Q4 2008 Results and 2009 Guidance
investor conference call

Karen Sheriff, President & Chief Executive Officer
Glen LeBlanc, EVP & Chief Financial Officer

February 3, 2009

Bell Aliant

Agenda

1. Q4 Financial Performance
2. 2009 Strategy Update
3. 2009 Guidance
4. Credit Position
5. Question Period

Forward-looking Caution

The presentation and answers today may contain forward-looking statements related to the future financial condition and results of operations of Bell Aliant. Consequently, please refer to the “Forward-looking information” section of our 2008 Earnings/2009 Guidance news release dated February 2, 2009, as well as the Bell Aliant Regional Communications Income Fund and Bell Aliant Regional Communications Holdings, LP Annual Management’s Discussion and Analysis (MD&A) and Annual Information Forms for the year ended December 31, 2007, and MD&A for the quarters ending March 31, June 30 and September 30, 2008, and Notice Concerning Forward-Looking Information dated February 5, 2008, as posted on www.bell.aliant.ca and as filed on SEDAR, and in particular those sections explaining the assumptions made in the preparation of our forward-looking statements and the material risks that could affect our business and results.

All of the forward-looking statements made in the course of this presentation describe management’s expectations at February 3, 2009, and are qualified by the cautionary statements found in the above mentioned documents, and there can be no assurance that the results or developments anticipated by us will be realized, or, even if substantially realized, they will have the expected consequences for us. Except as may be required by Canadian securities laws, we disclaim any intention and assume no obligation to update or revise any forward-looking statements even if new information becomes available, as a result of future events or for any other reason. Participants should not place undue reliance on any forward-looking statements.

Q4 2008 Results

Karen Sheriff

President & Chief Executive Officer

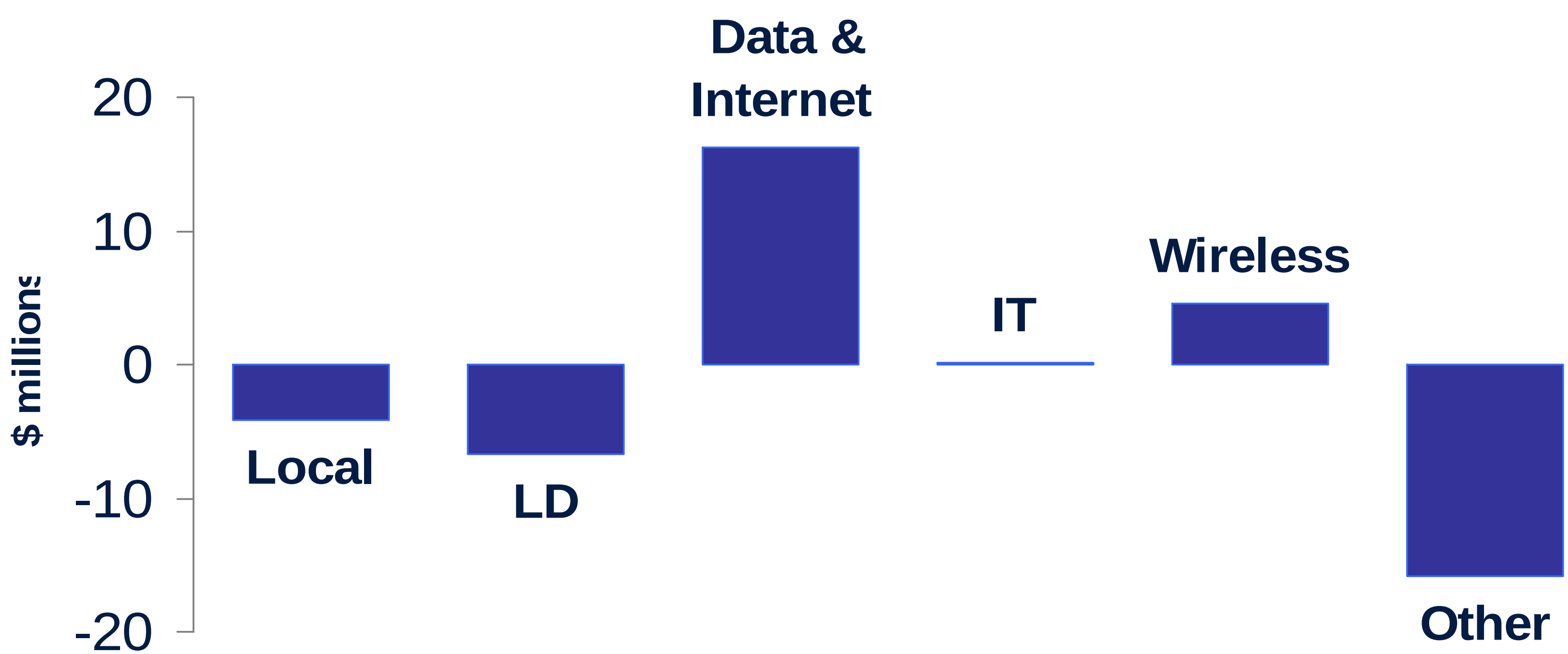
Q4 2008 Financial Highlights

($ millions)	Q4		12 months		Guidance
	2008	**Y/Y change**	**2008**	**Y/Y change**	**2008**
Revenue	**$813**	(0.7%)	**$3,282**	0.9%	$3,240 - $3,310
EBITDA	**$366**	0.0%	**$1,451**	0.9%	-
Capital Intensity	**20.6%**	3.1%	**16.1%**	(0.5%)	15.5% – 16.5%
Distributable Cash	**$146**	(13.7%)	**$716**	2.0%	$700 - $720

Revenue Changes

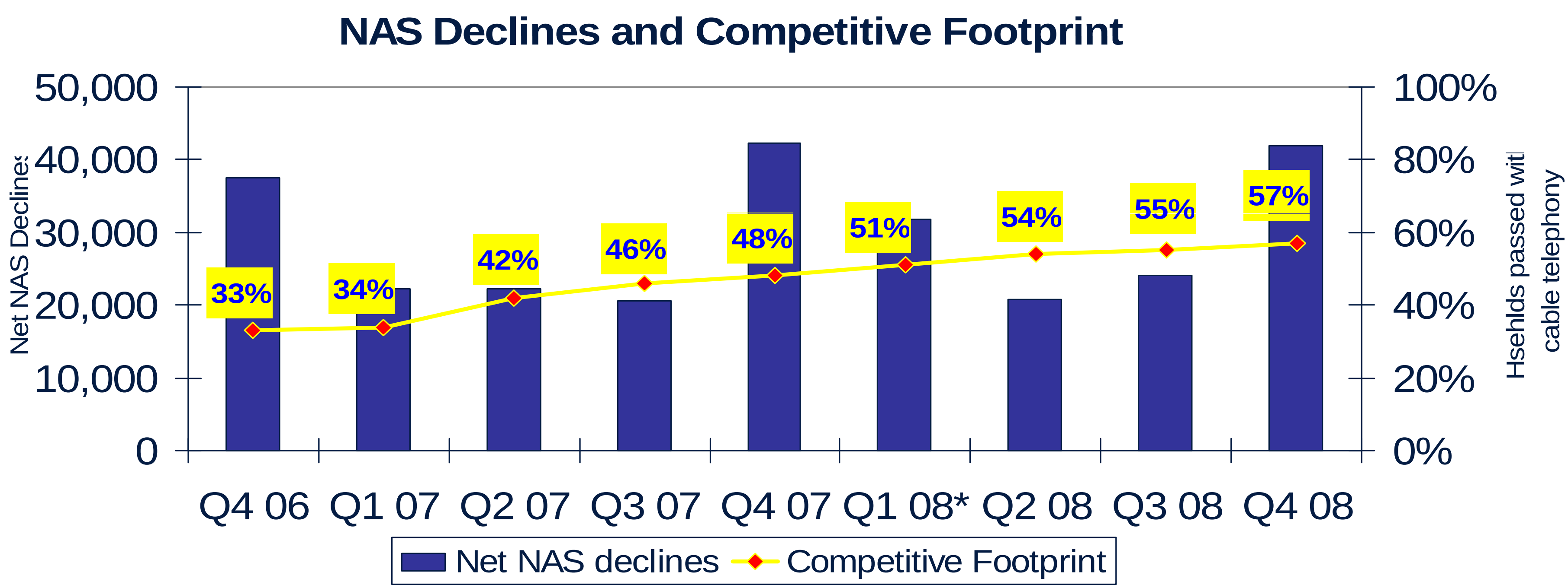
($ millions)	Q4 2008	Y/Y change	YTD 2008	Y/Y change
Revenue	**$813**	(0.7%)	**$3,282**	0.9%

Q4 08 / Q4 07 Revenue Changes



Local and Access

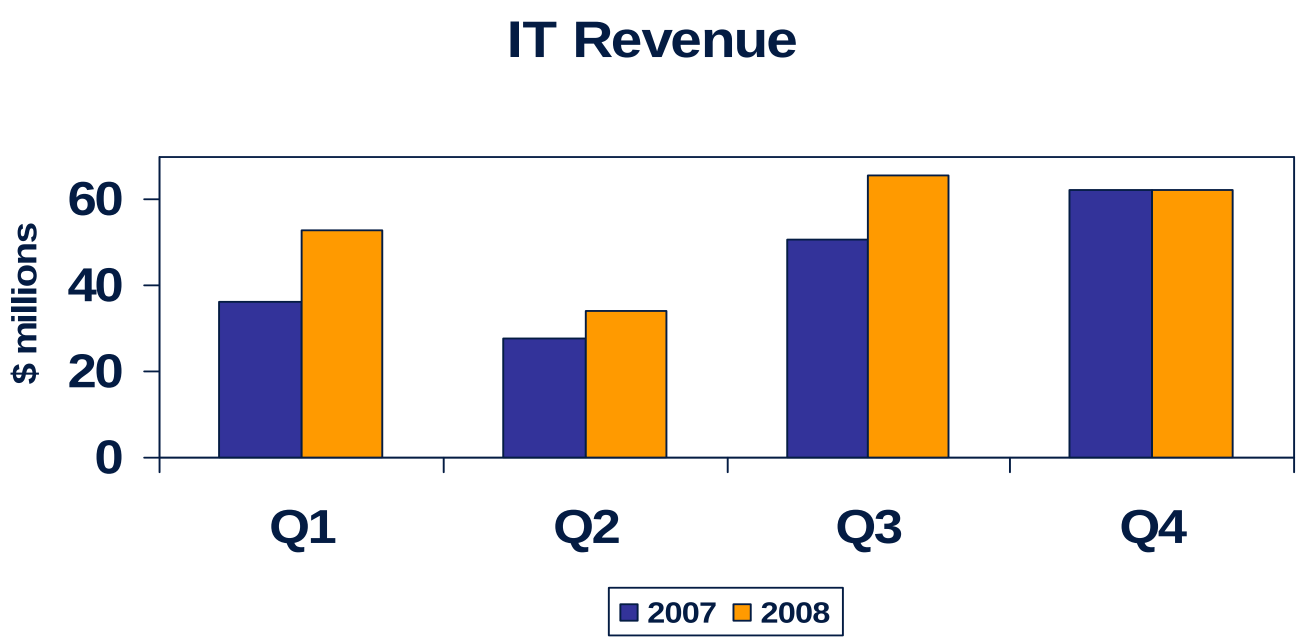
	Q4 2008	Y/Y change	YTD 2008	Y/Y change
Revenue *($ millions)*	**$350**	(1.2%)	**$1,405**	(1.8%)
NAS *(000's) – end of period*	**3,092**	(3.4%)		



*Net NAS declines exclude KMTS lines added in Q1 2008 of 9,200

Information Technology

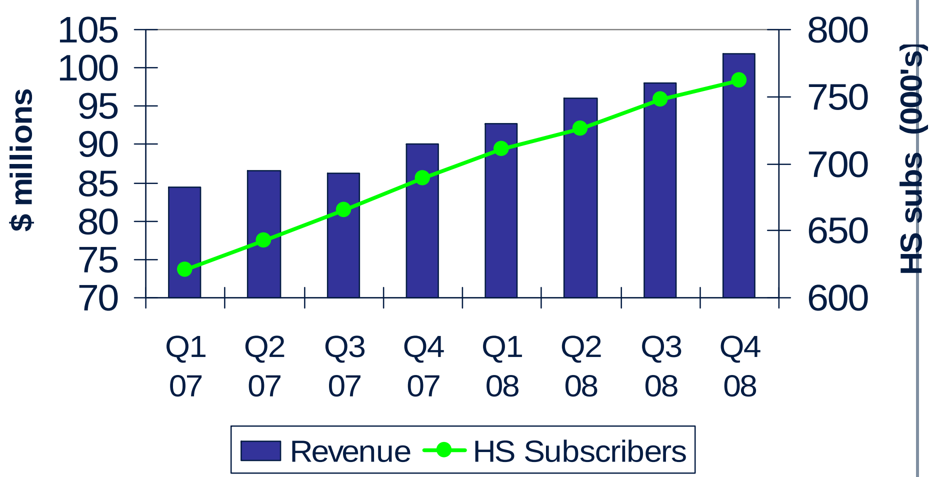
(*$ millions*)	**Q4 2008**	Y/Y change	**YTD 2008**	Y/Y change
Revenue	**$63**	0.2%	$315	20.2%



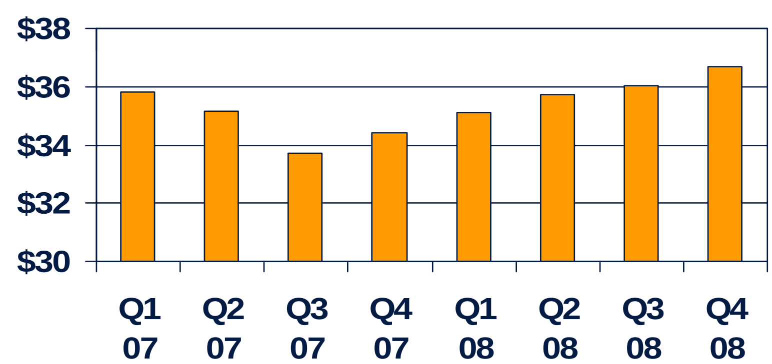
Data

($ millions)	**Q4 2008**	Y/Y change	**YTD 2008**	Y/Y change
Internet Revenue	**$102**	13.0%	**$389**	11.8%
Other Data	**$107**	4.4%	**$412**	0.8%
H.S.I. Customers(000's)	**762**	10.7%		

Internet Revenue and HS Subscribers

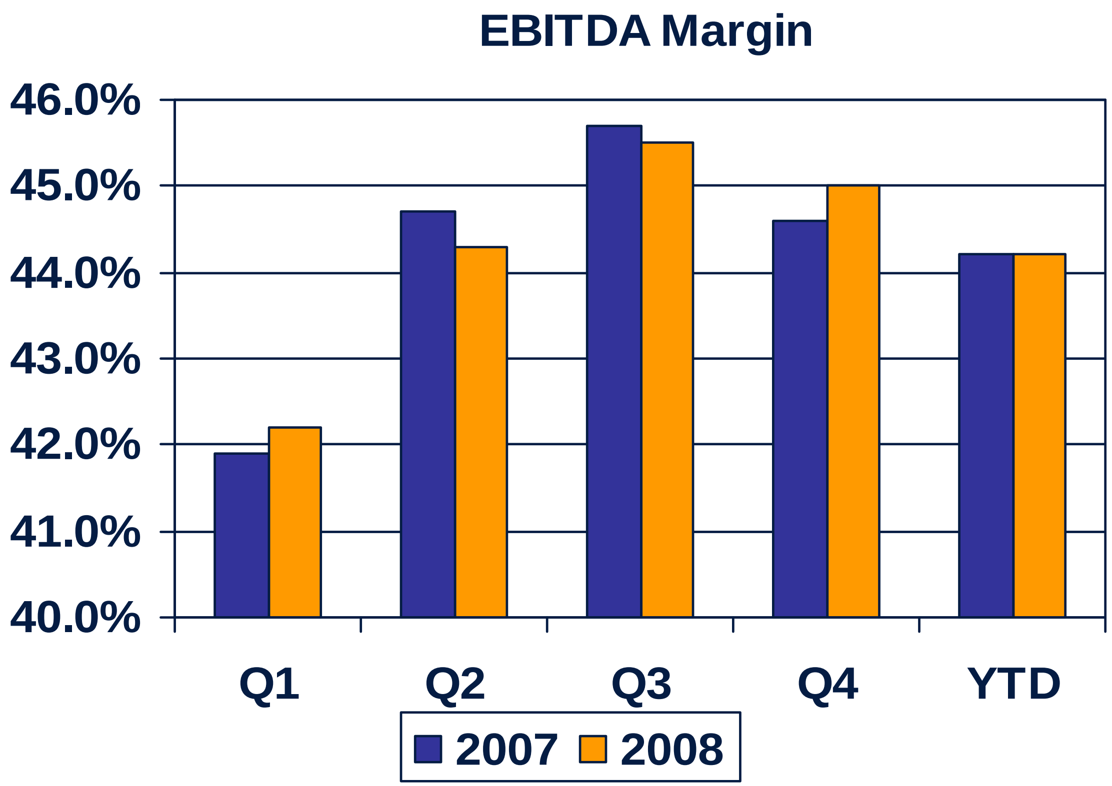


Residential ARPC HS Internet



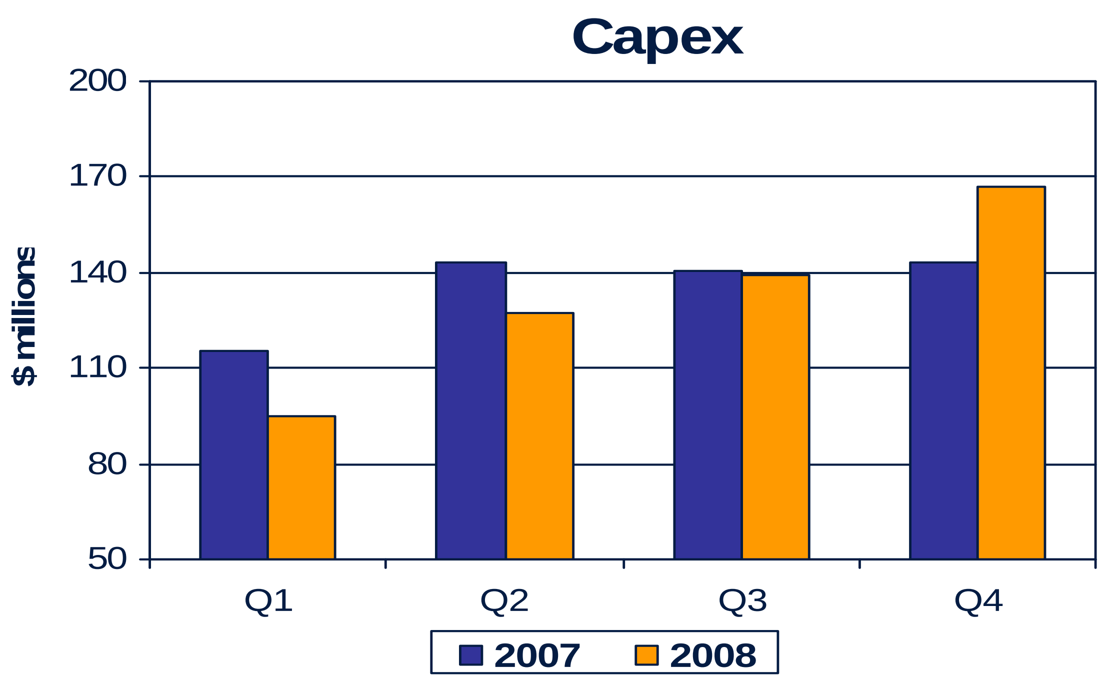
EBITDA

($ millions)	**Q4 2008**	Y/Y change	**YTD 2008**	Y/Y change
EBITDA	**$366**	0.0%	**$1,451**	0.9%



Capex

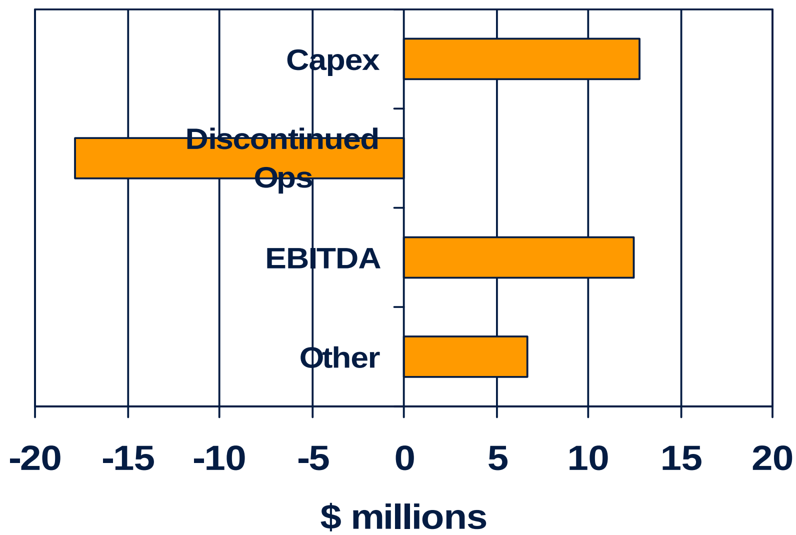
($ millions)	Q4 2008	Y/Y change	YTD 2008	Y/Y change
Capex	**$167**	$24	**$529**	($13)
Intensity	**20.6%**	3.1%	**16.1%**	(0.5%)



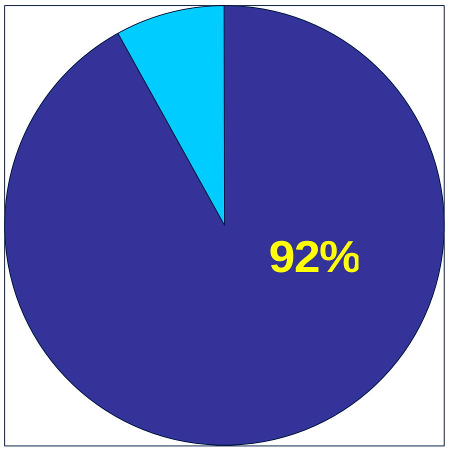
Distributable Cash

($ millions)	Q4 2008	Y/Y change	YTD 2008	% change
Distributable Cash	**$146**	(13.7%)	$716	2.0%

DC changes 2008 / 2007



YTD Distributable Cash Payout



2009 Strategy Update

Bell Aliant – Competitive Assessment

Strengths

- Large and loyal customer base
- Robust portfolio of products and services
- Strong brands
- Benefits of strong relationship with Bell Canada
- Solid financial position

Challenges

- Competitive intensity
- Changing revenue mix / declining margins

Bell Aliant Strategic Priorities

- The customer experience
- Retain our customers
- Grow broadband
- Reset the cost structure
- Engage employees

Operating Efficiency

Restructuring

- Bring employees closer to the customer
- Reduction of 500 management position by end of Q1 2009
- Front line staff not affected
- $60 million charge in Q4 2008
- Payback of approximately 1 year

Capital

- Intensity reduced to 13.5 – 14.5%
- Prioritization
  - Increase spending on broadband expansion and new services
  - Pursue productivity without big IT spends
  - Reduce spending on peripheral areas of the business

Outlook

With the assets
we have
we expect
this to lead to:

- A relatively stable revenue profile
- A leaner cost structure
- Increased cash flow generation

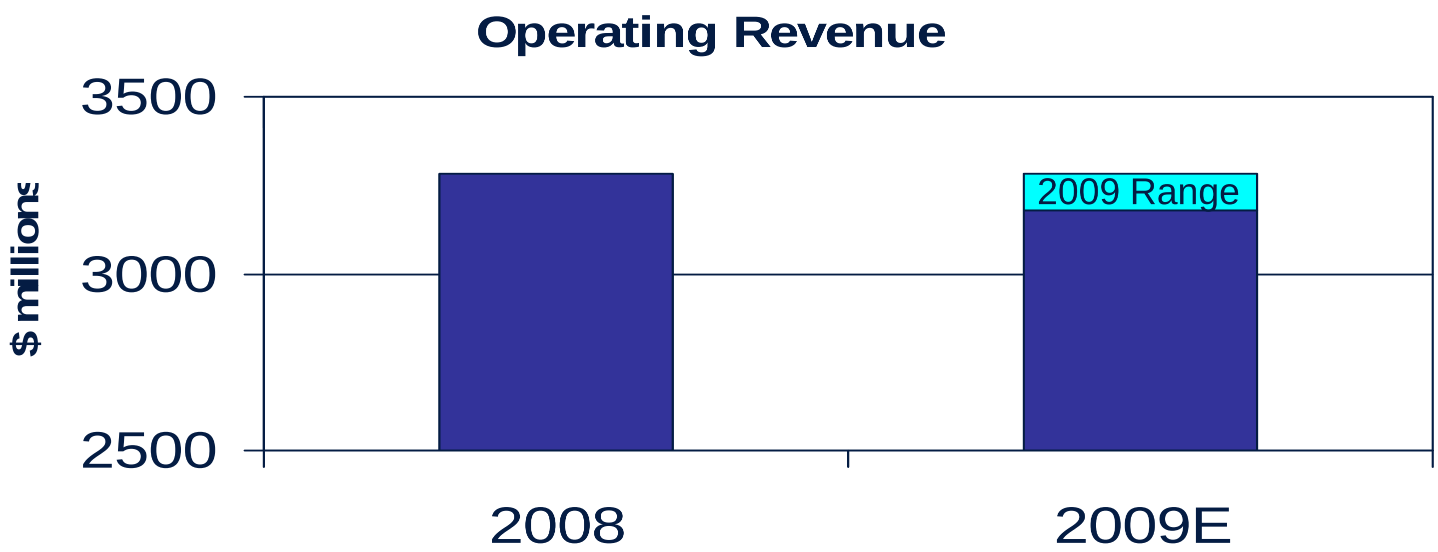
2009 Guidance

Glen LeBlanc

EVP & Chief Financial Officer

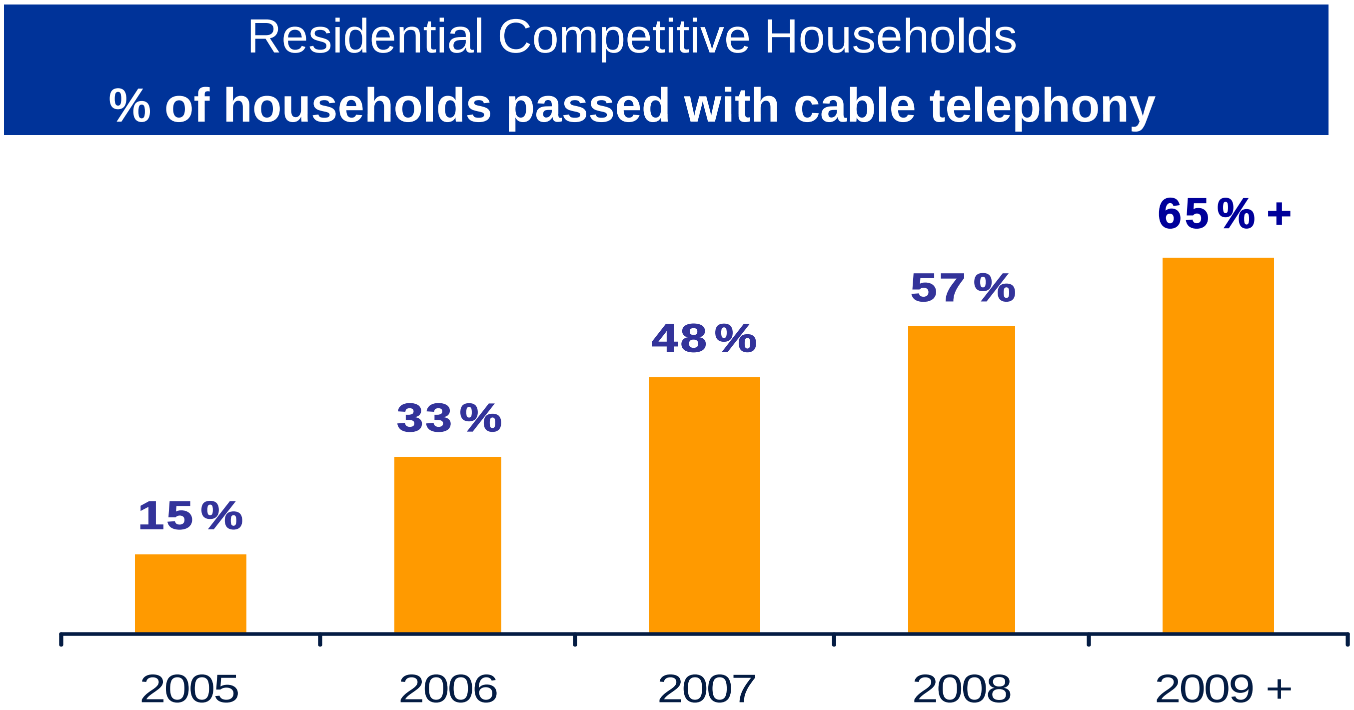
Revenue Outlook

($ millions)	**2008**	**2009 Guidance**
Revenue	**$3,282**	**$3,180 - $3,280**



Growth in Internet and wireless
Declining local and long distance
Lower outsourcing revenues
Stable IT revenues

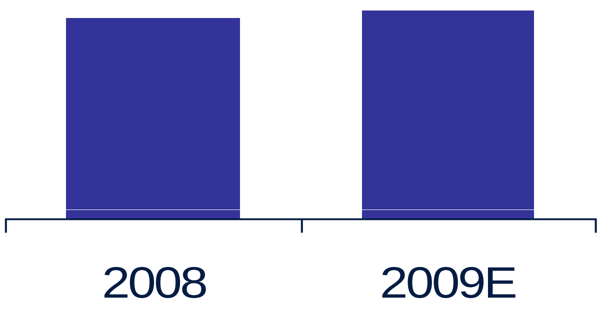
Bell Aliant Territory Competitive Footprint



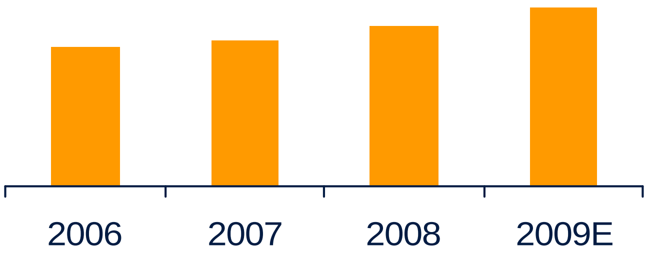
Res NAS declines stabilizing
Bus NAS declines increasing

Internet

ARPC



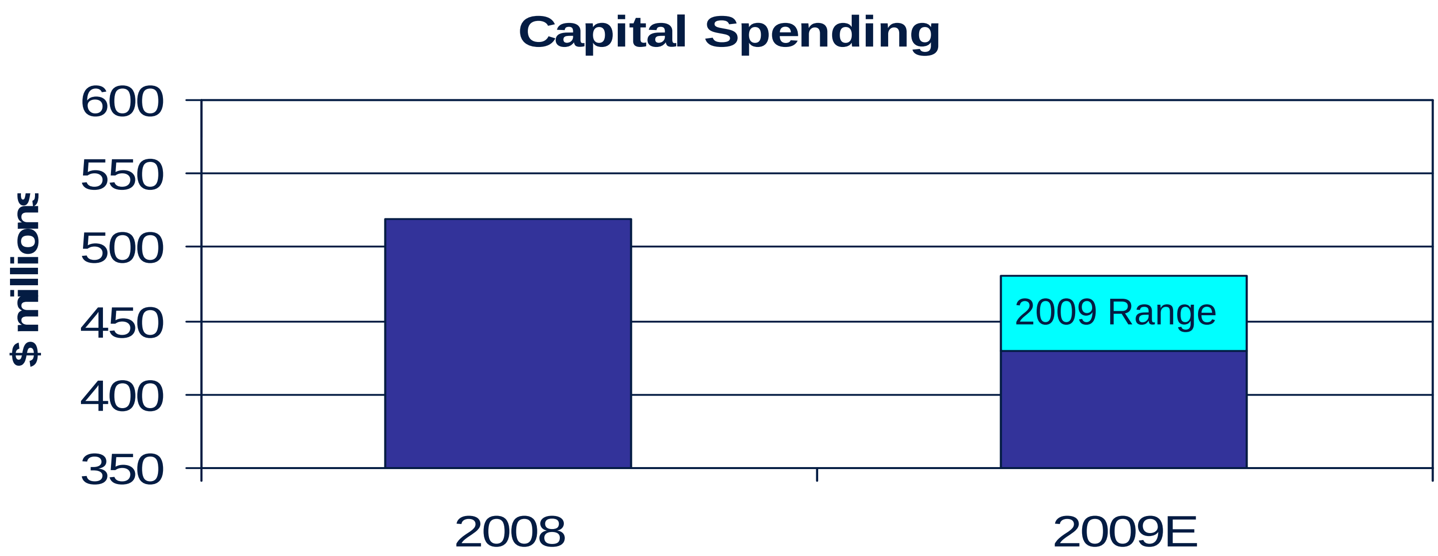
Homes passed - Internet



Footprint expansion
Service expansions
Increasing HS customers and ARPC
Increased TV penetration

Capital Intensity

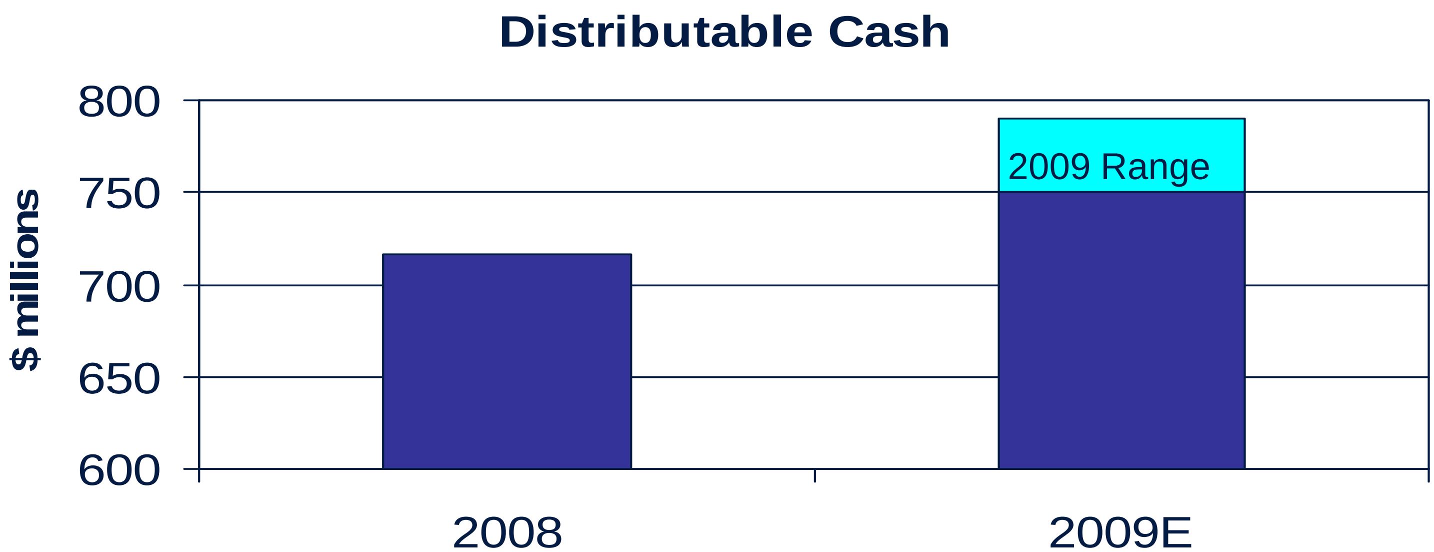
	2008	2009 Guidance
Capital intensity	**16.1%**	**13.5 – 14.5%**



Broadband investment continues
Includes Mobility data network build
Productivity reductions

Distributable Cash

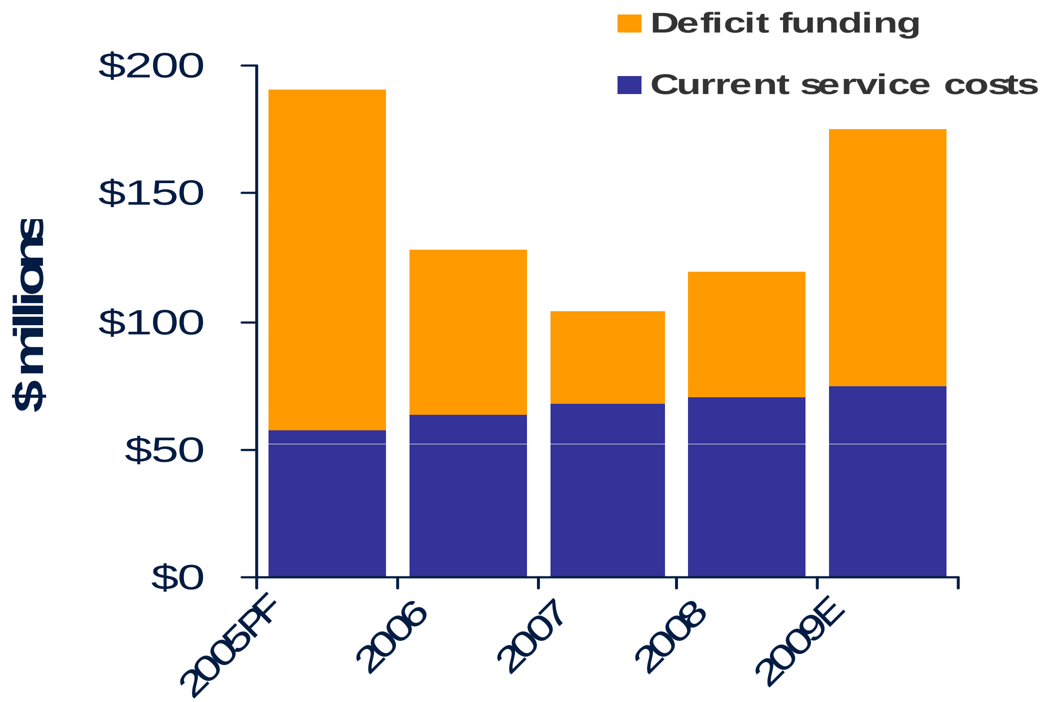
($ millions)	**2008**	**2009 Guidance**
Distributable Cash	**$716**	**$750 - $790**



Lower capital spending
Increased operating efficiency
Increased interest for pension funding
No cash from discontinued ops

Pension

Annual Funding

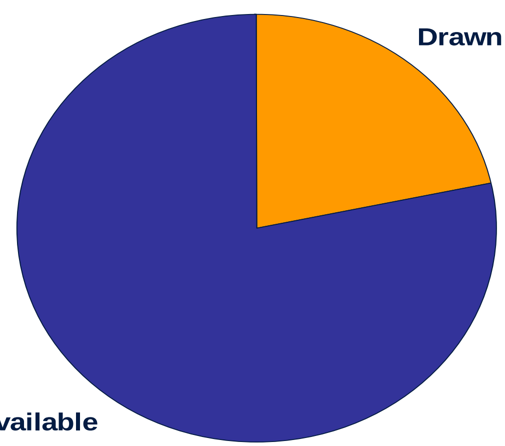


Deficit payments between $90-110 million in 2009
Funded with dedicated credit facility

Credit Position

($ millions)	Maturity	Facility Size	Available at Dec 31 2008
Revolving operating line	July 2011	$550	$350
Pension reserve facility	July 2011	$450	$383

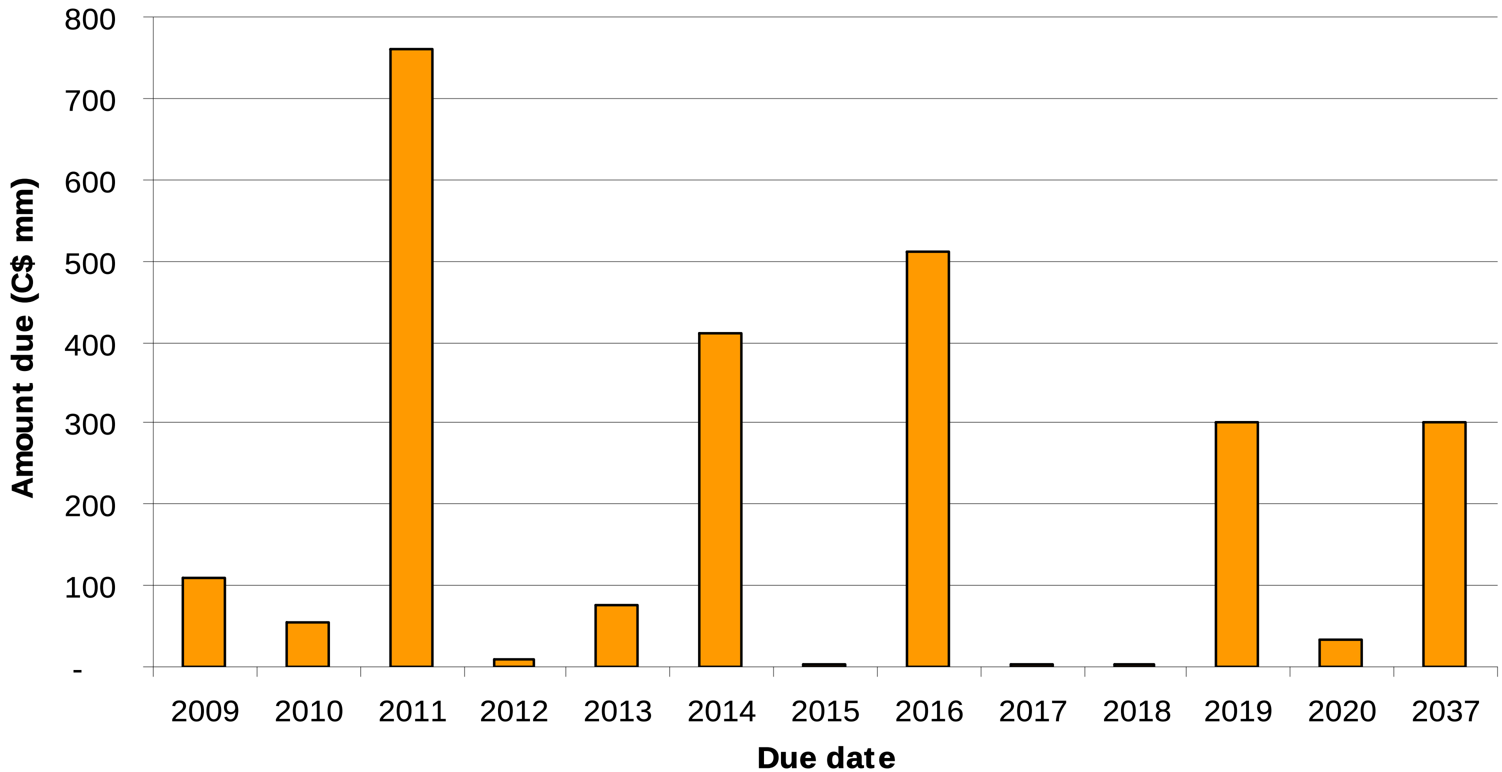
Credit facilities



Strong balance sheet with access to credit facilities

Re-financing Outlook

Long-term Debt Maturity Profile



No significant re-financings until 2011
Smaller re-financings with bank facilities

2009 Guidance

	2009 Guidance
Revenue	\$3,180M – \$3,280M
Distributable cash	\$750M – \$790M
Capital intensity	13.5% – 14.5%

Questions

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