

# Supplemental Investor Information

Fourth Quarter 2004

***Aliant***



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(Thousands of dollars, except as otherwise indicated)

	Twelve Months Ended December 31			Three Months Ended December 31		
	2004	2003 <sup>(1)</sup>	% Change	2004	2003 <sup>(1)</sup>	% Change
<b>Financial</b>						
Operating revenues	\$2,033,415	\$2,059,051	(1.2%)	\$506,200	\$526,997	(3.9%)
Operating income	\$279,038	\$424,204	(34.2%)	\$28,808	\$115,928	(75.2%)
Net income	\$137,041	\$194,869	(29.7%)	\$9,286	\$45,431	(79.6%)
Earnings per average common share - Basic (EPS)	\$0.96	\$1.35	(28.9%)	\$0.05	\$0.32	(84.4%)
Cash from operating activities <sup>(2)</sup>	\$581,923	\$638,127	(8.8%)	\$183,799	\$95,889	91.7%
Capital investments	\$294,960	\$335,801	(12.2%)	\$114,026	\$100,980	12.9%
Depreciation	\$397,337	\$390,597	1.7%	\$99,259	\$95,712	3.7%
<b>Share Capital</b>						
Weighted average number of common shares outstanding in the period <sup>(3)</sup>	132,740,081	137,581,358	(3.5%)	132,558,109	134,666,888	(1.6%)
Trading hi-low	\$34.70 - \$25.00	\$33.78 - \$25.27		\$28.00 - \$25.30	\$33.78 - \$31.08	
<b>As at December 31:</b>						
Number of common shares outstanding <sup>(3)</sup>	132,744,009	133,616,920	(0.7%)			
Common share price (AIT)	\$27.80	\$32.10	(13.4%)			
Preferred share price (AIT.PR.A)	\$26.70	\$26.36	1.3%			
Market capitalization	\$3,690,283	\$4,289,103	(14.0%)			

Two notable events occurred in 2004:

- we experienced a labour disruption that commenced April 23, 2004 and ended September 20, 2004; and
- we offered our employees a voluntary early retirement incentive plan (ERIP) in October 2004

Refer to pages 5 and 6 to see the impacts of these events on our operating results.

As well, additional information is provided in our Management's Discussion and Analysis for the year ended December 31, 2004.

**ALIANT INC.****Supplemental Investor Information (unaudited) - Fourth Quarter 2004****Financial Summary**

(Thousands of dollars, except as otherwise indicated)

	Twelve Months Ended December 31			Three Months Ended December 31		
	2004	2003 <sup>(1)</sup>	% Change	2004	2003 <sup>(1)</sup>	% Change
<b>Operating revenues</b>	<b>\$2,033,415</b>	<b>\$2,059,051</b>	<b>(1.2%)</b>	<b>\$506,200</b>	<b>\$526,997</b>	<b>(3.9%)</b>
Cost of operating revenues	285,487	300,380	(5.0%)	76,172	81,327	(6.3%)
Other operating expenses	923,561	867,496	6.5%	216,351	218,984	(1.2%)
Pension and other post employment benefits cost	75,704	61,824	22.5%	18,520	15,996	15.8%
Depreciation	397,337	390,597	1.7%	99,259	95,712	3.7%
Restructuring charge	72,288	14,550	n.m.	67,090	(950)	n.m.
<b>Operating income</b>	<b>279,038</b>	<b>424,204</b>	<b>(34.2%)</b>	<b>28,808</b>	<b>115,928</b>	<b>(75.2%)</b>
Other income (expenses)	4,923	(8,203)	n.m.	2,668	(9,785)	n.m.
Interest charges	75,039	83,105	(9.7%)	17,467	20,780	(15.9%)
Income taxes	70,107	137,574	(49.0%)	4,160	39,667	(89.5%)
Non-controlling interest	1,774	453	n.m.	563	265	n.m.
<b>Net income</b>	<b>\$137,041</b>	<b>\$194,869</b>	<b>(29.7%)</b>	<b>\$9,286</b>	<b>\$45,431</b>	<b>(79.6%)</b>
Preferred share dividends	9,537	9,538	(0.0%)	2,384	2,385	(0.0%)
<b>Net income applicable to common shares</b>	<b>\$127,504</b>	<b>\$185,331</b>	<b>(31.2%)</b>	<b>\$6,902</b>	<b>\$43,046</b>	<b>(84.0%)</b>
<b>EPS</b>	<b>\$0.96</b>	<b>\$1.35</b>	<b>(28.9%)</b>	<b>\$0.05</b>	<b>\$0.32</b>	<b>(84.4%)</b>

n.m. - not meaningful

**ALIAN T INC.**
**Supplemental Investor Information (unaudited) - Fourth Quarter 2004**
**Growth**

(Thousands of dollars, except as otherwise indicated)

	2004					2003 <sup>(1)</sup>				
	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>Operating revenues *</b>										
Telecommunications	\$452,648	\$450,665	\$466,074	\$432,632	\$1,802,019	\$465,412	\$460,459	\$464,073	\$429,861	\$1,819,805
Information Technology	80,352	79,421	85,227	98,465	343,465	87,355	80,639	84,615	103,024	355,633
Other and intercompany eliminations	(26,800)	(32,897)	(25,717)	(26,655)	(112,069)	(25,770)	(27,210)	(31,411)	(31,996)	(116,387)
Operating revenues, as reported	\$506,200	\$497,189	\$525,584	\$504,442	\$2,033,415	\$526,997	\$513,888	\$517,277	\$500,889	\$2,059,051
Labour disruption, estimated	14,000	17,000	9,000	-	40,000	-	-	-	-	-
	<b>\$520,200</b>	<b>\$514,189</b>	<b>\$534,584</b>	<b>\$504,442</b>	<b>\$2,073,415</b>	<b>\$526,997</b>	<b>\$513,888</b>	<b>\$517,277</b>	<b>\$500,889</b>	<b>\$2,059,051</b>
<i>Current year quarter over same prior year quarter growth (%)</i>	(1.3%)	0.1%	3.3%	0.7%		3.0%	1.3%	(1.0%)	1.2%	
<i>Year-to-date growth (%)</i>	0.7%	1.4%	2.0%	0.7%		1.1%	0.5%	0.1%	1.2%	
<b>Operating income *</b>										
Telecommunications	\$43,522	\$73,758	\$98,544	\$84,293	\$300,117	\$125,429	\$120,965	\$127,440	\$91,613	\$465,447
Information Technology	(3,434)	5,380	2,585	2,767	7,298	822	(14,512)	(1,161)	(4,319)	(19,170)
Other and intercompany eliminations	(11,280)	(5,924)	(6,010)	(5,163)	(28,377)	(10,323)	(4,442)	(3,286)	(4,022)	(22,073)
Operating income, as reported	\$28,808	\$73,214	\$95,119	\$81,897	\$279,038	\$115,928	\$102,011	\$122,993	\$83,272	\$424,204
Labour disruption, estimated	13,000	34,000	21,000	-	68,000	-	-	-	-	-
Restructuring charge										
ERIP	66,598	-	-	-	66,598	-	-	-	-	-
Other	492	642	1,473	3,083	5,690	(950)	15,500	-	-	14,550
	<b>\$108,898</b>	<b>\$107,856</b>	<b>\$117,592</b>	<b>\$84,980</b>	<b>\$419,326</b>	<b>\$114,978</b>	<b>\$117,511</b>	<b>\$122,993</b>	<b>\$83,272</b>	<b>\$438,754</b>
<i>Current year quarter over same prior year quarter growth (%)</i>	(5.3%)	(8.2%)	(4.4%)	2.1%		(4.6%)	16.4%	(4.7%)	(16.6%)	
<i>Year-to-date growth (%)</i>	(4.4%)	(4.1%)	(1.8%)	2.1%		(2.6%)	(1.8%)	(9.9%)	(16.6%)	
<b>Net income</b>										
Telecommunications	\$18,174	\$34,652	\$54,889	\$43,109	\$150,824	\$62,438	\$60,433	\$65,436	\$42,826	\$231,133
Information Technology	(2,373)	5,377	2,374	1,341	6,719	391	(8,278)	(1,045)	(3,269)	(12,201)
Other and intercompany eliminations	(6,515)	(3,042)	(7,175)	(3,770)	(20,502)	(17,398)	(1,441)	(3,167)	(2,057)	(24,063)
Net income, as reported	\$9,286	\$36,987	\$50,088	\$40,680	\$137,041	\$45,431	\$50,714	\$61,224	\$37,500	\$194,869
Labour disruption, estimated (net of tax)	8,000	22,000	13,000	-	43,000	-	-	-	-	-
Restructuring charge (net of tax)										
ERIP	42,065	-	-	-	42,065	-	-	-	-	-
Other	293	386	886	1,906	3,471	(570)	9,300	-	-	8,730
Investment transactions (net of tax)	-	-	-	-	-	12,318	-	-	-	12,318
	<b>\$59,644</b>	<b>\$59,373</b>	<b>\$63,974</b>	<b>\$42,586</b>	<b>\$225,577</b>	<b>\$57,179</b>	<b>\$60,014</b>	<b>\$61,224</b>	<b>\$37,500</b>	<b>\$215,917</b>
<i>Current year quarter over same prior year quarter growth (%)</i>	4.3%	(1.1%)	4.5%	13.6%		9.6%	15.0%	(6.9%)	(13.6%)	
<i>Year-to-date growth (%)</i>	4.5%	4.5%	7.9%	13.6%		1.1%	(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.

**ALIANT INC.**
**Supplemental Investor Information (unaudited) - Fourth Quarter 2004**
**Shareholder Value**

(Thousands of dollars, except as otherwise indicated)

	2004					2003 <sup>(1)</sup>				
	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>Common shares (000's)</b>										
Number of common shares outstanding at end of period	132,744	132,108	132,312	133,087		133,617	136,059	138,505	138,928	
Weighted average number of common shares outstanding in the period	132,558	132,135	132,685	133,404		134,667	137,906	138,683	139,256	
Weighted average number of common shares outstanding year-to-date	132,740	132,750	133,038	133,404		137,581	138,595	138,976	139,256	
Common shares repurchased under NCIBs <sup>(3)</sup>	-	269	847	616	1,732	2,651	2,542	584	752	6,529
<b>Market price per common share</b>										
High	\$28.00	\$27.61	\$31.49	\$34.70		\$33.78	\$32.24	\$30.50	\$28.65	
Low	\$25.30	\$25.00	\$26.14	\$30.01		\$31.08	\$28.50	\$27.25	\$25.27	
Close	\$27.80	\$25.63	\$27.57	\$30.01		\$32.10	\$31.32	\$29.13	\$28.00	
<i>Book value per common share (i)</i>	\$10.58	\$10.74	\$10.77	\$10.79		\$10.86	\$10.34	\$10.63	\$10.58	
<i>Market-to-book value (times) (ii)</i>	2.6	2.4	2.6	2.8		3.0	3.0	2.7	2.6	
<i>Market capitalization (iii)</i>	\$3,690,283	\$3,385,930	\$3,647,853	\$3,993,941		\$4,289,103	\$4,261,358	\$4,034,655	\$3,889,982	
<b>Net income</b>	\$9,286	\$36,987	\$50,088	\$40,680	\$137,041	\$45,431	\$50,714	\$61,224	\$37,500	\$194,869
Preferred share dividends	2,384	2,384	2,385	2,384	9,537	2,385	2,384	2,385	2,384	9,538
Net income applicable to common shares	<b>\$6,902</b>	<b>\$34,603</b>	<b>\$47,703</b>	<b>\$38,296</b>	<b>\$127,504</b>	<b>\$43,046</b>	<b>\$48,330</b>	<b>\$58,839</b>	<b>\$35,116</b>	<b>\$185,331</b>
<b>EPS</b>										
EPS, as reported	\$0.05	\$0.26	\$0.36	\$0.29	\$0.96	\$0.32	\$0.35	\$0.42	\$0.25	\$1.35
Labour disruption, estimated	(0.06)	(0.16)	(0.10)	-	(0.32)	-	-	-	-	-
Restructuring charge										
ERIP	(0.32)	-	-	-	(0.32)	-	-	-	-	-
Other	(0.00)	0.00	(0.01)	(0.01)	(0.02)	-	(0.06)	-	-	(0.06)
Investment transactions	-	-	-	-	-	(0.09)	-	-	-	(0.09)
Quarterly	<b>\$0.43</b>	<b>\$0.42</b>	<b>\$0.47</b>	<b>\$0.30</b>	<b>\$1.62</b>	<b>\$0.41</b>	<b>\$0.41</b>	<b>\$0.42</b>	<b>\$0.25</b>	<b>\$1.50</b>
Year-to-date	<b>\$1.62</b>	<b>\$1.18</b>	<b>\$0.77</b>	<b>\$0.30</b>		<b>\$1.50</b>	<b>\$1.08</b>	<b>\$0.67</b>	<b>\$0.25</b>	
<i>Year-to-date growth (%)</i>	7.8%	9.5%	14.6%	17.9%		(2.4%)	(7.2%)	(15.1%)	(19.3%)	
<i>Price-to-earnings ratio (times) (iv)</i>	29.0	20.8	20.9	21.7		24.0	22.5	20.5	19.0	
<b>Common share dividends</b>	\$36,851	\$36,326	\$36,457	\$36,679	\$146,313	\$36,875	\$37,782	\$38,103	\$34,749	\$147,509
<i>Dividends declared per common share, as stated</i>	\$0.275	\$0.275	\$0.275	\$0.275	\$1.100	\$0.275	\$0.275	\$0.275	\$0.250	\$1.075
<i>Common share dividend payout ratio (v)</i>	114.8%	89.4%	83.3%	79.3%		79.6%	103.0%	105.4%	99.6%	
<i>Dividend yield (vi)</i>	4.0%	4.3%	4.0%	3.7%		3.4%	3.5%	3.8%	3.6%	

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

**ALIANT INC.**
**Supplemental Investor Information (unaudited) - Fourth Quarter 2004**
**Shareholder Value**
**(Continued)**

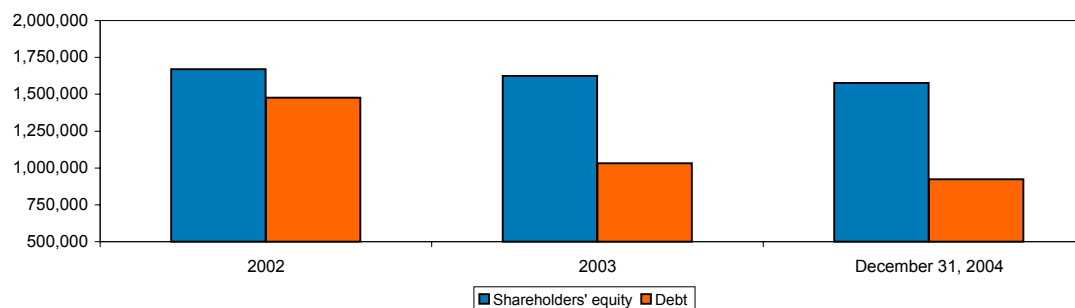
(Thousands of dollars, except as otherwise indicated)

	2004					2003 <sup>(1)</sup>				
	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>Capital structure</b>										
Shareholders' equity	63.0%	61.0%	61.1%	61.0%		61.2%	60.2%	61.7%	60.0%	
Non-controlling interest	0.2%	0.2%	0.2%	0.2%		0.1%	0.1%	0.1%	0.1%	
Debt (vii)	36.8%	38.8%	38.7%	38.8%		38.7%	39.7%	38.2%	39.9%	
	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%	100.0%	
<b>Return on shareholders' equity (viii)</b>	1.9%	9.8%	13.3%	10.6%	8.9%	12.3%	13.3%	16.0%	9.5%	12.8%
<b>Return on invested capital (ix)</b>	3.2%	7.6%	9.4%	8.0%	7.1%	8.9%	9.5%	10.8%	7.2%	9.1%
<b>Cash from operating activities<sup>(2)</sup></b>										
Cash from operating activities before change in non-cash working capital	\$110,245	\$125,609	\$149,234	\$119,165	\$504,253	\$117,002	\$147,565	\$145,895	\$118,159	\$528,621
Change in non-cash working capital	73,554	71,943	(57,689)	(10,138)	77,670	(21,113)	42,444	(14,511)	102,686	109,506
	<b>\$183,799</b>	<b>\$197,552</b>	<b>\$91,545</b>	<b>\$109,027</b>	<b>\$581,923</b>	<b>\$95,889</b>	<b>\$190,009</b>	<b>\$131,384</b>	<b>\$220,845</b>	<b>\$638,127</b>
<b>Interest charges</b>										
Interest on long-term debt	\$17,134	\$19,619	\$18,769	\$18,855	\$74,377	\$19,482	\$20,189	\$20,716	\$20,651	\$81,038
Other interest	333	146	(184)	367	662	1,298	252	225	292	2,067
	<b>\$17,467</b>	<b>\$19,765</b>	<b>\$18,585</b>	<b>\$19,222</b>	<b>\$75,039</b>	<b>\$20,780</b>	<b>\$20,441</b>	<b>\$20,941</b>	<b>\$20,943</b>	<b>\$83,105</b>
<b>Coverage ratios</b>										
Interest coverage (x)	3.8	4.6	5.0	5.1		5.0	4.5	4.3	4.3	
Cash flow to interest (xi)	6.7	6.5	6.7	6.5		6.4	6.9	6.4	6.5	

(vii) to (xi) - see page 14 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 stable outlook</i>	<i>A (low) stable trend</i>
<b>Aliant preferred shares</b>	<i>P-2 (high) stable outlook</i>	<i>Pfd-2 (low) stable trend</i>
<b>Aliant commercial paper</b>	<i>A-1 stable outlook</i>	<i>R-1 (low) stable trend</i>
<b>Aliant Telecom unsecured long-term debt</b>	<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 Debt<sup>(vii)</sup> (\$ millions)**


See accompanying notes on page 14

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

**Capital Investments and Depreciation**

(Thousands of dollars, except as otherwise indicated)

**Capital investments**

2004				
Q4	Q3	Q2	Q1	Total
\$112,544	\$49,899	\$42,415	\$84,403	\$289,261
1,403	1,472	2,227	357	5,459
79	67	58	36	240
<b>\$114,026</b>	<b>\$51,438</b>	<b>\$44,700</b>	<b>\$84,796</b>	<b>\$294,960</b>

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

**Depreciation**

\$97,482	\$97,154	\$97,060	\$99,339	\$391,035
1,950	2,079	2,134	2,319	8,482
(173)	(663)	(645)	(699)	(2,180)
<b>\$99,259</b>	<b>\$98,570</b>	<b>\$98,549</b>	<b>\$100,959</b>	<b>\$397,337</b>

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

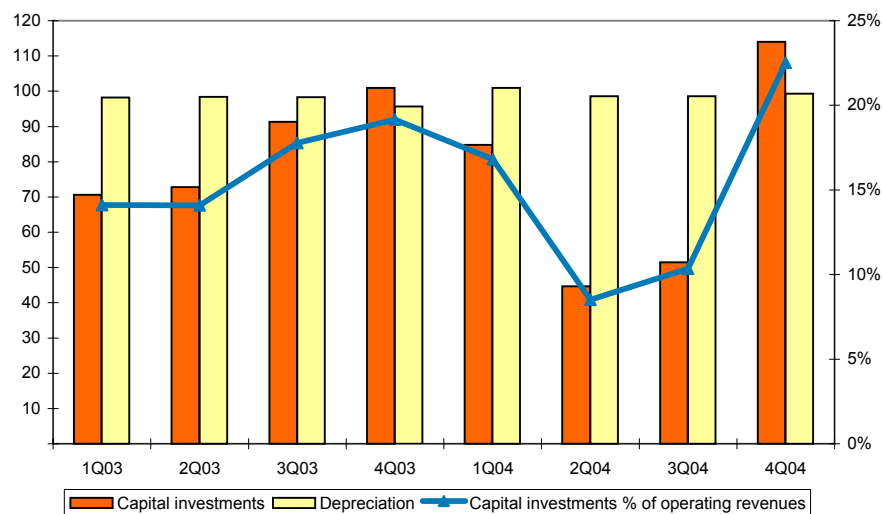
**Capital investments % of operating revenues**

24.9%	11.1%	9.1%	19.5%	16.1%
1.7%	1.9%	2.6%	0.4%	1.6%
n.m.	n.m.	n.m.	n.m.	n.m.
<b>22.5%</b>	<b>10.3%</b>	<b>8.5%</b>	<b>16.8%</b>	<b>14.5%</b>

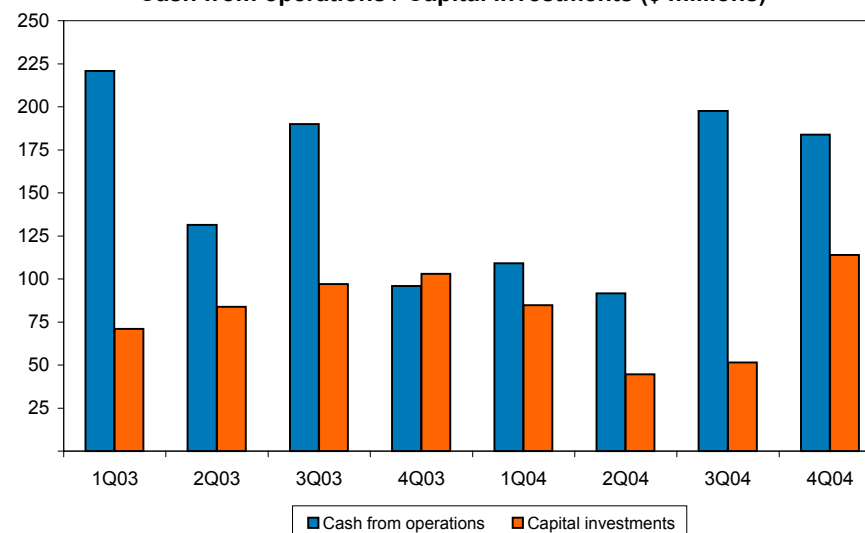
21.2%	19.7%	15.4%	16.2%	18.2%
2.4%	0.2%	0.7%	0.5%	1.0%
n.m.	n.m.	n.m.	n.m.	n.m.
<b>19.2%</b>	<b>17.8%</b>	<b>14.1%</b>	<b>14.1%</b>	<b>16.3%</b>

n.m. - not meaningful

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



**Cash from operations / Capital investments (\$ millions)**



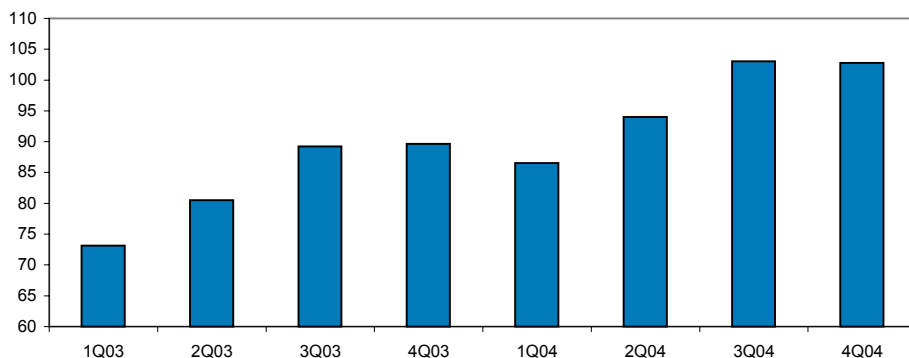
**ALiant INC.**  
**Supplemental Investor Information (unaudited) - Fourth Quarter 2004**

**Telecommunications Financial Highlights**

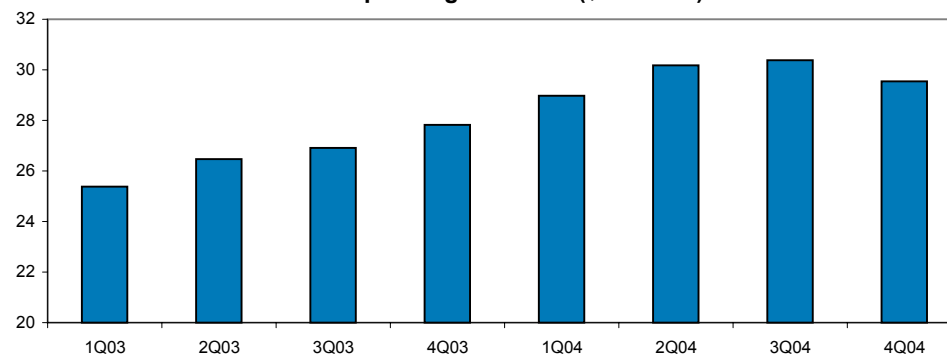
(Thousands of dollars, except as otherwise indicated)

	2004					2003 <sup>(1)</sup>				
	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>Operating Revenues</b>										
Local	\$189,652	\$183,771	\$188,571	\$188,257	\$750,251	\$188,030	\$194,352	\$192,630	\$190,029	\$765,041
Long distance	82,361	85,924	88,127	92,097	348,509	97,541	98,159	97,799	100,804	394,303
Wireless	102,777	103,023	94,012	86,549	386,361	89,646	89,226	80,485	73,161	332,518
Internet	29,541	30,386	30,183	28,979	119,089	27,829	26,906	26,463	25,386	106,584
Product sales	33,257	24,817	26,488	25,176	109,738	41,634	29,330	26,678	24,624	122,266
Directory	9,051	10,508	27,970	2,013	49,542	8,136	10,318	26,113	1,763	46,330
Innovatia	7,332	7,712	6,411	6,023	27,478	6,932	6,239	6,642	5,570	25,383
Other	(1,323)	4,524	4,312	3,538	11,051	5,664	5,929	7,263	8,524	27,380
	<b>\$452,648</b>	<b>\$450,665</b>	<b>\$466,074</b>	<b>\$432,632</b>	<b>\$1,802,019</b>	<b>\$465,412</b>	<b>\$460,459</b>	<b>\$464,073</b>	<b>\$429,861</b>	<b>\$1,819,805</b>
Cost of operating revenues	43,908	38,528	38,853	34,200	155,489	50,275	43,716	39,565	41,709	175,265
Other operating expenses	187,215	224,974	212,881	192,939	818,009	181,038	184,051	187,548	186,757	739,394
Pension and other post employment benefits cost	17,834	16,125	18,427	19,940	72,326	15,250	15,922	13,543	13,674	58,389
Depreciation	97,482	97,154	97,060	99,339	391,035	93,420	95,805	95,977	96,108	381,310
Restructuring charge	62,687	126	309	1,921	65,043	-	-	-	-	-
<b>Operating income</b>	<b>\$43,522</b>	<b>\$73,758</b>	<b>\$98,544</b>	<b>\$84,293</b>	<b>\$300,117</b>	<b>\$125,429</b>	<b>\$120,965</b>	<b>\$127,440</b>	<b>\$91,613</b>	<b>\$465,447</b>
<b>Net income</b>	<b>\$18,174</b>	<b>\$34,652</b>	<b>\$54,889</b>	<b>\$43,109</b>	<b>\$150,824</b>	<b>\$62,438</b>	<b>\$60,433</b>	<b>\$65,436</b>	<b>\$42,826</b>	<b>\$231,133</b>
<i>Contribution to EPS</i>	\$0.14	\$0.26	\$0.41	\$0.32	\$1.14	\$0.46	\$0.44	\$0.47	\$0.31	\$1.68

**Wireless operating revenues (\$ millions)**



**Internet operating revenues (\$ millions)**



**LOCAL**

**Network access service**

Business  
 Residential <sup>(4)</sup>

2004			
Q4	Q3	Q2	Q1
593,946	595,995	595,475	592,734
887,954	895,418	900,904	905,405
<b>1,481,900</b>	<b>1,491,413</b>	<b>1,496,379</b>	<b>1,498,139</b>

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

**LONG DISTANCE**

**Long distance minutes (000's)**

**Revenue per long distance minute**

<b>752,106</b>	<b>736,213</b>	<b>767,071</b>	<b>853,900</b>
<b>\$0.08</b>	<b>\$0.09</b>	<b>\$0.09</b>	<b>\$0.08</b>

<b>835,009</b>	<b>846,477</b>	<b>855,955</b>	<b>965,925</b>
<b>\$0.09</b>	<b>\$0.09</b>	<b>\$0.09</b>	<b>\$0.08</b>

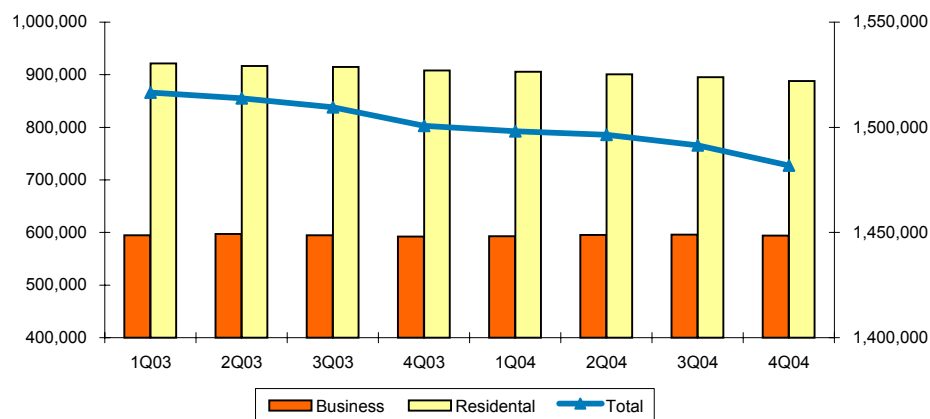
**Year-to-date growth (%)**

Local revenue  
 Long distance revenue  
 Network access service  
 Long distance minutes

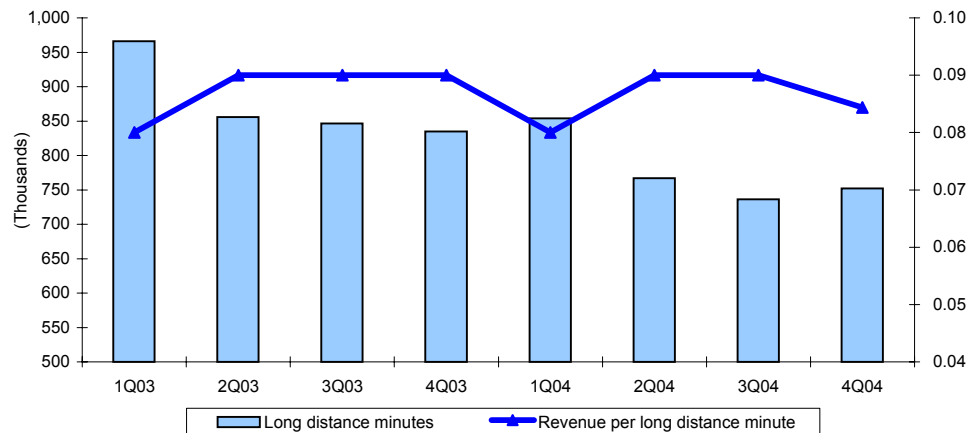
(1.9%)	(2.8%)	(1.5%)	(0.9%)
(11.6%)	(10.3%)	(9.3%)	(8.6%)
(1.3%)	(1.2%)	(1.2%)	(1.2%)
(11.2%)	(11.7%)	(11.0%)	(11.6%)

(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**



**ALIANI INC.**  
**Supplemental Investor Information (unaudited) - Fourth Quarter 2004**

(Thousands of dollars, except as otherwise indicated)

**Telecommunications Operating Statistics -  
Wireless**

**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)**

Post-paid  
Prepaid  
Total

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

Operating revenues  
Customers - analog  
- digital  
- total

Average minutes of use per customer  
ARPC - total

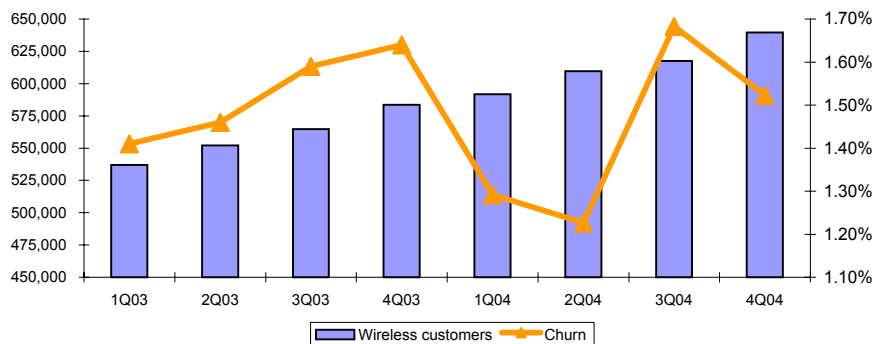
2004				
Q4	Q3	Q2	Q1	Total
\$102,777	\$103,023	\$94,012	\$86,549	\$386,361
1,522	227	1,896	658	4,302
<b>\$104,299</b>	<b>\$103,250</b>	<b>\$95,908</b>	<b>\$87,207</b>	<b>\$390,663</b>
\$54,192	\$51,321	\$49,763	\$44,920	\$200,197
85,318	99,913	109,638	118,192	
482,689	451,667	435,253	413,414	
<b>568,007</b>	<b>551,580</b>	<b>544,891</b>	<b>531,606</b>	
45,775	46,956	47,584	45,226	
25,881	19,092	17,110	15,051	
71,656	66,048	64,694	60,277	
<b>639,663</b>	<b>617,628</b>	<b>609,585</b>	<b>591,883</b>	
(15,776)	(10,353)	(6,196)	(16,950)	
37,811	18,396	23,898	25,253	
<b>22,035</b>	<b>8,043</b>	<b>17,702</b>	<b>8,303</b>	

2003				
Q4	Q3	Q2	Q1	Total
\$89,646	\$89,226	\$80,485	\$73,161	\$332,518
2,615	1,355	379	339	4,688
<b>\$92,261</b>	<b>\$90,581</b>	<b>\$80,864</b>	<b>\$73,500</b>	<b>\$337,206</b>
\$46,345	\$45,871	\$43,560	\$40,437	\$176,213
133,240	152,747	168,635	184,638	
390,210	352,181	325,340	293,980	
<b>523,450</b>	<b>504,928</b>	<b>493,975</b>	<b>478,618</b>	
47,128	50,099	51,282	53,056	
13,002	9,606	6,873	5,437	
60,130	59,705	58,155	58,493	
<b>583,580</b>	<b>564,633</b>	<b>552,130</b>	<b>537,111</b>	
(22,478)	(17,071)	(17,777)	(17,813)	
41,425	29,574	32,796	25,639	
<b>18,947</b>	<b>12,503</b>	<b>15,019</b>	<b>7,826</b>	

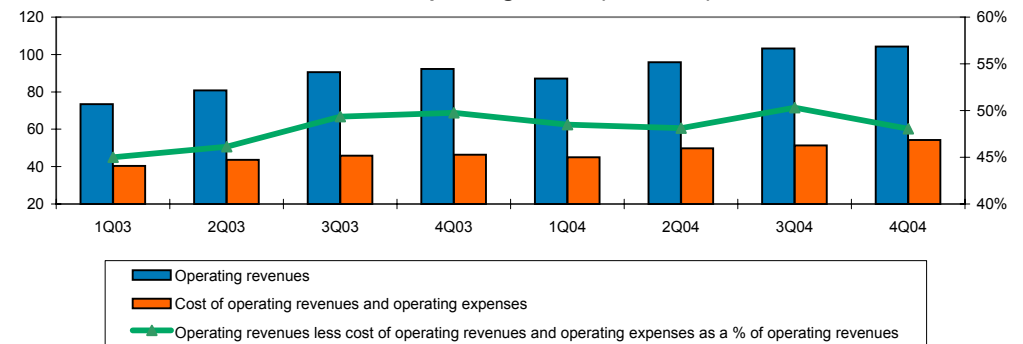
1.5%	1.7%	1.2%	1.3%
280	289	272	237
\$57.79	\$58.51	\$54.24	\$50.84
\$10.37	\$12.27	\$10.85	\$9.64
\$52.69	\$53.57	\$49.72	\$46.62
16.2%	16.8%	17.5%	18.3%
(27.3%)	(27.6%)	(28.5%)	(31.2%)
26.1%	30.1%	36.2%	43.1%
9.6%	9.4%	10.4%	10.2%
9.3%	9.7%	10.4%	10.2%
6.8%	7.1%	7.8%	8.9%

1.6%	1.6%	1.5%	1.4%
259	265	247	215
\$54.42	\$55.21	\$51.04	\$47.02
\$10.37	\$11.08	\$9.22	\$7.97
\$49.82	\$50.57	\$46.52	\$42.80
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%
13.3%	16.8%	15.5%	12.0%
7.7%	8.4%	9.0%	8.1%

**Wireless customers / Churn**



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



**INTERNET**

**Customers**

Dial up  
High speed

**Customer net additions**

Dial up  
High speed

**Churn**

**Average revenue per customer (ARPC)**

Consumer dial up <sup>(5)</sup>  
Consumer high speed <sup>(5)</sup>  
Business dial up  
Business high speed

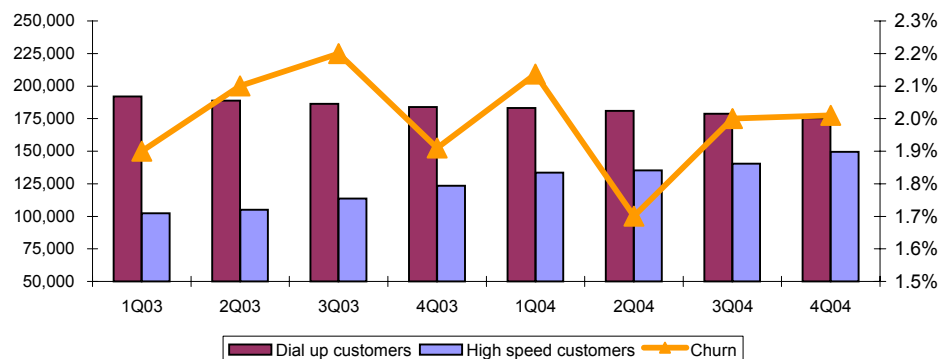
**Year-to-date growth (%)**

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

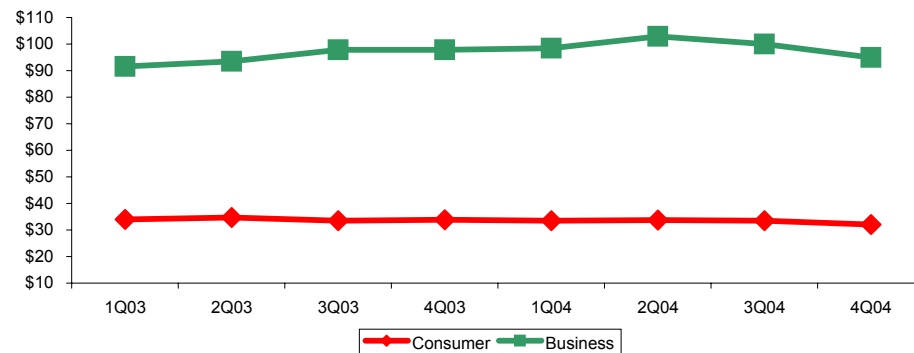
2004			
Q4	Q3	Q2	Q1
175,236	178,782	181,023	183,080
149,460	140,349	135,367	133,474
<b>324,696</b>	<b>319,131</b>	<b>316,390</b>	<b>316,554</b>
(3,546)	(2,241)	(2,057)	(850)
9,111	4,982	1,893	10,087
<b>5,565</b>	<b>2,741</b>	<b>(164)</b>	<b>9,237</b>
2.0%	2.0%	1.7%	2.1%
\$19.48	\$20.24	\$20.18	\$19.68
\$32.00	\$33.44	\$33.76	\$33.48
\$45.89	\$45.77	\$44.23	\$45.49
\$94.94	\$100.04	\$102.93	\$98.49
11.7%	13.7%	14.1%	14.2%
(4.7%)	(4.1%)	(4.1%)	(4.7%)
21.1%	23.6%	28.8%	30.6%
(2.6%)	(1.5%)	(2.2%)	(1.6%)
4.0%	6.6%	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
<b>307,317</b>	<b>299,973</b>	<b>293,871</b>	<b>294,316</b>
(2,526)	(2,298)	(3,343)	511
9,870	8,400	2,898	5,674
<b>7,344</b>	<b>6,102</b>	<b>(445)</b>	<b>6,185</b>
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%
6.4%	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.**

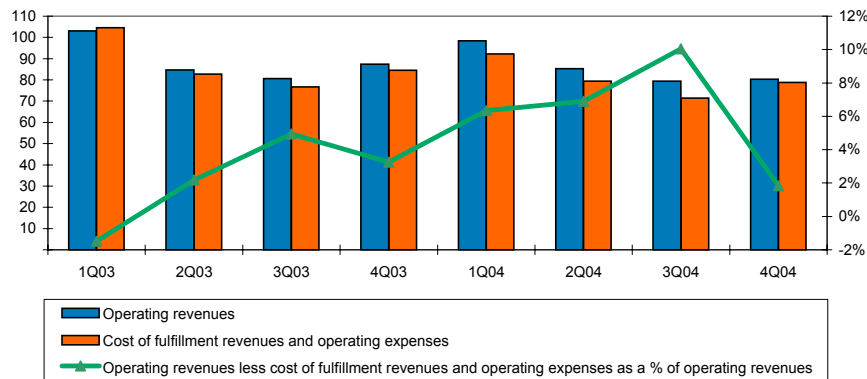
**Supplemental Investor Information (unaudited) - Fourth Quarter 2004**

(Thousands of dollars, except as otherwise indicated)

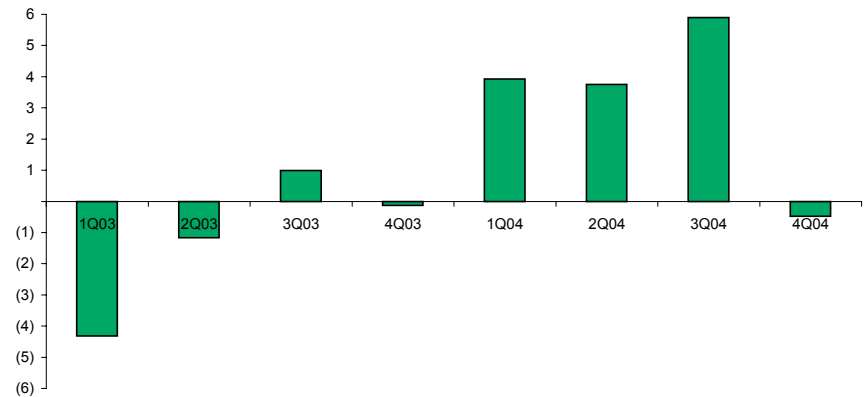
**Information Technology Financial Highlights**

	2004					2003 <sup>(1)</sup>				
	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>Operating revenues</b>										
<b>IT services</b>										
<i>External customers</i>	\$24,534	\$24,499	\$29,702	\$32,777	\$111,512	\$31,362	\$30,067	\$33,432	\$31,811	\$126,672
<i>Other Aliant lines of business</i>	20,066	25,343	22,408	21,221	89,038	21,796	20,452	23,527	24,662	90,437
	<b>\$44,600</b>	<b>\$49,842</b>	<b>\$52,110</b>	<b>\$53,998</b>	<b>\$200,550</b>	<b>\$53,158</b>	<b>\$50,519</b>	<b>\$56,959</b>	<b>\$56,473</b>	<b>\$217,109</b>
<b>Fulfillment</b>										
<i>External customers</i>	\$30,514	\$22,952	\$31,171	\$40,977	\$125,614	\$30,871	\$25,550	\$22,833	\$42,533	\$121,787
<i>Other Aliant lines of business</i>	5,238	6,627	1,946	3,490	17,301	3,326	4,570	4,823	4,018	16,737
	<b>\$35,752</b>	<b>\$29,579</b>	<b>\$33,117</b>	<b>\$44,467</b>	<b>\$142,915</b>	<b>\$34,197</b>	<b>\$30,120</b>	<b>\$27,656</b>	<b>\$46,551</b>	<b>\$138,524</b>
	<b>\$80,352</b>	<b>\$79,421</b>	<b>\$85,227</b>	<b>\$98,465</b>	<b>\$343,465</b>	<b>\$87,355</b>	<b>\$80,639</b>	<b>\$84,615</b>	<b>\$103,024</b>	<b>\$355,633</b>
Cost of fulfillment revenues	32,264	27,110	30,329	40,295	129,998	31,049	27,332	25,012	41,718	125,111
Operating expenses										
Delivery	31,864	31,500	34,740	37,116	135,220	36,508	35,442	39,142	38,419	149,511
Selling, general and administration	14,752	12,836	14,275	14,806	56,670	16,962	13,877	18,615	24,422	73,876
	<b>46,616</b>	<b>44,336</b>	<b>49,015</b>	<b>51,922</b>	<b>191,889</b>	<b>53,470</b>	<b>49,319</b>	<b>57,757</b>	<b>62,841</b>	<b>223,387</b>
Depreciation	1,950	2,079	2,134	2,319	8,482	2,964	3,000	3,007	2,784	11,755
Operating income (loss) before restructuring charge	(478)	5,896	3,749	3,929	13,096	(128)	988	(1,161)	(4,319)	(4,620)
Restructuring charge	2,956	516	1,164	1,162	5,798	(950)	15,500	-	-	14,550
<b>Operating income (loss)</b>	<b>(\$3,434)</b>	<b>\$5,380</b>	<b>\$2,585</b>	<b>\$2,767</b>	<b>\$7,298</b>	<b>\$822</b>	<b>(\$14,512)</b>	<b>(\$1,161)</b>	<b>(\$4,319)</b>	<b>(\$19,170)</b>
<b>Net income (loss)</b>	<b>(\$2,373)</b>	<b>\$5,377</b>	<b>\$2,374</b>	<b>\$1,341</b>	<b>\$6,719</b>	<b>\$391</b>	<b>(\$8,278)</b>	<b>(\$1,045)</b>	<b>(\$3,269)</b>	<b>(\$12,201)</b>
<i>Contribution to EPS</i>	(\$0.02)	\$0.04	\$0.02	\$0.01	\$0.05	\$0.00	(\$0.06)	(\$0.01)	(\$0.02)	(\$0.09)

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



**Operating income (loss) before restructuring charge (\$ 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 recategorize revenues as a result of new information.
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. 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 NCIBs 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 these NCIB programs, from time to time, our common shares at market prices for cancellation.
4. Residential NAS has been restated in the third quarter of 2004 to reflect the backlog of disconnects that existed at September 30, 2004 related to the labour disruption which could not be processed until normal activities were resumed in the fourth quarter.
5. Internet average revenue per customer (ARPC) for consumer dial up and consumer 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 industry standard, which is to reflect all revenue derived from consumer Internet service.
6. 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) 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 (shareholders' equity excluding preferred shares) for the period. This calculation is 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 (shareholders' equity, non-controlling interest, long term debt, including current portion, bank indebtedness, notes payable, and interest payable) for the period. This calculation is 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 operating activities (before change in non-cash working capital) divided by interest charges (current quarter plus three (3) previous quarters).

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	Aliant Investor Relations PO Box 1113, Station Central RPO Halifax, NS, Canada B3J 2X1	Share Listings	Toronto Stock Exchange Common: <b>AIT</b> Preferred: <b>AIT.PR.A</b>
	Tel: 1.877.248.3113 Fax: 1.877.498.2464	Auditors	Ernst & Young LLP Chartered Accountants St. John's, NL
	e-mail: <a href="mailto:eleanor.marshall@aliant.ca">eleanor.marshall@aliant.ca</a>		

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 information technology solutions and knowledge-services applications. The Company's approximately 8,200 employees build on Aliant's 100-plus year history by collaborating to deliver the highest quality of customer service, choice and convenience. Aliant has a market capitalization of approximately \$3.8 billion.