

# Supplemental Investor Information

Third Quarter 2004

***Aliant***



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(Thousands of dollars, except as otherwise indicated)

	Nine Months Ended September 30			Three Months Ended September 30		
	2004	2003 <sup>(1)</sup>	% Change	2004	2003 <sup>(1)</sup>	% Change
<b>Financial</b>						
Operating revenues	\$1,527,215	\$1,532,054	(0.3%)	\$497,189	\$513,888	(3.2%)
Operating income	\$250,230	\$308,276	(18.8%)	\$73,214	\$102,011	(28.2%)
Net income	\$127,755	\$149,438	(14.5%)	\$36,987	\$50,714	(27.1%)
Earnings per average common share - Basic (EPS)	\$0.91	\$1.03	(11.7%)	\$0.26	\$0.35	(25.7%)
Cash from operations <sup>(2)</sup>	\$470,257	\$567,910	(17.2%)	\$214,403	\$189,417	13.2%
Capital investments	\$180,934	\$234,821	(22.9%)	\$51,438	\$91,352	(43.7%)
Depreciation	\$298,078	\$294,885	1.1%	\$98,570	\$98,313	0.3%
<b>Share Capital</b>						
Weighted average number of common shares outstanding in the period <sup>(3)</sup>	132,749,670	138,594,878	(4.2%)	132,135,102	137,905,672	(4.2%)
Trading hi-low	\$34.70 - \$25.00	\$32.24 - \$25.27		\$27.61 - \$25.00	\$32.24 - \$28.50	
<b>As at September 30:</b>						
Number of common shares outstanding <sup>(3)</sup>	132,108,088	136,058,679	(2.9%)			
Common share price (AIT)	\$25.63	\$31.32	(18.2%)			
Preferred share price (AIT.PR.A)	\$25.65	\$26.15	(1.9%)			
Market capitalization	\$3,385,930	\$4,261,358	(20.5%)			

Note: Aliant Inc. experienced a labour disruption that commenced April 23, 2004 and ended September 20, 2004.

**ALIANT INC.****Supplemental Investor Information - Third Quarter 2004 (unaudited)****Financial Summary**

(Thousands of dollars, except as otherwise indicated)

	Nine Months Ended September 30			Three Months Ended September 30		
	2004	2003 <sup>(1)</sup>	% Change	2004	2003 <sup>(1)</sup>	% Change
<b>Operating revenues</b>	<b>\$1,527,215</b>	<b>\$1,532,054</b>	<b>(0.3%)</b>	<b>\$497,189</b>	<b>\$513,888</b>	<b>(3.2%)</b>
Cost of operating revenues	209,315	219,053	(4.4%)	65,638	71,049	(7.6%)
Other operating expenses	707,210	648,512	9.1%	242,255	210,221	15.2%
Pension and other post employment benefits cost	57,184	45,828	24.8%	16,870	16,794	0.5%
Depreciation	298,078	294,885	1.1%	98,570	98,313	0.3%
Restructuring charge	5,198	15,500	(66.5%)	642	15,500	(95.9%)
<b>Operating income</b>	<b>250,230</b>	<b>308,276</b>	<b>(18.8%)</b>	<b>73,214</b>	<b>102,011</b>	<b>(28.2%)</b>
Other income (expenses)	2,255	1,582	42.5%	(2,861)	2,074	n.m.
Interest charges	57,572	62,325	(7.6%)	19,765	20,441	(3.3%)
Income taxes	65,947	97,907	(32.6%)	13,196	32,621	(59.5%)
Non-controlling interest	1,211	188	n.m.	405	309	31.1%
<b>Net income</b>	<b>\$127,755</b>	<b>\$149,438</b>	<b>(14.5%)</b>	<b>\$36,987</b>	<b>\$50,714</b>	<b>(27.1%)</b>
Preferred share dividends	7,153	7,153	-	2,384	2,384	-
<b>Net income applicable to common shares</b>	<b>\$120,602</b>	<b>\$142,285</b>	<b>(15.2%)</b>	<b>\$34,603</b>	<b>\$48,330</b>	<b>(28.4%)</b>
<b>EPS</b>	<b>\$0.91</b>	<b>\$1.03</b>	<b>(11.7%)</b>	<b>\$0.26</b>	<b>\$0.35</b>	<b>(25.7%)</b>

n.m. - not meaningful

Note: Aliant Inc. experienced a labour disruption that commenced April 23, 2004 and ended September 20, 2004.

**Supplemental Investor Information - Third Quarter 2004 (unaudited)**

(Thousands of dollars, except as otherwise indicated)

	2004				2003 <sup>(1)</sup>				
	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>Operating revenues *</b>									
Telecommunications	\$450,665	\$466,074	\$432,632	\$1,349,371	\$465,412	\$460,459	\$464,073	\$429,861	\$1,819,805
Information Technology	79,421	85,227	98,465	263,113	87,355	80,639	84,615	103,024	355,633
Other and intercompany eliminations	(32,897)	(25,717)	(26,655)	(85,269)	(25,770)	(27,210)	(31,411)	(31,996)	(116,387)
	<b>\$497,189</b>	<b>\$525,584</b>	<b>\$504,442</b>	<b>\$1,527,215</b>	<b>\$526,997</b>	<b>\$513,888</b>	<b>\$517,277</b>	<b>\$500,889</b>	<b>\$2,059,051</b>
<i>Current year quarter over same prior year quarter growth (%)</i>	(3.2%)	1.6%	0.7%		3.0%	1.3%	(1.0%)	1.2%	
<i>Year-to-date growth (%)</i>	(0.3%)	1.2%	0.7%		1.1%	0.5%	0.1%	1.2%	
<b>Operating income *</b>									
Telecommunications	\$73,758	\$98,544	\$84,293	\$256,595	\$125,429	\$120,965	\$127,440	\$91,613	\$465,447
Information Technology	5,380	2,585	2,767	10,732	822	(14,512)	(1,161)	(4,319)	(19,170)
Other and intercompany eliminations	(5,924)	(6,010)	(5,163)	(17,097)	(10,323)	(4,442)	(3,286)	(4,022)	(22,073)
	<b>\$73,214</b>	<b>\$95,119</b>	<b>\$81,897</b>	<b>\$250,230</b>	<b>\$115,928</b>	<b>\$102,011</b>	<b>\$122,993</b>	<b>\$83,272</b>	<b>\$424,204</b>
<i>Current year quarter over same prior year quarter growth (%)</i>	(28.2%)	(22.7%)	(1.7%)		(3.8%)	1.0%	(4.7%)	(16.6%)	
<i>Year-to-date growth (%)</i>	(18.8%)	(14.2%)	(1.7%)		(5.8%)	(6.5%)	(9.9%)	(16.6%)	
<b>Net income</b>									
Telecommunications	\$34,652	\$54,889	\$43,109	\$132,650	\$59,609	\$60,433	\$65,436	\$42,826	\$228,304
Information Technology	5,377	2,374	1,341	9,092	391	(8,278)	(1,045)	(3,269)	(12,201)
Other and intercompany eliminations	(3,042)	(7,175)	(3,770)	(13,987)	(14,569)	(1,441)	(3,167)	(2,057)	(21,234)
Net income, as reported	\$36,987	\$50,088	\$40,680	\$127,755	\$45,431	\$50,714	\$61,224	\$37,500	\$194,869
Outside the normal course of operations:									
Labour disruption, estimated (net of tax)	22,000	13,000	-	35,000	-	-	-	-	-
Restructuring charge (net of tax)	386	886	1,906	3,178	(570)	9,300	-	-	8,730
Investment transactions (net of tax)	-	-	-	-	12,318	-	-	-	12,318
	<b>\$59,373</b>	<b>\$63,974</b>	<b>\$42,586</b>	<b>\$165,933</b>	<b>\$57,179</b>	<b>\$60,014</b>	<b>\$61,224</b>	<b>\$37,500</b>	<b>\$215,917</b>
<i>Current year quarter over same prior year quarter growth (%)</i>	(1.1%)	4.5%	13.6%		9.6%	15.0%	(6.9%)	(13.6%)	
<i>Year-to-date growth (%)</i>	4.5%	7.9%	13.6%		1.1%	(1.6%)	(9.6%)	(13.6%)	

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

**ALIANT INC.**
**Supplemental Investor Information - Third Quarter 2004 (unaudited)**
**Shareholder Value**

(Thousands of dollars, except as otherwise indicated)

	2004				2003 <sup>(i)</sup>				
	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>Common shares (000's)</b>									
Number of common shares outstanding at end of period	132,108	132,312	133,087		133,617	136,059	138,505	138,928	
Weighted average number of common shares outstanding in the period	132,135	132,685	133,404		134,667	137,906	138,683	139,256	
Weighted average number of common shares outstanding year-to-date	132,750	133,038	133,404		137,581	138,595	138,976	139,256	
Common shares repurchased under NCIB's <sup>(3)</sup>	269	847	616	1,732	2,651	2,542	584	752	6,529
<b>Market price per common share</b>									
High	\$27.61	\$31.49	\$34.70		\$33.78	\$32.24	\$30.50	\$28.65	
Low	\$25.00	\$26.14	\$30.01		\$31.08	\$28.50	\$27.25	\$25.27	
Close	\$25.63	\$27.57	\$30.01		\$32.10	\$31.32	\$29.13	\$28.00	
<i>Book value per common share (i)</i>	\$10.74	\$10.77	\$10.79		\$10.86	\$10.34	\$10.63	\$10.58	
<i>Market-to-book value (times) (ii)</i>	2.4	2.6	2.8		3.0	3.0	2.7	2.6	
<i>Market capitalization (iii)</i>	\$3,385,930	\$3,647,853	\$3,993,941		\$4,289,103	\$4,261,358	\$4,034,655	\$3,889,982	
<b>Net income</b>	\$36,987	\$50,088	\$40,680	\$127,755	\$45,431	\$50,714	\$61,224	\$37,500	\$194,869
Preferred share dividends	2,384	2,385	2,384	7,153	2,385	2,384	2,385	2,384	9,538
Net income applicable to common shares	<b>\$34,603</b>	<b>\$47,703</b>	<b>\$38,296</b>	<b>\$120,602</b>	<b>\$43,046</b>	<b>\$48,330</b>	<b>\$58,839</b>	<b>\$35,116</b>	<b>\$185,331</b>
<b>EPS</b>									
Continuing day-to-day activities	\$0.42	\$0.47	\$0.30	\$1.19	\$0.41	\$0.41	\$0.42	\$0.25	\$1.50
Outside the normal course of operations:									
Labour disruption, estimated	(0.16)	(0.10)	-	(0.26)	-	-	-	-	-
Restructuring charge	(0.00)	(0.01)	(0.01)	(0.02)	-	(0.06)	-	-	(0.06)
Investment transactions	-	-	-	-	(0.09)	-	-	-	(0.09)
Quarterly	<b>\$0.26</b>	<b>\$0.36</b>	<b>\$0.29</b>	<b>\$0.91</b>	<b>\$0.32</b>	<b>\$0.35</b>	<b>\$0.42</b>	<b>\$0.25</b>	<b>\$1.35</b>
Year-to-date	<b>\$0.91</b>	<b>\$0.65</b>	<b>\$0.29</b>		<b>\$1.35</b>	<b>\$1.03</b>	<b>\$0.67</b>	<b>\$0.25</b>	
<i>Year-to-date growth (%)</i>	(11.7%)	(3.0%)	16.0%		32.4%	1.0%	(6.9%)	(16.7%)	
<i>Price-to-earnings ratio (times) (iv)</i>	20.8	20.9	21.7		24.0	30.7	30.0	28.9	
<b>Common share dividends</b>	\$36,326	\$36,457	\$36,679	\$109,462	\$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	\$0.825	\$0.275	\$0.275	\$0.275	\$0.250	\$1.075
<i>Common share dividend payout ratio (v)</i>	89.4%	83.3%	79.3%		79.6%	103.0%	105.4%	99.6%	
<i>Dividend yield (vi)</i>	4.3%	4.0%	3.7%		3.4%	3.5%	3.8%	3.6%	

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

**ALiant INC.**  
**Supplemental Investor Information - Third Quarter 2004 (unaudited)**

**Shareholder Value**  
**(Continued)**

(Thousands of dollars, except as otherwise indicated)

	2004				2003 <sup>(1)</sup>				
	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>Capital structure</b>									
Shareholders' equity	61.0%	61.1%	61.0%		61.2%	60.2%	61.7%	60.0%	
Non-controlling interest	0.2%	0.2%	0.2%		0.1%	0.1%	0.1%	0.1%	
Debt <sup>(vii)</sup>	38.8%	38.7%	38.8%		38.7%	39.7%	38.2%	39.9%	
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>		<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
Return on shareholders' equity <sup>(viii)</sup>	9.8%	13.3%	10.6%	11.2%	12.3%	13.3%	16.0%	9.5%	12.8%
Return on invested capital <sup>(ix)</sup>	7.6%	9.4%	8.0%	8.3%	8.9%	9.5%	10.8%	7.2%	9.1%
<b>Cash from operations <sup>(2)</sup></b>									
Cash from operations before change in non-cash working capital	\$143,732	\$167,167	\$157,382	\$468,280	\$191,737	\$146,464	\$169,077	\$120,341	\$627,619
Change in non-cash working capital	70,671	(58,109)	(10,585)	1,977	(21,181)	42,953	(14,211)	103,286	110,847
	<u>\$214,403</u>	<u>\$109,058</u>	<u>\$146,797</u>	<u>\$470,257</u>	<u>\$170,556</u>	<u>\$189,417</u>	<u>\$154,866</u>	<u>\$223,627</u>	<u>\$738,466</u>
<b>Interest charges</b>									
Interest on long-term debt	\$19,619	\$18,769	\$18,855	\$57,243	\$19,482	\$20,189	\$20,716	\$20,651	\$81,038
Other interest	146	(184)	367	329	1,298	252	225	292	2,067
	<u>\$19,765</u>	<u>\$18,585</u>	<u>\$19,222</u>	<u>\$57,572</u>	<u>\$20,780</u>	<u>\$20,441</u>	<u>\$20,941</u>	<u>\$20,943</u>	<u>\$83,105</u>
<b>Coverage ratios</b>									
Interest coverage <sup>(x)</sup>	4.6	5.0	5.1		5.0	4.5	4.3	4.3	
Cash flow to interest <sup>(xi)</sup>	8.6	8.5	8.3		7.7	7.2	6.7	6.6	

<sup>(vii) to (xi)</sup> - see page 14 for definitions

**Financial strength**

**Aliant corporate credit rating**

**Standard & Poor's**

*A stable outlook*

**Dominion Bond Rating Service**

*A (low) stable trend*

**Aliant preferred shares**

*P-2 (high) stable outlook*

*Pfd-2 (low) stable trend*

**Aliant commercial paper**

*A-1 stable outlook*

*R-1 (low) stable trend*

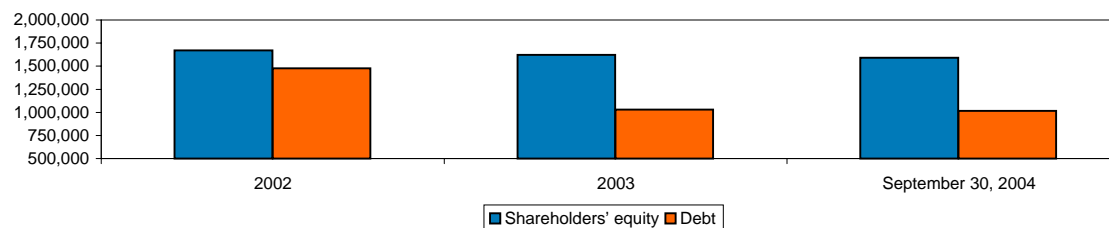
**Aliant Telecom unsecured long-term debt**

*A stable outlook*

*A stable trend*

*These ratings by Standard and Poor's and Dominion Bond Rating Service have remained consistent throughout 2003 and into 2004, except for Standard & Poor's preferred share rating which was changed from P-2 stable outlook in the second quarter of 2004.*

**Shareholders' equity and Debt <sup>(vii)</sup> (\$ millions)**



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

**Capital Investments and Depreciation**

(Thousands of dollars, except as otherwise indicated)

**Capital investments**

Telecommunications  
 Information Technology  
 Other and intercompany eliminations

2004			
Q3	Q2	Q1	Total
\$49,899	\$42,415	\$84,403	\$176,717
1,472	2,227	357	4,056
67	58	36	161
<b>\$51,438</b>	<b>\$44,700</b>	<b>\$84,796</b>	<b>\$180,934</b>

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

**Depreciation**

Telecommunications  
 Information Technology  
 Other and intercompany eliminations

\$97,154	\$97,060	\$99,339	\$293,553
2,079	2,134	2,319	6,532
(663)	(645)	(699)	(2,007)
<b>\$98,570</b>	<b>\$98,549</b>	<b>\$100,959</b>	<b>\$298,078</b>

\$93,420	\$95,805	\$95,977	\$96,108	\$381,310
2,964	3,000	3,007	2,784	11,755
(672)	(492)	(602)	(702)	(2,468)
<b>\$95,712</b>	<b>\$98,313</b>	<b>\$98,382</b>	<b>\$98,190</b>	<b>\$390,597</b>

**Capital investments % of operating revenues**

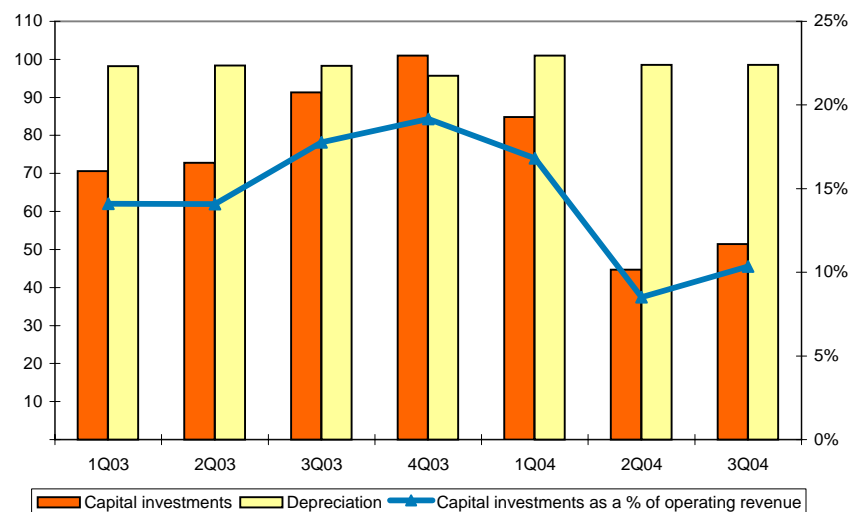
Telecommunications  
 Information Technology  
 Other and intercompany eliminations

11.1%	9.1%	19.5%	13.1%
1.9%	2.6%	0.4%	1.5%
n.m.	n.m.	n.m.	n.m.
<b>10.3%</b>	<b>8.5%</b>	<b>16.8%</b>	<b>11.8%</b>

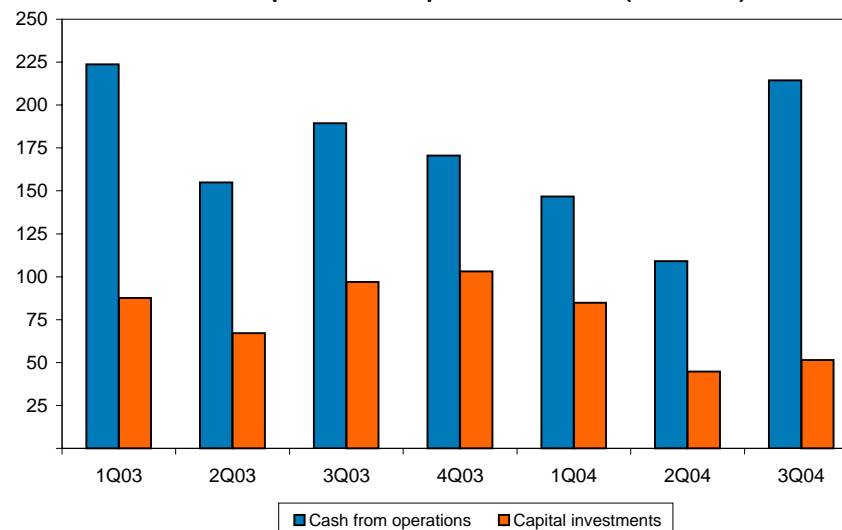
21.2%	19.7%	15.4%	16.2%	18.2%
2.4%	0.2%	0.7%	0.5%	1.0%
n.m.	n.m.	n.m.	n.m.	n.m.
<b>19.2%</b>	<b>17.8%</b>	<b>14.1%</b>	<b>14.1%</b>	<b>16.3%</b>

n.m. - not meaningful

**Capital investments / Depreciation (\$ millions)**



**Cash from operations / Capital investments (\$ millions)**



**ALIANT INC.**  
**Supplemental Investor Information - Third Quarter 2004 (unaudited)**

**Telecommunications Financial Highlights**

(Thousands of dollars, except as otherwise indicated)

**Operating Revenues**

	2004			
	Q3	Q2	Q1	Total
Local	\$183,771	\$188,571	\$188,257	\$560,599
Long distance	85,924	88,127	92,097	266,148
Wireless	103,023	94,012	86,549	283,584
Internet	30,386	30,183	28,979	89,548
Product sales	24,817	26,488	25,176	76,481
Directory	10,508	27,970	2,013	40,491
Innovatia	7,712	6,411	6,023	20,146
Other	4,524	4,312	3,538	12,374

Cost of operating revenues

Other operating expenses

Pension and other post employment benefits cost

Depreciation

Restructuring charge

**Operating income**

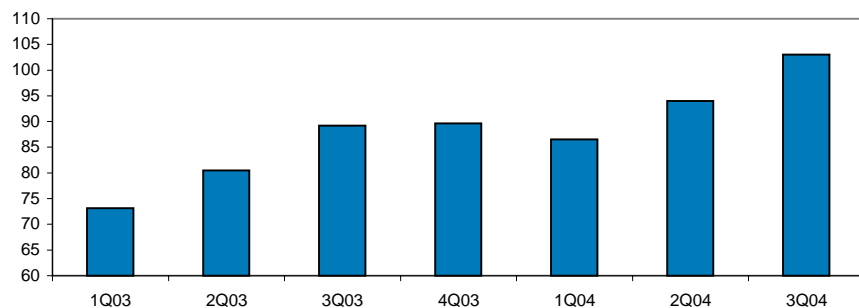
**Net income**

*Contribution to EPS*

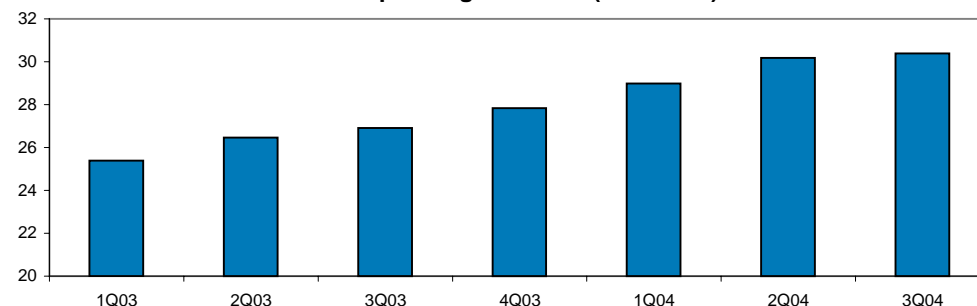
2004				
	Q3	Q2	Q1	Total
	<b>\$450,665</b>	<b>\$466,074</b>	<b>\$432,632</b>	<b>\$1,349,371</b>
	38,528	38,853	34,200	111,581
	224,974	212,881	192,939	630,794
	16,125	18,427	19,940	54,492
	97,154	97,060	99,339	293,553
	126	309	1,921	2,356
	<b>\$73,758</b>	<b>\$98,544</b>	<b>\$84,293</b>	<b>\$256,595</b>
	<b>\$34,652</b>	<b>\$54,889</b>	<b>\$43,109</b>	<b>\$132,650</b>
	\$0.26	\$0.41	\$0.32	\$1.00

2003 <sup>(1)</sup>					
	Q4	Q3	Q2	Q1	Total
	\$188,030	\$194,352	\$192,630	\$190,029	\$765,041
	97,541	98,159	97,799	100,804	394,303
	89,646	89,226	80,485	73,161	332,518
	27,829	26,906	26,463	25,386	106,584
	41,634	29,330	26,678	24,624	122,266
	8,136	10,318	26,113	1,763	46,330
	6,932	6,239	6,642	5,570	25,383
	5,664	5,929	7,263	8,524	27,380
	<b>\$465,412</b>	<b>\$460,459</b>	<b>\$464,073</b>	<b>\$429,861</b>	<b>\$1,819,805</b>
	50,275	43,716	39,565	41,709	175,265
	181,038	184,051	187,548	186,757	739,394
	15,250	15,922	13,543	13,674	58,389
	93,420	95,805	95,977	96,108	381,310
	-	-	-	-	-
	<b>\$125,429</b>	<b>\$120,965</b>	<b>\$127,440</b>	<b>\$91,613</b>	<b>\$465,447</b>
	<b>\$59,609</b>	<b>\$60,433</b>	<b>\$65,436</b>	<b>\$42,826</b>	<b>\$228,304</b>
	\$0.44	\$0.44	\$0.47	\$0.31	\$1.66

**Wireless operating revenues (\$ millions)**



**Internet operating revenues (\$ millions)**



**LOCAL**

**Network access service**

Business  
 Residential

**LONG DISTANCE**

*Long distance minutes (000's)*

*Revenue per long distance minute*

*Year-to-date growth (%)*

*Local revenue*  
*Long distance revenue*  
*Network access service*  
*Long distance minutes*

2004		
Q3	Q2	Q1
595,995	595,475	592,734
897,518	900,904	905,405
<b>1,493,513</b>	<b>1,496,379</b>	<b>1,498,139</b>

2003			
Q4	Q3	Q2	Q1
592,428	594,593	597,355	594,941
908,283	914,927	916,507	921,639
<b>1,500,711</b>	<b>1,509,520</b>	<b>1,513,862</b>	<b>1,516,580</b>

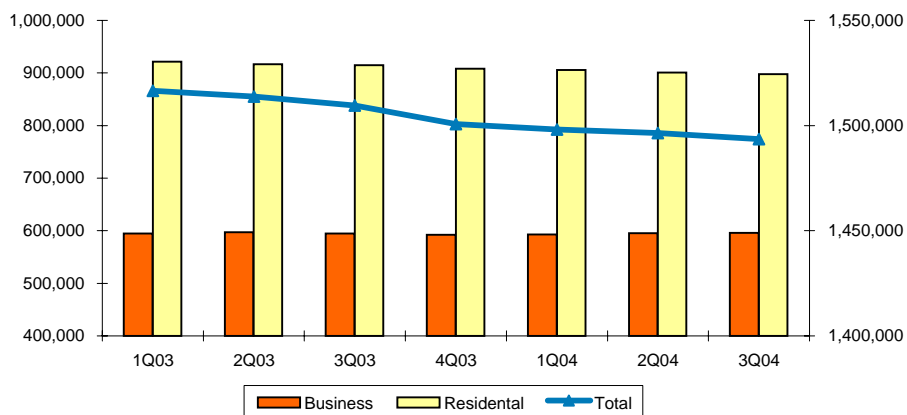
<b>736,213</b>	<b>767,071</b>	<b>853,900</b>
<b>\$0.09</b>	<b>\$0.09</b>	<b>\$0.08</b>

<b>835,009</b>	<b>846,477</b>	<b>855,955</b>	<b>965,925</b>
<b>\$0.09</b>	<b>\$0.09</b>	<b>\$0.09</b>	<b>\$0.08</b>

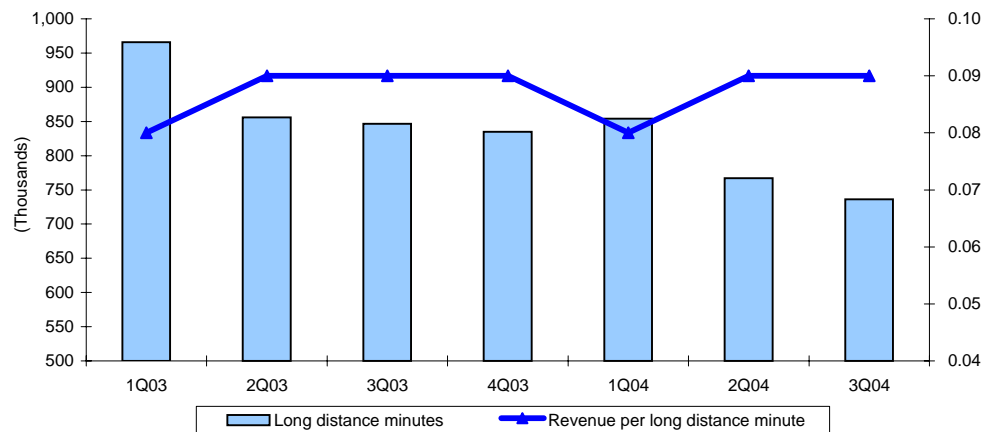
(2.8%)	(1.5%)	(0.9%)
(10.3%)	(9.3%)	(8.6%)
(1.1%)	(1.2%)	(1.2%)
(11.7%)	(11.0%)	(11.6%)

(1.3%)	(1.1%)	(1.2%)	(1.0%)
(2.4%)	(2.1%)	(2.2%)	(0.7%)
(1.3%)	(1.2%)	(0.8%)	(0.6%)
(4.4%)	(1.0%)	1.7%	7.1%

**Network access service**



**Long distance minutes**



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

**Telecommunications Operating Statistics -  
Wireless**

(Thousands of dollars, except as otherwise indicated)

**WIRELESS**

**Wireless services and product sales revenues**

Wireless services  
Product sales

**Wireless cost of operating revenues and operating expenses**

**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

- total

**ARPC - total**

**Average minutes of use**

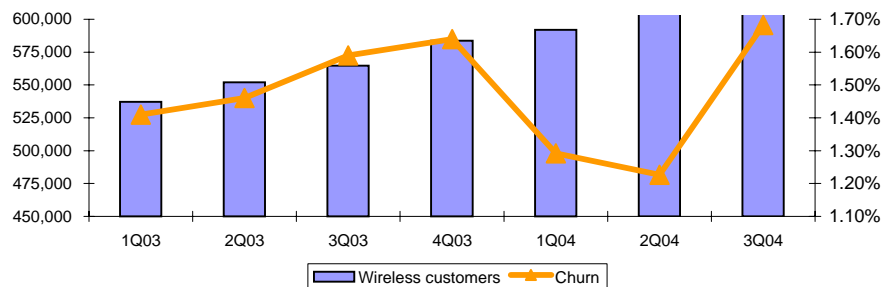
2004			
Q3	Q2	Q1	Total
\$103,023	\$94,012	\$86,549	\$283,584
227	1,896	658	2,781
<b>\$103,250</b>	<b>\$95,908</b>	<b>\$87,207</b>	<b>\$286,365</b>
\$51,321	\$49,763	\$44,920	\$146,004
99,913	109,638	118,192	
451,667	435,253	413,414	
<b>551,580</b>	<b>544,891</b>	<b>531,606</b>	
46,956	47,584	45,226	
19,092	17,110	15,051	
<b>66,048</b>	<b>64,694</b>	<b>60,277</b>	
<b>617,628</b>	<b>609,585</b>	<b>591,883</b>	
(10,353)	(6,196)	(16,950)	
18,396	23,898	25,253	
<b>8,043</b>	<b>17,702</b>	<b>8,303</b>	

2003				
Q4	Q3	Q2	Q1	Total
\$89,646	\$89,226	\$80,485	\$73,161	\$332,518
2,615	1,355	379	339	4,688
<b>\$92,261</b>	<b>\$90,581</b>	<b>\$80,864</b>	<b>\$73,500</b>	<b>\$337,206</b>
\$46,345	\$45,871	\$43,560	\$40,437	\$176,213
133,240	152,747	168,635	184,638	
390,210	352,181	325,340	293,980	
<b>523,450</b>	<b>504,928</b>	<b>493,975</b>	<b>478,618</b>	
47,128	50,099	51,282	53,056	
13,002	9,606	6,873	5,437	
<b>60,130</b>	<b>59,705</b>	<b>58,155</b>	<b>58,493</b>	
<b>583,580</b>	<b>564,633</b>	<b>552,130</b>	<b>537,111</b>	
(22,478)	(17,071)	(17,777)	(17,813)	
41,425	29,574	32,796	25,639	
<b>18,947</b>	<b>12,503</b>	<b>15,019</b>	<b>7,826</b>	

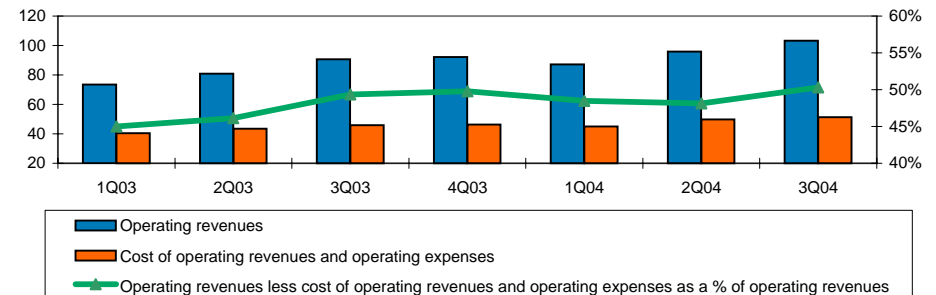
2004	2003	2002	2001
1.7%	1.2%	1.3%	
\$58.51	\$54.24	\$50.84	
\$12.27	\$10.85	\$9.64	
<b>\$53.57</b>	<b>\$49.72</b>	<b>\$46.62</b>	
289	272	237	
16.8%	17.5%	18.3%	
(27.6%)	(28.5%)	(31.2%)	
30.1%	36.2%	43.1%	
9.4%	10.4%	10.2%	
7.1%	7.8%	8.9%	
9.7%	10.4%	10.2%	

2003	2002	2001	2000
1.6%	1.6%	1.5%	1.4%
\$54.42	\$55.21	\$51.04	\$47.02
\$10.37	\$11.08	\$9.22	\$7.97
<b>\$49.82</b>	<b>\$50.57</b>	<b>\$46.52</b>	<b>\$42.80</b>
259	265	247	215
18.2%	19.0%	19.4%	19.5%
(29.4%)	(24.9%)	(23.3%)	(18.5%)
47.3%	50.7%	61.9%	63.4%
10.3%	10.6%	12.2%	13.1%
7.7%	8.4%	9.0%	8.1%
13.3%	16.8%	15.5%	12.0%

**Wireless customers / Churn**



**YTD Wireless operating results (\$ millions)**



**INTERNET**

**Customers**

Dial up  
High speed

**Customer net additions**

Dial up  
High speed

**Churn**

**Per customer**

**Average revenue (ARPC)**

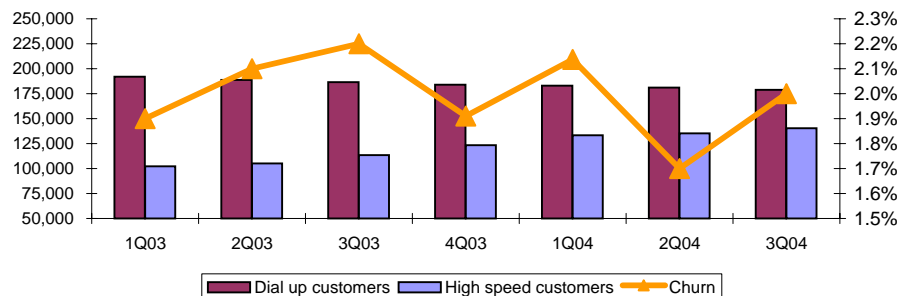
Consumer dial up <sup>(4)</sup>  
Consumer high speed <sup>(4)</sup>  
Business dial up  
Business high speed

**Year-to-date growth (%)**

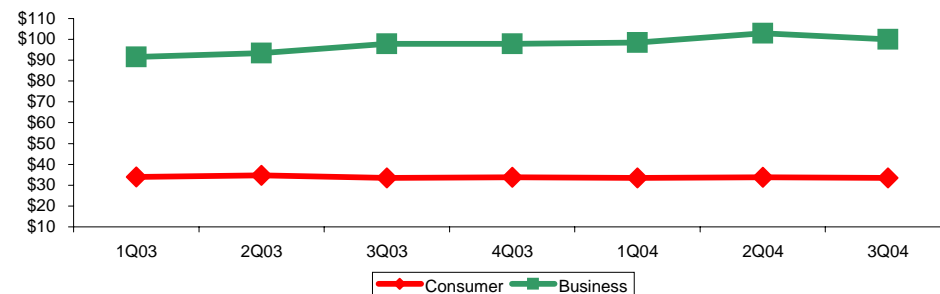
Operating revenues  
Customers - dial up  
- high speed  
ARPC - consumer high speed  
- business high speed

	2004			2003			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Customers</b>							
Dial up	178,782	181,023	183,080	183,930	186,456	188,754	192,097
High speed	140,349	135,367	133,474	123,387	113,517	105,117	102,219
	<b>319,131</b>	<b>316,390</b>	<b>316,554</b>	<b>307,317</b>	<b>299,973</b>	<b>293,871</b>	<b>294,316</b>
<b>Customer net additions</b>							
Dial up	(2,241)	(2,057)	(850)	(2,526)	(2,298)	(3,343)	511
High speed	4,982	1,893	10,087	9,870	8,400	2,898	5,674
	<b>2,741</b>	<b>(164)</b>	<b>9,237</b>	<b>7,344</b>	<b>6,102</b>	<b>(445)</b>	<b>6,185</b>
<b>Churn</b>	<b>2.0%</b>	<b>1.7%</b>	<b>2.1%</b>	<b>1.9%</b>	<b>2.2%</b>	<b>2.1%</b>	<b>1.9%</b>
<b>Per customer</b>							
<b>Average revenue (ARPC)</b>							
Consumer dial up <sup>(4)</sup>	\$20.24	\$20.18	\$19.68	\$19.51	\$20.00	\$19.77	\$19.36
Consumer high speed <sup>(4)</sup>	\$33.44	\$33.76	\$33.48	\$33.86	\$33.53	\$34.67	\$34.03
Business dial up	\$45.77	\$44.23	\$45.49	\$45.83	\$44.58	\$44.36	\$43.77
Business high speed	\$100.04	\$102.93	\$98.49	\$97.86	\$97.80	\$93.44	\$91.55
<b>Year-to-date growth (%)</b>							
Operating revenues	13.7%	14.1%	14.2%	16.5%	16.7%	17.1%	16.2%
Customers - dial up	(4.1%)	(4.1%)	(4.7%)	(4.0%)	(2.2%)	(2.5%)	(2.7%)
- high speed	23.6%	28.8%	30.6%	27.8%	22.6%	24.1%	28.1%
ARPC - consumer high speed	(1.5%)	(2.2%)	(1.6%)	5.8%	5.4%	4.8%	0.1%
- business high speed	6.6%	8.9%	7.6%	12.6%	13.3%	13.0%	13.4%

**Internet customers / Churn**



**Average revenue per customer (ARPC) - High speed**



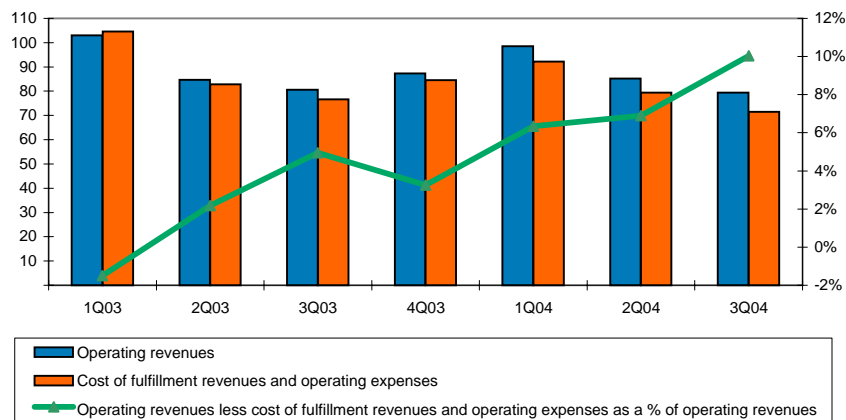
**ALIAN T INC.**  
**Supplemental Investor Information - Third Quarter 2004 (unaudited)**

**Information Technology Financial Highlights**

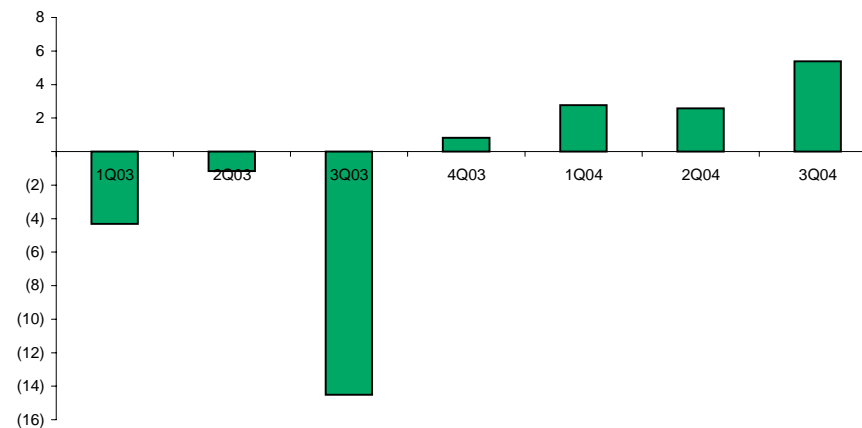
(Thousands of dollars, except as otherwise indicated)

	2004				2003 <sup>(1)</sup>				
	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>Operating revenues</b>									
<b>IT services</b>									
<i>External customers</i>	\$24,499	\$29,702	\$32,777	\$86,978	\$31,362	\$30,067	\$33,432	\$31,811	\$126,672
<i>Other Aliant lines of business</i>	25,343	22,408	21,221	68,972	21,796	20,452	23,527	24,662	90,437
	<b>\$49,842</b>	<b>\$52,110</b>	<b>\$53,998</b>	<b>\$155,950</b>	<b>\$53,158</b>	<b>\$50,519</b>	<b>\$56,959</b>	<b>\$56,473</b>	<b>\$217,109</b>
<b>Fulfillment</b>									
<i>External customers</i>	\$22,952	\$31,171	\$40,977	\$95,100	\$30,871	\$25,550	\$22,833	\$42,533	\$121,787
<i>Other Aliant lines of business</i>	6,627	1,946	3,490	12,063	3,326	4,570	4,823	4,018	16,737
	<b>\$29,579</b>	<b>\$33,117</b>	<b>\$44,467</b>	<b>\$107,163</b>	<b>\$34,197</b>	<b>\$30,120</b>	<b>\$27,656</b>	<b>\$46,551</b>	<b>\$138,524</b>
	<b>\$79,421</b>	<b>\$85,227</b>	<b>\$98,465</b>	<b>\$263,113</b>	<b>\$87,355</b>	<b>\$80,639</b>	<b>\$84,615</b>	<b>\$103,024</b>	<b>\$355,633</b>
Cost of fulfillment revenues	27,110	30,329	40,295	97,734	31,049	27,332	25,012	41,718	125,111
Operating expenses									
Delivery	31,500	34,740	37,116	103,356	36,508	35,442	39,142	38,419	149,511
Selling, general and administration	12,836	14,275	14,806	41,917	16,962	13,877	18,615	24,422	73,876
	44,336	49,015	51,922	145,273	53,470	49,319	57,757	62,841	223,387
Depreciation	2,079	2,134	2,319	6,532	2,964	3,000	3,007	2,784	11,755
Restructuring charge	516	1,164	1,162	2,842	(950)	15,500	-	-	14,550
<b>Operating income (loss)</b>	<b>\$5,380</b>	<b>\$2,585</b>	<b>\$2,767</b>	<b>\$10,732</b>	<b>\$822</b>	<b>(\$14,512)</b>	<b>(\$1,161)</b>	<b>(\$4,319)</b>	<b>(\$19,170)</b>
<b>Net income (loss)</b>	<b>\$5,377</b>	<b>\$2,374</b>	<b>\$1,341</b>	<b>\$9,092</b>	<b>\$391</b>	<b>(\$8,278)</b>	<b>(\$1,045)</b>	<b>(\$3,269)</b>	<b>(\$12,201)</b>
<i>Contribution to EPS</i>	\$0.04	\$0.02	\$0.01	\$0.07	\$0.00	(\$0.06)	(\$0.01)	(\$0.02)	(\$0.09)

**YTD Operating results (\$ millions)**



**Operating income (loss) (\$ 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. We have acquired under these NCIB programs, from time to time, our common shares at market prices for cancellation.
4. Internet average revenue per customer (ARPC) for consumer dial up and consumer high speed services has been restated as a result of the inclusion of revenues from enhanced services. This restatement was necessary to conform to the 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 (shareholders' equity excluding preferred shares) 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) Debt - long-term debt, long-term debt due within one year, interest payable, and notes payable and bank advances.
- (viii) Return on shareholders' equity - net income applicable to common shares for the period divided by average book value of common equity (shareholders' equity excluding preferred shares) for the period. This calculation is annualized.
- (ix) Return on invested capital - net income plus total interest charges, net of taxes for the period divided by average book value of total capital (shareholders' equity, non-controlling interest, long term debt, including current portion, bank indebtedness, notes payable, and interest payable) for the period. This calculation is annualized.
- (x) Interest coverage - Operating income plus other income (expense) divided by interest charges (current quarter plus three (3) previous quarters).
- (xi) Cash flow to interest - Cash from operations (before change in non-cash working capital) divided by interest charges (current quarter plus three (3) previous quarters).

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Registrar

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Preferred: **AIT.PR.A**

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Chartered Accountants  
St. John's, NL

From its home base in Atlantic Canada, Aliant delivers a wide variety of innovative and traditional communications services, including local and long distance telephony, 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 information technology solutions and knowledge-services applications. The Company's 8,600 employees build on Aliant's 100-plus year history by collaborating to deliver the highest quality of customer service, choice and convenience. Aliant is a TSX 100 company with a market capitalization of approximately \$3.5 billion.