



LMG acquires controlling interest in Middle East Air Miles programme

Montreal, Canada/London, UK – January 17, 2008 – Aeroplan Income Fund (Aeroplan) (TSX: AER.UN) and its wholly-owned subsidiary, Loyalty Management Group (LMG), owner and operator of Nectar, today announced LMG’s first international acquisition transaction by increasing its stake in Rewards Management Middle East Limited (RMMEEL).

LMG has purchased an additional participation of 40% in RMMEEL, the operator of Air Miles programmes in the UAE, Qatar and Bahrain, for a purchase price of AED40 million (£5.3 million), which values RMMEEL at AED100 million (£13.3 million). As a result of this transaction, LMG will own 60% of RMMEEL.

RMMEEL was founded in 2000 by LMG, HSBC and Al-Seer (owner of the Spinney’s supermarket chain in Dubai) as shareholders, in order to launch an Air Miles-branded retail coalition loyalty programme in the region. LMG acquired the 40 percent ownership held by Al-Seer, increasing LMG’s total participation to 60 percent. The remaining 40 percent will continue to be held by HSBC. As part of the transaction, both HSBC and Al-Seer, who are participants in the Air Miles programme in the region, have renewed long-term contracts.

LMG CEO Alex Moorhead said: “LMG looks forward to continuing its strong relationship with HSBC and working more closely with the RMMEEL Management team to consolidate its loyalty leadership position in this fast growing region.”

“It is a perfect example of executing our international strategy to become the global leader in the management of loyalty programmes,” added Rupert Duchesne, President and CEO of Aeroplan.

The Air Miles Middle East programme is currently receiving over 15,000 new membership applications per month. RMMEEL also operates the ‘my reward’ points schemes for HSBC in Egypt, Jordan, Oman and Lebanon. Current RMMEEL management and day-to-day operations will remain unaffected.

About Aeroplan Income Fund

Aeroplan Income Fund is an unincorporated, open-ended trust established under the laws of the Province of Ontario. Aeroplan Income Fund is the owner of Aeroplan Limited Partnership, Canada's premier loyalty marketing company and operator of the Aeroplan loyalty program and Loyalty Management Group Limited, operator of Nectar, the United Kingdom's largest customer reward program.

For more information about Aeroplan, please visit www.aeroplan.com

About LMG

LMG is based in the United Kingdom and develops, owns and manages large retail-based customer reward programs and provides customer data driven marketing services to retailers, FMCGs and service providers worldwide. The group owns and operates the Nectar brand, the United Kingdom's largest customer reward program, and also owns the Air Miles trademark around the world. It employs approximately 200 staff at its HQ in London and has operations in Newcastle, England and Mumbai, India.

For more information about LMG, please visit www.loyalty.co.uk.

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