



## **NOTICE OF DIVIDEND RATE**

BCE Inc. will, on December 1, 2007, continue to have Cumulative Redeemable First Preferred Shares, Series Z outstanding if, following the end of the conversion period on November 19, 2007, BCE Inc. determines that at least one million Series Z Preferred Shares would remain outstanding. In such a case, as of December 1, 2007, the Series Z Preferred Shares will pay, on a quarterly basis, as and when declared by the Board of Directors of BCE Inc., a fixed cash dividend for the following five years that will be based on a fixed rate equal to the product of: (a) the average of the yields to maturity compounded semi-annually, determined on November 13, 2007 by two investment dealers selected by BCE Inc., that would be carried by Government of Canada bonds with a 5-year maturity (the "Government of Canada Yield"), multiplied by (b) a percentage rate determined by BCE Inc. (the "Selected Percentage Rate").

The "Selected Percentage Rate" determined by BCE Inc. is 106%. The "Government of Canada Yield" is 4.086%. **Accordingly, the annual dividend rate applicable to the Series Z Preferred Shares for the period of five years beginning on December 1, 2007 will be 4.331%.**

Under and subject to the terms and conditions of the Definitive Agreement entered into by BCE Inc. in connection with its proposed acquisition by an investor group led by Teachers' Private Capital, the private investment arm of the Ontario Teachers' Pension Plan, Providence Equity Partners Inc. and Madison Dearborn Partners, LLC, the purchaser has agreed to purchase all outstanding Cumulative Redeemable First Preferred Shares, Series Y of BCE Inc. for a price of \$25.50 per share, together with accrued but unpaid dividends to the Effective Date (as such term is defined in the Definitive Agreement). The purchaser has also agreed, on and subject to the terms and conditions of the Definitive Agreement, to purchase all outstanding Series Z Preferred Shares for a price of \$25.25 per share, together with accrued but unpaid dividends to the Effective Date. The Board of BCE Inc. has received opinions as to the fairness, from a financial point of view, of the consideration to be paid for the preferred shares from BCE Inc.'s financial advisors.