



**Bell Aliant Regional Communications
Income Fund**

**Supplementary Information
(unaudited)**

Fourth Quarter 2009

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND

Supplementary Information (unaudited)

Basis of Presentation

The Supplementary Information contained herein presents the results of Bell Aliant Regional Communications Income Fund (Bell Aliant Income Fund or the Fund) and the results of its principal operating subsidiary, Bell Aliant Regional Communications Holdings, Limited Partnership (Bell Aliant Holdings LP).

Readers are cautioned that the Supplementary Information is unaudited and some of the financial measures presented herein do not have standard meanings prescribed by Canadian generally accepted accounting policies (GAAP). See "Non-GAAP Financial Measures" section.

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

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BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
BELL ALIANT INCOME FUND
Supplementary Information (unaudited)
Highlights
(millions of dollars, except as otherwise indicated)

| | 2009 | | | | | 2008 | | | | |
|---|---------|-----------|-----------|-----------|-----------|---------|-----------|-----------|-----------|-----------|
| | Total | Q4 | Q3 | Q2 | Q1 | Total | Q4 | Q3 | Q2 | Q1 |
| BELL ALIANT INCOME FUND | | | | | | | | | | |
| Distributions | | | | | | | | | | |
| Distributions declared | \$369.0 | \$92.3 | \$92.3 | \$92.3 | \$92.1 | \$367.5 | \$92.1 | \$92.1 | \$92.1 | \$91.2 |
| Distributions declared per Fund unit | \$2.900 | \$0.725 | \$0.725 | \$0.725 | \$0.725 | \$2.894 | \$0.725 | \$0.725 | \$0.725 | \$0.718 |
| Unitholders' capital (000's) | | | | | | | | | | |
| Fund units publicly held, beginning of period | 126,984 | 127,255 | 127,239 | 127,228 | 126,984 | 126,950 | 126,980 | 126,952 | 126,952 | 126,950 |
| Issued (redeemed) | 280 | 9 | 16 | 11 | 244 | 34 | 4 | 28 | - | 2 |
| Fund units publicly held, end of period | 127,264 | 127,264 | 127,255 | 127,239 | 127,228 | 126,984 | 126,984 | 126,980 | 126,952 | 126,952 |
| Exchangeable units held by BCE Inc. / Bell Canada | 100,374 | 100,374 | 100,374 | 100,374 | 100,374 | 100,374 | 100,374 | 100,374 | 100,374 | 100,374 |
| Deferred units (dilutive) | 739 | 739 | 432 | 437 | 438 | 686 | 686 | 466 | 481 | 468 |
| Fully diluted Fund units, end of period | 228,377 | 228,377 | 228,061 | 228,050 | 228,040 | 228,044 | 228,044 | 227,820 | 227,807 | 227,794 |
| Average units outstanding - basic | 127,211 | 127,261 | 127,247 | 127,237 | 127,098 | 126,964 | 126,983 | 126,971 | 126,952 | 126,951 |
| Average units outstanding - fully diluted | 228,324 | 228,374 | 228,053 | 228,048 | 227,910 | 228,024 | 228,043 | 227,811 | 227,807 | 227,793 |
| Market data | | | | | | | | | | |
| Market capitalization ⁽¹⁾ | | \$6,401.4 | \$6,383.4 | \$6,009.1 | \$5,495.8 | | \$5,370.4 | \$5,693.2 | \$6,624.6 | \$6,831.5 |
| Market price | | | | | | | | | | |
| High | | \$28.10 | \$27.99 | \$26.74 | \$26.85 | | \$26.20 | \$29.42 | \$30.55 | \$30.15 |
| Low | | \$26.21 | \$25.60 | \$23.60 | \$23.01 | | \$21.00 | \$24.83 | \$28.76 | \$26.00 |
| Close | | \$28.03 | \$27.99 | \$26.35 | \$24.10 | | \$23.55 | \$24.99 | \$29.08 | \$29.99 |
| Distribution yield ⁽²⁾ | | 10.3% | 10.4% | 11.0% | 12.0% | | 12.3% | 11.6% | 10.0% | 9.6% |

⁽¹⁾ Market capitalization - fully diluted Fund units, end of period multiplied by market close price.

⁽²⁾ Distribution yield - distributions declared per Fund unit divided by market close price. This calculation is annualized.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
BELL ALIANT INCOME FUND

Supplementary Information (unaudited)

Summary of quarterly financial results

(millions of dollars, except as otherwise indicated)

| | 2009 | | | | | 2008 | | | | |
|---|----------------|------------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|------------------|
| | Total | Q4 | Q3 | Q2 | Q1 | Total | Q4 | Q3 | Q2 | Q1 |
| INCOME FUND | | | | | | | | | | |
| Net earnings | | | | | | | | | | |
| Equity income from investments | \$303.6 | \$80.2 | \$80.7 | \$76.3 | \$66.4 | \$255.6 | \$66.0 | \$76.1 | \$69.4 | \$44.1 |
| Other revenues | - | - | - | - | - | 0.1 | - | 0.1 | - | - |
| Total revenues | 303.6 | 80.2 | 80.7 | 76.3 | 66.4 | 255.7 | 66.0 | 76.2 | 69.4 | 44.1 |
| Expenses | 4.0 | 0.8 | 0.7 | 1.5 | 1.0 | 4.0 | 0.5 | 1.5 | 0.9 | 1.1 |
| Net earnings from continuing operations | \$299.6 | \$79.4 | \$80.0 | \$74.8 | \$65.4 | \$251.7 | \$65.5 | \$74.7 | \$68.5 | \$43.0 |
| Net earnings (loss) from discontinued operations | (10.6) | (2.1) | (5.7) | (3.4) | 0.6 | (0.3) | 0.1 | 0.3 | (0.7) | - |
| Net earnings | \$289.0 | \$77.3 | \$74.3 | \$71.4 | \$66.0 | \$251.4 | \$65.6 | \$75.0 | \$67.8 | \$43.0 |
| Balance Sheet | | | | | | | | | | |
| Cash and cash equivalents | | \$2.6 | \$2.2 | \$3.2 | \$1.9 | | \$6.2 | \$5.0 | \$2.6 | \$1.2 |
| Distributions receivable | | 31.1 | 31.1 | 31.3 | 31.2 | | 31.2 | 31.1 | 31.2 | 31.0 |
| Due from related parties | | 25.2 | 23.8 | 18.5 | 21.0 | | 13.6 | 9.6 | 8.6 | 6.3 |
| Total current assets | | 58.9 | 57.1 | 53.0 | 54.1 | | 51.0 | 45.7 | 42.4 | 38.5 |
| Investments | | 4,092.7 | 4,107.0 | 4,124.6 | 4,135.2 | | 4,160.6 | 4,191.9 | 4,209.3 | 4,232.6 |
| Total assets | | \$4,151.6 | \$4,164.1 | \$4,177.6 | \$4,189.3 | | \$4,211.6 | \$4,237.6 | \$4,251.7 | \$4,271.1 |
| Payables and accruals | | - | - | - | 0.1 | | \$0.2 | \$0.6 | \$0.3 | \$0.4 |
| Distributions payable | | 30.8 | 30.8 | 30.8 | 30.7 | | 30.7 | 30.7 | 30.7 | 30.7 |
| Total current liabilities | | 30.8 | 30.8 | 30.8 | 30.8 | | 30.9 | 31.3 | 31.0 | 31.1 |
| Unitholders' equity | | 4,120.8 | 4,133.3 | 4,146.8 | 4,158.5 | | 4,180.7 | 4,206.3 | 4,220.7 | 4,240.0 |
| Total liabilities and unitholders' equity | | \$4,151.6 | \$4,164.1 | \$4,177.6 | \$4,189.3 | | \$4,211.6 | \$4,237.6 | \$4,251.7 | \$4,271.1 |
| Cash flow | | | | | | | | | | |
| Net earnings from continuing operations | \$299.6 | \$79.4 | \$80.0 | \$74.8 | \$65.4 | \$251.7 | \$65.5 | \$74.7 | \$68.5 | \$43.0 |
| Income from equity investments | (303.6) | (80.2) | (80.7) | (76.3) | (66.4) | (255.6) | (66.0) | (76.1) | (69.4) | (44.1) |
| Change in operating assets and liabilities | (11.8) | - | (2.0) | 1.2 | (11.0) | 3.6 | 0.4 | 1.7 | 0.7 | 0.8 |
| Cash from (used in) operating activities | (15.8) | (0.8) | (2.7) | (0.3) | (12.0) | (0.3) | (0.1) | 0.3 | (0.2) | (0.3) |
| Issuance of units | 7.4 | 0.3 | 0.4 | 0.3 | 6.4 | 1.0 | 0.1 | 0.8 | - | 0.1 |
| Redemption of units | (0.1) | - | - | - | (0.1) | (0.1) | - | - | (0.1) | - |
| Purchase of units for distribution reinvestment plan | (14.7) | (3.9) | (3.8) | (3.6) | (3.4) | (13.3) | (3.3) | (3.3) | (3.4) | (3.3) |
| Cash distributions paid to unitholders | (354.2) | (88.4) | (88.5) | (88.6) | (88.7) | (353.3) | (88.8) | (88.8) | (88.7) | (87.0) |
| Cash used in financing activities | (361.6) | (92.0) | (91.9) | (91.9) | (85.8) | (365.7) | (92.0) | (91.3) | (92.2) | (90.2) |
| Cash distributions received from equity investments | 373.8 | 93.2 | 93.6 | 93.5 | 93.5 | 370.1 | 93.3 | 93.4 | 93.8 | 89.6 |
| Cash from investing activities | 373.8 | 93.2 | 93.6 | 93.5 | 93.5 | 370.1 | 93.3 | 93.4 | 93.8 | 89.6 |
| Net increase (decrease) in cash from continuing operations | (3.6) | 0.4 | (1.0) | 1.3 | (4.3) | 4.1 | 1.2 | 2.4 | 1.4 | (0.9) |
| Cash and cash equivalents, beginning of period | 6.2 | 2.2 | 3.2 | 1.9 | 6.2 | 2.1 | 5.0 | 2.6 | 1.2 | 2.1 |
| Cash and cash equivalents, end of period | \$2.6 | \$2.6 | \$2.2 | \$3.2 | \$1.9 | \$6.2 | \$6.2 | \$5.0 | \$2.6 | \$1.2 |

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
BELL ALIANT HOLDINGS LP
Supplementary Information (unaudited)
Highlights
(millions of dollars, except as otherwise indicated)

| | 2009 ⁽³⁾ | | | | | 2008 ⁽³⁾ | | | | |
|---|---------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|-----------------|-------------------|--------------------|
| | Total | Q4 | Q3 | Q2 | Q1 | Total | Q4 | Q3 | Q2 | Q1 |
| BELL ALIANT HOLDINGS LP | | | | | | | | | | |
| Financial measures | | | | | | | | | | |
| Operating revenues | \$3,174.2 | \$785.6 | \$785.8 | \$784.5 | \$818.3 | \$3,246.3 | \$803.2 | \$806.6 | \$806.8 | \$829.7 |
| EBITDA ⁽²⁴⁾ | \$1,466.4 | \$365.6 | \$374.9 | \$367.2 | \$358.7 | \$1,450.3 | \$365.6 | \$371.0 | \$360.4 | \$353.3 |
| EBITDA ⁽²⁴⁾ margin | 46.2% | 46.5% | 47.7% | 46.8% | 43.8% | 44.7% | 45.5% | 46.0% | 44.7% | 42.6% |
| Operating income | \$621.6 | \$142.9 | \$163.7 | \$164.5 | \$150.5 | \$600.5 | \$112.7 | \$171.3 | \$161.8 | \$154.7 |
| Current year Q over same Q last year growth | | | | | | | | | | |
| Operating revenues | (\$72.1) (2.2%) | (\$17.6) (2.2%) | (\$20.8) (2.6%) | (\$22.3) (2.8%) | (\$11.4) (1.4%) | \$25.5 0.8% | (\$8.6) (1.1%) | \$5.3 0.7% | \$19.4 2.5% | \$9.4 1.1% |
| EBITDA ⁽²⁴⁾ | \$16.1 1.1% | \$0.0 0.0% | \$3.9 1.1% | \$6.8 1.9% | \$5.4 1.5% | \$15.2 1.1% | \$0.4 0.1% | \$2.5 0.7% | \$6.2 1.8% | \$6.1 1.8% |
| EBITDA ⁽²⁴⁾ margin | 1.5% 3.4% | 1.0% 2.2% | 1.7% 3.7% | 2.1% 4.7% | 1.2% 2.8% | 0.1% 0.2% | 0.5% 1.1% | 0.0% 0.0% | (0.3%) (0.7%) | 0.3% 0.7% |
| Operating income | \$21.1 3.5% | \$30.2 26.8% | (\$7.6) (4.4%) | \$2.7 1.7% | (\$4.2) (2.7%) | \$96.2 19.1% | (\$28.9) (20.4%) | \$32.0 23.0% | \$108.9 205.9% | (\$15.8) (9.3%) |
| Operating statistics | | | | | | | | | | |
| Network Access Services (NAS) ⁽⁹⁾ | | 2,926,221 | 2,969,922 | 3,012,113 | 3,043,793 | | 3,081,740 | 3,123,715 | 3,148,400 | 3,170,005 |
| NAS net declines ⁽⁹⁾ | (155,519) | (43,701) | (42,191) | (31,680) | (37,947) | (109,283) | (41,975) | (24,685) | (21,605) | (21,018) |
| As a percentage, in the period | (5.0%) | (1.5%) | (1.4%) | (1.0%) | (1.2%) | (3.4%) | (1.3%) | (0.8%) | (0.7%) | (0.7%) |
| NAS net declines, normalized for KMTS acquisition ⁽⁸⁾ | | | | | | (118,483) | | | | (30,218) |
| As a percentage, in the period | | | | | | (3.7%) | | | | (0.9%) |
| High-speed Internet (HSI) customers ⁽⁹⁾ | | 809,866 | 797,682 | 782,719 | 771,675 | | 757,153 | 744,947 | 725,242 | 710,803 |
| HSI customers net additions | 52,713 | 12,184 | 14,963 | 11,044 | 14,522 | 68,440 | 12,206 | 19,705 | 14,439 | 22,090 |
| As a percentage, in the period | 7.0% | 1.5% | 1.9% | 1.4% | 1.9% | 9.9% | 1.6% | 2.7% | 2.0% | 3.2% |
| HSI customer net additions, normalized for one-time adjustment ⁽⁹⁾ and KMTS acquisition ⁽⁸⁾ | 50,683 | 10,154 | | | | 66,040 | | | | 19,690 |
| As a percentage, in the period | 6.7% | 1.3% | | | | 9.6% | | | | 2.9% |
| Cash flow measures | | | | | | | | | | |
| Capital expenditures | \$464.8 | \$121.1 | \$114.7 | \$121.7 | \$107.3 | \$526.9 | \$167.0 | \$138.2 | \$127.0 | \$94.7 |
| Capital intensity ⁽⁴⁾ | 14.6% | 15.4% | 14.6% | 15.5% | 13.1% | 16.2% | 20.8% | 17.1% | 15.7% | 11.4% |
| Distributable cash ⁽¹⁷⁾ | \$773.4 | \$182.5 | \$207.8 | \$186.6 | \$196.5 | \$715.6 | \$146.2 | \$179.3 | \$183.3 | \$206.8 |
| Distributable cash ⁽¹⁷⁾ per Fund unit ⁽⁵⁾ | \$3.387 | \$0.799 | \$0.911 | \$0.818 | \$0.862 | \$3.141 | \$0.641 | \$0.787 | \$0.805 | \$0.908 |
| Distributions declared ⁽⁶⁾ | \$660.2 | \$165.1 | \$165.1 | \$165.1 | \$164.9 | \$657.9 | \$164.8 | \$164.9 | \$164.9 | \$163.3 |
| Payout ratio ⁽⁷⁾ | 85.4% | 90.5% | 79.5% | 88.5% | 83.9% | 91.9% | 112.7% | 92.0% | 90.0% | 79.0% |
| Current year Q over same Q last year growth | | | | | | | | | | |
| Distributable cash ⁽¹⁷⁾ | \$57.8 8.1% | \$36.3 24.8% | \$28.5 15.9% | \$3.3 1.8% | (\$10.3) (5.0%) | \$14.2 2.0% | (\$23.3) (13.7%) | \$1.7 1.0% | \$21.1 13.0% | \$14.7 7.7% |

⁽³⁾ We adopted discontinued operations presentation for xwave New England Corp. (xwave NE) in Q2 2009 and for Innovatia Inc. (Innovatia) in Q3 2009, in accordance with Canadian GAAP. As a result, the statements of net earnings and cash flow for prior periods have been restated.

⁽⁴⁾ Capital intensity - capital expenditures divided by operating revenues.

⁽⁵⁾ Distributable cash⁽¹⁷⁾ per Fund unit - Distributable cash⁽¹⁷⁾ divided by average fully diluted Fund units outstanding.

⁽⁶⁾ Distributions declared - sum of distributions declared by the Fund and distributions declared by Bell Aliant Holdings LP and Bell Aliant Regional Communications, Limited Partnership (Bell Aliant LP) on exchangeable units held by BCE Inc. and Bell Canada.

⁽⁷⁾ Payout ratio - distributions declared divided by Distributable cash.⁽¹⁷⁾

⁽⁸⁾ The acquisition of Kenora Municipal Telephone System (KMTS) on February 1, 2008, added approximately 5,100 residential and 4,100 business NAS customers, 9,000 wireless customers, and 2,400 HSI customers to our existing base as of that date.

⁽⁹⁾ As a result of a comprehensive review of our subscriber metrics, we restated NAS for all prior periods and made a one-time adjustment to HSI customers number, increasing Q4 2009 HSI customers net additions by 2,030.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND

Supplementary Information (unaudited)

(millions of dollars, except as otherwise indicated)

BELL ALIANT HOLDINGS LP

Summary of quarterly financial results

| | 2009 ^(B) | | | | | 2008 ^(B) | | | | |
|---|---------------------|------------|------------|------------|------------|---------------------|------------|------------|------------|------------|
| | Total | Q4 | Q3 | Q2 | Q1 | Total | Q4 | Q3 | Q2 | Q1 |
| BELL ALIANT HOLDINGS LP | | | | | | | | | | |
| Net earnings | | | | | | | | | | |
| Operating revenues | \$3,174.2 | \$785.6 | \$785.8 | \$784.5 | \$818.3 | \$3,246.3 | \$803.2 | \$806.6 | \$806.8 | \$829.7 |
| Operating expenses | 1,707.8 | 420.0 | 410.9 | 417.3 | 459.6 | 1,796.0 | 437.6 | 435.6 | 446.4 | 476.4 |
| EBITDA ^(2A) | 1,466.4 | 365.6 | 374.9 | 367.2 | 358.7 | 1,450.3 | 365.6 | 371.0 | 360.4 | 353.3 |
| Net cost of benefit plans | 85.1 | 20.4 | 20.0 | 22.5 | 22.2 | 78.2 | 3.6 | 25.1 | 24.7 | 24.8 |
| Depreciation and amortization | 715.0 | 184.2 | 177.4 | 177.1 | 176.3 | 711.3 | 189.0 | 174.6 | 173.9 | 173.8 |
| Restructuring and other charges | 44.7 | 18.1 | 13.8 | 3.1 | 9.7 | 60.3 | 60.3 | - | - | - |
| Operating income | 621.6 | 142.9 | 163.7 | 164.5 | 150.5 | 600.5 | 112.7 | 171.3 | 161.8 | 154.7 |
| Other expenses (income) | 11.4 | (0.8) | (0.8) | 12.8 | 0.2 | (2.4) | (4.4) | (0.6) | 0.8 | 1.8 |
| Interest charges | 158.4 | 41.9 | 40.0 | 39.0 | 37.5 | 157.2 | 40.0 | 38.1 | 39.8 | 39.3 |
| Income tax expense (recovery) | (56.1) | (24.0) | (8.4) | (15.8) | (7.9) | (22.0) | (17.2) | (0.9) | (5.6) | 1.7 |
| Non-controlling interest | 134.9 | 30.7 | 34.1 | 33.8 | 36.3 | 131.1 | 13.3 | 39.6 | 41.8 | 36.4 |
| Net earnings from continuing operations | 373.0 | 95.1 | 98.8 | 94.7 | 84.4 | 336.6 | 81.0 | 95.1 | 85.0 | 75.5 |
| Net loss from discontinued operations | (16.8) | (2.5) | (7.0) | (5.4) | (1.9) | (14.4) | (1.0) | (1.6) | (0.6) | (11.2) |
| Net earnings | \$356.2 | \$92.6 | \$91.8 | \$89.3 | \$82.5 | \$322.2 | \$80.0 | \$93.5 | \$84.4 | \$64.3 |
| Balance sheet | | | | | | | | | | |
| Cash and cash equivalents | | \$27.1 | \$27.4 | \$15.5 | \$23.7 | | \$14.6 | \$24.9 | \$8.9 | \$10.9 |
| Accounts receivable | | 304.0 | 312.0 | 329.9 | 351.1 | | 348.4 | 343.2 | 356.7 | 411.6 |
| Other current assets | | 101.2 | 110.7 | 113.9 | 128.5 | | 94.7 | 88.0 | 99.6 | 89.5 |
| Current assets | | 432.3 | 450.1 | 459.3 | 503.3 | | 457.7 | 456.1 | 465.2 | 512.0 |
| Property, plant and equipment | | 3,662.8 | 3,677.6 | 3,685.5 | 3,693.6 | | 3,726.1 | 3,722.2 | 3,717.7 | 3,720.0 |
| Finite-life intangibles | | 3,069.8 | 3,095.2 | 3,139.9 | 3,183.1 | | 3,218.3 | 3,228.6 | 3,265.9 | 3,301.4 |
| Capital investments | | 6,732.6 | 6,772.8 | 6,825.4 | 6,876.7 | | 6,944.4 | 6,950.8 | 6,983.6 | 7,021.4 |
| Other long-term assets | | 41.4 | 42.3 | 53.0 | 58.8 | | 60.2 | 59.9 | 88.6 | 89.0 |
| Accrued benefit asset | | 418.0 | 410.9 | 406.1 | 402.9 | | 398.9 | 373.7 | 369.7 | 366.7 |
| Indefinite-life intangibles | | 125.2 | 125.2 | 125.2 | 125.2 | | 125.2 | 123.3 | 123.3 | 123.3 |
| Goodwill | | 2,768.3 | 2,768.3 | 2,762.7 | 2,766.6 | | 2,766.6 | 2,774.2 | 2,753.1 | 2,762.7 |
| Other assets | | 3,352.9 | 3,346.7 | 3,347.0 | 3,353.5 | | 3,350.9 | 3,331.1 | 3,334.7 | 3,341.7 |
| Total assets | | \$10,517.8 | \$10,569.6 | \$10,631.7 | \$10,733.5 | | \$10,753.0 | \$10,738.0 | \$10,783.5 | \$10,875.1 |
| Notes payable to related party | | \$2.6 | \$2.3 | \$3.1 | \$1.2 | | \$6.2 | \$5.0 | \$2.3 | \$1.1 |
| Payables and accruals | | 416.2 | 366.5 | 376.8 | 401.1 | | 451.2 | 333.0 | 360.5 | 358.6 |
| Distributions payable | | 55.3 | 55.3 | 55.5 | 55.4 | | 55.4 | 55.3 | 55.4 | 55.3 |
| Other current liabilities | | - | 1.9 | 0.4 | 5.7 | | 8.1 | 8.6 | 0.4 | 0.4 |
| Short-term debt | | 40.0 | 77.5 | 78.8 | 293.4 | | 208.2 | 242.4 | 229.7 | 285.4 |
| Long-term debt due within one year | | 17.2 | 18.6 | 15.5 | 114.8 | | 114.7 | 109.1 | 9.4 | 59.9 |
| Current liabilities | | 531.3 | 522.1 | 530.1 | 871.6 | | 843.8 | 753.4 | 657.7 | 760.7 |
| Long-term debt | | 2,759.9 | 2,754.0 | 2,750.5 | 2,451.5 | | 2,454.0 | 2,456.7 | 2,561.8 | 2,513.3 |
| Accrued benefit liability | | 382.9 | 397.6 | 411.0 | 416.9 | | 421.9 | 423.4 | 424.3 | 426.3 |
| Other long-term liabilities | | 456.4 | 466.9 | 471.8 | 494.2 | | 487.9 | 481.5 | 483.3 | 479.8 |
| Other liabilities | | 3,599.2 | 3,618.5 | 3,633.3 | 3,362.6 | | 3,363.8 | 3,361.6 | 3,469.4 | 3,419.4 |
| Non-controlling interest | | 1,587.9 | 1,609.6 | 1,627.8 | 1,646.4 | | 1,662.5 | 1,701.5 | 1,714.2 | 1,725.2 |
| Partners' equity | | 4,799.4 | 4,819.4 | 4,840.5 | 4,852.9 | | 4,882.9 | 4,921.5 | 4,942.2 | 4,969.8 |
| Total liabilities and partners' equity | | \$10,517.8 | \$10,569.6 | \$10,631.7 | \$10,733.5 | | \$10,753.0 | \$10,738.0 | \$10,783.5 | \$10,875.1 |

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
BELL ALIANT HOLDINGS LP
Supplementary Information (unaudited)
Summary of quarterly financial results
(millions of dollars, except as otherwise indicated)

| | 2009 ⁽³⁾ | | | | | 2008 ⁽³⁾ | | | | |
|--|---------------------|----------------|----------------|----------------|----------------|---------------------|----------------|----------------|----------------|----------------|
| | Total | Q4 | Q3 | Q2 | Q1 | Total | Q4 | Q3 | Q2 | Q1 |
| BELL ALIANT HOLDINGS LP | | | | | | | | | | |
| Cash flow | | | | | | | | | | |
| Net earnings from continuing operations | \$373.0 | \$95.1 | \$98.8 | \$94.7 | \$84.4 | \$336.6 | \$81.0 | \$95.1 | \$85.0 | \$75.5 |
| Depreciation and amortization | 715.0 | 184.2 | 177.4 | 177.1 | 176.3 | 711.3 | 189.0 | 174.6 | 173.9 | 173.8 |
| Loss (gain) on disposal of assets | (0.8) | 0.2 | - | (1.0) | - | (2.5) | (0.9) | (1.4) | (0.2) | - |
| Future income tax expense (recovery) | (54.1) | (24.0) | (8.4) | (13.8) | (7.9) | (14.4) | (13.5) | (0.9) | (5.6) | 5.6 |
| Net cost of benefit plans | 77.4 | 18.4 | 18.3 | 20.4 | 20.3 | 70.5 | 1.6 | 23.0 | 22.9 | 23.0 |
| Funding of defined benefit and other post-employment benefit plans | (135.5) | (40.2) | (36.5) | (29.5) | (29.3) | (111.8) | (28.4) | (27.9) | (27.9) | (27.6) |
| Non-controlling interest | 134.9 | 30.7 | 34.1 | 33.8 | 36.3 | 131.1 | 13.3 | 39.6 | 41.8 | 36.4 |
| Other | 2.8 | (5.4) | (2.2) | 10.6 | (0.2) | (5.5) | (3.5) | (1.7) | 0.7 | (1.0) |
| Change in operating assets and liabilities | 22.9 | 73.1 | 16.6 | 2.6 | (69.4) | 134.0 | 116.5 | 7.5 | 58.6 | (48.6) |
| Cash from operating activities | 1,135.6 | 332.1 | 298.1 | 294.9 | 210.5 | 1,249.3 | 355.1 | 307.9 | 349.2 | 237.1 |
| Repurchase of accounts receivable | - | - | - | - | - | (55.0) | - | - | - | (55.0) |
| Net proceeds (repayments) of short-term debt | (168.2) | (37.5) | (1.3) | (214.6) | 85.2 | (8.5) | (34.2) | 12.6 | (55.6) | 68.7 |
| Net proceeds (repayment) of notes payable to related party | (3.6) | 0.3 | (0.9) | 2.0 | (5.0) | 4.3 | 1.2 | 2.7 | 1.2 | (0.8) |
| Proceeds of long-term debt | 348.6 | - | - | 348.6 | - | 50.0 | - | - | 50.0 | - |
| Repayment of long-term debt | (156.8) | (4.8) | (0.9) | (150.2) | (0.9) | (53.8) | (1.9) | (0.7) | (50.4) | (0.8) |
| Repayment of capital lease obligations | (8.8) | (2.8) | (2.4) | (1.4) | (2.2) | (6.8) | (1.6) | (1.5) | (1.8) | (1.9) |
| Net settlement of financial derivatives | (15.4) | - | - | (15.4) | - | - | - | - | - | - |
| Distributions paid by subsidiaries to non-controlling interest | (209.5) | (52.4) | (52.4) | (52.3) | (52.4) | (213.0) | (52.4) | (52.4) | (52.3) | (55.9) |
| Distributions paid | (455.5) | (113.6) | (114.0) | (114.0) | (113.9) | (446.9) | (113.7) | (113.8) | (114.3) | (105.1) |
| Cash used in financing activities | (669.2) | (210.8) | (171.9) | (197.3) | (89.2) | (729.7) | (202.6) | (153.1) | (223.2) | (150.8) |
| Purchase of capital investments | (464.8) | (121.1) | (114.7) | (121.7) | (107.3) | (526.9) | (167.0) | (138.2) | (127.0) | (94.7) |
| Proceeds on sale of capital investments | 2.4 | 0.6 | 0.1 | 1.7 | - | 3.4 | 1.5 | 0.2 | 1.7 | - |
| Business acquisitions, net of cash received | - | - | - | - | - | (28.2) | (0.1) | (0.3) | (0.2) | (27.6) |
| Cash used in investing activities | (462.4) | (120.5) | (114.6) | (120.0) | (107.3) | (551.7) | (165.6) | (138.3) | (125.5) | (122.3) |
| Net increase (decrease) in cash from continuing operations | 4.0 | 0.8 | 11.6 | (22.4) | 14.0 | (32.1) | (13.1) | 16.5 | 0.5 | (36.0) |
| Net increase (decrease) in cash from discontinued operations | 8.5 | (1.1) | 0.3 | 14.2 | (4.9) | (1.4) | 2.8 | (0.5) | (2.5) | (1.2) |
| Cash and cash equivalents, beginning of period | 14.6 | 27.4 | 15.5 | 23.7 | 14.6 | 48.1 | 24.9 | 8.9 | 10.9 | 48.1 |
| Cash and cash equivalents, end of period | \$27.1 | \$27.1 | \$27.4 | \$15.5 | \$23.7 | \$14.6 | \$14.6 | \$24.9 | \$8.9 | \$10.9 |

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND

BELL ALIANT HOLDINGS LP

Supplementary Information (unaudited)

Operating revenues and growth

(millions of dollars, except as otherwise indicated)

| | | 2009 ⁽³⁾ | | | | | 2008 ⁽³⁾ | | | | |
|--|-----------------------------|---------------------|----------------|----------------|----------------|----------------|---------------------|----------------|----------------|----------------|----------------|
| | | Total | Q4 | Q3 | Q2 | Q1 | Total | Q4 | Q3 | Q2 | Q1 |
| Operating revenues | | | | | | | | | | | |
| Local and access | | \$1,356.9 | \$336.0 | \$341.8 | \$340.9 | \$338.2 | \$1,406.3 | \$350.5 | \$356.8 | \$352.2 | \$346.8 |
| Long distance | | 423.9 | \$100.4 | 111.2 | 106.3 | 106.0 | 452.3 | 109.8 | 117.0 | 112.8 | 112.7 |
| Data: | Internet | 427.0 | 109.1 | 109.1 | 106.0 | 102.8 | 388.6 | 101.8 | 98.0 | 96.0 | 92.8 |
| | Other | 401.0 | 103.7 | 98.7 | 101.2 | 97.4 | 410.1 | 106.9 | 100.9 | 101.3 | 101.0 |
| | Total data | 828.0 | 212.8 | 207.8 | 207.2 | 200.2 | 798.7 | 208.7 | 198.9 | 197.3 | 193.8 |
| Information technology: | IT services | 88.5 | 20.0 | 22.1 | 22.7 | 23.7 | 106.2 | 23.2 | 21.5 | 24.2 | 37.3 |
| | Fulfillment | 216.2 | 46.7 | 39.2 | 41.7 | 88.6 | 197.1 | 35.2 | 41.3 | 53.0 | 67.6 |
| | Total IT | 304.7 | 66.7 | 61.3 | 64.4 | 112.3 | 303.3 | 58.4 | 62.8 | 77.2 | 104.9 |
| Wireless | | 88.8 | 23.5 | 24.3 | 21.2 | 19.8 | 80.8 | 21.5 | 21.9 | 19.5 | 17.9 |
| Other revenues: | Product sales | 61.8 | 19.6 | 12.1 | 15.7 | 14.4 | 70.5 | 22.9 | 16.9 | 15.6 | 15.1 |
| | Rentals | 25.1 | 5.8 | 6.2 | 6.5 | 6.6 | 29.6 | 7.0 | 7.4 | 7.5 | 7.7 |
| | Other | 85.0 | 20.8 | 21.1 | 22.3 | 20.8 | 104.8 | 24.4 | 24.9 | 24.7 | 30.8 |
| | Total other revenues | 171.9 | 46.2 | 39.4 | 44.5 | 41.8 | 204.9 | 54.3 | 49.2 | 47.8 | 53.6 |
| | | \$3,174.2 | \$785.6 | \$785.8 | \$784.5 | \$818.3 | \$3,246.3 | \$803.2 | \$806.6 | \$806.8 | \$829.7 |
| Current year Q over same Q last year growth | | | | | | | | | | | |
| Local and access | | (\$49.4) | (\$14.5) | (\$15.0) | (\$11.3) | (\$8.6) | (\$24.8) | (\$4.0) | (\$4.6) | (\$8.1) | (\$8.1) |
| | | (3.5%) | (4.1%) | (4.2%) | (3.2%) | (2.5%) | (1.7%) | (1.1%) | (1.3%) | (2.2%) | (2.3%) |
| Long distance | | (\$28.4) | (\$9.4) | (\$5.8) | (\$6.5) | (\$6.7) | (\$22.5) | (\$6.6) | (\$7.7) | (\$5.7) | (\$2.5) |
| | | (6.3%) | (8.6%) | (5.0%) | (5.8%) | (5.9%) | (4.7%) | (5.7%) | (6.2%) | (4.8%) | (2.2%) |
| Data: | Internet | \$38.4 | \$7.3 | \$11.1 | \$10.0 | \$10.0 | \$41.1 | \$11.7 | \$11.7 | \$9.4 | \$8.3 |
| | | 9.9% | 7.2% | 11.3% | 10.4% | 10.8% | 11.8% | 13.0% | 13.6% | 10.9% | 9.8% |
| | Other | (\$9.1) | (\$3.2) | (\$2.2) | (\$0.1) | (\$3.6) | \$2.0 | \$4.2 | (\$4.9) | \$4.0 | (\$1.3) |
| | | (2.2%) | (3.0%) | (2.2%) | (0.1%) | (3.6%) | 0.5% | 4.1% | (4.6%) | 4.1% | (1.3%) |
| | Total data | \$29.3 | \$4.1 | \$8.9 | \$9.9 | \$6.4 | \$43.1 | \$15.9 | \$6.8 | \$13.4 | \$7.0 |
| | | 3.7% | 2.0% | 4.5% | 5.0% | 3.3% | 5.7% | 8.2% | 3.5% | 7.3% | 3.7% |
| Information technology: | IT services | (\$17.7) | (\$3.2) | \$0.6 | (\$1.5) | (\$13.6) | \$30.7 | \$0.9 | \$5.5 | \$6.8 | \$17.5 |
| | | (16.7%) | (13.8%) | 2.8% | (6.2%) | (36.5%) | 40.7% | 4.0% | 34.4% | 39.1% | 88.4% |
| | Fulfillment | \$19.1 | \$11.5 | (\$2.1) | (\$11.3) | \$21.0 | \$18.2 | (\$3.6) | \$8.0 | \$16.7 | (\$2.9) |
| | | 9.7% | 32.7% | (5.1%) | (21.3%) | 31.1% | 10.2% | (9.3%) | 24.0% | 46.0% | (4.1%) |
| | Total IT | \$1.4 | \$8.3 | (\$1.5) | (\$12.8) | \$7.4 | \$48.9 | (\$2.7) | \$13.5 | \$23.5 | \$14.6 |
| | | 0.5% | 14.2% | (2.4%) | (16.6%) | 7.1% | 19.2% | (4.4%) | 27.4% | 43.8% | 16.2% |
| Wireless | | \$8.0 | \$2.0 | \$2.4 | \$1.7 | \$1.9 | \$16.4 | \$4.5 | \$4.6 | \$4.0 | \$3.3 |
| | | 9.9% | 9.3% | 11.0% | 8.7% | 10.6% | 25.5% | 26.5% | 26.6% | 25.8% | 22.6% |
| Other revenues: | Product sales | (\$8.7) | (\$3.3) | (\$4.8) | \$0.1 | (\$0.7) | (\$6.2) | \$0.7 | (\$3.2) | (\$1.9) | (\$1.8) |
| | | (12.3%) | (14.4%) | (28.4%) | 0.6% | (4.6%) | (8.1%) | 3.2% | (15.9%) | (10.9%) | (10.7%) |
| | Rentals | (\$4.5) | (\$1.2) | (\$1.2) | (\$1.0) | (\$1.1) | (\$3.7) | (\$1.0) | (\$0.9) | (\$0.9) | (\$0.9) |
| | | (15.2%) | (17.1%) | (16.2%) | (13.3%) | (14.3%) | (11.1%) | (12.5%) | (10.8%) | (10.7%) | (10.5%) |
| | Other | (\$19.8) | (\$3.6) | (\$3.8) | (\$2.4) | (\$10.0) | (\$25.7) | (\$15.4) | (\$3.2) | (\$4.9) | (\$2.2) |
| | | (18.9%) | (14.8%) | (15.3%) | (9.7%) | (32.5%) | (19.7%) | (38.7%) | (11.4%) | (16.6%) | (6.7%) |
| | Total other revenues | (\$33.0) | (\$8.1) | (\$9.8) | (\$3.3) | (\$11.8) | (\$35.6) | (\$15.7) | (\$7.3) | (\$7.7) | (\$4.9) |
| | | (16.1%) | (14.9%) | (19.9%) | (6.9%) | (22.0%) | (14.8%) | (22.4%) | (12.9%) | (13.9%) | (8.4%) |

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND

Supplementary Information (unaudited)

BELL ALIANT HOLDINGS LP

Operating revenues statistics

| | 2009 | | | | | 2008 | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Total | Q4 | Q3 | Q2 | Q1 | Total | Q4 | Q3 | Q2 | Q1 |
| Network access service (NAS) ⁽⁹⁾ | | | | | | | | | | |
| Residential | | 1,921,571 | 1,958,210 | 1,991,360 | 2,011,925 | | 2,040,612 | 2,071,264 | 2,094,771 | 2,113,187 |
| Business | | 1,004,650 | 1,011,712 | 1,020,753 | 1,031,868 | | 1,041,128 | 1,052,451 | 1,053,629 | 1,056,818 |
| Total | | 2,926,221 | 2,969,922 | 3,012,113 | 3,043,793 | | 3,081,740 | 3,123,715 | 3,148,400 | 3,170,005 |
| NAS net declines ⁽⁹⁾ | (155,519) | (43,701) | (42,191) | (31,680) | (37,947) | (109,283) | (41,975) | (24,685) | (21,605) | (21,018) |
| NAS net declines, normalized for KMTS acquisition ⁽⁸⁾⁽⁹⁾ | | | | | | (118,483) | | | | (30,218) |
| Long distance minutes (thousands) | 4,361,051 | 1,079,950 | 1,062,830 | 1,087,420 | 1,130,851 | 4,548,476 | 1,132,174 | 1,103,777 | 1,141,324 | 1,171,201 |
| Revenue per long distance minute | \$0.093 | \$0.089 | \$0.099 | \$0.094 | \$0.090 | \$0.095 | \$0.093 | \$0.102 | \$0.095 | \$0.092 |
| Wireless customers | | | | | | | | | | |
| Prepaid | | 20,578 | 19,973 | 18,626 | 18,284 | | 18,724 | 18,526 | 17,543 | 16,994 |
| Postpaid | | 100,441 | 99,681 | 98,322 | 95,706 | | 95,223 | 95,154 | 92,409 | 88,994 |
| Total | | 121,019 | 119,654 | 116,948 | 113,990 | | 113,947 | 113,680 | 109,952 | 105,988 |
| Wireless net additions | 7,072 | 1,365 | 2,706 | 2,958 | 43 | 19,022 | 267 | 3,728 | 3,964 | 11,063 |
| Wireless net additions, normalized for KMTS acquisition ⁽⁸⁾ | | | | | | 10,022 | | | | 2,063 |
| Churn - postpaid wireless | 1.3% | 1.4% | 1.5% | 1.2% | 1.2% | 1.4% | 1.9% | 1.2% | 1.1% | 1.2% |
| Wireless - average revenue per customer (ARPC) ⁽¹⁰⁾ | | | | | | | | | | |
| Prepaid | \$21.08 | \$20.62 | \$23.20 | \$20.77 | \$19.68 | \$22.30 | \$21.23 | \$23.59 | \$22.60 | \$21.79 |
| Postpaid | \$70.07 | \$72.84 | \$75.51 | \$67.55 | \$64.10 | \$67.65 | \$69.56 | \$71.58 | \$65.36 | \$63.66 |
| Total | \$62.07 | \$64.04 | \$66.96 | \$60.09 | \$56.90 | \$60.36 | \$61.68 | \$63.83 | \$58.53 | \$57.00 |
| High-speed Internet (HSI) customers ⁽⁹⁾ | | 809,866 | 797,682 | 782,719 | 771,675 | | 757,153 | 744,947 | 725,242 | 710,803 |
| HSI customer net additions ⁽⁹⁾ | 52,713 | 12,184 | 14,963 | 11,044 | 14,522 | 68,440 | 12,206 | 19,705 | 14,439 | 22,090 |
| HSI customer net additions, normalized for one-time adjustment ⁽⁹⁾ and KMTS acquisition ⁽⁸⁾ | 50,683 | 10,154 | | | | 66,040 | | | | 19,690 |
| Residential HSI ARPC | \$37.63 | \$37.58 | \$38.20 | \$37.90 | \$36.94 | \$36.01 | \$36.96 | \$36.16 | \$35.76 | \$35.09 |
| Current year Q over same Q last year growth | | | | | | | | | | |
| Long distance minutes | (187,425) | (52,224) | (40,947) | (53,904) | (40,350) | (175,733) | (33,630) | (54,304) | (45,271) | (42,528) |
| | (4.1%) | (4.6%) | (3.7%) | (4.7%) | (3.4%) | (3.7%) | (2.9%) | (4.7%) | (3.8%) | (3.5%) |
| Wireless ARPC - total ⁽¹⁰⁾ | \$1.71 | \$2.36 | \$3.13 | \$1.56 | (\$0.10) | \$3.00 | \$3.51 | \$2.46 | \$2.18 | \$3.65 |
| | 2.8% | 3.8% | 4.9% | 2.7% | (0.2%) | 5.2% | 6.0% | 4.0% | 3.9% | 6.8% |
| Churn - postpaid wireless | (0.1%) | (0.5%) | 0.3% | 0.1% | 0.0% | (0.3%) | 0.5% | (0.3%) | (1.3%) | (0.2%) |
| | (7.1%) | (26.3%) | 25.0% | 9.1% | 0.0% | (17.6%) | 35.7% | (20.0%) | (54.2%) | (14.3%) |
| Residential HSI ARPC | \$1.62 | \$0.62 | \$2.04 | \$2.14 | \$1.85 | \$1.26 | \$2.54 | \$2.46 | \$0.59 | (\$0.71) |
| | 4.5% | 1.7% | 5.6% | 6.0% | 5.3% | 3.6% | 7.4% | 7.3% | 1.7% | (2.0%) |
| Current year-to-date over same year-to-date last year | | | | | | | | | | |
| NAS ⁽⁹⁾ | | (155,519) | (153,793) | (136,287) | (126,212) | (109,283) | (108,799) | (105,900) | (106,747) | |
| | | (5.0%) | (4.9%) | (4.3%) | (4.0%) | (3.4%) | (3.4%) | (3.3%) | (3.3%) | |
| Wireless customers | | 7,072 | 5,974 | 6,996 | 8,002 | 19,022 | 21,724 | 21,737 | 19,841 | |
| | | 6.2% | 5.3% | 6.4% | 7.5% | 20.0% | 23.6% | 24.6% | 23.0% | |
| HSI customers ⁽⁹⁾ | | 52,713 | 52,735 | 57,477 | 60,872 | 68,440 | 79,538 | 82,808 | 90,286 | |
| | | 7.0% | 7.1% | 7.9% | 8.6% | 9.9% | 12.0% | 12.9% | 14.6% | |

⁽¹⁰⁾ The Wireless ARPC for 2008 have been restated to more accurately reflect KMTS wireless revenues.

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND

Supplementary Information (unaudited)

BELL ALIANT HOLDINGS LP

Capital structure

| | 2009 ⁽³⁾ | | | | | 2008 | | | | |
|--|---------------------|---------------|---------------|---------------|---------------|-------|---------------|---------------|---------------|---------------|
| | Total | Q4 | Q3 | Q2 | Q1 | Total | Q4 | Q3 | Q2 | Q1 |
| Capital structure | | | | | | | | | | |
| Partners' equity | | 52.3% | 52.1% | 52.0% | 52.0% | | 52.5% | 52.3% | 52.3% | 52.1% |
| Non-controlling interest | | 17.3% | 17.4% | 17.5% | 17.6% | | 17.8% | 18.1% | 18.1% | 18.1% |
| Net debt ⁽¹¹⁾ | | 30.4% | 30.5% | 30.5% | 30.4% | | 29.7% | 29.6% | 29.6% | 29.8% |
| | | <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> |
| Return Statistics | | | | | | | | | | |
| Return on partners' equity ⁽¹²⁾ | 7.4% | 7.7% | 7.6% | 7.4% | 6.8% | 6.6% | 6.5% | 7.6% | 6.8% | 5.4% |
| Return on invested capital ⁽¹³⁾ | 6.4% | 6.6% | 6.6% | 6.4% | 6.2% | 5.9% | 5.1% | 6.7% | 6.4% | 5.5% |
| Net debt to EBITDA ⁽²⁴⁾ ⁽¹⁴⁾ | | 1.9 | 1.9 | 1.9 | 1.9 | | 1.9 | 1.9 | 1.9 | 2.0 |
| Interest coverage ⁽¹⁵⁾ | | 3.9 | 3.7 | 3.8 | 3.9 | | 3.8 | 4.0 | 3.8 | 3.1 |
| Cash flow to interest ⁽¹⁶⁾ | | 7.0 | 7.0 | 7.2 | 7.1 | | 7.1 | 7.5 | 7.5 | 7.4 |

| Ratings | Standard & Poor's | DBRS |
|---|-------------------------|--------------------------|
| Bell Aliant LP senior unsecured debt | BBB, negative outlook | BBB (high), stable trend |
| Bell Aliant LP commercial paper | Not rated | R-1 (low), stable trend |
| Télébec, LP and NorthernTel, LP debentures | BBB, negative outlook | BBB (high), stable trend |
| Bell Aliant Income Fund units | SR-2, stable (moderate) | STA-2 (high) |
| <i>There have been no changes to our ratings during 2009.</i> | | |

⁽¹¹⁾ Net debt - long-term debt, long-term debt due within one year, short-term debt, and notes payable to related party, less cash and cash equivalents and notes receivable from related parties that are readily convertible to cash.

⁽¹²⁾ Return on partners' equity - net earnings, divided by average book value of partners' equity for the period. This calculation is annualized.

⁽¹³⁾ Return on invested capital - net earnings plus non-controlling interest and interest charges net of taxes for the period, divided by average book value of total capital (partners' equity, non-controlling interest and net debt) for the period. This calculation is annualized.

⁽¹⁴⁾ Net debt to EBITDA ⁽²⁴⁾ - Net debt at the end of the period divided by EBITDA ⁽²⁴⁾ (current quarter plus three (3) previous quarters).

⁽¹⁵⁾ Interest coverage - Operating income plus other income (expense) divided by interest charges (current quarter plus three (3) previous quarters).

⁽¹⁶⁾ 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).

BELL ALIANT REGIONAL COMMUNICATIONS INCOME FUND
NON-GAAP FINANCIAL MEASURES
Supplementary Information (unaudited)
Distributable cash
(millions of dollars, except as otherwise indicated)

| | 2009 ⁽³⁾ | | | | | 2008 ⁽³⁾ | | | | |
|--|---------------------|----------------|----------------|----------------|----------------|---------------------|----------------|----------------|----------------|----------------|
| | Total | Q4 | Q3 | Q2 | Q1 | Total | Q4 | Q3 | Q2 | Q1 |
| Distributable cash⁽¹⁷⁾ reconciled to EBITDA⁽²⁴⁾ | | | | | | | | | | |
| EBITDA ⁽²⁴⁾ | \$1,466.4 | \$365.6 | \$374.9 | \$367.2 | \$358.7 | \$1,450.3 | \$365.6 | \$371.0 | \$360.4 | \$353.3 |
| Cash funding of current service cost for net benefit plans ⁽¹⁸⁾ | (69.4) | (16.8) | (16.4) | (18.7) | (17.5) | (70.4) | (18.1) | (18.1) | (17.2) | (17.0) |
| Cash capital taxes included in EBITDA ⁽²⁴⁾ ⁽¹⁹⁾ | 6.3 | 0.6 | 1.4 | 2.2 | 2.1 | 10.4 | 2.1 | 2.9 | 2.4 | 3.0 |
| Fund expenses ⁽²⁰⁾ | (4.2) | (0.8) | (0.9) | (1.5) | (1.0) | (4.2) | (0.8) | (1.4) | (0.9) | (1.1) |
| | \$1,399.1 | 348.6 | 359.0 | 349.2 | 342.3 | 1,386.1 | 348.8 | 354.4 | 344.7 | 338.2 |
| Other income (expenditures) ⁽²¹⁾ | (5.2) | (5.1) | 1.7 | (2.3) | 0.5 | 2.4 | 2.8 | - | 0.3 | (0.7) |
| Interest expense ⁽²²⁾ | (151.7) | (40.0) | (38.3) | (37.4) | (36.0) | (149.5) | (38.6) | (36.8) | (37.0) | (37.1) |
| Capital expenditures | (464.8) | (121.1) | (114.7) | (121.7) | (107.3) | (526.9) | (167.0) | (138.2) | (127.0) | (94.7) |
| Distributable cash of discontinued operations ⁽²³⁾ | (4.0) | 0.1 | 0.1 | (1.2) | (3.0) | 3.5 | 0.2 | (0.1) | 2.3 | 1.1 |
| Distributable cash⁽¹⁷⁾ | \$773.4 | \$182.5 | \$207.8 | \$186.6 | \$196.5 | \$715.6 | \$146.2 | \$179.3 | \$183.3 | \$206.8 |
| Distributable cash⁽¹⁷⁾ reconciled to cash from operating activities | | | | | | | | | | |
| Cash from operating activities | \$1,135.6 | \$332.1 | \$298.1 | \$294.9 | \$210.5 | \$1,249.3 | \$355.1 | \$307.9 | \$349.2 | \$237.1 |
| Add (deduct): | | | | | | | | | | |
| Standardized distributable cash of discontinued operations ⁽²³⁾ | (13.9) | (2.3) | (1.9) | (4.8) | (4.9) | (1.0) | 2.8 | (0.5) | (2.1) | (1.2) |
| Cash from operating activities of the Fund | (15.8) | (0.8) | (2.7) | (0.3) | (12.0) | (0.3) | - | 0.2 | (0.2) | (0.3) |
| Capital expenditures | (464.8) | (121.1) | (114.7) | (121.7) | (107.3) | (526.9) | (167.0) | (138.2) | (127.0) | (94.7) |
| <i>Standardized distributable cash⁽¹⁷⁾</i> | <i>641.1</i> | <i>207.9</i> | <i>178.8</i> | <i>168.1</i> | <i>86.3</i> | <i>721.1</i> | <i>190.9</i> | <i>169.4</i> | <i>219.9</i> | <i>140.9</i> |
| Add (deduct): | | | | | | | | | | |
| Operating items funded through cash reserves or borrowing: | | | | | | | | | | |
| Change in operating assets and liabilities (working capital) | (22.9) | (73.1) | (16.6) | (2.6) | 69.4 | (134.0) | (116.5) | (7.5) | (58.6) | 48.6 |
| Change in operating assets and liabilities (working capital) of the Fund | 11.8 | - | 2.0 | (1.2) | 11.0 | (3.6) | (0.4) | (1.7) | (0.7) | (0.8) |
| Change in operating assets and liabilities (working capital) and other non-cash items of the discontinued operations ⁽²³⁾ | 9.9 | 2.4 | 2.0 | 3.6 | 1.9 | 4.5 | (2.6) | 0.4 | 4.4 | 2.3 |
| Pension deficit funding ⁽¹⁸⁾ | 73.8 | 25.3 | 21.9 | 12.9 | 13.7 | 49.2 | 12.3 | 11.9 | 12.6 | 12.4 |
| Restructuring charges | 40.9 | 16.0 | 13.0 | 2.6 | 9.3 | 60.3 | 60.3 | - | - | - |
| Capital taxes in excess of normalized levels ⁽¹⁹⁾ | 6.3 | 0.6 | 1.4 | 2.2 | 2.1 | 10.4 | 2.1 | 2.9 | 2.4 | 3.0 |
| Other adjustments ⁽¹⁷⁾ : | | | | | | | | | | |
| Current income tax recovery | (2.0) | - | - | (2.0) | - | (7.6) | (3.7) | - | - | (3.9) |
| Other non-cash items provided for in working capital changes | 14.5 | 3.4 | 5.3 | 3.0 | 2.8 | 15.3 | 3.8 | 3.9 | 3.3 | 4.3 |
| Distributable cash⁽¹⁷⁾ | \$773.4 | \$182.5 | \$207.8 | \$186.6 | \$196.5 | \$715.6 | \$146.2 | \$179.3 | \$183.3 | \$206.8 |

⁽¹⁷⁾ The terms Standardized distributable cash and Distributable cash do not have any standardized meanings prescribed by Canadian GAAP. They are therefore unlikely to be comparable to similar measures presented by other issuers. Standardized distributable cash and Distributable cash are presented on a consistent basis from period to period.

We define Standardized distributable cash from a cash flow perspective following CICA guidance which uses cash from operating activities and adds or deducts the following items that affect cash flow: (i) cash from operating activities of discontinued operations and the Fund, as this represents operating cash from activities other than the continuing operations of Bell Aliant Holdings LP which is available for distribution; and (ii) capital expenditures. CICA guidance on the calculation of this Standardized distributable cash measure would also include deductions related to any restrictions imposed on the amount of cash distributions as a result of compliance with financial covenants restrictive at the date of calculation. Our credit agreements only impose a restriction that distributions cannot exceed Distributable cash over the last year if our credit ratings fall below investment grade. Since our ratings are within the investment grade categories, we are under no such restrictions.

We further adjust Standardized distributable cash by the following operating items funded through cash reserves or borrowings and other adjustments to define our Distributable cash: (iii) operating items funded through cash reserves or borrowings, such as changes in operating assets and liabilities (working capital), pension deficit funding, restructuring charges, and capital taxes in excess of normalized levels. We then adjust working capital changes by the following items: (iv) current income tax provisions (recoveries) are added back (deducted) as we have tax strategies in place to ensure that they are not payable in cash; and (v) other elements of working capital changes that should not result in actual current or future cash flows.

We also define and calculate Distributable cash as EBITDA less (i) cash funding requirement for current service pension costs for defined benefit pension plans and other employee benefit plans to the extent not already deducted in determining EBITDA; (ii) an adjustment to cash capital taxes to reflect a normalized level that will be achieved once announced provincial tax rate reductions come into effect in future years; (iii) expenses incurred by the Fund as these are not included in the EBITDA of Bell Aliant Holdings LP; (iv) cash interest expense; (v) other cash income or expenses that may be incurred to the extent not included in EBITDA; (vi) capital expenditures; and (vii) the portion of 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).

Standardized distributable cash and 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. We report Standardized distributable cash to meet compliance with the new CICA guidance for income trusts and other flow-through entities. These non-GAAP financial measures 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.

⁽¹⁸⁾ Represents the cash funding requirement related to current service cost in our pension plans and other post employment benefit plans for the period that is not included in EBITDA. The portion of cash funding required for our pension plans that exceeds current service cost (i.e. Pension deficit funding) will be funded through cash reserves or borrowing.

⁽¹⁹⁾ 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 announced future rate reductions) is deducted in determining our Distributable cash. As the provinces in which we operate have announced the elimination of capital taxes, the entire amount of cash capital taxes is considered to be in excess of normalized levels, and will be funded through cash reserves or borrowing.

⁽²⁰⁾ Represents cash expenses of Bell Aliant Income Fund other than interest expense. See note 22 below.

⁽²¹⁾ Represents the cash portion of other income (expenditures). Losses and fees associated with our accounts receivable securitization program are included as other expenditures. Also, to the extent that other elements of net earnings include non-cash amounts (such as amortization charges or deferred unit plan costs) they are excluded from Distributable cash.

⁽²²⁾ Represents interest expense incurred by Bell Aliant Holdings LP or Bell Aliant Income Fund, excluding non-cash amortization charges.

⁽²³⁾ Represents the contribution to Standardized distributable cash / Distributable cash of the discontinued operations of Atlantic Mobility Products Limited Partnership (AMP), our Defence, Security and Aerospace (DSA) business, xwave NE and Innovatia.

⁽²⁴⁾ The term EBITDA (earnings before interest, taxes, depreciation and amortization) does not have any standardized meaning prescribed by Canadian GAAP. It is therefore unlikely to be comparable to similar measures presented by other companies. EBITDA is presented on a consistent basis from period to period. We define EBITDA as operating revenues less expenses, which means it represents operating income before depreciation and amortization expense, net cost of benefit plans, and restructuring and other charges. Operating income is calculated before interest and income taxes are deducted. We use EBITDA, among other measures, to assess the operating performance of our ongoing businesses without the effects of depreciation and amortization expense, net cost of benefit plans, and restructuring and other charges. We exclude depreciation and amortization expense and net cost of benefit plans 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 non-recurring. EBITDA allows us to compare our operating performance on a consistent basis. We believe that certain investors and analysts use this measure to assess Bell Aliant Holdings LP's and other companies' ability to service debt, make capital distributions to unitholders and to meet other payment obligations, or as a common valuation measurement in the telecommunications industry. EBITDA should not be confused with net earnings or operating income which are the most comparable Canadian GAAP financial measures. Refer to page 6 for a reconciliation of net earnings and operating income to EBITDA.

Corporate Information

Institutional Investors and Analysts Inquiries

Zeda Redden
Vice-President, Investor Relations and Associate Treasurer
Tel: 1.877.487.5726
e-mail: zeda.redden@bellaliant.ca

Individual Unitholder/Investor Inquiries

Bell Aliant Investor Relations
One Germain Street
Saint John, NB, Canada
E2L 4L4

Tanya Murphy
Tel: 1.877.248.3113
Fax: 1.877.498.2464
e-mail: investor.relations@bellaliant.ca

Transfer Agents and Registrar

CIBC Mellon Trust Company
Investor Correspondence
PO Box 7010
Adelaide Street Postal Station
Toronto, ON, Canada
M5C 2W9
Tel: 1.800.387.0825
e-mail: inquiries@cibcmellon.com

Unit Listings

Toronto Stock Exchange
Units: BA.UN

Auditors

Deloitte & Touche LLP
Chartered Accountants
Halifax, NS, Canada