

Bell Aliant Inc. Financial statements

December 31, 2010

In connection with the Conversion of Bell Aliant Regional Communications Income Fund to a corporate structure, we are legally required to send the annual financial statements of Bell Aliant Inc. (the successor corporation to the Fund) to all shareholders.

These financial statements are for the period April 30 (date of incorporation) to December 31, 2010. As the Conversion did not occur until January 1, 2011, the assets of the Fund are not reflected in these statements.

For recent financial disclosure regarding Bell Aliant Inc., and pre-Conversion financial statements of the Fund and Bell Aliant Regional Communications Holdings, Limited Partnership, please visit www.bellaliant.ca and/or www.sedar.com.

BellAliant

Statements

BALANCE SHEET

<i>(dollars)</i>	Notes	December 31, 2010	April 30, 2010
Assets			
Cash and cash equivalents	1	10.0	10.0
Total assets		10.0	10.0
Liabilities and shareholders' equity			
Shareholders' equity	2	10.0	10.0
Total liabilities and shareholders' equity		10.0	10.0

See accompanying notes to the financial statements

Approved on behalf of the board of directors



*Edward Reevey
Director*



*Louis Tanguay
Director*

Notes

7538502 Canada Inc. ("Bell Aliant Inc.") was incorporated on April 30, 2010, under the laws of Canada to facilitate the conversion of Bell Aliant Regional Communications Income Fund ("the Fund") from an income trust structure into a corporate structure. As of December 31, 2010, Bell Aliant Inc. has not carried on any active business.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

We have prepared the balance sheet in accordance with Canadian generally accepted accounting principles (Canadian GAAP).

Cash and cash equivalents

Cash and cash equivalents consist of balances with banks which are readily convertible to cash and subject to insignificant risk of change in fair value, liquidity and credit risk.

NOTE 2 SHAREHOLDERS' CAPITAL

Authorized

Our shareholders' capital is authorized to include an unlimited numbers of common shares and preferred shares, which are issuable in series.

Holders of each class of shares have such rights, privileges, restrictions and conditions as determined by our board of directors prior to the issuance thereof. Holders of each series of preferred shares will generally not be entitled to vote at meetings of our shareholders. With respect to the payment of dividends and in the distribution of assets in the event of our liquidation, dissolution or winding-up, whether voluntary or involuntary, the preferred shares of each series shall rank on parity with the preferred shares of every other series and are entitled to preference over the common shares.

Issued

At December 31, 2010, ten common shares were issued for \$1.00 per share.

NOTE 3 SUBSEQUENT EVENTS

Conversion to a corporation

On January 1, 2011, the Fund completed its conversion from an income trust structure to a corporate structure. As part of the conversion, BCE and Bell Canada exchanged 100 per cent, or 72,205,024, class B exchangeable limited partnership units issued by Bell Aliant Regional Communications, Limited Partnership, 100 per cent or 28,168,803, class 1 exchangeable limited partnership units issued by Bell Aliant Regional Communications Holdings, Limited Partnership (Bell Aliant Holdings LP), 100 per cent, or 100,373,827, special voting units issued by the Fund and all but one voting common share of Bell Aliant Regional Communications Holdings Inc. (Bell Aliant Holdings GP) for 100,373,827 Bell Aliant Inc. common shares. The Fund dissolved Bell Aliant Holdings Trust and Bell Nordiq Trust, and Bell Aliant Inc. issued 127,394,907 of its common shares to Fund unitholders on a one-for-one basis for outstanding Fund units. The Fund distributed its assets to Bell Aliant Inc., which also assumed the Fund's liabilities and subsequently dissolved and terminated the Fund, cancelling the authorized units and special voting units. Bell Aliant Inc. became the successor company of the Fund. As well, Bell Aliant Holdings LP's assets were directly or indirectly distributed to Bell Aliant Regional Communications Inc. (Bell Aliant GP), which in turn assumed Bell Aliant Holdings LP's liabilities. Bell Aliant Holdings LP then dissolved, cancelling all of its units. Bell Aliant Holdings GP and Bell Aliant GP then amalgamated and Bell Aliant GP became the successor company of Bell Aliant Holdings LP.

These transactions were accounted for at carrying values as there was no substantial change in control. As a result of these transactions, BCE and Bell Canada own 43.88 per cent of common shares of Bell Aliant Inc on a fully diluted basis and one common share of Bell Aliant GP, with the remaining common shares of Bell Aliant GP owned by Bell Aliant Inc. BCE and Bell Canada retained certain rights in respect of the board of Bell Aliant GP under a securityholders' agreement which allows BCE to control the board. Bell Aliant Inc. exercises significant influence over operating, investing and financial policies of Bell Aliant GP, but does not control it. As a result, Bell Aliant Inc. equity accounts for its investment in Bell Aliant GP.

The deferred units of the Fund that were outstanding at the end of 2010, were converted to deferred share units, entitling plan members to one Bell Aliant Inc. common share or its cash equivalent for every vested deferred share unit held, and carrying the same vesting and performance criteria as the deferred units.

Bell Aliant Inc. paid the December 2010 distributions declared and payable by the Fund to its unitholders on January 14, 2011.