Bell Canada Enterprises

July 13, 2007

Notice to Holders of BCE Inc. Series AA Preferred Shares

Dear Shareholder,

This letter and the attached Notice of Conversion Privilege have been sent to the holders of BCE Inc. Cumulative Redeemable First Preferred Shares, Series AA (the "Series AA Preferred Shares").

Beginning on July 18, 2007 and ending on August 22, 2007, holders of Series AA Preferred Shares will have the right to choose one of the following options with regards to their shares:

1. To retain any or all of their Series AA Preferred Shares and continue to receive a fixed quarterly dividend; or
2. To convert, on a one-for-one basis, any or all of their Series AA Preferred Shares into BCE Inc. Cumulative Redeemable First Preferred Shares, Series AB (the "Series AB Preferred Shares") and receive a floating monthly dividend.

Effective September 1, 2007, the fixed dividend for the Series AA Preferred Shares will be set for a five-year period as explained in more detail in paragraph 5 of the attached Notice of Conversion Privilege. **Should you wish to continue receiving a fixed quarterly dividend for the five-year period beginning September 1, 2007, you do not need to take any action with respect to this notice. However, should you wish to receive a floating monthly dividend, you must elect to convert your Series AA Preferred Shares into Series AB Preferred Shares as explained in more detail in the attached Notice of Conversion Privilege.**

In order to convert your shares, you must exercise your right of conversion during the conversion period, which runs from July 18, 2007 to August 22, 2007 inclusive.

Under and subject to the terms and conditions of the Definitive Agreement entered into by BCE Inc. in connection with its 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 Series AA Preferred Shares for a price of $25.76 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 any Series AB Preferred Shares that might be issued by BCE Inc. on the conversion of the Series AA Preferred Shares for a price of $25.50 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.

Subject to the foregoing, holders of both the Series AA Preferred Shares and, if issued, the Series AB Preferred Shares will have the opportunity to convert their shares again on September 1, 2012 and every five years thereafter as long as the shares remain outstanding.

Should you require advice as to whether to exercise your conversion privilege, please contact your investment advisor.

If you cannot locate your share certificate or have any questions about the steps to be followed, please contact Computershare Trust Company of Canada at 1-800-564-6253.

Please see the attached Notice of Conversion Privilege for further details.

Yours sincerely,

S. Vanaselja

S. A. Vanaselja
Chief Financial Officer

NOTICE OF CONVERSION PRIVILEGE

TO ALL HOLDERS OF CUMULATIVE REDEEMABLE FIRST PREFERRED SHARES, SERIES AA (the "Series AA Preferred Shares") OF BCE INC.

NOTICE IS HEREBY GIVEN THAT:

1. Holders of BCE Inc. Series AA Preferred Shares have the right to convert all or part of their shares, effective on September 1, 2007, on a one-for-one basis into Cumulative Redeemable First Preferred Shares, Series AB of BCE Inc. (the "Series AB Preferred Shares").

2. Holders not wishing to convert or who do not comply with the instructions set out in paragraph 3 below by the appropriate deadline will, subject to paragraph 6 below, retain their Series AA Preferred Shares and, accordingly, will continue to receive a fixed quarterly dividend rate as described in paragraph 5 below. However, but subject to paragraph 6 below, on September 1, 2012, and every five years thereafter, holders of both Series AA Preferred Shares and Series AB Preferred Shares will have the right to convert their shares into shares of the other series.

3. Registered holders electing to convert all or part of their Series AA Preferred Shares into Series AB Preferred Shares must complete and sign the conversion panel on the back of their Series AA Preferred Share certificate and deliver it, at the latest by 5:00 p.m. (Eastern time) on August 22, 2007, to one of the following addresses of Computershare Trust Company of Canada ("Computershare"):

By Mail:	**By Personal Delivery, Courier or Registered Mail:**		
P.O. Box 7021 31 Adelaide Street East Toronto, Ontario M5C 3H2 Attention: Corporate Actions Telephone: 1-800-564-6253	100 University Avenue 9th Floor Toronto, Ontario M5J 2Y1 Attention: Corporate Actions Telephone: 1-800-564-6253	OR	650 de Maisonneuve West Suite 700 Montréal, Québec H3A 3S8 Attention: Corporate Actions Telephone: 1-800-564-6253

Delivery may be done in person, by courier, by registered mail or by mail. However, if share certificates are delivered by courier, by registered mail or by mail, shareholders must ensure that they are sent sufficiently in advance so that they are received by Computershare by the above-mentioned deadline.

4. As of September 1, 2007, the Series AB Preferred Shares, should they be issued and outstanding, will pay a monthly floating dividend based on a dividend rate that will fluctuate over time between 50% and 100% of the Prime rate ("Prime") for each month computed in accordance with the articles of BCE Inc. Accordingly, from September 1, 2007, the holders of Series AB Preferred Shares will be entitled to receive floating adjustable cash dividends, as and when declared by the Board of Directors of BCE Inc., to be paid on the twelfth day of each month, commencing with the month of October 2007. The dividend rate will be adjusted upwards or downwards on a monthly basis by an Adjustment Factor (as described below) whenever the Calculated Trading Price, being the market price of the Series AB Preferred Shares computed in accordance with the articles of BCE Inc., is $24.875 or less or $25.125 or more, respectively. The Adjustment Factor for a month will be based on the Calculated Trading Price of the Series AB Preferred Shares for the preceding month determined in accordance with the following table:

If the Calculated Trading Price for the preceding month is:	The Adjustment Factor as a percentage of Prime shall be:
$25.50 or more	– 4.00%
$25.375 and less than $25.50	– 3.00%
$25.25 and less than $25.375	– 2.00%
$25.125 and less than $25.25	– 1.00%
Greater than $24.875 and less than $25.125	nil
Greater than $24.75 to $24.875	+ 1.00%
Greater than $24.625 to $24.75	+ 2.00%
Greater than $24.50 to $24.625	+ 3.00%
$24.50 or less	+ 4.00%

The maximum Adjustment Factor for any month will be ±4.00% of the average Prime rate for the month.

Based on the foregoing, the annual floating dividend rate for any month shall be the rate of interest expressed as a percentage per annum equal to: (a) Prime for such month, multiplied by (b) the Designated Percentage for such month, with the Designated Percentage, except for the month of September 2007, being the Adjustment Factor for such month plus the Designated Percentage for the preceding month. The Designated Percentage for the month of September 2007 will be equal to 80% of Prime. The annual floating dividend rate applicable for a month will in no event be less than 50% of Prime nor will it be greater than Prime.

The following formula illustrates the manner of computing the annual dividend rate applicable to the month of October 2007:

Annual dividend rate for October 2007	=	Prime for October 2007	X	Designated Percentage for October 2007*

* The Designated Percentage for the month of October 2007 is the sum of:

(a) the Adjustment Factor for the month of October 2007 based on the Calculated Trading Price for the month of September 2007; and
(b) the Designated Percentage for the month of September 2007 (i.e., 80%).

5. As of September 1, 2007, the Series AA Preferred Shares, should they remain outstanding, 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 determined by BCE Inc. on August 7, 2007 but which shall not be less than 80% of the five-year Government of Canada Yield (as defined in BCE Inc.'s articles) compounded semi-annually and computed on August 7, 2007 by two investment dealers appointed by BCE Inc.. The annual dividend rate applicable to the Series AA Preferred Shares will be published on August 8, 2007 in the national edition of The Globe and Mail, the Montreal Gazette and La Presse and will be posted on the BCE Inc. website at www.bce.ca .

6. After August 22, 2007, if BCE Inc. determines that there would be less than 2,500,000 Series AA Preferred Shares outstanding after the conversion date (September 1, 2007), BCE Inc. will automatically convert all remaining Series AA Preferred Shares into Series AB Preferred Shares. However, if BCE Inc. determines that there would be less than 2,500,000 Series AB Preferred Shares outstanding after the conversion date, then no Series AA Preferred Shares will be converted into Series AB Preferred Shares.

7. For more details, you may view BCE Inc.'s short form prospectus dated February 14, 2002 relating to the Series AA Preferred Shares and Series AB Preferred Shares which has been posted on the BCE Inc. website at the following address: www.bce.ca.

INSTRUCTIONS WITH RESPECT TO SIGNATURES FOR REGISTERED HOLDERS

The signature of registered holders in the conversion panel must correspond to the name as written upon the face of the share certificate in every particular without any change whatsoever and must be guaranteed by an "Eligible Institution" or in some other manner satisfactory to Computershare.

If the conversion panel is signed by a person such as an executor or trustee, or on behalf of a corporation, partnership or association, or is executed by any other person acting in a representative capacity, the signature must be guaranteed by an "Eligible Institution" or in some other manner satisfactory to Computershare and the share certificate must be accompanied by satisfactory evidence of authority to act.

An "Eligible Institution" means a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agent Medallion Program (STAMP) or a member of the Stock Exchanges Medallion Program (SEMP). Members of these programs are usually members of a recognized stock exchange in Canada or members of the Investment Dealers Association of Canada. Signature guarantees are not accepted from treasury branches, credit unions or caisses populaires unless they are members of the STAMP Medallion Program.

BCE Inc. or its transfer agent may, in their discretion, require additional evidence of authority or additional documentation.

DATED at Montréal, this 13th day of July, 2007.

BCE Inc.