Aimia Inc.

Aimia Secures Strong Future Positioning of Aeroplan under 10-year Agreements with TD and CIBC

MONTREAL, Sept. 16, 2013 /CNW Telbec/ - Aimia confirmed today 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. TD will become Aeroplan's primary financial services partner and credit card issuer, under an amended version of the agreement announced previously, while CIBC will also continue to be an issuer of Aeroplan credit cards. Aimia also announced entering into a purchase agreement with TD and CIBC, under which TD will acquire approximately half of the current Aeroplan card portfolio and CIBC will retain the balance, comprised of Aeroplan cardholders who have broader banking relationships with CIBC.

Both banks will offer members an enhanced suite of Aeroplan Visa credit cards to include more earning options and benefits than ever, including exclusive Air Canada benefits, in addition to the ground breaking changes to Aeroplan with Distinction benefits to be launched in January 2014 for all Aeroplan members.

"The agreements we are announcing today with TD and CIBC will put real momentum behind the transformed Aeroplan program we will launch in January and provide a strong and stable platform for growth in the Canadian business," said Rupert Duchesne, Group Chief Executive, Aimia. "Having these agreements in place will also preserve the financial flexibility to invest in the growth opportunities we might see for Aimia over the next few years."

Terms of the New Financial Credit Card Agreements

The terms of both the new 10-year financial credit card agreements include:

- a more than 15% increase in price per mile to align to market levels; and
- more comprehensive collaboration around data and customer insight analytics.

As disclosed in June, the TD agreement specifically provides for:

- a $100 million upfront contribution payable by TD to Aimia in 2014 to help fund program enhancements; and
- a joint marketing spend commitment of around $140 million funded by TD and Aimia over 4 years to support new cards and new program features.

The TD minimum miles purchase commitment has been updated to a five-year volume commitment based on miles purchases by TD and CIBC. These payments, in aggregate, could be up to $95 million.

Features of the new credit card offerings to be introduced by the banks during 2014 were announced on June 27, 2013. TD will market its cards through a wide range of TD, Aeroplan and mass market channels, with CIBC using its proprietary channels to market to CIBC customers.

"Partnering with two of Canada's leading financial institutions will be a market changing outcome for Aeroplan which will strengthen our leadership position," said Vince Timpano, President and CEO, Canada, Aimia. "As a result of these unique agreements, Aeroplan members have a lot to look forward to in 2014 - not only will we be offering an exciting new suite of credit cards, January also marks the launch of Distinction, our innovative recognition program, and Market Fare Flight Rewards will provide members with even more seats at great value. With these ground breaking changes, Aeroplan will continue to be able to deliver the fastest path to the flights and experiences most valued by premium Canadian consumers."

Aimia, TD and CIBC are committed to ensuring that members stay informed throughout this process and that any transition will be easy. A tri-party marketing campaign will be launched shortly to provide Aeroplan members and cardholders with the information they need to know for the transition to new cards in 2014.

Regardless of whether members will transition to a new card, all Aeroplan Miles that members accumulate through the end of 2013 are deposited into their Aeroplan accounts and are not tied to their current credit card.

Terms of the Purchase Transaction

TD, CIBC and Aimia have also entered into an agreement in connection with the purchase by TD of approximately half of the Aeroplan credit card portfolio from CIBC. Pursuant to this agreement, CIBC will retain the remaining 630,000 Aeroplan accounts held by its existing banking customers. At June 30, 2013, the portfolio to be acquired by TD represented approximately: $20 billion of purchase volume, 550,000 accounts and $3 billion of credit card receivables outstanding.

An aggregate amount of $312.5 million (plus the par value of the related credit card receivables outstanding) will be paid to CIBC for the conveyance of approximately half of its Aeroplan cards portfolio to TD as well as other related arrangements. Pursuant to these agreements, Aimia will fund $150 million of the payments payable to CIBC.

Cardholders in the CIBC portfolio may choose to migrate to TD and vice versa. Depending on the net migration of Aeroplan-branded credit card accounts between CIBC and TD over the next five years, TD, Aimia, and CIBC have agreed to make additional payments of up to $400 million. Aimia will be responsible for - or entitled to receive - up to $100 million of these payments.

CIBC will also work with TD under an interim servicing agreement to effect a smooth transition of the customers moving to TD, allowing members to keep accumulating Aeroplan Miles.

Legal and Closing Conditions

In conjunction with the agreements being announced today, CIBC has also agreed that, upon closing of the transaction contemplated by the purchase agreement, CIBC will fully release Aimia and TD from any potential claims in connection with TD becoming Aeroplan's primary financial credit card issuer.

The Aimia and CIBC financial credit card agreement includes an option for either party for an early termination after the third year of the agreement if certain conditions related to the migration of Aeroplan credit cards in CIBC's retained portfolio to other CIBC credit cards are met.

The parties currently anticipate that the purchase transaction will close before the end of 2013, subject to obtaining certain regulatory approvals and satisfaction of other closing conditions customary in transactions of this nature.

2013 Outlook

Our 2013 reported Adjusted EBITDA and Free Cash Flow before dividends is being revised mainly as a result of one-time payments being announced today, on the expectation that the purchase transaction will close before the end of 2013, and additional marketing costs to be incurred in 2013 in connection with the transaction.

Our current expectation is for 2013 Adjusted EBITDA on an underlying basis to be around $350 million, with a $25 million reduction mainly due to incremental marketing expenses related to the financial card agreements and weaker than expected market conditions in the latter part of 2013. The $150 million closing payment to CIBC and a possible provision of up to $100 million for the potential net migration payments described above could take 2013 reported Adjusted EBITDA to around $100 million. The value of the possible provision to be recorded will be confirmed with the release of our year end results. Any actual cash impact for these potential migration payments would not occur until 2015 at the earliest.

On an underlying basis, 2013 Free Cash Flow before dividends is now expected to be between a revised range of $230 million and

$250 million after accounting for the $25 million reduction described above. The $150 million closing payment in 2013 would further revise 2013 Free Cash Flow before dividends to between $80 million and $100 million.

The above guidance should be read in conjunction with the more detailed guidance provided in the earnings release dated February 27, 2013 and August 12, 2013. The above guidance excludes the effects of fluctuations in currency exchange rates. In addition, Aimia made a number of economic and market assumptions in preparing its 2013 forecasts, including assumptions regarding the performance of the economies in which the Corporation operates and market competition and tax laws applicable to the Corporation's operations. The Corporation cautions that the assumptions used to prepare the forecasts for 2013, although reasonable at the time they were made, may prove to be incorrect or inaccurate. In addition, the above forecasts do not reflect the potential impact of any non-recurring or other special items or of any new material commercial agreements, dispositions, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after September 16, 2013. The financial impact of these transactions and non-recurring and other special items can be complex and depends on the facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way or in the same way we present known risks affecting our business. Accordingly, our actual results could differ materially from our expectations as set forth in this news release. The outlook provided constitutes forward-looking statements within the meaning of applicable securities laws and should be read in conjunction with the "Caution Concerning Forward-Looking Statements" section.

Investor and Analyst Call

Aimia will host a conference call to discuss the announcement at 8:00 a.m. ET today, Monday, September 16, 2013. The call can be accessed by dialing 1-888-231-8191 or 647-427-7450 for the Toronto area. The call will be simultaneously audio webcast at: http://www.newswire.ca/en/webcast/detail/1224041/1347997.

Member Information about Aeroplan Program Enhancements and Credit Card Agreement

For more information visit www.aeroplan.com/new. Consumer questions can also be addressed on Twitter (@Aeroplan) or Facebook (www.facebook.com/Aeroplan) or by contacting the Aeroplan Contact Centre at: 1-800-361-5373.

Use of Non-GAAP Financial Information

In order to provide a better understanding of financial results, the following indicators are used:

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization

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 the Corporation's performance on a consistent basis without regard to depreciation and amortization, 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 from equity-accounted investments.

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, Adjusted Net Earnings and Free Cash Flow included in the attached schedule. 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 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 Summary of Consolidated Operating Results and Reconciliation of EBITDA, Adjusted EBITDA, Adjusted Net Earnings and Free Cash Flow included in the attached schedule.

Standardized Free Cash Flow ("Free Cash Flow")

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, when stipulated, unless deducted in arriving at cash flows from operating activities.

For a reconciliation to cash flows from operations please refer to the Summary of Consolidated Operating Results and Reconciliation of EBITDA, Adjusted EBITDA, Adjusted Net Earnings and Free Cash Flow included in the attached schedule.

EBITDA and Free Cash Flow are non-GAAP measurements recommended by the 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.*

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, helps 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-year results using prior-year foreign currency exchange rates. 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.

Caution Concerning Forward-Looking Statements

Forward-looking statements are included in this news release. 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 top accumulation partners and clients, the effective implementation of Aeroplan Program enhancements and a new financial card partnership, conflicts of interest, greater than expected redemptions for rewards, regulatory matters, retail market/economic conditions, industry competition, Air Canada liquidity issues, Air Canada or travel industry disruptions, airline industry changes and increased airline costs, supply and capacity costs, unfunded future redemption costs, failure to safeguard databases and consumer privacy, 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, as well as the other factors identified in this news release and

throughout Aimia's public disclosure record on file with the Canadian securities regulatory authorities.

The forward-looking statements contained herein represent Aimia's expectations as of September 16, 2013, 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.

About Aeroplan
Aeroplan, Canada's premier coalition loyalty program, is owned by Aimia Inc., a global leader in loyalty management. Aeroplan's millions of members earn Aeroplan Miles with its growing network of over 75 world-class partners, representing more than 150 brands in the financial, retail, and travel sectors.

In 2012, approximately 2.3 million rewards were issued to members including more than 1.6 million flights on Air Canada and Star Alliance carriers which offer travel to more than 1,000 destinations worldwide. In addition to flights, members also have access to over 1,000 exciting specialty, merchandise, hotel, car rental and experiential rewards.

About Aimia
Aimia Inc. ("Aimia" or the "Corporation") is a global leader in loyalty management. Employing more than 4,000 people in over 20 countries worldwide, Aimia offers clients, partners and members proven expertise in launching and managing coalition loyalty programs, delivering proprietary loyalty services, creating value through loyalty analytics and driving innovation in the emerging digital, mobile and social communications spaces.

Aimia owns and operates Aeroplan, Canada's premier coalition loyalty program, Nectar, the United Kingdom's largest coalition loyalty program and Nectar Italia. In addition, Aimia owns stakes in Air Miles Middle East, Mexico's leading coalition loyalty program Club Premier, Brazil's Prismah Fidelidade, and i2c, a joint venture with Sainsbury's offering insight and data analytics services in the UK to retailers and suppliers. Aimia also holds a minority position in Cardlytics, a US-based private company operating in transaction-driven marketing for electronic banking. Aimia is listed on the Toronto Stock Exchange (TSX: AIM). For more information, visit us at www.aimia.com.

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Image with caption: "Ed Clark, Group President and CEO, TD Bank Group; Rupert Duchesne, Group Chief Executive, Aimia; and Gerry McCaughey, President and CEO, CIBC; announce the confirmed agreements between TD, Aimia and CIBC regarding Aeroplan-branded Visa credit cards. (CNW Group/AIMIA)". Image available at:
http://photos.newswire.ca/images/download/20130916_C7362_PHOTO_EN_30865.jpg

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