Aimia Inc.

Aimia Reports Second Quarter 2017 Results

MONTREAL, Aug. 9, 2017 /CNW Telbec/ - Data-driven marketing and loyalty analytics company Aimia Inc. (TSX: AIM) today reported its financial results for the quarter ended June 30, 2017.

This quarterly earnings release should be read in conjunction with the consolidated financial statements and the MD&A which can be accessed at: http://aimia.com/en/investors/quarterly-reports.html.

Q2 highlights – operational(1):

- Gross Billings of $520.3 million, down 6.3% on a constant currency basis including the impact of divestitures; core business(2) broadly stable on a constant currency basis
- Loyalty Units Gross Billings up 3.4% on a constant currency basis
- Adjusted EBITDA margin of 11.9%, excluding an onerous contract provision of $20.3 million
- Free Cash Flow before Dividends Paid of $54.1 million
- 2017 guidance maintained

Q2 highlights – strategic:

- Aeroplan issuance up in the quarter, with no material change in redemption trends
- Ongoing business simplification to drive accelerated savings, with expected annualized savings of $70 million from 2019
- Capital expenditure reduction aligned with future business priorities
- Mark Grafton to be appointed Chief Financial Officer from September 2017
- Suspension of future quarterly dividends to common shareholders to provide financial flexibility

"We saw solid operating results in the second quarter, driven by our coalitions businesses," said David Johnston, Group Chief Executive. "Continuing to deliver this level of results, particularly in Aeroplan, supports our ongoing discussions with potential new partners for the program.

"Nonetheless, as we work on securing long-term strategic and commercial partnerships, we will not take our eye off the substantive work underway to reduce our cost base and maximize our financial flexibility through this period, for the benefit of our members, partners, our employees and our shareholders."

Consolidated Financial Highlights(1)

HIGHLIGHTS (1) *(in millions of Canadian dollars, except per share amounts)*	**Three Months Ended June 30,**			
	2017	**2016**	**YoY % Change**	**YoY % Constant Currency (C.C.)**
Gross Billings	**520.3**	560.7	(7.2)	(6.3)
Total Revenue	**470.5**	525.4	(10.4)	(9.8)
Operating Loss(3)	**(34.9)**	(17.1)	**	**
Adjusted EBITDA(3)	**41.7**	54.6	(23.6)	(21.1)
ROIC(3)	**5.9%**	4.8%	1.1 pp	**
Net Earnings (Loss)(3)(4)(5)	**(25.1)**	7.2	**	**
Earnings (Loss) per Common Share(3)(4)(5)	**(0.19)**	0.02	**	**
Adjusted Net Earnings per Common Share(3)(4)(5)	**0.17**	0.33	(48.5)	**
Cash from Operating Activities	**66.9**	58.6	14.2	**
Free Cash Flow before Dividends Paid	**54.1**	44.2	22.4	**

Free Cash Flow before Dividends Paid	[illegible]	[illegible]	[illegible]	
Free Cash Flow before Dividends Paid per Common Share	**0.36**	0.26	38.5	**

** Information not meaningful

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

Aeroplan update

The Aeroplan business continued to perform in line with our expectations. Gross Billings were supported by a 5% increase in the one-month active financial card base. Air Canada Gross Billings were also up compared to the same quarter last year. At the end of June, spend levels on Aeroplan credit cards remained consistent with pre-announcement levels for new and tenured members.

Aeroplan Miles redeemed in the second quarter of 2017 were up 2%, compared to a 5% increase in the same quarter last year and a 4% increase in the first quarter of 2017. Cost of rewards and direct costs for the Aeroplan program since the May 11 announcement of Air Canada's non-renewal rose less than $9 million, which represents a 1% increase on the annual Aeroplan cost of rewards of $807 million in 2016. On a year to date basis, total Aeroplan cost of rewards and direct costs are up 3.0%.

CFO appointment

Mark Grafton, currently Vice President & Head of Financial Planning & Analysis and Global Commercial Finance, will be appointed Chief Financial Officer of Aimia Inc. with effect from September 2017 after 10 years of progressively senior finance roles at Aimia. He has supported many of Aimia's key strategic and commercial partnerships and initiatives globally and was previously CFO, EMEA. Mark is a qualified accountant and began his career at EY. He will take on the leadership of the finance team in the streamlined organization.

"With strong experience in operational and commercial finance and a deep knowledge of our business, Mark is well placed to help us deliver against our strategic priorities," Johnston said.
Mark's appointment will provide a seamless transition on the departure of Tor Lønnum. Accordingly, Roman Doroniuk will not serve as Interim CFO, retaining his position as a Board Director and Chair of the Audit, Finance & Risk Committee.

Progress on simplifying and focusing the business

The company's ongoing process to simplify the business will result in a further streamlining of the business into two operating divisions, with implementation expected during the fourth quarter of 2017. The change is expected to result in a significant reduction in divisional overheads and corporate costs, including a further rationalization of investments in products and services.

Vince Timpano will lead the Coalitions business, comprising Aeroplan, Nectar, and i2c. Shailesh Baidwan will lead the Marketing Services business, regrouping the businesses currently reported as Global Loyalty Solutions as well as the company's other analytics platforms and services. Both divisional leaders will report to David Johnston.

The changes being implemented will be an enabler for the $70 million in annualized cost savings from 2019 and a meaningful decrease in capital expenditures, with initial savings expected from the fourth quarter of 2017 and full year capital expenditures in 2017 expected to be between $45 million and $50 million.

During the quarter, the Corporation also completed the exit of the U.S. Channel and Employee Loyalty business, recording a gain of $5.4 million in relation to the disposal.

Operational performance

Constant currency growth at Aeroplan and Nectar

- Gross Billings were down 7.2% (or $40.4 million) to $520.3 million in the quarter. Gross Billings in the core business(2) were $509.3 million, down 0.4% on a constant currency basis.
- Gross Billings from Loyalty Units in our coalition programs were up $8.0 million or 1.9%. On a constant currency basis,

Gross Bilings from Loyalty Units increased 3.4% with growth at both Aeroplan and Nectar.

- In Loyalty Services and Other, the decline of $49.7 million or 35.1% on a constant currency basis, included an impact of around $41.7 million due to the disposals of the U.S. Channel and Employee Loyalty business, Enhancement Services,New Zealand, and Cardlytics U.K. The outsourcing of the fulfilment of gift cards in the Americas Coalitions division which resulted in a net revenue accounting treatment had an impact of $6.6 million.
- **Americas Coalitions** Gross Billings were up $3.9 million or 1.2%. Within this, Aeroplan Loyalty Unit Gross Billings were up 3.1% on higher purchase volumes on financial cards at TD Bank, higher Air Canada Gross Billings as a result of increased capacity and higher non-air travel.
- **International Coalitions** Gross Billings were up $0.4 million or 0.3% on a constant currency basis, with Loyalty Units Gross Billings up $4.6 million or 4.3% on a constant currency basis. Nectar was the main contributor, with a $5.1 million increase due to the success of Sainsbury's bonusing campaigns in the quarter, while Air Miles Middle East was down $0.5 million.
- **Global Loyalty Solutions** Gross Billings were down $6.4 million or 12.4% on a constant currency basis, with the divestiture of the New Zealand business being a contributor to lower rewards fulfillment.
- In the quarter, Gross Billings from **Corporate and Other**, related to the U.S. Channel and Employee business which was sold in May 2017 and the Enhancement Services business sold in July 2016, were down $33.1 million or 75.7% on a constant currency basis.

Margin benefit from lower core operating expenses

- Adjusted EBITDA was $41.7 million or 8.0% of Gross Billings, including an onerous contract provision of $20.3 million related to the exit of the U.S. Channel and Employee Loyalty business and restructuring expense of $5.1 million. Adjusted EBITDA was $54.6 million or 9.7% last year.
- The core business(2) contributed $61.8 million of Adjusted EBITDA, representing a margin of 12.1%, compared to 10.3% in the previous year. Lower share-based compensation expense drove lower operating expenses in the current period. An improved Aeroplan contribution was partially offset by lower contribution from loyalty programs in the International Coalitions business.

Free Cash Flow increase with cash from operating activities up and capital expenditures down

- Cash from operating activities was $66.9 million, with an $8.3 increase mainly due to changes in operating assets and liabilities, with lower cash operating expenses and lower cost of rewards and direct costs also being positive contributors. Lower Gross Billings and higher net interest paid were negative contributors. Capital expenditures were down $1.6 million to $12.8 million. Restructuring payments in the quarter were $4.3 million.
- Free Cash Flow before Dividends Paid in the quarter was up $9.9 million to $54.1 million despite higher interest expense due to the early redemption of the Company's 2018 bonds, equating to $0.36 per common share. Free Cash Flow per common share on a normalized trailing 12-month basis was $1.24, reflecting a Free Cash Flow yield of 71.7% based on the closing share price at June 30, 2017.
- Reserves held in relation to the company's coalition programs increased from $408 million at March 31, 2017, to $496 million at June 30, 2017, reflecting contractual terms in the company's contracts.
- Total dividends paid were down $34.6 million, due to the suspension of dividends with effect from June 14, 2017.

Return on Invested Capital(3)

- For the 12 months ended June 30, 2017, ROIC was 5.9%, compared to 4.8% for the 12 months ended June 30, 2016. An increase in adjusted operating income after taxes and a decrease in Invested Capital both contributed to the increase.

2017 Guidance

Aimia is maintaining the guidance issued previously for the year ending December 31, 2017:

- Gross Billings: core business[2] broadly stable at around $2.1 billion
- Adjusted EBITDA margin: core business[2] to be around 12.0%
- Free Cash Flow before Dividends Paid: above $220 million

The guidance excludes the impact of asset disposals (including the onerous contract provision of $20.3 million), incremental interest expense and financing costs related to the early redemption of 2018 bonds of $10 million, and actions related to restructuring or as a consequence of any changes in major partner contracts.

Costs related to restructuring actions for the remainder of 2017 are expected to be between $20 and $25 million, with cash expense expected to be in the range of $15 to $20 million.

See "Forward-Looking Statements" below regarding assumptions underlying the above guidance and risks related thereto.

Update on Dividends to Shareholders

- As communicated on June 14, 2017, the Company is prohibited from paying dividends declared on May 10, 2017, and originally scheduled to have been paid on June 30, 2017, as well as declaring any further dividends on any of the outstanding Common Shares or Preferred Shares, based on Aimia's determination that the capital impairment test set forth in paragraph 42(b) of the Canada Business Corporations Act (the "CBCA") would not be satisfied.
- Recognizing the need to preserve the Company's financial flexibility, liquidity and capital resources in the coming years, the Board has further determined that the Company will not declare dividends on its Common Shares for the foreseeable future, irrespective of the capital impairment test.
- With respect to the Company's Preferred Shares, dividends continue to accrue in accordance with their terms even if they are not declared.
- There can be no assurance that the Company will, at some future point in time, be in a position to pay the dividends previously declared and declare and/or pay any future dividends.

Quarterly Conference Call and Audio Webcast Information

Aimia will host a conference call to discuss its second quarter 2017 financial results at 8:30 a.m. EDT on Thursday, August 10, 2017. The call can be accessed by dialling 1-888-231-8191 or 647-427-7450 for the Toronto area. The call will be simultaneously webcast at: https://event.on24.com/r.htm?e=1350495&s=1&k=793F93B2E226296CB6A97E384C754221

A slide presentation for Q2 2017 results intended for simultaneous viewing with the conference call will be available the evening of August 9, 2017 at: http://www.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 90 days following the original broadcast.

This quarterly earnings release was reviewed by Aimia's Audit Committee and was approved by the company's Board of Directors, on the Audit Committee's recommendation, prior to its release.

Notes

1. Non-GAAP financial measures (Adjusted EBITDA, ROIC, 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. The "core business" excludes the results of the U.S. Channel and Employee Loyalty business (sold in May 2017). Comparatives for the prior year also exclude the results of the Enhancement Services business sold in July 2016. The U.S. Channel and Employee Loyalty business and Enhancement Services results have been reported within the Corporate & Other division. The results of the New Zealand business until its sale in May 2017 are reported within the core business under Global Loyalty Solutions. At the sale completion date, Gross Billings for this business were $15 million with Adjusted EBITDA of $0.1 million, compared to an original expectation of $36 million and $0.4 million for 2017.

3. Operating Loss, Adjusted EBITDA, Net Loss, Net Loss per Common Share and Adjusted Net Earnings per Common Share for the three months ended June 30, 2017 include the unfavourable impact of an onerous contract provision of $20.3 million related to an IT outsourcing arrangement in the US. ROIC for the twelve-month period ended June 30, 2017 includes the unfavourable impact of the onerous contract provision of $14.9 million, net of an income tax recovery of $5.4 million, calculated on the basis of the Canadian statutory tax rate in effect during the period.
4. Net Loss, Net Loss per Common Share and Adjusted Net Earnings per Common Share for the three months ended June 30, 2017 include the impact of the gain on the disposal of the U.S. Channel and Employee Loyalty business of $5.4 million and the fair value gain on the convertible notes of Cardlytics of $7.7 million.
5. Net Earnings, Net 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.

Appendix

The highlights for the six months ending June 30, 2017 are as follows:

HIGHLIGHTS (1)	**Six Months Ended June 30,**			
(in millions of Canadian dollars, except per share amounts)	**2017**	**2016**	**YoY % Change**	**YoY % Constant Currency (C.C.)**
Gross Billings	**1,045.5**	1,133.7	(7.8)	(5.3)
Total Revenue	**995.3**	1,095.5	(9.1)	(7.0)
Operating Loss(2)	**(29.4)**	(26.0)	(13.1)	(7.3)
Adjusted EBITDA(2)	**100.5**	103.2	(2.6)	0.8
ROIC(2)	**5.9%**	4.8%	1.1 pp	**
Net Loss(2)(3)(4)	**(15.5)**	(5.9)	**	**
Loss per Common Share(2)(3)(4)	**(0.16)**	(0.10)	(60.0)	**
Adjusted Net Earnings per Common Share(2)(3)(4)	**0.39**	0.45	(13.3)	**
Cash from Operating Activities	**55.2**	59.2	(6.8)	**
Free Cash Flow before Dividends Paid	**30.3**	25.3	19.8	**
Free Cash Flow before Dividends Paid per Common Share	**0.17**	0.11	54.5	**

1. Non-GAAP financial measures (Adjusted EBITDA, ROIC, 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 Loss, Adjusted EBITDA, Net Loss, Net Loss per Common Share and Adjusted Net Earnings per Common Share for the six months ended June 30, 2017 include the unfavourable impact of an onerous contract provision of $20.3 million related to an IT outsourcing arrangement in the US. ROIC for the twelve-month period ended June 30, 2017 includes the unfavourable impact of the onerous contract provision of $14.9 million, net of an income tax recovery of $5.4 million, calculated on the basis of the Canadian statutory tax rate in effect during the period.
3. Net Loss, Net Loss per Common Share and Adjusted Net Earnings per Common Share for the six months ended June 30, 2017 include the impact of the gain on the disposal of the U.S. Channel and Employee Loyalty Business of $5.4 million and the fair value gain on the convertible notes of Cardlytics of $7.7 million.
4. Net Loss, Net Loss per Common Share and Adjusted Net Earnings per Common Share for the six months ended June 30, 2016 include the impact of the gain on the disposal of the commercial rights in the UK card-linked marketing business of $23.2 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 2,300 employees across 15 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 – Enterprise and Aimia Loyalty Platform – SaaS, 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 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"). Please refer to the MD&A on pages 8 to 11 for a complete definition on all non-GAAP financial measures and page 14 for a reconciliation of non-GAAP financial measures to GAAP.

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 14 of the Management Discussion & Analysis (MD&A) for the three months ended June 30, 2017. 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.

Return on Invested Capital

Return on invested capital ("ROIC") is not a measurement based on GAAP and is not comparable to similar measures used by other issuers. ROIC is used by management to assess the efficiency with which it allocates its capital to generate returns.

ROIC is calculated as adjusted operating income after taxes expressed as a percentage of the average invested capital. Adjusted operating income after taxes is Adjusted EBITDA less depreciation and amortization, tax effected at the Canadian statutory rate, on a rolling twelve-month basis. A description of Adjusted EBITDA as well as its reconciliation to operating income is presented in the preceding section. Invested capital is the sum of total equity, deferred revenue margin (calculated as deferred revenue less future redemption cost liability, tax effected at the Canadian statutory rate), accumulated amortization of Accumulation Partners' contracts *and customer relationships, and net debt (calculated as long-term debt, including the current portion, less cash and cash equivalents, net of any contractually required redemption reserve amount included in cash and cash equivalents), averaged between the beginning and ending balance over a rolling twelve-month period.*

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 14 of the Management Discussion & Analysis for the three months ended June 30, 2017.

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 reported within Corporate and Other until its disposal, operates in U.S. dollars. Global product development activities are 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 margin and Free Cash Flow before Dividends Paid) 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 9, 2017. 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, 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 declarations and/or payments on either common shares or preferred shares, 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 9, 2017 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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