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## Aliant reports third quarter results

- **Wireless revenue growth of 13.5% and Internet revenue growth of 10.9% drive EPS of \$0.37**

Atlantic Canada - October 27, 2005 - Aliant Inc. (TSX:AIT) today announced its financial results for the period ended September 30, 2005. Consolidated revenues were up 4.2 per cent year over year and net income increased 37.2 per cent to \$50.8 million for the third quarter. The return to normal business operations after the labour disruption of 2004 was a major contributor to this year over year growth in earnings. Strong revenue growth in the wireless and Internet businesses and diligent expense management also contributed to the 42.3 per cent increase in earnings per share during the third quarter to \$0.37.

"We are very pleased with our performance this quarter as we continue to grow our wireless and Internet businesses by expanding our networks and introducing new service offerings. In doing so, we are attracting a substantial number of new customers and generating solid revenue growth," said Jay Forbes, Aliant President and CEO. "With the strategic marketing agreement we recently announced with Killam Properties Inc., the largest multi-unit residential property owner in the region, both companies will market our services, including all consumer information, communication and entertainment products, to 8,800 residential and manufactured home community units across Atlantic Canada."

Overall revenue growth in the telecommunications business was 3.4 per cent, compared to the same quarter last year. Wireless revenues for the quarter grew 13.5 per cent year over year, primarily due to a 3.4 per cent increase in average revenue per customers and a busy fall season that saw us more than double the number of net activations to 16,508 during the third quarter compared to the same quarter last year. Internet revenues for the quarter grew 10.9 per cent year over year while customers are up 6.9 per cent, driven by our back-to-school program, proactive management of dial migrations, success in marketing our new small business Internet service, and the launch of our PC purchase program where over half of all PC purchases were accompanied by new Internet activations. This quarter's high-speed Internet customer net additions of 18,434 were the most added in any single quarter in Aliant's history.

Revenues at xwave were \$82.7 million this quarter, with growth of 4.2 per cent over the same period last year. With continued revenue growth and management of operating expenses, xwave has become a regular positive contributor to Aliant's overall operating income.

Aliant's consolidated operating expenses (excluding cost of revenues and pensions) declined 9.3 per cent to \$233.3 million for the quarter. The absence of costs incurred during last year's labour disruption, combined with strong cost management driven by productivity initiatives, were the primary reasons for this reduction in expenses. Operating cash flow in the third quarter remained strong at \$238.0 million, compared to \$193.9 million in the same period of 2004. Capital investments this quarter were \$99.7 million as Aliant continued to advance its infrastructure plans to connect more Atlantic Canadians to its wireless and Internet networks.

### Third Quarter Financial Highlights

(\$millions except per share amounts)	Three months ended September 30			Nine months ended September 30		
	2005	2004	% change	2005	2004	% change
Total operating revenue	\$520.1	\$499.3	4.2%	\$1,561.8	\$1,523.6	2.5%
Operating income	\$104.2	\$73.2	42.4%	\$289.7	\$243.7	18.9%
Net income	\$50.8	\$37.0	37.2%	\$144.2	\$123.2	17.0%
Earnings per common share	\$0.37	\$0.26	42.3%	\$1.05	\$0.87	20.7%
Weighted average common shares outstanding (millions)	129.2	132.1	-2.2%	130.8	132.7	-1.4%

Aliant's Board of Directors declared a common share dividend of \$0.295 per common share, payable on December 30, 2005 to shareholders of record on December 15, 2005. Aliant's Board also declared a preferred share dividend of \$0.340625, payable on December 31, 2005 to shareholders of record on December 15, 2005.

#### 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 information technology solutions and knowledge-services applications. Aliant's approximately 8,400 employees build on its 100-plus year history by collaborating to deliver the highest quality of customer service, choice and convenience. Aliant has a market capitalization of approximately \$3.7 billion.

#### Analyst conference call

A conference call with analysts is scheduled for Friday, October 28, 2005 at 8:30 a.m. (ET), (9:30 a.m. Atlantic, 10:00 a.m. NL). The dial in number is (416) 695-9753 or (877) 461-2814. Media are invited to attend in a listen-only mode. The title of the call is "Aliant Third Quarter 2005 Financial Results." A replay of the session can be heard from October 28 at 11:00 a.m. (ET) to November 4 at midnight (ET). To access the replay, dial (416) 695-5275 or (866) 518-1010.

### **Forward-looking Statements**

This news release, and Aliant's unaudited interim consolidated financial statements and accompanying notes and management's discussion and analysis (MD&A) for the period ended September 30, 2005, contain forward-looking statements related to the future financial condition and results of operations of Aliant. These statements are based on current expectations and estimates, as of October 27, 2005, 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. Please refer to Aliant's MD&A contained in our 2004 annual report and our 2005 quarterly MD&As for a discussion of these key assumptions and risk factors. 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. 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.

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