Aimia Inc.

Aimia Reports Third Quarter 2017 Results

MONTREAL, Nov. 8, 2017 /CNW Telbec/ - Data-driven marketing and loyalty analytics company Aimia Inc. (TSX: AIM) today reported its financial results for the quarter ended September 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.

Q3 highlights – operational(1):

- Gross Billings of $496.8 million, down 10.0% on a constant currency basis including the impact of divestitures; core business(2) down 3.6% on a constant currency basis
- Loyalty Units Gross Billings up 1.0% on a constant currency basis
- Adjusted EBITDA margin of 12.1%; Aeroplan contribution driving 250 bps improvement in core business(2) margin (excluding restructuring expense) to 14.5%
- Free Cash Flow before Dividends Paid of $51.9 million
- 2017 FCF guidance maintained, with increased Adjusted EBITDA margin expected on core business Gross Billings of between $2.0 to $2.1 billion

Q3 highlights – strategic:

- Solid performance at Aeroplan with Loyalty Units Gross Billings up 3.4%; year to date redemption expense up 3.4%
- Business simplification on track to deliver annualized savings of $70 million from 2019, with expected savings of around $9 million in the fourth quarter of 2017
- Increased cash balances reflect disposals during the quarter

"The business delivered a solid performance in the quarter. We saw good execution in our coalition programs around new partnerships and campaigns. Our Moments Worth Millions campaign demonstrated through more than 75,000 submissions how important Aeroplan is to our members," said David Johnston, Group Chief Executive.

"We're very focused on securing long-term strategic and commercial partnerships that will provide even better experiences in the future and are making good progress on strengthening the balance sheet and executing on our cost reduction plans."

Consolidated Financial Highlights(1)

HIGHLIGHTS (1) *(in millions of Canadian dollars, except per share amounts)*	**Three Months Ended September 30,**			
	2017	**2016**	**YoY % Change**	**YoY % Constant Currency (C.C.)**
Gross Billings	**496.8**	558.5	(11.0)	(10.0)
Total Revenue	**452.1**	503.6	(10.2)	(9.3)
Operating Loss	**(19.6)**	(13.9)	(41.0)	(43.9)
Adjusted EBITDA	**60.3**	60.5	(0.3)	0.3
ROIC(3)	**6.1%**	5.2%	0.9 pp	**
Net Loss(4)	**(40.3)**	(1.5)	**	**
Loss per Common Share(4)	**(0.26)**	(0.04)	**	**
Adjusted Net Earnings per Common Share(4)	**0.11**	0.29	(62.1)	**

Cash from Operating Activities[5]	**63.1**	102.8	(38.6)	**
Free Cash Flow before Dividends Paid[5]	**51.9**	86.7	(40.1)	**
Free Cash Flow before Dividends Paid per Common Share[5]	**0.34**	0.54	(37.0)	**

** Information not meaningful

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

Progress on key priorities

Ongoing business simplification and acceleration of cost savings

The transition to a two-division structure, expected to result in a significant reduction in divisional overhead and corporate costs, was initiated at the beginning of the fourth quarter of 2017. At the end of September, headcount was 10% below the same time last year. Initial savings of around $9 million are expected to be achieved in 2017, ramping to an annualized 2019 run rate of $70 million.

At the end of August 2017, the company completed the sale of the Canadian Air Miles trademarks. The company continues to explore further asset sales.

Preserving strong cash and liquidity position

The sale of the Canadian Air Miles trademarks contributed to a further strengthening of the cash balances. Proceeds of $53.8 million contributed to a $101.7 million increase in cash and cash equivalents to $374.8 million. Combined with short- and long-term investments in bonds and restricted cash, total cash and investments (before accounting for program reserves of $507.7 million) was at $668.6 million.

Aeroplan program update

Discussions remain underway to secure long-term strategic and commercial partnerships for Aeroplan and the business continued to perform in line with our expectations. Gross Billings were supported by a 3% increase in the one-month active financial card base. At the end of September, spend levels on Aeroplan credit cards were above the same quarter last year and above the first quarter of 2017. Air Canada Gross Billings were also up compared to the same quarter last year.

Aeroplan Miles redeemed in the third quarter of 2017 were up 4.7%, compared to a 4.2% increase in the same quarter last year and a 1.8% increase in the second quarter of 2017. On a year to date basis, total Aeroplan costs are up $21 million or 3.4% compared to the same period last year.

Operational performance

Aeroplan Loyalty Units Gross Billings up 3.4% and first quarter of Daily Mail issuance at Nectar

- Gross Billings were down 11.0% (or $61.7 million) to $496.8 million in the quarter. Gross Billings in the core business[2] were down 3.6% on a constant currency basis.
- Gross Billings from Loyalty Units in our coalition programs were stable on the same quarter last year. On a constant currency basis, Gross Billings from Loyalty Units increased 1.0%, driven by growth at Aeroplan.
- In Loyalty Services and Other, the decline of $59.9 million or 42.8% on a constant currency basis, included a $48.0 million impact due to divestitures of the U.S. Channel and Employee Loyalty, Enhancement Services and New Zealand businesses and the sale of the Canadian Air Miles trademarks. 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 $8.0 million.
- **Americas Coalitions** Gross Billings were up $3.4 million or 1.0%. Within this, Aeroplan Loyalty Unit Gross Billings were

up 3.4% on higher non-air travel conversion campaigns, higher purchase volume on financial cards and higher Air Canada Gross Billings as a result of increased capacity.

- **International Coalitions** Gross Billings were down $11.6 million or 8.9% on a constant currency basis. Loyalty Units Gross Billings were down $6.4 million and Loyalty Services & Other were down $5.2 million due to client exits and the sale of the Canadian Air Miles trademarks in the quarter. Nectar saw a positive contribution from the first quarter of Daily Mail issuance but lower Sainsbury's bonusing and the Homebase exit resulted in an overall decline. Air Miles Middle East was also down on fewer promotional miles and challenging market dynamics in the region.
- **Global Loyalty Solutions** Gross Billings were down $10.4 million or 18.5% on a constant currency basis, with the divestiture of the New Zealand rewards fulfilment business accounting for $10.2 million of the decline. Platform-based sales and related services accounted for over 20% of divisional Gross Billings in the quarter – compared to 16% in the same quarter last year.
- The divestiture of the U.S. Channel and Employee business in May 2017 drove most of the $36.9 million decline in Gross Billings from **Corporate and Other** in the quarter.

Operational efficiencies contributing to higher margin

- Adjusted EBITDA was $60.3 million or 12.1% of Gross Billings, including a restructuring expense of $11.1 million. Adjusted EBITDA was $60.5 million or 10.8% last year.
- Excluding the restructuring expense, the core business(2) contributed $72.1 million of Adjusted EBITDA, representing a margin of 14.5%, compared to 12.0% in the previous year. The improvement was mostly due to the Americas Coalitions business, driven by a higher Aeroplan contribution, and operational efficiencies across the company. The higher expense related to technology outsourcing, expenses related to previously capitalized development costs and higher professional fees resulted in a lower Adjusted EBITDA from Global Loyalty Solutions and Corporate and Other.

Free Cash Flow reflects lower expenses

- Cash from operating activities was $63.1 million, down $39.7 million. Excluding the impact of a $50.3 million tax refund in the third quarter of 2016, cash from operating activities increased by $10.6 million. Lower cost of rewards and operating expenses, lower taxes and net interest paid and a favourable variance in the change in net operating assets were partly offset by lower Gross Billings. Restructuring payments in the quarter were $7.6 million.
- Free Cash Flow before Dividends Paid in the quarter was $51.9 million, up $15.5 million excluding the $50.3 million tax refund received in the third quarter of 2016. Capital expenditures were down $4.9 million to $11.2 million. Free Cash Flow per Share was $0.34. Free Cash Flow per common share on a normalized trailing 12-month basis was $1.40, reflecting a Free Cash Flow yield of 56.6% based on the closing share price at September 30, 2017.
- Total dividends paid were down $34.7 million, due to the suspension of dividends with effect from June 14, 2017.

Return on Invested Capital(3)

For the 12 months ended September 30, 2017, ROIC was 6.1%, compared to 5.2% for the 12 months ended September 30, 2016. An increase in adjusted operating income after taxes and a decrease in Invested Capital both contributed to the increase.

2017 Guidance

Aimia has updated the guidance issued previously for the year ending December 31, 2017, partly in light of the cumulative effect of disposals on Gross Billings of around $24 million, and now expects to report the following:

- Gross Billings: core business(2) to be between $2.0 billion and $2.1 billion (previously "broadly stable at around $2.1 billion")
- Adjusted EBITDA margin: core business(2) to be around 13.0% (previously "around 12.0%")
- Free Cash Flow before Dividends Paid: above $220 million (unchanged)

The guidance excludes the impact of future asset disposals, 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 and cash expense related to previously identified restructuring actions are expected to be between $20 million and $25 million in 2017. Costs incurred and related cash expense in the first nine months of 2017 were respectively, $17.5 million and $15.6 million.

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

Dividends to Shareholders

As communicated on June 14, 2017, the Company is prohibited from paying dividends declared onMay 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 further determined and announced in August 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 third quarter 2017 financial results at 8:30 a.m. EDT on Thursday, November 9, 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:
http://event.on24.com/r.htm?e=1350498&s=1&k=913D840CAF27CCA1653988D3F2345A44

A slide presentation for Q3 2017 results intended for simultaneous viewing with the conference call will be available the evening of November 8, 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 following are included in the core business:
    a. The New Zealand business until its sale in May 2017 is reported 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.

b. The Canadian Air Miles trademark until its sale in August 2017 is reported under International Coalitions. At the sale completion date, Gross Billings and Adjusted EBITDA for this royalty stream were $5.6 and $4.9 million, respectively, compared to an original expectation of $8.7 and $8.0 million.

3. ROIC for the 12-month period ended September 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 September 30, 2017 include the impact of the loss of $19.9 million on the disposal of the Canadian Air Miles trademarks and a related net income tax expense of $1.2 million.
5. 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 September 30, 2016 include tax proceeds of $50.3 million, inclusive of interest in the amount of $1.6 million, related to the income tax refund of loss carry back applied in Canada.

Appendix

The highlights for the nine months ending September 30, 2017 are as follows:

HIGHLIGHTS (1)	**Nine Months Ended September 30,**			
(in millions of Canadian dollars, except per share amounts)	**2017**	**2016**	**YoY % Change**	**YoY % Constant Currency (C.C.)**
Gross Billings	**1,542.3**	1,692.2	(8.9)	(6.8)
Total Revenue	**1,447.4**	1,599.1	(9.5)	(7.7)
Operating Loss(2)	**(49.0)**	(39.9)	(22.8)	(20.1)
Adjusted EBITDA(2)	**160.4**	162.8	(1.5)	0.9
ROIC(2)	**6.1%**	5.2%	0.9 pp	**
Net Loss(2)(3)(4)	**(55.8)**	(7.4)	**	**
Loss per Common Share(2)(3)(4)	**(0.42)**	(0.14)	**	**
Adjusted Net Earnings per Common Share(2)(3)(4)	**0.50**	0.73	(31.5)	**
Cash from Operating Activities(5)	**118.3**	162.0	(27.0)	**
Free Cash Flow before Dividends Paid(5)	**82.2**	112.0	(26.6)	**
Free Cash Flow before Dividends Paid per Common Share(5)	**0.51**	0.65	(21.5)	**

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 nine months ended September 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 12-month period ended September 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 nine months ended September

30, 2017 include the impact of the loss of$19.9 million on the disposal of the Canadian Air Miles trademarks and a related net income tax expense of $1.2 million, the gain on the disposal of the U.S. CEL 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 nine months ended September 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.
5. Cash from Operating Activities, Free Cash Flow before Dividends Paid and Free Cash Flow before Dividends Paid per Common Share for the nine months ended September 30, 2016 include tax proceeds of $50.3 million, inclusive of interest in the amount of $1.6 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, 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 and nine months ended September 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 and nine months ended September 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 November 8, 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 ofNovember 8, 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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