

# **AUTOCANADA INCOME FUND AND AUTOCANADA INC.**

## **Announce Closing of Plan of Arrangement**

Edmonton, Alberta (December 31, 2009) AutoCanada Income Fund (“The Fund”) (TSX:ACQ.UN) and AutoCanada Inc. (“AutoCanada”) are pleased to announce the closing of their previously announced conversion of the Fund’s trust structure to a corporation (the “Reorganization”) pursuant to a plan of arrangement transaction under the *Canada Business Corporations Act*.

Pursuant to the Reorganization holders of trust units (“Unitholders”) of the Fund will receive common shares (“Common Shares”) of AutoCanada Inc. on a one-for-one basis (the “Exchange Ratio”) and holders of exchangeable limited partnership units (“Exchangeable Units”) of AutoCanada Limited Partnership will exchange their Exchangeable Units for Common Shares based on the Exchange Ratio. The Reorganization has been structured to allow Unitholders and holders of Exchangeable Units to receive Common Shares on a tax-deferred basis.

All of the members of the Board of Trustees of AutoCanada Income Fund, AutoCanada Operating Trust and the Board of Directors of AutoCanada GP Inc. are continuing as the directors and officers of AutoCanada Inc.

Trading of the AutoCanada Inc. Common Shares on the Toronto Stock Exchange is expected to commence on or about January 5, 2010 under the symbol “ACQ”, subject to the approval of the Toronto Stock Exchange.

### **About AutoCanada**

AutoCanada is Canada’s only publicly traded entity with interests exclusively in the operation of franchised automobile dealerships. AutoCanada presently owns 22 franchised automobile dealerships in six provinces and has over 1,100 employees. AutoCanada currently sells Chrysler, Dodge, Jeep®, Infiniti, Nissan, Hyundai, Subaru, Volkswagen and Mitsubishi branded vehicles. AutoCanada carries on the business previously conducted by the Fund.

Additional information about AutoCanada is available at [www.sedar.com](http://www.sedar.com) and the AutoCanada’s website at [www.autocan.ca](http://www.autocan.ca).

For further information contact:

Tom Orysiuk, CA  
*Executive Vice-President and Chief Financial Officer*

Phone: (780) 732-3139  
Email: [torysiuk@autocan.ca](mailto:torysiuk@autocan.ca)

### **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 anticipated basis of tax treatment for the exchange of units to common shares
- The expected commencement date for trading of common shares on the Toronto Stock Exchange for AutoCanada Inc.

Although we believe that the expectations reflected by the forward-looking statements presented in this release are reasonable, our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about ourselves and the businesses in which we operate. Information used in developing forward-looking statements has been acquired from various sources including third-party consultants, suppliers, regulators, and other sources. In some instances, material assumptions are disclosed elsewhere in this release in respect of forward-looking statements.

The Fund’s Annual Information Form and other documents filed with securities regulatory authorities (accessible through the SEDAR website [www.sedar.com](http://www.sedar.com)) describe the risks, material assumptions and other factors that could influence actual results and which are incorporated herein by reference.

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.