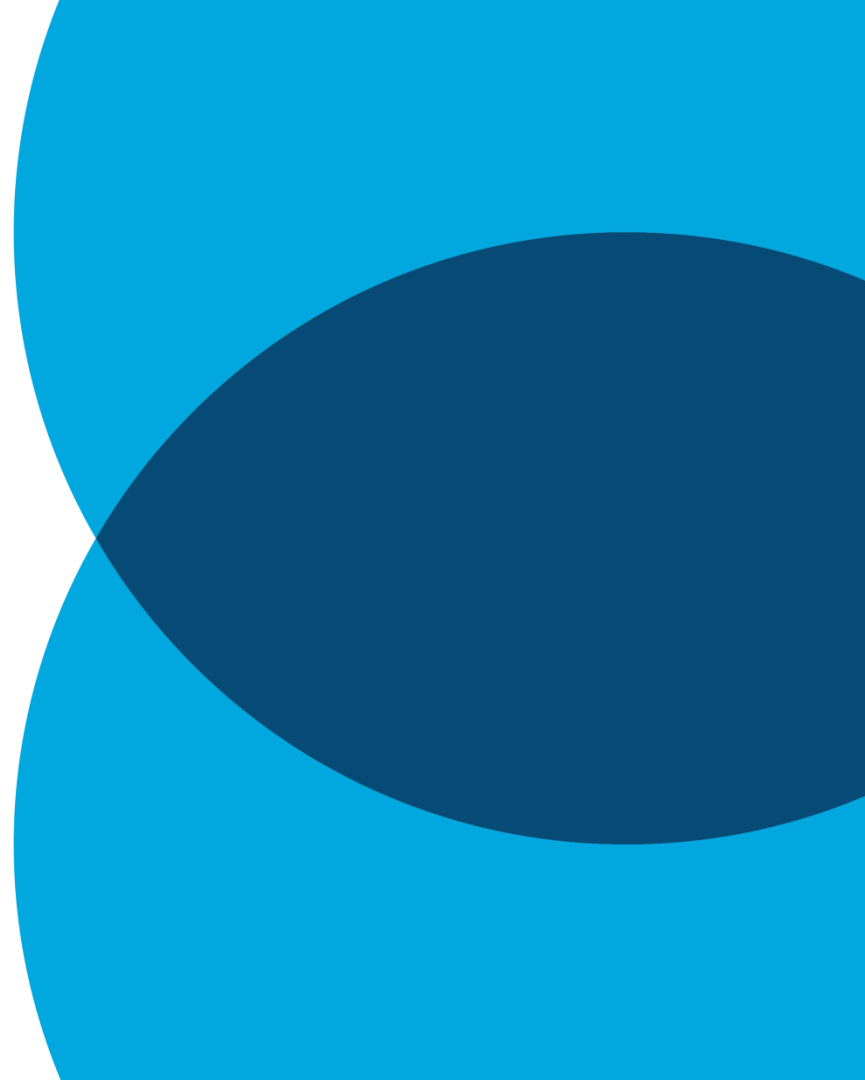


ADDING VALUE: INVESTOR DAY 2013





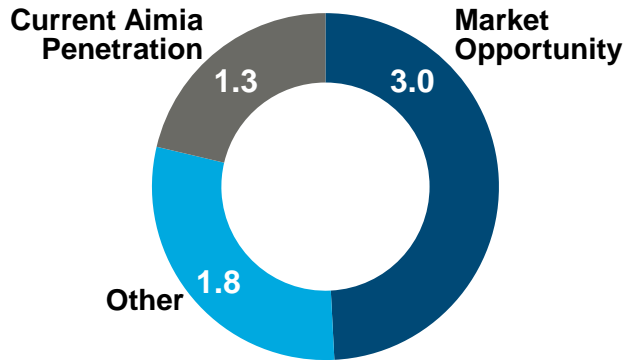
AEROPLAN 2.0
Transforming the
Canadian Coalition Model
Around Member Value

Rupert Duchesne

October 1, 2013

AEROPLAN HAS ROOM FOR STRONG GROWTH IN CANADA

Loyalty Currently Capturing Only 50% of Total Household Expenditures



\$1B

Goals

- Market share leadership
- Outstanding member satisfaction and engagement
- Exceptional value delivered to key partners
- Top line growth and cash flow generation

STARTING POINT: CANADA'S FLAGSHIP PREMIUM COALITION

Canada's Most Affluent Member Base



Unique and Flexible Set of Partnership Models

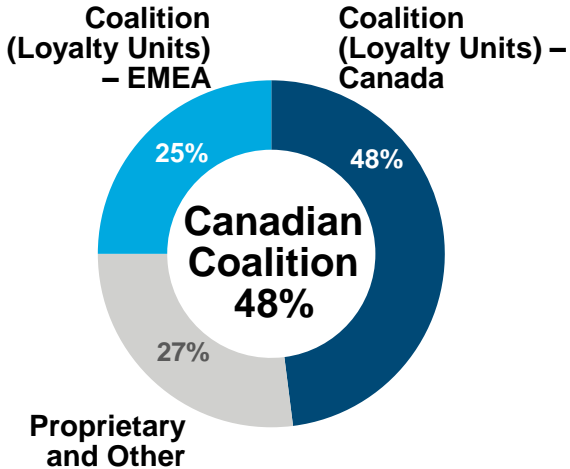
EXCLUSIVE	
CO-EXISTENCE	
CONVERSION	
PROMOTIONAL & OTHER	

TRANSFORMATION AIMED AT ADDING GROWTH TO AN IMPORTANT DRIVER OF GLOBAL GROSS BILLINGS

F2012

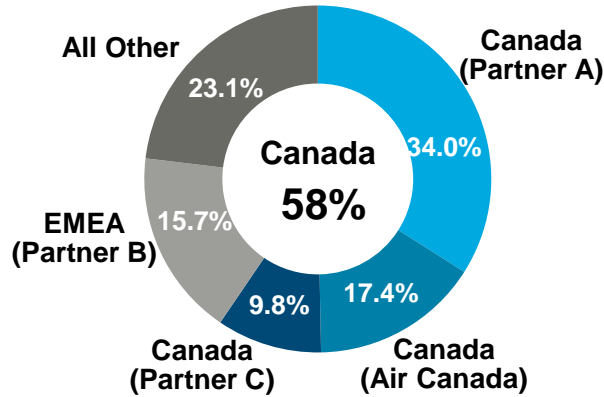
**Aimia Consolidated
Gross Billings**

\$2.243B



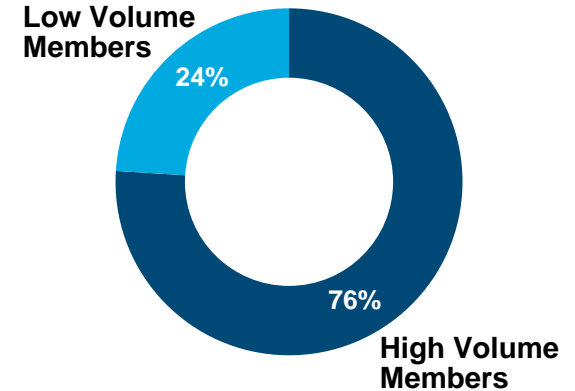
**Gross Billings from
Sale of Loyalty Units**

\$1.628B

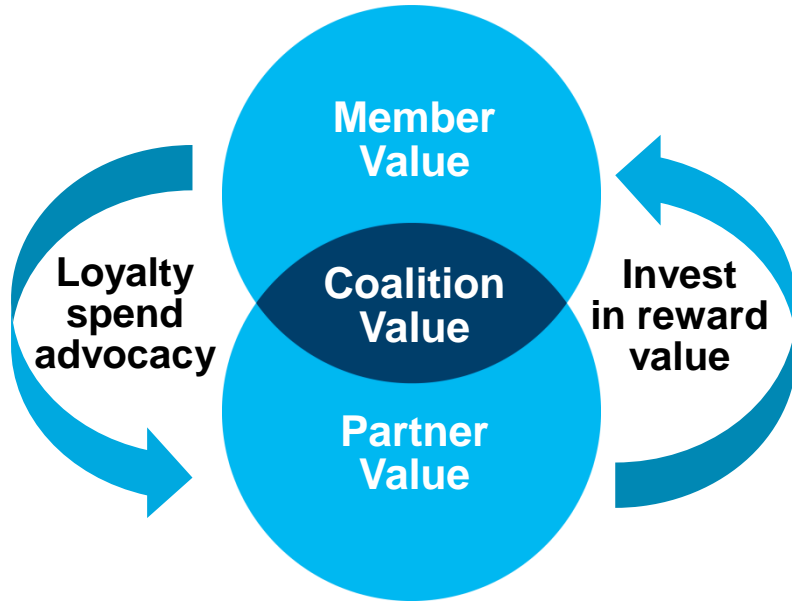


Canadian Gross Billings

\$1.292B



AEROPLAN'S MEMBER-CENTRIC TRANSFORMATION IS DIRECTLY IN-LINE WITH OUR STRATEGIC PILLARS



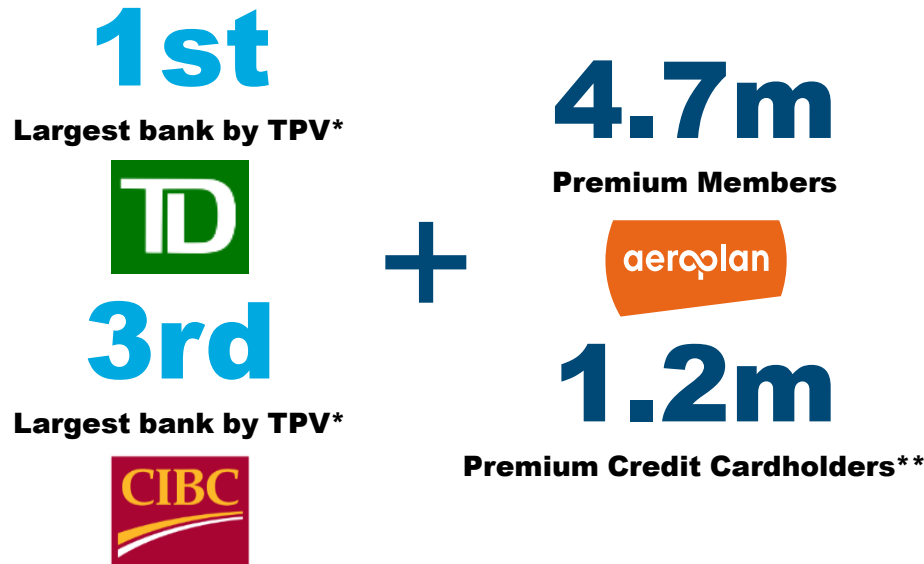
1 Strengthen our current position

2 Codify and replicate successful models globally

3 Evolve our operating model


4 Break away from the pack

LAUNCHING A TRANSFORMED AEROPLAN PROGRAM WITH TWO LEADING CANADIAN ISSUERS



- The \$38 billion Aeroplan financial card portfolio, which represents around 12% of total purchase volume in the Canadian credit card market and a total of 1.2 million Cardholder accounts, was confirmed as an attractive asset due to the premium nature of the cardholder base
- The transaction shifts purchase volume of approximately \$20 billion from CIBC to TD
- Aimia's ten year agreements, with two of Canada's largest credit card issuers, provide a strong and stable platform from which to grow

NEW AGREEMENTS SIGNED WITH TD AND CIBC

- New 10-year financial credit card agreements with each of TD and CIBC
 - A purchase agreement between CIBC, TD, and Aimia, pursuant to which TD will acquire approximately half of the Aeroplan card portfolio from CIBC, which at September 2013, represented approximately:
 - \$38B+ of spend
 - 1.2 million cards
 - \$6B of receivables
 - TD purchasing ‘card-only’ accounts; positioned with exclusive right to mass market Aero credit card and broader banking products
 - CIBC retaining accounts with banking relationships; positioned to continue originating new credit card accounts within proprietary Bank channels
- 
- Both banks will introduce an enhanced suite of Aeroplan credit cards, including exciting new Distinction and Air Canada benefits from January 2014

WHAT THE AGREEMENTS DELIVER FOR SHAREHOLDERS

- Ground breaking transformation of the Aeroplan program, as announced in June 2013, which will drive longer-term growth and benefits to Air Canada
- Momentum and marketing behind the program with two leading credit card issuers to drive market share
- A straightforward conveyance of the Cardholders transitioning to TD, with Cardholders able to accumulate Aeroplan Miles seamlessly through the transition
- A strong and stable platform for Gross Billings growth with our financial card partners, with an increased price per mile and a stable cardholder base
- The balance sheet strength and financial flexibility to continue to invest in growth opportunities

MEMBER-VALUE DRIVEN PROGRAM TRANSFORMATION WILL DRIVE PREMIUM SHARE GROWTH

Our program transformation shifts the emphasis to member satisfaction and engagement as the prime lever to drive growth and value creation

**Provide
differentiated
experience
and recognition
based on
member value**

**Address key
points of program
vulnerability**

**Initiate a
multi-year journey to
rework the entire
member experience**

YOU DESERVE
THE **best**

TAKING AEROPLAN TO THE NEXT LEVEL

[LEARN MORE >](#)



INTRODUCING
DISTINCTION



BETTER FLIGHT
REWARD VALUE



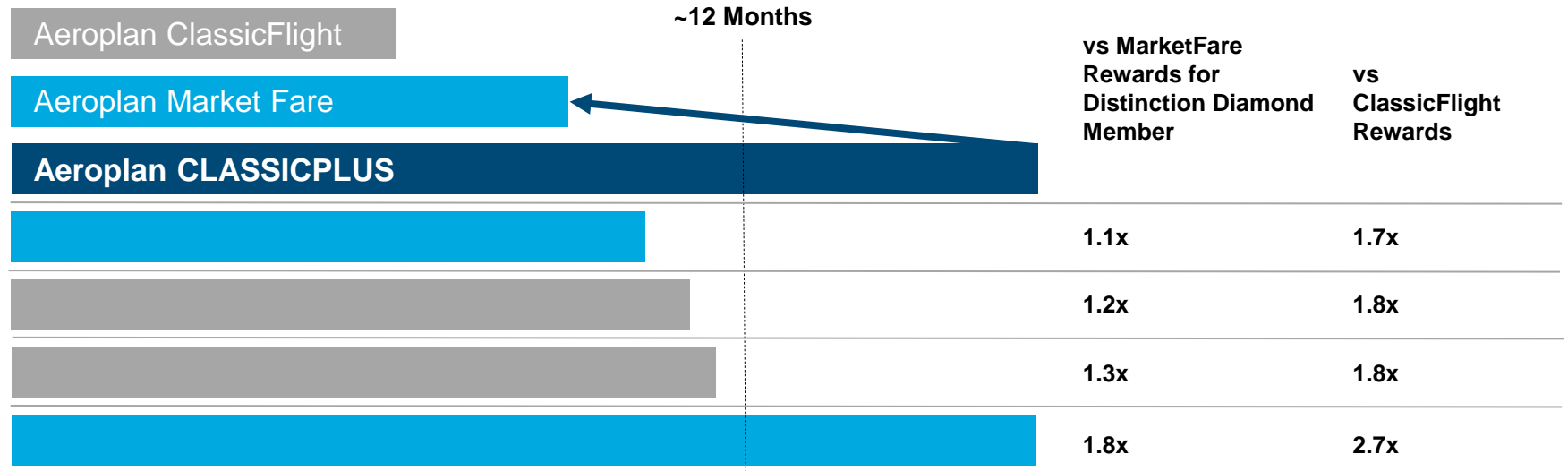
CANCELLATION OF THE SEVEN-YEAR
MILEAGE REDEMPTION POLICY

OUR NEW AIR TRAVEL REWARDS WILL BE UNPARALLELED IN THE MARKET

Getting Members to Departures Faster

Months to North American Long Haul Air Reward Redemption

Fixed grid product
 Market fare product

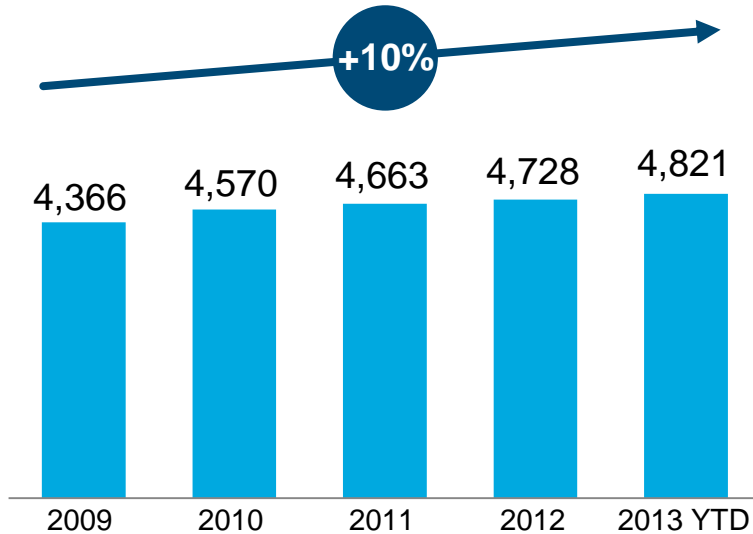


Source: Aimia estimates

Notes: 1. Based on combined average card spend and coalition activity, and average Toronto-Vancouver fare 2. Card spend assumed to be the same for all card products, not disclosed due to confidentiality. 3. Additional spend bonuses estimated for competitive cards (e.g., gas, grocery, drug, travel spend). 4. Months required to reach reward exclude impact of welcome bonuses. 5. Fare Source: Average fare observed for Toronto – Vancouver ClassicPlus rewards in 2012, confidential. 6. CIBC Aventura World Elite figure may differ depending on grid pricing at the time of redemption; figure displayed assumes points required matches RBC Avion (35K).

WHERE WE WILL GO

Aeroplan Active Membership Base Thousands of 12-month Active Members



- Aeroplan focus is modest growth of premium membership base
- Primary goal is to generate higher gross billings by upgrading the membership profile
- New capabilities and data will allow for more strategic and valuable use of miles (e.g., recent announcement on higher earn rates on higher Air Canada fare class tickets)

DRIVING CONTINUED LEADERSHIP IN THE CANADIAN COALITION PROGRAM

Strategic Aspiration

“Be the recognized global leader in loyalty, inspiring brands to build unparalleled relationships with their customers by making engagement more rewarding, lasting, and fun”

Strategic Pillars

- 1 Strengthen our current position
- 2 Codify and replicate successful models globally
- 3 Evolve our operating model
- 4 Break away from the pack

Vision of Success

- Aeroplan reinvigorated by delivering outstanding member and partner value
- Differentiated leadership position built on unique data, brand strength, analytics capability and aligned models

ADDING VALUE: INVESTOR DAY 2013

