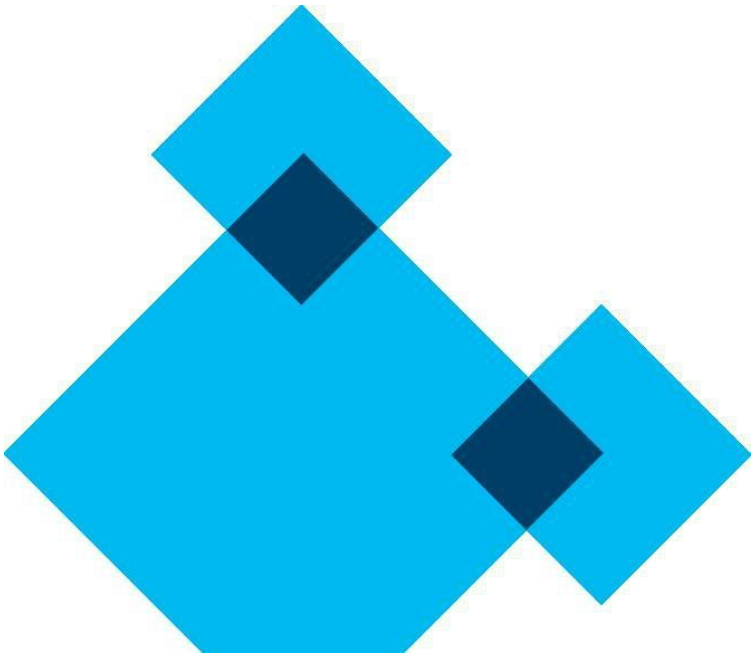
AIMIA
INSPIRING LOYALTY

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2012 and 2011

Unaudited



AIMIA
INSPIRING LOYALTY

MANAGEMENT'S REPORT

The accompanying consolidated financial statements of Aimia Inc. are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, which are now International Financial Reporting Standards ("IFRS"). The consolidated financial statements include some amounts and assumptions based on management's best estimates which have been derived with careful judgement.

In fulfilling its responsibilities, management of the corporation has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for preparation of the financial statements. The Board of Directors reviews and approves the corporation's consolidated financial statements.

November 8, 2012

(signed) "Rupert Duchesne"

RUPERT DUCHESNE
Group Chief Executive

(signed) "David L. Adams"

DAVID L. ADAMS
Executive Vice President and Chief Financial Officer

AIMIA

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands of Canadian dollars, except share and per share amounts)		Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue		**$ 498,781**	$ 501,412	**$ 1,570,739**	$ 1,555,222
Cost of sales					
Cost of rewards and direct costs	Notes 9 & 13	**285,978**	283,733	**888,274**	909,086
Depreciation and amortization		**9,407**	8,419	**26,412**	24,335
Amortization of accumulation partners' contracts, customer relationships and technology		**20,788**	23,109	**62,403**	69,331
		316,173	315,261	**977,089**	1,002,752
Gross margin		**182,608**	186,151	**593,650**	552,470
Operating expenses					
Selling and marketing expenses		**93,959**	89,712	**295,845**	294,591
General and administrative expenses	Notes 3 & 11	**37,342**	41,155	**117,451**	113,741
		131,301	130,867	**413,296**	408,332
Operating income		**51,307**	55,284	**180,354**	144,138
Financial income		**3,143**	2,202	**10,083**	7,172
Financial expenses	Notes 13 & 21	**(11,350)**	(13,335)	**(36,644)**	(43,011)
Net financing costs		**(8,207)**	(11,133)	**(26,561)**	(35,839)
Share of net earnings (loss) of equity-accounted investments	Note 4	**576**	(669)	**3,291**	5,859
Earnings before income taxes		**43,676**	43,482	**157,084**	114,158
Income tax expense					
Current		**(13,011)**	(17,167)	**(41,358)**	(34,538)
Deferred		**(880)**	(1,183)	**(6,406)**	(13,971)
		(13,891)	(18,350)	**(47,764)**	(48,509)
Net earnings for the period		**$ 29,785**	$ 25,132	**$ 109,320**	$ 65,649
Net earnings (loss) attributable to:					
Equity holders of the Corporation		**28,210**	26,066	**108,355**	66,589
Non-controlling interests		**1,575**	(934)	**965**	(940)
Net earnings for the period		**$ 29,785**	$ 25,132	**$ 109,320**	$ 65,649
Weighted average number of shares		**172,034,083**	177,253,111	**172,683,579**	180,956,779
Earnings per common share					
Basic and fully diluted	Note 7	**$0.15**	$0.13	**$0.58**	$0.32

AIMIA

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands of Canadian dollars)		Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net earnings for the period		**$ 29,785**	$ 25,132	**$ 109,320**	$ 65,649
Other comprehensive income (loss)					
Foreign currency translation adjustments on consolidation of foreign subsidiaries		**(2,444)**	19,752	**1,567**	16,503
Defined benefit plans actuarial losses, net of tax	Note 23	**(1,572)**	(1,557)	**(3,153)**	(1,424)
Variation of the minimum funding requirement liability for the defined benefit plan, net of tax	Note 23	**1,371**	1,107	**2,391**	185
		(2,645)	19,302	**805**	15,264
Comprehensive income for the period		**$ 27,140**	$ 44,434	**$ 110,125**	$ 80,913
Comprehensive income (loss) attributable to:					
Equity holders of the Corporation		**25,601**	45,397	**109,195**	81,883
Non-controlling interests		**1,539**	(963)	**930**	(970)
Comprehensive income for the period		**$ 27,140**	$ 44,434	**$ 110,125**	$ 80,913

AIMIA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at		September 30,	December 31,
(in thousands of Canadian dollars)		2012	2011
ASSETS		(unaudited)	
Current assets			
Cash and cash equivalents		$ 337,329	$ 202,147
Restricted cash		25,275	15,074
Short-term investments		43,823	58,372
Accounts receivable	Note 13	369,328	382,823
Inventories		10,419	41,965
Prepaid expenses		33,836	29,144
Note receivable	Note 8	—	61,611
		820,010	791,136
Long-term assets			
Cash held in escrow	Notes 3 & 6	48,628	42,804
Long-term investments	Note 5	336,626	302,735
Equity-accounted investments	Note 4	38,141	31,407
Property and equipment		18,499	16,142
Intangible assets	Note 23	1,705,548	1,761,906
Goodwill	Note 3	2,018,735	1,985,603
		$ 4,986,187	$ 4,931,733
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	Notes 11 & 21	303,333	$ 382,130
Income taxes payable		5,530	1,083
Provisions	Note 13	154,979	147,748
Customer deposits		67,396	38,195
Deferred revenue	Note 12	1,580,530	1,557,869
Current portion of long-term debt	Note 14	—	200,000
		2,111,768	2,327,025
Long-term liabilities			
Long-term debt	Note 14	594,988	386,678
Pension and other long-term liabilities	Note 15	39,558	31,003
Deferred income taxes		216,986	210,655
Deferred revenue	Note 12	725,795	684,865
		3,689,095	3,640,226
Total equity attributable to equity holders of the Corporation	Note 18	1,307,564	1,305,561
Non-controlling interests	Note 22	(10,472)	(14,054)
Total equity		1,297,092	1,291,507
		$ 4,986,187	$ 4,931,733
Contingencies and commitments	Notes 16 & 19		

Approved by the Board of Directors

(signed) Roman Doroniuk
Roman Doroniuk
Director

(signed) Joanne Ferstman
Joanne Ferstman
Director

The Accompanying notes are an integral part of these interim financial statements.

AIMIA

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended September 30, 2011 (unaudited)		Common shares outstanding	Share capital	Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Contributed surplus	Total attributable to the equity holders of the corporation	Non-controlling interests	Total equity
(In thousands of Canadian dollars, except share amounts)									
Balance, December 31, 2010		186,788,979	$ 1,807,497	$ (1,408,260)	$ (36,329)	$ 1,269,282	$ 1,632,190	$ 2,953	$ 1,635,143
Total comprehensive income (loss) for the period									
Net earnings (loss) for the period				66,589			66,589	(940)	65,649
Other comprehensive income (loss):									
Foreign currency translation adjustments on consolidation of foreign subsidiaries					16,533		16,533	(30)	16,503
Defined benefit plans actuarial losses, net of tax	Note 23			(1,424)			(1,424)		(1,424)
Variation of minimum funding requirement liability for the defined benefit plan, net of tax	Note 23			185			185		185
Total comprehensive income (loss) for the period		—	—	65,350	16,533	—	81,883	(970)	80,913
Transactions with owners, recorded directly in equity									
Common shares issued upon exercise of stock options		198,032	2,400			(532)	1,868		1,868
Common shares repurchased	Note 18	(13,145,531)	(115,407)			(49,946)	(165,353)		(165,353)
Quarterly dividends, common and preferred	Note 17			(84,581)			(84,581)		(84,581)
Accretion related to other stock-based compensation plans						5,974	5,974		5,974
Total contributions by and distributions to owners		(12,947,499)	(113,007)	(84,581)	—	(44,504)	(242,092)	—	(242,092)
Balance, September 30, 2011		173,841,480	$ 1,694,490	$ (1,427,491)	$ (19,796)	$ 1,224,778	$ 1,471,981	$ 1,983	$ 1,473,964

For the nine months ended September 30, 2012 (unaudited)		Common shares outstanding	Share capital	Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Contributed surplus	Total attributable to the equity holders of the corporation	Non-controlling interests	Total equity
(In thousands of Canadian dollars, except share amounts)									
Balance, December 31, 2011		**173,817,381**	**$ 1,695,642**	**$ (1,583,109)**	**$ (29,033)**	**$ 1,222,061**	**$ 1,305,561**	**$ (14,054)**	**$ 1,291,507**
Total comprehensive income (loss) for the period									
Net earnings (loss) for the period				**108,355**			**108,355**	**965**	**109,320**
Other comprehensive income (loss):									
Foreign currency translation adjustments on consolidation of foreign subsidiaries					**1,602**		**1,602**	**(35)**	**1,567**
Defined benefit plans actuarial losses, net of tax	Note 23			**(3,153)**			**(3,153)**		**(3,153)**
Variation of minimum funding requirement liability for the defined benefit plan, net of tax	Note 23			**2,391**			**2,391**		**2,391**
Total comprehensive income (loss) for the period		**—**	**—**	**107,593**	**1,602**	**—**	**109,195**	**930**	**110,125**
Transactions with owners, recorded directly in equity									
Common shares issued upon exercise of stock options		**249,729**	**3,368**			**(762)**	**2,606**		**2,606**
Common shares repurchased	Note 18	**(1,961,900)**	**(17,233)**			**(6,975)**	**(24,208)**		**(24,208)**
Quarterly dividends, common and preferred	Note 17			**(89,618)**			**(89,618)**		**(89,618)**
Investment from non-controlling interest	Note 22						**—**	**2,652**	**2,652**
Accretion related to other stock-based compensation plans						**4,028**	**4,028**		**4,028**
Total contributions by and distributions to owners		**(1,712,171)**	**(13,865)**	**(89,618)**	**—**	**(3,709)**	**(107,192)**	**2,652**	**(104,540)**
Balance, September 30, 2012		**172,105,210**	**$ 1,681,777**	**$ (1,565,134)**	**$ (27,431)**	**$ 1,218,352**	**$ 1,307,564**	**$ (10,472)**	**$ 1,297,092**

The Accompanying notes are an integral part of these interim financial statements.

AIMIA

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars)		Three Months Ended September 30, 2012	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
CASH FLOWS FROM (USED IN)					
Operating activities					
Net earnings for the period		**$ 29,785**	$ 25,132	**$ 109,320**	$ 65,649
Adjustments for:					
Depreciation and amortization		**30,195**	31,528	**88,815**	93,666
Stock-based compensation		**3,241**	1,654	**10,024**	6,188
Share of net (earnings) loss of equity-accounted investments		**(576)**	669	**(3,291)**	(5,859)
Net financing costs		**8,207**	11,133	**26,561**	35,839
Income tax expense		**13,891**	18,350	**47,764**	48,509
Changes to operating assets and liabilities	Note 23	**68,420**	73,149	**40,121**	28,935
Other		**(826)**	(1,294)	**1,521**	2,146
		122,552	135,189	**211,515**	209,424
Cash generated from operating activities		**152,337**	160,321	**320,835**	275,073
Interest received		**3,274**	2,615	**9,668**	8,021
Interest paid		**(13,170)**	(11,232)	**(36,822)**	(34,750)
Income taxes paid		**(2,005)**	(13,100)	**(36,808)**	(33,426)
Net cash from operating activities		**140,436**	138,604	**256,873**	214,918
Investing activities					
Acquisition of Excellence in Motivation, Inc., net of cash acquired	Note 3	**(14,920)**	—	**(14,920)**	—
Cash held in escrow	Note 6	**(5,506)**	—	**(5,506)**	—
Investments in equity-accounted investments	Note 4	**(3,443)**	—	**(3,443)**	(11,771)
Short-term investments		**30,303**	(4,294)	**15,845**	(10,999)
Long-term investments	Note 5	**(32,522)**	(25,263)	**(39,338)**	(154,856)
Note receivable	Note 8	**63,810**	—	**63,810**	—
Additions to property, equipment, software and technology		**(10,516)**	(13,779)	**(34,449)**	(29,734)
Additions to other intangible assets		**—**	—	**(2,273)**	—
Net cash from (used in) investing activities		**27,206**	(43,336)	**(20,274)**	(207,360)
Financing activities					
Quarterly dividends	Note 17	**(30,364)**	(29,056)	**(89,618)**	(84,581)
Investment from non-controlling interest	Note 22	**—**	—	**2,652**	—
Issuance of common shares		**1,164**	1,868	**2,606**	1,868
Repurchase of common shares	Note 18	**—**	(64,937)	**(24,208)**	(165,353)
Borrowings of long-term debt	Note 14	**—**	50,000	**450,000**	150,000
Repayment of long-term debt	Note 14	**—**	—	**(440,000)**	(200,000)
Financing costs	Note 14	**(166)**	—	**(2,938)**	(1,032)
Net cash used in financing activities		**(29,366)**	(42,125)	**(101,506)**	(299,098)
Net change in cash and cash equivalents		**138,276**	53,143	**135,093**	(291,540)
Translation adjustment related to cash		**(1,222)**	9,214	**89**	8,252
Cash and cash equivalents, beginning of period		**200,275**	192,935	**202,147**	538,580
Cash and cash equivalents, end of period		**$ 337,329**	$ 255,292	**$ 337,329**	$ 255,292

The Accompanying notes are an integral part of these interim financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Unaudited

(Tables in thousands of Canadian dollars, except share and per share amounts)

THESE NOTES CONTAIN THE FOLLOWING SECTIONS:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Unaudited

(Tables in thousands of Canadian dollars, except share and per share amounts)

1. STRUCTURE OF THE CORPORATION

Aimia Inc. ("Aimia" or the "Corporation"), formerly known as Groupe Aeroplan Inc., was incorporated on May 5, 2008 under the *Canada Business Corporations Act* and is the successor to Aeroplan Income Fund, following the completion of the reorganization of Aeroplan Income Fund from an income trust structure to a corporate structure by way of a court-approved plan of arrangement on June 25, 2008.

The registered and head office of Aimia is located at 5100 de Maisonneuve Blvd. West, Montreal, Québec, Canada, H4A 3T2.

Aimia, a global leader in loyalty management, through its subsidiaries, operates in three regional business segments: Canada, the United States and Asia-Pacific ("US & APAC") and Europe, Middle-East and Africa ("EMEA"). Our regional structure ensures that our business leaders remain close to our clients, partners and investors, while our loyalty service streams allow us to innovate, share best practices and collaborate on client solutions across all regions and around the globe.

In Canada, Aimia owns and operates the Aeroplan Program, a premier coalition loyalty program. In EMEA, Aimia owns and operates Nectar, a coalition loyalty program in the United Kingdom, Air Miles Middle East, a coalition loyalty program in the UAE, through a 60% ownership interest, and Nectar Italia, a coalition loyalty program in Italy, through a 75% participation. Aimia's EMEA segment also provides data driven insight and analytics services in the UK and internationally to retailers and their suppliers, through its Intelligent Shopper Solutions services ("ISS") and its 50% participation in Insight 2 Communication LLP ("I^2C"), a joint venture with Sainsbury's. Aimia's decision sciences group develop analytical tools to provide services to clients globally to collect, analyze and derive actionable insight from their customer data which is used to improve marketing return-on-investment. In each of the regions, Aimia provides proprietary loyalty services, including loyalty program design, launch and operation. In addition, through the recent acquisition of Excellence in Motivation, Inc. ("EIM"), Aimia has broadened its footprint in the United States and strengthened its product offerings for channel and employee improvement solutions in that region.

Aimia also holds a 28.86% interest in, and jointly controls with Grupo Aeromexico, S.A.B. de C.V., Premier Loyalty & Marketing, S.A.P.I. de C.V. ("PLM"), owner and operator of Club Premier, a Mexican coalition loyalty program, a 50% interest in, and jointly controls with Multiplus S.A., Prismah Fidelidade S.A. ("Prismah"), a company formed to offer loyalty services in Brazil, and a minority interest in Cardlytics, Inc. ("Cardlytics"), a US-based private company operating in transaction-driven marketing for electronic banking. These investments are reported under Corporate in the segmented information.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Unaudited

(Tables in thousands of Canadian dollars, except share and per share amounts)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These condensed unaudited consolidated interim financial statements ("interim financial statements") have been prepared using the same accounting policies and methods of computation as those used in the Corporation's audited annual consolidated financial statements for the year ended December 31, 2011. The interim financial statements are in compliance with International Accounting Standard 34 - *Interim Financial Reporting* ("IAS 34"). Accordingly, certain information and notes disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements have been set out in *Note 2* of the Corporation's audited annual consolidated financial statements for the year ended December 31, 2011. These interim financial statements should be read in conjunction with the Corporation's audited annual consolidated financial statements for the year ended December 31, 2011.

The interim financial statements include all adjustments considered necessary by management to fairly state the Corporation's results of operations, financial position and cash flows. The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year.

These interim financial statements were authorized for issue by the Corporation’s Board of Directors on November 8, 2012.

Basis of Measurement

These interim financial statements have been prepared on the historical cost basis except for the following balance sheet items:

- Air Canada warrants (included in accounts receivable) are measured at fair value;
- Investment in Cardlytics is measured at fair value;
- Forward exchange contract is measured at fair value;
- Liabilities for cash-settled share-based payment arrangements are measured at fair value;
- Accrued pension benefit liability is recognized as the net total of the fair value plan assets, less the present value of the defined benefit obligation;
- Contingent consideration in relation to the EIM acquisition is measured at fair value *(Notes 3 and 15)*.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Unaudited

(Tables in thousands of Canadian dollars, except share and per share amounts)

Functional and Presentation Currency

These interim financial statements are presented in Canadian Dollars, which is the Corporation's functional currency.

PRINCIPLES OF CONSOLIDATION

Subsidiaries

Subsidiaries are entities controlled by the Corporation. Subsidiaries' financial statements are included in the consolidated financial statements from the date of commencement of control until the date that control ceases. Subsidiaries' accounting policies have been changed, when necessary, to align with the policies adopted by Aimia.

These interim financial statements include the accounts of the Corporation and the accounts of its subsidiaries. All inter-company balances and transactions have been eliminated.

Joint Ventures

Joint ventures are entities where the Corporation has the ability to exercise joint control as established by a contractual agreement. Investments in jointly controlled entities are accounted for using the equity method and are initially recognized at cost. The Corporation's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The interim financial statements include the Corporation's share of the income and expenses and equity movements of equity accounted investees, after aligning with the accounting policies of the Corporation, from the date that joint control commences until the date that joint control ceases. When the Corporation's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Corporation has an obligation or has made payments on behalf of the investee.

SEASONALITY OF OPERATIONS

Historically, the Aeroplan Program has been marked by seasonality relating to high redemption activity in the first half of the year and high accumulation activity in the second half of the year. The Nectar Program is characterized by high redemption activity in the last quarter of the year as a result of the holiday season. While the proprietary loyalty services business is also affected by similar seasonality in the last quarter of the year, also related to the holiday season, the impact at the consolidated level is not significant due to the lower relative importance of the reward fulfilment component of the business compared to that of the Aeroplan Program and the Nectar Program.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Unaudited

(Tables in thousands of Canadian dollars, except share and per share amounts)

FUTURE ACCOUNTING CHANGES

The following standards and amendments to existing standards have been published and their adoption is mandatory for future accounting periods.

A. International Financial Reporting Standard 9, Financial Instruments ("IFRS 9"), was issued in November 2009. It addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments with fair value measurement adjustments for such instruments recognized either through profit or loss or through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends, to the extent that they do not clearly represent a return of investment, are recognized in profit or loss; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely. In addition, the standard includes guidance on financial liabilities and derecognition of financial instruments. This standard is required to be applied for accounting periods beginning on or after January 1, 2015, with earlier adoption permitted. At this time, the Corporation does not anticipate that this standard will have a significant impact on its consolidated financial statements.

B. In May 2011, the IASB issued the following standards which have not yet been adopted by the Corporation: IFRS 10 - *Consolidated Financial Statements*; IFRS 11 - *Joint Arrangements*; IFRS 12 - *Disclosure of Interests in Other Entities*; IAS 27 - *Consolidated and Separate Financial Statements*; IFRS 13 - *Fair Value Measurement*; and IAS 28 - *Investments in Associates and Joint Ventures* (as amended in 2011). On June 28, 2012, the IASB amended the transition guidance relating to IFRS 10, IFRS 11 and IFRS 12 limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Each of the new standards is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

The following is a brief summary of the new standards:

IFRS 10, Consolidated Financial Statements

IFRS 10 requires an entity to consolidate an investee when the entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of another entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 - *Consolidation - Special Purpose Entities*, and parts of IAS 27 - *Consolidated and Separate Financial Statements*. At this time, the Corporation does not anticipate that this standard will have a significant impact on its consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Unaudited

(Tables in thousands of Canadian dollars, except share and per share amounts)

IFRS 11, Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 - *Interests in Joint Ventures*, and SIC-13 - *Jointly Controlled Entities - Non-monetary Contributions by Venturers.* At this time, the Corporation does not anticipate that this standard will have a significant impact on its consolidated financial statements since Aimia already accounts for its participations in PLM and Prismah, classified as joint ventures, under the equity method.

IFRS 12, Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off-balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities. This standard may result in expanded disclosure requirements in connection with Aimia's subsidiaries and its participations in PLM and Prismah. The Corporation currently plans to apply the standard as of January 1, 2013.

IFRS 13, Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. At this time, the Corporation does not anticipate that this standard will have a significant impact on its consolidated financial statements.

Amendments to Other Standards

In addition, there have been amendments to existing standards, including IAS 27 - *Separate Financial Statements*, and IAS 28 - *Investments in Associates and Joint Ventures*. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to 13. At this time, the Corporation does not anticipate that these amendments will have a significant impact on its consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Unaudited

(Tables in thousands of Canadian dollars, except share and per share amounts)

C. In June 2011, the IASB amended IAS 1 - *Presentation of Financial Statements*, to change the disclosure of items presented in other comprehensive income ("OCI"), including a requirement to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future. These amendments are required to be applied for accounting periods beginning on or after July 1, 2012, with earlier adoption permitted. The Corporation currently plans to apply the amended standard as of January 1, 2013.

D. In June 2011, the IASB issued a revised version of IAS 19 - *Employee Benefits*. The standard was amended to reflect significant changes to recognition and measurement of defined benefit liabilities (assets), and provide expanded disclosure requirements. The main changes include the elimination of the corridor approach and the elimination of the option to recognize actuarial gains and losses in profit and loss. Actuarial gains and losses, renamed 'remeasurements', need to be recognized immediately in OCI. This change is consistent with the Corporation's current accounting policy. The revised standard also requires the immediate recognition of past service costs when those occur and the disaggregation of defined benefit cost into components. The impact related to this change at the Corporation's transition date, January 1, 2012, will be an increase in the accrued benefit obligation of $4.5 million and a corresponding reduction in retained earnings representing the unrecognized unvested past service cost accumulated at the transition date relating to other employee future benefits. The revision also requires that the computation of the annual expense for a funded benefit plan be based on the application of the discount rate to the net defined benefit asset or liability as opposed to the expected return on plan assets. The Corporation does not anticipate that these amendments will have a significant impact on its consolidated statement of operations and statement of comprehensive income for the year ended December 31, 2012.

   The amendments are required to be applied for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. The Corporation currently plans to apply the amended standard as of January 1, 2013.

E. In December 2011, the IASB amended IFRS 7 - *Financial Instruments*, to incorporate additional disclosure requirements related to offsetting financial assets and financial liabilities. These amendments are required to be applied for accounting periods beginning on or after January 1, 2013. The Corporation anticipates that the adoption of these amendments will result in additional disclosure requirements related to the Corporation's netting arrangements with Air Canada. The Corporation currently plans to apply the amended standard as of January 1, 2013.

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F. In December 2011, the IASB amended IAS 32- *Financial Instruments*: Presentation, to clarify certain requirements for offsetting financial assets and liabilities. This amendment is required for accounting periods beginning on or after January 1, 2014. In addition, in May 2012, as part of the annual improvement publication, an additional amendment was issued by the IASB clarifying the treatment of income tax relating to distributions and transaction costs. This amendment is required for accounting periods beginning on or after January 1, 2013. At this time, the Corporation does not anticipate that these amendments will have an impact on its consolidated financial statements as it already complies with the proposed amendments to the standard.

3. ACQUISITION OF EXCELLENCE IN MOTIVATION, INC.

On September 24, 2012, Aimia acquired EIM, a privately-owned U.S. based full-service channel and employee performance improvement and business loyalty solutions provider, by purchasing all outstanding common shares for a total purchase price of $27.0 million (US$27.7 million). This includes an amount of $3.1 million (US$3.2 million) of deferred compensation, of which $1.1 million (US$1.1 million) is part of cash held in escrow *(Note 6)*, payable to certain selling shareholders on the second anniversary of the acquisition provided that they remain employed with Aimia at such time. The deferred compensation was excluded from the purchase price and will be accrued on a straight line basis over the vesting period as compensation expense in the general and administrative expenses of Aimia's consolidated financial statements.

In order to complete the transaction, Aimia incurred $1.8 million (US$1.9 million) of acquisition-related costs which have been included in general and administrative expenses.

The acquisition was made to further advance Aimia's position as a full-suite loyalty management company delivering world-class channel, employee and customer solutions across all verticals, industries, geographies and channels for consumer and business to business brands.

The results of EIM for the period between September 25, 2012 and September 30, 2012 have not been included in Aimia's consolidated statements of operations for the three and nine months ended September 30, 2012 as management has determined that they were not material.

Given the timing of the acquisition, a provisional estimate of the purchase price allocation has been performed. The fair values of intangible assets, including goodwill, have been determined provisionally pending the completion of an independent valuation. As permitted under IFRS, the final valuation will be completed within 12 months of the acquisition. As a result, the fair values of assets acquired and liabilities assumed could differ materially from the amounts presented in these consolidated financial statements.

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The table below details the consideration transferred and the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration at September 24, 2012		
	US$	$
Cash	19,777	19,242
Contingent consideration [(a)]	1,514	1,473
Consideration payable [(b)]	3,006	2,925
Other consideration payable	250	243
Deferred compensation [(c)]	3,158	3,072
Total consideration	**27,705**	**26,955**
Deferred compensation [(c)]	(3,158)	(3,072)
Total consideration to allocate	**24,547**	**23,883**

Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	4,322
Restricted cash	5,607
Accounts receivable	18,324
Prepaid expenses	4,975
Property and equipment	829
Software and technology	3,028
Accounts payable and accrued liabilities	(6,132)
Customer deposits	(28,329)
Deferred revenue	(10,808)
Deferred income taxes	(118)
Total identifiable net assets (liabilities)	**(8,302)**
Goodwill [(d)]	32,185
Total	**23,883**

(a) Amount held in escrow, net of deferred compensation of US$0.4 million ($0.4 million), payable upon the achievement of a performance target in 2013 (*Note 6*). The amount represents the fair value of the consideration on the acquisition date, and as determined by management is to equal to the maximum consideration payable. As of September 30, 2012, the contingent consideration was included in other long-term liabilities (*Note 15*).

(b) Amount held in escrow, net of deferred compensation of US$0.7 million ($0.7 million), to cover any payment resulting from working capital adjustments and potential indemnifications claims (*Note 6*). As of September 30, 2012, the consideration payable was included in other long-term liabilities (*Note 15*).

(c) Includes an amount of US$1.1 million ($1.1 million) which is included in the cash held in escrow.

(d) The allocation to goodwill has been determined on a provisional basis pending the completion of an independent valuation. The goodwill is mainly attributable to the talent of EIM's workforce, the customer base and the synergies expected to be achieved from integrating the company. The goodwill is not tax deductible.

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4. EQUITY-ACCOUNTED INVESTMENTS

	September 30, 2012	December 31, 2011
Investment in Premier Loyalty & Marketing, S.A.P.I. de C.V.	34,698	31,407
Investment in Prismah Fidelidade S.A.	3,443	—
Total	**38,141**	31,407

A) INVESTMENT IN PREMIER LOYALTY & MARKETING, S.A.P.I. DE C.V.

On September 13, 2010, Aimia acquired an initial participation in PLM, for cash consideration of US$23.3 million ($24.1 million), including transaction costs of US$1.3 million ($1.4 million). PLM is the owner and operator of Club Premier, a Mexican coalition loyalty program. Until February 27, 2011, the investment was accounted for as an available-for-sale investment with fair value changes being recorded through other comprehensive income. Fair value was determined to approximate cost.

On February 28, 2011, after PLM achieved the remaining performance milestone, Aimia completed the second tranche of its investment in PLM of US$11.8 million ($11.8 million), increasing its equity interest to 28.86%. The investment, which is now subject to joint control with Grupo Aeromexico S.A.B. de C.V., is accounted for under the equity method. A fair value gain of $3.3 million was recognized on a step basis on the completion of the second tranche of the investment.

Under the equity method, net earnings are calculated on the same basis as if the two entities had been consolidated. The difference between the purchase price and the net book value of PLM's assets has been allocated to the fair value of identifiable assets, including finite and indefinite life intangible assets, and any remaining difference has been assigned to goodwill. Management has identified the PLM commercial partners' contracts as finite life intangibles and the trade name as an indefinite life intangible. The proportionate share of PLM's net earnings has been recorded since the disbursement of the second tranche on the basis of management's valuation of the identifiable assets of PLM. The independent valuation of the intangible assets was completed during the fourth quarter of 2011.

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Aimia's share of PLM's financial statement items, including the purchase price allocation adjustments, was as follows:

Statement of operations data	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011 [(a)]
Revenue	**7,132**	4,100	**21,089**	7,800
Expenses	**6,556**	4,700	**17,798**	5,200

(a) Includes the results from February 28, 2011 to September 30, 2011.

Statement of financial position data	September 30,	December 31,
	2012	2011
Current assets	**24,900**	14,800
Long-term assets	**28,575**	26,100
Current liabilities	**25,948**	14,100
Long-term liabilities	**11,672**	13,700

B) INVESTMENT IN PRISMAH FIDELIDADE S.A.

On September 14, 2012, Aimia invested in Prismah, a company formed to offer loyalty services in Brazil, for cash consideration of US$3.5 million ($3.4 million). The investment resulted in Aimia holding an equity interest of 50% subject to joint control with Multiplus S.A. and is accounted under the equity method.

Aimia's share of Prismah's results for the period from September 15, 2012 to September 30, 2012 has not been included in Aimia's consolidated statements of operations for the three and nine months ended September 30, 2012 as management has determined that they were not material.

5. LONG-TERM INVESTMENTS

	September 30,	December 31,
	2012	2011
Investments in equity instruments [(a)]	23,693	22,998
Investment in corporate and government bonds	312,933	279,737
Total	**336,626**	302,735

(a) On September 8, 2011, Aimia acquired a minority participation in Cardlytics, a US-based private company operating in transaction-driven marketing for electronic banking, for cash consideration of US$23.4 million ($23.0 million). The investment in Cardlytics is reported in long-term investments and is accounted for as an available-for-sale investment, measured at fair value with changes in fair value recognized in other comprehensive income. The fair value was determined to approximate cost as at September 30, 2012 and December 31, 2011.

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6. CASH HELD IN ESCROW

A) ACQUISITION OF LMG

Cash held in escrow, in the amount of $43.1 million (£27.1 million), represents contingent consideration related to the December 2007 acquisition of Aimia EMEA Limited (formerly Loyalty Management Group Limited or LMG). Pursuant to the escrow agreement entered into at the time of the acquisition, the funds held in escrow will be released to the Corporation upon ratification of the ECJ VAT Judgment by the United Kingdom Supreme Court (*Note 13*).

B) ACQUISITION OF EIM *(NOTE 3)*

On September 24, 2012, pursuant to the acquisition agreement, an amount of $5.5 million (US$5.7 million) was placed in escrow, representing funding of $3.6 million (US$3.8 million) to cover working capital adjustments and potential indemnification claims, and a contingent consideration of $1.9 million (US$1.9 million) payable upon the achievement of a performance target in 2013. Of the total amount of cash held in escrow, $1.1 million (US$1.1 million), or 20.1%, represents deferred compensation payable to certain selling shareholders on the second anniversary of the acquisition provided that they remain employed with Aimia at such time.

7. EARNINGS PER COMMON SHARE

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Net earnings attributable to equity holders of the Corporation	**28,210**	26,066	**108,355**	66,589
Less: Dividends declared on preferred shares	**(2,803)**	(2,803)	**(8,409)**	(8,409)
Net earnings attributable to common shareholders	**25,407**	23,263	**99,946**	58,180
Weighted average number of basic and diluted common shares	**172,034,083**	177,253,111	**172,683,579**	180,956,779
Earnings per common share – Basic and fully diluted	**$ 0.15**	$ 0.13	**$ 0.58**	$ 0.32

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8. NOTE RECEIVABLE

This unsecured, non-interest bearing loan, in the principal amount of £40.0 million, which has been discounted using an effective interest rate of 6%, due from a major Accumulation Partner, matured on July 1, 2012 and was collected on July 2, 2012.

9. MAJOR ACCUMULATION PARTNERS AND SIGNIFICANT REDEMPTION PARTNER

Air Canada and two other major Accumulation Partners account for a significant percentage of Gross Billings. Since Aimia's revenues are recognized based on redemptions by members as opposed to the issuance of Loyalty Units to members by the Accumulation Partners, the information on major customers is based on total Gross Billings, which include proceeds from the sale of Loyalty Units and services rendered or to be rendered. Gross Billings for each Accumulation Partner represent the contracted amounts received or receivable from Accumulation Partners and customers during each period. Air Canada and the other Accumulation Partners accounted for a significant percentage of Gross Billings as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Operating segment	2012	2011	2012	2011
		%	%	%	%
Air Canada	Canada	12	12	12	13
Accumulation Partner A	Canada	26	26	25	25
Accumulation Partner B	EMEA	13	12	13	11

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CONTRACTUAL AND COMMERCIAL PRACTICES WITH AIR CANADA

Air Canada, including other Star Alliance Partners, is Aimia's largest Redemption Partner. The cost of rewards provided by Air Canada (and other Star Alliance Partners) as a percentage of total cost of rewards and direct costs is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	%	%	%	%
Air Canada (and other Star Alliance Partners)	42	41	43	45

Air Canada acts as a clearing house for substantially all Gross Billings of Aeroplan Miles and reward purchase transactions between Aimia Canada Inc. (formerly Aeroplan Canada Inc., operator of the Aeroplan Program and wholly-owned subsidiary of Aimia) ("Aeroplan") and airlines other than Air Canada (Star Alliance Partners). Aeroplan has entered into various agreements with Air Canada governing the commercial relationship between Aeroplan and Air Canada. The following is a summary of the relevant financial terms of the most significant agreements.

CPSA

The amended and restated commercial participation services agreement dated June 9, 2004 between Air Canada and Aeroplan, as amended (the "CPSA"), which expires on June 29, 2020, covers the terms and conditions of the purchase of air travel rewards by Aeroplan from Air Canada and its affiliates, the purchase of Aeroplan Miles by Air Canada and its affiliates for issuance to members and the management of the tier membership program for certain Air Canada customers. Pursuant to the CPSA, Aeroplan is required to purchase annually a minimum number of reward travel seats on Air Canada and its affiliates, which number is based on a function of the number of seats utilized in the three preceding calendar years. Based on the three years ended December 31, 2011, Aeroplan is required to purchase reward travel seats amounting to approximately $429.2 million each year. While Air Canada can change the number of Aeroplan Miles under the Aeroplan Program awarded to members per flight without Aeroplan's consent, Air Canada is required to purchase, on an annual basis, a pre-established number of Aeroplan Miles under the Aeroplan Program at a specified rate. Aeroplan is required to perform certain marketing and promotion services for Air Canada, including contact centre services for the management of the frequent flyer tier membership program, for a fee based on actual costs, on a fully allocated basis, plus an administrative fee. Aeroplan's ability to respond to members' requests for future rewards will depend on Air Canada's ability to provide the requested number of seats.

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CONTACT CENTRE EMPLOYEES

On June 8, 2012, Aeroplan entered into an agreement with Air Canada through which Air Canada will transfer to the Aeroplan defined benefit pension plan all the pension plan assets and obligations related to pension benefits accrued by employees who were Air Canada customer sales & service agents prior to 2009 and who were transferred to Aeroplan in 2009. The transfer is subject to regulatory approval from the Office of the Superintendant of Financial Institutions ("OSFI") which is expected to occur in the next 18 to 24 months. As such, as of September 30, 2012, the financial statements do not reflect assets and obligations in relation to this plan.

Pursuant to the agreement, Air Canada agreed to pay Aeroplan a compensation amount of $5.5 million in exchange for the transfer of the pension plan assets and obligations relating to the transferred employees.

On June 18, 2012, the compensation amount was received and recorded in deferred revenue. A letter of credit in the corresponding amount was issued by Aeroplan in favour of Air Canada as security for the compensation amount. The letter of credit will expire upon the transfer of the plan assets to Aeroplan.

10. REDEMPTION RESERVE

Aeroplan maintains the Aeroplan Miles redemption reserve (the "Reserve"), which, subject to compliance with the provisions of the Corporation's credit facilities, may be used to supplement cash flows generated from operations in order to pay for rewards during periods of unusually high redemption activity associated with Aeroplan Miles under the Aeroplan Program. In the event that the Reserve is accessed, Aeroplan has agreed to replenish it as soon as practicable, with available cash generated from operations. At September 30, 2012, the Reserve amounted to $300.0 million and was included in long-term investments.

The amount held in the Reserve, as well as the types of securities in which it may be invested, are based on policies established by management, which are reviewed periodically. At September 30, 2012, the Reserve was invested in corporate, federal and provincial bonds.

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11. RESTRUCTURING LIABILITIES

The restructuring activities undertaken since January 1, 2011 are primarily the result of the Corporation's first quarter 2011 transition to a regional structure in order to leverage the full suite of loyalty management capabilities it possesses across the organization. The objective is to replicate the strengths from each business and roll them out in each of the regions in order to optimize revenue and cost synergies, brands and technology.

Included in accounts payable and accrued liabilities and other long-term liabilities are restructuring costs of $3.1 million as at September 30, 2012 (December 31, 2011: $12.9 million). Restructuring expenses (net of reversals), are included in general and administrative expenses.

	Termination benefits	Onerous leases	Total
Balance at December 31, 2010	**—**	**—**	**—**
Liability recorded during the year	17,166	4,648	21,814
Liability reversed during the year	(220)	(719)	(939) *(a)*
Payments made during the year	(7,288)	(723)	(8,011)
Foreign exchange translation adjustment	(6)	2	(4)
Balance at December 31, 2011	**9,652**	**3,208**	**12,860**
Liability reversed during the period	(430)	—	(430)
Payments made during the period	(7,916)	(1,280)	(9,196)
Foreign exchange translation adjustment	(65)	(50)	(115)
Balance at September 30, 2012	**1,241**	**1,878**	**3,119**

(a) Includes a reduction to the onerous lease accrual of $0.7 million to reflect the expected benefits from a sub-lease contract signed in the fourth quarter of 2011.

Restructuring expenses (reversals) incurred during the three and nine months ended September 30, 2012 and 2011 for each segment are presented below:

Segment	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Canada	**—**	781	**—**	4,162
EMEA	**—**	—	**—**	3,796
US & APAC	**—**	1,770	**(430)**	3,644
Corporate	**—**	—	**—**	—
Total	**—**	2,551	**(430)**	11,602

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12. DEFERRED REVENUE

A reconciliation of deferred revenue, including deferred Breakage, is as follows:

	Loyalty Units		Other		Total	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Opening balance	**2,192,798**	2,063,056	**49,936**	63,995	**2,242,734**	2,127,051
Loyalty Units issued – Gross Billings	**1,198,895**	1,560,801	**—**	—	**1,198,895**	1,560,801
Other – Gross Billings	**—**	—	**429,073**	672,425	**429,073**	672,425
Revenue recognized	**(1,146,476)**	(1,433,747)	**(424,263)**	(682,158)	**(1,570,739)**	(2,115,905)
Deferred revenue assumed on the acquisition of EIM	**—**	—	**10,808**	—	**10,808**	—
Foreign currency and other adjustments	**(3,500)**	2,688	**(946)**	(4,326)	**(4,446)**	(1,638)
Ending balance	**2,241,717**	2,192,798	**64,608**	49,936	**2,306,325**	2,242,734
Represented by:						
Current portion [(a)]	**1,524,625**	1,511,953	**55,905**	45,916	**1,580,530**	1,557,869
Long-term	**717,092**	680,845	**8,703**	4,020	**725,795**	684,865

(a) The current portion is management's best estimate of the amount to be recognized in the next twelve months, based on historical trends.

MEASUREMENT UNCERTAINTY

Aimia may be required to provide rewards to members for unexpired Loyalty Units accounted for as Breakage on the Loyalty Units issued to date for which the revenue has been recognized or deferred and for which no liability has been recorded. The maximum potential redemption cost for such Loyalty Units is estimated to be $1,072.4 million at September 30, 2012.

The potential redemption costs, noted above, have been calculated on the basis of the current average redemption cost, reflecting actual prices with Redemption Partners, including Air Canada, and the experienced mix of the various types of rewards that members have selected, based on past experience.

Management has calculated that the cumulative effect of a 1% change in Breakage in each individual program would have a consolidated impact on revenue and earnings before income taxes of $128.4 million for the period in which the change occurred, with $114.9 million relating to prior years and $13.5 million relating to the current nine month period.

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13. PROVISIONS

VAT LITIGATION *(NOTE 6)*

	VAT Provision
Balance at December 31, 2010	**133,005**
Provision recorded during the year	12,341
Provision used during the year	—
Provision reversed during the year	—
Foreign exchange translation adjustment	2,402
Balance at December 31, 2011	**147,748**
Provision recorded during the period	6,301
Provision used during the period	—
Provision reversed during the period	—
Foreign exchange translation adjustment	930
Balance at September 30, 2012	**154,979**

Aimia EMEA Limited (formerly Loyalty Management Group Limited) has been in litigation with Her Majesty's Revenue & Customs ("HMRC") since 2003 relating to the VAT treatment of the Nectar Program as it applies to the deductibility of input tax credits in the remittance of VAT owed, and paid an assessed amount of £13.8 million ($27.1 million).

Aimia EMEA Limited appealed to the VAT and Duties Tribunal, which ruled in its favour. HMRC then appealed to the High Court which found in favour of HMRC. Aimia EMEA Limited, in turn, appealed to the Court of Appeal, which issued a judgment in favour of Aimia EMEA Limited on October 5, 2007 requiring the refund of the assessed amount and confirming Aimia EMEA Limited's eligibility to deduct input tax credits in the future. As a result of this event, an amount receivable of £13.8 million ($27.1 million) was recorded in the accounts at December 31, 2007 and subsequently collected in January 2008.

HMRC appealed the Court of Appeal's decision to the House of Lords which granted leave to appeal in order to facilitate a reference to the European Court of Justice ("ECJ"). The case was heard on January 21, 2010. On October 7, 2010, the ECJ ruled against Aimia EMEA Limited and in favour of HMRC. The case has been referred back to the UK Supreme Court for judgment based on the guidance of the ECJ. The hearing took place on October 24 and October 25, 2012. A decision is expected within six months.

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Based on the binding and non-appealable nature of the judgment rendered by the ECJ, an amount of $155.0 million (£97.5 million) has been recorded in provisions at September 30, 2012 representing input tax credits relating to the supply of goods claimed historically and to date, and interest and penalties. An amount of $65.5 million (£41.2 million), relating to recoverable amounts under the terms of contractual agreements with certain Redemption Partners, has also been recorded in accounts receivable.

For the three and nine months ended September 30, 2012, $1.2 million (£0.8 million) and $3.0 million (£1.9 million), respectively, have been recorded in cost of rewards and $1.1 million (£0.7 million) and $3.3 million (£2.1 million), respectively, have been recorded in interest expense.

At this time, the provision represents management's best estimate. The ECJ provided for potential relief to mitigate a portion of the increase in the cost base resulting from the ECJ VAT Judgment which will require further discussion with HMRC. Given that the case has been referred back to the UK Supreme Court for judgment based on the guidance of the ECJ, and due to the need for on-going discussions with HMRC, management has neither considered nor accounted for any potential favourable impact of this aspect of the ECJ VAT Judgment.

The ECJ VAT Judgment has not yet affected cash flows as the amounts have not been settled. This will likely occur once the UK Supreme Court renders judgment based on the guidance of the ECJ and the settlement process is agreed to with HMRC, which is anticipated to take place subsequent to the hearing.

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14. LONG-TERM DEBT

The following is a summary of Aimia's authorized and outstanding revolving facility and Senior Secured Notes:

	Authorized at September 30, 2012	Drawn at September 30, 2012	Drawn at December 31, 2011
Revolving facility [(a)]	300,000	—	40,000
Senior Secured Notes Series 1 [(b)]	N/A	—	200,000
Senior Secured Notes Series 2 [(c)]	N/A	150,000	150,000
Senior Secured Notes Series 3 [(d)]	N/A	200,000	200,000
Senior Secured Notes Series 4[(e)]	N/A	250,000	—
Unamortized transaction costs [(f)]	N/A	(5,012)	(3,322)
		594,988	**586,678**
Less: current portion [(b)]		—	200,000
Total		**594,988**	**386,678**

(a) On April 13, 2012, Aimia concluded an amendment to its existing credit facility with its lending syndicate, extending the term of its revolving facility by two years to April 23, 2016. Depending on the Corporation's credit ratings, the revolving facility bears interest at rates ranging between Canadian prime rate plus 0.20% to 1.50% and the Bankers' Acceptance and LIBOR rates plus 1.20% to 2.50%.

Letters of credit: Aimia has issued irrevocable letters of credit in the aggregate amount of $22.0 million. This amount reduces the available credit under the revolving facility.

(b) The Senior Secured Notes Series 1, in the principal amount of $200.0 million, matured on April 23, 2012 and were repaid with funds drawn from the revolving facility.

(c) The Senior Secured Notes Series 2 bear interest at 7.9% per annum, payable semi-annually in arrears on March 2nd and September 2nd of each year, commencing March 2, 2010 and mature on September 2, 2014.

(d) The Senior Secured Notes Series 3 bear interest at 6.95% per annum, payable semi-annually in arrears on January 26th and July 26th of each year, commencing July 26, 2010 and mature on January 26, 2017.

(e) On May 17, 2012, Aimia issued Senior Secured Notes Series 4 in the principal amount of $250.0 million. These notes bear interest at 5.60% per annum, payable semi-annually in arrears on May 17th and November 17th of each year, commencing November 17, 2012, and mature on May 17, 2019. The proceeds from the notes issued were used to repay the funds drawn on the revolving facility and for general corporate purposes.

(f) Long-term debt is presented net of unamortized transaction costs.

Each of the Senior Secured Notes Series 2, 3 and 4 are secured by certain present and future undertakings, property and assets of the Corporation and certain of its subsidiaries and rank equally and pari passu, including with respect to security interest, with all other present and future unsubordinated debt of the Corporation, and are subject to compliance with certain affirmative and negative covenants.

The continued availability of the credit facilities is subject to Aimia's ability to maintain certain leverage, debt service and interest coverage covenants, as well as other affirmative and negative covenants, including certain limitations of distributions in the form of dividends or equity repayments in any given fiscal year, as set out in the credit agreement.

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The following table illustrates the financial ratios calculated on a trailing twelve-month basis:

Ratio	Result	Test
Leverage	1.65	≤ 2.75
Debt service [(a)]	(0.51)	≤ 2.00
Interest coverage	9.93	≥ 3.00

(a) This ratio takes into account Aimia's net debt, calculated as long-term debt less cash, restricted cash, short-term investments and long-term investments in corporate and government bonds.

15. PENSION AND OTHER LONG-TERM LIABILITIES

	September 30, 2012	December 31, 2011
Pension and other future benefits obligations	**22,441**	21,397
Share-based compensation liability	**8,503**	5,406
Contingent and payable considerations related to the acquisition of EIM *(Note 3)*	**4,445**	—
Other	**4,169**	4,200
Total	**39,558**	31,003

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2012

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(Tables in thousands of Canadian dollars, except share and per share amounts)

16. CONTINGENT LIABILITIES

Aimia has agreed to indemnify its directors and officers, and the directors and officers of its subsidiaries, to the extent permitted under corporate law, against costs and damages incurred as a result of lawsuits or any other judicial, administrative or investigative proceeding in which said directors or officers are sued as a result of their services. The directors and officers are covered by directors' and officers' liability insurance.

In limited circumstances, Aimia may provide guarantees and/or indemnifications to third parties to support the performance obligations of its subsidiaries under commercial contracts. At September 30, 2012, Aimia's maximum exposure under such guarantees was estimated to amount to $156.0 million. No amount has been recorded in these financial statements with respect to the indemnification and guarantee agreements.

On July 2, 2009, Aimia was served with a motion for authorization to institute a class action and to obtain the status of representative in the Superior Court of Quebec. The motion was heard on May 9 and 10, 2011 and Aeroplan was added as a potential defendant. In a judgment dated March 6, 2012, the Superior Court of Quebec authorized the motion for the petitioner to bring a class action.

This motion was the first procedural step before any such action can be instituted. The petitioner's class action lawsuit on behalf of Aeroplan Program members in Canada seeks to obtain reinstatement of expired Aeroplan Miles, reimbursement of any amounts already expended by Aeroplan members to reinstate their expired miles, $50 in compensatory damages and an undetermined amount in exemplary damages on behalf of each class member, all in relation to changes made to the Aeroplan Program concerning accumulation and expiry of Aeroplan Miles as announced on October 16, 2006. The next step in the process is for the petitioner to publish a notice of the judgment authorizing the class action and to file and serve the claim on the merits. Management does not expect a hearing on the merits for at least two years.

Although management has identified a strong defence to this class action lawsuit, the likelihood and amount of any potential loss cannot be reasonably estimated at this time. Consequently, no provision for a liability has been included in these financial statements. If the ultimate resolution of this class action lawsuit differs from the Corporation's assessment and assumptions, a material adjustment to the financial position and results of operations could result.

From time to time, Aimia becomes involved in various claims and litigation as part of its normal course of business. While the final outcome thereof cannot be predicted, based on the information currently available, management believes the resolution of current pending claims and litigation will not have a material impact on Aimia's financial position and results of operations.

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17. DIVIDENDS

Quarterly dividends declared to common shareholders of Aimia during the nine months ended September 30, 2012 and 2011 were as follows:

	2012 [(a)]		2011 [(b)]	
	Amount	Per common share	Amount	Per common share
March	26,102	0.150	23,010	0.125
June	27,546	0.160	26,909	0.150
September	27,561	0.160	26,253	0.150
Total	**81,209**	**0.470**	**76,172**	**0.425**

(a) On May 3, 2012, the Board of Directors of Aimia approved an increase to the common share dividend from $0.150 to $0.160 per share per quarter.

(b) On May 25, 2011, the Board of Directors of Aimia approved an increase to the common share dividend from $0.125 to $0.150 per share per quarter.

Quarterly dividends declared to preferred shareholders of Aimia during the nine months ended September 30, 2012 and 2011 were as follows:

	2012		2011	
	Amount	Per preferred share	Amount	Per preferred share
March	2,803	0.40625	2,803	0.40625
June	2,803	0.40625	2,803	0.40625
September	2,803	0.40625	2,803	0.40625
Total	**8,409**	**1.21875**	**8,409**	**1.21875**

On November 8, 2012, the Board of Directors of Aimia declared quarterly dividends of $0.16 per common share and $0.40625 per preferred share, payable on December 31, 2012.

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Unaudited

(Tables in thousands of Canadian dollars, except share and per share amounts)

18. CAPITAL STOCK

NORMAL COURSE ISSUER BID

From January 1 to May 13, 2011, Aimia repurchased and cancelled 6,960,731 common shares for total cash consideration of $90.4 million. Share capital was reduced by $61.0 million and the remaining $29.4 million was accounted for as a reduction of contributed surplus.

On May 12, 2011, the Corporation 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 no later than May 15, 2012. Total common shares repurchased and cancelled during the period from May 16, 2011 to December 31, 2011, pursuant to the NCIB, amounted to 6,262,800 for total cash consideration of $75.8 million. Share capital was reduced by $55.1 million, and the remaining $20.7 million was accounted for as a reduction of contributed surplus.

From January 1 to May 15, 2012, Aimia repurchased and cancelled 1,961,900 common shares for total cash consideration of $24.2 million. Share capital was reduced by $17.2 million and the remaining $7.0 million was accounted for as reduction of contributed surplus.

On May 3, 2012, Aimia received approval from the Toronto Stock Exchange and announced the renewal of its NCIB to repurchase up to 17,179,599 of its issued and outstanding common shares during the period from May 16, 2012 to no later than May 15, 2013. No shares were repurchased during the period from May 16, 2012 to September 30, 2012.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Unaudited

(Tables in thousands of Canadian dollars, except share and per share amounts)

19. COMMITMENTS

A) OPERATING LEASE COMMITMENTS

The minimum lease payments under various non-cancellable operating leases, not yet incurred at the end of the reporting period, are as follows:

Year ending December 31,	
2012	3,590
2013 to 2016	52,470
Thereafter	58,386
Total	**114,446**

B) OPERATING COMMITMENTS AND OTHER

Operating expenditures contracted for at the end of the reporting period but not yet incurred are as follows:

Technology infrastructure and other	42,233
Marketing support and other [(a)]	98,009

(a) Marketing support amounts represent maximum obligations with the Corporation's undertakings to promote the loyalty programs it operates.

Under the terms of certain contractual obligations with a major Accumulation Partner, Aimia is required to maintain certain minimum working capital amounts in accordance with pre-established formulae. At September 30, 2012, Aimia complied with all such covenants.

20. SEGMENTED INFORMATION

At September 30, 2012, the Corporation had three reportable and operating segments: Canada, EMEA and US & APAC.

The segments are the Corporation's strategic business units. For each of the strategic business units, the Corporation's CEO reviews internal management reports on a monthly basis. The segments have been identified on the basis of geographical regions and are aligned with the organizational structure and strategic direction of the organization.

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(Tables in thousands of Canadian dollars, except share and per share amounts)

The Canada segment derives its revenues primarily from the Aeroplan Program and from proprietary loyalty services. The US & APAC segment derives its revenues primarily from proprietary loyalty services. The EMEA segment derives its revenues primarily from loyalty programs, including the Nectar and Nectar Italia programs, operating in the United Kingdom and Italy, respectively, and from its interest in the Air Miles Middle East program. In addition, the EMEA segment also generates revenues from proprietary loyalty services and loyalty analytics services, including ISS.

Accounting policies relating to each segment are identical to those used for the purposes of the consolidated financial statements. Management of other financial expenses, share-based compensation, and income tax expense is centralized and, consequently, these expenses are not allocated to the operating segments.

Intercompany revenue and expenses related to the comparative period have been reclassified to conform with the presentation adopted in the current period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2012

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(Tables in thousands of Canadian dollars, except share and per share amounts)

	Three Months Ended September 30,											
(in thousands of Canadian dollars)	2012	2011[f]	2012	2011[f][g]	2012	2011[f]	2012	2011	2012	2011[f]	2012	2011[f][g]
Operating Segments	**Canada**		**EMEA**		**US & APAC**		**Corporate[b]**		**Eliminations**		**Consolidated**	
Gross Billings	**311,082**	321,253	**160,804** [c]	139,981 [c]	**66,388** [c]	81,780 [c]	**—**	—	**(1,244)**	(1,195)	**537,030** [c]	541,819 [c]
Gross Billings from the sale of Loyalty Units	**262,063**	265,798	**136,822**	118,853	**—**	—	**—**	—	**—**	—	**398,885**	384,651
Revenue from Loyalty Units	**259,694**	253,315	**101,922**	91,835	**—**	—	**—**	—	**—**	—	**361,616**	345,150
Revenue from proprietary loyalty services	**35,504**	42,488	**3,637**	5,739	**64,880**	80,322	**—**	—	**—**	—	**104,021**	128,549
Other revenue	**12,944**	12,393	**20,200**	15,320	**—**	—	**—**	—	**—**	—	**33,144**	27,713
Intercompany revenue	**—**	414	**49**	198	**1,195**	583	**—**	—	**(1,244)**	(1,195)	**—**	—
Total revenue	**308,142**	308,610	**125,808**	113,092	**66,075**	80,905	**—**	—	**(1,244)**	(1,195)	**498,781**	501,412
Cost of rewards and direct costs	**167,348**	162,754	**84,832**	72,670	**33,847**	49,361	**—**	—	**(49)**	(1,052)	**285,978**	283,733
Depreciation and amortization [a]	**23,381**	25,297	**4,389**	3,423	**2,425**	2,808	**—**	—	**—**	—	**30,195**	31,528
Gross margin	**117,413**	120,559	**36,587**	36,999	**29,803**	28,736	**—**	—	**(1,195)**	(143)	**182,608**	186,151
Operating expenses before share-based compensation	**51,753**	54,152	**32,963**	31,956	**33,264**	33,771	**11,275**	9,477	**(1,195)**	(143)	**128,060**	129,213
Share-based compensation	**—**	—	**—**	—	**—**	—	**3,241**	1,654	**—**	—	**3,241**	1,654
Total operating expenses	**51,753**	54,152	**32,963**	31,956	**33,264**	33,771	**14,516**	11,131	**(1,195)**	(143)	**131,301**	130,867
Operating income (loss)	**65,660**	66,407	**3,624**	5,043	**(3,461)**	(5,035)	**(14,516)**	(11,131)	**—**	—	**51,307**	55,284
Financial expenses	**(341)**	—	**1,104**	1,392	**(13)**	(9)	**10,600**	11,952	**—**	—	**11,350**	13,335
Financial income	**2,847**	1,061	**177**	1,012	**119**	129	**—**	—	**—**	—	**3,143**	2,202
Share of net earnings (loss) of equity-accounted investments	**—**	—	**—**	—	**—**	—	**576**	(669)	**—**	—	**576**	(669)
Earnings (loss) before income taxes	**68,848**	67,468	**2,697**	4,663	**(3,329)**	(4,897)	**(24,540)**	(23,752)	**—**	—	**43,676**	43,482
Additions to non-current assets [d]	**5,878**	7,301	**3,271**	4,818	**1,367**	1,660	**—**	—	**N/A**	N/A	**10,516**	13,779
Non-current assets [d]	**3,205,993**	3,272,133	**457,567** [e]	469,715 [e]	**76,976** [e]	106,229 [e]	**2,246**	—	**N/A**	N/A	**3,742,782** [e]	3,848,077 [e]
Deferred revenue	**1,779,658**	1,828,179	**503,282**	357,446	**23,385**	14,146	**—**	—	**N/A**	N/A	**2,306,325**	2,199,771
Total assets	**3,767,255**	3,789,354	**947,136**	941,639	**206,173**	202,279	**65,623**	64,708	**N/A**	N/A	**4,986,187**	4,997,980

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Unaudited

(Tables in thousands of Canadian dollars, except share and per share amounts)

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

(b) Includes expenses that are not directly attributable to any specific operating segment. Corporate also includes the financial position and operating results of our operations in India, the investments in PLM, Prismah and Cardlytics and Aimia's share of PLM's net earnings (loss).

(c) Includes third party Gross Billings of $130.6 million in the UK and $39.0 million in the US for the three months ended September 30, 2012, compared to third party Gross Billings of $116.1 million in the UK and $43.9 million in the US for the three months ended September 30, 2011. Third party Gross Billings are attributed to a country on the basis of the country where the contractual and management responsibility for the customer resides.

(d) Non-current assets includes amounts relating to goodwill, intangible assets and property and equipment.

(e) Includes non-current assets of $407.6 million in the UK and $70.4 million in the US as of September 30, 2012, compared to non-current assets of $417.0 million in the UK and $100.0 million in the US as of September 30, 2011.

(f) Intercompany revenue and expenses related to the comparative period have been reclassified to conform with the presentation adopted in the current period.

(g) These figures do not include any effect attributable to the change in Breakage estimates made during the fourth quarter of 2011 in the Nectar and Air Miles Middle East programs.

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(Tables in thousands of Canadian dollars, except share and per share amounts)

	Nine Months Ended September 30,											
(in thousands of Canadian dollars)	2012	2011[f]	2012	2011 [f][g]	2012	2011 [f]	2012	2011	2012	2011[f]	2012	2011[f][g]
Operating Segments	**Canada**		**EMEA**		**US & APAC**		**Corporate[b]**		**Eliminations**		**Consolidated**	
Gross Billings	**956,319**	965,203	**462,265** [c]	398,679 [c]	**212,940** [c]	250,767 [c]	**—**	—	**(3,556)**	(2,532)	**1,627,968** [c]	1,612,117 [c]
Gross Billings from the sale of Loyalty Units	**801,013**	799,401	**397,882**	336,192	**—**	—	**—**	—	**—**	—	**1,198,895**	1,135,593
Revenue from Loyalty Units	**841,845**	811,233	**304,631**	258,156	**—**	—	**—**	—	**—**	—	**1,146,476**	1,069,389
Revenue from proprietary loyalty services	**112,855**	133,678	**10,915**	19,682	**210,479**	251,634	**—**	—	**—**	—	**334,249**	404,994
Other revenue	**37,185**	37,634	**52,829**	43,205	**—**	—	**—**	—	**—**	—	**90,014**	80,839
Intercompany revenue	**12**	720	**256**	429	**3,288**	1,383	**—**	—	**(3,556)**	(2,532)	**—**	—
Total revenue	**991,897**	983,265	**368,631**	321,472	**213,767**	253,017	**—**	—	**(3,556)**	(2,532)	**1,570,739**	1,555,222
Cost of rewards and direct costs	**520,447**	544,290	**256,061**	215,392	**112,034**	150,553	**—**	—	**(268)**	(1,149)	**888,274**	909,086
Depreciation and amortization [a]	**69,913**	75,467	**12,124**	10,157	**6,778**	8,042	**—**	—	**—**	—	**88,815**	93,666
Gross margin	**401,537**	363,508	**100,446**	95,923	**94,955**	94,422	**—**	—	**(3,288)**	(1,383)	**593,650**	552,470
Operating expenses before share-based compensation	**166,128**	163,064	**105,085**	102,703	**100,259**	109,365	**35,088**	28,395	**(3,288)**	(1,383)	**403,272**	402,144
Share-based compensation	**—**	—	**—**	—	**—**	—	**10,024**	6,188	**—**	—	**10,024**	6,188
Total operating expenses	**166,128**	163,064	**105,085**	102,703	**100,259**	109,365	**45,112**	34,583	**(3,288)**	(1,383)	**413,296**	408,332
Operating income (loss)	**235,409**	200,444	**(4,639)**	(6,780)	**(5,304)**	(14,943)	**(45,112)**	(34,583)	**—**	—	**180,354**	144,138
Financial expenses	**(294)**	40	**3,613**	3,400	**32**	—	**33,293**	39,571	**—**	—	**36,644**	43,011
Financial income	**7,610**	4,025	**2,067**	2,887	**406**	260	**—**	—	**—**	—	**10,083**	7,172
Share of net earnings of equity-accounted investments	**—**	—	**—**	—	**—**	—	**3,291**	5,859	**—**	—	**3,291**	5,859
Earnings (loss) before income taxes	**243,313**	204,429	**(6,185)**	(7,293)	**(4,930)**	(14,683)	**(75,114)**	(68,295)	**—**	—	**157,084**	114,158
Additions to non-current assets [d]	**19,918**	16,285	**9,711**	10,187	**4,820**	3,262	**2,273**	—	**N/A**	N/A	**36,722**	29,734
Non-current assets [d]	**3,205,993**	3,272,133	**457,567** [e]	469,715 [e]	**76,976** [e]	106,229 [e]	**2,246**	—	**N/A**	N/A	**3,742,782** [e]	3,848,077 [e]
Deferred revenue	**1,779,658**	1,828,179	**503,282**	357,446	**23,385**	14,146	**—**	—	**N/A**	N/A	**2,306,325**	2,199,771
Total assets	**3,767,255**	3,789,354	**947,136**	941,639	**206,173**	202,279	**65,623**	64,708	**N/A**	N/A	**4,986,187**	4,997,980

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2012

Unaudited

(Tables in thousands of Canadian dollars, except share and per share amounts)

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

(b) Includes expenses that are not directly attributable to any specific operating segment. Corporate also includes the financial position and operating results of our operations in India, the investments in PLM, Prismah and Cardlytics and Aimia's share of PLM's net earnings (loss).

(c) Includes third party Gross Billings of $376.8 million in the UK and $124.5 million in the US for the nine months ended September 30, 2012, compared to third party Gross Billings of $329.2 million in the UK and $139.7 million in the US for the nine months ended September 30, 2011. Third party Gross Billings are attributed to a country on the basis of the country where the contractual and management responsibility for the customer resides.

(d) Non-current assets includes amounts relating to goodwill, intangible assets and property and equipment.

(e) Includes non-current assets of $407.6 million in the UK and $70.4 million in the US as of September 30, 2012, compared to non-current assets of $417.0 million in the UK and $100.0 million in the US as of September 30, 2011.

(f) Intercompany revenue and expenses related to the comparative period have been reclassified to conform with the presentation adopted in the current period.

(g) These figures do not include any effect attributable to the change in Breakage estimates made during the fourth quarter of 2011 in the Nectar and Air Miles Middle East programs.

21. FORWARD EXCHANGE CONTRACT

On March 14, 2012, the Corporation entered into a forward exchange contract to purchase €22.5 million for $29.4 million. The forward exchange contract, maturing on December 28, 2012, was entered into to manage the risk and mitigate the impact of currency fluctuations associated with an intercompany loan of €22.5 million.

The forward exchange contract is measured at fair value, with changes in the fair value recognized in financial expenses in the consolidated statement of operations as the derivative instrument is not designated as an accounting hedge.

The fair value of the forward exchange contract amounted to $(1.0) million at September 30, 2012 and is included in accounts payable and accrued liabilities.

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22. RELATED PARTIES AND NON-CONTROLLING INTERESTS

A) RELATED PARTIES

ULTIMATE CONTROLLING PARTY

During the three and nine months ended September 30, 2012, shares of the Corporation were widely held and the Corporation did not have an ultimate controlling party.

TRANSACTIONS WITH DIRECTORS AND KEY MANAGEMENT PERSONNEL

Key management includes members of the Corporation's Executive Committee.

The post-employment executive defined contribution plan requires annual contributions of 15% of base salary, through co-payment by the Corporation and the executive, up to the annual maximum permitted under relevant legislation.

Key management of Aimia participate in the share-based award plans, Long-term Incentive Plan (including stock options and performance share units) and Deferred Share Unit Plan (the "DSU Plan"). Directors participate in the DSU Plan.

The compensation paid or payable to directors and to key management for services is shown below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Director compensation, and key management salaries and benefits	**1,929**	2,079	**5,816**	5,818
Post-employment benefits	**134**	178	**306**	369
Share-based compensation	**1,974**	378	**4,366**	1,748
Termination benefits	**—**	1,129	**—**	1,129
Total	**4,037**	3,764	**10,488**	9,064

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TRANSACTIONS WITH POST-EMPLOYMENT BENEFIT PLANS

Aimia offers post-employment benefits to its former employees by way of the defined contribution and defined benefit plans. The transactions with these plans are limited to contributions and payment of benefits.

B) NON-CONTROLLING INTERESTS

During the nine months ended September 30, 2012, an amount of $2.7 million was invested by a minority shareholder in an Indian subsidiary.

23. ADDITIONAL FINANCIAL INFORMATION

The following sections provide additional information regarding certain primary financial statement captions:

A) STATEMENTS OF FINANCIAL POSITION

INTANGIBLE ASSETS

	September 30, 2012	December 31, 2011
Accumulation partners' contracts and customer relationships	**1,207,429**	1,264,624
Software and technology	**103,207**	103,444
Trade names	**389,706**	389,012
Other intangibles	**5,206**	4,826
Total	**1,705,548**	1,761,906

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B) STATEMENTS OF CASH FLOWS

CHANGES IN OPERATING ASSETS AND LIABILITIES

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Restricted cash	**1,461**	70	**(4,787)**	(2,100)
Accounts receivable	**14,957**	17,578	**21,256**	3,783
Inventories	**7,619**	7,268	**31,503**	7,444
Prepaid expenses	**(150)**	2,586	**(60)**	(1,937)
Accounts payable and accrued liabilities	**3,050**	(1,964)	**(68,633)**	(51,831)
Customer deposits	**(301)**	1,443	**1,618**	6,802
Provisions	**1,112**	1,768	**2,910**	5,544
Pensions and other long-term liabilities	**1,395**	1,415	**3,087**	3,549
Deferred revenue	**39,277**	42,985	**53,227**	57,681
Total	**68,420**	73,149	**40,121**	28,935

C) STATEMENTS OF COMPREHENSIVE INCOME

The defined benefit plans actuarial gains (losses) for the three and nine months ended September 30, 2012 were net of deferred income tax recoveries of $0.5 million and $1.1 million, respectively ($0.5 million for the three and nine months ended September 30, 2011).

The variations of the minimum funding requirement liability for the three and nine months ended September 30, 2012 were net of deferred income taxes of $0.5 million and $0.8 million, respectively ($0.1 million for the three and nine months ended September 30, 2011).

24. SUBSEQUENT EVENTS

On October 29, 2012, Aimia reached an agreement in principle with Grupo Aeromexico S.A.B. de C.V. to acquire an additional 20% equity participation in PLM for US$88 million. The transaction is subject to customary closing conditions, including the execution of definitive agreements and Mexican regulatory approvals, and is expected to close before the end of 2012 *(Note 4)*.