

# Supplemental Investor Information

Fourth Quarter 2003

***Aliant***



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**ALIAN T INC.**  
**Supplemental Investor Information - Fourth Quarter 2003 (unaudited)**

**Highlights**  
**(as reclassified<sup>2</sup>)**

(Thousands of Canadian dollars, except as otherwise indicated)

	Twelve Months Ended December 31			Three Months Ended December 31		
	<u>2003</u>	<u>2002</u>	% Change	<u>2003</u>	<u>2002</u>	% Change
<b>Financial</b> <i>(from continuing operations, except as otherwise indicated)</i>						
Revenues	\$2,069,389	\$2,046,474	1.1%	\$528,623	\$513,222	3.0%
EBITDA <sup>1</sup>	\$814,801	\$835,888	(2.5%)	\$211,640	\$217,420	(2.7%)
Net Income (Loss) Applicable to Common Shares	\$185,331	\$142,159	30.4%	\$43,046	(\$231)	n.m.
Earnings per Average Common Share (Basic)	\$1.35	\$1.02	32.4%	\$0.32	(\$0.00)	n.m.
Net Income (Loss) Applicable to Common Shares (including discontinued operations)	\$296,673	\$168,038	76.6%	\$143,440	(\$6,904)	n.m.
Earnings per Average Common Share (Basic including discontinued operations)	\$2.16	\$1.21	78.5%	\$1.07	(\$0.05)	n.m.
Capital Investments	\$335,801	\$376,199	(10.7%)	\$100,980	\$87,646	15.2%
Free Cash Flow from Operations <sup>3</sup>	\$410,996	\$195,545	110.2%	\$77,241	\$79,282	(2.6%)

**Share Capital**  
**(as at December 31)**

Number of Common Shares Outstanding	133,616,920	139,513,639		133,616,920	139,513,639	
Average Number of Common Shares Outstanding	137,581,358	138,907,323		134,666,888	139,547,083	
Trading Hi-Low year to date	\$33.78 - \$25.27	\$31.56 - \$24.05				
Common Share Price (AIT) at December 31	\$32.10	\$25.25				
Preferred Share Price (AIT.PR.A) at December 31	\$26.36	\$25.29				
Market Capitalization	\$4,289,103	\$3,522,719				

n.m. - not meaningful

**Revenue**

**Continuing operations:**

Telecommunications  
Information Technology  
Other and Intercompany Eliminations

**Discontinued operations**

**Total Revenue**

Twelve Months Ended December 31		
2003	2002	% Change
\$1,819,805	\$1,809,043	0.6%
365,971	399,338	(8.4%)
(116,387)	(161,907)	28.1%
2,069,389	2,046,474	1.1%
546,806	583,879	(6.3%)
<b>\$2,616,195</b>	<b>\$2,630,353</b>	<b>(0.5%)</b>

Three Months Ended December 31		
2003	2002	% Change
\$465,412	\$464,345	0.2%
88,981	90,977	(2.2%)
(25,770)	(42,100)	38.8%
528,623	513,222	3.0%
85,600	147,307	(41.9%)
<b>\$614,223</b>	<b>\$660,529</b>	<b>(7.0%)</b>

**EBITDA<sup>1</sup>**

**Continuing operations:**

Telecommunications  
Information Technology  
Other and Intercompany Eliminations

**Discontinued operations**

**Total EBITDA<sup>1</sup>**

\$846,757	\$856,916	(1.2%)
(7,415)	2,868	n.m.
(24,541)	(23,896)	(2.7%)
814,801	835,888	(2.5%)
107,351	105,733	1.5%
<b>\$922,152</b>	<b>\$941,621</b>	<b>(2.1%)</b>
39.4%	40.8%	(3.4%)
35.2%	35.8%	(1.7%)

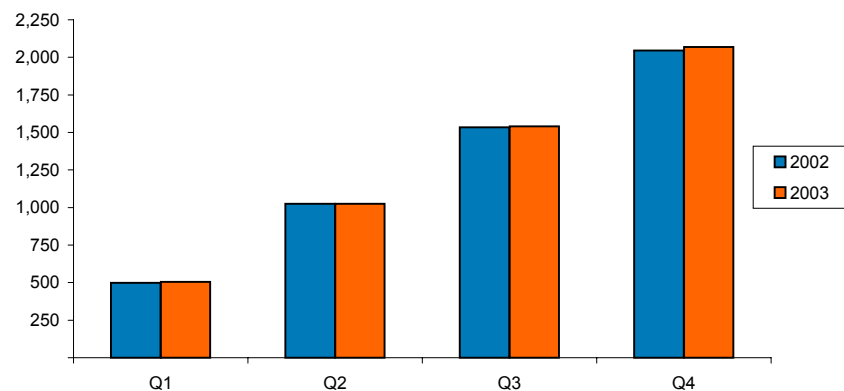
\$218,849	\$224,881	(2.7%)
3,786	(3,088)	n.m.
(10,995)	(4,373)	(151.4%)
211,640	217,420	(2.7%)
19,686	25,927	(24.1%)
<b>\$231,326</b>	<b>\$243,347</b>	<b>(4.9%)</b>
40.0%	42.4%	(5.7%)
37.7%	36.8%	2.4%

EBITDA<sup>1</sup> as a % of Revenue - continuing operations

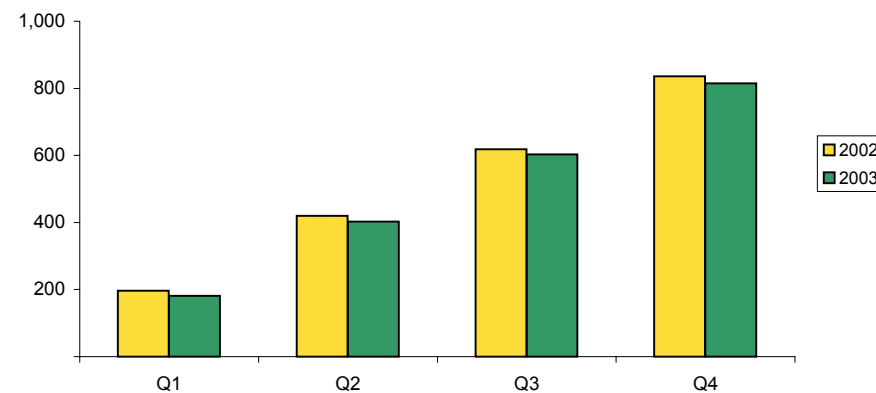
EBITDA<sup>1</sup> as a % of Revenue - including discontinued operations

n.m. - not meaningful

**Revenue - YTD from Continuing Operations (\$ millions)**



**EBITDA<sup>1</sup> YTD from Continuing Operations (\$ millions)**



(Thousands of Canadian dollars, except as otherwise indicated)

**Revenue**

**Continuing operations:**

Telecommunications  
 Information Technology  
 Other and Intercompany Eliminations<sup>5</sup>

**Discontinued operations**

**Total Revenue**

2003				
Q4	Q3	Q2	Q1	Total
\$465,412	\$460,459	\$464,073	\$429,861	\$1,819,805
88,981	82,213	86,718	108,059	365,971
(25,770)	(27,210)	(31,411)	(31,996)	(116,387)
528,623	515,462	519,380	505,924	2,069,389
85,600	143,166	161,670	156,370	546,806
<b>\$614,223</b>	<b>\$658,628</b>	<b>\$681,050</b>	<b>\$662,294</b>	<b>\$2,616,195</b>

2002				
Q4	Q3	Q2	Q1	Total
\$464,345	\$465,502	\$459,789	\$419,407	\$1,809,043
90,977	83,180	103,655	121,526	399,338
(42,100)	(39,306)	(38,921)	(41,580)	(161,907)
513,222	509,376	524,523	499,353	2,046,474
147,307	144,692	145,586	146,294	583,879
<b>\$660,529</b>	<b>\$654,068</b>	<b>\$670,109</b>	<b>\$645,647</b>	<b>\$2,630,353</b>

**EBITDA<sup>1</sup>**

**Continuing operations:**

Telecommunications  
 Information Technology  
 Other and Intercompany Eliminations

**Discontinued operations**

**Total EBITDA<sup>1</sup>**

\$218,849	\$216,770	\$223,417	\$187,721	\$846,757
3,786	(11,512)	1,846	(1,535)	(7,415)
(10,995)	(4,934)	(3,888)	(4,724)	(24,541)
211,640	200,324	221,375	181,462	814,801
19,686	28,334	28,431	30,900	107,351
<b>\$231,326</b>	<b>\$228,658</b>	<b>\$249,806</b>	<b>\$212,362</b>	<b>\$922,152</b>

\$224,881	\$216,778	\$220,097	\$195,160	\$856,916
(3,088)	(11,459)	8,835	8,580	2,868
(4,373)	(6,945)	(5,311)	(7,267)	(23,896)
217,420	198,374	223,621	196,473	835,888
25,927	24,957	23,446	31,403	105,733
<b>\$243,347</b>	<b>\$223,331</b>	<b>\$247,067</b>	<b>\$227,876</b>	<b>\$941,621</b>

**EBITDA<sup>1</sup> as a % of Revenue**

**Continuing operations**

Telecommunications  
 Information Technology  
 Other and Intercompany Eliminations

**Total EBITDA<sup>1</sup> as a % of Revenue - continuing operations**

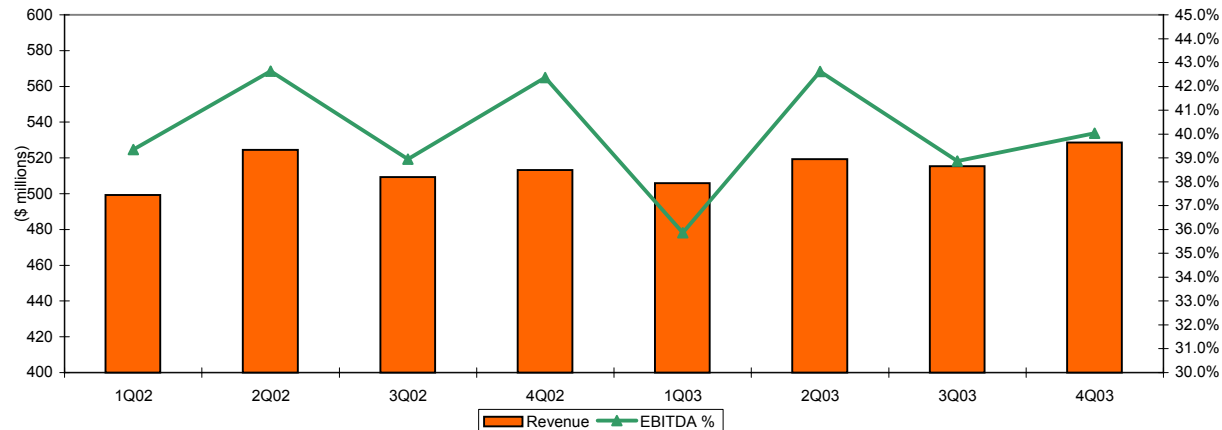
**Total EBITDA<sup>1</sup> as a % of Revenue - including discontinued operations**

47.0%	47.1%	48.1%	43.7%	46.5%
4.3%	(14.0%)	2.1%	(1.4%)	(2.0%)
n.m.	n.m.	n.m.	n.m.	n.m.
<b>40.0%</b>	<b>38.9%</b>	<b>42.6%</b>	<b>35.9%</b>	<b>39.4%</b>
<b>37.7%</b>	<b>34.7%</b>	<b>36.7%</b>	<b>32.1%</b>	<b>35.2%</b>

48.4%	46.6%	47.9%	46.5%	47.4%
(3.4%)	(13.8%)	8.5%	7.1%	0.7%
n.m.	n.m.	n.m.	n.m.	n.m.
<b>42.4%</b>	<b>38.9%</b>	<b>42.6%</b>	<b>39.3%</b>	<b>40.8%</b>
<b>36.8%</b>	<b>34.1%</b>	<b>36.9%</b>	<b>35.3%</b>	<b>35.8%</b>

n.m. - not meaningful

**EBITDA<sup>1</sup> as a % of Revenue from Continuing Operations**



(Thousands of Canadian dollars, except as otherwise indicated)

**Net Income (Loss) applicable to Common Shares**

*Continuing operations*  
*Discontinued operations*

2003				
Q4	Q3	Q2	Q1	Total
\$43,046	\$48,330	\$58,839	\$35,116	\$185,331
100,394	218	9,342	1,388	111,342
<b>\$143,440</b>	<b>\$48,548</b>	<b>\$68,181</b>	<b>\$36,504</b>	<b>\$296,673</b>

2002				
Q4	Q3	Q2	Q1	Total
(\$231)	\$42,437	\$58,940	\$41,013	\$142,159
(6,673)	(681)	23,177	10,056	25,879
<b>(\$6,904)</b>	<b>\$41,756</b>	<b>\$82,117</b>	<b>\$51,069</b>	<b>\$168,038</b>

**Free Cash Flow from Operations<sup>3</sup>**

<b>\$77,241</b>	<b>\$99,039</b>	<b>\$83,054</b>	<b>\$151,662</b>	<b>\$410,996</b>
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<b>\$79,282</b>	<b>\$54,981</b>	<b>\$3,244</b>	<b>\$58,038</b>	<b>\$195,545</b>
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**Average Number of Common Shares (000's)**

134,667	137,906	138,683	139,256	137,581
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139,547	139,568	138,891	137,885	138,907
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**Earnings per Common Share - Basic**

*Continuing operations*  
*Discontinued operations*

\$0.32	\$0.36	\$0.42	\$0.25	\$1.35
0.75	0.00	0.07	0.01	0.81
<b>\$1.07</b>	<b>\$0.36</b>	<b>\$0.49</b>	<b>\$0.26</b>	<b>\$2.16</b>

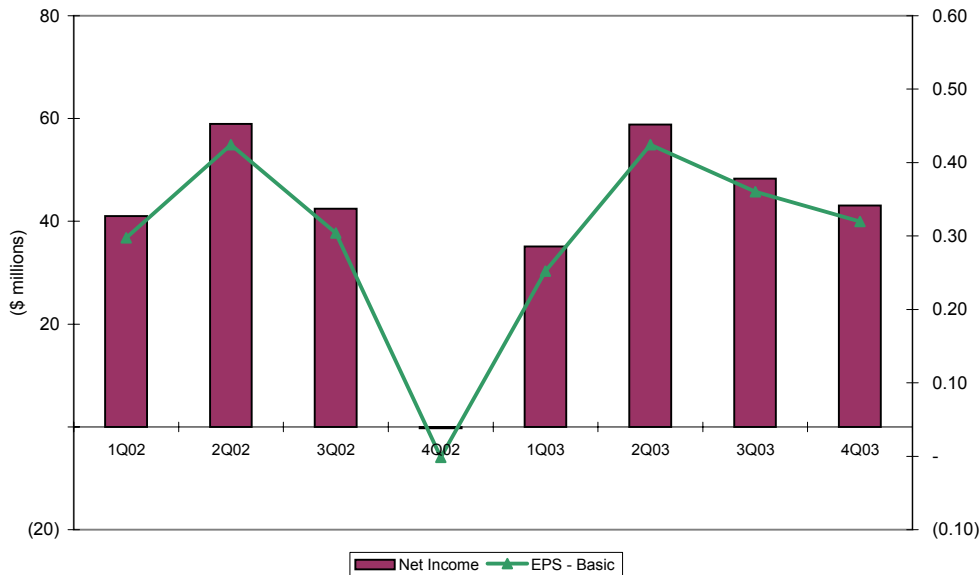
(\$0.00)	\$0.30	\$0.42	\$0.30	\$1.02
(0.05)	(0.00)	0.17	0.07	0.19
<b>(\$0.05)</b>	<b>\$0.30</b>	<b>\$0.59</b>	<b>\$0.37</b>	<b>\$1.21</b>

**Free Cash Flow from Operations per Common Share<sup>6</sup>**

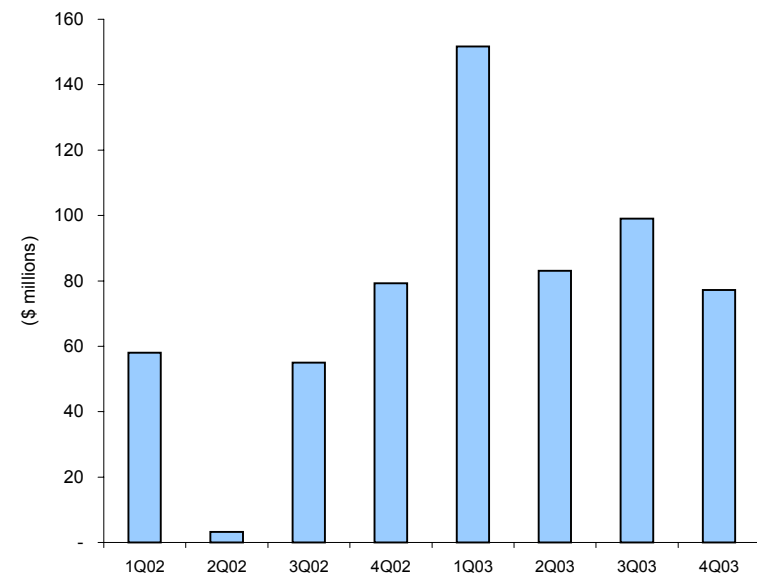
<b>\$0.57</b>	<b>\$0.72</b>	<b>\$0.60</b>	<b>\$1.09</b>	<b>\$2.99</b>
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<b>\$0.57</b>	<b>\$0.39</b>	<b>\$0.02</b>	<b>\$0.42</b>	<b>\$1.41</b>
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**Net Income from Continuing Operations applicable to Common Shares**



**Free Cash Flow from Operations<sup>3</sup>**





**ALIAN T INC.**  
**Supplemental Investor Information - Fourth Quarter 2003 (unaudited)**

**Consolidated Debt Summary**  
**(as reclassified<sup>2</sup>)**

(Thousands of Canadian dollars, except as otherwise indicated)

	2003					2002				
	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>Interest Charges from Continuing Operations</b>										
Interest on Long-Term Debt	\$19,482	\$20,189	\$20,716	\$20,651	\$81,038	\$21,847	\$21,840	\$22,378	\$21,926	\$87,991
Other Interest	1,298	252	225	292	2,067	897	1,184	(132)	353	2,302
<b>Total Interest Charges</b>	<b>\$20,780</b>	<b>\$20,441</b>	<b>\$20,941</b>	<b>\$20,943</b>	<b>\$83,105</b>	<b>\$22,744</b>	<b>\$23,024</b>	<b>\$22,246</b>	<b>\$22,279</b>	<b>\$90,293</b>
<b>Capital Structure</b>										
Equity	61.2%	59.7%	60.9%	59.5%		59.6%	59.1%	59.1%	57.3%	
Non-controlling Interest	0.1%	0.1%	0.1%	0.1%		0.1%	0.1%	0.1%	0.1%	
Debt	38.7%	40.2%	39.0%	40.4%		40.3%	40.8%	40.8%	42.6%	
<b>Total Capital Structure</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	

**Coverages<sup>7 & 8</sup>**

**Continuing Operations**

<b>Interest<sup>(i)</sup></b>	5.2	4.7	4.3	4.3
<b>Debt to Trailing EBITDA<sup>1 (ii)</sup></b>	1.24	1.28	1.29	1.36
<b>EBITDA<sup>1</sup> to Interest<sup>(iii)</sup></b>	10.0	9.8	9.3	9.2
<b>Cash Flow to Interest<sup>(iv)</sup></b>	7.8	7.3	6.8	6.7

	4.4	-	-	-
	1.35	-	-	-
	9.3	-	-	-
	6.8	-	-	-

**Including Discontinued Operations**

<b>Interest<sup>(i)</sup></b>	5.8	4.2	3.8	3.8
<b>Debt to Trailing EBITDA<sup>1 (ii)</sup></b>	1.10	1.38	1.41	1.54
<b>EBITDA<sup>1</sup> to Interest<sup>(iii)</sup></b>	9.1	8.7	8.1	7.7
<b>Cash Flow to Interest<sup>(iv)</sup></b>	6.3	6.5	6.1	5.5

	3.8	4.2	4.0	3.6
	1.57	1.61	1.56	1.76
	7.4	7.3	7.1	6.7
	5.3	4.1	3.9	3.4

**Definitions**

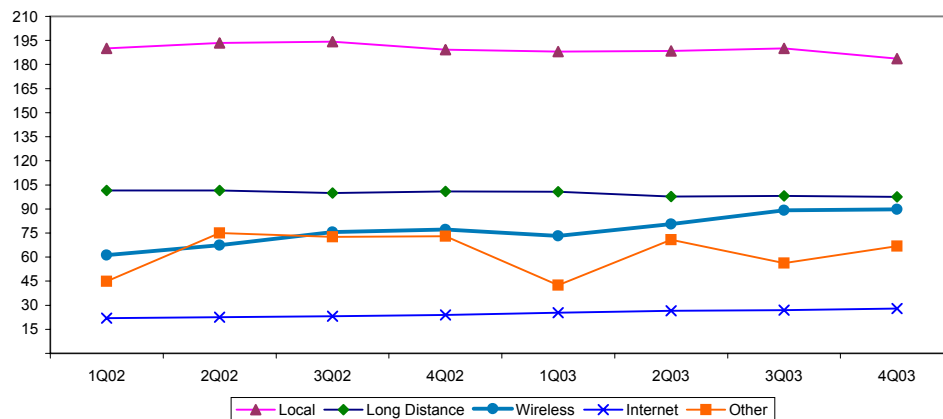
- (i) Operating Income plus Other Income divided by Total Interest Charges (Current Quarter plus three (3) previous Quarters).
- (ii) Total Debt (including Bank Indebtedness and Interest Payable) divided by Current Quarter plus EBITDA<sup>1</sup> for three (3) previous Quarters.
- (iii) EBITDA<sup>1</sup> divided by Total Interest Charges (Current Quarter plus three (3) previous Quarters).
- (iv) Cash from (used in) Operations (before change in non-cash working capital) divided by Total Interest Charges (Current Quarter plus three (3) previous Quarters).

(Thousands of Canadian dollars, except as otherwise indicated)

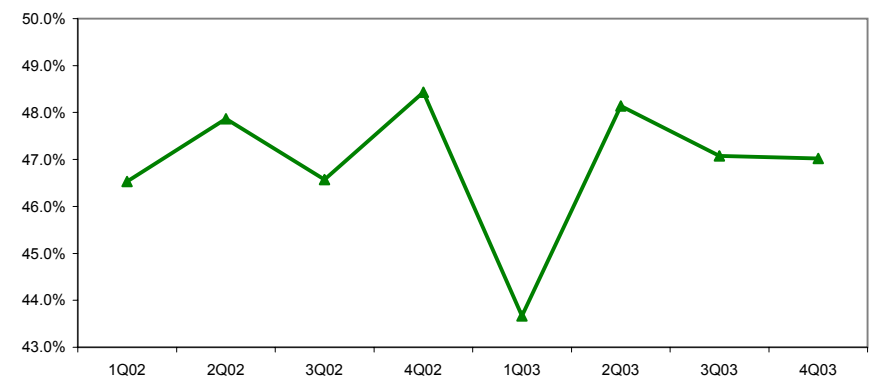
	2003					2002				
	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>Revenue</b>										
Local	\$183,621	\$189,966	\$188,473	\$188,023	\$750,083	\$189,241	\$194,326	\$193,514	\$189,959	\$767,040
Long Distance	97,541	98,159	97,799	100,804	394,303	100,896	99,909	101,539	101,545	403,889
Wireless	89,646	89,226	80,485	73,161	332,518	77,192	75,501	67,404	61,224	281,321
Internet	27,829	26,906	26,463	25,386	106,584	23,985	23,178	22,439	21,848	91,450
Product Sales	41,634	29,330	26,678	24,624	122,266	38,917	39,941	24,663	18,732	122,253
Innovatia	6,846	6,063	6,238	5,292	24,439	5,975	5,629	6,181	5,123	22,908
Other	18,295	20,809	37,937	12,571	89,612	28,139	27,018	44,049	20,976	120,182
<b>Total Revenue</b>	<b>\$465,412</b>	<b>\$460,459</b>	<b>\$464,073</b>	<b>\$429,861</b>	<b>\$1,819,805</b>	<b>\$464,345</b>	<b>\$465,502</b>	<b>\$459,789</b>	<b>\$419,407</b>	<b>\$1,809,043</b>
<b>Cash Operating Expenses and Cost of Revenue</b>	<b>\$246,563</b>	<b>\$243,689</b>	<b>\$240,656</b>	<b>\$242,140</b>	<b>\$973,048</b>	<b>\$239,464</b>	<b>\$248,724</b>	<b>\$239,692</b>	<b>\$224,247</b>	<b>\$952,127</b>
<b>EBITDA <sup>1</sup></b>										
<b>Wireline</b>	\$172,934	\$172,060	\$186,113	\$154,658	\$685,765	\$186,191	\$177,842	\$190,518	\$165,339	\$719,890
% of Revenue	46.0%	46.3%	48.5%	43.4%	46.1%	48.1%	45.6%	48.6%	46.2%	47.1%
<b>Wireless</b>	45,915	44,710	37,304	33,063	160,992	38,690	38,936	29,579	29,821	137,026
% of Revenue	51.2%	50.1%	46.3%	45.2%	48.4%	50.1%	51.6%	43.9%	48.7%	48.7%
<b>Total</b>	\$218,849	\$216,770	\$223,417	\$187,721	\$846,757	\$224,881	\$216,778	\$220,097	\$195,160	\$856,916
% of Revenue	47.0%	47.1%	48.1%	43.7%	46.5%	48.4%	46.6%	47.9%	46.5%	47.4%
<b>Net Income</b>	\$63,289	\$58,336	\$65,264	\$42,661	\$229,550	\$65,467	\$57,974	\$63,039	\$48,880	\$235,360
<b>Earnings per Aliant Average Common Share</b>	\$0.47	\$0.42	\$0.47	\$0.31	\$1.67	\$0.47	\$0.42	\$0.45	\$0.35	\$1.69
<b>Interest Coverage <sup>(i)</sup></b>	5.7	5.7	5.6	5.5		5.5	5.6	5.7	5.6	
<b>Debt to Trailing EBITDA <sup>1 (ii)</sup></b>	1.22	1.23	1.23	1.33		1.29	1.28	1.25	1.31	
<b>Capital Structure</b>										
Equity	55.6%	55.2%	54.8%	52.5%		53.2%	52.6%	52.7%	51.1%	
Non-controlling Interest	0.2%	0.1%	0.2%	0.2%		0.2%	0.2%	0.2%	0.1%	
Debt	44.2%	44.7%	45.0%	47.3%		46.6%	47.2%	47.1%	48.8%	
	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%	100.0%	

(i) and (ii) - see definitions on page 8

**Revenue (\$ millions)**



**Total EBITDA<sup>1</sup> as a % of Revenue**



**Network Access Service**

Business  
 Residential

**Total Network Access Service**

**Long Distance Minutes (Thousands)**

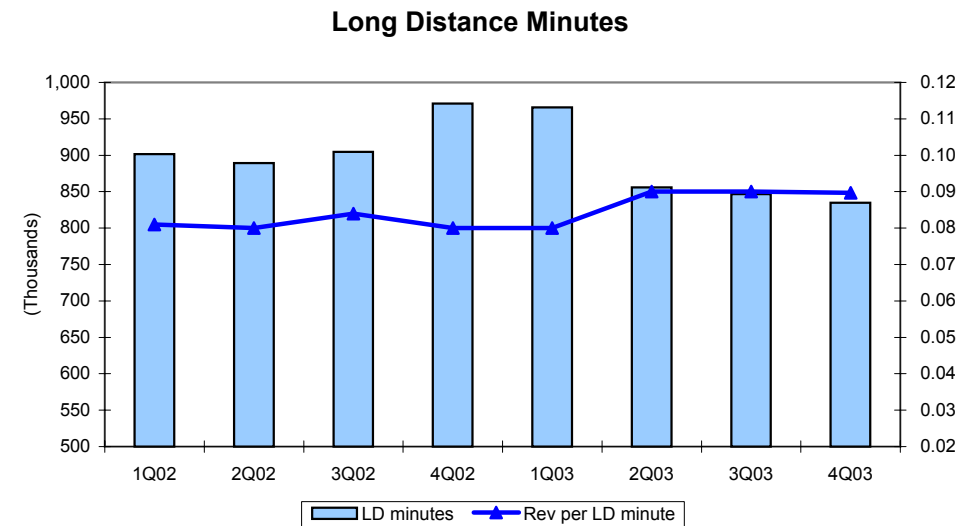
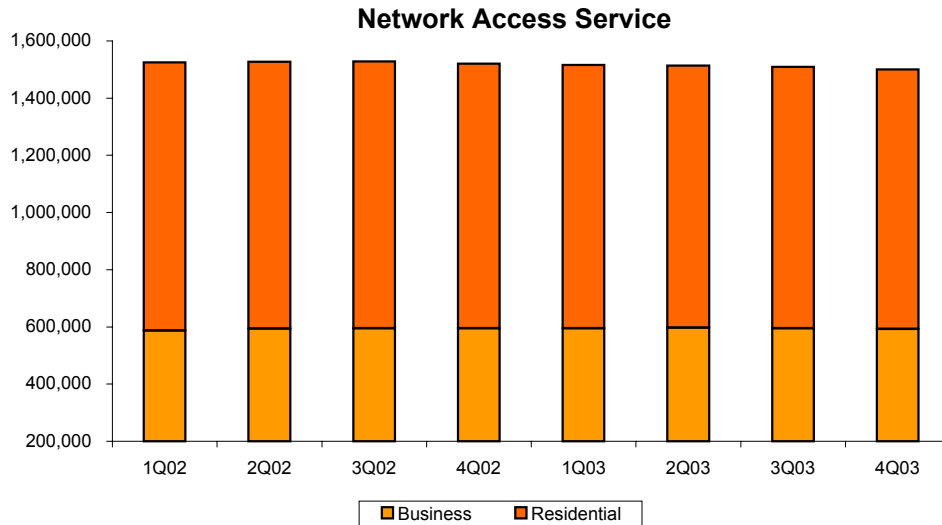
**Revenue per Long Distance Minute**

**Contact Centre <sup>9</sup>**

Revenue (000's)  
 Revenue Growth (year over year)

2003			
Q4	Q3	Q2	Q1
592,428	594,593	597,355	594,941
908,283	914,927	916,507	921,639
1,500,711	1,509,520	1,513,862	1,516,580
835,009	846,477	855,955	965,925
\$0.09	\$0.09	\$0.09	\$0.08
\$18,596	\$16,557	\$15,746	\$17,604
(1.0%)	(12.7%)	(2.4%)	11.1%

2002			
Q4	Q3	Q2	Q1
594,781	594,683	594,068	587,487
926,149	933,607	932,685	937,760
1,520,930	1,528,290	1,526,753	1,525,247
971,109	904,454	889,156	901,773
\$0.08	\$0.08	\$0.08	\$0.08
\$18,791	\$18,967	\$16,140	\$15,841
22.3%	0.9%	(16.1%)	(9.9%)



**WIRELESS**

**Customers**

**Postpaid**

Analog

Digital

**Prepaid <sup>10</sup>**

Analog

Digital

**Total Customers**

**Customer Net Additions**

Analog

Digital

**Total Customer Net Additions**

**Churn (Blended pre/post-paid)**

**Revenue Growth (Year over Year)**

**Per Customer**

**Average Revenue (ARPC)**

Post-Paid

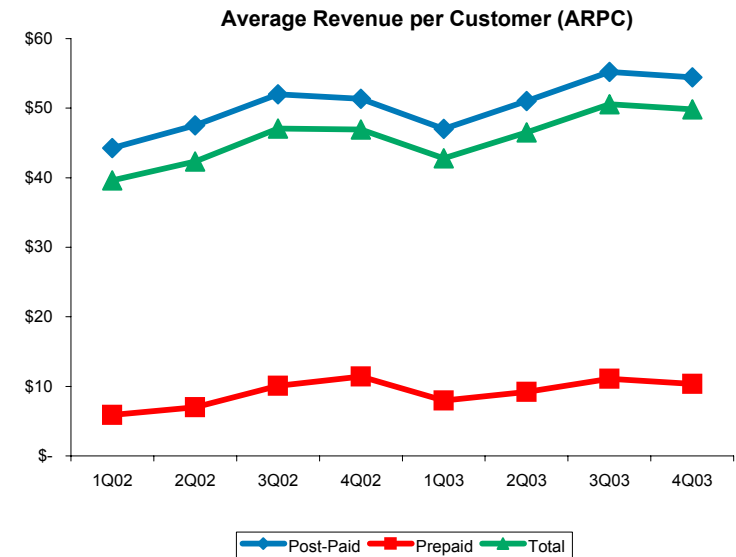
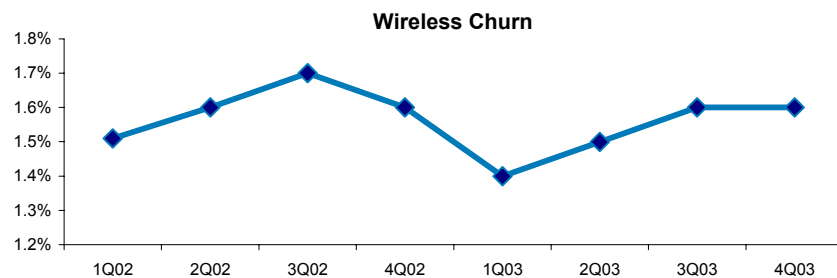
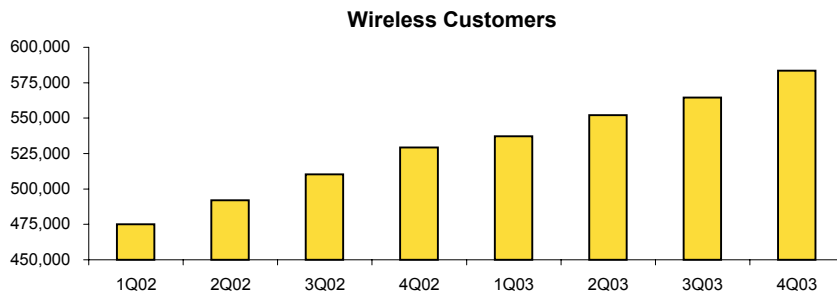
Prepaid

Total

**Average Minutes of Use (MOU) per customer**

2003			
Q4	Q3	Q2	Q1
133,240	152,747	168,635	184,638
390,210	352,181	325,340	293,980
523,450	504,928	493,975	478,618
47,128	50,099	51,282	53,056
13,002	9,606	6,873	5,437
60,130	59,705	58,155	58,493
583,580	564,633	552,130	537,111
(22,478)	(17,071)	(17,777)	(17,813)
41,425	29,574	32,796	25,639
18,947	12,503	15,019	7,826
1.6%	1.6%	1.5%	1.4%
16.1%	18.2%	19.4%	19.5%
\$54.42	\$55.21	\$51.04	\$47.02
\$10.37	\$11.08	\$9.22	\$7.97
\$49.82	\$50.57	\$46.52	\$42.80
259	265	247	215

2002			
Q4	Q3	Q2	Q1
202,958	215,912	228,676	233,874
269,466	236,929	202,408	180,911
472,424	452,841	431,084	414,785
52,549	54,351	58,090	57,845
4,312	3,197	2,801	2,335
56,861	57,548	60,891	60,180
529,285	510,389	491,975	474,965
(14,756)	(16,503)	(4,953)	(15,307)
33,652	34,917	21,963	18,704
18,896	18,414	17,010	3,397
1.6%	1.7%	1.6%	1.5%
16.8%	10.5%	11.3%	11.5%
\$51.35	\$51.98	\$47.53	\$44.27
\$11.39	\$10.06	\$7.01	\$5.87
\$46.94	\$47.07	\$42.35	\$39.60
229	231	217	192



**INTERNET**

**Customers**

Dial up  
 High Speed

**Total Customers**

**Customer Net Additions**

Dial up  
 High Speed

**Total Customer Net Additions**

**Churn**

**Per Customer**

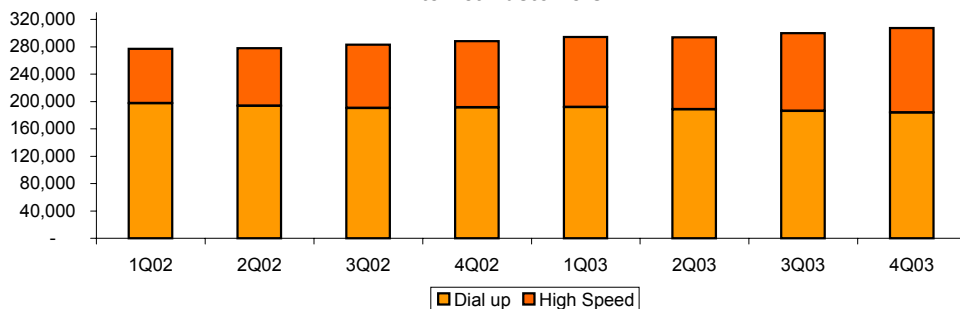
**Average Revenue (ARPC)**

Consumer Dial up  
 Consumer High Speed  
 Business Dial up  
 Business High Speed

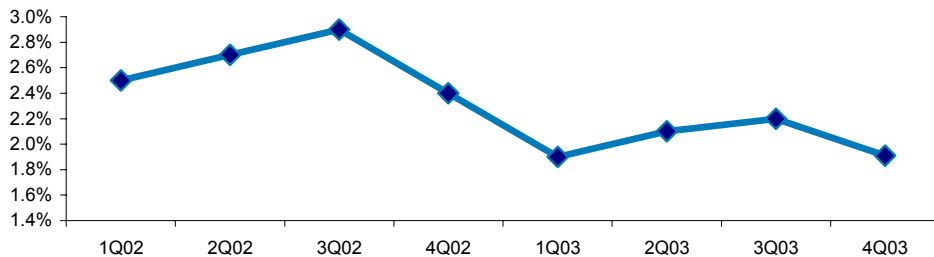
2003			
Q4	Q3	Q2	Q1
183,930	186,456	188,754	192,097
123,387	113,517	105,117	102,219
307,317	299,973	293,871	294,316
(2,526)	(2,298)	(3,343)	511
9,870	8,400	2,898	5,674
7,344	6,102	(445)	6,185
1.9%	2.2%	2.1%	1.9%
\$18.78	\$19.21	\$19.05	\$18.67
\$33.60	\$33.30	\$34.54	\$33.85
\$45.83	\$44.58	\$44.36	\$43.77
\$97.86	\$97.80	\$93.44	\$91.55

2002			
Q4	Q3	Q2	Q1
191,586	190,719	193,554	197,437
96,545	92,586	84,722	79,812
288,131	283,305	278,276	277,249
867	(2,835)	(3,883)	2,655
3,959	7,864	4,910	11,985
4,826	5,029	1,027	14,640
2.4%	2.9%	2.7%	2.5%
\$18.80	\$18.80	\$18.77	\$18.06
\$32.30	\$30.97	\$30.58	\$33.99
\$43.47	\$46.73	\$47.30	\$50.43
\$88.46	\$85.96	\$83.03	\$80.70

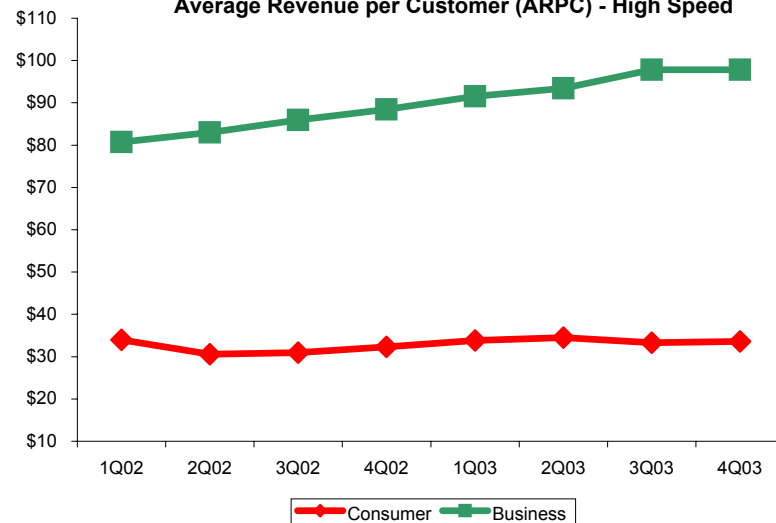
**Internet Customers**



**Internet Churn**



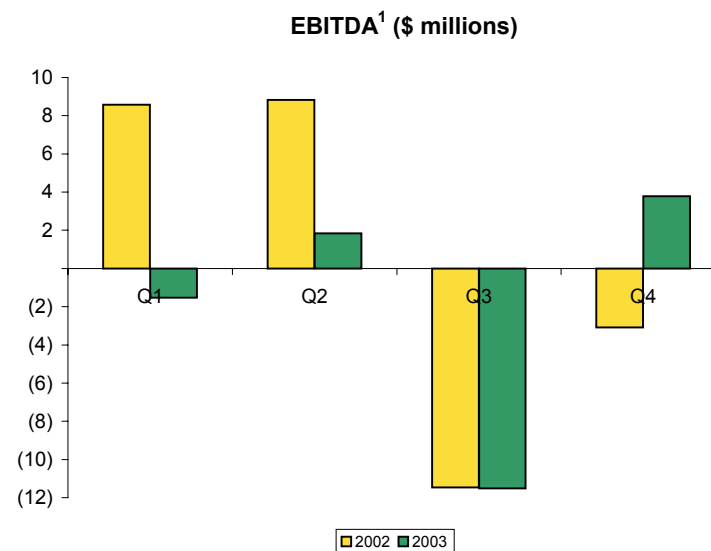
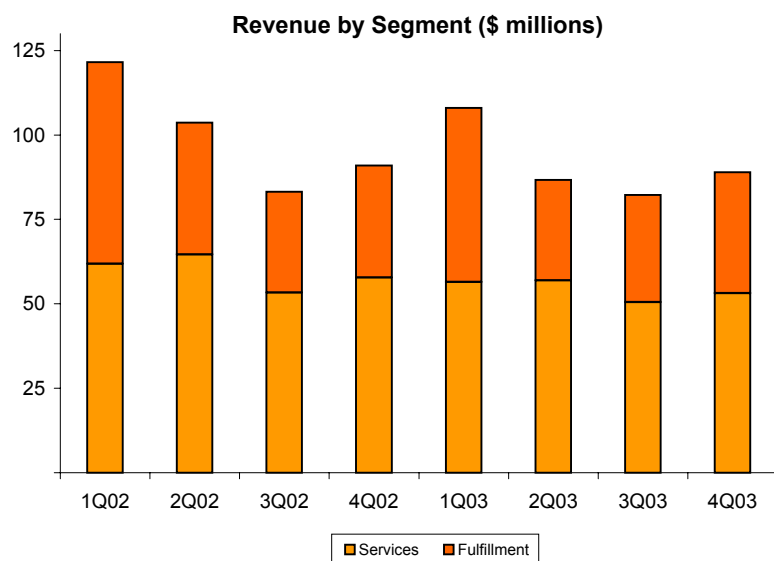
**Average Revenue per Customer (ARPC) - High Speed**



**ALIANT INC.**  
**Supplemental Investor Information - Fourth Quarter 2003 (unaudited)**

(Thousands of Canadian dollars, except as otherwise indicated)

	2003					2002				
	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total
<b>Revenue by segment</b>										
IT Services	\$53,158	\$50,519	\$56,959	\$56,473	\$217,109	\$57,807	\$53,383	\$64,589	\$61,861	\$237,640
Fulfillment	35,823	31,694	29,759	51,586	148,862	33,170	29,797	39,066	59,665	161,698
<b>Total Revenue by Segment</b>	<b>\$88,981</b>	<b>\$82,213</b>	<b>\$86,718</b>	<b>\$108,059</b>	<b>\$365,971</b>	<b>\$90,977</b>	<b>\$83,180</b>	<b>\$103,655</b>	<b>\$121,526</b>	<b>\$399,338</b>
<b>Revenue by source <sup>11</sup></b>										
External Customers	\$63,859	\$57,191	\$58,368	\$79,379	\$258,797	\$60,494	\$49,454	\$75,595	\$90,880	\$276,423
Other Aliant Lines of Business	25,122	25,022	28,350	28,680	107,174	30,483	33,726	28,060	30,646	122,915
<b>Total Revenue by Source</b>	<b>\$88,981</b>	<b>\$82,213</b>	<b>\$86,718</b>	<b>\$108,059</b>	<b>\$365,971</b>	<b>\$90,977</b>	<b>\$83,180</b>	<b>\$103,655</b>	<b>\$121,526</b>	<b>\$399,338</b>
<b>Cost of Fulfillment Revenue</b>	\$32,675	\$28,906	\$27,115	\$46,753	\$135,449	\$29,820	\$27,463	\$35,430	\$55,260	\$147,973
<b>Cash Operating Expenses</b>	\$53,470	\$49,319	\$57,757	\$62,841	\$223,387	\$64,245	\$67,176	\$59,390	\$57,686	\$248,497
<b>Restructuring Charge</b>	(\$950)	\$15,500	-	-	\$14,550	-	-	-	-	-
<b>Gross Margin %</b>										
IT Services	31.0%	30.0%	30.0%	32.0%	31.0%	31.1%	28.8%	29.2%	33.0%	30.0%
Fulfillment	8.8%	8.8%	8.9%	9.4%	9.0%	10.1%	7.8%	9.3%	7.4%	8.5%
<b>EBITDA <sup>1</sup></b>	\$3,786	(\$11,512)	\$1,846	(\$1,535)	(\$7,415)	(\$3,088)	(\$11,459)	\$8,835	\$8,580	\$2,868
<b>% of Revenue</b>	4.3%	(14.0%)	2.1%	(1.4%)	(2.0%)	(3.4%)	(13.8%)	8.5%	7.1%	0.7%



1. EBITDA (earnings before interest, taxes, depreciation and amortization) does not have any standardized meaning prescribed by Canadian generally accepted accounting principles (Canadian GAAP) and may not be comparable to similar measures presented by other companies. Aliant has included EBITDA as an alternate earnings measure because it is a commonly used valuation measurement in the telecommunications industry. Aliant also believes that EBITDA is used by certain investors and analysts to measure the Company's ability to service debt and meet other payment obligations. Aliant defines EBITDA as operating income (as defined by Canadian GAAP) plus depreciation and amortization. The Company adds back depreciation and amortization because the accounting methods and assumptions used in its calculation can vary by company. Aliant presents EBITDA on a consistent basis from period to period.
2. In the second quarter of 2003, Aliant adopted discontinued operations presentation for certain segments, in accordance with the CICA handbook recommendations. As such, previously reported figures for 2003 and the prior year have been reclassified to conform with 2003 presentation. For more detailed information, see note 2 to Aliant's unaudited consolidated interim financial statements for the period ended December 31, 2003.
3. Free Cash Flow from Operations does not have any standardized meaning prescribed by Canadian GAAP and may not be comparable to similar measures presented by other companies. Aliant defines free cash flow from operations as cash and cash equivalents from (used in) continuing operations, less capital investments.
4. Effective January 1, 2003, Telecommunications includes the results of Innovatia Inc. which were previously reported in Emerging Business. As such, the prior year has been reclassified to conform with 2003 presentation.
5. Revenue elimination entries have been restated in 2003 to correctly reflect intercompany activity.
6. Free Cash Flow from Operations per Common Share does not have any standardized meaning prescribed by Canadian GAAP and may not be comparable to similar measures presented by other companies. Aliant defines free cash flow from operations per common share as cash from continuing operations, less capital investments from continuing operations divided by the average number of common shares outstanding during the period.
7. The calculation of the 2002 coverage ratio's that include the 4th quarter of 2001 are before the restructuring charge incurred in that quarter, and ratio's calculated for the 3rd and 4th quarters 2003 are before restructuring charges recorded in those periods.
8. The calculation of the 2002 coverage ratio's include the 2nd, 3rd, and 4th quarters of 2001 which have not been reclassified for discontinued operations.
9. Services previously provided by Telecommunications for an Internet Help Desk (IHD) contract are now being provided by another Aliant subsidiary, effective January 1, 2003. Although the IHD revenue is still included in Other Revenue of Telecommunications in 2002 for financial reporting purposes, the contract centre revenue presented in this supplementary package has been reclassified to remove the IHD revenue for comparability purposes.
10. Prepaid customers have been restated by (21,282). This adjustment has been made by restating the opening customer base for 2002 by (8,645) and by restating the terminated customers in 2002 by (12,637). This restatement aligns our statistical results with the current Prepaid policies. The Prepaid policy is that a customer must top up their Prepaid account every 60 days. If this does not happen, the account is placed on probation for another 240 days. If no top up occurs by the end of this period the account is closed. All associated metrics, including churn, ARPC and MOU have also been restated accordingly. This restatement did not affect revenue and enables the metrics to accurately reflect the market activity.
11. The 2002 Revenue by source has been restated to reclassify revenue from an IHD contract from "Other Aliant Lines of Business" to "External Customers" in order to provide consistency in its classification year over year.
12. Certain amounts presented in these schedules are rounded. Accordingly, the columns and rows may not add to the totals presented.

**Supplemental Investor Information - Fourth Quarter 2003 (unaudited)**

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From its home base in Atlantic Canada, Aliant delivers a wide variety of innovative and traditional communications services, including local and long-distance telephony, wireless, Internet, e-commerce, interactive multimedia, data and managed network services, to more than two million consumers and over 80,000 enterprises. Aliant complements its industry-leading telecommunications business with strengths in information technology solutions and knowledge-services applications. The company's 9,000 employees build on Aliant's 100-plus year history by collaborating to deliver the highest quality of customer service, choice and convenience. Aliant is a TSX 100 company with a market capitalization of more than \$4 billion. More information about Aliant (TSX:AIT) may be found by visiting [www.aliant.ca](http://www.aliant.ca).