



**Bell Aliant Regional Communications
Income Fund**

**Supplementary Information
(unaudited)**

First Quarter 2008

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND

Supplementary Information (unaudited)

Basis of Presentation

The Supplementary Information contained herein represents the results of Bell Aliant Regional Communications Income Fund (Bell Aliant Income Fund or The Fund) and the results of its principal operating subsidiary, Bell Aliant Regional Communications Holdings, Limited Partnership (Bell Aliant Holdings LP).

Readers are cautioned that the Supplementary Information is unaudited and some of the financial measures presented herein do not have standard meanings prescribed by Canadian generally accepted accounting policies (GAAP). See "Non-GAAP Financial Measures" section.

Certain amounts presented in this Supplementary Information are rounded. Accordingly, the columns and rows may not add to the totals presented.

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BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
BELL ALIANT INCOME FUND
Supplementary Information (unaudited)
Summary
(Millions of dollars, except as otherwise indicated)

	2008 Q1	Total	Q4	2007 Q3	Q2	Q1
BELL ALIANT INCOME FUND						
Net earnings						
Equity income from investments	\$44.1	\$297.6	\$106.7	\$69.3	\$46.8	\$74.8
Other revenues	-	2.6	0.1	0.6	1.9	-
Total revenues	44.1	300.2	106.8	69.9	48.7	74.8
Expenses	1.1	7.5	1.2	1.1	3.2	2.0
Net earnings from continuing operations	\$43.0	\$292.7	\$105.6	\$68.8	\$45.5	\$72.8
Net earnings (loss) from discontinued operations	-	216.5	(0.5)	0.4	212.2	4.4
Net earnings	\$43.0	\$509.2	\$105.1	\$69.2	\$257.7	\$77.2
Distributions						
Distributions declared	\$91.2	\$368.9	\$89.5	\$90.5	\$92.9	\$96.0
Distributions declared per Fund unit	\$0.718	\$2.813	\$0.705	\$0.705	\$0.705	\$0.698
Unitholders' capital (000's)						
Fund units publicly held, beginning of period	126,950	124,116	127,095	130,801	135,196	124,116
Issued (redeemed)	2	13,464	(1)	4	(3)	13,464
Repurchased under an NCIB ⁽¹⁾	-	(10,630)	(144)	(3,710)	(4,392)	(2,384)
Fund units publicly held, end of period	126,952	126,950	126,950	127,095	130,801	135,196
Exchangeable units held by BCE Inc. / Bell Canada	100,374	100,374	100,374	100,374	100,374	100,374
Deferred units (dilutive)	468	325	325	318	323	315
Fully diluted Fund units, end of period	227,794	227,649	227,649	227,787	231,498	235,885
Average units outstanding - basic	126,951	130,431	126,952	128,960	133,200	132,723
Average units outstanding - fully diluted	227,793	231,130	227,651	229,652	233,896	233,412
Market data						
Market capitalization ⁽²⁾	\$6,831.5		\$6,699.7	\$7,298.3	\$7,257.5	\$6,965.7
Market price						
High	\$30.15		\$32.14	\$32.42	\$32.76	\$30.06
Low	\$26.00		\$28.21	\$29.26	\$29.53	\$26.84
Close	\$29.99		\$29.43	\$32.04	\$31.35	\$29.53
Distribution yield ⁽³⁾	9.6%		9.6%	8.8%	9.0%	9.5%

⁽¹⁾ On February 28, 2007, the Fund commenced a normal course issuer bid (NCIB) program, which allowed it to acquire, from time to time, up to 13,738,000 Fund units at market prices for cancellation. The NCIB expired on February 27, 2008.

⁽²⁾ Market capitalization - fully diluted Fund units, end of period multiplied by market close price.

⁽³⁾ Distribution yield - distributions declared per Fund unit divided by market close price. This calculation is annualized.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
BELL ALIANT HOLDINGS LP
Supplementary Information (unaudited)
Highlights
(Millions of dollars, except as otherwise indicated)

	2008 Q1	Total	Q4	2007 Q3	Q2	Q1
BELL ALIANT HOLDINGS LP						
Financial measures						
Operating revenues	\$865.4	\$3,373.4	\$858.7	\$837.9	\$825.4	\$851.4
EBITDA ⁽⁴⁾	\$355.1	\$1,450.2	\$370.2	\$372.4	\$358.1	\$349.5
EBITDA ⁽⁴⁾ margin	41.0%	43.0%	43.1%	44.4%	43.4%	41.1%
Operating income ⁽⁴⁾	\$155.7	\$515.4	\$145.7	\$142.3	\$55.8	\$171.6
Current year Q over same Q last year growth						
Operating revenues	\$14.0 1.6%	\$74.2 2.2%	\$21.4 2.6%	\$12.8 1.6%	\$10.5 1.3%	\$29.5 3.6%
EBITDA ⁽⁴⁾	\$5.6 1.6%	\$3.5 0.2%	\$6.3 1.7%	\$5.7 1.6%	(\$5.1) (1.4%)	(\$3.4) (1.0%)
EBITDA ⁽⁴⁾ margin	(0.1%) (0.2%)	(0.9%) (2.0%)	(0.4%) (0.9%)	0.0% 0.0%	(1.2%) (2.7%)	(1.8%) (4.2%)
Operating income ⁽⁴⁾	(\$15.9) (9.3%)	(\$217.1) (29.6%)	(\$40.2) (21.6%)	(\$51.9) (26.7%)	(\$125.0) (69.1%)	\$0.0 0.0%
Operating statistics						
Network Access Services (NAS)	3,179,213		3,201,805	3,244,087	3,264,763	3,286,945
NAS net declines, in the period	(22,592)	(107,439)	(42,282)	(20,676)	(22,182)	(22,299)
As a percentage, in the period	(0.7%)	(3.2%)	(1.3%)	(0.6%)	(0.7%)	(0.7%)
High speed Internet (HSI) customers	711,093		688,713	665,409	642,434	620,517
HSI customers net additions, in the period	22,380	100,475	23,304	22,975	21,917	32,279
As a percentage, in the period	3.2%	17.1%	3.5%	3.6%	3.5%	5.5%
Cash flow measures						
Capital expenditures	\$95.1	\$543.0	\$144.1	\$140.2	\$143.4	\$115.3
Capital intensity ⁽⁵⁾	11.0%	16.1%	16.8%	16.7%	17.4%	13.5%
Distributable cash ⁽⁴⁾	\$206.8	\$701.4	\$169.5	\$177.6	\$162.2	\$192.1
Distributable cash per Fund unit ⁽⁶⁾	\$0.908	\$3.035	\$0.745	\$0.773	\$0.694	\$0.823
Distributions declared	\$162.8	\$651.1	\$160.1	\$161.3	\$163.5	\$166.2
Payout ratio ⁽⁷⁾	78.7%	92.8%	94.5%	90.8%	100.8%	86.5%
Current year Q over same Q last year growth						
Distributable cash ⁽⁴⁾	\$14.7 7.7%	(\$21.6) (3.0%)	(\$17.3) (9.3%)	(\$8.3) (4.5%)	(\$5.4) (3.2%)	\$9.4 5.1%

⁽⁴⁾ The terms EBITDA, Operating income and Distributable cash do not have any standardized meaning prescribed by Canadian GAAP. Refer to the "Non-GAAP Financial Measures" section for definitions and reconciliations to the most comparable GAAP financial measures.

⁽⁵⁾ Capital intensity - capital expenditures divided by operating revenue.

⁽⁶⁾ Distributable cash per Fund unit - Distributable cash divided by average fully diluted Fund units outstanding.

⁽⁷⁾ Payout ratio - distributions declared divided by Distributable cash.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
**BELL ALIANT HOLDINGS LP
Summary of quarterly financial results**

Supplementary Information (unaudited)

(Millions of dollars, except as otherwise indicated)

	2008	2007				
	Q1	Total	Q4	Q3	Q2	Q1
BELL ALIANT HOLDINGS LP						
Net earnings						
Operating revenues	\$865.4	\$3,373.4	\$858.7	\$837.9	\$825.4	\$851.4
Expenses	510.3	1,923.2	488.5	465.5	467.3	501.9
EBITDA⁽⁴⁾	355.1	1,450.2	370.2	372.4	358.1	349.5
Depreciation and amortization	174.5	775.8	171.5	183.3	273.1	147.9
Net cost of benefit plans	24.8	131.6	47.8	26.0	28.3	29.5
Restructuring and other charges	0.1	27.4	5.2	20.8	0.9	0.5
Operating income⁽⁴⁾	155.7	515.4	145.7	142.3	55.8	171.6
Other expenses (income)	13.1	0.2	1.9	(4.3)	0.4	2.2
Interest charges	39.6	158.5	38.9	38.5	41.7	39.4
Income tax expense (recovery)	2.3	(120.9)	(60.7)	(8.8)	(46.8)	(4.6)
Non-controlling interest ⁽⁸⁾	36.4	158.9	47.5	44.2	15.6	51.6
Net earnings from continuing operations	64.3	318.7	118.1	72.7	44.9	83.0
Net earnings (loss) from discontinued operations⁽⁹⁾	-	265.6	(0.7)	0.5	260.3	5.5
Net earnings	\$64.3	\$584.3	\$117.4	\$73.2	\$305.2	\$88.5

⁽⁸⁾ Non-controlling interest - mainly includes the 35.2 per cent interest in Bell Aliant Regional Communications, Limited Partnership (Bell Aliant LP) beneficially owned by BCE and Bell Canada and prior to January 1, 2008, the 36.7 per cent interest in Télébec, Limited Partnership (Télébec) and NorthernTel, Limited Partnership (NorthernTel) that was indirectly held by the Fund.

⁽⁹⁾ Net earnings (loss) from discontinued operations - mainly consists of Aliant Directory Services, on which an after tax gain on disposal of \$258.2M was recorded during 2007.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
BELL ALIANT HOLDINGS LP
Supplementary Information (unaudited)
Operating revenues and growth
(Millions of dollars, except as otherwise indicated)

	2008	2007 ⁽¹⁰⁾ ⁽¹¹⁾				
	Q1	Total	Q4	Q3	Q2	Q1
Operating revenues						
Local and access	\$346.5	\$1,430.9	\$354.3	\$361.4	\$360.3	\$354.9
Long distance	112.7	474.8	116.4	124.7	118.5	115.2
Data:						
Internet	92.8	347.5	90.1	86.3	86.6	84.5
Other	101.3	408.3	102.9	105.8	97.3	102.3
Total data	194.1	755.8	193.0	192.1	183.9	186.8
Information technology:						
IT services	46.7	109.4	31.2	23.8	27.6	26.8
Fulfillment	67.6	179.6	38.8	33.5	36.4	70.9
Total IT	114.3	289.0	70.0	57.3	64.0	97.7
Wireless	17.9	64.4	17.0	17.3	15.5	14.6
Other revenues:						
Atlantic Mobility Products	21.5	100.7	33.8	24.8	23.4	18.7
Innovatia	6.1	25.8	6.4	6.3	6.5	6.6
Product sales	12.8	65.2	17.2	16.5	15.7	15.8
Rentals	10.0	46.2	13.0	13.2	10.2	9.8
Other	29.5	120.6	37.6	24.3	27.4	31.3
Total other revenues	79.9	358.5	108.0	85.1	83.2	82.2
	\$865.4	\$3,373.4	\$858.7	\$837.9	\$825.4	\$851.4
Current year Q over same Q last year growth						
Local and access	(\$8.4)	(\$24.5)	(\$8.3)	(\$5.9)	(\$3.8)	(\$6.5)
	(2.4%)	(1.7%)	(2.3%)	(1.6%)	(1.0%)	(1.8%)
Long distance	(\$2.5)	(\$15.5)	(\$2.0)	(\$4.5)	(\$4.8)	(\$4.2)
	(2.2%)	(3.2%)	(1.7%)	(3.5%)	(3.9%)	(3.5%)
Data:						
Internet	\$8.3	\$34.0	\$7.1	\$6.6	\$9.3	\$11.0
	9.8%	10.8%	8.6%	8.3%	12.0%	15.0%
Other	(\$1.0)	\$17.9	(\$1.3)	\$8.9	(\$0.1)	\$10.4
	(1.0%)	4.6%	(1.2%)	9.2%	(0.1%)	11.3%
Total data	\$7.3	\$51.9	\$5.8	\$15.5	\$9.2	\$21.4
	3.9%	7.4%	3.1%	8.8%	5.3%	12.9%
Information technology:						
IT services	\$19.9	\$10.6	\$3.6	(\$0.2)	\$4.6	\$2.6
	74.3%	10.7%	13.0%	(0.8%)	20.0%	10.7%
Fulfillment	(\$3.3)	\$28.8	\$1.9	\$4.2	\$7.5	\$15.2
	(4.7%)	19.1%	5.1%	14.3%	26.0%	27.3%
Total IT	\$16.6	\$39.4	\$5.5	\$4.0	\$12.1	\$17.8
	17.0%	15.8%	8.5%	7.5%	23.3%	22.3%
Wireless	\$3.3	\$8.5	\$2.6	\$1.6	\$2.5	\$1.8
	22.6%	15.2%	18.1%	10.2%	19.2%	14.1%
Other revenues:						
Atlantic Mobility Products	\$2.8	\$11.0	\$10.1	\$2.1	(\$1.1)	(\$0.1)
	15.0%	12.3%	42.6%	9.3%	(4.5%)	(0.5%)
Innovatia	(\$0.5)	(\$2.1)	(\$0.3)	(\$0.8)	(\$0.4)	(\$0.6)
	(7.6%)	(7.5%)	(4.5%)	(11.3%)	(5.8%)	(8.3%)
Product sales	(\$3.0)	\$2.0	(\$3.3)	\$4.1	\$0.4	\$0.8
	(19.0%)	3.2%	(16.1%)	33.1%	2.6%	5.3%
Rentals	\$0.2	(\$0.1)	\$2.5	\$1.7	(\$1.9)	(\$2.4)
	2.0%	(0.2%)	23.8%	14.8%	(15.7%)	(19.7%)
Other	(\$1.8)	\$3.6	\$8.8	(\$5.0)	(\$1.7)	\$1.5
	(5.8%)	3.1%	30.6%	(17.1%)	(5.8%)	5.0%
Total other revenues	(\$2.3)	\$14.4	\$17.8	\$2.1	(\$4.7)	(\$0.8)
	(2.8%)	4.2%	19.7%	2.5%	(5.3%)	(1.0%)

⁽¹⁰⁾ We have reclassified managed services revenues from IT services to Other data revenues in all previously reported quarters to more accurately reflect their nature.

⁽¹¹⁾ We have reclassified Aliant TV revenues from Other to Internet revenues in all previously reported quarters to more accurately reflect their nature.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND

Supplementary Information (unaudited)

(Millions of dollars, except as otherwise indicated)

BELL ALIANT HOLDINGS LP

Operating revenues statistics

	2008	2007				
	Q1	Total	Q4	Q3	Q2	Q1
Network access service (NAS)						
Residential	2,113,657		2,134,440	2,169,183	2,189,000	2,204,973
Business	1,065,556		1,067,365	1,074,904	1,075,763	1,081,972
Total	3,179,213		3,201,805	3,244,087	3,264,763	3,286,945
NAS net declines ⁽¹²⁾	(22,592)	(107,439)	(42,282)	(20,676)	(22,182)	(22,299)
Long distance minutes (thousand's)	1,171,201	4,724,210	1,165,804	1,158,081	1,186,595	1,213,729
Revenue per long distance minute	\$0.092	\$0.096	\$0.095	\$0.103	\$0.095	\$0.089
Wireless customers						
Prepaid	16,994		14,705	14,055	12,811	11,840
Postpaid	88,994		80,220	77,901	75,404	74,307
Total	105,988		94,925	91,956	88,215	86,147
Wireless net additions (declines) ⁽¹²⁾	11,063	7,172	2,969	3,741	2,068	(1,606)
Churn - postpaid wireless	1.2%	1.7%	1.4%	1.5%	2.4%	1.4%
Wireless - average revenue per customer (ARPC)						
Prepaid	\$20.76	\$20.46	\$22.52	\$23.36	\$20.17	\$15.53
Postpaid	\$63.67	\$63.79	\$64.61	\$68.01	\$62.27	\$60.06
Total	\$56.85	\$57.36	\$58.17	\$61.37	\$56.35	\$53.35
High-speed Internet (HSI) customers	711,093		688,713	665,409	642,434	620,517
HSI customer net additions ⁽¹²⁾	22,380	100,475	23,304	22,975	21,917	32,279
Residential HSI ARPC ⁽¹³⁾	\$35.10	\$34.75	\$34.42	\$33.70	\$35.17	\$35.80
Current year Q over same Q last year growth						
Long distance minutes	(42,528) (3.5%)	(305,016) (6.1%)	(69,561) (5.6%)	(82,762) (6.7%)	(52,108) (4.2%)	(100,586) (7.7%)
Wireless ARPC - total	\$3.50 6.6%	(\$0.42) (0.7%)	\$4.01 7.4%	(\$0.93) (1.5%)	(\$0.64) (1.1%)	(\$4.59) (7.9%)
Churn - postpaid wireless	(0.2%) (14.3%)	0.5% 41.7%	0.1% 7.7%	0.3% 25.0%	1.3% 118.2%	0.1% 7.7%
Residential HSI ARPC ⁽¹³⁾	(\$0.70) (2.0%)	(\$0.68) (1.9%)	(\$1.29) (3.6%)	(\$1.61) (4.6%)	(\$0.59) (1.6%)	\$0.91 2.6%
Current year-to-date over same year-to-date last year growth						
NAS ⁽¹²⁾	(107,732) (3.3%)		(107,439) (3.2%)	(102,637) (3.1%)	(94,343) (2.8%)	(77,548) (2.3%)
Wireless customers ⁽¹²⁾	19,841 23.0%		7,172 8.2%	9,494 11.5%	11,288 14.7%	16,367 23.5%
HSI customers ⁽¹²⁾	90,576 14.6%		100,475 17.1%	106,239 19.0%	111,906 21.1%	110,577 21.7%

⁽¹²⁾ The acquisition of Kenora Municipal Telephone System on February 1, 2008, added approximately 5,100 residential and 4,100 business NAS customers, 9,000 wireless customers, and 2,400 HSI customers to our existing base as of that date.

⁽¹³⁾ Residential HSI ARPC has been restated in all prior periods to include both DSL and Cable customers and both the access and value-added service revenues for High-speed only.

	2008 Q1	Total	Q4	2007 Q3	Q2	Q1
Capital structure						
Unitholders' equity	52.1%		49.7%	49.3%	49.4%	49.7%
Non-controlling interest ⁽⁸⁾	18.1%		20.1%	20.3%	20.4%	19.8%
Net debt ⁽¹⁴⁾	29.8%		30.2%	30.4%	30.2%	30.5%
	<u>100.0%</u>		<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Return Statistics						
Return on unitholders' equity ⁽¹⁵⁾	5.4%	12.6%	10.5%	6.5%	25.8%	7.4%
Return on invested capital ⁽¹⁶⁾	5.5%	9.1%	8.4%	6.2%	14.9%	7.0%
Net debt to EBITDA ^{(4) (17)}	2.0		1.9	1.9	1.9	2.0
Interest coverage ⁽¹⁸⁾	3.1		3.3	3.6	21.7	26.3
Cash flow to interest ⁽¹⁹⁾	7.4		7.4	7.5	6.5	6.6

Ratings	Standard & Poor's	DBRS
Bell Aliant LP senior unsecured debt	BBB, stable trend	BBB (high), stable trend
Bell Aliant LP commercial paper	Not rated	R-1 (low), stable trend
Télébec and NorthernTel debentures	BBB, stable trend	BBB (high), stable trend
Bell Aliant Income Fund units	SR-2, stable (moderate)	STA-2 (high)
<i>There has been no change in our ratings in 2008.</i>		

⁽¹⁴⁾ Net debt - long-term debt, long-term debt due within one year, short-term debt, and notes payable to related party, less cash and cash equivalents and notes receivable from related parties that are readily convertible to cash.

⁽¹⁵⁾ Return on unitholders' equity - net earnings, divided by average book value of unitholders' common equity for the period. This calculation is annualized.

⁽¹⁶⁾ Return on invested capital - net earnings plus non-controlling interest and interest charges net of taxes for the period, divided by average book value of total capital (unitholders' equity, non-controlling interest and net debt) for the period. This calculation is annualized.

⁽¹⁷⁾ Net debt to EBITDA ⁽⁴⁾ - Net debt divided by EBITDA ⁽⁴⁾ (current quarter plus three (3) previous quarters).

⁽¹⁸⁾ Interest coverage - Operating income ⁽⁴⁾ plus other income (expense) divided by interest charges (current quarter plus three (3) previous quarters).

⁽¹⁹⁾ Cash flow to interest - Cash from operating activities (before change in operating assets and liabilities) divided by interest charges (current quarter plus three (3) previous quarters).

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
NON-GAAP FINANCIAL MEASURES
Supplementary Information (unaudited)
Distributable cash
(Millions of dollars, except as otherwise indicated)

	2008	2007				
	Q1	Total	Q4	Q3	Q2	Q1
Distributable cash ⁽²⁰⁾ reconciled to EBITDA ⁽⁴⁾						
EBITDA ⁽⁴⁾	\$355.1	\$1,450.2	\$370.2	\$372.4	\$358.1	\$349.5
Cash funding of current service cost for net benefit plans ⁽²¹⁾	(17.0)	(68.1)	(17.6)	(17.2)	(16.9)	(16.4)
Cash capital taxes included in EBITDA ⁽²²⁾	3.0	9.3	(1.7)	1.7	4.2	5.1
Fund expenses ⁽²³⁾	(1.1)	(5.5)	(1.2)	(1.1)	(2.3)	(0.9)
	340.0	1,385.9	349.7	355.8	343.1	337.3
Other income (expenditures) ⁽²⁴⁾	(1.0)	0.3	1.9	(1.5)	(0.7)	0.6
Interest expense ⁽²⁵⁾	(37.1)	(150.6)	(37.9)	(36.7)	(38.3)	(37.7)
Normalized capital taxes ⁽²²⁾	-	(3.5)	-	-	(1.8)	(1.7)
Capital expenditures	(95.1)	(543.0)	(144.1)	(140.2)	(143.4)	(115.3)
Distributable cash of discontinued operations ⁽²⁶⁾	-	12.3	(0.1)	0.2	3.3	8.9
Distributable cash ⁽²⁰⁾	\$206.8	\$701.4	\$169.5	\$177.6	\$162.2	\$192.1
Distributable cash ⁽²⁰⁾ reconciled to cash from (used in) operating activities						
Cash from (used in) operating activities	\$236.3	\$1,207.8	\$319.0	\$304.3	\$332.8	\$251.7
Add (deduct):						
Cash from operating activities of discontinued operations ⁽²⁶⁾	-	12.3	(0.1)	0.2	3.3	8.9
Cash from operating activities of the Fund	(0.2)	(2.7)	(0.5)	0.7	(2.4)	(0.5)
Capital expenditures	(95.1)	(543.0)	(144.1)	(140.2)	(143.4)	(115.3)
Standardized distributable cash ⁽²⁰⁾	141.0	674.4	174.3	165.0	190.3	144.8
Add (deduct):						
Operating items funded through cash reserves or borrowing:						
Change in operating assets and liabilities (working capital)	50.7	(40.8)	(23.5)	(2.7)	(41.3)	26.7
Change in operating assets and liabilities (working capital) of the Fund	(0.9)	(2.2)	(0.6)	(1.2)	1.1	(1.5)
Pension deficit funding ⁽²¹⁾	12.4	36.6	10.1	9.8	8.2	8.5
Restructuring and other charges	0.1	27.4	5.2	20.8	0.9	0.5
Capital taxes in excess of normalized levels ⁽²²⁾	3.0	5.8	(1.7)	1.7	2.4	3.4
Other adjustments ⁽²⁰⁾ :						
Current income tax expense (recovery)	(3.9)	(9.9)	-	(12.3)	(3.2)	5.6
Other non-cash items provided for in working capital changes	4.4	10.1	5.7	(3.5)	3.8	4.1
Distributable cash ⁽²⁰⁾	\$206.8	\$701.4	\$169.5	\$177.6	\$162.2	\$192.1

⁽²⁰⁾ The terms Standardized distributable cash and Distributable cash do not have any standardized meanings prescribed by Canadian GAAP. They are therefore unlikely to be comparable to similar measures presented by other issuers. Standardized distributable cash and Distributable cash are presented on a consistent basis from period to period.

We define Standardized distributable cash from a cash flow perspective following CICA guidance which uses cash from operating activities and adds or deducts the following items that affect cash flow: (i) cash from operating activities of discontinued operations and the Fund, as this represents operating cash from activities other than the continuing operations of Bell Aliant Holdings LP which is available for distribution; and (ii) capital expenditures. CICA guidance on the calculation of this Standardized distributable cash measure would also include deductions related to any restrictions imposed on the amount of cash distributions as a result of compliance with financial covenants restrictive at the date of calculation. Our credit agreements only impose a restriction that distributions cannot exceed Distributable cash over the last year if our credit ratings fall below investment grade. Since our ratings are within the investment grade categories, we are under no such restrictions.

We further adjust Standardized distributable cash by the following operating items funded through cash reserves or borrowings and other adjustments to define our Distributable cash: (iii) operating items funded through cash reserves or borrowings, such as changes in operating assets and liabilities (working capital), pension deficit funding, restructuring and other charges, and cash capital taxes in excess of normalized levels. We then adjust working capital changes by the following items: (iv) current income tax provisions (recoveries) are added back (deducted) as we have tax strategies in place to ensure that they are not payable in cash; and (v) other elements of working capital changes that should not result in actual current or future cash flows.

We also define and calculate Distributable cash as EBITDA less (i) cash funding requirement for current service pension costs for defined benefit pension plans and other employee benefit plans to the extent not already deducted in determining EBITDA; (ii) an adjustment to cash capital taxes to reflect a normalized level that will be achieved once announced provincial tax rate reductions come into effect in future years; (iii) expenses incurred by the Fund as these are not included in the EBITDA of Bell Aliant Holdings LP; (iv) cash interest expense; (v) other cash income or expenses that may be incurred to the extent not included in EBITDA; (vi) adjustments for certain one-time or other normalizing expense items; (vii) capital expenditures; and (viii) the portion of Distributable cash generated by discontinued operations.

Distributable cash is presented on a fully diluted basis (i.e. without deduction for a minority interest that Bell Canada holds in the subsidiaries of Bell Aliant Holdings LP).

Standardized distributable cash and Distributable cash should not be confused with cash from operating activities which is the most comparable Canadian GAAP financial measure.

We use Distributable cash, among other measures, to assess the financial performance of our ongoing business. We report Standardized distributable cash to meet compliance with the new CICA guidance for income trusts and other flow-through entities. These non-GAAP financial measures should not be seen as a measure of liquidity or as a substitute for comparable metrics prepared in accordance with GAAP. We believe that certain investors and analysts use Distributable cash to measure Bell Aliant Holdings LP's and the Fund's, as well as other open-ended trusts', ability to generate a sustainable return for unitholders.

⁽²¹⁾ The cash funding requirement related to current service cost in our pension plans and other post employment benefit plans for the period. The portion of cash funding required for our pension plans that exceeds current service cost will be funded through cash reserves or borrowing.

⁽²²⁾ EBITDA is net of expenses for certain capital taxes. These are added back in the Distributable cash reconciliation because only a normalized level of these cash taxes (to reflect announced future rate reductions) is deducted in determining our Distributable cash. The remainder of these taxes actually paid will be funded through cash reserves or borrowing. Commencing in Q3 2007, we do not deduct an amount for normalized cash capital taxes as the provinces have announced the planned elimination of capital taxes.

⁽²³⁾ Represents cash expenses of Bell Aliant Income Fund other than interest expense. See note 25 below.

⁽²⁴⁾ Represents the cash portion of other income (expenditures). Losses and fees associated with our accounts receivable securitization program are included as other expenditures. Also, to the extent that other elements of net earnings include non-cash amounts (such as amortization charges, or deferred unit plan costs) they are excluded from Distributable cash in the period.

⁽²⁵⁾ Represents interest expense incurred by Bell Aliant Holdings LP or Bell Aliant Income Fund, excluding non-cash amortization charges.

⁽²⁶⁾ Represents the contribution to Standardized distributable cash / Distributable cash of the discontinued operations of SalesBridge Canada Inc. and Aliant Directory Services.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
NON-GAAP FINANCIAL MEASURES
Supplementary Information (unaudited)
Operating income and EBITDA
(Millions of dollars, except as otherwise indicated)

	2008 Q1	Total	Q4	2007 Q3	Q2	Q1
Operating income ⁽²⁷⁾						
Operating revenues	\$865.4	\$3,373.4	\$858.7	\$837.9	\$825.4	\$851.4
Expenses	709.7	2,858.0	713.0	695.6	769.6	679.8
Operating income ⁽²⁷⁾	\$155.7	\$515.4	\$145.7	\$142.3	\$55.8	\$171.6
EBITDA ⁽²⁸⁾						
Operating income ⁽²⁷⁾	\$155.7	\$515.4	\$145.7	\$142.3	\$55.8	\$171.6
Add:						
Net cost of benefit plans	24.8	131.6	47.8	26.0	28.3	29.5
Depreciation and amortization	174.5	775.8	171.5	183.3	273.1	147.9
Restructuring and other charges	0.1	27.4	5.2	20.8	0.9	0.5
EBITDA ⁽²⁸⁾	\$355.1	\$1,450.2	\$370.2	\$372.4	\$358.1	\$349.5

⁽²⁷⁾ The term operating income does not have any standardized meaning prescribed by Canadian GAAP. It is therefore unlikely to be comparable to similar measures presented by other companies. Operating income is presented on a consistent basis from period to period. Operating income represents operating revenues less expenses.

We use Operating income, among other measures, to assess the operating performance of our ongoing business. We believe that certain investors and analysts use Operating income to measure Bell Aliant Holdings LP's and other companies' ability to generate growth or as a common valuation measurement in the telecommunications industry.

Operating income should not be confused with operating revenues or expenses which are the most comparable Canadian GAAP financial measures.

⁽²⁸⁾ The term EBITDA (earnings before interest, taxes, depreciation and amortization) does not have any standardized meaning prescribed by Canadian GAAP. It is therefore unlikely to be comparable to similar measures presented by other companies. EBITDA is presented on a consistent basis from period to period. We define EBITDA as operating revenues less operating expenses, which means it represents Operating income before depreciation and amortization expense, net cost of benefit plans, and restructuring and other charges. Operating income is calculated before interest and income taxes are deducted.

We use EBITDA, among other measures, to assess the operating performance of our ongoing businesses without the effects of depreciation and amortization expense, net cost of benefit plans, and restructuring and other charges. We exclude depreciation and amortization expense and net cost of benefit plans because they largely depend on the accounting methods and assumptions a company uses, as well as non-operating factors, such as the historical cost of capital investments and the fund performance of a company's pension plans. We exclude these items because they affect the comparability of our financial results and could potentially distort the analysis trends in business performance. Excluding restructuring and other charges does not imply they are necessarily non-recurring. EBITDA allows us to compare our operating performance on a consistent basis. We believe that certain investors and analysts use this measure to assess Bell Aliant Holdings LP's and other companies' ability to service debt, make capital distributions to unitholders and to meet other payment obligations, or as a common valuation measurement in the telecommunications industry.

EBITDA should not be confused with operating revenues or expenses which are the most comparable Canadian GAAP financial measures.

Corporate Information

Institutional Investors and Analysts Inquiries

Zeda Redden
Vice-President, Investor Relations and Associate Treasurer
Tel: 1.877.487.5726
e-mail: zeda.redden@bell.aliant.ca

Individual Unitholder/Investor Inquiries

Bell Aliant Investor Relations
One Brunswick Square
Saint John, NB, Canada
E2L 4L4

Tanya Murphy
Tel: 1.877.248.3113
Fax: 1.877.498.2464
e-mail: investor.relations@bell.aliant.ca

Transfer Agents and Registrar

CIBC Mellon Trust Company
Investor Correspondence
PO Box 7010
Adelaide Street Postal Station
Toronto, ON M5C 2W9
Tel: 1.800.387.0825
e-mail: inquiries@cibcmellon.com

Unit Listings

Toronto Stock Exchange
Units: BA.UN

Auditors

Deloitte & Touche LLP
Chartered Accountants
Halifax, Nova Scotia

About Bell Aliant

Bell Aliant (TSX:BA.UN) is one of North America's largest regional communications providers. Through its operating entities it serves customers in six Canadian provinces with innovative information, communication and technology services including voice, data, Internet, video and value-added business solutions. Through its xwave offices, Bell Aliant also provides IT professional services in Canada and the US. Bell Aliant's 10,000 employees are committed to deliver the highest quality of customer service, choice and convenience.