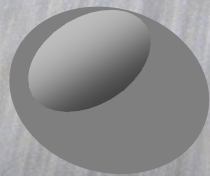


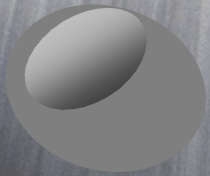


**Company Overview  
& 2011 Third Quarter  
Results Presentation  
November 16, 2011**

# Senior Management Team



**P.J. (Pat) Priestner**  
**Chief Executive Officer**



**T.L. (Tom) Orysiuk**  
**President**



**S.R.E. (Steve) Rose**  
**Executive Vice President, Corporate Services**



**J.J.S. (Jeff) Christie**  
**Vice President, Finance**

# Presentation Agenda

**1** INDUSTRY OVERVIEW

**2** BUSINESS OVERVIEW

**3** FINANCIAL REVIEW

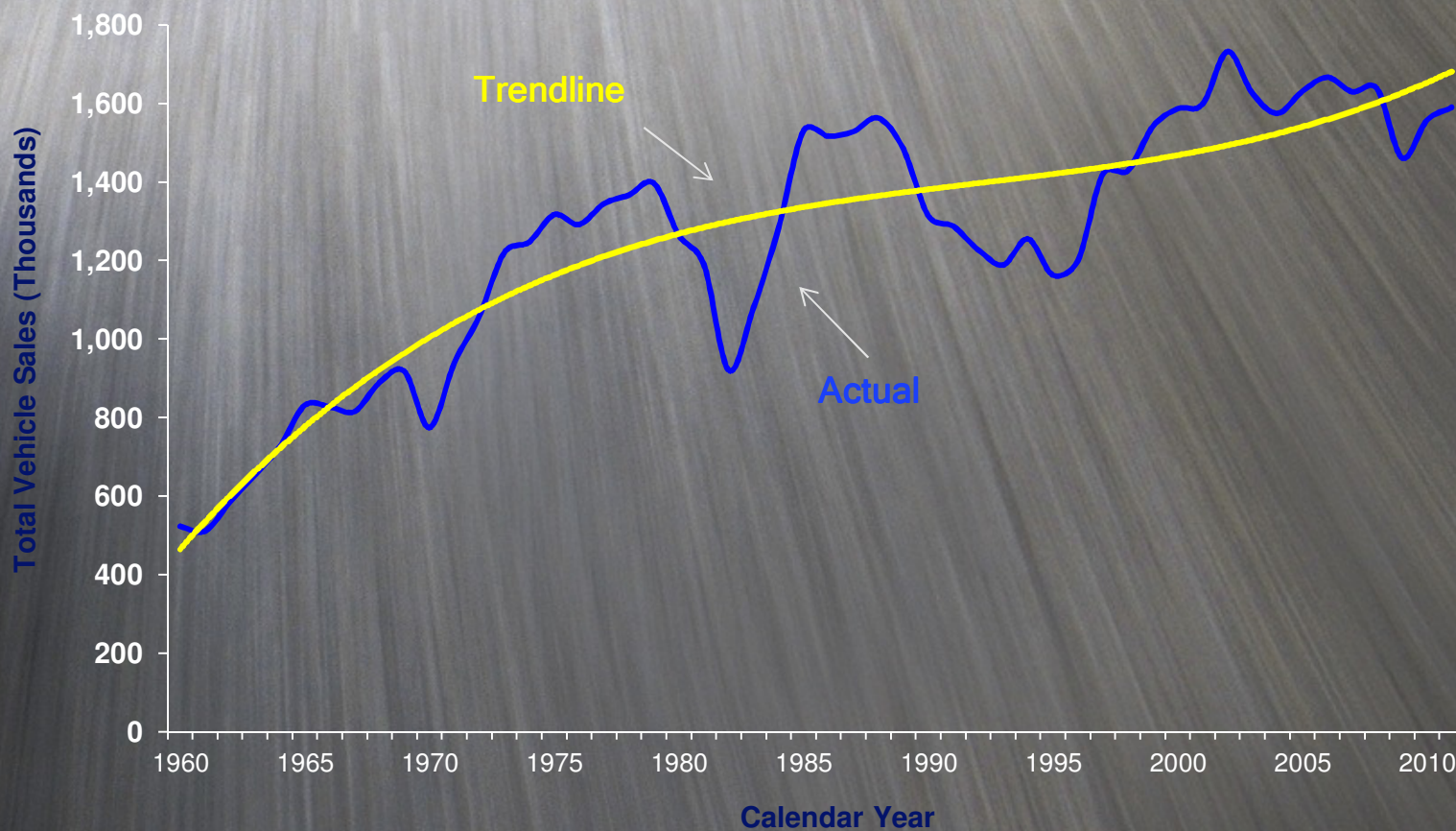
**4** STRATEGY

# Forward-Looking Statements

Certain of the information presented today looks forward in time and deals with other than historical or current facts for the 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 the prospectus and other information filed by the Company with Canadian provincial securities commissions.

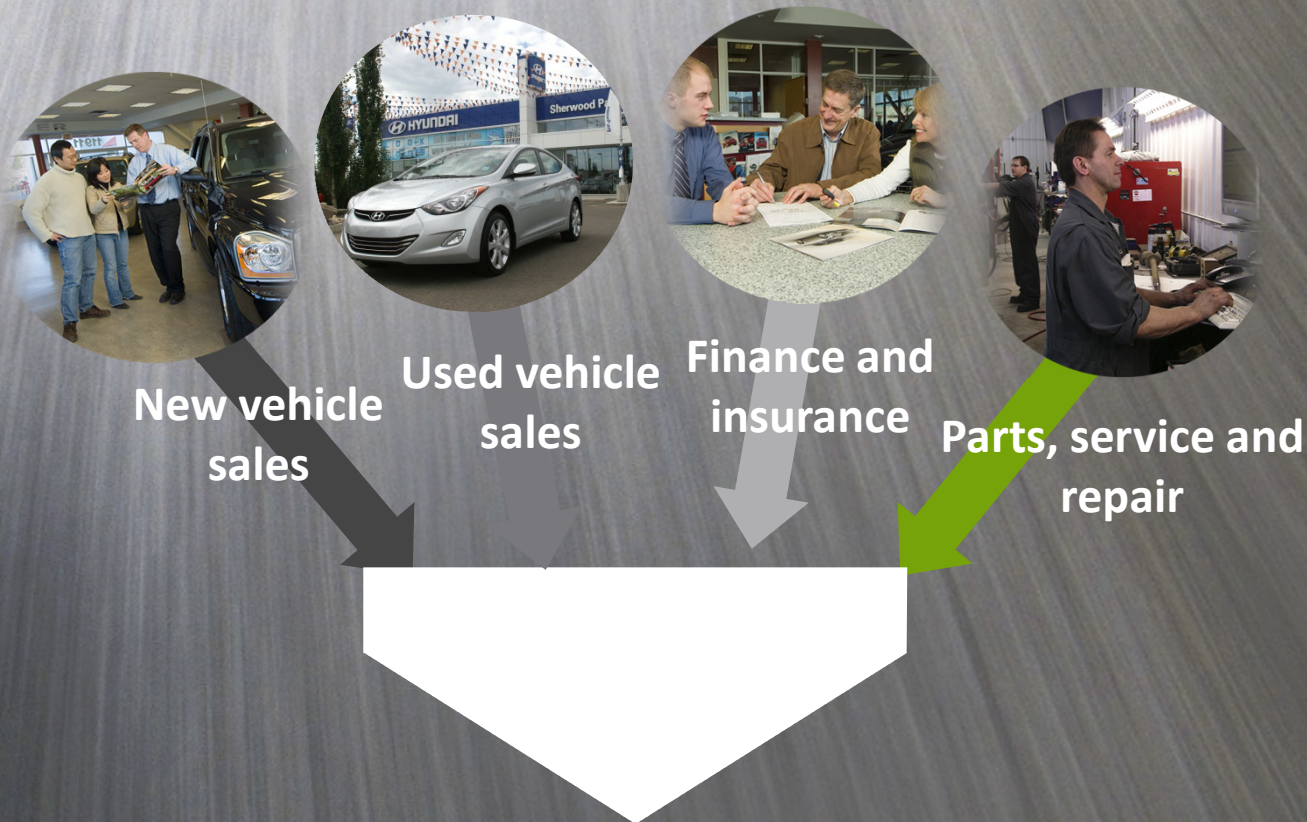
The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

# Total Canadian Vehicle Sales 1960 – 2011F



Source: Scotia Economics - Global Auto Report, November 3, 2011

# Franchised Auto Dealerships Operate Four Complementary Business Segments



**Annual consumer spending more than any  
other Canadian retail segment**

# Well-Established Business Model

Dealerships provide manufacturers:	Manufacturers provide dealerships:
• Sales support	• Exclusive sales territories
• Service support	• No-cost consumer sales incentives
• Brand protection	• Brand marketing

# Dealership and OEM Business Models are Different

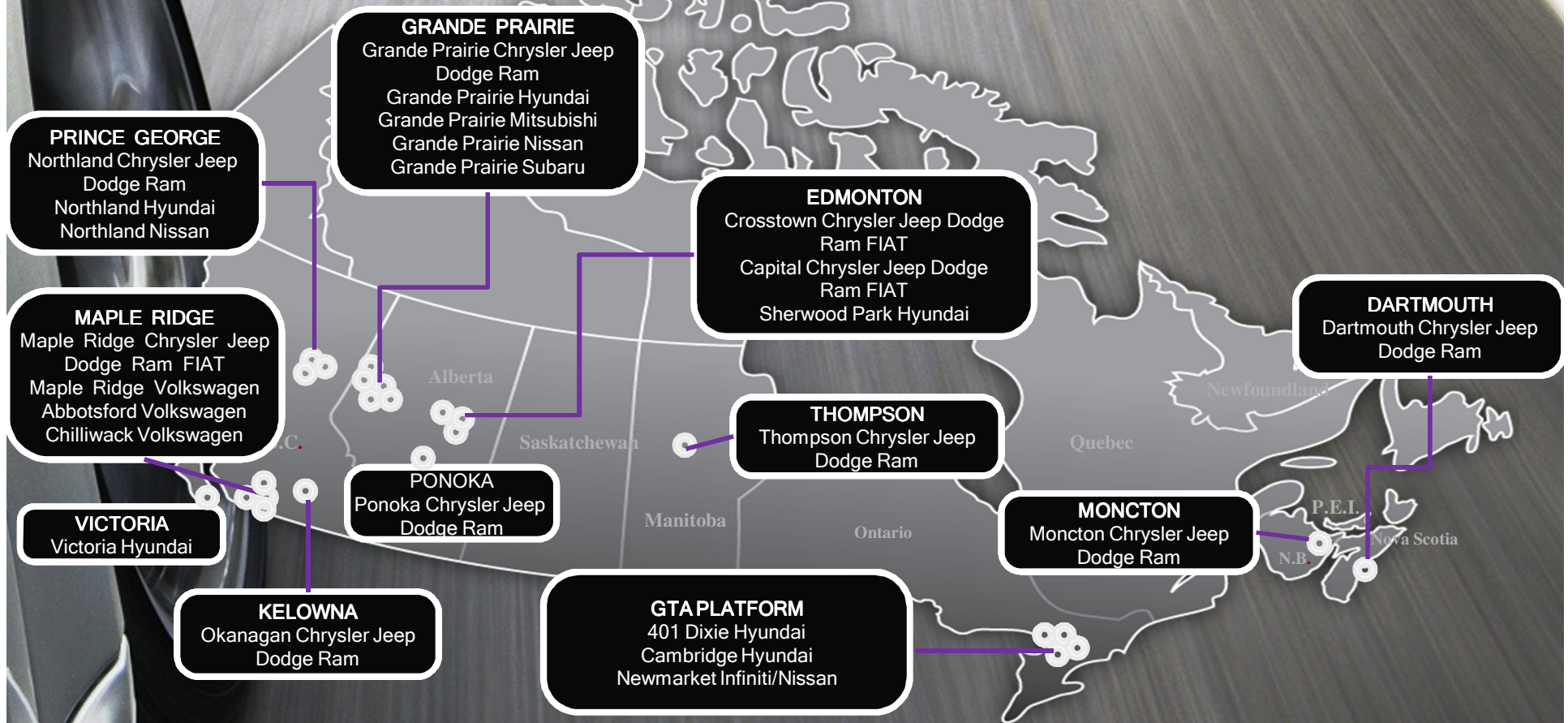
Dealership Groups:	Manufacturers:
<ul style="list-style-type: none"><li>• 4 income streams</li></ul>	<ul style="list-style-type: none"><li>• 1 income stream</li></ul>
<ul style="list-style-type: none"><li>• Multiple brands</li></ul>	<ul style="list-style-type: none"><li>• 1 brand</li></ul>
<ul style="list-style-type: none"><li>• Variable cost structure</li></ul>	<ul style="list-style-type: none"><li>• Fixed cost structure</li></ul>
<ul style="list-style-type: none"><li>• Lower capital requirements</li></ul>	<ul style="list-style-type: none"><li>• Higher capital requirements</li></ul>

**Dealerships less vulnerable to cyclical downturns**

# Our Business

- 24 owned dealerships
- Approximately 24,000 new and used vehicles sold in 2010
- More than 317,000 service and collision orders completed at 339 service bays in 2010

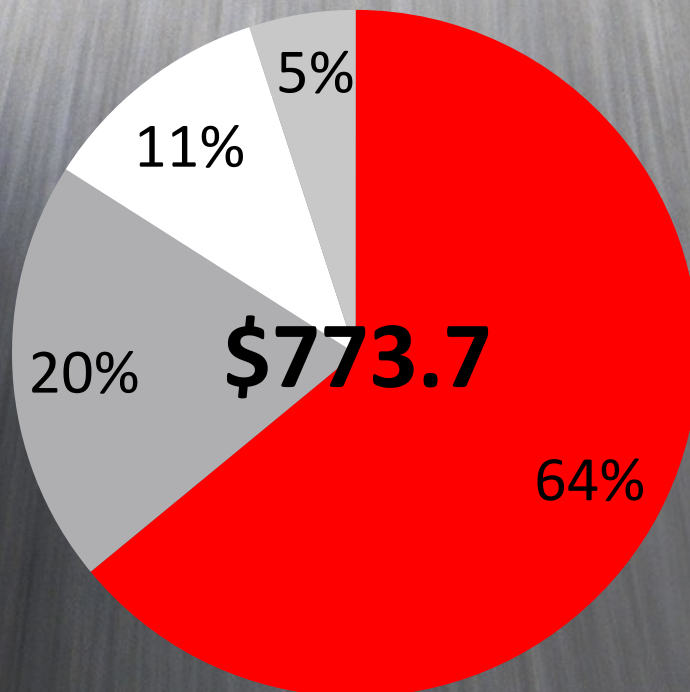
# 24 Dealerships in 6 Provinces



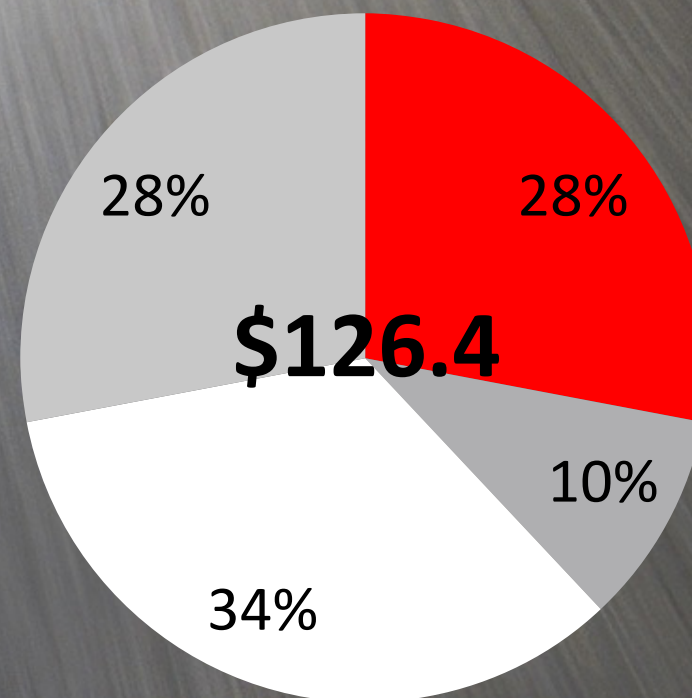
# New Vehicle Sales

## Lowest Profit Margin at 7.2% YTD

2011 Q3 YTD Revenue  
(\$ millions)



2011 Q3 YTD Gross Profit  
(\$ millions)



■ New Vehicle ■ Used Vehicle ■ Parts, Service & Collision Repair ■ FI & Other

*Note: Results for the Company for the nine months ended September 30, 2011*

# New Vehicle Sales

## Drives high-margin related transactions

- Resale of trade-ins
- Sale of third-party financing, service or insurance products
- Recurring service and repair business

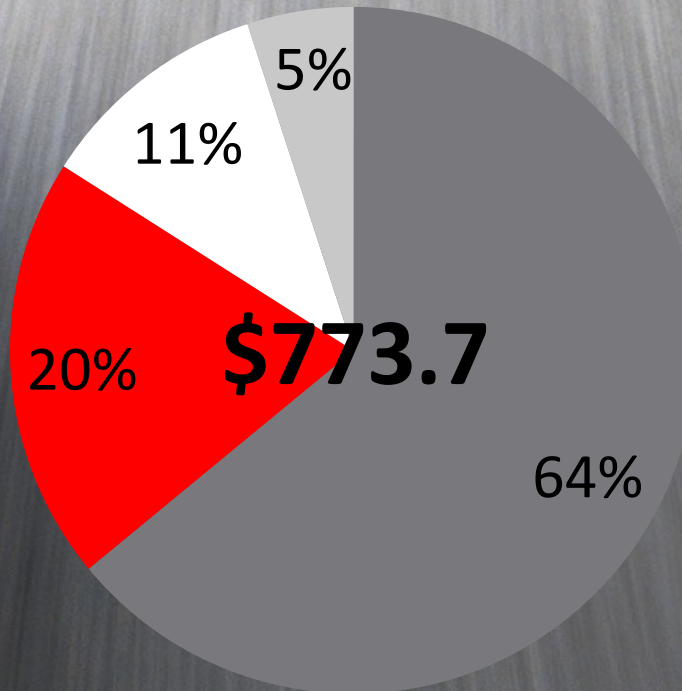


# Used Vehicle Sales

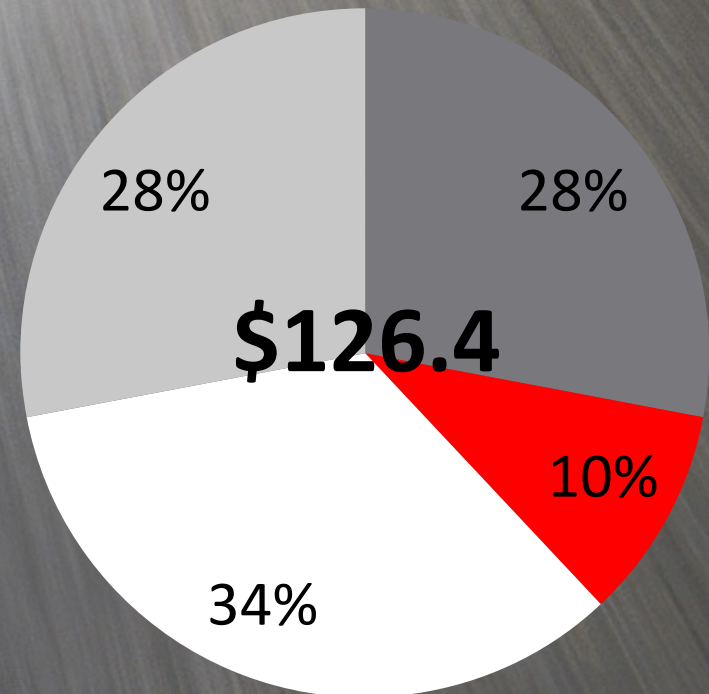


## Higher Profit Margin at 8.4% YTD

2011 Q3 YTD Revenue  
(\$ millions)



2011 Q3 YTD Gross Profit  
(\$ millions)



■ New Vehicle ■ Used Vehicle ■ Parts, Service & Collision Repair ■ FI & Other

*Note: Results for the Company for the nine months ended September 30, 2011*

# Used Vehicle Sales

**Drives high-margin related transactions**

- Service contracts
- Reconditioning opportunities for parts and service
- Recurring parts and service business
- Financing commissions

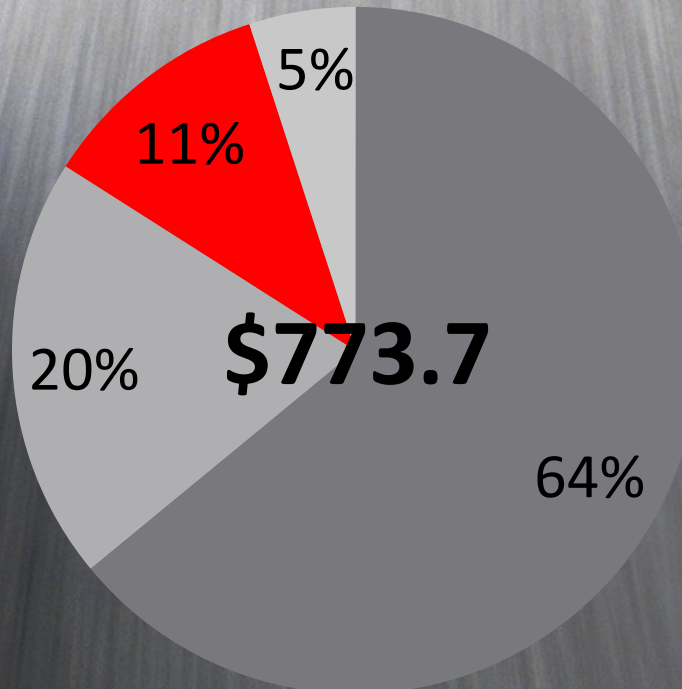


# Parts, Service and Collision Repair

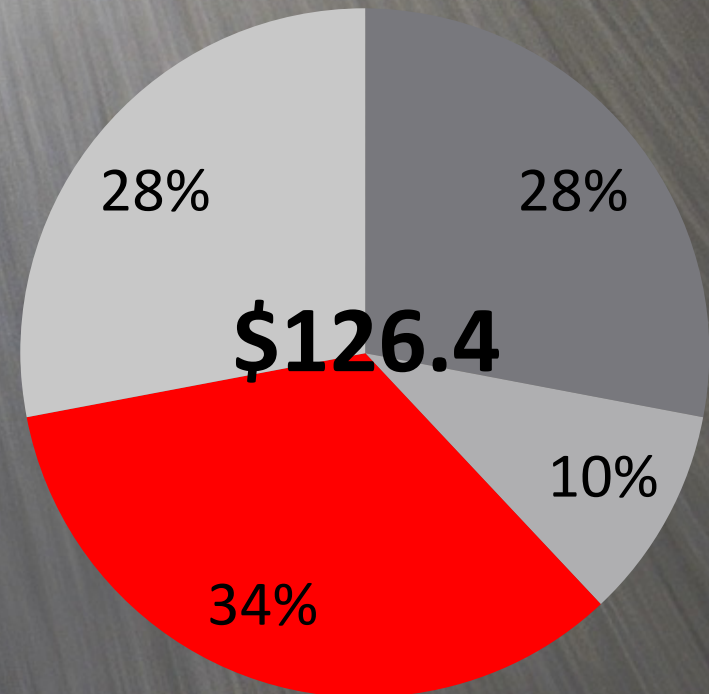


## High Profit Margin at 50.5% YTD

2011 Q3 YTD Revenue  
(\$ millions)



2011 Q3 YTD Gross Profit  
(\$ millions)



■ New Vehicle ■ Used Vehicle ■ Parts, Service & Collision Repair ■ FI & Other

*Note: Results for the Company for the nine months ended September 30, 2011*

# Parts, Service and Collision Repair



## “Absorption Rate”

- Percentage of dealership’s fixed expenses covered by gross profit generated by parts and service segment
- AutoCanada’s Q3 2011 absorption rate = 90%



# Parts, Service and Collision Repair

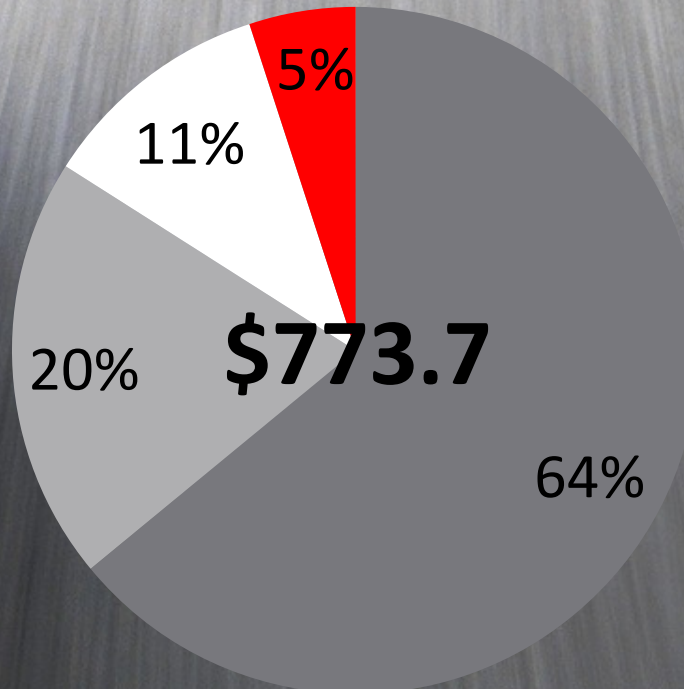


- **High Margins and Excellent Growth**
  - Increasingly complex vehicles cost more to maintain
  - Highly specialized equipment and skilled labour required
  - Independent repair shops closing
  - Number of vehicles on the road is growing, creating more demand for available service bays

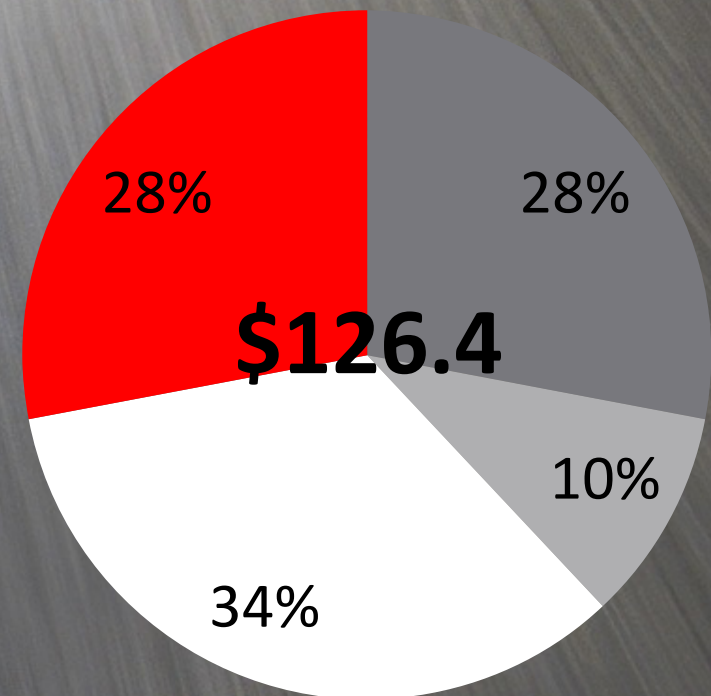
# Finance and Insurance



2011 Q3 YTD Revenue  
(\$ millions)



2011 Q3 YTD Gross Profit  
(\$ millions)



■ New Vehicle ■ Used Vehicle ■ Parts, Service & Collision Repair ■ FI & Other

*Note: Results for the Company for the nine months ended September 30, 2011*

# Benefits of Multi-Location Dealership Model

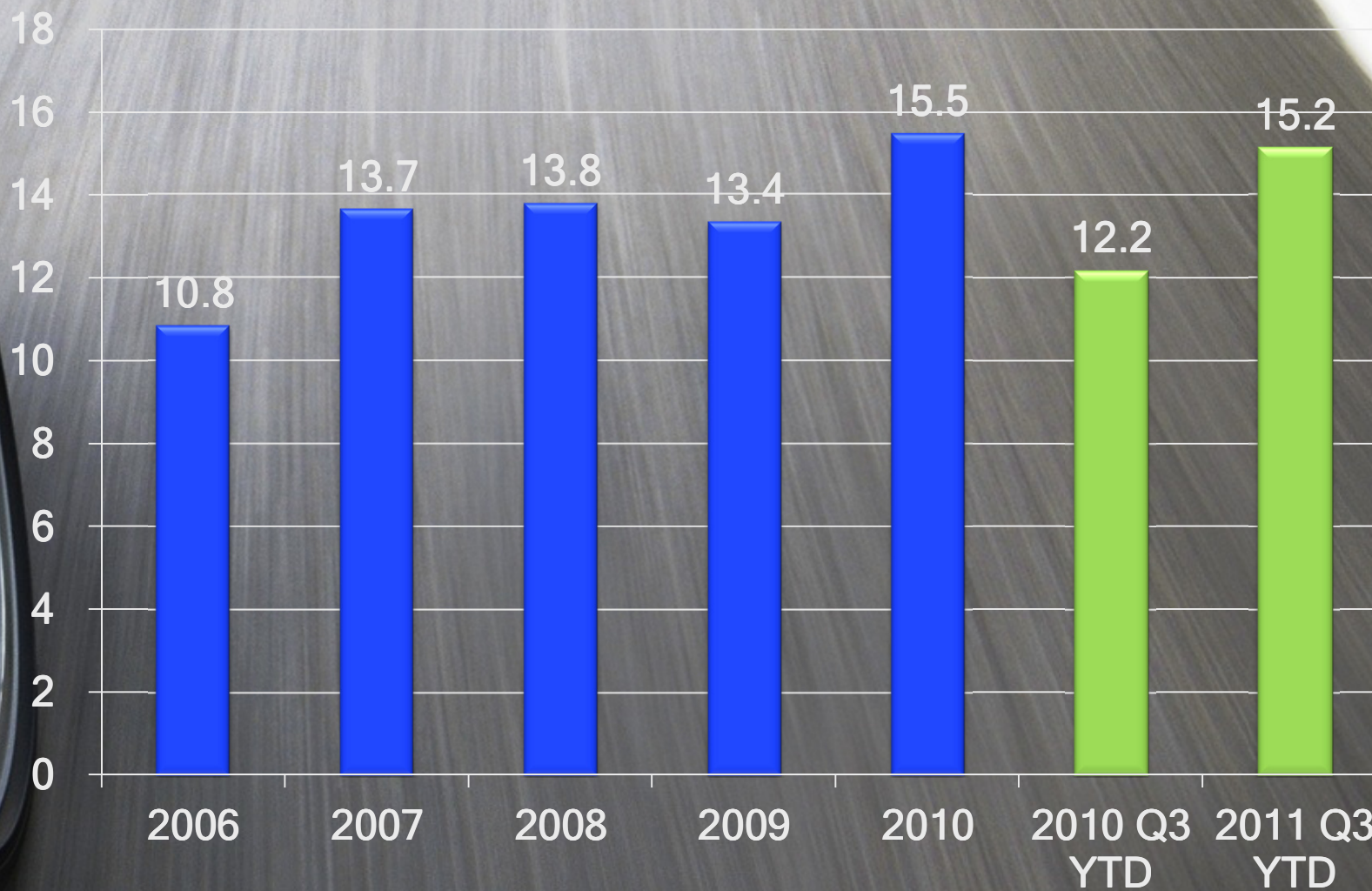
- Economies of scale
- Geographic and brand diversification
- Ability to attract management talent
- Implementation of best practices
- Centralized administrative and strategic functions

# Strong OEM Relationships

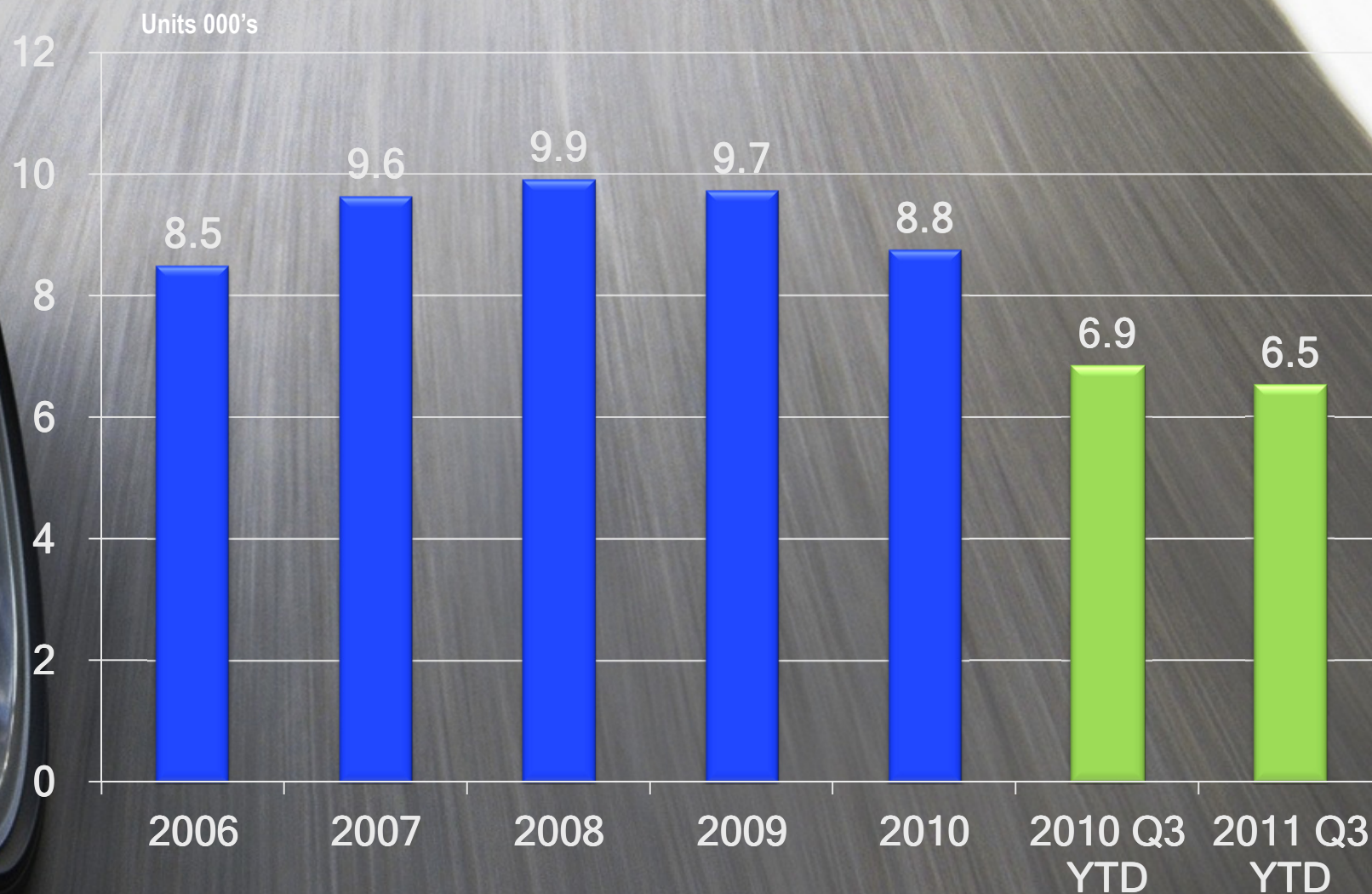
 CHRYSLER Jeep. DODGE RAM INFINITI. HYUNDAI SUBARU.

# New Vehicle Sales

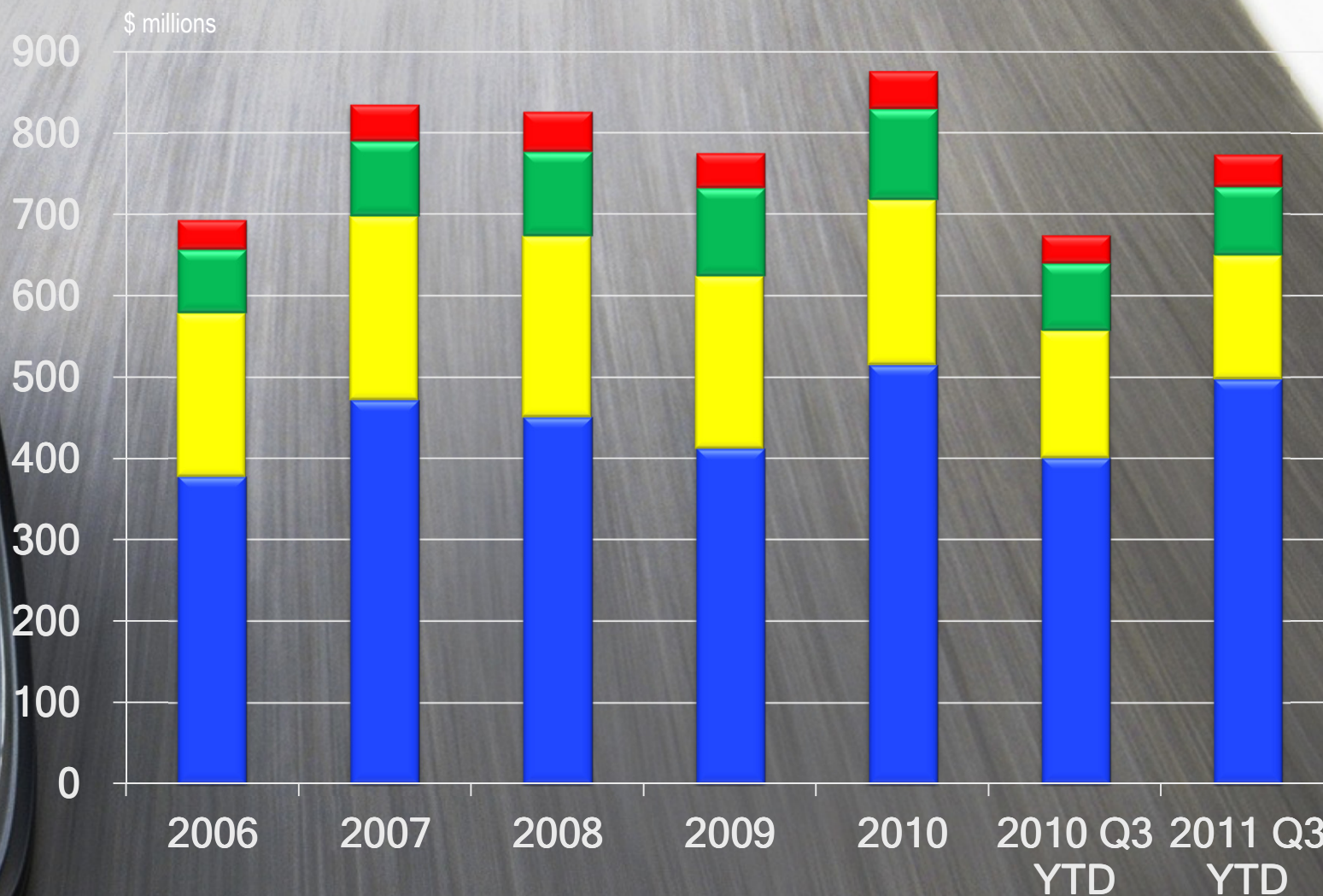
Units 000's



# Used Vehicle Sales

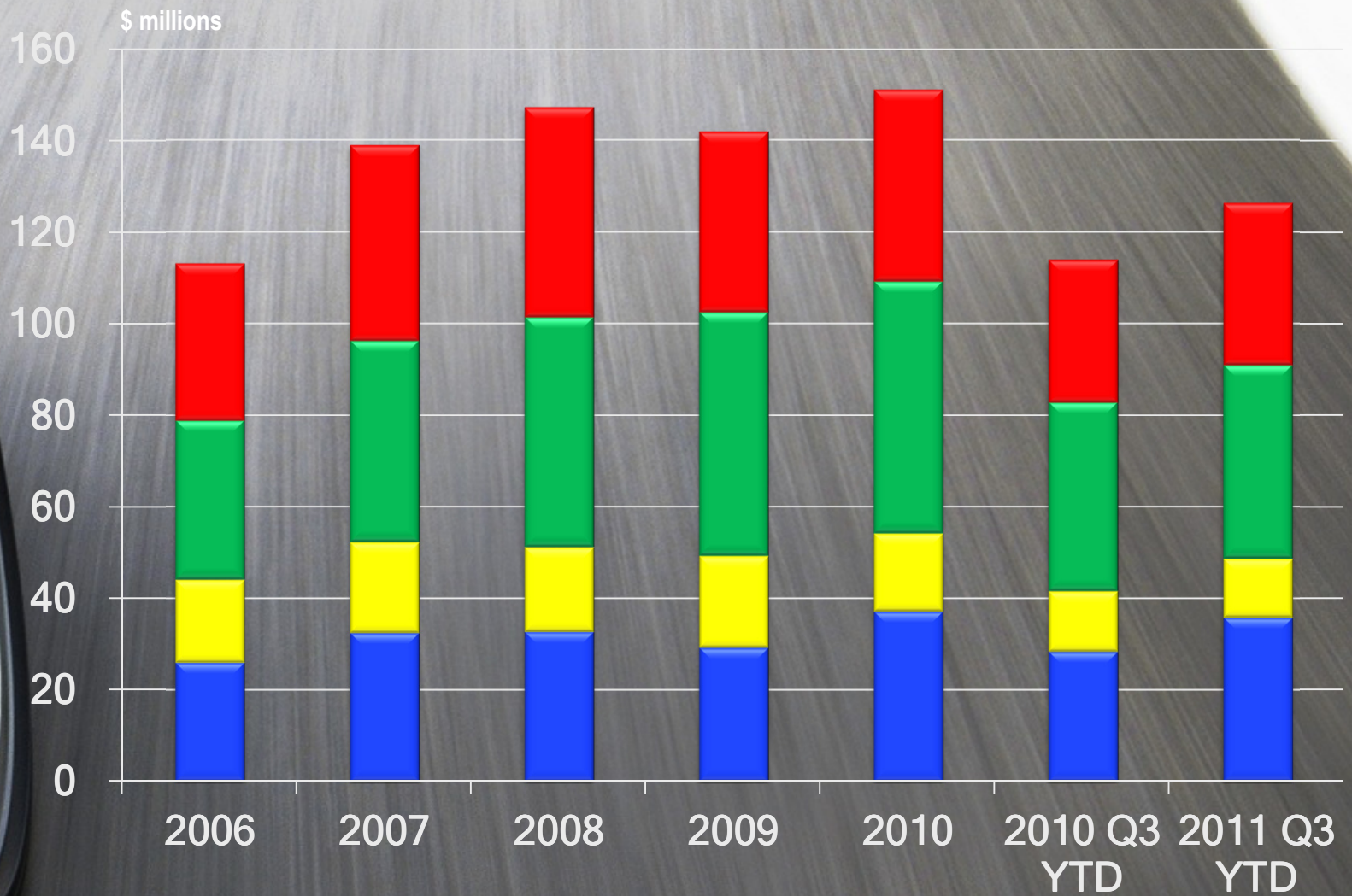


# Revenue By Business Operation



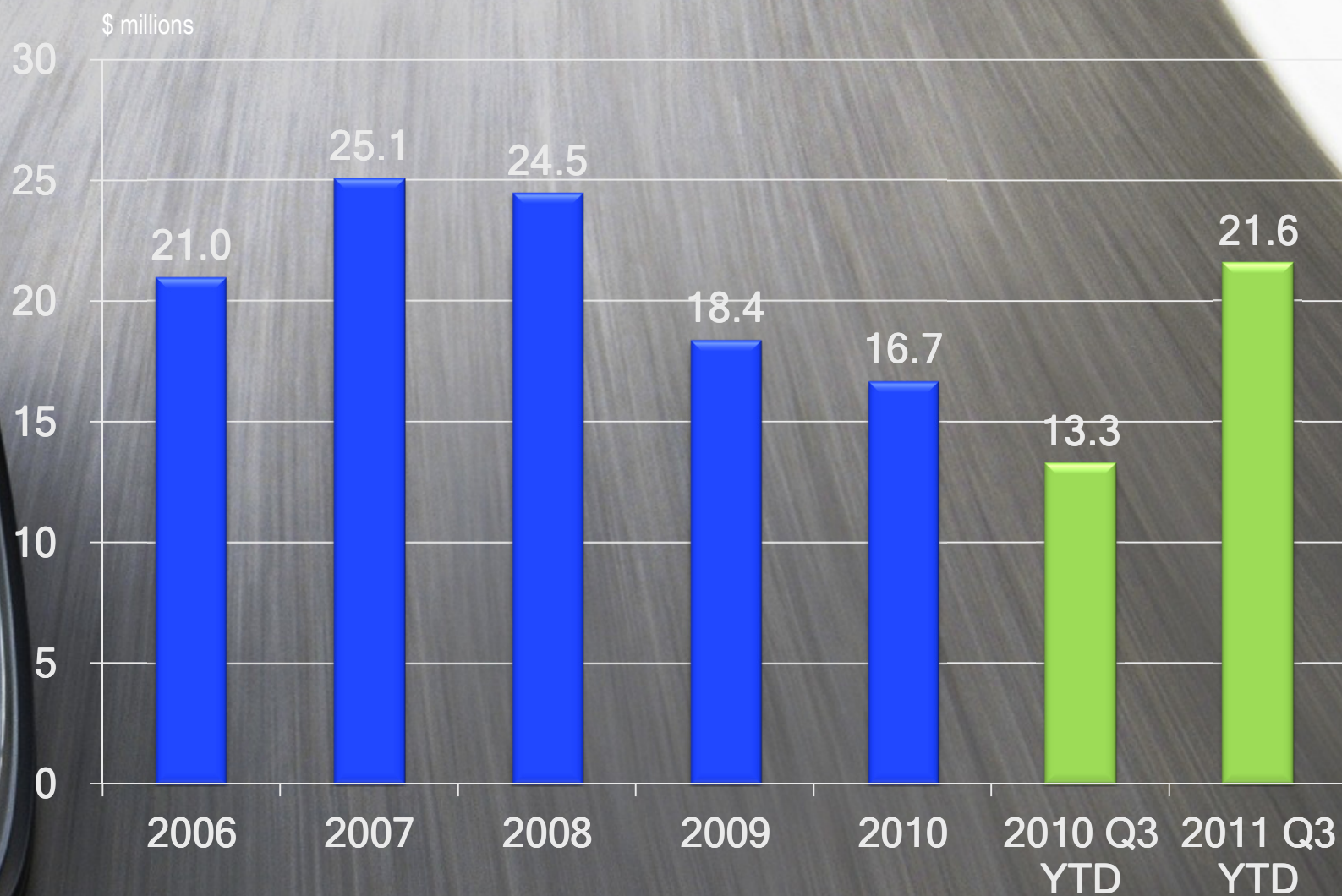
● New Vehicle    
 ● Used Vehicle    
 ● Parts, Service & Collision Repair    
 ● FI & Other

# Gross Profit by Business Operation



● New Vehicle    ● Used Vehicle    ● Parts, Service & Collision Repair    ● FI & Other

# Adjusted EBITDA



# Same Store Growth

	2006	2007	2008	2009	2010	Q3 YTD 2011
Revenue	4.4%	10.2%	(9.9%)	(10.5%)	10.5%	15.1%
Gross Profit	10.6%	10.7%	5.9%	(7.8%)	4.1%	11.6%
# of Dealerships Included	9	9	14	19	22	21

**Management focusing on same-store  
growth**

# Same Store Growth

## Keys to same store growth

- Head office administration and support
- Advantages to being part of a dealer group
  - Cost efficiencies
  - Leveraging of best practices

# 2011 Q3 Results - YTD

\$ millions (except EPS)

<b>Revenue</b>	<b>\$773.7</b>	<b>14.6%</b> ↑
<b>Gross Profit</b>	<b>\$126.4</b>	<b>10.9%</b> ↑
<b>EBITDA *</b>	<b>\$ 21.6</b>	<b>62.6%</b> ↑
<b>EPS</b>	<b>\$ 0.66</b>	<b>87.8%</b> ↑
<b>Adjusted Free Cash Flow</b>	<b>\$ 20.3</b>	<b>80.6%</b> ↑

\* EBITDA does not include interest on floorplan financing

**Strong performance in 2011**

# 2011 Q3 Results

## Trailing 12 months

\$ millions (except EPS)

<b>Revenue</b>	<b>\$973.4</b>	<b>12.7%</b> ↑
<b>Gross Profit</b>	<b>\$162.4</b>	<b>9.7%</b> ↑
<b>EBITDA</b>	<b>\$ 25.1</b>	<b>52.1%</b> ↑
<b>EPS</b>	<b>\$ 1.04 *</b>	<b>136.0%</b> ↑
<b>Adjusted EPS</b>	<b>\$ 0.74 **</b>	<b>68.2%</b> ↑
<b>Adjusted Free Cash Flow</b>	<b>\$ 23.0</b>	<b>60.8%</b> ↑

\* Includes reversal of impairment of intangible assets in Q4 of 2010

\*\* Excludes effect of intangible asset impairments and resulting future income tax impact.

# Strong Balance Sheet

\$ millions

<b>Current Assets</b>	<b>\$254.8</b>
<b>Current Liabilities</b>	<b>\$211.8</b>
<b>Net Working Capital</b>	<b>\$ 43.0</b>
<b>Corporate Debt</b>	<b>\$ 20.2</b>

Floorplan debt of \$175.3 million included in current liabilities and netted against inventory which is included in current assets

Very liquid inventory

**New and Used Vehicle Inventory Turned 4.75 Times  
in the First Nine Months of 2011**

# Strategy



# Strategy

## Dividend Policy

- OEM resistance to public ownership model
- Modest acquisition growth
- Target quarterly dividends between 70% and 80% of fully diluted earnings per share
- Quarterly review of dividend takes into account historical and anticipated future results and capital requirements
- Dividend rate currently at 67% based on the internal model used

**Dividend Currently at Annualized Rate of \$0.48  
Per Common Share with Yield in Excess of 9%**

# Strategy



## Organic Growth

- Focus on continuous improvement
- Leverage dealer group synergies and economies of scale
- Leverage experience of long time dealers to mentor new dealers

# Strategy



## Acquisition Policy

- OEM resistance to public ownership model
- Trading multiples approximately half of US public dealer group peers
- Pursuit of accretive acquisitions
- Private purchases permitted if Independent Board Members determine that acquisition opportunity does not meet investment criteria
  - Build manufacturer relationships
  - Create synergies through platforms
  - Retain key employees


# Strategy



## Conclusion

*We believe the current strategy will contribute to enhanced shareholder value, the direct effect being:*

- Improved trading liquidity and share price
- Improvement in trading multiples
  - Future acquisition opportunities become more accretive



# Question and Answer