Aimia Inc.

AIMIA reports fourth quarter and full year 2015 results

MONTREAL, Feb. 24, 2016 /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, 2015. All financial information is in Canadian dollars unless otherwise noted. This earnings release contains Non-GAAP financial measures which are further explained in the "Notes" section at the end of this release.

Highlights[1]:

- Strong fourth quarter with Nectar bonusing and Club Premier distribution above expectations
- Delivered above revised 2015 guidance with a $37 million reduction in operating expenses against the 2014 base contributing to Adjusted EBITDA margin of 9.5%, on an adjusted basis*
- Ongoing process to dispose of non-core assets and ensure core assets in growth phase deliver appropriate returns for shareholders
- Significant improvement in member experience and satisfaction metrics at Aeroplan and Nectar
- At least $20 million of further annualized savings will be realized from the beginning of 2017
- Free Cash Flow before Dividends Paid of $200 million or more for the fourth time in five years, with over $425 million returned to shareholders through dividends and share buybacks since November 2014
- A meaningfully leaner organization focused on core businesses that will produce strong 2016 cash flow off of a stable Gross Billings base

  *excluding the beneficial impact of $45.7 million related to the reduction of the Card Migration Provision and severance costs of $15.7 million incurred for the full year related to organizational changes announced on August 14, 2015 from reported Adjusted EBITDA

HIGHLIGHTS [1]	**Three Months Ended December 31,**				**Years Ended December 31,**			
(in millions of Canadian dollars, except per share amounts)	**2015**	**2014**	**YoY % Change**	**YoY % (C.C.)**	**2015**	**2014**	**YoY % Change**	**YoY % (C.C.)**
Gross Billings [2]	**688.2**	688.1	0.0	(5.2)	**2,469.0**	2,686.6	(8.1)	(11.2)
Total Revenue [3]	**734.3**	761.1	(3.5)	(9.7)	**2,460.6**	2,468.8	(0.3)	(3.9)
Operating Income (Loss) [3][4][5]	**(18.2)**	28.4	**	**	**(1.2)**	(9.3)	87.1	77.4
Adjusted EBITDA [2][4]	**63.2**	60.0	5.3	3.5	**263.4**	316.4	(16.8)	(16.4)
Net Earnings (Loss)[3][4][5][6]	**(24.7)**	21.5	**	**	**5.2**	(37.7)	**	**
Earnings (Loss) per Common Share [3][4][5][6]	**(0.19)**	0.09	**	**	**(0.11)**	(0.35)	68.6	**
Adjusted Net Earnings per Common Share [2][4][6]	**0.17**	0.20	(15.0)	**	**0.96**	1.05	(8.6)	**
Cash from Operating Activities [7][8]	**108.3**	47.1	**	**	**295.9**	368.5	(19.7)	**
Free Cash Flow before Dividends Paid [7][8]	**78.9**	17.1	**	**	**202.3**	287.0	(29.5)	**
Free Cash Flow before Dividends Paid per Common Share [7][8]	**0.48**	0.07	**	**	**1.12**	1.54	(27.3)	**

** Information not meaningful
Please refer to the "Notes" section at the end of this release for details on notations that appear on tables in this Press Release.

Aimia is focusing its capital on core businesses that will drive recurring, predictable and high-margin revenue streams.

The company made substantive progress in its business in the last year, streamlining its Executive Committee, reorganizing its business and aggressively reducing operating costs to achieve a 9.5% Adjusted EBITDA.

"We have reported solid 2015 financial results and enter 2016 with a strong balance sheet, and a focused plan to deliver," said Rupert Duchesne, Group Chief Executive. "We did all of this while improving the fundamentals of our core programs and the member experience, and in the face of several significant external challenges, including interchange reform, changes impacting Nectar and a slower Canadian economy."

"Over the last three years, the company has undertaken a significant transformation, including major improvements to its core businesses and a reorganization of our structure," Duchesne said. "This year will be about capitalizing on that hard work, with stable and growing assets that are resilient through economic softness, as we have shown before."

Member satisfaction in the company's Aeroplan and Nectar coalitions are at all-time highs, reflecting ongoing improvements to the member value proposition.

Over the course of 2015, the Aeroplan program and active credit cardholder base have been substantially transformed, with a strong push on fourth quarter new card acquisitions at TD Bank delivering positive results. 1.9 million air rewards were redeemed by members in 2015, an increase of 20% over the pre-transformation levels.

At the same time, the company delivered on its commitment of returning excess capital to shareholders, with $275 million returned to shareholders through share buybacks since November 2014.

Board and Management Changes

On January 26, 2016, Emma Griffin joined Aimia's Board of Directors with more than 18 years of experience in research and investment banking - both in securities and corporate finance - covering a breadth of sectors including support services, construction, infrastructure, leisure and technology. Griffin founded and served as the managing director of Refined Selection, a London private-equity-backed holding company that invests in the professional services and recruitment industries, and co-founded and built Oriel Securities, a stockbroking and mid-market investment bank.

As previously announced EVP and Chief Financial Officer David L. Adams is retiring, replaced by Tor Lønnum, who starts May 2. Additionally, three officers and members of the Aimia Executive Committee will be leaving the company during the course of 2016. Chief Strategy and Analytics Officer Eric Monteiro and Chief Legal Officer and Corporate Secretary Mark Hounsell will leave at the end of February, and Liz Graham, EVP, Operations and Strategic Initiatives, will retire from Aimia by the end of this year.

Each of these members of Aimia's Executive Committee has made an exceptional contribution to the company and will be missed. These changes will result in a streamlined senior executive team that is closely aligned to the new divisional structure.

Consolidated Financial Highlights(1)

Twelve months ended December 31, 2015 compared to twelve months ended December 31, 2014:

- Gross Billings were $2,469.0 million compared to $2,686.6 million last year. Gross Billings from the sale of Loyalty Units accounted for 74% of total Gross Billings or $1,832.7 million.
- On a constant currency basis, Gross Billings declined by $300.3 million, of which $100.0 million was due to the TD contribution in the first quarter of 2014. EMEA Gross Billings from the sale of Loyalty Units were $80.7 million lower, driven by the loss of the program's anchor partner at Nectar Italia and lower accumulation in the grocery and energy sectors at

Nectar. The remaining decrease in Gross Billings from Loyalty Units of $40.9 million was attributable to Aeroplan, mostly in the financial sector, and included a $19.4 million decrease resulting from a TD promotion offered on the conveyed credit card portfolio in the third quarter of 2014. Lower Gross Billings from proprietary loyalty services of $75.3 million included $37.4 million attributable to a net revenue accounting treatment, while increased reward fulfilment activity in the EMEA region only partially offset lost contracts and lower reward fulfillment activity in Canada.

- Adjusted EBITDA was $263.4 million or 10.7% of Gross Billings, compared to $316.4 million or 11.8% last year. On a constant currency basis, Adjusted EBITDA decreased by $51.8 million, mostly due to the upfront contribution received from TD of $100.0 million in the first quarter of 2014 which was offset in part by a favourable adjustment of $45.7 million related to the reduction of the Card Migration Provision in the second quarter of 2015. The remaining variance, representing an increase of $2.5 million, is primarily due to lower operating expenses in Canada and Corporate, higher distributions from equity accounted investments, and higher contribution from the Aeroplan program, offset in part by lower contribution from the Nectar Italia Program and proprietary loyalty services. Excluding the $45.7 million reduction to the Card Migration Provision and severance costs of $15.7 million incurred for the full year related to organizational changes announced on August 14, 2015, Adjusted EBITDA was $233.4 million or 9.5% of Gross Billings.
- Free Cash Flow before Dividends Paid was $202.3 million compared with $287.0 million last year. Excluding a net decrease of $151.6 million related to one-off items, the remaining increase resulted from a favourable variance of the change in working capital, higher distributions from equity accounted investments of $14.4 million, lower net interest paid of $8.8 million and lower cost of rewards and direct costs of $4.2 million. These items were partially offset by a reduction in Gross Billings of $117.6 million, higher operating expenses of $12.2 million and higher capital expenditures of $12.1 million. Free Cash Flow before Dividends Paid per common share was $1.12 compared to $1.54 in the prior year, mainly as a result of the decrease in cash from operating activities, partly offset by a lower number of issued and outstanding common shares due to share repurchases since the fourth quarter of 2014. Excluding $4.5 million in severance payments related to organizational changes announced on August 14, 2015, Free Cash Flow Before Dividends Paid was $206.8 million.

Three months ended December 31, 2015 compared to three months ended December 31, 2014:

- Gross Billings were $688.2 million in the fourth quarter compared to $688.1 million last year. Gross Billings from the sale of Loyalty Units accounted for 74% of total Gross Billings or $506.7 million.
- On a constant currency basis, Gross Billings declined by $36.0 million, mainly due to a $21.3 million decline in proprietary loyalty services. Declines in the US & APAC region, due to lower rewards volumes and a $6.5 million net revenue accounting treatment impact, and Canada were partially offset by increased rewards fulfilment volumes related to the wind down of a client program in EMEA. Of the $12.6 million decline in Gross Billings from Loyalty Units, $11.4 million was the result of decreases in the financial and airline sectors at Aeroplan, with EMEA broadly stable.
- Adjusted EBITDA was $63.2 million or 9.2% (as a % of Gross Billings) compared to $60.0 million or 8.7% (as a % of Gross Billings) last year. On a constant currency basis, Adjusted EBITDA improved by $2.1 million benefiting from higher distributions from equity accounted investments, lower operating expenses in Corporate and Canada, and a lower redemption cost per Aeroplan Mile which were offset partially by lower Gross Billings in Canada, decreased contribution from the Nectar Italia Program, and higher operating expenses in the EMEA and US & APAC region. Excluding severance costs of $12.7 million incurred in the quarter related to organizational changes announced on August 14, 2015, Adjusted EBITDA was $75.9 million or 11.0% of Gross Billings.
- Free Cash Flow before Dividends Paid was $78.9 million in the fourth quarter compared with $17.1 million last year. The increase was driven by higher cash from operating activities primarily due to a favourable variance of the change in working capital, $20.7 million received from Revenue Quebec in the fourth quarter of 2015, higher distributions from equity accounted investments of $11.0 million, reduced cost of rewards and direct costs of $10.5 million, offset in part by higher operating expenses, and a $7.5 million tax refund received in the same period of the prior year. Free Cash Flow before Dividends Paid per common share was $0.48 compared to $0.07 in the prior year, which increased as a result of the factors above and a lower number of issued and outstanding common shares due to share repurchases since the fourth quarter of 2014.

2016 Guidance

Aimia provided a preliminary view of expectations with respect to certain 2016 financial metrics on November 13, 2015, which was subject to update with the release of Aimia's 2015 year-end financial results.

For the year ending December 31, 2016, Aimia now expects to report the following:

(in millions of Canadian dollars)	2015 Normalized[(a)]	2016 Guidance[(b)]
Gross Billings	$2,469.0	Stable
Adjusted EBITDA and margin	$233.4 9.5%	Above 9%
Free Cash Flow before Dividends Paid	$206.8	Between $190 and $220
Capital Expenditures	$93.6	Between $75 and $85

a) Adjusted EBITDA excludes the impact of $45.7 million related to the reduction of the Card Migration Provision and $15.7 million severance expense. Free Cash Flow before Dividends Paid includes $41.1 million of tax refunds and excludes severance payments amounting to $4.5 million relating to the organizational changes announced on August 14, 2015.

b) Free Cash Flow before Dividends paid for 2016 does not include the impact of severance payments relating to the organizational changes announced on August 14, 2015 or any further actiones related to restructuring or the potential disposal of non-core assets.

See "Forward-Looking Statements" below regarding assumptions underlying the above guidance and risks relating thereto, including currency fluctuations and currency risk.

Segment Highlights for the Fourth Quarter and Full Year 2015

Please refer to the "Notes" section at the end of this release for details on notations that appear in this Press Release.

Canada – Realignment of operating expenses contributing to improved Adjusted EBITDA

- **Gross Billings** were $354.0 million in the fourth quarter compared to $373.8 million in the same quarter last year. Gross Billings from the sale of Loyalty Units from financial partners were $5.9 million lower, due to decreased purchase volumes, a reduced yield in the Aeroplan program related to the reduction in interchange and the timing of prior year financial partner promotional campaigns, partially offset by improvements in partner program conversions. Despite the interchange impact on yield, Gross Billings from our main financial partner TD were flat relative to the prior year. The timing of bonus campaigns also drove part of the $4.9 million decrease in the airline sector. Other Gross Billings decreased by$8.4 million mainly due to a reduction in Gross Billings from proprietary loyalty services due lost contracts and lower rewards fulfillment activity.
- For the full year, Gross Billings were $1,356.6 million compared to $1,540.2 million last year, with the difference being primarily due to the $100.0 million TD payment received in the first quarter of 2014 and a decrease in the financial sector due to the non-recurring promotional campaign in the prior year, a decrease in yield commencing at the end of the second quarter of 2015 related to the reduction in interchange, and lower purchase volumes, offset partially by positive partner program conversions. The remaining decrease in Gross Billing from the sale of Loyalty Units was due to a $7.2 million impact from the retail and other travel sectors and a $2.7 million reduction in the airline sector. Other Gross Billings decreased by$42.7 million mainly due to a reduction in Gross Billings from proprietary loyalty services due lost contracts and lower rewards fulfillment activity.
- Aeroplan miles issued in the quarter and full year decreased 5.6% and 8.9%, respectively, mainly due to lower purchase

volumes and reduced promotional mileage in 2015. Excluding promotional mileage, Aeroplan Miles issued during the quarter and full year decreased by 3.2% and 2.9%, respectively.

- Aeroplan miles redeemed increased 2.1% in the quarter and increased 0.8% for the full year.
- **Adjusted EBITDA** was $58.6 million or 16.6% of Gross Billings, compared to $49.9 million or 13.3% of Gross Billings in the same quarter last year. Adjusted EBITDA improved primarily due to lower operating expenses as well as a decrease in redemption cost per Aeroplan Mile, partially offset by reduced Gross Billings from Loyalty Units and lower contribution from proprietary loyalty services.
- For the full year, Adjusted EBITDA was $272.3 million or 20.1% of Gross Billings, compared to $323.5 million or 21.0% of Gross Billings in the prior year. Excluding the reduction in the Card Migration Provision in 2015 and the TD contribution in 2014, Adjusted EBITDA increased by $3.1 million due to the positive variance in the change in Future Redemption Cost (partially due to promotional miles issued on new financial cards acquired in 2014) and lower operating expenses, partially offset by an increase in redemption cost per Aeroplan Mile, lower Gross Billings from Loyalty Units, and reduced proprietary loyalty services contribution.

EMEA – Strong Bonusing at Nectar in the fourth quarter

- **Gross Billings** were $233.7 million in the quarter compared to $204.3 million in the same period of the prior year. On a constant currency basis, Gross Billings were up by $2.2 million or 1.1%. A $14.7 million increase in the Nectar Program was driven by higher bonusing activity with the program's main grocery partner, a one-time benefit in the energy sector related to partner term changes, and an increase in online retail due to a bonus campaign. Partially offsetting the favourable variance from Nectar, Nectar Italia was down $14.5 million due to the loss of the program's anchor partner, while Gross Billing from the Sale of Loyalty Units from Air Miles Middle East were $1.4 million lower. Other Gross Billings increased by $3.4 million from rewards fulfillment related to the wind-down of a client program.
- For the full year, Gross Billings were $762.0 million, down $67.5 million or 8.7% on a constant currency basis. The decrease was mainly attributable to lower Gross Billings from the Sale of Loyalty Units, mainly the $47.9 million decline at Nectar Italia resulting from the loss of the anchor partner and a $27.6 million impact in the Nectar Program from lower base accumulation, net of bonus activity in the grocery sector, and regulatory restrictions in the energy sector. Additionally, Air Miles Middle East program decreased by $5.2 million as a result of new contract terms with its main accumulation partner. Slightly offsetting these impacts, other Gross Billings were up $13.2 million related to higher rewards fulfillment activities.
- Nectar UK points issued increased 12.0% in the quarter compared to the same period in the prior year due to higher bonus activity and a one-time benefit in the energy sector. For the full year, points issued were down 4.6%. Redemption activity decreased 6.3% in the quarter and 5.2% for the year, driven by fewer points in circulation due to accumulation changes with the program's main partner.
- Air Miles Middle East points issued decreased 1.8% in the quarter and increased 0.5% for the year. Redemption activity increased 12.1% in the quarter and full year, driven by a higher volume of miles in circulation that have upcoming expiry terms.
- Nectar Italia points issuance decreased significantly in the quarter and full year compared to the prior year period, primarily due to the loss of the program's anchor partner. Redemptions were down significantly in the quarter and down 6.0% for the year as the result of the expiry of points on March 1, 2015.
- **Adjusted EBITDA** was $13.5 million or 5.8% of Gross Billings in the fourth quarter, compared to $28.7 million or 14.0% of Gross Billings in the prior year, representing a decrease of $15.8 million on a constant currency basis. The lower contribution from the Nectar Italia program and higher operating expenses in the EMEA region were the main drivers of the decline, partially offset by positive contribution from the Nectar Program and margin improvement from rewards fulfillment activities.
- For the full year, Adjusted EBITDA was $54.7 million or 7.2% (as a % of Gross Billings) compared to $76.1 million or 9.9% (as a % of Gross Billings) in the prior year. The decrease of $20.5 million on a constant currency basis was mostly due to lower contributions from the loyalty programs in the region and increased operating expenses, partially offset by increased rewards fulfillment activities and higher distributions from i2c.

US & APAC – New and existing client wins in APAC partially offset lower rewards volumes in the U.S

- **Gross Billings** were $100.9 million in the quarter, down 16.5% on a constant currency basis, driven by lower rewards volumes and the $6.5 million impact resulting from the net revenue accounting treatment associated with the outsourcing of gift card fulfillments in the US, partially offset by new and existing client wins in APAC. For the full year, Gross Billings were $351.5 million, down 13.1% on a constant currency basis, mainly relating to the$37.4 million net revenue accounting treatment impact.
- **Adjusted EBITDA** for the quarter was $2.1 million, a decrease of $6.4 million on a constant currency basis, mainly due to higher operating expenses. For the full year, Adjusted EBITDA was ($5.8) million, a decline of $1.8 million on a constant currency basis due mostly to lower Gross Billings, offset partially by lower direct costs.

Corporate

- Adjusted EBITDA was ($11.0) million in the quarter, an improvement of$15.6 million compared to the prior year period. The full year Adjusted EBITDA of ($57.8) million was an improvement of$21.7 million, resulting from higher distributions from Club Premier and lower operating expenses.

Transition to New Divisional Structure and Non-Core Asset Disposals

The new divisional structure announced previously was implemented from January 2016. The Americas and International Coalitions businesses will build on the strong assets we already have, alongside investing in data analytics which can bring even more powerful insights to clients. The platforms to serve individual clients have also been brought together in the Global Loyalty Solutions line of business.

Over the last three months, the company and its advisors have been engaged in the disposal of non-core assets that do not directly align with the company's more streamlined focus.

The company has also taken an impairment charge in the amount of $13.5 million in the Canadian Proprietary Loyalty business.

Cost initiatives put in place since 2014 have contributed to a net reduction of $37 million in operating expenses when compared to the 2014 base. A further $20 million of annualized savings (as identified in 2015) is expected to be realized from the beginning of 2017. Further cost efficiencies may result after any disposals.

Capital Expenditures

Capital expenditures were $29.4 million in the fourth quarter and $93.6 million for the full year resulting from information technology initiatives and the impact of unfavourable foreign exchange.

Dividends Paid

Total dividends paid in the quarter were $33.8 million, of which $29.5 million were paid to common shareholders and the remainder to preferred shareholders. For the full year, total dividends paid amounted to $138.9 million, of which $121.0 million were paid to common shareholders and the remainder to preferred shareholders.

Share Repurchase

Aimia repurchased $36.3 million and $223.3 million in common shares in the three and twelve months endedDecember 31, 2015, respectively. Subsequent to December 31, 2015, Aimia repurchased $21.8 million in common shares, taking the total common shares repurchased since November 2014 to $275 million, including over $605 million in buybacks since 2010. At December 31, 2015, the period end common shares outstanding were 154.6 million compared to 172.0 million common shares in the prior year. At February 23, 2016, the share count stood at 152.2 million common shares.

Quarterly Conference Call and Audio Webcast Information

Aimia will host a conference call to discuss its fourth quarter and full year 2015 financial results at 8:30 a.m. EST on Thursday, February 25, 2016. The call can be accessed by dialling 1-888-231-8191 or 647-427-7450 for theToronto area. The call will be simultaneously audio webcast at:

http://event.on24.com/r.htm?e=1100796&s=1&k=10E9E7F602BDF2CEDC0E33D76676704A

A slide presentation intended for simultaneous viewing with the conference call will be available the evening of February 24, 2016 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 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, Free Cash Flow before Dividends Paid and Free Cash Flow before Dividends Paid per Common Share) and constant currency are explained in the section entitled "Non-GAAP Financial Measures".
2. Gross Billings and Adjusted EBITDA for the year ended December 31, 2014 include the upfront $100.0 million TD contribution. Adjusted Net Earnings per Common Share for the year ended December 31, 2014 includes the contribution received from TD of $73.4 million, net of an income tax expense of$26.6 million.
3. Revenue, Operating Income, Net Earnings (Loss), Earnings (Loss) per Common Share for the three months and the year ended December 31, 2014 include the impact of a change in Breakage estimate in the Nectar Italia Program which resulted in an increase to revenue of $19.4 million, of which $13.4 million is attributable to years prior to 2014,$4.1 million to the first three quarters of 2014 and $1.9 million to the fourth quarter of 2014.
4. Operating Loss and Adjusted EBITDA for the year ended December 31, 2015 include the favourable impact of $45.7 million related to the reduction of the Card Migration Provision. Net Loss, Loss per Common Share and Adjusted Net Earnings per Common Share for the year ended December 31, 2015 include the favourable impact of the adjustment to the Card Migration Provision of $33.6 million, net of an income tax expense of$12.1 million.
5. Operating Loss, Net Loss and Loss per Common Share for three months and the year endedDecember 31, 2015 includes impairment charges amounting to $13.5 million related to the Proprietary Loyalty Canada group of CGUs. Net Loss and Loss per Common Share for the three months and the year ended December 31, 2015 also include an income tax recovery of$3.6 million related to these impairment charges.
6. Net Loss, Loss per Common Share and Adjusted Net Earnings per Common Share for the year ended December 31, 2015 include the impact of the gain on the sale of the investment in Air Canada Class B shares of $18.6 million, net of an income tax expense of $2.9 million.
7. Cash from Operating Activities, Free Cash Flow before Dividends Paid and Free Cash Flow before Dividends Paid per Common Share for the year ended December 31, 2015 include tax proceeds of $20.4 million related to the income tax refund of loss carry back applied in Canada and the receipt of $20.7 million from Revenue Quebec, representing the reimbursement of a deposit made in the third quarter of 2014.
   Cash from Operating Activities, Free Cash Flow before Dividends Paid and Free Cash Flow before Dividends Paid per Common Share for the three months ended December 31, 2015 include the receipt of $20.7 million from Revenue Quebec, representing the reimbursement of a deposit made in the third quarter of 2014.
8. Cash from Operating Activities, Free Cash Flow before Dividends Paid and Free Cash Flow before Dividends Paid per Common Share for the year ended December 31, 2014 include the $100.0 million upfront contribution from TD, tax proceeds of $90.9 million related to the income tax refund of loss carry back applied inCanada, the receipt of $22.5 million of HST and the payment of a $20.7 million deposit to Revenue Quebec in the third quarter of 2014.
   Cash from Operating Activities, Free Cash Flow before Dividends Paid and Free Cash Flow before Dividends Paid per Common Share for the three months ended December 31, 2014 include tax proceeds of $7.5 million related to the income tax refund of loss carry back applied in Canada.

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.

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 Smart Button, 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 accounting principles in Canada and represents International Financial Reporting Standards ("IFRS").

Adjusted EBITDA

Adjusted EBITDA is not a measurement based on GAAP, is not considered an alternative to operating income or net earnings in measuring performance, and is not comparable to similar measures used by other issuers. We do not believe that Adjusted EBITDA has an appropriate directly comparable GAAP measure. As an alternative, we do however provide a reconciliation to operating income in our MD&A. 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 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 is operating income adjusted to exclude depreciation, amortization and impairment charges, as well as adjusted for certain factors particular to the business, such as changes in deferred revenue and Future Redemption Costs. Adjusted EBITDA also includes distributions and dividends received or receivable from equity-accounted investments. 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 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 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 per Common Share

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.

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.

Free Cash Flow, Free Cash Flow before Dividends Paid and Free Cash Flow before Dividends paid per Common Share

Free Cash Flow and Free Cash Flow before Dividends Paid are non-GAAP measures and are not comparable to similar measures used by other issuers. They are used in order to provide a consistent and comparable measurement of cash generated from operations and used as indicators of financial strength and performance. Free Cash Flow is defined as cash flows from operating activities, as reported in accordance with GAAP, less adjustments for: (a) total capital expenditures as reported in accordance with GAAP; and (b) dividends paid.

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

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 minus dividends paid on preferred shares and non-controlling interests over the weighted average number of common shares outstanding.

Reconciliation to GAAP

For a reconciliation of the above Non-GAAP financial measures to GAAP, please refer to the Management Discussion & Analysis for the three and twelve months ended December 31, 2015.

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 Adjusted EBITDA margin, Free Cash Flow before Dividends Paid, Free Cash Flow before Dividends Paid per Common Share 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 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 24, 2016. 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, inability to use third-party software and outsourcing, 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 ofFebruary 24, 2016 and are subject to change after such date. However, Aimia disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

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