



Aliant Reports Second Quarter Results

- *Revenues up 1.6 per cent over last year to \$525.6 million*
- *Earnings per share \$0.36*

Saint John, NB - July 29th, 2004 - Aliant Inc. (TSX: AIT) today reported its second quarter results. Consolidated revenues for the quarter were \$525.6 million, an increase of 1.6 per cent over the same period last year. In the telecommunications business, revenues were up 0.5 per cent for the quarter where wireless growth of 16.8 per cent and Internet growth of 14.1 per cent offset lower revenues in local and long distance. An 8.2 per cent increase in information technology revenues from external customers of xwave also contributed to the consolidated revenue growth for the quarter. Year-to-date revenues were \$1,030.0 million compared to \$1,018.2 million a year earlier, an increase of 1.2 per cent.

Net income from continuing operations was \$50.1 million for the second quarter, down 18.2 per cent from the second quarter last year. The labour disruption by Aliant's 4,300 unionized telecommunications employees that began on April 23rd has impacted revenues slightly and caused temporarily higher operating expenses in our telecommunications business during the quarter. Additional costs have been incurred, particularly early in the quarter, to train and position employees in customer service roles, to protect the Company's assets and employees, and to repair damaged property and equipment.

EPS of \$0.36 for the quarter were down \$0.06 from a year ago. The estimated \$0.10 per share impact of the labour disruption was mitigated by lower interest and tax charges and by the impact of the share buyback program. EPS for the first six months of the year were \$0.65, down from \$0.67 in 2003.

"During this challenging time we have still been able to successfully meet our customers' needs and achieve relatively strong revenues. This is in large part due to the dedication of our employees who have stepped into new roles and who have maintained our external and internal operations," said Jay Forbes, President and CEO of Aliant. "However, we look forward to a resolution to this situation and remain committed to reaching a settlement and to revitalizing our full strategic agenda as soon as possible."

In light of the financial impact of the labour disruption evident in the second quarter results, Aliant will be updating the 2004 guidance offered at the beginning of the year. That update will be provided as soon as possible after the labour disruption is over.

On July 29, 2004, Aliant's Board of Directors declared a common share dividend of \$0.275 per common share and a preferred share dividend of \$0.340625 per preferred share, payable on September 30, 2004 to shareholders of record on September 15, 2004.

Second Quarter Financial Highlights

(\$millions except per share amounts)	Three Months			Six Months		
	2004	2003	% Change	2004	2003	% Change
Total operating revenue	\$525.6	\$517.3	1.6%	\$1,030.0	\$1,018.2	1.2%
Net income from continuing operations	\$50.1	\$61.2	-18.2%	\$90.8	\$98.7	-8.1%
Earnings per common share from continuing operations	\$0.36	\$0.42	-14.3%	\$0.65	\$0.67	-3.0%
Weighted average number of common shares outstanding (millions)	132.7	138.7	-4.3%	133.0	139.0	-4.3%

About Aliant

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 advanced systems and information technology solutions and knowledge-services applications. The company's approximately 8,300 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. More information about Aliant (TSX:AIT) may be found by visiting www.aliant.ca.

Analyst conference call

A conference call with analysts is scheduled for July 30, 2004 at 8:30 a.m. (ET), (9:30 a.m. Atlantic, 10:00 a.m. N&L). The dial in number is 1-877-461-2814 or (416) 695-9753. Media are invited to attend in a listen mode. The title of the call is "Aliant 2nd Quarter 2004 Financial Results." A replay of the session can be heard between July 30 at 11:00 a.m. (ET) to August 6 at midnight (ET). To access the replay, dial 1-866-518-1010 or (416) 695-5275.

Forward-looking Statements

This news release contains forward-looking statements related to the future financial condition and results of operations of Aliant. These statements are based on current expectations and estimates about the markets in which Aliant operates and management's beliefs and assumptions regarding these markets. These statements are subject to important risks and uncertainties which are difficult to predict and assumptions which may prove to be inaccurate. Some of the factors which could cause results or events to differ materially from current expectations include but are not limited to: general economic conditions, market or business conditions; increased competition; changing regulatory conditions or requirements; changing technology; the outcome of collective bargaining; the duration and impact of the current labour disruption; and success in implementing productivity initiatives. Some of these factors are largely beyond the control of Aliant. Should any factor impact Aliant in an unexpected manner, or should assumptions underlying the forward-looking statements prove incorrect, the actual results or events may differ materially from the results or events predicted. Consequently, all of the forward-looking statements made in this document are qualified by these cautionary statements, and there can be no assurance that the results or developments anticipated by Aliant will be realized or, even if substantially realized, that they will have the expected consequences for Aliant. Readers should not place undue reliance on any forward-looking statements. Further, Aliant disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or any other occurrence.

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