Pricing Supplement No. 1 Dated September 27, 2011
to a Short Form Base Shelf Prospectus dated August 23, 2011

This pricing supplement together with the short form base shelf prospectus dated August 23, 2011 to which it relates (collectively, the "Prospectus"), and each document deemed to be incorporated by reference into the Prospectus constitutes a public offering of securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities commission or similar authority has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered, sold or delivered in the United States or to, or for the account or benefit of, United States persons.

MTS

MANITOBA TELECOM SERVICES INC.
4.59% Medium Term Notes (Series 9)
(unsecured)

1.	Designation:	4.59% Medium Term Notes (Series 9) (the "**Series 9 Notes**")
2.	CUSIP No.:	CA 56348ZAV72
3.	Principal Amount:	CDN $200,000,000
4.	Issue Price:	$99.988
5.	Settlement Date:	September 30, 2011
6.	Maturity Date:	October 1, 2018
7.	Dealers' Commission:	0.37%
8.	Net Proceeds to the Issuer:	$199,236,000
9.	Interest Rate:	4.59% per annum
10.	Interest Payment Dates:	April 1st and October 1st of each year, payable in equal instalments except for the first interest payment on April 1, 2012 which will be $23.07575340 per $1,000.00 principal amount of Medium Term Notes.
11.	First Interest Payment Date:	April 1, 2012
12.	Form of Issuance:	Book Entry only in the form of a fully registered global note in the name of CDS & Co., as nominee of CDS Clearing and Depository Services Inc., which will be issued under a Trust Indenture dated August 10, 2011 between Manitoba Telecom Services Inc. (the "**Company**") and Computershare Trust Company of Canada (the "**Trustee**").

13.	Redemption:	Redeemable by the Company, at its option, in whole or in part, from time to time prior to the Maturity Date, on not more than thirty (30) days and not less than ten (10) days prior written notice, at a redemption price equal to the greater of par and the Canada Yield Price (as defined below) together, in each case, with accrued and unpaid interest to the date of redemption. In case of partial redemption, the Series 9 Notes shall be redeemed on a pro rata basis. "**Canada Yield**" means, as at any date, the arithmetic average of the respective percentages determined by two registered Canadian investment dealers selected by the Trustee to be the yield to maturity calculated at that date which, assuming semi-annual compounding, would be carried by a non-callable Government of Canada bond denominated in Canadian currency, having a term to maturity approximately equal to the remaining term to the maturity date specified in this pricing supplement, and issued on that date in Canada at 100% of its principal amount. "**Canada Yield Price**" means, as at any date, the price equal to the net present value of all scheduled payments of interest (other than accrued and unpaid interest) and principal on a Series 9 Note issued hereunder, using as a discount rate the sum of the Canada Yield and 68 basis points.
14.	Credit Ratings:	Standard & Poor's ("**S&P**"): BBB DBRS Limited ("**DBRS**"): BBB
15.	Underwriters:	BMO Nesbitt Burns Inc. CIBC World Markets Inc. National Bank Financial Inc. RBC Dominion Securities Inc. Scotia Capital Inc.

REPURCHASE UPON CHANGE OF CONTROL TRIGGERING EVENT

If a Change of Control Triggering Event (as defined below) occurs, unless the Company has exercised its optional right to redeem all of the Series 9 Notes as described above, the Company will be required to make an offer to repurchase all or, at the option of the noteholder, any part (equal to $1,000 or an integral multiple thereof) of each noteholder's Series 9 Notes pursuant to the offer described below (the "**Change of Control Offer**"). In the Change of Control Offer, the Company will be required to offer payment in cash equal to 101% of the aggregate principal amount of Series 9 Notes together with accrued and unpaid interest on the Series 9 Notes repurchased to the date of purchase.

Within 30 days following any Change of Control Triggering Event, the Company will be required to give written notice to noteholders describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the Series 9 Notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given. The Company must comply with the requirements of applicable securities laws and regulations in connection with the repurchase of the Series 9 Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any such applicable securities laws and regulations conflict with the provisions described in this Pricing Supplement relating to a Change of Control (as defined below), the Company will be required to comply with such laws and regulations and will not be deemed to have breached its obligations to repurchase the Series 9 Notes by virtue of such conflict.

The Company will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes such an offer substantially in the manner, at the times and in compliance with the requirements for a Change of Control Offer (and for at least the same purchase price payable in cash) and such third party purchases all Series 9 Notes properly tendered and not withdrawn under its offer.

For the purpose of the repurchase provisions outlined above, the following definitions apply:

"**Change of Control**" shall mean the occurrence of any one of the following: (a) the direct or indirect sale, transfer, conveyance, lease or other disposition (other than by way of consolidation, amalgamation or merger), in one or a series of related transactions, of all or substantially all of the property and assets of the Company and its subsidiaries, taken as a whole, to any person or group of persons acting jointly or in concert for purposes of such transaction (other than to the Company and its subsidiaries); or (b) the consummation of any transaction including, without limitation, any consolidation, amalgamation, merger or issue of voting shares the result of which is that any person or group of persons acting jointly or in concert for purposes of such transaction (other than the Company and its subsidiaries) becomes the beneficial owner, directly or indirectly, of more than 50% of the voting shares of the Company, measured by voting power rather than number of shares (but shall not include the creation of a holding company or similar transaction that does not involve a change in the beneficial ownership of the Company).

"**Change of Control Triggering Event**" shall mean the occurrence of both a Change of Control and a Rating Event.

"**Investment Grade Rating**" shall mean a rating equal to or higher than (i) BBB – (or the equivalent of any successor rating category of S&P) by S&P, (ii) BBB (low) (or the equivalent of any successor rating category of DBRS) by DBRS, or (iii) the equivalent investment grade credit rating from any other Specified Rating Agency.

"**Rating Event**" shall mean the rating on the Series 9 Notes is lowered to below an Investment Grade Rating by both of the Specified Rating Agencies, if there are two Specified Ratings Agencies, or by two out of three of the Specified Ratings Agencies, if there are three Specified Ratings Agencies (the "**Required Threshold**"), on any day within the 60-day period (which 60-day period will be extended so long as the rating of the Series 9 Notes is under publicly announced consideration for a possible downgrade by such number of the Specified Rating Agencies which, together with Specified Ratings Agencies which already have lowered their ratings on the Series 9 Notes as aforesaid, would aggregate in number the Required Threshold, but only to the extent that, and for so long as, a Change of Control Triggering Event would result if such downgrade were to occur) after the earlier of (a) the occurrence of a Change of Control, and (b) public notice of the occurrence of a Change of Control or of the Company's intention or agreement to effect a Change of Control.

"**Specified Rating Agencies**" shall mean each of S&P and DBRS and, if a rating of the Series 9 Notes is obtained from Moody's Investors Service, Inc. ("**Moody's**), shall also include Moody's, as long as, in each case, it has not ceased to rate the Series 9 Notes or failed to make a rating of the Series 9 Notes publicly available for reasons outside of the Company's control, provided that if one or more of S&P, DBRS or Moody's ceases to rate the Series 9 Notes or fails to make a rating of the Series 9 Notes publicly available for reasons outside of the Company's control, the Company may select any other "approved rating organization" within the meaning of National Instrument 41-101 of the Canadian Securities Administrators as a replacement agency for such one or more of them, as the case may be.

RISK FACTORS

In addition to the risks identified or incorporated by reference in the Prospectus, an investment in the Series 9 Notes is subject to the following additional risks:

Repurchase Upon Change of Control Triggering Event

In the event the Company is required to repurchase the Series 9 Notes upon the occurrence of a Change of Control Triggering Event, it may not have sufficient funds to repurchase the Series 9 Notes in cash at such time. In addition, the Company's ability to repurchase the Series 9 Notes for cash may be limited by applicable law.

AUDITORS' CONSENT

We have read pricing supplement no. 1 dated September 27, 2011 to a short form base shelf prospectus dated August 23, 2011 (together "the Prospectus") of Manitoba Telecom Services Inc. (the "Company") relating to the offering of 4.59% Medium Term Notes (Series 9) (unsecured). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the Prospectus of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2010 and 2009, and the consolidated statements of net income and comprehensive income, (deficit) retained earnings, and cash flows for each of the years then ended. Our report is dated February 10, 2011.

Winnipeg, Manitoba
September 27, 2011

(signed) Deloitte & Touche LLP
Chartered Accountants