



**Bell Aliant Regional
Communications Income Fund**

**Supplementary Information
(unaudited)**

First Quarter 2007

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND

Supplementary Information (unaudited)

Basis of preparation

Pursuant to a Plan of Arrangement (the Arrangement), Bell Aliant Regional Communications Income Fund (the Fund) and Bell Aliant Regional Communications Holdings, Limited Partnership (Bell Aliant Holdings LP), a limited partnership subsidiary that holds the operating business of the Fund, were created and began operations on July 7, 2006. The operations of Aliant Inc. (Aliant) were reorganized into a limited partnership subsidiary of Bell Aliant Holdings LP, Bell Aliant Regional Communications, Limited Partnership (Bell Aliant LP) with the subsidiary subsequently acquiring certain wireline assets from Bell Canada and disposing of certain wireless assets to Bell Canada. In 2006, the Arrangement transaction was accounted for as if Bell Aliant Holdings LP had carried on the business of the former Aliant. Refer to the consolidated financial statements and notes for Bell Aliant Holdings, LP for the period ended December 31, 2006, available on our website at www.bell.aliant.ca and on www.sedar.com for further information on the Arrangement.

The Supplementary Information contained herein represents the operating activity of Bell Aliant Holdings LP. Throughout this document, "we", "us" and "our" refers to the Fund and / or Bell Aliant Holdings LP. Where applicable and where indicated, the prior year's financial measures related to Operating revenues, Operating income, and EBITDA, as well as certain statistical information have been restated, and are labeled 'Pro forma', to provide comparative information assuming Bell Aliant Holdings LP had been in operations since January 1, 2005. In presenting pro forma results, management has made certain estimates and assumptions. Readers are cautioned that this pro forma presentation of prior results is unaudited and is not reflective of results presented in accordance with Canadian generally accepted accounting principles (GAAP).

Certain amounts presented in this Supplementary Information are rounded. Accordingly, the columns and rows may not add to the totals presented.

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BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
HIGHLIGHTS
Supplementary Information (unaudited)
(Millions of dollars, except as otherwise indicated)
BELL ALIANT HOLDINGS LP
Earnings

Operating revenues

 Pro forma operating revenues ⁽²⁾

 EBITDA ⁽²⁾

 Pro forma EBITDA ⁽²⁾

 Operating income ⁽²⁾

 Pro forma operating income ⁽²⁾
Net earnings:

Continuing operations

Discontinued operations

Earnings per Bell Aliant Holdings LP unit / Aliant common share:

Continuing operations

Discontinued operations

Cash flow

Cash from operating activities

Net proceeds (repayments) of long-term debt

Capital expenditures

 Pro forma capital expenditures ⁽³⁾
Distributable cash

 Distributable cash ⁽²⁾

Distributions declared

Dividends declared (common and preferred)

INCOME FUND
Net earnings

Earnings

Distributions declared

Unitholders' capital (as at March 31)

Number of fully diluted Fund units / Aliant common shares outstanding (000's)

Fund unit (BA.UN) / Aliant common share (AIT) price, closing

Market capitalization

	Three Months Ended March 31		
	2007	2006 ⁽¹⁾	% Change
Operating revenues	\$851.4	\$527.7	61.3%
Pro forma operating revenues ⁽²⁾	\$851.4	\$821.9	3.6%
EBITDA ⁽²⁾	\$349.5	\$212.0	64.9%
Pro forma EBITDA ⁽²⁾	\$349.5	\$352.9	(1.0%)
Operating income ⁽²⁾	\$171.6	\$88.8	93.2%
Pro forma operating income ⁽²⁾	\$171.6	\$171.6	-
Net earnings:			
Continuing operations	\$83.0	\$35.3	135.1%
Discontinued operations	5.5	4.9	12.2%
	\$88.5	\$40.2	120.1%
Earnings per Bell Aliant Holdings LP unit / Aliant common share:			
Continuing operations	\$0.54	\$0.26	107.7%
Discontinued operations	0.04	0.04	-
	\$0.58	\$0.30	93.3%
Cash flow			
Cash from operating activities	\$251.7	\$92.0	173.6%
Net proceeds (repayments) of long-term debt	\$171.4	(\$50.0)	n.m.
Capital expenditures	\$115.3	\$80.9	42.5%
Pro forma capital expenditures ⁽³⁾	\$115.3	\$112.1	2.8%
Distributable cash			
Distributable cash ⁽²⁾	\$190.6	-	n.m.
Distributions declared	\$166.2	-	n.m.
Dividends declared (common and preferred)	-	\$41.9	n.m.
INCOME FUND			
Net earnings			
Earnings	\$94.7	-	n.m.
Distributions declared	\$96.0	-	n.m.
Unitholders' capital (as at March 31)			
Number of fully diluted Fund units / Aliant common shares outstanding (000's)	235,570	127,367	85.0%
Fund unit (BA.UN) / Aliant common share (AIT) price, closing	\$29.53	\$35.55	(16.9%)
Market capitalization	\$6,956.4	\$4,527.9	53.6%

⁽¹⁾ In 2007, we adopted discontinued operations presentation for Aliant Directory Services, in accordance with Canadian GAAP. As a result, the financial information for 2006 has been restated.

⁽²⁾ The terms Pro forma operating revenues, EBITDA, Pro forma EBITDA, operating income, Pro forma operating income and Distributable cash do not have any standardized meaning prescribed by Canadian GAAP. Refer to pages 4, 5, 8 and 9 for definitions and reconciliations to the most comparable GAAP measure.

⁽³⁾ Capital expenditures excludes non-cash purchases of capital expenditures as presented in the consolidated statements of cash flows. The term Pro forma capital expenditures does not have any standardized meaning prescribed by Canadian GAAP. Refer to page 11 for a description and reconciliation to the most comparable GAAP measure.

n.m. - not meaningful

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
Supplementary Information (unaudited)
(Millions of dollars, except as otherwise indicated)
**GROWTH
Operating Revenues and Operating Income**

	2007 Q1	2006 ⁽¹⁾				
		Total	Q4	Q3	Q2	Q1
Operating revenues						
Operating revenues, as reported	\$851.4	\$2,684.3	\$837.3	\$802.8	\$516.5	\$527.7
Aliant Wireless Operations and DownEast Ltd.	-	(194.3)	-	(7.4)	(95.9)	(91.0)
Bell Canada Regional Wireline Operation	-	623.4	-	22.8	304.1	296.5
Bell Nordiq Group Inc.	-	189.3	-	7.0	92.0	90.3
Intercompany eliminations	-	(3.5)	-	(0.1)	(1.8)	(1.6)
Pro forma operating revenues ⁽⁴⁾	\$851.4	\$3,299.2	\$837.3	\$825.1	\$814.9	\$821.9
<i>Current year quarter over same prior year quarter growth (%)</i>	3.6%		1.8%	1.7%	1.2%	0.8%
<i>Year-to-date growth (%)</i>	3.6%		1.4%	1.2%	1.0%	0.8%
Operating income ⁽⁵⁾						
Operating revenues	\$851.4	\$2,684.3	\$837.3	\$802.8	\$516.5	\$527.7
Expenses	679.8	2,133.5	651.3	618.5	424.8	438.9
Operating income ⁽⁵⁾	171.6	550.8	186.0	184.3	91.7	88.8
Aliant Wireless Operations and DownEast Ltd.	-	(94.7)	-	(4.7)	(45.1)	(44.9)
Bell Canada Regional Wireline Operation	-	215.3	-	12.4	104.4	98.5
Bell Nordiq Group Inc.	-	61.2	-	2.2	29.8	29.2
Pro forma operating income ⁽⁵⁾	\$171.6	\$732.6	\$186.0	\$194.2	\$180.8	\$171.6
<i>Current year quarter over same prior year quarter growth (%)</i>	-		(1.1%)	5.5%	(0.3%)	(2.7%)
<i>Year-to-date growth (%)</i>	-		0.4%	0.9%	(1.5%)	(2.7%)

⁽⁴⁾ The term Pro forma operating revenues does not have any standardized meaning prescribed by Canadian GAAP. It is therefore unlikely to be comparable to similar measures presented by other companies. Pro forma operating revenues is presented on a consistent basis from period to period.

Pro forma operating revenues represents operating revenues adjusted to reflect the pro forma results of operations related to the net assets bought and sold under the Arrangement had it occurred on January 1, 2005. Therefore, Pro forma operating revenues represents operating revenues of the predecessor company, Aliant, excluding operating revenues related to Aliant's Wireless Operation and DownEast Ltd. and including operating revenues related to the Bell Canada's Regional Wireline Operation and Bell Nordiq Group Inc.

We use Pro forma operating revenues, among other measures, to assess the operating performance of Bell Aliant Holdings LP had it been in existence since January 1, 2005. Pro forma operating revenues allow us to compare our operating performance on a consistent basis. We believe that certain investors and analysts use Pro forma operating revenues to measure Bell Aliant Holdings LP's and other companies' ability to generate growth or as a common valuation measurement in the telecommunications industry.

Pro forma operating revenues should not be confused with operating revenues which is the most comparable Canadian GAAP financial measure.

⁽⁵⁾ The terms operating income and Pro forma operating income do not have any standardized meaning prescribed by Canadian GAAP. They are therefore unlikely to be comparable to similar measures presented by other companies. Operating income and Pro forma operating income are presented on a consistent basis from period to period.

Operating income represents operating revenues less expenses. Pro forma operating income represents operating income adjusted to reflect the pro forma results of the operations related to the net assets bought and sold under the Arrangement had it occurred on January 1, 2005. Therefore, Pro forma operating income represents operating income of the predecessor company, Aliant, excluding operating income related to Aliant's Wireless Operation and DownEast Ltd. and including operating income related to Bell Canada's Regional Wireline Operation and Bell Nordiq Group Inc.

We use operating income, among other measures, to assess the operating performance of our ongoing business. We use Pro forma operating income, among other measures, to assess the operating performance of Bell Aliant Holdings LP had it been in existence since January 1, 2005, which allows us to compare our operating performance on a consistent basis. We believe that certain investors and analysts use operating income and Pro forma operating income to measure Bell Aliant Holdings LP's and other companies' ability to generate growth or as a common valuation measurement in the telecommunications industry.

Operating income and Pro forma operating income should not be confused with operating revenues or expenses which are the most comparable Canadian GAAP financial measures.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
GROWTH
Supplementary Information (unaudited)
EBITDA
(Millions of dollars, except as otherwise indicated)

	2007	2006 ⁽¹⁾				
	Q1	Total	Q4	Q3	Q2	Q1
EBITDA ⁽⁶⁾						
Operating income ⁽⁵⁾	\$171.6	\$550.8	\$186.0	\$184.3	\$91.7	\$88.8
Add:						
Net benefit plans cost	29.5	99.7	25.9	26.0	23.6	24.2
Depreciation and amortization	147.9	483.8	151.8	141.5	91.8	98.7
Restructuring and other charges	0.5	13.2	0.2	3.8	8.9	0.3
EBITDA ⁽⁶⁾	\$349.5	\$1,147.5	\$363.9	\$355.6	\$216.0	\$212.0
Aliant Wireless Operations and DownEast Ltd.	-	(120.5)	-	(4.7)	(58.0)	(57.8)
Bell Canada Regional Wireline Operation	-	327.1	-	12.4	160.3	154.4
Bell Nordiq Group Inc.	-	92.6	-	3.4	44.9	44.3
Pro forma EBITDA ⁽⁶⁾	\$349.5	\$1,446.7	\$363.9	\$366.7	\$363.2	\$352.9
Operating income, pro forma ⁽⁵⁾	\$171.6	\$732.6	\$186.0	\$194.2	\$180.8	\$171.6
Add:						
Net benefit plans cost	29.5	110.6	25.9	26.2	29.0	29.5
Depreciation and amortization	147.9	590.3	151.8	142.5	144.5	151.5
Restructuring and other charges	0.5	13.2	0.2	3.8	8.9	0.3
Pro forma EBITDA ⁽⁶⁾	\$349.5	\$1,446.7	\$363.9	\$366.7	\$363.2	\$352.9
Pro forma EBITDA ⁽⁶⁾ margin	41.1%	43.9%	43.5%	44.4%	44.6%	42.9%
Current year quarter over same prior year quarter growth (%)	(1.0%)		(1.0%)	1.0%	0.8%	-
Year-to-date growth (%)	(1.0%)		0.2%	0.6%	0.4%	-

⁽⁶⁾ The terms EBITDA (earnings before interest, taxes, depreciation and amortization) and Pro forma EBITDA do not have any standardized meaning prescribed by Canadian GAAP. It is therefore unlikely to be comparable to similar measures presented by other companies. EBITDA and Pro forma EBITDA are presented on a consistent basis from period to period.

We define EBITDA as operating revenues less operating expenses, which means it represents operating income before depreciation and amortization expense, net benefit plans cost, and restructuring and other charges. Pro forma EBITDA represents EBITDA adjusted to reflect the pro forma results of operations related to the net assets bought and sold under the Arrangement had it occurred on January 1, 2005. Therefore, Pro forma EBITDA represents EBITDA of the predecessor company, Aliant, excluding EBITDA related to Aliant's Wireless Operation and DownEast Ltd. and including EBITDA related to Bell Canada's Regional Wireline Operation and Bell Nordiq Group Inc.

We use EBITDA, among other measures, to assess the operating performance of our ongoing businesses without the effects of depreciation and amortization expense, net benefit plans cost, and restructuring and other charges. We exclude depreciation and amortization expense and net benefit plans cost because they largely depend on the accounting methods and assumptions a company uses, as well as non-operating factors, such as the historical cost of capital investments and the fund performance of a company's pension plans. We exclude these items because they affect the comparability of our financial results and could potentially distort the analysis trends in business performance. Excluding restructuring and other charges does not imply they are necessarily non-recurring.

We use Pro forma EBITDA, among other measures, to assess the operating performance of Bell Aliant Holdings LP had it been in existence since January 1, 2005.

EBITDA and Pro forma EBITDA allow us to compare our operating performance on a consistent basis. We believe that certain investors and analysts use these measures to assess Bell Aliant Holdings LP's and other companies' ability to service debt, make capital distributions to unitholders / shareholders and to meet other payment obligations, or as a common valuation measurement in the telecommunications industry.

EBITDA and Pro forma EBITDA should not be confused with operating revenues or expenses which are the most comparable Canadian GAAP financial measures.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
Supplementary Information (unaudited)
(Millions of dollars, except as otherwise indicated)
GROWTH
Net earnings and EPU / EPS

	2007 Q1	2006				
		Total	Q4	Q3	Q2	Q1
Net earnings						
<i>As reported</i>	\$88.5	\$2,902.0	(\$127.0)	\$2,935.6	\$53.2	\$40.2
Debt prepayment premiums ⁽⁷⁾ , net of tax	-	95.8	-	95.8	-	-
Gain on disposal & dilution of businesses ⁽⁸⁾ , net of tax	-	(2,725.5)	225.1	(2,950.6)	-	-
Financial derivative loss (gain) ⁽⁹⁾ , net of tax	-	19.7	0.3	12.3	(1.2)	8.3
Restructuring and other charges, net of tax	0.3	8.3	0.1	2.4	5.6	0.2
	\$88.8	\$300.3	\$98.5	\$95.5	\$57.6	\$48.7
<i>Current year quarter over same prior year quarter growth (%)</i>	82.3%		78.4%	88.0%	15.7%	11.7%
<i>Year-to-date growth (%)</i>	82.3%		50.6%	39.9%	13.8%	11.7%
Earnings per Bell Aliant Holdings LP unit / Aliant common share						
<i>As reported</i>	\$0.58	\$20.87	(\$0.83)	\$20.11	\$0.40	\$0.30
Debt prepayment premiums ⁽⁷⁾ , net of tax	-	0.69	-	0.66	-	-
Gain on disposal & dilution of businesses ⁽⁸⁾ , net of tax	-	(19.64)	1.48	(20.21)	-	-
Financial derivative loss (gain) ⁽⁹⁾ , net of tax	-	0.14	0.00	0.08	(0.01)	0.07
Restructuring and other charges, net of tax	0.00	0.06	0.00	0.02	0.04	-
Quarterly	\$0.58	\$2.13	\$0.65	\$0.65	\$0.43	\$0.37
Year-to-date	\$0.58		\$2.13	\$1.46	\$0.80	\$0.37
<i>Year-to-date growth (%)</i>	56.8%		45.9%	39.0%	19.4%	19.4%

⁽⁷⁾ We incurred \$147.8 million of debt prepayment premiums.

⁽⁸⁾ We recorded gains on disposal and dilution of businesses of \$2,950.6 million as a result of the Arrangement.

⁽⁹⁾ We incurred \$31.1 million of financial derivative losses related to interest rate swap agreements.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
UNITHOLDER VALUE
Supplementary Information (unaudited)
Unitholders' capital and distributions
(Millions of dollars, except as otherwise indicated)

	2007	2006 ⁽¹⁾				
	Q1	Total	Q4	Q3	Q2	Q1
Capital (thousand's)						
<i>Aliant common shares</i>						
Number of common shares outstanding at end of period					127,161	127,367
Common shares repurchased under an NCIB ⁽¹⁰⁾					562	
<i>Fund units</i>						
Number of fully diluted units outstanding at end of period						
Held by the public unitholders	135,196		124,116	124,119		
Exchangeable by BCE Inc. / Bell Canada	100,374		100,374	100,374		
	235,570		224,490	224,493		
Fund units repurchased under an NCIB ⁽¹⁰⁾	2,384					
<i>Weighted average number of basic and diluted Fund units outstanding</i>	233,097	224,493	224,492	224,495		
<i>Market price per Fund unit / Aliant common share</i>						
High	\$30.06		\$35.09	\$35.95	\$37.00	\$36.88
Low	\$26.84		\$26.41	\$33.01	\$32.25	\$27.18
Close	\$29.53		\$26.96	\$34.95	\$33.17	\$35.55
<i>Book value per Fund unit / Aliant common share</i> ⁽¹¹⁾	\$18.96		\$18.44	\$18.45	\$9.80	\$9.78
<i>Market-to-book value (times)</i> ⁽¹²⁾	1.6		1.5	1.9	3.4	3.6
<i>Market capitalization</i> ⁽¹³⁾	\$6,956.4		\$6,052.2	\$7,846.1	\$4,217.9	\$4,527.9
Capital distributions						
<i>Aliant</i>						
<i>Dividends declared</i>						
Per Aliant common share, as stated		\$79.0			\$39.5	\$39.5
<i>Common share dividend payout ratio</i> ⁽¹⁴⁾		\$0.620			\$0.310	\$0.310
		89.1%			77.8%	104.4%
<i>Bell Aliant Holdings LP</i>						
<i>Distributable cash</i>	\$190.6	\$369.9	\$184.0	\$185.9		
Per fully diluted Fund unit	\$0.82	\$1.65	\$0.82	\$0.83		
<i>Distributions declared on fully diluted Fund units (including exchangeable units owned by Bell Canada and BCE)</i>	\$166.2	\$294.8	\$153.8	\$141.0		
<i>Distribution payout ratio</i> ⁽¹⁵⁾	87.2%	79.7%	83.6%	75.8%		
<i>Income Fund</i>						
<i>Net earnings</i>	\$94.7	\$163.1	\$84.5	\$78.6		
<i>Distributions declared by the Fund</i>	\$96.0	\$163.0	\$85.1	\$77.9		
Per Fund unit, as stated	\$0.698	\$1.313	\$0.685	\$0.628		

⁽¹⁰⁾ During 2006, we acquired under a normal course issuer bid (NCIB) program, from time to time, Aliant common shares at market prices for cancellation. The Fund commenced a similar NCIB program on February 28, 2007, to acquire up to 13,738,000 Fund units until the program's expiry on February 27, 2008.

⁽¹¹⁾ Book value per Fund unit / Aliant common share - book value of the Fund's unitholders' equity / Aliant common equity (shareholders' equity excluding preferred shares) divided by the number of fully-diluted Fund units / Aliant common shares outstanding at end of period.

⁽¹²⁾ Market-to-book value (times) - market close price per Fund unit / Aliant common share divided by book value per Fund unit / Aliant common share at end of period.

⁽¹³⁾ Market capitalization - market close price per Fund unit / Aliant common share multiplied by the number of Fund units / Aliant common shares outstanding at end of period.

⁽¹⁴⁾ Common share dividend payout ratio - common share dividends for the period divided by net income applicable to common shares for the period.

⁽¹⁵⁾ Fund unit distribution payout ratio - distributions declared divided by Distributable cash.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
UNITHOLDER VALUE
Supplementary Information (unaudited)
Distributable cash
(Millions of dollars, except as otherwise indicated)

	2007 Q1	2006 ⁽¹⁾				
		Total	Q4	Q3	Q2	Q1
Distributable cash ⁽¹⁶⁾						
<i>Reconciled to Pro forma EBITDA ⁽⁶⁾</i>						
Pro forma EBITDA ⁽⁸⁾	\$349.5	\$1,446.7	\$363.9	\$366.7	\$363.2	\$352.9
Cash funding of current service cost for net benefit plans ⁽¹⁷⁾	(16.4)	(63.4)	(16.5)	(16.3)	(14.7)	(15.9)
Pro forma adjustments not reflected in EBITDA prior to Q3 2006 ⁽¹⁸⁾	-	2.8	-	-	1.4	1.4
Cash taxes included in EBITDA ⁽¹⁹⁾	5.1	10.5	5.2	4.7	0.3	0.3
Fund expenses ⁽²⁰⁾	(0.9)	(1.0)	(1.0)	-	-	-
Non-controlling interest ⁽²¹⁾	-	(65.3)	(16.8)	(14.5)	(17.4)	(16.6)
	<u>337.3</u>	<u>1,330.3</u>	<u>334.8</u>	<u>340.6</u>	<u>332.8</u>	<u>322.1</u>
Other income (expenditures) ⁽²²⁾	(0.9)	(1.8)	0.1	(0.4)	(0.8)	(0.7)
Interest expense ⁽²³⁾	(37.7)	(138.5)	(32.3)	(34.6)	(35.0)	(36.6)
Normalized cash taxes ⁽¹⁹⁾	(1.7)	(6.8)	(1.7)	(1.7)	(1.7)	(1.7)
Capital expenditures ⁽²⁴⁾	(115.3)	(496.9)	(126.5)	(126.4)	(136.0)	(108.0)
Distributable cash of discontinued operations ⁽²⁵⁾	8.9	33.8	9.6	8.4	8.2	7.6
	<u>\$190.6</u>	<u>\$720.1</u>	<u>\$184.0</u>	<u>\$185.9</u>	<u>\$167.5</u>	<u>\$182.7</u>
<i>Reconciled to cash from operating activities</i>						
Cash from operating activities	\$251.7		\$271.6	\$111.0		
Add (deduct):						
EBITDA adjustments for July 1 - 7 ⁽²⁶⁾	-		-	11.1		
Operating items funded through cash reserves or borrowing:						
Debt prepayment premiums	-		-	147.8		
Change in operating assets and liabilities (working capital)	38.3		13.7	31.2		
Pension deficit funding ⁽¹⁷⁾	8.5		15.3	14.0		
Restructuring and other charges	0.5		0.2	3.8		
Cash taxes in excess of normalized levels ⁽¹⁹⁾	3.4		3.5	3.0		
Current income tax expense (recovery)	(6.0)		15.4	(4.6)		
Capital expenditure and interest adjustments for July 1 - 7 ⁽²⁶⁾	-		-	(1.9)		
Capital expenditures ⁽²⁴⁾	(115.3)		(131.1)	(128.6)		
Non-cash items in other income ⁽²²⁾	1.3		(2.0)	-		
Fund expenses ⁽²⁰⁾	(0.9)		(1.0)	-		
Non-controlling interest in distributable cash ^{(23) (27)}	-		(11.4)	(9.6)		
Distributable cash of discontinued operations ⁽²⁵⁾	9.1		9.8	8.7		
	<u>\$190.6</u>		<u>\$184.0</u>	<u>\$185.9</u>		
<i>Current year quarter over same prior year quarter growth (%)</i>	4.3%		(2.6%)	8.6%	(0.5%)	0.2%
<i>Year-to-date growth (%)</i>	4.3%		1.3%	2.8%	(0.1%)	0.2%
Cash distributions ⁽²⁸⁾						
Cash distributions	\$166.2	\$602.4	\$153.8	\$141.0	\$153.8	\$153.8
Per unit	\$0.698	\$2.683	\$0.685	\$0.628	\$0.685	\$0.685
Fund unit distribution payout ratio ⁽¹⁵⁾	87.2%	83.7%	83.6%	75.8%	91.8%	84.2%

- (16) The term Distributable cash, does not have any standardized meaning prescribed by Canadian GAAP. It is therefore unlikely to be comparable to similar measures presented by other issuers. Distributable cash is presented on a consistent basis from period to period. We define distributable cash as EBITDA less (i) cash payments for pension current service costs and other employee benefit plans to the extent not already deducted in determining EBITDA; (ii) interest expense; (iii) capital expenditures; (iv) other cash costs that may be incurred to the extent not deducted in determining EBITDA; (v) a normalized level of cash taxes that reflects a level of capital taxes that will be achieved once announced provincial tax rate reductions come into effect in future years; (vi) expenses incurred by the Fund as these are not included in the EBITDA of Bell Aliant Holdings LP; and (vii) the portion of our consolidated Distributable cash that is generated for the benefit of the non-controlling (minority) interest in our controlled subsidiaries.
- Certain other items may be added to EBITDA to determine Distributable cash for a period: (i) the total cash taxes that have been deducted in determining EBITDA since we only deduct a normalized amount, as described above, in determining Distributable cash; (ii) other cash income, such as interest income; (iii) adjustments for certain one-time or other normalizing items; and (iv) the Distributable cash generated by discontinued operations.
- Distributable cash is presented on a fully diluted basis (i.e. without deduction for a minority interest that Bell Canada holds in the subsidiaries of Bell Aliant Holdings LP). For periods prior to Q3 2006, the quarterly allocation of annual items below Pro forma EBITDA is based on management's estimates.
- From a cash flow perspective, Distributable cash can similarly be defined as cash from operating activities plus operating items funded through cash reserves or borrowings, such as changes in operating assets and liabilities (working capital), pension deficit funding, restructuring and other charges and cash taxes in excess of normalized levels; plus amounts for current income tax provisions, less capital expenditures, Fund expenses and less the portion of Distributable cash that is attributable to minority holders (other than Bell Canada) in controlled subsidiaries. For Q3 2006 we also had adjustments to reflect the difference between EBITDA, capital expenditures and interest expense on an 'as reported' and 'pro forma' basis to account for the period from July 1 - July 7, 2006, as well as \$147.8 million in debt prepayment premiums that were expensed in the quarter but funded out of cash reserves or borrowing. Distributable cash should not be confused with cash from operating activities which is the most comparable Canadian GAAP financial measure.
- We use Distributable cash, among other measures, to assess the financial performance of our ongoing business. It should not be seen as a measure of liquidity or as a substitute for comparable metrics prepared in accordance with GAAP. We believe that certain investors and analysts use Distributable cash to measure Bell Aliant Holdings LP's and the Fund's, as well as other open-ended trusts', ability to generate a sustainable return for unitholders.
- (17) The cash funding requirement related to current service costs for net benefit plans for the period. The portion of cash funding required for net benefit plans cost that exceeds current service cost will be funded through cash reserves or borrowing.
- (18) Pro forma adjustments relating to the future mode of operations of Bell Aliant Holdings LP, namely the wireless outsourcing agreement with Bell Canada and the elimination of certain public company costs of Bell Nordiq Group Inc., would have added \$1.4 million to pro forma EBITDA in each of the first two quarters of 2006. After July 7, 2006, the adjustments are not required as these items are reflected in actual results.
- (19) Pro forma EBITDA is net of expenses for certain capital taxes. These are added back in the Distributable cash reconciliation because only a normalized level of these cash taxes (to reflect future announced rate reductions) is deducted in determining our Distributable cash. The remainder of these taxes actually paid will be funded through cash reserves or borrowing.
- (20) Cash expense of Bell Aliant Trust and Bell Aliant Income Fund.
- (21) The proportionate share of the EBITDA of Bell Nordiq Group Inc. and, prior to August 31, 2006, Atlantic Mobility Products Limited (AMP), that was attributable to the non-controlling interest in these businesses was not available to the Fund in order to determine Distributable cash and therefore was deducted.
- (22) Other income (expenditures) represents cash interest and other cash income of Bell Aliant Holdings LP. Losses and fees associated with our accounts receivable securitization program are included as other expenses. To the extent that other income includes non-cash amounts they are excluded from Distributable cash in the period.
- (23) For periods after Q2 2006, represents the actual interest expense incurred, net of that portion attributable to the minority holders of Bell Nordiq Group Inc. and AMP (before August 31, 2006). For periods prior to Q3 2006, represents management's estimate of interest expense, assuming total drawn debt of \$2.6 billion for Bell Aliant LP at an estimated interest rate of 5.5 per cent. Interest expense also includes Bell Aliant Holdings LP's proportionate share of interest expense for Bell Nordiq Group Inc. and AMP.
- (24) For periods after Q2 2006, represents capital expenditures excluding that portion attributable to the minority holders of Bell Nordiq Group Inc. (before January 30, 2007) and AMP (before August 31, 2006). For purposes of the reconciliation to cash from operating activities, the full amount of capital expenditures is deducted from the cash flow statement and the non-controlling interest portion of total Distributable Cash is deducted separately under Non-controlling interest in Distributable cash. See note 26 below. For periods prior to Q3 2006, represents management's estimate of Pro forma capital expenditures for Bell Aliant Holdings LP, had it been in operation since January 1, 2006.
- (25) The operations of SalesBridge Canada Inc. and Aliant Directory Services have been restated in discontinued operations. Their contribution to Distributable cash is shown separately.
- (26) The cash from operating activities, as reported, reflects the start date for Bell Aliant Holdings LP of July 7, 2006, prior to which it reflects only Aliant's operations. Distributable cash, on the other hand, is presented as if Bell Aliant Holdings LP operated in its current state for the entire quarter. Therefore, we add EBITDA and subtract capital expenditures and interest costs for the period July 1 to 7, 2006.
- (27) Non-controlling interest in Distributable cash is that proportionate share of Distributable cash generated by Bell Nordiq Group Inc. (up to January 30, 2007) and AMP (up to August 31, 2006) attributable to their respective minority holders.
- (28) For periods prior to Q3 2006, cash distributions are based on management's estimates of what would have been paid had the Fund been in existence since January 1, 2005, and carried out the current payout policy. The per unit numbers for these periods are based on an estimate of 224,495,000 fully diluted Fund units for all periods. Cash distributions per this schedule do not include \$1.8 million in dividends paid to minority shareholders of AMP prior to August 31, 2006, but do include cash distributions to Bell Canada and BCE on units that are exchangeable into Fund units.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
UNITHOLDER VALUE
Supplementary Information (unaudited)
Capital Structure
(Millions of dollars, except as otherwise indicated)

	2007 Q1	2006 ⁽¹⁾				
		Total	Q4	Q3	Q2	Q1
Bell Aliant Holdings LP - Capital structure						
Unitholders' / Shareholders' equity	49.7%		51.3%	52.5%	53.8%	62.0%
Non-controlling interest ⁽²⁹⁾	19.8%		20.3%	20.0%	0.3%	0.3%
Net debt ⁽³⁰⁾	30.5%		28.4%	27.5%	45.9%	37.7%
	100.0%		100.0%	100.0%	100.0%	100.0%
<i>Return on unitholders' / shareholders' equity</i> ⁽³¹⁾	7.4%	97.6%	(10.1%)	290.5%	16.3%	12.2%
<i>Return on invested capital</i> ⁽³²⁾	4.8%	52.8%	(4.3%)	150.6%	11.0%	8.8%
<i>Net debt to EBITDA</i> ⁽³³⁾	2.0		1.9	1.8	1.2	0.9
<i>Interest coverage</i> ⁽³⁴⁾	26.3		30.7	35.5	4.9	4.7
<i>Cash flow to interest</i> ⁽³⁵⁾	6.6		6.5	5.9	7.4	7.3

Financial strength	Standard & Poor's	Dominion Bond Rating Service
Bell Aliant LP senior unsecured debt	<i>BBB, stable trend</i>	<i>BBB (high), stable trend</i>
Bell Aliant commercial paper	<i>Not rated</i>	<i>R-1 (low), stable trend</i>
Télébec and NorthernTel debentures	<i>BBB, stable trend</i>	<i>BBB (high) stable trend</i>
Bell Aliant Income Fund	<i>SR-2, stable (moderate)</i>	<i>STA-2 (high)</i>
<i>There has been no change in our ratings during 2007.</i>		

⁽²⁹⁾ Effective Q1 2007, non-controlling interest includes the 36.7 per cent interest in Telebec, Limited Partnership and Northern Tel, Limited Partnership that is indirectly held by the Fund.

⁽³⁰⁾ Net debt - long-term debt, long-term debt due within one year, and notes payable and bank advances, less cash and cash equivalents and notes receivable from related parties that are readily convertible to cash.

⁽³¹⁾ Return on unitholders' / shareholders' equity - net earnings less preferred share dividends for the period, if applicable, divided by average book value of unitholders' / shareholders' common equity (shareholders' equity excluding preferred shares) for the period. This calculation is annualized.

⁽³²⁾ Return on invested capital - net earnings plus total interest charges, net of taxes for the period divided by average book value of total capital (unitholders' / shareholders' equity, non-controlling interest and net debt) for the period. This calculation is annualized.

⁽³³⁾ Net debt to EBITDA - Net debt divided by EBITDA (current quarter plus three (3) previous quarters). Commencing in Q3 2006, we use Pro forma EBITDA (current quarter plus (3) previous quarters) in this calculation.

⁽³⁴⁾ Interest coverage - Operating revenues less expenses plus other income (expense) divided by interest charges (current quarter plus three (3) previous quarters). Operating revenues less expenses and interest in this calculation are not on a pro forma basis.

⁽³⁵⁾ Cash flow to interest - Cash from operating activities (before change in operating assets and liabilities) divided by interest charges (current quarter plus three (3) previous quarters). Cash flow from operating activities and interest in this calculation are not on a pro forma basis.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
CAPITAL EXPENDITURES
Supplementary Information (unaudited)
(Millions of dollars, except as otherwise indicated)

	2007 Q1	2006 ⁽¹⁾				
		Total	Q4	Q3	Q2	Q1
Capital expenditures						
Capital expenditures, as reported ⁽³⁾	\$115.3	\$445.0	\$131.1	\$128.6	\$104.4	\$80.9
Aliant Wireless Operations and DownEast Ltd.	-	(22.8)	-	-	(13.6)	(9.2)
Bell Canada Regional Wireline Operation	-	67.8	-	2.8	35.7	29.3
Bell Nordiq Group Inc.	-	27.5	-	0.8	15.6	11.1
Pro forma capital expenditures ⁽³⁶⁾	<u>\$115.3</u>	<u>\$517.5</u>	<u>\$131.1</u>	<u>\$132.2</u>	<u>\$142.1</u>	<u>\$112.1</u>
Capital intensity, as reported ⁽³⁷⁾	<u>13.5%</u>	<u>16.6%</u>	<u>15.7%</u>	<u>16.0%</u>	<u>20.2%</u>	<u>15.3%</u>
Pro forma capital intensity ⁽³⁷⁾	<u>13.5%</u>	<u>15.7%</u>	<u>15.7%</u>	<u>16.0%</u>	<u>17.4%</u>	<u>13.6%</u>

⁽³⁶⁾ The term Pro forma capital expenditures does not have any standardized meaning prescribed by Canadian GAAP. It is therefore unlikely to be comparable to similar measures presented by other companies. Pro forma capital expenditures is presented on a consistent basis from period to period.

Pro forma capital expenditures represents capital expenditures adjusted to reflect the pro forma expenditures to generate the results of operations related to the net assets bought and sold under the Arrangement had it occurred on January 1, 2005. Therefore, Pro forma capital expenditures represents capital expenditures of the predecessor company, Aliant, excluding capital expenditures related to Aliant's Wireless Operation and DownEast Ltd. and including capital expenditures related to the Bell Canada's Regional Wireline Operation and Bell Nordiq Group Inc.

We use Pro forma capital expenditures, among other measures, to assess the operating performance of Bell Aliant Holdings LP had it been in existence since January 1, 2005. Pro forma capital expenditures allow us to compare our operating performance on a consistent basis. We believe that certain investors and analysts use Pro forma capital expenditures to measure Bell Aliant Holdings LP's and other companies' ability to generate operating revenues from capital investments or as a common valuation measurement in the telecommunications industry.

Pro forma capital expenditures should not be confused with Capital expenditures which is the most comparable Canadian GAAP financial measure.

⁽³⁷⁾ Capital intensity / Pro forma capital intensity - capital expenditures divided by operating revenue / Pro forma capital expenditures divided by Pro forma operating revenue.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND

PRO FORMA OPERATING REVENUES

Supplementary Information (unaudited)

By products and service

(Millions of dollars, except as otherwise indicated)

	2007	2006 ⁽¹⁾				
	Q1	Total	Q4	Q3	Q2	Q1
Pro forma operating revenues⁽⁴⁾						
Local and access	\$355.2	\$1,456.5	\$362.9	\$367.6	\$364.4	\$361.6
Long distance	115.2	490.3	118.4	129.2	123.3	119.4
Data: Internet	82.8	302.9	80.0	77.0	74.7	71.2
Other Data	89.8	356.6	89.8	90.2	90.8	85.8
Total	172.6	659.5	169.8	167.2	165.5	157.0
Information technology: IT services	34.7	128.2	35.7	31.4	30.2	30.9
Fulfillment	70.9	150.8	36.9	29.3	28.9	55.7
Total	105.6	279.0	72.6	60.7	59.1	86.6
Wireless	14.6	55.9	14.4	15.7	13.0	12.8
Other revenues: Atlantic Mobility Products	18.7	89.7	23.7	22.7	24.5	18.8
Innovatia	6.6	27.9	6.7	7.1	6.9	7.2
Product sales	13.0	63.2	20.5	12.4	15.3	15.0
Rentals	9.8	46.3	10.5	11.5	12.1	12.2
Other	40.1	130.9	37.8	31.0	30.8	31.3
Total	88.2	358.0	99.2	84.7	89.6	84.5
	\$851.4	\$3,299.2	\$837.3	\$825.1	\$814.9	\$821.9
Current year quarter over same prior year quarter growth (%)						
Local and access	(1.8%)		(1.5%)	(0.9%)	(1.2%)	-
Long distance	(3.5%)		(7.3%)	(4.7%)	(7.8%)	(9.4%)
Data: Internet	16.3%		17.5%	18.8%	21.9%	21.1%
Other Data	4.7%		(3.0%)	2.7%	(0.3%)	(4.0%)
Total	9.9%		5.7%	9.6%	8.6%	5.9%
Information technology: IT services	12.3%		23.1%	23.6%	(2.0%)	-
Fulfillment	27.3%		31.3%	2.4%	(4.8%)	-
Total	21.9%		27.1%	12.4%	(3.4%)	7.3%
Wireless	14.1%		8.3%	1.3%	7.4%	21.9%
Other revenues: Atlantic Mobility Products	(0.5%)		0.9%	5.6%	20.7%	3.3%
Innovatia	(8.3%)		8.1%	16.4%	30.2%	(17.2%)
Product sales	(13.3%)		(5.1%)	(10.8%)	18.6%	12.8%
Rentals	(19.7%)		(20.5%)	(16.1%)	(11.0%)	(15.9%)
Other	28.1%		24.8%	13.1%	22.7%	13.8%
Total	4.4%		4.6%	2.5%	16.1%	2.8%
Year-to-date growth (%)						
Local and access	(1.8%)		(0.9%)	(0.7%)	(0.6%)	-
Long distance	(3.5%)		(7.3%)	(7.3%)	(8.6%)	(9.4%)
Data: Internet	16.3%		19.7%	20.6%	21.5%	21.1%
Other Data	4.7%		(1.2%)	(0.6%)	(2.2%)	(4.0%)
Total	9.9%		7.4%	8.1%	7.3%	5.9%
Information technology: IT services	12.3%		10.4%	6.2%	(1.0%)	0.0%
Fulfillment	27.3%		10.2%	4.7%	5.5%	-
Total	21.9%		10.3%	5.4%	2.7%	7.3%
Wireless	14.1%		8.8%	8.9%	14.2%	21.9%
Other revenues: Atlantic Mobility Products	(0.5%)		7.4%	10.0%	12.5%	3.3%
Innovatia	(8.3%)		6.1%	5.5%	0.7%	(17.2%)
Product sales	(13.3%)		2.4%	6.5%	15.6%	12.8%
Rentals	(19.7%)		(15.8%)	(14.4%)	(13.5%)	(15.9%)
Other	28.1%		18.7%	16.4%	18.1%	13.8%
Total	4.4%		6.3%	6.9%	9.2%	2.8%

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
PRO FORMA OPERATING STATISTICS
Supplementary Information (unaudited)
(Millions of dollars, except as otherwise indicated)

	2007 Q1	Total	Q4	2006 Q3	Q2	Q1
Network access service						
Residential	2,204,973		2,224,544	2,259,174	2,272,454	2,280,225
Business	1,081,972		1,084,700	1,087,550	1,086,652	1,084,268
	3,286,945		3,309,244	3,346,724	3,359,106	3,364,493
Long distance minutes (thousand's)						
	1,213,729	5,029,226	1,235,365	1,240,843	1,238,703	1,314,315
Revenue per long distance minute	\$0.09		\$0.09	\$0.10	\$0.09	\$0.09
Wireless customers						
Prepaid	11,840		14,412	10,918	8,244	6,721
Postpaid	74,307		73,341	71,544	68,683	63,059
Total	86,147		87,753	82,462	76,927	69,780
Churn - postpaid wireless	1.4%		1.3%	1.2%	1.1%	1.3%
Wireless - average revenue per customer (ARPC)						
Prepaid	\$15.53		\$12.60	\$11.02	\$8.17	\$1.72
Postpaid	\$60.06		\$61.23	\$69.07	\$62.14	\$63.89
Total	\$53.35		\$54.16	\$62.30	\$56.99	\$57.94
High speed Internet customers						
High speed Internet customer net additions	32,279		29,068	28,642	20,588	35,343
Residential high speed Internet average revenue per customer (ARPC) ⁽³⁸⁾	\$36.41	\$35.31	\$36.04	\$34.70	\$35.66	\$34.77
Current year quarter over same prior year quarter growth (%)						
Long distance minutes	(7.7%)		(4.1%)	(2.5%)	(3.3%)	1.4%
Wireless ARPC - total	(7.9%)		(10.2%)	(18.2%)	(0.3%)	16.4%
Residential high speed Internet ARPC	4.7%		5.4%	1.2%	6.9%	4.8%
Year over year growth (%)						
Network access service	(2.3%)		(2.0%)	(1.2%)	(0.8%)	(0.8%)
Long distance minutes	(7.7%)		(2.1%)	(1.5%)	(1.0%)	1.4%
Wireless customers - Prepaid	76.2%		113.8%	61.7%	12.2%	(13.4%)
- Postpaid	17.8%		18.9%	18.5%	16.6%	11.2%
- total	23.5%		28.2%	22.9%	16.1%	8.3%
Churn - postpaid wireless	9.3%		(13.0%)	(21.6%)	(19.5%)	(3.7%)
Wireless ARPC - total	(7.9%)		(5.2%)	6.1%	11.7%	16.4%
High speed Internet customers	21.7%		23.9%	26.4%	31.2%	35.2%
Residential high speed Internet ARPC	4.7%		4.4%	4.1%	5.7%	4.5%

⁽³⁸⁾ We have restated our Residential high speed Internet average revenue per customer (ARPC) for Q3 and Q4 2006 to include Value Added Services in order to align our definitions across all our regions.

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About Bell Aliant

Bell Aliant (TSX:BA.UN) is one of North America's largest regional communications providers. Through its operating entities it serves customers in six Canadian provinces with innovative information, communication and technology services including voice, data, Internet, and video and value-added business solutions. Through its xwave offices, Bell Aliant also provides IT professional services in Canada and the US. Bell Aliant's 10,000 employees are committed to deliver the highest quality of customer service, choice and convenience.