,683	107,688
Used vehicles	30,487	53,897	46,425	53,020	62,389	59,114	50,468	55,712
Parts, service & collision repair	10,734	19,632	21,410	21,908	23,228	23,142	23,863	23,536
Finance, insurance & other	5,727	9,908	9,274	9,590	11,890	12,905	10,697	11,180
Revenue	105,992	189,861	176,079	194,379	214,711	229,014	196,711	198,116
New vehicles	4,190	6,792	6,998	7,000	8,312	9,024	8,176	7,012
Used vehicles	3,294	5,563	3,614	4,914	6,082	4,943	3,746	4,393
Parts, service & collision repair	5,014	8,721	9,514	10,223	11,305	11,267	11,494	11,082
Finance, insurance & other	5,277	9,742	8,804	9,155	11,078	12,067	10,106	10,579
Gross profit	17,775	30,818	28,930	31,292	36,777	37,301	33,522	33,066
Gross profit %	16.8%	16.2%	16.4%	16.1%	17.1%	16.3%	17.0%	16.7%
Sales, general & admin expenses	12,245	22,481	21,682	23,634	27,522	26,905	25,654	26,317
SG&A exp. as % of gross profit	68.9%	72.9%	74.9%	75.5%	74.8%	72.1%	76.5%	79.6%
Floorplan interest expense	1,256	1,854	2,085	2,069	2,414	2,679	2,432	2,034
Other interest & bank charges	24	117	405	316	326	312	296	256
Future income taxes	-	-	-	-	19,107	443	(2,186)	610
Net earnings (4)	3,631	5,220	3,623	4,483	(13,362)	6,168	6,470	3,078
EBITDA (1) (4)	4,249	6,366	4,906	5,424	6,743	7,600	5,310	4,621
Operating Data								
Vehicles (new and used) sold	3,023	5,369	4,690	5,440	6,089	6,404	5,363	5,552
New retail vehicles sold	1,515	2,741	2,199	2,295	2,866	3,344	2,630	2,462
New fleet vehicles sold	211	371	525	886	535	543	557	716
Used retail vehicles sold	1,297	2,257	1,966	2,259	2,688	2,517	2,176	2,374
Number of service & collision repair orders completed	32,565	54,345	55,393	57,876	58,157	58,138	57,552	61,169
Absorption rate (2)	n/a	97%	96%	92%	94%	104%	93%	90%
# of dealerships	14	14	16	17	18	19	19	19
# of same store dealerships (3)	9	9	9	9	9	11	11	13
# of service bays at period end	223	223	245	250	256	260	260	260
Same store revenue growth (3)	n/a	3.8%	10.4%	24.1%	6.6%	8.2%	5.3%	(0.6)%
Same store gross profit growth (3)	n/a	12.5%	6.3%	20.1%	13.4%	7.2%	6.5%	0.7%
Balance Sheet Data								
Cash and cash equivalents	20,271	20,265	20,880	24,268	21,077	20,179	18,014	15,298
Accounts receivable	25,875	30,562	27,742	31,200	35,980	39,940	34,274	36,411
Inventories	145,888	101,252	112,680	117,034	132,814	147,419	142,128	132,549
Revolving floorplan facilities	146,283	103,297	113,357	118,974	133,731	152,390	143,655	134,023

(1) EBITDA has been calculated as described under "Non-GAAP Measures" above.
(2) Absorption has been calculated as described under "Non-GAAP Measures" above.
(3) 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.
(4) 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 also cause substantial fluctuations in operating results from quarter to quarter.

The following table summarizes the results for the three-month period ended March 31, 2008 on a same store basis by revenue source and compares these results to the same period in 2007.

Same Store Gross Profit and Gross Profit Percentage

	For the Three-Month Period Ended					
	Gross Profit			Gross Profit %		
(In thousands of dollars except % change, gross profit % and per vehicle data)	**Mar. 31, 2008**	**Mar. 31, 2007**	**% Change**	**Mar. 31, 2008**	**Mar. 31, 2007**	**% Change**
New vehicles	6,027	6,244	(3.5)%	6.5%	6.6%	(0.1)%
Used vehicles	3,772	4,426	(14.8)%	7.9%	9.2%	(1.3)%
Finance, insurance and other	9,063	8,254	9.8%	94.9%	95.3%	(0.4)%
Subtotal	18,862	18,924	(0.3)%			
Parts, service and collision repair	9,218	8,972	2.7%	46.6%	46.6%	0.0%
Total	28,080	27,896	0.7%	16.6%	16.4%	0.2%
New, used, F&I, and other gross profit per vehicle retailed	4,650	4,744	(2.0)%			

About AutoCanada

The Fund commenced business operations on May 11, 2006, when it completed an initial public offering (the "IPO") of 10,209,500 trust units ("Fund Units"), at a price of $10 per unit, for aggregate gross proceeds of $102,095,000. Concurrent with the closing of the IPO, the Fund used the proceeds from the IPO to acquire an indirect 50.4% interest in AutoCanada Limited Partnership ("AutoCanada LP") and AutoCanada LP used such net proceeds to acquire the net assets (the "Purchased Assets") of Canada One Auto Group. On May 31, 2006, as a result of the exercise of the over allotment option granted to underwriters, the Fund acquired a further 3.65% interest in the Purchased Assets and thus increased its total interest in the Purchased Assets to 54.05%.

AutoCanada is Canada's only publicly traded entity with interests exclusively in the operation of franchised automobile dealerships. Through its 54% interest in AutoCanada LP, it operates or manages 20 franchised automobile dealerships in six provinces and has over 1,070 employees. Through its owned and managed dealerships, it currently sells Chrysler, Dodge, Jeep®, Nissan, Infiniti, Hyundai, Subaru and Mitsubishi branded vehicles. In 2007, its owned and managed dealerships sold approximately 23,300 vehicles, processed approximately 23,700 service and collision repair orders in 260 service bays, and generated revenue of approximately $835 million.

Forward Looking Statements

Certain statements contained in management's discussion and analysis include statements which contain words such as "anticipate", "expect", "estimate", "could", "should", "expect", "plan", "seek", "may", "intend", "likely", "will", "believe" and similar expressions, statements relating to matters that are not historical facts, and such statements of the beliefs, intentions and expectations of AutoCanada about development, results and events which will or may occur in the future, constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by AutoCanada and derived from experience and perceptions. Forward-looking information in management's discussion and analysis includes, but is not limited to: trends and developments in the automotive industry; business strategies and outlooks; expansion and growth of business and operations; and anticipated acquisitions.

All such forward-looking information is based on certain assumptions and analyses made by AutoCanada in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors AutoCanada believes are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: foreign exchange fluctuations; equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; operating risks; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; increased competition; stock market volatility; opportunities available to or pursued by AutoCanada; the ability to obtain financing as and when needed; and other factors, many of which are beyond the control of AutoCanada. The foregoing factors are not exhaustive and are further discussed in AutoCanada's final prospectus dated May 3, 2006 and the Fund's Annual Information Form for the year ended December 31, 2007 both of which are filed on SEDAR at www.sedar.com.

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits will be derived therefrom. Except as required by applicable law, AutoCanada disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise. The forward-looking information contained in this management's discussion and analysis are expressly qualified by this cautionary statement.

Non-GAAP Measures

References to "EBITDA" are to earnings before interest expense (other than interest expense on floorplan financing and other interest), income taxes, depreciation and amortization. Management believes that, in addition to earnings or loss, EBITDA is a useful supplemental measure of both performance and cash available for distribution before debt service, changes in working capital, capital expenditures and income taxes.

References to "standardized distributable cash" and ''adjusted distributable cash" are to cash flow provided by operating activities available for distribution to Unitholders of the Fund (the "Unitholders") in accordance with the distribution policies of the Fund. Standardized distributable cash and adjusted distributable cash of the Fund are measures generally used by Canadian open-ended trusts as an indicator of financial performance. As two of the factors that may be considered relevant by prospective investors is the cash distributed by the Fund relative to the price of the Units, management believes that standardized distributable cash and adjusted distributable cash of the Fund are useful supplemental measures that may assist prospective investors in assessing an investment in the Fund. Standardized distributable cash is calculated as cash flows from operating activities, including the effects of changes in non-cash working capital, less total capital expenditures. Adjusted distributable cash is calculated as cash flows provided by operating activities before changes in non-cash working capital, less purchases of non-growth property and equipment.

References to "standardized payout ratio" represent a comparison of distributions declared to standardized distributable cash. References to "adjusted payout ratio" represent a comparison of distributions declared to adjusted distributable cash. Management believes that both standardized payout ratio and adjusted payout ratio are indicators of the Fund's conservatism and its ability to continue to make distributions to unitholders at current rates.

EBITDA, standardized distributable cash, adjusted distributable cash, standardized payout ratio and adjusted payout ratio are not earnings measures recognized by GAAP and do not have standardized meanings prescribed by GAAP. Investors are cautioned that EBITDA, standardized distributable cash, adjusted distributable cash, standardized payout ratio and adjusted payout ratio should not replace net earnings or loss (as determined in accordance with GAAP) as an indicator of the Fund's performance, of its cash flows from operating, investing and financing activities or as a measure of its liquidity and cash flows. The Fund's methods of calculating EBITDA, adjusted distributable cash, and adjusted payout ratio may differ from the methods used by other issuers. Therefore, the Fund's EBITDA, adjusted distributable cash, and adjusted payout ratio may not be comparable to similar measures presented by other issuers. For a reconciliation of adjusted distributable cash to standardized distributable cash, please see "Adjusted Distributable Cash" below.

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. 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.

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

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AutoCanada Income Fund

Interim Consolidated Balance Sheet

(expressed in Canadian dollar thousands)

	March 31, 2008 (Unaudited)	December 31, 2007
ASSETS	$	**$**
Current assets		
Cash and cash equivalents	15,298	18,014
Restricted cash	4,464	4,356
Accounts receivable	36,411	34,274
Inventories (note 4)	132,549	142,128
Due from related parties	-	28
Prepaid expenses	2,442	1,561
	191,164	200,361
Property and equipment	11,180	11,445
Intangible assets	79,956	79,956
Goodwill	82,501	82,501
Other assets	78	78
	364,879	374,341
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	23,540	22,488
Revolving floorplan facility (note 5)	134,023	143,655
Distributions payable (note 9)	1,687	1,687
Due to related parties	321	-
Current portion of long-term debt (note 6)	249	210
Current portion of obligation under capital lease	117	112
	159,937	168,152
Long-term debt (note 6)	10,473	10,394
Obligation under capital lease	384	395
Future income taxes (note 11)	17,974	17,364
	188,768	196,305
Contingencies (note 7)		
UNITHOLDERS' EQUITY		
Fund units (note 8 (a) and (b))	105,200	105,200
Exchangeable units (note 8 (c))	88,847	88,847
Contributed surplus (note 8 (d))	1,016	957
Deficit	(18,952)	(16,968)
	176,111	178,036
	364,879	374,341

AutoCanada Income Fund

Interim Consolidated Statement of Operations, Comprehensive Income and Deficit

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

	Three Months Ended March 31, 2008 (unaudited)	***Three Months Ended March 31, 2007 (unaudited)***
	$	**$**
Revenue		
Vehicles	174,092	171,931
Parts, service and collision repair	23,536	21,908
Other	488	540
	198,116	194,379
Cost of sales (note 4)	165,050	163,087
Gross profit	33,066	31,292
Expenses		
Selling, general and administrative	26,317	23,634
Interest	2,290	2,385
Amortization	771	790
	29,378	26,809
Earnings before income taxes	3,688	4,483
Future income taxes (note 11)	610	-
Net earnings & comprehensive income for the period	3,078	4,483
Deficit, beginning of period	(16,968)	(478)
Distributions declared (note 9)	(5,062)	(5,061)
Deficit, end of period	(18,952)	(1,056)
Earnings per unit		
Basic	0.152	0.221
Diluted	0.152	0.221
Weighted average units		
Basic	20,257,000	20,257,000
Diluted	20,257,000	20,271,754

AutoCanada Income Fund

Interim Consolidated Statement of Cash Flows

(expressed in Canadian dollar thousands)

	Three Months Ended March 31, 2008 (unaudited)	Three Months Ended March 31, 2007 (unaudited)
Cash provided by (used in)	**$**	**$**
Operating activities		
Net earnings for the period	3,078	4,483
Items not affecting cash		
Future income taxes (note 11)	610	-
Unit-based compensation (note 8(d))	59	185
Amortization	771	790
(Gain) loss on disposal of property & equipment	(6)	5
	4,512	5,463
Net change in non-cash working capital balances	(1,773)	3,066
	2,739	8,529
Investing activities		
Investment in variable interest entity (note 3)	-	(4,727)
Purchase of property & equipment	(414)	(1,117)
Proceeds on sale of property & equipment	24	5
Restricted cash	(108)	(191)
	(498)	(6,030)
Financing activities		
Proceeds from long-term debt	208	6,030
Repayment of long-term debt	(90)	(55)
Repayment of obligation under capital lease	(13)	(25)
Distributions paid to Unitholders	(5,062)	(5,061)
	(4,957)	889
Increase (decrease) in cash	(2,716)	3,388
Cash and cash equivalents, beginning of period	18,014	20,880
Cash and cash equivalents, end of period	15,298	24,268
Supplementary information		
Cash interest paid	2,418	2,595
Transfer of inventory to property & equipment	356	665
Transfer of property & equipment to inventory	253	763