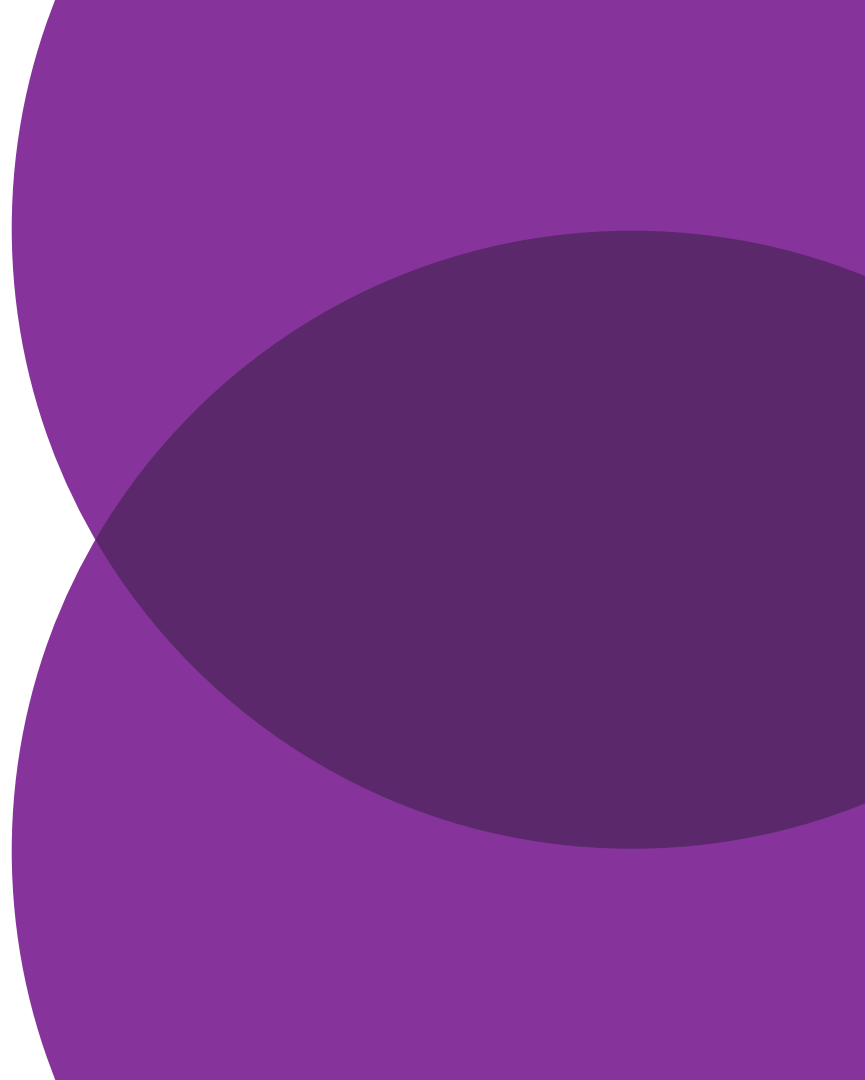


# ADDING VALUE:

## INVESTOR DAY 2013





TRANSFORMING  
THE COALITION:  
OUR COALITIONS IN EMEA

Jan-Pieter Lips

October 1, 2013

# INTRODUCTION

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**Jan-Pieter Lips**

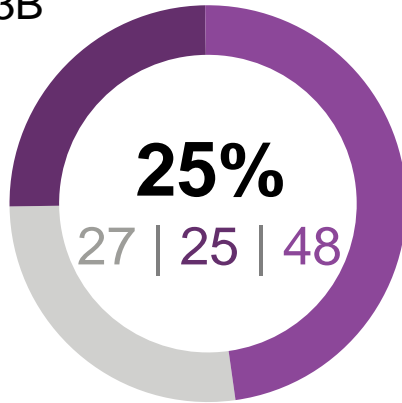
PRESIDENT – EUROPE, MIDDLE EAST & AFRICA

- Appointed Regional President in February 2013, moving from role as Managing Director of Nectar UK and Aimia Middle East
- One of the founders of Nectar UK in 2002
- 16 years of experience in Loyalty, working for Air Miles Netherlands prior to Nectar

# AIMIA'S EMEA COALITIONS SHOW THE DIVERSITY OF OUR EXPERTISE AND SCALE OF OUR ENGAGEMENT

**F2012**

Consolidated Gross Billings  
\$2.243B



- Coalition (Loyalty Units) – EMEA
- Proprietary and other
- Coalition (Loyalty Units) – Canada



Nectar UK  
(2002)



Nectar Italy  
(2010)

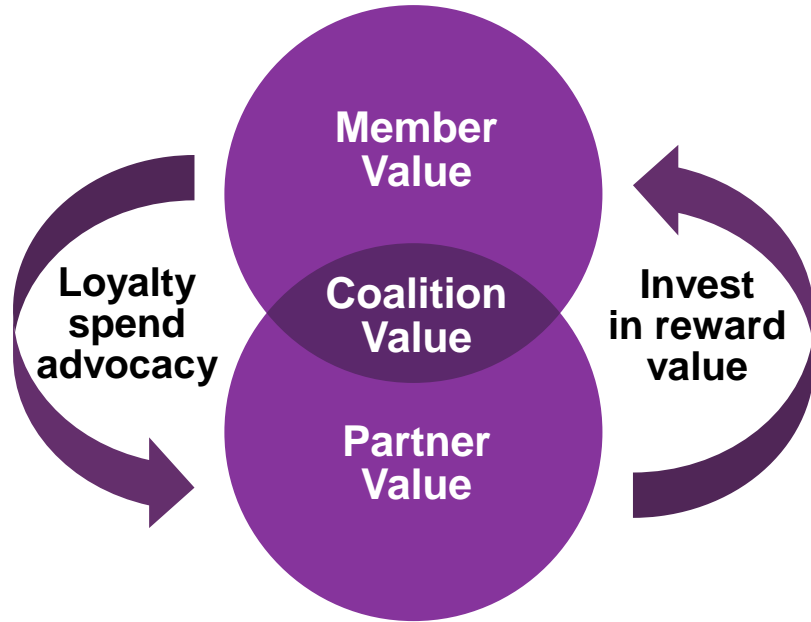


Air Miles ME  
(2001)

Members	Partners	Demographic
19M	17 (+500 online) Sainsbury's, eBay, Homebase, BP, British Gas	Mass market
10M*	13 Sma, Auchan, IPI	Mass market
0.7M	106 HSBC, Damas, Spinneys	Premium (expat)

\* Total sign-ups since programme launch

# DESPITE THIS DIVERSITY, THE CORE VALUE OF COALITION REMAINS CONSTANT



1 Strengthen our current position

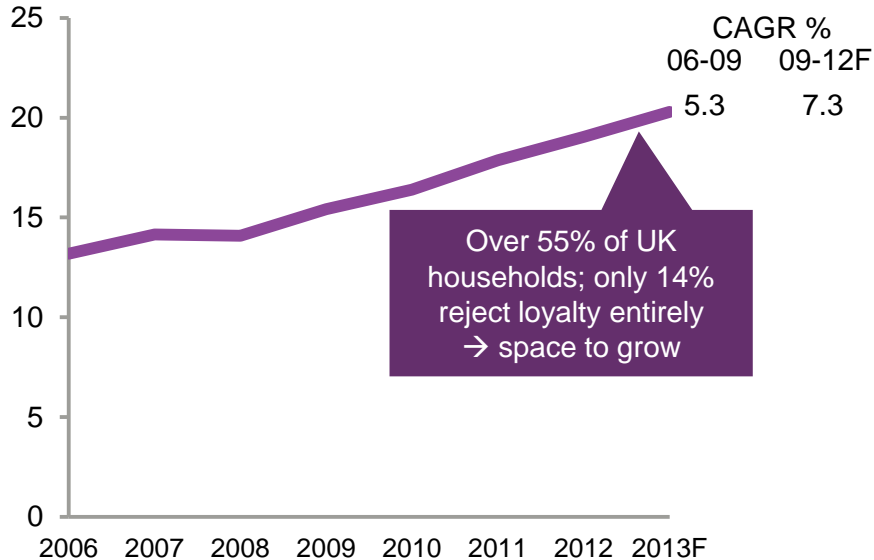
2 Codify and replicate successful models globally

3 Evolve our operating model

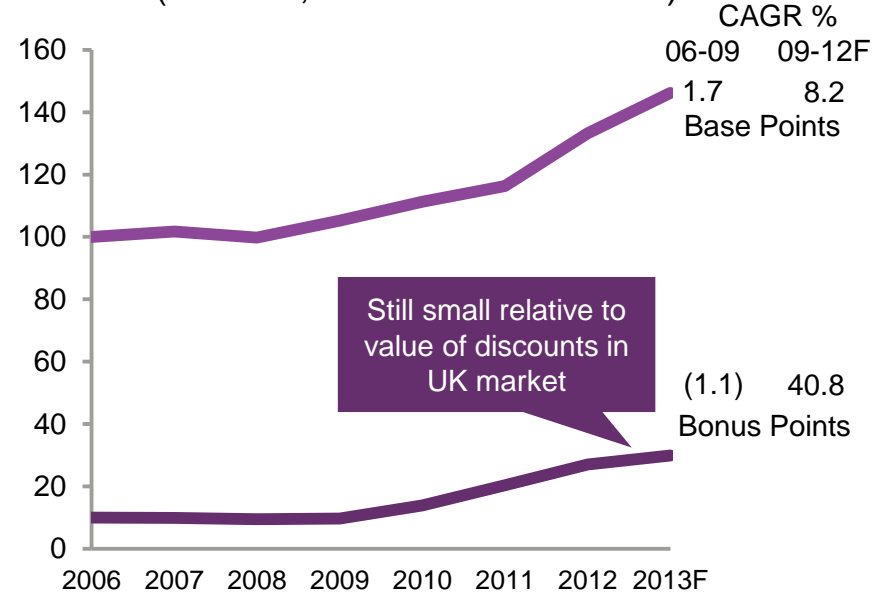
4 Break away from the pack

# STRENGTHEN OUR CURRENT POSITION: NECTAR UK TODAY HAS GREAT MOMENTUM

**Member Base Growth 2006-12**  
(Millions of 12m Active Cards)



**Point Issuance Growth 2006-12**  
(Indexed, 2006 Base Pts = 100)



# HOW HAS NECTAR DELIVERED THIS STEP CHANGE IN GROWTH? FOUNDATIONS FOR COALITION REFRESH

## Member Reward Value

Maximise value of loyalty currency earned by:

- Existing partner engagement
- New partners
- Rewards cut-through and level of redemption

## Partner Value Proposition

- Higher member engagement drives more impact
- Innovation in Customer Insight and CRM, delivered with world class account management

## Investment in the Brand

- Nectar marketing investment unlocks significant partner investment
- Net Promoter Score increased by 12 points in 3 years

# STRENGTHEN EXISTING COALITIONS: REFRESH OF AIR MILES MIDDLE EAST

## HSBC Market Ambition

- HSBC wanted to invest in creating a market-leading value proposition

## Programme Relaunch

- Investment in reward value, choice and redemption process

## Collector Activity Up

- Step-change in member engagement, driving a YoY increase in points issuance of 27.8% for 3 months to June 30 2013

## Growth Platform

- 8 ME countries grew real GDP by 5% or more in 2012 (IMF)
- High population growth and emerging middle class in several markets



# STRENGTHEN EXISTING COALITIONS: ENHANCING MEMBER VALUE WITH SAINSBURY'S

## Summer Double Value

**We continue to invest in our brand and value to Collectors:**

- 3 week campaign when Collectors could earn 2X standard value from their points via in-store voucher exchange
- Partners included Vue, Tragus, Merlin and Nectar Swim
- Strong ATL, email and PR campaign

**Over 200,000 vouchers issued to our members**



# BREAKING AWAY FROM THE PACK: EMBRACING THE DIGITAL TRANSFORMATION WITH EBAY

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- UK's largest online marketplace with over 14M active users in the UK
- Launched in Nectar in October 2012

## Successful Launch and Continued Growth

### Update on progress since launch

- 3.3M users have linked eBay and Nectar accounts
- Nectar points have been earned on over 78M transactions
- eBay preparing to launch a rewards proposition through Nectar soon
- Significant Customer Insight opportunities
- eBay a key driver of Nectar's Digital transformation

# CODIFY AND TRANSFER SUCCESSFUL MODELS: LOCAL PROGRAMS UNLOCK A NEW TYPE OF PARTNER



- Pilot starting in Q4 2013
- Targeting small businesses in fragmented sectors, e.g., restaurants
- 90% collector interest in Nectar Local
- 44% of merchants very or fairly interested in offering points
- Rich customer journey via digital

**Transfer:**  
Platform/tech  
Campaign design  
Learning on pricing  
SME management  
Contract design



**Italy**

- Largest SME market in the EU by number of firms
- SMEs account for 80% of national employment and 68% of value added
- Sector recovering slowly after downturn of 2008+
- Value proposition for restaurants, trade, health and beauty could transform footprint

# DRIVING CONTINUED LEADERSHIP IN OUR EMEA COALITIONS

## 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

## Financial Expression

- Growth in existing coalitions
- Diversification of revenues from classic sponsor relationships to next-generation of loyalty
- Growth into new countries and market sectors

## **A CLOSING THOUGHT:**

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What could Nectar look like in 2018?

# ADDING VALUE:

## INVESTOR DAY 2013

