FTC CARDS INC.
INTERIM REPORT TO SHAREHOLDERS
FOR THE PERIOD FROM MARCH 9, 2012 (DATE OF INCORPORATION) TO JUNE 30, 2012
(Expressed in Canadian dollars)

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE PERIOD FROM MARCH 09, 2012 (DATE OF INCORPORATION) TO JUNE 30, 2012

(Dated: August 27, 2012)

Management's Responsibility for Financial Reporting

These financial statements have been prepared by management using Brazilian accounting policies which are essentially identical to "International Financial Reporting Standards – IFRS" and these statements are also in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The information contained in this document has also been prepared by management and is consistent with the data contained in the financial statements.

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in these filings.

The Board of Directors approves the financial statements and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports prior to filing.

Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made.

In particular, forward looking comments regarding the Company's status and viability included in the "Liquidity" section are views of management only, and actual results and outcomes could be materially different from management's estimates and expectations. The reader is advised to review risks and exposures related to the Company's operations and reporting, detailed in the sections entitled, "financial risks", all of which affect management's views and expectations.

Corporate Structure

FTC Cards Inc. ("FTC" and the "Company") was incorporated under the name "0934977 B.C. Ltd." under the laws of the Province of British Columbia by articles of incorporation dated March 9, 2012. On May 16, 2012, the name was changed to "FTC Cards Inc."

The Company was not a reporting issuer (or the equivalent) in any jurisdiction at the end of the reporting period and the common shares of FTC are not listed or quoted for trading on any stock exchange. Upon completion of an Arrangement agreement on July 3, 2012, the Company became a reporting issuer (or the equivalent) in British Columbia.

The Company has been incorporated for the purposes of completing the reorganization described below. Pursuant to the terms of the Arrangement agreement between its parent CTF Technologies Inc., ("CTF"), and the purchaser, on July 3, 2012, the Company ceased to be a wholly-owned subsidiary of CTF and all of the issued and outstanding FTC shares were held by former CTF Shareholders.

Following the completion of the Arrangement agreement, FTC Cards Inc. owned approximately 70% of the equity of FTC Cards Processamento e Serviços de Fidelização Ltda. ("FTC Cards Brazil") and intends to continue operating the business of FTC Cards Brazil. FTC Cards Brazil is a limited liability company (*sociedade limitada*) under the laws of Brazil and was incorporated on April 7, 2011. The balance of the equity in FTC Cards Brazil is expected to be held by Technis Planejamento e Gestão em Negócios Ltda. ("Technis"), a limited liability company (*sociedade limitada*) under the laws of Brazil and an unrelated party.

The registered and records office of FTC Cards Inc. is located at 1500 Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7. The head office of FTC Cards Inc. is located at 2000-1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2. The registered and head office of FTC Cards Brazil is located at Alameda Tocantins, No. 125, 33rd floor, room 3302, Building 01 of Condomínio West Side - Alphaville, in the city of Barueri, State of São Paulo, Brazil.

Business of the Company

FTC Cards Brazil was formed in 2011 for the purposes of developing a business of providing data processing to support a program of promotions, awards and loyalty programs and credit card processing targeted at the franchise gas stations of Petrobras Distribuidora S.A. ("**Petrobras**"). FTC Cards Brazil is continuing the business originally developed by CTF Technologies do Brasil Ltda., a subsidiary of CTF Technologies Inc., under an agreement entered into with Petrobras.

Going Concern

These interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue to operate in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Should the Company be unable to continue as a going concern, the basis of reporting the carrying values of assets may be adjusted.

The Company's loss for the three months ending June 30, 2012 amounted to ($1,580). The Company also recorded a negative working capital of ($1,579) at June 30, 2012. As a going concern, the Company is dependent upon its ability to attain future profitable operations and to maintain access to financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company not be able to continue as a going concern.

<u>Results of Operations for the Three Months Ended June 30, 2012:</u>

As the Company was recently incorporated, it incurred only administrative expenses and generated no revenues in the quarter. The administrative expenses, amounting to $1,580, were for legal support provided during the period reported. Consequently, a loss amounting to $1,580 or $1,580 per share resulted for the three months ended June 30, 2012.

<u>Results of Operations for the Period of March 7, 2012 (Date of Incorporation) to June 30, 2012:</u>

As the Company was recently incorporated, it incurred as noted above only administrative expenses and generated no revenues. Administrative expenses amounting to $1,580 were incurred for the quarter and year to date period, resulting in a loss for the year to date of $1,580 or $1,580 per share.

<u>Selected annual financial information</u>:

Not applicable as this is the first year of operations.

(Expressed in Canadian dollars)

Selected quarterly financial information:

	4th Quarter Ended December 31, 2012	3rd Quarter Ended September 30, 2012	2nd Quarter Ended June 30, 2012	Period from March 9, 2012 (date of inception) to March 31, 2012
(a) Revenue			NIL	NIL
(b) Profit (Loss) for period			(1,580)	0.00
(c) Profit (Loss) per share			(1,580)	0.00

All of the financial information reported in the table above is in accordance with IFRS reporting standards.

The Company incurred $1,580 of administrative expenses from its date of incorporation on March 7, 2012. No revenues have been generated to date. Consequently, the Company incurred a loss amounting to ($1,580) or ($1,580) per share for the quarter and year to date.

Capital:

Authorized: Unlimited number of Common shares without par value,

Issued:

	Number of Shares	Amount $
Balance, March 9, 2012 and June 30, 2012	1	1
Issued on completion of the arrangement	58,351,051	506,250
Balance, August 27, 2012	58,351,052	506,251

Liquidity:

On March 9. 2012, the Company was incorporated and one common share of the capital of the Company was issued for cash proceeds of $1. As the Company has remained inactive throughout the reporting period, there have been no additional funds received and no disbursements made, such that the closing cash on hand at the end of the period, June 30, 2012 remained at $1. Subsequent to the period end on July 03, 2012, the arrangement transaction as reported above, was completed and as part of the spin-out transaction, the Company received $506,250 (US$500,000) cash funding from the purchaser on behalf of the new FTC shareholders and 58,351,051 new common shares of the Company were issued.

Management contemplates that additional funds when required for the operations of the Company will be raised by the issuance of new common shares of equity.

Changes in Accounting Policies (Including Initial Adoption):

New Standards Not Yet Adopted:

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company's financial statements.

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39.

IFRS 9 is required to be applied for annual periods beginning on or after January 1, 2013. IASB has proposed to move the effective date of IFRS 9 to January 1, 2015.

IFRS 10 Consolidated Financial Statements ("IFRS 10")

For annual periods beginning on January 1, 2013, IFRS 10 will replace portions of IAS 27 Consolidated and Separate Financial Statements and interpretation SIC-12 Consolidation - Special Purpose Entities. The new standard requires consolidated financial statements to include all controlled entities under a single control model. The Company will be considered to control an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the current ability to affect those returns through its power over the investee. As required by this standard, control is reassessed as facts and circumstances change. Additional guidance is given on how to evaluate whether certain relationships give the Company the current ability to affect its returns, including how to consider options and convertible instruments, holding less than a majority of voting rights, how to consider protective rights, and principal agency relationships (including removal rights), all which may differ from current practice.

IFRS 10 is required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IFRS 11 Joint Arrangements ("IFRS 11")

IFRS 11 applies to accounting for interests in joint arrangements where there is joint control. The standard requires the joint arrangements to be classified as either joint operations or joint ventures. The structure of the joint arrangement would no longer be the most significant factor when classifying the joint arrangement as either a joint operation or a joint venture. In addition, the option to account for joint ventures (previously called jointly controlled entities) using proportionate consolidation will be removed and replaced by equity accounting.

IFRS 11 is required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IFRS 12 Disclosure of Interests in Other Entities ("IFRS 12")

IFRS 12 includes disclosure requirements about subsidiaries, joint ventures, and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. Due to this new section, the Company will be required to disclose the following: judgments and assumptions made when deciding how to classify involvement with another entity, interests that non-controlling interests have in consolidated entities, and the nature of the risks associated with interests in other entities.

IFRS 12 is required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IFRS 13 Fair Value Measurement ("IFRS 13")

IFRS 13 will converge the IFRS requirements for how to measure fair value and the related disclosures. IFRS 13 establishes a single source of guidance for fair value measurements, when fair value is required or permitted by IFRS. Upon adoption, the Company will provide a single framework for measuring fair value while requiring enhanced disclosures when fair value is applied. In addition, fair value will be defined as the 'exit price' and concepts of 'highest and best use' and 'valuation premise' would be relevant only for non-financial assets and liabilities.

IFRS 13 is required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IAS 1 - Presentation of Financial Statements ("IAS 1")

IAS 1 was amended by the IASB in June 2011 and relates to the presentation of items in other comprehensive income. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged.

The amendments to IAS 1 are required to be applied for annual periods beginning on or after July 1, 2012, with earlier adoption permitted. The Company has not yet assessed the impact of the amendment or determined whether it will adopt the amendments early.

IAS 12 – Income Taxes ("IAS 12")

IAS 1 was amended by the IASB in December 2010 and the amendment provides a solution to determining the recovery of investment properties as it relates to the accounting for deferred income taxes.

The amendment to IAS 12 is required to be applied for annual periods beginning on or after January 1, 2012, with earlier adoption permitted. The Company has not yet assessed the impact of the amendment or determined whether it will adopt the amendment early.

IAS 19 – Employee Benefits ("IAS 19")

IAS 19 was amended by the IASB in November 2011 and the amendment introduces changes to the accounting for defined benefit plans and other employee benefits. The amendments include elimination of the options to defer, or recognize in full in earnings, actuarial gains and losses and instead mandates the immediate recognition of all actuarial gains and losses in other comprehensive income and requires use of the same discount rate for both the defined benefit obligation and expected asset return when calculating interest cost. Other changes include modification of the accounting for termination benefits and classification of other employee benefits.

The amendments to IAS 19 are required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the amendments or determined whether it will adopt the amendments early.

IAS 27- Separate Financial Statements ("IAS 27")

IAS 27 was amended by the IASB in September 2011 and the amendments have the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures, associates when the entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements.

The amendments to IAS 27 are required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the amendments or determined whether it will adopt the amendments early.

IAS 28 – Investments in Associates and Joint Ventures ("IAS 28")

IAS 28 was amended by the IASB in September 2011 and the amendments prescribe the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture).

The amendments to IAS 28 are required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the amendments or determined whether it will adopt the amendments early.

IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine ("IFRIC 20")

IFRIC 20 was issued by the IASB in December 2011 and clarifies the requirements for accounting for the costs of stripping activity in the production phase when two benefits accrue: (i) useable ore that can be used to produce inventory and (ii) improved access to further quantities of material that will be mined in future periods.

IFRIC 20 is required to be applied for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

<u>Financial and Capital Risk Management:</u>

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are described below.

> Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
> Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
> Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments

The Company has various financial instruments including cash, accounts receivable and accounts payable and accrued liabilities. Cash is carried at fair value using a level 1 fair value measurement. The carrying values of receivables and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating period.

Events After the Reporting Date:

On May 2, 2012, the ultimate parent of the Company, CTF Technologies Inc. (“CTF”), announced that it had signed a definitive agreement with Fleetcor Technologies Inc. (“FleetCor”) pursuant to which FleetCor had agreed to acquire all of the issued and outstanding shares of CTF for an aggregate purchase price of US$180 million (“Purchase Price”), subject to adjustment for debt, by way of a British Columbia, Canada court approved plan of arrangement. Pursuant to the transaction, CTF will spin out to its shareholders, on a pro rata basis, shares of FTC Cards Inc., that is intended to operate a new loyalty card business in Brazil.

The Company received both shareholder approval at its meeting on June 26, 2012 and the requisite court approval, and completed the transaction on July 3, 2012, whereby the Company became a reporting issuer.