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## **AUTOCANADA INC.**

### **Announces \$350 Million Equity Financing and Secondary Offering**

Edmonton, Alberta (June 25, 2014) AutoCanada Inc. (“AutoCanada” or the “Company”) (TSX:ACQ) and Canada One Auto Group Ltd. (“CAG”) announced today that they have entered into an agreement with a syndicate of underwriters led by RBC Capital Markets and Scotiabank (collectively the “Underwriters”) for the sale on a “bought deal” basis of 4,490,000 common shares of the Company at \$78.00 per common share for gross proceeds of \$350 million (the “Offering”), including a treasury offering of 2,565,000 common shares by the Company for gross proceeds of \$200 million (the “Treasury Offering”) and a secondary offering of 1,925,000 common shares by CAG and certain of its subsidiaries for gross proceeds of \$150 million (the “Secondary Offering”).

CAG has also granted the Underwriters an over-allotment option to purchase up to 673,500 additional common shares from CAG and its subsidiaries, representing an additional 15% of the Offering, on the same terms and conditions, exercisable in whole or in part at any time following closing of the Offering for a period of 30 days.

The Company will use the net proceeds of the Treasury Offering to reduce indebtedness under its revolving credit facility, which may subsequently be redrawn and applied as needed to fund future capital expenditures, including the potential acquisition of additional dealerships, and for general corporate and working capital purposes. The Company will not receive any proceeds from the Secondary Offering or the exercise of the over-allotment option.

CAG, AutoCanada’s largest shareholder, is controlled by AutoCanada’s Chairman and Chief Executive Officer, Pat Priestner. The proceeds from the Secondary Offering, net of costs and applicable taxes, will be distributed to certain shareholders of CAG, including Mr. Priestner. In addition to accomplishing estate planning objectives, the Secondary Offering will provide Mr. Priestner with funding to continue to support AutoCanada’s plans to acquire GM dealerships. In accordance with the ownership structure approved by GM Canada, Mr. Priestner is obliged to fund a minimum of 15% of the equity investment in each GM dealership AutoCanada acquires. Mr. Priestner may also use a portion of his net proceeds from the Secondary Offering to support AutoCanada in the acquisition of dealership groups by personally acquiring specific individual dealerships within the group where a particular manufacturer does not currently allow its dealerships to be owned by public entities.

Mr. Priestner remains fully committed to AutoCanada and will continue to have a significant interest in the Company through his ownership interest in CAG. On June 5, 2014, AutoCanada announced that Mr. Priestner extended his employment agreement until May 31, 2019. As the largest shareholder of CAG, Mr. Priestner beneficially owns approximately 76.8% of the AutoCanada shares owned by CAG and its subsidiaries; in addition, Mr. Priestner controls and directs 87.6% of the voting securities of CAG. After giving effect to the Offering, but before giving effect to the exercise of the over-allotment option, CAG and its subsidiaries will own 3,038,488 common shares, representing a 12.4% interest. Assuming full exercise of the over-allotment option, CAG and its subsidiaries would own 2,364,988 common shares, representing a 9.7% interest in AutoCanada.

Closing of the Offering is expected to occur on or about July 11, 2014 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including approval of the Toronto Stock Exchange.

The common shares will be offered under a short form prospectus to be filed in each of the provinces of Canada.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities of AutoCanada in the United States. The common shares described in this press release have not been and will not be registered under the United States Securities Act of 1933, as amended, or the securities laws of any state and may not be offered, sold or delivered in the United States absent an exemption from registration.

### **About AutoCanada**

AutoCanada is one of Canada's largest multi-location automobile dealership groups, currently operating 40 franchised dealerships in eight provinces and has approximately 2,000 employees. AutoCanada currently sells Chrysler, Dodge, Jeep, Ram, Fiat, Chevrolet, GMC, Buick, Cadillac, Infiniti, Nissan, Hyundai, Subaru, Mitsubishi, Audi, Volkswagen and BMW branded vehicles. In 2013, our dealerships sold approximately 36,000 vehicles and processed approximately 364,000 service and collision repair orders in our 381 service bays during that time.

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

### **Forward-Looking Statements**

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. All statements other than statements of historical fact contained in this press release may be forward-looking statements and forward-looking information. In particular, forward-looking information and statements in this press release include, but are not limited to, statements relating to the completion of the Offering and the use of proceeds from the Treasury Offering. These forward-looking statements and information are based on certain key expectations and assumptions made by AutoCanada, including the assumption that all necessary conditions will be satisfied and all necessary approvals will be obtained. Although AutoCanada believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as AutoCanada cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, general economic, market and business conditions. Readers are cautioned that the foregoing list of risks and uncertainties is not exhaustive. Additional information on these and other risk factors that could affect AutoCanada's operations, financial results and the completion of the Offering are included in AutoCanada's annual information form and the other disclosure documents filed by AutoCanada with securities regulatory authorities which may be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com). The forward-looking statements and information contained in this press release are made as of the date hereof and AutoCanada does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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