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Management's Responsibility for Financial Statements

The financial statements and all the information in this Annual Report are the responsibility of management and have been approved by the Board of Directors.

The financial statements are prepared by management, which is responsible for the integrity and objectivity of this information. The statements have been prepared using generally accepted accounting principles and methods appropriate to the Company including, where applicable, amounts based on management's best estimates. Financial information presented elsewhere in this Annual Report is consistent with that in the financial statements.

The Company maintains a system of internal controls designed to provide reasonable assurance that transactions are recorded and executed in accordance with its authorizations practice, that assets are properly safeguarded and that reliable financial records are maintained. This system includes written policies and procedures, an organizational structure that segregates duties and a comprehensive program of periodic audits by the internal auditors.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee, comprised entirely of outside Directors, meets periodically with management, the Company's internal auditors and the external auditors to discuss audit and financial matters. In addition, this committee reviews the quarterly and annual financial statements of the Company and submits its report to the Board of Directors. The financial statements are submitted to the Board for approval.

Ernst & Young LLP, Chartered Accountants, the external auditors recommended by the Board of Directors and appointed by the shareholder, are engaged to provide an independent audit of the financial statements in accordance with generally accepted auditing standards. Ernst & Young LLP has full and free access to the Audit Committee.

Ronald E. Smith, FCA
Vice President Finance and Corporate Services

Audit Committee Report

To the Shareholder of Maritime Tel & Tel Limited:

The Audit Committee oversees the financial reporting process on behalf of the Board of Directors. In order to carry out this responsibility, the Committee, composed entirely of Directors independent of management, meets quarterly to review the Company's financial statements and recommends their approval to the Board of Directors. The Audit Committee also reviews, on a continuing basis, any reports prepared by the Company's internal and external auditors relating to its accounting policies and procedures, as well as its internal controls. Financial information prepared for securities commissions and such regulatory bodies is also examined by the Audit Committee before filing. The Committee meets independently with management, internal auditors and external auditors to review the involvement of each in the financial reporting process. These meetings are designed to facilitate any private communication with the Committee desired by each party. The Audit Committee recommends the appointment of the Company's external auditors, who are elected annually by the Company's shareholder.

F. Thomas Stanfield
Chairman of the Audit Committee

Auditors' Report

To the Shareholder of Maritime Tel & Tel Limited:

We have audited the balance sheets of Maritime Tel & Tel Limited as at December 31, 1998 and 1997 and the statements of income, retained earnings and cash flow for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1998 and 1997 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Ernst & Young LLP

Halifax, Canada
January 29, 1999

Chartered Accountants

FINANCIALS

Income Statement

For the year ended December 31	1998	1997
	(thousands of dollars)	
Revenues		
Local service	$ 346,909	$ 319,718
Long distance service	184,088	210,639
Other revenues *(Note 3)*	10,389	9,004
Total revenues	541,386	539,361
Expenses		
Depreciation	110,400	138,292
Other operating *(Note 4)*	279,603	272,592
Total expenses	390,003	410,884
Operating income	151,383	128,477
Other income *(Note 5)*	4,292	780
Income before debt expenses	155,675	129,257
Interest and other debt expenses *(Note 6)*	38,786	40,449
Income before income taxes	116,889	88,808
Income taxes *(Note 7)*	54,948	42,511
Net income before extraordinary item	$ 61,941	$ 46,297
Extraordinary item *(Note 2)*	—	(178,846)
Net income (loss)	$ 61,941	$ (132,549)

See accompanying notes.

Retained Earnings Statement

For the year ended December 31	1998	1997
	(thousands of dollars)	
Balance at beginning of year	$ 32,123	$ 258,745
Net income (loss)	61,941	(132,549)
Dividends	(35,750)	(94,000)
Other items	(1)	(73)
Balance at end of year	$ 58,313	$ 32,123

See accompanying notes.

FINANCIALS

Balance Sheet

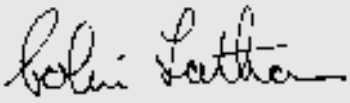
As at December 31	1998	1997
		(thousands of dollars)
Assets		
Telecommunications property *(Note 2)*		
Buildings, equipment and facilities in service	$ 1,490,986	$ 1,460,956
Less accumulated depreciation	830,470	769,163
Net depreciable property	660,516	691,793
Land and other property	20,781	25,926
Net telecommunications property *(Notes 8 and 10)*	681,297	717,719
Current assets		
Cash	3,725	1,788
Accounts receivable *(Note 12)*	44,414	43,877
Due from affiliated companies	10,157	3,662
Income taxes prepaid	—	3,180
Other prepayments	3,100	1,900
Total current assets	61,396	54,407
Other assets		
Deferred long-term debt expenses	2,681	2,904
Prepaid pension cost	69,560	57,137
Deferred charges	—	472
Investments	75	6,624
Total other assets	72,316	67,137
Total assets	$ 815,009	$ 839,263

As at December 31	1998	1997
		(thousands of dollars)
Shareholder's equity and liabilities		
Shareholder's equity		
Common stock *(Note 9)*	$ 310,210	$ 310,210
Retained earnings	58,313	32,123
Total shareholder's equity	368,523	342,333
Long-term debt *(Notes 10 and 12)*	300,000	360,021
Current liabilities		
Debt due within one year *(Note 11)*	64,796	37,315
Accounts payable *(Note 13)*	35,825	53,963
Dividends payable	9,800	12,000
Due to affiliated companies	2,747	—
Income taxes payable	8,294	—
Interest and other current liabilities	11,371	10,603
Total current liabilities	132,833	113,881
Other accrued liabilities		
Future income taxes	12,730	16,753
Other deferred credits	923	6,275
Total other accrued liabilities	13,653	23,028
Lease commitments *(Note 14)*		
Total shareholder's equity and liabilities	$ 815,009	$ 839,263

See accompanying notes.

On behalf of the Board:

Ivan E.H. Duvar
Director



Colin Latham
Director

Cash Flow Statement

(thousands of dollars)

For the year ended December 31	1998	1997
Operating activities		
Net income (loss)	$ 61,941	$ (132,549)
Non-cash items		
Depreciation	110,400	138,292
Extraordinary item *(Note 2)*	—	178,846
Other non-cash items *(Note 15a)*	(18,460)	(14,583)
Other items *(Note 15b)*	—	(14,399)
Operating cash flow	153,881	155,607
Change in non-cash working capital *(Note 15c)*	(17,138)	33,973
Net operating cash flow	136,743	189,580
Dividends paid	(35,750)	(94,000)
Net cash provided by operating activities	100,993	95,580
Financing activities		
(Decrease) increase in short-term debt	(32,277)	37,073
Repayment of long-term debt	(263)	(102,930)
Other financing activities, net	—	89
Cash used in financing activities	(32,540)	(65,768)
Investing activities		
Construction program expenditures	(71,956)	(94,999)
Other construction related items	1,998	2,846
Cash used for construction	(69,958)	(92,153)
Other investing activities, net	3,442	55,291
Cash used in investing activities	(66,516)	(36,862)
Increase (decrease) in cash	1,937	(7,050)
Balance at beginning of year	1,788	8,838
Balance at end of year	$ 3,725	$ 1,788

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Maritime Tel & Tel Limited (the "Company") was incorporated under the Canada Business Corporations Act, and continued under the Companies Act (Nova Scotia). It is a wholly-owned subsidiary of Maritime Telegraph and Telephone Company, Limited, and operates in a single industry segment which is the telecommunications industry, providing telephone, data and a wide range of telecommunications services in the Province of Nova Scotia.

Maritime Tel & Tel Limited is subject to regulation by the Canadian Radio-television and Telecommunications Commission (CRTC).

During 1997 the CRTC issued a decision that changed the way the Company is regulated from a traditional rate of return approach to price cap regulation. The Company determined that it no longer met the criteria necessary for the continued application of the regulatory accounting model in its general purpose financial statements. Due to the changed regulatory environment and emerging local exchange competition, the Company adjusted, as at December 31, 1997, the net carrying values of assets and liabilities to reflect the amounts appropriate under generally accepted accounting principles. These adjustments were recorded in the income statement as an extraordinary item (see Note 2).

Set out below is a summary of significant accounting policies followed by the Company effective January 1, 1998. Summarized in Note 1(i) below are the accounting policies followed by the Company prior to January 1, 1998.

a) Telecommunications property

Telecommunications property is recorded at cost. Depreciation is charged on a straight-line basis using rates determined by a continuing program of engineering studies and reflecting management's best estimates of service lives. The average depreciation rate was 7.5% for 1998 (1997, 8.1%).

When telecommunications property is retired, its original cost is adjusted by any disposal proceeds and removal costs are charged to accumulated depreciation.

Construction materials inventory consists of items that will be used in the construction program and is not subject to depreciation.

Interest related to plant under construction is capitalized using the Company's average cost of debt.

b) Inventory held for sale

Inventory held for sale is valued at the lower of average cost and net realizable value.

c) Capital expenditures

Internally developed general and administrative software is expensed as incurred. Individual items of purchased software in excess of $100,000 are capitalized and amortized over three years.

Office equipment and specific telecommunications tools in excess of $1,500 are capitalized.

d) Pension costs and obligations

The Company provides retirement benefits for its employees under defined benefit and defined contribution pension plans. Costs of the defined benefit plan are actuarially determined on the basis of best estimate assumptions using the projected benefit method prorated on years of service. Adjustments to pension cost and experience gains and losses are amortized to income on a straight-line basis over the expected average remaining service life of pension plan members. Market-related values of pension fund assets are calculated using a three-year moving average of year-end market values. The cumulative difference between the amount contributed to the pension plan and the amount charged to income, including the effects of curtailments and settlements, is recorded on the balance sheet as prepaid pension cost.

e) Post-retirement benefits other than pensions

The Company provides health care and other benefits to its retirees. The costs of these post-retirement benefits are charged to income when the costs are incurred.

f) Deferred charges

Deferred long-term debt expenses and other deferred charges are being amortized on a straight-line basis over the life or duration of the related item.

g) Income taxes

The Company uses the accrual method of income tax allocation by providing for future income taxes on all timing differences between accounting income and taxable income. Under the accrual method, the future income tax liability is adjusted to reflect current statutory income tax rates.

h) Costs of separation offers

Costs of employment separation and curtailment are expensed in the period in which the decision is made.

i) Accounting policy changes

Prior to December 31, 1997, the date upon which the Company discontinued the regulatory accounting model, the Company followed the accounting policies set out below:

(i) Depreciation rates were subject to the approval of the CRTC.

(ii) As prescribed by the CRTC, the Company provided for the cost of capital invested in new telecommunications property while under construction by recording an allowance for funds used during construction as an addition to the cost of the property constructed. The rate used was calculated using return on equity and the before-tax cost of debt.

(iii) Costs of internally developed general and administrative software were capitalized in telecommunications property and amortized on a straight-line basis over five years.

(iv) Expenditures on office equipment and specific telecommunications tools in excess of $200 were capitalized.

(v) Costs of employment separation and curtailment were deferred and amortized on a straight-line basis over five years.

2. Extraordinary Item

The Company concluded that, effective December 31, 1997, it no longer met the criteria for application of the regulatory accounting model as a result of the change in the regulatory environment from rate of return to price-cap regulation, and the beginning of local exchange competition. Prior to 1997, depreciation on the Company's telephone plant and equipment and the deferral of certain costs and obligations were based on regulatory decisions. Telephone plant and equipment was adjusted December 31, 1997 through an increase in accumulated depreciation to reflect the difference between recorded depreciation and the amount of depreciation that would have been recorded had the Company not been subject to rate regulation. Other regulatory assets and liabilities were eliminated from the balance sheet effective the same date.

In 1997, as a result of these adjustments the Company recorded a non-cash extraordinary charge to income of $178,846,000, net of related income taxes of $146,826,000. The items that made up these adjustments are as follows:

(thousands of dollars)	
Telephone plant and equipment	$ 254,222
General and administrative software	42,963
Separation costs	27,264
Other	1,223
Extraordinary item before income tax	325,672
Income taxes	146,826
Extraordinary item net of income tax	$ 178,846

The decrease in telephone plant and equipment was supported by a depreciation analysis, which identified inadequate depreciation reserve levels that the Company believes were principally due to the cumulative under-depreciation of telephone plant and equipment as a result of the rate of return regulatory process.

3. Other Revenues

(thousands of dollars)	1998	1997
Net equipment sales and maintenance revenues	$ 5,991	$ 4,572
Late payment charges	3,311	3,124
Miscellaneous	1,087	1,308
	$ 10,389	$ 9,004

4. Pensions

Other operating expense includes the following related to pensions:

(thousands of dollars)	1998	1997
Defined benefit pension plan		
Pension expense recovery, net	$ (12,947)	$ (6,316)
Effect of employment curtailments and settlements of pension obligations	(2,783)	(2,500)
	(15,730)	(8,816)
Defined contribution pension plan	2,836	471
	$ (12,894)	$ (8,345)

During 1997, the Company established a defined contribution plan and transferred assets and related obligations of $52,063,000 and $49,225,000 respectively. As at December 31, 1998, the market related value of the defined benefit pension fund assets, less amounts transferred to the defined contribution plan, was $545,576,000 (1997, $496,350,000) and the actuarial present value of accrued pension benefits was estimated to be $377,518,000 (1997, $356,136,000).

5. Other Income

(thousands of dollars)	1998	1997
Investment and miscellaneous other income	$ (152)	$ 780
Gain on sale of investment	4,444	—
	$ 4,292	$ 780

6. Interest and Other Debt Expenses

(thousands of dollars)	1998	1997
Interest on long-term debt	$ 35,751	$ 39,884
Amortization of long-term debt expenses	226	89
Interest on short-term debt	3,423	1,477
Interest on assets under construction	(614)	(1,001)
	$ 38,786	$ 40,449

7. Income Taxes

A reconciliation of the statutory income tax rates to the effective income tax rate is as follows:

	1998	1997
Combined basic federal and provincial income tax rates	45.1%	45.1%
Capitalized interest, net	0.9	1.0
Federal large corporations tax	0.2	1.4
Other	0.8	0.4
Effective income tax rate	47.0%	47.9%

8. Capital Leases

Telecommunications property in 1997 includes equipment of $2,035,000 held under capital leases. Accumulated depreciation, relating to this equipment was $725,700. The related obligations of $262,900 are included in long-term debt. There are no capital leases outstanding as at December 31, 1998.

9. Common Stock

The authorized share capital of the Company at December 31, 1998 consists of 100,000,000 common shares without par value.

Common shares issued and outstanding as at December 31, 1997 and 1998 are 28,164,000 ($310,210,000).

10. Long-term Debt

(thousands of dollars)	Fixed Rate%	Maturing	1998 Principal	1997 Principal
Debentures:				
Series 2	8.30	January 15, 2019	$ 50,000	$ 50,000
Series 4	9.70	October 31, 2019	50,000	50,000
Series 5	9.05	June 16, 2025	60,000	60,000
			160,000	160,000
Bonds:				
AE	10.65	December 15, 1999	60,000	60,000
AB	10.95	December 15, 2005	40,000	40,000
AC	10.25	August 1, 2006	50,000	50,000
AD	10.45	March 1, 2013	50,000	50,000
			200,000	200,000
Other:				
Capital leases	7.00	1997-1998	—	263
			360,000	360,263
Less current portion (Note 11)			60,000	242
			$300,000	$360,021

Annual repayment of long-term debt is:	
1999	$ 60,000
2000	—
2001	—
2002	—
2003	—
Thereafter	300,000
	$360,000

All Bonds and Debentures are redeemable at the option of the Company prior to maturity at the prices, times and conditions specified in each series.

The Bonds are secured by trust indentures and mortgages, and by deeds supplemental thereto, containing a first mortgage and charge upon all real property and equipment, and a floating charge on all other property, both present and future. The Debentures are issued under a trust indenture and are unsecured.

11. Debt Due Within One Year

(thousands of dollars)	1998	1997
Short-term debt	$ 4,796	$ 37,073
Current portion of long-term debt	60,000	242
	$ 64,796	$ 37,315

12. Financial Instruments

The Company's primary financial instruments recognized in the balance sheet consist of cash, accounts receivable, current liabilities and long-term debt. The carrying values of the primary financial instruments of the Company, with the exception of long-term debt, approximate fair value due to the short-term maturity and normal trade credit terms of those instruments.

The Company has at any one time a significant number of commitments to extend credit. The accounts receivable are owed from a large number of customers on normal credit terms and therefore there is minimal customer concentration and credit risk.

Under an agreement dated December 12, 1997, the Company sold, with minimal recourse, accounts receivable for aggregate cash proceeds of $50,000,000. Pursuant to the agreement, the purchaser will use the proceeds of collection to purchase further receivables from the Company until the expiration of the agreement on December 12, 2002.

The fair value of long-term debt has been estimated based upon the present value of expected cash flows at the rates currently available to the Company for debt with similar terms and remaining maturities or quoted market prices for issues of a similar nature. Based on these methods, the fair value of the Company's long-term debt is estimated to be $474,228,000 (1997, $464,072,106) with a carrying value of $360,000,000 (1997,$360,263,000). The Company intends to hold its long-term debt instruments to maturity and therefore does not anticipate that any difference between carrying value and fair value will be recorded in the accounts.

At year-end the Company did not have any exposure relating to derivative instruments.

13. Related Party Transactions

During the year, the Company purchased telecommunications equipment, related supplies and services in the amount of $28,970,880 (1997, $39,565,400) from controlled investees of BCE Inc., which beneficially owns 34.4% (1997, 34.8%) of the issued common shares of the Company's parent. Included in accounts payable at December 31, 1998 is $3,633,486 (1997, $2,928,582) owing to controlled investees of BCE Inc.

Also during the year, controlled investees of the parent company purchased from the Company telecommunications equipment, related supplies and services in the amount of $30,425,800 (1997, $23,101,600). The Company purchased from controlled investees of its parent company services in the amount of $2,308,095 (1997, $1,419,400).

14. Lease Commitments

At December 31, 1998, minimum operating lease commitments covering building space and telecommunications facilities are as follows:

(thousands of dollars)	
1999	$ 14,862
2000	15,786
2001	15,985
2002	16,173
2003	16,348

15. Cash Flow

a) *Other non-cash items*

Other non-cash items are revenues or expenses that do not generate or consume cash.

(thousands of dollars)	1998	1997
Future income taxes	$ (4,023)	$ (6,160)
Prepaid pension cost	(12,423)	(16,662)
Amortization of deferred charges	—	9,240
Deferred credits	(1,400)	—
Capitalized interest	(614)	(1,001)
	$ (18,460)	$ (14,583)

b) *Other items*

Other items are operating items that generate or consume cash but are not included in net income.

(thousands of dollars)	1998	1997
Separation offer costs	$ —	$ (14,327)
Other	—	(72)
	$ —	$ (14,399)

c) *Changes in non-cash working capital*

(thousands of dollars)	1998	1997
Cash provided by (used in):		
Accounts receivable	$ (537)	$ 56,154
Due from affiliated companies	(3,748)	31,061
Income taxes prepaid	11,474	(3,180)
Other prepayments	(4,757)	1,718
Accounts payable	(18,138)	18,624
Dividends payable	(2,200)	–
Interest and other current liabilities	768	(17,256)
	$ (17,138)	$ 87,121
Effect of extraordinary item	—	(3,148)
Effect of sale of accounts receivable	—	(50,000)
	$ (17,138)	$ 33,973

16. Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. Management has developed and is implementing a plan designed to identify and address the expected effects of the Year 2000 Issue on the Company. An assessment of the readiness of third parties such as customers, suppliers and others is ongoing. However, it is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

17. Comparative Information

Certain of the comparative information has been reclassified to conform with the presentation adopted in the current year.

18. Subsequent Event

Effective January 11, 1999, the Company acquired a 20% equity interest in Xwave Solutions Inc. The transaction includes the merger of certain information technology assets, a $1,958,000 cash investment and a five year service agreement.

FINANCIALS

Years in Review
Selected Telecommunications and Financial Statistics

	1998	1997	1996	1995	1994	1993
Financial Position at December 31 *(thousands)*						
Telecommunications property	$1,511,767	$1,486,882	$1,707,619	$1,664,018	$1,716,722	$1,623,171
Accumulated depreciation	830,470	769,163	654,280	556,374	588,016	529,519
Income *(thousands)*						
Revenues**						
Local service	$346,909	$ 319,718	$ 258,799	$ 238,696	$ 206,109	$ 188,639
Long distance service	184,088	210,639	203,959	205,012	227,948	253,592
Other revenues	10,389	9,004	20,586	22,376	25,664	24,936
Total revenues	541,386	539,361	483,344	466,084	459,721	467,167
Depreciation	110,400	138,292	126,575	118,828	113,075	106,177
Other operating expenses**	279,603	272,592	227,574	239,235	221,171	221,616
Operating income	151,383	128,477	129,195	108,021	125,475	139,374
Other income	4,292	780	2,435	4,939	3,059	3,661
Telecommunications Statistics for the year ended December 31 *(thousands)*						
Long distance conversation minutes	789,316	607,283	582,888	567,128	546,811	*
Construction program expenditures	$ 71,956	$ 94,999	$ 71,778	$ 101,089	$150,969	$ 145,962
Salaries and wages	$ 131,401	$ 124,542	$ 141,376	$ 155,685	$ 163,368	$ 165,794
Telecommunications Statistics at December 31						
Network access services						
Residence	382,042	376,820	372,794	370,841	368,005	364,399
Business	226,218	207,984	193,080	181,231	174,748	163,122
Total network access services	608,260	584,804	565,874	552,072	542,753	527,521
Employees	2,719	2,490	2,691	3,121	3,607	3,736
Telecommunications property per network access service (average)	$ 2,474	$ 2,776	$ 2,993	$ 3,112	$ 3,075	$ 3,057

** 1993 and prior were not recorded*

*** Years prior to 1997 have not been restated to conform to current presentation*

DIRECTORS & OFFICERS

Colin Latham
President and Chief Executive Officer, Maritime Telegraph and Telephone Company, Limited and Maritime Tel & Tel Limited

Jacques B. Bérubé
Retired August 1997 as President of Nortel Europe and as President of Enterprise Networks Europe

Moya Cahill
President of MNC Group Inc. and Pan Maritime Energy Services Inc.

Henry E. Demone
President and Chief Executive Officer, High Liner Foods Incorporated

Robert P. Dexter, Q.C.
Chairman and CEO of Maritime Travel (Group) Limited. Partner of the law firm Stewart McKelvey Stirling Scales

Ivan E.H. Duvar
Chairman of the Board, Maritime Telegraph and Telephone Company, Limited and Maritime Tel & Tel Limited

Dale A. Godsoe
Vice President External, Dalhousie University

Charles F. MacConnell
President, Pronova Biopolymer Canada Limited

Peter J. Nicholson
Chief Strategy Officer, BCE Inc., and Bell Canada

Derek Oland
Chairman and Chief Executive Officer, Moosehead Breweries Limited

Joseph D. Randell
President and Chief Executive Officer, Air Nova Inc.

Dr. Edward (Ted) Rhodes
President, Rhotherm Systems Inc.

John C. Risley
President, Clearwater Fine Foods

Joseph P. Shannon
President of Atlantic Corporation

Donald C.R. Sobey
Chairman, Empire Company Limited

F. Thomas Stanfield
President of Stanfield's Limited

Retired

Barbara D. Hughes
Retired from the Board on April 27, 1998 after 11 years of valued service.

Officers

Colin Latham
President and Chief Executive Officer

J. Denis Connor
Vice President MT&T Innovations

Carl D. Dexter
Vice President Network Services

Wendy J. Paquette
Vice President Major Customers*;
President and Chief Operating Officer, MT&T Mobility Inc.

John D. Prentice
Vice President Business Communications

David R. Rathbun
Vice President Human Resources

Ronald E. Smith
Vice President Finance and Corporate Services

J. Murray Souter
Vice President Consumer Services

Barry G. Hubley
Comptroller

Douglas C. McDade
Treasurer

Glenn R. Murphy
Corporate Secretary

Paul F. Gawdunyk
Assistant Corporate Secretary

* Appointed January 4, 1999. Murray J. McIsaac was Vice President Major Customers until January 2, 1999.

INFORMATION FOR INVESTORS

Bond Trustee, Registrar and Transfer Agent

Montreal Trust Company at its principal offices in Halifax, Montreal, Toronto, Calgary and Vancouver.

Auditors

Ernst & Young LLP, Halifax, Nova Scotia

Head Office

Maritime Centre
1505 Barrington Street
P.O. Box 880 Stn. Central RPO
Halifax, NS B3J 2W3

Telephone: (902) 487-4311

Investor Relations

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Investor Relations
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