

AUTOCANADA INC.

Announces a 100% Increase in Dividend and Completion of Independent Review of its Current Strategy

Edmonton, Alberta (June 22, 2011) AutoCanada Inc. (“AutoCanada” or the “Company”) (TSX: ACQ) announced today that following an independent Board review of its business plan, it has revised its dividend policy such that it shall target quarterly dividends between 70% and 80% of fully diluted earnings per share. This dividend policy shall be reviewed on a quarterly basis and adjusted, as required, to meet market conditions. As a result of this change, Mr. Pat Priestner, CEO of AutoCanada, announced that the Company is increasing its dividend on an annual basis from \$0.20 share to \$0.40 per share. Accordingly, the Board declared today an eligible quarterly dividend of \$0.10 per common share for the quarter ended June 30, 2011 on AutoCanada's outstanding Class A common shares, payable on September 15, 2011, to shareholders of record at the close of business on August 31, 2011. In announcing the increased quarterly dividend, Mr. Priestner stated that he was “very pleased that the strong financial results of AutoCanada during 2011 have allowed AutoCanada to significantly increase its dividend”.

In addition, AutoCanada announced that the independent Board had adopted revised guidelines regarding future dealership acquisitions the purpose of which is to support the Company's revised higher dividend payout policy, which will result in fewer acquisitions in the current environment. “In view of the previously announced resistance of a number of manufacturers to public ownership, returning a significant portion of our earnings to our shareholders as dividends is believed to be in the best means by which to maximize shareholder value”, stated Gordon Barefoot, Chair of AutoCanada. In addition, AutoCanada announced that it has further amended its previously announced policy regarding the private purchase of certain dealerships by Mr. Priestner, CEO of AutoCanada, such that in future, Mr. Priestner and senior management shall be permitted to privately purchase dealerships which the Company either cannot purchase, or which it chooses not to purchase. Stated Mr. Barefoot, “Upon careful consideration, and in accord and with the Company’s previously announced intention to review innovative means by which to better attract and retain key employees, the Board has concluded that the best interests of AutoCanada are served by permitting private purchases of dealerships by key employees where the Company is precluded from such purchases, or where the independent Board Members have concluded that such purchases do not meet the purchase guidelines adopted by the Board.”

About AutoCanada

AutoCanada is one of Canada’s largest multi-location automobile dealership groups, currently operating 22 franchised dealerships in British Columbia, Alberta, Manitoba, Ontario, New Brunswick and Nova Scotia. In 2010, our dealerships sold approximately 24,000 vehicles and processed approximately 317,000 service and collision repair orders in our 339 service bays.

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

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