

Supplemental Investor Information

First Quarter 2004

Aliant



	Page
Highlights	3
Consolidated	
Financial Summary	4
Growth	5
Shareholder Value	6
Capital Investments and Depreciation	8
Operating Segments	
Telecommunications	
Financial Highlights	9
Operating Statistics - Local & Long Distance	10
Operating Statistics - Wireless	11
Operating Statistics - Internet	12
Information Technology	
Financial Highlights	13
Accompanying Notes	14
Corporate Information	15

ALIAN T INC.
Supplemental Investor Information - First Quarter 2004 (unaudited)

Highlights

(Thousands of dollars, except as otherwise indicated)

	Three Months Ended		% Change
	March 31		
	2004	2003 ⁽¹⁾	
Financial			
Operating revenues	\$504,442	\$500,889	0.7%
Operating income	\$81,897	\$83,272	(1.7%)
Net income	\$40,680	\$37,500	8.5%
Earnings per average common share - Basic (EPS)	\$0.29	\$0.25	16.0%
Cash from operations ⁽²⁾	\$146,774	\$222,298	(34.0%)
Capital investments	\$84,796	\$70,636	20.0%
Depreciation	\$100,959	\$98,190	2.8%
Share Capital			
Number of common shares outstanding at end of period ⁽³⁾	133,087,013	138,927,943	(4.2%)
Weighted average number of common shares outstanding year-to-date ⁽³⁾	133,403,781	139,256,458	(4.2%)
Trading hi-low year-to-date	\$34.70 - \$30.01	\$28.65 - \$25.27	
As at March 31:			
Common share price (AIT)	\$30.01	\$28.00	7.2%
Preferred share price (AIT.PR.A)	\$26.35	\$25.60	2.9%
Market capitalization	\$3,993,941	\$3,889,982	2.7%

ALIAN T INC.
Supplemental Investor Information - First Quarter 2004 (unaudited)

Financial Summary

(Thousands of dollars, except as otherwise indicated)

Operating revenues

Cost of operating revenues

Pension and other post employment benefits expense

Other operating expenses

Depreciation

Restructuring charge

Operating income

Other income (expenses)

Interest charges

Income taxes

Non-controlling interest

Net income

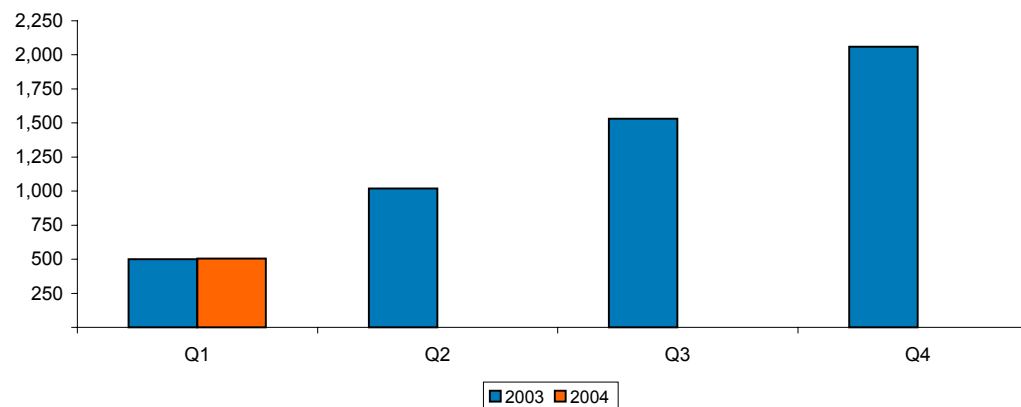
Preferred share dividends

EPS

Three Months Ended March 31		
2004	2003 ⁽¹⁾	% Change
\$504,442	\$500,889	0.7%
74,495	83,436	(10.7%)
20,066	13,662	46.9%
223,942	222,329	0.7%
100,959	98,190	2.8%
3,083	-	n.m.
81,897	83,272	(1.7%)
3,010	(264)	n.m.
19,222	20,943	(8.2%)
24,539	24,672	(0.5%)
466	(107)	n.m.
\$40,680	\$37,500	8.5%
2,384	2,384	0.0%
\$0.29	\$0.25	16.0%

n.m. - not meaningful

Operating revenue - YTD (\$ millions)



ALIAN T INC.
Growth
Supplemental Investor Information - First Quarter 2004 (unaudited)

(Thousands of dollars, except as otherwise indicated)

	2004	2003 ¹				
	Q1	Q4	Q3	Q2	Q1	Total
Operating revenues *						
Telecommunications	\$432,632	\$465,412	\$460,459	\$464,073	\$429,861	\$1,819,805
Information Technology	98,465	87,355	80,639	84,615	103,024	355,633
Other and intercompany eliminations	(26,655)	(25,770)	(27,210)	(31,411)	(31,996)	(116,387)
	\$504,442	\$526,997	\$513,888	\$517,277	\$500,889	\$2,059,051
<i>Current year quarter over same prior year quarter growth (%)</i>	0.7%	3.0%	1.3%	(1.0%)	1.2%	
<i>Year-to-date growth (%)</i>	0.7%	1.1%	0.5%	0.1%	1.2%	
Operating income *						
Telecommunications	\$84,293	\$125,429	\$120,965	\$127,440	\$91,613	\$465,447
Information Technology	2,767	822	(14,512)	(1,161)	(4,319)	(19,170)
Other and intercompany eliminations	(5,163)	(10,323)	(4,442)	(3,286)	(4,022)	(22,073)
	\$81,897	\$115,928	\$102,011	\$122,993	\$83,272	\$424,204
<i>Current year quarter over same prior year quarter growth (%)</i>	(1.7%)	(3.8%)	1.0%	(4.7%)	(16.6%)	
<i>Year-to-date growth (%)</i>	(1.7%)	(5.8%)	(6.5%)	(9.9%)	(16.6%)	
Net income						
Telecommunications	\$43,109	\$59,609	\$60,433	\$65,436	\$42,826	\$228,304
Information Technology	1,341	391	(8,278)	(1,045)	(3,269)	(12,201)
Other and intercompany eliminations	(3,770)	(11,740)	(1,441)	(3,167)	(2,057)	(18,405)
Net income, as reported	\$40,680	\$48,260	\$50,714	\$61,224	\$37,500	\$197,698
<i>Add:</i>						
Restructuring charge (net of tax)	1,906	(570)	9,300	-	-	8,730
Investment transactions (net of tax)	-	12,318	-	-	-	12,318
	\$42,586	\$60,008	\$60,014	\$61,224	\$37,500	\$218,746
<i>Current year quarter over same prior year quarter growth (%)</i>	13.6%	15.1%	15.0%	(6.9%)	(13.6%)	
<i>Year-to-date growth (%)</i>	13.6%	2.4%	(1.6%)	(9.6%)	(13.6%)	

* Refer to pages 9 to 12 for more detailed information on Telecommunications and page 13 for more information on Information Technology results.

ALIAN T INC.
Supplemental Investor Information - First Quarter 2004 (unaudited)

Shareholder Value

(Thousands of dollars, except as otherwise indicated)

	2004	2003 ⁽¹⁾				
	<u>Q1</u>	<u>Q4</u>	<u>Q3</u>	<u>Q2</u>	<u>Q1</u>	<u>Total</u>
Common shares (000's)						
Number of common shares outstanding at end of period	133,087	133,617	136,059	138,505	138,928	133,617
Weighted average number of common shares outstanding in the period	133,404	134,667	137,906	138,683	139,256	137,581
Common shares repurchased under NCIB's ⁽³⁾	616	2,651	2,542	584	752	6,529
Market price per common share						
High	\$34.70	\$33.78	\$32.24	\$30.50	\$28.65	\$33.78
Low	\$30.01	\$31.08	\$28.50	\$27.25	\$25.27	\$25.27
Close	\$30.01	\$32.10	\$31.32	\$29.13	\$28.00	\$32.10
<i>Book value per common share (i)</i>	\$10.79	\$10.86	\$10.34	\$10.63	\$10.58	
<i>Market-to-book value (times) (ii)</i>	2.8	3.0	3.0	2.7	2.6	
<i>Market capitalization (iii)</i>	\$3,993,941	\$4,289,103	\$4,261,358	\$4,034,655	\$3,889,982	
Net income	\$40,680	\$48,260	\$50,714	\$61,224	\$37,500	\$197,698
Preferred share dividends	2,384	2,385	2,384	2,385	2,384	9,538
Net income applicable to common shares	<u>\$38,296</u>	<u>\$45,875</u>	<u>\$48,330</u>	<u>\$58,839</u>	<u>\$35,116</u>	<u>\$188,160</u>
EPS						
Continuing day-to-day activities	\$0.30	\$0.41	\$0.42	\$0.42	\$0.25	\$1.50
Outside the normal course of operations:						
Restructuring charge	(0.01)	-	(0.06)	-	-	(0.06)
Investment transactions	-	(0.09)	-	-	-	(0.09)
	<u>\$0.29</u>	<u>\$0.32</u>	<u>\$0.36</u>	<u>\$0.42</u>	<u>\$0.25</u>	<u>\$1.35</u>
<i>Year-to-date growth (%)</i>	16.0%	32.4%	1.0%	(6.9%)	(16.7%)	
<i>Price-to-earnings ratio (times) (iv)</i>	21.6	23.8	30.4	30.0	28.9	
Common share dividends	\$36,679	\$36,875	\$37,782	\$38,103	\$34,749	\$147,509
<i>Dividends declared per common share, as stated</i>	\$0.275	\$0.275	\$0.275	\$0.275	\$0.250	\$1.075
<i>Common share dividend payout ratio (v)</i>	78.1%	78.4%	103.0%	105.4%	99.6%	78.4%
<i>Dividend yield (vi)</i>	3.7%	3.4%	3.5%	3.8%	3.6%	

(i) to (vi) - see page 14 for definitions

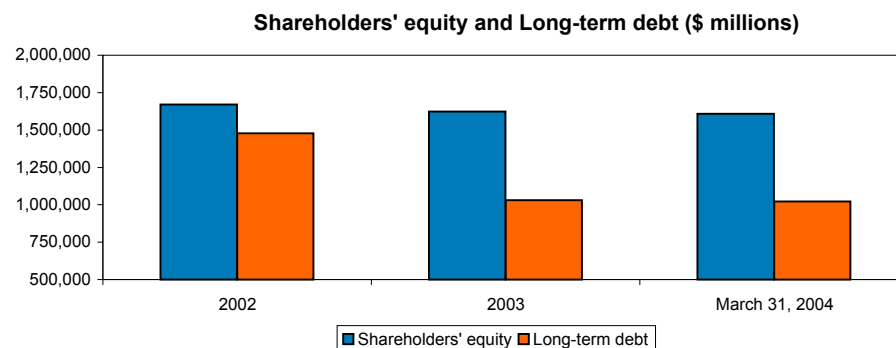
(Thousands of dollars, except as otherwise indicated)

	2004	2003 ⁽¹⁾				
	Q1	Q4	Q3	Q2	Q1	Total
Capital structure						
Equity	61.0%	61.2%	59.7%	60.9%	59.5%	
Non-controlling interest	0.2%	0.1%	0.1%	0.1%	0.1%	
Debt	38.8%	38.7%	40.2%	39.0%	40.4%	
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
<i>Return on shareholders' equity (vii)</i>	10.6%	13.1%	13.3%	16.0%	9.5%	12.8%
<i>Return on invested capital (viii)</i>	8.0%	9.3%	9.4%	10.8%	7.2%	9.1%
Cash from operations ⁽²⁾	\$146,774	\$178,221	\$190,391	\$155,887	\$222,298	\$746,797
<i>Cash from operations per common share</i>	\$1.10	\$1.32	\$1.38	\$1.12	\$1.60	\$5.43
Interest charges						
Interest on long-term debt	\$18,855	\$19,482	\$20,189	\$20,716	\$20,651	\$81,038
Other interest	367	1,298	252	225	292	2,067
	<u>\$19,222</u>	<u>\$20,780</u>	<u>\$20,441</u>	<u>\$20,941</u>	<u>\$20,943</u>	<u>\$83,105</u>
Coverage ratios						
<i>Interest coverage (ix)</i>	5.1	5.0	4.5	4.3	4.3	
<i>Cash flow to interest (x)</i>	8.2	7.7	7.2	6.8	6.7	

(vii) to (x) - see page 14 for definitions

Financial Strength	Standard & Poor's	Dominion Bond Rating Service
Preferred Share Ratings	<i>P-2 stable outlook</i>	<i>Pfd-2 (Low) stable trend</i>
Aliant Telecom Long-Term Debt Ratings	<i>A stable outlook</i>	<i>A stable trend</i>
Commercial Paper Ratings	<i>A-1 stable outlook</i>	<i>R-1 (Low) stable trend</i>

These ratings by Standard and Poor's and Dominion Bond Rating Service have remained consistent throughout 2003 and into 2004.



ALIAN T INC.
Supplemental Investor Information - First Quarter 2004 (unaudited)

Capital Investments and Depreciation

(Thousands of dollars, except as otherwise indicated)

Capital investments

Telecommunications
 Information Technology
 Other and intercompany eliminations

2004	2003 ⁽¹⁾				
<u>Q1</u>	<u>Q4</u>	<u>Q3</u>	<u>Q2</u>	<u>Q1</u>	<u>Total</u>
\$84,403	\$98,612	\$90,898	\$71,379	\$69,791	\$330,680
357	2,118	187	633	507	3,445
36	250	267	821	338	1,676
\$84,796	\$100,980	\$91,352	\$72,833	\$70,636	\$335,801

Depreciation

Telecommunications
 Information Technology
 Other and intercompany eliminations

\$99,339	\$93,420	\$95,805	\$95,977	\$96,108	\$381,310
2,319	2,964	3,000	3,007	2,784	11,755
(699)	(672)	(492)	(602)	(702)	(2,468)
\$100,959	\$95,712	\$98,313	\$98,382	\$98,190	\$390,597

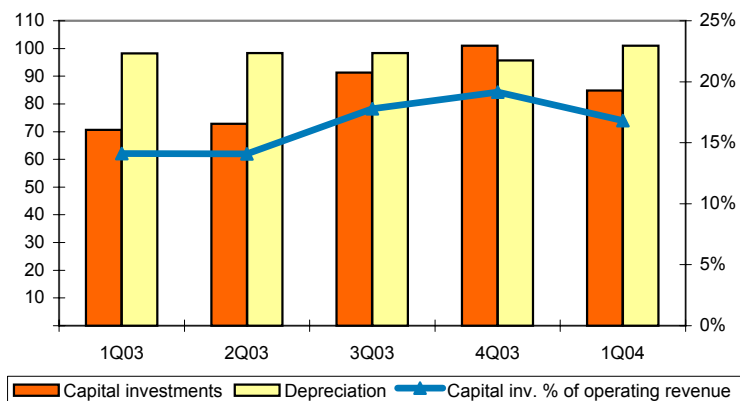
Capital investments % of operating revenues

Telecommunications
 Information Technology
 Other and intercompany eliminations

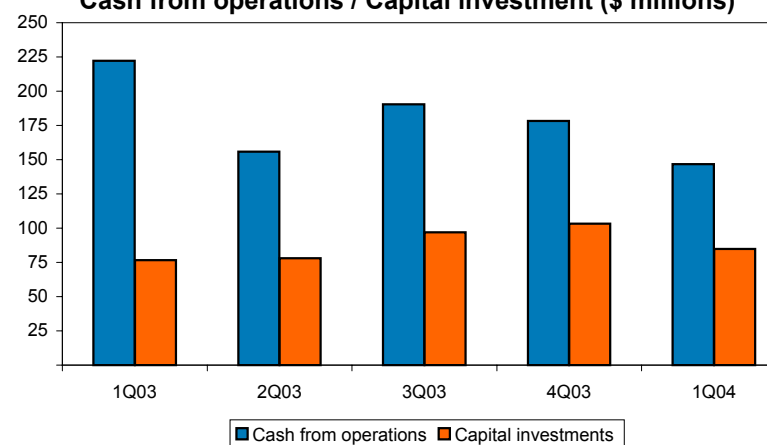
19.5%	21.2%	19.7%	15.4%	16.2%	18.2%
0.4%	2.4%	0.2%	0.7%	0.5%	1.0%
n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
16.8%	19.2%	17.8%	14.1%	14.1%	16.3%

n.m. - not meaningful

Capital investment / Depreciation (\$ millions)



Cash from operations / Capital investment (\$ millions)



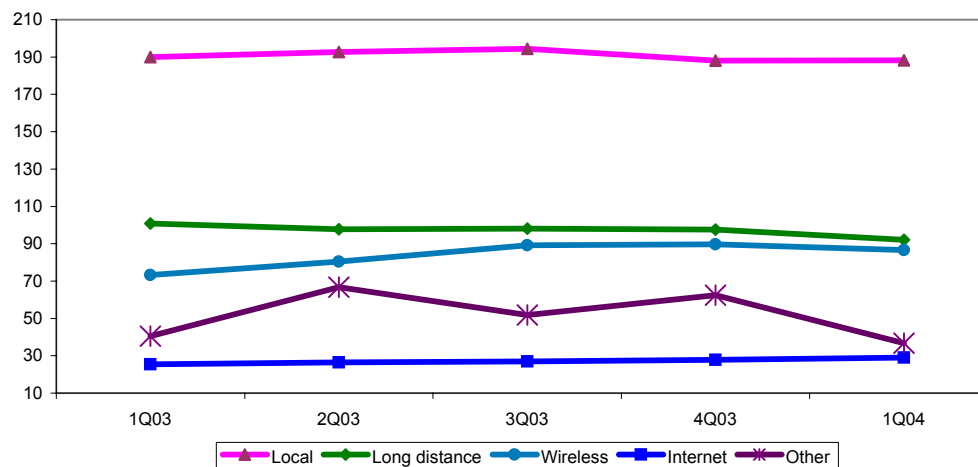
ALIANTE INC.
Supplemental Investor Information - First Quarter 2004 (unaudited)

Telecommunications Financial Highlights

(Thousands of dollars, except as otherwise indicated)

	2004	2003 ⁽¹⁾				
	Q1	Q4	Q3	Q2	Q1	Total
Operating Revenues						
Local	\$188,257	\$188,030	\$194,352	\$192,630	\$190,029	\$765,041
Long distance	92,097	97,541	98,159	97,799	100,804	394,303
Wireless	86,549	89,646	89,226	80,485	73,161	332,518
Internet	28,979	27,829	26,906	26,463	25,386	106,584
Product sales	25,176	41,634	29,330	26,678	24,624	122,266
Innovatia	6,023	6,932	6,239	6,642	5,570	25,383
Other	5,551	13,800	16,247	33,376	10,287	73,710
	\$432,632	\$465,412	\$460,459	\$464,073	\$429,861	\$1,819,805
Cost of operating revenues	34,200	50,275	43,716	39,565	41,709	175,265
Pension and other post employment benefits expense	19,940	14,925	15,778	13,234	13,599	57,537
Other operating expenses	192,939	181,363	184,195	187,857	186,832	740,246
Depreciation	99,339	93,420	95,805	95,977	96,108	381,310
Restructuring charge	1,921	-	-	-	-	-
Operating income	\$84,293	\$125,429	\$120,965	\$127,440	\$91,613	\$465,447
Net income	\$43,109	\$59,609	\$60,433	\$65,436	\$42,826	\$228,304
<i>Contribution to EPS</i>	\$0.32	\$0.44	\$0.44	\$0.47	\$0.31	\$1.66

Operating revenues (\$ millions)



LOCAL

Network access service

Business
 Residential

2004		2003			
Q1		Q4	Q3	Q2	Q1
Business	592,734	592,428	594,593	597,355	594,941
Residential	905,405	908,283	914,927	916,507	921,639
Total	1,498,139	1,500,711	1,509,520	1,513,862	1,516,580

LONG DISTANCE

Long distance minutes (000's)

Revenue per long distance minute

Contact centre

Revenue (000's)

Year-to-date growth (%)

Long distance minutes (000's)	853,900	835,009	846,477	855,955	965,925
Revenue per long distance minute	\$0.08	\$0.09	\$0.09	\$0.09	\$0.08
Contact centre Revenue (000's)	\$15,631	\$18,596	\$16,557	\$15,746	\$17,604
Contact centre Year-to-date growth (%)	(11.2%)	(1.8%)	(2.0%)	4.3%	11.1%

Year-to-date growth (%)

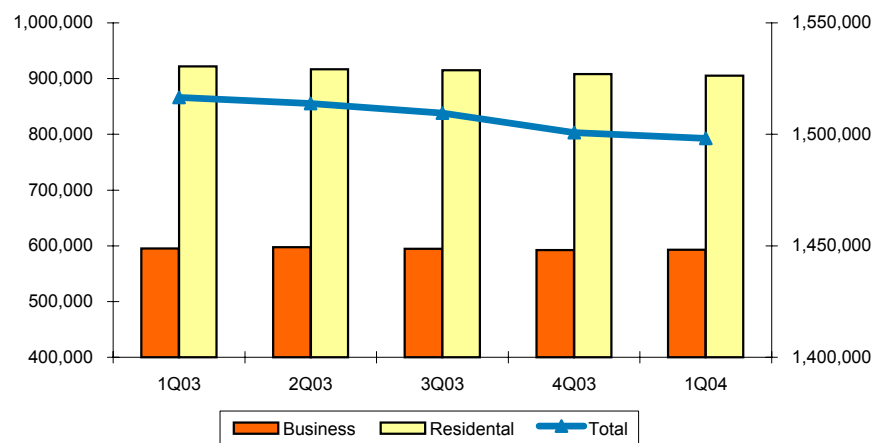
Local and long distance revenue

NAS

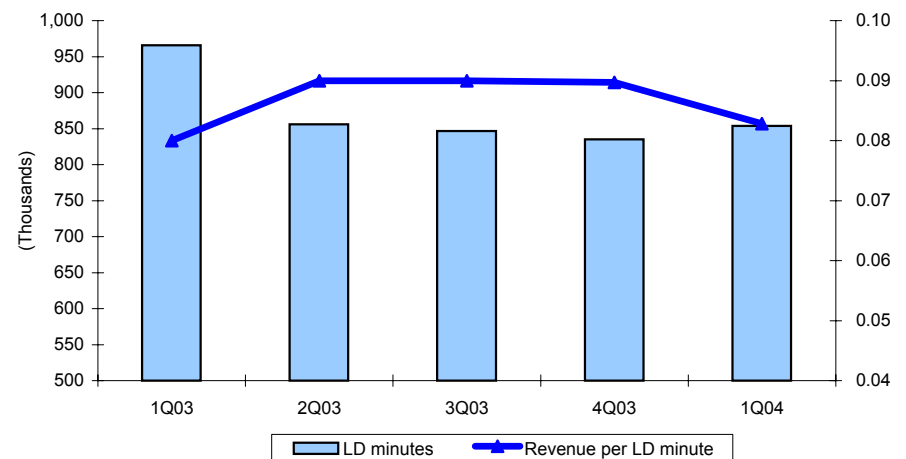
Long distance minutes

Local and long distance revenue	(3.6%)	(1.6%)	(1.4%)	(1.6%)	(0.9%)
NAS	(1.2%)	(1.3%)	(1.2%)	(0.8%)	(0.6%)
Long distance minutes	(11.6%)	(4.4%)	(1.0%)	1.7%	7.1%

Network access service



Long distance minutes



WIRELESS

Customers

Postpaid

Analog
 Digital

Prepaid

Analog
 Digital

Customer net additions

Analog
 Digital

Churn (Blended pre/post-paid)

Per customer

Average revenue (ARPC)

Post-paid

Prepaid

Total

Average minutes of use

Year-to-date growth (%)

Operating revenues

Customers - analog

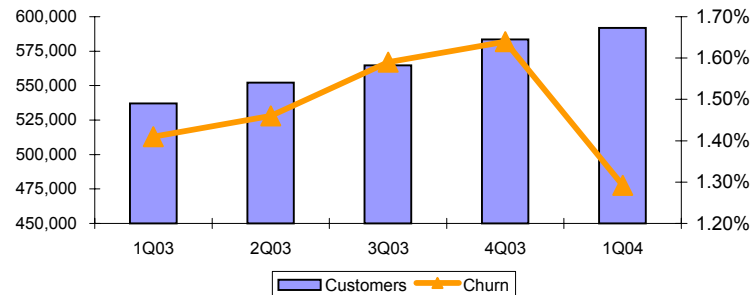
- digital

ARPC - total

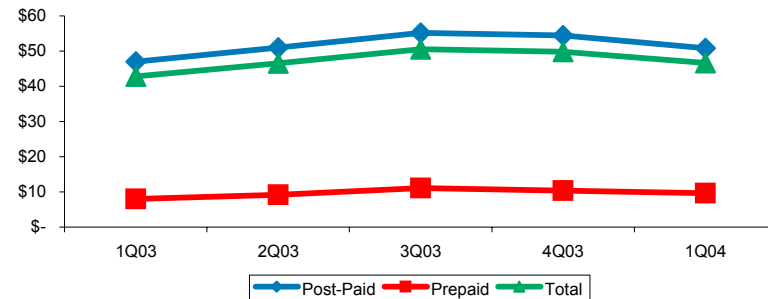
Average minutes of use

2004	2003			
	Q1	Q4	Q3	Q2
118,192	133,240	152,747	168,635	184,638
413,414	390,210	352,181	325,340	293,980
531,606	523,450	504,928	493,975	478,618
45,226	47,128	50,099	51,282	53,056
15,051	13,002	9,606	6,873	5,437
60,277	60,130	59,705	58,155	58,493
591,883	583,580	564,633	552,130	537,111
(16,950)	(22,478)	(17,071)	(17,777)	(17,813)
25,253	41,425	29,574	32,796	25,639
8,303	18,947	12,503	15,019	7,826
1.3%	1.6%	1.6%	1.5%	1.4%
\$50.84	\$54.42	\$55.21	\$51.04	\$47.02
\$9.64	\$10.37	\$11.08	\$9.22	\$7.97
\$46.62	\$49.82	\$50.57	\$46.52	\$42.80
237	259	265	247	215
18.3%	18.2%	19.0%	19.4%	19.5%
(31.2%)	(29.4%)	(24.9%)	(23.3%)	(18.5%)
43.1%	47.3%	50.7%	61.9%	63.4%
8.9%	7.7%	8.4%	9.0%	8.1%
10.2%	13.1%	14.7%	13.8%	12.0%

Wireless customers / Churn



Average revenue per customer (ARPC)



INTERNET

Customers

Dial up
 High speed

Customer net additions

Dial up
 High speed

Churn

Per customer

Average revenue (ARPC)

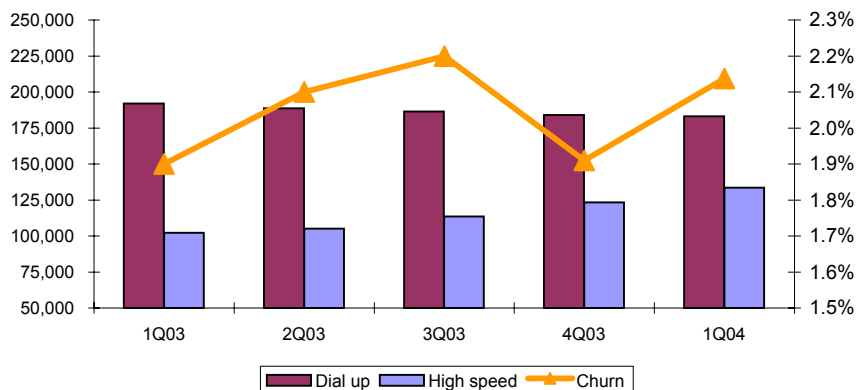
Consumer dial up ⁽⁴⁾
 Consumer high speed ⁽⁴⁾
 Business dial up
 Business high speed

Year-to-date growth (%)

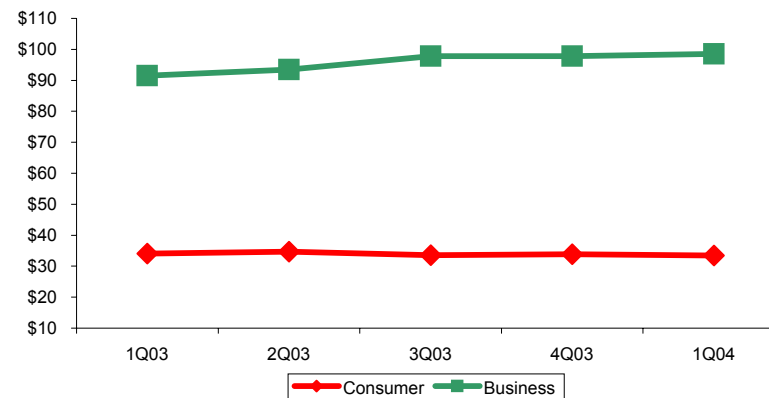
Operating revenues
 Customers - dial up
 - high speed
 ARPC - consumer high speed
 - business high speed

2004	2003			
	Q1	Q4	Q3	Q2
183,080	183,930	186,456	188,754	192,097
133,474	123,387	113,517	105,117	102,219
316,554	307,317	299,973	293,871	294,316
(850)	(2,526)	(2,298)	(3,343)	511
10,087	9,870	8,400	2,898	5,674
9,237	7,344	6,102	(445)	6,185
2.1%	1.9%	2.2%	2.1%	1.9%
\$19.68	\$19.51	\$20.00	\$19.77	\$19.36
\$33.48	\$33.86	\$33.53	\$34.67	\$34.03
\$45.49	\$45.83	\$44.58	\$44.36	\$43.77
\$98.49	\$97.86	\$97.80	\$93.44	\$91.55
14.2%	16.5%	16.7%	17.1%	16.2%
(4.7%)	(4.0%)	(2.2%)	(2.5%)	(2.7%)
30.6%	27.8%	22.6%	24.1%	28.1%
(1.6%)	5.8%	5.4%	4.8%	0.1%
7.6%	12.6%	13.3%	13.0%	13.4%

Internet customers / Churn



Average revenue per customer (ARPC) - High speed



ALIAN T INC.
Supplemental Investor Information - First Quarter 2004 (unaudited)

(Thousands of dollars, except as otherwise indicated)

Information Technology Financial Highlights

Operating revenues

IT services

External customers

Other Aliant lines of business

Fulfillment

External customers

Other Aliant lines of business

Cost of fulfillment revenues

Operating expenses

Depreciation

Restructuring charge

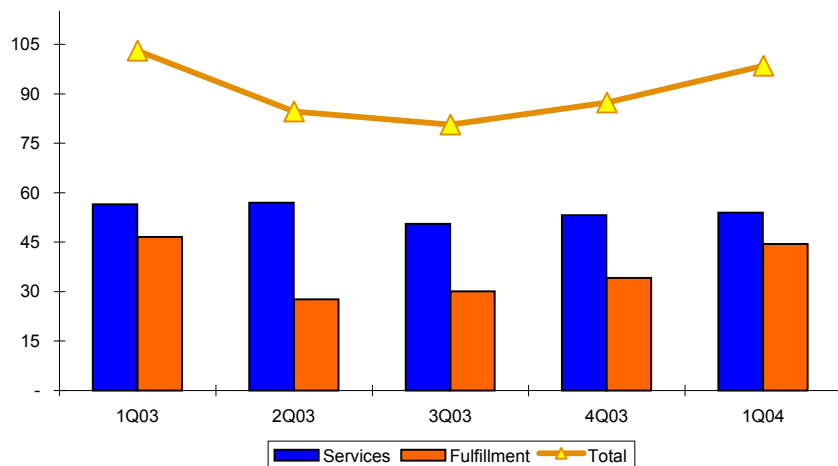
Operating income (loss)

Net income (loss)

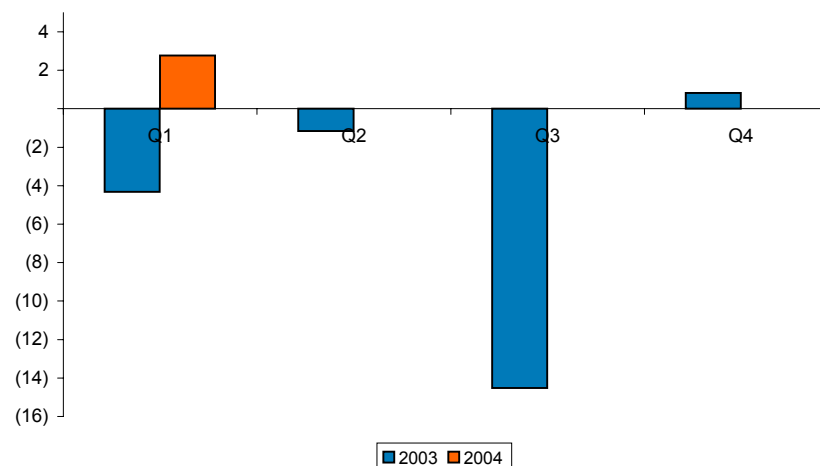
Contribution to EPS

	2004	2003				
	Q1	Q4	Q3	Q2	Q1	Total
IT services						
External customers	\$32,777	\$31,362	\$30,067	\$33,432	\$31,811	\$126,672
Other Aliant lines of business	21,221	21,796	20,452	23,527	24,662	90,437
	\$53,998	\$53,158	\$50,519	\$56,959	\$56,473	\$217,109
Fulfillment						
External customers	\$40,977	\$30,871	\$25,550	\$22,833	\$42,533	\$121,787
Other Aliant lines of business	3,490	3,326	4,570	4,823	4,018	16,737
	\$44,467	\$34,197	\$30,120	\$27,656	\$46,551	\$138,524
	\$98,465	\$87,355	\$80,639	\$84,615	\$103,024	\$355,633
Cost of fulfillment revenues	40,295	31,049	27,332	25,012	41,718	125,111
Operating expenses	51,922	53,470	49,319	57,757	62,841	223,387
Depreciation	2,319	2,964	3,000	3,007	2,784	11,755
Restructuring charge	1,162	(950)	15,500	-	-	14,550
	\$2,767	\$822	(\$14,512)	(\$1,161)	(\$4,319)	(\$19,170)
Net income (loss)	\$1,341	\$391	(\$8,278)	(\$1,045)	(\$3,269)	(\$12,201)
Contribution to EPS	\$0.01	\$0.00	(\$0.06)	(\$0.01)	(\$0.02)	(\$0.09)

Operating revenues (\$ millions)



Operating income (\$ millions)



1. In 2003, we adopted discontinued operations presentation for certain segments, in accordance with the Canadian Institute of Chartered Accountants (CICA) handbook recommendations. For comparability purposes, the 2003 figures presented are from continuing operations and the results of discontinued operations have been excluded.
As well, the comparable financial information has been reclassified to conform to the presentation adopted for 2004. Generally, these reclassifications were made to properly categorize revenues as a result of new information.
2. Cash from operations is defined in accordance with Canadian generally accepted accounting principles (GAAP) as cash from or used in our principal revenue-producing activities and all other activities that are not investing or financing activities.
3. The reduction in outstanding shares is the result of purchasing activity under two normal course issuer bid (NCIB) programs. Purchases of common shares under these two NCIB's could be made during the 12-month period commencing July 22, 2002 to July 21, 2003 and the 12-month period commencing August 6, 2003 to August 5, 2004. Under these programs, we have acquired under the expired NCIB and can acquire under the current NCIB, from time to time, our common shares at market prices for cancellation.
4. Internet average revenue per customer (ARPC) for consumer dial up and high speed has been restated as a result of the inclusion of revenues from enhanced services. This restatement was necessary to conform to the new industry standard which is to reflect all revenue derived from consumer Internet service.
5. Certain amounts presented in these schedules are rounded. Accordingly, the columns and rows may not add to the totals presented.

Definitions

- (i) Book value per common share - book value of common equity divided by the number of common shares outstanding at end of period.
- (ii) Market-to-book value (times) - market close price per common share divided by book value per common share at end of period.
- (iii) Market capitalization - market close price per common share multiplied by the number of common shares outstanding at end of period.
- (iv) Price-to-earnings ratio (times) - market close price per common share divided by earnings per common share (current quarter plus three (3) previous quarters).
- (v) Common share dividend payout ratio - common share dividends at end of period (current quarter plus three (3) previous quarters) divided by net income applicable to common shares (current quarter plus three (3) previous quarters).
- (vi) Dividend yield - dividends declared per common share (annualized) divided by market close price per common share at end of period.
- (vii) Return on shareholders' equity - net income applicable to common shares for the period divided by average common equity (annualized).
- (viii) Return on invested capital - net income plus total interest charges, net of taxes for the period divided by average total capital (annualized).
- (ix) Interest coverage - Operating income plus other income divided by interest charges (current quarter plus three (3) previous quarters).
- (x) Cash flow to interest - Cash from (used in) operations (before change in non-cash working capital) divided by Interest charges (current quarter plus three (3) previous quarters).

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 Share Listings Auditors	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 Toronto Stock Exchange Common: AIT Preferred: AIT.PR.A Ernst & Young LLP Chartered Accountants St. John's, NL
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