



**Bell Aliant Regional Communications
Income Fund**

**Supplementary Information
(unaudited)**

Fourth Quarter 2008

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND

Supplementary Information (unaudited)

Basis of Presentation

The Supplementary Information contained herein presents the results of Bell Aliant Regional Communications Income Fund (Bell Aliant Income Fund or the Fund) and the results of its principal operating subsidiary, Bell Aliant Regional Communications Holdings, Limited Partnership (Bell Aliant Holdings LP).

Readers are cautioned that the Supplementary Information is unaudited and some of the financial measures presented herein do not have standard meanings prescribed by Canadian generally accepted accounting policies (GAAP). See "Non-GAAP Financial Measures" section.

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
BELL ALIANT INCOME FUND
Supplementary Information (unaudited)
Highlights
(Millions of dollars, except as otherwise indicated)

	2008					2007				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
BELL ALIANT INCOME FUND										
Distributions										
Distributions declared	\$367.5	\$92.1	\$92.1	\$92.1	\$91.2	\$368.9	\$89.5	\$90.5	\$92.9	\$96.0
Distributions declared per Fund unit	\$2.894	\$0.725	\$0.725	\$0.725	\$0.718	\$2.813	\$0.705	\$0.705	\$0.705	\$0.698
Unitholders' capital (000's)										
Fund units publicly held, beginning of period	126,950	126,980	126,952	126,952	126,950	124,116	127,095	130,801	135,196	124,116
Issued (redeemed)	34	4	28	-	2	13,464	(1)	4	(3)	13,464
Repurchased under an NCIB ⁽¹⁾	-	-	-	-	-	(10,630)	(144)	(3,710)	(4,392)	(2,384)
Fund units publicly held, end of period	126,984	126,984	126,980	126,952	126,952	126,950	126,950	127,095	130,801	135,196
Exchangeable units held by BCE Inc. / Bell Canada	100,374	100,374	100,374	100,374	100,374	100,374	100,374	100,374	100,374	100,374
Deferred units (dilutive)	686	686	466	481	468	325	325	318	323	315
Fully diluted Fund units, end of period	228,044	228,044	227,820	227,807	227,794	227,649	227,649	227,787	231,498	235,885
Average units outstanding - basic	126,964	126,983	126,971	126,952	126,951	130,431	126,952	128,960	133,200	132,723
Average units outstanding - fully diluted	228,024	228,043	227,811	227,807	227,793	231,130	227,651	229,652	233,896	233,412
Market data										
Market capitalization ⁽²⁾		\$5,370.4	\$5,693.2	\$6,624.6	\$6,831.5		\$6,699.7	\$7,298.3	\$7,257.5	\$6,965.7
Market price										
High		\$26.20	\$29.42	\$30.55	\$30.15		\$32.14	\$32.42	\$32.76	\$30.06
Low		\$21.00	\$24.83	\$28.76	\$26.00		\$28.21	\$29.26	\$29.53	\$26.84
Close		\$23.55	\$24.99	\$29.08	\$29.99		\$29.43	\$32.04	\$31.35	\$29.53
Distribution yield ⁽³⁾		12.3%	11.6%	10.0%	9.6%		9.6%	8.8%	9.0%	9.5%

⁽¹⁾ On February 28, 2007, the Fund commenced a normal course issuer bid (NCIB) program, which allowed it to acquire, from time to time, up to 13,738,000 Fund units at market prices for cancellation. The NCIB expired on February 27, 2008, with the Fund purchasing a total of 10,630,000 Fund units during 2007.

⁽²⁾ Market capitalization - fully diluted Fund units, end of period multiplied by market close price.

⁽³⁾ Distribution yield - distributions declared per Fund unit divided by market close price. This calculation is annualized.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
Supplementary Information (unaudited)
(Millions of dollars, except as otherwise indicated)
BELL ALIANT INCOME FUND
Summary of quarterly financial results

	2008 ⁽⁴⁾					2007 ⁽⁴⁾				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
INCOME FUND										
Net earnings										
Equity income from investments	\$255.6	\$66.0	\$76.1	\$69.4	\$44.1	\$297.6	\$106.7	\$69.3	\$46.8	\$74.8
Other revenues	0.1	-	0.1	-	-	2.6	0.1	0.6	1.9	-
Total revenues	255.7	66.0	76.2	69.4	44.1	300.2	106.8	69.9	48.7	74.8
Expenses	4.0	0.5	1.5	0.9	1.1	7.5	1.2	1.1	3.2	2.0
Net earnings from continuing operations	\$251.7	\$65.5	\$74.7	\$68.5	\$43.0	\$292.7	\$105.6	\$68.8	\$45.5	\$72.8
Net earnings from discontinued operations	(0.3)	0.1	0.3	(0.7)	-	208.8	(0.5)	0.4	204.5	4.4
Net earnings	\$251.4	\$65.6	\$75.0	\$67.8	\$43.0	\$501.5	\$105.1	\$69.2	\$250.0	\$77.2
Balance Sheet										
Cash and cash equivalents		\$6.2	\$5.0	\$2.6	\$1.2		\$2.1	\$10.9	\$127.9	\$0.2
Distributions receivable		31.2	31.1	31.2	31.0		28.5	27.9	33.3	34.5
Due from related parties		13.6	9.6	8.6	6.3		3.0	1.5	0.5	4.5
Total current assets		51.0	45.7	42.4	38.5		33.6	40.3	161.7	39.2
Investments		4,160.6	4,191.9	4,209.3	4,232.6		4,282.8	4,263.3	4,283.7	4,587.1
Total assets		\$4,211.6	\$4,237.6	\$4,251.7	\$4,271.1		\$4,316.4	\$4,303.6	\$4,445.4	\$4,626.3
Payables and accruals		\$0.2	\$0.6	\$0.3	\$0.4		\$0.4	\$0.7	\$0.1	\$0.1
Distributions payable		30.7	30.7	30.7	30.7		29.8	29.9	30.7	32.3
Due to related parties		-	-	-	-		-	-	0.6	208.0
Total current liabilities		30.9	31.3	31.0	31.1		30.2	30.6	31.4	240.4
Unitholders' equity		4,180.7	4,206.3	4,220.7	4,240.0		4,286.2	4,273.0	4,414.0	4,385.9
Total liabilities and unitholders' equity		\$4,211.6	\$4,237.6	\$4,251.7	\$4,271.1		\$4,316.4	\$4,303.6	\$4,445.4	\$4,626.3
Cash flow										
Net earnings from continuing operations	\$251.7	\$65.5	\$74.7	\$68.5	\$43.0	\$292.7	\$105.6	\$68.8	\$45.5	\$72.8
Income from equity investments	(255.6)	(66.0)	(76.1)	(69.4)	(44.1)	(297.6)	(106.7)	(69.3)	(46.8)	(74.8)
Change in operating assets and liabilities	4.6	0.5	2.5	0.7	0.9	2.2	0.6	1.2	(1.1)	1.5
Cash from (used in) operating activities	0.7	(0.0)	1.1	(0.2)	(0.2)	(2.7)	(0.5)	0.7	(2.4)	(0.5)
Repayment of loan to related party	-	-	-	-	-	(200.9)	-	-	(200.9)	-
Proceeds of loan from related party	-	-	-	-	-	69.9	-	-	-	69.9
Repurchase of units	-	-	-	-	-	(330.2)	(4.6)	(117.1)	(137.6)	(70.9)
Redemption of units	(0.1)	-	-	(0.1)	-	(0.3)	(0.1)	-	(0.1)	(0.1)
Purchase of units for distribution reinvestment plan	(13.3)	(3.3)	(3.3)	(3.4)	(3.3)	(13.0)	(3.3)	(3.2)	(3.3)	(3.2)
Cash distributions paid to unitholders	(353.3)	(88.8)	(88.8)	(88.7)	(87.0)	(354.4)	(86.3)	(88.1)	(91.2)	(88.8)
Cash from (used in) financing activities	(366.7)	(92.1)	(92.1)	(92.2)	(90.3)	(828.9)	(94.3)	(208.4)	(433.1)	(93.1)
Cash distributions received from equity investments	370.1	93.3	93.4	93.8	89.6	372.1	86.0	90.7	102.3	93.1
Return of capital	-	-	-	-	-	460.9	-	-	460.9	-
Cash from (used in) investing activities	370.1	93.3	93.4	93.8	89.6	833.0	86.0	90.7	563.2	93.1
Net increase (decrease) in cash from continuing operations	4.1	1.2	2.4	1.4	(0.9)	1.4	(8.8)	(117.0)	127.7	(0.5)
Cash and cash equivalents, beginning of period	2.1	5.0	2.6	1.2	2.1	0.7	10.9	127.9	0.2	0.7
Cash and cash equivalents, end of period	\$6.2	\$6.2	\$5.0	\$2.6	\$1.2	\$2.1	\$2.1	\$10.9	\$127.9	\$0.2

⁽⁴⁾ In Q4 2008, we corrected an error related to our proportionate share of net earnings from discontinued operations of our equity investment in Bell Aliant Holdings LP recorded in Q2 2007, in accordance with Canadian GAAP. Accordingly, prior periods financial results were restated to reduce our net earnings from discontinued operations and investments by \$7.7 million.

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

	2008 ⁽⁵⁾					2007 ⁽⁵⁾				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
BELL ALIANT HOLDINGS LP										
Financial measures										
Operating revenues	\$3,282.0	\$813.2	\$815.3	\$815.6	\$837.9	\$3,253.3	\$819.1	\$808.5	\$795.4	\$830.3
EBITDA ⁽⁶⁾	\$1,450.9	\$365.6	\$371.0	\$361.0	\$353.3	\$1,438.4	\$365.6	\$369.8	\$355.2	\$347.8
EBITDA ⁽⁶⁾ margin	44.2%	45.0%	45.5%	44.3%	42.2%	44.2%	44.6%	45.7%	44.7%	41.9%
Operating income ⁽⁶⁾	\$595.8	\$111.1	\$169.3	\$161.5	\$153.9	\$504.0	\$141.2	\$139.8	\$53.1	\$169.9
Current year Q over same Q last year growth										
Operating revenues	\$28.7	(\$5.9)	\$6.8	\$20.2	\$7.6	n.a.	n.a.	n.a.	n.a.	n.a.
	0.9%	(0.7%)	0.8%	2.5%	0.9%	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA ⁽⁶⁾	\$12.5	\$0.0	\$1.2	\$5.8	\$5.5	n.a.	n.a.	n.a.	n.a.	n.a.
	0.9%	0.0%	0.3%	1.6%	1.6%	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA ⁽⁶⁾ margin	0.0%	0.4%	(0.2%)	(0.4%)	0.3%	n.a.	n.a.	n.a.	n.a.	n.a.
	0.0%	0.9%	(0.4%)	(0.9%)	0.7%	n.a.	n.a.	n.a.	n.a.	n.a.
Operating income ⁽⁶⁾	\$91.8	(\$30.1)	\$29.5	\$108.4	(\$16.0)	n.a.	n.a.	n.a.	n.a.	n.a.
	18.2%	(21.3%)	21.1%	204.1%	(9.4%)	n.a.	n.a.	n.a.	n.a.	n.a.
Operating statistics										
Network Access Services (NAS)		3,092,446	3,134,410	3,158,544	3,179,213		3,201,805	3,244,087	3,264,763	3,286,945
NAS net declines, in the period	(109,359)	(41,964)	(24,134)	(20,669)	(22,592)	(107,439)	(42,282)	(20,676)	(22,182)	(22,299)
As a percentage, in the period	(3.4%)	(1.3%)	(0.8%)	(0.7%)	(0.7%)	(3.2%)	(1.3%)	(0.6%)	(0.7%)	(0.7%)
High speed Internet (HSI) customers		762,119	748,056	726,441	711,093		688,713	665,409	642,434	620,517
HSI customers net additions, in the period	73,406	14,063	21,615	15,348	22,380	100,475	23,304	22,975	21,917	32,279
As a percentage, in the period	10.7%	1.9%	3.0%	2.2%	3.2%	17.1%	3.5%	3.6%	3.5%	5.5%
Cash flow measures										
Capital expenditures	\$528.8	\$167.4	\$138.8	\$127.5	\$95.1	\$541.6	\$143.6	\$139.7	\$143.4	\$114.9
Capital intensity ⁽⁷⁾	16.1%	20.6%	17.0%	15.6%	11.3%	16.6%	17.5%	17.3%	18.0%	13.8%
Distributable cash ⁽⁶⁾	\$715.6	\$146.2	\$179.3	\$183.3	\$206.8	\$701.4	\$169.5	\$177.6	\$162.2	\$192.1
Distributable cash per Fund unit ⁽⁸⁾	\$3.141	\$0.641	\$0.787	\$0.805	\$0.908	\$3.035	\$0.745	\$0.773	\$0.694	\$0.823
Distributions declared ⁽⁹⁾	\$657.9	\$164.8	\$164.9	\$164.9	\$163.3	\$651.1	\$160.1	\$161.3	\$163.5	\$166.2
Payout ratio ⁽¹⁰⁾	91.9%	112.7%	92.0%	90.0%	79.0%	92.8%	94.5%	90.8%	100.8%	86.5%
Current year Q over same Q last year growth										
Distributable cash ⁽⁶⁾	\$14.2	(\$23.3)	\$1.7	\$21.1	\$14.7	(\$21.6)	(\$17.3)	(\$8.3)	(\$5.4)	\$9.4
	2.0%	(13.7%)	1.0%	13.0%	7.7%	(3.0%)	(9.3%)	(4.5%)	(3.2%)	5.1%

(5) We adopted discontinued operations presentation for Atlantic Mobility Products Limited Partnership (AMP) in Q2 2008 and our Defence, Security and Aerospace (DSA) business in Q3 2008, in accordance with Canadian GAAP. Accordingly, prior periods consolidated statements of earnings and cash flows were reclassified with the exception of the DSA business financial information for 2006 as it was impracticable to determine.

(6) The terms EBITDA, Operating income and Distributable cash do not have any standardized meaning prescribed by Canadian GAAP. Refer to the "Non-GAAP Financial Measures" section for definitions and reconciliations to the most comparable GAAP financial measures.

(7) Capital intensity - capital expenditures divided by operating revenues.

(8) Distributable cash per Fund unit - Distributable cash divided by average fully diluted Fund units outstanding.

(9) Distributions declared - sum of distributions declared by the Fund and distributions declared by Bell Aliant Holdings LP and Bell Aliant LP on exchangeable units held by BCE Inc. and Bell Canada.

(10) Payout ratio - distributions declared divided by Distributable cash.

n.a. - Current year Q over same Q last year growth information is not available as 2006 information was not reclassified for the discontinued operations of the DSA business.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
Supplementary Information (unaudited)
(Millions of dollars, except as otherwise indicated)
BELL ALIANT HOLDINGS LP
Summary of quarterly financial results

	2008 ⁽⁵⁾ ⁽¹³⁾					2007 ⁽⁵⁾ ⁽¹³⁾				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
BELL ALIANT HOLDINGS LP										
Net earnings										
Operating revenues	\$3,282.0	\$813.2	\$815.3	\$815.6	\$837.9	\$3,253.3	\$819.1	\$808.5	\$795.4	\$830.3
Operating expenses	1,831.1	447.6	444.3	454.6	484.6	1,814.9	453.5	438.7	440.2	482.5
EBITDA ⁽⁶⁾	1,450.9	365.6	371.0	361.0	353.3	1,438.4	365.6	369.8	355.2	347.8
Net cost of benefit plans	78.3	3.6	25.1	24.8	24.8	131.6	47.8	26.0	28.3	29.5
Depreciation and amortization	716.1	190.3	176.6	174.7	174.5	775.4	171.4	183.2	272.9	147.9
Restructuring and other charges	60.7	60.6	-	-	0.1	27.4	5.2	20.8	0.9	0.5
Operating income ⁽⁶⁾	595.8	111.1	169.3	161.5	153.9	504.0	141.2	139.8	53.1	169.9
Other expenses (income)	(2.3)	(4.2)	(0.6)	0.6	1.9	0.2	1.9	(4.3)	0.4	2.2
Interest charges	156.9	39.4	38.2	39.7	39.6	158.4	38.9	38.5	41.7	39.3
Income tax expense (recovery)	(21.8)	(17.2)	(1.0)	(5.4)	1.8	(123.9)	(61.6)	(9.6)	(47.5)	(5.2)
Non-controlling interest ⁽¹¹⁾	131.1	13.3	39.6	41.8	36.4	158.9	47.5	44.2	15.6	51.6
Net earnings from continuing operations	331.9	79.8	93.1	84.8	74.2	310.4	114.5	71.0	42.9	82.0
Net earnings (loss) from discontinued operations ⁽¹²⁾	(9.7)	0.2	0.4	(0.4)	(9.9)	264.3	2.9	2.2	252.7	6.5
Net earnings	\$322.2	\$80.0	\$93.5	\$84.4	\$64.3	\$574.7	\$117.4	\$73.2	\$295.6	\$88.5
Balance sheet										
Cash and cash equivalents		\$14.6	\$24.9	\$8.9	\$10.9		\$48.1	\$8.1	\$30.3	\$47.1
Note receivable from related party		-	-	-	-		-	-	-	200.9
Accounts receivable		364.4	358.6	372.5	427.6		371.5	416.4	392.0	498.1
Other current assets		94.7	88.0	99.6	89.5		84.1	86.3	93.1	180.6
Current assets		473.7	471.5	481.0	528.0		503.7	510.8	515.4	926.7
Property, plant and equipment		3,726.1	3,722.2	3,717.7	3,720.0		3,730.1	3,714.9	3,713.2	3,706.4
Finite-life intangibles		3,218.3	3,228.6	3,265.9	3,301.4		3,154.5	3,179.0	3,217.7	179.4
Capital investments		6,944.4	6,950.8	6,983.6	7,021.4		6,884.6	6,893.9	6,930.9	3,885.8
Other long-term assets		44.2	44.5	72.8	73.0		83.4	81.1	102.2	87.3
Accrued benefit asset		398.9	373.7	369.7	366.7		363.9	382.5	381.6	380.6
Indefinite-life intangibles		125.2	123.3	123.3	123.3		82.8	82.8	82.8	15.7
Goodwill		2,766.6	2,774.2	2,753.1	2,762.7		2,554.5	2,554.5	2,554.5	5,434.9
Other assets		3,334.9	3,315.7	3,318.9	3,325.7		3,084.6	3,100.9	3,121.1	5,918.5
Total assets		\$10,753.0	\$10,738.0	\$10,783.5	\$10,875.1		\$10,472.9	\$10,505.6	\$10,567.4	\$10,731.0
Notes payable to related party		\$6.2	\$5.0	\$2.3	1.1		\$1.9	\$10.5	\$127.0	-
Payables and accruals		451.2	333.0	360.5	358.6		404.1	404.1	371.1	329.4
Distributions payable		55.4	55.3	55.4	55.3		52.0	51.5	56.9	58.1
Other current liabilities		8.1	8.6	0.4	0.4		0.3	2.4	18.6	25.4
Short-term debt		208.2	242.4	229.7	285.4		216.7	202.3	103.7	5.6
Long-term debt due within one year		114.7	109.1	9.4	59.9		59.8	57.9	59.3	9.2
Current liabilities		843.8	753.4	657.7	760.7		734.8	728.7	736.6	427.7
Long-term debt		2,454.0	2,456.7	2,561.8	2,513.3		2,513.8	2,503.6	2,505.3	2,962.7
Accrued benefit liability		421.9	423.4	424.3	426.3		410.5	409.1	409.1	405.0
Other long-term liabilities		487.9	481.5	483.3	479.8		477.4	534.7	541.8	248.4
Other liabilities		3,363.8	3,361.6	3,469.4	3,419.4		3,401.7	3,447.4	3,456.2	3,616.1
Non-controlling interest ⁽¹¹⁾		1,662.5	1,701.5	1,714.2	1,725.2		1,829.6	1,845.7	1,862.1	1,907.1
Partners' equity ⁽¹³⁾		4,882.9	4,921.5	4,942.2	4,969.8		4,506.8	4,483.8	4,512.5	4,780.1
Total liabilities and partners' equity		\$10,753.0	\$10,738.0	\$10,783.5	\$10,875.1		\$10,472.9	\$10,505.6	\$10,567.4	\$10,731.0

⁽¹¹⁾ Non-controlling interest - mainly includes the 34.9 per cent interest in Bell Aliant Regional Communications, Limited Partnership (Bell Aliant LP) beneficially owned by BCE Inc. and Bell Canada and prior to January 1, 2008, the 36.7 per cent interest in Télébec, Limited Partnership (Télébec) and NorthernTel, Limited Partnership (NorthernTel) that was indirectly held by the Fund.

⁽¹²⁾ Net earnings (loss) from discontinued operations - mainly consists of Aliant Directory Services, on which an after tax gain on disposal of \$248.6M was recorded during second quarter of 2007, AMP, and our DSA business.

⁽¹³⁾ In Q4 2008 we corrected an error in the calculation of the gain on sale of ADS that was recorded in Q2 2007, in accordance with Canadian GAAP. Accordingly, prior periods financial results were restated to reduce net earnings from discontinued operations by \$9.6M for a non-cash ADS investment amount that was previously reflected in payables and accruals.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND

Supplementary Information (unaudited)

(Millions of dollars, except as otherwise indicated)

BELL ALIANT HOLDINGS LP

Summary of quarterly financial results

	2008 ⁽⁵⁾ (13)					2007 ⁽⁵⁾ (13)				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
BELL ALIANT HOLDINGS LP										
Cash flow										
Net earnings from continuing operations	\$331.9	\$79.8	\$93.1	\$84.8	\$74.2	\$310.4	\$114.5	\$71.0	\$42.9	\$82.0
Depreciation and amortization	716.1	190.3	176.6	174.7	174.5	775.4	171.4	183.2	272.9	147.9
Gain on disposal of assets	(2.5)	(0.9)	(1.4)	(0.2)	-	-	-	(0.1)	0.1	-
Future income tax expense (recovery)	(14.2)	(13.5)	(1.0)	(5.4)	5.7	(114.0)	(61.6)	2.7	(44.3)	(10.8)
Net cost of benefit plans	70.5	1.6	23.0	22.9	23.0	124.3	45.8	24.4	26.4	27.7
Funding of defined benefit and other post-employment benefit plans	(111.8)	(28.4)	(27.9)	(27.9)	(27.6)	(97.4)	(25.8)	(25.3)	(23.2)	(23.1)
Non-controlling interest	131.1	13.3	39.6	41.8	36.4	158.9	47.5	44.2	15.6	51.6
Other	(5.5)	(3.5)	(1.7)	0.7	(1.0)	(2.3)	(0.9)	(1.1)	(1.8)	1.5
Change in operating assets and liabilities	139.9	121.4	10.5	57.1	(49.1)	47.4	29.5	2.4	46.9	(31.4)
Cash from (used in) operating activities	1,255.5	360.1	310.8	348.5	236.1	1,202.7	320.4	301.4	335.5	245.4
Repurchase of accounts receivable	(55.0)	-	-	-	(55.0)	-	-	-	-	-
Net proceeds on sale of accounts receivable	-	-	-	-	-	100.0	20.0	(10.0)	90.0	-
Net proceeds of short-term debt	(8.5)	(34.2)	12.6	(55.6)	68.7	208.2	14.4	98.6	98.1	(2.9)
Proceeds (repayment) of notes payable to related party	4.3	1.2	2.7	1.2	(0.8)	1.9	(8.6)	(116.5)	127.0	-
Proceeds of long-term debt	50.0	-	-	50.0	-	994.5	-	-	-	994.5
Repayment of long-term debt	(53.8)	(1.9)	(0.7)	(50.4)	(0.8)	(1,238.5)	(1.6)	(1.1)	(412.7)	(823.1)
Repayment of capital lease obligations	(6.8)	(1.6)	(1.5)	(1.8)	(1.9)	(7.5)	(1.8)	(2.7)	(1.0)	(2.0)
Payment to non-controlling interest	(0.4)	-	-	(0.4)	-	(4.1)	(0.5)	-	-	(3.6)
Net settlement of financial derivatives	-	-	-	-	-	(24.1)	-	6.4	-	(30.5)
Repayment of partners' capital	-	-	-	-	-	(460.9)	-	-	(460.9)	-
Distributions paid by subsidiaries to non-controlling interest	(213.0)	(52.4)	(52.4)	(52.3)	(55.9)	(242.7)	(61.9)	(60.5)	(60.5)	(59.8)
Distributions paid	(446.9)	(113.7)	(113.8)	(114.3)	(105.1)	(414.6)	(94.8)	(101.0)	(112.5)	(106.3)
Cash from (used in) financing activities	(730.1)	(202.6)	(153.1)	(223.6)	(150.8)	(1,087.8)	(134.8)	(186.8)	(732.5)	(33.7)
Purchase of capital investments	(528.8)	(167.4)	(138.8)	(127.5)	(95.1)	(541.6)	(143.6)	(139.7)	(143.4)	(114.9)
Collection (issuance) of notes receivable from related party	-	-	-	-	-	-	-	-	200.9	(200.9)
Proceeds on sale of capital investments	3.4	1.5	0.2	1.7	-	1.7	0.5	0.1	-	1.1
Business acquisitions, net of cash received	(28.2)	(0.1)	(0.3)	(0.2)	(27.6)	-	-	-	-	-
Cash from (used in) investing activities	(553.6)	(166.0)	(138.9)	(126.0)	(122.7)	(539.9)	(143.1)	(139.6)	57.5	(314.7)
Net increase (decrease) in cash from continuing operations	(28.2)	(8.5)	18.8	(1.1)	(37.4)	(425.0)	42.5	(25.0)	(339.5)	(103.0)
Net increase (decrease) in cash from discontinued operations	(5.3)	(1.8)	(2.8)	(0.9)	0.2	333.7	(2.5)	2.8	322.7	10.7
Cash and cash equivalents, beginning of period	48.1	24.9	8.9	10.9	48.1	139.4	8.1	30.3	47.1	139.4
Cash and cash equivalents, end of period	\$14.6	\$14.6	\$24.9	\$8.9	\$10.9	\$48.1	\$48.1	\$8.1	\$30.3	\$47.1

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
BELL ALIANT HOLDINGS LP
Supplementary Information (unaudited)
Operating revenues and growth
(Millions of dollars, except as otherwise indicated)

		2008 ⁽⁵⁾ (16)					2007 ⁽⁵⁾ (14) (15) (16)				
		Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Operating revenues											
Local and access		\$1,404.8	\$350.0	\$356.5	\$351.8	\$346.5	\$1,430.9	\$354.3	\$361.4	\$360.3	\$354.9
Long distance		452.3	109.8	117.0	112.8	112.7	474.8	116.4	124.7	118.5	115.2
Data:											
	Internet	388.6	101.8	98.0	96.0	92.8	347.5	90.1	86.3	86.6	84.5
	Other	411.6	107.4	101.2	101.7	101.3	408.3	102.9	105.8	97.3	102.3
Total data		800.2	209.2	199.2	197.7	194.1	755.8	193.0	192.1	183.9	186.8
Information technology:											
	IT services	118.2	27.3	24.5	26.7	39.7	82.8	23.5	17.3	19.0	23.0
	Fulfillment	197.1	35.2	41.3	53.0	67.6	179.6	38.8	33.5	36.4	70.9
	Total IT	315.3	62.5	65.8	79.7	107.3	262.4	62.3	50.8	55.4	93.9
Wireless		80.8	21.5	21.9	19.5	17.9	64.4	17.0	17.3	15.5	14.6
Other revenues:											
	Innovatia	24.8	6.3	5.9	6.5	6.1	25.8	6.4	6.3	6.5	6.6
	Product sales	70.5	22.9	16.9	15.6	15.1	76.7	22.2	20.1	17.5	16.9
	Rentals	29.6	7.0	7.4	7.5	7.7	33.3	8.0	8.3	8.4	8.6
	Other	103.7	24.0	24.7	24.5	30.5	129.2	39.5	27.5	29.4	32.8
	Total other revenues	228.6	60.2	54.9	54.1	59.4	265.0	76.1	62.2	61.8	64.9
		\$3,282.0	\$813.2	\$815.3	\$815.6	\$837.9	\$3,253.3	\$819.1	\$808.5	\$795.4	\$830.3
Current year Q over same Q last year growth											
Local and access		(\$26.1)	(\$4.3)	(\$4.9)	(\$8.5)	(\$8.4)	(\$24.5)	(\$8.3)	(\$5.9)	(\$3.8)	(\$6.5)
		(1.8%)	(1.2%)	(1.4%)	(2.4%)	(2.4%)	(1.7%)	(2.3%)	(1.6%)	(1.0%)	(1.8%)
Long distance		(\$22.5)	(\$6.6)	(\$7.7)	(\$5.7)	(\$2.5)	(\$15.5)	(\$2.0)	(\$4.5)	(\$4.8)	(\$4.2)
		(4.7%)	(5.7%)	(6.2%)	(4.8%)	(2.2%)	(3.2%)	(1.7%)	(3.5%)	(3.9%)	(3.5%)
Data:											
	Internet	\$41.1	\$11.7	\$11.7	\$9.4	\$8.3	\$34.0	\$7.1	\$6.6	\$9.3	\$11.0
		11.8%	13.0%	13.6%	10.9%	9.8%	10.8%	8.6%	8.3%	12.0%	15.0%
	Other	\$3.3	\$4.5	(\$4.6)	\$4.4	(\$1.0)	\$17.9	(\$1.3)	\$8.9	(\$0.1)	\$10.4
		0.8%	4.4%	(4.3%)	4.5%	(1.0%)	4.6%	(1.2%)	9.2%	(0.1%)	11.3%
Total data		\$44.4	\$16.2	\$7.1	\$13.8	\$7.3	\$51.9	\$5.8	\$15.5	\$9.2	\$21.4
		5.9%	8.4%	3.7%	7.5%	3.9%	7.4%	3.1%	8.8%	5.3%	12.9%
Information technology:											
	IT services	\$35.4	\$3.8	\$7.2	\$7.7	\$16.7	n.a.	n.a.	n.a.	n.a.	n.a.
		42.8%	16.2%	41.6%	40.5%	72.6%	n.a.	n.a.	n.a.	n.a.	n.a.
	Fulfillment	\$17.5	(\$3.6)	\$7.8	\$16.6	(\$3.3)	\$28.8	\$1.9	\$4.2	\$7.5	\$15.2
		9.7%	(9.3%)	23.3%	45.6%	(4.7%)	19.1%	5.1%	14.3%	26.0%	27.3%
	Total IT	\$52.9	\$0.2	\$15.0	\$24.3	\$13.4	n.a.	n.a.	n.a.	n.a.	n.a.
		20.2%	0.3%	29.5%	43.9%	14.3%	n.a.	n.a.	n.a.	n.a.	n.a.
Wireless		\$16.4	\$4.5	\$4.6	\$4.0	\$3.3	\$8.5	\$2.6	\$1.6	\$2.5	\$1.8
		25.5%	26.5%	26.6%	25.8%	22.6%	15.2%	18.1%	10.2%	19.2%	14.1%
Other revenues:											
	Innovatia	(\$1.0)	(\$0.1)	(\$0.4)	\$0.0	(\$0.5)	(\$2.1)	(\$0.3)	(\$0.8)	(\$0.4)	(\$0.6)
		(3.9%)	(1.6%)	(6.3%)	0.0%	(7.6%)	(7.5%)	(4.5%)	(11.3%)	(5.8%)	(8.3%)
	Product sales	(\$6.2)	\$0.7	(\$3.2)	(\$1.9)	(\$1.8)	\$3.0	\$1.6	\$4.4	(\$1.4)	(\$1.6)
		(8.1%)	3.2%	(15.9%)	(10.9%)	(10.7%)	4.1%	7.8%	28.0%	(7.4%)	(8.6%)
	Rentals	(\$3.7)	(\$1.0)	(\$0.9)	(\$0.9)	(\$0.9)	(\$2.5)	(\$2.4)	\$0.1	(\$0.1)	(\$0.1)
		(11.1%)	(12.5%)	(10.8%)	(10.7%)	(10.5%)	(7.0%)	(23.1%)	1.2%	(1.2%)	(1.1%)
	Other	(\$25.5)	(\$15.5)	(\$2.8)	(\$4.9)	(\$2.3)	\$8.5	\$7.5	(\$2.3)	\$0.3	\$3.0
		(19.7%)	(39.2%)	(10.2%)	(16.7%)	(7.0%)	7.0%	23.4%	(7.7%)	1.0%	10.1%
	Total other revenues	(\$36.4)	(\$15.9)	(\$7.3)	(\$7.7)	(\$5.5)	\$6.9	\$6.4	\$1.4	(\$1.6)	\$0.7
		(13.7%)	(20.9%)	(11.7%)	(12.5%)	(8.5%)	2.7%	9.2%	2.3%	(2.5%)	1.1%

⁽¹⁴⁾ We have reclassified managed services revenues from IT services to Other data revenues in all previously reported quarters to more accurately reflect their nature.

⁽¹⁵⁾ We have reclassified Aliant TV revenues from Other to Internet revenues in all previously reported quarters to more accurately reflect their nature.

⁽¹⁶⁾ We have reclassified revenues from PC sales of our Ontario and Quebec regional territories from Rentals to Product sales in all previously reported quarters to more accurately reflect their nature.

n.a. - Current year Q over same Q last year growth information is not available as 2006 information was not reclassified for the discontinued operations of the DSA business.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND

Supplementary Information (unaudited)

BELL ALIANT HOLDINGS LP

Operating revenues statistics

	2008					2007				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Network access service (NAS)										
Residential		2,042,250	2,072,902	2,096,004	2,113,657		2,134,440	2,169,183	2,189,000	2,204,973
Business		1,050,196	1,061,508	1,062,540	1,065,556		1,067,365	1,074,904	1,075,763	1,081,972
Total		3,092,446	3,134,410	3,158,544	3,179,213		3,201,805	3,244,087	3,264,763	3,286,945
NAS net declines ⁽¹⁷⁾	(109,359)	(41,964)	(24,134)	(20,669)	(22,592)	(107,439)	(42,282)	(20,676)	(22,182)	(22,299)
Long distance minutes (thousand's)	4,548,476	1,132,174	1,103,777	1,141,324	1,171,201	4,724,209	1,165,804	1,158,081	1,186,595	1,213,729
Revenue per long distance minute	\$0.095	\$0.093	\$0.102	\$0.095	\$0.092	\$0.096	\$0.095	\$0.103	\$0.095	\$0.089
Wireless customers										
Prepaid		18,724	18,526	17,543	16,994		14,705	14,055	12,811	11,840
Postpaid		95,223	95,154	92,409	88,994		80,220	77,901	75,404	74,307
Total		113,947	113,680	109,952	105,988		94,925	91,956	88,215	86,147
Wireless net additions (declines) ⁽¹⁷⁾	19,022	267	3,728	3,964	11,063	7,172	2,969	3,741	2,068	(1,606)
Churn - postpaid wireless	1.4%	1.9%	1.2%	1.1%	1.2%	1.7%	1.4%	1.5%	2.4%	1.4%
Wireless - average revenue per customer (ARPC)										
Prepaid	\$21.16	\$19.80	\$23.41	\$20.64	\$20.76	\$20.46	\$22.52	\$23.36	\$20.17	\$15.53
Postpaid	\$67.19	\$69.06	\$70.59	\$65.05	\$63.67	\$63.79	\$64.61	\$68.01	\$62.27	\$60.06
Total	\$59.79	\$61.03	\$62.97	\$57.96	\$56.85	\$57.36	\$58.17	\$61.37	\$56.35	\$53.35
High-speed Internet (HSI) customers		762,119	748,056	726,441	711,093		688,713	665,409	642,434	620,517
HSI customer net additions ⁽¹⁷⁾	73,406	14,063	21,615	15,348	22,380	100,475	23,304	22,975	21,917	32,279
Residential HSI ARPC ⁽¹⁸⁾	\$35.90	\$36.71	\$36.03	\$35.71	\$35.10	\$34.75	\$34.42	\$33.70	\$35.17	\$35.80
Current year Q over same Q last year growth										
Long distance minutes	(175,733)	(33,630)	(54,304)	(45,271)	(42,528)	(305,017)	(69,561)	(82,762)	(52,108)	(100,586)
	(3.7%)	(2.9%)	(4.7%)	(3.8%)	(3.5%)	(6.1%)	(5.6%)	(6.7%)	(4.2%)	(7.7%)
Wireless ARPC - total	\$2.43	\$2.86	\$1.60	\$1.61	\$3.50	(\$0.42)	\$4.01	(\$0.93)	(\$0.64)	(\$4.59)
	4.2%	4.9%	2.6%	2.9%	6.6%	(0.7%)	7.4%	(1.5%)	(1.1%)	(7.9%)
Churn - postpaid wireless	(0.3%)	0.5%	(0.3%)	(1.3%)	(0.2%)	0.5%	0.1%	0.3%	1.3%	0.1%
	(17.6%)	35.7%	(20.0%)	(54.2%)	(14.3%)	41.7%	7.7%	25.0%	118.2%	7.7%
Residential HSI ARPC ⁽¹⁸⁾	\$1.15	\$2.29	\$2.33	\$0.54	(\$0.70)	(\$0.68)	(\$1.29)	(\$1.61)	(\$0.59)	\$0.91
	3.3%	6.7%	6.9%	1.5%	(2.0%)	(1.9%)	(3.6%)	(4.6%)	(1.6%)	2.6%
Current year-to-date over same year-to-date last year growth										
NAS ⁽¹⁷⁾		(109,359)	(109,677)	(106,219)	(107,732)		(107,439)	(102,637)	(94,343)	(77,548)
		(3.4%)	(3.4%)	(3.3%)	(3.3%)		(3.2%)	(3.1%)	(2.8%)	(2.3%)
Wireless customers ⁽¹⁷⁾		19,022	21,724	21,737	19,841		7,172	9,494	11,288	16,367
		20.0%	23.6%	24.6%	23.0%		8.2%	11.5%	14.7%	23.5%
HSI customers ⁽¹⁷⁾		73,406	82,647	84,007	90,576		100,475	106,239	111,906	110,577
		10.7%	12.4%	13.1%	14.6%		17.1%	19.0%	21.1%	21.7%

⁽¹⁷⁾ The acquisition of Kenora Municipal Telephone System on February 1, 2008, added approximately 5,100 residential and 4,100 business NAS customers, 9,000 wireless customers, and 2,400 HSI customers to our existing base as of that date.

⁽¹⁸⁾ Residential HSI ARPC has been restated in all prior periods to include both DSL and Cable customers and both the access and value-added service revenues for High-speed only.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND

Supplementary Information (unaudited)

BELL ALIANT HOLDINGS LP

Capital structure

	2008 ⁽⁵⁾					2007 ⁽⁵⁾				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Capital structure										
Unitholders' equity		52.5%	52.3%	52.3%	52.1%		49.7%	49.3%	49.4%	49.7%
Non-controlling interest ⁽¹¹⁾		17.8%	18.1%	18.1%	18.1%		20.1%	20.3%	20.4%	19.8%
Net debt ⁽¹⁹⁾		29.7%	29.6%	29.6%	29.8%		30.2%	30.4%	30.2%	30.5%
		<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>		<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Return Statistics										
Return on unitholders' equity ⁽²⁰⁾	6.6%	6.5%	7.6%	6.8%	5.4%	12.4%	10.5%	6.5%	25.0%	7.4%
Return on invested capital ⁽²¹⁾	5.9%	5.1%	6.7%	6.4%	5.5%	9.0%	8.4%	6.2%	14.5%	7.0%
Net debt to EBITDA ^{(5) (6) (22)}		1.9	1.9	1.9	2.0		1.9	1.9	1.9	2.0
Interest coverage ⁽²³⁾		3.8	4.0	3.8	3.1		3.2	3.5	21.7	26.3
Cash flow to interest ⁽²⁴⁾		7.1	7.5	7.4	7.3		7.3	7.5	6.5	6.6

Ratings	Standard & Poor's	DBRS
Bell Aliant LP senior unsecured debt	BBB, negative outlook	BBB (high), stable trend
Bell Aliant LP commercial paper	Not rated	R-1 (low), stable trend
Télébec and NorthernTel debentures	BBB, negative outlook	BBB (high), stable trend
Bell Aliant Income Fund units	SR-2, stable (moderate)	STA-2 (high)
<i>There have been no changes to our ratings during 2008, however, in Q4 2008, Standard & Poor's changed their outlook on our credit ratings from stable to negative.</i>		

⁽¹⁹⁾ Net debt - long-term debt, long-term debt due within one year, short-term debt, and notes payable to related party, less cash and cash equivalents and notes receivable from related parties that are readily convertible to cash.

⁽²⁰⁾ Return on unitholders' equity - net earnings, divided by average book value of unitholders' common equity for the period. This calculation is annualized.

⁽²¹⁾ Return on invested capital - net earnings plus non-controlling interest and interest charges net of taxes for the period, divided by average book value of total capital (unitholders' equity, non-controlling interest and net debt) for the period. This calculation is annualized.

⁽²²⁾ Net debt to EBITDA ⁽⁶⁾ - Net debt divided by EBITDA ⁽⁶⁾ (current quarter plus three (3) previous quarters). The 2006 quarters included in the 2007 calculations were not reclassified for discontinued operations of the DSA business.

⁽²³⁾ Interest coverage - Operating income ⁽⁶⁾ plus other income (expense) divided by interest charges (current quarter plus three (3) previous quarters). The 2006 quarters included in the 2007 calculations were not reclassified for discontinued operations of the DSA business.

⁽²⁴⁾ 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). The 2006 quarters included in the 2007 calculations were not reclassified for discontinued operations of the DSA business.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
NON-GAAP FINANCIAL MEASURES
Supplementary Information (unaudited)
Distributable cash
(Millions of dollars, except as otherwise indicated)

	2008 ⁽⁵⁾					2007 ^{(5) (13)}				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Distributable cash⁽²⁵⁾ reconciled to EBITDA⁽⁶⁾										
EBITDA ⁽⁶⁾	\$1,450.9	\$365.6	\$371.0	\$361.0	\$353.3	\$1,438.4	\$365.6	\$369.8	\$355.2	\$347.8
Cash funding of current service cost for net benefit plans ⁽²⁶⁾	(\$70.4)	(18.1)	(18.1)	(17.2)	(17.0)	(68.1)	(17.6)	(17.2)	(16.9)	(16.4)
Cash capital taxes included in EBITDA ⁽²⁷⁾	\$10.4	2.1	2.9	2.4	3.0	9.3	(1.7)	1.7	4.2	5.1
Fund expenses ⁽²⁸⁾	(\$4.2)	(0.8)	(1.4)	(0.9)	(1.1)	(5.5)	(1.2)	(1.1)	(2.3)	(0.9)
	\$1,386.7	348.8	354.4	345.3	338.2	1,374.1	345.1	353.2	340.2	335.6
Other income (expenditures) ⁽²⁹⁾	2.3	3.0	-	0.3	(1.0)	0.3	1.9	(1.5)	(0.7)	0.6
Interest expense ⁽³⁰⁾	(149.5)	(38.6)	(36.8)	(37.0)	(37.1)	(150.6)	(37.9)	(36.7)	(38.3)	(37.7)
Normalized capital taxes ⁽²⁷⁾	-	-	-	-	-	(3.5)	-	-	(1.8)	(1.7)
Capital expenditures	(528.8)	(167.4)	(138.8)	(127.5)	(95.1)	(541.6)	(143.6)	(139.7)	(143.4)	(114.9)
Distributable cash of discontinued operations ⁽³¹⁾	4.9	0.4	0.5	2.2	1.8	22.7	4.0	2.3	6.2	10.2
Distributable cash⁽²⁵⁾	\$715.6	\$146.2	\$179.3	\$183.3	\$206.8	\$701.4	\$169.5	\$177.6	\$162.2	\$192.1
Distributable cash⁽²⁵⁾ reconciled to cash from (used in) operating activities										
Cash from (used in) operating activities	\$1,255.5	\$360.1	\$310.8	\$348.5	\$236.1	\$1,202.7	\$320.4	\$301.4	\$335.5	\$245.4
Add (deduct):										
Cash from operating activities of discontinued operations ⁽³¹⁾	4.9	0.4	0.5	2.2	1.8	22.7	4.0	2.3	6.2	10.2
Cash from operating activities of the Fund	0.7	-	1.1	(0.2)	(0.2)	(2.7)	(0.5)	0.7	(2.4)	(0.5)
Capital expenditures	(528.8)	(167.4)	(138.8)	(127.5)	(95.1)	(541.6)	(143.6)	(139.7)	(143.4)	(114.9)
<i>Standardized distributable cash⁽²⁵⁾</i>	<i>732.3</i>	<i>193.1</i>	<i>173.6</i>	<i>223.0</i>	<i>142.6</i>	<i>681.1</i>	<i>180.3</i>	<i>164.7</i>	<i>195.9</i>	<i>140.2</i>
Add (deduct):										
Operating items funded through cash reserves or borrowing:										
Change in operating assets and liabilities (working capital)	(139.9)	(121.4)	(10.5)	(57.1)	49.1	(47.4)	(29.5)	(2.4)	(46.9)	31.4
Change in operating assets and liabilities (working capital) of the Fund	(4.6)	(0.5)	(2.5)	(0.7)	(0.9)	(2.2)	(0.6)	(1.2)	1.1	(1.5)
Pension deficit funding ⁽²⁶⁾	49.2	12.3	11.9	12.6	12.4	36.6	10.1	9.8	8.2	8.5
Restructuring and other charges	60.7	60.6	-	-	0.1	27.4	5.2	20.8	0.9	0.5
Capital taxes in excess of normalized levels ⁽²⁷⁾	10.4	2.1	2.9	2.4	3.0	5.8	(1.7)	1.7	2.4	3.4
Other adjustments ⁽²⁵⁾ :										
Current income tax expense (recovery)	(7.6)	(3.7)	-	-	(3.9)	(9.9)	-	(12.3)	(3.2)	5.6
Other non-cash items provided for in working capital changes	15.1	3.7	3.9	3.1	4.4	10.0	5.7	(3.5)	3.8	4.0
Distributable cash⁽²⁵⁾	\$715.6	\$146.2	\$179.3	\$183.3	\$206.8	\$701.4	\$169.5	\$177.6	\$162.2	\$192.1

⁽²⁵⁾ The terms Standardized distributable cash and Distributable cash do not have any standardized meanings prescribed by Canadian GAAP. They are therefore unlikely to be comparable to similar measures presented by other issuers. Standardized distributable cash and Distributable cash are presented on a consistent basis from period to period.

We define Standardized distributable cash from a cash flow perspective following CICA guidance which uses cash from operating activities and adds or deducts the following items that affect cash flow: (i) cash from operating activities of discontinued operations and the Fund, as this represents operating cash from activities other than the continuing operations of Bell Aliant Holdings LP which is available for distribution; and (ii) capital expenditures. CICA guidance on the calculation of this Standardized distributable cash measure would also include deductions related to any restrictions imposed on the amount of cash distributions as a result of compliance with financial covenants restrictive at the date of calculation. Our credit agreements only impose a restriction that distributions cannot exceed Distributable cash over the last year if our credit ratings fall below investment grade. Since our ratings are within the investment grade categories, we are under no such restrictions.

We further adjust Standardized distributable cash by the following operating items funded through cash reserves or borrowings and other adjustments to define our Distributable cash: (iii) 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 capital taxes in excess of normalized levels. We then adjust working capital changes by the following items: (iv) current income tax provisions (recoveries) are added back (deducted) as we have tax strategies in place to ensure that they are not payable in cash; and (v) other elements of working capital changes that should not result in actual current or future cash flows.

We also define and calculate Distributable cash as EBITDA less (i) cash funding requirement for current service pension costs for defined benefit pension plans and other employee benefit plans to the extent not already deducted in determining EBITDA; (ii) an adjustment to cash capital taxes to reflect a normalized level that will be achieved once announced provincial tax rate reductions come into effect in future years; (iii) expenses incurred by the Fund as these are not included in the EBITDA of Bell Aliant Holdings LP; (iv) cash interest expense; (v) other cash income or expenses that may be incurred to the extent not included in EBITDA; (vi) adjustments for certain one-time or other normalizing expense items; (vii) capital expenditures; and (viii) the portion of 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).

Standardized distributable cash and 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. We report Standardized distributable cash to meet compliance with the new CICA guidance for income trusts and other flow-through entities. These non-GAAP financial measures 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.

⁽²⁶⁾ The cash funding requirement related to current service cost in our pension plans and other post employment benefit plans for the period. The portion of cash funding required for our pension plans that exceeds current service cost will be funded through cash reserves or borrowing.

⁽²⁷⁾ 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 announced future rate reductions) is deducted in determining our Distributable cash. The remainder of these taxes actually paid will be funded through cash reserves or borrowing. Commencing in Q3 2007, we do not deduct an amount for normalized cash capital taxes as the provinces have announced the planned elimination of capital taxes.

⁽²⁸⁾ Represents cash expenses of Bell Aliant Income Fund and Bell Aliant Regional Communications Holdings Inc. other than interest expense. See note 30 below.

⁽²⁹⁾ Represents the cash portion of other income (expenditures). Losses and fees associated with our accounts receivable securitization program are included as other expenditures. Also, to the extent that other elements of net earnings include non-cash amounts (such as amortization charges, or deferred unit plan costs) they are excluded from Distributable cash in the period.

⁽³⁰⁾ Represents interest expense incurred by Bell Aliant Holdings LP or Bell Aliant Income Fund, excluding non-cash amortization charges.

⁽³¹⁾ Represents the contribution to Standardized distributable cash / Distributable cash of the discontinued operations of SalesBridge Canada Inc., Aliant Directory Services, AMP, and our DSA business.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
NON-GAAP FINANCIAL MEASURES
Supplementary Information (unaudited)
Operating income and EBITDA
(Millions of dollars, except as otherwise indicated)

	2008 ⁽⁵⁾					2007 ⁽⁵⁾				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Operating income ⁽³²⁾										
Operating revenues	\$3,282.0	\$813.2	\$815.3	\$815.6	\$837.9	\$3,253.3	\$819.1	\$808.5	\$795.4	\$830.3
Expenses	2,686.2	702.1	646.0	654.1	684.0	2,749.3	677.9	668.7	742.3	660.4
Operating income ⁽³²⁾	\$595.8	\$111.1	\$169.3	\$161.5	\$153.9	\$504.0	\$141.2	\$139.8	\$53.1	\$169.9
EBITDA ⁽³³⁾										
Operating income ⁽³²⁾	\$595.8	\$111.1	\$169.3	\$161.5	\$153.9	\$504.0	\$141.2	\$139.8	\$53.1	\$169.9
Add:										
Net cost of benefit plans	78.3	3.6	25.1	24.8	24.8	131.6	47.8	26.0	28.3	29.5
Depreciation and amortization	716.1	190.3	176.6	174.7	174.5	775.4	171.4	183.2	272.9	147.9
Restructuring and other charges	60.7	60.6	-	-	0.1	27.4	5.2	20.8	0.9	0.5
EBITDA ⁽³³⁾	\$1,450.9	\$365.6	\$371.0	\$361.0	\$353.3	\$1,438.4	\$365.6	\$369.8	\$355.2	\$347.8

⁽³²⁾ The term operating income does not have any standardized meaning prescribed by Canadian GAAP. It is therefore unlikely to be comparable to similar measures presented by other companies. Operating income is presented on a consistent basis from period to period. Operating income represents operating revenues less expenses.

We use Operating income, among other measures, to assess the operating performance of our ongoing business. We believe that certain investors and analysts use 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 should not be confused with operating revenues or expenses which are the most comparable Canadian GAAP financial measures.

⁽³³⁾ The term EBITDA (earnings before interest, taxes, depreciation and amortization) does not have any standardized meaning prescribed by Canadian GAAP. It is therefore unlikely to be comparable to similar measures presented by other companies. EBITDA is presented on a consistent basis from period to period. We define EBITDA as operating revenues less expenses, which means it represents Operating income before depreciation and amortization expense, net cost of benefit plans, and restructuring and other charges. Operating income is calculated before interest and income taxes are deducted.

We use EBITDA, among other measures, to assess the operating performance of our ongoing businesses without the effects of depreciation and amortization expense, net cost of benefit plans, and restructuring and other charges. We exclude depreciation and amortization expense and net cost of benefit plans 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. EBITDA allows us to compare our operating performance on a consistent basis. We believe that certain investors and analysts use this measure to assess Bell Aliant Holdings LP's and other companies' ability to service debt, make capital distributions to unitholders and to meet other payment obligations, or as a common valuation measurement in the telecommunications industry.

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

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