



# ALIANT INC.

## Supplemental Investor Information

Second Quarter 2003



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

**Highlights**  
**(as reclassified<sup>2</sup>)**

(Thousands of Canadian dollars, except as otherwise indicated)

	Six Months Ended June 30		% Change	Three Months Ended June 30		% Change
	<u>2003</u>	<u>2002</u>		<u>2003</u>	<u>2002</u>	
<b>Financial</b> <i>(from continuing operations, except as otherwise indicated)</i>						
Revenues	\$1,308,593	\$1,279,165	2.3%	\$665,474	\$653,272	1.9%
EBITDA <sup>1</sup>	\$468,090	\$474,651	(1.4%)	\$253,747	\$246,765	2.8%
Net Income Applicable to Common Shares	\$106,402	\$151,449	(29.7%)	\$65,250	\$98,455	(33.7%)
Earnings per Average Common Share (Basic)	\$0.77	\$1.09	(29.4%)	\$0.47	\$0.71	(33.8%)
Net Income Applicable to Common Shares (including discontinued operations)	\$104,685	\$133,186	(21.4%)	\$68,181	\$82,117	(17.0%)
Earnings per Average Common Share (Basic including discontinued operations)	\$0.75	\$0.96	(21.9%)	\$0.49	\$0.59	(16.9%)
Capital Investments	\$154,569	\$220,458	(29.9%)	\$77,915	\$114,704	(32.1%)
Free Cash Flow from Operations <sup>3</sup>	\$262,397	\$71,849	265.2%	\$102,512	\$22,006	365.8%
<b>Share Capital</b> <i>(as at June 30)</i>						
Number of Common Shares Outstanding	138,505,154	139,563,422				
Average Number of Common Shares Outstanding	138,975,893	138,354,656				
Trading Hi-Low year to date	\$30.50 - \$25.27	\$31.56 - \$25.50				
Common Share Price (AIT) at June 30	\$29.13	\$27.96				
Preferred Share Price (AIT.PR.A) at June 30	\$26.24	\$25.15				
Market Capitalization	\$4,034,655	\$3,902,193				

**Revenue**

**Continuing operations:**

Telecommunications
Information Technology
Remote Communications
Other and Intercompany Eliminations

**Discontinued operations**

**Total Revenue**

**Contribution to EBITDA<sup>1</sup>**

**Continuing operations:**

Telecommunications
Information Technology
Remote Communications
Other and Intercompany Eliminations

**Discontinued operations**

**Total EBITDA<sup>1</sup>**

**EBITDA<sup>1</sup> as a % of Revenue - continuing operations**

**EBITDA<sup>1</sup> as a % of Revenue - including discontinued operations**

n.m. - not meaningful

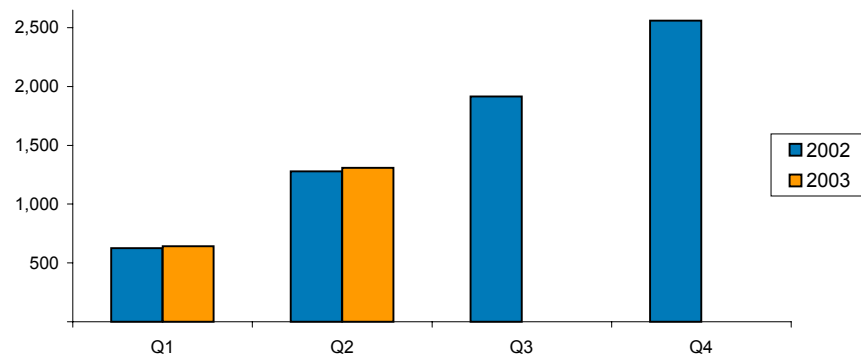
Six Months Ended June 30		
2003	2002	% Change
\$893,934	\$879,196	1.7%
194,777	225,181	(13.5%)
295,462	255,289	15.7%
(75,580)	(80,501)	6.1%
1,308,593	1,279,165	2.3%
22,578	36,591	(38.3%)
<b>\$1,331,171</b>	<b>\$1,315,756</b>	<b>1.2%</b>

Three Months Ended June 30		
2003	2002	% Change
\$464,073	\$459,789	0.9%
86,718	103,655	(16.3%)
151,406	128,749	17.6%
(36,723)	(38,921)	5.6%
665,474	653,272	1.9%
10,264	16,837	(39.0%)
<b>\$675,738</b>	<b>\$670,109</b>	<b>0.8%</b>

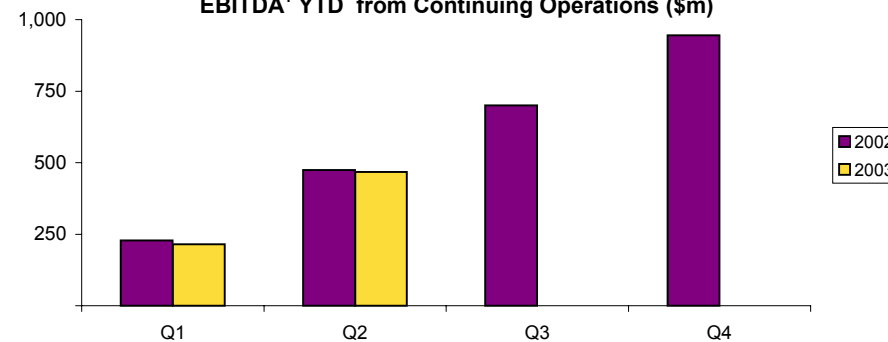
\$411,138	\$415,257	(1.0%)
311	17,415	(98.2%)
65,253	54,557	19.6%
(8,612)	(12,578)	31.5%
468,090	474,651	(1.4%)
(5,922)	292	n.m.
<b>\$462,168</b>	<b>\$474,943</b>	<b>(2.7%)</b>
35.8%	37.1%	(3.5%)
34.7%	36.1%	(3.9%)

\$223,417	\$220,097	1.5%
1,846	8,835	(79.1%)
32,372	23,144	39.9%
(3,888)	(5,311)	26.8%
253,747	246,765	2.8%
(3,941)	302	n.m.
<b>\$249,806</b>	<b>\$247,067</b>	<b>1.1%</b>
38.1%	37.8%	0.8%
37.0%	36.9%	0.3%

**Revenue - YTD from Continuing Operations (\$m)**



**EBITDA<sup>1</sup> YTD from Continuing Operations (\$m)**



(Thousands of Canadian dollars, except as otherwise indicated)

**Revenue**

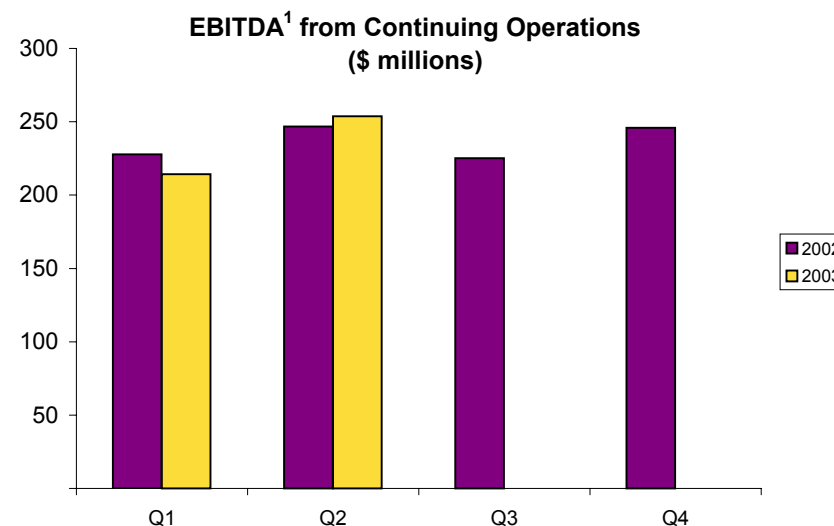
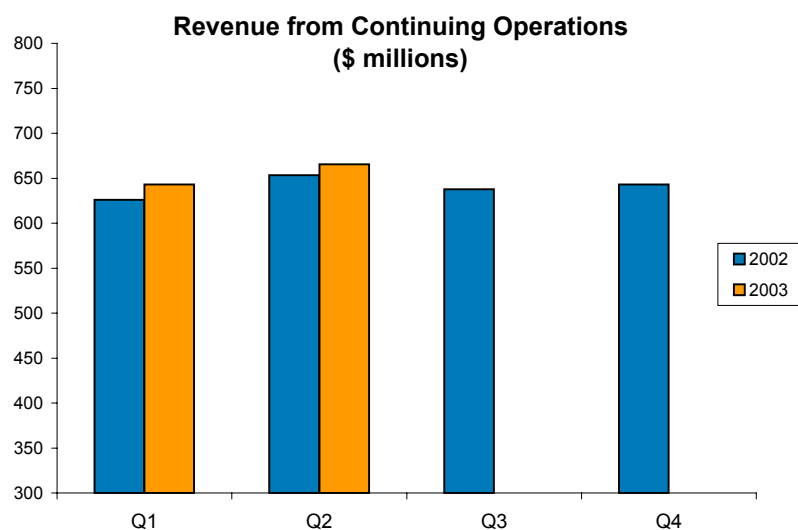
**Continuing operations:**

- Telecommunications
- Information Technology
- Remote Communications
- Other and Intercompany Eliminations

**Discontinued operations**

**Total Revenue**

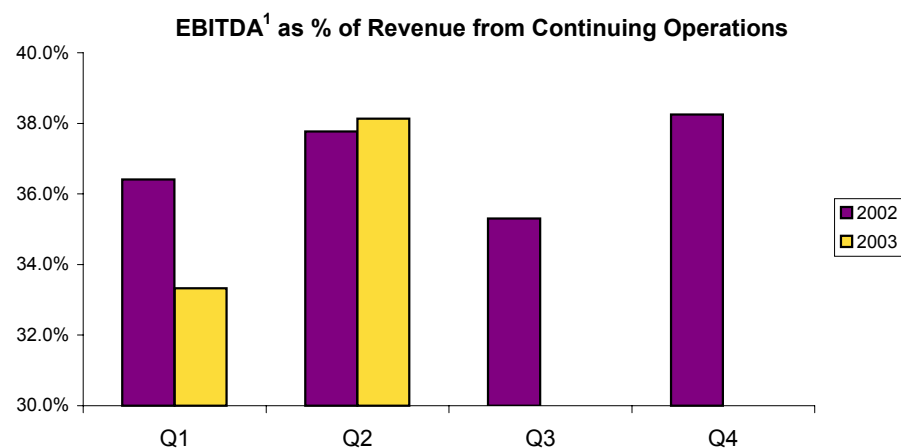
2003			2002				
Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
\$464,073	\$429,861	\$893,934	\$464,345	\$465,502	\$459,789	\$419,407	\$1,809,043
86,718	108,059	194,777	90,977	83,180	103,655	121,526	399,338
151,406	144,056	295,462	129,671	128,215	128,749	126,540	513,175
(36,723)	(38,857)	(75,580)	(42,100)	(39,306)	(38,921)	(41,580)	(161,907)
665,474	643,119	1,308,593	642,893	637,591	653,272	625,893	2,559,649
10,264	12,314	22,578	17,636	16,477	16,837	19,754	70,704
\$675,738	\$655,433	\$1,331,171	\$660,529	\$654,068	\$670,109	\$645,647	\$2,630,353



(Thousands of Canadian dollars, except as otherwise indicated)

	2003			2002				
	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>EBITDA<sup>1</sup></b>								
<b>Continuing operations</b>								
Telecommunications	\$223,417	\$187,721	\$411,138	\$224,881	\$216,778	\$220,097	\$195,160	\$856,916
Information Technology	1,846	(1,535)	311	(3,088)	(11,459)	8,835	8,580	2,868
Remote Communications	32,372	32,881	65,253	28,496	26,739	23,144	31,413	109,792
Other and Intercompany Eliminations	(3,888)	(4,724)	(8,612)	(4,373)	(6,945)	(5,311)	(7,267)	(23,896)
	253,747	214,343	468,090	245,916	225,113	246,765	227,886	945,680
<b>Discontinued operations</b>								
	(3,941)	(1,981)	(5,922)	(2,569)	(1,782)	302	(10)	(4,059)
<b>Total EBITDA<sup>1</sup></b>	<b>\$249,806</b>	<b>\$212,362</b>	<b>\$462,168</b>	<b>\$243,347</b>	<b>\$223,331</b>	<b>\$247,067</b>	<b>\$227,876</b>	<b>\$941,621</b>
<b>EBITDA<sup>1</sup> as a % of Revenue</b>								
<b>Continuing operations</b>								
Telecommunications	48.1%	43.7%	46.0%	48.4%	46.6%	47.9%	46.5%	47.4%
Information Technology	2.1%	(1.4%)	0.2%	(3.4%)	(13.8%)	8.5%	7.1%	0.7%
Remote Communications	21.4%	22.8%	22.1%	22.0%	20.9%	18.0%	24.8%	21.4%
Other and Intercompany Eliminations	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
<b>Total EBITDA<sup>1</sup> as a % of Revenue - continuing operations</b>	<b>38.1%</b>	<b>33.3%</b>	<b>35.8%</b>	<b>38.3%</b>	<b>35.3%</b>	<b>37.8%</b>	<b>36.4%</b>	<b>36.9%</b>
<b>Total EBITDA<sup>1</sup> as a % of Revenue - including discontinued operations</b>	<b>37.0%</b>	<b>32.4%</b>	<b>34.7%</b>	<b>36.8%</b>	<b>34.1%</b>	<b>36.9%</b>	<b>35.3%</b>	<b>35.8%</b>

n.m. - not meaningful



(Thousands of Canadian dollars, except as otherwise indicated)

**Net Income applicable to Common Shares**

*Continuing operations*  
*Discontinued operations*

2003		
Q2	Q1	Total
\$65,250	\$41,152	\$106,402
2,931	(4,648)	(1,717)
<b>\$68,181</b>	<b>\$36,504</b>	<b>\$104,685</b>

2002				
Q4	Q3	Q2	Q1	Total
\$10,838	\$45,092	\$98,455	\$52,994	\$207,379
(17,742)	(3,336)	(16,338)	(1,925)	(39,341)
<b>(\$6,904)</b>	<b>\$41,756</b>	<b>\$82,117</b>	<b>\$51,069</b>	<b>\$168,038</b>

**Average Number of Common Shares (000's)**

**Earnings per Common Share - Basic**

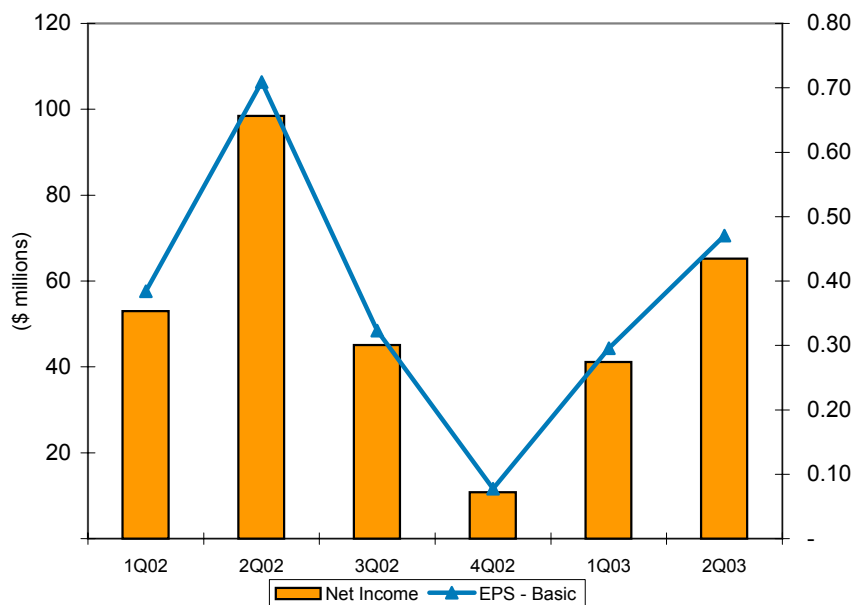
*Continuing operations*  
*Discontinued operations*

138,683	139,256	138,976
\$0.47	\$0.30	\$0.77
0.02	(0.04)	(0.02)
<b>\$0.49</b>	<b>\$0.26</b>	<b>\$0.75</b>
\$0.74	\$1.15	\$1.89

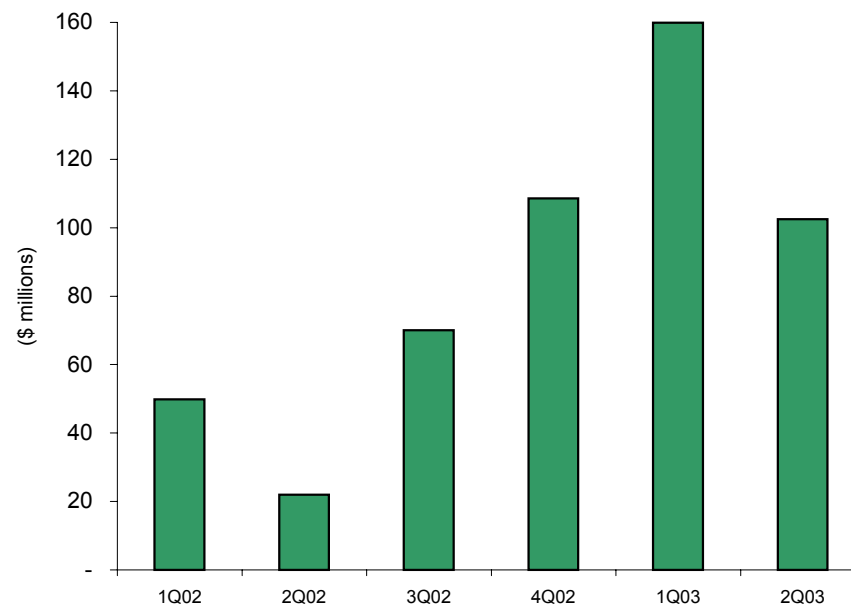
139,547	139,568	138,891	137,885	138,907
\$0.08	\$0.32	\$0.71	\$0.38	\$1.49
(0.13)	(0.02)	(0.12)	(0.01)	(0.28)
<b>(\$0.05)</b>	<b>\$0.30</b>	<b>\$0.59</b>	<b>\$0.37</b>	<b>\$1.21</b>
\$0.78	\$0.50	\$0.16	\$0.36	\$1.80

**Free Cash Flow from Operations per Common Share<sup>5</sup>**

**Net Income from Continuing Operations applicable to Common Shares**



**Free Cash Flow from Operations<sup>3</sup>**



(Thousands of Canadian dollars, except as otherwise indicated)

**Capital Investments**

**Continuing operations**

Telecommunications	\$71,379	\$69,791	\$141,170
Information Technology	633	507	1,140
Remote Communications	5,082	6,018	11,100
Other and Intercompany Eliminations	821	338	1,159
	77,915	76,654	154,569

**Discontinued operations**

	154	43	197
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**Total Capital Investments**

	\$78,069	\$76,697	\$154,766
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**Depreciation Expense**

**Continuing operations**

Telecommunications	\$96,042	\$96,173	\$192,215
Information Technology	3,007	2,784	5,791
Remote Communications	10,395	11,002	21,397
Other and Intercompany Eliminations	(667)	(767)	(1,434)
	108,777	109,192	217,969

**Discontinued operations**

	562	1,013	1,575
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**Total Depreciation Expense**

	\$109,339	\$110,205	\$219,544
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**Capital Investments % of Revenue**

**Continuing operations**

Telecommunications	15.4%	16.2%	15.8%
Information Technology	0.7%	0.5%	0.6%
Remote Communications	3.4%	4.2%	3.8%
Other and Intercompany Eliminations	n.m.	n.m.	n.m.
	11.7%	11.9%	11.8%

**Discontinued operations**

	1.5%	0.3%	0.9%
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**Total Capital Investments % of Revenue**

	11.6%	11.7%	11.6%
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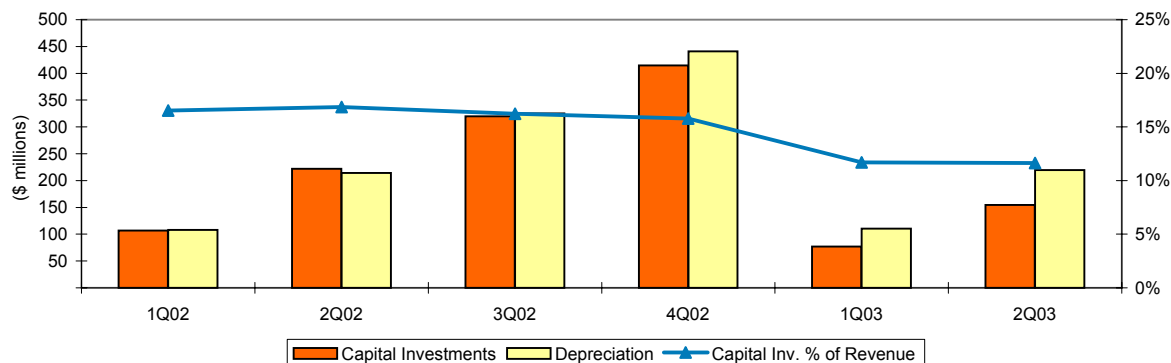
2002				
Q4	Q3	Q2	Q1	Total
\$85,795	\$89,350	\$103,098	\$90,523	\$368,766
1,326	486	3,367	946	6,125
7,210	7,563	8,004	14,193	36,970
524	456	235	92	1,307
94,855	97,855	114,704	105,754	413,168
185	331	383	898	1,797
\$95,040	\$98,186	\$115,087	\$106,652	\$414,965

\$92,842	\$94,000	\$91,524	\$93,466	\$371,832
3,674	3,242	2,945	2,855	12,716
11,260	11,971	10,176	9,757	43,164
435	151	151	319	1,056
108,211	109,364	104,796	106,397	428,768
7,860	1,493	1,576	1,454	12,383
\$116,071	\$110,857	\$106,372	\$107,851	\$441,151

18.5%	19.2%	22.4%	21.6%	20.4%
1.5%	0.6%	3.2%	0.8%	1.5%
5.6%	5.9%	6.2%	11.2%	7.2%
n.m.	n.m.	n.m.	n.m.	n.m.
14.8%	15.3%	17.6%	16.9%	16.1%
1.0%	2.0%	2.3%	4.5%	2.5%
14.4%	15.0%	17.2%	16.5%	15.8%

n.m. - not meaningful

**Capital Investment / Depreciation - YTD**



(Thousands of Canadian dollars, except as otherwise indicated)

	2003			2002				
	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>Interest Charges from Continuing Operations</b>								
Interest on Long-Term Debt	\$26,043	\$26,868	\$52,911	\$28,882	\$29,216	\$32,371	\$33,185	\$123,654
Other Interest	225	292	517	897	1,184	(132)	353	2,302
<b>Total Interest Charges</b>	<b>\$26,268</b>	<b>\$27,160</b>	<b>\$53,428</b>	<b>\$29,779</b>	<b>\$30,400</b>	<b>\$32,239</b>	<b>\$33,538</b>	<b>\$125,956</b>
<b>Capital Structure</b>								
Equity	53.1%	51.1%		49.9%	50.2%	50.3%	47.6%	
Non-controlling Interest	4.9%	4.9%		4.9%	4.7%	4.4%	1.8%	
Debt	42.0%	44.0%		45.2%	45.1%	45.3%	50.6%	
<b>Total Capital Structure</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	

**Coverages<sup>6 & 7</sup>**
**Continuing Operations**

**Interest<sup>(i)</sup>**  
**Debt to Trailing EBITDA<sup>1 (ii)</sup>**  
**EBITDA<sup>1</sup> to Interest<sup>(iii)</sup>**  
**Cash Flow to Interest<sup>(iv)</sup>**

4.0      4.3  
 1.38     1.52  
 8.3      7.8  
 6.0      5.6

4.2      -      -      -  
 1.60     -      -      -  
 7.5      -      -      -  
 5.4      -      -      -

**Including Discontinued Operations**

**Interest<sup>(i)</sup>**  
**Debt to Trailing EBITDA<sup>1 (ii)</sup>**  
**EBITDA<sup>1</sup> to Interest<sup>(iii)</sup>**  
**Cash Flow to Interest<sup>(iv)</sup>**

3.8      3.8  
 1.41     1.54  
 8.1      7.7  
 5.9      5.5

3.8      4.2      4.0      3.6  
 1.62     1.61     1.56     1.76  
 7.4      7.3      7.1      6.7  
 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 and Interest Payable) 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 (used in) 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)

**Revenue**

	2003			2002				
	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
Local	\$188,473	\$188,023	\$376,496	\$189,241	\$194,326	\$193,514	\$189,959	\$767,040
Long Distance	97,799	100,804	198,603	100,896	99,909	101,539	101,545	403,889
Wireless	80,485	73,161	153,646	77,192	75,501	67,404	61,224	281,321
Internet	26,463	25,386	51,849	23,985	23,178	22,439	21,848	91,450
Product Sales	26,678	24,624	51,302	38,917	39,941	24,663	18,732	122,253
Innovatia	6,641	5,570	12,211	5,975	5,629	6,181	5,123	22,908
Other	37,534	12,293	49,827	28,139	27,018	44,049	20,976	120,182

**Total Revenue**

2003	\$464,073	\$429,861	\$893,934	2002	\$464,345	\$465,502	\$459,789	\$419,407	\$1,809,043
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**Cash Operating Expenses and Cost of Revenue**

2003	\$240,656	\$242,140	\$482,796	2002	\$239,464	\$248,724	\$239,692	\$224,247	\$952,127
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**EBITDA <sup>1</sup>**

	2003			2002				
	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>Wireline</b>	\$186,113	\$154,658	\$340,771	\$186,191	\$177,842	\$190,518	\$165,339	\$719,890
% of Revenue	48.5%	43.4%	46.0%	48.1%	45.6%	48.6%	46.2%	47.1%
<b>Wireless</b>	37,304	33,063	70,367	38,690	38,936	29,579	29,821	137,026
% of Revenue	46.3%	45.2%	45.8%	50.1%	51.6%	43.9%	48.7%	48.7%
<b>Total</b>	\$223,417	\$187,721	\$411,138	\$224,881	\$216,778	\$220,097	\$195,160	\$856,916
% of Revenue	48.1%	43.7%	46.0%	48.4%	46.6%	47.9%	46.5%	47.4%

**Net Income**

2003	\$65,264	\$42,661	\$107,925	2002	\$65,467	\$57,974	\$63,039	\$48,880	\$235,360
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**Earnings per Aliant Common Share**

2003	\$0.47	\$0.31	\$0.78	2002	\$0.47	\$0.42	\$0.45	\$0.35	\$1.69
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**Interest Coverage <sup>(i)</sup>**

2003	5.6	5.5	2002	5.5	5.6	5.7	5.6
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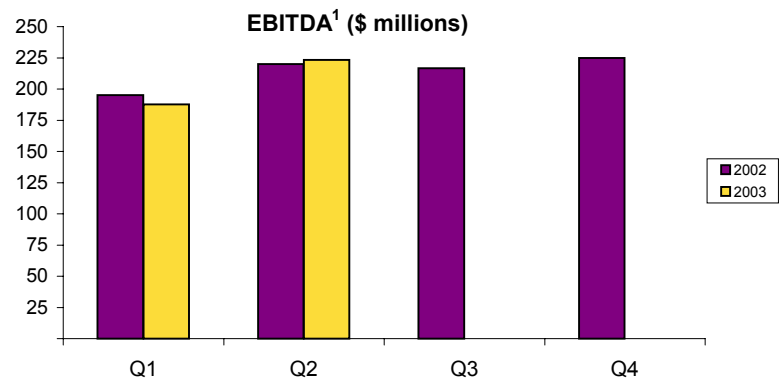
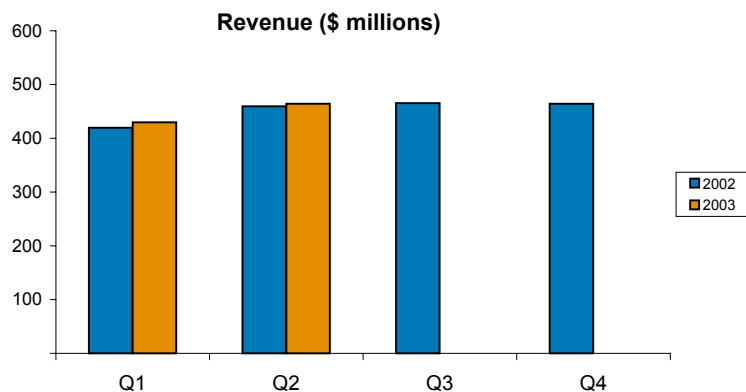
**Debt to Trailing EBITDA <sup>1 (ii)</sup>**

2003	1.23	1.33	2002	1.29	1.28	1.25	1.31
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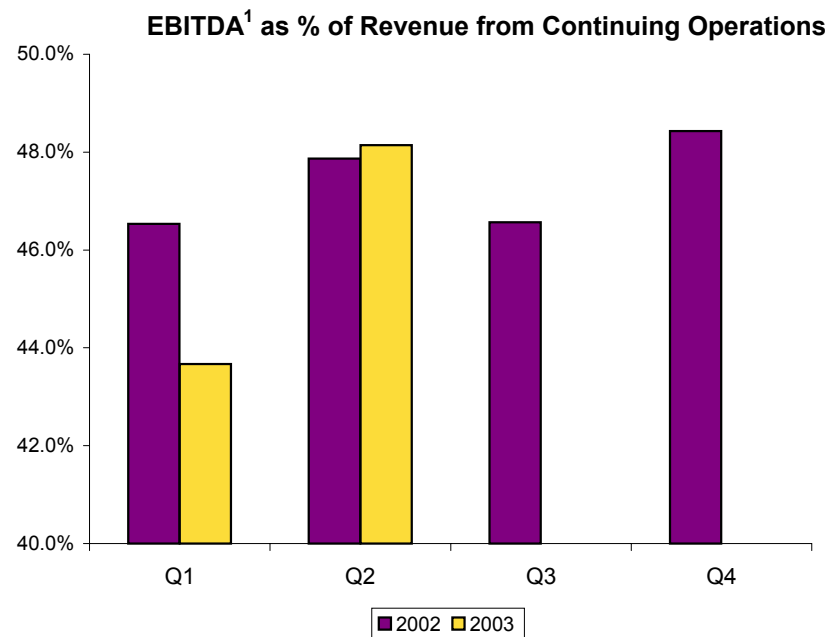
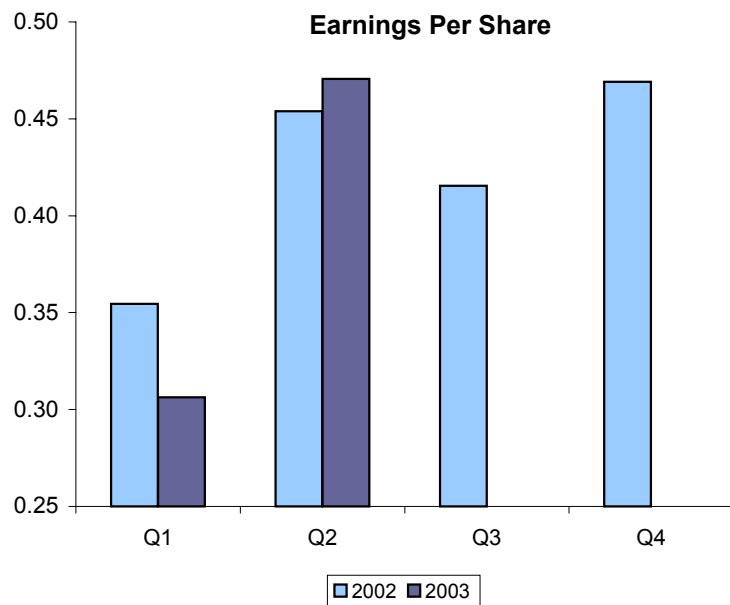
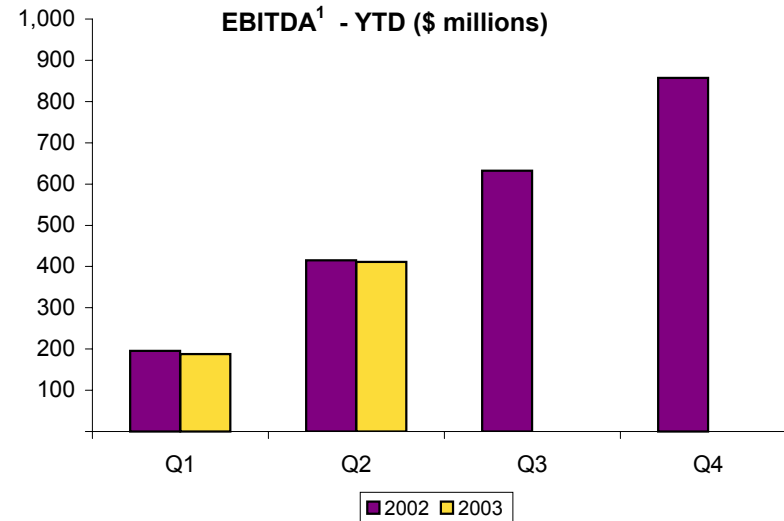
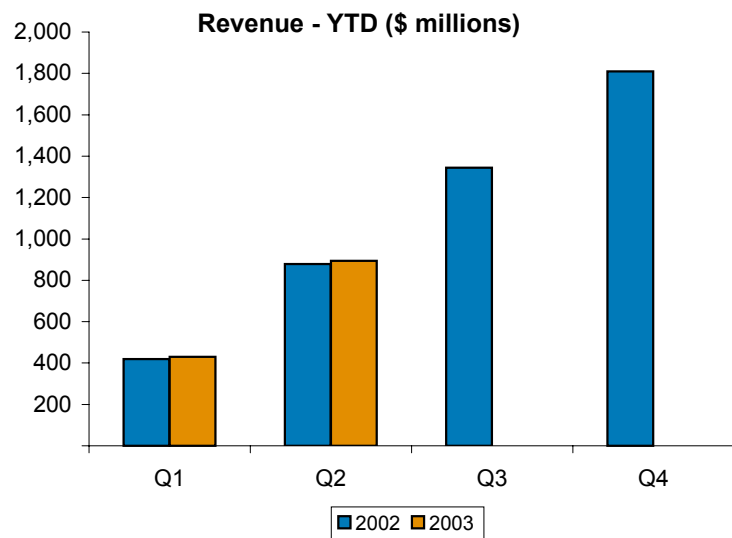
**Capital Structure**

	2003		2002			
Equity	54.8%	52.5%	53.2%	52.6%	52.7%	51.1%
Non-controlling Interest	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%
Debt	45.0%	47.3%	46.6%	47.2%	47.1%	48.8%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(i) and (ii) - see definitions on page 9



(Thousands of Canadian dollars, except as otherwise indicated)



(Thousands of Canadian dollars, except as otherwise indicated)

	2003		2002			
	Q2	Q1	Q4	Q3	Q2	Q1
<b>Network Access Service</b>						
Business	597,355	594,941	594,781	594,683	594,068	587,487
Residential	916,507	921,639	926,149	933,607	932,685	937,760
<b>Total Network Access Service</b>	<b>1,513,862</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)	95.6%	96.0%	96.5%	96.8%	97.1%	97.5%
Long Distance (minute based)	86.6%	87.8%	88.2%	88.3%	88.4%	88.5%
<b>Long Distance Minutes (Thousands)</b>	<b>855,955</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>\$0.09</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>8</sup></b>						
Revenue	\$15,746	\$17,604	\$18,791	\$18,967	\$16,140	\$15,841
Revenue Growth (year over year)	(2.4%)	11.1%	22.3%	0.9%	(16.1%)	(9.9%)

(Thousands of Canadian dollars, except as otherwise indicated)

**WIRELESS  
 Subscribers**

**Postpaid**

Analog  
 Digital

**Prepaid**

Analog  
 Digital

**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) (\$)**

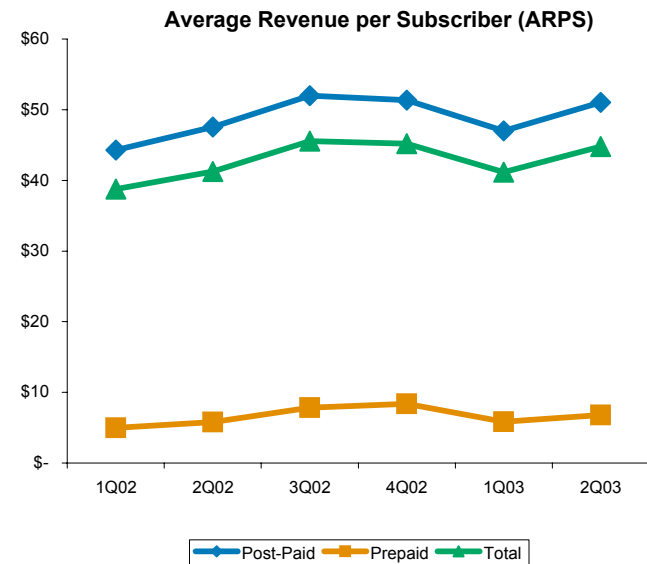
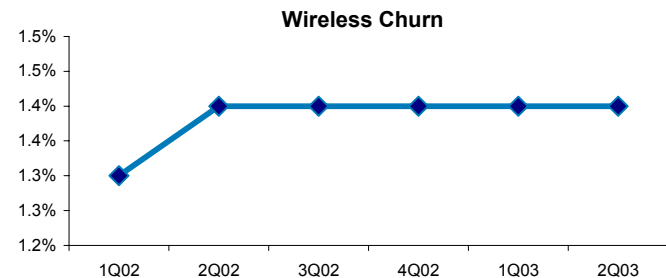
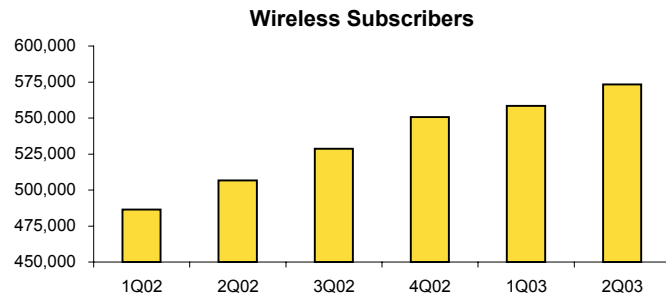
Post-Paid

Prepaid

Total

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

	2003		2002			
	Q2	Q1	Q4	Q3	Q2	Q1
<b>Postpaid</b>						
Analog	168,635	184,638	202,958	215,912	228,676	233,874
Digital	325,340	293,980	269,466	236,929	202,408	180,911
<b>Prepaid</b>						
Analog	72,138	73,912	73,405	72,431	72,590	69,247
Digital	7,299	5,863	4,738	3,494	2,965	2,361
<b>Total Subscribers</b>	<b>573,412</b>	<b>558,393</b>	<b>550,567</b>	<b>528,766</b>	<b>506,639</b>	<b>486,393</b>
<b>Net Subscriber Additions</b>						
Digital	31,360	24,514	32,537	34,521	21,497	17,777
All Subscribers	15,019	7,826	21,801	22,127	20,246	14,825
<b>Market Share (Estimated)</b>	75.0%	75.0%	74.7%	74.6%	74.6%	74.6%
<b>Churn (Blended pre/post-paid)</b>	1.4%	1.4%	1.4%	1.4%	1.4%	1.3%
<b>Revenue Growth (Year over Year)</b>	19.4%	19.5%	16.8%	10.5%	11.3%	11.5%
<b>Per Subscriber</b>						
<b>Average Revenue (ARPS) (\$)</b>						
Post-Paid	\$51.04	\$47.02	\$51.35	\$51.98	\$47.53	\$44.27
Prepaid	\$6.77	\$5.82	\$6.89	\$7.85	\$5.80	\$4.99
Total	\$44.77	\$41.16	\$45.17	\$45.57	\$41.26	\$38.77
<b>Average Minutes of Use (MOU) per subscriber</b>	237	207	221	223	211	188



(Thousands of Canadian dollars, except as otherwise indicated)

**INTERNET**

**Subscribers**

Dial up  
High Speed

**Total Subscribers**

**Estimated Market Share**

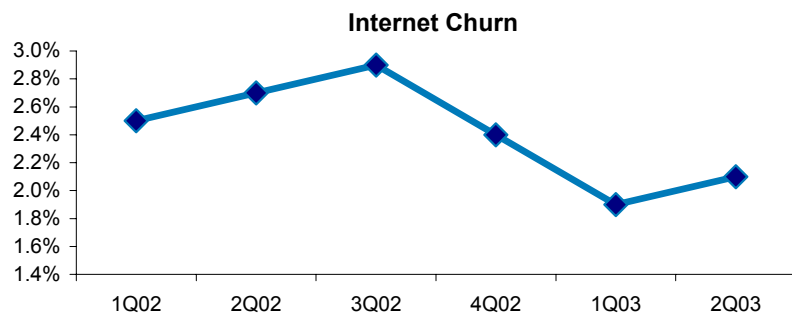
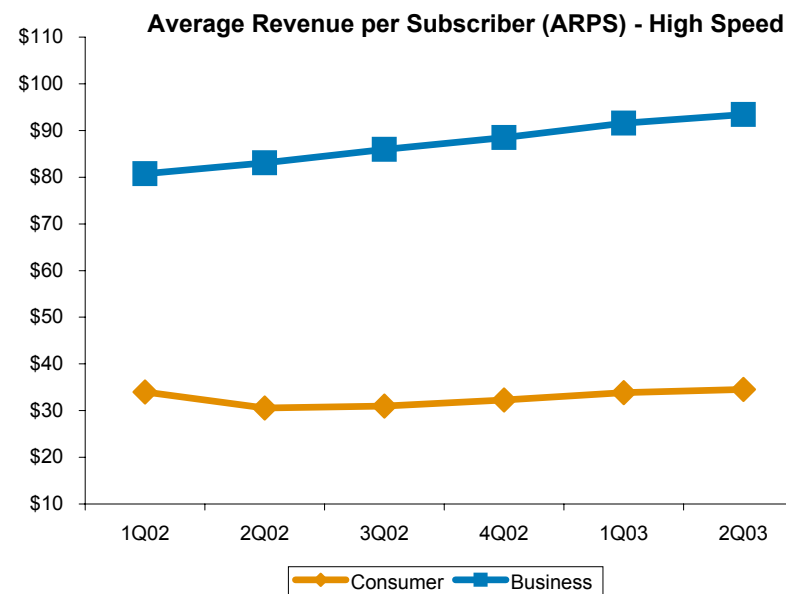
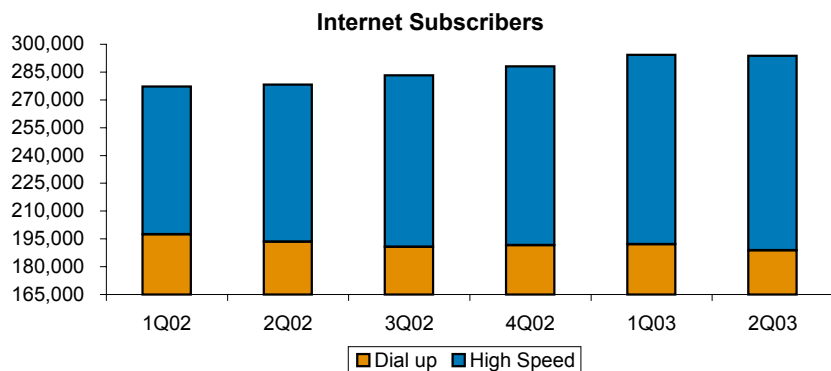
**Churn**

**Per Subscriber**

**Average Revenue (ARPS) (\$)**

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

2003		2002			
Q2	Q1	Q4	Q3	Q2	Q1
188,754	192,097	191,586	190,719	193,554	197,437
105,117	102,219	96,545	92,586	84,722	79,812
<b>293,871</b>	<b>294,316</b>	<b>288,131</b>	<b>283,305</b>	<b>278,276</b>	<b>277,249</b>
65.0%	67.0%	67.0%	67.0%	67.0%	67.0%
2.1%	1.9%	2.4%	2.9%	2.7%	2.5%
\$19.05	\$18.67	\$18.80	\$18.80	\$18.77	\$18.06
\$34.54	\$33.85	\$32.30	\$30.97	\$30.58	\$33.99
\$44.36	\$43.77	\$43.47	\$46.73	\$47.30	\$50.43
\$93.44	\$91.55	\$88.46	\$85.96	\$83.03	\$80.70



**Revenue by segment**

IT Services  
Fulfillment

**Total Revenue by Segment**

**Revenue by source**

External Customers  
Other Aliant Lines of Business

**Total Revenue by Source**

**Cost of Fulfillment Revenue**

**Cash Operating Expenses**

**Gross Margin %**

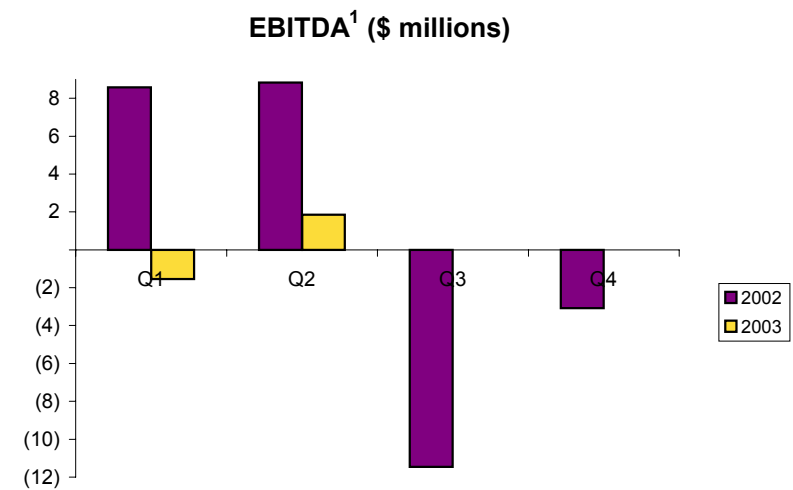
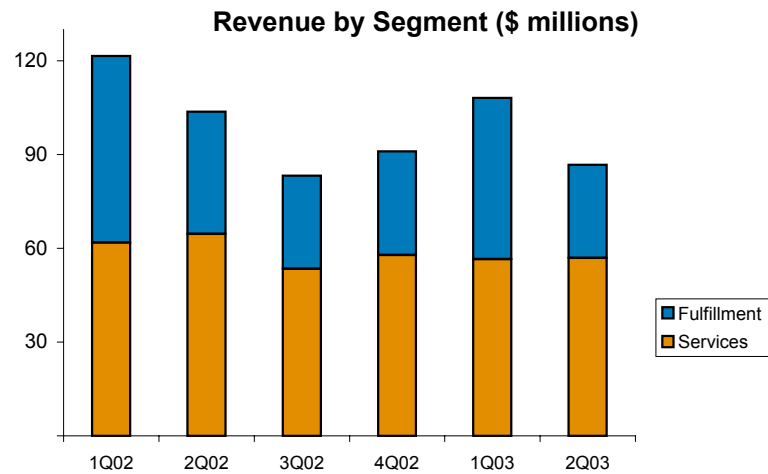
IT Services  
Fulfillment

**EBITDA<sup>1</sup>**

% of Revenue

2003		
Q2	Q1	Total
\$56,959	\$56,473	\$113,432
29,759	51,586	81,345
<b>\$86,718</b>	<b>\$108,059</b>	<b>\$194,777</b>
\$54,622	\$73,832	\$128,454
32,096	34,227	66,323
<b>\$86,718</b>	<b>\$108,059</b>	<b>\$194,777</b>
\$27,115	\$46,753	\$73,868
\$57,757	\$62,841	\$120,598
30.0%	32.0%	31.0%
8.9%	9.4%	9.2%
<b>\$1,846</b>	<b>(\$1,535)</b>	<b>\$311</b>
<b>2.1%</b>	<b>(1.4%)</b>	<b>0.2%</b>

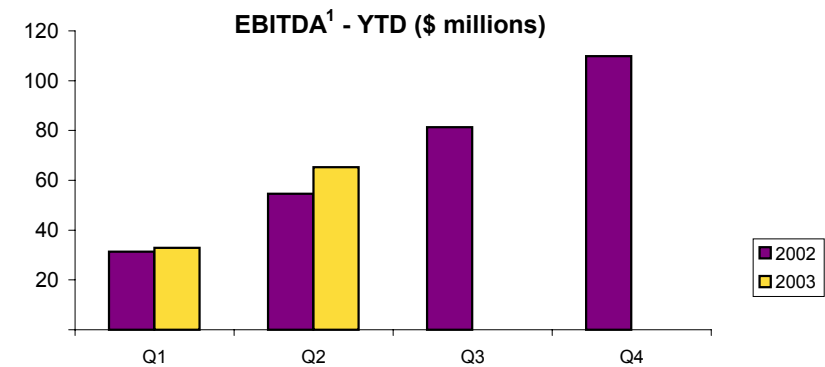
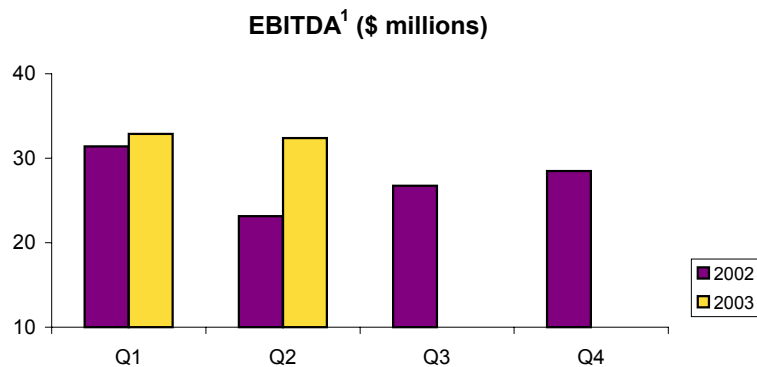
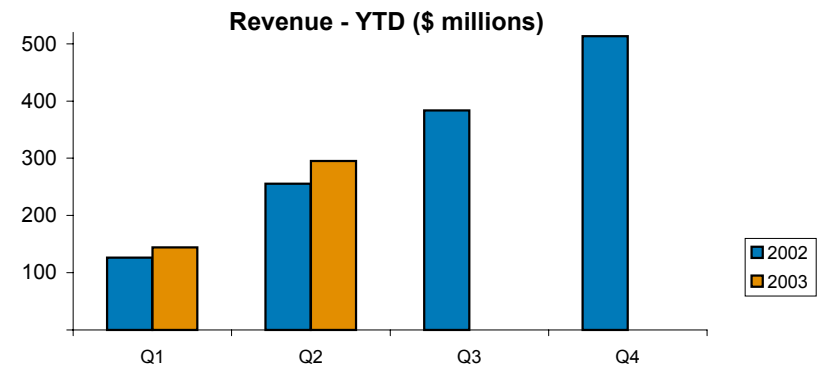
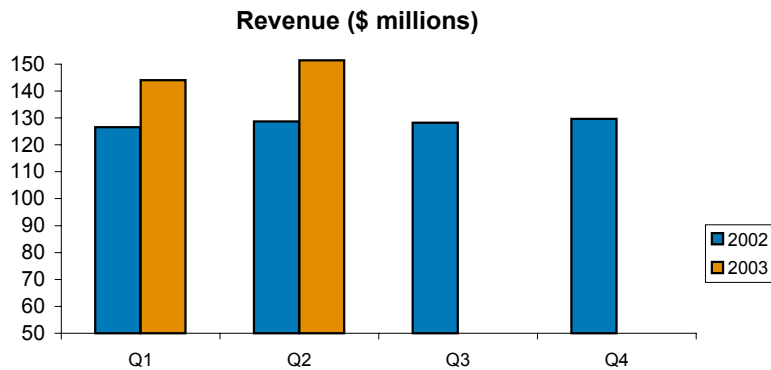
2002				
Q4	Q3	Q2	Q1	Total
\$57,807	\$53,383	\$64,589	\$61,861	\$237,640
33,170	29,797	39,066	59,665	161,698
<b>\$90,977</b>	<b>\$83,180</b>	<b>\$103,655</b>	<b>\$121,526</b>	<b>\$399,338</b>
\$55,093	\$48,094	\$66,872	\$83,502	\$253,561
35,884	35,086	36,783	38,024	145,777
<b>\$90,977</b>	<b>\$83,180</b>	<b>\$103,655</b>	<b>\$121,526</b>	<b>\$399,338</b>
\$29,820	\$27,463	\$35,430	\$55,260	\$147,973
\$64,245	\$67,176	\$59,390	\$57,686	\$248,497
31.1%	28.8%	29.2%	33.0%	30.0%
10.1%	7.8%	9.3%	7.4%	8.5%
<b>(\$3,088)</b>	<b>(\$11,459)</b>	<b>\$8,835</b>	<b>\$8,580</b>	<b>\$2,868</b>
<b>(3.4%)</b>	<b>(13.8%)</b>	<b>8.5%</b>	<b>7.1%</b>	<b>0.7%</b>



(Thousands of Canadian dollars, except as otherwise indicated)

	2003			2002				
	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>Revenue</b>	\$151,406	\$144,056	\$295,462	\$129,671	\$128,215	\$128,749	\$126,540	\$513,175
<b>Cash Operating Expenses / Cost of Revenue</b>	\$119,034	\$111,175	\$230,209	\$101,175	\$101,476	\$105,605	\$95,127	\$403,383
<b>EBITDA<sup>1</sup></b>	\$32,372	\$32,881	\$65,253	\$28,496	\$26,739	\$23,144	\$31,413	\$109,792
<i>% of Revenue</i>	21.4%	22.8%	22.1%	22.0%	20.9%	18.0%	24.8%	21.4%
<b>Net Income</b>	\$6,190	\$5,728	\$11,918	\$4,026	\$2,288	\$12,486	\$7,972	\$26,772
<b>Earnings per Aliant Common Share</b>	\$0.05	\$0.04	\$0.09	\$0.03	\$0.01	\$0.09	\$0.06	\$0.19
<b>Interest Coverage (i)</b>	2.8	2.0		1.7	1.4	1.1	1.0	
<b>Debt to Trailing EBITDA<sup>1</sup> (ii)</b>	2.05	2.70		3.08	3.25	3.26	4.60	

(i) and (ii) - see definitions on page 9



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. In the second quarter of 2003, Aliant adopted discontinued operations presentation in accordance with the CICA handbook recommendations. As such, the figures for the 1st quarter of 2003 and the prior year have been reclassified to conform with 2003 presentation. For more detailed information, see note 3 to Aliant's unaudited consolidated interim financial statements for the period ended June 30, 2003.
3. Free Cash Flow from Operations is defined as cash and cash equivalents from (used in) continuing 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.
4. 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 reclassified to conform with 2003 presentation.
5. Free Cash Flow from Operations per Common Share is defined as cash from continuing operations, less capital investments from continuing operations 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.
6. The calculation of the 2002 coverage ratio's that included the 4th quarter of 2001 are before the restructuring charge incurred in that quarter.
7. The calculation of the 2002 coverage ratio's include the 2nd, 3rd, and 4th quarters of 2001 which have not been reclassified for discontinued operations.
8. Services previously provided by Telecommunications for an Internet Help Desk (IHD) contract are now being provided by another Aliant subsidiary, effective January 1, 2003. Although the IHD revenue is still included in Other Revenue of Telecommunications, the call centre revenue presented has been reclassified to remove the IHD revenue for comparability purposes.
9. Certain amounts presented in these schedules are rounded. Accordingly, the columns and rows may not add to the totals presented.

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

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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

Aliant Inc. (TSX: AIT), a multi-faceted communications company, is an acknowledged leader in the provision of a wide variety of traditional and innovative communications services, focused primarily on 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 two million consumers and over 80,000 enterprises. Aliant complements its industry-leading telecommunications business with strengths in advanced systems and technology solutions and also knowledge-services applications. Aliant is a TSX 100 company with a market capitalization of approximately \$4 billion. More information about Aliant may be found by visiting [www.aliant.ca](http://www.aliant.ca).