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PRESENTATION

Operator

Good afternoon, ladies and gentlemen. Welcome to the Bell Aliant Regional Communications audio conference call. I would like to introduce your speaker for today, Zeda Redden, Vice President, Investor Relations. Please go ahead, Ms. Redden.

Zeda Redden

Thank you, Christopher. Good afternoon, everyone. Welcome to the call. Earlier today we issued our news release and financial statements and MD&A which are posted on Sedar and also on our Website, and today we'll be taking you through a slide presentation which is also posted on our Website. And we will be focusing on our first-quarter results.

As always, we caution you that today's statements may contain forward-looking information related to the finances and operations of the company including comments on revenue, EBITDA, cap-ex and distributable cash. These statements are based on assumptions made by the company and there are risks that our actual results could differ materially from those anticipated. The statements reflect the assumptions of Bell Aliant as of May 1st, 2007, and accordingly are subject to change after that date.

Bell Aliant disclaims any intention or obligation to update or revise the statements except as required by applicable law, whether as a result of changes, circumstances, future events or otherwise. And these cautionary statements are made on behalf of each speaker whose remarks contain forward-looking information. And with that I'll turn the call over to our President and Chief Executive Officer, Stephen Wetmore.

Stephen Wetmore

Thank you, Zeda, and good afternoon, everyone. Thanks very much for joining us. Joining Glen and me this afternoon is Heather Tulk, Senior Vice President of Marketing who will assist as necessary with the Q&A session, and I've also asked our Vice President of Regulatory Affairs, Denis Henry, to join us as I'm sure you'll have a few questions on the recent price caps.

I'll take the opportunity at the outset of the call as well to mention that we will be holding our annual general meeting in Saint John, New Brunswick on the morning of May 16th. The details can be found on our Website and we look forward to seeing all of you who may be able to attend at the AGM.

As far as our agenda for today I'll take you through the first part talking about some of the more recent activity in our industry sector and then I want to comment specifically on

our revenue profile and our customer experience, and then Glen will take you through the remainder of our first quarter results and our current view of 2007 against our published guidance for the year.

I know you're all well aware of the recent Order in Council issued on April 4th by the federal government with respect to local service regulation in the country. We believe that the changes that this order will bring in our regulatory environment will be of value to both our customers and our investors. With new regulations we've already introduced new promotions in our marketplace, stepped up contact with customers who are switching service to competitors to ensure that they are aware of our best offers and attempt to win them back, and we have filed many applications for both business and residential market forbearance. So far, we have filed residential and/or business market applications in almost 170 exchanges across our operating territory.

We believe that all these applications fully meet the criteria as established for forbearance and we expect to see deregulation of local service in many of these markets in the coming months.

The price cap decision yesterday by the CRTC is another welcome move toward a more market-based competitive landscape and in line with the recent policy directive from the federal government. Specifically, in this price cap regime we will have substantially the same ability to bundle our total service offerings as we will under forbearance. The new regime also removed all mandated reductions for retail services, allows for a rate de-averaging for residential services, that is we can now tailor our offers to different groups of customers with a rate band, gives us upward pricing flexibility on optional features which we can use where market forces or conditions warrant and allows for business local service rating increases.

With respect to residential basic local service rates are frozen in urban areas and any increases in high-cost areas will be offset by contribution and revenue reduction. Overall, the Order in Council and this new price cap regime bring an improved regulatory framework that will enable us to improve our marketing effectiveness and ensure that all our customers receive even better value from us.

As we have also told you, we believe that competition is not just about price and we will continue to act rationally and with an eye to ensuring continued revenue growth and profitability in our market plans going forward.

Before I comment on our financial performance for the quarter, I know you are all focused on the market activity relating to our major shareholder and business partner, BCE, and ultimately what this could mean for Bell Aliant.

At this stage we have absolutely nothing to report to you and it really is business as usual for all of us. We are well aware of the effect it is having on our unit value and the spreads on our debt, however we are simply remaining focused on the strategy we outlined to you at our business review day this past February.

So in terms of our first-quarter financial performance, I would say that in general we hit our expectations with fairly solid performance across the board. Our operating expense productivity and our capital spending are both areas that tend to ramp up from the second quarter onwards, and you can see that in our results for this quarter.

Let me make some specific comments on our revenue line items. On slide 6, we show that in the quarter revenue has grown 3.6% or \$29 million over the same period last year. This was made up of growth in all revenue categories with the exception of local and long distance.

As we have talked about before, the local and long distance revenue categories are declining as a portion of our revenue mix and being replaced with Internet and IT revenues, albeit at lower margins. The level of decline in voice and margin shift is however very much in line with our expectations.

Slide 7, which summarizes our local and access revenue, shows a good picture this quarter. A local revenue decline of 1.8% in Q1 on a quarter-over-quarter basis with a 2.3% decline in NAS is well within our expectations. And the relationship continues to be positive between revenue decline and our nav decline.

Importantly, the decline in nav that we saw last quarter has dropped off sharply in Q1, as we expected. As you know, in late Q2 and early Q3 last year we saw a large increase in competitive footprint which resulted in quite high losses in the fourth quarter based on normal pent-up demand in these areas.

As these markets mature, losses stabilize. Given the timing of competitive openings within our territory that we expect through 2007, our loss profile will be somewhat up and down as we deal with this pent-up demand, and Q1 '07 was in line with what we expected to see.

As we've mentioned previously, we continue to manage our local access revenues by making our highest value customers a priority, continually focusing on programs to increase feature penetration and introducing selected price increases where possible. Our most important offerings are our value packages which include local and features in an integrated offering and they continue to perform very well in our Atlantic market.

In April we launched similar packages into our market in Ontario and Quebec and we're very pleased with the early response there as well.

In Bell Nordique territory this quarter we have introduced a bundle of local features and high-speed internet services. Our customers are responding very well to this offer and we have subsequently combined this offer with our PC purchase program.

There has been some local competition expansion in the first quarter primarily in our territory in central Canada, with proto-households passed (ph) with cable telephony increasing from 33% at the end of 2006 to 37% at the end of the first quarter. We expect further competition expansion as the year progresses and we still expect to see about half our market open to competition by the end of this year.

Moving to slide 8 on long distance, revenue declines were held at 3.5%, down from the 7 to 9% declines we've been seeing in recent quarters. Our revenue decline in LB is driven by a few main factors, flowthrough from our NAS erosion, technology change, particularly in the enterprise base, and selective use of LB as a retention or acquisition tool for other products such as high-speed Internet. In this quarter these declines were well mitigated by our efforts to migrate customers to higher value plans and through selected price increases.

Minute decline was 7.7% over the same period last year, however minute usage is no longer the driver of long distance revenue that it once was. Offerings containing unlimited or fixed blocks of time components mean that long distance revenue is much less linked with minute consumption than it was a few years ago.

Moving to our information technology revenues on slide 7, xwave did very well with revenue growth of 21.9% for the first quarter although primarily from fulfillment and product sales coincident with public sector year-ends. Without fulfillment sales, our revenue for the total organization, our revenue growth was 1.9% for the quarter. Though it has a

substantial positive effect on our topline I only wish it carried the same effect onto our margins.

Revenue growth from IT services or consulting services came as a result of sales in select verticals particularly health care, justice and public safety, and defense and aerospace.

Slide 10 shows continued strong growth in our Internet business this quarter with total Internet revenues up 16.3% over the same quarter last year. Our revenue growth is driven from both high-speed customer growth and improvements in residential high-speed average revenue per customer.

We continue to be very encouraged about our growth opportunities in the Internet segment. In particular I'm pleased with our ability to continue to drive penetration which as you know is a substantial opportunity for us. Despite the minimal high-speed footprint expansion in the quarter, we achieved strong customer growth of 21.7% over the same period last year and 5.5% over Q4 2006.

We achieved this growth through a number of programs to increase penetration and ensure we retain our existing customers. We're putting in place some very targeted programs at the community and even the subdivision level to ensure that we capture every possible customer. Some of our early success in improving our penetration in Ontario and Quebec is quite encouraging.

I believe this quarter's results demonstrate the opportunity that still exists for driving Internet penetration in our territory as we outlined to you during our investor day. We also continue to focus on improving our average revenue per customer. Residential average revenue per customer for high-speed grew 4.7% over Q1 of 2006 and improved slightly over the last quarter of 2006.

From a customer experience perspective, we continue to work on the things which we know are important in driving greater customer loyalty. We are focused on four areas of the most importance to our customers, meaning easy to reach, doing it right the first time, meeting our commitments and keeping our customers informed. We've introduced a number of new programs they're already paying off. We've reduced missed commitments by about 20% over the same period in 2006, repeat repairs by about 10% and we've improved our first call resolution in our contact centers by more than 5%.

With this kind of performance we are well on our way to delivering the customer experience objectives we set for

ourselves in 2007. Besides delivering on our customer service, of real importance here is the positive effect that it has on productivity. It's still early days but we can see tangible evidence of cost reductions from service improvements.

And with that then I'll now hand off to Glen.

Glen LeBlanc

Thank you, Stephen, and good afternoon everyone. I'll refer you to slide 12 with the heading productivity. So now that we've gone through our revenue story and you've seen the changes in our revenue mix, we know that in order to maintain adequate margins we have to control our costs. Our productivity initiatives continue to progress with approximately \$14 million of productivity savings being realized in the first quarter. Our productivity programs tend to ramp up as the year goes on and we continue to be confident in our ability to deliver the \$75 to \$85 million we discussed on investor day.

Most of the savings so far this year are in supply transformation category which really speaks to the procurement process and the ability to leverage our outsourcing agreement with Bell Canada. Technology and infrastructure changes allow us to reduce costs in real estate through consolidation of space and call center costs by improving response time and first call resolution. The people and organizational improvements are largely routed in workforce management, reducing overtime costs with better scheduling.

These latter two areas of productivity improvements not only reduce our costs but improve customer service making it a win-win situation.

Slide 13 takes us through the changes to see what has actually occurred in the quarter. As Stephen outlined, much of our revenue growth in the first quarter came from IT fulfillment or product sales. Our expenses include cost of sales for this revenue and as you're aware the margins on product sales are relatively low.

In addition to the change in revenue mix, normal wage increases for union and non-unionized staff increased our labor costs as well as the labor for the IT services revenue increase you've seen and there were inflationary factors and other expenses.

Secondly, we have higher capital taxes since the creation of Bell Aliant last July. And these are now classified as operating expenses. Previously they were netted in other income outside of operating income, were also immaterial.

So the full impact of \$5.1 million of capital taxes in Q1 2007 negatively impact the year-over-year change in operating income. Without this capital tax adjustment, our EBITDA increased by .5%. So it was relatively stable year over year and in line with our expectations as you'll see on slide 14.

The increase in operating expense for the quarter, there was about a \$2 to \$3 million increase in professional fees related to verifying our Sarbanes Oxley and related compliance. This is really an acceleration of spending in order to meet compliance and therefore we don't anticipate having to incur fees at this level in the future.

As a result of this, EBITDA margins were 41.1% for the quarter, down from 42.9 in the same period last year with the capital tax reclassification accounting for .6 of the decline. Though we do not expect this level of fulfillment sales or professional fees to continue throughout the year, the impact on margins is expected to be less in future quarters. And the EBITDA in the remaining portion of 2007 is expected to improve. So some quarters will be up and some will be down but overall we expect margins to be in line or slightly down from what we experienced in all of 2006.

With respect to distributable cash on slide 15, we had good growth in the quarter. This was expected. The impact of the privatization of Bell Nordique in January of this year boosted our distributable cash which now gives Bell Aliant 100% of Bell Nordique's distributable cash up from the 63% we held last year.

On a per-unit basis, distributable cash is up about a half a cent in line with our expectations of modest accretion on the Bell Nordique privatization.

In mid-February we completed the second major tranche of debt issuance as part of our financing of our in-term credit facilities that we drew on when Bell Aliant was created. To date, Bell Aliant has issued \$2.25 billion of new debt, \$1.25 billion last September and \$1 billion in February with an embedded cost of 5.3% per year.

This is lower than the 5.5% blended cost we were assuming in our pro formas in 2006 but the amount of debt we now have outstanding is slightly higher than last year due to the acquisition of Bell Nordique minority and the

commencement of our NCIB. Having termed out such a large amount of our debt puts us in good stead for future years and contributes to the stability of our cashflow.

Our payout ratio for the quarter was 87%. This reflects the January distribution of 22.83 cents per unit which was increased to 23.5 cents per unit beginning with the February distributions. So again in line with our target.

Lastly let me comment on our guidance in light of a number of factors that would affect our reported numbers. Firstly, as we completed the sale of the assets of Aliant Directory Services on April 30th, we are now reporting the financial results as discontinued operations. That means our reported revenues, operating income and EBITDA do not include Aliant Directory Services results for 2007 or the previous year, 2006, as the numbers have been restated to reflect Aliant Directory Services results as discontinued operations.

Our guidance for 2007 included AM Telecom as if we would have acquired it in the second quarter timeframe and this is not going to occur. The impact of these two changes is not significant enough for us to alter our 2007 guidance. The guidance ranges that we provided on investor day for revenue, distributable cash and capital intensity still hold. With that I'll open the call for questions. Operation.

QUESTION-AND-ANSWER SESSION

Operator

Thank you. We will now take questions from the telephone lines. If you have any questions at this time please press star 1 on your telephone keypad. If you are using a speakerphone please lift the handset before pressing star 1. You may cancel your question at any time by pressing the pound sign. Please press star 1 at this time if you have a question. There will be a brief pause while participants register. Thank you for your patience. The first question is from Greg MacDonald from National Bank Financial. Please go ahead.

Greg MacDonald, National Bank Financial

Thanks. Good afternoon, guys. First question is on the cap-ex line and I think I know the answer to this but it seemed it was a little light. That's probably timing, i.e. weather something like that related, given the guidance that you have for distributable cash and capital intensity. I

can just assume that that's going to increase in the remaining three quarters, right?

Stephen Wetmore

You're correct, Greg. We wouldn't see ourselves doing as much outside construction in the cold months of January and February, so with the summer months coming and our continued advancement of our fiber to the node project you'll see that ramp up and we'll be within our annual guidance numbers.

Greg MacDonald, National Bank Financial

Okay, that's helpful. Second is just a bit of a detailed question. Can you remind us of what the covenants are for the Bell Aliant bonds that are outstanding? The ones that have been made public.

Stephen Wetmore

We might be able to, Greg. It's Stephen. Eleanor Marshall is here with us. I don't know if that's...

Greg MacDonald, National Bank Financial

You can get back to me.

Stephen Wetmore

Eleanor, do you want to cover it or...

Eleanor Marshall

In general, Greg, there's very few financial covenants in the trust indenture. There's a new debt incurrence test but no ongoing financial covenants. There are covenants in our bank facilities and there's a debt to EBITDA requirement in that.

Greg MacDonald, National Bank Financial

Is that public?

Eleanor Marshall

It's three times.

Greg MacDonald, National Bank Financial

Okay. And then finally I can appreciate the comments that you made earlier and not wanting to get into this issue too much, but I'm wondering if you just might indicate to us whether or not you're involved in Bell Canada's strategic review process and if the company has decided or whether there's any indication or consideration for setting up a strategic review committee for Bell Aliant itself.

Stephen Wetmore

Well, part one, we're not involved at this stage and there would be, as far as the second part of your question, Greg, really no... there's no reason for us to set up any committee or do anything at the moment. It is business as usual for us.

Greg MacDonald, National Bank Financial

Okay. That's helpful. Thanks.

Operator

Thank you. The next question is from Vince Valentini from TD Newcrest. Please go ahead.

Vince Valentini, TD Newcrest

Yes, thanks very much. A question on share buybacks in your balance sheet or debt leverage. First off, given that

you're not going to be buying Amtelecom, does that mean you have an extra \$100 million or so you can put towards share buybacks this year or if not, what are you going to do with that cash?

Glen LeBlanc

Hi, Vince. It's Glen. As we would have indicated that we believe staying in that two-times leverage is appropriate for us. Would we level up to do share buybacks? It's not our intention right now. We have a pretty substantial buyback program in place now as you'd know with about \$330 million being used for share buybacks which puts us up against the NCIB top end of our ability. So we would have to expand that to an SIB if we were going to go above that and at this time I think we'll just continue to execute on the NCIB that we've previously announced.

Vince Valentini, TD Newcrest

And then to follow up on that, Glen, is your, you or the Board's view of a two-times debt leverage is appropriate, is that a way of relative analysis given where debt currently leverage currently is at other major Canadian telcos? I mean if we do see LBOs at some of your bigger peers, would that in any way change the thinking at Bell Aliant in terms of what an appropriate capital structure is or is yours purely an absolute analysis based on what credit ratings are and what your cost of debt capital is?

Stephen Wetmore

Yeah, Vince, it's Stephen. I think we haven't changed our view or sort of policy or our intentions in relation to the balance sheet at all. It's where we kind of wanted to place this organization at the outset and have kind of structured our philosophy operating the business and everything else around it. So we've not at this stage changed our view of the world at all.

Vince Valentini, TD Newcrest

Okay, fair enough. And last, just Eleanor, just to clarify, in terms of the new debt incurrence test, would that be on new debt that ranks pari patoo (ph) with your existing

bonds? Would there be anything in there that would block the company from issuing debt at a subordinated level versus the existing bonds?

Eleanor Marshall

It's a debt to total capitalization and I would have to check for you, Vince, on whether that included the sub-debt.

Vince Valentini, TD Newcrest

Okay, thank you.

Operator

Thank you. The next question is from Jonathan Allen from RBC Capital Markets. Please go ahead.

Jonathan Allen, RBC Capital Markets

Thanks very much. Since you've got Denis there I thought I'd ask a regulatory question to him. The financial impact from last night's price cap review, I'm not sure if you've had a chance to review what sort of financial impact you might see from either being able to raise rates in some of the high-cost serving areas by the rate of inflation or I'm not even sure if payphones is a significant contributor. But any thoughts on that front?

Denis Henry

No, we have not done any financial analysis of that at all at this point.

Jonathan Allen, RBC Capital Markets

Okay. If I can ask another question, perhaps this is for more Heather or someone else, but rate de-averaging is a significant win for Bell Aliant and the other telcos. By being able to charge a different rate for individual customers for the local primary exchange lines, does your billing system

actually... is it actually able to handle charging different rates for individual customers or is there any sort of upgrade required?

Heather Tulk

Well any time that we put a new offer in the market, Jonathan, of course there would be billing upgrades required and I guess rates for not just our billing but our OSS systems in terms of you know what our reps and dealers can see in terms of knowing which offers to sell to which customers. But really what drives that will be a decision on how will we want to target our offers, and certainly we would see rate de-averaging, particularly with respect to our ability to target certain sub-groups, segments such as students, seniors, etc., as a significant win, and I wouldn't see any major impediments to us being able to implement that in the way that we would want to.

Jonathan Allen, RBC Capital Markets

Okay, so as far as OSS changes it would be pretty straightforward, there would be no significant delays in implementing that?

Heather Tulk

Well I don't know if anything is ever completely straightforward when it comes to OSS changes but certainly we feel that the things that we would want to do our market plan are certainly doable.

Jonathan Allen, RBC Capital Markets

Okay, and since I'm spreading questions around to everyone, I'll ask Glen a question. The \$5 million capital tax, is that... that's a recurring item that we should see, something that I think increased after the formation of Bell Aliant, and should we see that roughly \$5 million a quarter impact for each quarter going forward?

Glen LeBlanc

Hi, Jonathan. What you would have seen is, yes, you are correct, a fairly substantial increase from around a little less than \$10 million in 2006 to an annualized \$20 million or a little better than \$5 million a quarter for 2007, but you'll notice in our distributable cash that we've normalized that number out because that will actually go down over the next four years, declining from about \$15 million to around... from \$20 million to \$15 down to \$10 and closer to \$5 by the 2010/'11 timeframe. So we know that this is going to start to improve. You're seeing the big hit now because we haven't yet lapped (ph) ourselves from the creation of Bell Aliant. Once 2007 third quarter comes it'll be normal from its year-over-year growth and then will start declining in '08.

Jonathan Allen, RBC Capital Markets

If I can squeeze one last tactical question again for you, Glen. The non-controlling interest is still staying at that \$50 or \$55-million level this quarter. I would have thought we'd see it go down after the Bell Nordique privatization. Should we actually... for forecasting purposes, should we continue to look at it... I guess is it just the BCE ownership in there that's I guess throwing things off or should we see the non-controlling interest around this level going forward?

Glen LeBlanc

I think you'll see it go forward because that's the BCE's non-controlling interest.

Jonathan Allen, RBC Capital Markets

Okay, so the 37.6% or so?

Glen LeBlanc

Yes.

Jonathan Allen, RBC Capital Markets

Okay. Thanks very much.

Operator

Thank you. The next question is from Jeffrey Fan from UBS. Please go ahead.

Jeffrey Fan, UBS

Thanks very much. I have a question about the outsourcing agreement that Bell Aliant has with Bell Canada. Suppose that you were to try to align that, can you kind of walk us through generally like what some of the steps and timing that would be required to go through such a process?

Stephen Wetmore

Well the provisions in the commercial agreements themselves allow the parties to give appropriate notice depending on what the service is, and therefore it really, really does vary from kind of a definition of appropriate notice to many years of notice. And so that's kind of how it was envisioned at the time, that should notice have or want to be given on any particular area, then that there was more than adequate time for either party to kind of adjust and be able to accommodate the change. But it really is varied depending on what the service is.

Jeffrey Fan, UBS

So are there certain big buckets of services that you can identify that, whether requires months or years notification?

Stephen Wetmore

I'll give you an example. If we wanted to say insource some legal work that was being done for us let's say in Ontario through the outsourcing agreement, then that requires kind of months of notice if you will, and if you wanted to unwind like a billing system, then it would be an enormous amount of time. I forget what it is, but it's years. So there's everything from right across the spectrum. In effect, when you take a look at the outsourcing agreement in its simple

form, it's... with the exception of like the technicians out in the field, and some sales people, the rest of our operations in Ontario and Quebec are run through the outsourcing agreement. So when you take a look at the outsourcing agreement you're going through kind of a telco 101 exercise if you know what I mean. It's got every component there that you could think of.

Jeffrey Fan, UBS

And in terms of the rates that are being charged on the parts that are outsourced, I mean how do those rates... are those sort of arms-length rates that are being charged right now or can you just kind of elaborate a little bit on that?

Stephen Wetmore

The rates that were determined were based on the original negotiations for services and setting those rates and benchmarking those rates at the time, etc. And then the opportunity exists going forward obviously to revisit many of the rates for a variety of reasons. If we felt that we could get the service done cheaper and that sort of thing, then we'd sit down and we'd start to negotiate and find out where we can get it done cheaper and will that reduce the rates accordingly, etc., rather than us insourcing it if you will. So they are kind of as much against the benchmarked fair market rate as you could possibly get.

Jeffrey Fan, UBS

Okay, great. Thank you.

Operator

Thank you. The next question is from Dvai Ghose from Genuity Capital Markets. Please go ahead.

Dvai Ghose, Genuity Capital Markets

Yeah, thanks very much. A few quick ones if I may. First of all, on the fiber to the node FTTN acceleration, you're earmarked \$35 to \$45 million. I'm sorry, I didn't see in the

release how much you've spent to date. Is it zero or have you spent anything in the first quarter?

Stephen Wetmore

We've Dvai, increased... in the first quarter, I mean only really because of the winter months, we're going to see this ramp up for the second, third and fourth quarter, but just to give you some idea, I think we disclosed that it was about 50,000 homes passed the year-end '06, and we've increased that, I don't know, 22,000/23,000 homes past, something like that, in the quarter. So you'll see a significant kind of ramp-up in the last three quarters.

Dvai Ghose, Genuity Capital Markets

So you can't give us a financial amount that was spent for those additional 30,000 homes or so, 20,000 homes?

Stephen Wetmore

Well a lot of those, the financial impact would have been... I think the majority of it would have been seen in the fourth quarter as well if you know what I mean.

Dvai Ghose, Genuity Capital Markets

Yeah.

Stephen Wetmore

So I don't have... and some of the money that we would have spent in the first quarter would be associated with the increase in homes passed in the second quarter.

Dvai Ghose, Genuity Capital Markets

Yeah, understood, but you're not going to break it out going forward?

Stephen Wetmore

In terms of how much it cost per...

Dvai Ghose, Genuity Capital Markets

Yeah, because you've given guidance within and without so I assume you would give us cap-ex within and without but maybe I'm wrong.

Stephen Wetmore

Oh, with and without how much we've spent on the...

Dvai Ghose, Genuity Capital Markets

FTTN acceleration.

Stephen Wetmore

FTTN?

Dvai Ghose, Genuity Capital Markets

Yeah.

Stephen Wetmore

It's not an issue... that's not an issue, yeah. We can.

Dvai Ghose, Genuity Capital Markets

Okay, great.

Stephen Wetmore

We just haven't spent that much in the first quarter. But we will, sure.

Dvai Ghose, Genuity Capital Markets

Yeah, I see what you're saying. Okay, good to know. Next question if I can move to the regulatory situation, there are certain markets which you've applied for forbearance and perhaps others which you haven't applied yet but you think will be eligible. You have certain markets which won't be eligible but benefit from the changes to the price cap announced yesterday. Could you give us a quick percentage of access lines in each category?

Heather Tulk

Yeah, so the forbearance applications would be fairly closely aligned in the residential market to what we'd be disclosing in terms of the competitors households...

Dvai Ghose, Genuity Capital Markets

Being a cable overlap of 50 to 60%?

Heather Tulk

Yeah, well as of right now you would have see 37...

Dvai Ghose, Genuity Capital Markets

Yeah.

Heather Tulk

...in residential and where that's going. And the business market would be just slightly above that in terms of business lines. In terms of the high cost serving areas that we would have about 40 or 45% or 50% of our lines which would be in the high cost serving areas. And a portion of those, of course, Dvai, it's where it gets interesting, a portion of those are also subject to forbearance applications.

Dvai Ghose, Genuity Capital Markets

Ah, okay.

Heather Tulk

So it's like a concentric circle between... you know, some of the forbearance applications actually cover high-cost serving areas.

Dvai Ghose, Genuity Capital Markets

Understood. But all things being equal, you'd rather get forbearance than the new price cap rules if you could choose between the two, right?

Heather Tulk

Yeah and I think the most important piece of both of these is that when you put them together we see this new regulatory regime in total allowing us to move more to a fully-open marketplace where we can do what we wanted to do for quite some time which is compete for our customers' big business on an even playing field.

Dvai Ghose, Genuity Capital Markets

Understood. A couple of other unrelated ones. On the wireless side, your sub-numbers were okay I guess but your ARPU on the post-paid side down 6%, your churn up significantly. You refer to competitors and other market pressures in the release and I think you lost some major roaming revenue. Could you give us some more idea as to what happened there because it looked pretty bad on the surface.

Glen LeBlanc

Hi, Dvai. It's Glen. Some of the details I'll have to get back to you on. I mean on the wireless front we're very pleased with our results. There is a small decline in the average revenue per customer but that, as you had said, that was just some one-time roaming revenues that we'd seen go away and we expect to see that rebound. Now when you look at it overall, we had quite an increase in ARPU from the prepaid because we had a disconnection of... or the discontinuation of a prepaid program in the end of January, it was prepaid analog. That would have discontinued, propping up our ARPU in the prepaid and as I said, I think the declines in ARPU on the postpaid are one-time. You'll see those rebound.

Dvai Ghose, Genuity Capital Markets

So I'm not sure why they would rebound though if you've lost the customers. Is that (ph) Bell Canada lost a customer, Bell Mobility to roam once in Nordique's network and why do you regain it if the customer is gone?

Glen LeBlanc

Well I think as I said there were some one-time adjustments to roaming revenue. I'm not sure that it was actually lost customers, so I'll have to get back to you on that.

Dvai Ghose, Genuity Capital Markets

Yeah, if you don't mind that would be great. And then the last one which is a real quick factual one, of the \$330 million or so of NCIB how much have you done so far, or at the end of the quarter you haven't done any? Is that correct?

Glen LeBlanc

How much have we done in the NCIB?

Dvai Ghose, Genuity Capital Markets

Yeah.

Glen LeBlanc

Almost three million units I think have been purchased to date, around 70-ish, around \$72 million.

Dvai Ghose, Genuity Capital Markets

Okay and that was to date today or at the end of the quarter?

Glen LeBlanc

About the end of the quarter, we've done a little bit since then. That would have been to the results that you're seeing.

Dvai Ghose, Genuity Capital Markets

Okay. Thanks a lot. Much appreciated.

Operator

Thank you. Once again please press star 1 if you have any questions or comments at this time. The next question is from Malcolm White from Signature Advisors. Please go ahead.

Malcolm White, Signature Advisors

Yes, I'm very curious. Obviously we've discussed the issue of debt and debt levels that you're comfortable with, most notably being sort of two times and as well you've got covenants of three. As well, in the security holder agreements, BCE obviously was uncomfortable with the level of 2.5 times because obviously consent is required to... BCE's consent is required if and when it wants to exceed that level. I'm just curious as to debt levels, for example what unitholder protection is out there under an LBO scenario considering the possibility here that the parent in question could be leveraged five to six times

which would be considerably higher than that threshold, and possibly looking to increase the leverage at the Aliant level to take down, to dividend up and possibly take down the debt that they've just recently incurred.

Stephen Wetmore

It's hard for us to try to answer any of these because it's a hypothetical situation and the speculation surrounding it. I mean the facts are the facts and I guess you can look at it from a Bell point of view and start to build various scenarios and say so then what's the effect on Bell Aliant in this case and what's the effect on Bell Aliant in that case? At this stage of the game I mean it is so early that it would be us simply commenting on a lot of situations and I don't think we should.

Malcolm White, Signature Advisors

I guess I'm just curious because the assets obviously going through and will be going through an auction process. I guess I'm curious as to...I mean I as a unitholder certainly would love to take my points to again to yourself...

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Malcolm White, Signature Advisors

...make it a condition of the auction process that leverage at Bell Aliant shouldn't exceed some of the thresholds that we discussed. The case in point being is I believe that most investors who hold Bell Aliant like it for the stable cashflows. Again it's not the growth that we're buying here, it's the stability of that. And there's a certain comfort level from where I stand in terms of how much leverage the structure can take before it starts to jeopardize the distribution. So I guess the case in point is shouldn't... I almost feel that we should have some representation at the auction to ensure that some of the potential bidders on the BCE side of the equation are aware of some of the constraints that we can be vocal about.

Stephen Wetmore

Well I hear you and I appreciate your comments. But at this stage of the game, as I said, there's no impact here for us and we're not participating in BCE's situation at all. So we... but I hear you and certainly our annual general meeting is on the 16th and it's a good spot there too for unitholders to express their opinions as well.

Malcolm White, Signature Advisors

But I guess it comes back to the initial question, what are the unitholder protection mechanisms. I couldn't really find any. As I said, BCE has some protection mechanisms but I'm struggling and reaching here to try and find some areas in which unitholders are protected from some of the possibilities that could be detrimental.

Stephen Wetmore

No, and I hear you, I hear you. I can't rattle off those either in this context and I guess it's a matter... again every unitholder will have an opinion as to what is good and what is bad and I hear that. And then from there try to search to try to make things different for them. But I mean I agree with you in terms of hearing what you're saying in terms of protection rights or whatever, but...

Malcolm White, Signature Advisors

Okay, I thank you very much.

Operator

Thank you. There are no further questions registered at this time. I would now like to turn the call back over to Ms. Redden for closing remarks.

Zeda Redden

Thank you, everyone, for joining us today and have a good evening.

Operator

Thank you. The conference has now ended. Please disconnect your lines at this time. We thank you very much for your participation and wish you a great day.