



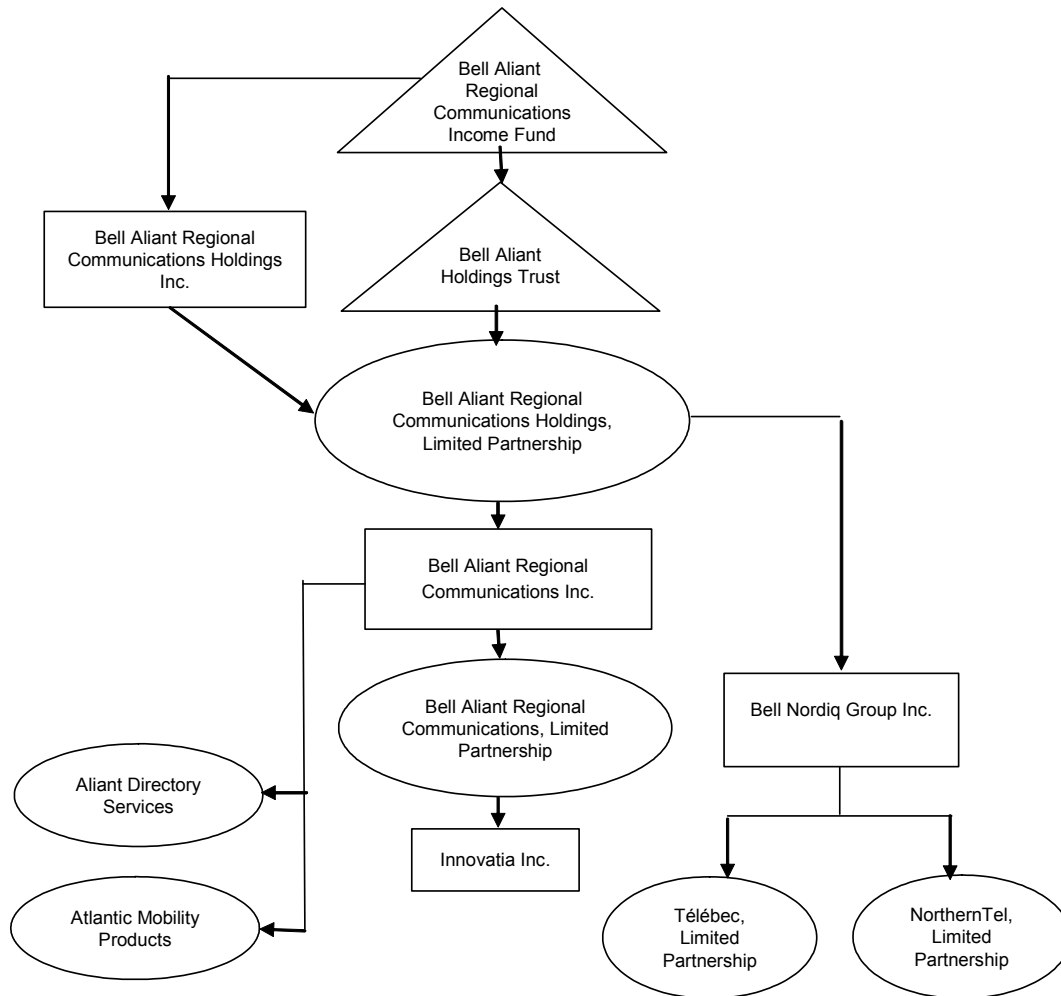
**Bell Aliant  
Regional Communications Holdings,  
Limited Partnership**

**2006  
Fourth Quarter  
Investor Briefing**

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# YEAR IN REVIEW AND FOURTH QUARTER HIGHLIGHTS



## Creation of an Income Trust

On July 7, 2006, the Plan of Arrangement (the Arrangement) creating Bell Aliant Regional Communications Income Fund (Fund) was completed in accordance with the Arrangement steps described in Aliant Inc.'s (Aliant's) Management Information Circular dated April 14, 2006 (the Circular). After giving effect to the Arrangement, the combined assets of the Fund are operated under Bell Aliant Regional Communications, Limited Partnership (Bell Aliant LP), NorthernTel, Limited Partnership (NorthernTel), and Télébec, Limited Partnership (Télébec). Bell Aliant Regional Communications Holdings, Limited Partnership (Bell Aliant Holdings LP) consolidates these underlying partnerships which represent the operations of the Fund.

The results of operations for the year ended December 31, 2006, have been accounted for on a continuity of interest basis and as such include the consolidated accounts of Aliant for the period from January 1, 2006 to July 6, 2006, and of Bell Aliant Holdings LP from July 7, 2006 to December 31, 2006. The comparative information for 2005 is for Aliant. However, in order to assess the operating performance of Bell Aliant Holdings LP had it been in existence since January 1, 2005, certain of our results prior to July 7, 2006, are presented on a pro forma basis to allow for more meaningful year over year comparison and analysis.

The organizational chart shown here depicts the Fund, Bell Aliant Holdings LP and other entities within the Fund group.

## Summary of results

For the period ended December 31 (unaudited) (millions of dollars)	Three Months			Twelve Months		
	2006 <sup>(1)</sup>	2005	% change	2006	2005	% change
Pro forma operating revenues <sup>(2)</sup>	<b>\$852.2</b>	\$835.8	2.0	<b>\$3,356.2</b>	\$3,307.4	1.5
Operating revenues	\$852.2	\$530.1	60.8	\$2,741.3	\$2,081.0	31.7
Pro forma EBITDA <sup>(3)</sup>	<b>\$374.1</b>	\$375.3	(0.3)	<b>\$1,481.4</b>	\$1,475.0	0.4
EBITDA <sup>(3)</sup>	\$374.1	\$223.8	67.2	\$1,182.2	\$878.3	34.6
Pro forma operating income <sup>(4)</sup>	<b>\$195.0</b>	\$195.4	(0.2)	<b>\$765.8</b>	\$760.5	0.7
Operating income <sup>(4)</sup>	\$195.0	\$104.7	86.2	\$584.0	\$392.0	49.0
Distributable cash <sup>(5)</sup>	<b>\$184.0</b>	\$189.0	(2.6)	<b>\$720.1</b>	\$710.7	1.3
Net earnings (loss)	<b>(\$127.0)</b>	\$55.2	n.m.	<b>\$2,902.0</b>	\$199.4	n.m.

<sup>(1)</sup> The three months ended December 31, 2006 represent the actual results of Bell Aliant Holdings LP.

<sup>(2)</sup> The term pro forma operating revenues does not have any standardized meaning prescribed by Canadian generally accepted accounting principles (GAAP). Please refer to the GROWTH - Operating revenues section of this document (page 15) for more details on pro forma operating revenues including a reconciliation to operating revenues.

<sup>(3)</sup> The terms EBITDA (earnings before interest, taxes, depreciation and amortization) and pro forma EBITDA do not have any standardized meaning prescribed by Canadian GAAP. Please refer to the GROWTH - EBITDA section of this document (page 17) for more details on EBITDA and pro forma EBITDA including a reconciliation to non-GAAP operating income.

<sup>(4)</sup> The terms operating income and pro forma operating income do not have any standardized meaning prescribed by Canadian GAAP. Please refer to the GROWTH - Operating income section of this document (page 16) for more details on operating income and pro forma operating income including a reconciliation to operating revenues less expenses.

<sup>(5)</sup> The term distributable cash does not have any standardized meaning prescribed by Canadian GAAP. Please refer to the discussion about distributable cash (page 5) and the UNITHOLDER VALUE - Distributable cash sections of this document (pages 20 and 21) for more details on distributable cash including reconciliations to cash from operating activities and EBITDA. Distributable cash has been calculated on a pro forma basis, reflecting what operations would have generated if Bell Aliant Holdings LP was in existence since January 1, 2005.

n.m. - not meaningful

*Pro forma operating revenues increased by 2.0 per cent in the fourth quarter and 1.5 per cent for the year.*

- Internet and data revenue increased by 5.7 per cent for the quarter and 7.4 per cent for the year, driven by year-over-year growth of 23.9 per cent in high-speed Internet customers.
- Information Technology (IT) services and fulfillment revenues increased by 27.1 per cent for the quarter and 10.3 per cent for the year, driven by new contracts for systems integration, application services and managed outsourcing resulting from our focus on key industry verticals in the enterprise market, as well as expansion of existing contracts.
- Other revenues, including wireless, directory services and telecommunications product sales, increased by 5.5 per cent for the quarter and 6.6 per cent for the year.
- Local and long distance revenues declined by 1.5 and 7.3 per cent for the quarter and by 0.9 and 7.3 per cent for the year, respectively. In 2006, network access services (NAS) customers declined 2.0 per cent and long distance minutes declined 2.1 per cent as a result of competitive pressures and technology substitution.

*Pro forma operating income decreased by 0.2 per cent in the fourth quarter and increased by 0.7 per cent for the year.*

- The slight pro forma decline in operating income for the fourth quarter when compared to the same period in 2005 was largely the result of operating expenses relating to consulting and professional fees, as well as higher provincial capital tax compared to the prior year, and is reflected in the similar pro forma decline in EBITDA of 0.3 per cent.
- For the year ended December 31, 2006, pro forma EBITDA increased by 0.4 per cent and pro forma operating income increased by 0.7 per cent. Advances made in our expense-management and productivity initiatives in 2006 were largely offset by increased costs incurred for consulting and professional fees, provincial capital tax and other expenses related to the Arrangement. Restructuring and other charges of \$13.2 million were included in operating income for 2006, however these costs were offset by a \$16.8 million pro forma decline in depreciation and amortization.

*Distributable cash grew by 1.3 per cent for the year.*

- We generated cash from operating activities of \$277.5 million and distributable cash of \$184.0 million for the three month period ended December 31, 2006.
- On a pro forma basis, we experienced a decline in distributable cash of 2.6 per cent in the fourth quarter of 2006, and an increase of 1.3 per cent for the year ended December 31, 2006, compared to the same periods in 2005. The pro forma decline in distributable cash in the fourth quarter compared the same period in 2005 is mainly due to higher operating expenses, higher pension current service funding and higher capital expenditures, partially offset by lower interest costs. Pension current service funding includes the increasing cost related to a maturing defined benefit (DB) plan membership as well as increasing other post-employment benefits paid. The timing of purchases compared to the prior year resulted in the fourth quarter increase in capital expenditures. The year over year increase in distributable cash is mainly due to higher operating income, lower interest costs and slightly lower capital expenditures, partially offset by higher pension current service funding.
- Distributable cash generated since our inception on July 7, 2006, was \$369.9 million, representing growth of 2.7 per cent compared to pro forma results for the same period in 2005. During this time total distributions declared to unitholders were \$294.8 million, of which \$163.0 million was to Fund unitholders and \$131.8 million was to BCE and Bell Canada through Bell Aliant Holdings LP and Bell Aliant LP.

*Net earnings reflect the impact of the Arrangement.*

- We have not produced a pro forma earnings comparison. Net earnings for the fourth quarter reflect the increased scale of operations since the Arrangement, including higher interest costs due to higher long-term debt balances, in addition to reflecting higher future taxes as a result of the transaction offset by lower current taxes related to our income trust structure. For the year, net earnings also include non-cash gains on disposal and dilution gains totaling \$2.95 billion.
- In the fourth quarter of 2006, through on-going discussions and analysis related to the purchase price allocation for the Arrangement, a \$225.1 million future tax expense and long term future tax liability was recorded related to the gain on the sale of our wireless assets to Bell. This adjustment had no impact on our distributable cash and because of the tax effective way in which we structured the Arrangement this adjustment is not expected to have any impact on distributable cash in the foreseeable future. We continue our analysis to allow for completion of the purchase price allocation and accounting within the allowed 12 months period from closing of the acquisition. Our current accounting for the purchase price allocation is based on preliminary valuations and is subject to adjustment as additional information is obtained. When finalized, further adjustments to goodwill and future income tax assets or liabilities associated with the assets acquired and liabilities assumed may result.

## **Business update**

### *Highlights of strategic achievements*

The year 2006 saw several significant events in both our business and the broader Canadian telecommunications industry. On July 7, 2006, we completed the Arrangement creating one of the largest regionally-focused telecommunications service providers in North America. On October 31, 2006, the federal Minister of Finance announced the elimination of favourable tax treatment for most income trusts. The proposed rules, if enacted, will be effective in fiscal 2011, and will result in us being taxed similar to a corporation. As the proposed change will not directly impact us until fiscal 2011, we are continuing to operate as usual and will take the necessary time to plan for the upcoming change. Our rationale for completing the Arrangement, detailed in the Circular, remains intact. As discussed in the “Competitive landscape” and “Regulatory developments” sections, during 2006, local competition from cable companies was expanded into additional markets in our territory and significant regulatory decisions rendered during the year also helped shape our business environment.

Notwithstanding the creation of the Fund and the significant industry events that took place in 2006, we remained focused on our priorities to build on what we do well; provide valued products and service to our customers in a cost-effective manner. We were successful in achieving many targeted initiatives as follows.

Priority	Achievement
<p>Evolve key broadband attributes to improve user experience and drive profitable revenue growth</p>	<ul style="list-style-type: none"> <li>• We launched Sympatico High-Speed Unplugged, a portable Internet solution in many of our larger centres.</li> <li>• We launched Aliant satellite high-speed Internet service in Atlantic Canada, providing a high-speed solution to all Atlantic Canadians.</li> <li>• Our PC Purchase programs saw continued success throughout the year, with the launch of our program in Ontario and Quebec and into the small-to-medium business (SMB) market. The majority of PC purchases continue to be by new high-speed Internet customers.</li> <li>• New security service promotions contributed to a substantial increase in our value-added service revenues.</li> <li>• Security and advanced services were also key elements in delivering more value to our business customers, as we experienced tremendous growth in subscriptions for anti-virus, PC back-up, fax-to-email, and shared web hosting. Hosted mail exchange and virtual private network services continued to meet specific customer needs for advanced electronic office functionality and secure remote network access.</li> <li>• Other new Internet product introductions in the SMB market included an entry level fibre-based dedicated service, a new shared web hosting product suite, dial accelerator upgrades, and e-mail reliability enhancements.</li> </ul>
<p>Simplify and enhance the customer experience</p>	<ul style="list-style-type: none"> <li>• We continued to increase the penetration of our Value Packages, supporting our Internet growth and driving total household revenue.</li> <li>• We expanded self-serve opportunities for our residential customers by offering on-line management of landline accounts.</li> <li>• We re-designed our contact centres with leading-edge infrastructure and technology. Our customers now benefit from a new interactive voice response (IVR) system with consistent menu options, wording and voice, as well as fewer call transfers.</li> <li>• We launched a new bill for our residential customers, with features that make it easier to find product descriptions and charge details.</li> </ul>
<p>Renew our focus on enterprise customers, continue to pursue our ICT strategy and expand our presence in key industry verticals</p>	<ul style="list-style-type: none"> <li>• We completed the development of a new platform for orders and troubleshooting for our enterprise customers, enhancing our ability to serve customers effectively and efficiently.</li> <li>• We launched our innovative Internet protocol (IP)-based hosted contact centre solution. The solution is a network-hosted environment that delivers voice over Internet protocol (VoIP) with full contact centre functionality.</li> <li>• We focused throughout 2006 on implementation of plans for the IP evolution of data connectivity services, completing the launch of Aliant IP virtual private network (VPN), expanding our IP enabling services, and continuing to help our customers migrate to VoIP services where it presents them with business benefits.</li> <li>• Our continued investment in vertical and industry solutions and our strong partnership between sales and operations led to double digit IT revenue growth for 2006.</li> <li>• Our strategy of providing complete information and communications technology (ICT) solutions yielded positive results, particularly in Atlantic Canada, where existing telecommunications customers who also utilized our IT services increased by 15 per cent year over year.</li> <li>• We made significant advancements in the healthcare vertical, and received industry recognition as “Company of the Year” by Canadian Health Informatics. New healthcare contracts during 2006 include the Newfoundland and Labrador Prescription Drug Program, the Cancer Care Ontario Client Registry and Community Care Access Centres, also in Ontario.</li> <li>• Our industry solutions strategy is also driving our growth in the US marketplace of 15 per cent year over year, reflecting significant contracts with the State of Maine Department of Health and Human Services and Virginia Department of Corrections.</li> <li>• Our customer satisfaction results from enterprise customers continue to be strong, particularly when asked about quality of people, service delivery and value for money.</li> </ul>

<p>Implement productivity and cost structure improvements</p>	<ul style="list-style-type: none"> <li>• In our contact centres, we achieved a 5.3 per cent productivity improvement in our overall operations through a number of focused efforts, including implementing new technology to improve the capabilities of our customer service representatives and completing the installation of an IP enabled operating environment, facilitating easier call sharing across the Atlantic region.</li> <li>• In our field operations, we achieved a 4.4 per cent productivity improvement in our overall operations due to several initiatives. We implemented records accuracy and plant improvement programs to reduce repair calls and the need to dispatch technicians, we began migrating customers to a common facilities management system, and we focused on digital subscriber line process improvements which improve high-speed provisioning costs.</li> <li>• We reduced bill print and postage costs in Atlantic Canada by approximately 7.0 per cent, mainly through increased electronic billing.</li> <li>• We reduced leased office space in Atlantic Canada by approximately 10.0 per cent through consolidation of locations and sub-lease efforts.</li> <li>• Through rigorous sourcing and third party supplier negotiations, we achieved savings of approximately \$6.5 million in network and IT maintenance costs.</li> <li>• Working closely with Bell, we delivered approximately \$3.0 million in productivity savings in Internet transitioning services and we began to realize synergies in our corporate and administrative structure arising from the Arrangement.</li> </ul>
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#### *Distributable cash*

Since the operations of Bell Aliant Holdings LP ultimately support distributions to unitholders of the Fund, one of the primary metrics of our financial performance is distributable cash generated in a period. We define distributable cash as EBITDA less (i) cash payments for pension current service costs and other employee benefit plans to the extent not already deducted in determining EBITDA; (ii) interest expense; (iii) capital expenditures; (iv) other cash costs that may be incurred to the extent not deducted in determining EBITDA; (v) a normalized level of cash taxes that reflects a level of capital taxes that will be achieved once announced provincial tax rate reductions come into effect in future years; (vi) expenses incurred by the Fund as these are not included in the EBITDA of Bell Aliant Holdings LP; and (vii) the portion of our consolidated distributable cash that is generated for the benefit of the non-controlling (minority) interest in our controlled subsidiaries. Certain other items may be added to EBITDA to determine distributable cash for a period: (i) the total cash taxes that have been deducted in determining EBITDA since we only deduct a normalized amount, as described above, in determining distributable cash; (ii) other cash income, such as interest income; (iii) adjustments for certain one-time or other normalizing items; and (iv) the distributable cash generated by discontinued operations. Refer to page 20 for this reconciliation of pro forma EBITDA to distributable cash for the past eight quarters. All of these adjustments to determine distributable cash can be found in our financial statements or records with the exception of the normalization for cash taxes. This adjustment is a calculation where some management judgement is exercised in estimating the level of capital taxes that we will pay when future tax rate changes come into effect.

We use distributable cash, among other measures, to assess the financial performance of our ongoing business. It should not be seen as a measure of liquidity or as a substitute for comparable metrics prepared in accordance with Canadian GAAP. Distributable cash should not be confused with cash from operating activities which is the most comparable Canadian GAAP financial measure. Refer to pages 20 and 21 for a reconciliation to cash from operating activities. The following table expands upon this analysis for the three and six month periods ending December 31, 2006 and provides additional information on the sources of distributable cash; either from cash from operations or by utilizing cash reserves or borrowing, and net of cash used to make investments in our business.

For the period ended December 31 (unaudited) (millions of dollars)	Three months distributable cash from:				Six months distributable cash from:			
	Operations	Cash	Investments	Total	Operations	Cash	Investments	Total
		reserves or borrowing				reserves or borrowing		
Cash from operating activities	\$277.5	-	-	\$277.5	\$395.3	-	-	\$395.3
<b>Add (deduct):</b>								
EBITDA <sup>(3)</sup> adjustments for July 1 - 7	-	-	-	-	11.1	-	-	11.1
Operating items funded through cash reserves or borrowing:								
Debt prepayment premiums	-	-	-	-	147.8	-	-	147.8
Change in operating assets and liabilities (working capital)	-	14.2	-	14.2	-	44.5	-	44.5
Pension deficit funding	-	15.3	-	15.3	-	29.3	-	29.3
Restructuring and other charges	-	0.2	-	0.2	-	4.0	-	4.0
Cash taxes in excess of normalized levels	-	3.5	-	3.5	-	6.5	-	6.5
Current income tax expense	18.8	-	-	18.8	17.0	-	-	17.0
Capital expenditure and interest adjustments for July 1 - 7	-	-	-	-	0.4	-	(2.3)	(1.9)
Capital expenditures	-	-	(131.1)	(131.1)	-	-	(259.7)	(259.7)
Non-cash items in other income	(2.0)	-	-	(2.0)	(2.0)	-	-	(2.0)
Fund expenses	(1.0)	-	-	(1.0)	(1.0)	-	-	(1.0)
Non-controlling interest in distributable cash	(16.0)	-	4.6	(11.4)	(30.1)	-	9.1	(21.0)
<b>Distributable Cash<sup>(5)</sup></b>	<b>\$277.3</b>	<b>\$33.2</b>	<b>(\$126.5)</b>	<b>\$184.0</b>	<b>\$538.5</b>	<b>\$84.3</b>	<b>(\$252.9)</b>	<b>\$369.9</b>

We generated distributable cash of \$184.0 million in the fourth quarter of 2006, a decline of 2.6 per cent from the pro forma amount for the same period in 2005. For the last six months of 2006, effectively the period since creation of Bell Aliant Holdings LP, distributable cash of \$369.9 million grew by 2.7 per cent from the pro forma amount in 2005. During this six month period, the level of capital expenditures was consistent with that of the same period in the prior year; however the difference in timing of capital spending for the third and fourth quarters, compared to the same quarters in the prior year, caused the difference in the quarterly trends. Pro forma EBITDA has been very stable on a year-over-year basis, while higher DB current service pension costs from a maturing employee base reduced distributable cash. These higher cash pension costs have been more than offset by lower interest expense on long-term debt as our assumed interest rate of 5.5 per cent for the 2005 pro forma estimates was higher than our actual cost of funds incurred after the Arrangement. The resulting 2.7 per cent growth in distributable cash for the last six months, on a pro forma basis, is in line with our expectations for the ongoing business.

The distributable cash attributable to operations, net of investing activities, was stable and consistent with expectations in the third and fourth quarters of 2006. Capital expenditures represent approximately 15 to 16 per cent of operating revenues. We are making investments to both maintain our network assets and evolve to the next generation of IP network capabilities to accommodate delivery of new services necessary to support sustainability of our revenues.

It is our expectation that distributable cash generated by ongoing operations, net of normal capital expenditures, will be sufficient to maintain and grow our cash distributions to the Fund and its unitholders. Since it is our intention to indirectly distribute to Fund unitholders approximately 90 per cent of distributable cash, there will be 10 per cent of distributable cash that will be available to fund other cash requirements, such as funding pension deficits, repaying long-term debt, or making small acquisitions. In any single period, due to such items as working capital fluctuations, pension deficit funding and cash taxes in excess of normalized levels, actual cash flow may differ from what we have determined to be distributable cash. These fluctuations in cash flow may also be funded through this 10 per cent cash reserve or through temporary borrowing. It is not our intention to borrow to fund regular distributions.

In converting to an income trust, we believed that increased leverage (compared to that of Aliant) through the use of long-term debt financing would add to the overall value for Fund unitholders as it would allow distributable cash per unit to be increased. We continue to believe that long-term debt in the range of two times (2x) EBITDA is appropriate given our anticipated cash flow stability and our desire to maintain investment grade credit ratings. Our use of a portion of our cash reserves and, if necessary, borrowing to fund working capital fluctuations, pension deficits and cash taxes in excess of normalized levels is consistent with these overall leverage targets.

### *Competitive landscape*

We face a number of different competitors in each of our operating segments and across the geographies we serve. These competitors include cable TV providers, local exchange carriers, long distance carriers, competitive data network providers, equipment manufacturers and retailers, and systems integrators. Competition from cable TV providers continues to be our fastest growing and most pervasive form of competition, particularly in our residential segment. We compete with cable providers across our product lines for local and access service, long distance, Internet, and TV services. Competition from cable companies is one of the largest risks we face in our business today. In 2006, competitors launched new local service areas in New Brunswick and Quebec and launched or expanded local service areas in Nova Scotia and Ontario, and we expect continued growth in the competitive footprint throughout 2007. As competition increases, we are focused on the successful execution of our strategic priorities. We continue to enhance our products and services, promoting our Value Packages and innovating with customers to provide complete solutions, and we continue to invest in our communities and support activities that our important to our employees and customers.

### *Regulatory developments*

Our telecommunications business is affected by decisions made by the Canadian Radio-television and Telecommunications Commission (CRTC or the Commission) and the federal government. Many of these decisions could have a financial impact on our results.

In the first nine months of 2006 several key regulatory decisions were made, some of which were subsequently clarified in the fourth quarter of 2006. Highlights of decisions made in 2006 include:

- April 6 – Our application for forbearance from price regulation of local residential services in certain areas of Nova Scotia and Prince Edward Island was denied.
- May 16 – The Commission determined that only 50 per cent of the effect of the 2004 work stoppage in the Atlantic region could be excluded from the Quality of Service customer rebate plan.
- September 1 – The Commission reaffirmed VoIP as a telephone service, declining to deregulate.
- November 9 – The Commission initiated a proceeding to consider redefining “essential services” and to review the classifications and pricing principles for essential and non-essential services provided by incumbent local exchange carriers, competitive local exchange carriers and cable companies to other competitors at regulated rates.
- November 15 – The federal government ordered the Commission to start deregulating access-independent VoIP services offered by incumbent service providers.
- November 23 – The CRTC rendered a decision allowing rate ranges for local exchange and related services.
- December 11 – The federal Minister of Industry announced a government proposal to change the CRTC's local forbearance decision issued earlier in the year. This proposal would greatly simplify and positively alter the criteria for local forbearance in competitive markets. It would also remove several restrictions on win back and promotional activities.
- December 18 – The federal government's new policy direction for the CRTC came into force. This policy direction requires the Commission to take a more market-oriented approach to regulation of the telecom industry.

Collectively, these recent orders and proposed changes should eventually serve to lessen the regulatory burden and are expected to improve our promotional flexibility and ability to compete effectively.

## **SEGMENT REVIEW**

We operate in three reportable segments:

### *Bell Aliant*

Our largest operating segment provides a wide range of innovative and traditional voice and data communications services and an array of consulting, infrastructure management and product fulfillment services to customers in the Atlantic provinces and parts of Ontario and Quebec. Communications services we provide include local telephone, long distance, data and Internet, TV, and other products and services. In addition, we provide IT services such as systems integration, application development, local and wide area network installations and management, data centre operations, computer hardware, package software and IT planning services.

## Bell Nordiq Group

The Bell Nordiq Group segment provides local telephone, long distance, wireless, data and Internet, TV and other services to residential and business customers in certain areas of Quebec and Ontario, and represents the operations of Télébec and NorthernTel.

## Other Subsidiaries

The Other Subsidiaries operating segment provides complementary services and includes the results of operations of the following businesses:

- Aliant Directory Services (formerly Aliant ActiMedia), which produces and distributes telephone directories in the Atlantic region;
- Atlantic Mobility Products (AMP), a wholesale distributor of wireless handsets, accessories and other telecommunications products; and
- Innovatia Inc. (Innovatia), a knowledge management business that provides services in e-learning, technical documentation and tele-web sales and service.

## Bell Aliant segment

For the period ended December 31 (unaudited) (millions of dollars)	Three Months						Twelve Months					
	Pro forma		%	Pro forma		%	Pro forma		%	Pro forma		%
	2006 <sup>(1)</sup>	2005	change	2006	2005	change	2006	2005	change	2006	2005	change
Local and access	\$324.3	\$328.0	(1.1)	\$324.3	\$150.2	115.9	\$1,299.1	\$1,311.0	(0.9)	\$933.9	\$602.9	54.9
Long distance	109.0	117.3	(7.1)	109.0	58.5	86.3	452.6	488.9	(7.4)	332.3	238.0	39.6
Data	152.6	145.2	5.1	152.6	83.9	81.9	592.6	552.8	7.2	468.5	320.3	46.3
IT services and fulfillment	72.6	57.1	27.1	72.6	56.5	28.5	279.1	253.0	10.3	278.7	250.6	11.2
Wireless	-	-	-	-	112.7	n.m.	-	-	-	240.4	428.0	(43.8)
Other revenues	56.2	53.3	5.4	56.2	26.1	115.3	196.7	189.1	4.0	137.3	81.4	68.7
Operating revenues	\$714.7	\$700.9	2.0	\$714.7	\$487.9	46.5	\$2,820.1	\$2,794.8	0.9	\$2,391.1	\$1,921.2	24.5
Operating expenses	400.3	380.9	5.1	400.3	273.4	46.4	1,565.0	1,535.3	1.9	1,342.5	1,080.8	24.2
EBITDA <sup>(3)</sup>	\$314.4	\$320.0	(1.7)	\$314.4	\$214.5	46.6	\$1,255.1	\$1,259.5	(0.3)	\$1,048.6	\$840.4	24.8
Net benefit plans cost	23.1	25.6	(9.8)	23.1	23.5	(1.7)	98.8	103.2	(4.3)	93.5	95.1	(1.7)
Depreciation & amortization	130.6	137.1	(4.7)	130.6	93.6	39.5	526.1	549.3	(4.2)	445.5	384.0	16.0
Restructuring and other charges	0.4	-	n.m.	0.4	-	n.m.	13.1	(3.5)	n.m.	13.1	-	n.m.
Operating income <sup>(4)</sup>	\$160.3	\$157.3	1.9	\$160.3	\$97.4	64.6	\$617.1	\$610.5	1.1	\$496.5	\$361.3	37.4

n.m. - not meaningful

## Operating revenues

### Local and access

Local and access operating revenues declined 1.1 per cent in the fourth quarter of 2006 compared to pro forma revenues for the same period in 2005, and pro forma revenues declined 0.9 per cent for the year ended December 31, 2006, compared to the prior year. Revenue growth has been affected by higher NAS customer losses directly related to the opening of new local service areas by competitors.

The majority of our local and access revenue is earned through the provision of NAS. NAS revenues for the fourth quarter of 2006 declined 1.0 per cent compared to pro forma NAS revenues for the fourth quarter of 2005 and pro forma NAS revenues declined 0.9 per cent for 2006 compared to the prior year. In the fourth quarter, our residential NAS customers declined 2.8 per cent over the same period in 2005, reflecting competitive losses caused by expansion in the local competitive footprint across our region. In addition, the reduction of second lines as dial Internet customers migrate to high-speed and the reduction in primary lines as customers adopt wireless and VoIP technologies continue to contribute to NAS erosion. Our business NAS customers for the fourth quarter of 2006 were 0.4 per cent lower than in 2005. Competitive losses, customer migration from hosted voice services to

customer-owned phone systems, and losses to emerging VoIP services contributed to the decline in customers. Price increases helped to mitigate some of the overall NAS revenue decline.

Revenue from sources other than NAS decreased 1.5 per cent compared to pro forma amounts for the fourth quarter of 2005, relatively consistent with the pro forma 1.2 per cent year over year decline. Competitor access payments decreased 1.8 per cent in 2006, with the decline for the year largely due to CRTC mandated rate reductions. Enhanced service features revenue decreased 1.0 per cent for the year, reflecting a lower number of NAS customers, but partially offset by our customers increasingly adding features within bundled packages.

#### *Long distance*

Our long distance customer base remains strong in the face of increasing competition and price pressures. Overall, our 2006 long distance revenues experienced a declining trend, however continued strong customer loyalty and market share retention helped to sustain our performance. Customer loyalty for long distance services is often distinct from the trend in NAS customer losses as there has been competition in long distance services for many years. Quite often when we lose a NAS customer we have not been the long distance provider for some time.

Long distance revenues for the fourth quarter of 2006 declined by 7.1 per cent compared to pro forma long distance revenues for the fourth quarter of 2005, and the pro forma decline for the year ended December 31, 2006, was 7.4 per cent. Long distance substitution due to cellular calling, dial-around services and IP based services contributed to decreased revenues, however our continued focus on customer retention, the implementation of selective price increases, and strong customer acquisition programs helped to mitigate the declines. Long distance minutes declined by 4.6 per cent in the fourth quarter and 2.4 per cent for the year ended December 31, 2006. Increasing customer adoption of our Value Packages contributes to a higher minute usage and lower average revenue per minute, but higher overall revenue per customer.

#### *Data*

Data revenue for the fourth quarter of 2006 grew by 5.1 per cent over pro forma data revenue for the same period in 2005, and pro forma data revenue grew by 7.2 per cent for the year compared to 2005. The growth was led by a 25.8 per cent increase in high-speed Internet revenue in the fourth quarter and a 31.4 per cent increase for the year. Internet revenue growth was driven by an increase in high-speed customers, lower use of promotional pricing in the residential Internet segment and increased adoption of enhanced services. Our high-speed customer base grew by 23.1 per cent over the fourth quarter of 2005, largely due to competitive marketing offers such as our PC Purchase programs, proactive management of dial migration, expansion of our service area and success in marketing our small and home-based business Internet service.

Our residential high-speed average revenue per customer (ARPC) for the fourth quarter of 2006 was \$35.58, a 4.6 per cent increase over the fourth quarter of 2005 and was \$35.24 for the year, up 5.0 per cent. ARPC has benefited from a move away from promotional pricing and increased penetration of ultra high-speed and value-added services.

#### *IT services and fulfillment revenue*

On a pro forma basis, IT services and fulfillment revenue increased by 27.1 per cent in the fourth quarter of 2006 and 10.3 per cent for the year, compared to the same periods in 2005. In the fourth quarter of 2006, approximately \$7 million (or \$12 million for the year) is due to sizeable new contracts for systems integration, application services and managed outsourcing, as well as expansion of existing contracts resulting from our focus on key industry verticals in the enterprise market. In the fourth quarter of 2006, we entered into a seven-year contract representing our first comprehensive ICT outsource opportunity inclusive of VoIP. The remainder of the growth relates to higher product sales revenue which can be attributed to maximizing key partnerships and related incentive programs.

#### *Other revenues*

On a pro forma basis, other revenues increased by 5.4 per cent in the fourth quarter and 4.0 per cent for the year. Growth in the fourth quarter was higher than usual due to emerging services settlement revenues collected during the quarter.

#### *Operating income*

Operating expenses increased by 5.1 per cent in the fourth quarter of 2006 compared to pro forma operating expenses for the same period in the prior year, mainly due to higher consulting and professional fees and higher provincial capital tax compared to the prior year. Higher operating expenses led to lower EBITDA compared to pro forma EBITDA for the fourth quarter of 2005, however slightly lower pension costs and a decrease in depreciation and amortization expense resulting from the change in estimated useful lives of certain capital investments more than offset the increased operating costs, resulting in a 1.9 per cent increase in operating income for the quarter.

For the year, pro forma operating expenses increased approximately in line with revenues leading to a relatively flat pro forma EBITDA compared to 2005, however lower pension costs and depreciation and amortization, as explained above, contributed to a 1.1 per cent increase in pro forma operating income for the segment. Higher operating expenses were incurred mainly as a result of the Arrangement and included increased provincial capital tax and increased IT expenses year over year.

## Bell Nordiq Group segment

For the period ended December 31 (unaudited) <i>(millions of dollars)</i>	Three Months						Twelve Months					
	Pro forma		%	Pro forma		%	Pro forma		%	Pro forma		%
	2006 <sup>(1)</sup>	2005	change	2006	2005	change	2006	2005	change	2006	2005	change
Operating revenues	\$96.5	\$94.4	2.2	\$96.5	-	n.m.	\$373.7	\$359.5	3.9	\$184.3	-	n.m.
Operating expenses	49.5	48.4	2.3	49.5	-	n.m.	190.6	181.9	4.8	93.9	-	n.m.
EBITDA <sup>(3)</sup>	\$47.0	\$46.0	2.2	\$47.0	-	n.m.	\$183.1	\$177.6	3.1	\$90.4	-	n.m.
Net benefit plans cost	2.8	1.8	55.6	2.8	-	n.m.	11.8	7.2	63.9	6.2	-	n.m.
Depreciation & amortization	19.3	13.4	44.0	19.3	-	n.m.	56.9	51.1	11.4	31.0	-	n.m.
Restructuring and other charges	(0.2)	-	n.m.	(0.2)	-	n.m.	-	-	-	-	-	n.m.
Operating income <sup>(4)</sup>	\$25.1	\$30.8	(18.5)	\$25.1	-	n.m.	\$114.4	\$119.3	(4.1)	\$53.2	-	n.m.

n.m. - not meaningful

Operating revenues increased by 2.2 per cent in the fourth quarter of 2006 compared to pro forma operating revenues for the same period in 2005. Revenue growth was driven by a 13.0 per cent increase in data and cable revenues, stimulated by a 35.0 per cent increase in high-speed Internet subscribers. Information services / information technology (ISIT), terminal, directory and other revenues increased by 23.5 per cent, mainly driven by a strong demand for a PC bundle offering. Wireless revenues grew by 8.3 per cent, fueled by a 28.2 per cent increase in subscribers compared to the same period last year. Local and access revenues decreased by 4.7 per cent, largely due to lower CRTC subsidy revenues. Total NAS declined by 1.5 per cent compared to the same period last year due to competitive losses and technology substitution.

For the year, pro forma operating revenues increased 3.9 per cent over 2005, driven by an 11.7 per cent increase in data and cable revenues, reflecting strong customer growth, and a 26.8 per cent increase in ISIT, terminal, directory and other revenues, mainly driven by the acquisition of Proximédia in September 2005. Strong subscriber growth also led to approximately a 14.0 per cent increase in wireless revenues, after excluding the third quarter recognition of \$2.2 million in settlement revenues relating to prior periods. Local and access revenues decreased by 1.0 per cent, somewhat consistent with NAS losses of 1.5 per cent, and long distance revenues declined by 8.0 per cent due to continued pricing pressures.

Operating income declined by 18.5 per cent in the fourth quarter of 2006 compared to pro forma operating income for the same period in 2005 and pro forma operating income declined by 4.1 per cent for the year 2006. EBITDA for the fourth quarter of 2006 and pro forma EBITDA for the year 2006 increased by 2.2 per cent and 3.1 per cent, respectively, compared to pro forma EBITDA for the same periods in 2005, mainly due to strong revenue growth. However, net benefit plans cost increased in 2006 due to expenses related to an early retirement incentive program and depreciation and amortization was higher in 2006 due to fair market value adjustments that resulted from the purchase price allocation arising from the Arrangement.

## Other Subsidiaries segment

For the period ended December 31 (unaudited) (millions of dollars)	Three Months			Twelve Months		
	2006 <sup>(1)</sup>	2005	% change	2006	2005	% change
Atlantic Mobility Products	\$ 23.7	\$ 23.5	0.9	\$ 89.7	\$ 83.5	7.4
Aliant Directory Services	15.0	13.5	11.1	56.3	52.3	7.6
Innovatia	6.7	6.2	8.1	27.9	26.3	6.1
Operating expenses	\$ 45.4	\$ 43.2	5.1	\$ 173.9	\$ 162.1	7.3
EBITDA <sup>(3)</sup>	\$ 32.3	33.9	(4.7)	130.3	124.2	4.9
Net benefit plans cost	\$ 13.1	\$ 9.3	40.9	\$ 43.6	\$ 37.9	15.0
Depreciation & amortization	1.1	0.3	266.7	1.4	0.4	250.0
Restructuring and other charges	2.0	1.7	17.6	7.4	6.8	8.8
Operating income <sup>(4)</sup>	-	-	-	0.1	-	n.m.
	\$ 10.0	\$ 7.3	37.0	\$ 34.7	\$ 30.7	13.0

n.m. - not meaningful

Revenues increased by 5.1 per cent in the fourth quarter of 2006 compared to the same period in 2005, and by 7.3 per cent for 2006 compared to the prior year. The growth in the quarter is attributed primarily to higher directory revenues generated by Aliant Directory Services. Also adding to revenue growth were higher revenues generated by AMP from cellular and accessory set sales, which reflect increased cellular customer growth in Atlantic Canada. Innovatia experienced revenue growth from the expansion of a major client and from new sources of revenue.

Operating income increased by 37.0 per cent in the fourth quarter of 2006, compared to the same period in the prior year. Operating margins in the fourth quarter were higher than margins for the year due to a different revenue mix, as Aliant Directory Services typically generates higher operating margins than AMP.

## FINANCIAL AND CAPITAL MANAGEMENT

### Summary of cash flows

For the period ended December 31 (unaudited) (millions of dollars)	Three Months			Twelve Months		
	2006	2005	% change	2006	2005	% change
<b>Cash from (used in):</b>						
Operating activities	\$277.5	\$86.7	220.1	\$614.7	\$524.3	17.2
Financing activities	(308.1)	(182.8)	68.5	1,041.2	(287.9)	n.m.
Investing activities	(129.4)	(79.4)	63.0	(1,711.6)	(364.8)	n.m.
<b>Net use of cash</b>	<b>(\$160.0)</b>	<b>(\$175.5)</b>	<b>(8.8)</b>	<b>(\$55.7)</b>	<b>(\$128.4)</b>	<b>(56.6)</b>

n.m. - not meaningful

Note that the table above presents actual cash flows, with no pro forma adjustments

We used net cash of \$160.0 million during the fourth quarter of 2006, an 8.8 per cent decrease from the cash used in the fourth quarter of 2005.

Cash generated from operating activities was significantly greater than the prior year due mainly to higher net earnings from our larger operations resulting from the Arrangement. In addition, we funded a lower amount into our pension plans in 2006 compared to 2005.

For the period ended December 31 (unaudited) (millions of dollars)	Three Months			Twelve Months		
	2006	2005	% change	2006	2005	% change
Defined benefit plan:						
Current service contributions	\$13.8	\$18.2	(24.2)	\$46.3	\$39.6	16.9
Special payments	15.3	32.6	(53.1)	58.8	85.1	(30.9)
Other voluntary contributions	-	-	-	-	42.6	n.m.
OPEB plan contributions	1.6	1.3	23.1	6.4	5.3	20.8
Defined contribution plan contributions	1.6	1.3	23.1	6.5	7.3	(11.0)
<b>Total pension funding</b>	<b>\$32.3</b>	<b>\$53.4</b>	<b>(39.5)</b>	<b>\$118.0</b>	<b>\$179.9</b>	<b>(34.4)</b>

n.m. - not meaningful

Note that the table above presents actual contributions, with no pro forma adjustments

fourth quarter of 2006 compared to the prior year. Included in financing activities for the fourth quarter of 2006 is a \$150.0 million repayment of commercial paper and cash distributions paid by us and Bell Aliant LP to our partners of \$154.3 million. Although Aliant repaid a similar amount of debt in the fourth quarter of 2005, Aliant's dividend for the fourth quarter of 2005 was paid in early 2006.

Cash flows from investing activities for the fourth quarter of 2006, compared to the same period in 2005, reflect naturally higher capital expenditures as a result of the larger business that exists since the Arrangement.

During 2006, in connection with the Arrangement, we refinanced virtually all of Aliant's long-term debt, put in place new credit facilities and issued new long-term debt under those credit facilities. For the year 2006, our cash flows from financing and investing activities included \$1.25 billion in long-term debt issuances, \$910.0 million in long-term debt and preferred share redemptions, \$147.8 million in debt prepayment premiums, a net draw of \$1.235 billion from our demand credit facility, and \$1.256 billion in cash paid to Bell Canada, all of which were discussed in our unaudited consolidated financial statements and management's discussion and analysis for the period ended September 30, 2006.

## SUPPLEMENTARY INFORMATION (unaudited)

### Basis of preparation

The Supplementary Information contained herein represents the operating activity of Bell Aliant Holdings LP. Where applicable and where indicated, the prior year's financial measures related to Operating revenues, Operating income, and EBITDA, as well as certain statistical information have been restated, and are labeled 'Pro forma', to provide comparative information assuming Bell Aliant Holdings LP had been in operation in the prior year. In presenting pro forma results, management has made certain estimates and assumptions. Readers are cautioned that this pro forma presentation of prior results is unaudited and is not reflective of results presented in accordance with Canadian GAAP.

Certain amounts presented in this Supplementary Information are rounded. Accordingly, the columns and rows may not add to the totals presented.

Total funding of our DB pension plans for the fourth quarter of 2006 was \$29.1 million, compared to \$50.8 million in total funding made to Aliant's DB plans in the fourth quarter of 2005. Higher 2005 funding reflects a "catch-up" in required contributions determined by actuarial results received in the fourth quarter of 2005.

For the year 2006, total DB funding was \$105.1 million, while in 2005 Aliant's total DB funding was \$167.3 million. The 2005 contributions included higher required special payments as well as additional voluntary contributions that were made by Aliant in early 2005.

The fourth quarter and year over year increases in other post-employment benefit (OPEB) funding are mainly a result of more retired beneficiaries and increasing costs of benefits provided under legacy plans.

Cash used in financing activities increased by 68.5 per cent in the

## HIGHLIGHTS

### Earnings, cash flow and distributable cash

(Millions of dollars)

#### BELL ALIANT HOLDINGS LP

##### Earnings

	Twelve Months Ended December 31			Three Months Ended December 31		
	2006	2005	% Change	2006 <sup>(1)</sup>	2005	% Change
Operating revenues	\$2,741.3	\$2,081.0	31.7%	\$852.2	\$530.1	60.8%
Pro forma operating revenues <sup>(2)</sup>	\$3,356.2	\$3,307.4	1.5%	\$852.2	\$835.8	2.0%
EBITDA <sup>(3)</sup>	\$1,182.2	\$878.3	34.6%	\$374.1	\$223.8	67.2%
Pro forma EBITDA <sup>(3)</sup>	\$1,481.4	\$1,475.0	0.4%	\$374.1	\$375.3	(0.3%)
Operating income <sup>(4)</sup>	\$584.0	\$392.0	49.0%	\$195.0	\$104.7	86.2%
Pro forma operating income <sup>(4)</sup>	\$765.8	\$760.5	0.7%	\$195.0	\$195.4	(0.2%)
Net earnings (loss)	\$2,902.0	\$199.4	n.m.	(\$127.0)	\$55.2	n.m.
Earnings per Bell Aliant Holdings LP unit / Aliant common share	\$20.87	\$1.46	n.m.	(\$0.83)	\$0.41	n.m.

##### Cash flow

Cash from operating activities	\$614.7	\$524.3	17.2%	\$277.5	\$86.7	220.1%
Net proceeds (repayments) of long-term debt	\$1,675.9	(\$2.2)	n.m.	(\$5.3)	(\$151.4)	(96.5%)
Capital expenditures	\$445.0	\$363.2	22.5%	\$131.1	\$78.0	68.1%
Pro forma capital expenditures <sup>(6)</sup>	\$517.5	\$524.6	(1.4%)	\$131.1	\$129.7	1.1%

##### Distributable cash

Distributable cash <sup>(5)</sup>	\$369.9	-	n.m.	\$184.0	-	n.m.
Distributions declared	\$294.8	-	n.m.	\$153.8	-	n.m.
Dividends declared (common and preferred)	\$83.8	\$162.7	(48.5%)	-	\$39.9	n.m.

#### INCOME FUND

##### Net earnings

Net earnings	\$163.1	-	n.m.	\$84.5	-	n.m.
Distributions declared	\$163.0	-	n.m.	\$85.1	-	n.m.

<sup>(6)</sup> Capital expenditures excludes non-cash purchases of capital expenditures as presented in the consolidated statements of cash flows. The term Pro forma capital expenditures does not have any standardized meaning prescribed by Canadian GAAP. Refer to page 23 for a description and reconciliation to the most comparable GAAP measure.

n.m. - not meaningful



## GROWTH Operating Revenues

(Millions of dollars, except as otherwise indicated)

### Operating revenues

	2006				
	Total	Q4 <sup>(1)</sup>	Q3	Q2	Q1
Operating revenues, as reported	\$2,741.3	\$852.2	\$817.6	\$530.4	\$541.1
Aliant Wireless Operations and DownEast Ltd.	(194.3)	-	(7.4)	(95.9)	(91.0)
Bell Canada Regional Wireline Operation	623.4	-	22.8	304.1	296.5
Bell Nordiq Group Inc.	189.3	-	7.0	92.0	90.3
Intercompany eliminations	(3.5)	-	(0.1)	(1.8)	(1.6)
<b>Pro forma operating revenues <sup>(7)</sup></b>	<b>\$3,356.2</b>	<b>\$852.2</b>	<b>\$839.9</b>	<b>\$828.8</b>	<b>\$835.3</b>

### Pro forma operating revenues <sup>(7)</sup> by segment

	Total	Q4	Q3	Q2	Q1
Bell Aliant	\$2,820.1	\$714.7	\$703.5	\$693.9	\$708.0
Bell Nordiq Group	373.7	96.5	94.9	92.0	90.3
Other subsidiaries and intercompany eliminations	162.4	41.0	41.5	42.9	37.0
<b>Pro forma operating revenues <sup>(7)</sup></b>	<b>\$3,356.2</b>	<b>\$852.2</b>	<b>\$839.9</b>	<b>\$828.8</b>	<b>\$835.3</b>

### Current year quarter over same prior year quarter growth (%)

	Q4	Q3	Q2	Q1
Bell Aliant	2.0%	1.4%	0.2%	0.1%
Bell Nordiq Group	2.2%	2.7%	2.2%	9.2%
Consolidated	2.0%	1.8%	1.2%	1.0%

### Year-to-date growth (%)

	Q4	Q3	Q2	Q1
Bell Aliant	0.9%	0.5%	0.1%	0.1%
Bell Nordiq Group	3.9%	4.6%	5.6%	9.2%
Consolidated	1.5%	1.3%	1.1%	1.0%

	2005				
	Total	Q4	Q3	Q2	Q1
Operating revenues, as reported	\$2,081.0	\$530.1	\$514.7	\$511.8	\$524.4
Aliant Wireless Operations and DownEast Ltd.	(347.3)	(92.7)	(91.9)	(84.8)	(77.9)
Bell Canada Regional Wireline Operation	1,220.9	305.7	311.6	303.8	299.8
Bell Nordiq Group Inc.	359.3	94.3	92.3	90.0	82.7
Intercompany eliminations	(6.5)	(1.6)	(1.6)	(1.7)	(1.6)
<b>Pro forma operating revenues <sup>(7)</sup></b>	<b>\$3,307.4</b>	<b>\$835.8</b>	<b>\$825.1</b>	<b>\$819.1</b>	<b>\$827.4</b>
<b>Pro forma operating revenues <sup>(7)</sup> by segment</b>					
Bell Aliant	\$2,794.8	\$700.9	\$693.9	\$692.4	\$707.6
Bell Nordiq Group	359.5	94.4	92.4	90.0	82.7
Other subsidiaries and intercompany eliminations	153.1	40.5	38.8	36.7	37.1
<b>Pro forma operating revenues <sup>(7)</sup></b>	<b>\$3,307.4</b>	<b>\$835.8</b>	<b>\$825.1</b>	<b>\$819.1</b>	<b>\$827.4</b>
<b>Current year quarter over same prior year quarter growth (%)</b>					
Bell Aliant		n.a.	n.a.	n.a.	n.a.
Bell Nordiq Group		n.a.	n.a.	n.a.	n.a.
Consolidated		n.a.	n.a.	n.a.	n.a.
<b>Year-to-date growth (%)</b>					
Bell Aliant		n.a.	n.a.	n.a.	n.a.
Bell Nordiq Group		n.a.	n.a.	n.a.	n.a.
Consolidated		n.a.	n.a.	n.a.	n.a.

<sup>(7)</sup> The term Pro forma operating revenues does not have any standardized meaning prescribed by Canadian GAAP. It is therefore unlikely to be comparable to similar measures presented by other companies. Pro forma operating revenues is presented on a consistent basis from period to period.

Pro forma operating revenues represents operating revenues adjusted to reflect the pro forma results of operations related to the net assets bought and sold under the Arrangement had it occurred on January 1, 2005. Therefore, Pro forma operating revenues represents operating revenues of the predecessor company, Aliant, excluding operating revenues related to Aliant's Wireless Operation and DownEast Ltd. and including operating revenues related to the Bell Canada's Regional Wireline Operation and Bell Nordiq Group Inc.

We use Pro forma operating revenues, among other measures, to assess the operating performance of Bell Aliant Holdings LP had it been in existence since January 1, 2005. Pro forma operating revenues allow us to compare our operating performance on a consistent basis. We believe that certain investors and analysts use Pro forma operating revenues to measure Bell Aliant Holdings LP's and other companies' ability to generate growth or as a common valuation measurement in the telecommunications industry.

Pro forma operating revenues should not be confused with operating revenues which is the most comparable Canadian GAAP financial measure.

n.a. - not available

## GROWTH

### Operating Income

(Millions of dollars, except as otherwise indicated)

	2006					2005				
	Total	Q4 <sup>(1)</sup>	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
<b>Operating income <sup>(8)</sup></b>										
Operating revenues	\$2,741.3	\$852.2	\$817.6	\$530.4	\$541.1	\$2,081.0	\$530.1	\$514.7	\$511.8	\$524.4
Expenses	2,157.3	657.2	624.6	430.6	444.9	1,689.0	425.4	411.5	414.4	437.7
Operating income <sup>(8)</sup>	584.0	195.0	193.0	99.8	96.2	392.0	104.7	103.2	97.4	86.7
Aliant Wireless Operations and DownEast Ltd.	(94.7)	-	(4.7)	(45.1)	(44.9)	(167.3)	(44.6)	(47.3)	(39.9)	(35.5)
Bell Canada Regional Wireline Operation	215.3	-	12.4	104.4	98.5	416.6	104.5	107.4	100.6	104.1
Bell Nordiq Group Inc.	61.2	-	2.2	29.8	29.2	119.2	30.8	29.4	30.7	28.3
Pro forma operating income <sup>(8)</sup>	<b>\$765.8</b>	<b>\$195.0</b>	<b>\$202.9</b>	<b>\$188.9</b>	<b>\$179.0</b>	<b>\$760.5</b>	<b>\$195.4</b>	<b>\$192.7</b>	<b>\$188.8</b>	<b>\$183.6</b>
<i>Pro forma operating income <sup>(8)</sup> by segment</i>										
Bell Aliant	\$617.1	\$160.3	\$163.0	\$150.8	\$143.0	\$610.5	\$157.3	\$154.0	\$151.2	\$148.0
Bell Nordiq Group	114.4	25.1	30.3	29.8	29.2	119.3	30.8	29.5	30.7	28.3
Other subsidiaries and intercompany eliminations	34.3	9.6	9.6	8.3	6.8	30.7	7.3	9.2	6.9	7.3
	<b>\$765.8</b>	<b>\$195.0</b>	<b>\$202.9</b>	<b>\$188.9</b>	<b>\$179.0</b>	<b>\$760.5</b>	<b>\$195.4</b>	<b>\$192.7</b>	<b>\$188.8</b>	<b>\$183.6</b>
<i>Current year quarter over same prior year quarter growth (%)</i>										
Bell Aliant		1.9%	5.8%	(0.3%)	(3.4%)	n.a.	n.a.	n.a.	n.a.	n.a.
Bell Nordiq Group		(18.5%)	2.7%	(2.9%)	3.2%	n.a.	n.a.	n.a.	n.a.	n.a.
Consolidated		(0.2%)	5.3%	0.1%	(2.5%)	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Year-to-date growth (%)</i>										
Bell Aliant		1.1%	0.8%	(1.8%)	(3.4%)	n.a.	n.a.	n.a.	n.a.	n.a.
Bell Nordiq Group		(4.1%)	0.9%	-	3.2%	n.a.	n.a.	n.a.	n.a.	n.a.
Consolidated		0.7%	1.0%	(1.2%)	(2.5%)	n.a.	n.a.	n.a.	n.a.	n.a.

<sup>(8)</sup> The terms operating income and Pro forma operating income do not have any standardized meaning prescribed by Canadian GAAP. They are therefore unlikely to be comparable to similar measures presented by other companies. Operating income and Pro forma operating income are presented on a consistent basis from period to period.

Operating income represents operating revenues less expenses. Pro forma operating income represents operating income adjusted to reflect the pro forma results of the operations related to the net assets bought and sold under the Arrangement had it occurred on January 1, 2005. Therefore, Pro forma operating income represents operating income of the predecessor company, Aliant, excluding operating income related to Aliant's Wireless Operation and DownEast Ltd. and including operating income related to Bell Canada's Regional Wireline Operation and Bell Nordiq Group Inc.

We use operating income, among other measures, to assess the operating performance of our ongoing business. We use Pro forma operating income, among other measures, to assess the operating performance of Bell Aliant Holdings LP had it been in existence since January 1, 2005, which allows us to compare our operating performance on a consistent basis. We believe that certain investors and analysts use operating income and Pro forma 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 and Pro forma operating income should not be confused with operating revenues or expenses which are the most comparable Canadian GAAP financial measures.

n.a. - not available

## GROWTH EBITDA

(Millions of dollars, except as otherwise indicated)

	2006					2005				
	Total	Q4 <sup>(1)</sup>	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
<b>EBITDA <sup>(9)</sup></b>										
Operating income <sup>(8)</sup>	\$584.0	\$195.0	\$193.0	\$99.8	\$96.2	\$392.0	\$104.7	\$103.2	\$97.4	\$86.7
Add:										
Net benefit plans cost	101.1	27.0	26.1	23.7	24.3	95.5	23.8	22.8	24.2	24.7
Depreciation and amortization	483.9	151.9	141.5	91.8	98.7	390.8	95.3	98.1	98.8	98.6
Restructuring and other charges <sup>(10)</sup>	13.2	0.2	3.8	8.9	0.3	-	-	-	-	-
<b>EBITDA <sup>(9)</sup></b>	<b>\$1,182.2</b>	<b>\$374.1</b>	<b>\$364.4</b>	<b>\$224.2</b>	<b>\$219.5</b>	<b>\$878.3</b>	<b>\$223.8</b>	<b>\$224.1</b>	<b>\$220.4</b>	<b>\$210.0</b>
Aliant Wireless Operations and DownEast Ltd.	(120.5)	-	(4.7)	(58.0)	(57.8)	(214.5)	(54.0)	(59.3)	(52.8)	(48.4)
Bell Canada Regional Wireline Operation	327.1	-	12.4	160.3	154.4	633.7	159.6	162.5	155.8	155.8
Bell Nordiq Group Inc.	92.6	-	3.4	44.9	44.3	177.5	45.9	44.4	44.5	42.7
<b>Pro forma EBITDA <sup>(9)</sup></b>	<b>\$1,481.4</b>	<b>\$374.1</b>	<b>\$375.5</b>	<b>\$371.4</b>	<b>\$360.4</b>	<b>\$1,475.0</b>	<b>\$375.3</b>	<b>\$371.7</b>	<b>\$367.9</b>	<b>\$360.1</b>
Operating income, pro forma <sup>(8)</sup>	\$765.8	\$195.0	\$202.9	\$188.9	\$179.0	\$760.5	\$195.4	\$192.7	\$188.8	\$183.6
Add:										
Net benefit plans cost	112.0	27.0	26.3	29.1	29.6	110.8	27.7	26.5	28.2	28.4
Depreciation and amortization	590.4	151.9	142.5	144.5	151.5	607.2	152.2	152.5	150.9	151.6
Restructuring and other charges <sup>(10)</sup>	13.2	0.2	3.8	8.9	0.3	(3.5)	-	-	-	(3.5)
<b>Pro forma EBITDA <sup>(9)</sup></b>	<b>\$1,481.4</b>	<b>\$374.1</b>	<b>\$375.5</b>	<b>\$371.4</b>	<b>\$360.4</b>	<b>\$1,475.0</b>	<b>\$375.3</b>	<b>\$371.7</b>	<b>\$367.9</b>	<b>\$360.1</b>
<i>Pro forma EBITDA <sup>(9)</sup> by segment</i>										
Bell Aliant	\$1,255.1	\$314.4	\$317.1	\$316.2	\$307.4	\$1,259.5	\$320.0	\$316.3	\$314.9	\$308.3
Bell Nordiq Group	183.1	47.0	46.9	44.9	44.3	177.6	46.0	44.5	44.4	42.7
Other subsidiaries and intercompany eliminations	43.2	12.7	11.5	10.3	8.7	37.9	9.3	10.9	8.6	9.1
<b>Pro forma EBITDA <sup>(9)</sup></b>	<b>\$1,481.4</b>	<b>\$374.1</b>	<b>\$375.5</b>	<b>\$371.4</b>	<b>\$360.4</b>	<b>\$1,475.0</b>	<b>\$375.3</b>	<b>\$371.7</b>	<b>\$367.9</b>	<b>\$360.1</b>
<i>Pro forma EBITDA <sup>(9)</sup> margin</i>	<b>44.1%</b>	<b>43.9%</b>	<b>44.7%</b>	<b>44.8%</b>	<b>43.1%</b>	<b>44.6%</b>	<b>44.9%</b>	<b>45.0%</b>	<b>44.9%</b>	<b>43.5%</b>
<i>Current year quarter over same prior year quarter growth (%)</i>										
Bell Aliant		(1.7%)	0.3%	0.4%	(0.3%)		n.a.	n.a.	n.a.	n.a.
Bell Nordiq Group		2.2%	5.4%	1.1%	3.7%		n.a.	n.a.	n.a.	n.a.
Consolidated		(0.3%)	1.0%	1.0%	0.1%		n.a.	n.a.	n.a.	n.a.
<i>Year-to-date growth (%)</i>										
Bell Aliant		(0.3%)	0.1%	0.1%	(0.3%)		n.a.	n.a.	n.a.	n.a.
Bell Nordiq Group		3.1%	3.4%	2.4%	3.7%		n.a.	n.a.	n.a.	n.a.
Consolidated		0.4%	0.7%	0.5%	0.1%		n.a.	n.a.	n.a.	n.a.

<sup>(9)</sup> The terms EBITDA (earnings before interest, taxes, depreciation and amortization) and Pro forma EBITDA do not have any standardized meaning prescribed by Canadian GAAP. It is therefore unlikely to be comparable to similar measures presented by other companies. EBITDA and Pro forma EBITDA are presented on a consistent basis from period to period.

We define EBITDA as operating revenues less operating expenses, which means it represents operating income before depreciation and amortization expense, net benefit plans cost, and restructuring and other charges. Pro forma EBITDA represents EBITDA adjusted to reflect the pro forma results of operations related to the net assets bought and sold under the Arrangement had it occurred on January 1, 2005. Therefore, Pro forma EBITDA represents EBITDA of the predecessor company, Aliant, excluding EBITDA related to Aliant's Wireless Operation and DownEast Ltd. and including EBITDA related to Bell Canada's Regional Wireline Operation and Bell Nordiq Group Inc.

We use EBITDA, among other measures, to assess the operating performance of our ongoing businesses without the effects of depreciation and amortization expense, net benefit plans cost, and restructuring and other charges. We exclude depreciation and amortization expense and net benefit plans cost 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.

We use Pro forma EBITDA, among other measures, to assess the operating performance of Bell Aliant Holdings LP had it been in existence since January 1, 2005.

EBITDA and Pro forma EBITDA allow us to compare our operating performance on a consistent basis. We believe that certain investors and analysts use these measures to assess Bell Aliant Holdings LP's and other companies' ability to service debt, make capital distributions to unitholders / shareholders and to meet other payment obligations, or as a common valuation measurement in the telecommunications industry.

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

<sup>(10)</sup> We incurred costs associated with planned restructuring of our operations.

n.a. - not available

## GROWTH

### Net earnings and EPU / EPS

(Millions of dollars, except as otherwise indicated)

	2006					2005				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
<b>Net earnings (loss)</b>										
<i>As reported</i>	<b>\$2,902.0</b>	<b>(\$127.0)</b>	<b>\$2,935.6</b>	<b>\$53.2</b>	<b>\$40.2</b>	<b>\$199.4</b>	<b>\$55.2</b>	<b>\$50.8</b>	<b>\$49.8</b>	<b>\$43.6</b>
Debt prepayment premiums <sup>(11)</sup> , net of tax	95.8	-	95.8	-	-	-	-	-	-	-
Gain on disposal & dilution of businesses <sup>(12)</sup> , net of tax	(2,725.5)	225.1	(2,950.6)	-	-	-	-	-	-	-
Financial derivative loss (gain) <sup>(13)</sup> , net of tax	19.7	0.3	12.3	(1.2)	8.3	-	-	-	-	-
Restructuring and other charges <sup>(10)</sup> , net of tax	8.3	0.1	2.4	5.6	0.2	-	-	-	-	-
	<b>\$300.3</b>	<b>\$98.5</b>	<b>\$95.5</b>	<b>\$57.6</b>	<b>\$48.7</b>	<b>\$199.4</b>	<b>\$55.2</b>	<b>\$50.8</b>	<b>\$49.8</b>	<b>\$43.6</b>
<i>Current year quarter over same prior year quarter growth (%)</i>		78.4%	88.0%	15.7%	11.7%		10.7%	35.8%	21.2%	(8.9%)
<i>Year-to-date growth (%)</i>		50.6%	39.9%	13.8%	11.7%		13.2%	14.1%	5.0%	(8.9%)
<b>Earnings per Bell Aliant Holdings LP unit / Aliant common share</b>										
<i>As reported</i>	\$20.87	(0.83)	\$20.11	\$0.40	\$0.30	\$1.46	\$0.41	\$0.37	\$0.36	\$0.31
Debt prepayment premiums <sup>(11)</sup> , net of tax	0.69	-	0.66	-	-	-	-	-	-	-
Gain on disposal & dilution of businesses <sup>(12)</sup> , net of tax	(19.64)	1.48	(20.21)	-	-	-	-	-	-	-
Financial derivative loss (gain) <sup>(13)</sup> , net of tax	0.14	0.00	0.08	(0.01)	0.07	-	-	-	-	-
Restructuring and other charges <sup>(10)</sup> , net of tax	0.06	0.00	0.02	0.04	-	-	-	-	-	-
Quarterly	<b>\$2.13</b>	<b>\$0.65</b>	<b>\$0.65</b>	<b>\$0.43</b>	<b>\$0.37</b>	<b>\$1.46</b>	<b>\$0.41</b>	<b>\$0.37</b>	<b>\$0.36</b>	<b>\$0.31</b>
Year-to-date		<b>\$2.13</b>	<b>\$1.46</b>	<b>\$0.80</b>	<b>\$0.37</b>		<b>\$1.46</b>	<b>\$1.05</b>	<b>\$0.67</b>	<b>\$0.31</b>
<i>Year-to-date growth (%)</i>		45.9%	39.0%	19.4%	19.4%		15.9%	16.7%	6.3%	(8.8%)

<sup>(11)</sup> We incurred \$147.8 million of debt prepayment premiums during the third quarter of 2006.

<sup>(12)</sup> We recorded gains on disposal and dilution of businesses of \$2,950.6 million as a result of the Arrangement.

<sup>(13)</sup> We incurred \$31.1 million of financial derivative losses related to interest rate swap agreements for the twelve month period ended December 31, 2006.

## UNITHOLDER' VALUE

### Unitholders' capital and distributions

(Millions of dollars, except as otherwise indicated)

#### Capital (thousand's)

##### Aliant common shares

Number of common shares outstanding at end of period  
Common shares repurchased under NCIBs<sup>(14)</sup>

##### Fund units

Number of fully diluted units outstanding at end of period  
Held by the public unitholders  
Exchangeable by BCE Inc. / Bell Canada

##### Weighted average number of basic and diluted Fund units outstanding

Weighted average number of Aliant common shares / Fund units outstanding

##### Market price per Fund unit / Aliant common share

High  
Low  
Close

##### Book value per Fund unit / Aliant common share<sup>(15)</sup>

Market-to-book value (times)<sup>(16)</sup>

Market capitalization<sup>(17)</sup>

#### Capital distributions

##### Aliant

Dividends declared  
Per Aliant common share, as stated  
Common share dividend payout ratio<sup>(18)</sup>

##### Bell Aliant Holdings LP

Distributable cash  
Per fully diluted Fund unit  
Distributions declared by Bell Aliant Holdings LP and Bell Aliant LP  
Per fully diluted Fund unit  
Distribution payout ratio<sup>(19)</sup>

##### Income Fund

Net earnings  
Distributions declared by the Fund  
Per Fund unit, as stated

	2006					2005				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Number of common shares outstanding at end of period				127,161	127,367		127,138	128,406	130,023	131,658
Common shares repurchased under NCIBs <sup>(14)</sup>				562	-	5,798	1,273	1,676	1,698	1,151
Number of fully diluted units outstanding at end of period										
Held by the public unitholders		124,116	124,119							
Exchangeable by BCE Inc. / Bell Canada		100,374	100,374							
		<u>224,490</u>	<u>224,493</u>							
Weighted average number of basic and diluted Fund units outstanding	224,493	224,492	224,495							
Weighted average number of Aliant common shares / Fund units outstanding	138,821	152,290	146,008	127,349	127,224	130,048	127,691	129,221	130,928	132,336
High		\$35.09	\$35.95	\$37.00	\$36.88		\$31.00	\$30.00	\$29.00	\$29.73
Low		\$26.41	\$33.01	\$32.25	\$27.18		\$26.05	\$26.02	\$25.75	\$27.10
Close		\$26.96	\$34.95	\$33.17	\$35.55		\$30.90	\$28.66	\$26.70	\$28.81
Book value per Fund unit / Aliant common share <sup>(15)</sup>		\$18.44	\$18.45	\$9.80	\$9.78		\$9.75	\$9.81	\$9.95	\$10.10
Market-to-book value (times) <sup>(16)</sup>		1.5	1.9	3.4	3.6		3.2	2.9	2.7	2.9
Market capitalization <sup>(17)</sup>		\$6,052.2	\$7,846.1	\$4,217.9	\$4,527.9		\$3,928.6	\$3,680.1	\$3,471.6	\$3,793.1
Dividends declared	\$79.0			\$39.5	\$39.5	\$153.2	\$37.6	\$38.1	\$38.5	\$39.0
Per Aliant common share, as stated	\$0.620			\$0.310	\$0.310	\$1.180	\$0.295	\$0.295	\$0.295	\$0.295
Common share dividend payout ratio <sup>(18)</sup>	89.1%			77.8%	104.4%	80.7%	71.2%	78.6%	81.3%	94.7%
Distributable cash	\$369.9	\$184.0	\$185.9							
Per fully diluted Fund unit	\$1.65	\$0.82	\$0.83							
Distributions declared by Bell Aliant Holdings LP and Bell Aliant LP	\$294.8	\$153.8	\$141.0							
Per fully diluted Fund unit	\$1.313	\$0.685	\$0.628							
Distribution payout ratio <sup>(19)</sup>	79.7%	83.6%	75.8%							
Net earnings	\$163.1	\$84.5	\$78.6							
Distributions declared by the Fund	\$163.0	\$85.1	\$77.9							
Per Fund unit, as stated	\$1.313	\$0.685	\$0.628							

(14) During 2005 and up to June 30, 2006, we acquired under normal course issuer bid (NCIB) programs, from time to time, Aliant common shares at market prices for cancellation. The Fund does not have an NCIB program.

(15) Book value per Fund unit / Aliant common share - book value of the Fund's unitholders' equity / Aliant common equity (shareholders' equity excluding preferred shares) divided by the number of fully-diluted Fund units / Aliant common shares outstanding at end of period.

(16) Market-to-book value (times) - market close price per Fund unit / Aliant common share divided by book value per Fund unit / Aliant common share at end of period.

(17) Market capitalization - market close price per Fund unit / Aliant common share multiplied by the number of Fund units / Aliant common shares outstanding at end of period.

(18) Common share dividend payout ratio - common share dividends for the period divided by net income applicable to common shares for the period.

(19) Fund unit distribution payout ratio - distributions declared per fully diluted Fund unit divided by Distributable cash per fully diluted Fund unit.

## UNITHOLDER VALUE

### Distributable cash

(Millions of dollars, except as otherwise indicated)

#### Distributable cash <sup>(20)</sup>

##### Reconciled to Pro forma EBITDA <sup>(9)</sup>

	2006					2005				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Pro forma EBITDA <sup>(9)</sup>	\$1,481.4	\$374.1	\$375.5	\$371.4	\$360.4	\$1,475.0	\$375.3	\$371.7	\$367.9	\$360.1
Cash funding of current service cost for net benefit plans <sup>(21)</sup>	(63.9)	(17.0)	(16.3)	(14.7)	(15.9)	(57.2)	(14.3)	(14.3)	(14.2)	(14.4)
Pro forma adjustments not reflected in EBITDA prior to Q3 2006 <sup>(22)</sup>	2.8	-	-	1.4	1.4	5.6	1.4	1.4	1.4	1.4
Cash taxes included in EBITDA <sup>(23)</sup>	10.5	5.2	4.7	0.3	0.3	1.2	0.3	0.3	0.3	0.3
One-time items <sup>(24)</sup>	-	-	-	-	-	11.0	4.0	5.0	2.0	-
Fund expenses <sup>(25)</sup>	(1.0)	(1.0)	-	-	-	-	-	-	-	-
Non-controlling interest <sup>(26)</sup>	(65.3)	(16.8)	(14.5)	(17.4)	(16.6)	(66.3)	(17.3)	(16.9)	(16.1)	(16.0)
	1,364.5	344.5	349.4	341.0	329.6	1,369.3	349.4	347.2	341.3	331.4
Add (less):										
Other income (expenses) <sup>(27)</sup>	(1.8)	0.1	(0.4)	(0.8)	(0.7)	(1.8)	(0.4)	(0.4)	(0.4)	(0.6)
Interest expense <sup>(28)</sup>	(138.5)	(32.3)	(34.6)	(35.0)	(36.6)	(148.3)	(38.2)	(38.4)	(36.5)	(35.2)
Normalized cash taxes <sup>(23)</sup>	(6.8)	(1.7)	(1.7)	(1.7)	(1.7)	(7.0)	(1.8)	(1.7)	(1.8)	(1.7)
Capital expenditures <sup>(29)</sup>	(496.9)	(126.5)	(126.4)	(136.0)	(108.0)	(502.9)	(120.2)	(136.0)	(135.1)	(111.6)
Distributable cash of discontinued operations <sup>(30)</sup>	(0.4)	(0.1)	(0.4)	-	0.1	1.4	0.2	0.4	0.8	-
	<b>\$720.1</b>	<b>\$184.0</b>	<b>\$185.9</b>	<b>\$167.5</b>	<b>\$182.7</b>	<b>\$710.7</b>	<b>\$189.0</b>	<b>\$171.1</b>	<b>\$168.3</b>	<b>\$182.3</b>

##### Reconciled to cash from operating activities

Cash from operating activities <sup>(31)</sup>		\$277.5	\$117.8							
<b>Add (deduct):</b>										
EBITDA <sup>(9)</sup> adjustments for July 1 - 7 <sup>(32)</sup>		-	11.1							
Operating items funded through cash reserves or borrowing: <sup>(20)</sup>										
Debt prepayment premiums		-	147.8							
Change in operating assets and liabilities (working capital)		14.2	30.3							
Pension deficit funding <sup>(21)</sup>		15.3	14.0							
Restructuring and other charges		0.2	3.8							
Cash taxes in excess of normalized levels <sup>(23)</sup>		3.5	3.0							
Current income tax expense (recovery)		18.8	(1.8)							
Capital expenditure and interest adjustments for July 1 - 7 <sup>(32)</sup>		-	(1.9)							
Capital expenditures <sup>(29)</sup>		(131.1)	(128.6)							
Non-cash items in other income <sup>(27)</sup>		(2.0)	-							
Fund expenses <sup>(25)</sup>		(1.0)	-							
Non-controlling interest in distributable cash <sup>(28) (33)</sup>		(11.4)	(9.6)							
		<b>\$184.0</b>	<b>\$185.9</b>							

##### Current year quarter over same prior year quarter growth (%)

	(2.6%)	8.6%	(0.5%)	0.2%		n.a.	n.a.	n.a.	n.a.
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Year-to-date growth (%)	1.3%	2.8%	(0.1%)	0.2%		n.a.	n.a.	n.a.	n.a.
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#### Cash distributions <sup>(34)</sup>

Cash distributions	\$602.4	\$153.8	\$141.0	\$153.8	\$153.8	\$615.2	\$153.8	\$153.8	\$153.8	\$153.8
Per unit	\$2.683	\$0.685	\$0.628	\$0.685	\$0.685	\$2.740	\$0.685	\$0.685	\$0.685	\$0.685
Fund unit distribution payout ratio <sup>(19)</sup>	83.7%	83.6%	75.8%	91.8%	84.2%	86.6%	81.4%	89.9%	91.4%	84.4%

## UNITHOLDER VALUE

### Distributable cash

- <sup>(20)</sup> The term Distributable Cash, does not have any standardized meaning prescribed by Canadian GAAP. It is therefore unlikely to be comparable to similar measures presented by other issuers. Distributable Cash is presented on a consistent basis from period to period. We define distributable cash as EBITDA less (i) cash payments for pension current service costs and other employee benefit plans to the extent not already deducted in determining EBITDA; (ii) interest expense; (iii) capital expenditures; (iv) other cash costs that may be incurred to the extent not deducted in determining EBITDA; (v) a normalized level of cash taxes that reflects a level of capital taxes that will be achieved once announced provincial tax rate reductions come into effect in future years; (vi) expenses incurred by the Fund as these are not included in the EBITDA of Bell Aliant Holdings LP; and (vii) the portion of our consolidated distributable cash that is generated for the benefit of the non-controlling (minority) interest in our controlled subsidiaries.
- Certain other items may be added to EBITDA to determine distributable cash for a period: (i) the total cash taxes that have been deducted in determining EBITDA since we only deduct a normalized amount, as described above, in determining distributable cash; (ii) other cash income, such as interest income; (iii) adjustments for certain one-time or other normalizing items; and (iv) the 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). For periods prior to Q3 2006, the quarterly allocation of annual items below Pro forma EBITDA is based on management's estimates.
- From a cash flow perspective, Distributable Cash can similarly be defined as cash from operating activities plus 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 cash taxes in excess of normalized levels; plus amounts for current income tax provisions, less capital expenditures, Fund expenses and less the portion of Distributable Cash that is attributable to minority holders (other than Bell Canada) in controlled subsidiaries. For Q3 2006 we also have adjustments to reflect the difference between EBITDA, capital expenditures and interest expense on an 'as reported' and 'pro forma' basis to account for the period from July 1 - July 7, 2006, as well as \$147.8 million in debt prepayment premiums that were expensed in the quarter but funded out of cash reserves or borrowing. 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. It 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.
- <sup>(21)</sup> The cash funding requirement related to current service costs for net benefit plans for the period. The portion of cash funding required for net benefit plans cost that exceeds current service cost will be funded through cash reserves or borrowing. For 2005 only the quarterly amounts represent annual pro forma funding divided by four.
- <sup>(22)</sup> Pro forma adjustments relating to the future mode of operations of Bell Aliant Holdings LP, namely the wireless outsourcing agreement with Bell Canada and the elimination of certain public company costs of Bell Nordiq Group Inc., would have added approximately \$4.7 million and \$1.0 million, respectively, to Bell Aliant Holdings LP's 2005 Pro forma EBITDA. Similarly, these items would have added \$2.8 million together to pro forma EBITDA in the first two quarters of 2006. After July 7, 2006, the adjustments are not required as these items are reflected in actual results.
- <sup>(23)</sup> Pro forma 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 future announced rate reductions) is deducted in determining our Distributable Cash. The remainder of these taxes actually paid will be funded through cash reserves or borrowing.
- <sup>(24)</sup> One-time costs impacting Bell Canada's regional wireline operation in 2005 related to a labour disruption and were added back to normalize EBITDA.
- <sup>(25)</sup> Cash expense of Bell Aliant Trust and Bell Aliant Income Fund.
- <sup>(26)</sup> The proportionate share of the EBITDA of Bell Nordiq Group Inc. and, prior to August 31, 2006, Atlantic Mobility Products Limited (AMP), that is attributable to the non-controlling interest in these businesses is not available to the Fund in order to determine Distributable Cash and therefore is deducted.
- <sup>(27)</sup> Other income (expenses) represents cash interest and other cash income of Bell Aliant Holdings LP. Losses and fees associated with our accounts receivable securitization program are included as other expenses. To the extent that other income includes non-cash amounts they are excluded from Distributable Cash in the period.
- <sup>(28)</sup> For periods after Q2 2006, represents the actual interest expense incurred, net of that portion attributable to the minority holders of Bell Nordiq Group Inc. and AMP (before August 31, 2006). For periods prior to Q3 2006, represents management's estimate of interest expense, assuming total drawn debt of \$2.6 billion for Bell Aliant LP at an estimated interest rate of 5.5%. Interest expense also includes Bell Aliant Holdings LP's proportionate share of interest expense for Bell Nordiq Group Inc. and AMP.
- <sup>(29)</sup> For periods after Q2 2006, represents capital expenditures excluding that portion attributable to the minority holders of Bell Nordiq Group Inc. and AMP (before August 31, 2006). For Q4 2006, the non-controlling interest portion of capital expenditures was \$4.6 million. For purposes of the reconciliation to cash from operating activities, the full amount of capital expenditures is deducted from the cash flow statement and the non-controlling interest portion of total Distributable Cash is deducted separately under Non-controlling interest in Distributable Cash. See note 30 below. For periods prior to Q3 2006, represents management's estimate of Pro forma capital expenditures for Bell Aliant Holdings LP, had it been in operation since January 1, 2005.
- <sup>(30)</sup> The operations of SalesBridge Canada Inc. have been restated in discontinued operations. Its contribution to Distributable Cash is shown separately.
- <sup>(31)</sup> Cash from operating activities is defined in accordance with Canadian GAAP as cash from or used in our principal revenue-producing activities and all other activities that are not investing or financing activities.
- <sup>(32)</sup> The cash from operating activities, as reported, reflects the start date for Bell Aliant Holdings LP of July 7, 2006, prior to which it reflects only Aliant's operations. Distributable Cash, on the other hand, is presented as if Bell Aliant Holdings LP operated in its current state for the entire quarter. Therefore, we add EBITDA and subtract capital expenditures and interest costs for the period July 1 to 7, 2006.
- <sup>(33)</sup> Non-controlling interest in Distributable Cash is that proportionate share of Distributable Cash generated by Bell Nordiq Group Inc. and AMP (up to August 31, 2006) attributable to their respective minority holders. For Q4 2006 this was \$10.9 million for Bell Nordiq Group Inc. and nil for AMP as we acquired the minority interest of AMP effective August 31, 2006.
- <sup>(34)</sup> For periods prior to Q3 2006, cash distributions are based on management's estimates of what would have been paid had the Fund been in existence since January 1, 2005, and carried out the current payout policy. The per unit numbers for these periods are based on an estimate of 224,495,000 fully diluted Fund units for all periods. Cash distributions per this schedule do not include \$1.8 million in dividends paid to minority shareholders of AMP prior to August 31, 2006, but do include cash distributions to Bell Canada and BCE on units that are exchangeable into Fund units.

## UNITHOLDER VALUE

### Capital Structure

(Millions of dollars, except as otherwise indicated)

	2006					2005				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
<b>Bell Aliant Holdings LP - Capital structure</b>										
Unitholders' / Shareholders' equity		51.3%	52.5%	53.8%	62.0%		60.5%	57.5%	58.2%	62.4%
Non-controlling interest		20.3%	20.0%	0.3%	0.3%		0.2%	0.2%	0.2%	0.2%
Net debt <sup>(35)</sup>		28.4%	27.5%	45.9%	37.7%		39.3%	42.3%	41.6%	37.4%
		<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>
<i>Return on unitholders' / shareholders' equity</i> <sup>(36)</sup>	97.6%	(10.1%)	290.5%	16.3%	12.2%	14.6%	16.9%	15.2%	14.4%	12.2%
<i>Return on invested capital</i> <sup>(37)</sup>	52.8%	(4.3%)	150.6%	11.0%	8.8%	10.0%	11.1%	10.1%	10.0%	8.9%
<i>Net debt to EBITDA</i> <sup>(38)</sup>		1.8	1.8	1.1	0.9		0.8	0.8	0.9	0.9
<i>Interest coverage</i> <sup>(39)</sup>		31.0	35.9	5.5	5.3		5.3	4.3	3.9	3.6
<i>Cash flow to interest</i> <sup>(40)</sup>		6.7	6.1	7.9	7.9		7.0	6.9	6.5	6.3

<b>Financial strength</b>	<b>Standard &amp; Poor's</b>	<b>Dominion Bond Rating Service</b>
<b>Bell Aliant LP senior unsecured debt</b>	<i>BBB, stable trend</i>	<i>BBB (high) stable trend</i>
<b>Bell Aliant commercial paper</b>	<i>Not rated</i>	<i>R-1 (low) stable trend</i>
<b>Bell Aliant Income Fund</b>	<i>SR-2, stable (moderate)</i>	<i>STA-2 (high)</i>

<sup>(35)</sup> Net debt - long-term debt, long-term debt due within one year, and notes payable and bank advances, less cash and cash equivalents and note receivable from related party.

<sup>(36)</sup> Return on unitholders' / shareholders' equity - net earnings less preferred share dividends for the period, if applicable, divided by average book value of unitholders' / shareholders' common equity (shareholders' equity excluding preferred shares) for the period. This calculation is annualized.

<sup>(37)</sup> Return on invested capital - net earnings plus total interest charges, net of taxes for the period divided by average book value of total capital (unitholders' / shareholders' equity, non-controlling interest and net debt) for the period. This calculation is annualized.

<sup>(38)</sup> Net debt to EBITDA - Net debt divided by EBITDA, (current quarter plus three (3) previous quarters). Commencing in Q3 2006, we use Pro forma EBITDA (current quarter plus (3) previous quarters) in this calculation.

<sup>(39)</sup> Interest coverage - Operating revenues less expenses plus other income (expense) divided by interest charges (current quarter plus three (3) previous quarters). Operating revenues less expenses and interest in this calculation are not on a pro forma basis.

<sup>(40)</sup> 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). Cash flow from operating activities and interest in this calculation are not on a pro forma basis.

## CAPITAL EXPENDITURES

(Millions of dollars, except as otherwise indicated)

	2006					2005				
	Total	Q4 <sup>(1)</sup>	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
<b>Capital expenditures, as reported <sup>(6)</sup></b>										
Bell Aliant	\$419.3	\$118.3	\$116.8	\$103.7	\$80.5	\$358.5	\$77.6	\$97.9	\$103.1	\$79.9
Bell Nordiq Group	23.9	12.6	11.3	-	-	-	-	-	-	-
Other subsidiaries and intercompany eliminations	1.8	0.2	0.5	0.7	0.4	4.7	0.4	1.3	1.2	1.8
Capital expenditures, as reported <sup>(6)</sup>	\$445.0	\$131.1	\$128.6	\$104.4	\$80.9	\$363.2	\$78.0	\$99.2	\$104.3	\$81.7
Aliant Wireless Operations and DownEast Ltd.	(22.8)	-	-	(13.6)	(9.2)	(56.7)	(11.5)	(14.9)	(19.7)	(10.6)
Bell Canada Regional Wireline Operation	67.8	-	2.8	35.7	29.3	165.3	42.1	44.8	43.5	34.8
Bell Nordiq Group Inc.	27.5	-	0.8	15.6	11.1	52.8	21.1	13.8	9.0	8.9
Pro forma capital expenditures <sup>(42)</sup>	\$517.5	\$131.1	\$132.2	\$142.1	\$112.1	\$524.6	\$129.7	\$142.9	\$137.2	\$114.8
<b>Pro forma capital expenditures <sup>(42)</sup> by segment</b>										
Bell Aliant	\$464.0	\$118.3	\$119.6	\$125.5	\$100.6	\$467.8	\$108.6	\$128.1	\$127.2	\$103.9
Bell Nordiq Group	51.4	12.6	12.1	15.6	11.1	52.8	21.1	13.8	9.0	8.9
Other subsidiaries and intercompany eliminations	2.1	0.2	0.5	1.0	0.4	4.0	-	1.0	1.0	2.0
Pro forma capital expenditures <sup>(42)</sup>	\$517.5	\$131.1	\$132.2	\$142.1	\$112.1	\$524.6	\$129.7	\$142.9	\$137.2	\$114.8
<b>Capital intensity, as reported <sup>(41)</sup></b>	16.2%	15.4%	15.7%	19.7%	15.0%	17.5%	14.7%	19.3%	20.4%	15.6%
<b>Pro forma capital intensity <sup>(41)</sup></b>										
Bell Aliant	16.5%	16.6%	17.0%	18.1%	14.2%	16.7%	15.5%	18.5%	18.4%	14.7%
Bell Nordiq Group	13.8%	13.1%	12.8%	17.0%	1.3%	14.7%	22.4%	14.9%	10.0%	10.8%
Other subsidiaries and intercompany eliminations	1.3%	0.5%	1.2%	2.3%	1.1%	2.6%	0.0%	2.6%	2.7%	5.4%
Pro forma capital intensity <sup>(41)</sup>	15.4%	15.4%	15.7%	17.1%	13.4%	15.9%	15.5%	17.3%	16.8%	13.9%

<sup>(41)</sup> Capital intensity - capital expenditures divided by operating revenue.

<sup>(42)</sup> The term Pro forma capital expenditures does not have any standardized meaning prescribed by Canadian GAAP. It is therefore unlikely to be comparable to similar measures presented by other companies. Pro forma capital expenditures is presented on a consistent basis from period to period.

Pro forma capital expenditures represents capital expenditures adjusted to reflect the pro forma expenditures to generate the results of operations related to the net assets bought and sold under the Arrangement had it occurred on January 1, 2005. Therefore, Pro forma capital expenditures represents capital expenditures of the predecessor company, Aliant, excluding capital expenditures related to Aliant's Wireless Operation and DownEast Ltd. and including capital expenditures related to the Bell Canada's Regional Wireline Operation and Bell Nordiq Group Inc.

We use Pro forma capital expenditures, among other measures, to assess the operating performance of Bell Aliant Holdings LP had it been in existence since January 1, 2005. Pro forma capital expenditures allow us to compare our operating performance on a consistent basis. We believe that certain investors and analysts use Pro forma capital expenditures to measure Bell Aliant Holdings LP's and other companies' ability to generate operating revenues from capital investments or as a common valuation measurement in the telecommunications industry.

Pro forma capital expenditures should not be confused with Capital expenditures which is the most comparable Canadian GAAP financial measure.



## PRO FORMA OPERATING STATISTICS

### Local and access

(Millions of dollars, except as otherwise indicated)

	Total	2006				Total	2005				
		Q4	Q3	Q2	Q1		Q4	Q3	Q2	Q1	
<b>Local and access revenue</b>											
Bell Aliant	\$1,299.1	\$324.3	\$327.9	\$324.8	\$322.1	\$1,311.0	\$328.0	\$331.1	\$329.1	\$322.8	
Bell Nordiq Group	157.4	38.6	39.7	39.6	39.5	159.0	40.5	40.0	39.7	38.8	
	<b>\$1,456.5</b>	<b>\$362.9</b>	<b>\$367.6</b>	<b>\$364.4</b>	<b>\$361.6</b>	<b>\$1,470.0</b>	<b>\$368.5</b>	<b>\$371.1</b>	<b>\$368.8</b>	<b>\$361.6</b>	
<b>Network access service</b>											
<i>Bell Aliant</i>											
Residential		2,047,485	2,078,730	2,090,629	2,098,875		2,106,319	2,116,291	2,113,576	2,124,844	
Business		1,013,679	1,016,117	1,015,229	1,013,686		1,017,411	1,019,173	1,018,723	1,015,317	
		<u>3,061,164</u>	<u>3,094,847</u>	<u>3,105,858</u>	<u>3,112,561</u>		<u>3,123,730</u>	<u>3,135,464</u>	<u>3,132,299</u>	<u>3,140,161</u>	
<i>Bell Nordiq Group</i>											
Residential		177,059	180,444	181,825	181,350		181,874	183,578	183,884	182,549	
Business		71,021	71,433	71,423	70,582		70,054	69,978	69,760	69,146	
		<u>248,080</u>	<u>251,877</u>	<u>253,248</u>	<u>251,932</u>		<u>251,928</u>	<u>253,556</u>	<u>253,644</u>	<u>251,695</u>	
<i>Total</i>											
Residential		2,224,544	2,259,174	2,272,454	2,280,225		2,288,193	2,299,869	2,297,460	2,307,393	
Business		1,084,700	1,087,550	1,086,652	1,084,268		1,087,465	1,089,151	1,088,483	1,084,463	
		<b><u>3,309,244</u></b>	<b><u>3,346,724</u></b>	<b><u>3,359,106</u></b>	<b><u>3,364,493</u></b>		<b><u>3,375,658</u></b>	<b><u>3,389,020</u></b>	<b><u>3,385,943</u></b>	<b><u>3,391,856</u></b>	
<i>Current year quarter over same prior year quarter growth (%)</i>											
Local and access revenue		(1.5%)	(0.9%)	(1.2%)	-		n.a	n.a	n.a	n.a	
<i>Year-to-date growth (%)</i>											
Local and access revenue		(0.9%)	(0.7%)	(0.6%)	-		n.a	n.a	n.a	n.a	
Network access service		(2.0%)	(1.2%)	(0.8%)	(0.8%)		n.a	n.a	n.a	n.a	

n.a. not available

## PRO FORMA OPERATING STATISTICS

### Long distance

(Millions of dollars, except as otherwise indicated)

	2006					2005				
	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
<b>Long distance revenue</b>										
Bell Aliant	\$452.6	\$109.0	\$119.4	\$114.1	\$110.1	\$488.9	\$117.3	\$125.7	\$122.4	\$123.5
Bell Nordiq Group	41.5	9.9	10.6	10.5	10.5	45.1	11.7	11.1	12.7	9.6
Eliminations	(3.8)	(0.5)	(0.8)	(1.3)	(1.2)	(5.1)	(1.3)	(1.2)	(1.3)	(1.3)
	<b>\$490.3</b>	<b>\$118.4</b>	<b>\$129.2</b>	<b>\$123.3</b>	<b>\$119.4</b>	<b>\$528.9</b>	<b>\$127.7</b>	<b>\$135.6</b>	<b>\$133.8</b>	<b>\$131.8</b>
<b>Long distance minutes</b> (thousand's)	<b>5,029,226</b>	<b>1,235,365</b>	<b>1,240,843</b>	<b>1,238,703</b>	<b>1,314,315</b>	<b>5,138,654</b>	<b>1,288,443</b>	<b>1,272,672</b>	<b>1,280,740</b>	<b>1,296,799</b>
<b>Revenue per long distance minute</b>		<b>\$0.09</b>	<b>\$0.10</b>	<b>\$0.09</b>	<b>\$0.09</b>		<b>\$0.09</b>	<b>\$0.10</b>	<b>\$0.10</b>	<b>\$0.10</b>
<b>Current year quarter over same prior year quarter growth (%)</b>										
Long distance revenue		(7.3%)	(4.7%)	(7.8%)	(9.4%)		n.a	n.a	n.a	n.a
Long distance minutes		(4.1%)	(2.5%)	(3.3%)	1.4%		n.a	n.a	n.a	n.a
<b>Year-to-date growth (%)</b>										
Long distance revenue		(7.3%)	(7.3%)	(8.6%)	(9.4%)		n.a	n.a	n.a	n.a
Long distance minutes		(2.1%)	(1.5%)	(1.0%)	1.4%		n.a	n.a	n.a	n.a

n.a. not available

## PRO FORMA OPERATING STATISTICS

### Data

(Millions of dollars, except as otherwise indicated)

#### Data revenue

	2006				
	Total	Q4	Q3	Q2	Q1
Bell Aliant	\$592.6	\$152.6	\$150.6	\$148.6	\$140.8
Bell Nordiq Group	68.3	17.6	17.1	17.2	16.4
Eliminations	(1.4)	(0.4)	(0.5)	(0.3)	(0.2)
	<b>\$659.5</b>	<b>\$169.8</b>	<b>\$167.2</b>	<b>\$165.5</b>	<b>\$157.0</b>

#### Data revenue by type of service

	2006				
	Total	Q4	Q3	Q2	Q1
Internet	\$302.9	\$80.0	\$77.0	\$74.7	\$71.2
Other data	356.6	89.8	90.2	90.8	85.8
	<b>\$659.5</b>	<b>\$169.8</b>	<b>\$167.2</b>	<b>\$165.5</b>	<b>\$157.0</b>

#### High speed Internet customers (thousands)

2006					2005				
Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
	588,238	559,170	530,528	509,940		474,597	442,285	404,257	377,143

#### High speed customer net additions

2006					2005				
Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
	29,068	28,642	20,588	35,343		32,312	38,028	27,114	35,740

#### Residential high speed average revenue per customer (ARPC)

2006					2005					
Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	
	\$35.31	\$35.57	\$35.19	\$35.66	\$34.77	\$33.80	\$34.21	\$34.28	\$33.37	\$33.19

#### Current year quarter over same prior year quarter growth (%)

		2006					2005				
		Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Data revenue	- total		5.7%	9.6%	8.6%	5.9%		n.a.	n.a.	n.a.	n.a.
	- Internet		17.5%	18.8%	21.9%	21.1%		n.a.	n.a.	n.a.	n.a.
	- other data		(3.0%)	2.7%	(0.3%)	(4.0%)		n.a.	n.a.	n.a.	n.a.
ARPC	- residential high speed		4.0%	2.7%	6.9%	4.8%		n.a.	n.a.	n.a.	n.a.

#### Year-to-date growth (%)

		2006					2005				
		Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Data revenues	- total		7.4%	8.1%	7.3%	5.9%		n.a.	n.a.	n.a.	n.a.
	- Internet		19.7%	20.6%	21.5%	21.1%		n.a.	n.a.	n.a.	n.a.
	- other data		(1.2%)	(0.6%)	(2.2%)	(4.0%)		n.a.	n.a.	n.a.	n.a.
Customers	- Internet high speed		23.9%	26.4%	31.2%	35.2%		n.a.	n.a.	n.a.	n.a.
ARPC	- residential high speed		4.5%	4.7%	5.8%	4.8%		n.a.	n.a.	n.a.	n.a.

n.a. not available

## FORWARD - LOOKING INFORMATION

This Investor Briefing is dated February 1, 2007, and is current to that date, unless otherwise stated. This Briefing contains forward-looking statements related to our future financial condition and results of operations. These statements are based on current expectations and estimates about the markets in which we operate and management's beliefs and assumptions regarding these markets. Unless otherwise indicated, forward-looking statements in this Briefing describe our expectations at February 1, 2007. In some cases, forward-looking statements may be identified by words such as "anticipate", "believe", "could", "expect", "plan", "seek", "may", "intend", "will" and similar expressions. These statements are subject to important risks and uncertainties, which are difficult to predict, and assumptions, which may prove to be inaccurate.

Some of the factors which could cause results or events to differ materially from current expectations include but are not limited to: general economic conditions; market or business conditions; pension plan funding issues; the changing competitive environment; changing regulatory conditions or requirements; reliance on IT systems; changing technology; our relationship with BCE Inc. and Bell Canada; liquidity risk and the lack of assurance that our credit ratings will not be lowered; our ability to achieve strategies and plans; and our success in implementing productivity initiatives. Some of these factors are largely beyond our control. In addition, a number of assumptions were made by us in making forward-looking statements in this Briefing, such as certain Canadian economic assumptions, market assumptions, operational and financial assumptions, and assumptions about transactions.

Assumptions made and risk factors considered in the preparation of forward-looking statements are discussed in more detail in Bell Aliant Holdings LP's management's discussion and analysis for the period ended September 30, 2006, a copy of which can be found on the Fund's website at [www.bell.aliant.ca](http://www.bell.aliant.ca) or at [www.sedar.com](http://www.sedar.com). Should any factor affect us in an unexpected manner, or should assumptions underlying the forward-looking statements prove incorrect, the actual results or events may differ materially from the results or events predicted. Unless otherwise indicated, forward-looking statements do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made may have on our business.

All of the forward-looking statements made in this document and the documents referred to within are qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences for us. Readers should not place undue reliance on any forward-looking statements.

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