



# ALIANT INC.

## Supplemental Investor Information

First Quarter 2003



## Supplemental Investor Information - First Quarter 2003 (unaudited)

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**Supplemental Investor Information - First Quarter 2003 (unaudited)**

(Thousands of Canadian dollars, except as otherwise indicated)

	Three Months Ended March 31		% Change
<b>Financial</b>	<b>2003</b>	<b>2002</b>	
Revenues	\$655,433	\$645,647	1.5%
EBITDA <sup>1</sup>	\$212,362	\$227,876	(6.8%)
Net Income Applicable to Common Shares	\$36,504	\$51,069	(28.5%)
Earnings per Average Common Share (Basic)	\$0.26	\$0.37	(29.7%)
Capital Investments	\$76,697	\$106,652	(28.1%)
Free Cash Flow from Operations <sup>2</sup>	\$156,510	\$48,074	225.6%
<b>Share Capital as at March 31</b>			
Number of Common Shares Outstanding	138,927,943	138,622,459	
Weighted Average Number of Common Shares Outstanding	139,256,458	137,884,851	
Trading Hi-Low year to date	\$28.65 - \$25.27	\$30.60 - \$26.65	
Common Share Price (AIT) at March 31	\$28.00	\$26.65	
Preferred Share Price (AIT.PR.A) at March 31	\$25.15	\$25.00	
Market Capitalization at Quarter End	\$3,889,982	\$3,694,289	

**ALIAN T INC.**  
**Supplemental Investor Information - First Quarter 2003 (unaudited)**

**First Quarter Financial Summary**  
*( as restated <sup>3</sup> )*

(Thousands of Canadian dollars, except as otherwise indicated)

**Revenue**

Telecommunications  
 Information Technology  
 Remote Communications  
 Other and Intercompany Eliminations

**Total Revenue**

**Contribution to EBITDA**

Telecommunications  
 Information Technology  
 Remote Communications  
 Other and Intercompany Eliminations

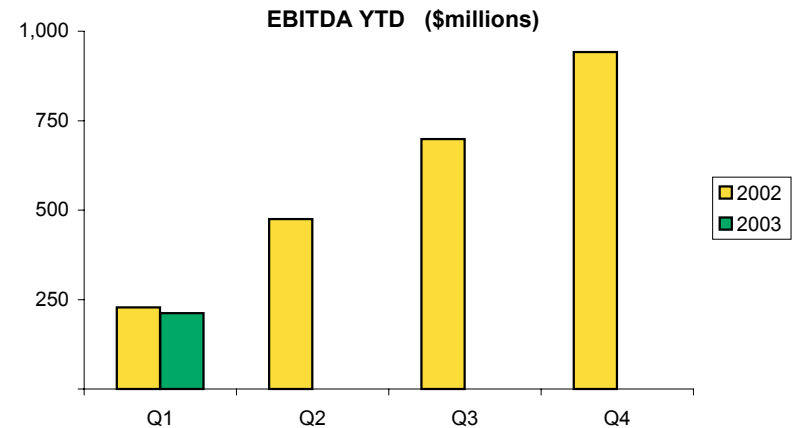
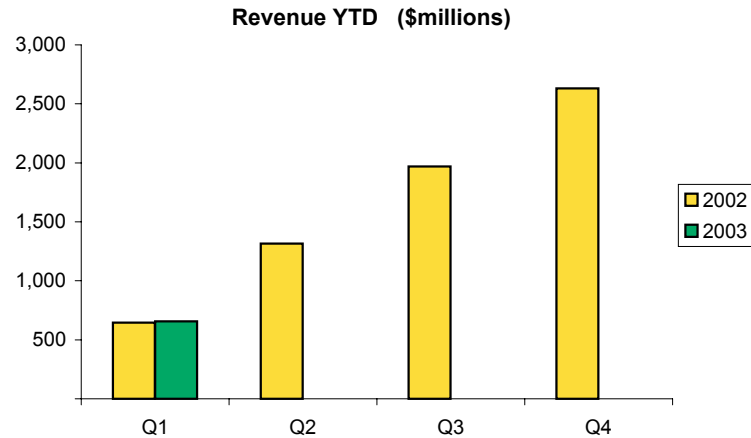
**Total EBITDA**

**EBITDA Margin**

n.m. - not meaningful

Three Months Ended March 31		
2003	2002	% Change
\$429,861	\$419,407	2.5%
108,059	121,526	(11.1%)
144,056	126,540	13.8%
(26,543)	(21,826)	(21.6%)
<b>\$655,433</b>	<b>\$645,647</b>	<b>1.5%</b>

\$187,721	\$195,160	(3.8%)
(1,535)	8,580	n.m.
32,881	31,413	4.7%
(6,705)	(7,277)	7.9%
<b>\$212,362</b>	<b>\$227,876</b>	<b>(6.8%)</b>
<b>32.4%</b>	<b>35.3%</b>	<b>(8.2%)</b>

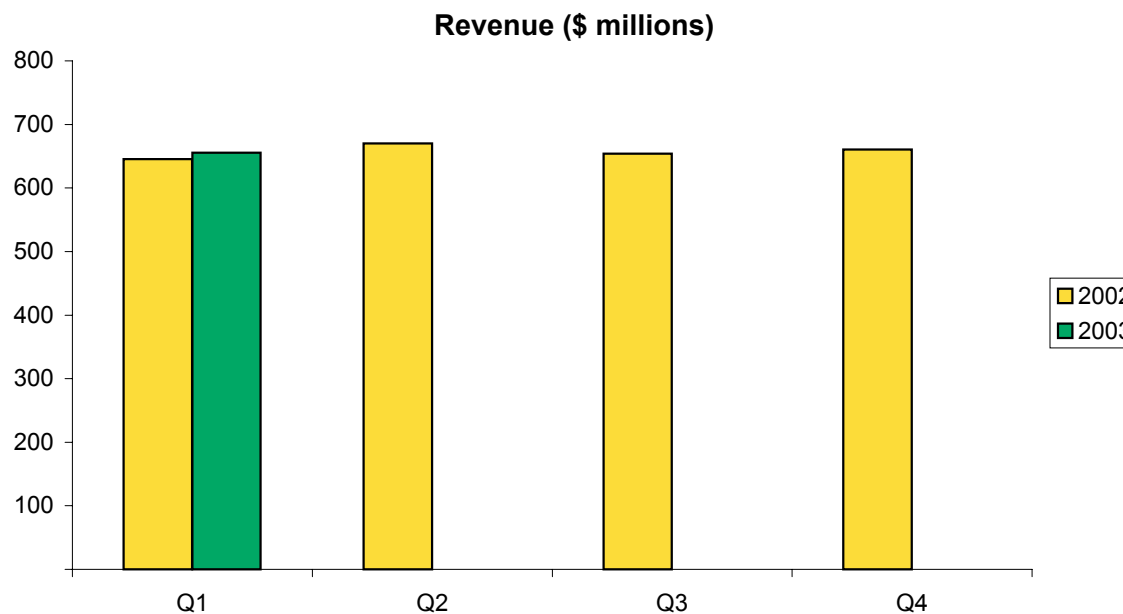


**ALIAN T INC.**  
**Supplemental Investor Information - First Quarter 2003 (unaudited)**

**Consolidated Revenues**  
*(as restated <sup>3</sup>)*

(Thousands of Canadian dollars, except as otherwise indicated)

Revenue	2003	2002				
	Q1	Q4	Q3	Q2	Q1	Total
Telecommunications	\$429,861	\$464,345	\$465,502	\$459,789	\$419,407	\$1,809,043
Information Technology	108,059	90,977	83,180	103,655	121,526	399,338
Remote Communications	144,056	129,671	128,215	128,749	126,540	513,175
Other and Intercompany Eliminations	(26,543)	(24,464)	(22,829)	(22,084)	(21,826)	(91,203)
<b>Total Revenue</b>	<b>\$655,433</b>	<b>\$660,529</b>	<b>\$654,068</b>	<b>\$670,109</b>	<b>\$645,647</b>	<b>\$2,630,353</b>



**ALIAN T INC.**  
**Supplemental Investor Information - First Quarter 2003 (unaudited)**

**Consolidated EBITDA**  
*(as restated <sup>3</sup>)*

(Thousands of Canadian dollars, except as otherwise indicated)

**EBITDA**

Telecommunications  
 Information Technology  
 Remote Communications  
 Other and Intercompany Eliminations

**Total EBITDA**

2003	2002				
<u>Q1</u>	<u>Q4</u>	<u>Q3</u>	<u>Q2</u>	<u>Q1</u>	<u>Total</u>
\$187,721	\$224,881	\$216,778	\$220,097	\$195,160	\$856,916
(1,535)	(3,088)	(11,459)	8,835	8,580	2,868
32,881	28,496	26,739	23,144	31,413	109,792
(6,705)	(6,942)	(8,727)	(5,009)	(7,277)	(27,955)
\$212,362	\$243,347	\$223,331	\$247,067	\$227,876	\$941,621

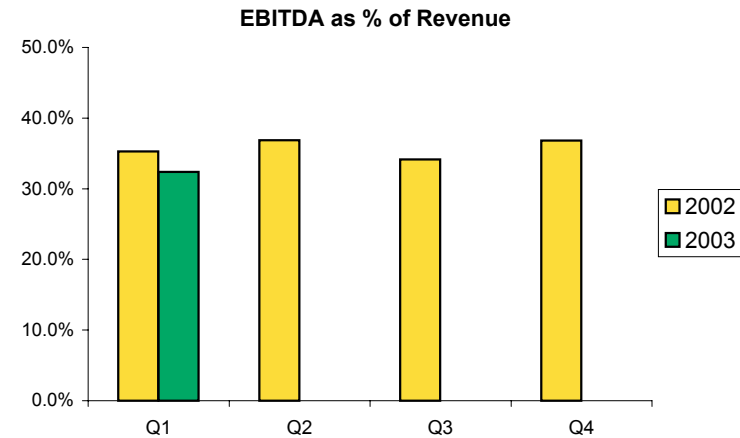
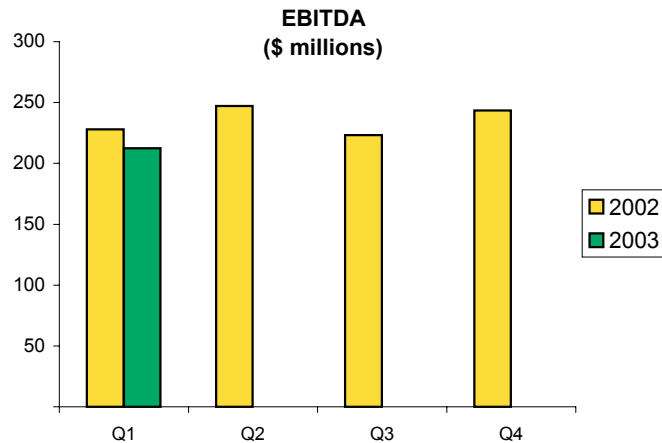
**EBITDA as a % of Revenue**

Telecommunications  
 Information Technology  
 Remote Communications  
 Other and Intercompany Eliminations

**Total EBITDA as a % of Revenue**

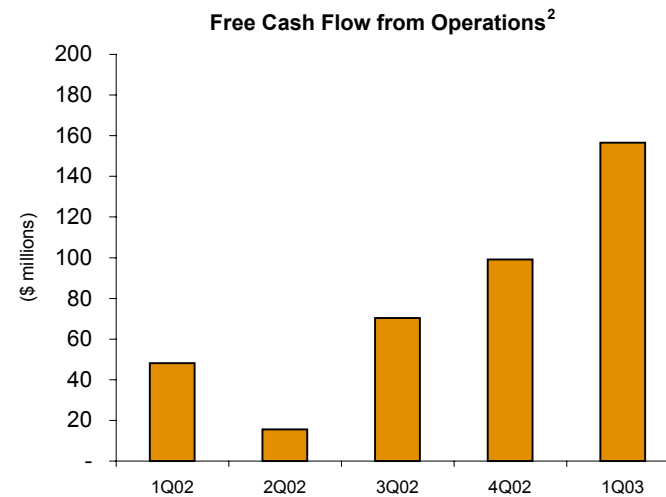
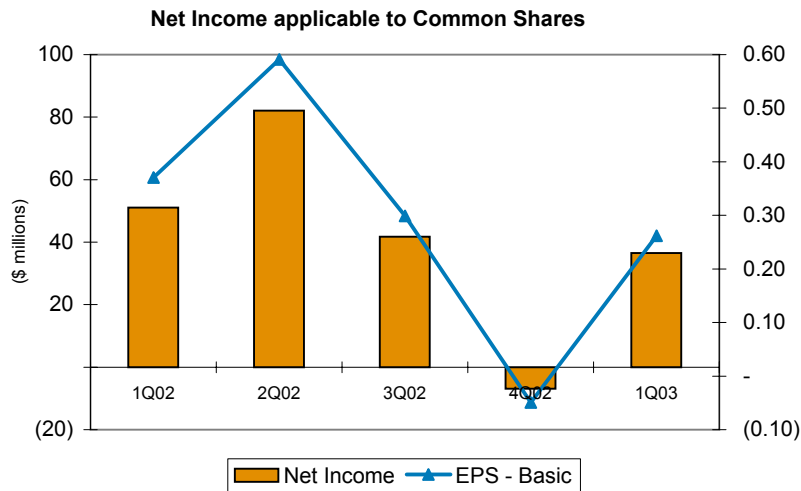
43.7%	48.4%	46.6%	47.9%	46.5%	47.4%
(1.4%)	(3.4%)	(13.8%)	8.5%	7.1%	0.7%
22.8%	22.0%	20.9%	18.0%	24.8%	21.4%
n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
32.4%	36.8%	34.1%	36.9%	35.3%	35.8%

n.m. - not meaningful



(Thousands of Canadian dollars, except as otherwise indicated)

	2003	2002				
	Q1	Q4	Q3	Q2	Q1	Total
Net Income applicable to Common Shares	\$36,504	(\$6,904)	\$41,756	\$82,117	\$51,069	\$168,038
Weighted Average Number of Common Shares (000's)	139,256	139,547	139,568	138,891	137,885	138,907
Earnings per Common Share - Basic	\$0.26	(\$0.05)	\$0.30	\$0.59	\$0.37	\$1.21
Free Cash Flow per Common Share <sup>4</sup>	\$1.12	\$0.71	\$0.51	\$0.11	\$0.35	\$1.68



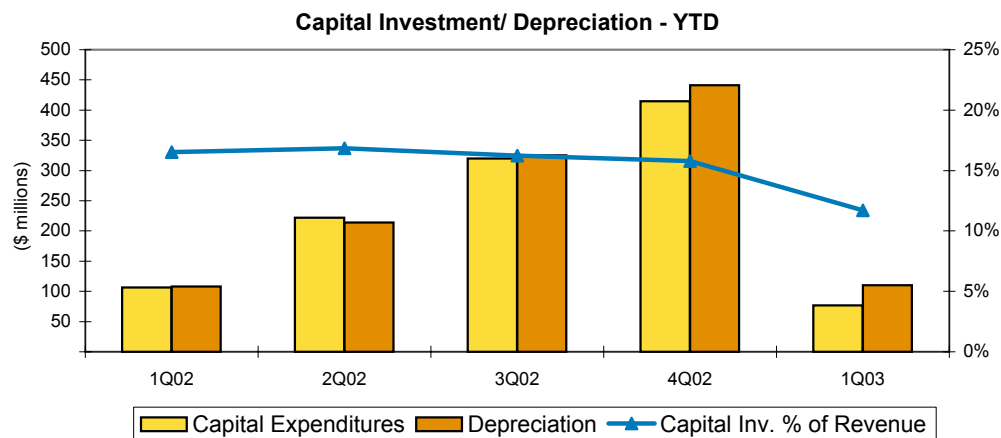
**ALIAN T INC.**  
**Supplemental Investor Information - First Quarter 2003 (unaudited)**

**Consolidated Capital Investments and Depreciation**  
*(as restated<sup>3</sup>)*

(Thousands of Canadian dollars, except as otherwise indicated)

	2003	2002				
	Q1	Q4	Q3	Q2	Q1	Total
<b>Capital Investments</b>						
Telecommunications	\$69,791	\$85,795	\$89,350	\$103,098	\$90,523	\$368,766
Information Technology	507	1,326	486	3,367	946	6,125
Remote Communications	6,018	7,210	7,563	8,004	14,193	36,970
Other and Intercompany Eliminations	381	709	787	618	990	3,104
<b>Total Capital Investments</b>	<b>\$76,697</b>	<b>\$95,040</b>	<b>\$98,186</b>	<b>\$115,087</b>	<b>\$106,652</b>	<b>\$414,965</b>
<b>Depreciation Expense</b>						
Telecommunications	\$96,173	\$92,842	\$94,000	\$91,524	\$93,466	\$371,832
Information Technology	2,784	3,674	3,243	2,945	2,855	12,716
Remote Communications	11,002	11,260	11,971	10,176	9,757	43,164
Other and Intercompany Eliminations	246	8,295	1,643	1,727	1,773	13,439
<b>Total Depreciation Expense</b>	<b>\$110,205</b>	<b>\$116,071</b>	<b>\$110,857</b>	<b>\$106,372</b>	<b>\$107,851</b>	<b>\$441,151</b>
<b>Capital Investments % of Revenue</b>						
Telecommunications	16.2%	18.5%	19.2%	22.4%	21.6%	20.4%
Information Technology	0.5%	1.5%	0.6%	3.2%	0.8%	1.5%
Remote Communications	4.2%	5.6%	5.9%	6.2%	11.2%	7.2%
Other and Intercompany Eliminations	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
<b>Total Capital Investments % of Revenue</b>	<b>11.7%</b>	<b>14.4%</b>	<b>15.0%</b>	<b>17.2%</b>	<b>16.5%</b>	<b>15.8%</b>

n.m. - not meaningful



**Supplemental Investor Information - First Quarter 2003 (unaudited)**

(Thousands of Canadian dollars, except as otherwise indicated)

	2003	2002				
	<u>Q1</u>	<u>Q4</u>	<u>Q3</u>	<u>Q2</u>	<u>Q1</u>	<u>Total</u>
<b>Interest Charges</b>						
Interest on Long-Term Debt	\$27,032	\$28,955	\$29,341	\$32,523	\$33,343	\$124,162
Other Interest	322	961	1,250	(88)	402	2,525
<b>Total Interest Charges</b>	<u>\$27,354</u>	<u>\$29,916</u>	<u>\$30,591</u>	<u>\$32,435</u>	<u>\$33,745</u>	<u>\$126,687</u>
<b>Capital Structure</b>						
Equity	50.8%	49.6%	50.0%	50.0%	47.3%	
Non-controlling Interest	5.1%	5.1%	4.9%	4.6%	1.9%	
Debt	44.1%	45.3%	45.1%	45.4%	50.8%	
<b>Total Capital Structure</b>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	

**Coverages<sup>5</sup>**
**Interest (i)**
**Debt to Trailing EBITDA (ii)**
**EBITDA to Interest (iii)**
**Cash Flow to Interest (iv)**

3.8	3.8	4.2	4.0	3.6
1.54	1.62	1.61	1.56	1.76
7.7	7.4	7.3	7.1	6.7
5.5	5.3	4.1	3.9	3.4

**Definitions**

(i) Operating Income plus Other Income divided by Total Interest Charges (Current Quarter plus three (3) previous Quarters).

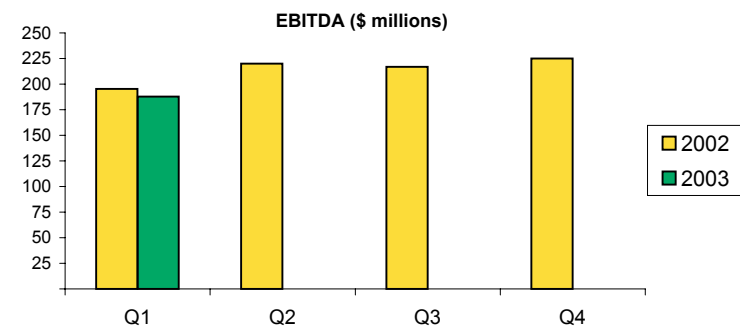
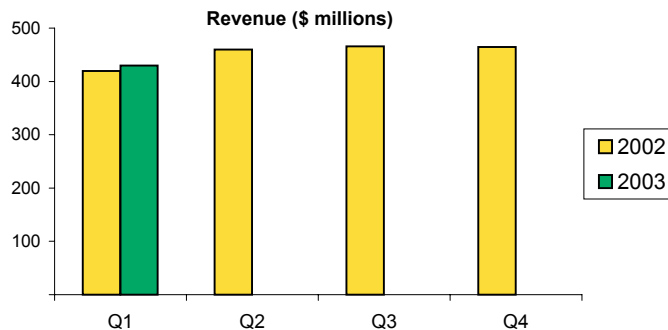
(ii) Total Debt (including Bank Indebtedness) divided by Current Quarter plus three (3) previous Quarters' EBITDA.

(iii) EBITDA divided by Total Interest Charges (Current Quarter plus three (3) previous Quarters).

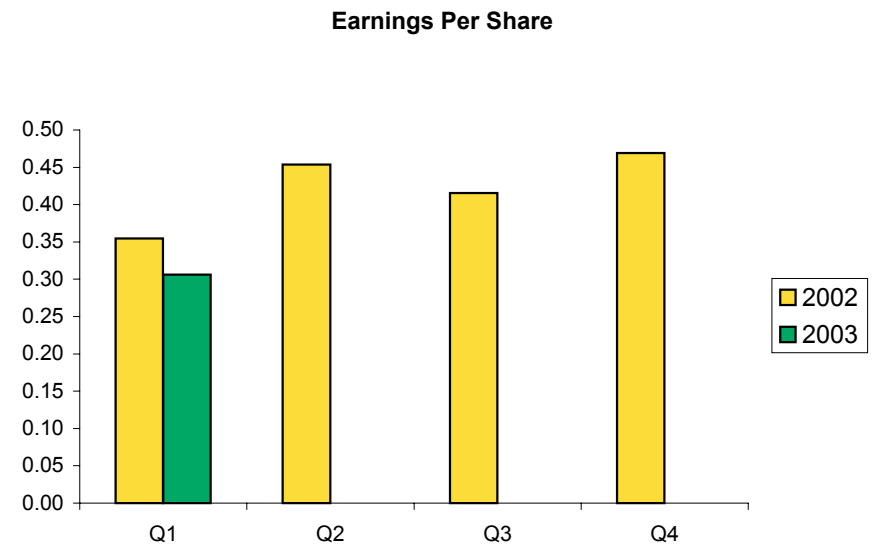
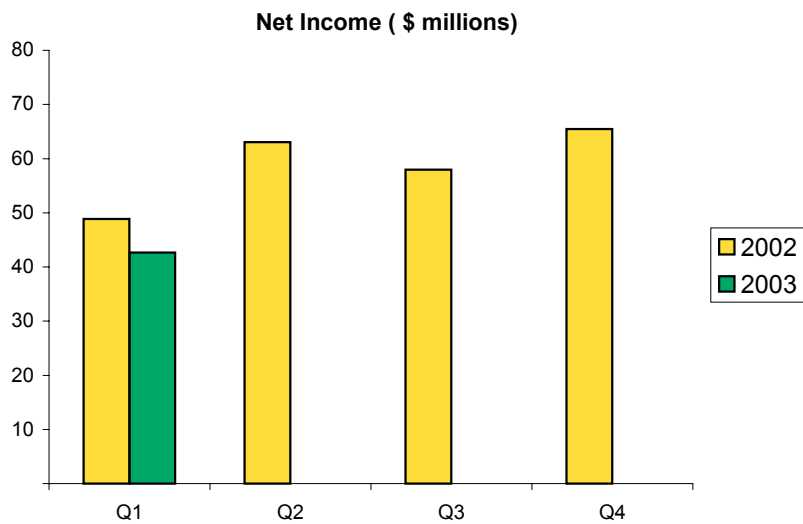
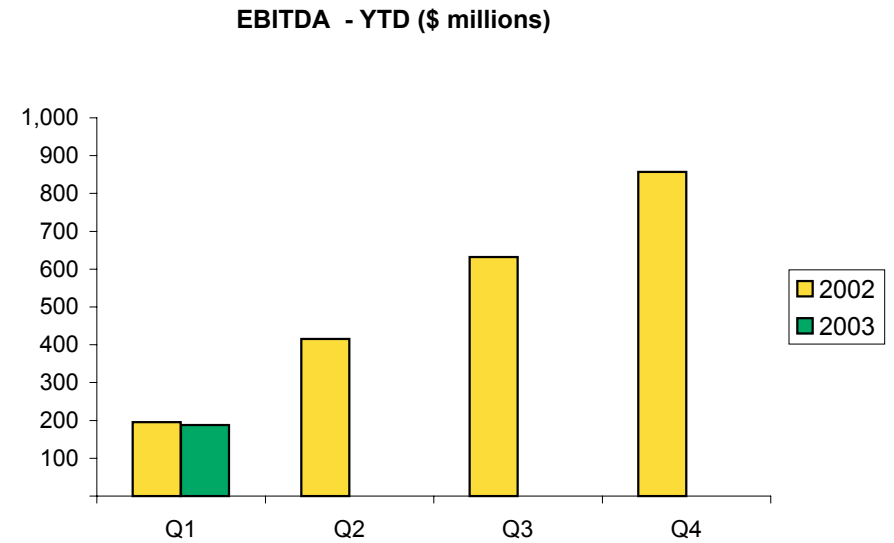
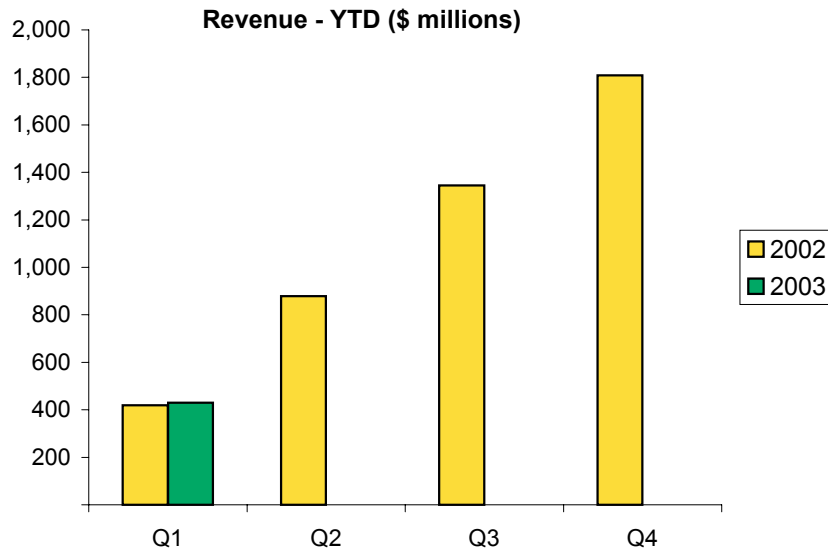
(iv) Cash from Operations (before change in non cash working capital) divided by Total Interest Charges (Current Quarter plus three (3) previous Quarters).

(Thousands of Canadian dollars, except as otherwise indicated)

	2003	2002				
	Q1	Q4	Q3	Q2	Q1	Total
<b>Revenue</b>						
Local	\$188,023	\$189,241	\$194,326	\$193,514	\$189,959	\$767,040
Long Distance	100,804	100,896	99,909	101,539	101,545	403,889
Wireless	73,161	77,192	75,501	67,404	61,224	281,321
Internet	25,386	23,985	23,178	22,439	21,848	91,450
Product Sales	24,624	38,917	39,941	24,663	18,732	122,253
Innovatia	5,570	5,975	5,629	6,181	5,123	22,908
Other	12,293	28,139	27,018	44,049	20,976	120,182
<b>Total Revenue</b>	<b>\$429,861</b>	<b>\$464,345</b>	<b>\$465,502</b>	<b>\$459,789</b>	<b>\$419,407</b>	<b>\$1,809,043</b>
<b>Cash Operating Expenses and Cost of Revenue</b>	<b>\$242,140</b>	<b>\$239,464</b>	<b>\$248,724</b>	<b>\$239,692</b>	<b>\$224,247</b>	<b>\$952,127</b>
<b>EBITDA</b>						
<b>Wireline</b>	\$154,658	\$186,191	\$177,842	\$190,518	\$165,339	\$719,890
% of Revenue	43.4%	48.1%	45.6%	48.6%	46.2%	47.1%
<b>Wireless</b>	33,063	38,690	38,936	29,579	29,821	137,026
% of Revenue	45.2%	50.1%	51.6%	43.9%	48.7%	48.7%
<b>Total</b>	\$187,721	\$224,881	\$216,778	\$220,097	\$195,160	\$856,916
% of Revenue	43.7%	48.4%	46.6%	47.9%	46.5%	47.4%
<b>Net Income</b>	\$42,661	\$65,467	\$57,974	\$63,039	\$48,880	\$235,360
<b>Earnings per Aliant Common Share</b>	\$0.31	\$0.47	\$0.42	\$0.45	\$0.35	\$1.69
<b>Interest Coverage</b>	5.5	5.5	5.6	5.7	5.5	
<b>Debt to Trailing EBITDA</b>	1.33	1.27	1.26	1.24	1.31	
<b>Capital Structure</b>						
Equity	52.5%	53.2%	52.6%	52.7%	51.1%	
Non-controlling Interest	0.2%	0.2%	0.2%	0.2%	0.1%	
Debt	47.3%	46.6%	47.2%	47.1%	48.8%	



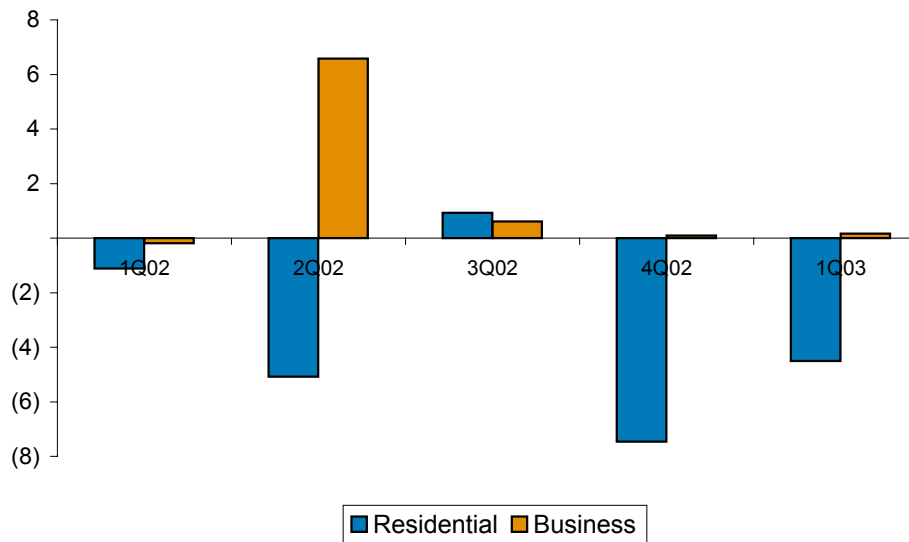
(Thousands of Canadian dollars, except as otherwise indicated)



(Thousands of Canadian dollars, except as otherwise indicated)

	2003	2002			
	Q1	Q4	Q3	Q2	Q1
<b>Network Access Service</b>					
Business	594,941	594,781	594,683	594,068	587,487
Residential	921,639	926,149	933,607	932,685	937,760
<b>Total Network Access Service</b>	<b>1,516,580</b>	<b>1,520,930</b>	<b>1,528,290</b>	<b>1,526,753</b>	<b>1,525,247</b>
<b>Estimated Market Share</b>					
Local (number of lines based)	96.0%	96.5%	96.8%	97.1%	97.5%
Long Distance (minute based)	87.8%	88.2%	88.3%	88.4%	88.5%
<b>Long Distance Minutes (thousands)</b>	<b>965,925</b>	<b>971,109</b>	<b>904,454</b>	<b>889,156</b>	<b>901,773</b>
<b>Revenue per Long Distance Minute</b>	<b>\$0.08</b>	<b>\$0.08</b>	<b>\$0.08</b>	<b>\$0.08</b>	<b>\$0.08</b>
<b>Call Centre <sup>6</sup></b>					
Revenue	\$17,604	\$18,791	\$18,967	\$16,140	\$15,841
Revenue Growth (year over year)	11.1%	22.3%	0.9%	(16.1%)	(9.9%)

**Quarterly NAS Growth (000's)**



(Thousands of Canadian dollars, except as otherwise indicated)

**WIRELESS**

**Subscribers**

Analog  
 Digital  
 Prepaid

**Total Subscribers**

**Net Subscriber Additions**

Digital  
 All Subscribers

**Market Share (estimated)**

**Churn (blended pre/post-paid)**

**Revenue Growth (year over year)**

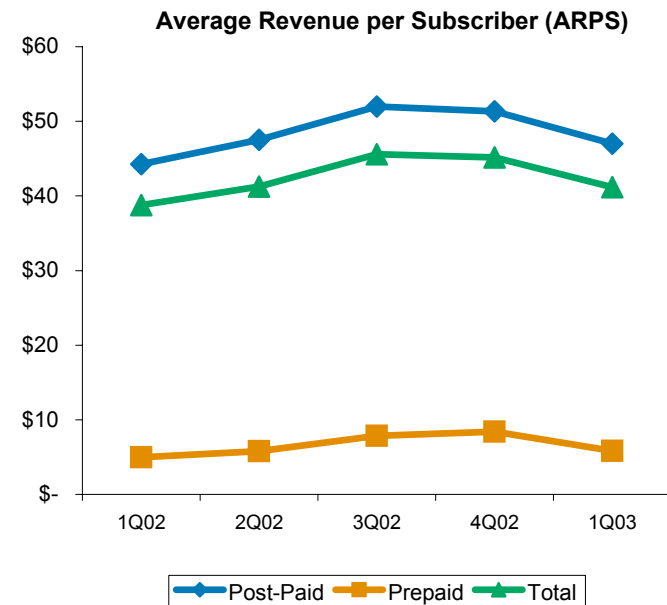
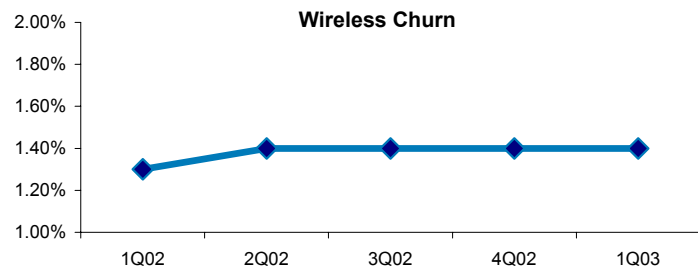
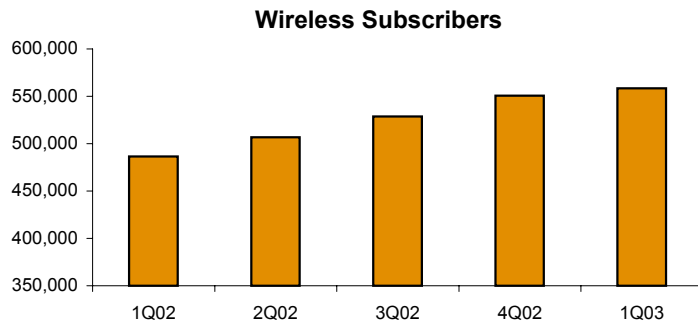
**Per Subscriber**

**Average Revenue (ARPS)**

Post-Paid  
 Prepaid  
 Total

**Average Minutes of Use (MOU) per subscriber**

2003	2002			
<u>Q1</u>	<u>Q4</u>	<u>Q3</u>	<u>Q2</u>	<u>Q1</u>
184,638	202,958	215,912	228,676	233,874
293,980	269,466	236,929	202,408	180,911
79,775	78,143	75,925	75,555	71,608
558,393	550,567	528,766	506,639	486,393
24,514	32,537	34,521	21,497	17,777
7,826	21,801	22,127	20,246	14,825
75.0%	74.7%	74.6%	74.6%	74.6%
1.4%	1.4%	1.4%	1.4%	1.3%
19.5%	16.8%	10.5%	11.3%	11.5%
\$47.02	\$51.35	\$51.98	\$47.53	\$44.27
\$5.82	\$6.89	\$7.85	\$5.80	\$4.99
\$41.16	\$45.17	\$45.57	\$41.26	\$38.77
201	216	221	209	185



(Thousands of Canadian dollars, except as otherwise indicated)

**INTERNET**

**Subscribers**

Dial up  
 High Speed

**Total Subscribers**

**Estimated Market Share**

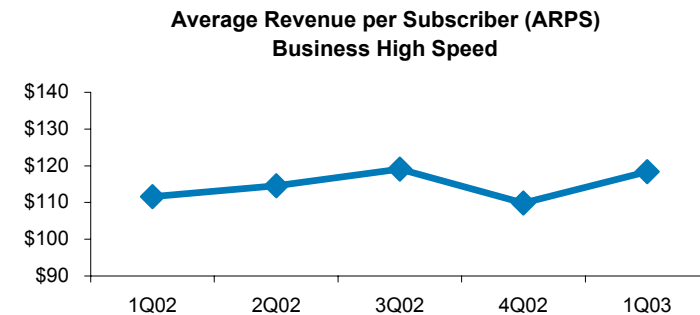
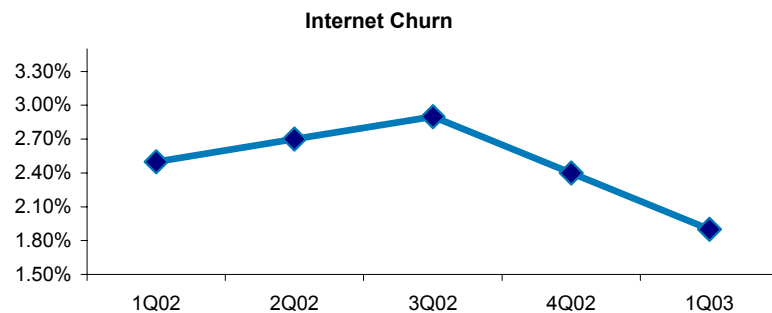
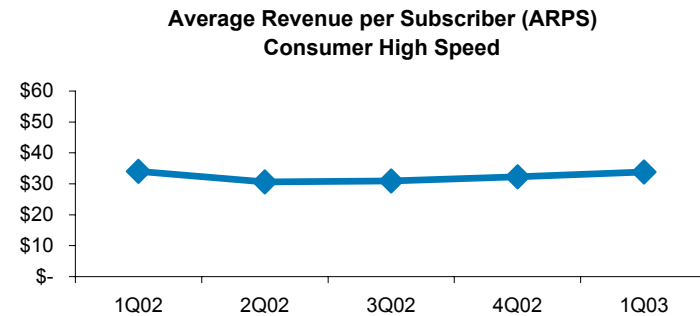
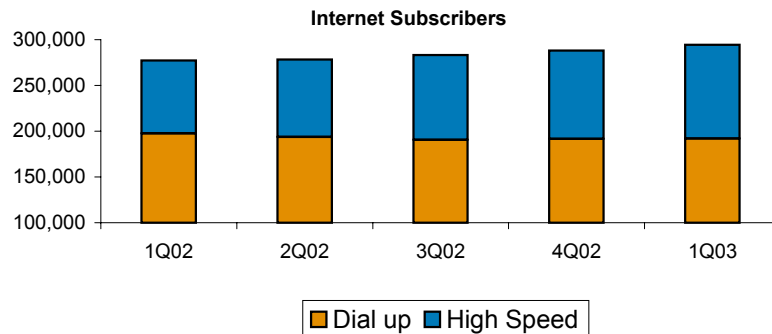
**Churn**

**Per Subscriber**

**Average Revenue (ARPS)**

Consumer Dial up  
 Consumer High Speed  
 Business Dial up  
 Business High Speed

2003	2002				
	Q1	Q4	Q3	Q2	Q1
192,097	191,586	190,719	193,554	197,437	
102,219	96,545	92,586	84,722	79,812	
<b>294,316</b>	<b>288,131</b>	<b>283,305</b>	<b>278,276</b>	<b>277,249</b>	
67.0%	67.0%	67.0%	67.0%	67.0%	
1.9%	2.4%	2.9%	2.7%	2.5%	
\$18.67	\$18.80	\$18.80	\$18.77	\$18.06	
\$33.85	\$32.30	\$30.97	\$30.58	\$33.99	
\$43.77	\$43.47	\$46.73	\$47.30	\$50.43	
\$118.41	\$109.88	\$119.08	\$114.53	\$111.63	

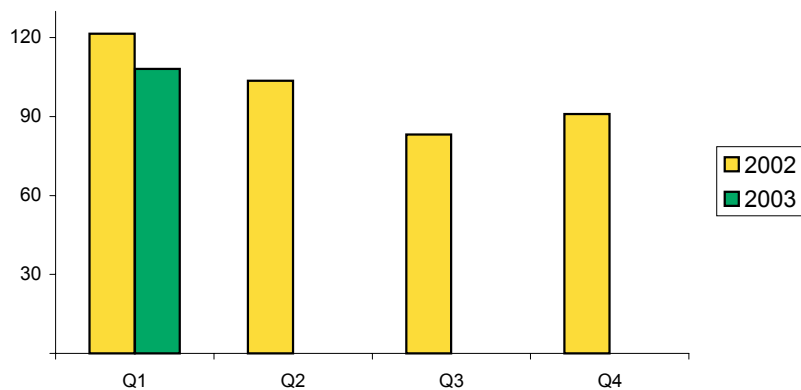


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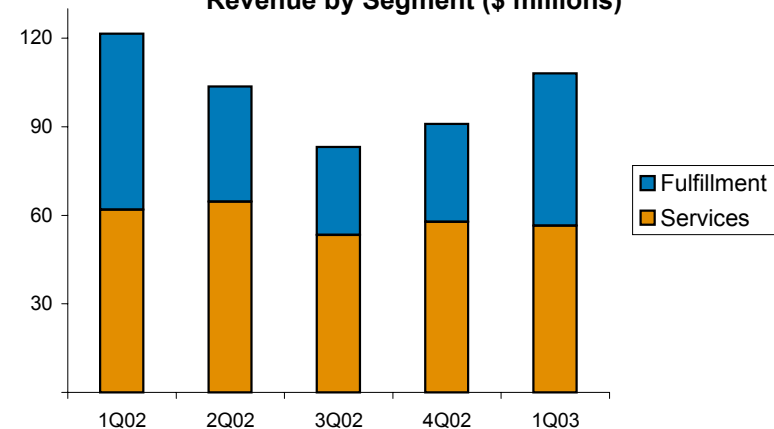
(Thousands of Canadian dollars, except as otherwise indicated)

	2003		2002				
	Q1		Q4	Q3	Q2	Q1	Total
<b>Revenue by segment</b>							
IT Services	\$56,473		\$57,807	\$53,383	\$64,589	\$61,861	\$237,640
Fulfillment	51,586		33,170	29,797	39,066	59,665	161,698
<b>Total Revenue by Segment</b>	<b>\$108,059</b>		<b>\$90,977</b>	<b>\$83,180</b>	<b>\$103,655</b>	<b>\$121,526</b>	<b>\$399,338</b>
<b>Revenue by source</b>							
External Customers	\$73,832		\$55,093	\$48,094	\$66,872	\$83,502	\$253,561
Other Aliant Lines of Business	34,227		35,884	35,086	36,783	38,024	145,777
<b>Total Revenue by Source</b>	<b>\$108,059</b>		<b>\$90,977</b>	<b>\$83,180</b>	<b>\$103,655</b>	<b>\$121,526</b>	<b>\$399,338</b>
<b>Cost of Fulfillment Revenue</b>	\$46,753		\$29,820	\$27,463	\$35,430	\$55,260	\$147,973
<b>Cash Operating Expenses</b>	\$62,841		\$64,245	\$67,176	\$59,390	\$57,686	\$248,497
<b>Gross Margin %</b>							
IT Services	32.0%		31.1%	28.8%	29.2%	33.0%	30.0%
Fulfillment	9.4%		10.1%	7.8%	9.3%	7.4%	8.5%
<b>EBITDA</b>	(\$1,535)		(\$3,088)	(\$11,459)	\$8,835	\$8,580	\$2,868
<i>% of Revenue</i>	(1.4%)		(3.4%)	(13.8%)	8.5%	7.1%	0.7%

**Revenue (\$ millions)**



**Revenue by Segment (\$ millions)**

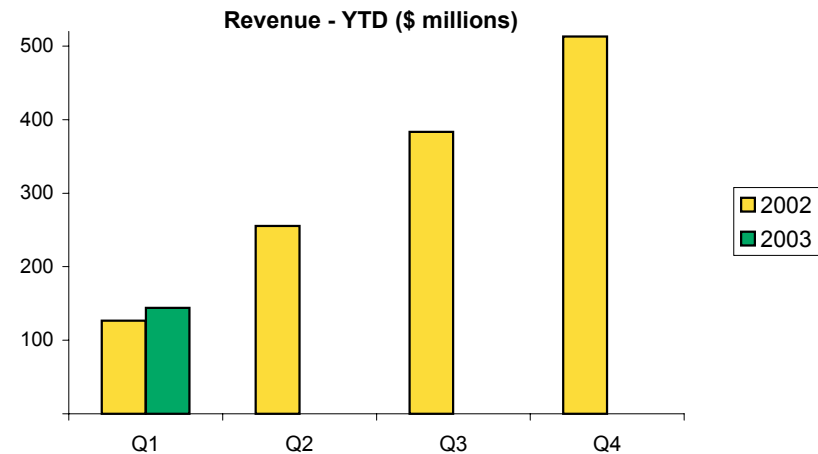
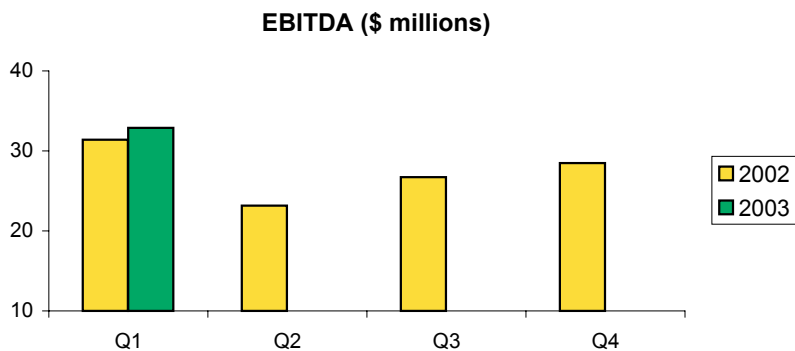
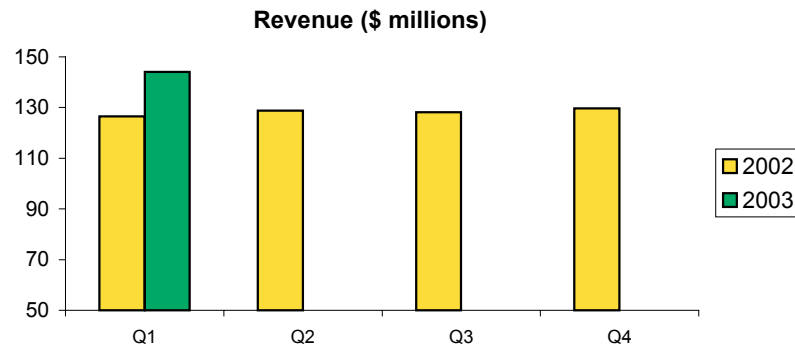


**ALIAN T INC.**  
**Supplemental Investor Information - First Quarter 2003 (unaudited)**

**Remote Communications Financial Highlights**

(Thousands of Canadian dollars, except as otherwise indicated)

	2003	2002				
	Q1	Q4	Q3	Q2	Q1	Total
<b>Revenue</b>	\$144,056	\$129,671	\$128,215	\$128,749	\$126,540	\$513,175
<b>Cash Operating Expenses / Cost of Revenue</b>	\$111,175	\$101,175	\$101,476	\$105,605	\$95,127	\$403,383
<b>EBITDA</b>	\$32,881	\$28,496	\$26,739	\$23,144	\$31,413	\$109,792
<i>% of Revenue</i>	22.8%	22.0%	20.9%	18.0%	24.8%	21.4%
<b>Net Income</b>	\$5,728	\$4,026	\$2,288	\$12,486	\$7,972	\$26,772
<b>Earnings per Aliant Common Share</b>	\$0.04	\$0.03	\$0.01	\$0.09	\$0.06	\$0.19
<b>Interest Coverage</b>	2.0	1.7	1.4	1.1	1.0	
<b>Debt to Trailing EBITDA</b>	2.70	3.08	3.25	3.26	4.60	



**Supplemental Investor Information - First Quarter 2003 (unaudited)**

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1. EBITDA is defined by the Company as operating income plus depreciation and amortization expense. The Company has included information concerning EBITDA because it believes it is used by certain investors as one measure of the Company's financial performance. EBITDA should not be construed as an alternative measure of liquidity. EBITDA is not a measure of financial performance under Canadian generally accepted accounting principles and is not necessarily comparable to similarly titled measures used by other companies.
2. Free Cash Flow from Operations is defined as cash and cash equivalents from (used in) operations, less capital investments. Free Cash Flow from Operations is not a measure of financial performance under Canadian generally accepted accounting principles and is not necessarily comparable to similarly titled measures used by other companies.
3. Effective January 1, 2003, Telecommunications includes the results of Innovatia Inc., which were previously reported in Emerging Business. As such, the prior year has been restated to conform with 2003 presentation.
4. Free Cash Flow per Common Share is defined as cash and cash equivalents from (used in) operations, less capital investments divided by the average number of common shares outstanding during the period. Free Cash Flow from Operations per Common Share is not a measure of financial performance under Canadian generally accepted accounting principles and is not necessarily comparable to similarly titled measures used by other companies.
5. The calculation of the 2002 coverage ratio's that included the 4th quarter of 2001 are before the restructuring charge incurred in that quarter.
6. Effective January 1, 2003 Telecommunications does not include Internet Help Desk revenue, a service that is now being provided by the Information Technology line of business. As such, the prior year has been restated to conform with 2003 presentation.
7. Certain amounts presented in these schedules are rounded. Accordingly, the columns and rows may not add to the totals presented.
8. The comparative financial information has been restated to conform to the presentation adopted for 2003.

**Corporate Information**

Shareholder and Investor Inquiries	Linda Forbrigger Manager, Investor Relations  Aliant Investor Relations PO Box 1113, Station Central RPO Halifax, NS, Canada B3J 2X1  Tel: 1.877.248.3113 Fax: 1.877.498.2464  e-mail: linda.forbrigger@aliant.ca	Share Transfer Agents and Registrar	CIBC Mellon Trust Company Investor Correspondence PO Box 7010 Adelaide Street Postal Station Toronto, ON M5C 2W9 Tel: 1.800.387.0825 e-mail: inquiries@cibcmellon.com
		Share Listings	Toronto Stock Exchange Common: <b>AIT</b> Preferred: <b>AIT.PR.A</b>
		Preferred Share Ratings	Standard & Poor's <i>P-2 stable outlook</i> Dominion Bond Rating Service <i>Pfd-2 (Low) stable trend</i>
		Aliant Telecom Long-term Debt Ratings	Standard & Poor's <i>A stable outlook</i> Dominion Bond Rating Service <i>A stable trend</i>
		Commercial Paper Ratings	Standard & Poor's <i>A-1 stable outlook</i> Dominion Bond Rating Service <i>R-1 (Low) stable trend</i>
		Auditors	Ernst & Young LLP Chartered Accountants St. John's, NL

**About Aliant**

Aliant Inc. (TSX:AIT) is an acknowledged world leader in telecommunications, serving its home market of Atlantic Canada. From its offices in New Brunswick, Newfoundland & Labrador, Nova Scotia and Prince Edward Island, Aliant offers a full range of services, including local and long-distance telephone, wireless, Internet, e-commerce, interactive multimedia, data and managed network services to more than 2 million consumers and over 80,000 enterprises. Aliant complements its industry-leading telecommunications business with strengths in advanced technology solutions and knowledge services applications. The company's approximate 10,000 employees build on Aliant's 100-year history by collaborating to deliver the highest quality of customer service, giving businesses a competitive advantage and ensuring each customer interaction is simple and convenient. Aliant's people, recognized as pacesetters in the industry, consistently demonstrate innovative capabilities that drive growth in Aliant's home market, and new markets worldwide. Aliant is a TSX 100 company with a market capitalization of approximately \$4 billion. More information about Aliant may be found b