News Release

GROUPE AEROPLAN

Groupe Aeroplan Inc. Reports Second Quarter Results

Results buoyed by record sixth straight quarter of year over year growth at Aeroplan Canada

Confirms 2011 consolidated guidance

- *3 million Nectar members now earning points through new partner British Gas*
- *Analytics unit LMG I&C enters into strategic partnership with Sobeys*
- *MOU signed with Tata Group to form coalition loyalty program in India*
- *Aeroplan Canada renews multi-year partnership agreement with Imperial Oil*

SECOND QUARTER HIGHLIGHTS	Three Months Ended June 30,		Year Over Year	
(in millions, except per share amounts)	2011	2010	% Change	
	As Reported		%	Constant Currency[1]
	$	$		
Gross Billings	542.4	555.7	(2.4%)	(2.8%)
Gross Billings excluding accounting adjustment[2]	542.4	538.3	0.8%	0.4%
Total Revenue	507.6	467.9	8.5%	8.2%
Operating Income	39.4	20.6	91.7%	91.7%
Net Earnings	15.3	9.7	57.9%	na
Earnings Per Common Share	0.07	0.04	75.0%	na
Adjusted EBITDA[3,4]	76.9	89.5	(14.2%)	(13.9%)
Adjusted EBITDA excluding accounting adjustment[2,3,4]	76.9	72.1	6.6%	6.9%
Free Cash Flow before Dividends Paid[3]	81.5	39.2	107.8%	na

1. Constant Currency includes the translation effect of foreign operations on the consolidated results. For more information on Constant Currency, please refer to the *Use of Non-GAAP Financial Information* section of this news release.
2. Excluding a $17.4 million positive accounting adjustment ($17.0 million in US & APAC and $0.4 million in EMEA) relating to the Carlson Marketing reclassification of customer deposits to deferred revenue recorded in the second quarter of 2010.
3. A non-GAAP measurement, please refer to the *Use of Non-GAAP Financial Information* section of this news release.
4. Includes $8.2 million of restructuring and reorganization costs incurred in the second quarter of 2011.

Montreal, QC, August 10, 2011 – (TSX:AER) Groupe Aeroplan Inc. ("Groupe Aeroplan" or the "Corporation") today reported its financial results for the second quarter ended June 30, 2011. All financial information is in Canadian dollars unless otherwise noted.

"Again this quarter, we have demonstrated strength in our underlying key operating metrics, buoyed by strong performance in both our Canadian operations of Aeroplan and Carlson, commented Rupert Duchesne, Groupe Aeroplan's President and Chief Executive Officer. "While the economic environment in the US and Europe continues to be a challenge, our Canadian operations have to date outperformed our initial expectations and we are confirming our full year guidance on a consolidated basis. Most importantly, our long-term vision remains fully intact."

Added Duchesne, "Notwithstanding the challenging economic climate, we continue to be focused on deploying our capital for high return opportunities and other initiatives that will further improve shareholder value. With our unique full suite loyalty capabilities, we are committed to growing our global leadership position."

Second Quarter Segmented Highlights

Canada

- **Gross Billings of $323.9 million, an increase of $21.6 million or 7.2 per cent**
- **Adjusted EBITDA of $87.4 million, an increase of $5.2 million or 6.4 per cent** (second quarter 2011 Adjusted EBITDA includes $3.4 million in restructuring costs incurred as part of the Corporation's internal reorganization and transition to a regional structure)

Aeroplan Canada

- Sixth consecutive quarter of year-over-year growth in Gross Billings
- Improved performance resulting from increased airline partner activity, an increase in average consumer spend per active credit card, continued growth in the retail sector and a recovery in the travel segment
- Aeroplan Miles issued increased by 6.1 per cent
- Total Aeroplan Miles redeemed increased by 17.3 per cent driven primarily by the introduction of a new air redemption product and an increase in non-air redemptions

Carlson Marketing Canada

- Gross Billings increase of 9.5 per cent mainly due to growth in the financial vertical. The Canadian unit also reported $15.9 million of intercompany billings to Aeroplan Canada in the second quarter 2011

Europe, Middle East & Africa

- **Gross Billings of $137.7 million, an increase of 8.0 per cent or 5.6 per cent increase on a constant currency basis**
- **Adjusted EBITDA of $2.1 million, an increase of 336.2 per cent or 335.6 per cent on a constant currency basis** (second quarter 2011 Adjusted EBITDA includes $4.3 million in restructuring costs and other reorganization costs incurred as part of the Corporation's internal reorganization and transition to a regional structure; second quarter 2010 includes $7.4 million of Nectar Italia launch costs and excludes a $2.5 million cost impact related to the unfavourable ECJ VAT Judgment, rendered in October of 2010)

Nectar UK

- Nectar Points issued in the three month period increased by 6.6 per cent compared to 2010 due to growth in the grocery sector and higher issuance in the energy sector as a result of a new Accumulation Partner, British Gas
- Redemption activity increased by 5.1 per cent mainly driven by an increase in the number of Nectar Points in circulation and continued popularity of online rewards

Nectar Italia

- Gross Billings increased 21 per cent to €13.9 million (excluding promotional activity associated with the program launch)
- Nectar Italia Points issued decreased by 16.9 per cent due to certain one-time effects recorded in the prior year period and consistent with the 2010 program launch

LMG Insight & Communication

- Revenue increase of 48.9 per cent driven by increased activity in the UK and international expansion
- Signed strategic partnership with Sobeys, one of Canada's two national grocery retailers

US & Asia Pacific

- **Gross Billings of $80.8 million, a 35.8 per cent decrease or 35.1 per cent decrease on a constant currency basis** (second quarter 2010 includes the positive effect of a $17.0 million adjustment to Adjusted EBITDA which related to a reclassification of deferred revenue amounts previously included in customer deposits)
- **Adjusted EBITDA of $(0.9) million vs. $18.0 million in 2010** (second quarter 2011 Adjusted EBITDA includes $0.5 million in restructuring costs related to termination benefits incurred as part of the Corporation's internal reorganization and transition to a regional structure; second quarter 2010 includes the positive effect of the $17.0 million reclassification adjustment to Adjusted EBITDA and $3.0 million of migration costs to separate from Carlson Marketing's former parent company)
- Results were negatively impacted by the phasing out of a portion of the Visa business in the US ($28.5 million in Gross Billings)
- While the US economy is still facing significant uncertainty, benefits of expanded relationships with existing clients and the signing of new clients in new verticals are expected to positively impact operations going forward

Cash Flow and Financial Position

At June 30, 2011, Groupe Aeroplan had $192.9 million of cash and cash equivalents, $14.7 million of restricted cash, $6.6 million of short-term investments and $305.1 million of long-term investments, for a total of $519.3 million.

Groupe Aeroplan's Free Cash Flow was $51.8 million for the second quarter of 2011 compared to $11.7 million for the same period last year.

Normal Course Issuer Bid

Subsequent to March 31, 2011, and up to and including May 13, 2011, pursuant to the NCIB previously announced on May 11, 2010, Groupe Aeroplan repurchased and cancelled

2,492,231 common shares for total cash consideration of $32.4 million. In addition, on May 12, 2011, Groupe Aeroplan received approval from the Toronto Stock Exchange and announced the renewal of its NCIB to repurchase up to 18,001,792 of its issued and outstanding common shares during the period from May 16, 2011 to May 13, 2012. Total common shares repurchased and cancelled during the period from May 16, 2011 to June 30, 2011, pursuant to the NCIB, amounted to 760,000 for a total cash consideration of $10.0 million.

Subsequent to June 30, 2011, Groupe Aeroplan repurchased and cancelled 551,300 common shares for total cash consideration of $6.9 million pursuant to the NCIB.

Dividends Declared

Common Shares
The Board of Directors declared a quarterly dividend of $0.15 per common share, payable on September 30, 2011 to shareholders of record at the close of business on September 16, 2011.

Preferred Shares
The Board also declared a quarterly dividend in the amount of $0.40625 per Cumulative Rate Reset Preferred Share, Series 1, payable on September 30, 2011 to the holders of record at the close of business on September 16, 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

Other than an update with respect to the target gross billings growth range for the EMEA region (as a result of a lower year to date growth rate in the UK and Italian economies as compared to the assumptions used for planning purposes, as well as the continued weakness in the underlying economies), the Corporation confirms the 2011 annual guidance provided in its February 24, 2011 earnings press release. The forecasts assume no further deterioration in the Corporation’s key markets and that the Canadian operations will continue to outperform our initial plan targets for the full year. Interim operating results are subject to seasonal variations and are not indicative of our expectations for the full year.

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

	Target Range
Gross Billings[1]	Between 4 per cent and 6 per cent growth
Adjusted EBITDA[2]	Between $355M and $365M
Free Cash Flow [3,4]	Between $190M and $210M

1. The 2010 results used to calculate the target range growth rate exclude the $17.4 million positive accounting adjustment relating to the Carlson Marketing reclassification of customer deposits to deferred revenue recorded in the second quarter of 2010.
2. Within the consolidated Adjusted EBITDA target range, Carlson Marketing (as per old segmentation) is expected to generate Adjusted EBITDA margins of between 6 per cent to 8 per cent excluding the impact of costs associated with the phasing out of a portion of the Visa business in the US and restructuring costs related to the creation of the Groupe Aeroplan regional structure.
3. Free Cash Flow before dividends and excluding an anticipated net payment of $74.7 million (£48.2 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 2012 related to the ECJ VAT Judgment, based on accrued balances at June 30, 2011, is estimated to be $31.4 million (£20.3 million).

4. 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 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 per cent 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:

Region	**Target Growth Range of Gross Billings**	
	Issued February 24, 2011	**Updated August 10, 2011**
Canada	Between 4 per cent and 6 per cent	No change
EMEA[5]	Between 12 per cent and 15 per cent	Between 9 per cent and 11 per cent
US & APAC [5]	Between negative 10 per cent and negative 7 per cent	No change

5. Year over year Gross Billings reduction reflects the full year impact of US$60 million resulting from the phasing out of a portion of the overall Visa business in the US. The 2010 results used to calculate the target range growth rate exclude the $0.4 million (EMEA) and $17.0 million (US & APAC) positive accounting adjustments relating to the Carlson Marketing reclassification of customer deposits to deferred revenue recorded in the second quarter of 2010.

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 attributable to equity holders of the Corporation 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.

Q2 2011 Conference Call / Audio Webcast
Groupe Aeroplan will host a conference call to discuss its second quarter 2011 financial results at 8:00 a.m. ET on Thursday August 11, 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=3364900 .

Supporting slides for the call will also be available the evening of August 10, 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 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/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, 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 in this news release and 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 August 10, 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.

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 June 30,		Six months ended June 30,		%Δ	
	2011	2010 [j]	2011	2010 [j]	Q2	YTD
	$	$	$	$		
Gross Billings	**542,418**	**555,734** [i]	**1,070,298**	**1,073,681** [i]	**(2.4)**	**(0.3)**
Gross Billings from the sale of GALUs	**388,203**	**364,722**	**750,942**	**702,991**	**6.4**	**6.8**
Revenue from GALUs and loyalty marketing services	482,194	446,557	1,000,684	932,029	8.0	7.4
Other revenue	25,408	21,328	53,126	44,115	19.1	20.4
Total revenue	507,602	467,885	1,053,810	976,144	8.5	8.0
Cost of rewards and direct costs	(297,737) [a]	(274,256)	(625,353) [a]	(579,996)	8.6	7.8
Gross margin before depreciation and amortization [b]	209,865	193,629	428,457	396,148	8.4	8.2
Depreciation and amortization	(8,096)	(7,166)	(15,916)	(14,793)	13.0	7.6
Amortization of Accumulation Partners' contracts, customer relationships and technology	(22,893)	(23,812)	(46,222)	(46,780)	(3.9)	(1.2)
Gross margin	178,876 [a]	162,651	366,319 [a]	334,575	10.0	9.5
Operating expenses	(139,484) [a]	(142,101)	(277,465) [a]	(288,690)	(1.8)	(3.9)
Amortization of Accumulation Partners' contracts, customer relationships and technology	22,893	23,812	46,222	46,780	(3.9)	(1.2)
Operating income before amortization of Accumulation Partners' contracts, customer relationships and technology	**62,285** [a]	**44,362**	**135,076** [a]	**92,665**	**40.4**	**45.8**
Depreciation and amortization	8,096	7,166	15,916	14,793	13.0	7.6
EBITDA [b][e]	**70,381** [a]	**51,528**	**150,992** [a]	**107,458**	**36.6**	**40.5**
Adjustments:						
Change in deferred revenue						
Gross Billings	542,418	555,734 [i]	1,070,298	1,073,681 [i]		
Revenue	(507,602)	(467,885)	(1,053,810)	(976,144)		
Change in Future Redemption Costs [c]	(28,343) [d]	(49,849)	(18,355) [d]	(60,401)		
(Change in Net GALUs outstanding x Average Cost of Rewards per GALUs for the period)						
Subtotal of Adjustments	6,473	38,000	(1,867)	37,136		
Adjusted EBITDA [e]	**76,854** [a][d]	**89,528** [i]	**149,125** [a][d]	**144,594** [i]	**(14.2)**	**3.1**
Net earnings attributable to equity holders of the Corporation	**15,095** [a][g]	**11,236**	**40,523** [a][g]	**29,655**		
Weighted average number of shares	180,173,985	198,905,059	182,839,306	199,181,460		
Earnings per common share [f]	0.07 [a][g]	0.04	0.19 [a][g]	0.12		
Net earnings attributable to equity holders of the Corporation	**15,095** [a][g]	**11,236**	**40,523** [a][g]	**29,655**	**34.3**	**36.6**
Amortization of Accumulation Partners' contracts, customer relationships and technology	22,893	23,812	46,222	46,780		
Subtotal of Adjustments (from above)	6,473	38,000	(1,867)	37,136		
Effective tax rate (%) [h]	-44.93%	-20.63%	-42.67%	-14.72%		
Tax on adjustments at the effective rate	(2,908)	(7,838)	797	(5,465)		
Adjusted net earnings [e]	**41,553** [a][d][g]	**65,210** [i]	**85,675** [a][d][g]	**108,106** [i]	**(36.3)**	**(20.7)**
Adjusted net earnings per common share [f]	0.22 [a][d][g]	0.31 [i]	0.44 [a][d][g]	0.52 [i]		
Net earnings attributable to equity holders of the Corporation	15,095 [a][g]	11,236	40,523 [a][g]	29,655		
Earnings per common share [f]	0.07 [a][g]	0.04	0.19 [a][g]	0.12		
Cash flow from operations	**91,155**	**48,141**	**76,314**	**18,410**	**89.4**	**314.5**
Capital Expenditures	(9,643)	(8,910)	(15,955)	(18,069)		
Dividends	(29,712)	(27,567)	(55,525)	(54,716)		
Free cash flow [e]	**51,800**	**11,664**	**4,834**	**(54,375)**	**344.1**	**108.9**
Total assets	4,914,481	5,092,138	4,914,481	5,092,138		
Total long-term liabilities	1,301,667	1,585,098	1,301,667	1,585,098		
Total dividends	29,712	27,567	55,525	54,716		
Total dividends per preferred share	0.406	0.406	0.813	0.718		
Total dividends per common share	0.150	0.125	0.275	0.250		

(a) The cost of rewards for the period includes the effect of an expense recognized as a result of the ECJ VAT Judgment amounting to $2.0 million (£1.2 million) and $3.8 million (£2.4 million) for the three and six month periods ended June 30,

(b) Excludes depreciation and amortization as well as amortization of Accumulation Partners' contracts, customer relationships and technology.

(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) The Average Cost of Rewards per GALU for the three and six month periods ended June 30, 2011 includes the unfavourable impact of the ECJ VAT Judgment amounting to $0.7 million (£0.6 million) and $1.1 million (£0.7 million), respectively.

(e) A non-GAAP measurement.

(f) After deducting dividends paid on preferred shares.

(g) Interest expense for the period includes the effect of a net charge recognized as a result of the ECJ VAT Judgment amounting to $1.0 million (£0.7 million) and $2.0 million (£1.3 million) for the three and six month periods ended June 30, 2

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

(i) 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.

(j) 2010 comparative figures do not include any effect related to the adverse impact of the ECJ VAT Judgment.

SEGMENTED INFORMATION

At June 30, 2011, the Corporation had three operating segments: Canada, EMEA and US & APAC.

The table below summarizes the relevant financial information by operating segment:

(in thousands)	Three months ended June 30,									
	2011	**2010 (m)**	**2011**	**2010 (m)**	**2011**	**2010 (m)**	**2011**	**2010 (m)**	**2011**	**2010 (m)**
Operating segments	**Canada**		**EMEA**		**US & APAC**		**Corporate (c)**		**Consolidated**	
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Gross Billings	323,944	302,326	137,720 (d)	127,571 (d)(k)	80,754 (d)	125,837 (d)(k)	-	-	542,418 (d)	555,734 (d)(k)
Gross Billings from the sale of GALUs	271,969	253,960	116,234	110,762	-	-	-	-	388,203	364,722
Revenue from GALUs and loyalty marketing services	308,201	257,650	90,489	75,863	83,504	113,044	-	-	482,194	446,557
Other revenue	11,672	11,563	13,736	9,765	-	-	-	-	25,408	21,328
Total revenue	319,873	269,213	104,225	85,628	83,504	113,044	-	-	507,602	467,885
Cost of rewards and direct costs	177,169	152,652	71,969 (g)	58,486	48,599	63,118	-	-	297,737 (g)	274,256
Gross margin before depreciation and amortization (a)	142,704	116,561	32,256 (g)	27,142	34,905	49,926	-	-	209,865 (g)	193,629
Depreciation and amortization (b)	25,079	24,966	3,295	3,970	2,615	2,042	-	-	30,989	30,978
Gross margin	117,625	91,595	28,961 (g)	23,172	32,290	47,884	-	-	178,876 (g)	162,651
Operating expenses before share-based compensation	56,320	50,411	38,415	35,885	33,079	44,749	8,799	9,104	136,613	140,149
Share -based compensation	-	-	-	-	-	-	2,871	1,952	2,871	1,952
Total operating expenses	56,320	50,411	38,415	35,885	33,079	44,749	11,670	11,056	139,484	142,101
Operating income (loss)	61,305	41,184	(9,454) (g)	(12,713)	(789)	3,135	(11,670)	(11,056)	39,392 (g)	20,550
Financial expenses	40	691	1,025 (h)	201	5	-	14,247	12,645	15,317 (h)	13,537
Financial income	2,207 (j)	4,225 (j)	1,001	941	42	-	-	-	3,250 (j)	5,166 (j)
Share of net earnings of PLM	-	-	-	-	-	-	390	-	390	-
Earnings (loss) before income taxes	63,472 (j)	44,718 (j)	(9,478) (g)(h)	(11,973)	(752)	3,135	(25,527)	(23,701)	27,715 (g)(h)(j)	12,179 (j)
Adjusted EBITDA (l)	87,363	82,136	2,085 (g)(i)	478 (k)	(924)	17,970 (k)	(11,670)	(11,056)	76,854 (g)(i)	89,528 (k)
Additions to non-current assets (e)	5,267	4,743	3,229	280	1,147	3,887	N/A	N/A	9,643	8,910
Non-current assets (e)	3,291,655	3,374,186	446,243 (f)	455,932 (f)	99,876 (f)	110,900 (f)	N/A	N/A	3,837,774 (f)	3,941,018 (f)
Deferred revenue	1,815,961	1,781,351	311,589	289,175	12,514	17,406	N/A	N/A	2,140,064	2,087,932
Total assets	3,801,215	4,090,739	868,164	768,610	202,723	232,789	42,379	-	4,914,481	5,092,138

(a) Excludes depreciation and amortization as well as amortization of Accumulation Partners' contracts, customer relationships and technology.

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

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

(d) Includes Gross Billings of $113.4 million in the UK and $46.8 million in the US for the three months ended June 30, 2011, compared to Gross Billings of $101.6 million in the UK and $87.7 million in the US for the three months ended June 30, 2010.

(e) Non-current assets includes amounts relating to goodwill, Accumulation Partners' contracts, trade names, customer relationships, other intangibles, software and technology and property and equipment.

(f) Includes non-current assets of $395.7 million in the UK and $94.3 million in the US as of June 30, 2011 compared to non-current assets of $409.5 million in the UK and $104.1 million in the US as of June 30, 2010.

(g) Includes the effect of a $2.0 million (£1.2 million) expense to cost of rewards recognized as a result of the ECJ VAT Judgment.

(h) Includes the effect of a $1.0 million (£0.7 million) net charge to interest expense recognized as a result of the ECJ VAT Judgment.

(i) The Average Cost of Rewards per GALU for the three month period ended June 30, 2011 includes the unfavourable impact of the ECJ VAT Judgment amounting to $0.7 million (£0.5 million).

(j) Includes a loss of $0.4 million relating to the fair value adjustment of the Air Canada Warrants for the three months ended June 30, 2011 compared to a loss of $1.0 million for the three months ended June 30, 2010.

(k) 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. Of this amount, $17.0 million relates to the US & APAC segment and $0.4 million to the EMEA segment.

(l) A non-GAAP measurement.

(m) Comparative figures have been reclassified to conform with the new segmentation and do not include any effect related to the adverse impact of the ECJ VAT Judgment.

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