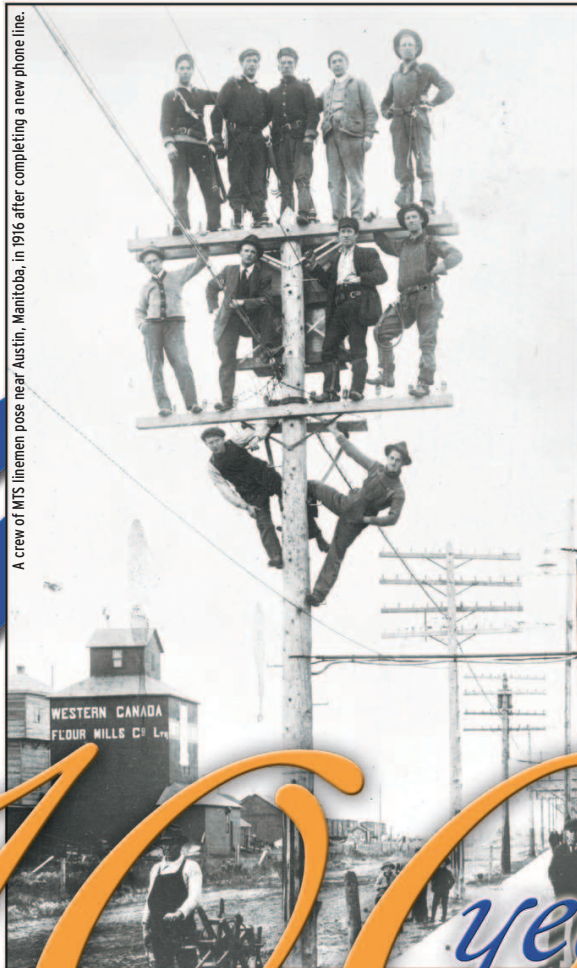


A salute to MTS Allstream's 100th Anniversary

Our Second Century Begins



A crew of MTS linemen pose near Austin, Manitoba, in 1916 after completing a new phone line.

Just after midnight 100 years ago today, Manitoba Government Telephones - which would become today's MTS Allstream - was incorporated by the provincial government of the day.

While its founders probably recognized that telecommunications were going to play an important role in Manitoba's development as a province, they likely had no idea just how

important that role would be - or what an industry leader the fledgling company was destined to become.

Today, MTS Allstream is a Canadian telecom innovator and an industry leader in advanced Internet Protocol ("IP") communications, launching innovations that change the way people communicate in Canada and around the world - and headquartered right

here at Portage and Main.

To mark the occasion of MTS Allstream's anniversary, the Company's CEO, Pierre Blouin, will ring the opening bell to begin trading on the Toronto Stock Exchange this morning.

Manitobans are known for being humble about the importance of what they do, but Blouin says Manitobans should be proud of

the Company they have built.

"MTS Allstream has made very important contributions to the telecom landscape as we know it today - leading Manitoba to have a key role in redefining the future of telecommunications," he says.

"Manitobans have a lot to be proud of, and MTS Allstream is a shining example."

Continued on Page 7



connecting Canadians
into our Second Century

MTS

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connecting Canadians
into our Second Century

2

Innovations that simplify life



Fibre optic cable now provides a major backbone to MTS Allstream's coast-to-coast network, and helps provide advanced services to hundreds of thousands of customers in Manitoba.

In the late 1990s, you couldn't read an article about telecommunications without hearing the word "convergence".

At the time, telephone companies had been branching out into new lines of business, like cellular and Internet services, and there was a lot of talk - theoretical talk - about how all these services would someday come together.

We imagined someday being able to have our telephone voice mail messages sent to our email, and vice versa. And, here in Manitoba, MTS broke new ground by launching Beyond TV, a service that allowed you to surf the Internet using your television set instead of a computer.

It was a service ahead of its time - but it showed the potential power of

"convergence".

Then we stopped hearing about convergence for a while. The telecom companies focused their attention on developing new services, and the competitive landscape for telecommunications grew, as technology evolved to make services more versatile than ever before.

But that didn't mean the end of "convergence". In fact, that's what brought convergence to life.

"Manitobans are fortunate to have had a true innovator serving their telecommunications needs over the last century," says Pierre Blouin, CEO of MTS Allstream.

"MTS has long been recognized as a leader in innovation - and it's that

innovative and entrepreneurial spirit that has allowed MTS Allstream to translate the idea of convergence into services that simplify everyday life."

Making the complex look simple

Today in Manitoba, thanks to MTS Allstream's leading national Internet Protocol (or "IP")-based network and the hundreds of millions of dollars the Company has invested in infrastructure in our province, we are truly living "converged" lives.

MTS Allstream has built wireline and wireless networks that reach far beyond any of its competitors in the province - providing High Speed Internet to 85% of the province's population in 160 communities, including Churchill, and a next-generation Evolution-Data Optimized ("EVDO") wireless network that provides over 70% of Manitobans with access to high-speed wireless data services.

These networks, combined with the Company's extensive national broadband fibre optic network, and strategic alliances and interconnection agreements with other international service providers, give MTS Allstream a solid foundation for its popular services.

"We have an advanced and technologically complex network serving our customers," says Kelvin Shepherd, President of MTS Allstream's Consumer Markets Division.

"But we don't want our customers to feel that technology is complicated. In fact, all that complexity allows us to make things simple for our customers."

"For us, that's the key. We want to provide services in a way that keeps the customer from having to think

about the technology. We just want you to know that it works, and that it makes your life a whole lot easier."

Life, a whole lot easier...

MTS Allstream customers in Manitoba today have an enormous range of services that bring the traditional wireline phone service, wireless, Internet, television, and alarm services together, to make life easier - whether it's at work or at home.

Continued on Page 4

'No matter how you look at it, our phones, our Internet, our wireless devices, our televisions, our alarms... they are all just going to continue to evolve.'



MTS Allstream maintains a network of over 100 dealer locations. In this 2006 photo, fans line up outside an MTS Connect location in Winnipeg to meet Cindy Klassen and get an autograph.

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An interview with CEO Pierre Blouin

What's in store for MTS Allstream's next hundred years?

Pierre, as MTS Allstream begins its Second Century, how would you describe MTS Allstream today?

MTS Allstream is an innovative telecommunications company that competes day in and day out - and wins - in markets across the country.

We are recognized nationally as a leader in innovation, with an IP-based broadband fibre optic network that spans 24,300 km across the country, which provides us with tremendous opportunities in terms of serving customers with advanced products.

Here in Manitoba, we lead the market in every line of the telecommunications business. We are truly at the leading edge of the trends that are redefining telecommunications in Canada.

How does MTS Allstream manage to retain its market leadership in Manitoba, despite all the different competitors that have entered the market in all its lines of business over the years?

This isn't easy, let me tell you - but we have accomplished it by listening to our customers, and creating services and product offerings that meet their needs.

Since 1997, we have invested \$1.9 billion building a network that brings high-speed Internet service to more than 160 rural communities - including communities as remote as Churchill.

I don't know whether Manitobans realize this, but phone companies across North America today are investing billions of dollars just to match the broadband network capabilities that we have here in Winnipeg.

We also built a digital wireless network that covers some 97 per cent of Manitoba's population, and launched EVDO providing expanded high-speed wireless data access, with a network that covers 70 per cent of the population. This gives our wireless customers a huge advantage.

And there's also the fact that we are innovators. We are a leader when it comes to providing television service over phone lines, with MTS TV.

It's listening to our customers, and competing on innovation. Our customers know that when they come to MTS Allstream, they are consistently going to get an excellent service, and that we are always going to be evolving and innovating.

We have been serving their needs in their communities for a century already - and we're looking forward to more.



MTS Allstream CEO Pierre Blouin joined the Company in December 2005.

'I'm sure the future holds possibilities limited only by our imaginations.'

Telecommunications technology has been evolving at an unbelievable pace in the last decade or so - and it doesn't seem to be slowing down. What will that mean for MTS Allstream and its customers in the years ahead?

Rapid evolution in advanced communications networking is fundamentally changing our business and, in the process, transforming our customers' lives.

Our wireless customers are already seeing the evolution of their cell phone into a portable multi-media device. Our MTS TV customers are seeing

their television begin to take on more of the activities that used to take place only on the computer, like email. And the list goes on and on.

Looking forward, this evolution is only going to continue, with our various communications services working together to give us whatever information, media or contact we need, whenever we need it, wherever we need it.

Imagine - your car can already email your mechanic about engine problems. In the future, your fridge can email your cell phone to remind you to pick up milk on the way home. I'm sure the future holds possibilities limited only by our

imaginations.

The same relentless innovation is transforming the nature of telecommunications services to businesses of all sizes: Internet Protocol capabilities are enabling the transformation of everything a business does into digital information.

All of this information is moved on and connected by very high speed broadband IP networks - like MTS Allstream's - which are increasingly complex, and which can support a tremendous and growing range of services.

Some businesses choose IP technology because of the cost advantages.

Those advantages are real - but to me, the real potential of IP is the ability to get so much more from your communications investment.

With IP-based tools and applications, your voice, data and wireless systems can all interact seamlessly with your computer enterprise system.

There are a huge number of ways that all kinds of businesses can be improved with quicker access to more information: basically, these solutions give workers access to the data they need, whether they are in the office or on the road.

The efficiencies and improvements in speed of service to your clients are amazing when all the information is readily available at your employees' fingertips - no matter when, no matter where.

And in terms of the human connection, IP technology is going to make it even easier to collaborate with team members around the world, without having to leave the office. Our Allstream Collaboration Suite customers are already experiencing the next generation of videoconferencing, with tools and services that allow them to work together as though they were truly in the same room.

And the innovations keep coming: there is a new technology now coming on the market that has a screen the size of a wall, with a conference table immediately beside it. When you and your colleagues sit around the table and power up the service, the screen shows your collaborators in another location - sitting at the extension of your table.

To them, it feels like you are in their boardroom. To you, it feels like they are in yours. Innovations like these can only help to improve efficiency and performance from work teams that are geographically diverse... and that's just one example.

With all of the changes taking place, how will MTS Allstream succeed?

We are in an excellent position to succeed - and indeed, to lead - in this competitive industry. Over the past year, we have refocused, refined and reshaped our business. We have an outstanding employee base of 6,000 talented and dedicated employees, 3,000 of whom are here in Manitoba, and all of whom are committed to this Company's customers and its future.

We will continue to listen to our customers, and evolve our infrastructure and service offering to ensure we're ready to meet their needs - now, and as their needs evolve, too.



**PCGI Consulting Services
congratulates MTS Allstream
on their incredible achievement
of 100 years serving
the people of Manitoba!**

PCGI Consulting Services is a member of the Paradigm Group of Companies, with locations in Winnipeg, Regina and Vancouver. We help our customers maximize their investments in information technology. Our proud commitment to our customers, employees and this community has enabled us to become one of Manitoba's most thriving IT consulting firms. We are proud to consider MTS Allstream a truly valued customer.

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We're there for you

'MTS Allstream will continue doing what we've been doing for 100 years...



Long wood wall phones of this type were produced from 1906 to 1939, and were the 'standard' at the time, especially in rural areas.

... at work

Just one generation ago, the workplace operated far differently than it does today. There was no commercially-available Internet, and the few cellular phones on the market were cumbersome and prohibitively expensive for all but a very small number of people.

Written messages that couldn't wait for the postal service were transmitted via fax or Telex. Documents created collaboratively went through rounds and round of retyping. Col-

Continued from Page 2

leagues in different locations who wanted to meet had to travel - and employees who needed to stay in touch, had to stay in the office.

Today's business works far more efficiently - and with a greater degree of flexibility for workers - than ever before, thanks to the advanced telecommunications services MTS Allstream provides.

The Internet has brought with it a revolution in the way we work. Information can be shared and retrieved in an instant. Documents - even entire projects - can be created and revised collaboratively and in real time, and geographic distance between the collaborators is irrelevant.

For a number of years, MTS Allstream business customers have been able to use its Allstream Collaboration Suite, a hosted solution that delivers secure access to email, audio and videoconferencing, calendars, tasks, folders, events and documents, from anywhere at any time - allowing meetings of colleagues in locations across the country and around the world to feel more like they're taking place in person, without the enormous cost and inconvenience of travel.

As the business world has come to rely on Internet technology, MTS Allstream has continued to refine and improve its Internet service offering, making it stronger, faster, more secure and offering more flexibility than ever before.

Just this past fall, for example, the Company launched Secure Connect - which essentially builds the latest firewall and Virtual Private Network

'These are just a few examples of how IP is transforming the workplace - and believe me, this is only the beginning.'

services into its national IP network, making secure network connectivity more feasible for businesses with remote sites and branch offices.

Cell phones, wireless data devices like Blackberries, and MTS Allstream's broadband IP network allow businesspeople to stay in touch and have access to the data they need, no matter where they are - in every corner of the province and around the world.

"In Manitoba today, construction workers are able to use our wireless services to order the supplies they need to do their jobs, in real time," says Blouin. "Our technology allows transportation companies to know the location of every vehicle in their fleet at any given time, and to be able to give their customers up-to-the-minute status reports on their shipments."

"It gives police officers access to critical data on their calls, right in their cruiser cars. These are just a few examples of how IP is transforming the workplace - and believe me, this is only the beginning."



In this 1999 photo, employee Chris Jonsson poses with a selection of cellular handsets. Chris joined the Company in 1981, and still works with MTS Allstream today.

... and at home

Winnipeg has long been a popular test market for new products in a variety of industries because we're known as eager adopters of new things - and that's likely part of the reason MTS Allstream is a leader in television services.

"Manitobans know quality when they see it," says Shepherd, whose Consumer Markets Division is responsible for MTS TV. "We were able to pioneer this service here in Manitoba, in part, because our consumers are savvy enough to recognize not only


the benefits of the service today, but also the potential for even more down the line - and because they are naturally willing to try new things."

"When you have a high-quality, groundbreaking new product and an enthusiastic customer base, you have a recipe for success."

But the "convergence" aspect of MTS TV isn't limited to the fact that television service is coming into the home through the telephone lines.


In addition to offering the basics of cable television with superior picture, sound and channel choices, as well

Continued on Page 5



Priority Electronics Ltd

Priority Electronics Ltd is proud to have been associated with MTS Allstream for over 25 years. We would like to take this opportunity to wish them continued success in their second century!



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connecting Canadians
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5

...innovating to find new ways for telecommunications to simplify our lives'

Continued from Page 4

as special features like Pay Per View, Video on Demand and HDTV, MTS TV offers extras that make it even more useful to its customers.

Call Display pops up on the screen when the phone rings, allowing relaxed TV viewers to decide whether to get up and answer the phone - or let their MTS Call Answer service take a message.

"Our MTS TV customers can already read their emails and view their digital photos on MTS TV - and the innovations are going to keep coming," says Shepherd.

While Manitobans love to use the Internet for many purposes, from finding information to email to gaming and online shopping, they may not also realize that MTS uses the same underlying network of fibre optics and copper wires to run their 100% digital MTS TV, local phone services and their monitored AAA Alarms home alarm services, among other things.

The Internet today underlies so many of the services we use - right down to the debit machines we use at the grocery store - that we sometimes don't realize how truly "converged" our communication services have become.

Wireless service has also made its mark on the home front. And while it's obvious that cell phones have allowed

friends, spouses, parents and children to stay connected to each other, MTS Allstream has introduced innovations that further enhance the benefits.

Today, cell phones offer all the same features as wired phones - including voice mail, call waiting, call forwarding and a host of others - but they can also be used to surf the Internet, to send email, to take and send pictures, to download and play music, to play games... the list goes on and on.

And, according to Shepherd, that list will continue to grow.

"Just a couple of months ago, we launched a service called Seek & Find[®] that allows parents and caregivers to track the location of their child's cell phone. It gives parents an additional level of peace of mind," he says.

The service also allows parents to establish landmarks and receive regular location alerts based on their child's daily routines, such as arrival home from school.

"No matter how you look at it, our phones, our Internet, our wireless devices, our televisions, our alarms... they are all just going to continue to evolve," says Blouin.

"And MTS Allstream will continue doing what we've been doing for a hundred years in Manitoba - innovating to find new ways for telecommunications to simplify our lives."



MTS Allstream employee Harvey Osorio has worked with MTS TV for three years, watching first hand as the product has moved successfully into the Winnipeg marketplace.

MTS TV launched in Winnipeg in 2003. MTS Allstream now has over 75,000 MTS TV customers, representing a market share of 30% in Winnipeg, a tremendous success for a new service.

'We don't want our customers to feel that technology is complicated. In fact, all that complexity allows us to make things simple.'

IT'S A HYPERCONNECTED WORLD AND COMPLEXITY IS THE ENEMY. WHICH IS WHY OUR PHILOSOPHY HOLDS MORE MEANING THAN EVER:

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We take pride in calling MTS Allstream a customer for over 10 years and we would like to congratulate you on your 100 years of serving Manitobans.



6

Evolution of a national telecommunications company

As the telecommunications industry - and the technology on which it's based - has grown and evolved over the past 100 years, so has MTS Allstream.

1908 Manitoba government establishes Manitoba Government Telephones.

1921 Manitoba Government Telephones is reorganized and renamed Manitoba Telephone System.

1997 Manitoba Telephone System Initial Public Offering is completed; name changes to Manitoba Telecom Services Inc.

2004 Allstream (formerly AT&T Canada) is acquired by Manitoba Telecom Services Inc.; the two companies begin operating together as MTS Allstream Inc.

2006 MTS Allstream Inc. is organized to mirror its key customer segments: national large business customers are served by its Enterprise Solutions Division under the Allstream brand, and consumers and small- and medium-sized businesses are served by its Consumer Markets Division.

A long line of firsts...

Over its century of service across the country, MTS Allstream and its predecessor companies have achieved an astounding number of telecommunications "firsts".

Did you know that MTS Allstream was responsible for:

- The first centre to receive all-dial service in Canada - Brandon - in 1917
- The first major city in North America to receive all-dial service - Winnipeg - in 1926
- The first telex message, in 1956
- North America's first use of the three-digit emergency number 999, in Winnipeg in 1956. (The number was changed to 911 in 1975, to conform with the emergency number used across North America.)
- The first microwave system for television transmission, in 1964
- The first network capable of handling switched voice or high-speed data transmissions, in 1967
- The first Canadian city to have Touch Tone Service - Brandon - in 1968
- The first offering of the 12-button phone, in 1968
- The world's first rural fibre optics transmission, in Elie and St. Eustache, Manitoba, in 1981
- The world's first dedicated fax network, in 1987
- Canada's first virtual private voice network ("VPN"), in 1990
- The first competitive long distance provider in Canada, in 1992
- The first Internet Service Provider in the world to offer 56 Kbps service across an entire national network, in 1997
- Canada's first Multiprotocol Label Switching ("MPLS")-based Internet Protocol ("IP") VPN, in 1999
- The first Canadian Internet and email service for Personal Digital Assistants ("PDAs"), in 2001
- Television service delivered over telephone lines launched in 2003 - enabling MTS to become a leading digital TV service provider
- The first Digital Ink Solutions in the Canadian market, in 2004
- Canada's first hosted Microsoft Live Communications Server solution and collaboration suite using Microsoft's award-winning Real-Time Collaboration technology, in 2005
- Canada's first national IP trunking solution, in 2006
- Manitoba's first Evolution-Data Optimized ("EVDO") network, providing wireless high-speed data access to 70% of Manitoba's population by the end of 2007



Cable is trenched into the ground to protect it from temperature problems and accidental cuts.



This telephone operator of the 1880s is dressed for work and is speaking into a Blake transmitter. Sometimes these transmitters were mounted on a frame and worn as a headset, which weighed six and a half pounds. Headsets today weigh a couple of ounces.



Employee Bryan Parker demonstrates the "Data to Go" service in 2001. The download speed was 14.4 kilobits per second. Today high speed wireless data can achieve 2.4 megabits per second.



The industry has unique tools and equipment. This 1973 photo shows a Frost Wheel Trencher mounted on a trolley. It is used to lay fibre optic cable five feet below frozen ground.



An information operator from the early 1960s.

MTS allstream
Congratulations on reaching your 100th anniversary!

Our companies have been working together close to two decades, and it has been exciting to watch our relationship strengthen and our businesses grow. Over the years, we have enjoyed a wonderful and rewarding partnership with MTS and the MTS dealer network, and we are proud to be associated with such a consumer oriented communications provider. Congratulations on a truly remarkable success! Wishing you the best for another prosperous 100 years!

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Hitar is Canada's largest wireless accessory supplier, offering a high-end accessory for all of your wireless cellular needs. Visit an MTS retailer for a wide range of cases, chargers, batteries, hands free, antennas and cellular amplifiers for vehicles and in-building solutions.

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Sierra Systems congratulates MTS Allstream Inc.
on 100 years of growth, technology leadership, innovation and customer service.

Sierra Systems

Environment a key concern for MTS Allstream

In 1992, long before climate change became a universally recognizable phrase, MTS Allstream adopted an environmental code of practice.

That early commitment eventually evolved into the organization's Environmental Management System (EMS), a framework for positive change that's been widely recognized for its comprehensive effectiveness.

In fact, MTS Allstream has long been considered one of Canada's leading corporate citizens.

Over the past several years, MTS Allstream was named one of the 50 Best Corporate Citizens in Canada by Corporate Knights magazine and earned the title of Canada's most socially responsible company in the telecommunications sector from Report On Business magazine.

In December 2007, Maclean's magazine ranked MTS Allstream as one of the country's top two most socially responsible telecommunications companies in Canada.

Nominated for Manitoba's Sustainable Development Award of Excellence several years in succession and recognized by the Federal Minister of Natural Resources for participation in the Office of

Energy Efficiency's 'Energy Innovators' initiative to help reduce greenhouse gas emissions, the Company's work in the environmental arena has been a key to being recognized as a top corporate citizen.

Fuel efficiency has increased by as much as 10 per cent through education that supports more fuel-efficient driving habits on the job.

As well, on an annual basis, the Company's Consumer Markets division keeps the equivalent of almost 3,000 trees out of landfills through recycling and paper use, which was reduced by more than 42 per cent between 2002 and 2006.

In the field, the Company has undertaken projects such as the successful decommissioning of a microwave tower at 10,000 feet on Pyramid Mountain in Jasper National Park, Alberta and restoration of the site to its natural state.

On the sensitive northern Manitoba tundra, the Company replaced 1,000 kilometres of radio route with more environmentally friendly fibre optics.

The Company has also diverted over 10,000 pounds of used wireless equipment from Manitoba landfills through a joint wireless recycling initiative.

Congratulations on Your 100th Anniversary

Aikins, MacAulay & Thorvaldson LLP is proud of our association with **MTS Allstream**, and we wish them continued success.

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7



The Company moved its headquarters to 333 Main Street at Winnipeg's historic Portage and Main intersection in 2000. This is the head office for a company with 6,000 employees across Canada, including 3,000 in Manitoba.

Continued from cover

Thriving through challenges

The Companies that make up today's MTS Allstream have thrived through more than a century of changes in ownership, demand and technology, not to mention the obstacles that twentieth-century history threw in their way.

As telecommunications really began to grow and evolve in the early 1900s, social and political revolutions were also taking place that would forever impact the course of history - and the economies of Canadian markets at the time.

Nationally, telecommunications technology and construction evolved alongside the First and Second World Wars, which brought shortages of materials and manpower, but which also led to the increasingly important participation of women in the workforce.

As industries worked to cope with smaller pools of available employees, inventors were inspired to innovate through technology to increase efficiency.

One of the results of these innovations would have an enormous impact on telecommunications, as dial service began to replace operators' switchboards to connect calls.

In Manitoba, MTS's business was further challenged by the Winnipeg General Strike of 1919, and the Red River Floods of 1950 and 1997.

But despite these obstacles, the Company maintained service to its customers and continued to innovate.

A key innovator

The Companies that eventually became MTS Allstream played important roles in shaping Canada's telecommunications industry despite the external factors that challenged them.

CEO Blouin feels that even with the Company's enormous contribution to telecommunications, the 2004 transaction that brought MTS and Allstream together was likely the key moment in

'We are now in a great position to make an even more important mark on the future.'

the Company's long and accomplished past.

"You can't deny that the advances made by our predecessor companies had a major positive impact on the way we live and work.

"But because these two innovators were brought together as MTS Allstream, we are now in a great position to make an even more important mark on the future."

Since coming together in 2004, MTS Allstream has continued to develop new services, from digital television that allows subscribers to check their email on their television to the latest in secure IP-enabled enterprise communications that touch thousands of workers at major businesses across Canada.

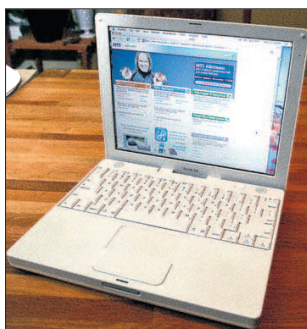
The Company has established itself as a leader in IP-based communications products, which will play a pivotal role in the future of Canadian telecom.

Beyond the technology

In addition to being a leading innovator in a competitive industry, MTS Allstream and its 6,000 employees across Canada also have a huge positive economic impact, particularly in Manitoba.

"Here in Manitoba, our operations contribute approximately \$1 billion to the province's gross domestic product on an annual basis," says Blouin.

"That's a huge impact - and we are proud of it. We look forward to continuing to play a key role in Manitoba into our second century."



In 2007, MTS Allstream, together with the City of Winnipeg, began providing wi-fi internet access at a series of locations across the City, including the new Millennium Library downtown.





8

A century of commitment to Manitoba



MTS Allstream welcomed Cindy Klassen back to Winnipeg in 2006 after her record-setting performance at the winter Olympics.

Manitoba has been home to an inordinate number of international success stories for the size of its population – from business moguls like the late Israel Asper and musicians like Neil Young and The Guess Who to world-class athletes like Cindy Klassen.

Why?

"It's simple," says MTS Allstream CEO Pierre Blouin. "It's the people – the same reason MTS Allstream has grown from its humble beginnings in 1908 to the Canadian telecom leader it is today."

People are at the heart of any business. Regardless of the product or service they sell, it's their commitment

and work ethic that determine whether a venture succeeds or fails.

At MTS Allstream, the people have been the key difference in both the Company's success in the telecom industry and in becoming a key member of the Manitoba business community.

"Over the course of its first century in Manitoba, MTS Allstream has made an enormous contribution to the province's evolution and growth, its economy, its businesses, and community family life itself," says Blouin. "None of which would have been possible without its employees' commitment to the communities in which they live and work every day."

MTS Allstream's commitment to Manitoba continues into its second century.

"This is our home," says Blouin, "and we have a strong bond. We are proud to be a Manitoba company."

Today, in addition to the communication services it provides to Manitoba homes and businesses, MTS Allstream has a huge impact on the province, employing 3,000 Manitobans and buying millions of dollars worth of goods and services, all to the benefit of the Manitoba economy.

MTS Allstream's commitment to Manitoba also extends to a green strategy, aimed at helping to reduce damage to our environment.

"Even though telecom companies have a small environmental impact relative to those in other industries," says Blouin, "we can still do our part."

"For example, we have a recycling program and a no-idling policy for our vehicles; we subsidize bus travel for our employees in Winnipeg; we run a wireless device recycling program; and

we use recycled and energy-saving materials wherever feasible.

"But with that said, our technology allows us to be a big part of the solution for others. For instance, our video conferencing and remote networking services reduce the need for travel and, with it, greenhouse gas emissions."

Beyond the economic contribution and the new technology, MTS Allstream's impact reaches into the heart of the province, through its support of the community.

"This Company has a long and proud record of community service," says Helen Reeves, Senior Vice-President Corporate Communications at MTS Allstream, who is responsible for the

Company's charitable and community outreach activities.

"It goes way back to the good work of the 'Toiling Tillies Club', a community service organization established in 1924 by a group of female employees, and of course the Telephone Pioneers, the world's largest industry-related service organization, who operate independently today here in Manitoba under the name

'This is our home and we have a strong bond. We are proud to be a Manitoba company.'

MTS Volunteers."

Reeves points out that in the last 10 years alone, MTS Allstream has invested more than \$10 million in support of worthy charitable and community

Continued on page 9



MTS Allstream employees seen here participated in the United Way's annual plane pull to kick off the 2007 campaign.

Going beyond the call of duty

As every Manitoban knows, our province's climate and landscape don't lend themselves to the faint of heart.

During its first hundred years, MTS employees went beyond the call of duty countless times, and in adverse conditions, to serve their customers.

A few examples:

- When MTS's Brandon office burned down in July, 1913, MTS's construction employees worked exhaustively to get it back in service for their customers the following day.
- In the 1920s, technicians and operators alike struggled to keep the phone service working through floods, cyclones and winter storms. When the electricity failed, rural operators used hand generators to keep their telephone exchanges running.
- In 1950, MTS employees worked around the clock to maintain and restore service during the disastrous Red River flood, which drowned towns across southeast Manitoba. Operators stayed at their exchanges until the last possible

moment to continue providing service as long as possible, even sleeping in their offices. In Morris, when MTS operators finally gave up their post, they were taken by boat across 50 miles of open water.

- In June 1978, MTS employees saw a tornado headed toward the southern Manitoba town of Aubigny. They warned residents to find cover, helped with the clean-up after the tornado destroyed three-quarters of the town, and kept the lines of communication open for emergency calls.
- In the spring of 1997, MTS employees and retirees organized a major sand-bagging operation to protect homes in the path of the flooding Red River and donated hundreds of volunteer hours working to save Manitoba homes. At the same time, employees worked around the clock to protect and maintain vital telecommunications equipment, and managed to keep the lines open throughout the crisis.



Districtman James Morris heads out in a motorized canoe to restore service during the famous 1950 flood.

congratulations
on 100 years
of helping people
*communicate
better.*

seems we have a lot in common.



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connecting Canadians
into our Second Century

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MTS Allstream's naming sponsorship of MTS Centre, which opened in 2004, is a symbol of the Company's significant commitment to progress and development of Winnipeg and Manitoba. MTS Centre features the latest in communication technology.

Continued from page 8

causes in Manitoba - from charities like the United Way, the Heart and Stroke Foundation, the Canadian Cancer Society and the Salvation Army, to community events like the Festival du Voyageur and the Brandon Winter Fair, just to name a few.

The Company is also a strong supporter of aboriginal and educational initiatives. And MTS Allstream's Employees' Charity Trust, which is made up of employee donations matched dollar-for-dollar by the Company, donated half a million dollars in 2006 alone to worthy causes in Manitoba.

"We are committed to

this province, and will continue to invest in it - not just in terms of telecom infrastructure, but in strengthening our communities," says Blouin.

Among MTS Allstream's ongoing sponsorships is its support of five-time Olympic gold medal winning speed skater Cindy Klassen.

"We are proud to support Cindy as she strives for further successes in the Vancouver Olympics," says Blouin. "Like MTS Allstream, she is the embodiment of Manitoba potential, and shows how Manitobans can take on the competition - and win - at the very highest levels."

**'This Company
has a long and proud record
of community service.'**



ALTERNATIVE THINKING ABOUT SERVICES:

Collaboration With A Single Objective (For Example, Dominating Your Competition).

Alternative thinking is acknowledging that IT is no longer merely a cost centre, but the lifeboat of the business.

It's partnering with over 69,000 HP Services people who not only understand this fundamental shift in IT, but also had a hand in writing it.

It's a human face you can rely on to liberate your IT people - setting them free to drive innovation in the marketplace. (Viva la brains.)

It's demanding hard, cold business metrics and working with HP Services to reach them.

HP Canada is proud of our collaborative relationship with MTS Allstream. Congratulations on your 100th anniversary!

Technology for better business outcomes. hp.ca/alt





Congratulations



CONGRATULATIONS MTS ALLSTREAM

on Connecting Manitobans for 100 years.



Head Office
1365 Niakwa Rd.

MTS Connect
St. Vital Shopping Centre

MTS Connect
1650 Kenaston Rd.

MTS Connect
Winkler, MB

MTS Connect
Steinbach, MB



Head Office
1300 Portage Ave.

MTS Connect
Polo Park Shopping Centre

MTS Connect
Shops of Wpg Square



Head Office
Kildonan Place Shopping Centre

MTS Connect
Kildonan Place Shopping Centre

MTS Connect
Stonewall, MB

MTS Connect
Beausejour, MB



Head Office
3393 Portage Ave.

MTS Connect
Garden City Shopping Centre

MTS Connect
Portage Place Shopping Centre

MTS Connect
Selkirk Town Plaza, Selkirk, MB



Head Office
585 Century

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585 Century

MTS Connect
Grant Park Shopping Centre

MTS Connect
Carman, MB

MTS Connect
Flin Flon, MB



Head Office
1417 Rosser Ave,
Brandon, MB

MTS Connect
Brandon Shoppers Mall



Head Office
1303 Dugald Rd.

MTS Connect
Southdale Shopping Centre
22-67 Vermillion Rd.



Head Office
723 Rosser Ave.
Brandon, MB

MTS Connect
Corral Centre
825 - 18th St. North
Brandon, MB













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Blazing a competitive trail: MTS TV

When people think about technological innovation, especially in the realm of entertainment, they don't always think of Manitoba.

Big mistake. And not just because of Manitoba's thriving movie industry.

In Winnipeg in 2003, MTS Allstream launched what was at the time a pioneering product - digital television delivered to the home over the telephone line - which is still today best-in-class in North America.

"MTS TV really is a ground-breaker in every sense of the word," says Kelvin Shepherd, President of the Consumer Markets Division of MTS Allstream, which is responsible for MTS TV.

"MTS TV offers the whole package: superior quality 100% digital picture and sound, smaller channel packages to give customers greater flexibility in choosing channels, and "bonus" features that come with receiving your television service on the same line as your phone and your high-speed Internet, like Call Display on your television screen, and on-screen access to your e-mail and digital pictures."

Exclusive built-in features

MTS TV offers built-in features that its cable competitor doesn't - from a searchable program guide that allows you to easily find the next time a favourite show is on to a pre-programmable viewing schedule, which lets you set in advance what shows you want to watch and changes the channels automatically for you at your preset times.

Perhaps one of its most significant competitive advantages,

though, is the fact that MTS TV delivers its 100% digital programming to all the TV sets in the house with just one set-top box.

With more than 75,000 customers and 30% market share in Winnipeg after only four years in the market, MTS Allstream's achievement in delivering this service goes far beyond its peers in wireline television services across North America.

"We are successful because we have a deep deployment of fibre on our network," says Shepherd. "It gives us the reach to provide a high-quality digital television service to customers in Winnipeg."

"Our market share numbers in the relatively short time we've offered MTS TV back me up on that."

With the introduction of MTS TV, MTS Allstream has, in Winnipeg, a rare competitive advantage in terms of bundling services: the "quadruple play" of voice, wireless, high-speed Internet and television services.

The Company has profited from the opportunity to bundle these services together to encourage customers to sign up for more than one - a marketing strategy that has yielded impressive increases in its growth services quarter after quarter.

"MTS customers enjoy more integrated functionality and capabilities in the products they buy from us," says Shepherd.

"We are proud of this distinction, which is a clear advantage over our competition."

"With these four key products as well as our alarm services all offered over our leading-edge network, we are exceedingly well positioned to continue offering excellent value to our customers," says Shepherd.



Two examples of covers for the numerous directories released to MTS customers over the years.



accenture.com

Accenture
salutes MTS Allstream for its history of
innovation and success in Manitoba.
Here's to high performance.

accenture
High performance. Delivered.

• Consulting • Technology • Outsourcing

Proud of what we've accomplished.
Proud to be Manitoban.



Cindy Klassen
6 time Olympic Medallist

Stepping Proudly Into Our Second Century.

For a hundred years, MTS Allstream has been building connections between people and communities – and has become a leader and innovator in Canadian telecom. And while advanced network expertise underlies all the services we provide today, the true key to our success all along has been our focus on our customers.

Six-time Olympic medallist Cindy Klassen understands that to win, you have to maintain your focus. At MTS Allstream, we know that technology will continue to evolve and change, but our focus on our customers won't – and that's how we'll remain a leader into our second century.

connecting Canadians
into our Second Century

MTS