

# Supplementary Financial Information

March 31, 2006

***Aliant***



|   | Page |
|---|------|
| <b>Highlights</b>                                     | 3    |
| <b>Consolidated</b>                                   |      |
| Growth  | 4    |
| Shareholder Value                                     | 5    |
| Capital Investments and Depreciation and Amortization | 7    |
| <b>Operating Segments</b>                             |      |
| Telecommunications                                    |      |
| Financial Highlights                                  | 8    |
| Operating Statistics - Local & Long Distance          | 9    |
| Operating Statistics - Wireless                       | 10   |
| Operating Statistics - Internet                       | 11   |
| Information Technology                                |      |
| Financial Highlights                                  | 12   |
| <b>Accompanying Notes</b>                             | 13   |
| <b>Corporate Information</b>                          | 14   |

**ALIANT INC.**  
**Supplementary Financial Information (unaudited)**

**Highlights**

(Thousands of dollars, except as otherwise indicated)

**FINANCIAL**

**Operating revenues**

|   |
|---|
| Cost of operating revenues                      |
| Other operating expenses                        |
| Pension and other post-employment benefit costs |
| Depreciation and amortization                   |
| Restructuring and other charges                 |

**Operating income**

|                               |
|-------------------------------|
| Other expenses <sup>(1)</sup> |
| Interest charges              |
| Income taxes                  |
| Non-controlling interest      |

**Net income**

|                           |
|---------------------------|
| Preferred share dividends |
|---------------------------|

**Net income applicable to common shares**

**EPS**

**Cash from operating activities <sup>(2)</sup>**

**Capital investments <sup>(3)</sup>**

**SHARE CAPITAL**

Weighted average number of common shares outstanding in the period <sup>(4)</sup>

Trading hi-low

**As at March 31:**

Number of common shares outstanding <sup>(4)</sup>

Common share price (AIT)

Preferred share price (AIT.PR.A)

**Market capitalization**

| Three Months Ended March 31 |                  |                 |
|-----------------------------|------------------|-----------------|
| <u>2006</u>                 | <u>2005</u>      | <u>% Change</u> |
| <b>\$544,949</b>            | <b>\$524,414</b> | <b>3.9%</b>     |
| 88,959                      | 82,961           | 7.2%            |
| 235,656                     | 230,822          | 2.1%            |
| 24,826                      | 25,335           | (2.0%)          |
| 98,896                      | 98,590           | 0.3%            |
| 311                         | -                | n.m.            |
| <b>96,301</b>               | <b>86,706</b>    | <b>11.1%</b>    |
| 12,799                      | 961              | n.m.            |
| 17,431                      | 17,385           | 0.3%            |
| 25,335                      | 24,373           | 3.9%            |
| 557                         | 403              | 38.2%           |
| <b>\$40,179</b>             | <b>\$43,584</b>  | <b>(7.8%)</b>   |
| 2,384                       | 2,384            | -               |
| <b>\$37,795</b>             | <b>\$41,200</b>  | <b>(8.3%)</b>   |
| <b>\$0.30</b>               | <b>\$0.31</b>    | <b>(3.2%)</b>   |
| <b>\$99,720</b>             | <b>\$32,515</b>  | <b>206.7%</b>   |
| <b>\$80,947</b>             | <b>\$82,163</b>  | <b>(1.5%)</b>   |

|                    |                    |              |
|--------------------|--------------------|--------------|
| 127,224,388        | 132,336,288        | (3.9%)       |
| \$36.88 - \$27.18  | \$29.73 - \$27.10  |              |
| 127,366,974        | 131,657,599        | (3.3%)       |
| \$35.55            | \$28.81            | 23.4%        |
| \$25.01            | \$25.75            | (2.9%)       |
| <b>\$4,527,896</b> | <b>\$3,793,055</b> | <b>19.4%</b> |

n.m. - not meaningful

**ALIAN T INC.**
**Supplementary Financial Information (unaudited)**
**Growth**

(Thousands of dollars, except as otherwise indicated)

|   | 2006             | 2005             |                  |                  |                  |                    |
|---|------------------|------------------|------------------|------------------|------------------|--------------------|
|   | Q1               | Q4               | Q3               | Q2               | Q1               | Total              |
| <b>Operating revenues *</b>   |                  |                  |                  |                  |                  |                    |
| Telecommunications  | \$460,149        | \$480,081        | \$468,304        | \$458,411        | \$445,830        | \$1,852,626        |
| Information Technology  | 104,196          | 82,214           | 82,687           | 85,906           | 104,830          | 355,637            |
| Other and intercompany eliminations                                 | (19,396)         | (27,406)         | (30,937)         | (26,992)         | (26,246)         | (111,581)          |
| Operating revenues  | <b>\$544,949</b> | <b>\$534,889</b> | <b>\$520,054</b> | <b>\$517,325</b> | <b>\$524,414</b> | <b>\$2,096,682</b> |
| <i>Current year quarter over same prior year quarter growth (%)</i> | 3.9%             | 5.0%             | 4.1%             | 1.8%             | 1.9%             |                    |
| <i>Year-to-date growth (%)</i>                                      | 3.9%             | 3.2%             | 2.6%             | 1.9%             | 1.9%             |                    |
| <b>Operating income *</b>   |                  |                  |                  |                  |                  |                    |
| Telecommunications  | \$102,134        | \$107,952        | \$109,315        | \$101,957        | \$86,949         | \$406,173          |
| Information Technology  | 3,808            | 6,064            | 3,493            | 6,570            | 7,704            | 23,831             |
| Other and intercompany eliminations                                 | (9,641)          | (8,844)          | (8,643)          | (9,712)          | (8,091)          | (35,290)           |
| Operating income  | <b>\$96,301</b>  | <b>\$105,172</b> | <b>\$104,165</b> | <b>\$98,815</b>  | <b>\$86,562</b>  | <b>\$394,714</b>   |
| <i>Current year quarter over same prior year quarter growth (%)</i> | 11.3%            | 12.7%            | 40.3%            | 22.4%            | (6.8%)           |                    |
| <i>Year-to-date growth (%)</i>                                      | 11.3%            | 15.7%            | 16.8%            | 6.8%             | (6.8%)           |                    |
| <b>Net income</b>   |                  |                  |                  |                  |                  |                    |
| Telecommunications  | \$44,169         | \$56,860         | \$56,732         | \$50,091         | \$42,785         | \$206,468          |
| Information Technology  | 1,564            | 4,117            | 1,000            | 4,897            | 4,364            | 14,378             |
| Other and intercompany eliminations                                 | (5,554)          | (5,810)          | (6,905)          | (5,203)          | (3,565)          | (21,483)           |
| Net income, as reported   | <b>\$40,179</b>  | <b>\$55,167</b>  | <b>\$50,827</b>  | <b>\$49,785</b>  | <b>\$43,584</b>  | <b>\$199,363</b>   |
| Financial derivative loss, net of tax                               | 8,293            | -                | -                | -                | -                | -                  |
|   | <b>\$48,472</b>  | <b>\$55,167</b>  | <b>\$50,827</b>  | <b>\$49,785</b>  | <b>\$43,584</b>  | <b>\$199,363</b>   |
| <i>Current year quarter over same prior year quarter growth (%)</i> | 11.2%            | 10.7%            | 35.8%            | 21.2%            | (8.9%)           |                    |
| <i>Year-to-date growth (%)</i>                                      | 11.2%            | 13.2%            | 14.1%            | 5.0%             | (8.9%)           |                    |
| <b>EPS</b>  |                  |                  |                  |                  |                  |                    |
| For the period, as reported   | \$0.30           | \$0.41           | \$0.37           | \$0.36           | \$0.31           | \$1.46             |
| Financial derivative loss, net of tax                               | 0.07             | -                | -                | -                | -                | -                  |
| Quarterly   | <b>\$0.37</b>    | <b>\$0.41</b>    | <b>\$0.37</b>    | <b>\$0.36</b>    | <b>\$0.31</b>    | <b>\$1.46</b>      |
| Year-to-date  | <b>\$0.37</b>    | <b>\$1.46</b>    | <b>\$1.05</b>    | <b>\$0.67</b>    | <b>\$0.31</b>    |                    |
| <i>Year-to-date growth (%)</i>                                      | 19.4%            | 15.9%            | 16.7%            | 6.3%             | (8.8%)           |                    |

\* Refer to pages 8 to 11 for more information on Telecommunications results and page 12 for more information on Information Technology results.

**ALIAN T INC.**
**Shareholder Value**
**Supplementary Financial Information (unaudited)**

(Thousands of dollars, except as otherwise indicated)

|  | 2006        | 2005        |             |             |             |              |
|--|-------------|-------------|-------------|-------------|-------------|--------------|
|  | <u>Q1</u>   | <u>Q4</u>   | <u>Q3</u>   | <u>Q2</u>   | <u>Q1</u>   | <u>Total</u> |
| <b>Common shares (000's)</b>                                       |             |             |             |             |             |              |
| Number of common shares outstanding at end of period               | 127,367     | 127,138     | 128,406     | 130,023     | 131,658     |              |
| Weighted average number of common shares outstanding in the period | 127,224     | 127,691     | 129,221     | 130,928     | 132,336     |              |
| Weighted average number of common shares outstanding year-to-date  | 127,224     | 130,048     | 130,826     | 131,629     | 132,336     |              |
| Common shares repurchased under NCIBs <sup>(4)</sup>               | -           | 1,273       | 1,676       | 1,698       | 1,151       | 5,798        |
| <b>Market price per common share</b>                               |             |             |             |             |             |              |
| High   | \$36.88     | \$31.00     | \$30.00     | \$29.00     | \$29.73     |              |
| Low  | \$27.18     | \$26.05     | \$26.02     | \$25.75     | \$27.10     |              |
| Close  | \$35.55     | \$30.90     | \$28.66     | \$26.70     | \$28.81     |              |
| <i>Book value per common share (i)</i>                             | \$9.77      | \$9.75      | \$9.81      | \$9.95      | \$10.11     |              |
| <i>Market-to-book value (times) (ii)</i>                           | 3.6         | 3.2         | 2.9         | 2.7         | 2.8         |              |
| <i>Market capitalization (iii)</i>                                 | \$4,527,896 | \$3,928,550 | \$3,680,104 | \$3,471,627 | \$3,793,055 |              |
| <b>Common share dividends</b>                                      | \$39,462    | \$37,577    | \$38,054    | \$38,541    | \$39,024    | \$153,196    |
| <i>Dividends declared per common share, as stated</i>              | \$0.310     | \$0.295     | \$0.295     | \$0.295     | \$0.295     | \$1.180      |
| <i>Common share dividend payout ratio (iv)</i>                     | 104.4%      | 71.2%       | 78.6%       | 81.3%       | 94.7%       | 80.7%        |
| <i>Dividend yield (v)</i>  | 3.5%        | 3.8%        | 4.1%        | 4.4%        | 4.1%        |              |

(i) to (v) - see page 13 for definitions

**ALIANT INC.**
**Supplementary Financial Information (unaudited)**
**Shareholder Value**

(Continued)

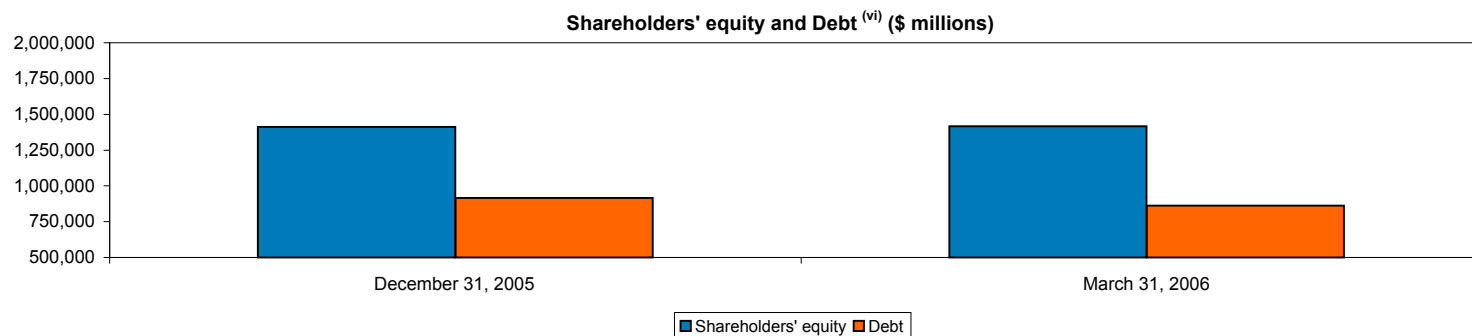
(Thousands of dollars, except as otherwise indicated)

|   | 2006            | 2005            |                  |                  |                   |                  |
|---|-----------------|-----------------|------------------|------------------|-------------------|------------------|
|   | Q1              | Q4              | Q3               | Q2               | Q1                | Total            |
| <b>Capital structure</b>                  |                 |                 |                  |                  |                   |                  |
| Shareholders' equity                      | 62.0%           | 60.5%           | 57.5%            | 58.2%            | 62.4%             |                  |
| Non-controlling interest                  | 0.3%            | 0.2%            | 0.2%             | 0.2%             | 0.2%              |                  |
| Debt (vi)                                 | 37.7%           | 39.3%           | 42.3%            | 41.6%            | 37.4%             |                  |
|   | <u>100.0%</u>   | <u>100.0%</u>   | <u>100.0%</u>    | <u>100.0%</u>    | <u>100.0%</u>     |                  |
| Return on shareholders' equity (vii)      | 12.2%           | 16.9%           | 15.2%            | 14.4%            | 12.2%             | 14.6%            |
| Return on invested capital (viii)         | 8.8%            | 11.1%           | 10.1%            | 10.0%            | 8.9%              | 10.0%            |
| <b>Cash from operating activities</b> (2) | <b>\$99,720</b> | <b>\$85,896</b> | <b>\$237,439</b> | <b>\$168,477</b> | <b>(\$18,029)</b> | <b>\$473,783</b> |
| <b>Interest charges</b>                   |                 |                 |                  |                  |                   |                  |
| Interest on long-term debt                | \$17,247        | \$18,176        | \$19,186         | \$18,190         | \$17,186          | \$72,738         |
| Other interest                            | 184             | 99              | 454              | 275              | 199               | 1,027            |
|   | <u>\$17,431</u> | <u>\$18,275</u> | <u>\$19,640</u>  | <u>\$18,465</u>  | <u>\$17,385</u>   | <u>\$73,765</u>  |
| <b>Coverage ratios</b>                    |                 |                 |                  |                  |                   |                  |
| Interest coverage (ix)                    | 5.3             | 5.3             | 4.3              | 3.9              | 3.6               |                  |
| Cash flow to interest (x)                 | 7.8             | 7.0             | 6.9              | 6.5              | 6.3               |                  |

(vi) to (x) - see page 13 for definitions

| <b>Financial strength</b>                      | <b>Standard &amp; Poor's</b> | <b>Dominion Bond Rating Service</b> |
|--|------------------------------|-------------------------------------|
| <b>Aliant corporate credit rating</b>          | <i>A negative outlook</i>    | <i>BBB (high) stable trend</i>      |
| <b>Aliant preferred shares</b>                 | <i>P-2 (high)</i>            | <i>Pfd-3 (high) stable trend</i>    |
| <b>Aliant commercial paper</b>                 | <i>A-1</i>                   | <i>R-1 (low) stable trend</i>       |
| <b>Aliant Telecom unsecured long-term debt</b> | <i>A</i>                     | <i>A (low) stable trend</i>         |

*During 2005, DBRS down-graded the corporate credit rating and long-term ratings on Aliant's debt and preferred shares. Also, S&P changed the corporate credit rating from stable to negative.*



**ALIANT INC.**

**Supplementary Financial Information (unaudited)**

(Thousands of dollars, except as otherwise indicated)

**Capital Investments and  
Depreciation and Amortization**

**Capital investments <sup>(3)</sup>**

Telecommunications  
Information Technology  
Other and intercompany eliminations

| 2006            |  | 2005            |                 |                  |                 |                  |
|-----------------|--|-----------------|-----------------|------------------|-----------------|------------------|
| Q1              |  | Q4              | Q3              | Q2               | Q1              | Total            |
| \$81,017        |  | \$77,586        | \$98,545        | \$105,052        | \$79,317        | \$360,500        |
| 733             |  | 1,057           | 1,221           | (60)             | 2,837           | 5,055            |
| (803)           |  | (602)           | (566)           | (669)            | 9               | (1,828)          |
| <u>\$80,947</u> |  | <u>\$78,041</u> | <u>\$99,200</u> | <u>\$104,323</u> | <u>\$82,163</u> | <u>\$363,727</u> |

**Depreciation and amortization**

Telecommunications  
Information Technology  
Other and intercompany eliminations

|                 |                 |                 |                 |                 |                  |
|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| \$97,764        | \$94,969        | \$97,476        | \$97,188        | \$96,852        | \$386,485        |
| 888             | 835             | 1,125           | 2,030           | 1,945           | 5,935            |
| 244             | (369)           | (357)           | (232)           | (207)           | (1,165)          |
| <u>\$98,896</u> | <u>\$95,435</u> | <u>\$98,244</u> | <u>\$98,986</u> | <u>\$98,590</u> | <u>\$391,255</u> |

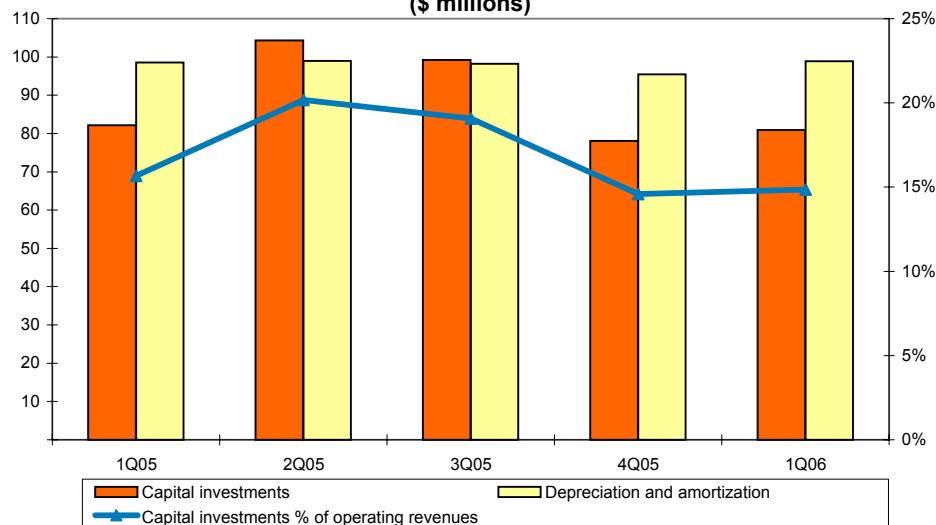
**Capital investments % of operating revenues**

Telecommunications  
Information Technology  
Other

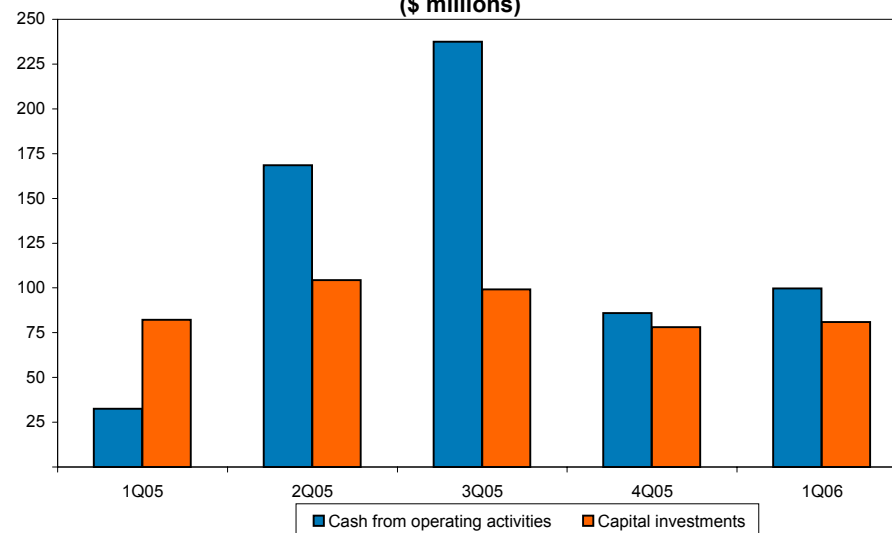
|              |              |              |              |              |              |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 17.6%        | 16.2%        | 21.0%        | 22.9%        | 17.8%        | 19.5%        |
| 0.7%         | 1.3%         | 1.5%         | (0.1%)       | 2.7%         | 1.4%         |
| n.m.         | n.m.         | n.m.         | n.m.         | n.m.         | n.m.         |
| <u>14.9%</u> | <u>14.6%</u> | <u>19.1%</u> | <u>20.2%</u> | <u>15.7%</u> | <u>17.3%</u> |

n.m. - not meaningful

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



**Cash from operating activities / Capital investments  
(\$ millions)**



**ALIAN T INC.**  
**Supplementary Financial Information (unaudited)**

**Telecommunications Financial Highlights**

(Thousands of dollars, except as otherwise indicated)

**Operating Revenues**

Local  
 Long distance  
 Wireless  
 Internet  
 Product sales  
 Directory  
 Innovatia  
 Other

Cost of operating revenues

Other operating expenses

Pension and other post-employment benefit costs

Depreciation and amortization

Restructuring and other charges

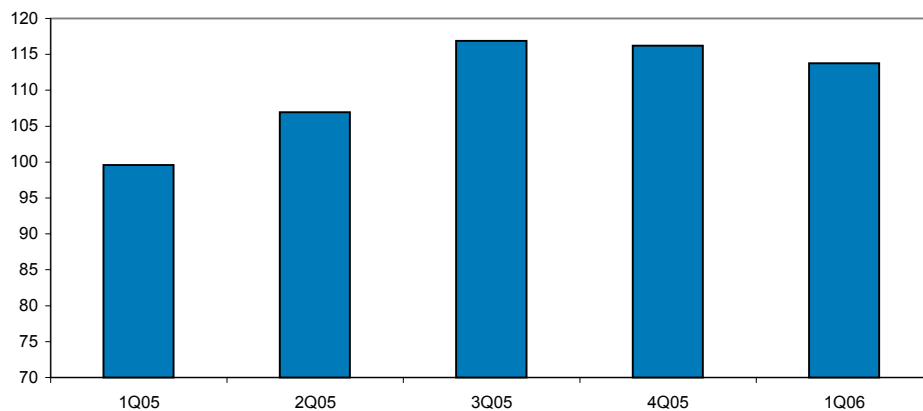
**Operating income**

**Net income**

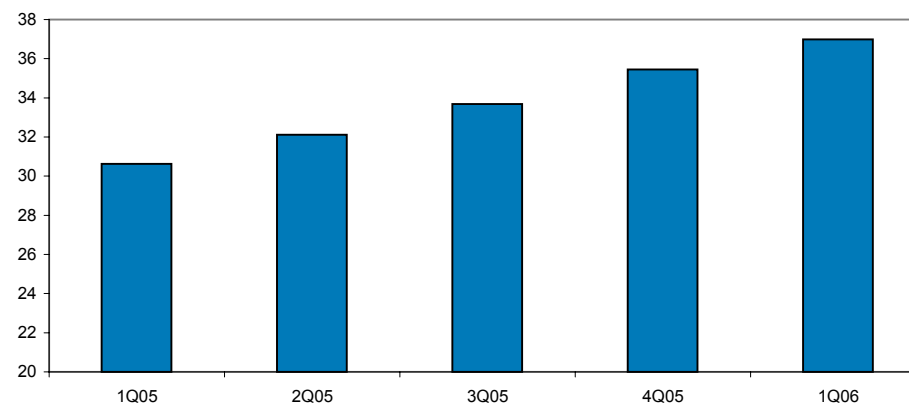
Contribution to EPS

|  | 2006             | 2005             |                  |                  |                  |                    |
|--|------------------|------------------|------------------|------------------|------------------|--------------------|
|  | Q1               | Q4               | Q3               | Q2               | Q1               | Total              |
|  | \$177,339        | \$180,759        | \$180,885        | \$184,158        | \$182,487        | \$728,289          |
|  | 74,728           | 79,915           | 78,570           | 80,755           | 79,719           | 318,959            |
|  | 113,778          | 116,210          | 116,880          | 106,960          | 99,570           | 439,620            |
|  | 36,980           | 35,455           | 33,689           | 32,109           | 30,629           | 131,882            |
|  | 29,862           | 38,653           | 30,662           | 27,199           | 29,737           | 126,251            |
|  | 13,409           | 13,706           | 13,655           | 13,587           | 12,389           | 53,337             |
|  | 10,534           | 10,005           | 10,950           | 10,323           | 8,464            | 39,742             |
|  | 3,519            | 5,378            | 3,013            | 3,320            | 2,835            | 14,546             |
|  | <b>\$460,149</b> | <b>\$480,081</b> | <b>\$468,304</b> | <b>\$458,411</b> | <b>\$445,830</b> | <b>\$1,852,626</b> |
|  | 38,819           | 45,031           | 39,869           | 39,367           | 40,441           | 164,708            |
|  | 197,086          | 208,864          | 198,904          | 195,850          | 197,236          | 800,854            |
|  | 24,035           | 23,265           | 22,740           | 24,049           | 24,352           | 94,406             |
|  | 97,764           | 94,969           | 97,476           | 97,188           | 96,852           | 386,485            |
|  | 311              | -                | -                | -                | -                | -                  |
|  | <b>\$102,134</b> | <b>\$107,952</b> | <b>\$109,315</b> | <b>\$101,957</b> | <b>\$86,949</b>  | <b>\$406,173</b>   |
|  | <b>\$44,169</b>  | <b>\$56,860</b>  | <b>\$56,732</b>  | <b>\$50,091</b>  | <b>\$42,785</b>  | <b>\$206,468</b>   |
|  | \$0.35           | \$0.45           | \$0.44           | \$0.38           | \$0.32           | \$1.59             |

Wireless operating revenues (\$ millions)



Internet operating revenues (\$ millions)



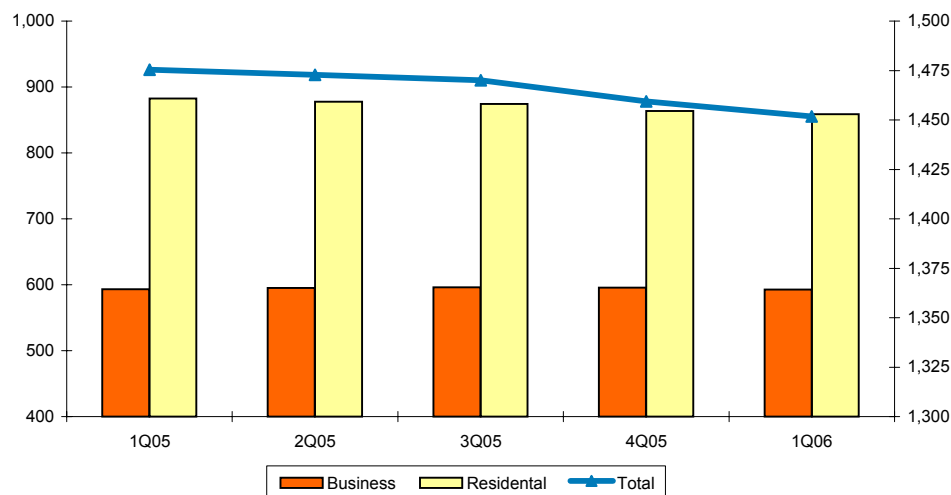
**LOCAL**  
**Network access service**  
 Business  
 Residential

**LONG DISTANCE**  
**Long distance minutes (000's)**  
**Revenue per long distance minute**

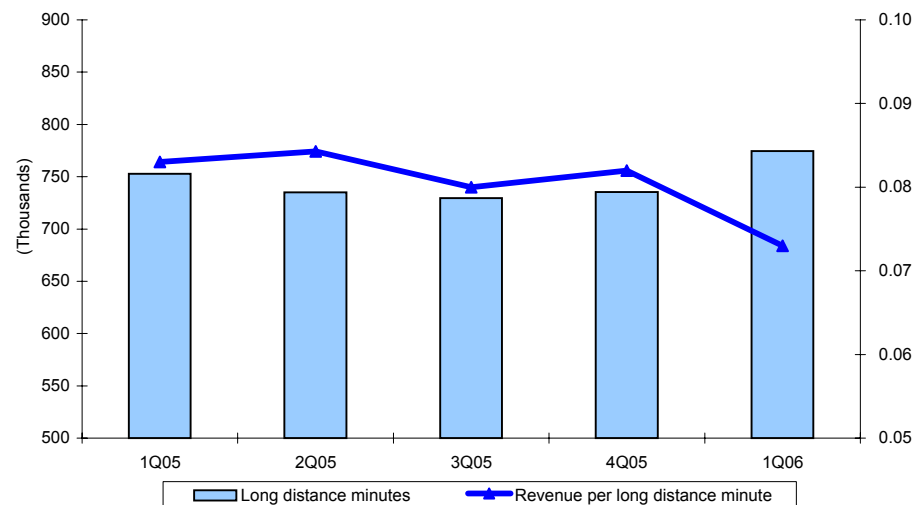
*Year-to-date growth (%)*  
 Local revenue  
 Long distance revenue  
 Network access service  
 Long distance minutes

| 2006             | 2005             |                  |                  |                  |
|------------------|------------------|------------------|------------------|------------------|
| Q1               | Q4               | Q3               | Q2               | Q1               |
| 592,843          | 595,680          | 595,919          | 595,191          | 593,095          |
| 858,857          | 863,752          | 874,127          | 877,624          | 882,322          |
| <b>1,451,700</b> | <b>1,459,432</b> | <b>1,470,046</b> | <b>1,472,815</b> | <b>1,475,417</b> |
| <b>774,591</b>   | <b>735,208</b>   | <b>729,503</b>   | <b>735,162</b>   | <b>752,785</b>   |
| <b>\$0.07</b>    | <b>\$0.08</b>    | <b>\$0.08</b>    | <b>\$0.08</b>    | <b>\$0.08</b>    |
| (2.8%)           | (2.9%)           | (2.3%)           | (2.6%)           | (3.3%)           |
| (6.3%)           | (8.5%)           | (10.2%)          | (11.0%)          | (13.4%)          |
| (1.6%)           | (1.5%)           | (1.4%)           | (1.6%)           | (1.5%)           |
| 2.9%             | (5.0%)           | (5.9%)           | (8.2%)           | (11.8%)          |

**Network access service**



**Long distance minutes**



**ALIAN T INC.**  
**Supplementary Financial Information (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)**

**Average minutes of use per customer**

**Average revenue per customer (ARPC)**

Postpaid  
Prepaid  
Total

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

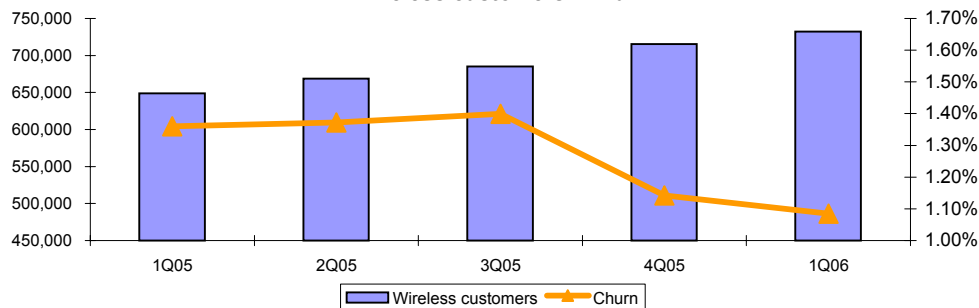
Operating revenues  
Customers - analog  
- digital  
- total

**Average minutes of use per customer**

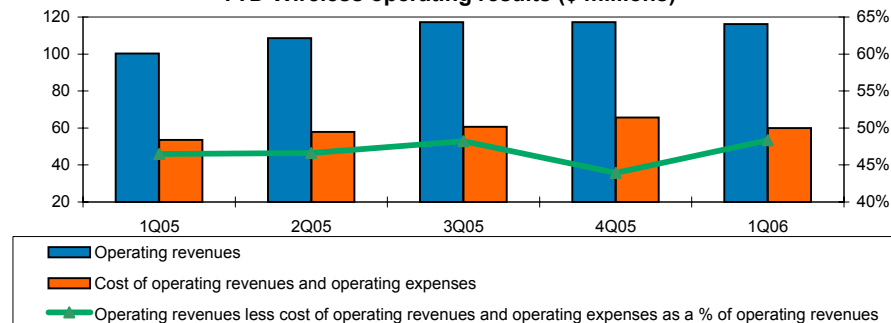
ARPC - total

| 2006           | 2005           |                |                |                |           |
|----------------|----------------|----------------|----------------|----------------|-----------|
|                | Q1             | Q4             | Q3             | Q2             | Q1        |
| \$113,778      | \$116,210      | \$116,880      | \$106,960      | \$99,570       | \$439,620 |
| 2,392          | 1,017          | 391            | 1,567          | 645            | 3,620     |
| 116,170        | 117,227        | 117,271        | 108,527        | 100,215        | 443,240   |
| 60,022         | 65,704         | 60,706         | 57,933         | 53,644         | 237,987   |
| \$56,148       | \$51,523       | \$56,565       | \$50,594       | \$46,571       | \$205,253 |
|                |                |                |                |                |           |
| 48,844         | 56,543         | 62,336         | 68,656         | 76,121         |           |
| 580,590        | 562,380        | 538,789        | 521,906        | 500,543        |           |
| 629,434        | 618,923        | 601,125        | 590,562        | 576,664        |           |
|                |                |                |                |                |           |
| 24,516         | 33,755         | 35,744         | 38,665         | 42,601         |           |
| 78,393         | 62,815         | 48,346         | 39,480         | 29,595         |           |
| 102,909        | 96,570         | 84,090         | 78,145         | 72,196         |           |
| <b>732,343</b> | <b>715,493</b> | <b>685,215</b> | <b>668,707</b> | <b>648,860</b> |           |
|                |                |                |                |                |           |
| (16,938)       | (7,782)        | (9,241)        | (11,401)       | (12,371)       |           |
| 33,788         | 38,060         | 25,749         | 31,248         | 21,568         |           |
| <b>16,850</b>  | <b>30,278</b>  | <b>16,508</b>  | <b>19,847</b>  | <b>9,197</b>   |           |
|                |                |                |                |                |           |
| 1.1%           | 1.1%           | 1.4%           | 1.4%           | 1.4%           |           |
| 278            | 296            | 311            | 299            | 264            |           |
| \$56.94        | \$59.15        | \$61.07        | \$57.32        | \$54.24        |           |
| \$11.52        | \$17.17        | \$13.87        | \$11.16        | \$10.78        |           |
| \$50.66        | \$53.87        | \$55.40        | \$52.12        | \$49.36        |           |
|                |                |                |                |                |           |
| 14.3%          | 13.8%          | 14.0%          | 14.4%          | 15.0%          |           |
| (38.2%)        | (31.1%)        | (33.2%)        | (31.7%)        | (27.4%)        |           |
| 24.3%          | 22.9%          | 24.7%          | 24.1%          | 23.7%          |           |
| 12.9%          | 11.9%          | 10.9%          | 9.7%           | 9.6%           |           |
| 5.3%           | 8.5%           | 9.4%           | 10.3%          | 11.4%          |           |
| 2.6%           | 4.0%           | 4.6%           | 5.3%           | 5.9%           |           |

**Wireless customers / Churn**



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



**INTERNET**

**Operating revenues**

Dial up  
High speed

**Customers**

Dial up  
High speed

**Customer net additions**

Dial up  
High speed

**Churn**

**Average revenue per customer (ARPC)**

Consumer dial up  
Consumer high speed  
Business dial up  
Business high speed

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

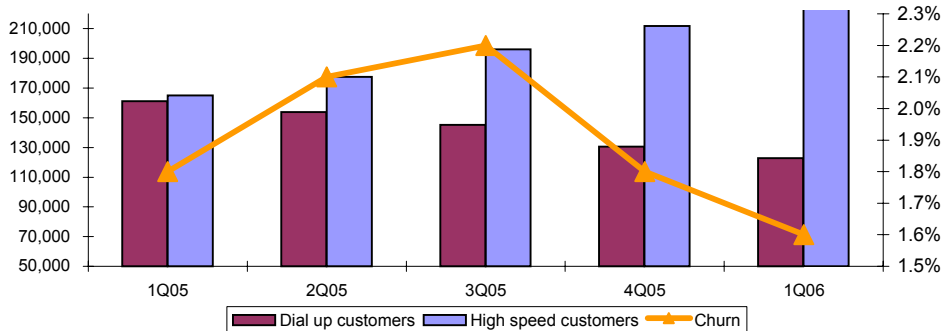
Operating revenues - dial up  
- high speed  
- total

Customers - dial up  
- high speed

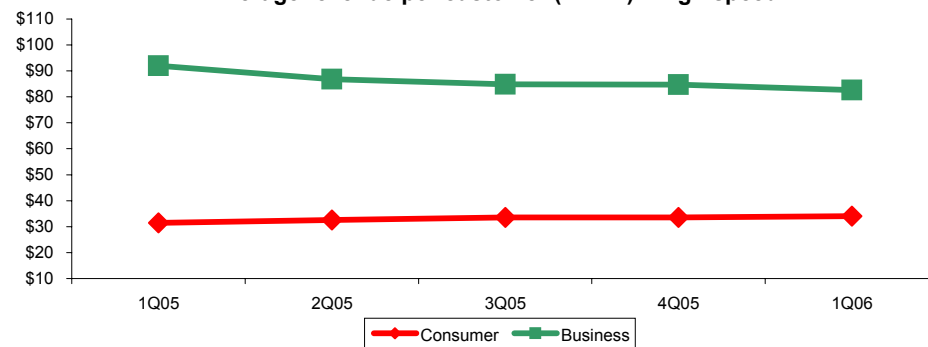
ARPC - consumer high speed  
- business high speed

| 2006            | 2005            |                 |                 |                 |                  |
|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
|                 | Q1              | Q4              | Q3              | Q2              | Q1               |
| \$8,751         | \$9,303         | \$9,769         | \$10,210        | \$10,783        | \$40,065         |
| 28,229          | 26,152          | 23,920          | 21,899          | 19,846          | 91,817           |
| <b>\$36,980</b> | <b>\$35,455</b> | <b>\$33,689</b> | <b>\$32,109</b> | <b>\$30,629</b> | <b>\$131,882</b> |
| 122,819         | 130,627         | 145,244         | 153,941         | 161,186         |                  |
| 230,518         | 211,918         | 195,978         | 177,544         | 165,059         |                  |
| <b>353,337</b>  | <b>342,545</b>  | <b>341,222</b>  | <b>331,485</b>  | <b>326,245</b>  |                  |
| (7,808)         | (14,617)        | (8,697)         | (7,245)         | (6,951)         |                  |
| 18,600          | 15,940          | 18,434          | 12,485          | 15,599          |                  |
| <b>10,792</b>   | <b>1,323</b>    | <b>9,737</b>    | <b>5,240</b>    | <b>8,648</b>    |                  |
| 1.6%            | 1.8%            | 2.2%            | 2.1%            | 1.8%            |                  |
| \$21.20         | \$20.61         | \$19.88         | \$19.76         | \$19.90         |                  |
| \$34.02         | \$33.57         | \$33.51         | \$32.52         | \$31.48         |                  |
| \$46.51         | \$47.76         | \$47.50         | \$47.42         | \$46.77         |                  |
| \$82.67         | \$84.71         | \$84.87         | \$86.78         | \$91.98         |                  |
| (18.8%)         | (11.6%)         | (10.7%)         | (8.6%)          | (5.8%)          |                  |
| 42.2%           | 24.5%           | 19.2%           | 15.3%           | 13.2%           |                  |
| 20.7%           | 10.7%           | 7.7%            | 6.0%            | 5.7%            |                  |
| (23.8%)         | (22.3%)         | (18.8%)         | (15.0%)         | (12.0%)         |                  |
| 39.7%           | 41.8%           | 39.6%           | 31.2%           | 23.7%           |                  |
| 8.1%            | (0.9%)          | (3.0%)          | (4.7%)          | (6.0%)          |                  |
| (10.1%)         | (12.2%)         | (12.8%)         | (11.4%)         | (6.6%)          |                  |

**Internet customers / Churn**



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



**ALIAN T INC.**  
**Supplementary Financial Information (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**

Delivery  
 Selling, general and administration

Depreciation and amortization

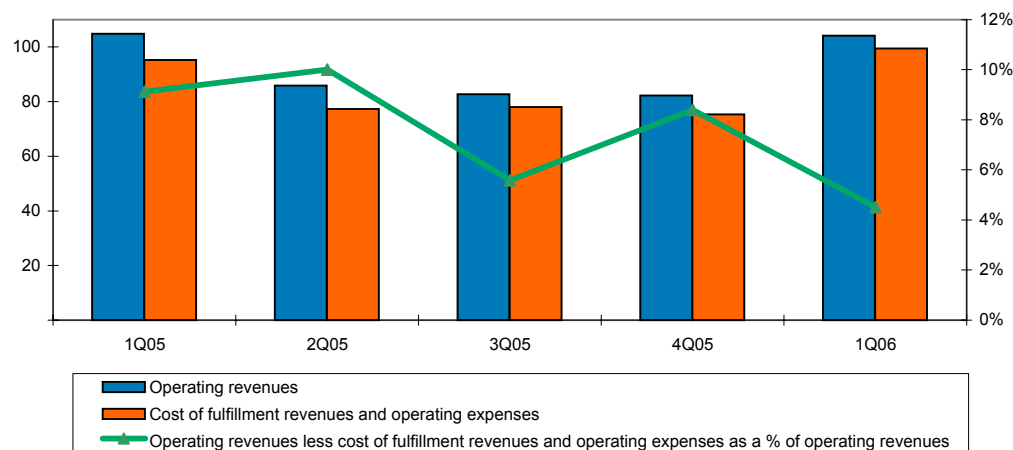
**Operating income**

**Net income**

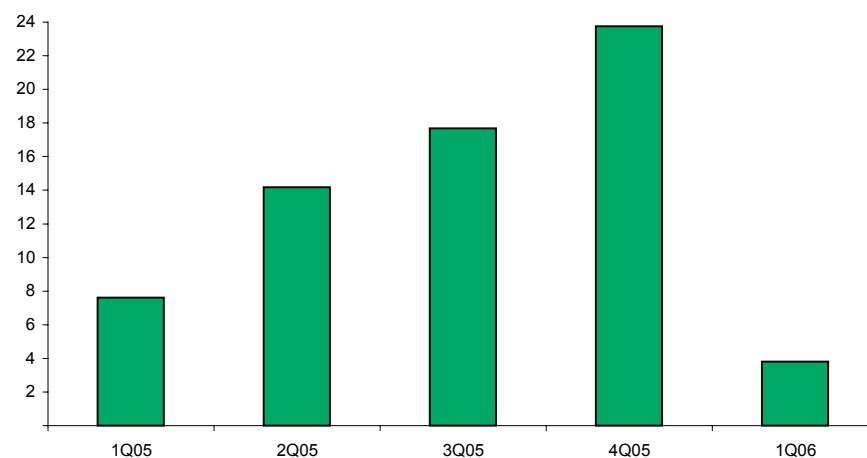
Contribution to EPS

| 2006             | 2005            |                 |                 |                  |                  |
|------------------|-----------------|-----------------|-----------------|------------------|------------------|
| <u>Q1</u>        | <u>Q4</u>       | <u>Q3</u>       | <u>Q2</u>       | <u>Q1</u>        | <u>Total</u>     |
| \$30,629         | \$28,419        | \$24,777        | \$30,184        | \$30,321         | \$113,701        |
| 12,204           | 23,272          | 25,383          | 22,156          | 20,622           | 91,433           |
| <b>\$42,833</b>  | <b>\$51,691</b> | <b>\$50,160</b> | <b>\$52,340</b> | <b>\$50,943</b>  | <b>\$205,134</b> |
| \$55,695         | \$28,118        | \$28,623        | \$30,393        | \$49,787         | \$136,921        |
| 5,668            | 2,405           | 3,904           | 3,173           | 4,100            | 13,582           |
| <b>\$61,363</b>  | <b>\$30,523</b> | <b>\$32,527</b> | <b>\$33,566</b> | <b>\$53,887</b>  | <b>\$150,503</b> |
| <b>\$104,196</b> | <b>\$82,214</b> | <b>\$82,687</b> | <b>\$85,906</b> | <b>\$104,830</b> | <b>\$355,637</b> |
| 55,808           | 27,612          | 29,243          | 30,308          | 48,520           | 135,683          |
| 28,815           | 33,703          | 35,059          | 32,919          | 33,356           | 135,037          |
| 14,877           | 14,000          | 13,768          | 14,079          | 13,304           | 55,151           |
| <b>43,692</b>    | <b>47,703</b>   | <b>48,826</b>   | <b>46,998</b>   | <b>46,661</b>    | <b>190,188</b>   |
| 888              | 835             | 1,125           | 2,030           | 1,945            | 5,935            |
| <b>\$3,808</b>   | <b>\$6,064</b>  | <b>\$3,493</b>  | <b>\$6,570</b>  | <b>\$7,704</b>   | <b>\$23,831</b>  |
| <b>\$1,564</b>   | <b>\$4,117</b>  | <b>\$1,000</b>  | <b>\$4,897</b>  | <b>\$4,364</b>   | <b>\$14,378</b>  |
| \$0.01           | \$0.03          | \$0.01          | \$0.04          | \$0.03           | \$0.11           |

**Operating results (\$ millions)**



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



1. On March 1, 2006, our series AD first mortgage bonds with a principal amount of \$50.0 million were redeemed, prior to maturity. Effective March 2, 2006, an outstanding interest rate swaption related to the call option on our series AD first mortgage bonds was exercised by the counterparty placing us into an interest rate swap agreement. As hedge accounting ceased when we redeemed the bonds, a financial derivative loss of \$13.1 million, which represents the fair value of the swap at March 31, 2006, of \$17.8 million in favor of the counterparty less the related unamortized premium on the swaption amount of \$4.7 million, was charged to other expense.
2. Cash from operating activities 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. Capital investments excludes non-cash purchases of capital investments as presented in the consolidated statements of cash flows.
4. The reduction in the number of outstanding common shares is the result of purchasing activity under a normal course issuer bid (NCIB) program. Purchases of common shares under this NCIB could be made during the 12-month period from February 4, 2005 to February 3, 2006. We have acquired under this NCIB program, from time to time, our common shares at market prices for cancellation.
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) Common share dividend payout ratio - common share dividends for the period divided by net income applicable to common shares for the period.
- (v) Dividend yield - dividends declared per common share (annualized) divided by market close price per common share at end of period.
- (vi) Debt - long-term debt, long-term debt due within one year, and notes payable and bank advances.
- (vii) 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.
- (viii) 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 and debt) for the period. This calculation is annualized.
- (ix) Interest coverage - Operating income plus other income (expense) divided by interest charges (current quarter plus three (3) previous quarters).
- (x) Cash flow to interest - Cash from operating activities (before change in non-cash working capital) divided by interest charges (current quarter plus three (3) previous quarters).

|                                    |  |  |   |
|------------------------------------|--|--|---|
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|                                    | Tanya Murphy<br>Investor Services Manager  |  |   |
|                                    | Aliant Investor Relations<br>One Brunswick Square<br>Saint John, NB, Canada<br>E2L 4L4 | Share Listings                         | Toronto Stock Exchange<br>Common: <b>AIT</b><br>Preferred: <b>AIT.PR.A</b>  |
|                                    | Tel: 1.877.248.3113<br>Fax: 1.877.498.2464   | Auditors                               | Ernst & Young LLP<br>Chartered Accountants<br>St. John's, NL  |
|                                    | e-mail: <a href="mailto:investor.relations@aliant.ca">investor.relations@aliant.ca</a> |  |   |

Aliant serves customers across Atlantic Canada with innovative and traditional communications services, including local and long distance telephony, wireless, Internet, e-commerce, interactive multimedia, data and managed network services. In addition to serving residential, small-to-medium sized business and enterprise customers in its home market, Aliant also serves business customers located in other parts of North America. Aliant complements its industry-leading telecommunications business with strengths in information technology solutions and knowledge-services applications. Aliant's approximately 8,400 employees build on its 100-plus year history by collaborating to deliver the highest quality of customer service, choice and convenience. Aliant has a market capitalization of approximately \$4.5 billion.