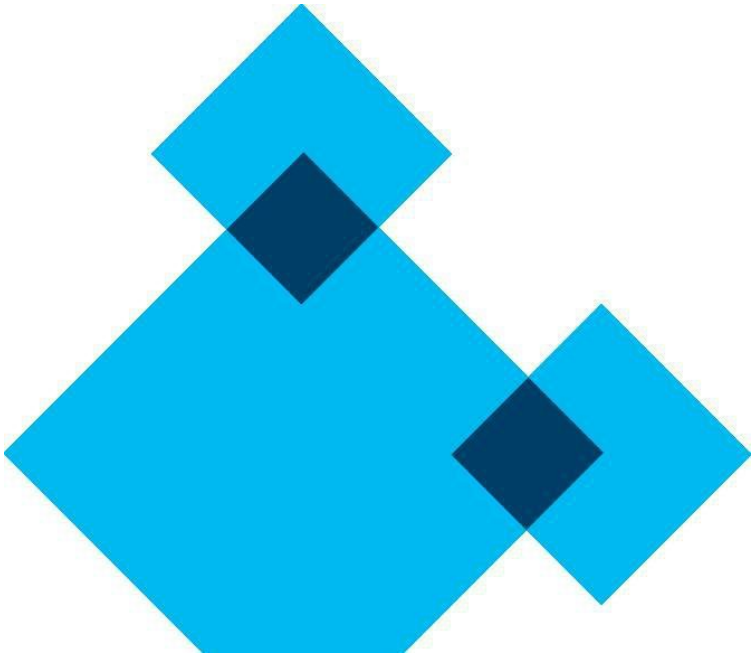
AIMIA
INSPIRING LOYALTY

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2015 and 2014

Unaudited



AIMIA
INSPIRING LOYALTY

MANAGEMENT'S REPORT

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

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

November 12, 2015

(signed) "Rupert Duchesne"

RUPERT DUCHESNE
Group Chief Executive

(signed) "David L. Adams"

DAVID L. ADAMS
Executive Vice President and Chief Financial Officer

AIMIA

CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions of Canadian dollars, except share and per share amounts)		Three Months Ended September 30, 2015 (unaudited)	Three Months Ended September 30, 2014 (unaudited)	Nine Months Ended September 30, 2015 (unaudited)	Nine Months Ended September 30, 2014 (unaudited)
Revenue	Notes 9, 16 & 18	**$ 529.3**	$ 543.4	**$ 1,726.3**	$ 1,707.7
Cost of sales					
Cost of rewards and direct costs	Note 7	**341.4**	353.2	**1,118.5**	1,112.2
Depreciation and amortization		**15.4**	12.4	**40.8**	36.0
Amortization of accumulation partners' contracts, customer relationships and technology		**33.5**	32.9	**100.0**	98.9
		390.3	398.5	**1,259.3**	1,247.1
Gross margin		**139.0**	144.9	**467.0**	460.6
Operating expenses					
Selling and marketing expenses		**120.0**	114.0	**347.6**	349.6
General and administrative expenses	Note 10	**51.5**	46.9	**102.4**	148.7
		171.5	160.9	**450.0**	498.3
Operating income (loss)		**(32.5)**	(16.0)	**17.0**	(37.7)
Financial income	Note 7	**5.9**	4.0	**35.6**	11.1
Financial expenses		**(9.8)**	(12.2)	**(30.7)**	(38.9)
Net financial income (expenses)		**(3.9)**	(8.2)	**4.9**	(27.8)
Share of net earnings (loss) of equity-accounted investments	Note 3	**4.0**	(0.8)	**11.2**	0.9
Earnings (loss) before income taxes		**(32.4)**	(25.0)	**33.1**	(64.6)
Income tax (expense) recovery					
Current	Note 11	**(2.6)**	(8.3)	**(9.4)**	(6.0)
Deferred	Notes 7 & 11	**8.9**	9.2	**6.2**	11.4
		6.3	0.9	**(3.2)**	5.4
Net earnings (loss) for the period		**$ (26.1)**	$ (24.1)	**$ 29.9**	$ (59.2)
Net earnings (loss) attributable to:					
Equity holders of the Corporation		**(26.9)**	(24.3)	**26.1**	(60.8)
Non-controlling interests		**0.8**	0.2	**3.8**	1.6
Net earnings (loss) for the period		**$ (26.1)**	$ (24.1)	**$ 29.9**	$ (59.2)
Weighted average number of shares		**159,482,896**	173,992,899	**164,612,680**	173,559,485
Earnings (loss) per common share					
Basic and fully diluted	Note 6	**$ (0.20)**	$ (0.17)	**$ 0.08**	$ (0.44)

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

AIMIA

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars)		Three Months Ended September 30, 2015 (unaudited)	Three Months Ended September 30, 2014 (unaudited)	Nine Months Ended September 30, 2015 (unaudited)	Nine Months Ended September 30, 2014 (unaudited)
Net earnings (loss) for the period		**$ (26.1)**	$ (24.1)	**$ 29.9**	$ (59.2)
Other comprehensive income (loss):					
Items that may be reclassified subsequently to net earnings (loss)					
Foreign currency translation adjustments		**41.5**	16.6	**79.6**	22.2
Change in fair value of available-for-sale investments, net of tax	Notes 17 & 18	**—**	22.1	**0.7**	26.7
Reclassification to net earnings of gain on sale of available-for-sale investments, net of tax	Notes 7 & 18	**—**	—	**(18.6)**	—
Items that will not be reclassified subsequently to net earnings (loss)					
Defined benefit plans actuarial gains (losses), net of tax	Note 18	**0.3**	(1.8)	**(1.8)**	(12.2)
Other comprehensive income for the period		**41.8**	36.9	**59.9**	36.7
Comprehensive income (loss) for the period		**$ 15.7**	$ 12.8	**$ 89.8**	$ (22.5)
Comprehensive income (loss) attributable to:					
Equity holders of the Corporation		**14.9**	12.5	**86.0**	(24.2)
Non-controlling interests		**0.8**	0.3	**3.8**	1.7
Comprehensive income (loss) for the period		**$ 15.7**	$ 12.8	**$ 89.8**	$ (22.5)

AIMIA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at *(in millions of Canadian dollars)*		September 30, 2015 (unaudited)	December 31, 2014
ASSETS			
Current assets			
Cash and cash equivalents		**$ 467.6**	$ 567.6
Restricted cash		**28.2**	28.8
Short-term investments	Note 8	**44.8**	51.3
Income taxes receivable	Note 11	**26.5**	43.2
Accounts receivable		**483.2**	480.2
Inventories		**4.7**	8.9
Prepaid expenses		**75.9**	67.1
Cash held in escrow	Note 5	**2.7**	5.8
		1,133.6	1,252.9
Long-term assets			
Long-term investments	Notes 4 & 8	**388.2**	395.4
Equity-accounted investments	Note 3	**125.7**	115.5
Property and equipment		**43.6**	34.5
Intangible assets	Note 18	**1,515.0**	1,567.6
Goodwill		**2,083.4**	2,038.9
		$ 5,289.5	$ 5,404.8
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		**$ 485.9**	$ 487.3
Provisions	Note 10	**0.7**	—
Customer deposits		**91.9**	73.2
Deferred revenue	Note 9	**1,623.1**	1,628.6
		2,201.6	2,189.1
Long-term liabilities			
Provisions	Note 10	**5.3**	50.0
Long-term debt	Note 18	**647.1**	646.4
Pension and other long-term liabilities	Note 18	**67.4**	61.3
Deferred income taxes	Note 11	**79.4**	89.6
Deferred revenue	Note 9	**1,706.7**	1,589.7
		4,707.5	4,626.1
Total equity attributable to equity holders of the Corporation	Note 14	**573.6**	772.0
Non-controlling interests		**8.4**	6.7
Total equity		**582.0**	778.7
		$ 5,289.5	$ 5,404.8
Contingencies and commitments	Notes 12 & 15		

Approved by the Board of Directors

(signed) Roman Doroniuk
Roman Doroniuk
Director

(signed) Joanne Ferstman
Joanne Ferstman
Director

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

AIMIA

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended September 30, 2014 and 2015 (unaudited)		Common shares outstanding	Share capital	Retained earnings (deficit)	Accumulated other comprehensive income (loss) *(Note 18)*	Contributed surplus	Total attributable to the equity holders of the corporation	Non-controlling interests	Total equity
(In millions of Canadian dollars, except share amounts)									
Balance, December 31, 2013		172,970,396	$ 1,693.8	$ (2,181.2)	$ 34.8	$ 1,221.5	$ 768.9	$ 4.0	$ 772.9
Total comprehensive income (loss) for the period									
Net earnings (loss) for the period				(60.8)			(60.8)	1.6	(59.2)
Other comprehensive income (loss):									
Foreign currency translation adjustments					22.1		22.1	0.1	22.2
Change in fair value of available-for-sale investments, net of tax	Notes 17 & 18				26.7		26.7		26.7
Defined benefit plans actuarial losses, net of tax	Note 18			(12.2)			(12.2)		(12.2)
Total comprehensive income (loss) for the period		—	—	(73.0)	48.8	—	(24.2)	1.7	(22.5)
Transactions with owners, recorded directly in equity									
Common shares issued upon exercise of stock options		1,055,987	14.7			(3.0)	11.7		11.7
Preferred shares issued, net of issue costs	Note 14		147.0				147.0		147.0
Quarterly dividends, common and preferred	Note 13			(107.1)			(107.1)		(107.1)
Accretion related to stock-based compensation plans						5.4	5.4		5.4
Total contributions by and distributions to owners		1,055,987	161.7	(107.1)	—	2.4	57.0	—	57.0
Balance, September 30, 2014		**174,026,383**	**$ 1,855.5**	**$ (2,361.3)**	**$ 83.6**	**$ 1,223.9**	**$ 801.7**	**$ 5.7**	**$ 807.4**
Balance, December 31, 2014		**171,984,343**	**$ 1,837.6**	**$ (2,379.2)**	**$ 100.5**	**$ 1,213.1**	**$ 772.0**	**$ 6.7**	**$ 778.7**
Total comprehensive income (loss) for the period									
Net earnings for the period				**26.1**			**26.1**	**3.8**	**29.9**
Other comprehensive income (loss):									
Foreign currency translation adjustments					**79.6**		**79.6**	**—**	**79.6**
Change in fair value of available-for-sale investments, net of tax	Notes 17 & 18				**0.7**		**0.7**		**0.7**
Reclassification to net earnings of gain on sale of available-for-sale investments, net of tax	Notes 7 & 18				**(18.6)**		**(18.6)**		**(18.6)**
Defined benefit plans actuarial losses, net of tax	Note 18			**(1.8)**			**(1.8)**		**(1.8)**
Total comprehensive income for the period		**—**	**—**	**24.3**	**61.7**	**—**	**86.0**	**3.8**	**89.8**
Transactions with owners, recorded directly in equity									
Common shares issued upon exercise of stock options		**255,863**	**3.9**			**(0.8)**	**3.1**		**3.1**
Common shares repurchased	Note 14	**(13,966,652)**	**(123.7)**			**(63.3)**	**(187.0)**		**(187.0)**
Quarterly dividends, common and preferred	Note 13			**(105.1)**			**(105.1)**		**(105.1)**
Dividends to non-controlling interests							**—**	**(2.1)**	**(2.1)**
Accretion related to stock-based compensation plans						**4.6**	**4.6**		**4.6**
Total contributions by and distributions to owners		**(13,710,789)**	**(119.8)**	**(105.1)**	**—**	**(59.5)**	**(284.4)**	**(2.1)**	**(286.5)**
Balance, September 30, 2015		**158,273,554**	**$ 1,717.8**	**$ (2,460.0)**	**$ 162.2**	**$ 1,153.6**	**$ 573.6**	**$ 8.4**	**$ 582.0**

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

AIMIA

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars)		Three Months Ended September 30, 2015 (unaudited)	Three Months Ended September 30, 2014 (unaudited)	Nine Months Ended September 30, 2015 (unaudited)	Nine Months Ended September 30, 2014 (unaudited)
CASH FLOWS FROM (USED IN)					
Operating activities					
Net earnings (loss) for the period		**$ (26.1)**	$ (24.1)	**$ 29.9**	$ (59.2)
Adjustments for:					
Depreciation and amortization		**48.9**	45.3	**140.8**	134.9
Share-based compensation		**1.2**	2.3	**8.0**	9.2
Share of net (earnings) loss of equity-accounted investments	Note 3	**(4.0)**	0.8	**(11.2)**	(0.9)
Net financial (income) expenses		**3.9**	8.2	**(4.9)**	27.8
Income tax (recovery) expense		**(6.3)**	(0.9)	**3.2**	(5.4)
Changes in operating assets and liabilities	Note 18	**73.1**	71.5	**23.4**	186.5
Other		**0.8**	(1.4)	**(3.2)**	(3.5)
		117.6	125.8	**156.1**	348.6
Cash generated from operating activities		**91.5**	101.7	**186.0**	289.4
Interest received		**1.7**	3.5	**9.5**	11.7
Distributions received from equity-accounted investments	Note 3	**4.6**	3.8	**16.2**	13.0
Interest paid		**(12.0)**	(18.2)	**(31.6)**	(43.4)
Income taxes received (paid)	Note 11	**(6.8)**	(22.7)	**7.5**	50.7
Net cash from operating activities		**79.0**	68.1	**187.6**	321.4
Investing activities					
Contingent consideration	Note 17	**(1.8)**	—	**(1.8)**	—
Cash held in escrow	Note 5	**—**	(2.4)	**1.4**	(2.0)
Investments in equity-accounted investments	Note 3	**—**	—	**(2.3)**	(23.0)
Proceeds from short-term investments		**20.5**	30.5	**51.1**	45.3
Purchases of long-term investments		**(21.0)**	(34.2)	**(53.1)**	(34.2)
Proceeds from the sale of long-term investments	Note 7	**—**	—	**30.5**	—
Additions to property, equipment, software and technology		**(20.0)**	(11.8)	**(64.2)**	(51.5)
Net cash used in investing activities		**(22.3)**	(17.9)	**(38.4)**	(65.4)
Financing activities					
Quarterly dividends	Note 13	**(34.4)**	(36.4)	**(105.1)**	(107.1)
Dividends paid to non-controlling interests		**—**	—	**(2.1)**	—
Issuance of common shares		**0.9**	0.6	**3.1**	11.7
Issuance of preferred shares	Note 14	**—**	—	**—**	150.0
Issue costs	Note 14	**—**	—	**—**	(4.0)
Repurchase of common shares	Note 14	**(31.1)**	—	**(187.6)**	—
Repayment of long-term debt	Note 18	**—**	(150.0)	**—**	(150.0)
Net cash used in financing activities		**(64.6)**	(185.8)	**(291.7)**	(99.4)
Net change in cash and cash equivalents		**(7.9)**	(135.6)	**(142.5)**	156.6
Translation adjustment related to cash		**19.8**	2.7	**42.5**	9.5
Cash and cash equivalents, beginning of period		**455.7**	748.1	**567.6**	449.1
Cash and cash equivalents, end of period		**$ 467.6**	$ 615.2	**$ 467.6**	$ 615.2

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

THESE FINANCIAL STATEMENTS CONTAIN THE FOLLOWING NOTES:

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

1. STRUCTURE OF THE CORPORATION

Aimia Inc. ("Aimia" or the "Corporation") was incorporated on May 5, 2008 under the *Canada Business Corporations Act*.

The registered and head office of Aimia is located at 525 Viger Avenue West, Suite 1000, Montreal, Quebec, Canada, H2Z 0B2.

Aimia, a data-driven marketing and loyalty analytics company, through its subsidiaries, operates in the following 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, a premier coalition loyalty program. In EMEA, Aimia owns and operates the following coalition loyalty programs: Nectar UK, Nectar Italia, and Air Miles Middle East 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 also 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, a coalition loyalty program in Spain, 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 a minority interest in Cardlytics, a US-based private company operating in card-linked marketing for electronic banking.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

(a) Statement of Compliance

These condensed unaudited consolidated interim financial statements ("interim financial statements") were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and in compliance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"). Accordingly, certain information and notes disclosures normally included in the audited annual consolidated financial statements, have been omitted or condensed. These interim financial statements should be read in conjunction with the Corporation's audited annual consolidated financial statements for the year ended December 31, 2014.

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

These interim financial statements were authorized for issue by the Corporation’s Board of Directors on November 12, 2015.

(b) Basis of Measurement

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

- Investments in equity instruments are measured at fair value (*Notes 4 and 17*);
- Liabilities for cash-settled share-based payment arrangements are measured at fair value;
- Accrued pension benefit liability is recognized as the net total of the fair value plan assets, less the present value of the defined benefit obligation;
- Contingent considerations related to business acquisitions are measured at fair value (*Note 17*).

(c) Functional and Presentation Currency

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

(d) Use of Estimates and Judgments

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements have been set out in *Note 2* of the Corporation's audited annual consolidated financial statements for the year ended December 31, 2014.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

(e) Accounting Policies

These interim financial statements have been prepared using the same accounting policies as those presented in the Corporation's audited annual consolidated financial statements for the year ended December 31, 2014, except as described below.

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.

SEASONALITY OF OPERATIONS

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

3. EQUITY-ACCOUNTED INVESTMENTS

As at	September 30,	December 31,
	2015	2014
Investment in PLM Premier, S.A.P.I. de C.V. [(a)]	97.3	87.6
Other equity-accounted investments in joint ventures [(b)]	21.2	20.2
Equity-accounted investments in associates [(c)]	7.2	7.7
Total	**125.7**	115.5

(a) During the three and nine months ended September 30, 2015, Aimia received distributions from PLM of $4.6 million (US $3.4 million) and $13.6 million (US$10.7 million), respectively, compared to distributions of $3.8 million (US$3.4 million) and $11.2 million (US$10.2 million) during the three and nine months ended September 30, 2014, respectively.

(b) 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 $3.3 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.

(c) On April 10, 2014, Aimia acquired a 25% stake in Travel Club, a coalition loyalty program in Spain, for a total cash consideration of $3.9 million (€2.6 million).

On May 29, 2014, Aimia made an additional investment of $1.6 million (US$1.5 million), in China Rewards, a Chinese based retail coalition loyalty program start-up.

Share of net earnings (loss) of equity-accounted investments	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Investment in PLM Premier, S.A.P.I. de C.V.	3.2	1.7	10.0	5.8
Other equity-accounted investments in joint ventures	0.9	(0.7)	2.4	(2.5)
Equity-accounted investments in associates	(0.1)	(1.8)	(1.2)	(2.4)
Total	**4.0**	(0.8)	**11.2**	0.9

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

4. LONG-TERM INVESTMENTS

	September 30, 2015	December 31, 2014
Investments in equity instruments [(a)]	124.0	137.4
Investment in corporate and government bonds *(Note 8)* [(b)]	264.2	258.0
Total	**388.2**	395.4

(a) Includes the investment in Cardlytics at September 30, 2015 and December 31, 2014, and the investment in Air Canada Class B shares at December 31, 2014. During the second quarter of 2015, Aimia disposed of all of its Air Canada Class B shares *(Note 7)*.

(b) The investment in corporate and government bonds amounted to $309.0 million at September 30, 2015 (December 31, 2014: $309.3 million) of which $44.8 million was classified as short-term investments (December 31, 2014: $51.3 million) and $264.2 million as long-term investments (December 31, 2014: $258.0 million).

5. CASH HELD IN ESCROW

A) ACQUISITION OF EIM

On March 24, 2014, an amount of $1.8 million (US$1.6 million), representing a portion of the amount placed in escrow to cover potential indemnification claims, was released from escrow. Of this amount, $1.4 million (US$1.3 million) was released to the selling shareholders and $0.4 million (US$0.3 million), representing deferred compensation, was released to Aimia during the first quarter of 2014 and subsequently paid to certain selling shareholders during the fourth quarter of 2014. During the year ended December 31, 2014, Aimia had filed claims for the balance of the indemnity escrow for which a settlement of $1.4 million (US$1.2 million) has been reached. This amount was released to Aimia during the first quarter of 2015.

B) ACQUISITION OF SMART BUTTON

On July 17, 2013, pursuant to the acquisition agreement, an amount of $6.0 million (US$5.8 million) was placed in escrow, representing $1.8 million (US$1.8 million) to cover working capital adjustments and potential indemnification claims and $4.2 million (US$4.0 million) related to deferred compensation payable to certain selling shareholders in two equal payments of US$2.0 million on December 31, 2014 and December 31, 2015 provided that they remain employed with Aimia at such times.

On February 13, 2014, an amount of $0.3 million (US$0.3 million) was released from escrow and paid to the selling shareholders as a result of the completion of the working capital audit.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

On December 31, 2014, the first half of the deferred compensation, representing an amount of $2.3 million (US$2.0 million), was released from escrow and paid to the selling shareholders as they were employed with Aimia on such date.

On January 20, 2015, an amount of $1.8 million (US$1.5 million), representing the amount placed in escrow to cover potential indemnification claims, was released from escrow and paid to the selling shareholders.

6. EARNINGS (LOSS) PER COMMON SHARE

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net earnings (loss) attributable to equity holders of the Corporation	**(26.9)**	(24.3)	**26.1**	(60.8)
Deduct: Dividends declared on preferred shares (*Note 13*)	**(4.2)**	(5.1)	**(13.6)**	(15.0)
Net earnings (loss) attributable to common shareholders	**(31.1)**	(29.4)	**12.5**	(75.8)
Weighted average number of basic and diluted common shares	**159,482,896**	173,992,899	**164,612,680**	173,559,485
Earnings (loss) per common share – Basic and fully diluted	**$ (0.20)**	$ (0.17)	**$ 0.08**	$ (0.44)

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7. MAJOR ACCUMULATION PARTNERS AND SIGNIFICANT REDEMPTION PARTNER

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

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Operating segment	2015	2014	2015	2014[(a)]
		%	%	%	%
Air Canada	Canada	10	10	11	9
CIBC	Canada	12	11	11	10
Sainsbury's	EMEA	12	14	15	14
TD	Canada	17	17	16	20

(a) The percentages are based on reported Gross Billings, which includes the $100.0 million upfront contribution received on January 2, 2014 from TD.

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

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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 ("Card Migration Provision") 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 (*Note 10*). In order to determine the Card Migration Provision, management uses an expected value model. 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.

CONTRACTUAL AND COMMERCIAL PRACTICES WITH AIR CANADA

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
	%	%	%	%
Air Canada (and other Star Alliance Partners)	49	45	48	45

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

CPSA

The amended and restated commercial participation services agreement dated June 9, 2004 between Air Canada and Aeroplan, as amended (the "CPSA"), which expires on June 29, 2020, covers the terms and conditions of the purchase of air travel rewards by Aeroplan from Air Canada and its affiliates, the purchase of Aeroplan Miles by Air Canada and its affiliates for issuance to members and the management of the tier membership program for certain Air Canada customers. Pursuant to the CPSA, Aeroplan is required to purchase annually a minimum number of reward travel seats on Air Canada and its affiliates, which number is based on a function of the number of seats utilized in the three preceding calendar years. Based on the three years ended December 31, 2014, Aeroplan is required to purchase reward travel seats amounting to approximately $460.5 million each year. While Air Canada can change the number of Aeroplan Miles under the Aeroplan Program awarded to members per flight without Aeroplan's consent, Air Canada is required to purchase, on an annual basis, a pre-established number of Aeroplan Miles under the Aeroplan Program at a specified rate. Aeroplan is required to perform certain marketing and promotion services

for Air Canada, including contact centre services for the management of the frequent flyer tier membership program, for a fee based on actual costs, on a fully allocated basis, plus an administrative fee. Aeroplan's ability to respond to members' requests for future rewards will depend on Air Canada's ability to provide the requested number of seats.

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. The fair value of these warrants amounted to $0.9 million on July 24, 2013. 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 fair value of these warrants amounted to $4.4 million on October 16, 2013.

At December 31, 2014, the fair value of Air Canada Class B shares amounted to $29.7 million.

During the second quarter of 2015, Aimia disposed of all of its Air Canada Class B shares for net proceeds of $30.5 million. As a result of the disposal, the gain (net of tax) in accumulated other comprehensive income, representing an amount of $18.6 million, was reclassified to net earnings during the second quarter of 2015. Of this amount, $21.5 million was recorded in financial income and $2.9 million in deferred income tax expense (*Note 18*).

Prior to their disposal, the investment in Air Canada Class B shares was accounted for as an available-for-sale investment, measured at fair value with changes recognized in other comprehensive income (*Note 17*).

8. 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 September 30, 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 September 30, 2015, the Reserve was invested in corporate, federal and provincial bonds.

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9. DEFERRED REVENUE

A reconciliation of deferred revenue is as follows:

	Loyalty Units		Other		Total	
As at	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Opening balance	**3,168.5**	2,931.7	**49.8**	62.0	**3,218.3**	2,993.7
Loyalty Units issued – Gross Billings	**1,326.0**	2,009.2	**—**	—	**1,326.0**	2,009.2
Other – Gross Billings	**—**	—	**454.8**	677.4	**454.8**	677.4
Revenue recognized	**(1,262.8)**	(1,780.3)	**(463.5)**	(688.5)	**(1,726.3)**	(2,468.8)
Foreign currency and other adjustments	**55.2**	7.9	**1.8**	(1.1)	**57.0**	6.8
Ending balance	**3,286.9**	3,168.5	**42.9**	49.8	**3,329.8**	3,218.3
Represented by:						
Current portion [(a)]	**1,580.9**	1,579.6	**42.2**	49.0	**1,623.1**	1,628.6
Long-term	**1,706.0**	1,588.9	**0.7**	0.8	**1,706.7**	1,589.7

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

MEASUREMENT UNCERTAINTY

Aimia may be required to provide rewards to members for unexpired Loyalty Units accounted for as Breakage on the Loyalty Units issued to date for which the revenue has been recognized or deferred and for which no liability has been recorded. The potential redemption cost for such Loyalty Units is estimated to be $863.7 million at September 30, 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 $181.2 million for the period in which the change occurred, with $167.5 million relating to prior years and $13.7 million relating to the current nine month period.

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10. PROVISIONS

ASSET PURCHASE AGREEMENT *(NOTE 7)*

	Card Migration Provision
Balance at December 31, 2013	**50.0**
Balance at December 31, 2014	**50.0**
Provision recorded during the period	**—**
Provision received (used) during the period	**1.7**
Provision reversed during the period	**(45.7)**
Balance at September 30, 2015	**6.0**
Represented by:	
Current portion	**0.7**
Long-term portion	**5.3**

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. During the second quarter of 2015, based on actual card migration data for the eighteen month period ending June 30, 2015 and management's current estimate of migration patterns going forward, the Card Migration Provision was reduced by an amount of $45.7 million. The adjustment was recorded as a reduction to general and administrative expenses. Additionally, an amount of $1.7 million was received during the second quarter of 2015, representing the payment relating to the 2014 calendar year in accordance with the terms of the migration agreement. There was no change to the total provision during the third quarter of 2015. At this time, the provision represents management's best estimate.

11. INCOME TAXES

CANADA REVENUE AGENCY NOTICE OF REASSESSMENT

On August 30, 2013, Aimia received a notice of reassessment from the Canada Revenue Agency ("CRA") with respect to the taxation year ended December 31, 2008. The reassessment related 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 was of the view that Aimia should, for tax purposes, recognize all of its deferred revenue from Breakage in the year that it is billed. The impact of this reassessment was 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.

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

Management contested the reassessment through the CRA appeals procedures and, as required under the relevant tax laws, the Corporation issued a letter of credit to the CRA in the amount of $41.3 million to act as security for the reassessment.

Since management believed that it was more likely than not that its position would be sustained, no amounts related to the issue were recorded in the financial statements.

Management was successful in its objection to the above noted reassessment and on July 2, 2015, the CRA issued a new reassessment for the 2008 taxation year cancelling its previous reassessment and accepting Aimia's tax position as filed. The CRA also sent a copy of the new reassessment to Revenue Quebec (“RQ”).

On July 2, 2015, the CRA released the $41.3 million letter of credit and it was returned to Aimia and cancelled.

REVENUE QUEBEC NOTICE OF ASSESSMENT

On August 28, 2014, Aimia received a notice of assessment from RQ with respect to the taxation year ended December 31, 2008. This assessment followed the same tax treatment for deferred breakage as was assessed by the CRA and, resulted 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 represented 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 was recorded by RQ, and on September 16, 2014, as required under tax laws, the Corporation deposited $20.7 million with RQ to act as security for the assessment.

Following the successful objection process with the CRA, on September 25, 2015, RQ issued a reassessment for the 2008 taxation year cancelling its previous assessment and accepting Aimia's tax position as filed.

On October 1, 2015, the deposit of $20.7 million was refunded to the Corporation.

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12. CONTINGENT LIABILITIES

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

In limited circumstances, Aimia may provide guarantees and/or indemnifications to third parties to support the performance obligations of its subsidiaries under commercial contracts. At September 30, 2015, Aimia's maximum exposure under such guarantees was estimated to amount to $113.7 million. No amount has been recorded in these financial statements with respect to the indemnification and guarantee agreements.

On July 2, 2009, Aimia was served with a motion for authorization to institute a class action and to obtain the status of representative in the Superior Court of Quebec. The motion was heard on May 9 and 10, 2011 and Aeroplan was added as a potential defendant. In a judgment dated March 6, 2012, the Superior Court of Quebec authorized the motion for the petitioner to bring a class action. That motion was the first procedural step before any class action could be instituted. A notice of the judgment authorizing the class action was published on April 6, 2013.

On October 1, 2013, the petitioner served and filed its class action proceeding seeking to nullify the changes made to the mileage expiry and accumulation rules of the Aeroplan Program announced on October 16, 2006, reimbursement of any amounts expended by Aeroplan members to reinstate their expired miles, $50 in compensatory damages and an undetermined amount in exemplary damages on behalf of each class member. The parties have agreed upon a timetable for procedural matters leading up to readiness for trial. Management 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 these financial statements. If the ultimate resolution of this class action lawsuit differs from this assessment and assumptions, a material adjustment to the financial position and results of operations could result.

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

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13. DIVIDENDS

Quarterly dividends declared to common shareholders of Aimia during the nine months ended September 30, 2015 and 2014 were as follows:

	2015 [(a)]		2014 [(b)]	
	Amount	Per common share	Amount	Per common share
March	30.6	0.18	29.5	0.17
June	30.7	0.19	31.3	0.18
September	30.2	0.19	31.3	0.18
Total	**91.5**	**0.56**	92.1	0.53

(a) On May 14, 2015, the Board of Directors of Aimia approved an increase to the common share dividend from $0.18 to $0.19 per share per quarter.

(b) 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.

Quarterly dividends declared to preferred shareholders of Aimia during the nine months ended September 30, 2015 and 2014 were as follows:

	2015		2014	
	Amount	Per preferred share	Amount	Per preferred share
Series 1				
March	2.8	0.40625	2.8	0.40625
June	1.1	0.28125	2.8	0.40625
September	1.1	0.28125	2.8	0.40625
Total	**5.0**	**0.96875**	8.4	1.21875
Series 2				
March	N/A	N/A	N/A	N/A
June	0.8	0.263563	N/A	N/A
September	0.8	0.278205	N/A	N/A
Total	**1.6**	**0.541768**	N/A	N/A
Series 3				
March	2.3	0.390625	1.9	0.321100
June	2.4	0.390625	2.4	0.390625
September	2.3	0.390625	2.3	0.390625
Total	**7.0**	**1.171875**	6.6	1.102350

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On November 12, 2015, the Board of Directors of Aimia declared quarterly dividends of $0.19 per common share, $0.28125 per Series 1 preferred share, $0.259995 per Series 2 preferred share (*Note 14*) and $0.390625 per Series 3 preferred share (*Note 14*), in each case payable on December 31, 2015.

14. CAPITAL STOCK

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 May 15, 2015, Aimia repurchased and cancelled 8,788,952 common shares for a total cash consideration of $117.8 million. Share capital was reduced by $77.8 million and the remaining $40.0 million was accounted for as a reduction of contributed surplus.

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.

From May 20, 2015 to September 30, 2015, Aimia repurchased 5,177,700 common shares for a total consideration of $69.2 million. Of this total, 5,102,700 common shares were paid and cancelled during the period representing $68.3 million. Share capital was reduced by $45.9 million and the remaining $23.3 million was accounted for as a reduction of contributed surplus.

Subsequent to September 30, 2015, Aimia repurchased 700,000 common shares for a total consideration of $8.5 million.

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 September 30, 2015 to, but excluding December 31, 2015, will be 4.126%, 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%.

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15. COMMITMENTS

A) OPERATING LEASE COMMITMENTS

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

Year ending December 31,	
2015	5.3
2016 to 2019	72.5
Thereafter	85.0
Total	**162.8**

B) OPERATING COMMITMENTS AND OTHER

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

Technology infrastructure and other	225.1
Marketing support and other	257.0

Under the terms of certain contractual obligations with a major Accumulation Partner, Aimia is required to maintain certain minimum working capital amounts in accordance with pre-established formulae. At September 30, 2015, Aimia complied with all such covenants.

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16. SEGMENTED INFORMATION

At September 30, 2015, the Corporation had the following operating segments: Canada, EMEA, US and APAC.

The segments are the Corporation's strategic business units. For each of the strategic business units, the Corporation's Group Chief Executive and Group Chief Operating Officer review internal management reports on a monthly basis. The segments have been identified on the basis of geographical regions and are aligned with the organizational structure and strategic direction of the organization. The Canada and EMEA regions are reportable segments. The US and APAC regions have been presented together on the basis that they do not meet the quantitative thresholds prescribed under IFRS 8 - *Operating Segments*.

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

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.

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

	Three Months Ended September 30,											
	2015	2014	2015	2014	2015	2014 [f]	2015	2014 [f]	2015	2014	2015	2014
Operating Segments	**Canada**		**EMEA**		**US & APAC**		**Corporate** [b]		**Eliminations**		**Consolidated**	
Gross Billings from the sale of Loyalty Units	**297.4**	316.4	**125.1**	156.0	**—**	—	**—**	—	**—**	—	**422.5**	472.4
Other Gross Billings	**34.6**	52.1	**36.2**	27.1	**87.3**	82.0	**—**	—	**(0.3)**	(0.4)	**157.8**	160.8
Total Gross Billings	**332.0**	368.5	**161.3** [c]	183.1 [c]	**87.3** [c]	82.0 [c]	**—**	—	**(0.3)**	(0.4)	**580.3** [c]	633.2 [c]
Revenue from Loyalty Units	**266.1**	262.5	**103.6**	119.9	**—**	—	**—**	—	**—**	—	**369.7**	382.4
Revenue from proprietary loyalty services	**25.0**	39.8	**14.3**	6.0	**88.0**	82.8	**—**	—	**—**	—	**127.3**	128.6
Other revenue	**9.6**	11.2	**22.7**	21.2	**—**	—	**—**	—	**—**	—	**32.3**	32.4
Intercompany revenue	**—**	—	**0.2**	0.1	**0.1**	0.3	**—**	—	**(0.3)**	(0.4)	**—**	—
Total revenue	**300.7**	313.5	**140.8**	147.2	**88.1**	83.1	**—**	—	**(0.3)**	(0.4)	**529.3**	543.4
Cost of rewards and direct costs	**209.3**	210.2	**92.1**	98.5	**40.0**	44.5	**—**	—	**—**	—	**341.4**	353.2
Depreciation and amortization [a]	**38.1**	37.2	**6.3**	5.1	**4.5**	3.0	**—**	—	**—**	—	**48.9**	45.3
Gross margin	**53.3**	66.1	**42.4**	43.6	**43.6**	35.6	**—**	—	**(0.3)**	(0.4)	**139.0**	144.9
Operating expenses before share-based compensation	**55.4**	53.9	**48.1**	45.3	**48.3**	42.1	**18.8**	17.7	**(0.3)**	(0.4)	**170.3**	158.6
Share-based compensation	**—**	—	**—**	—	**—**	—	**1.2**	2.3	**—**	—	**1.2**	2.3
Total operating expenses	**55.4**	53.9	**48.1**	45.3	**48.3**	42.1	**20.0**	20.0	**(0.3)**	(0.4)	**171.5**	160.9
Operating income (loss) [g]	**(2.1)**	12.2	**(5.7)**	(1.7)	**(4.7)**	(6.5)	**(20.0)**	(20.0)	**—**	—	**(32.5)**	(16.0)
Additions to non-current assets [d]	**6.1**	5.5	**11.6**	4.9	**2.2**	1.4	**0.1**	—	**N/A**	N/A	**20.0**	11.8
Non-current assets [d]	**2,941.8**	3,048.6	**617.9** [e]	532.5 [e]	**81.2** [e]	74.7 [e]	**1.1**	2.0	**N/A**	N/A	**3,642.0** [e]	3,657.8 [e]

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

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

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

(c) Includes third party Gross Billings of $147.2 million in the UK and $45.5 million in the US for the three months ended September 30, 2015, compared to third party Gross Billings of $157.1 million in the UK and $45.4 million in the US for the three months ended September 30, 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 $589.9 million in the UK and $74.2 million in the US as of September 30, 2015, compared to non-current assets of $479.6 million in the UK and $66.6 million in the US as of September 30, 2014.

(f) 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.

(g) The reconciliation of the consolidated operating income (loss) to the consolidated earnings (loss) before income taxes for the three months ended September 30, 2015 and September 30, 2014 is presented in the consolidated statements of operations.

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Unaudited

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

	Nine Months Ended September 30,											
	2015	2014	2015	2014	2015	2014 [h]	2015	2014 [h]	2015	2014	2015	2014
Operating Segments	**Canada**		**EMEA**		**US & APAC**		**Corporate [b]**		**Eliminations**		**Consolidated**	
Gross Billings from the sale of Loyalty Units	**888.1**	1,017.6 [f]	**437.9**	494.6	**—**	—	**—**	—	**—**	—	**1,326.0**	1,512.2 [f]
Other Gross Billings	**114.5**	148.8	**90.4**	73.3	**250.6**	264.9	**—**	—	**(0.7)**	(0.7)	**454.8**	486.3
Total Gross Billings	**1,002.6**	1,166.4 [f]	**528.3** [c]	567.9 [c]	**250.6** [c]	264.9 [c]	**—**	—	**(0.7)**	(0.7)	**1,780.8** [c]	1,998.5 [c][f]
Revenue from Loyalty Units	**839.6**	823.6	**423.2**	388.1	**—**	—	**—**	—	**—**	—	**1,262.8**	1,211.7
Revenue from proprietary loyalty services	**86.9**	116.1	**29.6**	17.7	**254.7**	268.1	**—**	—	**—**	—	**371.2**	401.9
Other revenue	**30.8**	38.2	**61.5**	55.9	**—**	—	**—**	—	**—**	—	**92.3**	94.1
Intercompany revenue	**—**	—	**0.4**	0.2	**0.3**	0.5	**—**	—	**(0.7)**	(0.7)	**—**	—
Total revenue	**957.3**	977.9	**514.7**	461.9	**255.0**	268.6	**—**	—	**(0.7)**	(0.7)	**1,726.3**	1,707.7
Cost of rewards and direct costs	**672.1**	653.9	**328.3**	314.0	**118.1**	144.3	**—**	—	**—**	—	**1,118.5**	1,112.2
Depreciation and amortization [a]	**111.9**	110.1	**16.6**	15.8	**12.3**	9.0	**—**	—	**—**	—	**140.8**	134.9
Gross margin	**173.3**	213.9	**169.8**	132.1	**124.6**	115.3	**—**	—	**(0.7)**	(0.7)	**467.0**	460.6
Operating expenses before share-based compensation	**119.7** [g]	173.7	**130.2**	128.9	**140.4**	132.3	**52.4**	54.9	**(0.7)**	(0.7)	**442.0** [g]	489.1
Share-based compensation	**—**	—	**—**	—	**—**	—	**8.0**	9.2	**—**	—	**8.0**	9.2
Total operating expenses	**119.7** [g]	173.7	**130.2**	128.9	**140.4**	132.3	**60.4**	64.1	**(0.7)**	(0.7)	**450.0** [g]	498.3
Operating income (loss) [i]	**53.6** [g]	40.2	**39.6**	3.2	**(15.8)**	(17.0)	**(60.4)**	(64.1)	**—**	—	**17.0** [g]	(37.7)
Additions to non-current assets [d]	**26.4**	31.3	**29.8**	18.0	**7.9**	2.2	**0.1**	—	**N/A**	N/A	**64.2**	51.5
Non-current assets [d]	**2,941.8**	3,048.6	**617.9** [e]	532.5 [e]	**81.2** [e]	74.7 [e]	**1.1**	2.0	**N/A**	N/A	**3,642.0** [e]	3,657.8 [e]

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

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

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

(c) Includes third party Gross Billings of $475.1 million in the UK and $130.6 million in the US for the nine months ended September 30, 2015, compared to third party Gross Billings of $482.1 million in the UK and $150.5 million in the US for the nine months ended September 30, 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 $589.9 million in the UK and $74.2 million in the US as of September 30, 2015, compared to non-current assets of $479.6 million in the UK and $66.6 million in the US as of September 30, 2014.

(f) Includes a $100.0 million upfront contribution received on January 2, 2014 from TD to help fund Aeroplan's program enhancements (*Note 7*).

(g) Includes the favourable impact of $45.7 million resulting from the reduction of the Card Migration Provision during the nine months ended September 30, 2015 (*Note 10*).

(h) 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.

(i) The reconciliation of the consolidated operating income (loss) to the consolidated earnings (loss) before income taxes for the nine months ended September 30, 2015 and September 30, 2014 is presented in the consolidated statements of operations.

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17. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Hierarchy

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

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

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

Level 3 - valuation techniques with significant unobservable market inputs.

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

		September 30,	December 31,
	Hierarchy	2015	2014
Financial assets			
Air Canada Class B shares (*Note 7*)	Level 1	**—**	29.7
Investments in equity instruments (excluding Air Canada shares)	Level 3	**124.0**	107.7
Financial liabilities			
Contingent consideration payable	Level 3	**2.1**	4.0

The fair value of the investments in equity instruments, excluding Air Canada Class B shares, is determined using a market approach with a valuation technique based on the transaction price of recent transactions carried out by other investors involving similar instruments and adjusted for, as deemed necessary, changes in market conditions, the performance of the investee and the passage of time. During the three and nine months ended September 30, 2014, on the basis of the valuation related to an investment made by a third party, a fair value gain of $24.2 million was recorded in other comprehensive income for the investment in Cardlytics.

The fair value of the investment in Air Canada Class B shares was based on the quoted price of the publicly traded shares prior to their disposal during the second quarter of 2015. During the nine months ended September 30, 2015, a fair value gain of $0.8 million was recorded in other comprehensive income, compared to fair value (losses) gains of $(2.4) million and $2.9 million for the three and nine months ended September 30, 2014, respectively.

The fair value of the contingent consideration payable related to the Smart Button acquisition was determined on the basis of management's best estimate and could represent a maximum of US$5.0 million. During the nine months

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ended September 30, 2015, a fair value adjustment of $0.6 million was recorded in general and administrative expenses as a reduction to the contingent consideration. During the third quarter of 2015, an amount of $1.8 million (US$1.4 million), representing 50% of the estimated contingent consideration, was paid to the selling shareholders on the second anniversary of the acquisition, with the remainder being payable on the third anniversary of the acquisition.

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

The fair value of the borrowings is estimated as being the quoted market value for the publicly traded debt securities while the fair value of investments in corporate and government bonds is based on the quoted market price of the investments.

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

		September 30, 2015		December 31, 2014	
	Hierarchy	Carrying	Fair Value	Carrying	Fair Value
Investments in corporate and government bonds (including current portion)	Level 1	309.0	318.0	309.3	318.6
Long-term debt (including current portion)	Level 1	647.1	682.9	646.4	699.4

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

18. ADDITIONAL FINANCIAL INFORMATION

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

A) STATEMENTS OF FINANCIAL POSITION

INTANGIBLE ASSETS

	September 30, 2015	December 31, 2014
Accumulation partners' contracts and customer relationships	**922.4**	1,013.0
Software and technology	**170.3**	148.5
Trade names	**421.7**	405.3
Other intangibles	**0.6**	0.8
Total	**1,515.0**	1,567.6

LONG-TERM DEBT

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.

The Senior Secured Notes Series 2, in the principal amount of $150.0 million, matured on September 2, 2014 and were repaid with cash on hand.

PENSION AND OTHER LONG-TERM LIABILITIES

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

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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.

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.

B) STATEMENTS OF CASH FLOWS

CHANGES IN OPERATING ASSETS AND LIABILITIES

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Restricted cash	**(3.3)**	3.3	**1.4**	8.4
Accounts receivable	**4.7**	31.1	**30.8**	(13.5)
Inventories	**(0.1)**	(10.3)	**4.3**	(5.6)
Prepaid expenses	**(15.7)**	(18.6)	**(4.1)**	(10.7)
Accounts payable and accrued liabilities	**30.4**	(27.7)	**(27.4)**	(76.5)
Customer deposits	**5.6**	11.4	**9.4**	3.5
Provisions	**—**	—	**(44.0)**	—
Pension and other long-term liabilities	**(1.6)**	(2.4)	**1.4**	(1.8)
Deferred revenue	**53.1**	84.7	**51.6**	282.7
Total	**73.1**	71.5	**23.4**	186.5

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited

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

C) STATEMENTS OF COMPREHENSIVE INCOME

INCOME TAX EFFECTS

The defined benefit plans actuarial gains (losses) for the three and nine months ended September 30, 2015 were net of deferred income tax expenses (recoveries) of $0.1 million and $(0.7) million, respectively, compared to deferred income tax recoveries of $(0.6) million and $(4.4) million, respectively, for the three and nine months ended September 30, 2014.

The changes in fair value of the Air Canada Class B shares (*Note 17*) for the nine months ended September 30, 2015 were net of a deferred income tax expense of $0.1 million compared to deferred income tax (recoveries) expenses of $(0.3) million and $0.4 million for the three and nine months ended September 30, 2014, respectively.

The accumulated gain relating to the Air Canada Class B shares which was reclassified to net earnings during the nine months ended September 30, 2015 was net of a deferred income tax expense of $2.9 million.

There was no income tax effect related to the fair value gain recorded on the investment in Cardlytics (*Note 17*) for the three and nine months ended September 30, 2014.

D) STATEMENTS OF CHANGES IN EQUITY

ACCUMULATED OTHER COMPREHENSIVE INCOME

	Currency translation adjustments on foreign subsidiaries		Available-for-sale investments		Total	
As at	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Opening balance	**33.0**	9.0	**67.5**	25.8	**100.5**	34.8
Foreign currency translation adjustments	**63.3**	18.5	**16.3**	3.6	**79.6**	22.1
Change in fair value of available-for-sale investments, net of tax	**—**	—	**0.7**	26.7	**0.7**	26.7
Reclassification to net earnings of gain on sale of available-for-sale investments, net of tax	**—**	—	**(18.6)**	—	**(18.6)**	—
Ending balance	**96.3**	27.5	**65.9**	56.1	**162.2**	83.6