

GROUPE AEROPLAN

Q2 2009

FINANCIAL HIGHLIGHTS



August 14, 2009

Forward Looking Statements

Certain statements in this presentation may contain forward-looking statements. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and similar terms and phrases, including references to assumptions. Such statements may involve but are not limited to comments with respect to strategies, expectations, planned operations or future actions.

Forward-looking statements, by their nature, are based on assumptions and are subject to important risks and uncertainties. Any forecasts or forward-looking predictions or statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business and its corporate structure. Results indicated in forward-looking statements may differ materially from actual results for a number of reasons, including without limitation, risks related to the business and the industry, Air Canada liquidity issues, dependency on top Accumulation Partners, Air Canada or travel industry disruptions, Airline industry changes and increased airline costs, reduction in activity, usage and accumulation of Aeroplan Miles, retail market/economic downturn, greater than expected redemptions for rewards, industry competition, supply and capacity costs, unfunded Future Redemption Costs, failure to safeguard databases and consumer privacy, consumer privacy legislation, changes to the Aeroplan and Nectar Programs, seasonal nature of the business, other factors and prior performance, regulatory matters, VAT appeal, reliance on key personnel, labour relations and pension liability, technological disruptions and inability to use third party software, failure to protect intellectual property rights, currency fluctuations, interest rate and currency fluctuations, leverage and restrictive covenants in current and future indebtedness, dilution of Groupe Aeroplan shareholders, uncertainty of dividend payments, level of indebtedness – refinancing risk, managing growth, as well as the other factors identified throughout the MD&A. The forward-looking statements contained in this discussion represent Groupe Aeroplan's expectations as of August 13, 2009, and are subject to change after such date. However, Groupe Aeroplan disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

Financial Overview - Quarter

	Three months ended June 30,			
	2009	2008	Change	
<i>(in millions, except where indicated)</i>				
Gross Billings	\$ 337.8	\$ 357.9	\$ (20.1)	-5.6%
Total Revenue	333.5	336.7	(3.2)	-1.0%
Operating Income before amortization of Accumulation Partners' contracts and technology	58.0	69.5	(11.5)	-16.5%
Net Earnings	26.7	31.5	(4.8)	-15.2%
Adjusted Net Earnings ⁽¹⁾	52.3	60.8	(8.5)	-14.0%
Adjusted EBITDA ⁽²⁾	70.6	81.9	(11.3)	-13.8%
Free Cash Flow ⁽¹⁾	90.8	43.6	47.2	108.3%
Dividends paid	25.0	42.0	(17.0)	-40.5%

⁽¹⁾ Non-GAAP measure.

⁽²⁾ A non-GAAP measurement, excluding the effect of the "Foreign Exchange" line of the Statement of Operations, as it reflects the impact of the Currency Swap.

Financial Overview - YTD

<i>(in millions, except where indicated)</i>	Six months ended June 30,			
	2009	2008	Change	
Gross Billings	\$ 664.1	\$ 700.5	\$ (36.4)	-5.2%
Total Revenue	689.3	692.9	(3.6)	-0.5%
Operating Income before amortization of Accumulation Partners' contracts and technology	116.4	133.3	(16.9)	-12.7%
Net Earnings	50.0	73.6	(23.6)	-32.1%
Adjusted Net Earnings ⁽¹⁾	96.8	132.1	(35.3)	-26.7%
Adjusted EBITDA ⁽²⁾	135.3	156.1	(20.8)	-13.3%
Free Cash Flow ⁽¹⁾	41.9	19.2	22.7	118.2%
Dividends paid	50.0	84.0	(34.0)	-40.5%

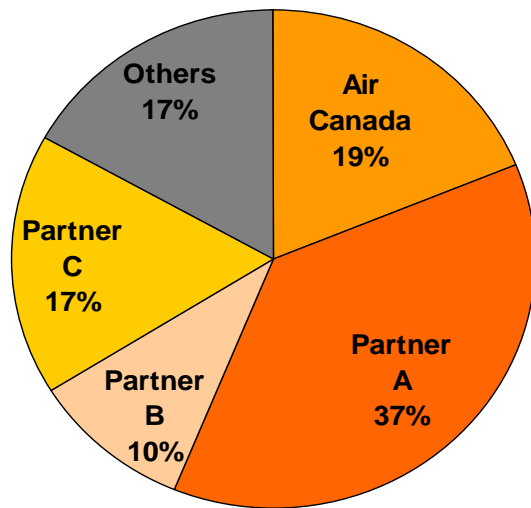
⁽¹⁾ Non-GAAP measure.

⁽²⁾ A non-GAAP measurement, excluding the effect of the "Foreign Exchange" line of the Statement of Operations, as it reflects the impact of the Currency Swap.

Gross Billings by Major Accumulation Partner

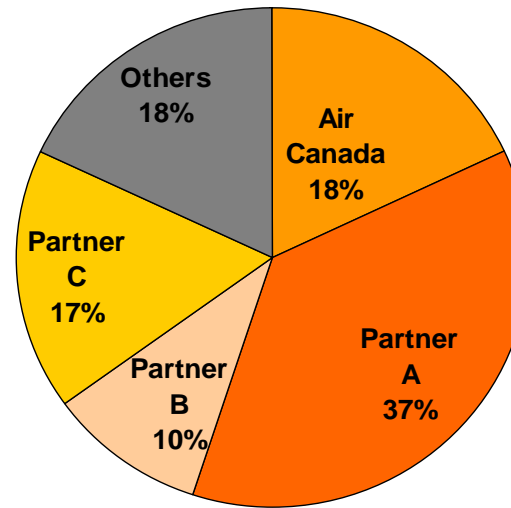
Q2 2009

\$337.8 million Gross Billings



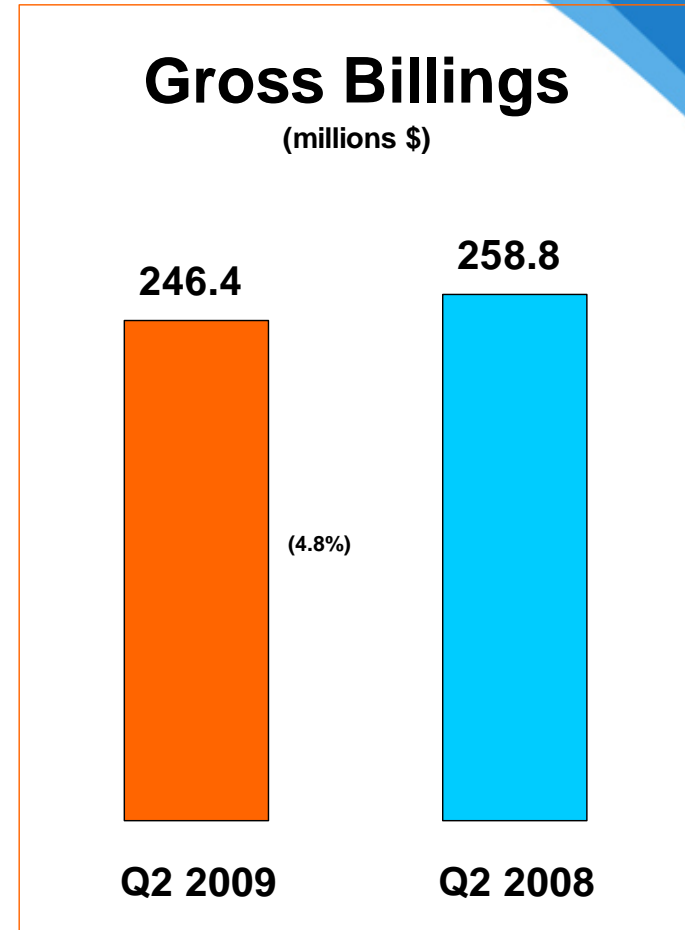
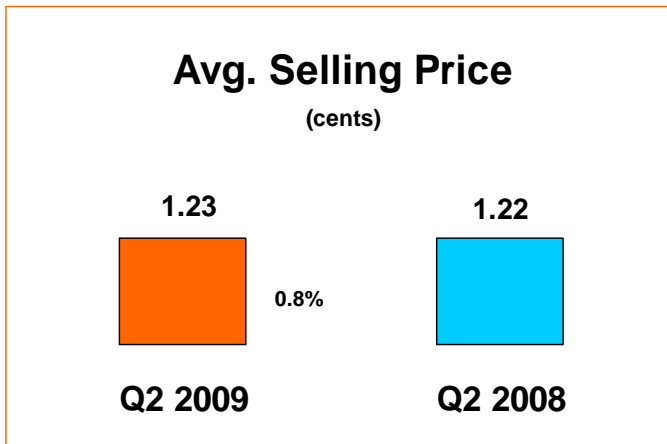
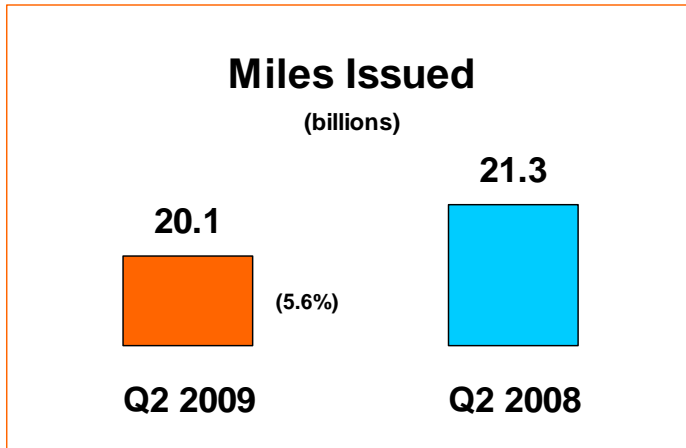
Q2 2008

\$357.9 million Gross Billings



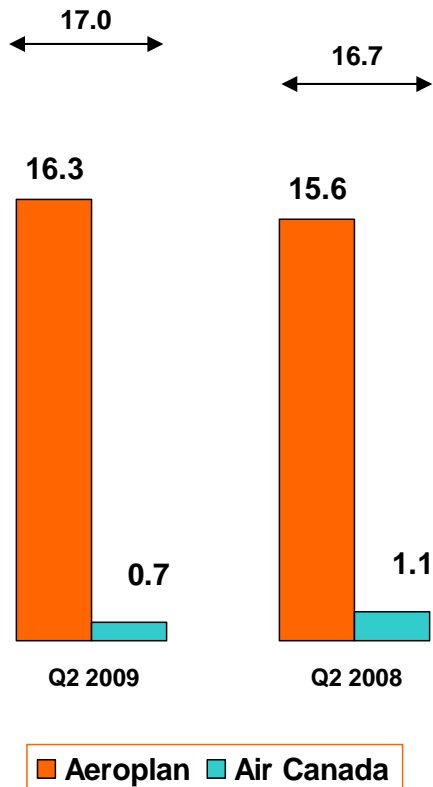
Note: Gross billings to Partner B reflects consolidated amounts under both the Aeroplan and Nectar programs. Included under Air Canada, are those generated by Jazz, while gross billings to Star Alliance partners are classified under "others", and Sainsbury's is categorized as Partner C.

Gross Billings – Canadian segment



Revenue – Canadian segment

Total Miles Redeemed (billions)

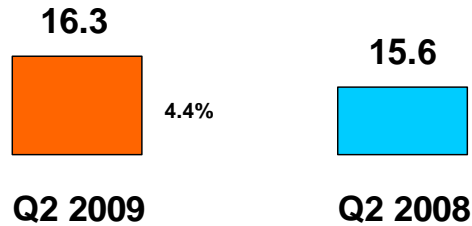


(in millions, except where indicated)

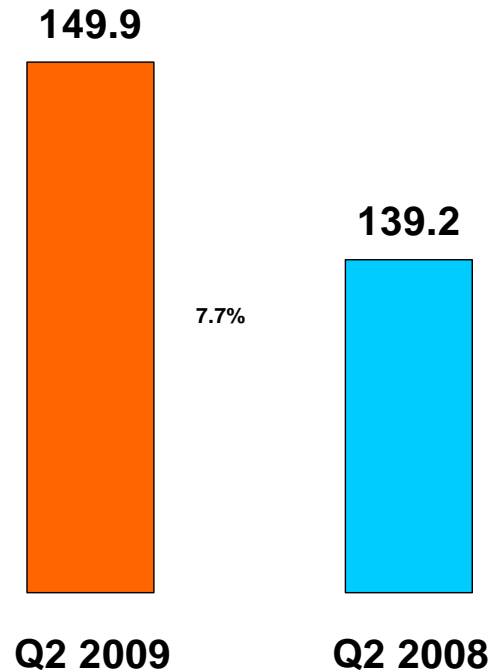
	Three months ended June 30,			
	2009	2008	Change	
Miles Revenue	\$ 197.5	\$ 188.2	\$ 9.3	4.9%
Breakage Revenue	43.6	38.2	5.4	14.1%
Tier Management & Marketing	241.1	226.4	14.7	6.5%
Other	1.3	1.7	(0.4)	-23.5%
Total Revenue	255.1	240.3	14.8	6.2%

Cost of Rewards – Canadian Segment

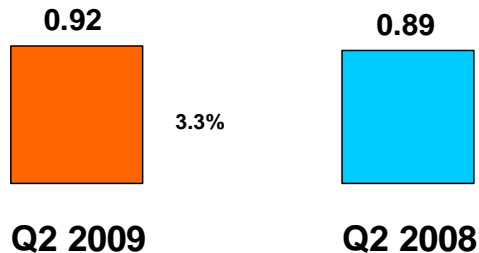
Aeroplane Miles Redeemed
(billions)



Cost of Rewards
(millions \$)



Average Cost / Mile Redeemed
(cents)



Gross Margin – Canadian segment

<i>(in millions, except where indicated)</i>	Three months ended June 30,			
	2009	2008	Change	
Total Revenue	\$ 255.1	\$ 240.3	\$ 14.8	6.2%
Cost of Rewards	149.9	139.2	10.7	7.7%
Gross Margin	105.2	101.1	4.1	4.1%
Gross Margin %	41.2%	42.1%	-0.9%	
Average Cost / Mile Redeemed	¢ 0.92	¢ 0.89	¢ 0.03	3.3%

Operating Expenses – Canadian segment

<i>(in millions, except where indicated)</i>	Three months ended June 30,			
	2009	2008	Change	
SG&A	\$ 42.3	\$ 45.3	\$ (3.0)	-6.6%
Depreciation & Amortization	21.5	21.2	0.3	1.4%
Operating Expenses	63.8	66.5	(2.7)	-4.1%

Segmented information

	Three months ended June 30, 2009		
	Canada	Europe and Middle East	Consolidated
<i>(in millions, except where indicated)</i>			
Gross Billings	\$ 246.4	\$ 91.4	\$ 337.8
Revenue			
Mileage	241.1	71.3	312.4
Other	14.1	7.1	21.2
	255.2	78.4	333.6
Cost of rewards	149.9	51.8	201.7
Gross margin	105.3	26.6	131.9
SG&A	42.3	26.3	68.6
Depreciation and amortization	21.5	4.1	25.6
Adjusted EBITDA	66.4	4.2	70.6

Segmented Information – Europe and Middle East

Three months ended June 30,					
<i>(in millions, except where indicated)</i>	2009 (constant currency) A	Conversion impact (FX)	2009 (as reported)	2008 B	Change ⁽¹⁾ (constant currency) (A-B)/B
Gross Billings	\$ 100.7	\$ (9.3)	\$ 91.4	\$ 99.1	2%
Revenue	86.4	(8.0)	78.4	96.4 ⁽²⁾	-10%
Cost of rewards	57.1	(5.3)	51.8	53.4	7%
Gross margin	29.3	(2.7)	26.6	43.0	-32%
SG&A	29.0	(2.7)	26.3	24.4	19%
Depreciation and amortization	4.5	(0.4)	4.1	6.5	-31%
Earnings (loss) before income taxes	(2.5)	0.2	(2.3)	15.0	-117%
Adjusted EBITDA	4.6	(0.4)	4.2	12.1	-62%

⁽¹⁾ Represents the % variance on a constant currency basis.

⁽²⁾ Includes a favourable \$38.7 million fair value accounting adjustment related to the acquisition.

Segmented Information – Europe and Middle East

	Six months ended June 30,				
	2009 (constant currency)	Conversion impact (FX)	2009 (as reported)	2008	Change ⁽¹⁾ (constant currency)
	A			B	(A-B)/B
<i>(in millions, except where indicated)</i>					
Gross Billings	\$ 196.5	\$ (19.0)	\$ 177.5	\$ 199.4	-1%
Revenue	173.1	(16.7)	156.4	185.7 ⁽²⁾	-7%
Cost of rewards	116.3	(11.2)	105.1	113.0	3%
Gross margin	56.8	(5.5)	51.3	72.7	-22%
SG&A	52.8	(5.1)	47.7	47.6	11%
Depreciation and amortization	7.9	(0.7)	7.2	12.7	-38%
Earnings (loss) before income taxes	(0.3)	-	(0.3)	17.6	-102%
Adjusted EBITDA	12.5	(1.2)	11.3	22.0	-43%

⁽¹⁾ Represents the % variance on a constant currency basis.

⁽²⁾ Includes a favourable \$38.7 million fair value accounting adjustment related to the acquisition.

Capital Structure

<i>(in millions, except where indicated)</i>	As at		
	June 30, 2009	Dec. 31, 2008	July 31, 2009
Cash and cash equivalent	\$ 590.0	\$ 188.0	\$ 693.5
Short-term investments	34.6	477.3	-
Total cash and short-term investments	624.6	665.3	693.5
Long-term debt	690.4	697.0	766.0
Shareholders' equity	1,948.0	1,948.6	N/A

Air Canada – Summary of Financial Support

- ❑ **November of 2008 - agreement to temporarily accelerate our payment terms to Air Canada, which resulted in \$63 million of payments by Aeroplan in advance of normal settlement terms.**
- ❑ **June of 2009 - the acceleration of payment terms agreement was terminated. Air Canada repaid approximately \$40 million, relating to amounts paid by Aeroplan in advance of normal terms.**
- ❑ **June of 2009 - Aeroplan and Air Canada entered into a one year revolving secured term loan agreement in an amount equal to the aggregate of the previous 60 days accumulated purchases by Aeroplan of reward seats from Air Canada, up to a maximum of \$100M. Air Canada's initial draw under this facility amounted to \$79 million.**
- ❑ **July of 2009 - Air Canada repaid the \$79 million borrowed in June, the secured term loan agreement was terminated and Aeroplan advanced \$150 million to Air Canada, as its participation in the secured club loan announced on July 30.**



August 14, 2009