Aimia Inc.

Aimia reports fourth quarter and full year 2014 results

2014 A YEAR OF EXCEPTIONAL PROGRESS FOR AIMIA

MONTREAL, Feb. 27, 2015 /CNW Telbec/ - Data-driven marketing and loyalty analytics company Aimia Inc. (TSX: AIM) today reported its financial results for the quarter and year ended December 31, 2014. All financial information is in Canadian dollars unless otherwise noted.

2014 Highlights: Aimia met or exceeded its guidance on all key financial metrics. Solid fourth quarter performance enabled Aimia to deliver Gross Billings growth of 9.3% on a constant currency basis, Adjusted EBITDA margin of 11.8% and Free Cash Flow of $287 million.

- The transition of Aeroplan with its new card partnership agreements and launch of Distinction exceeded all expectations and drove strong member engagement.
- Aimia expanded its coalition business into Spain through Travel Club and in Asia Pacific with an investment in Air Asia's Think Big.
- Aimia's Intelligent Shopper Solutions business doubled its client base in 2014, with five new retailers, including Sonae in Portugal.

HIGHLIGHTS[1]	**Three Months Ended December 31,**				**Years Ended December 31,**			
(in millions of Canadian dollars, except per share amounts)	**2014**	**2013**	**YoY % Change**	**YoY % Constant Currency**	**2014**	**2013**	**YoY % Change**	**YoY % Constant Currency**
Gross Billings [5]	**688.1**	658.0	4.6	2.1	**2,686.6**	2,366.4	13.5	9.3
Total Revenue [2]	**761.1**	687.6	10.7	8.0	**2,468.8**	1,673.5	47.5	42.2
Net Earnings (Loss) [2][3][6][7]	**21.5**	(125.7)	**	**	**(37.7)**	(492.7)	92.3	**
Earnings (Loss) per Common Share [2][3][6][7]	**0.09**	(0.74)	**	**	**(0.35)**	(2.95)	88.1	**
Adjusted EBITDA [3][5][6]	**60.0**	(111.1)	**	**	**316.4**	150.5	**	**
Adjusted Net Earnings per Common Share [3][5][6]	**0.20**	(0.50)	**	**	**1.05**	0.53	98.1	**
Free Cash Flow before Dividends Paid [4][5][6][8]	**17.1**	(52.1)	**	**	**287.0**	95.6	**	**

** Information not meaningful

Please refer to "Notes" below for details on notations that appear on tables in this Press Release.

"In 2014, Aimia delivered against our strategy of strengthening our position in priority markets, replicating and evolving our successful coalition loyalty model with programs in markets such as Mexico and Spain, and building our distinctive data analytics capabilities and client base globally," said Rupert Duchesne, Group Chief Executive. "At the same time, we delivered strong financial results, exceeding our guidance. With the momentum we see in recent sales, notwithstanding the fragility of the global economy, we are confident that 2015 will be another good year."

Consolidated Financial Highlights

Twelve Months Ended December 31, 2014 compared to twelve months ended December 31, 2013:

- Gross Billings increased 13.5% to $2,686.6 million, reflecting strong growth in Canada, including a $100.0 million contribution from TD to support Aeroplan program enhancements in the first quarter of 2014 and a favourable currency impact, partially offset by lower Gross Billings in the EMEA region.
- Adjusted EBITDA was $316.4 million compared to $150.5 million last year and included the $100.0 million contribution from TD and a $37.4 million unfavourable impact from the change in Future Redemption Costs as a result of increased promotional miles on new financial cards acquired in the Aeroplan program. The prior year included a $150.0 million payment to CIBC related to the conveyance of a half of the Aeroplan credit card base, a $50.0 million Card Migration Provision, and a $24.0 million favourable impact related to the final judgment of the VAT litigation in the U.K. Excluding these items, Adjusted EBITDA decreased $72.7 million which primarily reflected the new margin profile of the transformed Aeroplan program, which is designed to deliver growth over the long term with an increase in the redemption cost per Aeroplan mile, offset in part by an increase in the Gross Billings.
- Free Cash Flow before Dividends Paid was $287.0 million in 2014, which included the $100.0 million contribution by TD and $113.4 million in tax recoveries, offset in part by a $20.7 million deposit made to Revenue Quebec. This compares to Free Cash Flow before Dividends Paid of $95.6 million in 2013, which included a $150.0 million payment to CIBC and $22.5 million for the associated HST.

Three Months Ended December 31, 2014 compared to three months ended December 31, 2013:

- Gross Billings increased 4.6% to $688.1 million in the fourth quarter as a result of strong growth in Canada and a favourable currency impact, which was offset in part by lower Gross Billings in the Europe, Middle East and Africa (EMEA) and US & Asia Pacific (APAC) regions, on a constant currency basis.
- Adjusted EBITDA was $60.0 million compared to $(111.1) million last year, which included the unfavourable $200.0 million payment to CIBC and the Card Migration Provision. The remaining variance mostly reflects the higher redemption cost per Aeroplan mile, partially offset by an increase in Gross Billings in the Aeroplan program.
- Free Cash Flow before Dividends Paid was $17.1 million compared with a cash outflow of $52.1 million last year with increased cash flow from operations (primarily due to the CIBC Payment and related HST last year), increased Gross Billings and the receipt of a $7.5 million income tax refund from Revenue Quebec in Q4 2014 which were partly offset by a lower gross margin, higher operating expenses and higher capital expenditures.

2015 Guidance

For the year ending December 31, 2015, Aimia expects to report the following:

(in millions of Canadian dollars)	2014 Reported	2014 Normalized[9]	2015 Guidance
Gross Billings	$2,686.6	$2,586.6	Between $2,560 and $2,610
Adjusted EBITDA and margin	$316.4 11.8%	$216.4 8.4%	Adjusted EBITDA margin of approximately 9%

Free Cash Flow before Dividends Paid	$287.0	$94.3	Between $220 and $240
Capital Expenditures	$81.5	$81.5	Between $70 to $80

See "Forward-Looking Statements" below regarding assumptions underlying the above guidance and risks relating thereto, including currency fluctuations and currency risk.
Please refer to "Notes" below for details on notations that appear in this table.

Segment Highlights

Canada - *New Aeroplan financial partnership arrangements and the launch of Distinction drove an 18.5% increase in Gross Billings.*

- Miles issued, including promotional miles, climbed 14.6% year over year
- The total number of rewards issued increased 13.8% year over year and air rewards were up 19.8%

Full Year and Fourth Quarter 2014

- **Gross Billings** increased 18.5% to $1.5 billion for the year ended December 31, 2014, and 7.7% to $373.8 million in the fourth quarter, due to strong growth in Gross Billings from Loyalty Units at Aeroplan. Other Gross Billings decreased 7.6% for the year and 14.7% in the fourth quarter due to lower Proprietary Loyalty client activity and lower Gross Billings for ancillary services related to the Aeroplan program.
- Aeroplan miles issued increased 14.6% for the year and 10.5% in the quarter driven by higher purchase volumes, promotional miles, new card acquisitions and partner program conversions.
- Aeroplan miles redeemed increased 7.0% for the year and 15.7% in the fourth quarter primarily due to an increase in air redemptions as a result of the enhanced travel reward offerings under the Distinction program launched in January 2014.
- **Adjusted EBITDA** was $49.9 million in the fourth quarter and $323.5 million for the full year 2014. The full year included the $100.0 million contribution by TD and the unfavourable impact of $37.4 million from the change in Future Redemption costs due to increased promotional miles on new financial cards acquired, while the fourth quarter included the similar unfavourable impact of $4.1 million. The prior year Adjusted EBITDA in the fourth quarter was $(114.9) million and for the full year was $137.7 million. Both the quarter and the year included a $200.0 million unfavourable impact related to the CIBC Payment and Card Migration Provision in the Aeroplan program.

EMEA - *UK results affected by price deflation in the grocery market, while Italy results dampened by continued recession*

Full Year and Fourth Quarter 2014

- **Gross Billings** increased 9.7% to $772.2 million for the year and 2.2% to $204.3 million in the fourth quarter. The change for the full year reflected a decrease in Gross Billings from the sale of Loyalty Units at Air Miles Middle East due to additional funding by the main accumulation partner in the prior year, as well as reductions at Nectar Italia and Nectar, which was more than offset by a favourable currency impact and growth in Gross Billings from analytics and insights services. The increased Gross Billings in the fourth quarter reflected a decrease in Gross Billings from the sale of Loyalty Units primarily at Nectar and Nectar Italia which was more than offset by a favourable currency impact and growth in Gross Billings from analytics and insights services. On a constant currency basis, Gross Billings fell 1.7% for the year and 3.1% in the fourth quarter.
- Nectar UK points issued decreased by 1.0% for the year mostly due to lower activity in the energy sector and were down 6.7% in the quarter due to lower activity by the grocery and the energy sectors. Nectar UK points redeemed increased 3.9% for the year and 1.1% in the quarter primarily due to the increased number of points in circulation at the beginning of the period.
- Air Miles Middle East points issued decreased 4.9% for the year as a result of a reduction in member offering by the main accumulation partner and higher levels of activity in the prior year in anticipation of the first expiry anniversary. Points issued

increased 2.5% in the fourth quarter as a result of increased bonusing activity. Air Miles Middle East redemption activity decreased 31.4% for the year due to the impact of the first year expiry in 2013 and a reduced member offering by the main accumulation partner. Redemption activity increased 9.2% in the fourth quarter primarily due to the increased number of points in circulation.

- Nectar Italia points issued decreased 10.6% for the year and were down 8.4% in the fourth quarter due to difficult economic conditions and its impact on grocery and fuel sectors. Nectar Italia redemption activity decreased 4.1% for the year as a result of fewer points in circulation and reduced promotional activity, partially offset by increased redemption activity in the fourth quarter of 2014 of 21.0% in anticipation of the expiry of points in the first quarter of 2015.
- **Adjusted EBITDA** was $76.1 million for the year compared to $94.0 million in 2013, which included a $24.0 million favourable impact from the final judgment of the VAT litigation. Excluding the VAT impact, and on a constant currency basis, Adjusted EBITDA was down $8.6 million with lower Gross Billings in Air Miles Middle East including additional funding provided by the main accumulation partner in the prior period, increased operating expenses related to global product development and a one-time adjustment to pension expense, which was partially offset by operational efficiencies, improved contribution from analytics and insights, and a favourable impact from a change in the Breakage estimate at Nectar Italia. Adjusted EBITDA increased 42.1% to $28.7 million or 31.2% on a constant currency basis in the fourth quarter. The increase on a constant currency basis was primarily due to the growth in analytics and insights, favourable impact of the change in Breakage estimate in the Nectar Italia program and operational efficiencies, partially offset by higher global product development expenses.

US & APAC *New customer wins and expansions drive momentum for 2015 and beyond*

- **Gross Billings** increased 3.4% to $375.1 million for the year 2014, but were down 1.8% on a constant currency basis, primarily as a result of lower reward fulfillment volume in the US region which was partly offset by a net increase in business in the region. Gross Billings in the fourth quarter decreased 0.7% to $110.2 million or 5.8% on a constant currency basis.
- **Adjusted EBITDA** improved $2.3 million for the year 2014 to $(1.5) million, and on a constant currency basis improved $2.5 million. Adjusted EBITDA in the fourth quarter of 2014 increased 2.4% to $8.7 million, but declined $(0.2) million on a constant currency basis.

Corporate

- Adjusted EBITDA was $(81.7) million in 2014 compared to $(77.4) million in 2013. In the fourth quarter of 2014 Adjusted EBITDA was $(27.3) million compared to $(24.9) million in the same period last year.

Capital Spending

- Capital spending of $81.5 million for the year and $30.0 million in the fourth quarter of 2014 was mainly related to information technology investments and real estate expenditures, including the relocation of our headquarters to the new Tour Aimia in Montreal at the end of April 2014.

Dividends

Dividends paid in the fourth quarter were $36.2 million ($143.3 million for the full year 2014), of which $31.0 million for the full year was related to quarterly dividends paid to common shareholders ($123.1 million in 2014) and the remainder to preferred shareholders.

On February 26, 2015, the Board of Directors of Aimia declared quarterly dividends of $0.18 per common share, $0.40625 per Series 1 Preferred Share and $0.390625 per Series 3 Preferred Share, in each case payable on March 31, 2015.

Share Repurchase

Operating under its Normal Course Issuer Bid in effect for the period from May 16, 2014 to May 15, 2015, Aimia repurchased 2,069,790 common shares for a total consideration of $29.8 million through December 31, 2014. Subsequent to December 31, 2014 Aimia repurchased 1,365,000 common shares for a total consideration of $18.9 million.

Quarterly Conference Call and Audio Webcast Information

Aimia will host a conference call to discuss its fourth quarter and full year 2014 financial results at 9:00 a.m. ET on Friday, February 27, 2015. 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/1470299/1636629

A slide presentation intended for simultaneous viewing with the conference call will be available the morning of February 27, 2015 at: http://aimia.com/en/investors/presentations.html and an archived audio webcast will be available at:

http://aimia.com/content/aimiawebsite/global/en/investors/events.html for ninety days following the original broadcast.

The audited consolidated financial statements and the MD&A will be accessible on the investor relations website at: http://aimia.com/en/investors/quarterly-reports.html

Notes

1. Non-GAAP financial measures (Adjusted EBITDA, Adjusted Net Earnings per common share and Free Cash Flow before Dividends Paid) and constant currency are explained in the section entitled "Non-GAAP Financial Measures". Discrepancies in variances may arise due to rounding.
2. Total Revenue for the year ended December 31, 2013 includes the non-comparable impact of the change in Breakage estimate in the Aeroplan program which resulted in a reduction to revenue from Loyalty Units of $617.0 million. Net Earnings (Loss) and Earnings (Loss) per Common Share for the year ended December 31, 2013 also include the non-comparable impact of the change in Breakage estimate of $449.5 million, net of income tax recovery of $167.5 million.
3. Adjusted EBITDA, Net Earnings (Loss) and Adjusted Net Earnings (and as a result Adjusted Net Earnings per Common Share) for the year ended December 31, 2013 includes the favourable impact resulting from the final judgment of the VAT litigation of $24.0 million, $40.2 million and $40.2 million, respectively. Refer to the Management Discussion and Analysis for the year ended December 31, 2014 for additional information.
4. Free Cash Flow before dividends paid includes an amount of $83.4 million received during the year ended December 31, 2014 from the Canadian Revenue Agency related to the income tax refund of loss carry back applied in Canada.
5. Gross Billings and Adjusted EBITDA for the twelve months ended December 31, 2014 include the $100.0 million contribution received from TD. Adjusted Net Earnings per Common Share for the twelve months ended December 31, 2014 includes the contribution received from TD of $73.4 million, net of an income tax expense of $26.6 million.
6. Net Earnings (Loss), Earnings (Loss) per Common Share and Adjusted Net Earnings per Common Share for the three and twelve months ended December 31, 2013 includes the unfavourable impact of the CIBC payment and the Card Migration Provision totaling $146.9 million, net of an income tax recovery of $53.1 million. Adjusted EBITDA for the three and twelve months ended December 31, 2013 includes the unfavourable impact of the CIBC Payment of $150.0 million and the Card Migration Provision of $50.0 million. Free cash flow before dividends paid for the three and twelve months ended December 31, 2013 include for the CIBC Payment of $150.0 million and the related harmonized sales tax of $22.5 million. Free Cash Flow before dividends paid for three and twelve months ended December 31, 2014 include an amount of $7.5 million received from Revenue Quebec related to the income tax refund of loss carry back applied in Canada. Free cash flow before dividends paid for the year ended December 31, 2014 also includes the receipt of $22.5 million in harmonized sales tax.
7. Net Earnings (Loss) and Earnings (Loss) per Common share for the three and twelve months ended December 31, 2013 include a goodwill impairment charge of $19.1 million related to the US Proprietary Loyalty CGU.
8. Free Cash Flow before dividends paid for three and twelve months ended December 31, 2014 include an amount of $7.5 million received from Revenue Quebec related to the income tax refund of loss carry back applied in Canada.
9. Gross Billings and Adjusted EBITDA exclude the upfront $100.0 million TD contribution. Free Cash Flow before Dividends

paid excludes the $100.0 million contribution from TD, tax proceeds of $90.9 million related to loss carry back and $22.5 million related to HST, offset by a $20.7 million deposit made to Revenue Quebec.

About Aimia

Aimia Inc. (TSX:AIM) is a data-driven marketing and loyalty analytics company. We provide our clients with the customer insights they need to make smarter business decisions and build relevant, rewarding and long-term one-to-one relationships, evolving the value exchange to the mutual benefit of both our clients and consumers.

With close to 4,000 employees in 20 countries, Aimia partners with groups of companies (coalitions) and individual companies to help generate, collect and analyze customer data and build actionable insights.

We do this through our own coalition loyalty programs such as Aeroplan in Canada and Nectar in the UK, and through provision of loyalty strategy, program development, implementation and management services underpinned by leading products and technology platforms such as the Aimia Loyalty Platform and SmartButton, and through our analytics and insights business, including Intelligent Shopper Solutions. In other markets, we own stakes in loyalty programs, such as Club Premier in Mexico, Air Miles Middle East and Think Big, a partnership with Air Asia and Tune Group. Our clients are diverse, and we have industry-leading expertise in the fast-moving consumer goods, retail, financial services, and travel and airline industries globally to deliver against their unique needs.

For a full list of our partnerships and investments, and more information about Aimia, visit www.aimia.com.

Non-GAAP Financial Measures

Aimia uses the following non-GAAP financial measures which it believes provides investors and analysts with additional information to better understand results as well as assess its potential. GAAP means generally accepted principles in Canada and represent International Financial Reporting Standards ("IFRS").

Adjusted EBITDA

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 and goodwill impairment, which are non-cash in nature and can vary significantly depending on accounting methods and non-operating factors such as historical cost. Adjusted EBITDA also includes distributions and dividends received or receivable from equity-accounted investments. 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. Adjusted EBITDA should not be used as an exclusive measure of cash flow because it does not account for the impact of working capital growth, capital expenditures, debt repayments and other sources and uses of cash, which are disclosed in the statements of cash flows.

Adjusted Net Earnings

Adjusted Net Earnings provides a measurement of profitability calculated on a basis consistent with Adjusted EBITDA. Net earnings attributable to equity holders of the Corporation are adjusted to exclude Amortization of Accumulation Partners' contracts, customer relationships and technology, share of net earnings (loss) of equity accounted investments and impairment charges. Adjusted Net Earnings includes the Change in deferred revenue and Change in Future Redemption Costs, net of the income tax effect and non-controlling interest effect (where applicable) on these items at an entity level basis. Adjusted Net Earnings also includes distributions and dividends received or receivable from equity-accounted investments. Adjusted Net Earnings is not a measurement based on GAAP, is not considered an alternative to net earnings in measuring profitability, and is not comparable to similar measures used by other issuers.

Adjusted Net Earnings per Common Share

Adjusted Net Earnings per Common Share provides a measurement of profitability per Common Share on a basis consistent with Adjusted Net Earnings. Calculated as Adjusted Net Earnings less dividends declared on preferred shares divided by the number of weighted average number of basic and diluted common shares. Adjusted Net Earnings per Common Share is not a measurement based on GAAP, is not considered an alternative to Net Earnings per Common Share in measuring profitability per Common Share and is not comparable to similar measures used by other issuers.

Free Cash Flow

Standardized free cash flow ("Free Cash Flow") is a non-GAAP measure which management believes provides 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.

Free Cash Flow before Dividends paid per Common Share

Free Cash Flow before Dividends Paid per Common Share is a measurement of cash flow generated from operations on a per share basis. It is calculated as follows, Free Cash Flow before dividends paid less preferred dividends paid over the weighted average number of common shares outstanding.

Reconciliation to GAAP

For a reconciliation to GAAP or to cash flows from operations, as applicable, please refer to the Management Discussion & Analysis for the year ended December 31, 2014.

Constant Currency

Because exchange rates are an important factor in understanding period to period comparisons, management believes that 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

Forward-Looking Statements

Forward-looking statements are included in this news release. These forward-looking statements are typically identified by the use of terms such as "outlook", "guidance", "target", "forecast", "assumption" and other similar expressions or future or conditional terms such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would", and "should". Such statements may involve but are not limited to comments with respect to strategies, expectations, planned operations or future actions.

The above guidance (including Gross Billings, Adjusted EBITDA and margin, Free Cash Flow before dividends paid and capital expenditures) constitutes forward-looking statements. Aimia made a number of economic and market assumptions in preparing its above guidance as well as assumptions regarding currencies and the performance of the economies in which the Corporation operates and market competition and tax laws applicable to the Corporation's operations. The Corporation also made certain assumptions with respect to the financial impact of the outcome of its on-going negotiations with each of TD and CIBC in relation to the Aeroplan financial card agreements as a result of changes to credit card interchange rates to be implemented as of April 30, 2015.The Corporation cautions that the assumptions used to prepare the above guidance, although reasonable at the time they were made, may prove to be incorrect or inaccurate. In addition, the above guidance does 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 February 27, 2015. 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 presently know about the risks affecting our business. Accordingly, our actual results could differ materially from our expectations as set forth in this news release.

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

*The forward-looking statements contained herein represent Aimia's expectations as of February 27, 2015 and are subject to change after such date. However, Aimia disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulation*s.

SOURCE AIMIA

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