



RBC Capital Markets

2011 Telecommunications & Media Fixed Income Conference

May 18, 2011

Glen LeBlanc

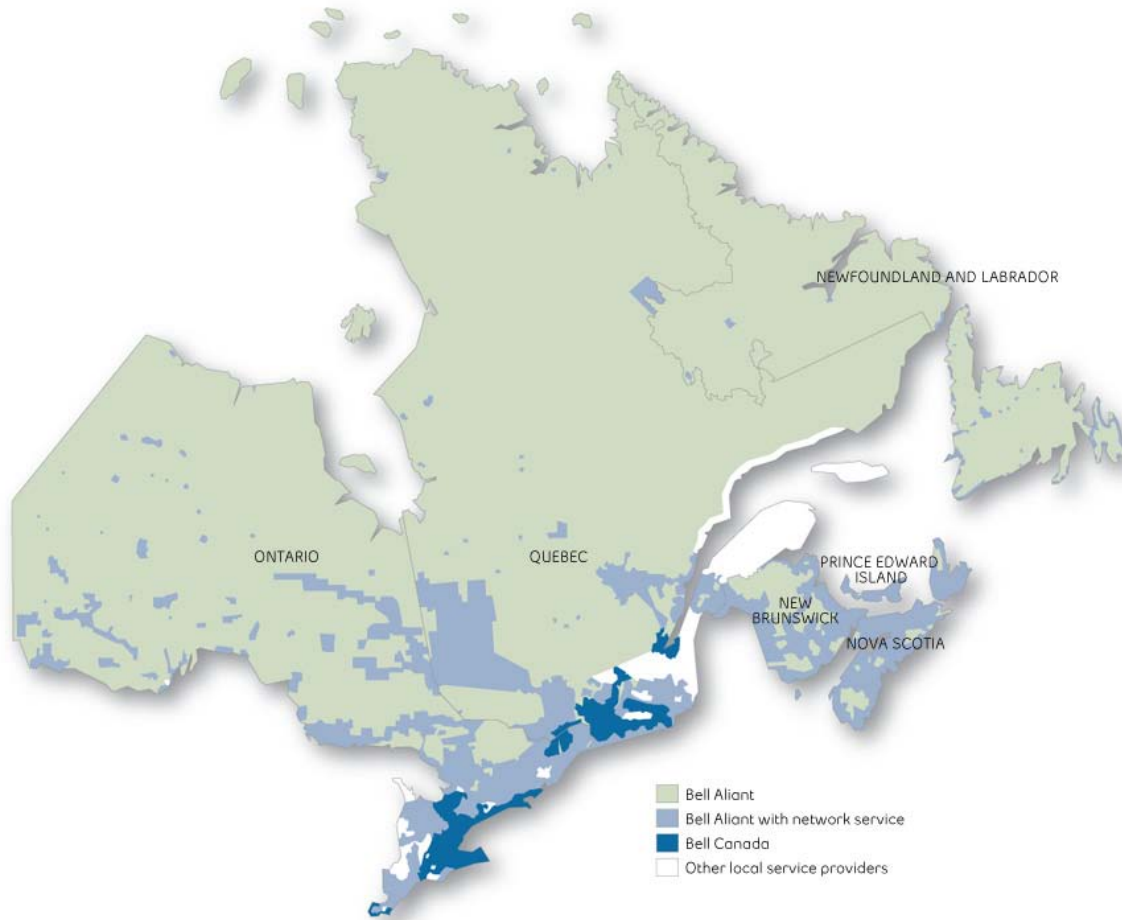
EVP and Chief Financial Officer

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 2011 Earnings news release dated May 5, 2011, as well as Bell Aliant Regional Communications Inc.’s Management’s Discussion and Analysis (MD&A) for the quarter ended March 31, 2011, as posted on www.bellaliant.ca and as filed on www.sedar.com.

All of the forward-looking statements made in the course of this presentation describe management’s expectations at May 18, 2011, 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.

Profile of Bell Aliant



- Service territory covers 6 provinces; 5.3 million population
- Third largest incumbent local exchange carrier in Canada
- Assets: \$10 billion
- Annual revenues: \$2.8 billion
- Free Cash Flow: over \$500 million
- Approximately 7K employees

Profile of Bell Aliant



- Our services:
- Predominantly wireline
 - Voice, Internet, Data, IPTV
 - Wireless and Satellite TV through our partnership with Bell Canada
- First in Canada to launch fibre-to-the-home to an entire city
- 44% owned by BCE
- Completed conversion from income trust to a corporation on Jan 1, 2011

Strategic Priorities



- Strategic objectives consistent with prior years
- Growing Broadband through FTTH is the cornerstone
- Supports all other objectives
 - Improves customer experience
 - Helps retain customers
 - Lowers costs
 - Engages proud employees

Q1 2011 Financial Summary

<i>(\$ millions)</i>	Q1 2011	Change
Revenue	\$682	(1.0%)
EBITDA before pension current service cost	\$345	(2.0%)
EBITDA	\$329	(2.8%)
Capital Expenditures	\$120	26.7%
Free Cash Flow*	\$88	55.4%
Adjusted Earnings per share	\$0.44	n.m

* Excludes lump sum pension contribution

Strong Q1 performance

Strong start to big execution year

Progress on Strategic Priorities

- ✓ Increased fibre-to-the-home (FTTH) footprint by 40,000 homes and businesses
- ✓ Launched *FibreOP* TM 2.0 making a great service even better
- ✓ Removed more costs from on-going business operations

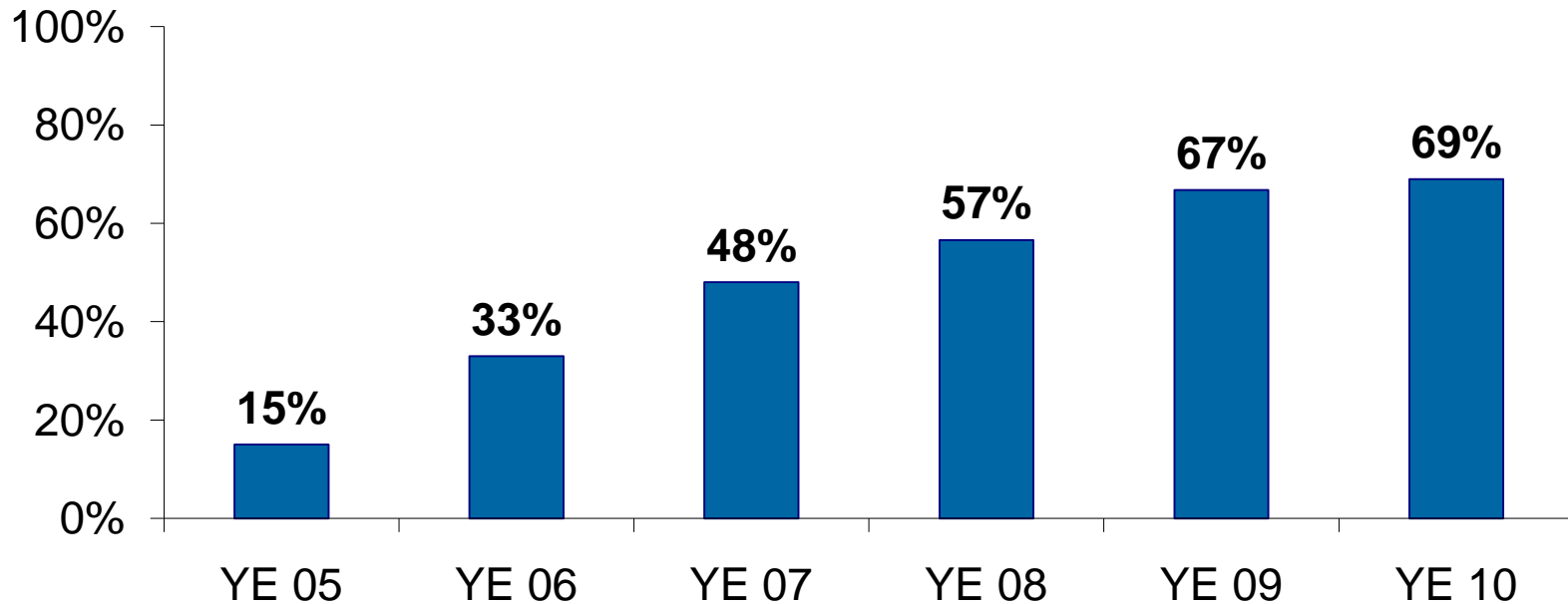
Positive trends continued in Q1

- ✓ Net NAS declines lower than a year ago for fourth consecutive quarter
- ✓ IPTV attach rate exceeds 90 per cent of new *FibreOP* Internet customers
- ✓ High Speed ARPS reach new high
- ✓ TV and Internet subscribers continue to grow

Focused execution creating competitive advantage

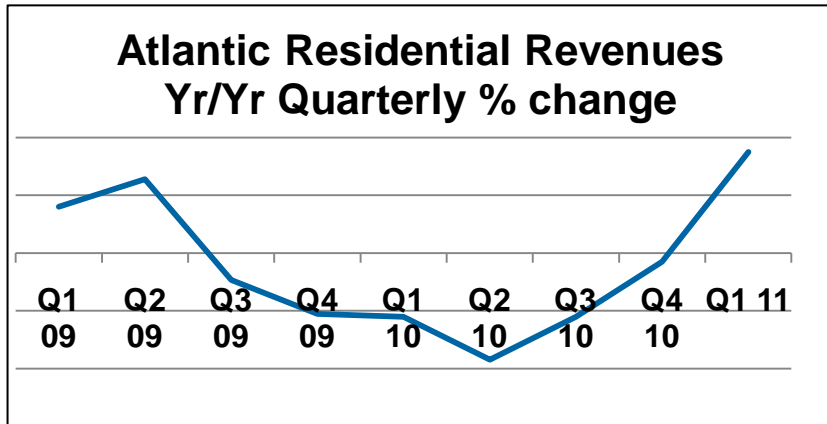
Competitive Footprint

Competitive Footprint (Cable Telephony)



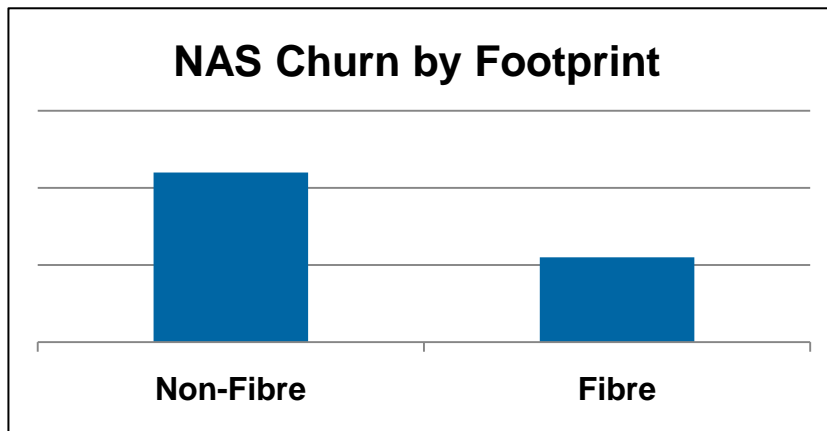
Competitive footprint reaching plateau
after 4 years of significant growth

Changing the Revenue Trajectory



- Total revenue decline held to 1.0 per cent

- Atlantic residential revenue returned to positive growth after several quarters of decline

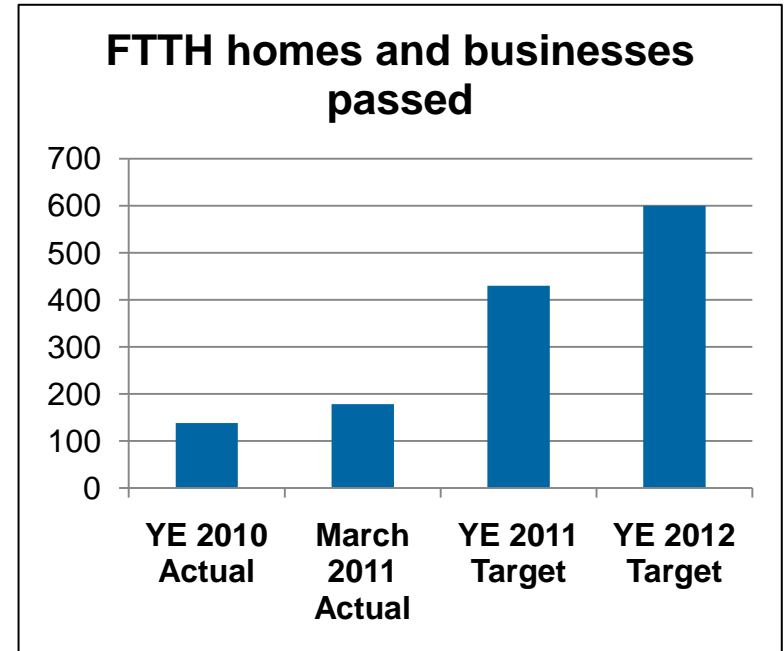


- NAS churn rate in Fibre footprint significantly lower than other footprints

Large FTTH footprint expansion still to come

FTTH Rollout

- 178,000 homes and businesses passed
- Will pass over 600,000 homes and businesses by the end of 2012
- Building scale and superior network capabilities



Investing for future growth

FibreOPT™ 2.0

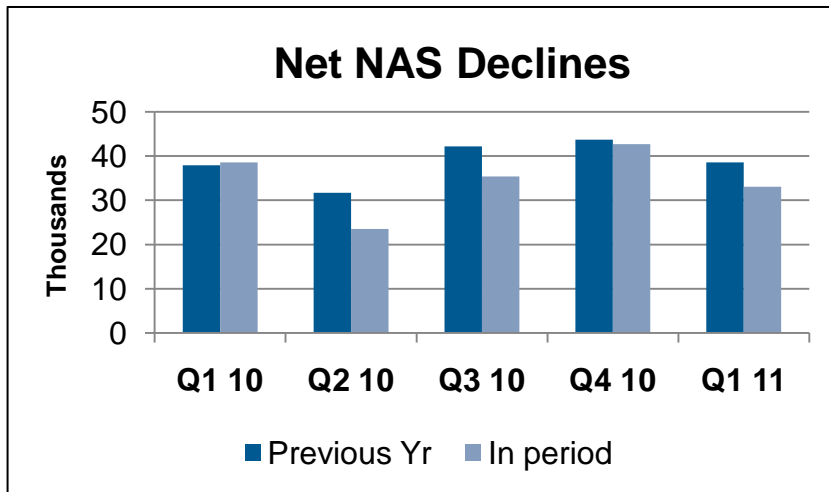
- Superior technological capabilities
 - Symmetrical upload and download speeds
 - Faster Internet
 - *Microsoft Mediaroom*® for best TV experience
- We will upgrade all *FibreOP* customers to 2.0 this year
 - Competitive advantage as upload speeds gain in importance
 - Consistent *FibreOP* platform provides maintenance and service efficiency



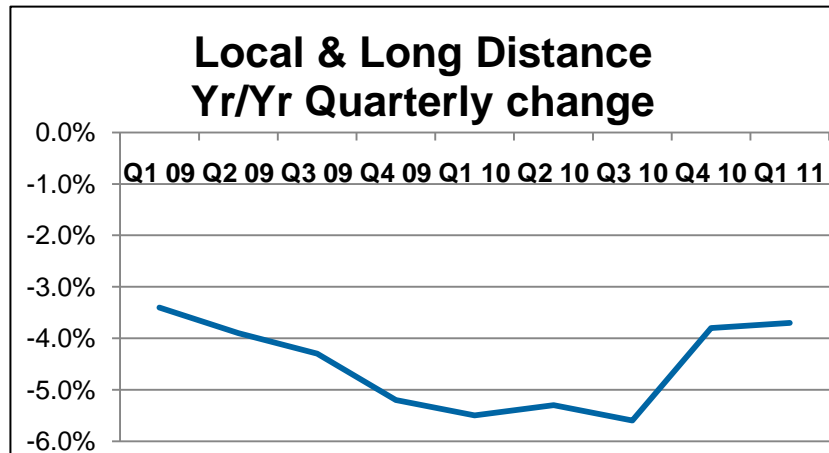
FibreOP 2.0 - Significant competitive advantage

® Mediaroom is a registered trademark of Microsoft Corporation

Traditional Voice Performance



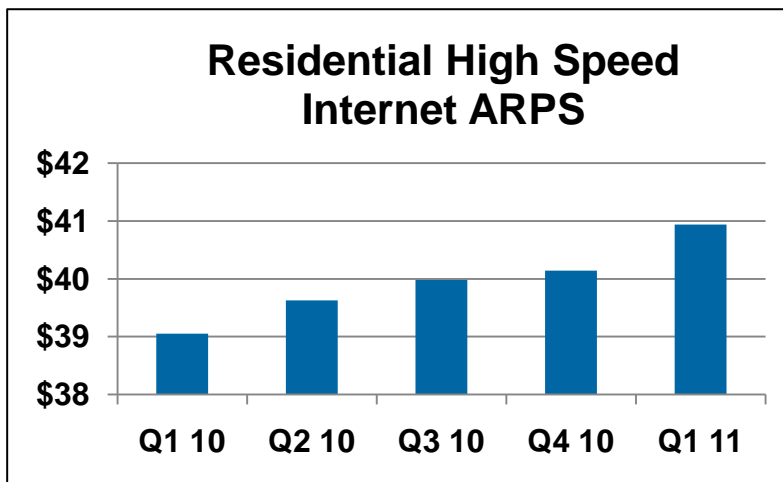
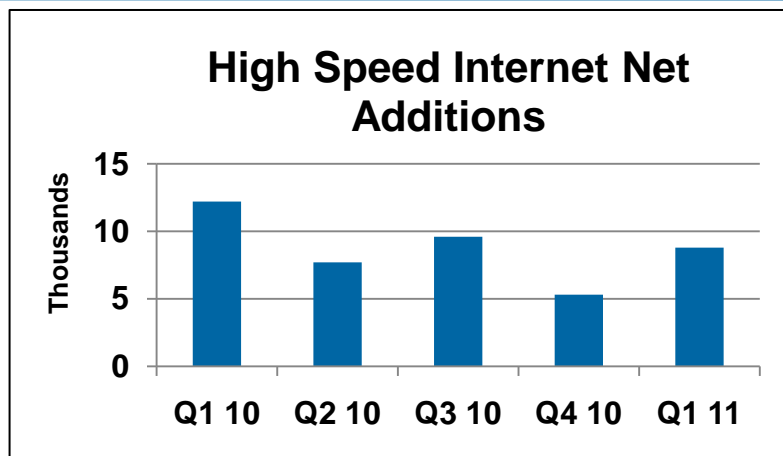
- Net NAS declines improve for fourth consecutive quarter
 - Minimal competitive footprint growth
 - Better bundling
 - Expanded FTTH coverage
 - Strong winbacks



- Traditional voice revenues have lowest rate of decline in two years

Improving rates of decline in traditional voice services

Internet Growth Continues



- Revenue growth of 7.0%
 - HS subscriber growth of 3.8%
- HS net adds of 9K
 - Significant DSL to *FibreOP* migration
- Residential High Speed ARPS reach another new high
 - Selected pricing actions
 - Migration to higher value services

Increased subscribers and higher ARPS driving revenue growth

IPTV

- Q1 2011 Revenues of \$9M
- IPTV net adds of 4K
 - Substantially all are *FibreOP* net adds
- IPTV subscribers of 54K
 - 14% penetration of total fibre footprint



Strong growth expected with FTTH expansion

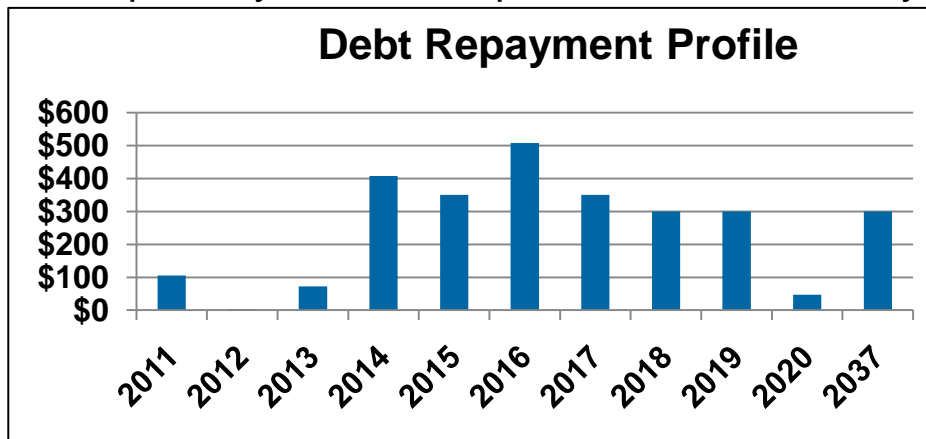
Cost Reductions Continue

- Q1 2011 non-pension expenses flat to Q1 2010
- Costs taken out of business operations offset by
 - Higher share-based incentive costs after a large reduction adjustment in Q1 2010
 - Higher cost of goods sold from product sales growth
 - Increased *FibreOP* TV and customer acquisition costs
- Customer acquisition costs will subside
 - Short term expense pressure with long term benefits

More productivity savings expected

Credit Profile

- Debt Ratings:
 - S&P BBB stable outlook
 - DBRS BBB(high) stable outlook
- Maintain Debt / EBITDA of approx. 2.25 times (*IFRS reporting*)
- Long-term debt outstanding \$2.8 billion
- MTN issue: \$300 million completed in April
 - Proceeds used to partially redeem September 2011 maturity



Maintaining investment grade ratings essential to our business model

Financing Plan Execution

Preferred share issue: \$287.5 million completed in March

- Proceeds used to make \$200 million lump sum pension contribution and reduce short term debt

Pension funding

- Lump sum expected to be partially drawn down for 2011 deficit funding
- Funding flexibility for future years
- Plans now approximately 90 per cent funded
- Federal legislation allowing use of letters of credit provides further flexibility; may be used in future periods for specific plans
- All DB plans closed to new entrants

Strengthening balance sheet and reducing re-financing risk

2011 Guidance

	2011 Guidance
Revenue	\$2,650 - \$2,750M
EBITDA (before pension current service cost)	\$1,360 - \$1,400M
EBITDA	\$1,300 - \$1,340M
Free Cash Flow*	\$525 - \$575M
Capex	\$520 - \$560M
EPS before PPA amortizations	\$1.60 - \$1.80

* Excludes \$200M pension contribution

Questions

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BellAliant