News Release

GROUPE AEROPLAN

Groupe Aeroplan Inc. Reports Results for First Quarter of 2010

- *Strong start to the year despite challenging global economy*
- *EPS adjusted for non-comparable items of $0.19[1&2] vs. $0.12 ($0.07 including non-comparable items vs. $0.12)*
- *Revenue diversification on track with consolidation of Carlson Marketing and launch of Nectar Italia*
- *Announces normal course issuer bid for the repurchase of up to 5 million common shares*

First Quarter Highlights
Three months ended March 31, 2010 vs. three months ended March 31, 2009

- Gross Billings of $517.9 million ($527.1 million on a constant currency basis) vs. $346.3 million
- Total revenue of $506.8 million ($514.6 million on a constant currency basis) vs. $355.8 million
- Operating income of $24.0 million ($22.9 million on a constant currency basis) vs. $38.7 million
- Adjusted EBITDA[1] of $56.0 million ($54.2 million on a constant currency basis) vs. $65.2 million – Adjusted EBITDA of $77.8 million before non-comparable items[1&2] of $23.5 million, and including the effect of foreign exchange
- Net earnings of $14.9 million ($14.4 million on a constant currency basis) vs. $23.2 million – net earnings of $37.9 million before non-comparable items[1&2] of $23.5 million, and including the effect of foreign exchange

Montreal, QC, May 11, 2010 – (TSX:AER) Groupe Aeroplan Inc. ("Groupe Aeroplan" or the "Corporation"), today reported its financial results for the first quarter ended March 31, 2010. All financial information is in Canadian dollars unless otherwise noted.

"Our financial results continue to be strong in the face of a challenging global economy," said Rupert Duchesne, Groupe Aeroplan's President and Chief Executive Officer. "With our acquisition of Carlson Marketing, the launch of Nectar Italia, and our recently announced strategic investment in AeroMexico's frequent flyer program, we are not only positioning ourselves as the global leader in loyalty management, but we are also well poised to benefit as the global economy turns."

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[1] A Non-GAAP measurement

[2] Non-comparable items of $23.5 million affecting SG&A include costs of $11.1 million associated with the launch of Nectar Italia, $10.4 million in connection with the transition and migration of Carlson Marketing and $2.0 million in strategic consulting fees at the corporate level.

Added Duchesne, “2010 is an important year of transition for Groupe Aeroplan as we integrate and build on the investments made over the past 12 months. The year is off to a strong start with positive top line growth and gross margin expansion in each of our Canadian and UK coalition businesses; first quarter performance of Carlson Marketing that is right on plan; and very positive launch results from Nectar Italia.”

Non-Comparable Items

There are several non-comparable items totalling $23.5 million, which affect SG&A this quarter, including costs of $11.1 million associated with the launch of Nectar Italia, $10.4 million in connection with the transition and migration of Carlson Marketing and $2.0 million in strategic consulting fees at the corporate level.

Business Segment Results

Aeroplan Canada

Aeroplan Canada experienced 2.6% growth in Gross Billings from the sale of Aeroplan Miles driven by an improvement in average consumer spend per active financial card, in Air Canada and in our retail segment, which was driven by an increase in retail activity, from new partner growth and from increased consumer confidence. Aeroplan Miles issued continued to outpace the growth in Aeroplan Miles redeemed. In the first quarter, gross margin improved by 50 basis points while the Adjusted EBITDA margin, as a percentage of revenue, improved by 150 basis points.

Groupe Aeroplan Europe

Groupe Aeroplan Europe achieved top line growth on a constant currency basis, with 16% growth in Gross Billings from the sale of Nectar points driven primarily by the launch of Nectar Italia, Sainsbury’s and Homebase. As a result of the launch of Nectar Italia, Gross Billings in the quarter were positively impacted by certain one-time effects consistent with a program launch. While Groupe Aeroplan Europe’s gross margin increased by 270 basis points, Adjusted EBITDA was negative. This is mostly attributable to the launch of Nectar Italia, with $11.1 million of launch costs and a significant increase in the outstanding points liability, which grew in part as a result of promotional points issued in connection with the Italian launch, the timing effect of certain promotional activities in the UK, and a full quarter of SG&A related to the Italian operations. Other factors influencing Adjusted EBITDA during the quarter were: (i) added personnel costs required by the I&C business to support increased contract activity, and (ii) additional international business development expenses, which have started to pay off, as I&C has signed its first international contract with CVS Caremark. We anticipate that I&C will start generating revenue from this contract in the second half of the year.

Carlson Marketing

Carlson Marketing experienced year-over-year growth with Gross Billings of $156.9 million. Its Canadian operations experienced a strong rebound in demand for its services over the previous quarter. Gross margin in the quarter was 46.5% while Adjusted EBITDA margin was 5.3%. Excluding $2.6 million in migration costs, the Adjusted EBITDA was 6.9%.

Cash Flow and Financial Position

At March 31, 2010, Groupe Aeroplan had $551.6 million of cash and cash equivalents, $6.8 million of restricted cash and $11.1 million of short-term investments, for a total of $569.5 million. Of this total amount approximately $419.8 million is invested in Bankers’ Acceptances and term deposits maturing on various dates through to May 2011. Groupe

Aeroplan's cash and cash equivalents and short-term investments are not invested in any asset-backed commercial paper.

Groupe Aeroplan's Free Cash Flow was negative $66.0 million for the first quarter of 2010.

Capital Expenditures
Capital expenditures for the three months ended March 31, 2010, amounted to $9.2 million. Anticipated capital expenditures, which are primarily associated with software development initiatives for fiscal 2010, are expected to approximate $40.0 million for the year.

Income Taxes
Income taxes include $10.4 million in current income taxes, representing an effective tax rate of 19 per cent. The increase in the effective tax rate for the quarter is explained by the fact that included in earnings for the first quarter of 2009, were certain financing costs related to the currency swap. We continue to expect the average current income tax rate for the year to be approximately 30 per cent.

Normal Course Issuer Bid
The Corporation announced today that its Board of Directors has authorized a Normal Course Issuer Bid to purchase up to 2.5 per cent or up to 5 million of its issued and outstanding common shares during the period from May 14, 2010 to no later than May 13, 2011.

Dividends Declared
Common Shares
The Board of Directors has declared a quarterly dividend of $0.125 per common share, payable on June 30, 2010 to shareholders of record at the close of business on June 16, 2010.

Preferred Shares
The Board has also declared a quarterly dividend in the amount of $0.40625 per Cumulative Rate Reset Preferred Share, Series 1, payable on June 30, 2010 to the holders of record at the close of business on June 16, 2010.

Dividends paid by Groupe Aeroplan to Canadian residents on both its common and preferred shares are "eligible dividends" for Canadian income tax purposes.

Outlook
For 2010 Groupe Aeroplan anticipates Gross Billings growth ranging between 2 and 4 per cent in its legacy businesses.

Groupe Aeroplan expects to realize growth in consolidated Adjusted EBITDA in 2010.

Groupe Aeroplan expects to realize growth in Adjusted EBITDA in its legacy businesses, after adjusting for operating costs, which are not expected to recur in the future, related to: (i) the launch of the Nectar Italia program; and (ii) the effect of brand investment promotional campaigns scheduled for 2010, in the Aeroplan and Nectar UK programs.
During 2010, Free Cash Flow levels are expected to be reduced as a result of investments required to support future growth.

In Aeroplan Canada, the Average Cost of Rewards per Aeroplan Mile Redeemed is not expected to exceed 0.95 cents on an annual basis throughout 2010, with gross margin remaining relatively stable.

Gross Billings from Carlson Marketing are expected to approximate US$600 million in 2010, with Adjusted EBITDA in the 6% to 8% range, before one time migration costs estimated at US$26 million. The successful migration of the technology solutions in the US, out of the vendor's platforms, represents both, the biggest opportunity and risk associated to Carlson Marketing's 2010 performance. While there is an expectation that the migration will be fully completed in 2010, should the network and customer applications and the financial systems implementation extend into 2011, the associated incremental costs of migration and any additional payments that may be required under an extension to the transition services agreement, may represent up to a total of US$4 million per month.

Groupe Aeroplan's portion of the funding requirements for the launch of the Nectar Italia program, which will affect consolidated Adjusted EBITDA, is expected to be in the range of €15 million over 2010. Nectar Italia is expected to generate annual Gross Billings in the range of €60 million to €80 million within three years, with annual Gross Billings in the range of €30 million to €40 million in 2010.

The current income tax rate is anticipated to approximate 30% in Canada, and there is an expectation that no significant cash income taxes will be incurred in the rest of the Corporation's foreign operations.

The above guidance excludes the effect of any currency fluctuations on Groupe Aeroplan's operating results.

The outlook provided constitutes forward-looking statements within the meaning of applicable securities laws and should be read in conjunction with the "*Caution Concerning Forward-Looking Information*" section.

Use of Non-GAAP Financial Information

In order to provide a better understanding of the results, the following terms are used:

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization

EBITDA adjusted for certain factors particular to the business, such as changes in deferred revenue and Future Redemption Costs ("Adjusted EBITDA"), is used by management to evaluate performance, and to measure compliance with debt covenants. Management believes Adjusted EBITDA assists investors in comparing the Corporation's performance on a consistent basis without regard to depreciation and amortization, which are non-cash in nature and can vary significantly depending on accounting methods and non-operating factors such as historical cost.

Adjusted EBITDA is not a measurement based on GAAP, is not considered an alternative to operating income or net income in measuring performance, and is not comparable to similar measures used by other issuers. For a reconciliation to GAAP, please refer to the Summary of Consolidated Operating Results and Reconciliation of EBITDA, Adjusted EBITDA, Adjusted Net Earnings and Free Cash Flow included in the attached schedule. Adjusted EBITDA should not be used as an exclusive measure of cash flow because it does not account for the impact of working capital growth, capital expenditures, debt repayments and other sources and uses of cash, which are disclosed in the statements of cash flows.

Adjusted Net Earnings

Net earnings in accordance with GAAP adjusted for Amortization of Accumulation Partners' contracts, customer relationships and technology, Change in deferred revenue, Change in Future Redemption Costs and the income tax effect thereon calculated at the effective income tax rate as reflected in the statement of operations, provides a measurement of profitability calculated on a basis consistent with Adjusted EBITDA.

Adjusted Net Earnings is not a measurement based on GAAP, is not considered an alternative to net earnings in measuring profitability, and is not comparable to similar measures used by other issuers. For a reconciliation to GAAP, please refer to the Summary of Consolidated Operating Results and Reconciliation of EBITDA, Adjusted EBITDA, Adjusted Net Earnings and Free Cash Flow included in the attached schedule.

Standardized Free Cash Flow ("Free Cash Flow")

Free Cash Flow is a non-GAAP measure recommended by the CICA in order to provide a consistent and comparable measurement of free cash flow across entities of cash generated from operations and is used as an indicator of financial strength and performance.

Free Cash Flow is defined as cash flows from operating activities, as reported in accordance with GAAP, less adjustments for:

(a) total capital expenditures as reported in accordance with GAAP; and

(b) dividends, when stipulated, unless deducted in arriving at cash flows from operating activities.

For a reconciliation to cash flows from operations please refer to the Summary of Consolidated Operating Results and Reconciliation of EBITDA, Adjusted EBITDA, Adjusted Net Earnings and Free Cash Flow included in the attached schedule.

EBITDA and Free Cash Flow are non-GAAP measurements recommended by the CICA in accordance with the draft recommendations provided in their February 2008 publication, *Improved Communications with Non-GAAP Financial Measures – General Principles and Guidance for Reporting EBITDA and Free Cash Flow*.

Constant Currency

Because exchange rates are an important factor in understanding period to period comparisons, the presentation of various financial metrics on a constant-currency basis or after giving effect to foreign exchange translation, in addition to the reported metrics helps improve the ability to understand operating results and evaluate performance in comparison to prior periods. Constant-currency information compares results between periods as if exchange rates had remained constant period over the periods. Constant currency is calculated by calculating prior-year results using current-year foreign currency exchange rates. Results calculated on a constant-currency basis should be considered in addition to, not as a substitute for, results reported in accordance with GAAP and may not be comparable to similarly titled measures used by other companies.

Q1 2010 Conference Call / Audio Webcast
Groupe Aeroplan will host a conference call to discuss its first quarter 2010 financial results Wednesday, May 12, 2010 at 8:00 a.m. ET. The call can be accessed by dialling 1- 888-231-8191 or
1-647-427-7450 for the Toronto area. The call will be simultaneously audio webcast at: http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=3006300.

Supporting slides for the call will also be available by 7:00 a.m. ET Wednesday, May 12, 2010. An archive of the audio webcast and a copy of the slides will be available at: http://www.groupeaeroplan.com/pages/invEvents.php for ninety days following the original broadcast.

The unaudited interim consolidated financial statements, the MD&A and a financial highlights presentation will be accessible on the investor relations website at www.groupeaeroplan.com under Financial Results.

About Groupe Aeroplan Inc.
Groupe Aeroplan Inc., a global leader in loyalty management, owns Aeroplan, Canada's premier coalition loyalty program, Carlson Marketing, an international loyalty marketing services, engagement and events provider headquartered in the U.S., as well as Nectar, the United Kingdom's leading coalition loyalty program. In the Gulf Region, Groupe Aeroplan holds a 60% interest in the Air Miles Middle East programs in the United Arab Emirates, Qatar and Bahrain. Groupe Aeroplan also operates LMG Insight & Communication, a customer-driven insight and data analytics business offering international services to retailers and their suppliers, and it has a majority 75% ownership position in Nectar Italia, the first independent loyalty coalition program uniting leading retailers in Italy.

For more information about Groupe Aeroplan, please visit www.groupeaeroplan.com.

Caution Concerning Forward-Looking Statements
Forward-looking statements are included in this news release. 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 and clients, conflicts of interest, Air Canada or travel industry disruptions, airlines industry changes and increased airline costs, retail market/economic downturn, greater than expected redemptions for rewards, industry competition, integration of Carlson Marketing, supply and capacity costs, unfunded future redemption costs, failure to safeguard databases and consumer privacy, consumer privacy legislation, changes to loyalty programs, seasonal nature of the business, other factors and prior performance, regulatory matters, legal proceedings, reliance on key personnel, labour relations, pension liability, technological disruptions and inability to use third party software, failure to protect intellectual property rights, interest rate and currency fluctuations, leverage and restrictive covenants in current and future indebtedness, dilution of shareholders, uncertainty of dividend payments, level of indebtedness-refinancing risk, managing growth, credit ratings, as well as the other factors identified throughout Groupe Aeroplan's public disclosure record on file with the Canadian securities regulatory authorities.

The forward-looking statements contained herein represent Groupe Aeroplan's expectations as of May 11, 2010, 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.

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Summary of Consolidated Operating Results and Reconciliation of EBITDA, Adjusted EBITDA, Adjusted Net Earnings and Free Cash Flow

(in thousands, except share and per share information)	Three months ended March 31,		% Δ
	2010	2009	
	$	$	
Gross Billings	**517,947**	**346,328**	**49.6**
Gross Billings from the sale of GALUs	**338,269**	**326,248**	**3.7**
Revenue	483,992	335,744	44.2
Other revenue	22,787	20,080	13.5
Total revenue	506,779	355,824	42.4
Cost of rewards and direct costs	(305,740)	(228,656)	33.7
Gross margin	201,039	127,168	58.1
Selling, general and administrative expenses	(146,435)	(63,847)	129.4
Depreciation and amortization	(7,627)	(4,937)	54.5
Operating income before amortization of Accumulation Partners' contracts, customer relationships and technology	**46,977**	**58,384**	**(19.5)**
Depreciation and amortization	7,627	4,937	54.5
EBITDA [(a)]	**54,604**	**63,321**	**(13.8)**
Adjustments:			
Change in deferred revenue			
Gross Billings	517,947	346,328	
Revenue	(506,779)	(355,824)	
Change in Future Redemption Costs [(b)]	(9,782)	11,403	
(Change in Net GALUs outstanding x Average Cost of Rewards per GALUs for the period)			
Subtotal of Adjustments	1,386	1,907	
Adjusted EBITDA [(a)]	**55,990**	**65,228**	**(14.2)**
Net earnings in accordance with GAAP	**14,872**	**23,228**	
Weighted average number of shares	199,506,259	199,383,818	
Earnings per share	0.07	0.12	
Earnings per share after non-comparable items [(a) (d)]	0.19	0.12	
Net earnings in accordance with GAAP	**14,872**	**23,228**	
Amortization of Accumulation Partners' contracts, customer relationships and technology	22,968	19,715	
Subtotal of Adjustments (from above)	1,386	1,907	
Effective tax rate [(c)]	19.0%	15.7%	
Tax on adjustments at the effective rate	(263)	(299)	
Adjusted net earnings [(a)]	**38,963**	**44,551**	
Adjusted net earnings per share	0.20	0.22	
Net earnings	14,872	23,228	
Earnings per share	0.07	0.12	
Cash flow from operations	**(29,731)**	**(16,012)**	
Capital Expenditures	(9,159)	(7,982)	
Dividends	(27,149)	(24,997)	
Free cash flow [(a)]	**(66,039)**	**(48,991)**	**34.8**
Total assets	5,083,160	4,916,570	
Total long-term liabilities	1,453,416	1,528,593	
Total dividends	27,149	24,997	
Total dividends per preferred share	0.312	-	
Total dividends per common share	0.125	0.125	

***(a)** A non-GAAP measurement.*

***(b)** The per unit cost derived from this calculation is retroactively applied to all prior periods with the effect of revaluing the Future Redemption Cost liability on the basis of the latest available average unit cost.*

***(c)** Effective tax rate calculated as follows: income tax expense per the statement of operations / earnings before income taxes for the period.*

***(d)** Non-comparable items of $23.5 million affecting SG&A include costs of $11.1 million associated with the launch of Nectar Italia, $10.4 million in connection with the transition and migration of Carlson Marketing and $2.0 million in strategic consulting fees.*

SEGMENTED INFORMATION

At March 31, 2010, the Corporation has three operating segments: Aeroplan Canada, Carlson Marketing and Groupe Aeroplan Europe. The tables below summarize the relevant financial information by segment:

(in thousands, except miles information) — **Three months ended March 31,**

	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Operating segments	**Aeroplan Canada**		**Groupe Aeroplan Europe**		**Carlson Marketing**		**Corporate [c]**		**Consolidated**	
Number of Aeroplan Miles issued (in billions)	**19.9**	**19.5**	-	-	-	-	-	-	-	-
Number of Total Miles redeemed (in billions)	**18.0**	**19.1**	-	-	-	-	-	-	-	-
Number of Aeroplan Miles redeemed (in billions)	**17.6**	**18.2**	-	-	-	-	-	-	-	-
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Gross Billings [d]	260,553	254,726	100,503	91,602	156,891	-	-	-	517,947	346,328
Gross Billings from the sale of GALUs	246,491	240,184	91,778	86,064	-	-	-	-	338,269	326,248
Revenue	258,533	263,295	70,439	72,449	155,020	-	-	-	483,992	335,744
Other revenue	14,062	14,542	8,725	5,538	-	-	-	-	22,787	20,080
Total revenue	272,595	277,837	79,164	77,987	155,020	-	-	-	506,779	355,824
Cost of rewards and direct costs	168,501	173,046	54,283	55,610	82,956	-	-	-	305,740	228,656
Gross margin	104,094	104,791	24,881	22,377	72,064	-	-	-	201,039	127,168
Selling, general and administrative expenses	35,832	37,263	33,545	19,108	65,732	-	11,326	7,476	146,435	63,847
Depreciation and amortization [a]	21,950	21,493	2,941	3,159	5,704	-	-	-	30,595	24,652
Interest on long-term debt	-	-	-	-	-	-	14,868	5,532	14,868	5,532
Interest income	6,458	1,402	3,362	1,968	6	-	-	-	9,826	3,370
Foreign exchange loss	-	-	-	-	-	-	-	6,968	-	6,968
Adjusted EBITDA [b]	68,553	65,469	(9,440)	7,235	8,202	-	(11,325)	(7,476)	55,990	65,228
Earnings (loss) before income taxes	52,158	45,547	(8,243)	1,980	634	-	(26,194)	(19,976)	18,355	27,551
Additions to capital assets	4,125	6,607	1,182	1,375	3,852	-	N/A	N/A	9,159	7,982
Goodwill	1,675,842	1,676,108	257,692	297,990	100,274	-	N/A	N/A	2,033,808	1,974,098
Deferred revenue	1,655,646	1,618,515	257,457	292,195	11,974	-	N/A	N/A	1,925,077	1,910,710
Total assets	4,906,650	4,794,070	26,944	122,500	149,566	-	N/A	N/A	5,083,160	4,916,570

(a) *Includes amortization of Accumulation Partners' contracts, customer relationships and technology.*
(b) *A non-GAAP measurement.*
(c) *Includes revenue and expenses that are not directly attributable to any operating segment.*
(d) *Includes Gross Billings of $98.5 million in the UK (consisting of activity from Groupe Aeroplan Europe and Carlson Marketing EMEA operations) and $74.0 million in the US for the three months ended March 31, 2010 compared to Gross Billings of $85.8 million in the UK for the three months ended March 31, 2009.*