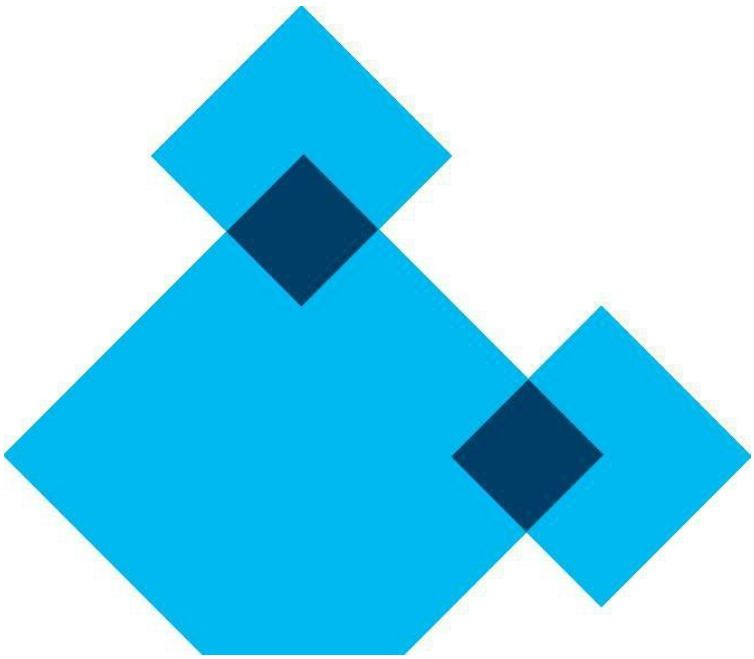
AIMIA
INSPIRING LOYALTY

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2017 and 2016

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 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 judgment.

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.

August 9, 2017

(signed) "David Johnston"

DAVID JOHNSTON
Group Chief Executive

(signed) "Tor Lønnum"

TOR LØNNUM
Chief Financial Officer

AIMIA

CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions of Canadian dollars, except share and per share amounts)		Three Months Ended June 30, 2017 (unaudited)	Three Months Ended June 30, 2016 (unaudited)	Six Months Ended June 30, 2017 (unaudited)	Six Months Ended June 30, 2016 (unaudited)
Revenue	Notes 3 & 10	**$ 470.5**	$ 525.4	**$ 995.3**	$ 1,095.5
Cost of sales					
Cost of rewards and direct costs	Note 4	**300.7**	331.3	**632.1**	700.8
Depreciation and amortization		**12.1**	15.2	**23.5**	28.1
Amortization of accumulation partners' contracts, customer relationships and technology	Note 4	**36.2**	32.5	**62.0**	65.3
		349.0	379.0	**717.6**	794.2
Gross margin		**121.5**	146.4	**277.7**	301.3
Operating expenses					
Selling and marketing expenses		**100.7**	109.5	**205.9**	220.6
General and administrative expenses	Notes 11 & 18A	**55.7**	54.0	**101.2**	106.7
		156.4	163.5	**307.1**	327.3
Operating loss		**(34.9)**	(17.1)	**(29.4)**	(26.0)
Gain on disposal of businesses and other assets	Note 5	**6.2**	23.2	**6.2**	23.2
Financial income	Notes 7 & 17	**10.0**	1.7	**12.9**	3.9
Financial expenses		**(13.1)**	(11.4)	**(20.6)**	(25.4)
Net financial expenses		**(3.1)**	(9.7)	**(7.7)**	(21.5)
Share of net earnings of equity-accounted investments	Note 8	**4.9**	6.4	**18.0**	12.0
Earnings (loss) before income taxes		**(26.9)**	2.8	**(12.9)**	(12.3)
Income tax (expense) recovery					
Current		**(1.4)**	(2.6)	**(4.4)**	(4.4)
Deferred		**3.2**	7.0	**1.8**	10.8
		1.8	4.4	**(2.6)**	6.4
Net earnings (loss) for the period		**$ (25.1)**	$ 7.2	**$ (15.5)**	$ (5.9)
Net earnings (loss) attributable to:					
Equity holders of the Corporation		**(25.1)**	7.2	**(15.5)**	(7.6)
Non-controlling interests	Note 15	**—**	—	**—**	1.7
Net earnings (loss) for the period		**$ (25.1)**	$ 7.2	**$ (15.5)**	$ (5.9)
Weighted average number of shares		**152,306,642**	152,294,611	**152,300,660**	152,516,299
Earnings (loss) per common share					
Basic and fully diluted	Note 6	**$ (0.19)**	$ 0.02	**$ (0.16)**	$ (0.10)

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

AIMIA

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars)		Three Months Ended June 30, 2017 (unaudited)	Three Months Ended June 30, 2016 (unaudited)	Six Months Ended June 30, 2017 (unaudited)	Six Months Ended June 30, 2016 (unaudited)
Net earnings (loss) for the period		**$ (25.1)**	$ 7.2	**$ (15.5)**	$ (5.9)
Other comprehensive income (loss):					
Items that may be reclassified subsequently to net earnings (loss)					
Foreign currency translation adjustments		**4.8**	(27.3)	**6.0**	(79.3)
Change in fair value of available-for-sale investments, net of tax	Notes 17 & 18C	**—**	(27.9)	**—**	(27.9)
Reclassification to net earnings of cumulative translation adjustments related to businesses disposed of	Note 5	**(7.1)**	—	**(7.1)**	—
Items that will not be reclassified subsequently to net earnings (loss)					
Defined benefit plans actuarial losses, net of tax	Note 18C	**(5.2)**	(1.8)	**(4.9)**	(2.9)
Other comprehensive loss for the period		**(7.5)**	(57.0)	**(6.0)**	(110.1)
Comprehensive loss for the period		**$ (32.6)**	$ (49.8)	**$ (21.5)**	$ (116.0)
Comprehensive income (loss) attributable to:					
Equity holders of the Corporation		**(32.6)**	(49.8)	**(21.5)**	(117.6)
Non-controlling interests		**—**	—	**—**	1.6
Comprehensive loss for the period		**$ (32.6)**	$ (49.8)	**$ (21.5)**	$ (116.0)

AIMIA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at *(in millions of Canadian dollars)*		June 30, 2017 (unaudited)	December 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents		**$ 273.1**	$ 293.0
Restricted cash		**20.1**	20.3
Short-term investments		**79.7**	80.4
Income taxes receivable		**1.8**	0.8
Accounts receivable		**248.5**	286.7
Inventories		**2.5**	4.8
Prepaid expenses		**36.2**	33.1
Assets held for sale		**—**	72.8
		661.9	791.9
Long-term assets			
Long-term investments	Note 7	**315.8**	342.1
Equity-accounted investments	Note 8	**101.0**	103.8
Property and equipment		**27.2**	30.5
Intangible assets	Notes 4 & 18A	**1,208.9**	1,264.0
Goodwill		**1,980.2**	1,975.7
		$ 4,295.0	$ 4,508.0
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	Note 18A	**$ 295.4**	$ 395.6
Provisions	Note 11	**5.1**	1.1
Customer deposits		**16.1**	18.2
Deferred revenue	Note 10	**1,468.5**	1,492.7
Liabilities held for sale		**—**	108.3
		1,785.1	2,015.9
Long-term liabilities			
Provisions	Note 11	**19.1**	4.3
Long-term debt	Note 12	**449.1**	448.3
Pension and other long-term liabilities		**98.3**	73.1
Deferred income taxes		**94.2**	97.8
Deferred revenue	Note 10	**1,822.0**	1,753.1
		4,267.8	4,392.5
Total equity		**27.2**	115.5
		$ 4,295.0	$ 4,508.0
Contingencies and commitments	Notes 13 & 16		

Approved by the Board of Directors

(signed) Roman Doroniuk
Roman Doroniuk
Director

(signed) Robert Christopher Kreidler
Robert Christopher Kreidler
Director

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

AIMIA

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended June 30, 2016 and 2017 (unaudited)		Common shares outstanding	Share capital	Retained earnings (deficit)	Accumulated other comprehensive income (loss) (*Note 18D*)	Contributed surplus	Total attributable to the equity holders of the corporation	Non-controlling interests	Total equity
(In millions of Canadian dollars, except share amounts)									
Balance, December 31, 2015		154,631,754	$ 1,685.6	$ (2,518.0)	$ 176.7	$ 1,150.4	$ 494.7	$ 9.7	$ 504.4
Total comprehensive income (loss) for the period									
Net earnings (loss) for the period				(7.6)			(7.6)	1.7	(5.9)
Other comprehensive income (loss):									
Foreign currency translation adjustments					(79.2)		(79.2)	(0.1)	(79.3)
Change in fair value of available-for-sale investments, net of tax	Notes 17 & 18C				(27.9)		(27.9)		(27.9)
Defined benefit plans actuarial losses, net of tax	Note 18C			(2.9)			(2.9)		(2.9)
Total comprehensive income (loss) for the period		—	—	(10.5)	(107.1)	—	(117.6)	1.6	(116.0)
Transactions with owners, recorded directly in equity									
Common shares issued upon exercise of stock options		56,457	0.6			(0.1)	0.5		0.5
Common shares repurchased		(2,393,600)	(21.2)			(0.6)	(21.8)		(21.8)
Quarterly dividends, common and preferred	Note 14			(67.8)			(67.8)		(67.8)
Acquisition of non-controlling interest	Note 15			(23.6)			(23.6)	(11.8)	(35.4)
Accretion related to stock-based compensation plans						2.2	2.2		2.2
Total contributions by and distributions to owners		(2,337,143)	(20.6)	(91.4)	—	1.5	(110.5)	(11.8)	(122.3)
Balance, June 30, 2016		152,294,611	$ 1,665.0	$ (2,619.9)	$ 69.6	$ 1,151.9	$ 266.6	$ (0.5)	$ 266.1
Balance, December 31, 2016		**152,294,611**	**$ 1,665.0**	**$ (2,743.2)**	**$ 40.5**	**$ 1,153.2**	**$ 115.5**	**$ —**	**$ 115.5**
Total comprehensive income (loss) for the period									
Net loss for the period				**(15.5)**			**(15.5)**	**—**	**(15.5)**
Other comprehensive income (loss):									
Foreign currency translation adjustments					**6.0**		**6.0**	**—**	**6.0**
Reclassification to net earnings of cumulative translation adjustments related to businesses disposed of	Note 5				**(7.1)**		**(7.1)**		**(7.1)**
Defined benefit plans actuarial losses, net of tax	Note 18C			**(4.9)**			**(4.9)**		**(4.9)**
Total comprehensive loss for the period		**—**	**—**	**(20.4)**	**(1.1)**	**—**	**(21.5)**	**—**	**(21.5)**
Transactions with owners, recorded directly in equity									
Common shares issued upon exercise of stock options		**12,585**	**0.1**			**—**	**0.1**		**0.1**
Quarterly dividends, common and preferred	Note 14			**(69.4)**			**(69.4)**		**(69.4)**
Accretion related to stock-based compensation plans						**2.5**	**2.5**		**2.5**
Total contributions by and distributions to owners		**12,585**	**0.1**	**(69.4)**	**—**	**2.5**	**(66.8)**	**—**	**(66.8)**
Balance, June 30, 2017		**152,307,196**	**$ 1,665.1**	**$ (2,833.0)**	**$ 39.4**	**$ 1,155.7**	**$ 27.2**	**$ —**	**$ 27.2**

AIMIA

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars)		Three Months Ended June 30, 2017 (unaudited)	Three Months Ended June 30, 2016 (unaudited)	Six Months Ended June 30, 2017 (unaudited)	Six Months Ended June 30, 2016 (unaudited)
CASH FLOWS FROM (USED IN)					
Operating activities					
Net earnings (loss) for the period		**$ (25.1)**	$ 7.2	**$ (15.5)**	$ (5.9)
Adjustments for:					
Depreciation and amortization		**48.3**	47.7	**85.5**	93.4
Share-based compensation		**(9.5)**	2.5	**(5.3)**	4.6
Share of net earnings of equity-accounted investments		**(4.9)**	(6.4)	**(18.0)**	(12.0)
Net financial expenses		**3.1**	9.7	**7.7**	21.5
Income tax expense (recovery)		**(1.8)**	(4.4)	**2.6**	(6.4)
Gain on disposal of businesses and other assets	Note 5	**(6.2)**	(23.2)	**(6.2)**	(23.2)
Changes in operating assets and liabilities	Note 18B	**71.6**	20.8	**11.8**	(7.7)
Other		**(1.4)**	(1.1)	**—**	(2.7)
		99.2	45.6	**78.1**	67.5
Cash generated from operating activities		**74.1**	52.8	**62.6**	61.6
Interest received		**4.9**	5.2	**5.6**	6.6
Distributions received from equity-accounted investments	Note 8	**7.5**	7.7	**14.8**	13.0
Interest paid		**(17.6)**	(7.6)	**(22.4)**	(19.3)
Income taxes received (paid), net		**(2.0)**	0.5	**(5.4)**	(2.7)
Net cash from operating activities		**66.9**	58.6	**55.2**	59.2
Investing activities					
Net proceeds from (payments for) the disposal of businesses and other assets	Note 5	**(47.3)**	—	**(47.3)**	—
Proceeds from disposal of equity-accounted investments	Note 8	**3.7**	—	**3.7**	—
Proceeds from short-term investments		**30.7**	—	**30.7**	44.5
Purchases of long-term investments		**—**	(5.0)	**—**	(51.2)
Additions to property, equipment, software and technology		**(12.8)**	(14.4)	**(24.9)**	(33.9)
Net cash used in investing activities		**(25.7)**	(19.4)	**(37.8)**	(40.6)
Financing activities					
Quarterly dividends	Note 14	**—**	(34.6)	**(34.7)**	(67.8)
Acquisition of non-controlling interest	Note 15	**—**	(22.0)	**(3.1)**	(22.0)
Issuance of common shares		**0.1**	—	**0.1**	0.5
Repurchase of common shares		**—**	—	**—**	(24.5)
Borrowings from the revolving facility	Note 12	**200.0**	—	**200.0**	—
Repayment of Senior Secured Notes Series 5	Note 12	**(200.0)**	—	**(200.0)**	—
Net cash from (used in) financing activities		**0.1**	(56.6)	**(37.7)**	(113.8)
Net change in cash and cash equivalents		**41.3**	(17.4)	**(20.3)**	(95.2)
Translation adjustment related to cash		**1.8**	(12.7)	**0.4**	(34.8)
Cash and cash equivalents, beginning of period		**230.0**	382.3	**293.0**	482.2
Cash and cash equivalents, end of period		**$ 273.1**	$ 352.2	**$ 273.1**	$ 352.2

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

THESE FINANCIAL STATEMENTS CONTAIN THE FOLLOWING NOTES:

1.	STRUCTURE OF THE CORPORATION	8
2.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	9
3.	SEGMENTED INFORMATION	12
4.	MAJOR ACCUMULATION PARTNERS AND SIGNIFICANT REDEMPTION PARTNER	17
5.	DISPOSAL OF BUSINESSES AND OTHER ASSETS	20
6.	EARNINGS (LOSS) PER COMMON SHARE	22
7.	LONG-TERM INVESTMENTS	23
8.	EQUITY-ACCOUNTED INVESTMENTS	24
9.	REDEMPTION RESERVE	25
10.	DEFERRED REVENUE	25
11.	PROVISIONS	26
12.	LONG-TERM DEBT	27
13.	CONTINGENT LIABILITIES	28
14.	DIVIDENDS	30
15.	ACQUISITION OF NON-CONTROLLING INTEREST	31
16.	COMMITMENTS	32
17.	FAIR VALUE OF FINANCIAL INSTRUMENTS	33
18.	ADDITIONAL FINANCIAL INFORMATION	35

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

1. STRUCTURE OF THE CORPORATION

Aimia Inc. ("Aimia" or the "Corporation") was incorporated on May 5, 2008 under the *Canada Business Corporations Act*. The registered and head office of Aimia is located at 525 Viger Avenue West, Suite 1000, Montreal, Quebec, Canada, H2Z 0B2.

Aimia, a data-driven marketing and loyalty analytics company, through its subsidiaries, operates in the following business segments as of January 1, 2016: Americas Coalitions, International Coalitions and Global Loyalty Solutions ("GLS") (*Note 3*).

Americas Coalitions

Within the Americas Coalitions segment, Aimia owns and operates the Aeroplan Program, a premier coalition loyalty program in Canada, and the Corporation's Canadian non-platform based loyalty services business.

International Coalitions

Within the International Coalitions segment, Aimia owns and operates the Nectar UK and Air Miles Middle East coalition loyalty programs (*Note 15*). The segment also includes the Corporation's Shopper Insights and Communications business, which provides data-driven analytics and insights services to retailers and their suppliers globally through its Intelligent Shopper Solutions business and its 50% participation in i2c, a joint venture with Sainsbury's. Aimia also operated Nectar Italia, an Italian coalition program which ceased its operations on March 1, 2016.

Global Loyalty Solutions

Within this segment, Aimia provides clients with comprehensive end-to-end loyalty solutions across the globe with operations in the Americas, Europe and Asia Pacific. GLS provides clients with loyalty strategy, program design, implementation, campaign, analytics and rewards fulfillment. GLS also deploys Aimia's loyalty platforms including the Aimia Loyalty Platform - Enterprise and Aimia Loyalty Platform - SAAS as part of its loyalty solutions.

Corporate and Other

Corporate includes global shared services, product development costs and share-based compensation that have not been allocated to the operating segments as well as investments. Corporate investments include a 48.9% interest in, and joint control with Grupo Aeromexico of, PLM, the owner and operator of Club Premier, a Mexican coalition loyalty program. Additionally, Corporate includes an investment in Think Big, the owner and operator of BIG, AirAsia and Tune Group's loyalty program, as well as a minority interest in Cardlytics, a US-based private company operating in card-linked marketing for electronic banking.

In addition, the Enhancement Services ("ES") business and the U.S. Channel and Employee Loyalty ("CEL") business (*Note 5*), which were sold on July 29, 2016 and May 1, 2017, respectively, were reported under Corporate and Other until their disposal.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

(a) Statement of Compliance

These condensed unaudited consolidated interim financial statements ("interim financial statements") were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and in compliance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"). Accordingly, certain information and notes disclosures normally included in the audited annual consolidated financial statements, have been omitted or condensed. These interim financial statements should be read in conjunction with the Corporation's audited annual consolidated financial statements for the year ended December 31, 2016.

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 August 9, 2017.

(b) Basis of Measurement

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

- Investments in equity instruments are measured at fair value (*Notes 7 & 17*);
- 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 considerations related to business acquisitions or disposals are measured at fair value (*Notes 15 & 17*);
- Investments in convertible notes are measured at fair value (*Notes 7 & 17*).

(c) Presentation Currency

These interim financial statements are expressed in Canadian Dollars.

(d) Use of Estimates and Judgments

The preparation of financial statements 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 are the same as those set out in *Note 2* of the Corporation's audited annual consolidated financial statements for the year ended December 31, 2016.

(e) Accounting Policies

These interim financial statements have been prepared using the same accounting policies as those presented in the Corporation's audited annual consolidated financial statements for the year ended December 31, 2016, except as described below.

Changes in Accounting Policies

The Corporation has adopted the following revised standards as detailed below:

IAS 7 Amendments, Disclosures related to financing activities

The IASB issued amendments to IAS 7 - *Statement of Cash Flows* to require disclosures about changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendment is effective for years beginning on or after January 1, 2017. The Corporation will include additional disclosure in its 2017 annual consolidated financial statements.

IAS 12 Amendments, Recognition of Deferred Tax Assets for Unrealised Losses

The IASB issued amendments to IAS 12 - *Income Taxes* to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explains in which circumstances taxable profit may include the recovery of some assets for more than their carrying amount. The amendment is effective for years beginning on or after January 1, 2017. The Corporation has assessed the amendments to IAS 12 and concluded that these changes had no impact on its interim financial statements.

Future Accounting Changes

The following section provides an update to the same section included in *Note 2* of the Corporation's audited annual consolidated financial statements for the year ended December 31, 2016.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 - *Revenue from Contracts with Customers*. IFRS 15 replaces all previous revenue recognition standards, including IAS 18 - *Revenue*, and related interpretations such as IFRIC 13 - *Customer Loyalty Programmes*. The standard sets out the requirements for recognizing revenue. Specifically, the new standard introduces a comprehensive framework with the general principle being that an entity recognizes revenue to depict the transfer of promised goods and services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduces more prescriptive guidance than was included in previous standards and may result in changes in classification and disclosure in addition to changes in the

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

timing of recognition for certain types of revenues. The new standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

In April 2016, the IASB issued amendments to IFRS 15 - *Revenue from Contracts with Customers* to clarify the guidance on identifying performance obligations, licenses of intellectual property and principal versus agent considerations. The amendments also provide additional practical expedients on transition. The amendments are effective for annual reporting periods beginning on or after January 1, 2018, being the same effective date as IFRS 15 itself.

At this time, management is performing a detailed impact assessment that this standard and its amendments will have on its consolidated financial statements. Preliminary key differences between IFRS 15 and IAS 18 and areas of focus that could materially affect our consolidated financial statements have been identified, including (but not limited to):

- Whether the sale of a loyalty unit includes one or multiple performance obligations and the implications on the transaction price allocation;
- Whether Aimia acts as the principal or an agent for the respective loyalty programs that the Corporation is currently managing.

Our operations and associated systems are complex, as such, the accounting for millions of loyalty units issued and redeemed could be affected. Our current estimate of the time and effort necessary to develop and implement the accounting policies, estimates, judgments and processes (including incremental requirements of our information technology systems) we will need to have in place in order to comply with the new standard extends into late-2017. As a result, at this time, it is not possible to make reasonable quantitative estimates of the effects of the new standard.

SEASONALITY OF OPERATIONS

Historically, the Aeroplan Program, which is reported within the Americas Coalitions segment, 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, which is reported within the International Coalitions segment, is characterized by high redemption activity in the last quarter of the year as a result of the holiday season. While the reward fulfillment component of loyalty solutions 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 smaller size of the business compared to that of the Aeroplan Program and the Nectar Program.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

3. SEGMENTED INFORMATION

At June 30, 2017, the Corporation had three reportable and operating segments: Americas Coalitions, International Coalitions and GLS. As part of the ongoing efforts to simplify and focus the operations of the Corporation, the U.S. CEL business and the ES business (*Note 5*), which were reported in the Americas Coalitions segment from January 1, 2016 to September 30, 2016, were then reported under Corporate and Other, effective October 1, 2016. As a result of those changes, the comparative information has been restated to conform with the new segmentation.

For each of the operating segments, the Corporation's Group Chief Executive reviews internal management reports on a monthly basis. The segments were identified on a divisional basis and are aligned with the organizational structure and strategic direction of the organization.

The Americas Coalitions segment derives its revenues primarily from the Aeroplan Program and from non-platform based loyalty solutions services in Canada. The GLS segment derives its revenues primarily from loyalty solutions services, including revenue from the Aimia Loyalty Platform - Enterprise and Aimia Loyalty Platform - SAAS. The International Coalitions segment derives its revenues primarily from the Nectar UK and Air Miles Middle East coalition loyalty programs. In addition, the International Coalitions segment also generates revenues from analytics and insights services, including Shopper Insights and Communications, and from loyalty solutions services.

Management of global shared services, global product development costs and share-based compensation is centralized and, consequently, these expenses are not allocated to the operating segments and are reported under Corporate and Other, along with the operating results and the financial position of the U.S. Channel and Employee Loyalty business and the ES business until their disposal.

Accounting policies relating to each segment are identical to those used for the purposes of the consolidated financial statements.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

The tables below summarize the relevant financial information by operating segment:

	Three Months Ended June 30,											
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Operating Segments	**Americas Coalitions**		**International Coalitions**		**GLS**		**Corporate and Other** [b]		**Eliminations**		**Consolidated**	
Gross Billings from the sale of Loyalty Units	**321.7**	311.9	**105.4**	107.2	**—**	—	**—**	—	**—**	—	**427.1**	419.1
Gross Billings from Loyalty Services and Other	**16.8**	22.7	**18.7**	23.5	**46.9**	51.8	**11.0**	43.7	**(0.2)**	(0.1)	**93.2**	141.6
Total Gross Billings	**338.5**	334.6	**124.1**	130.7	**46.9**	51.8	**11.0**	43.7	**(0.2)**	(0.1)	**520.3** [c]	560.7 [c]
Revenue from Loyalty Units	**295.6**	286.6	**82.7**	95.6	**—**	—	**—**	—	**—**	—	**378.3**	382.2
Revenue from Loyalty Services and Other	**16.7**	22.4	**18.7**	23.7	**46.9**	51.7	**9.9**	45.4	**—**	—	**92.2**	143.2
Intercompany revenue	**—**	—	**0.2**	—	**—**	0.1	**—**	—	**(0.2)**	(0.1)	**—**	—
Total revenue	**312.3**	309.0	**101.6**	119.3	**46.9**	51.8	**9.9**	45.4	**(0.2)**	(0.1)	**470.5**	525.4
Cost of rewards and direct costs	**207.4**	208.1	**66.2**	78.8	**24.9**	29.5	**2.2**	14.9	**—**	—	**300.7**	331.3
Depreciation and amortization [a]	**41.3**	33.2	**5.1**	5.0	**0.7**	1.6	**1.2**	7.9	**—**	—	**48.3**	47.7
Gross margin	**63.6**	67.7	**30.3**	35.5	**21.3**	20.7	**6.5**	22.6	**(0.2)**	(0.1)	**121.5**	146.4
Operating expenses before share-based compensation	**54.8**	53.4	**30.0**	33.0	**26.7**	22.2	**54.6** [g]	52.5	**(0.2)**	(0.1)	**165.9** [g]	161.0
Share-based compensation	**—**	—	**—**	—	**—**	—	**(9.5)**	2.5	**—**	—	**(9.5)**	2.5
Total operating expenses	**54.8**	53.4	**30.0**	33.0	**26.7**	22.2	**45.1** [g]	55.0	**(0.2)**	(0.1)	**156.4** [g]	163.5
Operating income (loss) [f]	**8.8**	14.3	**0.3**	2.5	**(5.4)**	(1.5)	**(38.6)** [g]	(32.4)	**—**	—	**(34.9)** [g]	(17.1)
Additions to non-current assets [d]	**5.2**	5.5	**6.1**	4.5	**—**	0.7	**1.5**	3.7	**N/A**	N/A	**12.8**	14.4
Non-current assets [d]	**2,696.6**	2,812.5	**489.9**	500.7	**7.1**	28.9	**22.7**	95.4	**N/A**	N/A	**3,216.3** [e]	3,437.5 [e]

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

(Tables in millions 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 global shared services, global product development costs, share-based compensation and the operating results of the U.S. CEL business and the ES business.

(c) Includes third party Gross Billings of $338.5 million in Canada, $115.2 million in the UK and $19.2 million in the US for the three months ended June 30, 2017, compared to third party Gross Billings of $343.6 million in Canada, $121.1 million in the UK and $42.7 million in the US for the three months ended June 30, 2016. 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 include amounts relating to goodwill, intangible assets and property and equipment.

(e) Includes non-current assets of $2,719.2 million in Canada, $467.0 million in the UK and $6.9 million in the US as of June 30, 2017, compared to non-current assets of $2,832.2 million in Canada, $510.9 million in the UK and $62.6 million in the US as of June 30, 2016.

(f) The reconciliation of the consolidated operating income (loss) to the consolidated earnings (loss) before income taxes for the three months ended June 30, 2017 and June 30, 2016 is presented in the consolidated statements of operations.

(g) Include the unfavourable impact of an onerous contract provision of $20.3 million recorded during the three months ended June 30, 2017 related to an IT outsourcing arrangement in the US.

The table below presents additional financial information for Corporate and Other:

	Three Months Ended June 30,					
(in millions of Canadian dollars)	2017			2016		
	Corporate[2]	**Other[3]**	**Total**	**Corporate[2]**	**Other[3]**	**Total**
Total Gross Billings	**—**	**11.0**	**11.0**	—	43.7	43.7
Total revenue	**—**	**9.9**	**9.9**	—	45.4	45.4
Cost of rewards and direct costs	**—**	**2.2**	**2.2**	—	14.9	14.9
Depreciation and amortization [1]	**1.2**	**—**	**1.2**	3.7	4.2	7.9
Gross margin	**(1.2)**	**7.7**	**6.5**	(3.7)	26.3	22.6
Operating expenses before share-based compensation	**25.7**	**28.9** *(4)*	**54.6**	24.8	27.7	52.5
Share-based compensation	**(9.5)**	**—**	**(9.5)**	2.5	—	2.5
Total operating expenses	**16.2**	**28.9** *(4)*	**45.1**	27.3	27.7	55.0
Operating loss	**(17.4)**	**(21.2)** *(4)*	**(38.6)**	(31.0)	(1.4)	(32.4)

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

(2) Includes global shared services, global product development costs and share-based compensation.

(3) For 2017, includes the operating results of the U.S. CEL business. For 2016, includes the operating results of the U.S. CEL business and the ES business.

(4) Include the unfavourable impact of an onerous contract provision of $20.3 million recorded during the three months ended June 30, 2017 related to an IT outsourcing arrangement in the US.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

	Six Months Ended June 30,											
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Operating Segments	**Americas Coalitions**		**International Coalitions**		**GLS**		**Corporate and Other** [b]		**Eliminations**		**Consolidated**	
Gross Billings from the sale of Loyalty Units	**621.3**	596.1	**203.7**	248.2	**—**	—	**—**	—	**—**	—	**825.0**	844.3
Gross Billings from Loyalty Services and Other	**36.8**	47.9	**42.0**	49.3	**97.8**	106.9	**44.2**	85.6	**(0.3)**	(0.3)	**220.5**	289.4
Total Gross Billings	**658.1**	644.0	**245.7**	297.5	**97.8**	106.9	**44.2**	85.6	**(0.3)**	(0.3)	**1,045.5** [c]	1,133.7 [c]
Revenue from Loyalty Units	**610.9**	586.1	**167.0**	217.7	**—**	—	**—**	—	**—**	—	**777.9**	803.8
Revenue from Loyalty Services and Other	**36.6**	47.8	**41.8**	49.3	**97.8**	106.4	**41.2**	88.2	**—**	—	**217.4**	291.7
Intercompany revenue	**—**	—	**0.3**	0.1	**—**	0.2	**—**	—	**(0.3)**	(0.3)	**—**	—
Total revenue	**647.5**	633.9	**209.1**	267.1	**97.8**	106.6	**41.2**	88.2	**(0.3)**	(0.3)	**995.3**	1,095.5
Cost of rewards and direct costs	**434.3**	433.2	**136.8**	176.8	**52.6**	62.3	**8.4**	28.5	**—**	—	**632.1**	700.8
Depreciation and amortization [a]	**72.1**	66.4	**9.5**	9.2	**1.4**	3.2	**2.5**	14.6	**—**	—	**85.5**	93.4
Gross margin	**141.1**	134.3	**62.8**	81.1	**43.8**	41.1	**30.3**	45.1	**(0.3)**	(0.3)	**277.7**	301.3
Operating expenses before share-based compensation	**102.9**	108.4	**56.4**	68.6	**53.6**	47.3	**99.8** [g]	98.7	**(0.3)**	(0.3)	**312.4** [g]	322.7
Share-based compensation	**—**	—	**—**	—	**—**	—	**(5.3)**	4.6	**—**	—	**(5.3)**	4.6
Total operating expenses	**102.9**	108.4	**56.4**	68.6	**53.6**	47.3	**94.5** [g]	103.3	**(0.3)**	(0.3)	**307.1** [g]	327.3
Operating income (loss) [f]	**38.2**	25.9	**6.4**	12.5	**(9.8)**	(6.2)	**(64.2)** [g]	(58.2)	**—**	—	**(29.4)** [g]	(26.0)
Additions to non-current assets [d]	**10.2**	13.1	**12.0**	10.1	**—**	1.7	**2.7**	9.0	**N/A**	N/A	**24.9**	33.9
Non-current assets [d]	**2,696.6**	2,812.5	**489.9**	500.7	**7.1**	28.9	**22.7**	95.4	**N/A**	N/A	**3,216.3** [e]	3,437.5 [e]

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

(Tables in millions 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 global shared services, global product development costs, share-based compensation and the operating results of the U.S. CEL business and the ES business.

(c) Includes third party Gross Billings of $658.1 million in Canada, $229.4 million in the UK and $58.7 million in the US for the six months ended June 30, 2017, compared to third party Gross Billings of $661.4 million in Canada, $280.1 million in the UK and $83.8 million in the US for the six months ended June 30, 2016. 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 include amounts relating to goodwill, intangible assets and property and equipment.

(e) Includes non-current assets of $2,719.2 million in Canada, $467.0 million in the UK and $6.9 million in the US as of June 30, 2017, compared to non-current assets of $2,832.2 million in Canada, $510.9 million in the UK and $62.6 million in the US as of June 30, 2016.

(f) The reconciliation of the consolidated operating income (loss) to the consolidated earnings (loss) before income taxes for the six months ended June 30, 2017 and June 30, 2016 is presented in the consolidated statements of operations.

(g) Include the unfavourable impact of an onerous contract provision of $20.3 million recorded during the six months ended June 30, 2017 related to an IT outsourcing arrangement in the US.

The table below presents additional financial information for Corporate and Other:

	Six Months Ended June 30,					
	2017			2016		
	Corporate[2]	**Other[3]**	**Total**	**Corporate[2]**	**Other[3]**	**Total**
Total Gross Billings	**—**	**44.2**	**44.2**	—	85.6	85.6
Total revenue	**—**	**41.2**	**41.2**	—	88.2	88.2
Cost of rewards and direct costs	**—**	**8.4**	**8.4**	—	28.5	28.5
Depreciation and amortization [1]	**2.5**	**—**	**2.5**	7.0	7.6	14.6
Gross margin	**(2.5)**	**32.8**	**30.3**	(7.0)	52.1	45.1
Operating expenses before share-based compensation	**44.3**	**55.5** [4]	**99.8**	42.0	56.7	98.7
Share-based compensation	**(5.3)**	**—**	**(5.3)**	4.6	—	4.6
Total operating expenses	**39.0**	**55.5** [4]	**94.5**	46.6	56.7	103.3
Operating loss	**(41.5)**	**(22.7)** [4]	**(64.2)**	(53.6)	(4.6)	(58.2)

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

(2) Includes global shared services, global product development costs and share-based compensation.

(3) For 2017, includes the operating results of the U.S. CEL business. For 2016, includes the operating results of the U.S. CEL business and the ES business.

(4) Include the unfavourable impact of an onerous contract provision of $20.3 million recorded during the six months ended June 30, 2017 related to an IT outsourcing arrangement in the US.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

4. MAJOR ACCUMULATION PARTNERS AND SIGNIFICANT REDEMPTION PARTNER

Aimia's top four 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. Aimia's top four Accumulation Partners accounted for a significant percentage of Gross Billings as follows:

		Three Months Ended June 30,		Six Months Ended June 30,	
	Operating segment	2017	2016	2017	2016
		%	%	%	%
TD	Americas Coalitions	21	19	20	18
Sainsbury's	International Coalitions	13	11	13	14
CIBC	Americas Coalitions	13	12	12	11
Air Canada	Americas Coalitions	13	11	13	11

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 June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
	%	%	%	%
Air Canada (and other Star Alliance Partners)	59	52	59	51

Air Canada acts as a clearing house for substantially all Gross Billings of Aeroplan Miles and reward purchase transactions between Aimia 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.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

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, 2016, Aeroplan is required to purchase reward travel seats amounting to approximately $567.5 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.

On May 11, 2017, Aimia received a formal notice of non-renewal from Air Canada pursuant to the terms of the CPSA. Unless the parties come to an alternative agreement or Air Canada withdraws such notice, the current agreement will expire on June 29, 2020.

(a) Impairment Considerations

The receipt of the non-renewal notice from Air Canada, along with the significant decline in the market capitalization of the Corporation following the announcement, are considered by management as indicators that the Aeroplan cash-generating unit ("CGU") may be impaired.

Based on the results of the impairment test conducted, the carrying amount of the Aeroplan CGU, which was negative at the date of the test, was determined to be lower than its recoverable amount. In addition to the impairment test conducted on the Aeroplan CGU, management also reconciled the fair value of all of its CGUs and other assets to the market capitalization of the Corporation and concluded that no impairment needed to be recorded.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

(b) Revision to the useful life of the Air Canada accumulation partners' contract

As a result of the receipt of the non-renewal notice from Air Canada, the estimated life of the Air Canada Accumulation Partners' contract has been revised. The effect of this change on the amortization of accumulation partners' contracts for current and future accounting periods is presented in the following table.

Accounting period	Increase (decrease)
Three months ended June 30, 2017	10.4
Six months ending December 31, 2017	31.1
Year ending December 31, 2018	62.2
Year ending December 31, 2019	62.2
Year ending December 31, 2020	22.5
Year ending December 31, 2021 to December 31, 2031	(188.4)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

5. DISPOSAL OF BUSINESSES AND OTHER ASSETS

U.S. CEL BUSINESS

On May 1, 2017, Aimia closed the sale of its U.S. CEL business for a negligible consideration. As part of the transaction, Aimia and the buyer are to provide to each other with transition services for a period of up to December 31, 2017.

Consideration associated with the disposal of the U.S. CEL Business	
Cash	—
Transaction costs	(1.1)
Consideration relating to disposed assets and liabilities, net of transaction costs	**(1.1)**
Assets and liabilities disposed of	
Cash and cash equivalents	44.1
Accounts receivable	25.7
Prepaid expenses	29.9
Property and equipment	4.8
Software and technology	1.2
Customer relationships	14.6
Goodwill	4.3
Accounts payable and accrued liabilities	(20.3)
Customer deposits	(80.9)
Deferred revenue	(22.4)
Pension and other long-term liabilities	(1.4)
Net assets (liabilities) disposed of	**(0.4)**
Reclassification to net earnings of cumulative translation adjustments	**6.1**
Gain on disposal of U.S. CEL Business	**5.4**

Prior to their disposal, the assets and liabilities related to the U.S. CEL business were included within Corporate and Other (*Note 3*).

NEW ZEALAND BUSINESS

On May 8, 2017, Aimia sold its New Zealand business for a negligible consideration. The net assets on the disposal date, representing an amount of $0.2 million, included cash and cash equivalents of $2.1 million. As a result of the sale, the cumulative translation adjustments related to the New Zealand business, representing an amount of $1.0 million, were reclassified to net earnings. Prior to their disposal, the assets and liabilities related to the New Zealand business were included within GLS.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

ENHANCEMENT SERVICES BUSINESS

On July 29, 2016, Aimia sold its ES business for total cash consideration of $15.4 million, subject to certain working capital adjustments. As part of the transaction, Aimia was to provide transition services relating to information technology and accounting for a period of up to six months from the transaction date.

Consideration associated with the disposal of the ES Business	
Cash	13.6
Consideration receivable [(a)]	1.8
Total consideration	**15.4**
Working capital adjustment payable by Aimia	(0.4)
Consideration relating to transition services to be rendered [(b)]	(2.0)
Consideration relating to disposed assets and liabilities	**13.0**
Transaction costs	(1.6)
Consideration relating to disposed assets and liabilities, net of transaction costs	**11.4**

Assets and liabilities disposed of	
Accounts receivable	1.3
Prepaid expenses	1.6
Customer relationships	6.7
Goodwill	7.7
Accounts payable and accrued liabilities	(3.0)
Deferred revenue	(4.8)
Net assets (liabilities) disposed of	**9.5**
Gain on disposal of ES Business	**1.9**

(a) Amount put in escrow by the buyer to cover potential indemnification claims. The amount, net of indemnification claims made by the buyer, will be released to Aimia 18 months after the date of the transaction.

(b) The consideration received was recognized as revenue when the transition services were rendered.

Prior to their disposal, the assets and liabilities related to the ES business were included within Corporate and Other (*Note 3*).

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

COMMERCIAL RIGHTS IN UK CARD-LINKED MARKETING BUSINESS

On June 30, 2016, Aimia exited the card-linked marketing business that it had built in the UK under its commercial agreements with Cardlytics for an initial consideration of $11.7 million (US$9.0 million) in the form of notes convertible (*Note 7*) into equity instruments of Cardlytics. Additionally, a consideration of $11.7 million (US$9.0 million) was received by Aimia during the third quarter of 2016 in the form of convertible notes of Cardlytics upon the satisfaction of certain conditions relating to the UK card-linked business. At June 30, 2016, the fair value of the contingent consideration receivable was estimated at $11.7 million. The carrying amount of the net assets and liabilities at June 30, 2016 relating to the UK card-linked marketing business was $0.2 million. As a result, a gain of $23.2 million was recorded in profit and loss during the second quarter of 2016.

Furthermore, the net amount receivable outstanding on June 30, 2016, before the transaction was concluded, of $7.4 million (US$5.7 million) by Aimia from Cardlytics in relation to the UK card-linked marketing business was exchanged for convertible notes during the third quarter of 2016 upon the finalization of the review of the net receivable.

6. EARNINGS (LOSS) PER COMMON SHARE

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net earnings (loss) attributable to equity holders of the Corporation	**(25.1)**	7.2	**(15.5)**	(7.6)
Deduct: Dividends declared on preferred shares (*Note 14*)	**(4.3)**	(4.2)	**(8.5)**	(8.4)
Net earnings (loss) attributable to common shareholders	**(29.4)**	3.0	**(24.0)**	(16.0)
Weighted average number of basic and diluted common shares	**152,306,642**	152,294,611	**152,300,660**	152,516,299
Earnings (loss) per common share – Basic and fully diluted	**$ (0.19)**	$ 0.02	**$ (0.16)**	$ (0.10)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

7. LONG-TERM INVESTMENTS

	June 30, 2017	December 31, 2016
Investments in equity instruments [(a)]	121.4	76.9
Investment in corporate and government bonds *(Note 9)* [(b)]	194.4	226.0
Investments in convertible notes (*Note 5*) [(c)]	—	39.2
Total	**315.8**	342.1

(a) Includes the investment in Cardlytics at June 30, 2017 and December 31, 2016. During the three and six months ended June 30, 2016, a fair value loss of $27.9 million was recorded in other comprehensive income related to the investment in Cardlytics (*Note 17*).

(b) The investment in corporate and government bonds amounted to $274.1 million at June 30, 2017 (December 31, 2016: $306.4 million) of which $79.7 million was classified as short-term investments (December 31, 2016: $80.4 million) and $194.4 million as long-term investments (December 31, 2016: $226.0 million).

(c) The convertible notes, including accrued interest since inception, automatically converted into equity instruments of Cardlytics during the second quarter of 2017 upon the occurrence of an equity financing by a third party. Concurrently to the conversion, a fair value gain of $7.7 million was recorded in financial income to reflect the favourable conversion features of the convertible notes. Prior to their conversion, the convertible notes accrued interest at a rate of 10% per year, compounded annually. The convertible notes were obtained as consideration for the exit of the UK card-linked business and from an investment of $5.0 million (US$4.0 million) during the second quarter of 2016. At December 31, 2016, these convertible notes, including accrued interest since inception, amounted to $39.2 million (US$29.2 million).

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

8. EQUITY-ACCOUNTED INVESTMENTS

As at	June 30, 2017	December 31, 2016
Investment in PLM Premier, S.A.P.I. de C.V. [(a)]	82.1	80.4
Other equity-accounted investments in joint ventures [(b)]	18.9	22.5
Equity-accounted investments in associates [(c)]	—	0.9
Total	**101.0**	103.8

(a) During the three and six months ended June 30, 2017, Aimia received distributions from PLM of $4.6 million (US$3.4 million) and $9.1 million (US$6.8 million), respectively, compared to distributions of $4.8 million (US$3.4 million) and of $9.3 million (US$6.8 million) during the three and six months ended June 30, 2016.

(b) During the three and six months ended June 30, 2017, Aimia received distributions from equity-accounted investments in joint ventures of $2.9 million and $5.7 million, compared to distributions of $2.9 million and of $3.7 million during the three and six months ended June 30, 2016.

(c) During the three months ended March 31, 2017, Aimia exited its investment in Travel Club for a consideration receivable of $3.7 million. As a result, a gain of $2.7 million was recorded during the three months ended March 31, 2017 and is presented in share of net earnings (loss) of equity-accounted investments. The consideration was collected in April 2017.

During the three months ended December 31, 2016, the carrying amount of the investment in China Rewards, representing an amount of $5.4 million, was written-off as a result of the Corporation's decision to no longer continue to fund the operations.

Share of net earnings (loss) of equity-accounted investments	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Investment in PLM Premier, S.A.P.I. de C.V.	4.7	5.5	13.5	10.5
Other equity-accounted investments in joint ventures	0.2	0.9	1.8	1.6
Equity-accounted investments in associates [(c)]	—	—	2.7	(0.1)
Total	**4.9**	6.4	**18.0**	12.0

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

9. 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. To date, Aimia has not used the funds held in the Reserve. At June 30, 2017, the Reserve amounted to $300.0 million and was included in cash and cash equivalents, short-term investments and 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. Management is of the opinion that the Reserve is sufficient to cover redemption costs, including redemption costs incurred in periods of unusually high redemption activity, as they become due, in the normal course of operations.

10. DEFERRED REVENUE

A reconciliation of deferred revenue is as follows:

	Loyalty Units		Loyalty Services and Other		Total	
As at	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016	June 30, 2017	December 31, 2016
Opening balance	**3,226.2**	3,247.4	**38.7**	45.0	**3,264.9**	3,292.4
Loyalty Units issued – Gross Billings	**825.0**	1,748.1	**—**	—	**825.0**	1,748.1
Other – Gross Billings	**—**	—	**220.5**	591.6	**220.5**	591.6
Revenue recognized	**(777.9)**	(1,694.2)	**(217.4)**	(593.9)	**(995.3)**	(2,288.1)
Deferred revenue relating to the disposal of businesses (*Note 5*)	**—**	—	**(22.4)**	(4.8)	**(22.4)**	(4.8)
Foreign currency and other adjustments	**2.4**	(75.1)	**(4.6)**	0.8	**(2.2)**	(74.3)
Ending balance	**3,275.7**	3,226.2	**14.8**	38.7	**3,290.5**	3,264.9
Represented by:						
Current portion	**1,454.1**	1,473.4	**14.4**	19.3	**1,468.5**	1,492.7
Held for sale	**—**	—	**—**	19.1	**—**	19.1
Long-term	**1,821.6**	1,752.8	**0.4**	0.3	**1,822.0**	1,753.1

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

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 potential redemption cost for such Loyalty Units is estimated to be $840.5 million at June 30, 2017.

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 $204.1 million for the period in which the change occurred, with $195.3 million relating to prior years and $8.8 million relating to the current six month period.

11. PROVISIONS

	Card Migration Provision	Onerous Contract Provision	Total
Balance at December 31, 2015	**6.0**	**—**	**6.0**
Provision recorded during the year	—	—	—
Provision received (used) during the year	(0.6)	—	(0.6)
Provision reversed during the year	—	—	—
Balance at December 31, 2016	**5.4**	**—**	**5.4**
Provision recorded during the period	—	20.3	20.3
Provision received (used) during the period	(1.0)	—	(1.0)
Foreign exchange translation adjustment	—	(0.5)	(0.5)
Balance at June 30, 2017	**4.4**	**19.8**	**24.2**
Represented by:			
Current portion	**1.4**	**3.7**	**5.1**
Long-term portion	**3.0**	**16.1**	**19.1**

ASSET PURCHASE AGREEMENT

On September 16, 2013, Aimia entered into an asset purchase agreement and a migration agreement with TD and CIBC, subject to certain regulatory approvals and other closing conditions, all of which were fulfilled on December 27, 2013. In relation to these agreements, based on the net migration of Aeroplan-branded credit card accounts between CIBC and TD, Aimia will be responsible for, or entitled to receive, up to $100.0 million over the five year period ending in December 2018. As a result, a provision was recorded in general and administrative expenses during the fourth quarter of 2013.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

During the first quarter of 2016, an amount of $0.6 million was paid by Aimia, representing the payment relating to the 2015 calendar year in accordance with the terms of the migration agreement. There was no change to the total provision during the remaining nine months of 2016.

During the first quarter of 2017, an amount of $1.0 million was paid by Aimia, representing the payment relating to the 2016 calendar year in accordance with the terms of the migration agreement.

At this time, the provision represents management's best estimate.

ONEROUS CONTRACT PROVISION

Upon the disposal the U.S. CEL Business (*Note 5*), the costs under an IT outsourcing arrangement in the US were considered onerous as the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. As a result, a provision of $20.3 million was recorded during the three and six months ended June 30, 2017 in general and administrative expenses. The provision represents the remaining payments to be made under the arrangement in the US until May 2025.

12. LONG-TERM DEBT

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

	Authorized at June 30, 2017	Drawn at June 30, 2017	Drawn at December 31, 2016
Revolving facility [(a)]	300.0	200.0	—
Senior Secured Notes Series 4 [(b)]	N/A	250.0	250.0
Senior Secured Notes Series 5 [(c)]	N/A	—	200.0
Unamortized transaction costs [(d)]	N/A	(0.9)	(1.7)
Total long-term debt		**449.1**	**448.3**
Less: current portion		—	—
Long-term debt		**449.1**	**448.3**

(a) On April 11, 2016, Aimia concluded an amendment to its existing credit facility with its lending syndicate, extending the term of its revolving facility by one year to April 23, 2020. 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' Acceptances and LIBOR rates plus 1.20% to 2.50%.

At June 30, 2017, amounts borrowed under the revolving facility were in the form of Bankers' Acceptances, bearing an interest rate of 3.08%.

Letters of credit: Aimia has issued irrevocable letters of credit in the aggregate amount of $8.4 million. This amount reduces the available credit under the revolving facility.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

(b) 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.

(c) The issued Senior Secured Notes Series 5, in the principal amount of $200.0 million bearing interest at 4.35% per annum, were early redeemed on June 12, 2017 with cash drawn from the revolving facility. Additionally, Aimia paid interest accrued on the Senior Secured Notes Series 5 up to repayment date, representing $3.4 million, as well as an early redemption premium of $3.6 million, during the three months ended June 30, 2017.

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

13. 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 June 30, 2017, Aimia's maximum exposure under such guarantees was estimated to amount to $20.9 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. That motion was the first procedural step before any class action could be instituted. A notice of the judgment authorizing the class action was published on April 6, 2013.

On October 1, 2013, the petitioner served and filed its class action proceeding seeking to nullify the changes made to the mileage expiry and accumulation rules of the Aeroplan Program announced on October 16, 2006, reimbursement of any amounts 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. The parties have agreed upon a timetable for procedural matters leading up to readiness for trial.

Management has filed a strong defence to this class action lawsuit and believes that it is more likely than not that its position will be sustained. Consequently, no liability has been recognized in these financial statements. If the ultimate resolution of this class action lawsuit differs from this assessment and assumptions, a material adjustment to the financial position and results of operations could result.

On December 17, 2014, Aimia was served with two motions for authorization to institute a class action and to obtain the status of representative in the Superior Court of Quebec. These proceedings seek reimbursement of fuel surcharges paid by Aeroplan members since December 12, 2011 when redeeming miles for flights operated by Air

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

Canada, Air Canada Rouge and Air Canada Express within North America, and the reimbursement of airport improvement fees paid by Aeroplan members when redeeming miles for flights departing from a number of Canadian airports, as well as $100 in punitive damages for each class member in each action. On June 5, 2015, Aimia was served with another motion for authorization to institute a class action and to obtain the status of representative in the Superior Court of Quebec. This proposed proceeding seeks reimbursement of passenger charges paid by Aeroplan members since June 9, 2012 when redeeming miles for Air Canada flight tickets with segments to and/or from a number of airports in Europe and Japan, as well as $100 in punitive damages for each class member.

These three motions were heard concurrently on February 24, 2017. In judgments rendered on July 11, 2017, the Superior Court of Quebec authorized the motions for the petitioners to bring class actions. These motions were the first procedural step before any class action could be instituted. Aimia is currently considering an appeal from the judgments authorizing the motions and the class action proceedings have not yet been served.

Management has a strong defence against these proposed class actions and believes that it is more likely than not that its position will ultimately be sustained. Consequently, no liability has been recognized in these financial statements. If the ultimate resolution of these proposed class action lawsuits differs from this 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.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

14. DIVIDENDS

Quarterly dividends declared to common shareholders of Aimia during the six months ended June 30, 2017 and 2016 were as follows:

	2017		2016 [(a)]	
	Amount	Per common share	Amount	Per common share
March	30.5	0.20	29.0	0.19
June	30.4	0.20	30.4	0.20
Total	**60.9**	**0.40**	59.4	0.39

(a) On May 12, 2016, the Board of Directors of Aimia approved an increase to the common share dividend from $0.19 to $0.20 per share per quarter.

Quarterly dividends declared to preferred shareholders of Aimia during the six months ended June 30, 2017 and 2016 were as follows:

	2017		2016	
	Amount	Per preferred share	Amount	Per preferred share
Series 1				
March	1.1	0.28125	1.1	0.28125
June	1.1	0.28125	1.1	0.28125
Total	**2.2**	**0.56250**	2.2	0.56250
Series 2				
March	0.8	0.262541	0.8	0.264049
June	0.8	0.263651	0.7	0.261811
Total	**1.6**	**0.526192**	1.5	0.525860
Series 3				
March	2.3	0.390625	2.3	0.390625
June	2.4	0.390625	2.4	0.390625
Total	**4.7**	**0.781250**	4.7	0.781250

As communicated on June 14, 2017, the Corporation is prohibited from paying dividends declared on May 10, 2017 originally scheduled to have been paid on June 30, 2017, as well as declaring any further dividends on any of the outstanding common shares or preferred shares, based on Aimia's determination that the capital impairment test set forth in paragraph 42(b) of the *Canada Business Corporations Act* (the "CBCA") would not be satisfied.

At June 30, 2017, the dividends declared but not paid to common and preferred shareholders of record at June 16, 2017 are presented in pension and other long-term liabilities.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

15. ACQUISITION OF NON-CONTROLLING INTEREST

On March 20, 2016, Aimia acquired the remaining 40% of the issued shares of Aimia Middle East Free Zone LLC ("Aimia Middle East"), the company that owns and operates the Air Miles Middle East program, for cash consideration of $8.3 million (US$6.4 million) which will be payable in three annual installments commencing February 2017. In addition, an amount is to be paid by Aimia or received from the seller on the basis of the financial performance of Aimia Middle East for each of the next three years. The fair value of the contingent consideration payable (*Note 17*) on the acquisition date was estimated at $5.1 million (US$3.9 million). Furthermore, an amount of $22.0 million (US $16.9 million), representing the seller's share of surplus working capital in the business as of the date of the transaction's completion, was accrued on the acquisition date and was paid to the seller on April 5, 2016. The carrying amount of the non-controlling interest in Aimia Middle East on the date of acquisition was $11.8 million. As a result of the acquisition, the Corporation derecognized the non-controlling interest and recorded a decrease to retained earnings of $23.6 million.

During the three months ended March 31, 2017, Aimia paid the first annual installment of the base and contingent consideration, amounting to $2.8 million (US$2.1 million) and $0.3 million (US$0.2 million), respectively.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

16. 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,	
2017	7.8
2018 to 2021	56.6
Thereafter	54.4
Total	**118.8**

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	157.3
Marketing support and other	166.1

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 June 30, 2017, Aimia complied with all such covenants.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices observed in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - valuation techniques with significant unobservable market inputs.

A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

		June 30,	December 31,
	Hierarchy	2017	2016
Financial assets			
Investments in equity instruments (*Note 7*)	Level 3	**121.4**	76.9
Investments in convertible notes (*Notes 5 & 7*)	Level 3	**—**	39.2
Financial liabilities			
Contingent consideration payable - Aimia Middle East (*Note 15*)	Level 3	**4.1**	4.7

The fair value of the investments in equity instruments is determined using a market approach including a valuation technique based on the transaction price of recent transactions carried out by other investors involving similar instruments and comparison of financial indicators for similar companies. The value determined is then adjusted for, as deemed necessary, changes in market conditions, the performance of the investee and the passage of time. This approach requires management to use judgement in identifying similar transactions, instruments and companies and to make estimates in determining the fair value of such instruments. Actual results could differ from such estimate. No adjustment to the fair value of the investment in Cardlytics was recorded during the three and six months ended June 30, 2017. During the three and six months ended June 30, 2016, on the basis of the valuation performed by management using financial indicators for similar companies, a fair value loss of $27.9 million was recorded in other comprehensive income for the investment in Cardlytics.

The fair value of the investments in convertible notes was determined using an expected value model. Concurrently to the conversion of the notes into equity instruments of Cardlytics, a fair value gain of $7.7 million was recorded in

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

financial income to reflect the favourable conversion features of the convertible notes during the three and six months ended June 30, 2017.

The fair value of the contingent consideration payable related to the acquisition of the non-controlling interest in Aimia Middle East was determined on the basis of management's projected financial performance of the business during the remaining contingent period and represents management's best estimate.

The carrying amounts reported in the balance sheet for cash and cash equivalents, restricted cash, short-term investments, accounts receivable and accounts payable and accrued liabilities approximate fair values based on the immediate or short-term maturities of these financial instruments.

The fair value of the Senior Secured Notes is estimated as being the quoted market value for the publicly traded debt securities, while the fair value of borrowings under the revolving facility is calculated using a discounted cash flow model. The fair value of investments in corporate and government bonds is based on the quoted market price of the investments.

Aimia's long-term investments in corporate and government bonds and long-term debt, which are measured at amortized cost, and the fair value thereof, are as set out in the following table.

		June 30, 2017		December 31, 2016	
	Hierarchy	Carrying	Fair Value	Carrying	Fair Value
Investments in corporate and government bonds (including current portion)	Level 1	274.1	277.2	306.4	311.8
Long-term debt (including current portion)	Levels 1 & 3	449.1	397.2	448.3	458.9

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

18. ADDITIONAL FINANCIAL INFORMATION

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

A) STATEMENTS OF FINANCIAL POSITION

INTANGIBLE ASSETS

	June 30, 2017	December 31, 2016
Accumulation partners' contracts and customer relationships	**671.5**	732.7
Software and technology	**140.3**	136.4
Trade names	**396.9**	394.6
Other intangibles	**0.2**	0.3
Total	**1,208.9**	1,264.0

RESTRUCTURING LIABILITIES

Over the past few years, Aimia has engaged in a series of restructuring programs related to integrating and aligning our businesses, exiting certain activities, outsourcing certain internal functions and engaging in other actions designed to reduce our cost structure and improve productivity. As a result of these initiatives, Aimia recorded various severance provisions. Management continues to evaluate our business and, therefore, in future years, there may be additional provisions for new plan initiatives, as well as changes in estimates to amounts previously recorded, as payments are made or actions are completed.

	Divisional structure	Other restructuring	Total
Balance at December 31, 2015	**11.3**	**1.9**	**13.2**
Liability recorded during the year	9.0	0.9	9.9
Payments made during the year	(16.3)	(1.3)	(17.6)
Foreign exchange translation adjustment	(0.5)	—	(0.5)
Balance at December 31, 2016	**3.5**	**1.5**	**5.0**
Liability recorded during the period	6.4	0.5	6.9
Payments made during the period	(8.0)	(1.1)	(9.1)
Liability relating to the disposal of businesses (*Note 5*)	(0.2)	(0.8)	(1.0)
Foreign exchange translation adjustment	(0.1)	—	(0.1)
Balance at June 30, 2017	**1.6**	**0.1**	**1.7**

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

Restructuring expenses recorded during the three and six months ended June 30, 2017 and 2016 for each segment are presented below:

	Three Months Ended June 30, 2017			Three Months Ended June 30, 2016		
Segment	Divisional structure	Other restructuring	Total	Divisional structure	Other restructuring	Total
Americas Coalitions	0.1	—	0.1	0.8	(0.2)	0.6
International Coalitions	1.1	—	1.1	0.7	—	0.7
Global Loyalty Solutions	—	—	—	—	—	—
Corporate	3.9	—	3.9	0.1	—	0.1
Total	**5.1**	**—**	**5.1**	1.6	(0.2)	1.4

	Six Months Ended June 30, 2017			Six Months Ended June 30, 2016		
Segment	Divisional structure	Other restructuring	Total	Divisional structure	Other restructuring	Total
Americas Coalitions	0.2	—	0.2	2.0	—	2.0
International Coalitions	2.1	—	2.1	0.7	—	0.7
Global Loyalty Solutions	—	0.1	0.1	—	—	—
Corporate and Other	4.1	0.4	4.5	0.8	—	0.8
Total	**6.4**	**0.5**	**6.9**	3.5	—	3.5

Restructuring expenses (net of reversals) are included in general and administrative expenses.

B) STATEMENTS OF CASH FLOWS

CHANGES IN OPERATING ASSETS AND LIABILITIES

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Restricted cash	**1.3**	0.2	**0.3**	(1.5)
Accounts receivable	**4.4**	(5.2)	**39.5**	26.1
Inventories	**0.3**	0.2	**2.1**	6.5
Prepaid expenses	**(8.8)**	2.5	**(11.0)**	2.9
Accounts payable and accrued liabilities	**10.5**	19.9	**(91.9)**	(62.5)
Customer deposits	**(0.5)**	(27.5)	**14.7**	(13.7)
Provisions	**20.3**	—	**19.3**	(0.6)
Pension and other long-term liabilities	**(1.9)**	(1.0)	**(6.4)**	(4.5)
Deferred revenue	**46.0**	31.7	**45.2**	39.6
Total	**71.6**	20.8	**11.8**	(7.7)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

C) STATEMENTS OF COMPREHENSIVE INCOME

INCOME TAX EFFECTS

The defined benefit plan's actuarial losses for the three and six months ended June 30, 2017 were net of deferred income tax recoveries of $1.8 million and $1.7 million, respectively, compared to deferred income tax recoveries of $0.6 million and $1.0 million for the three and six months ended June 30, 2016, respectively.

There was no income tax effect related to the fair value adjustment recorded on the investment in Cardlytics (*Note 17*) during the three and six months ended June 30, 2016.

D) STATEMENTS OF CHANGES IN EQUITY

ACCUMULATED OTHER COMPREHENSIVE INCOME

	Currency translation adjustments on foreign subsidiaries		Available-for-sale investments		Total	
As at	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Opening balance	**21.7**	106.5	**18.8**	70.2	**40.5**	176.7
Foreign currency translation adjustments	**8.4**	(71.2)	**(2.4)**	(8.0)	**6.0**	(79.2)
Change in fair value of available-for-sale investments, net of tax	**—**	—	**—**	(27.9)	**—**	(27.9)
Reclassification to net earnings of cumulative translation adjustments related to businesses disposed of	**(7.1)**	—	**—**	—	**(7.1)**	—
Ending balance	**23.0**	35.3	**16.4**	34.3	**39.4**	69.6