AutoCanada

Company Overview and Q2 2012 Quarterly Highlights

August 2012

Senior Management Team

Pat Priestner
Chief Executive Officer

Tom Orysiuk
President

Steve Rose
Executive Vice President, Corporate Services

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.

AutoCanada Inc. (ACQ)

(Information as at August 15, 2012)

Closing Share Price	$13.38
Market Capitalization	$266,000,000
Dividend (annualized)	$0.64
Yield	4.8%
P/E Ratio	12.7
Average Volume (10 day)	59,200

Analyst Coverage

Clarus Securities Inc.
Kelvin Cheung, CFA – (416) 343-2773

Canaccord Genuity
Derek Dley, CFA – (604) 694-6967

RBC Capital Markets
Steve Arthur, CFA – (416) 842-7844

Cormark Securities Inc.
Maggie Johnson – (416) 943-6733

Franchised Auto Dealerships Operate Four Complementary Business Segments

Annual consumer spending more than any other Canadian retail segment

Dealership Business Model

- Historically stable and profitable business (profitable during wars, recessions, etc.)
- Variable cost structure – most of fixed costs offset by parts and service business
- New and used vehicle sales counter-cyclical and drive higher margin business such as finance and insurance and parts and service

Automobile dealerships generate relatively stable cash flows

Benefits of Dealership Franchise Agreements

- Exclusive Sales Territories
- No Cost Consumer Sales Incentives
- Brand Marketing
- Warranty Repair Work

Substantial Value Attributed to Franchise Rights

Benefits of Multi-Location Dealership Model

- Economies of scale
- Geographic and brand diversification
- Ability to attract management talent and advancement opportunities within group
- Best practice sales, parts and service process training and implementation
- Expert marketing and online marketing team
- Centralized administrative and strategic functions

Industry Succession

There are currently 3,464 auto dealerships in Canada

Results of 2012 PwC Trendsetter Survey:

- PwC identifies a succession crisis amongst Canadian auto retailers
- Over 50% of dealers have owned their dealership for more than 20 years
- 70% of dealers would like to be semi-retired or completely out of the business in 5 years
- 60% of owners of dealer groups would like to be semi-retired or completely out of the business in 10 years

Industry succession issues present an opportunity for dealer groups

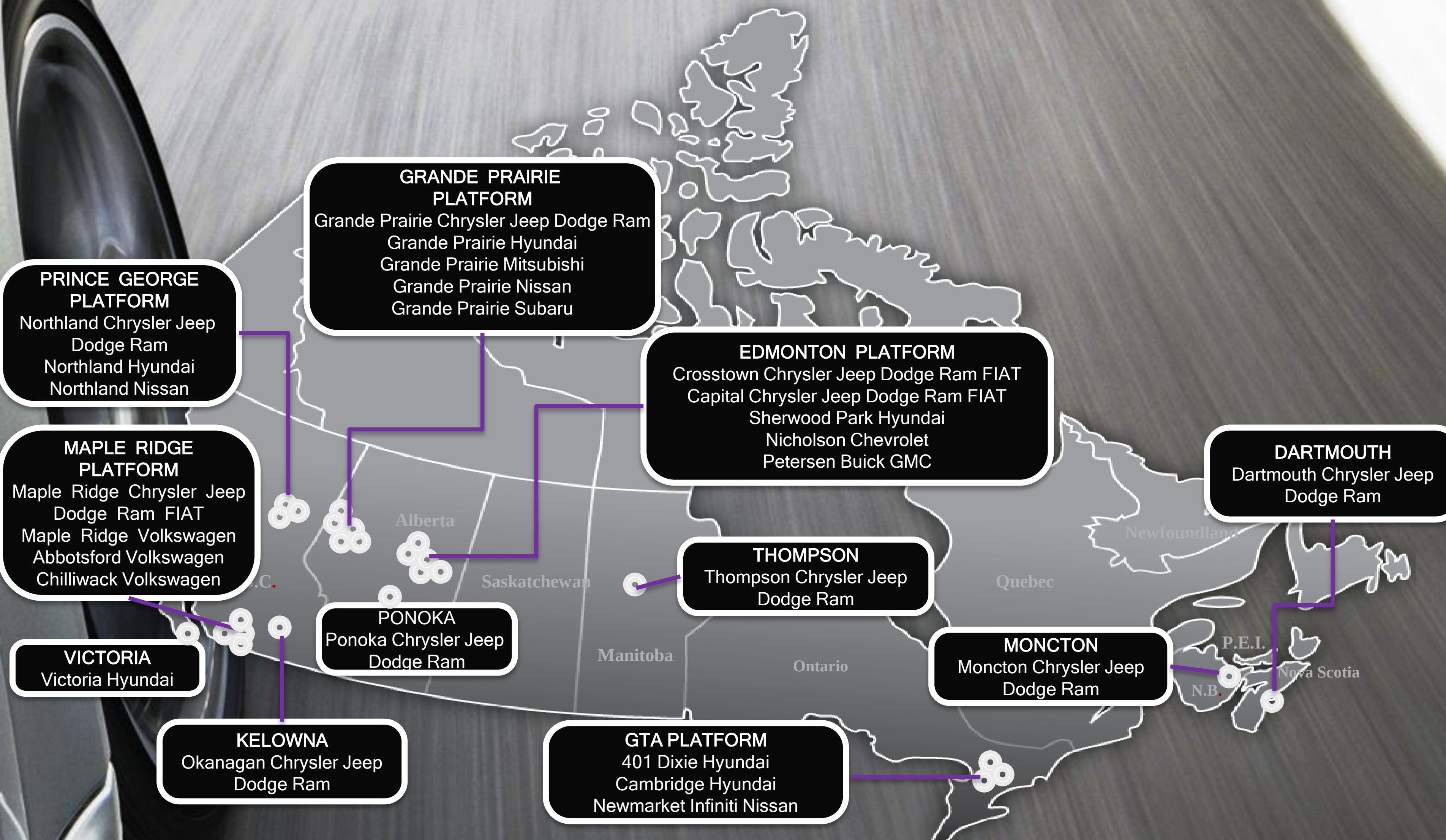
Our Business

- 26 franchised dealerships
- Approximately 28,000 new and used vehicles sold in 2011
- Approximately 1 in every 82 new vehicles sold in Canada in 2011 from an AutoCanada dealership
- More than 300,000 service and collision orders completed at 333 service bays in 2011

Experienced and Aligned Management Team

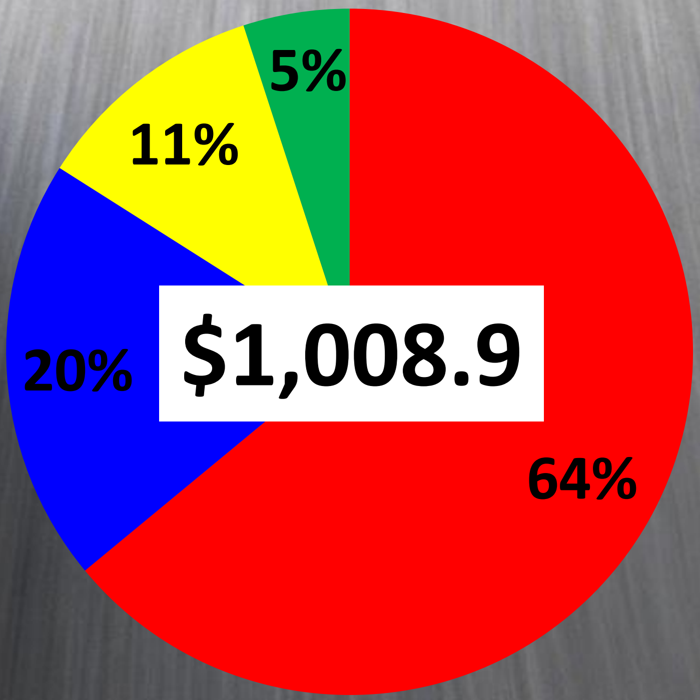
- Experienced and incentivized dealer principals and general managers
- Senior management owns 42.8% of AutoCanada shares
- Corporate head office team provides management, marketing, financial and operational expertise

26 Dealerships in 6 Provinces

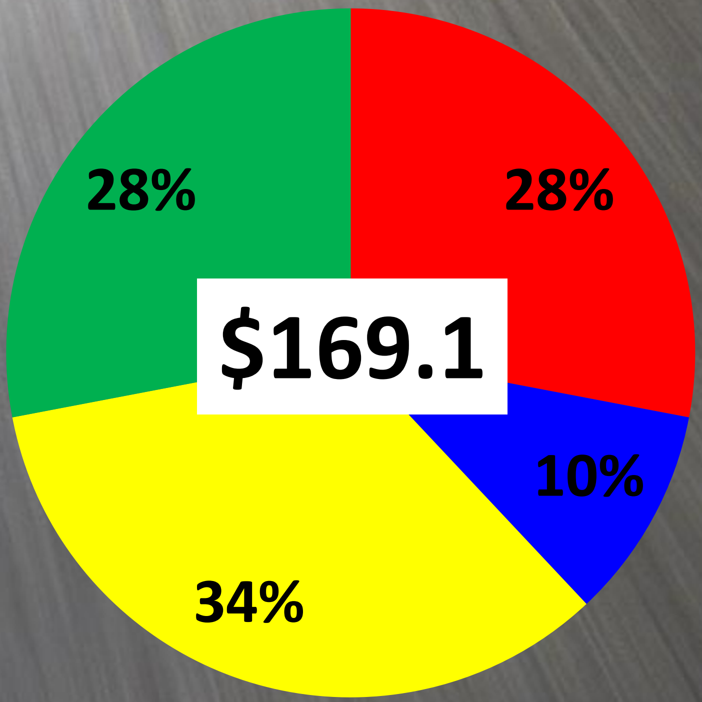


Revenue & Gross Profit
2011 Annual Results

2011 Revenue
($ millions)



2011 Gross Profit
($ millions)



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

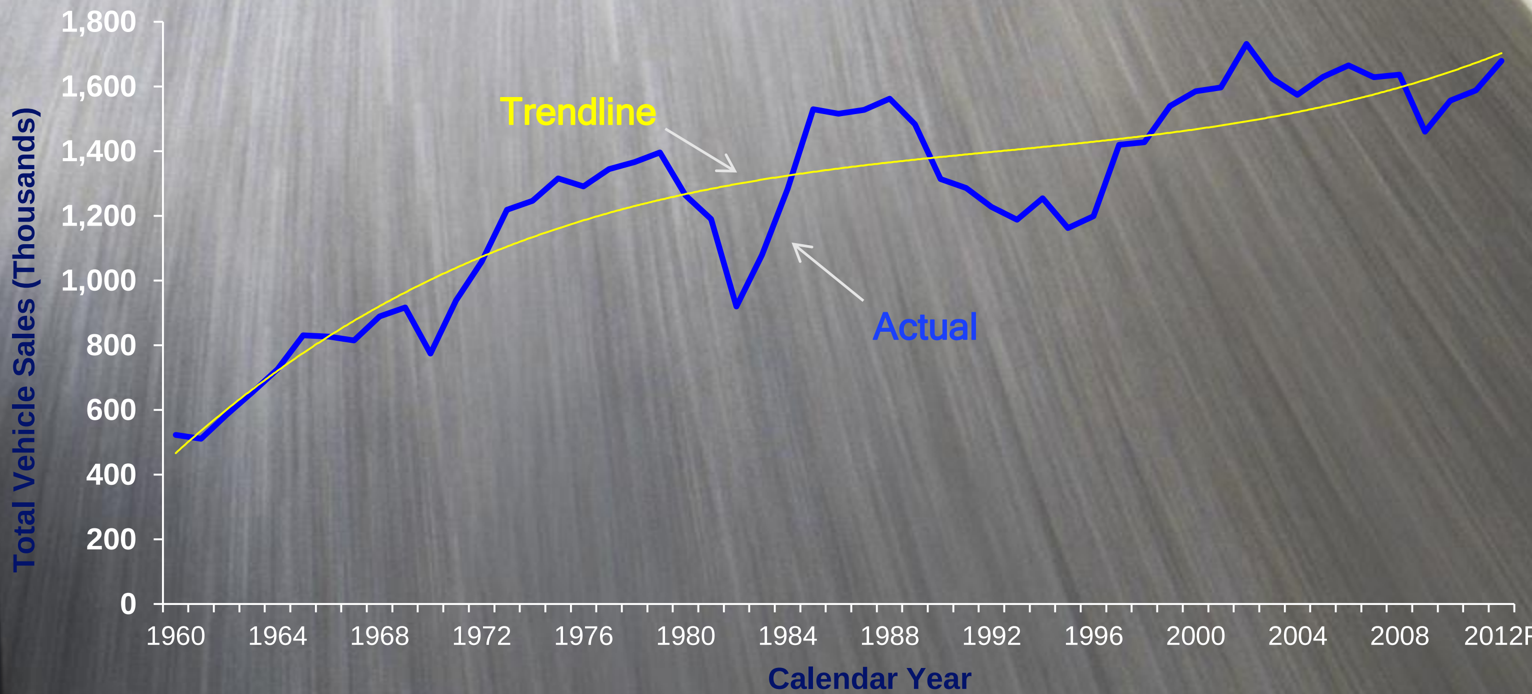
Note: Results for the Company for the year ended December 31, 2011

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

Total Canadian New Vehicle Sales 1960 – 2012F



Source: Scotia Economics - Global Auto Report, August 14, 2012

Advances in technology expected to drive new vehicle sales gains over long term

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 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

Parts, Service and Collision Repair

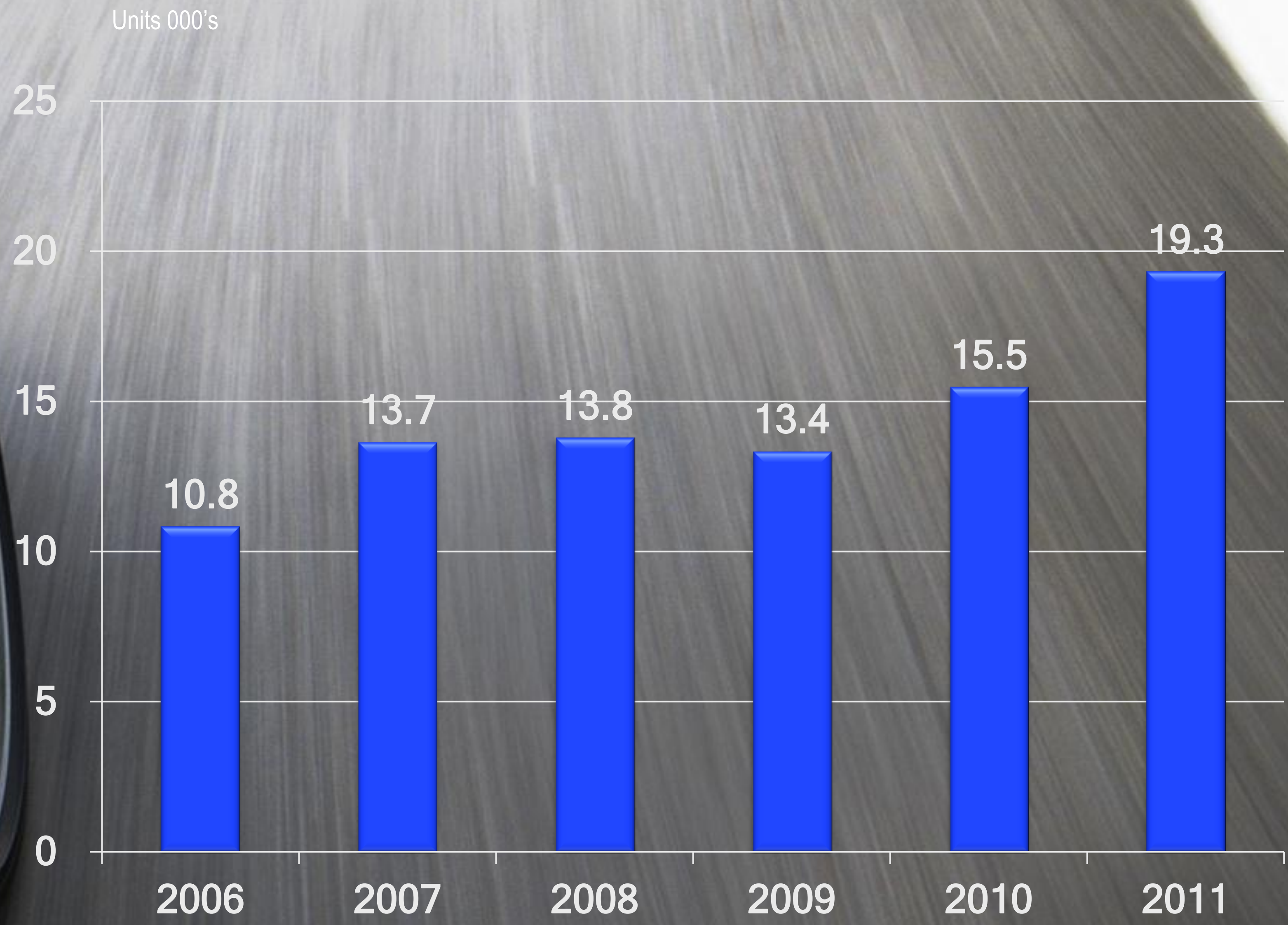
"Absorption Rate"

- Percentage of dealership's fixed expenses covered by gross profit generated by parts and service segment
- AutoCanada's 2011 absorption rate = 88%

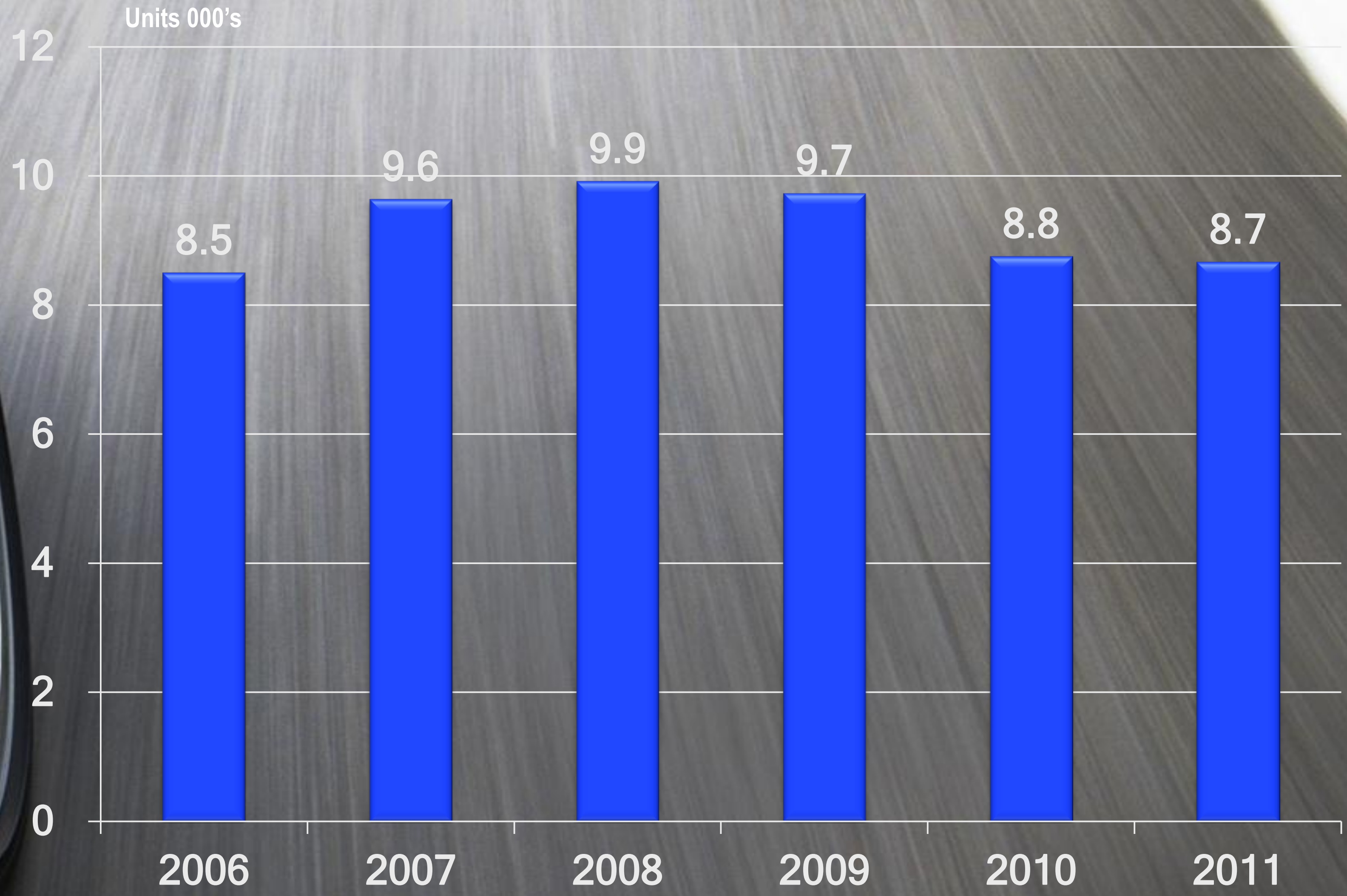
Finance, Insurance & Other

- **High Margins and Excellent Growth**
  - Represents 5% of total revenue and 28% of gross profit
  - New vehicle sales increases a driver of growth in the finance and insurance department
  - Relatively low cost operation

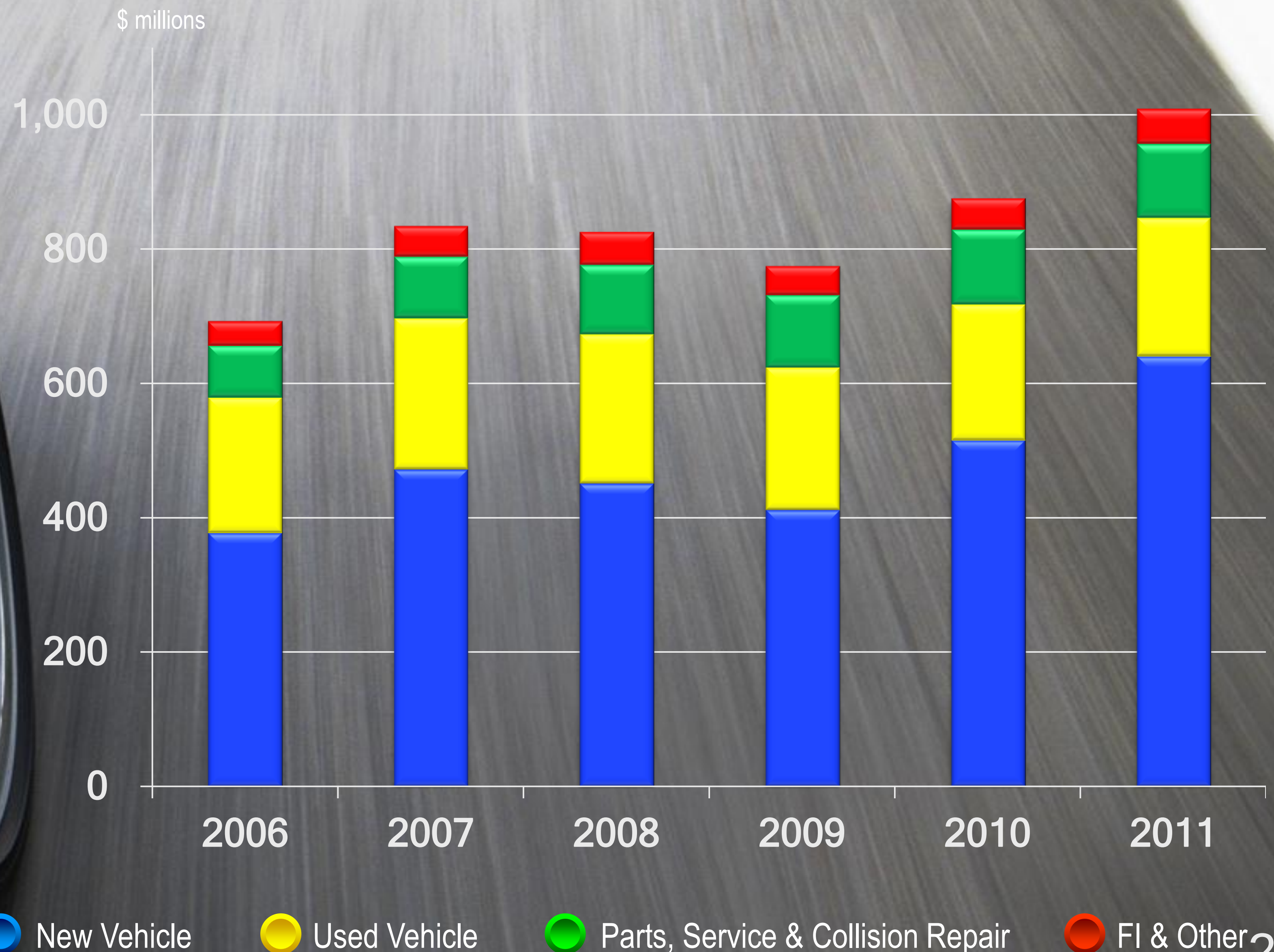
New Vehicle Sales



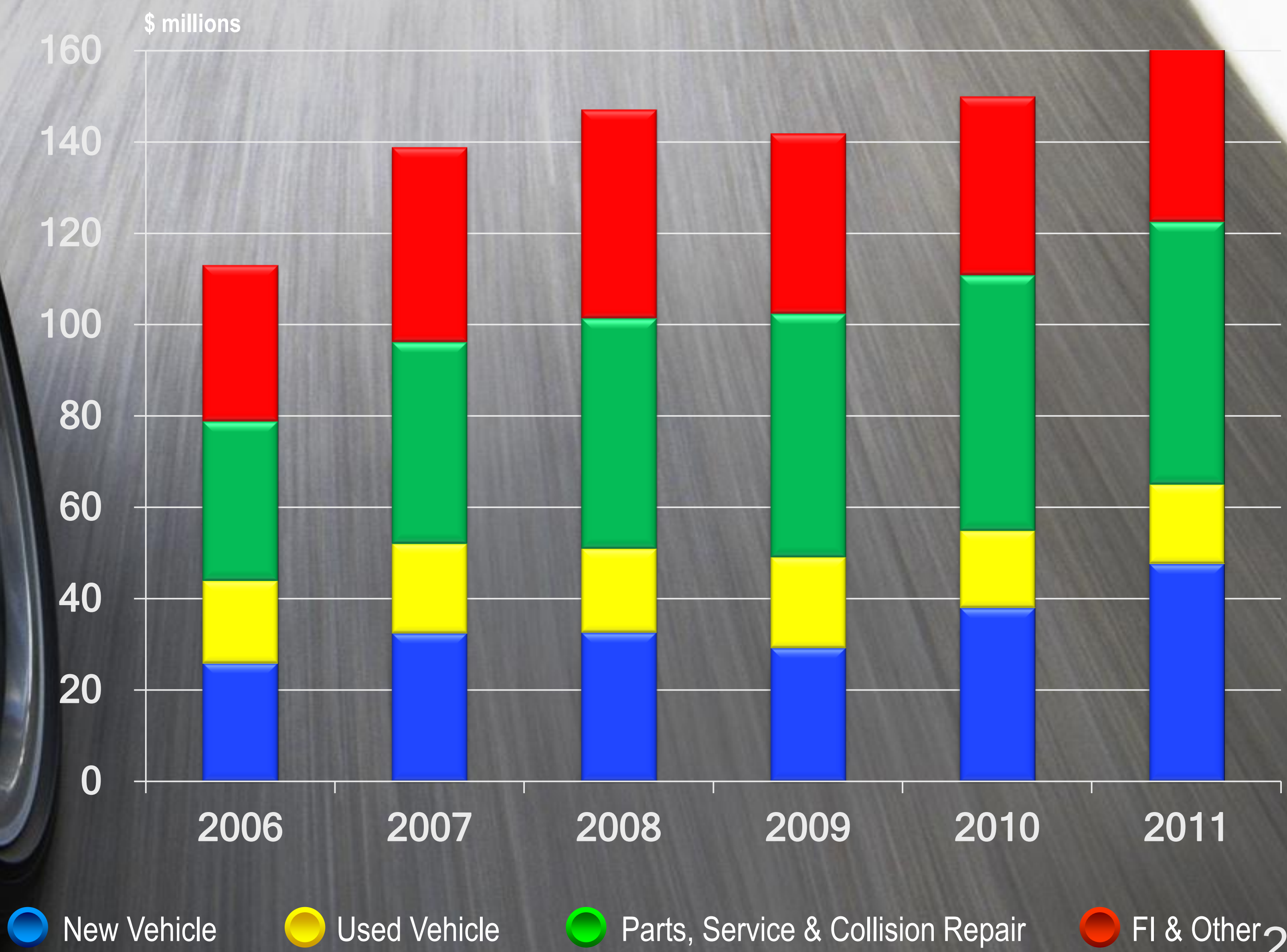
Used Vehicle Sales



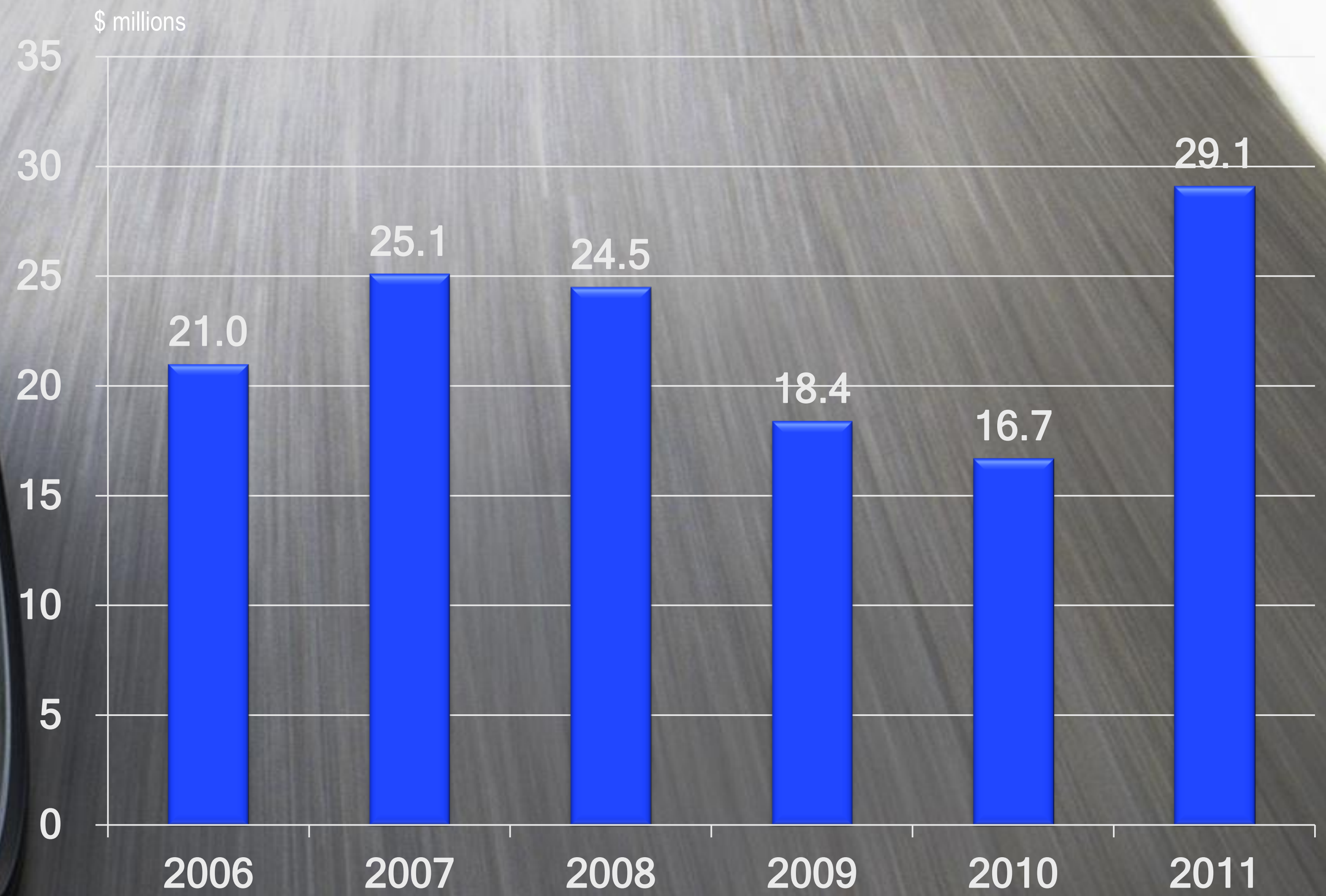
Revenue By Business Operation



Gross Profit by Business Operation



Adjusted EBITDA



2011 Annual Results

AutoCanada

$ millions (except EPS)

Revenue	**$ 1,008.9**	**16.0%**	↑
Gross Profit	**$ 169.1**	**12.7%**	↑
EBITDA*	**$ 29.1**	**74.0%**	↑
Adjusted EPS**	**$ 0.89**	**107.0%**	↑
Adjusted Free Cash Flow	**$ 27.7**	**97.9%**	↑

* EBITDA does not include interest on floorplan financing

**Adjusted EPS is calculated using net earnings before other items (reversal of impairment of intangible assets and its related tax effect).

Record performance in 2011

2012 Q2 Results

$ millions (except EPS)

Revenue	**$ 294.8**	**1.4%**	↑
Gross Profit	**$ 49.0**	**7.5%**	↑
EBITDA*	**$ 10.2**	**9.7%**	↑
EPS	**$ 0.34**	**13.0%**	↑
Adjusted Free Cash Flow	**$ 9.2**	**3.4%**	↑

* **EBITDA does not include interest on floorplan financing**

In Q2 of 2012, the Company exceeded its previously most profitable quarter by over 10%

Strong Balance Sheet

As at June 30, 2012

$ millions

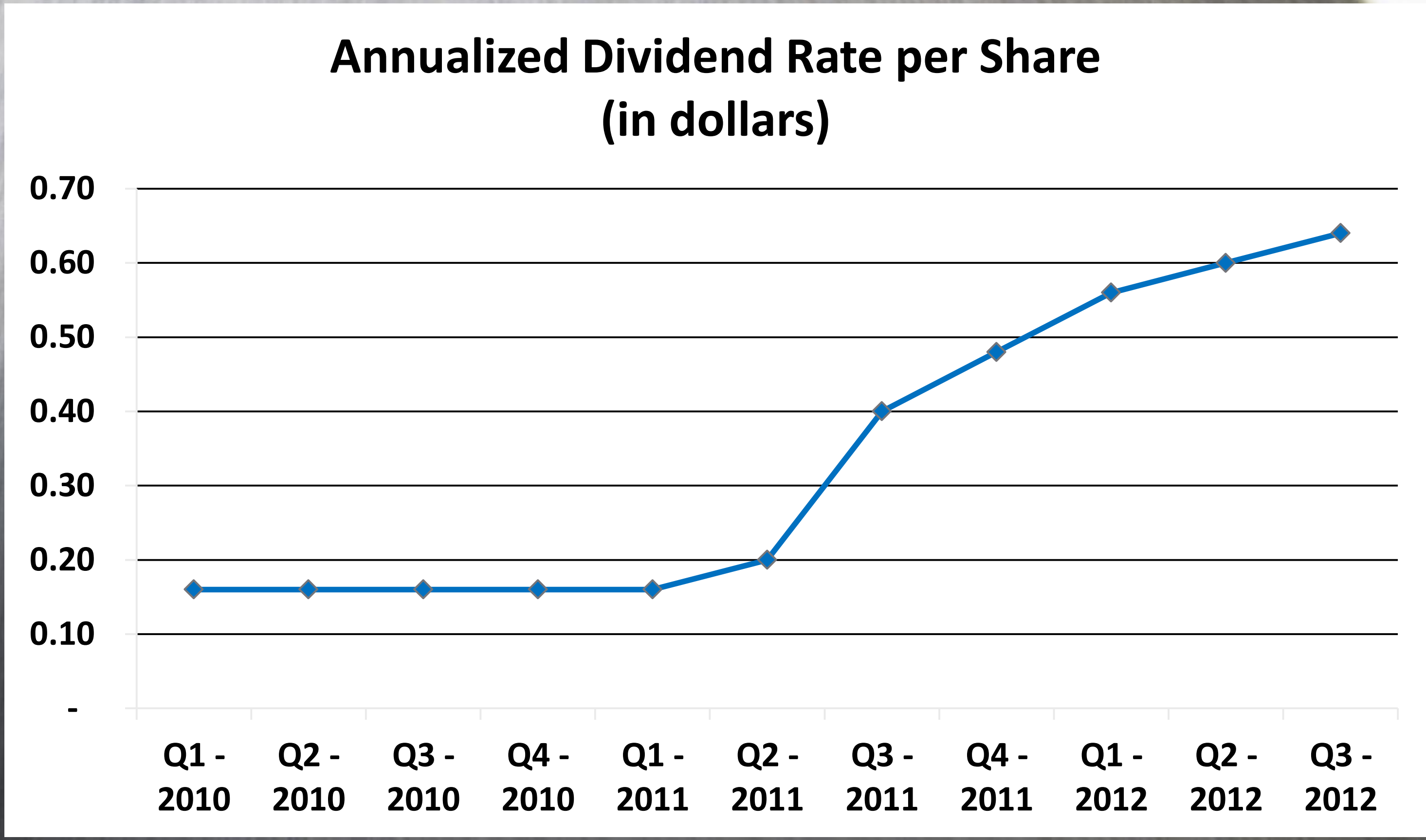
Current Assets	**$307.3**
Current Liabilities	**$264.4**
Net Working Capital	**$ 42.9**
Long-term Debt	**$ 23.0**

Floorplan debt of $221.2 million included in current liabilities and netted against inventory which is included in current assets.

On July 31, 2012, a revolving floorplan facility of $240M was secured from Scotiabank to finance new and used vehicle inventory representing expected annual savings of over $1 million.

Revolving term facility to increase to $40 million with option to increase by $10 million. Currently drawn $20 million on revolver.

Dividend Growth



Increase to Dividend in Six Consecutive Quarters

Strategy


Dividend Policy
Organic Growth
Acquisition Policy
Sustainable Returns
Contributes to
Enhanced Shareholder Value

Strategy

Management update:

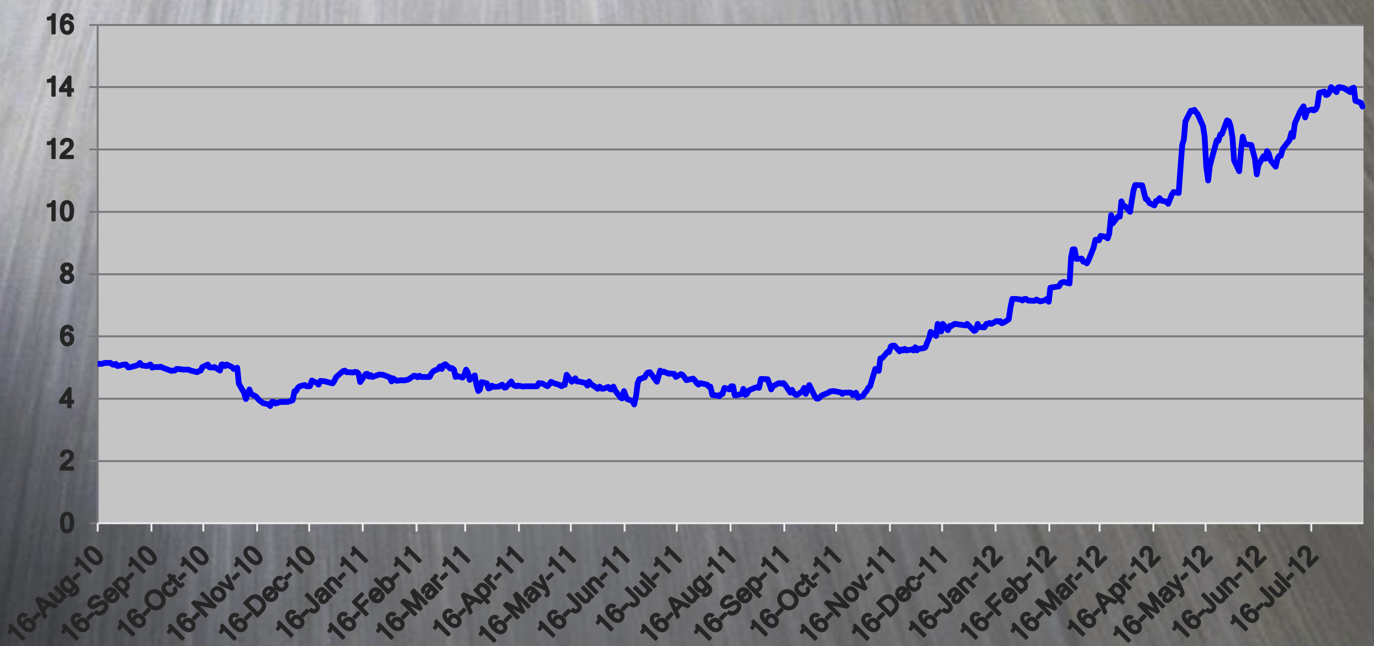
- Management committed to a high dividend payout policy
- Greater growth opportunities over the coming years due to:
    - aging dealer body
    - increasing facility capital requirements
- Two new OEM approvals
    - KIA open point awarded April 20, 2012
    - Investment in two GM dealerships in May and June of 2012

Impact of business landscape on strategy:

- Potential to add more dealerships
- Improvement in trading multiple allows for accretive acquisition opportunities
- Continued improvement in liquidity of shares

Strategy

ACQ Share Performance over the last 2 years:



- **Improvement in share price of 161%**
- **Average daily trading volume of approximately 25,000 over the past 2 years versus 13,000 in the period prior thereto since conversion to a corporation**

Investment Highlights

AutoCanada

Auto Dealership Business Historically Stable and Profitable

Industry Succession Issue and Recent OEM Approvals to Provide Growth Opportunities

AutoCanada Posts Record Annual Results in 2011 and Record Second Quarter Results in 2012

Income Oriented Investment Vehicle with Opportunity for Growth

Question and Answer