Q4 2014 Results and 2015 Analyst Guidance Call

February 5, 2015

Bell

Safe harbour notice

Certain statements made in this presentation are forward-looking statements. These statements include, without limitation, statements relating to our 2015 financial guidance (including revenues, Adjusted EBITDA, capital intensity, Adjusted EPS and free cash flow), our business outlook, objectives, plans and strategic priorities, BCE's 2015 annualized common share dividend, common share dividend policy and financial policy targets, our expected 2015 pension cash funding, our broadband fibre, IPTV and wireless network deployment plans, the expected timing and completion of BCE's proposed acquisition of Glentel Inc. and the subsequent disposition of a 50% equity interest to Rogers Communications Inc. and the benefits expected to result from these transactions, and other statements that are not historical facts. All such forward-looking statements are made pursuant to the safe harbour provisions of applicable Canadian securities laws and of the United States *Private Securities Litigation Reform Act* of 1995.

Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in or implied by such forward-looking statements. As a result, we cannot guarantee that any forward-looking statement will materialize and we caution you against relying on any of these forward-looking statements. For a description of such assumptions and risks, please consult BCE's Safe Harbour Notice Concerning Forward-Looking Statements dated February 5, 2015, filed by BCE with the Canadian provincial securities regulatory authorities (available at sedar.com) and with the U.S. Securities and Exchange Commission (available at sec.gov), and which is also available on BCE's website at BCE.ca. For additional information, please refer to BCE's news release dated February 5, 2015 available on BCE's website.

The forward-looking statements contained in this presentation describe our expectations at February 5, 2015 and, accordingly, are subject to change after such date. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise.

The terms "Adjusted EBITDA", "Adjusted EBITDA margin", "free cash flow", "free cash flow per share" "Adjusted EPS" and "net debt" are non-GAAP financial measures and do not have any standardized meaning under IFRS. Therefore, they are unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Notes" in BCE's news release dated February 5, 2015 for more details.

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Q4 Operating Results Review

George Cope
President & Chief Executive Officer

Q4 overview

- Bell organic revenue growth of 2.6% drove 2.2% higher y/y Adjusted EBITDA
- Exceptional Wireless results with 117k Bell postpaid net adds and 9.6% higher revenues yielding Adjusted EBITDA growth of 10.6% and 0.9-point service margin gain
- Achieved positive Wireline revenue and Adjusted EBITDA growth, along with positive total residential net adds, for the first quarter since cable telephony launched in 2005
- 128k combined BCE IPTV and broadband Internet net adds, up 31% y/y, as IPTV footprint grows to more than 6M customer locations
- New CraveTV on-demand TV streaming service launched December 11th
- GLENTEL acquisition announced November 28th expected to close in Spring 2015

Met all financial guidance targets for 2014
Strong Q4 execution maintains operating momentum going into 2015

Wireless operating metrics

Bell	Q4'14	Y/Y
Postpaid gross additions	**378k**	2.6%
Postpaid net additions	**117k**	(1.8%)
Postpaid churn rate	**1.30%**	(0.01 pts)
Blended ARPU	**$61.12**	**5.5%**
COA (per gross addition)	**$497**	(6.2%)
Retention (% of service revenue)	**13.5%**	(1.1 pts)
Smartphones (% of postpaid base)	**76%**	3 pts
Postpaid subscribers on LTE	**47%**	21 pts
LTE coverage (% of population)	**86%**	6 pts

- **Postpaid gross adds higher y/y for the first quarter since Wireless Code implemented**
- **117k postpaid net adds relatively stable y/y**
  - 118k total postpaid net adds with Bell Aliant
  - Strong holiday period sales, higher y/y activations in West and increased tablet sales
  - Postpaid churn unchanged y/y even with seasonally high level of promotional activity
- **5.5% ARPU growth driven by 4G LTE data usage and pricing discipline**
  - 76% of postpaid base now on smartphones
  - Data represents approx. half of service revenue
- **Higher COA reflects richer device offers in line with competitors, holiday advertising and increased postpaid mix**
- **Increased retention spending of 13.5% reflects greater number of early upgrades to higher-ARPU devices**
  - Reduces double cohort exposure in 2015
  - Average retention spending of 11% for FY2014

8.1M total BCE wireless subscribers
with 47% of postpaid subscribers now on LTE

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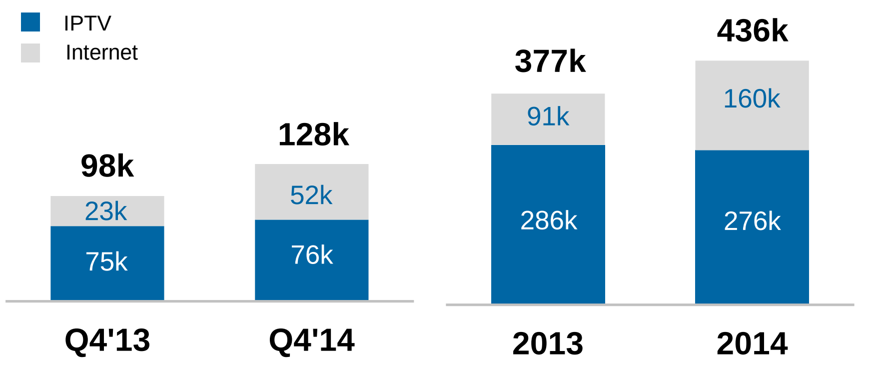
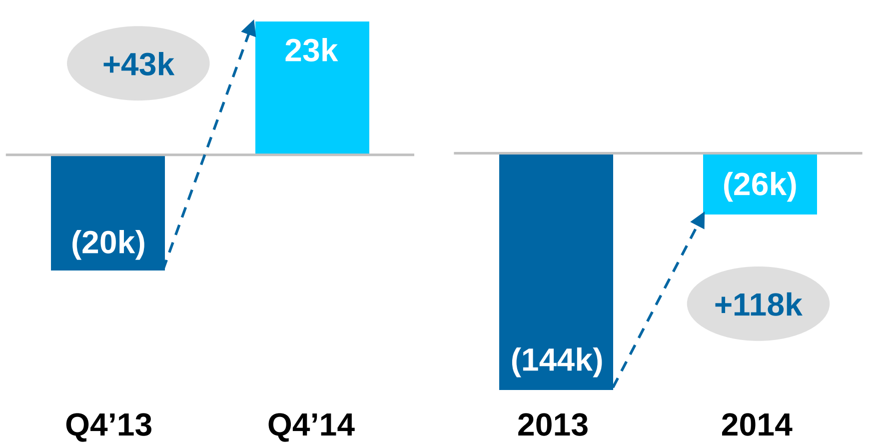
BCE Wireline residential RGU growth accelerates in Q4

BCE IPTV and Internet net additions



BCE residential RGU net additions



- **52k total BCE Internet net adds, up 29k y/y**
  - Q4 net adds more than double y/y on strength of IPTV pull-through and higher speeds
  - Market share leader with 3.3M Internet customers
- **76k total BCE IPTV net adds, up 1k y/y**
  - 934k total IPTV subscribers, up 276k or 42% y/y
- **Satellite TV net loss of 34k, up 10k y/y**
  - Aggressive cable offers in non-IPTV footprint and fewer wholesale net adds y/y
- **31% fewer BCE NAS line losses y/y**
  - Residential NAS losses down 33k y/y
  - Business NAS losses improve 9k y/y
- **~80% of Fibe TV customers taking 3 products**
- **Q4'14 marks first non-Q3 quarter of positive total residential RGU net additions since 2005**
- **6M combined Bell and Bell Aliant homes now IPTV-ready with 2.1M on FTTH**
- **Market-leading Fibe TV innovation continues with launch of new "Restart" feature**

BCE total wireline residential RGU net losses in 2014 improve 118k y/y on strong broadband growth and IPTV pull-through

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Bell Media

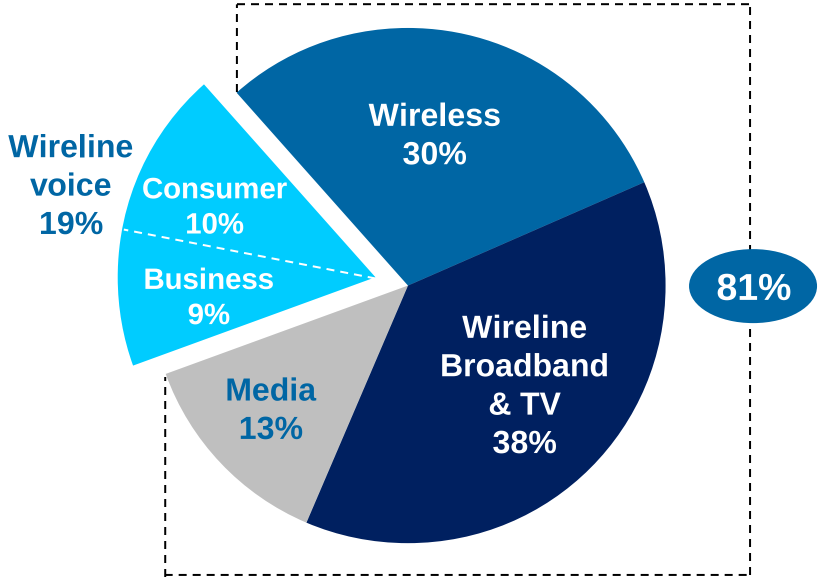
- **Maintaining strong audience levels and ratings across all Bell Media TV and radio properties**
  - 14 of top 20 TV programs nationally in Q4 fall season for CTV, including the top 4
  - Radio market share held stable or higher in key markets of Toronto, Montréal and Vancouver
- **TSN maintains #1 position**
  - Leveraging TSN's 5 national feeds
  - World Juniors: #1 specialty and hockey program
    - Canada/USA match was most watched game (including NHL) in 2014/15 season to date
    - Championship game broke all-time audience record in Canadian specialty TV history with 7.1M viewers
  - Hosted CFL Grey Cup
  - NFL regular season and playoff audiences higher y/y
- **CraveTV on-demand TV streaming service launched December 11**
  - Largest collection of premium content in one place with +10k hours of programming and 350 unique titles
  - Available over-the-top with authentication
  - 5 BDU distribution agreements currently in place
- **New licensing agreement with Showtime**
  - Nearly 600 programs at launch, including hits like The Affair, Ray Donovan, House of Lies, Nurse Jackie

Stable cash flow contribution expected from Bell Media in 2015 even with higher sports rights costs and investment in CraveTV

Successful execution of strategic imperatives driving higher mix of growth services

BCE revenue mix[1]

Q4'14

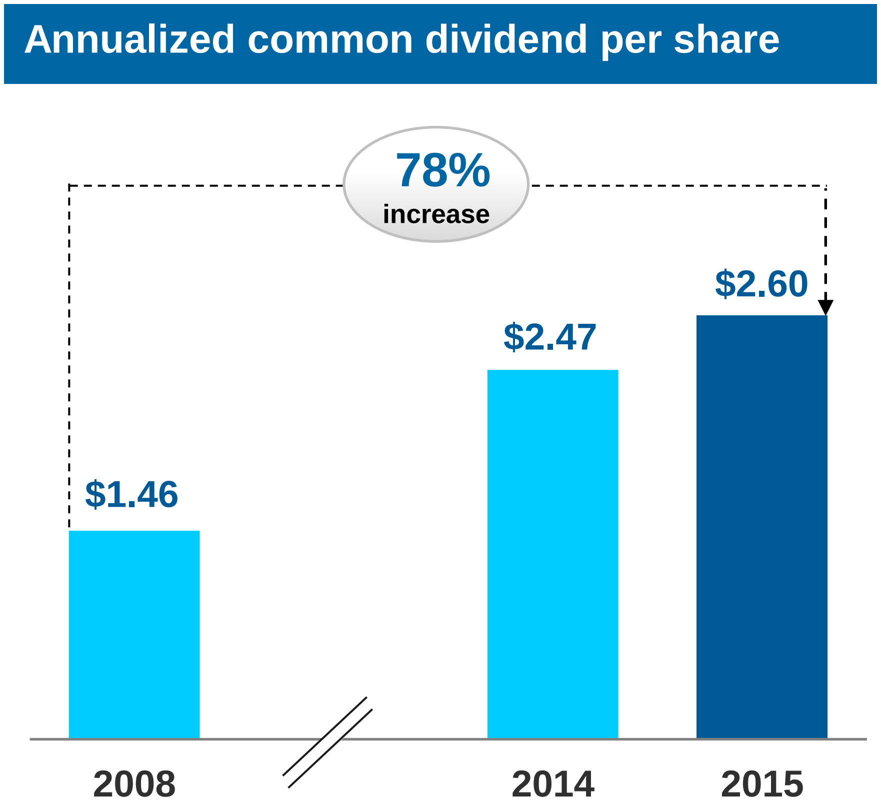


- Total BCE growth services revenue in Q4'14 up $188M, or 4.4%, y/y
- Bell Aliant contributing to Wireline turnaround in 2015, while supporting industry-leading Wireline margin of ~40%
- Wireline Adjusted EBITDA-Capex positive in 2015

(1) Includes 100% of Bell Aliant

Growth services now represent 81% of consolidated BCE revenues, up from 79% in Q4'13 and 64% in Q4'08

Raising common dividend 5.3% to $2.60 per share



- Fully supported by strong financial outlook for 2015
- Maintaining FCF dividend payout ratio within policy range of 65% to 75% for 8th consecutive year
- Effective with Q1 2015 dividend payment on April 15, 2015
- 11 common share dividend increases over past 6 years totalling 78%

21.7% total return to shareholders in 2014

Q4 & 2014
Financial Results Review

Siim Vanaselja
EVP & Chief Financial Officer

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Q4 financial review

Bell	Q4'14	Y/Y	FY2014	Y/Y
Revenue	**$4,940M**	**2.6%**	**$18,734M**	**3.5%**
Service	$4,418M	2.2%	$17,133M	3.8%
Product	$522M	6.8%	$1,601M	0.3%
Adjusted EBITDA	**$1,730M**	**2.2%**	**$7,066M**	**3.7%**
Margin	35.0%	(0.2 pts)	37.7%	0.1 pts
Capex	**$932M**	**6.0%**	**$3,142M**	**(4.7%)**
Capital Intensity	**18.9%**	**1.7 pts**	**16.8%**	**(0.2 pts)**

BCE	Q4'14	Y/Y	FY2014	Y/Y
Statutory EPS	**$0.64**	**0.0%**	**$2.98**	**16.9%**
Adjusted EPS[1]	**$0.72**	**2.9%**	**$3.18**	**6.4%**
FCF[2]	**$833M**	**23.6%**	**$2,744M**	**6.7%**
FCF per share	**$1.01**	**17.4%**	**$3.46**	**4.5%**

(1) Before severance, acquisition and other costs, net (gains) losses on investments and early debt redemption costs

(2) Before BCE common share dividends and voluntary pension contributions. As of November 1, 2014, BCE's free cash flow includes 100% of Bell Aliant free cash flow rather than cash dividends received from Bell Aliant.

- **Revenue up 2.6% in Q4 on strong y/y Wireless and Wireline growth**
  - 6.8% product revenue growth reflects higher y/y wireless upgrades and business data product sales
- **Q4 Adjusted EBITDA 2.2% higher y/y**
  - Double-digit Wireless Adjusted EBITDA growth
  - Positive Wireline Adjusted EBITDA growth
  - Media impacted by non-recurring Q4'13 revenues, rising sports rights costs and CraveTV investment
- **Adjusted EPS growth of 2.9% in Q4 driven by higher Adjusted EBITDA**
- **Q4 capex in line with plan, maintaining 2014 capital intensity within 16%-17% target range**
  - Spending focused on broadband fibre and wireless LTE to enhance coverage, speed and capacity
- **Strong Q4 FCF generation of $833M, up 23.6% y/y**
  - Includes 2 months FCF contribution from Bell Aliant
  - Bell Aliant common dividend not paid in Q4

Continued strong financial execution in Q4 delivered solid Adjusted EBITDA, Adjusted EPS and FCF growth in line with plan

Bell Wireless financials

($M)	Q4'14	Y/Y	FY2014	Y/Y
Revenue	**1,649**	**9.6%**	**6,241**	**6.7%**
Service	1,469	**8.1%**	5,705	6.4%
Product	167	24.6%	483	11.8%
Operating costs	**1,064**	**(9.0%)**	**3,677**	**(4.8%)**
Adjusted EBITDA	**585**	**10.6%**	**2,564**	**9.6%**
Margin (service revenue)	39.8%	**0.9 pts**	44.9%	1.3 pts
Capex	**211**	**6.6%**	**671**	**(5.0%)**
Capital intensity	12.8%	2.2 pts	10.8%	0.1 pts
Adjusted EBITDA-Capex	**374**	**23.4%**	**1,893**	**11.3%**
Adjusted EBITDA-Capex margin	22.7%	2.6 pts	30.3%	1.2 pts

- **Acceleration in service revenue growth to 8.1% driven by 26% data revenue growth and postpaid mix**
- **Product revenue up 24.6% on higher y/y number of handset upgrades and postpaid gross adds**
- **Adjusted EBITDA growth of 10.6% and 0.9 point increase in service revenue margin, while absorbing ~$40M higher y/y spending on retention and COA**
- **Strong contribution to Q4 free cash flow with Adjusted EBITDA-Capex growth of 23.4%**

Delivered exceptional financial results in Q4, highlighted by strong double-digit Adjusted EBITDA and cash flow growth

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Bell Wireline financials

($M)	Q4'14	Y/Y	FY2014	Y/Y
Revenues	**2,628**	**1.0%**	**10,040**	**(0.6%)**
Data	1,573	4.0%	5,991	2.8%
Voice	751	(3.3%)	3,032	(5.8%)
Equipment & other	213	(4.1%)	664	(6.1%)
Operating costs	**1,675**	**(0.5%)**	**6,272**	**0.5%**
Adjusted EBITDA	**953**	**2.0%**	**3,768**	**(0.7%)**
Margin	36.3%	0.4 pts	37.5%	(0.1 pts)
Capex	**667**	**5.0%**	**2,334**	**(3.9%)**
Capital intensity	25.4%	1.6 pts	23.2%	(0.9 pts)

- **Overall Q4 Wireline revenue growth of 1.0% – 1st quarter of positive growth since Q2'10**
- **Data revenue up 4.0% in Q4 on continued robust residential growth and improved y/y Business Markets performance**
  - Residential data service revenues up 4.9% on strong Internet and Fibe TV growth and price increase
  - Increased y/y sales of business service solutions and data equipment to large enterprise and SMB customers
- **Slower voice decline reflects fewer NAS losses and higher sales of international LD minutes**
- **Improved y/y rates of Business Markets revenue and Adjusted EBITDA decline**
- **Wireline Adjusted EBITDA in Q4 up 2.0% with higher y/y margin**
  - Positive and growing total residential RGU net adds, improved Business Markets results and disciplined cost control

2nd consecutive quarter of positive Wireline Adjusted EBITDA growth

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Bell Media financials

($M)	Q4'14	Y/Y	FY2014	Y/Y
Revenues	**789**	**(3.9%)**	**2,937**	**14.9%**
Operating costs	**597**	**(1.0%)**	**2,203**	**(17.6%)**
Adjusted EBITDA	**192**	**(16.5%)**	**734**	**7.5%**
Margin	24.3%	(3.7 pts)	25.0%	(1.7 pts)
Capex	**54**	**15.6%**	**137**	**(19.1%)**
Adjusted EBITDA-Capex	**138**	**(16.9%)**	**597**	**5.1%**
Adjusted EBITDA-Capex margin	17.5%	(2.7 pts)	20.3%	(1.9 pts)

- **Total revenues down 3.9% y/y in Q4'14**
  - Excluding $20M in non-recurring retroactive retransmission royalties and retroactive subscriber fees from Q4'13, y/y revenue decline in Q4'14 was 1.5%
- **Q4 advertising revenues up 0.4% in a generally soft market**
  - Growth in sports, due to World Junior Hockey, and news specialty channels offset by y/y declines in conventional TV
- **Subscriber revenue down 12% in Q4**
  - Q4'13 included $10M in retroactive revenues
  - Loss of revenue from regional NHL feeds and Viewers Choice which ceased operations in 2014
  - Minimal contribution from CraveTV (Dec'14 launch)
- **Adjusted EBITDA down 16.5% in Q4'14**
  - Excluding $20M of non-recurring revenue from Q4'13, Adjusted EBITDA decline was 8.6%, reflecting higher y/y costs for sports rights and start-up of CraveTV
- **$597M of cash flow generated in 2014, up 5.1%**

Q4 results reflect financial impact of strategic content investments to enhance Bell Media's competitive position

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2014 financial performance vs. guidance

Bell	FY2014	Target	Met
Revenue	**$18,734M**		✓
Growth y/y	3.5%	**2%-4%**	
Adjusted EBITDA	**$7,066M**		✓
Growth y/y	3.7%	**3%-5%**	
Capital Intensity	**16.8%**	**16%-17%**	✓
BCE			
Adjusted EPS[(1)]	**$3.18**	**$3.10-$3.20**	✓
Growth y/y	6.4%		
Free Cash Flow[(2)]	**$2,744M**		✓
Growth y/y	6.7%	**3%-7%**	

(1) Before severance, acquisition and other costs, net (gains) losses on investments and early debt redemption costs

(2) Before BCE common share dividends and voluntary pension contributions. As of November 1, 2014, BCE's free cash flow includes 100% of Bell Aliant free cash flow rather than cash dividends received from Bell Aliant.

- **Revenue and Adjusted EBITDA performance in line with plan**
- **Stable y/y Adjusted EBITDA margin of 37.7% supported by strong Wireless profitability and strengthening Wireline financial profile**
- **Adjusted EPS of $3.18 and FCF growth of 6.7% towards high end of guidance target ranges**
- **Strong FCF generation enabled y/y capital spending within 16% to 17% CI envelope and 2014 dividend increase**

Achieved all 2014 financial guidance targets

GLENTEL transaction

Transaction financials

Total acquisition equity value	$594M
Proceeds from 50% divestiture	($392M)
Net cost to BCE for 50% stake	**$202M**
GLENTEL shares acquired by BCE	11.2M
Adjusted cost per GLENTEL share	**~$18**
Discount to transaction price of $26.50 per GLENTEL share	~32%

GLENTEL retail operations

Canada	# of stores
WIRELESSWAVE	161
Tbooth wireless	114
WIRELESS etc...	87
MacStation	3
SAMSUNG	3
Total Canada	**368**

U.S.	# of stores
wirelessZONE	380
DIAMOND Wireless	200
BJ's WHOLESALE CLUB	155
Aust. / Philippines	**# of stores**
allphones	145
SAMSUNG	2
Total International	**882**

- **Total transaction value of $670M (including debt and minority interest)**
  - $594M equity value for 100% of GLENTEL
- **50% of GLENTEL shares to be sold to Rogers at closing for total cash consideration of $392M**
- **GLENTEL acquisition secures long-term access to an effective wireless distribution network at a net cost to BCE of ~$200M**
  - Funded with the issuance of approximately 5.6M new BCE common shares
- **Transaction approved by 99.99% of votes cast by shareholders at January 12th meeting**
  - Court approval obtained on January 14th
- **Closing expected in Spring 2015 pending Competition Bureau approval**
  - Hart-Scott Rodino Antitrust clearance received

Proceeds from 50% divestiture further enhances liquidity position and financial flexibility

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2015
Financial Outlook

Siim Vanaselja
EVP & Chief Financial Officer

Financial targets for 2015

BCE	
Revenue growth	**1% to 3%**
Adjusted EBITDA growth	**2% to 4%**
Capital intensity	**approx. 17%**
Adjusted EPS[(1)]	**$3.28 to $3.38**
Growth y/y	approx. 3% to 6%
Free cash flow[(2)]	**$2,950M to $3,150M**
Growth y/y	approx. 8% to 15%
Annualized common dividend per share[(3)]	**$2.60**
Dividend payout policy	**65% to 75% of free cash flow**

(1) EPS before severance, acquisition and other costs, net (gains) losses on investments and early debt redemption costs

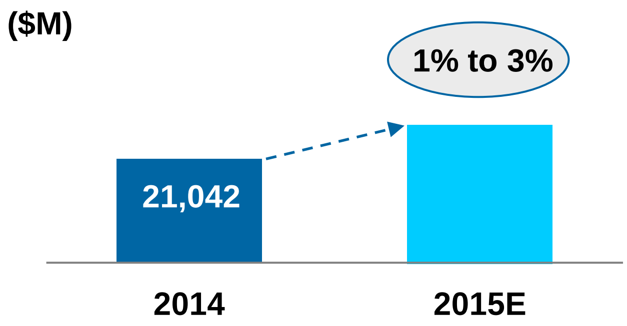
(2) Free cash flow before BCE common share dividends and voluntary pension contributions

(3) Increase to $2.60 per share from $2.47 per share effective with Q1 2015 dividend to shareholders of record on March 16, 2015 and paid on April 15, 2015

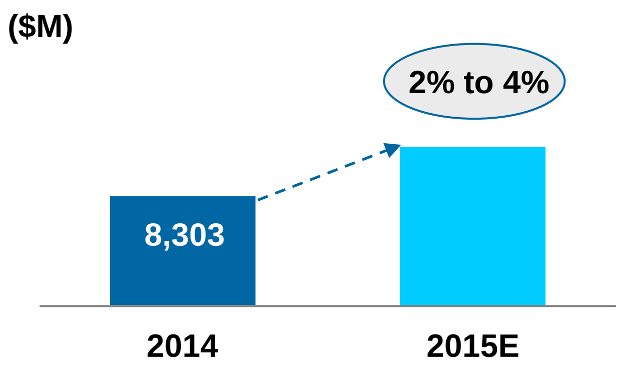
2015 financial guidance reflects Bell Aliant privatization, continued healthy Wireless profitability and stronger Wireline growth trends

Revenue & Adjusted EBITDA outlook

BCE revenue



BCE Adjusted EBITDA



- **Continued strong contribution to overall Adjusted EBITDA growth expected from Wireless in 2015**
  - Flow-through of solid, but moderating, ARPU growth delivering modest y/y increase in service margin
  - Higher retention spending and COA due to double cohort
- **Positive Wireline Adjusted EBITDA growth projected for full-year 2015**
  - Increased Fibe TV scale and broadband growth
  - Improving y/y Business Markets financial performance
  - Execute on Bell Aliant operating cost synergies
- **Peak decline for Media Adjusted EBITDA and margin in Q4'14**
  - Higher sports rights costs, investment in CraveTV and higher regulatory Canadian content spending will continue to impact Media results in 2015

Adjusted EBITDA growth driven by Wireline turnaround and continued strong Wireless contribution

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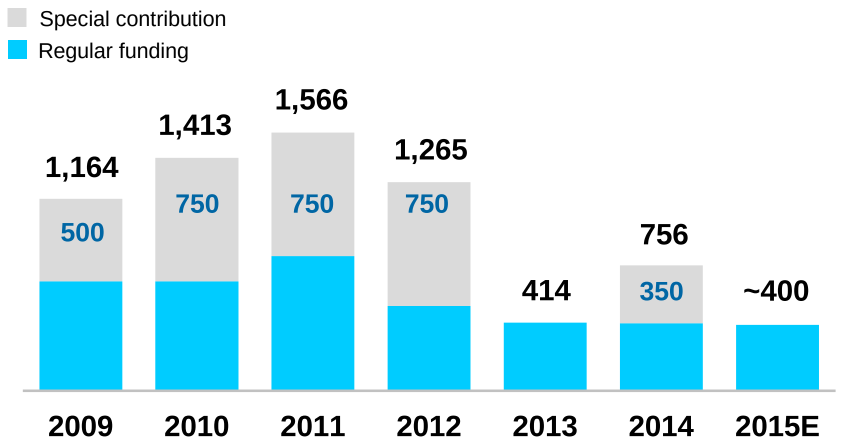
Pension funding and expense estimates

BCE cash pension funding ($M)



BCE pension expense ($M)	2014	2015E
Current service cost (above Adj. EBITDA)	276	~260
Net pension financing cost (below Adj. EBITDA)	101	~110
Total BCE pension expense	**377**	**~370**

Pension funding

- **$350M special contribution made in Dec'14 mainly to align funded status of Bell Aliant plans with Bell plans**
- **Maintaining a strong ~90% solvency ratio**
- **2015 regular pension funding stable y/y**

Pension expense

- **Actual 2014 pension ROA of ~13%**
- **2015 accounting discount rate/ROA assumption of 4% vs. 4.9% in 2014**
- **Total pension expense stable y/y**
  - Special pension contribution lowers overall 2015 pension expense by ~$15M
  - Net pension financing cost up y/y due to higher pension benefit obligation resulting from a lower discount rate at YE2014

Strong solvency ratio of ~90% maintained for all BCE pension plans notwithstanding sustained low interest rate environment

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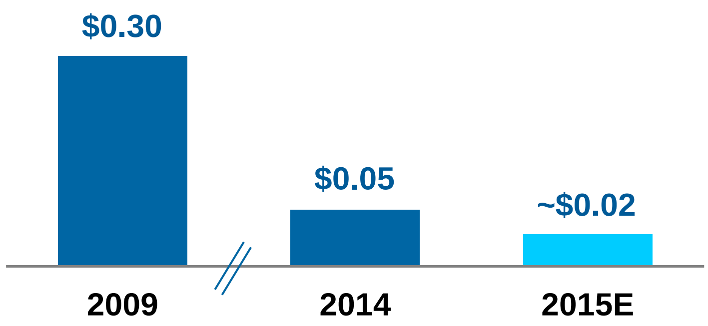
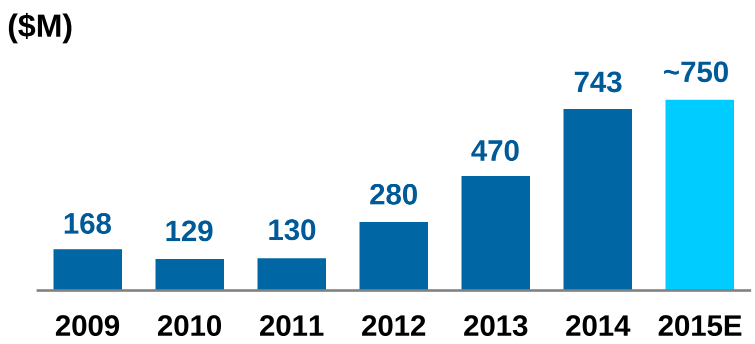
Tax outlook

Tax adjustments (per share)



BCE cash income taxes paid



Income tax expense

- **Statutory rate for 2015 unchanged at 26.6%**
- **Effective tax rate of ~26% for 2015**
- **Minimal tax adjustments expected in 2015**
  - Favourable tax adjustments of ~$0.02 per share projected for 2015 vs. $0.30 in 2009
  - Less significant component of Adjusted EPS growth going forward

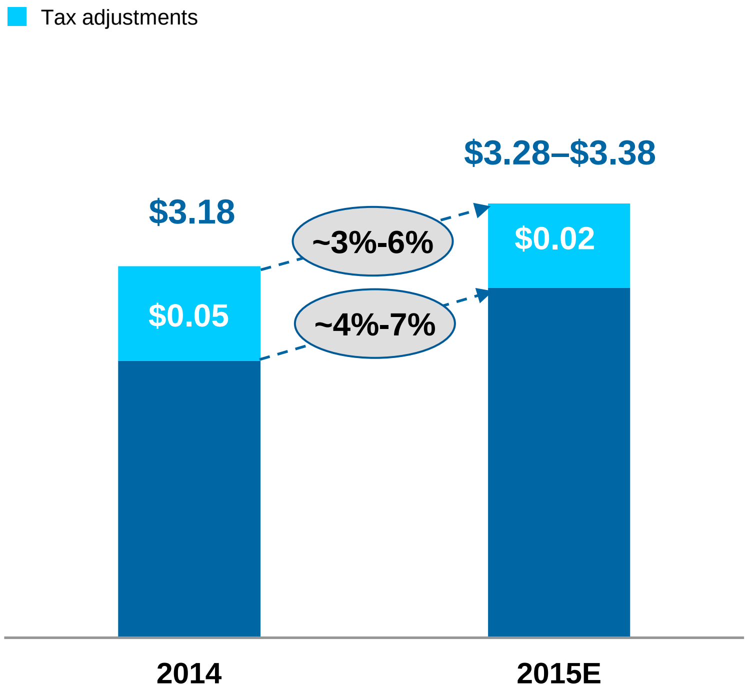
Cash income taxes

- **Stable y/y cash taxes in 2015, pro forma Bell Aliant**
- **Cash taxes from 2009 to 2013 unusually low, due to special pension funding, ITC carry-forwards and Bell Media/CTV tax losses**

Continued strong cash flow growth, while cash taxes increase to more normalized annual run-rate level

Adjusted EPS

Adjusted EPS[1]



(1) Before severance, acquisition and other costs, net (gains) losses on investments and early debt redemption costs

- **Higher Adjusted EBITDA from growth services**
- **Depreciation & amortization ~$30M lower y/y**
  - Higher expense in 2014 due to start of CDMA network decommissioning
  - Full year impact in 2015 from change in useful life of certain assets
- **Interest expense up ~$40M y/y, reflecting higher average long-term debt outstanding as a result of Bell Aliant transaction**
- **Increased tax expense due to lower y/y tax adjustments and higher income**
  - Projected tax adjustments of ~$0.02 per share in 2015 vs. $0.05 in 2014
- **Dilution from issuance of ~61M new BCE common shares offset by elimination of Bell Aliant non-controlling interest**
- **2015 US-dollar opex exposure fully hedged**
- **Minimal financial contribution from GLENTEL**
  - Equity method of accounting
  - No impact on revenue or Adjusted EBITDA
  - Expected close in Spring 2015

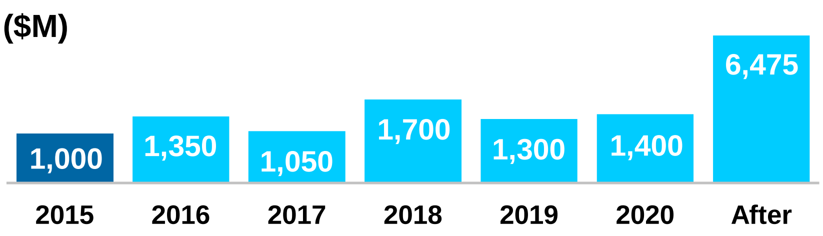
Adjusted EBITDA-driven earnings growth supports 5.3% dividend increase for 2015

Strong capital structure foundation

Credit profile*	Target	12/31/2014
Net debt/Adj. EBITDA	1.75x-2.25x	2.59x
Adj. EBITDA/Net Interest	>7.5x	8.38x

* Net debt includes capital leases, 50% of preferred shares and A/R securitization
* Net interest includes 50% of preferred share dividends and A/R securitization costs

BCE debenture debt maturity schedule



BCE liquidity position

Cash balance (Dec. 31, 2014)	$566M
Committed credit facility	$2,500M
Commercial paper utilization	($1,453M)
A/R securitization available capacity	$500M
Available liquidity	$2,113M

- **Strong investment grade credit profile**
- **No debt maturities until December 2015**
  - Weighted average debt term of ~9 years, including exchanged Bell Aliant debt
  - Average after-tax cost of debt of 3.4%
- **Exchange of Bell Aliant notes for Bell Canada debentures completed Nov. 20th**
- **No debt funding required for GLENTEL acquisition given proceeds from 50% sale to Rogers**
- **Favourable pension plan impact from any increase in interest rates outweighs higher cost of financing**
- **~$2.1B of available liquidity at YE2014**
  - ~$900M in annual FCF after dividends expected to be generated in 2015

Strong balance sheet provides financial underpinning to deliver on dividend growth objective and continued significant capital investment

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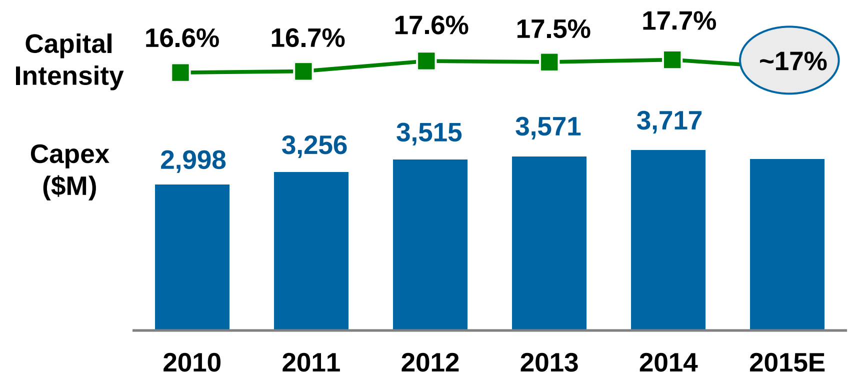
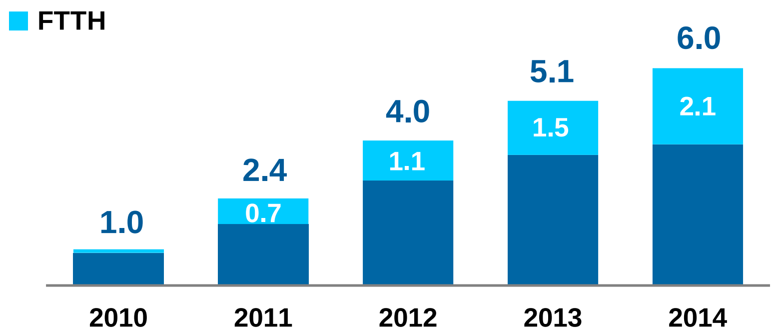
Continued significant investment in the business

BCE capital spending[(1)]



(1) Excluding spectrum costs

IPTV-ready homes (M)

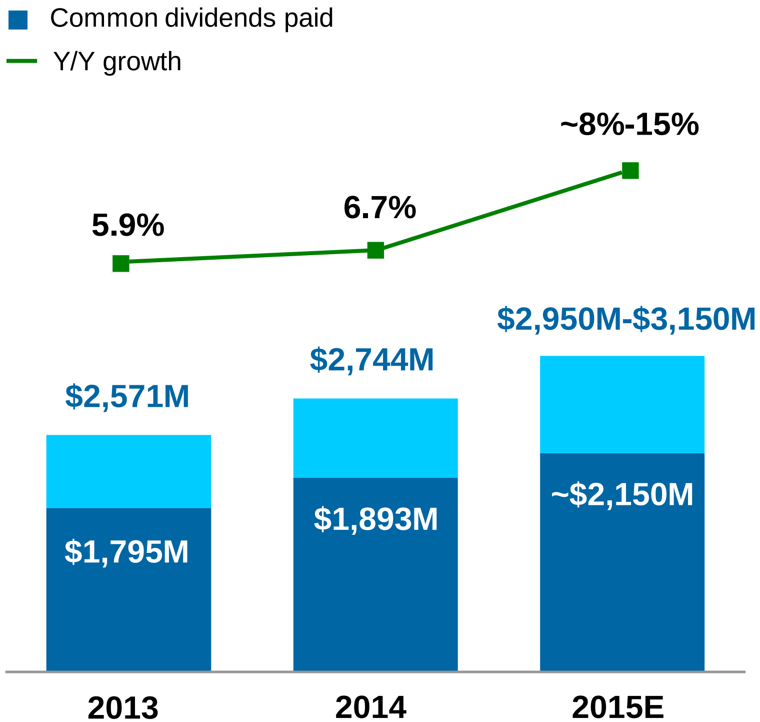


- **Complete LTE wireless network deployment to cover 98% of Canadian population by YE2015**
  - LTE national footprint coverage 86% currently
- **Carrier aggregation for spectrum underway to enable higher speed and capacity in urban areas**
- **IPTV footprint expansion to continue**
  - 2.1M homes currently with FTTH service capability, representing over one-third of total IPTV footprint
- **Going forward, virtually all network fibre investment 100% FTTH**

2015 capital program focused on delivering wireless LTE to all Canadians and investing in fibre to expand FTTH and IPTV footprints

Growing free cash flow

Free cash flow(1)



(1) Free cash flow is before BCE common share dividends and voluntary pension contributions. As of November 1, 2014, BCE's free cash flow includes 100% of Bell Aliant free cash flow rather than cash dividends received from Bell Aliant.

- **2015 free cash flow growth of ~8% to 15%**
  - Steady growth in EBITDA driven by wireless and improved wireline performance
  - ~17% capital intensity (excluding spectrum cost)
  - Regular cash pension funding stable y/y
  - Net interest paid up y/y on higher average level of long-term debt due to Bell Aliant privatization
- **Comfortably increasing common dividend by 5.3% for 2015, while maintaining a FCF payout ratio of 65%-75%**
- **~$900M of FCF after payment of common share dividends in 2015**
- **FCF after common dividends available for AWS-3 and 2500 MHz spectrum purchases**

8th consecutive year of maintaining FCF dividend payout ratio within 65% to 75% target range

Key economic, market & operational assumptions for 2015

Canadian economic and market assumptions

- Slower economic growth: Bank of Canada estimates GDP growth to average 2.1% in 2015, compared to 2.3% in 2014
- Weaker employment growth, compared to 2014, as overall level of business investment expected to remain soft
- Interest rates for 2015 expected to remain unchanged or slightly decrease y/y
- Sustained level of wireline and wireless competition in both consumer and business markets
- Higher, but slowing, wireless industry penetration and smartphone adoption
- Industry pricing discipline maintained on a higher expected number of subscriber renewals resulting from the expiry of 2 or 3 year service contracts due to the Wireless Code of Conduct implemented in 2013
- Relatively stable media advertising market and escalating costs to secure TV programming
- No material financial, operational or competitive consequences of changes in regulations to our wireless, wireline and media businesses

Wireless assumptions

- Higher than industry-average blended ARPU and Adjusted EBITDA growth, driven by a greater mix of postpaid smartphone customers and accelerating data consumption on 4G LTE, and higher access rates on new 2-year contracts
- Higher subscriber acquisition and retention spending, driven by a greater number of y/y gross additions and customer device upgrades
- Complete LTE network build to cover 98% of Canadian population

Wireline assumptions

- Positive full-year revenue and Adjusted EBITDA growth
- IPTV contributing to TV and broadband Internet market share growth, as well as fewer residential NAS losses despite increasing wireless substitution, resulting in fewer y/y total wireline residential net customer losses and higher penetration of three-product households
- Residential services ARPU growth from increased penetration of three-product households, promotion expiries and price increases
- Continued large business customer migration to IP-based systems and competitive re-price pressures in business and wholesale markets
- Improving y/y rate of decline in Business Markets revenue and Adjusted EBITDA
- New broadband fibre deployment expected to be largely fibre-to-the-home/fibre-to-the-premise (FTTH/FTTP)

Media assumptions

- Lower y/y Adjusted EBITDA and margin, due to rising sports rights and specialty content costs, CraveTV investment, higher regulatory Canadian content spending, expiry of certain CRTC benefits, and the completion of the Local Programming Improvement Fund
- Ability to successfully acquire highly rated programming and differentiated content
- Building and maintaining strategic supply arrangements for content on all four screens
- TV unbundling and growth in OTT viewing expected to result in moderately lower subscriber levels for many Bell Media TV properties

Key financial assumptions for 2015

BCE	February 5
Employee benefit plans service cost (above Adjusted EBITDA)	approx. $260M
Net employee benefit plans financing cost (below Adjusted EBITDA)	approx. $110M
Depreciation & amortization	approx. $3,425M
Interest expense	approx. $970M
Tax adjustments (per share)	approx. $0.02
Effective tax rate	approx. 26%
Non-controlling interest (P&L)	approx. $50M
Cash pension funding	approx. $400M
Cash taxes	approx. $750M
Net interest payments	approx. $925M
Average shares outstanding	approx. 845M
Annualized common dividend per share	$2.60

Appendix

Free cash flow walk-down

2015E	$M
Adjusted EBITDA[1] less capex[2]	5,100-5,200
Net cash interest	~(925)
Cash pension	~(400)
Cash taxes	~(750)
Working capital changes, severance paid and other	~125-225
Preferred share dividends and NCI paid	~(200)
Free cash flow	**2,950-3,150**
Common dividends paid	**~2,150**
FCF after common dividends paid[3]	**~900**

(1) Adjusted EBITDA before employee benefit plans service cost
(2) Calculated using mid-point of 2015 revenue guidance range
(3) Calculated using mid-point of 2015 free cash flow guidance range

Bell