News Release

GROUPE AEROPLAN

Groupe Aeroplan Inc. Caps Off Successful Year with a Strong Fourth Quarter

Achieves 2010 financial objectives excluding one-time charges related to European Court of Justice VAT Judgment

Uniquely positioned to take the lead in the growing global loyalty market

- *Aeroplan Canada posts record Gross Billings and Adjusted EBITDA[1] for the full year with growth registered across all sectors*
- *Groupe Aeroplan Europe's solid top line performance reflects growth in Nectar UK, the globalization of LMG Insight & Communication and the results of Nectar Italia, which was launched in March 2010*
- *Carlson Marketing delivers against objectives*
- *Repurchased 14.2 million common shares to date pursuant to a normal course issuer bid*
- *2011 guidance calls for growth across all businesses despite continued economic weakness in key markets*

HIGHLIGHTS	**Quarter Ended December 31,**			**Year Ended December 31,**		
(in millions, except per share amounts)	**2010**		**2009**	**2010**		**2009**
	As Reported	**Constant Currency***		**As Reported**	**Constant Currency***	
	$	**$**	**$**	**$**	**$**	**$**
Gross Billings	593.6	602.1	386.7	2,187.8	2,233.4	1,447.3
Gross Billings Excluding Non-Comparables [1 2]	593.6	602.1	386.7	2,170.4	2,216.0	1,447.3
Total Revenue	607.8	621.4	424.9	2,053.8	2,101.2	1,436.8
Operating Income	37.7	38.4	45.2	63.3	64.6	163.8
Operating Income Excluding Non-Comparables [1 3 4]	48.6	49.3	45.2	167.4	168.7	163.8
Adjusted EBITDA [1]	84.9	85.2	69.6	255.7	258.5	281.6
Adjusted EBITDA Excluding Non-Comparables [1 2 3 4]	94.7	95.0	69.6	342.0	344.8	281.6
Earnings (Loss) Per Common Share	(0.07)	n/a	0.10	(0.17)	n/a	0.45
Earnings (Loss) Per Common Share Excluding Non-Comparables [1 3 4]	(0.01)	n/a	0.10	0.40	n/a	0.45

***For more information on Constant Currency, please refer to the Use of Non-GAAP Financial Information section of this news release.**

Montreal, QC, February 24, 2011 – (TSX:AER) Groupe Aeroplan Inc. ("Groupe Aeroplan" or the "Corporation") today reported its financial results for the fourth quarter and fiscal year ended December 31, 2010. All financial information is in Canadian dollars unless otherwise noted.

[1] A non-GAAP measurement.

[2] In connection with the integration of Carlson Marketing, Gross Billings and Adjusted EBITDA were positively affected by a $17.4 million adjustment as amounts previously included in customer deposits were reclassified to deferred revenue.

[3] The fourth quarter of 2010 reflects non-comparable items including costs of $4.3 million in connection with the transition of Carlson Marketing, $1.1 million related to retention bonuses and a new rewards platform for Carlson Marketing and $1.9 million in strategic consulting fees at the corporate level. Fourth quarter reported results also include the negative impact of $3.6 million to operating income, $2.5 million to Adjusted EBITDA and $4.4 million to net income related to the ECJ VAT Judgment.

[4] Fiscal 2010 reflects non-comparable items including costs of $20.4 million associated with the launch of Nectar Italia, $14.4 million in connection with the migration of Carlson Marketing, $3.7 million for Carlson Marketing non-recurring costs and $9.1 million in strategic consulting fees at the corporate level. Fiscal 2010 reported results also include the negative impact of $56.5 million to operating income, $56.1 million to Adjusted EBITDA and $63.7 million to net income related to the ECJ VAT Judgment.

"We had a successful year across all of our businesses," commented Rupert Duchesne, Groupe Aeroplan's President and Chief Executive Officer. "Aeroplan Canada continued to deliver strong free cash flow and received numerous awards recognizing the strength of its brand and program; Nectar UK grew its top line and member base; the Nectar Italia launch was executed successfully with enrolment exceeding expectations; and our data analytics business, LMG Insight & Communication proceeded with its international expansion with the signature of two retailers outside of the UK. In addition, Carlson Marketing had a solid first year, meeting its financial performance objectives."

Added Duchesne, "Our guidance calls for growth across each of our business units in 2011 despite the continued economic weakness in two of our key markets: the US and the UK. It also calls for continued investments to be made as we further build on our solid foundation. With our full suite loyalty capabilities and proven ability to execute, Groupe Aeroplan is entering 2011 strategically poised to benefit from the significant growth that is forecast for the global loyalty market within the next five years."

ECJ VAT Judgment

In the third quarter of 2010, the Corporation recognized a one-time charge of $53.3 million to Adjusted EBITDA, which related to the October 7, 2010 European Court of Justice ruling (the "ECJ VAT Judgment") in favour of Her Majesty's Revenue & Customs ("HMRC"). Loyalty Management Group, which was acquired by Groupe Aeroplan in December 2007, has been in litigation with HMRC on this issue since 2003. The case pertains to the VAT treatment of the Nectar program as it applies to the deductibility of input tax credits in the remittance of VAT owed. The matter will be referred back to the UK Supreme Court for judgment based on the guidance of the ECJ.

During the fourth quarter of 2010, the Corporation recognized an additional $3.6 million expense against operating income ($2.5 million against Adjusted EBITDA) related to the ECJ VAT Judgment.

The full year impact of the ECJ VAT Judgment on operating income was $56.5 million ($56.1 million impact on Adjusted EBITDA).

For more details on the impact of the ECJ VAT Judgment, please refer to Management's Discussions & Analysis and the Corporation's Financial Highlights Presentation for the quarter ended December 31, 2010, both of which are available on our website at: http://www.groupeaeroplan.com/pages/invQuarter.php.

Non-Comparable Items

In addition to the impact of the ECJ VAT Judgment, as a result of significant investments made by the Corporation, there were non-comparable items affecting SG&A in the quarter totalling $7.3 million. This amount includes costs of $4.3 million in connection with the transition of Carlson Marketing, $1.1 million relating to retention bonuses and a new rewards platform at Carlson Marketing and $1.9 million in strategic consulting fees at the corporate level.

Business Segment Results
Aeroplan Canada
Aeroplan Canada's Gross Billings grew by 5.0 per cent to $288.1 million and by 3.4 per cent to $1,082.5 million for the quarter and year ended December 31, 2010, respectively.

Growth in Gross Billings together with strong operating leverage yielded Adjusted EBITDA of $88.1 million in the fourth quarter, an increase of 29.7 per cent year-over-year. As a percentage of Gross Billings, Adjusted EBITDA margin improved by 580 basis points to 30.6 per cent for the fourth quarter of 2010.

For the full 2010 year, Aeroplan Canada grew Adjusted EBITDA by 12.7 per cent to $312.5 million. Adjusted EBITDA margin as a percentage of Gross Billings increased by 240 bps to 28.9 per cent.

Groupe Aeroplan Europe
Groupe Aeroplan Europe reported Gross Billings of $132.5 million ($141.0 million on a constant currency basis) for the fourth quarter of 2010 versus $112.3 million last year. Gross Billings in the fourth quarter of 2010 contain $20.2 million attributable to Nectar Italia. Excluding Nectar Italia, the underlying growth rate was 7.5 per cent. For the full year Groupe Aeroplan Europe reported Gross Billings of $470 million ($515.6 million on a constant currency basis), of which $64.7 million is attributable to Nectar Italia. Excluding Nectar Italia, Gross Billings grew by 12.5 per cent. Gross Billings were $400.8 million in fiscal 2009.

Adjusted EBITDA, excluding the $2.5 million impact of the ECJ VAT Judgment and in constant currency, was $3.4 million for the fourth quarter of 2010 or about half of what was reported for the comparable period in 2009. Adjusted EBITDA for the quarter would have been flat versus the prior year quarter, if it were not for the timing of Nectar UK's brand marketing and promotional campaign as well as additional selling, general and administrative costs associated with the growth of I&C and the impact of the ECJ VAT Judgment.

For fiscal 2010, excluding the $56.1 million impact of the ECJ VAT Judgment and a foreign currency translation adjustment of $2.8 million, Groupe Aeroplan Europe's Adjusted EBITDA was $5.7 million. Excluding these items, as well as start-up costs and operating losses associated with Nectar Italia as well as additional brand marketing and promotional spending incurred by Nectar UK, Groupe Aeroplan Europe's Adjusted EBITDA for 2010 grew by low double digits versus 2009.

Carlson Marketing
Carlson Marketing met the fiscal 2010 guidance provided by the Corporation in its 2010 outlook despite continued market softness and economic uncertainty in two of its primary markets, the United States and the United Kingdom.

Reported Adjusted EBITDA was $9.6 million for the fourth quarter of 2010 on Gross Billings of $173.0 million. Excluding non-comparable costs, Adjusted EBITDA for Carlson Marketing would have been $15.0 million, resulting in an Adjusted EBITDA margin as a percentage of Gross Billings of 8.7 per cent for the quarter.

For the full 2010 fiscal year, Carlson Marketing reported Gross Billings of $635.3 million, of which $17.4 million relates to a positive adjustment, which occurred as a result of a reclassification to deferred revenue of amounts previously included in customer deposits.

Carlson Marketing reported Adjusted EBITDA for fiscal 2010 of $45.1 million. Excluding the non-comparable costs and the $17.4 million adjustment referred to above, Carlson Marketing's Adjusted EBITDA would have been $45.8 million for 2010.

Carlson Marketing's migration out of Carlson Corporation's systems was completed on November 11, 2010.

Aeromexico – Club Premier

In September 2010, Groupe Aeroplan and Grupo Aeromexico and Aerovías de México, S.A. de C.V. ("Aeromexico"), the leading Mexican transcontinental airline, announced the closing of the first tranche of Groupe Aeroplan's strategic investment in Aeromexico's frequent flyer program, *Club Premier*. Groupe Aeroplan and Aeromexico also officially launched the operations of Premier Loyalty & Marketing, S.A.P.I de C.V. ("PLM"), as a stand-alone entity, tasked with the ownership, operation and transformation of *Club Premier* into Latin America's best coalition loyalty program, replicating the successful transformation of Aeroplan Canada. Given that the remaining investment milestone has been met, Groupe Aeroplan expects to invest an additional US$ 11.8 million in PLM imminently.

Cash Flow and Financial Position

At December 31, 2010, Groupe Aeroplan had $538.6 million of cash and cash equivalents, $12.6 million of restricted cash and $176.9 million of long-term investments, for a total of $728.1 million.

Groupe Aeroplan's Free Cash Flow was $55.3 million for the fourth quarter of 2010 compared to $79.2 million for the same period last year. The Corporation reported free cash flow of $113.7 million and $165.0 million for fiscal 2010 and fiscal 2009, respectively.

Capital Expenditures

For the three and twelve months ended December 31, 2010, capital expenditures amounted to $15.9 million and $46.9 million, respectively.

Income Taxes

Income taxes for the quarter include $10 million of current income taxes and $29 million of future income taxes. The consolidated effective tax rate was 184 per cent. Due to the ECJ VAT Judgment the Corporation stopped recording future income tax assets in the UK. We have also not recognized future income tax benefits related to start-up losses in Italy and operating tax losses in the U.S. This has resulted in a distortion of our effective tax rate, rendering it not meaningful or comparative. Currently the cash taxes the Corporation pays outside of Canada are not significant and Groupe Aeroplan does not expect this to change in the foreseeable future.

Normal Course Issuer Bid
From May 14 to December 31, 2010, pursuant to the normal course issuer bid ("NCIB") approved by the Toronto Stock Exchange and previously announced on May 11, 2010 and expanded on August 12, 2010, the Corporation purchased 13,022,900 common shares for total cash consideration of $142.5 million. Subsequent to December 31, 2010, the Corporation purchased an additional 1.16 million common shares for total cash consideration of approximately $15.6 million. In total, since May 11, 2010, the Corporation has repurchased 14.2 million of its common shares. During the period from May 14, 2010 to May 13, 2011, under the terms of the NCIB, the Corporation can repurchase up to 19,983,631 common shares.

Dividends Declared
Common Shares
The Board of Directors has declared a quarterly dividend of $0.125 per common share, payable on March 31, 2011 to shareholders of record at the close of business on March 17, 2011.

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 March 31, 2011 to the holders of record at the close of business on March 17, 2011.

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

2011 Outlook
For the year ending 2011, Groupe Aeroplan expects to report the following on a consolidated basis:

	Target Range
Gross Billings	Between 4% and 6% growth
Adjusted EBITDA	Between $355M and $365M
Free Cash Flow [1 2]	Between $190M and $210M

[1] Free Cash Flow before dividends and excluding an anticipated net payment of $69.1 million (£44.5 million) related to the ECJ VAT Judgment, which will reduce cash from operating activities in the statement of cash flows. Upon settlement of the ECJ VAT Judgment, cash proceeds from funds held in escrow of $42.0 million (£27.1 million) and related interest of approximately $1.3 million (£0.8 million) will be classified as cash from investing activities in the statement of cash flows and will partly offset the above payment. The net cash outflow expected in 2011 related to the ECJ VAT Judgment, based on accrued balances at December 31, 2010, is estimated to be $25.8 million (£16.6 million).

[2] The Free Cash Flow outlook range of $190 million to $210 million includes an assumption of planned incremental spend of $45 million to $65 million when compared to 2010, relating primarily to higher redemptions expected at Nectar Italia as members start reaching redemption thresholds and redemption velocity starts to accelerate, higher redemptions at Aeroplan Canada resulting from program improvements and investments made to improve member engagement, higher capital expenditures and increased cash taxes. Note that 2011 Free Cash Flow will be impacted by the full year payment of preferred share dividends ($11 million) and an additional interest payment on the Senior Secured Notes Series 3 ($7 million) and will not have the benefit of interest proceeds and prepayment charges from the Air Canada Club Loan ($16 million) received in 2010.

Capital expenditures for 2011 are expected to be approximately $55 million. The current income tax rate is anticipated to approximate 30% in Canada, and the Corporation expects that no significant cash income taxes will be incurred in the rest of its foreign operations.

For 2011, on a segmented basis, Groupe Aeroplan anticipates the following Gross Billings growth from its operating segments:

Business Segment	Target Growth Range of Gross Billings
Aeroplan Canada	Between 4% and 6%
Groupe Aeroplan Europe	Between 12% and 15%
Carlson Marketing [3]	Between 7% and 10%

[3] Carlson Marketing's 2011 Gross Billings are expected to include approximately $60 million in intercompany Gross Billings for non-air rewards. Carlson Marketing's target growth range is based on 2010 Gross Billings excluding the $17.4 million positive adjustment to Gross Billings, which occurred as a result of a reclassification to deferred revenue of amounts previously included in customer deposits.

The Average Cost of Rewards per Aeroplan Mile Redeemed for 2011 is not expected to exceed 0.95 cents, with gross margin remaining relatively stable.

The above excludes the effects of fluctuations in currency exchange rates. In addition, Groupe Aeroplan made a number of economic and market assumptions in preparing its 2011 forecasts, including assumptions regarding the performance of the economies in which the Corporation operates, market competition and tax laws applicable to the Corporation's operations. The Corporation cautions that the assumptions used to prepare the above forecasts for 2011, although reasonable at the time they were made, may prove to be incorrect or inaccurate. Accordingly, our actual results could differ materially from our expectations as set forth in this news release. 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 Statements" section.

Use of Non-GAAP Financial Information
In order to provide a better understanding of the results, the following indicators 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 over the periods. Constant currency is derived by calculating current-year results using prior-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.

Q4 2010 Conference Call / Audio Webcast

Groupe Aeroplan will host a conference call to discuss its fourth quarter 2010 financial results at 8:00 a.m. ET on Friday February 25, 2011. The call can be accessed by dialling 1-800-731-5319 or 416-644-3426 for the Toronto area. The call will be simultaneously audio webcast at: http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=3364460.

Supporting slides for the call will also be available the evening of February 24, 2011. 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 audited consolidated financial statements, the MD&A and a financial highlights presentation will be accessible on the investor relations website at: www.groupeaeroplan.com/pages/invQuarter.php.

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 largest coalition loyalty program. Groupe Aeroplan also operates LMG Insight & Communication, an international customer-driven insight and data analytics business. In addition, Groupe Aeroplan has majority equity positions in Air Miles Middle East and Nectar Italia as well as a minority position in Club Premier, Mexico's leading coalition loyalty program. 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, predictions or forward-looking statements cannot be relied upon due to, among 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, dependency on top accumulation partners and clients, conflicts of interest, greater than expected redemptions for rewards, regulatory matters, retail market/economic conditions, industry competition, Air Canada liquidity issues, Air Canada or travel industry disruptions, airline industry changes and increased airline costs, 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, foreign operations, 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, uncertainty of dividend payments, managing growth, credit ratings, as well as the other factors identified throughout this news release.

The forward-looking statements contained herein represent Groupe Aeroplan's expectations as of February 24, 2011, 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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Selected Annual Information and Reconciliation of EBITDA, Adjusted EBITDA, Adjusted Net Earnings and Free Cash Flow

(in thousands, except miles, share and per share information)	For the years ended December 31,						Year over year %∆	
	2010		2009		2008		2010 over 2009	2009 over 2008
	$		$					
Gross Billings	**2,187,753**	(f)	**1,447,322**		**1,501,041**		**51.2**	**(3.6)**
Gross Billings from the sale of GALUs	**1,457,751**		**1,363,010**		**1,420,548**		**7.0**	**(4.1)**
Revenue	1,960,945		1,352,527		1,377,736		45.0	(1.8)
Other revenue	92,853		84,312		80,493		10.1	4.7
Total revenue	2,053,798		1,436,839		1,458,229		42.9	(1.5)
Cost of rewards and direct costs	(1,295,282)	(a)	(903,060)		(867,736)		43.4	4.1
Gross margin	758,516	(a)	533,779		590,493		42.1	(9.6)
Selling, general and administrative expenses	(572,406)	(a)	(270,489)		(262,937)		111.6	2.9
Depreciation and amortization	(32,454)		(19,280)		(20,636)		68.3	(6.6)
Operating income before amortization of Accumulation Partners' contracts, customer relationships and technology	**153,656**	(a)	**244,010**		**306,920**		**(37.0)**	**(20.5)**
Depreciation and amortization	32,454		19,280		20,636		68.3	(6.6)
EBITDA (b)	**186,110**	(a)	**263,290**		**327,556**		**(29.3)**	**(19.6)**
Adjustments:								
Change in deferred revenue								
Gross Billings	2,187,753		1,447,322		1,501,041			
Revenue	(2,053,798)		(1,436,839)		(1,458,229)			
Change in Future Redemption Costs (c)	(64,344)	(g)	7,861		(51,202)			
(Change in Net GALUs outstanding x Average Cost of Rewards per GALUs for the period)								
Subtotal of Adjustments	69,611		18,344		(8,390)			
Adjusted EBITDA (b)	**255,721**	(a)(f)(g)	**281,634**		**319,166**		**(9.2)**	**(11.8)**
Net earnings (loss) in accordance with GAAP	**(22,501)**	(a)(h)	**89,275**		**(965,210)**			
Weighted average number of shares	194,748,024		199,443,084		199,392,420			
Earnings (loss) per common share (d)	(0.17)	(a)(h)	0.45		(4.84)			
Net earnings (loss) in accordance with GAAP	**(22,501)**	(a)(h)	**89,275**		**(965,210)**		**(125.2)**	**(109.2)**
Amortization of Accumulation Partners' contracts, customer relationships and technology	90,308		80,246		87,838			
Subtotal of Adjustments (from above)	69,611		18,344		(8,390)			
Effective tax rate (%) (e)	-227.59%		-33.1%	(j)	-0.38%	(j)		
Tax on adjustments at the effective rate	(158,425)		(6,077)		32			
Adjusted net earnings (loss) (b)	**(21,007)**	(a)(f)(g)(h)	**181,788**		**274,970**	(i)	**(111.6)**	**(33.9)**
Adjusted net earnings (loss) per common share (d)	(0.16)	(a)(f)(g)(h)	0.91		1.38	(i)		
Net earnings (loss)	(22,501)	(a)(h)	89,275		195,490	(i)		
Earnings (loss) per common share (d)	(0.17)	(a)(h)	0.45		0.98	(i)		
Cash flow from operations	**268,105**		**288,489**		**323,079**		**(7.1)**	**(10.7)**
Capital Expenditures	(46,877)		(23,469)		(22,558)			
Dividends	(107,577)		(99,988)		(122,981)			
Free cash flow (b)	**113,651**		**165,032**		**177,540**		**(31.1)**	**(7.0)**
Total assets	5,146,052		5,217,992		5,017,720			
Total long-term liabilities	1,467,591		1,618,201		1,428,503			
Total dividends / distributions	107,577		99,988		108,983			
Total dividends per preferred share	1.530		N/A		N/A			
Total dividends per common share / distributions declared per units	0.500		0.500		0.550			

(a) Includes the effect of a $56.5 million (£35.5 million) net charge to earnings recognized as a result of the ECJ VAT Judgment. Of this amount, $62.1million (£39.0 million) (of which $9.0 million (£5.6 million) relates to the year ended December 31, 2010 and $53.1 million (£33.4 million) relates to the period from 2002 to 2009) was charged to cost of rewards and $1.6 million (£1.0 million) to selling, general and administrative expenses. Selling, general and administrative expenses were also reduced by the reversal of a provision of $7.2 million (£4.5 million) payable to certain employees in the event of a favourable VAT outcome.

(b) A non-GAAP measurement.

(c) 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.

(d) After deducting dividends paid on preferred shares in 2010.

(e) Effective tax rate calculated as follows: income tax expense per statement of operations / earnings before income taxes and non-controlling interests for the period.

(f) Includes the positive effect of a $17.4 million adjustment, as a result of a reclassification of deferred revenue amounts previously included in customer deposits.

(g) The Change in Future Redemption Costs for the period ended December 31, 2010 reflects the favorable impact resulting from high redemption activity attributable to the fourth quarter seasonality in the Nectar program and partly offset by a high average cost of rewards related to the impact of the ECJ VAT Judgment amounting to $0.4 million (£0.3 million).

(h) Includes the effect of a $7.2 million (£4.5 million) net charge to interest expense recognized as a result of the ECJ VAT Judgment.

(i) Excluding impairment charge.

(j) Including the impact of non-controlling interests.

Segmented Information

At December 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)	Years ended December 31,									
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Operating segments	**Aeroplan Canada**		**Groupe Aeroplan Europe**		**Carlson Marketing**		**Corporate [d]**		**Consolidated**	
Number of Aeroplan Miles issued (in billions)	**83.5**	**81.0**								
Number of Total Miles redeemed (in billions)	**64.9**	**68.2**								
Number of Aeroplan Miles redeemed (in billions)	**64.5**	**65.4**								
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Gross Billings	1,082,488	1,046,571	469,990 [h]	400,751 [h]	635,275 [e][h]	-	-	-	2,187,753 [e][h]	1,447,322 [h]
Gross Billings from the sale of GALUs	1,033,223	993,295	424,528	369,715	-	-	-	-	1,457,751	1,363,010
Revenue	964,840	967,590	385,525	384,937	610,580	-	-	-	1,960,945	1,352,527
Other revenue	49,266	53,276	43,587	31,036	-	-	-	-	92,853	84,312
Total revenue	1,014,106	1,020,866	429,112	415,973	610,580	-	-	-	2,053,798	1,436,839
Cost of rewards and direct costs	587,387	601,716	377,589 [a]	301,344	330,306	-	-	-	1,295,282 [a]	903,060
Gross margin	426,719	419,150	51,523 [a]	114,629	280,274	-	-	-	758,516 [a]	533,779
Selling, general and administrative expenses	145,147	157,686	118,577 [a]	87,926	259,867	-	48,815	24,877	572,406 [a]	270,489
Depreciation and amortization[b]	87,893	85,743	12,456	13,783	22,413	-	-	-	122,762	99,526
Interest on long-term debt	-	-	-	-	-	-	56,095	40,921	56,095	40,921
Other interest expense	177	-	8,156 [g]	279	235	-	-	3,975	8,568 [g]	4,254
Interest income	19,062	12,288	4,428	4,903	681	-	-	-	24,171	17,191
Foreign exchange loss	-	-	-	-	-	-	-	(2,965)	-	(2,965)
Adjusted EBITDA [c]	312,543	277,217	(53,109) [a][f]	29,294	45,102 [e]	-	(48,815)	(24,877)	255,721 [a][e][f]	281,634
Earnings (loss) before income taxes and non-controlling interests	212,564	188,009	(83,238) [a][g]	17,544	(1,560)	-	(104,910)	(72,738)	22,856 [a][g]	132,815
Property and equipment	2,234	1,552	1,550	1,455	5,209	9,621	N/A	N/A	8,993	12,628
Goodwill	1,675,842	1,675,842	259,212	282,689	97,811	109,566	N/A	N/A	2,032,865	2,068,097
Deferred revenue	1,735,715	1,667,957	286,989	259,186	33,360	9,222	N/A	N/A	2,056,064	1,936,365
Total assets	4,803,331	4,906,975	169,049	143,758	173,672	167,259	N/A	N/A	5,146,052	5,217,992

(a) Includes the effect of a $56.5 million (£35.5 million) net charge to earnings recognized as a result of the ECJ VAT Judgment. Of this amount, $62.1 million (£39.0 million) (of which $9.0 million (£5.6 million) relates to the year ended December 31, 2010 and $53.1 million (£33.4 million) relates to the period from 2002 to 2009) was charged to cost of rewards and $1.6 million (£1.0 million) to selling, general and administrative expenses. Selling, general and administrative expenses were also reduced by the reversal of a provision of $7.2 million (£4.5 million) payable to certain employees in the event of a favourable VAT outcome.

(b) Includes amortization of Accumulation Partners' contracts, customer relationships and technology.

(c) A non-GAAP measurement.

(d) Includes expenses that are not directly attributable to any operating segment.

(e) Includes the positive effect of a $17.4 million adjustment, as a result of a reclassification of deferred revenue amounts previously included in customer deposits.

(f) The Change in Future Redemption Costs for the period ended December 31, 2010 reflects the favorable impact resulting from high redemption activity attributable to the fourth quarter seasonality in the Nectar program and partly offset by a high average cost of rewards related to the impact of the ECJ VAT Judgment amounting to $0.4 million (£0.3 million).

(g) Includes the effect of a $7.2 million (£4.5 million) net charge to interest expense recognized as a result of the ECJ VAT Judgment.

(h) Includes Gross Billings of $417.5 million in the UK and $271.7 million in the US for the year ended December 31, 2010 compared to Gross Billings of $378.5 million in the UK for the year ended December 31, 2009.