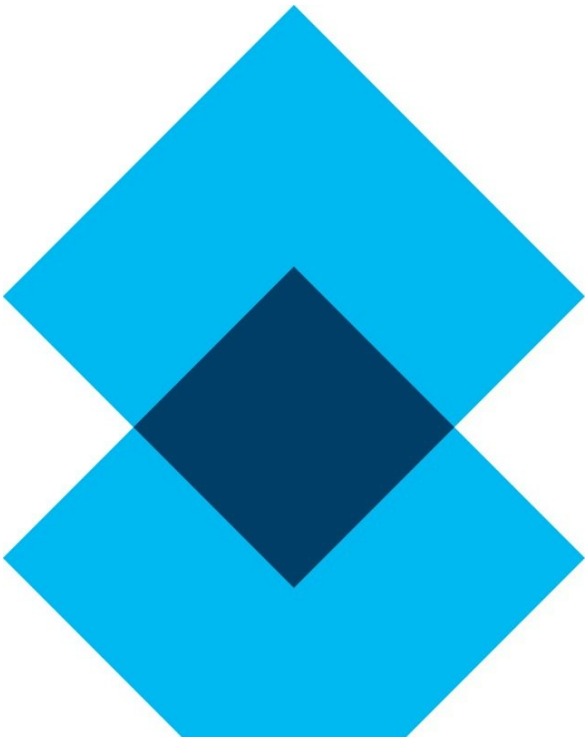
AIMIA
INSPIRING LOYALTY

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the three months ended March 31, 2015 and 2014



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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Aimia Inc. (together with its direct and indirect subsidiaries, where the context requires, "Aimia" or the "Corporation") was incorporated on May 5, 2008 under the laws of Canada.

The following management's discussion and analysis of financial condition and results of operations (the "MD&A") presents a discussion of the financial condition and results of operations for Aimia.

The MD&A is prepared as at May 14, 2015 and should be read in conjunction with the accompanying interim consolidated financial statements of Aimia for the three months ended March 31, 2015 and the notes thereto, the audited consolidated financial statements of Aimia for the year ended December 31, 2014 and the notes thereto, the annual management discussion and analysis for Aimia (the "2014 MD&A"), and Aimia's Management Information Circular and Annual Information Form, respectively dated March 12 and March 20, 2015.

The earnings and cash flows of Aimia are affected by certain risks. For a description of those risks, please refer to the Risks and Uncertainties section.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Forward-looking statements are included in this MD&A. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would" and "should",and similar terms and phrases, including references to assumptions. Such statements may involve but are not limited to comments with respect to strategies, expectations, planned operations or future actions.

Forward-looking statements, by their nature, are based on assumptions and are subject to important risks and uncertainties. Any forecasts, predictions or forward-looking statements cannot be relied upon due to, among other things, changing external events and general uncertainties of the business and its corporate structure. Results indicated in forward-looking statements may differ materially from actual results for a number of reasons, including without limitation, dependency on significant Accumulation Partners and clients, failure to safeguard databases, cyber security and consumer privacy, changes to the Aeroplan Program, reliance on Redemption Partners, conflicts of interest, greater than expected redemptions for rewards, regulatory matters, retail market/economic conditions, industry competition, Air Canada liquidity issues or air travel industry disruption, airline industry changes and increased airline costs, supply and capacity costs, unfunded future redemption costs, changes to coalition loyalty programs, seasonal nature of the business, other factors and prior performance, foreign operations, legal proceedings, reliance on key personnel, labour relations, pension liability, technological disruptions and inability to use third-party software, failure to protect intellectual property rights, interest rate and currency fluctuations, leverage and restrictive covenants in current and future indebtedness, uncertainty of dividend payments, managing growth, credit ratings, audit by tax authorities, as well as the other factors identified throughout this MD&A and throughout Aimia's public disclosure records on file with the Canadian securities regulatory authorities. The forward-looking statements contained herein represent Aimia's expectations as of May 14, 2015, and are subject to change after such

date. However, Aimia disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

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THIS MD&A CONTAINS THE FOLLOWING SECTIONS:

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GLOSSARY

"Accumulation Partners" - means Commercial Partners that purchase coalition loyalty services, including Loyalty Units;

"Aeroplan" - means Aimia Canada Inc. (formerly known as Aeroplan Canada Inc.);

"Aeroplan Miles" - means the miles issued by Aeroplan under the Aeroplan Program;

"Aeroplan Program" - means the coalition loyalty program owned and operated by Aeroplan;

"Aimia" or the "Corporation" - means Aimia Inc., and where the context requires, includes its subsidiaries and affiliates;

"Average Cost of Rewards per Loyalty Unit" - means for any reporting period, the cost of rewards for such period divided by the number of Loyalty Units redeemed for rewards during the period;

"Breakage" - means the estimated Loyalty Units sold which are not expected to be redeemed. By its nature, Breakage is subject to estimates and judgment. Management's consolidated weighted average breakage estimate at March 31, 2015 is 12% (March 31, 2014: 12%), and is calculated based on the total Loyalty Units outstanding under the Corporation's loyalty programs;

"Broken Loyalty Units" - means Loyalty Units issued, but not expired and not expected to be redeemed;

"Broken Miles" - means the Aeroplan Miles issued, but not expired and not expected to be redeemed;

"Card Migration Provision" - means the provision in relation to the net migration of Aeroplan-branded credit card accounts between CIBC and TD as described under the *FINANCIAL CARD AGREEMENTS* section;

"Cardlytics" - means Cardlytics, Inc., a US-based private company operating in card-linked marketing for electronic banking;

"CIBC Payment" - means the payment of $150.0 million made to CIBC by Aimia on December 27, 2013 in relation to the sale of approximately half of the Aeroplan card portfolio to TD in accordance with the asset purchase agreement as described under the *FINANCIAL CARD AGREEMENTS* section;

"Change in Future Redemption Costs" - means the change in the estimated Future Redemption Cost liability for any quarter (for interim periods) or fiscal year (for annual reporting purposes). For the purposes of this calculation, the opening balance of the Future Redemption Cost liability is revalued by retroactively applying to all prior periods the latest available Average Cost of Rewards per Loyalty Unit, experienced during the most recent quarter (for interim periods) or fiscal year (for annual reporting purposes). It is calculated by multiplying the change in estimated Unbroken Loyalty Units outstanding between periods by the Average Cost of Rewards per Loyalty Unit for the period;

"Commercial Partners" - means Accumulation Partners and Redemption Partners;

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"CRA" - means the Canada Revenue Agency;

"Expired Miles" - means the Aeroplan Miles that have been removed from members' accounts and are no longer redeemable;

"Future Redemption Costs" - means the total estimated liability of the future costs of rewards for Loyalty Units which have been sold and remain outstanding, net of Breakage and valued at the Average Cost of Rewards per Loyalty Unit, experienced during the most recent quarter (for interim periods) or fiscal year (for annual reporting purposes);

"GAAP" - means generally accepted accounting principles in Canada which are in accordance with International Financial Reporting Standards;

"Gross Billings" - means gross proceeds from the sale of Loyalty Units, from proprietary loyalty services, analytics and insights services and from other services rendered or to be rendered;

"Gross Billings from the sale of Loyalty Units" - means gross proceeds from the sale of Loyalty Units;

"IFRS" - means International Financial Reporting Standards;

"ISS" - means Intelligent Shopper Solutions services, formerly known as LMG Insight and Communication (I&C);

"i2c" - means Insight 2 Communication LLP;

"Loyalty Units" - means the miles, points or other loyalty program units issued by Aimia's subsidiaries under the respective programs owned and operated by each of the entities;

"Nectar", "Nectar UK" or the **"Nectar Program"** - means the coalition loyalty program operated by our EMEA segment in the United Kingdom;

"Nectar Italia" or the **"Nectar Italia Program"** - means the coalition loyalty program operated by our EMEA segment in Italy;

"Nectar Points" - means the points accumulated by members under the Nectar Program;

"Nectar Italia Points" - means the points accumulated by members under the Nectar Italia Program;

"PLM" - means PLM Premier, S.A.P.I. de C.V., together with its predecessor Premier Loyalty & Marketing, S.A.P.I. de C.V., owner and operator of Club Premier, a Mexican coalition loyalty program;

"Prismah" - means Prismah Fidelidade S.A.;

"Redemption Partners" - means Commercial Partners that offer air travel, shopping discounts or other rewards to members upon redemption of Loyalty Units;

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"Smart Button" - means Smart Button Associates, Inc., which offers clients a turnkey, feature rich, software as a service loyalty solution;

"Think Big" - means Think Big Digital Sdn Bhd, the owner and operator of BIG, AirAsia and Tune Group's loyalty program;

"Total Miles" - means all redeemable Aeroplan Miles (including Broken Miles but not Expired Miles), under the Aeroplan Program;

"Travel Club" - means Air Miles España, S.A., the owner and operator of Travel Club, a Spanish coalition loyalty program;

"Unbroken Loyalty Units" - means Loyalty Units issued, not expired and expected to be redeemed;

"US Proprietary Loyalty CGU" - means the Proprietary Loyalty cash-generating unit in the US region.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Aimia, a data-driven marketing and loyalty analytics company, through its subsidiaries, operates in the following regional business segments: Canada, the United States and Asia-Pacific ("US & APAC") and Europe, Middle-East and Africa ("EMEA").

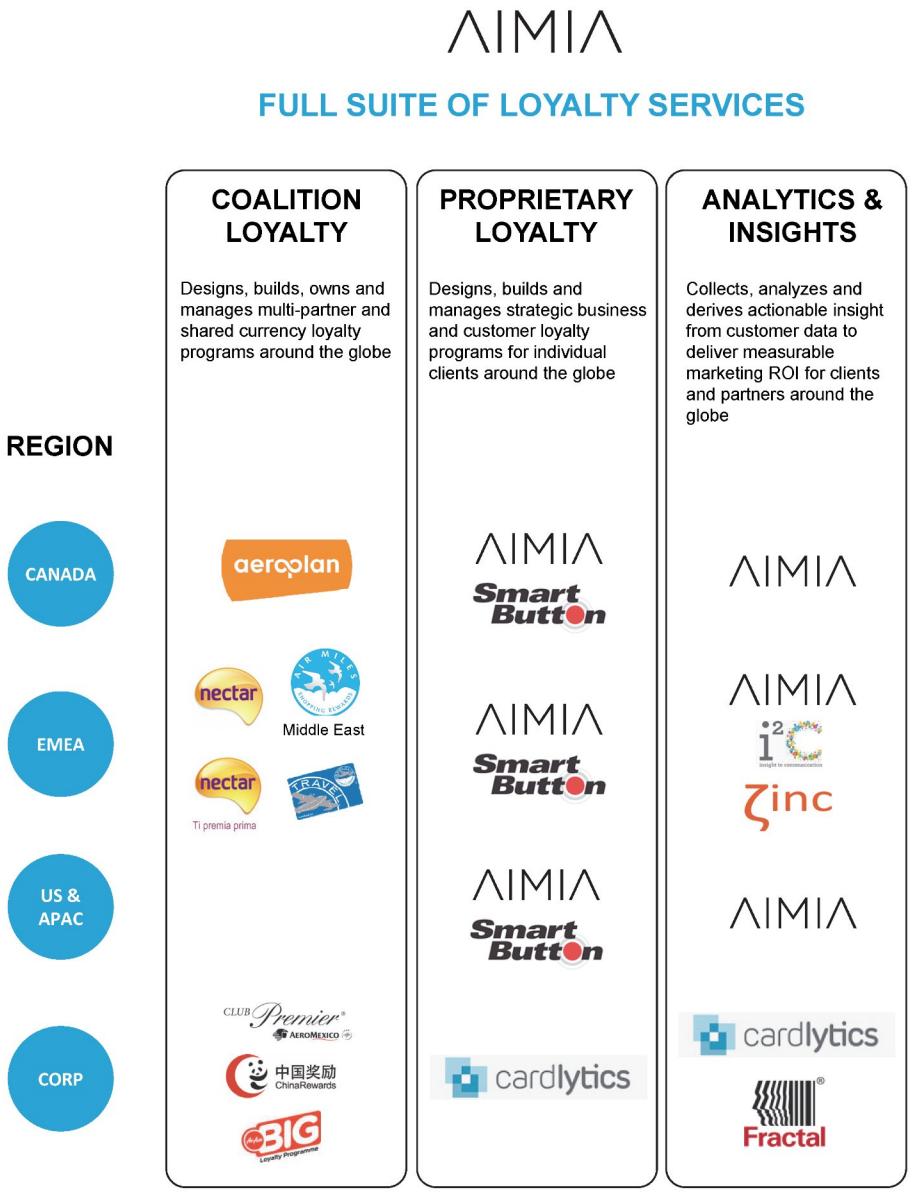
In Canada, Aimia owns and operates the Aeroplan Program, Canada's premier coalition loyalty program. In EMEA, Aimia owns and operates Nectar, the United Kingdom's largest coalition loyalty program, Nectar Italia, a coalition loyalty program in Italy and Air Miles Middle East, the leading coalition loyalty program in the UAE, Qatar and Bahrain, through a 60% ownership interest. Aimia's EMEA segment also provides data-driven analytics and insights services in the UK and internationally to retailers and their suppliers, through ISS and its 50% participation in i2c, a joint venture with Sainsbury's. In addition, Aimia develops analytical tools to provide services to clients globally to collect, analyze and derive actionable insight from their customer data which is used to improve marketing return-on-investment. In each of the regions, Aimia provides proprietary loyalty services, including loyalty program strategy, design, launch and operation. In addition, Aimia owns Smart Button, which offers clients a turnkey, feature rich, software as a service loyalty solution.

Aimia holds a 48.9% interest in, and jointly controls with Grupo Aeromexico, PLM, owner and operator of Club Premier, a Mexican coalition loyalty program. Additionally, Aimia holds investments in Travel Club, Spain's leading coalition loyalty program, Think Big, the owner and operator of BIG, AirAsia and Tune Group's loyalty program, and China Rewards, a Chinese based retail coalition loyalty program start-up, as well as minority interests in Cardlytics, a US-based private company operating in card-linked marketing for electronic banking, and Fractal Analytics, a provider of advanced analytics.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

REGIONAL STRUCTURE AND LOYALTY SERVICES

The following chart illustrates Aimia's regional reporting structure and full suite of loyalty services as at March 31, 2015:



Notes:

- *The chart above does not reflect the actual corporate structure of Aimia, it reflects Aimia's operational structure.*
- *As at March 31, 2015, Aimia owned 60% of Air Miles Middle East, 50% of i2c, 48.9% of Club Premier, investments in Travel Club, Think Big, China Rewards and minority interests in Cardlytics and Fractal Analytics. All other businesses listed above are owned 100% by Aimia.*
- *Analytics and Insights incorporates ISS and i2c. Although ISS offers services in each of the regions, for reporting purposes, its results are reported in the EMEA segment only.*

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OUR BUSINESS

Aimia is a data-driven marketing and loyalty analytics company. We provide our clients with the customer insights they need to make smarter business decisions and build relevant and rewarding one-to-one relationships to the benefit of both their business and customers.

We do this through permission-based data analytics for the programs we run for ourselves and for our clients - drawing insights from all the customer interactions collected by individual companies, financial institutions and through loyalty rewards programs. Our data analysts find hidden patterns and actionable insights to help marketers work more effectively and get more value from their resources.

We help our clients make business personal, providing their customers with experiences and interactions that are uniquely relevant and rewarding.

To do this we have developed advanced technology platforms and operational experience. Our experts use those tools and experience to evolve and improve our offering, for the benefit of our clients, partners and our company.

There are three main ways that our clients work with us:

Coalition Loyalty

A coalition program is one that brings together many partners in a loyalty rewards program. Partners benefit from the insights gained from a more complete picture of customer behaviour and preferences they get from pooling data, and members of the program benefit from an ability to collect and redeem rewards in multiple ways. In addition to providing a complete array of services for the coalition programs that we own and operate, Aimia's coalition experts evolve others' programs to continuously provide better value and adapt to changing consumer behaviour and client needs, launch new coalitions, and transform individual programs into coalitions.

Proprietary Loyalty

While coalition programs connect many partners under one rewards umbrella, Aimia also provides individual companies with proprietary loyalty programs and support. Aimia's proprietary loyalty service experts design, launch and operate client programs, and advance existing programs leveraging our technology platforms, and our digital, mobile and analytical expertise. We also create incentive programs and loyalty solutions to encourage loyalty, increase sales and deliver improved results for employee and channel networks.

Analytics and Insights

For both our coalition and proprietary programs, we draw insights from the data created. In addition, we provide analytics and insights services to other clients. By looking at the transactional, behavioural and contextual data that is collected through our programs and technology, our data analysts find hidden patterns and insights that marketers use to better predict customer behaviours. Using those findings, our clients can provide relevant offers that will influence customer behaviour from the companies they do business with and for the products and services they buy.

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PERFORMANCE INDICATORS

GROSS BILLINGS

Gross Billings from the sale of Loyalty Units

Aimia derives cash inflows from the sale of Loyalty Units to Accumulation Partners with respect to its coalition loyalty programs. These inflows are referred to as “Gross Billings from the sale of Loyalty Units”.

Other Gross Billings

Aimia also derives cash inflows from proprietary loyalty services rendered or to be rendered to customers, from analytics and insights services, as well as various other loyalty related services. These inflows are referred to as “Other Gross Billings”.

OPERATING INCOME

Revenue

Coalition Loyalty

A key characteristic of Aimia's multi-partner or shared currency loyalty programs business is that the gross proceeds received for the sale of Loyalty Units to partners, known as "Gross Billings from the sale of Loyalty Units”, are deferred and recognized as revenue upon the redemption of Loyalty Units by the members. Based upon past experience, management anticipates that a number of Loyalty Units sold will never be redeemed by members. This is known as “Breakage”. For those Loyalty Units that Aimia does not expect will be redeemed by members, Aimia recognizes revenue based on the number of Loyalty Units redeemed in a period in relation to the total number expected to be redeemed.

Proprietary Loyalty

Aimia derives proprietary loyalty service fees related to direct marketing, sales promotion and the design, development and administration of loyalty programs on behalf of its clients, as well as from software offered as a service. These proprietary loyalty service fees are included in Gross Billings and recognized as revenue when the amount, stage of completion and costs for the service can be measured reliably and it is probable that the economic benefits associated with the service will be realized.

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Other

Other revenue consists of:

- analytics and insights service fees from services and tools licensed to clients to collect, analyze and derive actionable insight from their customer data which is used to improve marketing return-on-investment;
- charges to coalition loyalty members for various services;
- loyalty industry related business know-how, trademarks and expertise, royalties earned with respect to the Air Miles and Nectar trademarks; and
- the management of Air Canada's tier membership program for its most frequent flyers.

These fees are also included in Gross Billings and are recognized as revenue when the services are rendered or on an accrual basis, in accordance with the substance of the agreements in the case of royalties.

Cost of Rewards, Direct Costs and Operating Expenses

Cost of rewards consists of the cost to purchase airline seats or other products or services from Redemption Partners in order to deliver rewards chosen by members upon redemption of their Loyalty Units. At that time, the costs of the chosen rewards are incurred and recognized. The total cost of rewards varies with the number of Loyalty Units redeemed and the cost of the individual rewards purchased in connection with such redeemed Loyalty Units.

The Average Cost of Rewards per Loyalty Unit redeemed is an important measurement metric since a small fluctuation may have a significant impact on overall costs due to the high volume of Loyalty Units redeemed.

Direct costs consist of those costs directly attributable to the delivery of proprietary loyalty and analytics and insights services and include labour, technology, reward fulfillment and commissions.

Operating expenses incurred include contact centre operations, consisting primarily of salaries and wages, as well as advertising and promotion, information technology and systems and other general administrative expenses.

ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (“ADJUSTED EBITDA”)

EBITDA adjusted for certain factors particular to the business, such as changes in deferred revenue and Future Redemption Costs (“Adjusted EBITDA”), is used by management to evaluate performance and to measure compliance with debt covenants. Management believes Adjusted EBITDA assists investors in comparing Aimia's performance on a consistent basis without regard to depreciation and amortization and impairment charges, which are non-cash in nature and can vary significantly depending on accounting methods, and non-operating factors such as historical cost. Adjusted EBITDA also includes distributions and dividends received or receivable from equity-accounted investments.

Change in deferred revenue is calculated as the difference between Gross Billings and revenue recognized, including recognition of Breakage.

Future Redemption Costs represent management's estimated future cost of rewards in respect of Loyalty Units sold which remain outstanding and unbroken at the end of any given period. Future Redemption Costs are revalued at the end of any given period by taking into account the most recently determined average unit cost per Loyalty Unit redeemed for that period (cost of rewards / Loyalty Units redeemed) and applying it to the total Unbroken Loyalty Units outstanding at the end of that period. As a result, Future Redemption Costs and the Change in Future Redemption Costs must be calculated at the end of any given period and for that period. The simple addition of sequential inter-period changes to arrive at a cumulative change for a particular period may result in inaccurate results depending on the fluctuation in the Average Cost of Rewards per Loyalty Unit redeemed for the period in question.

EBITDA and Free Cash Flow are non-GAAP measurements recommended by the Canadian Institute of Chartered Accountants ("CICA") in accordance with the recommendations provided in their October 2008 publication, *Improved Communications with Non-GAAP Financial Measures - General Principles and Guidance for Reporting EBITDA and Free Cash Flow*.

Adjusted EBITDA is not a measurement based on GAAP, is not considered an alternative to operating income or net income in measuring performance, and is not comparable to similar measures used by other issuers. For a reconciliation to GAAP, please refer to the *SUMMARY OF CONSOLIDATED OPERATING RESULTS AND RECONCILIATION OF EBITDA, ADJUSTED EBITDA AND FREE CASH FLOW* included in the *Operating and Financial Results* section. Adjusted EBITDA should not be used as an exclusive measure of cash flow because it does not account for the impact of working capital growth, capital expenditures, debt repayments and other sources and uses of cash, which are disclosed in the statements of cash flows.

ADJUSTED NET EARNINGS

Adjusted Net Earnings provides a measurement of profitability calculated on a basis consistent with Adjusted EBITDA. Net earnings attributable to equity holders of the Corporation are adjusted to exclude Amortization of Accumulation Partners' contracts, customer relationships and technology, share of net earnings (loss) of equity-accounted investments and impairment charges. Adjusted Net Earnings includes the change in deferred revenue and Change in Future Redemption Costs, net of the income tax effect and non controlling interest effect (where applicable) on these items at an entity level basis. Adjusted Net Earnings also includes distributions and dividends received or receivable from equity-accounted investments.

Adjusted Net Earnings is not a measurement based on GAAP, is not considered an alternative to net earnings in measuring profitability, and is not comparable to similar measures used by other issuers. For a reconciliation to GAAP, please refer to the *Reconciliation of Adjusted Net Earnings* section.

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FREE CASH FLOW AND FREE CASH FLOW BEFORE DIVIDENDS PAID

Free Cash Flow is a non-GAAP measure recommended by the CICA in order to provide a consistent and comparable measurement of free cash flow across entities of cash generated from operations and is used as an indicator of financial strength and performance.

Free Cash Flow is defined as cash flows from operating activities, as reported in accordance with GAAP, less adjustments for:

a) total capital expenditures as reported in accordance with GAAP; and
b) dividends paid, when stipulated, unless deducted in arriving at cash flows from operating activities.

Free Cash Flow before Dividends Paid is defined as cash flows from operating activities less capital expenditures as reported in accordance with GAAP.

For a reconciliation to cash flows from operations please refer to the *SUMMARY OF CONSOLIDATED OPERATING RESULTS AND RECONCILIATION OF EBITDA, ADJUSTED EBITDA AND FREE CASH FLOW* included in the *Operating and Financial Results* section.

CONSTANT CURRENCY

Because exchange rates are an important factor in understanding period to period comparisons, the presentation of various financial metrics on a constant currency basis or after giving effect to foreign exchange translation, in addition to the reported metrics, help improve the ability to understand operating results and evaluate performance in comparison to prior periods. Constant Currency information compares results between periods as if exchange rates had remained constant over the periods. Constant Currency is derived by calculating current period results using foreign currency exchange rates from the same period in the prior year. Results calculated on a Constant Currency basis should be considered in addition to, not as a substitute for, results reported in accordance with GAAP and may not be comparable to similarly titled measures used by other companies. Constant Currency is a basis of consideration mostly for our EMEA and US & APAC regions as they operate under varying foreign currencies.

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OPERATING AND FINANCIAL RESULTS

Certain of the following financial information of Aimia has been derived from, and should be read in conjunction with, the interim consolidated financial statements for the three months ended March 31, 2015 and 2014, and the related notes.

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

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SUMMARY OF CONSOLIDATED OPERATING RESULTS AND RECONCILIATION OF EBITDA, ADJUSTED EBITDA AND FREE CASH FLOW

	Three Months Ended March 31,				Variance %
(in millions of Canadian dollars, except share and per share information)	2015		2014		Q1
Gross Billings from the sale of Loyalty Units	**445.2**		548.7	*(e)*	(18.9)
Other Gross Billings	**150.0**		168.5		(11.0)
Total Gross Billings	**595.2**		717.2	*(e)*	(17.0)
Total revenue	**660.1**		608.9		8.4
Cost of rewards and direct costs	**(430.7)**		(404.5)		6.5
Gross margin before depreciation and amortization *(a)*	**229.4**		204.4		12.2
Gross margin as a % of total revenue	***34.8%***		*33.6%*		*1.2 pp*
Depreciation and amortization	**(12.3)**		(11.5)		7.0
Amortization of Accumulation Partners' contracts, customer relationships and technology	**(33.3)**		(33.0)		0.9
Gross margin	**183.8**		159.9		14.9
Operating expenses	**(157.6)**		(168.9)		(6.7)
Operating income (loss)	**26.2**		(9.0)		**
Depreciation and amortization	**12.3**		11.5		7.0
Amortization of Accumulation Partners' contracts, customer relationships and technology	**33.3**		33.0		0.9
EBITDA *(a)(c)*	**71.8**		35.5		**
Adjustments:					
Change in deferred revenue					
Gross Billings	**595.2**		717.2		
Total revenue	**(660.1)**		(608.9)		
Change in Future Redemption Costs *(b)*	**45.2**		(11.2)		
Subtotal of Adjustments	**(19.7)**		97.1		
Adjusted EBITDA *(c)*	**52.1**		132.6	*(e)*	(60.7)
Adjusted EBITDA as a % of total Gross Billings	***8.8%***		*18.5%*		*(9.7) pp*
Net earnings (loss) attributable to equity holders of the Corporation	**21.5**		(17.3)		
Weighted average number of shares	**170,753,997**		173,062,413		
Earnings (loss) per common share *(d)*	**0.10**		(0.13)		
Adjusted Net Earnings *(c)(i)*	**30.7**		88.2	*(f)*	(65.2)
Adjusted Net Earnings per common share *(c)(d)*	**0.15**		0.48	*(f)*	
Cash flow from operations	**25.7**	*(h)*	82.1	*(e)(g)*	
Capital expenditures	**(20.5)**		(21.6)		
Free Cash Flow before Dividends Paid *(c)*	**5.2**	*(h)*	60.5	*(e)(g)*	(91.4)
Free Cash Flow before Dividends Paid per common share *(c)(d)*	**0.00**	*(h)*	0.32	*(e)(g)*	
Dividends	**(35.7)**		(34.2)		
Free Cash Flow *(c)*	**(30.5)**	*(h)*	26.3	*(e)(g)*	**
Total assets	**5,331.8**		5,550.9		
Total long-term liabilities	**2,421.7**		2,260.5		

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

(b) The per unit cost derived from this calculation is retroactively applied to all prior periods with the effect of revaluing the Future Redemption Cost liability on the basis of the latest available average unit cost.

(c) A non-GAAP measurement.

(d) After deducting dividends declared on preferred shares.

(e) Includes a $100.0 million upfront contribution received on January 2, 2014 from TD to help fund Aeroplan's program enhancements.

(f) Includes the upfront contribution received on January 2, 2014 from TD totaling $73.4 million, net of an income tax expense of $26.6 million.

(g) The harmonized sales tax of $22.5 million related to the CIBC Payment made on December 27, 2013 was collected during the first quarter of 2014.

(h) Includes an amount of $20.4 million received in the first quarter of 2015 from Revenue Quebec related to the income tax refund of loss carry back applied in Canada.

(i) For a reconciliation of Adjusted Net Earnings to GAAP, please refer to the *Reconciliation of Adjusted Net Earnings* section.

** Information not meaningful.

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QUARTER ENDED MARCH 31, 2015 COMPARED TO QUARTER ENDED MARCH 31, 2014

CONSOLIDATED OPERATING RESULTS

	Three Months Ended March 31,		Variance		Variance C.C. [g][h]	
(in millions of Canadian dollars unless otherwise noted)	2015	2014	$	%	$	%
Gross Billings from the sale of Loyalty Units	**445.2**	548.7 [c]	(103.5)	(18.9)	(108.2)	(19.7)
Other Gross Billings	**150.0**	168.5	(18.5)	(11.0)	(24.8)	(14.7)
Total Gross Billings	**595.2** [b]	717.2 [b][c]	(122.0)	(17.0)	(133.0)	(18.5)
Revenue from Loyalty Units	**508.2**	441.7	66.5	15.1	66.0	14.9
Revenue from proprietary loyalty services	**122.4**	139.2	(16.8)	(12.1)	(22.4)	(16.1)
Other revenue	**29.5**	28.0	1.5	5.4	0.9	3.2
Total revenue	**660.1**	608.9	51.2	8.4	44.5	7.3
Cost of rewards and direct costs	**430.7**	404.5	26.2	6.5	22.8	5.6
Gross margin before depreciation and amortization	**229.4**	204.4	25.0	12.2	21.7	10.6
Gross margin as a % of total revenue	***34.8%***	*33.6%*	**	*1.2 pp*	**	*1.0 pp*
Depreciation and amortization [a]	**45.6**	44.5	1.1	2.5	0.6	1.3
Gross margin	**183.8**	159.9	23.9	14.9	21.1	13.2
Operating expenses before the undernoted	**155.3**	167.2	(11.9)	(7.1)	(17.0)	(10.2)
Share-based compensation	**2.3**	1.7	0.6	35.3	0.6	35.3
Total operating expenses	**157.6**	168.9	(11.3)	(6.7)	(16.4)	(9.7)
Operating income (loss)	**26.2**	(9.0)	35.2	**	37.5	**
Adjusted EBITDA [g]	**52.1**	132.6 [c]	(80.5)	(60.7)	(80.8)	(60.9)
Adjusted EBITDA as a % of total Gross Billings	***8.8%***	*18.5%*	**	*(9.7) pp*	**	*(9.6) pp*
Included in Adjusted EBITDA:						
Change in Future Redemption Costs	**45.2**	(11.2)	56.4	**	**	**
Adjusted Net Earnings [g]	**30.7**	88.2 [d]	(57.5)	(65.2)	**	**
Free Cash Flow before Dividends Paid [g]	**5.2** [f]	60.5 [c][e]	(55.3)	(91.4)	**	**
Free Cash Flow [g]	**(30.5)** [f]	26.3 [c][e]	(56.8)	**	**	**

Refer to section entitled Notations to Financial Tables for details on notations in the table above beginning on page 51.

A discussion of Aimia's consolidated operating results follows. For a detailed discussion of the segmented operating results, refer to the section entitled *Segmented Operating Results*.

Gross Billings generated for the three months ended March 31, 2015 amounted to $595.2 million, a decrease of $122.0 million or 17.0%. On a constant currency basis, Gross Billings decreased by $133.0 million or 18.5% and is mostly explained by the $100.0 million upfront contribution received from TD in the first quarter of 2014 to help fund Aeroplan's program enhancements. The remaining variance, representing a decrease of $33.0 million, is primarily due to a decrease in Gross Billings from proprietary loyalty services of $25.6 million in the US & APAC and Canada regions. The variance also resulted from lower Gross Billings from the sale of Loyalty Units of $8.2 million, mainly coming from the EMEA region, including the impact of the loss of the Nectar Italia Program's anchor partner on March 1, 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Aimia's ability to generate Gross Billings is a function of the underlying behaviour of the Accumulation Partners' respective customer base and their spending patterns, and proprietary and analytics and insights clients, which are in turn affected by the general economic conditions present in the countries in which the loyalty programs are operated and the services are rendered.

Total Revenue generated for the three months ended March 31, 2015 amounted to $660.1 million, an increase of $51.2 million or 8.4%. On a constant currency basis, total revenue increased by $44.5 million or 7.3% and is mostly explained by higher redemption activity in the EMEA region, primarily in the Nectar Italia Program as a result of the expiry of points on March 1, 2015, offset in part by reduced revenue from proprietary loyalty services in the US & APAC and Canada regions.

Given the large volume of Loyalty Units issued and redeemed, slight fluctuations in the selling price of a Loyalty Unit will have a significant impact on results. On a consolidated basis, the impact of a 1% change to the average selling price of a Loyalty Unit would have resulted in a fluctuation in revenue and earnings before income taxes of $5.1 million for the three months ended March 31, 2015.

Cost of Rewards and Direct Costs amounted to $430.7 million for the three months ended March 31, 2015, an increase of $26.2 million or 6.5%. On a constant currency basis, cost of rewards and direct costs increased by $22.8 million or 5.6% and is mainly explained by higher redemption activity in the EMEA region, primarily in the Nectar Italia Program as a result of the expiry of points on March 1, 2015, and a higher redemption cost per Aeroplan mile; offset in part by, lower direct costs on proprietary loyalty services in the US & APAC and Canada regions.

Given the large volume of Loyalty Units issued and redeemed, slight fluctuations in the Average Cost of Rewards per Loyalty Unit will have a significant impact on results. On a consolidated basis, the impact of a 1% change to the Average Cost of Rewards per Loyalty Unit would have resulted in a fluctuation in cost of sales and earnings before income taxes of $3.7 million for the three months ended March 31, 2015.

Gross Margin before Depreciation and Amortization represented 34.8% of total revenue for the three months ended March 31, 2015 and increased by 1.2 percentage-points or 1.0 percentage-points on a constant currency basis compared to the same period in 2014, a direct result of the factors described above.

Operating Expenses amounted to $157.6 million for the three months ended March 31, 2015, a decrease of $11.3 million or 6.7%. On a constant currency basis, operating expenses decreased by $16.4 million or 9.7%, explained mostly by lower marketing and promotional expenses in the Canada and EMEA regions and lower operating expenses in US & APAC region and in Corporate.

Depreciation and Amortization, including Amortization of Accumulation Partners' Contracts, Customer Relationships and Technology, amounted to $45.6 million for the three months ended March 31, 2015, an increase of $1.1 million or 2.5%. On a constant currency basis, depreciation and amortization, including amortization of Accumulation Partners' contracts, customer relationships and technology, increased by $0.6 million or 1.3%.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Operating Income (Loss) amounted to $26.2 million for the three months ended March 31, 2015, an improvement of $35.2 million. On a constant currency basis, operating income (loss) improved by $37.5 million, mainly driven by higher redemptions in the Nectar Italia Program and lower operating expenses.

Net Financial Expenses for the three months ended March 31, 2015 consist primarily of interest expense on long-term debt of $9.7 million; offset in part by interest revenue of $3.4 million earned on cash and cash equivalents, short-term investments on deposit and long-term investments in bonds, and other net financial income of $1.4 million.

Net Earnings (Loss) for the three months ended March 31, 2015 and 2014 include the effect of $3.5 million and $4.0 million of current income tax expenses, respectively, as well as $2.5 million and $5.6 million of deferred income tax recoveries, respectively. Net earnings (loss) for the three months ended March 31, 2015 and 2014 also include the share of net earnings of equity-accounted investments of $3.1 million and $1.0 million, respectively.

Current income taxes are primarily attributable to our Canadian operations. Previously unrecognized tax attributes have been applied to reduce current period income related to the Italian operations. Consistent with the prior year, deferred income taxes related to our international tax structures and foreign operations have not all been recognized. Consequently, the deferred income tax recovery recorded during the current period, which is primarily related to the Canadian operations, was not increased by deferred income tax recoveries in our foreign operations, resulting in a distorted effective tax rate which is not meaningful or comparative.

Adjusted EBITDA amounted to $52.1 million for the three months ended March 31, 2015, a decrease of $80.5 million. On a constant currency basis, Adjusted EBITDA decreased by $80.8 million and is explained mostly by the upfront contribution received from TD of $100.0 million in the first quarter of 2014. The remaining variance, representing an improvement of $19.2 million, is primarily due to the favourable variance on the Change in Future Redemption Costs of higher Aeroplan promotional miles issued on new cards acquired in the comparable period, as well as reduced operating expenses in the current period, offset in part by an increase in redemption cost per Aeroplan Mile.

Adjusted Net Earnings amounted to $30.7 million or 5.2% (as a % of Gross Billings) for the three months ended March 31, 2015. Adjusted Net Earnings for the three months ended March 31, 2014 amounted to $88.2 million or 12.3% (as a % of Gross Billings), and included the upfront contribution received from TD of $73.4 million, net of an income tax expense of $26.6 million. The effective tax rate has been impacted as described under *Net Earnings (Loss).*

Free Cash Flow for the three months ended March 31, 2015 amounted to $(30.5) million compared to $26.3 million for the three months ended March 31, 2014. The unfavourable variance of $56.8 million is mainly the result of:

- a decrease in cash from operating activities of $56.4 million, explained primarily by a reduction in Gross Billings of $122.0 million, including the $100.0 million upfront contribution received from TD, higher cost of rewards and direct costs of $26.2 million and the receipt in the first quarter of 2014 of the harmonized sales tax of $22.5 million related to the CIBC Payment, offset in part by the receipt in the first quarter of 2015 of $20.4 million from Revenue Quebec related to the income tax refund of loss carry back applied in Canada,

lower operating expenses of $11.9 million, excluding share-based compensation expense, and lower net interest paid of $5.7 million, with the remainder explained primarily by changes in net operating assets, due in part to a higher balance of unpaid redemptions in the Nectar Italia Program;

- lower capital expenditures of $1.1 million resulting mostly from higher real estate costs incurred in the same period of the prior year; and
- increased dividends paid on common shares and preferred shares of $1.5 million, explained primarily by the increase in the quarterly dividend rate per common share, offset in part by a lower number of common shares outstanding as a result of shares repurchased and cancelled under the Corporation's NCIB program.

Adjusted EBITDA, Adjusted Net Earnings, and *Free Cash Flow* are non-GAAP measures. Please refer to the *PERFORMANCE INDICATORS* section for additional information on these measures.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SEGMENTED OPERATING RESULTS

This section provides a discussion of each of the segment's operating results.

CANADA

	Three Months Ended March 31,			Variance	
(in millions of Canadian dollars unless otherwise noted)	2015	2014		$	%
Gross Billings from the sale of Loyalty Units	**284.8**	384.6	*(b)*	(99.8)	(25.9)
Other Gross Billings	**42.8**	48.1		(5.3)	(11.0)
Total Gross Billings	**327.6**	432.7	*(b)*	(105.1)	(24.3)
Revenue from Loyalty Units	**304.8**	305.9		(1.1)	(0.4)
Revenue from proprietary loyalty services	**34.1**	38.3		(4.2)	(11.0)
Other revenue	**11.0**	10.9		0.1	0.9
Total revenue	**349.9**	355.1		(5.2)	(1.5)
Cost of rewards and direct costs	**248.1**	241.5		6.6	2.7
Gross margin before depreciation and amortization	**101.8**	113.6		(11.8)	(10.4)
Gross margin as a % of total revenue	***29.1 %***	*32.0 %*		**	*(2.9) pp*
Depreciation and amortization *(a)*	**36.7**	36.2		0.5	1.4
Gross margin	**65.1**	77.4		(12.3)	(15.9)
Total operating expenses	**53.2**	59.6		(6.4)	(10.7)
Operating income	**11.9**	17.8		(5.9)	(33.1)
Adjusted EBITDA *(c)*	**55.7**	141.0	*(b)*	(85.3)	(60.5)
Adjusted EBITDA as a % of total Gross Billings	***17.0 %***	*32.6 %*		**	*(15.6) pp*
Included in Adjusted EBITDA:					
Change in Future Redemption Costs	**29.4**	9.4		20.0	**
Operating metrics (*year-over-year variance*):					
Accumulation activity - Aeroplan	**(10.0)%**	15.4%		**	**
Redemption activity - Aeroplan	**(1.3)%**	2.9%		**	**
Aeroplan total rewards issued	**2.3 %**	8.6%		**	**
Aeroplan total air rewards issued	**2.1 %**	13.3%		**	**

Refer to section entitled Notations to Financial Tables for details on notations in the table above beginning on page 51.

Gross Billings generated for the three months ended March 31, 2015 amounted to $327.6 million, a decrease of $105.1 million or 24.3%.

The different Gross Billings categories were affected in the following manner:

Gross Billings from the Sale of Loyalty Units generated for the three months ended March 31, 2015 amounted to $284.8 million, a decrease of $99.8 million or 25.9%, primarily due to the $100.0 million upfront contribution received from TD in the first quarter of 2014 to help fund Aeroplan's program enhancements. The remaining variance, representing an increase of $0.2 million is mainly explained by improved performance from the program's main airline partner of $4.2 million and improved performance from the financial sector of $1.0 million net of non-recurring

promotional Gross Billings, resulting mostly from growth in the active card base. The improvements in Gross Billings from the sale of Loyalty Units were offset in part by decreased performance in the retail and other travel sectors.

Accumulation Activity - Aeroplan Miles issued during the three months ended March 31, 2015 decreased by 10.0%. Excluding all promotional mileage, Aeroplan Miles issued during the period were in line with the same period of the prior year, with promotional mileage on new financial cards acquired representing 7.9% of the overall decrease.

Other Gross Billings amounted to $42.8 million for the three months ended March 31, 2015, a decrease of $5.3 million or 11.0%, mainly explained by a decrease in Gross Billings from proprietary loyalty services due to a lost contract and lower rewards fulfillment activity.

Redemption Activity - Total Miles redeemed under the Aeroplan Program for the three months ended March 31, 2015 decreased by 1.3%, driven mostly by a decrease in miles redeemed from air redemptions due to changes in the reward mix. Conversely, the total number of rewards issued and number of air rewards issued increased by 2.3% and 2.1%, respectively, compared to the same period in the prior year.

Total Revenue amounted to $349.9 million for the three months ended March 31, 2015, a decrease of $5.2 million or 1.5%, explained primarily by:

- a decrease of $4.2 million in revenue from proprietary loyalty services mostly related to a lost contract and lower rewards fulfillment activity; and by
- a decrease of $1.1 million in revenue from Loyalty Units mostly due to lower volume of miles redeemed.

Cost of Rewards and Direct Costs amounted to $248.1 million for the three months ended March 31, 2015, an increase of $6.6 million or 2.7%. This change is mainly attributable to the impact of the following factors:

- a higher redemption cost per Aeroplan Mile redeemed, representing $11.2 million, due in part to air rewards mix and the unfavourable impact of changes in foreign currency; offset in part by
- a lower volume of miles redeemed for the period, representing $2.8 million;
- a decrease in proprietary loyalty services direct costs of $1.8 million due mostly to a lost contract and lower rewards fulfillment activity.

Gross Margin before Depreciation and Amortization represented 29.1% of total revenue for the three months ended March 31, 2015 and decreased by 2.9 percentage-points compared to the same period in 2014, a direct result of the factors described above.

Operating Expenses amounted to $53.2 million for the three months ended March 31, 2015, a decrease of $6.4 million or 10.7%, mostly due to timing of marketing and promotional expenses which were higher in the same period of the prior year due to the launch of the Distinction program and operational efficiencies related to organizational changes implemented in the prior year, offset in part by higher information technology and real estate spend.

Depreciation and Amortization, including amortization of Accumulation Partners' contracts, customer relationships and technology, amounted to $36.7 million for the three months ended March 31, 2015, an increase of $0.5 million or 1.4%.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Operating Income amounted to $11.9 million for the three months ended March 31, 2015, a decrease of $5.9 million or 33.1%, a direct result of the factors described above.

Adjusted EBITDA amounted to $55.7 million for the three months ended March 31, 2015, a decrease of $85.3 million which is explained mostly by the items listed below:

- the upfront contribution received from TD of $100.0 million in the first quarter of 2014; offset in part by
- the favourable variance of $17.1 million on the Change in Future Redemption Costs attributable to higher promotional miles issued in the same period of the prior year on new financial cards acquired in the Aeroplan Program.

The remaining variance, representing a decrease of $2.4 million, is primarily attributable to an increase in redemption cost per Aeroplan Mile, offset in part by lower operating expenses.

Adjusted EBITDA is a non-GAAP measure. Please refer to the *PERFORMANCE INDICATORS* section for additional information on this measure.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

EMEA

	Three Months Ended March 31,		Variance		Variance C.C. [c][d]	
(in millions of Canadian dollars unless otherwise noted)	2015	2014	$	%	$	%
Gross Billings from the sale of Loyalty Units	**160.4**	164.1	(3.7)	(2.3)	(8.4)	(5.1)
Other Gross Billings	**24.7**	22.9	1.8	7.9	1.0	4.4
Total Gross Billings	**185.1** [b]	187.0 [b]	(1.9)	(1.0)	(7.4)	(4.0)
Revenue from Loyalty Units	**203.4**	135.8	67.6	49.8	67.1	49.4
Revenue from proprietary loyalty services	**6.2**	5.8	0.4	6.9	0.2	3.4
Other revenue	**18.5**	17.1	1.4	8.2	0.8	4.7
Intercompany revenue	**0.1**	—	0.1	**	0.1	**
Total revenue	**228.2**	158.7	69.5	43.8	68.2	43.0
Cost of rewards and direct costs	**142.7**	108.8	33.9	31.2	32.3	29.7
Gross margin before depreciation and amortization	**85.5**	49.9	35.6	71.3	35.9	71.9
Gross margin as a % of total revenue	***37.5 %***	*31.4 %*	**	*6.1 pp*	**	*6.4 pp*
Depreciation and amortization [a]	**5.0**	5.3	(0.3)	(5.7)	(0.4)	(7.5)
Gross margin	**80.5**	44.6	35.9	80.5	36.3	81.4
Total operating expenses	**40.9**	42.9	(2.0)	(4.7)	(3.0)	(7.0)
Operating income	**39.6**	1.7	37.9	**	39.3	**
Adjusted EBITDA [c]	**17.3**	14.7	2.6	17.7	1.9	12.9
Adjusted EBITDA as a % of total Gross Billings	***9.3 %***	*7.9 %*	**	*1.4 pp*	**	*1.3 pp*
Included in Adjusted EBITDA:						
Change in Future Redemption Costs	**15.8**	(20.6)	36.4	**	**	**
Operating metrics (year-over-year variance):						
Accumulation activity - Nectar	**0.2 %**	(1.6)%	**	**	**	**
Accumulation activity - Air Miles Middle East	**4.5 %**	(7.2)%	**	**	**	**
Accumulation activity - Nectar Italia	**(40.0)%**	(16.6)%	**	**	**	**
Redemption activity - Nectar	**7.6 %**	5.3 %	**	**	**	**
Redemption activity - Air Miles Middle East	**11.3 %**	(61.4)%	**	**	**	**
Redemption activity - Nectar Italia	**262.8 %**	(17.4)%	**	**	**	**

Refer to section entitled Notations to Financial Tables for details on notations in the table above beginning on page 51.

Gross Billings generated for the three months ended March 31, 2015 amounted to $185.1 million, a decrease of $1.9 million or 1.0%. On a constant currency basis, Gross Billings decreased by $7.4 million or 4.0%.

The different Gross Billings categories were affected in the following manner:

Gross Billings from the Sale of Loyalty Units generated for the three months ended March 31, 2015 amounted to $160.4 million, a decrease of $3.7 million or 2.3%. On a constant currency basis, Gross Billings from the sale of Loyalty Units decreased by $8.4 million or 5.1% and was mostly explained by a $4.9 million decrease in the Nectar Italia Program resulting from the loss of the program's anchor partner on March 1, 2015. Additionally, Gross Billings from the sale of Loyalty Units in the Air Miles Middle East program decreased by $2.1 million compared to the same period of the prior year driven mostly by new contract terms with the program's main Accumulation Partner, offset in part by an increase in points issuance. Gross Billings from the sale of Loyalty Units in the Nectar program decreased

by $1.4 million, driven mostly by regulatory restrictions in the energy sector, offset in part by improved performance in the grocery sector, as a result of higher bonus points issuance with the program's main grocery partner.

Accumulation Activity - Nectar UK Points issued during the three months ended March 31, 2015 increased by 0.2%.

Air Miles Middle East Loyalty Units issued during the three months ended March 31, 2015 increased by 4.5% as a result of promotional activity from the program's main Accumulation Partner.

Nectar Italia Points issued during the three months ended March 31, 2015 decreased by 40.0% mostly due to the loss of the program's anchor partner.

Other Gross Billings amounted to $24.7 million for the three months ended March 31, 2015, an increase of $1.8 million or 7.9%. On a constant currency basis, other Gross Billings increased by $1.0 million or 4.4% and is primarily explained by growth in Gross Billings from analytics and insights services, including ISS activities.

Redemption Activity - Redemption activity in the Nectar Program increased by 7.6% mainly driven by an increase in the number of Nectar Points in circulation at the beginning of the period and higher redemption activity in anticipation of new accumulation terms that will commence early in the second quarter.

Total points redeemed in the Nectar Italia Program for the three months ended March 31, 2015 increased significantly as a result of the expiry of points on March 1, 2015.

Redemption activity in the Air Miles Middle East program increased by 11.3% due to an increase in member engagement.

Total Revenue amounted to $228.2 million for the three months ended March 31, 2015, an increase of $69.5 million or 43.8%. On a constant currency basis, total revenue increased by $68.2 million or 43.0%, and is primarily explained by the following:

- an increase of $67.1 million in revenue from Loyalty Units mostly explained by higher redemptions in the loyalty programs, primarily in the Nectar Italia Program, representing $58.2 million; and
- an increase of $0.8 million in other revenue driven by growth in revenue from analytics and insights services, including ISS activities.

Cost of Rewards and Direct Costs amounted to $142.7 million for the three months ended March 31, 2015, an increase of $33.9 million or 31.2%. On a constant currency basis, cost of rewards and direct costs increased by $32.3 million or 29.7%, and is mainly attributable to the following factors:

- an increase in the Nectar Italia Program, mostly due to redemption activity, representing $26.8 million; and
- an increase in the Nectar Program driven by redemption activity, representing $5.6 million.

Gross Margin before Depreciation and Amortization represented 37.5% of total revenue for the three months ended March 31, 2015 and increased by 6.1 percentage-points or 6.4 percentage-points on a constant currency basis compared to 2014, a direct result of the factors described above.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Operating Expenses amounted to $40.9 million for the three months ended March 31, 2015, a decrease of $2.0 million or 4.7%. On a constant currency basis, operating expenses decreased by $3.0 million or 7.0%, explained mostly by timing of promotional expenses in the Nectar program, lower promotional expenses in the Nectar Italia program, offset in part by increased operating expenses related to growth in analytics and insights services, including ISS activities.

Depreciation and Amortization, including amortization of Accumulation Partners' contracts, customer relationships and technology, amounted to $5.0 million for the three months ended March 31, 2015, a decrease of $0.3 million or 5.7%. On a constant currency basis, depreciation and amortization, including amortization of Accumulation Partners' contracts, customer relationships and technology, decreased by $0.4 million or 7.5%.

Operating Income amounted to $39.6 million for the three months ended March 31, 2015, an improvement of $37.9 million. On a constant currency basis, operating income improved by $39.3 million, primarily explained by higher redemptions in the Nectar Italia Program.

Adjusted EBITDA amounted to $17.3 million for the three months ended March 31, 2015, an improvement of $2.6 million or 17.7%. On a constant currency basis, Adjusted EBITDA improved by $1.9 million or 12.9%, mostly explained by a decrease in operating expenses.

Adjusted EBITDA is a non-GAAP measure. Please refer to the *PERFORMANCE INDICATORS* section for additional information on this measure.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

US & APAC

	Three Months Ended March 31,		Variance		Variance C.C. [d][e]	
(in millions of Canadian dollars unless otherwise noted)	2015	2014 [c]	$	%	$	%
Gross Billings from the sale of Loyalty Units	—	—	—	—	—	—
Other Gross Billings	**82.7**	97.7	(15.0)	(15.4)	(20.5)	(21.0)
Total Gross Billings	**82.7** [b]	97.7 [b]	(15.0)	(15.4)	(20.5)	(21.0)
Revenue from Loyalty Units	—	—	—	—	—	—
Revenue from proprietary loyalty services	**82.1**	95.1	(13.0)	(13.7)	(18.4)	(19.3)
Other revenue	—	—	—	—	—	—
Intercompany revenue	**0.1**	0.2	(0.1)	(50.0)	(0.1)	(50.0)
Total revenue	**82.2**	95.3	(13.1)	(13.7)	(18.5)	(19.4)
Cost of rewards and direct costs	**39.9**	54.2	(14.3)	(26.4)	(16.1)	(29.7)
Gross margin before depreciation and amortization	**42.3**	41.1	1.2	2.9	(2.4)	(5.8)
Gross margin as a % of total revenue	***51.5 %***	*43.1 %*	**	*8.4 pp*	**	*7.3 pp*
Depreciation and amortization [a]	**3.9**	3.0	0.9	30.0	0.5	16.7
Gross margin	**38.4**	38.1	0.3	0.8	(2.9)	(7.6)
Total operating expenses	**46.2**	45.6	0.6	1.3	(3.5)	(7.7)
Operating loss	**(7.8)**	(7.5)	(0.3)	(4.0)	0.6	8.0
Adjusted EBITDA [d]	**(3.4)**	(2.1)	(1.3)	(61.9)	(0.9)	(42.9)
Adjusted EBITDA as a % of total Gross Billings	***(4.1)%***	*(2.1)%*	**	*(2.0) pp*	**	*(1.8) pp*

Refer to section entitled Notations to Financial Tables for details on notations in the table above beginning on page 51.

Gross Billings amounted to $82.7 million for the three months ended March 31, 2015, a decrease of $15.0 million or 15.4%. On a constant currency basis, Gross Billings decreased by $20.5 million or 21.0% and is primarily explained by lower reward fulfillment Gross Billings in the region, due in part to a change to an outsourcing agreement which resulted in a net revenue accounting treatment on the fulfillment of gift cards in the US.

Total Revenue amounted to $82.2 million for the three months ended March 31, 2015, a decrease of $13.1 million or 13.7%. On a constant currency basis, total revenue decreased by $18.5 million or 19.4%. The variance is primarily explained by lower reward fulfillment revenue in the region, due in part to a change to an outsourcing agreement which resulted in a net revenue accounting treatment on the fulfillment of gift cards in the US.

Cost of Rewards and Direct Costs amounted to $39.9 million for the three months ended March 31, 2015, a decrease of $14.3 million or 26.4%. On a constant currency basis, cost of rewards and direct costs decreased by $16.1 million or 29.7% and is primarily explained by lower reward fulfillment direct costs in the region, due in part to a change to an outsourcing agreement which resulted in a net revenue accounting treatment on the fulfillment of gift cards in the US.

Gross Margin before Depreciation and Amortization represented 51.5% of total revenue for the three months ended March 31, 2015 and increased by 8.4 percentage-points or 7.3 percentage-points on a constant currency

basis, mostly resulting from the mix of services rendered and a change to an outsourcing agreement which resulted in a net revenue accounting treatment on the fulfillment of gift cards in the US.

Operating Expenses amounted to $46.2 million for the three months ended March 31, 2015, an increase of $0.6 million or 1.3%. On a constant currency basis, operating expenses decreased by $3.5 million or 7.7%, explained mostly by cost efficiencies in the US.

Depreciation and Amortization, including amortization of Accumulation Partners' contracts, customer relationships and technology, amounted to $3.9 million for the three months ended March 31, 2015, an increase of $0.9 million or 30.0%. On a constant currency basis, depreciation and amortization, including amortization of Accumulation Partners' contracts, customer relationships and technology, increased by $0.5 million or 16.7%.

Operating Income (Loss) amounted to $(7.8) million for the three months ended March 31, 2015, a deterioration of $0.3 million or 4.0%. On a constant currency basis, operating loss improved by $0.6 million or 8.0%, a result of the factors described above.

Adjusted EBITDA amounted to $(3.4) million for the three months ended March 31, 2015, a deterioration of $1.3 million. On a constant currency basis, Adjusted EBITDA decreased by $0.9 million due to lower gross billings, offset in part by lower direct costs and operating expenses.

Adjusted EBITDA is a non-GAAP measure. Please refer to the *PERFORMANCE INDICATORS* section for additional information on this measure.

CORPORATE

	Three Months Ended March 31,		Variance	
(in millions of Canadian dollars)	2015	2014 [b]	$	%
Operating expenses before the undernoted	**15.2**	19.3	(4.1)	(21.2)
Share-based compensation	**2.3**	1.7	0.6	35.3
Total operating expenses [a]	**17.5**	21.0	(3.5)	(16.7)
Operating loss	**(17.5)**	(21.0)	3.5	16.7
Adjusted EBITDA [c]	**(17.5)**	(21.0)	3.5	16.7

Refer to section entitled Notations to Financial Tables for details on notations in the table above beginning on page 51.

Operating Expenses amounted to $17.5 million for the three months ended March 31, 2015, a decrease of $3.5 million or 16.7%, mainly attributable to the phasing of expenses which were more heavily weighted on the first quarter in the prior year, offset in part by higher share-based compensation expense.

Adjusted EBITDA amounted to $(17.5) million for the three months ended March 31, 2015 compared to $(21.0) million for the three months ended March 31, 2014.

Adjusted EBITDA is a non-GAAP measure. Please refer to the *PERFORMANCE INDICATORS* section for additional information on this measure.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SEGMENTED INFORMATION

At March 31, 2015, the Corporation had the following operating segments: Canada, EMEA, US and APAC.

The segments are the Corporation's strategic business units. Accounting policies relating to each segment are identical to those used for the purposes of the consolidated financial statements. Management of global shared services and share-based compensation is centralized and, consequently, these expenses are not allocated to the operating segments with the exception of global product development costs which are fully included in the EMEA segment. For additional information on the determination of reportable and operating segments, refer to the interim consolidated financial statements for the three months ended March 31, 2015 and the audited consolidated financial statements of Aimia for the year ended December 31, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

	Three Months Ended March 31,											
(in millions of Canadian dollars)	2015	2014	2015	2014	2015	2014 [g]	2015	2014 [g]	2015	2014	2015	2014
Operating Segments	**Canada**		**EMEA**		**US & APAC**		**Corporate [b]**		**Eliminations**		**Consolidated**	
Gross Billings from the sale of Loyalty Units	**284.8**	384.6 [f]	**160.4**	164.1	**—**	—	**—**	—	**—**	—	**445.2**	548.7 [f]
Other Gross Billings	**42.8**	48.1	**24.7**	22.9	**82.7**	97.7	**—**	—	**(0.2)**	(0.2)	**150.0**	168.5
Total Gross Billings	**327.6**	432.7 [f]	**185.1** [c]	187.0 [c]	**82.7** [c]	97.7 [c]	**—**	—	**(0.2)**	(0.2)	**595.2** [c]	717.2 [c][f]
Revenue from Loyalty Units	**304.8**	305.9	**203.4**	135.8	**—**	—	**—**	—	**—**	—	**508.2**	441.7
Revenue from proprietary loyalty services	**34.1**	38.3	**6.2**	5.8	**82.1**	95.1	**—**	—	**—**	—	**122.4**	139.2
Other revenue	**11.0**	10.9	**18.5**	17.1	**—**	—	**—**	—	**—**	—	**29.5**	28.0
Intercompany revenue	**—**	—	**0.1**	—	**0.1**	0.2	**—**	—	**(0.2)**	(0.2)	**—**	—
Total revenue	**349.9**	355.1	**228.2**	158.7	**82.2**	95.3	**—**	—	**(0.2)**	(0.2)	**660.1**	608.9
Cost of rewards and direct costs	**248.1**	241.5	**142.7**	108.8	**39.9**	54.2	**—**	—	**—**	—	**430.7**	404.5
Gross margin before depreciation and amortization	**101.8**	113.6	**85.5**	49.9	**42.3**	41.1	**—**	—	**(0.2)**	(0.2)	**229.4**	204.4
Depreciation and amortization [a]	**36.7**	36.2	**5.0**	5.3	**3.9**	3.0	**—**	—	**—**	—	**45.6**	44.5
Gross margin	**65.1**	77.4	**80.5**	44.6	**38.4**	38.1	**—**	—	**(0.2)**	(0.2)	**183.8**	159.9
Operating expenses before the undernoted	**53.2**	59.6	**40.9**	42.9	**46.2**	45.6	**15.2**	19.3	**(0.2)**	(0.2)	**155.3**	167.2
Share-based compensation	**—**	—	**—**	—	**—**	—	**2.3**	1.7	**—**	—	**2.3**	1.7
Total operating expenses	**53.2**	59.6	**40.9**	42.9	**46.2**	45.6	**17.5**	21.0	**(0.2)**	(0.2)	**157.6**	168.9
Operating income (loss)	**11.9**	17.8	**39.6**	1.7	**(7.8)**	(7.5)	**(17.5)**	(21.0)	**—**	—	**26.2**	(9.0)
Adjusted EBITDA [h]	**55.7**	141.0 [f]	**17.3**	14.7	**(3.4)**	(2.1)	**(17.5)**	(21.0)	**—**	—	**52.1**	132.6 [f]
Included in Adjusted EBITDA:												
Change in Future Redemption Costs	**29.4**	9.4	**15.8**	(20.6)	**—**	—	**—**	—	**—**	—	**45.2**	(11.2)
Additions to non-current assets [d]	**10.8**	16.3	**5.5**	5.0	**3.2**	0.3	**1.0**	—	**N/A**	N/A	**20.5**	21.6
Non-current assets [d]	**3,000.9**	3,108.1	**558.6** [e]	538.5 [e]	**81.2** [e]	78.6 [e]	**2.0**	2.0	**N/A**	N/A	**3,642.7** [e]	3,727.2 [e]

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

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

(c) Includes third party Gross Billings of $161.0 million in the UK and $43.4 million in the US for the three months ended March 31, 2015, compared to third party Gross Billings of $156.7 million in the UK and $55.6 million in the US for the three months ended March 31, 2014. 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 $503.7 million in the UK and $73.1 million in the US as of March 31, 2015, compared to non-current assets of $483.6 million in the UK and $69.4 million in the US as of March 31, 2014.

(f) Includes a $100.0 million upfront contribution received on January 2, 2014 from TD to help fund Aeroplan's program enhancements.

(g) Effective January 1, 2015, the financial position and operating results of operations in India are now reported under the US & APAC segment. Previously, the financial position and operating results of operations in India were reported under Corporate. The comparative information has been restated to conform with the current year presentation.

(h) A non-GAAP measurement.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SUMMARY OF QUARTERLY RESULTS

This section includes sequential quarterly data for the eight quarters ended March 31, 2015.

	2015	2014				2013		
(in millions of Canadian dollars, except per share amounts)	Q1	Q4	Q3 [p]	Q2 [p]	Q1 [p]	Q4 [p]	Q3 [p]	Q2 [p]
Gross Billings from the sale of Loyalty Units	**445.2**	497.0	472.4	491.1	548.7 [d]	464.7	419.1	414.3
Other Gross Billings	**150.0**	191.1	160.8	157.0	168.5	193.3	157.6	156.3
Gross Billings	**595.2**	688.1	633.2	648.1	717.2 [d]	658.0	576.7	570.6
Revenue	**660.1**	761.1 [o]	543.4	555.4	608.9	687.6	499.7	(123.3) [e]
Cost of rewards and direct costs	**(430.7)**	(493.9)	(353.2)	(354.5)	(404.5)	(427.3)	(290.4)	(230.6) [h]
Gross margin before depreciation and amortization [a]	**229.4**	267.2 [o]	190.2	200.9	204.4	260.3	209.3	(353.9) [e][h]
Operating expenses	**(157.6)**	(189.5)	(160.9)	(168.5)	(168.9)	(400.3) [f][g]	(157.1)	(198.2) [h]
Depreciation and amortization	**(12.3)**	(15.2)	(12.4)	(12.1)	(11.5)	(11.8)	(10.9)	(10.5)
Amortization of Accumulation Partners' contracts, customer relationships and technology	**(33.3)**	(34.1)	(32.9)	(33.0)	(33.0)	(23.9)	(20.1)	(20.1)
Operating income (loss)	**26.2**	28.4 [o]	(16.0)	(12.7)	(9.0)	(175.7) [f][g]	21.2	(582.7) [e][h]
Net earnings (loss) attributable to equity holders of the Corporation	**21.5**	20.5 [o]	(24.3)	(19.2)	(17.3)	(125.6) [g][j]	2.1	(415.3) [e][h][i][k]
Adjusted EBITDA [b]	**52.1**	60.0	63.9	58.7	132.6 [d]	(111.1) [f]	85.7	102.0 [h][l]
Included in Adjusted EBITDA:								
Change in Future Redemption Costs	**45.2**	49.8	(59.0)	(73.8)	(11.2)	34.1	(47.0)	(46.7) [l]
Distributions from equity-accounted investments	**—**	5.5	3.8	7.4	—	5.3	3.5	6.9
Net earnings (loss) attributable to equity holders of the Corporation	**21.5**	20.5 [o]	(24.3)	(19.2)	(17.3)	(125.6) [g][j]	2.1	(415.3) [e][h][i][k]
Earnings (loss) per common share [c]	**0.10**	0.09 [o]	(0.17)	(0.14)	(0.13)	(0.74) [g][j]	0.00	(2.43) [e][h][i][k]
Free Cash Flow before Dividends Paid [b]	**5.2** [n]	17.1 [n]	56.3	153.1 [n]	60.5 [d][m]	(52.1) [m]	68.5	88.8
Free Cash Flow [b]	**(30.5)** [n]	(19.1) [n]	19.9	116.6 [n]	26.3 [d][m]	(84.3) [m]	36.3	56.7
Future Redemption Cost liability - Unbroken Loyalty Units	**2,293.5**	2,225.9	2,284.9	2,226.0	2,183.4	1,828.1	1,854.0	1,809.4
Potential redemption liability - Broken Loyalty Units	**852.6**	862.9	815.9	800.0	792.9	681.6	644.4	628.7

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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

(b) A non-GAAP measurement.

(c) After deducting dividends declared on preferred shares.

(d) Includes a $100.0 million upfront contribution received from TD to help fund Aeroplan's program enhancements.

(e) Includes the impact of the change in the Breakage estimate in the Aeroplan Program which resulted in a reduction of $663.6 million to revenue from Loyalty Units, of which $617.0 million is attributable to the years prior to 2013, $25.1 million to the three month period ended March 31, 2013 and $21.5 million to the three month period ended June 30, 2013.

(f) Includes the impact of the CIBC Payment of $150.0 million and the Card Migration Provision of $50.0 million.

(g) Includes a goodwill impairment charge of $19.1 million recorded during the three month ended December 31, 2013 related to the US Proprietary Loyalty CGU.

(h) Includes a favourable impact of $26.1 million (£16.4 million) resulting from the final judgment of the VAT litigation which occurred in the second quarter of 2013. Of this amount, $74.9 million (£47.0 million) was recorded as a reduction of cost of rewards and $48.8 million (£30.6 million) as an increase to operating expenses.

(i) Includes the unfavourable impact of the change in Breakage estimate in the Aeroplan Program, net of an income tax recovery of $179.8 million, of which $167.5 million is attributable to years prior to 2013, $6.6 million to the three month period ended March 31, 2013 and $5.7 million to the three month period ended June 30, 2013.

(j) Includes the unfavourable impact attributable to the CIBC Payment and the Card Migration Provision totaling $146.9 million, net of an income tax recovery of $53.1 million.

(k) Includes the favourable impact of the reversal in the second quarter of 2013 of previously accrued interest of $17.3 million (£10.8 million) resulting from the final judgment of the VAT litigation.

(l) The Change in Future Redemption costs for the three months ended June 30, 2013 includes the unfavourable impact resulting from the change in the Breakage estimate in the Aeroplan Program amounting to $24.8 million, of which $12.4 million relates to the three month period ended March 31, 2013 and $12.4 million to the three month period ended June 30, 2013.

Additionally, the Change in Future Redemption costs for the three months ended June 30, 2013 includes the favourable impact of $0.5 million (£0.3 million) resulting from the final judgment of the VAT litigation.

(m) The Free Cash Flow for the three month period ended December 31, 2013 includes the CIBC Payment of $150.0 million made upon the closing of the asset purchase agreement and the related harmonized sales tax of $22.5 million.

The Free Cash Flow for the three month period ended March 31, 2014 includes the receipt of the related harmonized sales tax of $22.5 million.

(n) The Free Cash Flow for the three month period ended June 30, 2014 includes an amount of $83.4 million received from the CRA related to the income tax refund of loss carry back applied in Canada.

The Free Cash Flow for the three month period ended December 31, 2014 includes an amount of $7.5 million received from the Revenue Quebec related to the income tax refund of loss carry back applied in Canada.

The Free Cash Flow for the three month period ended March 31, 2015 includes an amount of $20.4 million received from the Revenue Quebec related to the income tax refund of loss carry back applied in Canada.

(o) Includes the impact of the change in the Breakage estimate in the Nectar Italia Program which resulted in an increase of $19.4 million to revenue from Loyalty Units, of which $13.4 million is attributable to the years prior to 2014, $4.1 million to the nine month period ended September 30, 2014 and $1.9 million to the three month period ended December 31, 2014.

(p) The financial information does not include any effect related to the change in Breakage estimate made during the fourth quarter of 2014 in the Nectar Italia Program.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCING STRATEGY, LIQUIDITY AND CAPITAL RESOURCES

Aimia generates sufficient cash flow internally to fund cash dividends, capital expenditures and to service its debt obligations. Management believes that Aimia's internally generated cash flows, combined with its ability to access undrawn credit facilities and external capital, provide sufficient resources to finance its cash requirements for the foreseeable future and to maintain available liquidity. Dividends are expected to continue to be funded from internally generated cash flows.

At March 31, 2015, Aimia had $514.4 million of cash and cash equivalents, $26.8 million of restricted cash, $127.2 million of short-term investments, including the Air Canada Class B shares, and $212.3 million of long-term investments in bonds, for a total of $880.7 million. Approximately $4.2 million of the total amount is invested in Bankers' Acceptances and term deposits maturing on various dates through to April 2015 and $308.5 million is mostly invested in corporate, federal and provincial government bonds maturing at various dates between June 2015 and July 2020. The Aeroplan Miles redemption reserve described under *Redemption Reserve* is included in short-term investments and long-term investments.

The following table provides a reconciliation between Adjusted EBITDA and Free Cash Flow for the periods indicated:

	Three Months Ended March 31,	
(in millions of Canadian dollars , except per share information)	2015	2014
Adjusted EBITDA [(a)]	**52.1**	132.6
Change in Future Redemption Costs [(b)]	**(45.2)**	11.2
Share-based compensation	**2.3**	1.7
Income taxes received (paid)	**18.5**	(2.2)
Net cash interest paid	**(9.4)**	(15.1)
Change in operating assets and liabilities and other	**7.4**	(46.1)
Cash flow from operations	**25.7**	82.1
Capital expenditures	**(20.5)**	(21.6)
Free Cash Flow before Dividends Paid [(a)]	**5.2**	60.5
Free Cash Flow before Dividends Paid per common share [(a)(c)]	**0.00**	0.32
Dividends	**(35.7)**	(34.2)
Free Cash Flow [(a)]	**(30.5)**	26.3

(a) A non-GAAP measurement.

(b) The per unit cost derived from this calculation is retroactively applied to all prior periods with the effect of revaluing the Future Redemption Cost liability on the basis of the latest available average unit cost.

(c) After deducting dividends declared on preferred shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table provides an overview of Aimia's cash flows for the periods indicated:

	Three Months Ended March 31,	
(in millions of Canadian dollars)	2015	2014
Cash and cash equivalents, beginning of period	**567.6**	**449.1**
Cash from operating activities	25.7	82.1
Cash used in investing activities	(21.4)	(38.7)
Cash from (used in) financing activities	(76.8)	115.9
Translation adjustment related to cash	19.3	14.8
Cash and cash equivalents, end of period	**514.4**	**623.2**

OPERATING ACTIVITIES

Cash from operations is generated primarily from the collection of Gross Billings and is reduced by the cash required to deliver rewards when Loyalty Units are redeemed, and by the cash required to provide proprietary loyalty and analytics and insights services. Cash flow from operations is also reduced by operating expenses and interest and income taxes paid.

Cash flows from operating activities amounted to $25.7 million for the three months ended March 31, 2015 compared to $82.1 million for the three months ended March 31, 2014.

The unfavourable variance of $56.4 million for the three months ended March 31, 2015 compared to the three months ended March 31, 2014 is explained by a reduction in Gross Billings of $122.0 million, including the $100.0 million upfront contribution received from TD, higher cost of rewards and direct costs of $26.2 million and the receipt in the first quarter of 2014 of the harmonized sales tax of $22.5 million related to the CIBC Payment, offset in part by the receipt in the first quarter of 2015 of $20.4 million from Revenue Quebec related to the income tax refund of loss carry back applied in Canada, lower operating expenses of $11.9 million, excluding share-based compensation expense, and lower net interest paid of $5.7 million, with the remainder explained primarily by changes in the net operating assets, due in part to a higher balance of unpaid redemptions in the Nectar Italia Program.

Please refer to the *Free Cash Flow* section for more information.

INVESTING ACTIVITIES

Investing activities for the three months ended March 31, 2015 reflect investments made in equity-accounted investments of $2.3 million, including $1.0 million for Prismah, as well as the receipt by the Corporation of $1.4 million (US$1.2 million) for claims filed against the Excellence in Motivation indemnity escrow.

Capital expenditures for the three months ended March 31, 2015 amounted to $20.5 million. Anticipated capital expenditures for 2015 are expected to approximate between $70.0 million and $80.0 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCING ACTIVITIES

Financing activities for the three months ended March 31, 2015 reflect the payment of common and preferred dividends amounting to $35.7 million and the repurchase of common shares in the amount of $42.8 million.

During the three months ended March 31, 2015, financing activities also reflect the receipt by the Corporation of $1.7 million upon the exercise of stock options.

LIQUIDITY

Aimia anticipates that total capital requirements for the 2015 fiscal year will be between $214.6 million and $224.6 million, including $144.6 million in respect of anticipated cash dividends to its common and preferred shareholders and between $70.0 million and $80.0 million in respect of capital expenditures. The capital requirements will be funded from operations, cash and securities, available cash on deposit from the *Redemption Reserve* to the extent required and where applicable (i.e. in periods of unusually high redemption activity) and undrawn credit facilities, if necessary.

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 March 31, 2015, the Reserve amounted to $300.0 million and was included in 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. At March 31, 2015, the Reserve was invested in corporate, federal and provincial bonds.

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 business. Management reviews the adequacy of the Reserve periodically and may adjust the level of the Reserve depending upon the outcome of this review.

At March 31, 2015, the Reserve, as well as other assets held to comply with a contractual covenant with a major Accumulation Partner, represented 19.2% of the consolidated Future Redemption Cost liability or $440.9 million.

The deferred revenue presented in the balance sheet represents accumulated unredeemed Loyalty Units valued at their weighted average selling price and unrecognized Breakage. The estimated consolidated Future Redemption

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cost liability of those Loyalty Units, calculated at the current Average Cost of Rewards per Loyalty Unit redeemed, is approximately $2,293.5 million.

CREDIT FACILITIES AND LONG-TERM DEBT

At March 31, 2015, Aimia had Senior Secured Notes outstanding in the amount of $650.0 million maturing at various dates through May 17, 2019. In addition, Aimia had an authorized revolving credit facility of $300.0 million maturing on April 23, 2018, and irrevocable letters of credit in the aggregate amount of $55.1 million which reduce the available credit under this facility. The revolving facility is provided by a syndicate that consists of eight institutional lenders. It is Aimia's intention to renew or replace its credit facility as it comes due or earlier if credit market conditions permit.

The continued availability of the credit facility is subject to Aimia's ability to maintain certain leverage, debt service and interest coverage covenants, as well as other affirmative and negative covenants, including certain limitations of distributions in the form of dividends or equity repayments in any given fiscal year, as set out in the credit agreement. At March 31, 2015, Aimia complied with all such covenants.

INVESTMENTS IN EQUITY INSTRUMENTS, ASSOCIATES AND JOINT ARRANGEMENTS

The table below summarizes Aimia's investments in equity instruments (excluding Air Canada Class B shares), associates and joint arrangements:

Name	Nature of business	Nature of investment	Reporting segment	Country of incorporation and place of business	% of ownership interest	Measurement method
PLM	Coalition Loyalty	Joint venture	Corporate	Mexico	48.9	Equity
i2c	Analytics and Insights	Joint venture	EMEA	United Kingdom	50.0	Equity
Think Big	Coalition Loyalty	Joint venture	Corporate	Malaysia	< 20.0	Equity
China Rewards	Coalition Loyalty	Associate	Corporate	China	< 20.0	Equity
Travel Club	Coalition Loyalty	Associate	EMEA	Spain	25.0	Equity
Cardlytics	Proprietary Loyalty & Analytics and Insights	Equity instrument	Corporate	United States	< 20.0	Fair value
Fractal Analytics	Analytics and Insights	Equity instrument	Corporate	India	< 20.0	Fair value

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

EQUITY-ACCOUNTED INVESTMENTS

As at	March 31,	December 31,
(in millions of Canadian dollars)	2015	2014
Investment in PLM	98.9	87.6
Other equity-accounted investments in joint ventures [(a)]	22.4	20.2
Equity-accounted investments in associates	7.3	7.7
Total	**128.6**	115.5

(a) On February 6, 2014 and on December 23, 2014, Aimia invested $17.1 million (RM$51.1 million) and $3.7 million (RM $11.0 million), respectively, in Think Big. An additional $3.6 million (RM$10.9 million) will be invested if certain milestones are achieved by December 31, 2015.

On January 9, 2015 and January 29, 2015, Aimia invested additional amounts totaling $1.0 million (US$0.8 million) in Prismah to fund certain costs associated with the wind up of the joint arrangement, which was completed on March 7, 2015.

Share of net earnings (loss) of equity-accounted investments	Three Months Ended March 31,	
(in millions of Canadian dollars)	2015	2014
Investment in PLM	3.6	2.4
Other equity-accounted investments in joint ventures	0.4	(0.9)
Equity-accounted investments in associates	(0.9)	(0.5)
Total	**3.1**	1.0

PLM reported Gross Billings of $47.2 million for the three months ended March 31, 2015 compared to $39.9 million for the three months ended March 31, 2014.

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 $852.6 million at March 31, 2015.

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 $167.7 million for the period in which the change occurred, with $162.6 million relating to prior years and $5.1 million relating to the current three month period.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

PROVISIONS, CONTINGENT LIABILITIES AND GUARANTEES

PROVISIONS

Asset Purchase Agreement

In relation to the asset purchase and migration agreements with TD and CIBC and the net migration of Aeroplan-branded credit card accounts between CIBC and TD, a provision totaling $50.0 million was recorded in general and administrative expenses during the fourth quarter of 2013. At this time, the provision represents management's best estimate. Please refer to the *FINANCIAL CARD AGREEMENTS* section for more information.

CONTINGENT LIABILITIES AND GUARANTEES

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 March 31, 2015, Aimia's maximum exposure under such guarantees was estimated to amount to $234.8 million. No amount has been recorded in the 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 does not expect a ruling on the merits for at least 2 years.

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 the 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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.

INCOME TAXES

CANADA REVENUE AGENCY NOTICE OF REASSESSMENT

On August 30, 2013, Aimia received a notice of reassessment from the CRA with respect to the taxation year ended December 31, 2008. The reassessment relates to the timing of recognition for tax purposes of deferred revenues from Breakage. Aimia recognizes the deferred revenue from Breakage for tax purposes in the same manner as for accounting purposes. The CRA is of the view that Aimia should recognize for tax purposes all of its deferred revenue from Breakage in the year that it is billed. The impact of this reassessment is to increase taxable income at December 31, 2008 by $222.5 million, representing the deferred Breakage revenue balance reflected in the accounts at December 31, 2008, with a corresponding increase in current income tax liability of $54.0 million. Interest and penalties of $24.0 million were also assessed.

This difference in income inclusion for tax purposes versus the method adopted for accounting purposes represents a temporary difference which would give rise to a deferred income tax recovery asset of $43.0 million.

Management is of the view that there is a strong case to support its filed position and has contested the reassessment through the CRA administrative appeals procedures. On February 11, 2014, as required under the relevant tax laws, the Corporation issued a letter of credit to the CRA in the amount of $41.3 million. This letter of credit acts as security for the reassessment and it will be released back to the Corporation upon the successful defence of its filing position.

Since management believes that it is more likely than not that its position will be sustained, no amounts related to this issue have been recorded in the financial statements as of March 31, 2015.

REVENUE QUEBEC NOTICE OF ASSESSMENT

On August 28, 2014, Aimia received a notice of assessment from Revenue Quebec ("RQ") with respect to the taxation year ended December 31, 2008. This assessment follows the same tax treatment for deferred breakage as assessed by the CRA resulting in an increase in taxable income at December 31, 2008 for Quebec tax purposes of $222.5 million with a corresponding increase in current income tax liability of $13.6 million. Interest and penalties of $7.1 million were also assessed.

The difference in income inclusion for tax purposes versus the method adopted for accounting purposes represents a temporary difference which would give rise to a deferred income tax recovery asset of $15.6 million.

The appeal filed by management contesting the similar reassessment issued by CRA has been recorded by RQ. On September 16, 2014, as required under tax laws, the Corporation deposited $20.7 million with RQ to act as security for the assessment. This deposit will be repaid to the Corporation upon the successful defence of its filing position and is included in income taxes receivable.

Management believes that it is more likely than not that its position will be sustained.

FINANCIAL CARD AGREEMENTS

On September 16, 2013, Aimia entered into ten-year financial credit card agreements with each of TD Bank Group ("TD") and Canadian Imperial Bank of Commerce ("CIBC"), effective from January 1, 2014. Under these agreements TD became Aeroplan's primary financial services partner and credit card issuer, while CIBC continues to be an issuer of Aeroplan credit cards. The financial credit card agreement with TD includes a $100.0 million upfront contribution payable by TD to Aimia to help fund program enhancements effective as of January 1, 2014. The contribution was received in full on January 2, 2014, and consequently recorded in deferred revenue. The contribution is recognized as revenue over the term of the agreement in accordance with Aimia's accounting policy for the sale of Loyalty Units which is described under *Note 2* of the Corporation's audited consolidated financial statements for the year ended December 31, 2014.

On September 16, 2013, Aimia also entered into an asset purchase agreement with TD and CIBC. These agreements were subject to certain regulatory approvals and other closing conditions, all of which were fulfilled on December 27, 2013. Pursuant to this agreement, TD acquired on December 27, 2013 approximately half of the Aeroplan credit card portfolio from CIBC and CIBC retained the balance, comprised of Aeroplan cardholders who have broader banking relationships with CIBC. As a result, a payment of $150.0 million in relation to the sale of approximately half of the Aeroplan card portfolio to TD, was made by Aimia to CIBC and recorded in general and administrative expenses during the fourth quarter of 2013. Concurrent with the asset purchase agreement, the parties entered into a migration agreement. Depending on the net migration of Aeroplan-branded credit card accounts between CIBC and TD over the first five years of the agreement (meaning the net amount of cardholders retained by CIBC who choose to move to TD and the cardholders purchased by TD who choose to move to CIBC), TD, Aimia and CIBC have agreed to make payments of up to $400.0 million. Aimia will be responsible for, or entitled to receive, up to $100.0 million of these payments over five years. During the fourth quarter of 2013, a provision totaling $50.0 million was recorded, representing management’s best estimate of the anticipated net migration of Aeroplan-branded credit card accounts between CIBC and TD over five years. In order to determine the provision, management uses an expected value model. There was no adjustment made to this provision during the year ended December 31, 2014 and the three months ended March 31, 2015. Please refer to the *Provisions* section for more information. In accordance with the migration agreement, annual payments relating to the net migration of the Aeroplan-branded credit card accounts are to be made each subsequent year, with the first payment being due in 2015.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

TRANSACTIONS WITH AIR CANADA

Aeroplan has entered into various agreements with Air Canada governing the commercial relationship between Aeroplan and Air Canada, which are described in Aimia's Annual Information Form dated March 20, 2015.

Air Canada is one of Aimia's largest Accumulation Partners, representing 11% of Gross Billings for the three months ended March 31, 2015, compared to 8% of Gross Billings for the three months ended March 31, 2014, or 10% of Gross Billings excluding the $100.0 million upfront contribution received from TD. Under the CPSA, Air Canada's annual commitment, which is based on 85% of the average total Aeroplan Miles issued in respect of Air Canada flights or Air Canada airline affiliate products and services in the three preceding calendar years, is estimated to be $211.7 million for 2015. Air Canada, including other Star Alliance partners, is Aimia's largest Redemption Partner. For the three months ended March 31, 2015, 45% of total reported cost of rewards and direct costs was paid to Air Canada, in connection with rewards purchased from Air Canada and other airlines (Star Alliance Partners) compared to 47% for the three months ended March 31, 2014.

CONTACT CENTRE EMPLOYEES AND PENSION TRANSFER AGREEMENT

As a result of the termination of the General Services Agreement dated May 13, 2005, effective January 1, 2005 between Air Canada and Aeroplan (the “GSA”), all obligations under the GSA, including the special payments in respect of pension plans in which the assigned employees under the GSA participated have ceased.

In June 2009, the Corporation implemented a defined benefit pension plan as a result of the termination of the GSA and the transfer of the contact centre agents. As part of the transfer of the employees, Aeroplan agreed to recognize the transferred employees' seniority and assume any excess pension obligation arising from the accumulation of service years post termination with Air Canada until retirement from Aeroplan.

On June 8, 2012, Aeroplan entered into an agreement with Air Canada through which Air Canada would transfer to the Aeroplan defined benefit pension plan all the pension plan assets and obligations related to pension benefits accrued by employees who were Air Canada customer sales and service agents prior to 2009 and who were transferred to Aeroplan in 2009. The transfer was subject to regulatory approval from the Office of the Superintendent of Financial Institutions ("OSFI") and as such, as of December 31, 2013, the financial statements did not reflect assets and obligations in relation to this plan.

Pursuant to the agreement, Air Canada agreed to pay Aeroplan a compensation amount of $5.5 million in exchange for the transfer of the pension plan assets and obligations relating to the transferred employees. On June 18, 2012, the compensation amount was received and recorded in deferred revenue. A letter of credit in the corresponding amount was issued by Aeroplan in favour of Air Canada as security for the compensation amount. On November 23, 2012, the amount was contributed to Aeroplan's defined benefit pension plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

On May 29, 2014, the regulatory approval from OSFI was received and as a result the compensation amount of $5.5 million was recognized in other revenue. Additionally, during the second quarter of 2014, a net defined benefit asset of $1.1 million was recorded, with a corresponding offset recorded in other comprehensive income.

On July 31, 2014, pursuant to the pension asset transfer agreement, the Aeroplan defined benefit pension plan received a total of $68.2 million from Air Canada, representing 95% of the estimated plan asset value at the transfer date. The balance of the transfer, representing the difference between the final value of the assets on the transfer date and the funds received on July 31, 2014, was received on August 26, 2014 and amounted to $2.9 million. The letter of credit issued as security for the compensation amount expired upon the completion of the transfer of the plan assets to Aeroplan.

CPSA

On March 14, 2014, as provided for in the existing CPSA, Aeroplan and Air Canada executed an agreement relating to fixed capacity redemption rates to be paid by Aeroplan in connection with airline seat redemptions for the period beginning January 1, 2014 through to December 31, 2016. The outcome falls within the pre-established contractual parameters and is in line with Aeroplan's business expectations.

AIR CANADA WARRANTS AND CLASS B SHARES

In connection with the July 29, 2009 Air Canada club loan, which was repaid on August 3, 2010, Air Canada issued warrants to the lenders to purchase Air Canada Class A or Class B variable voting shares. Aeroplan received 1,250,000 warrants with an exercise price of $1.51 each on July 29, 2009 and 1,250,000 warrants with an exercise price of $1.44 each on October 19, 2009, exercisable at any time and expiring four years from the date of grant.

On July 24, 2013, Aimia exercised 1,250,000 warrants at a price of $1.51 each and acquired a corresponding number of Air Canada Class B shares for cash consideration of $1.9 million. On October 16, 2013, Aimia exercised the remaining 1,250,000 warrants at a price of $1.44 each and acquired a corresponding number of Air Canada Class B shares for cash consideration of $1.8 million.

The investment in Air Canada Class B shares is accounted for as an available-for-sale investment, measured at fair value with changes recognized in other comprehensive income. At March 31, 2015, the fair value of Air Canada Class B shares amounted to $31.0 million (December 31, 2014: $29.7 million).

Subsequent to March 31, 2015, Aimia disposed of all of its Air Canada Class B shares for net proceeds of $30.5 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SUMMARY OF CONTRACTUAL OBLIGATIONS AND COMMITMENTS

As at March 31, 2015, estimated future minimum payments under Aimia's contractual obligations and commitments are as follows:

(in millions of Canadian dollars)	Total	2015	2016	2017	2018	2019	Thereafter
Contractual Obligations							
Long-term debt	650.0	—	—	200.0	200.0	250.0	—
Interest on long-term debt [(a)]	119.3	25.9	37.4	30.5	18.5	7.0	—
Total long-term debt and interest	769.3	25.9	37.4	230.5	218.5	257.0	—
Operating leases	157.2	15.5	18.6	18.3	16.6	15.0	73.2
Technology infrastructure and other	26.4	11.6	7.3	4.9	1.7	0.9	—
Marketing support and other	265.5	24.7	42.6	47.6	44.6	34.0	72.0
Purchase obligation under the CPSA	2,337.7	265.4	460.5	460.5	460.5	460.5	230.3
Contractual Obligations	**3,556.1**	**343.1**	**566.4**	**761.8**	**741.9**	**767.4**	**375.5**
Commitments							
Letters of Credit and Surety Bonds	63.5	5.4	57.5	0.1	0.5	—	—
Commitments	**63.5**	**5.4**	**57.5**	**0.1**	**0.5**	**—**	**—**
Total Contractual Obligations and Commitments	**3,619.6**	**348.5**	**623.9**	**761.9**	**742.4**	**767.4**	**375.5**

(a) Includes interest on the Revolving Facility, and Senior Secured Notes Series 3, 4 and 5 described under *Credit Facilities and Long-Term Debt*.

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 March 31, 2015, Aimia complied with all such covenants.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAPITAL STOCK

At March 31, 2015, Aimia had 168,796,701 common shares, 3,953,365 Series 1 Preferred Shares, 2,946,635 Series 2 Preferred Shares and 6,000,000 Series 3 Preferred Shares issued and outstanding for an aggregate amount of $1,810.4 million. In addition, there were 10,784,778 stock options issued and outstanding under the Aimia Long-Term Incentive Plan.

NORMAL COURSE ISSUER BID

On May 13, 2014, Aimia received approval from the Toronto Stock Exchange for the renewal of its NCIB to purchase up to 15,530,762 of its issued and outstanding common shares during the period from May 16, 2014 to no later than May 15, 2015.

From May 16, 2014 to December 31, 2014, Aimia repurchased 2,069,790 common shares for a total consideration of $29.8 million. Of this total, 1,964,790 common shares were paid and cancelled during the period representing $28.3 million, with the remainder being paid and cancelled during the first quarter of 2015. Share capital was reduced by $18.3 million and the remaining $11.5 million was accounted for as a reduction of contributed surplus.

From January 1, 2015 to March 31, 2015, Aimia repurchased 3,315,520 common shares for a total consideration of $44.4 million. Of this total, 3,071,705 common shares have been paid and cancelled during the period, representing $41.3 million. Share capital was reduced by $29.3 million and the remaining $15.1 million was accounted for as a reduction of contributed surplus.

PREFERRED SHARES, SERIES 1 AND PREFERRED SHARES, SERIES 2

On February 27, 2015, Aimia announced that it would not be exercising its right to redeem all or part of the Series 1 Preferred Shares on March 31, 2015. As a result and subject to certain conditions, the holders of the Series 1 Preferred Shares had the right to convert all or part of their Series 1 Preferred Shares, on a one-for-one basis, into Series 2 Preferred Shares on March 31, 2015.

On March 31, 2015, the holders of 2,946,635 Series 1 Preferred Shares exercised their option to convert their Series 1 Preferred Shares into an equivalent number of Series 2 Preferred Shares. Holders of the Series 2 Preferred Shares are entitled to receive quarterly floating rate, cumulative, preferential cash dividends, calculated on the basis of the actual number of days elapsed in such quarterly period divided by 365, as and when declared by the Board of Directors of Aimia, subject to the provisions of the CBCA. The dividend rate for the floating rate period from and including March 31, 2015 to, but excluding June 30, 2015, will be 4.217%, being 3.75% over the 90-day Government of Canada Treasury Bill yield, as determined in accordance with the terms of the Series 2 Preferred Shares.

With respect to the remaining 3,953,365 Series 1 Preferred Shares outstanding after March 31, 2015, holders of the Series 1 Preferred Shares are entitled to receive quarterly fixed, cumulative, preferential cash dividends, as and when declared by the Board of Directors of Aimia, subject to the provisions of the CBCA. The dividend rate for the five-year

period from and including March 31, 2015 to, but excluding March 31, 2020, will be 4.5%, being 3.75% over the five-year Government of Canada bond yield, as determined in accordance with the terms of the Series 1 Preferred Shares.

PREFERRED SHARES, SERIES 3

On January 15, 2014, pursuant to a prospectus supplement dated January 8, 2014, Aimia issued 6,000,000 Cumulative Rate Reset Preferred Shares, Series 3 (the "Series 3 Preferred Shares"), including 1,000,000 Series 3 Preferred Shares that were issued upon the exercise in full of the underwriters' option to purchase additional shares, for total cash consideration of $146.0 million, net of issue costs of $4.0 million. Additionally, a related income tax recovery of $1.0 million was recorded. Holders of the Series 3 Preferred Shares will be entitled to receive, as and when declared, a cumulative quarterly fixed dividend yielding 6.25% annually for the initial five-year period, subject to a rate reset on March 31, 2019 and every five years thereafter at a rate equal to the 5-year Government of Canada bond yield plus 4.20%. The net proceeds of the issue were used by Aimia to supplement its financial resources and for general corporate purposes.

Holders of Series 3 Preferred Shares will have the right, at their option, to convert their shares into cumulative floating rate preferred shares, series 4 (the “Series 4 Preferred Shares”), subject to certain conditions, on March 31, 2019 and on March 31 every five years thereafter. Holders of the Series 4 Preferred Shares will be entitled to receive cumulative quarterly floating rate dividends at a rate equal to the three-month Government of Canada Treasury Bill yield plus 4.20%.

DIVIDENDS

Quarterly dividends declared to common shareholders of Aimia during the three months ended March 31, 2015 and 2014 were as follows:

	2015		2014 [(a)]	
(in millions of Canadian dollars, except per-share amounts)	Amount	Per common share	Amount	Per common share
March	30.6	0.18	29.5	0.17

(a) On May 13, 2014, the Board of Directors of Aimia approved an increase to the common share dividend from $0.17 to $0.18 per share per quarter.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Quarterly dividends declared to preferred shareholders of Aimia during the three months ended March 31, 2015 and 2014 were as follows:

	2015		2014	
(in millions of Canadian dollars, except per-share amounts)	Amount	Per preferred share	Amount	Per preferred share
Series 1				
March	2.8	0.40625	2.8	0.40625
Series 3				
March	2.3	0.390625	1.9	0.321100

The dividend policy is subject to the discretion of the Board of Directors of Aimia and may vary depending on, among other things, Aimia's earnings, financial requirements, debt covenants, the satisfaction of solvency tests imposed by the Canada Business Corporations Act (the “CBCA”) for the declaration of dividends and other conditions existing at such future time. The Series 1 Preferred Shares, outstanding at March 31, 2015 bear a 4.5% annual cumulative dividend or $0.28125 per preferred share per quarter. The Series 2 Preferred Shares, outstanding at March 31, 2015 bear a 4.217% annual cumulative dividend or $0.2635625 per preferred share per quarter. The Series 3 Preferred Shares, issued on January 15, 2014, bear a 6.25% annual cumulative dividend or $0.390625 per preferred share per quarter.

On May 14, 2015, the Board of Directors of Aimia approved an increase to the annual common share dividend from $0.72 to $0.76 per share and declared quarterly dividends of $0.19 per common share, $0.28125 per Series 1 preferred share, $0.2635625 per Series 2 preferred share and $0.390625 per Series 3 preferred share, in each case payable on June 30, 2015.

EARNINGS (LOSS) PER COMMON SHARE

Aimia's earnings (loss) per share attributable to the equity holders of the Corporation amounted to $0.10 and $(0.13) for the three months ended March 31, 2015 and March 31, 2014, respectively. Earnings (loss) per share are calculated after deducting dividends declared on preferred shares.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SUBSEQUENT EVENTS

Subsequent to March 31, 2015, Aimia repurchased 5,375,906 common shares for a total consideration of $72.1 million.

On May 5, 2015, 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, 2019 and increasing the leverage ratio maximum from 3.00 to 3.50.

On May 14, 2015, Aimia received approval from the Toronto Stock Exchange for the renewal of its NCIB to purchase up to 16,346,860 of its issued and outstanding common shares during the period from May 20, 2015 to no later than May 19, 2016.

CHANGES IN ACCOUNTING POLICIES

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

IAS 19 Amendment, Employee Contributions to Defined Benefit Plans

IAS 19- *Employee Benefits* was amended to clarify its application to plans that require employees or third parties to contribute towards the cost of benefits. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. The Corporation determined that the adoption of the amended standard had no impact on its consolidated financial statements.

IFRS 8 Amendment, Aggregation of Operating Segments and Reconciliation of Segment Assets

IFRS 8- *Operating Segments* was amended to require disclosure of judgments made by management in aggregating segments and the reconciliation of segment assets to the entity's assets if reported. The Corporation determined that the adoption of the amended standard had no impact on its consolidated financial statements.

IAS 24 Amendment, Key Management Personnel

IAS 24- *Related Party Disclosures* was amended to revise the definition of related party and clarify certain disclosures. The Corporation determined that the adoption of the amended standard had no impact on its consolidated financial statements.

IFRS 3 Amendment, Business Combinations

IFRS 3- *Business Combinations* was amended to clarify the scope exemption for joint arrangements.The Corporation determined that the adoption of the amended standard had no impact on its consolidated financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CRITICAL ACCOUNTING ESTIMATES

Please refer to *Note 2* of the December 31, 2014 audited consolidated financial statements of Aimia and the corresponding section of the 2014 MD&A to review Aimia's critical accounting estimates.

The preparation of financial statements in accordance with the International Financial Reporting Standards (“IFRS”) requires management to make estimates, judgments and assumptions that management believes are reasonable based upon the information available. These estimates, judgments and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results can differ from those estimates (refer to *Caution regarding forward-looking information*). Significant estimates made in the preparation of the consolidated financial statements include those used in accounting for breakage, income taxes, the determination of amortization period for long-lived assets, the impairment considerations on long-lived assets and goodwill, particularly future cash flows and cost of capital, the carrying value of financial instruments recorded at fair value and contingencies.

CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Corporation has adopted disclosure controls and procedures that were designed by the Group Chief Executive ("GCE"), in the capacity of Chief Executive Officer, and CFO, with management's assistance, in order to provide reasonable assurance that they are made aware of material information. The Corporation has also adopted internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. During the interim period ended on March 31, 2015, there were no changes in the Corporation's internal controls over financial reporting that have significantly affected, or are reasonably likely to significantly affect, Aimia's internal controls over financial reporting.

Because of inherent limitations, internal controls over financial reporting and disclosure controls can provide only reasonable assurances and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Audit, Finance and Risk Committee reviewed this MD&A, and the consolidated financial statements, and the Board of Directors of Aimia approved these documents prior to their release.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RISKS AND UNCERTAINTIES AFFECTING THE BUSINESS

The results of operations and financial condition of Aimia are subject to a number of risks and uncertainties and are affected by a number of factors outside of the control of Management.

For more information, and for a complete description of the risk factors that could materially affect the business, please refer to the corresponding sections in the 2014 MD&A and Aimia's Annual Information Form dated March 20, 2015.

The risks described therein may not be the only risks faced by Aimia. Other risks which currently do not exist or which are deemed immaterial may surface and have a material adverse impact on Aimia's results of operations and financial condition.

RECONCILIATION OF ADJUSTED NET EARNINGS

The table below presents a reconciliation from net earnings (loss) attributable to equity holders of the Corporation and Adjusted Net Earnings for the three months ended March 31, 2015 and 2014:

	Three Months Ended March 31,	
(in millions of Canadian dollars, except per share information)	2015	2014
Net earnings (loss) attributable to equity holders of the Corporation	**21.5**	(17.3)
Amortization of Accumulation Partners' contracts, customer relationships and technology	**33.3**	33.0
Share of net earnings of equity-accounted investments	**(3.1)**	(1.0)
Adjusted EBITDA Adjustments	**(19.7)**	97.1
Tax on adjustments [(c)]	**(1.9)**	(23.1)
Non-controlling interests share on adjustments above	**0.6**	(0.5)
Adjusted Net Earnings [(a)]	**30.7**	88.2
Adjusted Net Earnings per common share [(a)(b)]	**0.15**	0.48

(a) A non-GAAP measurement.

(b) After deducting dividends declared on preferred shares.

(c) The effective tax rates on an entity level basis are applied to the related entity level adjustments noted above.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

NOTATIONS TO FINANCIAL TABLES

This section includes the notations to the tables included under the *Quarter Ended March 31, 2015 Compared to Quarter Ended March 31, 2014* section.

CONSOLIDATED OPERATING RESULTS

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

(b) Includes third party Gross Billings of $161.0 million in the UK and $43.4 million in the US for the three months ended March 31, 2015, compared to third party Gross Billings of $156.7 million in the UK and $55.6 million in the US for the three months ended March 31, 2014. 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.

(c) Includes a $100.0 million upfront contribution received on January 2, 2014 from TD to help fund Aeroplan's program enhancements.

(d) Includes the upfront contribution received on January 2, 2014 from TD totaling $73.4 million, net of an income tax expense of $26.6 million.

(e) The harmonized sales tax of $22.5 million related to the CIBC Payment made on December 27, 2013 was collected during the first quarter of 2014.

(f) Includes an amount of $20.4 million received in the first quarter of 2015 from Revenue Quebec related to the income tax refund of loss carry back applied in Canada

(g) A non-GAAP measurement.

(h) Represents the variance on a constant currency basis.

** Information not meaningful or not applicable.

CANADA

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

(b) Includes a $100.0 million upfront contribution received on January 2, 2014 from TD to help fund Aeroplan's program enhancements.

(c) A non-GAAP measurement.

** Information not meaningful or not applicable.

EMEA

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

(b) Includes third party Gross Billings of $161.0 million in the UK for the three months ended March 31, 2015, compared to third party Gross Billings of $156.7 million in the UK for the three months ended March 31, 2014. 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.

(c) A non-GAAP measurement.

(d) Represents the variance on a constant currency basis.

** Information not meaningful or not applicable.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

US & APAC

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

(b) Includes third party Gross Billings of $43.4 million in the US for the three months ended March 31, 2015, compared to third party Gross Billings of $55.6 million in the US for the three months ended March 31, 2014. 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.

(c) Effective January 1, 2015, the financial position and operating results of operations in India are now reported under the US & APAC segment. Previously, the financial position and operating results of operations in India were reported under Corporate. The comparative information has been restated to conform with the current year presentation.

(d) A non-GAAP measurement.

(e) Represents the variance on a constant currency basis.

** Information not meaningful or not applicable.

CORPORATE

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

(b) Effective January 1, 2015, the financial position and operating results of operations in India are now reported under the US & APAC segment. Previously, the financial position and operating results of operations in India were reported under Corporate. The comparative information has been restated to conform with the current year presentation.

(c) A non-GAAP measurement.

** Information not meaningful or not applicable.

ADDITIONAL INFORMATION

Additional information relating to Aimia and its operating businesses, including Aimia's Management Information Circular and Annual Information Form, respectively dated March 12 and March 20, 2015, is available on SEDAR at **www.sedar.com** or on Aimia's website at **www.aimia.com** under “Investors”.