Q1 2010 Financial Results and Conversion to a Corporation

Investor Conference Call
May 5, 2010

Agenda

1. Focus and Acceleration of Core Strategies
2. Q1 2010 Financial Performance
3. Conversion Plan and Dividend Policy
4. Question Period

Forward-looking Caution

The presentation and answers today may contain forward-looking statements related to the future financial condition and results of operations of Bell Aliant. Consequently, please refer to the “Forward-looking information” section of our Q1 2010 Earnings news release dated May 4, 2010, as well as the Bell Aliant Regional Communications Income Fund and Bell Aliant Regional Communications Holdings, LP Management’s Discussion and Analysis (MD&A) for the quarter ended March 31, 2010, as posted on www.bellaliant.ca and as filed on SEDAR.

All of the forward-looking statements made in the course of this presentation describe management’s expectations at May 4, 2010, and are qualified by the cautionary statements found in the above mentioned documents, and there can be no assurance that the results or developments anticipated by us will be realized, or, even if substantially realized, they will have the expected consequences for us. Except as may be required by Canadian securities laws, we disclaim any intention and assume no obligation to update or revise any forward-looking statements even if new information becomes available, as a result of future events or for any other reason. Participants should not place undue reliance on any forward-looking statements.

Focus and Acceleration of Core Strategies

Strategic Priorities

Improve The Customer Experience

Retain Our Customers

Grow Broadband

Reset Our Cost Structure

Engage Employees

Accelerated FTTH Rollout

- Provides a significant competitive advantage
  - Ideal architecture to handle future bandwidth requirements
  - Aerial infrastructure makes it cost effective for us

- Accelerating FTTH supports all strategic priorities
  - Growing broadband
  - Retaining and gaining customers
  - Providing better service
  - Lowering costs

- Plan to invest $350 million over 2011 and 2012
  - Adds $100 million to annual capex run rate for those years
  - Brings coverage to over 600,000 homes and business or approximately 1/3 of competitive footprint by end of 2012

- Best investment for long term sustainability of the business

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Union agreement

- Tentative agreement with Atlantic CEP
  - Represents approximately 3,000 unionized employees in Atlantic Canada
  - Union leadership recommending acceptance
  - New agreement if ratified will extend to December 31, 2014
- “Win – win” for company and employees
- Provides
  - Increased security
  - Labour stability
  - Opportunity to reduce future costs
  - Ability to enhance customer service and improved competitiveness of the business

Q1 2010 Results

Q1 2010 Financial Highlights

($ millions)	**Q1 2010**	**Y/Y Change**
Revenue	**$779**	(4.9%)
EBITDA	**$354**	(1.4%)
EBITDA Margin	**45.4%**	1.6%
Capital Expenditures	**$95**	(11.7%)
Distributable Cash	**$200**	1.9%

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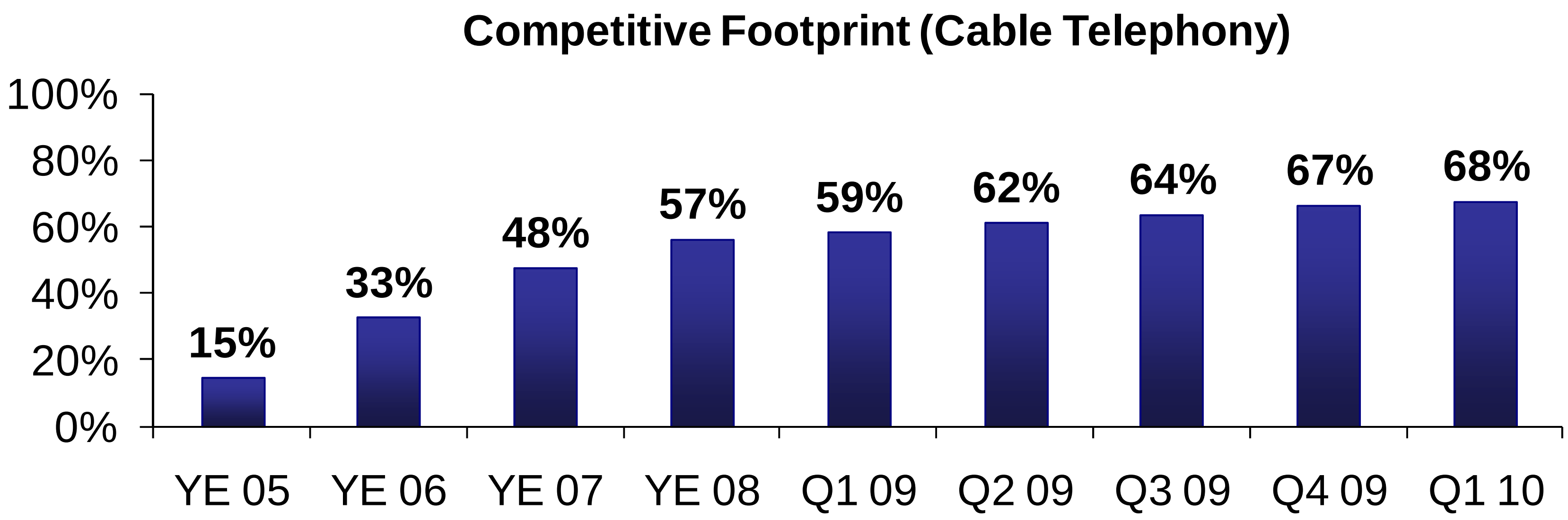
Local and long distance

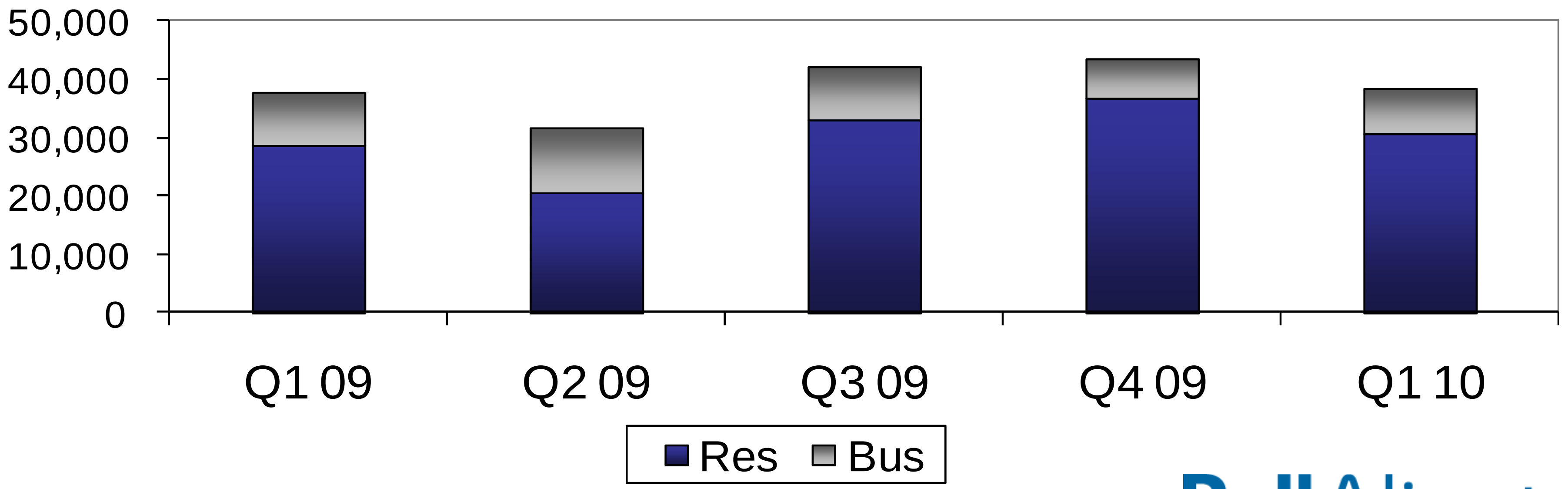
$ millions	Q1 2010	Y/Y Change
Local Revenue	**$323**	(4.5%)
Long Distance Revenue	**$97**	(8.4%)



NAS

thousands	Q1 2010	Y/Y Change
Residential	**1,891**	(6.0%)
Business	**997**	(3.4%)
Total NAS	**2,888**	(5.1%)

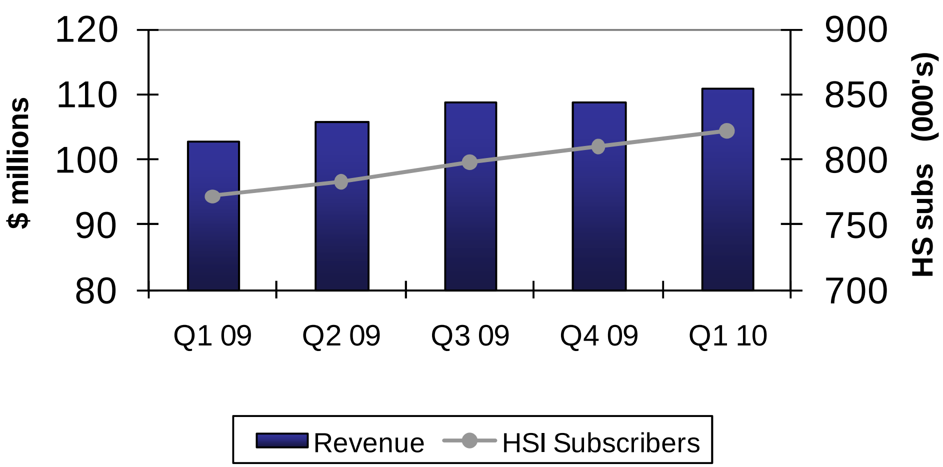
Quarterly Net NAS Declines



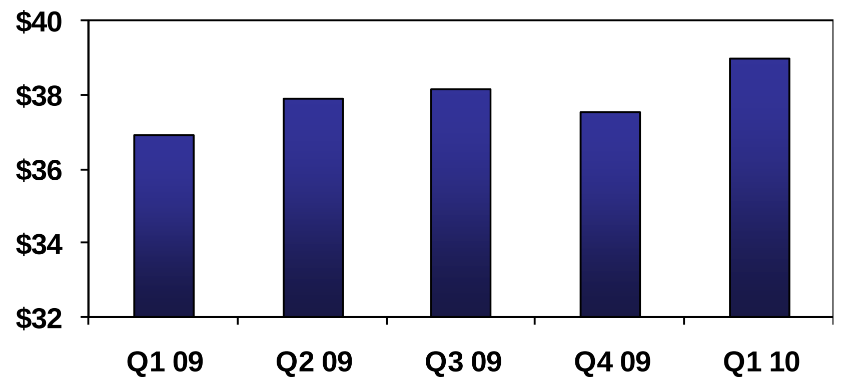
Internet and Data

($ millions)	Q1 2010	Y/Y Change
Internet Revenue	**$111**	8.2%
Other Data Revenue	**$93**	(4.6%)
HS customers *(000's) – end of period*	**822**	6.5%

Internet Revenue and HSI Subscribers

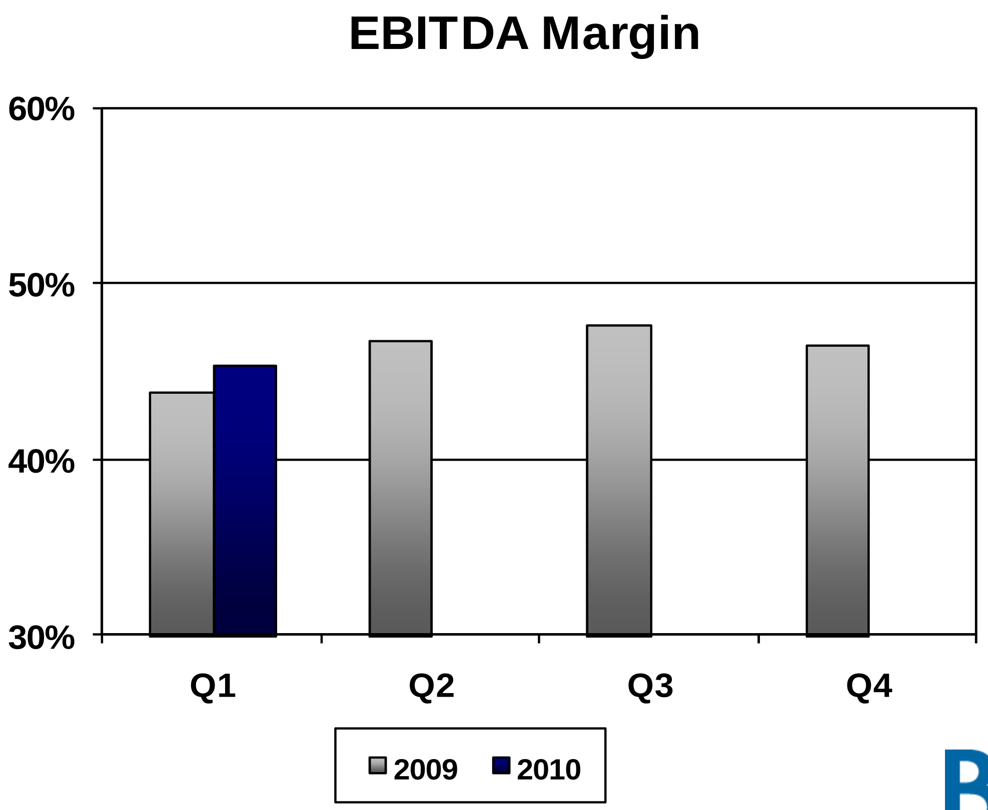


Residential ARPC
High-Speed Internet



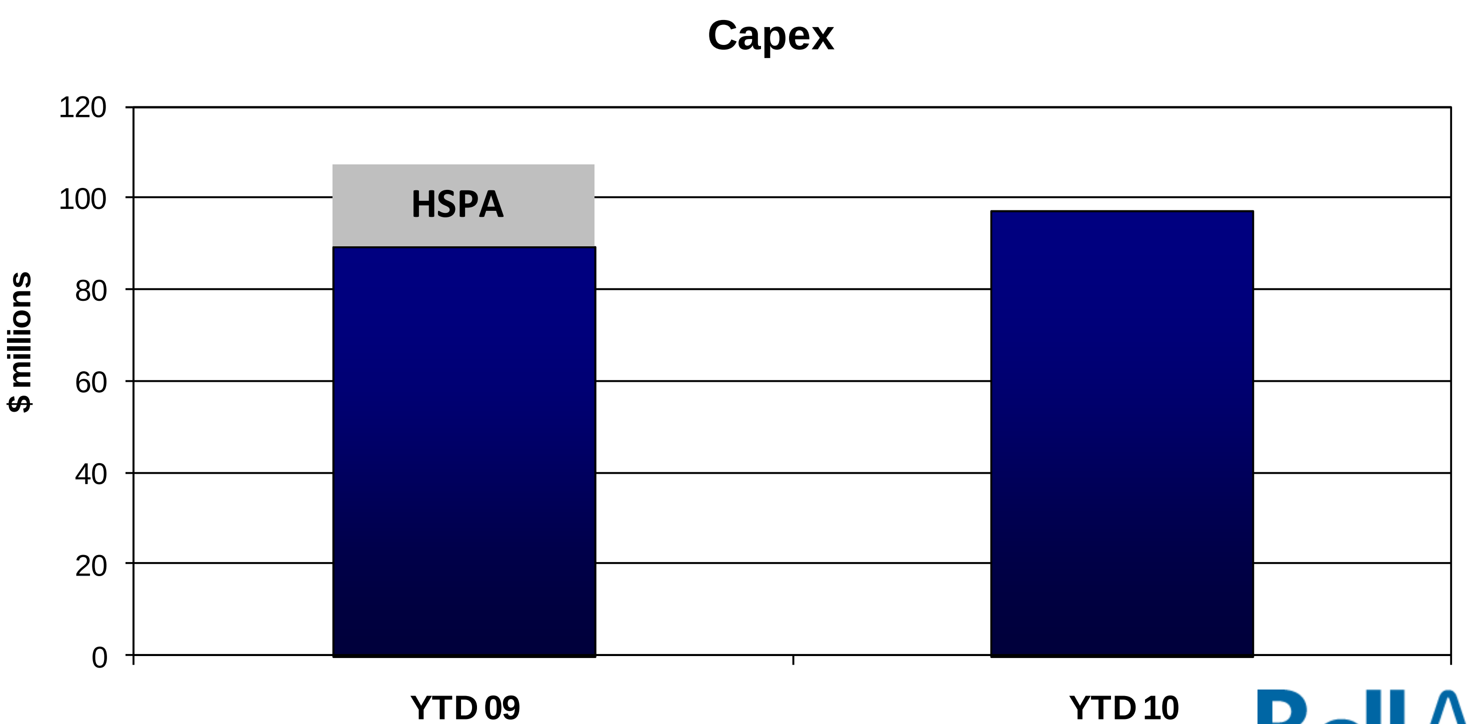
EBITDA

$ millions	Q1 2010	Y/Y Change
EBITDA	**$354**	(1.4%)



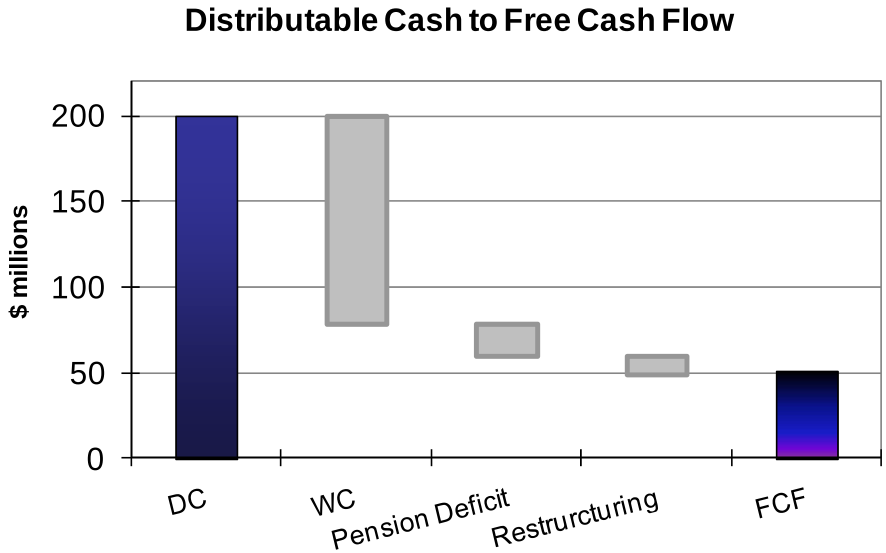
CAPEX

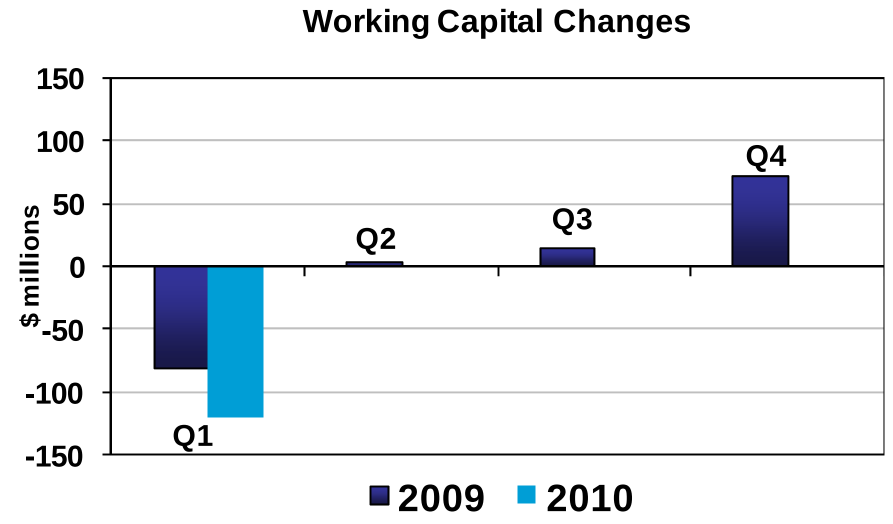
$ millions	Q1 2010	Y/Y Change
Capital Expenditures	**$95**	(11.7%)
Capital Intensity	**12.2%**	(0.9%)



Cash Flow

($ millions)	Q1 2010	Y/Y Change
Distributable Cash	$200	1.9%
Free Cash Flow	$51	(44.2%)





Conversion to a Corporation

Benefits of the conversion

- Bell Aliant will be subject to income tax beginning in 2011 whether or not the conversion occurs
- Corporate structure will be simpler
  - lower administrative costs than our more complex trust structure
  - easier to understand
- Corporation will make us more comparable to other publicly traded businesses
- Potentially enhanced marketability and liquidity

Dividend Policy Key Considerations

Responsible and balanced dividend policy

Sustainability of the dividend

Maintain high payout to investors

Sustainability of the dividend is the over-riding objective

Dividend policy

- In setting the dividend policy we considered
  - Long term sustainability of the dividend
  - Financial outlook for the business
  - Maintenance of financing flexibility and credit ratings
  - Practice of peers
- Target 75 – 85 per cent payout of free cash flow
- Initial dividend of $0.475 paid quarterly ($1.90 annually) beginning in 2011
  - Yield of 7.5 per cent at today's unit price
- Individual taxable investors who are residents of Canada will benefit from dividend tax credit
- Balance of free cash flow used primarily to reduce debt levels

Conversion timeline

The Path to Conversion

1	Announcement of conversion plan	May 4, 2010
2	Mailing of information circular to unitholders	By May 26, 2010
3	Vote at meeting of unitholders	June 16, 2010
4	Conversion implemented	January 1, 2011

- No less than 2/3 of the votes cast at the meeting required for approval of the conversion
- Other regulatory approvals also required

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Questions

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