

Supplemental Investor Information

Second Quarter 2004

Aliant



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(Thousands of dollars, except as otherwise indicated)

	Six Months Ended June 30			Three Months Ended June 30		
	2004	2003 ⁽¹⁾	% Change	2004	2003 ⁽¹⁾	% Change
Financial						
Operating revenues	\$1,030,026	\$1,018,166	1.2%	\$525,584	\$517,277	1.6%
Operating income	\$177,016	\$206,265	(14.2%)	\$95,119	\$122,993	(22.7%)
Net income	\$90,768	\$98,724	(8.1%)	\$50,088	\$61,224	(18.2%)
Earnings per average common share - Basic (EPS)	\$0.65	\$0.67	(3.0%)	\$0.36	\$0.42	(14.3%)
Cash from operations ⁽²⁾	\$258,009	\$378,186	(31.8%)	\$111,235	\$155,888	(28.6%)
Capital investments	\$129,496	\$143,469	(9.7%)	\$44,700	\$72,833	(38.6%)
Depreciation	\$199,508	\$196,572	1.5%	\$98,549	\$98,382	0.2%
Share Capital						
Weighted average number of common shares outstanding in the period ⁽³⁾	133,038,386	138,975,893	(4.3%)	132,685,147	138,683,340	(4.3%)
Trading hi-low	\$34.70 - \$26.14	\$30.50 - \$25.27		\$31.49 - \$26.14	\$30.50 - \$27.25	
As at June 30:						
Number of common shares outstanding ⁽³⁾	132,312,406	138,505,154	(4.5%)			
Common share price (AIT)	\$27.57	\$29.13	(5.4%)			
Preferred share price (AIT.PR.A)	\$25.97	\$26.24	(1.0%)			
Market capitalization	\$3,647,853	\$4,034,655	(9.6%)			

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

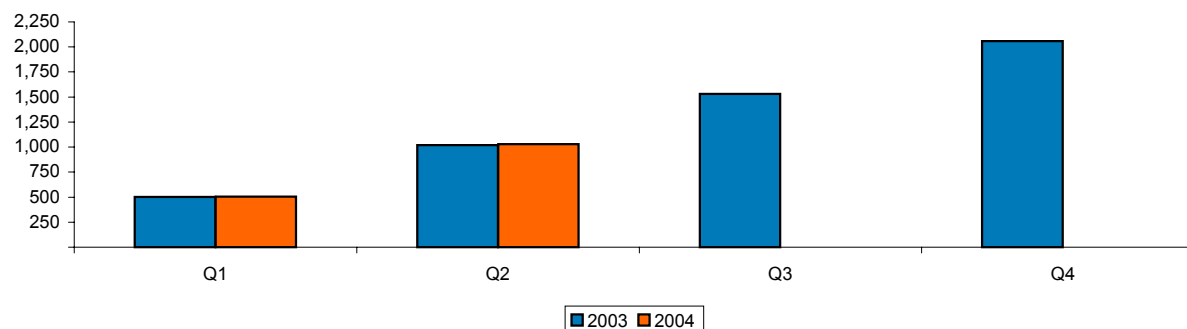
Financial Summary

(Thousands of dollars, except as otherwise indicated)

	Six Months Ended June 30			Three Months Ended June 30		
	2004	2003 ⁽¹⁾	% Change	2004	2003 ⁽¹⁾	% Change
Operating revenues	\$1,030,026	\$1,018,166	1.2%	\$525,584	\$517,277	1.6%
Cost of operating revenues	143,677	148,004	(2.9%)	69,182	64,568	7.1%
Pension and other post employment benefits cost	38,811	27,778	39.7%	18,745	14,041	33.5%
Other operating expenses	466,458	439,547	6.1%	242,516	217,293	11.6%
Depreciation	199,508	196,572	1.5%	98,549	98,382	0.2%
Restructuring charge	4,556	-	n.m.	1,473	-	n.m.
Operating income	177,016	206,265	(14.2%)	95,119	122,993	(22.7%)
Other income (expenses)	5,116	(492)	n.m.	2,106	(228)	n.m.
Interest charges	37,807	41,884	(9.7%)	18,585	20,941	(11.3%)
Income taxes	52,751	65,286	(19.2%)	28,212	40,614	(30.5%)
Non-controlling interest	806	(121)	n.m.	340	(14)	n.m.
Net income	\$90,768	\$98,724	(8.1%)	\$50,088	\$61,224	(18.2%)
Preferred share dividends	4,769	4,769	0.0%	2,385	2,385	0.0%
Net income applicable to common shares	\$85,999	\$93,955	(8.5%)	\$47,703	\$58,839	(18.9%)
EPS	\$0.65	\$0.67	(3.0%)	\$0.36	\$0.42	(14.3%)

n.m. - not meaningful

Operating revenues - YTD (\$ millions)



Supplemental Investor Information - Second Quarter 2004 (unaudited)

(Thousands of dollars, except as otherwise indicated)

	2004			2003 ⁽¹⁾				
	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
Operating revenues *								
Telecommunications	\$466,074	\$432,632	\$898,706	\$465,412	\$460,459	\$464,073	\$429,861	\$1,819,805
Information Technology	85,227	98,465	183,692	87,355	80,639	84,615	103,024	355,633
Other and intercompany eliminations	(25,717)	(26,655)	(52,372)	(25,770)	(27,210)	(31,411)	(31,996)	(116,387)
	\$525,584	\$504,442	\$1,030,026	\$526,997	\$513,888	\$517,277	\$500,889	\$2,059,051
<i>Current year quarter over same prior year quarter growth (%)</i>	1.6%	0.7%		3.0%	1.3%	(1.0%)	1.2%	
<i>Year-to-date growth (%)</i>	1.2%	0.7%		1.1%	0.5%	0.1%	1.2%	
Operating income *								
Telecommunications	\$98,544	\$84,293	\$182,837	\$125,429	\$120,965	\$127,440	\$91,613	\$465,447
Information Technology	2,585	2,767	5,352	822	(14,512)	(1,161)	(4,319)	(19,170)
Other and intercompany eliminations	(6,010)	(5,163)	(11,173)	(10,323)	(4,442)	(3,286)	(4,022)	(22,073)
	\$95,119	\$81,897	\$177,016	\$115,928	\$102,011	\$122,993	\$83,272	\$424,204
<i>Current year quarter over same prior year quarter growth (%)</i>	(22.7%)	(1.7%)		(3.8%)	1.0%	(4.7%)	(16.6%)	
<i>Year-to-date growth (%)</i>	(14.2%)	(1.7%)		(5.8%)	(6.5%)	(9.9%)	(16.6%)	
Net income								
Telecommunications	\$54,889	\$43,109	\$97,998	\$59,609	\$60,433	\$65,436	\$42,826	\$228,304
Information Technology	2,374	1,341	3,715	391	(8,278)	(1,045)	(3,269)	(12,201)
Other and intercompany eliminations	(7,175)	(3,770)	(10,945)	(11,740)	(1,441)	(3,167)	(2,057)	(18,405)
Net income, as reported	\$50,088	\$40,680	\$90,768	\$48,260	\$50,714	\$61,224	\$37,500	\$197,698
<i>Add:</i>								
Restructuring charge (net of tax)	886	1,906	2,792	(570)	9,300	-	-	8,730
Investment transactions (net of tax)	-	-	-	12,318	-	-	-	12,318
	\$50,974	\$42,586	\$93,560	\$60,008	\$60,014	\$61,224	\$37,500	\$218,746
<i>Current year quarter over same prior year quarter growth (%)</i>	(16.7%)	13.6%		15.1%	15.0%	(6.9%)	(13.6%)	
<i>Year-to-date growth (%)</i>	(5.2%)	13.6%		2.4%	(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.

ALIAN T INC.
Shareholder Value
Supplemental Investor Information - Second Quarter 2004 (unaudited)

(Thousands of dollars, except as otherwise indicated)

	2004			2003 ⁽¹⁾				
	Q2	Q1	YTD / Total	Q4	Q3	Q2	Q1	YTD / Total
Common shares (000's)								
Number of common shares outstanding at end of period	132,312	133,087		133,617	136,059	138,505	138,928	
Weighted average number of common shares outstanding in the period	132,685	133,404	133,038	134,667	137,906	138,683	139,256	137,581
Common shares repurchased under NCIB's ⁽³⁾	847	616	1,463	2,651	2,542	584	752	6,529
Market price per common share								
High	\$31.49	\$34.70		\$33.78	\$32.24	\$30.50	\$28.65	
Low	\$26.14	\$30.01		\$31.08	\$28.50	\$27.25	\$25.27	
Close	\$27.57	\$30.01		\$32.10	\$31.32	\$29.13	\$28.00	
<i>Book value per common share (i)</i>	\$10.77	\$10.79		\$10.86	\$10.34	\$10.63	\$10.58	
<i>Market-to-book value (times) (ii)</i>	2.6	2.8		3.0	3.0	2.7	2.6	
<i>Market capitalization (iii)</i>	\$3,647,853	\$3,993,941		\$4,289,103	\$4,261,358	\$4,034,655	\$3,889,982	
Net income	\$50,088	\$40,680	\$90,768	\$48,260	\$50,714	\$61,224	\$37,500	\$197,698
Preferred share dividends	2,385	2,384	4,769	2,385	2,384	2,385	2,384	9,538
Net income applicable to common shares	\$47,703	\$38,296	\$85,999	\$45,875	\$48,330	\$58,839	\$35,116	\$188,160
EPS								
Continuing day-to-day activities	\$0.37	\$0.30	\$0.67	\$0.41	\$0.42	\$0.42	\$0.25	\$1.50
Outside the normal course of operations:								
Restructuring charge	(0.01)	(0.01)	(0.02)	-	(0.06)	-	-	(0.06)
Investment transactions	-	-	-	(0.09)	-	-	-	(0.09)
	\$0.36	\$0.29	\$0.65	\$0.32	\$0.36	\$0.42	\$0.25	\$1.35
<i>Year-to-date growth (%)</i>	(3.0%)	16.0%		32.4%	1.0%	(6.9%)	(16.7%)	
<i>Price-to-earnings ratio (times) (iv)</i>	20.7	21.6		23.8	30.4	30.0	28.9	
Common share dividends	\$36,457	\$36,679	\$73,136	\$36,875	\$37,782	\$38,103	\$34,749	\$147,509
<i>Dividends declared per common share, as stated</i>	\$0.275	\$0.275	\$0.550	\$0.275	\$0.275	\$0.275	\$0.250	\$1.075
<i>Common share dividend payout ratio (v)</i>	82.0%	78.1%		78.4%	103.0%	105.4%	99.6%	
<i>Dividend yield (vi)</i>	4.0%	3.7%		3.4%	3.5%	3.8%	3.6%	

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

(Thousands of dollars, except as otherwise indicated)

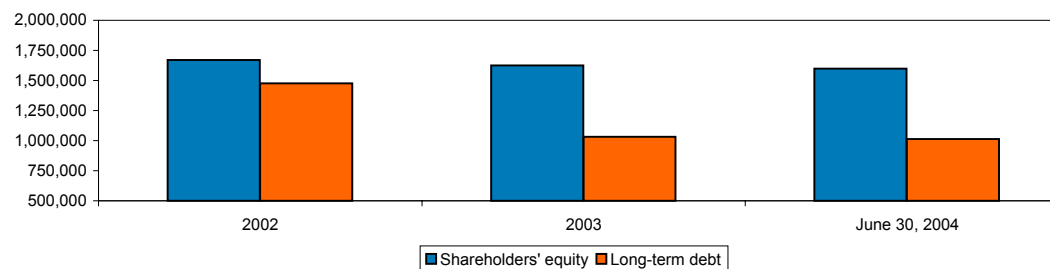
	2004			2003 ⁽¹⁾				
	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
Capital structure								
Shareholders' equity	61.1%	61.0%		61.2%	60.2%	61.7%	60.0%	
Non-controlling interest	0.2%	0.2%		0.1%	0.1%	0.1%	0.1%	
Debt (vii)	38.7%	38.8%		38.7%	39.7%	38.2%	39.9%	
	<u>100.0%</u>	<u>100.0%</u>		<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	
Return on shareholders' equity (viii)	13.3%	10.6%	12.0%	13.1%	13.3%	16.0%	9.5%	12.8%
Return on invested capital (ix)	9.4%	8.0%	8.7%	9.3%	9.5%	10.8%	7.2%	9.1%
Cash from operations⁽²⁾								
Cash from operations before change in non-cash working capital	\$169,344	\$157,359	\$326,703	\$199,402	\$147,437	\$170,099	\$119,012	\$635,950
Change in non-cash working capital	(58,109)	(10,585)	(68,694)	(21,181)	42,953	(14,211)	103,286	110,847
	<u>\$111,235</u>	<u>\$146,774</u>	<u>\$258,009</u>	<u>\$178,221</u>	<u>\$190,390</u>	<u>\$155,888</u>	<u>\$222,298</u>	<u>\$746,797</u>
Interest charges								
Interest on long-term debt	\$18,769	\$18,855	\$37,624	\$19,482	\$20,189	\$20,716	\$20,651	\$81,038
Other interest	(184)	367	183	1,298	252	225	292	2,067
	<u>\$18,585</u>	<u>\$19,222</u>	<u>\$37,807</u>	<u>\$20,780</u>	<u>\$20,441</u>	<u>\$20,941</u>	<u>\$20,943</u>	<u>\$83,105</u>
Coverage ratios								
Interest coverage (x)	5.0	5.1		5.0	4.5	4.3	4.3	
Cash flow to interest (xi)	8.5	8.3		7.7	7.2	6.7	6.6	

(vii) to (xi) - see page 14 for definitions

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

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 Long-term debt (\$ millions)



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

Capital Investments and Depreciation

(Thousands of dollars, except as otherwise indicated)

Capital investments

Telecommunications
 Information Technology
 Other and intercompany eliminations

2004		
Q2	Q1	Total
\$42,415	\$84,403	\$126,818
2,227	357	2,584
58	36	94
<u>\$44,700</u>	<u>\$84,796</u>	<u>\$129,496</u>

2003 ⁽¹⁾				
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
<u>\$100,980</u>	<u>\$91,352</u>	<u>\$72,833</u>	<u>\$70,636</u>	<u>\$335,801</u>

Depreciation

Telecommunications
 Information Technology
 Other and intercompany eliminations

\$97,060	\$99,339	\$196,399
2,134	2,319	4,453
(645)	(699)	(1,344)
<u>\$98,549</u>	<u>\$100,959</u>	<u>\$199,508</u>

\$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)
<u>\$95,712</u>	<u>\$98,313</u>	<u>\$98,382</u>	<u>\$98,190</u>	<u>\$390,597</u>

Capital investments % of operating revenues

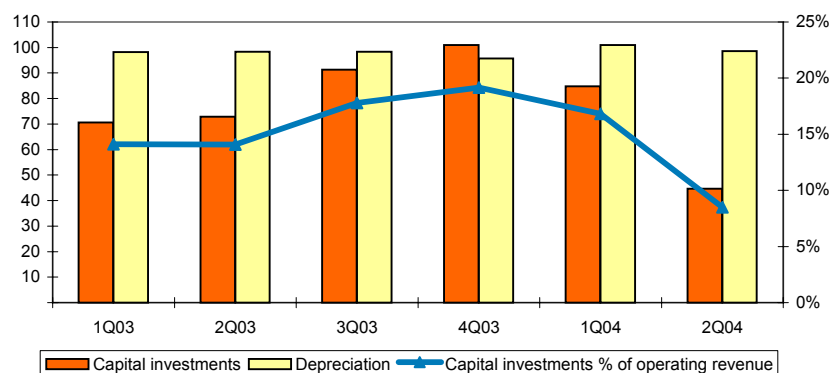
Telecommunications
 Information Technology
 Other and intercompany eliminations

9.1%	19.5%	14.1%
2.6%	0.4%	1.4%
n.m.	n.m.	n.m.
<u>8.5%</u>	<u>16.8%</u>	<u>12.6%</u>

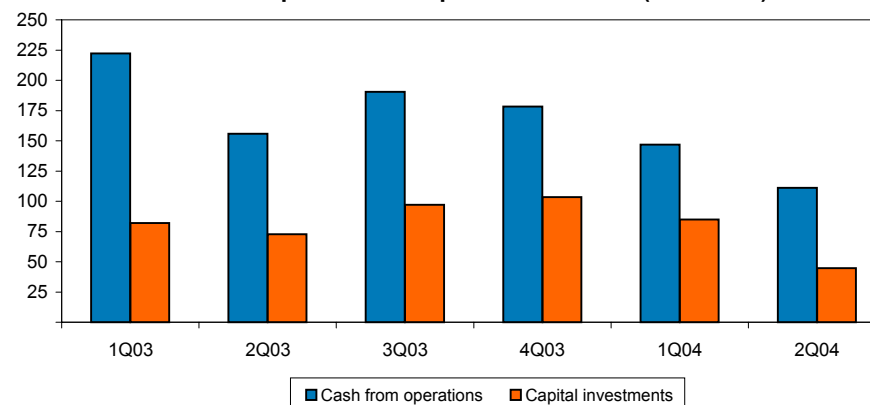
21.2%	19.7%	15.4%	16.2%	18.2%
2.4%	0.2%	0.7%	0.5%	1.0%
n.m.	n.m.	n.m.	n.m.	n.m.
<u>19.2%</u>	<u>17.8%</u>	<u>14.1%</u>	<u>14.1%</u>	<u>16.3%</u>

n.m. - not meaningful

Capital investments / Depreciation (\$ millions)



Cash from operations / Capital investments (\$ millions)



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

Telecommunications Financial Highlights

(Thousands of dollars, except as otherwise indicated)

Operating Revenues

Local
 Long distance
 Wireless
 Internet
 Product sales
 Innovatia
 Other

Cost of operating revenues

Pension and other post employment benefits cost

Other operating expenses

Depreciation

Restructuring charge

Operating income

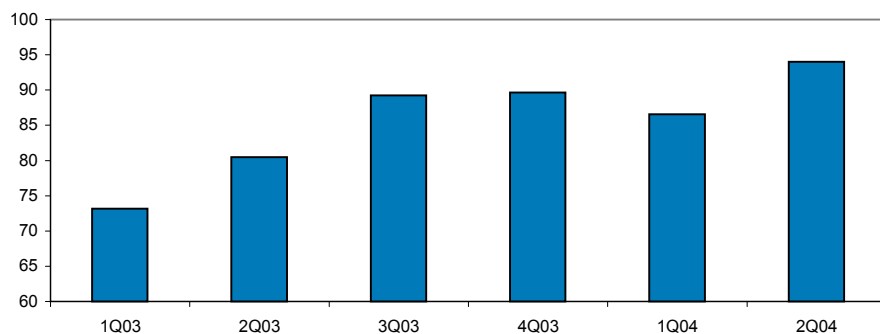
Net income

Contribution to EPS

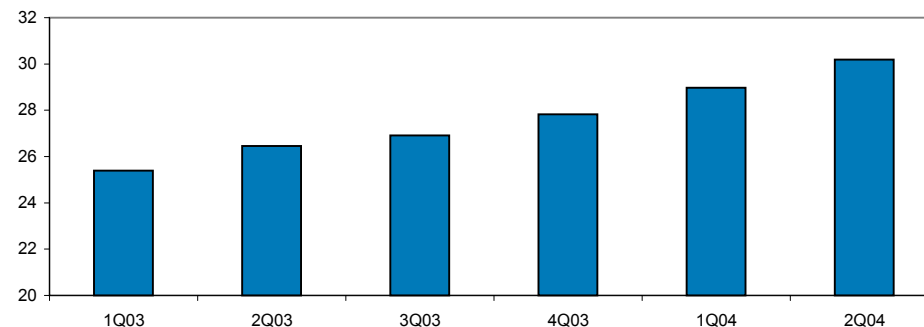
2004		
Q2	Q1	Total
\$188,571	\$188,257	\$376,828
88,127	92,097	180,224
94,012	86,549	180,561
30,183	28,979	59,162
26,488	25,176	51,664
6,411	6,023	12,434
32,282	5,551	37,833
\$466,074	\$432,632	\$898,706
38,853	34,200	73,053
18,252	19,940	38,192
213,056	192,939	405,995
97,060	99,339	196,399
309	1,921	2,230
\$98,544	\$84,293	\$182,837
\$54,889	\$43,109	\$97,998
\$0.41	\$0.32	\$0.74

2003 ⁽¹⁾				
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
6,932	6,239	6,642	5,570	25,383
13,800	16,247	33,376	10,287	73,710
\$465,412	\$460,459	\$464,073	\$429,861	\$1,819,805
50,275	43,716	39,565	41,709	175,265
15,250	15,922	13,543	13,674	58,389
181,038	184,051	187,548	186,757	739,394
93,420	95,805	95,977	96,108	381,310
-	-	-	-	-
\$125,429	\$120,965	\$127,440	\$91,613	\$465,447
\$59,609	\$60,433	\$65,436	\$42,826	\$228,304
\$0.44	\$0.44	\$0.47	\$0.31	\$1.66

Wireless operating revenues (\$ millions)



Internet operating revenues (\$ millions)



LOCAL

Network access service

Business
 Residential

2004	
Q2	Q1
595,475	592,734
900,904	905,405
1,496,379	1,498,139

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

LONG DISTANCE

Long distance minutes (000's)

Revenue per long distance minute

767,071	853,900
\$0.09	\$0.08

835,009	846,477	855,955	965,925
\$0.09	\$0.09	\$0.09	\$0.08

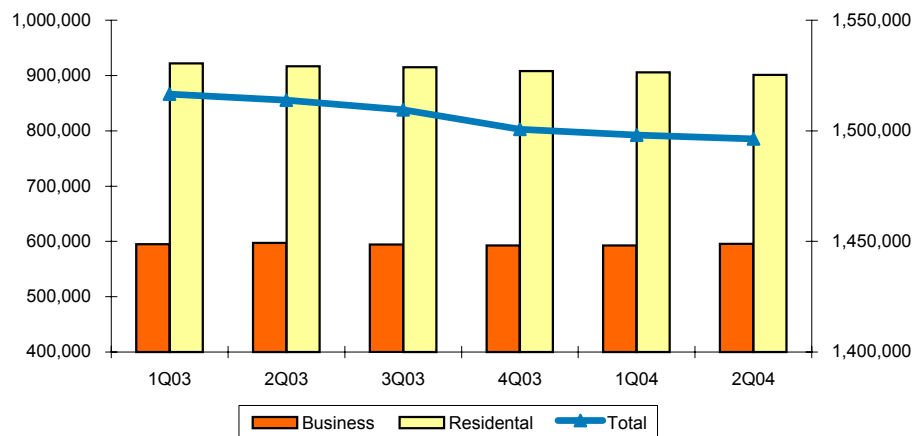
Year-to-date growth (%)

Local revenue
 Long distance revenue
 Network access service
 Long distance minutes

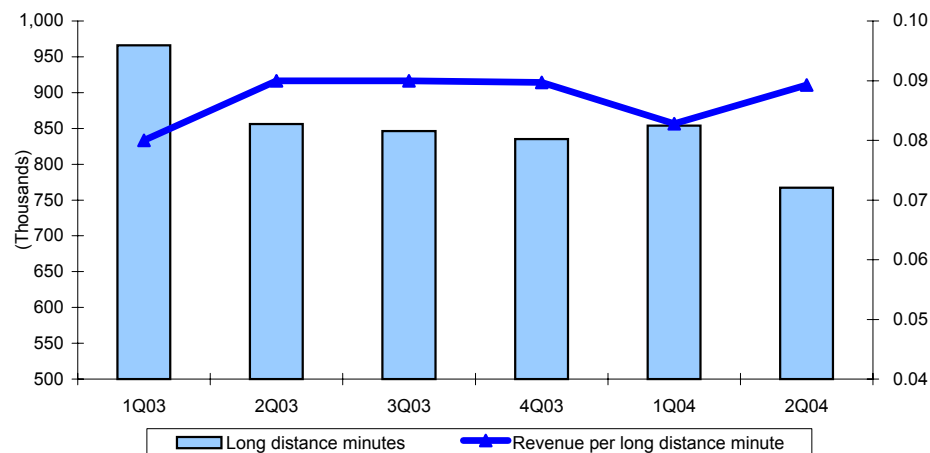
(1.5%)	(0.9%)
(9.3%)	(8.6%)
(1.2%)	(1.2%)
(11.0%)	(11.6%)

(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 - Second Quarter 2004 (unaudited)

Telecommunications Operating Statistics - Wireless

(Thousands of dollars, except as otherwise indicated)

WIRELESS

Operating revenues and operating expenses

Wireless services and product sales
Wireless 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

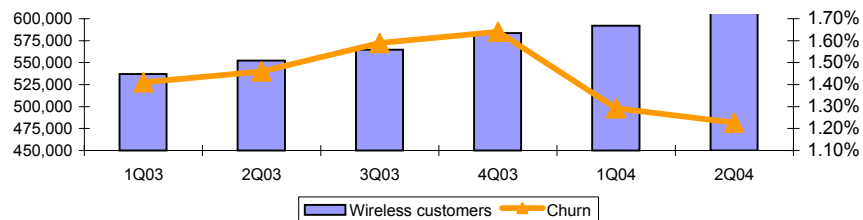
2004		
Q2	Q1	Total
\$95,908	\$87,207	\$183,115
\$49,763	\$44,920	\$94,683
<hr/>		
109,638	118,192	
435,253	413,414	
544,891	531,606	
<hr/>		
47,584	45,226	
17,110	15,051	
64,694	60,277	
609,585	591,883	
<hr/>		
-6,196	-16,950	
23,898	25,253	
17,702	8,303	

2003				
Q4	Q3	Q2	Q1	Total
\$92,261	\$90,581	\$80,864	\$73,499	\$337,206
\$46,346	\$45,871	\$43,560	\$40,437	\$176,213
<hr/>				
133,240	152,747	168,635	184,638	
390,210	352,181	325,340	293,980	
523,450	504,928	493,975	478,618	
<hr/>				
47,128	50,099	51,282	53,056	
13,002	9,606	6,873	5,437	
60,130	59,705	58,155	58,493	
583,580	564,633	552,130	537,111	
<hr/>				
-22,478	-17,071	-17,777	-17,813	
41,425	29,574	32,796	25,639	
18,947	12,503	15,019	7,826	

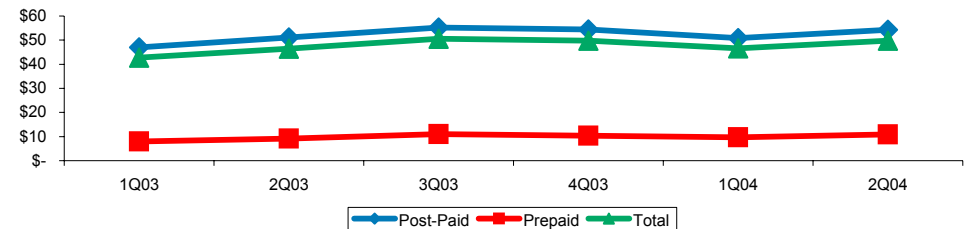
2004	2003
1.2%	1.3%
<hr/>	
\$54.24	\$50.84
\$10.85	\$9.64
\$49.72	\$46.62
<hr/>	
272	237
<hr/>	
17.5%	18.3%
(28.5%)	(31.2%)
36.2%	43.1%
10.4%	10.2%
7.8%	8.9%
10.4%	10.2%

2004	2003	2003	2003
1.6%	1.6%	1.5%	1.4%
<hr/>			
\$54.42	\$55.21	\$51.04	\$47.02
\$10.37	\$11.08	\$9.22	\$7.97
\$49.82	\$50.57	\$46.52	\$42.80
<hr/>			
259	265	247	215
<hr/>			
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



Average revenue per customer (ARPC)



INTERNET

Customers

Dial up
High speed

Customer net additions

Dial up
High speed

Churn

Per customer

Average revenue (ARPC)

Consumer dial up ⁽⁴⁾
Consumer high speed ⁽⁴⁾
Business dial up
Business high speed

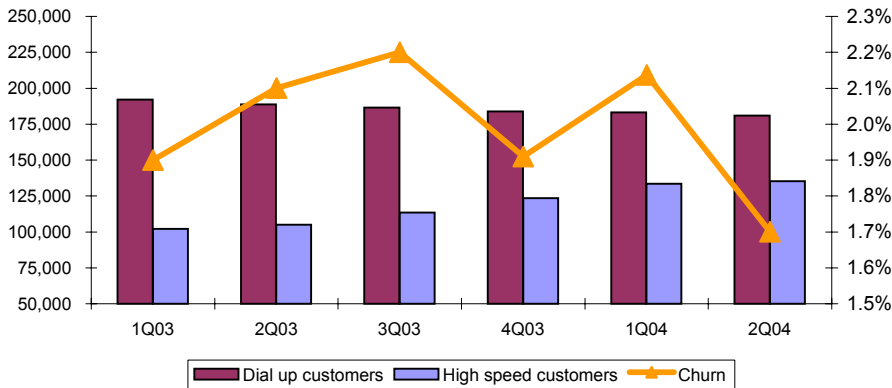
Year-to-date growth (%)

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

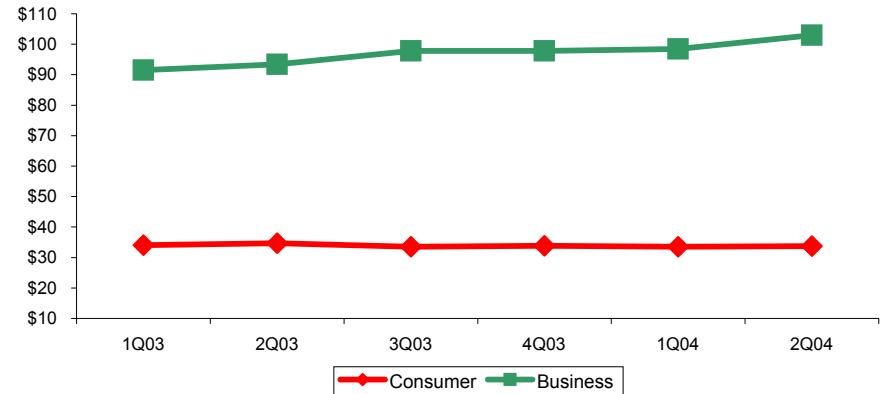
2004	
Q2	Q1
181,023	183,080
135,367	133,474
316,390	316,554
(2,057)	(850)
1,893	10,087
(164)	9,237
1.7%	2.1%
\$20.18	\$19.68
\$33.76	\$33.48
\$44.23	\$45.49
\$102.93	\$98.49
14.1%	14.2%
(4.1%)	(4.7%)
28.8%	30.6%
(2.2%)	(1.6%)
8.9%	7.6%

2003			
Q4	Q3	Q2	Q1
183,930	186,456	188,754	192,097
123,387	113,517	105,117	102,219
307,317	299,973	293,871	294,316
(2,526)	(2,298)	(3,343)	511
9,870	8,400	2,898	5,674
7,344	6,102	(445)	6,185
1.9%	2.2%	2.1%	1.9%
\$19.51	\$20.00	\$19.77	\$19.36
\$33.86	\$33.53	\$34.67	\$34.03
\$45.83	\$44.58	\$44.36	\$43.77
\$97.86	\$97.80	\$93.44	\$91.55
16.5%	16.7%	17.1%	16.2%
(4.0%)	(2.2%)	(2.5%)	(2.7%)
27.8%	22.6%	24.1%	28.1%
5.8%	5.4%	4.8%	0.1%
12.6%	13.3%	13.0%	13.4%

Internet customers / Churn



Average revenue per customer (ARPC) - High speed



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

Information Technology Financial Highlights

(Thousands of dollars, except as otherwise indicated)

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

Depreciation

Restructuring charge

Operating income (loss)

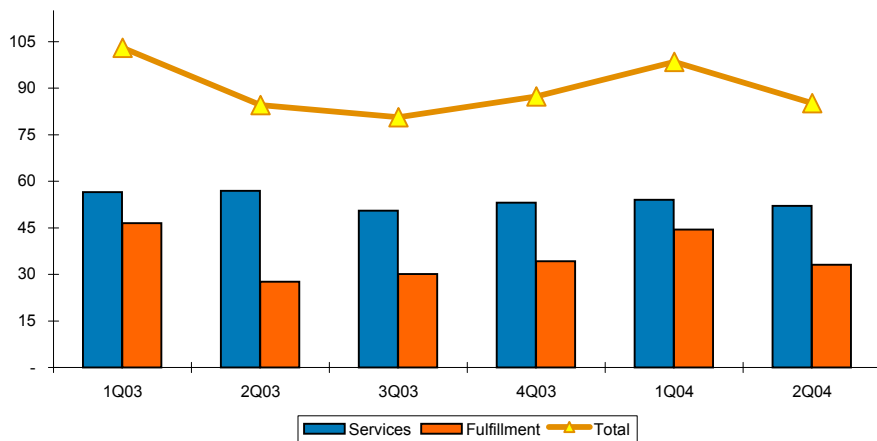
Net income (loss)

Contribution to EPS

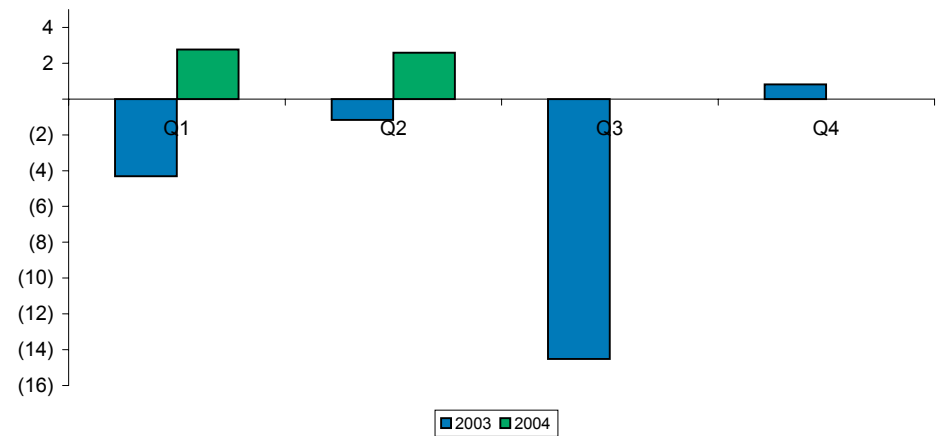
2004		
Q2	Q1	Total
\$29,702	\$32,777	\$62,479
22,408	21,221	43,629
\$52,110	\$53,998	\$106,108
\$31,171	\$40,977	\$72,148
1,946	3,490	5,436
\$33,117	\$44,467	\$77,584
\$85,227	\$98,465	\$183,692
30,329	40,295	70,624
49,015	51,922	100,937
2,134	2,319	4,453
1,164	1,162	2,326
\$2,585	\$2,767	\$5,352
\$2,374	\$1,341	\$3,715
\$0.02	\$0.01	\$0.03

2003				
Q4	Q3	Q2	Q1	Total
\$31,362	\$30,067	\$33,432	\$31,811	\$126,672
21,796	20,452	23,527	24,662	90,437
\$53,158	\$50,519	\$56,959	\$56,473	\$217,109
\$30,871	\$25,550	\$22,833	\$42,533	\$121,787
3,326	4,570	4,823	4,018	16,737
\$34,197	\$30,120	\$27,656	\$46,551	\$138,524
\$87,355	\$80,639	\$84,615	\$103,024	\$355,633
31,049	27,332	25,012	41,718	125,111
53,470	49,319	57,757	62,841	223,387
2,964	3,000	3,007	2,784	11,755
(950)	15,500	-	-	14,550
\$822	(\$14,512)	(\$1,161)	(\$4,319)	(\$19,170)
\$391	(\$8,278)	(\$1,045)	(\$3,269)	(\$12,201)
\$0.00	(\$0.06)	(\$0.01)	(\$0.02)	(\$0.09)

Operating revenues (\$ 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 the expired NCIB and can acquire under the current NCIB, from time to time, our common shares at market prices for cancellation.
4. Internet average revenue per customer (ARPC) for consumer dial up and 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 new 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 (common shares plus retained earnings) 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 (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 (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 (used in) operations (before change in non-cash working capital) divided by interest charges (current quarter plus three (3) previous quarters).

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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.