Aimia Inc.

Aimia reports second quarter 2016 results

MONTREAL, Aug. 11, 2016 /CNW Telbec/ - Data-driven marketing and loyalty analytics company Aimia Inc. (TSX: AIM) today reported its financial results for the quarter ended June 30, 2016. All financial information is in Canadian dollars unless otherwise noted. This earnings release contains Non-GAAP financial measures that are further explained at the end of this release.

Highlights(1):

- Q2 Gross Billings decline attributable to lower Nectar issuance, which reflects phasing of 2016 campaigns weighted towards the end of the year
- Aeroplan buoyed by financial cards Gross Billings growth of 3%, supporting full year 2016 outlook for Aeroplan growth
- Progress made on simplifying and focusing the business; non-core asset disposals generated total proceeds of$38 million. The company continues to evaluate and consider further disposals of non-core investments and assets
- Operating efficiencies from 2015 cost-reduction initiatives contributing positively to Adjusted EBITDA; on track for additional $20 million of previously-announced cost savings from the beginning of 2017
- 2016 guidance updated mainly to reflect the unfavourable currency impact on Gross Billings following Brexit as well as progress on operating efficiencies

HIGHLIGHTS (1)	**Three Months Ended June 30,**			
(in millions of Canadian dollars, except per share amounts)	**2016**	**2015**	**YoY % Change**	**YoY % Constant Currency (C.C.)**
Gross Billings	**560.7**	605.3	(7.4)	(7.6)
Total Revenue	**525.4**	536.9	(2.1)	(2.4)
Operating Income (Loss) (2)	**(17.1)**	23.3	**	**
Adjusted EBITDA (2)	**54.6**	107.5	(49.2)	(49.2)
Net Earnings (2)(3)(4)	**7.2**	32.6	(77.9)	**
Earnings per Common Share (2)(3)(4)	**0.02**	0.17	(88.2)	**
Adjusted Net Earnings per Common Share (2)(3)(4)	**0.33**	0.54	(38.9)	**
Cash from Operating Activities	**58.6**	82.9	(29.3)	**
Free Cash Flow before Dividends Paid	**44.2**	59.2	(25.3)	**
Free Cash Flow before Dividends Paid per Common Share	**0.26**	0.32	(18.8)	**

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

"The healthy growth in our active financial card base drove a return to growth in financial card Gross Billings at Aeroplan. Members are also positively endorsing the changes we made to give them the option to fly cash-free. At Nectar, we will see campaigns weighted towards the end of the year," said Rupert Duchesne, Group Chief Executive.

"We have taken steps to further simplify the business with progress on non-core asset disposals. We expect our focus on operating-cost discipline, coupled with growth at Aeroplan, to deliver a solid result in the second half."

Consolidated Financial Highlights(1)

Three months ended June 30, 2016 compared to three months ended June 30, 2015:

- Gross Billings were $560.7 million compared to $605.3 million last year. The $6.0 million increase in the sale of Loyalty

Units in the Aeroplan Program from improved purchase volumes from the program's main financial partner and a new retail partner was more than offset by the $42.0 million decline in the sale of Loyalty Units in the Nectar Program related to the phasing of bonus campaigns that will be weighted to the second half of the year and the impact of regulatory restrictions in the energy sector. Gross Billings from Loyalty Services and Other were down $7.6 million due to lost contracts and lower rewards fulfillment activity which more than offset the increase in Gross Billings from loyalty platforms.

- Adjusted EBITDA was $54.6 million or 9.7% of Gross Billings compared to $107.5 million or 17.8% last year. Excluding the favourable adjustment of $45.7 million related to the Card Migration Provision in the same period of last year, the decline was $7.2 million on a constant currency basis. This was attributable to the 13% increase in Adjusted EBITDA from Americas Coalitions and operational efficiencies offset by lower sales of Loyalty Units and higher marketing expenses in the Nectar Program, reduced contribution from loyalty services in the Americas Coalitions and Global Loyalty Solutions divisions, the timing of distribution from PLM, and higher spend from the implementation of outsourcing arrangements in technology.
- Free Cash Flow before Dividends Paid was $44.2 million compared with $59.2 million last year mostly due to lower Gross Billings and lower distributions from equity accounted investments offset in part by lower cost of rewards and direct costs, lower capital expenditures, and lower income taxes paid. Free Cash Flow before Dividends Paid per common share was $0.26 compared to $0.32 in the prior year mainly due to the reasons mentioned above.

Six months ended June 30, 2016 compared to six months ended June 30, 2015:

- Gross Billings were $1,133.7 million compared to $1,200.5 million last year, a decrease of $66.8 million. On a constant currency basis, Gross Billings declined by $82.7 million mainly due to the $5.4 million increase in the sale of Loyalty Units in the Aeroplan Program being more than offset by the $71.3 million decline in the sale of Loyalty Units in International Coalitions, primarily related to a decrease in the Nectar Program and closure of the Nectar Italia Program. Gross Billings from Loyalty Services and Other were down $16.8 million due to lost contracts and lower rewards fulfillment activity which more than offset the increase in Gross Billings from loyalty platforms and improvements in the International Coalitions division.
- Adjusted EBITDA was $103.2 million or 9.1% of Gross Billings compared to $159.3 million or 13.3% last year. Excluding the favourable adjustment of $45.7 million related to the Card Migration Provision in the same period of last year, the decline of $11.4 million on a constant currency basis was the result of the 2% increase in Adjusted EBITDA from the Americas Coalitions, an increase in distributions from equity-accounted investments, and operational efficiencies which were more than offset by the lower contribution from the loyalty programs in the International Coalitions division, reduced contribution from loyalty services and other in the Global Loyalty Solutions division, and higher IT spend.
- Free Cash Flow before Dividends Paid was $25.3 million compared with $64.4 million last year primarily due to the receipt of $20.4 million from Revenue Quebec in the first quarter of 2015. The remaining unfavourable variance of $18.7 million is primarily related to a decrease in Gross Billings of $66.8 million, net unfavourable working capital movements of $38.7 million which included $11.8 million in severance payments made in relation to restructuring activities announced in the prior year, and higher cash operating expenses due to IT transition costs in the first half of the year. These factors were partially offset by lower cost of rewards and direct costs and lower capital expenditures. Free Cash Flow before Dividends Paid per common share was $0.11 compared to $0.32 in the prior year mainly due to the reasons mentioned above.

2016 Guidance

For the year ending December 31, 2016, Aimia is updating its guidance from that previously issued on February 24, 2016 (and confirmed on May 12, 2016) mainly to reflect the unfavourable currency impact on Gross Billings following Brexit, the impact from non-core asset disposals, and progress on operational efficiencies. Aimia currently expects to report the following:

(in millions of Canadian dollars)	2015 Normalized(1)	2016 Guidance (as provided on February 24, 2016)(2)	2016 Guidance (as updated on August 11, 2016)(2), (3)
			Between $2,300 and

Gross Billings	$2,469.0	Stable	Between $2,300 and $2,350
Adjusted EBITDA and margin	$233.4 9.5%	Above 9%	Around 9.5%
Free Cash Flow before Dividends Paid	$206.8	Between $190 and $220	Between $190 and $210
Capital Expenditures	$93.6	$75 to $85 million	$70 to $80 million

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

(1) Adjusted EBITDA for 2015 excludes the favourable Migration Provision reversal of $45.7 million and $15.7 million severance expense. Free Cash Flow before Dividends Paid for 2015 includes tax refunds totaling $41.1 million and excludes severance payments amounting to $4.5 million relating to the organizational changes announced on August 14, 2015.

(2) Adjusted EBITDA for 2016 and Free Cash Flow before Dividends Paid for 2016 do not include the impact of severance expenses or payments relating to the organizational changes announced on August 14, 2015 or any further actions related to restructuring or the potential disposal of non-core assets.

(3) The revised guidance includes approximately $25 million in reduced Gross Billings resulting from the disposals of the Cardlytics U.K. and Enhancement Services businesses. The impact to Adjusted EBITDA and Free Cash Flow before Dividends Paid is included in our updated guidance for 2016.

Segment Highlights for the Second Quarter 2016 (1)

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

Americas Coalitions – Return to financial cards growth at Aeroplan and strong AEBITDA performance

- **Gross Billings** were $378.3 million in the second quarter compared to $376.0 million in the same quarter last year. The increase in Gross Billings from the sale of Loyalty Units was due to an improvement of $7.0 million in the financial sector from higher purchase volume as a result of new card acquisitions offset in part by reduced purchase volumes from other financial partners and the impact of interchange on yield. A $3.3 million improvement in the retail sector, mainly due to a new partner, was offset in part by a decrease of $2.4 million in the airline sector, partly explained by a shift in consumer demand towards a lower fare product offered by the program's main airline partner and decrease in the non-air travel sector. Gross Billings from Loyalty Services and Other declined $3.7 million. Year to date, Gross Billings were $729.6 million compared to $737.9 million in the prior year due to similar factors as those impacting the quarter.
- Aeroplan miles issued in the quarter grew 4.1% as a result of improved purchase volumes from new financial cards acquired by the program's main financial partner and increased accumulation in the retail sector, offset in part by lower accumulation in the airline sector. Excluding all promotional miles, Aeroplan miles issued grew 1.9% compared to last year. Year to date, Aeroplan miles issued were up 2.1% and up 0.8% excluding all promotional miles. Aeroplan miles redeemed increased 4.9% in the quarter due to higher number of air rewards issued. Year to date, Aeroplan miles redeemed is up 0.4%.
- **Adjusted EBITDA** was $61.4 million or 16.2% of Gross Billings compared to $100.1 million or 26.6% last year. Excluding the favourable adjustment of $45.7 million related to the Card Migration Provision in the same period of last year, Adjusted EBITDA was up $7.0 million mainly due to higher sale of Loyalty Units at Aeroplan and a lower unit cost per mile, as well as lower operating expenses across the division, offset in part by a decrease in contribution from loyalty services. Year to date, Adjusted EBITDA was $110.1 million or 15.1% of Gross Billings compared to $153.4 million or 20.8% last year. Excluding the favourable adjustment of $45.7 million related to the Card Migration Provision in the same period of last year, Adjusted EBITDA increased $2.5 million due to the same factors as those for the quarter.

International Coalitions – Lower Nectar issuance resulting from phasing of 2016 campaigns

- **Gross Billings** were $130.7 million in the quarter compared to $174.2 million in the same period of the prior year. On a constant currency basis, Gross Billings were down by $42.8 million due to a decrease of $42.0 million in the Nectar Program driven by the timing of bonus campaigns that will be weighted towards the end of the year as well as the impact of regulatory restrictions in the energy sector. Year to date, Gross Billings were $297.5 million compared to $354.5 million in the prior year period due to a decrease of $57.5 million in the Nectar Program driven by the timing of bonus campaigns and changes in accumulation terms, as well as the impact of regulatory restrictions in the energy sector and a $10.7 million decrease in the Nectar Italia Program from the closure of the program on March 1, 2016.
- Nectar points issued decreased 32.7% in the quarter compared to the same period in the prior year mainly due to the timing of bonus campaigns and changes in accumulation terms. Year to date, Nectar points issued are down 22.1%. Nectar redemption activity decreased 17.9% in the quarter, mainly driven by fewer points in circulation. Year to date, Nectar points redeemed decreased 16.5%.
- Air Miles Middle East miles issued decreased 7.8% in the quarter and 4.9% year to date. Redemption activity decreased 4.3% in the quarter driven by fewer points in circulation related to prior year accumulation, and was down 1.0% year to date.
- **Adjusted EBITDA** was $15.6 million or 11.9% of Gross Billings in the quarter, compared to $24.7 million or 14.2% of Gross Billings last year. Higher distributions from equity-accounted investments and operational efficiencies achieved as a result of organizational changes announced in 2015 were positive contributors to Adjusted EBITDA. Lower Gross Billings from Loyalty Units and the timing of marketing expenses in the Nectar Program were the main factors resulting in a $9.5 million decrease in Adjusted EBITDA on a constant currency basis. Year to date, Adjusted EBITDA was $33.1 million compared to $43.0 million in the prior year period explained by lower contribution from the loyalty programs, partially offset by lower operating expenses and higher distributions from equity-accounted investments.

Global Loyalty Solutions – Increased uptake for loyalty platforms; transitions in the legacy business

- **Gross Billings** were $51.8 million in the quarter compared to $55.6 million last year, down by $3.8 million. On a constant currency basis, Gross Billings declined by $4.1 million primarily explained by lower rewards fulfillment activity, including the impact of the wind-down of a client program in the prior year, partially offset by an increase in Gross Billings from loyalty platforms. Year to date, Gross Billings were $106.9 million compared to $109.2 million, a decrease of $2.3 million or $4.7 million on a constant currency basis.
- **Adjusted EBITDA** for the quarter was $0.1 million compared to $1.0 million last year. Lower direct costs and lower operating expenses were positive contributors; lower Gross Billings led to a $0.7 million overall reduction on a constant currency basis. Year to date, Adjusted EBITDA was $(2.7) million compared to $2.6 million last year, a decline of $5.3 million or $5.0 million on a constant currency basis.

Corporate

- **Adjusted EBITDA** was $(22.5) million in the quarter compared to $(18.3) million last year, a decrease of $4.2 million mostly due to the timing of the distribution from PLM. Year to date, Adjusted EBITDA was $(37.3) million compared to $(39.7) million, an increase of $2.4 million.

Progress on Simplifying and Focusing the Business

The cost initiatives announced in 2015 included a further $20 million of annualized savings to be realized from the beginning of 2017, mainly from real estate and procurement efficiencies. The plan to achieve those savings is on track.

The disposal of non-core assets that do not directly align with the company's more streamlined focus saw the sale of two businesses. Aimia's Enhancement Services business was sold to Sigma Capital for a cash consideration of $15 million and the company's Cardlytics U.K. business transferred to Cardlytics for a non-cash consideration valued at $23 million, half of which is contingent on the satisfaction of certain conditions. Aimia maintains its stake in Cardlytics Inc.

The company has also suspended its plans for the development of a U.S. coalition in light of market factors and the company's current focus on delivering value from its core assets.

The company continues to evaluate and consider further disposals of non-core investments and assets to enhance shareholder value.

Capital Expenditures

Capital expenditures were $14.4 million in the quarter compared to $23.7 million last year as a result of investments in core products at Aeroplan and ongoing investment in platforms that drive recurring revenue, including a significant refresh of our Intelligent Shopper Solutions (ISS) product. Year to date, capital expenditures were $33.9 million compared to $44.2 million last year.

Dividends Paid

Total dividends paid in the quarter were $34.6 million, of which $30.4 million were paid to common shareholders and the remainder to preferred shareholders. On a year to date basis, total dividends paid were $67.8 million, of which $59.4 million were paid to common shareholders and the remainder to preferred shareholders.

Share Repurchase

Aimia repurchased $21.8 million in common shares for the six months ending June 30, 2016, all of which were repurchased in the first two months of 2016. At June 30, 2016, the common shares outstanding were 152.3 million, a 5% decrease over the same period in the prior year.

Balance Sheet

Total long term debt was $650 million at the end of June 2016, including the current portion of $200 million. After accounting for restricted cash and reserves related to the company's coalition programs, Aimia had more than $100 million of available cash on the balance sheet at the end of the quarter and a $300 million credit facility which remains largely undrawn.

Quarterly Conference Call and Audio Webcast Information

Aimia will host a conference call to discuss its second quarter 2016 financial results at 8:30 a.m. EDT on Friday, August 12, 2016. The call can be accessed by dialling 1-888-231-8191 or 647-427-7450 for the Toronto area. The call will be simultaneously audio webcast at:

http://event.on24.com/r.htm?e=1100912&s=1&k=30E983FD6AA49FB414B09FB62D84BDE9

A slide presentation intended for simultaneous viewing with the conference call will be available the evening of August 11, 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. Operating Income and Adjusted EBITDA for the three months ended June 30, 2015 include the favourable impact of $45.7 million related to the reduction of the Card Migration Provision. Net Earnings, Earnings per Common Share and Adjusted Net Earnings per Common Share for the three months ended June 30, 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.
3. Net Earnings, Earnings per Common Share and Adjusted Net Earnings per Common Share for the three months ended June

30, 2016 include the impact of the gain on the disposal of the commercial rights in the U.K. card-linked marketing business of $23.2 million.

4. Net Earnings, Earnings per Common Share and Adjusted Net Earnings per Common Share for the three months ended June 30, 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.

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 about 3,200 employees across 17 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, Nectar in the U.K., and Air Miles Middle East, 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 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 on page 11 of the Management Discussion & Analysis (MD&A) for the three months ended June 30, 2016. 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 charges, which are non-cash in nature and can vary significantly depending on accounting methods and non-operating factors such as historical cost.

Adjusted EBITDA 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 page 11 of the Management Discussion & Analysis for the three months ended June 30, 2016.

Constant Currency

Because exchange rates are an important factor in understanding period to period comparisons, the presentation of various financial metrics on a constant currency basis or after giving effect to foreign exchange translation, in addition to the reported metrics, help improve the ability to understand operating results and evaluate performance in comparison to prior periods. Constant Currency information compares results between periods as if exchange rates had remained constant over the periods. Constant Currency is derived by calculating current period results using foreign currency exchange rates from the same period in the prior year. Results calculated on a Constant Currency basis should be considered in addition to, not as a substitute for, results reported in accordance with GAAP and may not be comparable to similarly titled measures used by other companies. Constant Currency is a basis of consideration mostly for Aimia's foreign operations (those with a functional currency which is not the Canadian dollar). Our International Coalitions and GLS segments operate under varying foreign currencies, the U.S. Channel and Employee Loyalty business in our Americas Coalitions segment operates in U.S. dollars and global product development activities in Corporate operate primarily in pounds sterling.

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 August 11, 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 ofAugust 11, 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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