



BCE

2010 Annual general shareholder meeting

George A. Cope presentation transcript
President and Chief Executive Officer

May 6, 2010

Alain Dussault

I would remind you that today's remarks will contain forward-looking statements. These are based on certain assumptions and are subject to important risks. Consequently, actual results could differ materially from those contemplated by the forward-looking statements. For additional information on such assumptions and risks, please consult BCE's 2009 annual MD&A as updated in BCE's 2010 first quarter MD&A and BCE's press release dated May 6, 2010, announcing its financial results for the first quarter of 2010, all filed by BCE with the Canadian Securities Commissions and with the SEC and which are also available on BCE's website. These forward-looking statements represent BCE's expectations as of today's date 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, whether as a result of new information, future events or otherwise. I am making this cautionary statement on behalf of each speaker whose remarks today will contain forward-looking statements.

Tom O'Neill

These detailed results are coming. Alain? Yeah, here we go. The detailed results of the votes are now being shown on screen and will also be publicly available on sedar.com in the coming days. I can confirm that all director nominees received more votes For than votes Withheld and, therefore, all are elected. Do we have the auditor vote? I can also confirm that Deloitte & Touche, LLP has been appointed by a majority of the votes cast. Same thing, okay. And that the advisory resolution on executive compensation is approved by at least the majority of the vote cast.

There being no other business, this concludes the formal portion of the meeting, and I now declare the formal business of the BCE 2010 Annual General Shareholder meeting completed.

It's now my pleasure to ask Siim Vanaselja, our Chief Financial Officer, to speak to the meeting, brief reflection on our results for 2009 but, importantly, our Q1 results for 2010. Siim, over to you.

Siim Vanaselja

Thank you, Tom. Good morning, ladies and gentlemen. We appreciate you taking the time to be with us here today to hear about all the exciting developments that your Company has been undertaking over the course of the past year.

At our annual general meeting one year ago, we laid out a focused operating plan for Bell Canada, comprised of five Strategic Imperatives to drive long-term success. In addition, we established a clear capital market strategy based on a well defined set of financial principles. One year later, I'd say that we have successfully executed against both. Our progress in the marketplace can be attributed to management's steadfast focus on Bell's strategic imperatives and this has led to measurable improvement in both operating and financial performance. The investment community has begun to recognize and reward our efforts, as you heard Tom say. On a total return basis, which includes share price appreciation and dividend payments, BCE generated a healthy 23 percent return for our shareholders in 2009, the best among North American telecoms.

We have positioned BCE as a dividend growth company so our goal is really quite simple. It is to generate increasing returns to our shareholders and we look to do just that through continued execution. So it is within this context that I'd like to review with you today our 2009 results, our capital market strategy and our latest financial results for the first quarter of 2010, which we just released this morning.

There's no better proof that we are winning at executing our customer focus strategy than by looking at Bell's operating performance for 2009. By all measures, our competitiveness has improved. We increased growth in wireless and our TV business, we improved wireline performance, reflecting our success in addressing cable competition head on and we were diligent in cost control. I'm pleased to report that we met or exceeded all of our publicly disclosed financial guidance targets for 2009. We accomplished that despite a very difficult economy; in fact, the guidance targets that you see on the screen before you were revised upward mid-2009 to reflect the stronger than expected earnings generation.

Bell Canada's full year revenues grew 1 percent over 2008, a solid result given the challenging economic environment that was driven by our acquisition of The Source and Virgin in mid-2009, as well as from industry leading growth in Bell TV and strengthening wireless revenue growth through the latter half of the year. Now with that revenue growth and our continued focus on spending our cost dollars wisely, Bell's EBITDA before

taxes, depreciation and amortization, or earnings before those items which we call EBITDA, grew 1.4 percent in 2009, again in line with our guidance. At the same time, we invested more to benefit the future of our businesses. We enjoyed improved subscriber acquisitions in 2009, led by Bell Wireless, as well as Bell TV and Bell Internet. This gives us good momentum and lets us, in fact, set higher performance expectations for 2010.

In terms of capital spending, we invested almost \$2.4 billion at Bell in 2009 and that kept our capital investment as a percentage of revenues at about 16 percent, in line with that of other major North American telecom operators. BCE's adjusted earnings per share in 2009 was up more than 11 percent to \$2.50 per share, at the very top end of our financial guidance, and we generated robust free cash flow growth of almost \$1.5 billion, being ahead of our high end expectation of \$1.4 billion. And I would say that this is after a \$500 million special contribution to our pension fund at the end of 2009 to strengthen the solvency position of the plan to reduce our funding contributions going forward and to strengthen overall pension benefits. With continued strong earnings and cash generation, we were able to deliver on our capital market strategy to return significant amounts of cash to our shareholders so let me turn to that now.

Our capital structure policies provide full transparency on how we manage our Company financially and how we return value to you, our shareholders. There's four key elements to this strategy. First, we maintain an investment grade credit profile. Second, we are maintaining strong levels of liquidity through committed credit facilities and a very manageable debt maturity schedule for the future. Third, we're growing free cash flow in a balanced manner, ensuring appropriate levels of ongoing spending in the business. And lastly, we look to increase returns to shareholders in two ways; one, by growing our dividend with growth in earnings and free cash flow; and two, by applying surplus cash balances, principally towards share buybacks. I believe that we have been effectively executing on that strategy so as you see, from December 2008 to December 2009, we announced three dividend increases to our common shareholders for a total dividend increase of 19 percent, not bad.

Our current annualized common share dividend of \$1.74 per share recently became effective with BCE's first quarter dividend payment on April 15th. I hope you agree that we have, in just a relatively short period of time, established a strong track record of consistent and sustainable dividend increases with which few companies today can compare.

We've also now been returning value to our shareholders through normal course issuer bids, or what are more commonly referred to as share buybacks. We completed \$1 billion share buyback program in May of 2009 and announced another \$500 million program to be conducted through the course of 2010. That second program is already 50 percent completed. In total, these two programs will reduce BCE's outstanding common shares by close to 8 percent. And what that means is that the future value creation of BCE will, therefore, be shared among a fewer number of shareholders, making each outstanding BCE share all that much more valuable going forward.

Together, the dividend increases and share buybacks that we have undertaken should give you a sense of comfort, a sense of strong comfort that your Board of Directors and your management team has in your Company going forward. With over \$2 billion of cash and credit facilities on hand and our current dividend payout at the conservative end of our payout policy of 65 to 75 percent of adjusted EPS, I believe that we are very well positioned to continue executing on this capital market strategy in the future.

We're also raising the bar on our performance expectations. Our business and financial outlook for 2010 calls for improved performance over 2009. The economic contraction that we experienced in 2009 appears to be on a path to stabilizing and we expect to see a gradual strengthening of the economy. This then should support improving performance in our wireline markets and a step up in wireless revenue growth, driven by strong subscriber acquisitions, as we saw this quarter, increased customer adoption of smartphones, higher wireless and data roaming usage, all accelerated by the launch of our new wireless network at the end of 2009. We are, nevertheless, maintaining a conservative outlook in our revenue guidance until we see a little bit better how the balance of the year unfolds. So accordingly, we're calling for revenue growth at Bell to remain relatively stable for 2010, with growth of 1 to 2 percent. For Bell's EBITDA, our expectation for 2010 is for growth in the range of 2 percent to 4 percent, which is a step up from 2009. Supporting that improvement is lower year-over-year pension expense and ongoing cost reductions from, among other things, the favourable renegotiation of some key supplier contracts.

In our capital spending plans, we continue to invest wisely, building for the future but maintaining Bell's capital as a percentage of revenue below 16 percent. At the BCE consolidated level, our guidance is for adjusted earnings per share to grow a healthy 6 to 10 percent over 2009 to the \$2.65 to \$2.75 range per share; and for free

cash flow, to grow to the range of \$2 to \$2.2 billion. So overall, the financial guidance we're presenting for 2010 I'd say reflects a well balanced business and financial plan, with good earnings and free cash flow generation and significant capital reinvestment in the business, all providing us a strong foundation for continued execution on our capital market strategy.

So I'd like now to conclude my remarks with a brief review of our latest first quarter 2010 results that we announced this morning. I'm very pleased to report that we exceeded the market's expectations on all of our key financial indicators. Revenues were up 3.8 percent year-over-year as both our wireless and wireline revenue trajectories showed good improvement. EBITDA, which as I said is one of our key performance measures, increased 2 percent and that's pretty good because it's after absorbing higher acquisition costs from stronger subscriber growth and higher operating expenses related to Bell's role as the exclusive telecommunications provider and sponsor for the past Vancouver Winter Olympic Games.

On EPS, we delivered strong adjusted earnings per share of \$0.65 in the quarter, which was 14 percent higher than the same period a year ago. And most importantly, we doubled our free cash flow to \$545 million and that translates into a dividend coverage ratio of 1.6 times, the highest among any North American telecom. So our results this quarter compare very favourably against other telecom peers. In short, I'd say we've enjoyed a very strong start to 2010.

Ladies and gentlemen, thank you very much. Your continued support and interest in Bell Canada is very much appreciated and I'll hand the floor back to our Chairman.

Tom O'Neill

Thank you very much, Siim, for a very encouraging report and a great start to 2010. I'm now pleased to ask George Cope, our President and Chief Executive Officer, to share his perspective on our Company. George, over to you.

George Cope

Thank you, Tom. Bonjour and good morning, everyone. It's great to see such a huge crowd this morning and it's an honour for me to be here and share with you the significant progress that your Company made since the last time we met. In Montreal, it was February; in Toronto, it was May. It was a strange year; we had two

annual meetings. I'll let the lawyers explain that some day to all of us. And so we got a lot to cover over the next 20, 25 minutes and a little bit of a surprise for you as well, as our shareholders and the ones who have supported the Company over many years. What I'd like to do; first of all, is just ground everyone again to where we were a year ago when we talked at the annual meeting and I shared with you that we had set a number of goals for the Company going forward and, if you will, five Strategic Imperatives, as Tom had talked about. And everything we do now at Bell and at BCE is focused on those five imperatives and we made measurable progress in 2009, and as Siim's just referred to, we had a very positive first quarter of 2010. And what I'd like to do over the next few minutes is share with you the progress we've made in each of these areas in '09 and talk about our goals for 2010.

So let me first of all turn to our first imperative of the five, and we have a very simple belief in terms of the five imperatives. If we execute successfully on all five, there is no doubt the share price will take care of itself. And one core part of that is making sure that our costs remain competitive in the marketplace. And as painful as it was, certainly for team members who are not with Bell anymore, we did have to go through a significant restructuring in our costs in '08 and '09. And so we had a labour reduction of approximately 5,800 people since the middle of 2008. We've reduced our management by 22 percent and actually, in some cases, add back... have added back resources on the front line to make sure our customers are getting the service in the home that we required. We've settled four collective agreements over the course of 2009 to give us stable relationships with our union and our employees going forward over the next number of years and it's made us much more productive. We reduced three levels of management in the Company to get management closer to the customer and closer to our team members.

During 2009, we also integrated what were three different business units in our landline organization into one, under Stéphane's leadership, Bell Enterprise, Bell Small Business and Bell West, now under one organization for the ability to leverage our very sophisticated enterprise products that we provide to the Canadian banks, by way of example, and leverage those products down, if you will, into the mid and small business markets to make businesses in Canada more productive and drive revenue for you as shareholders. And also to operate more efficiently, we took somewhere close to \$30 million of costs out through that integration into one business unit.

And that cost focus will never go away. We are in a very competitive industry, we have new competition in wireless, we have new technologies all the time. I don't think we go a week without everyone in the room reading an article about some new technology in telecom, on the Internet or in wireless. And so we reduced in 2009 our labour costs 9 percent and our G&A 10 percent. In the first quarter, we announced a reduction in our operating costs of \$90 million over last year in the first quarter; that excludes our cost to execute the Olympics because that won't be an ongoing cost. So our focus on costs has continued and we've also negotiated much better pricing from our vendors so that, if you will, the brunt of all of our cost reductions aren't simply on our team members; it's also on those that are buying—selling products to Bell and we buy over \$10 million of goods and services every year so you can all do the math; a 1 percent price reduction's pretty significant to all of us as shareholders. And as a result, in the first quarter, our wireline traditional business enjoyed the highest growth in EBITDA of any telecom carrier in North America, at 5 percent that we reported this morning, and this is truly coming from this focus on cost.

One of the balancing acts for our Company, though, is as we reduce cost, is to improve service because there is no doubt, although these priorities are not ranked, our improvement in service over the last year has been very significant to the re-energized market share that we have seen for the Company. So a lot of focus has gone into improving customer service and we have done things we have not done, frankly, in over 100-year history of the Company.

As you know, last year, we launched same-day/next-day repair service so that if you have a problem with a Bell service, we'll be there either this afternoon, if you call us, or tomorrow. Interestingly enough now, in over 95 percent of the cases, we are there, the afternoon or the next day. In fact, most people are so surprised, they're not prepared for us to come until three or four days later. And so 95; we measure ourself pretty tough. The reality is, about 3 or 4 percent are people asking us to not come until the third day. We do full install now for the Internet. We have Express Install. If you buy one of our products and you're so excited and you can't wait a couple of days, we'll come that next morning for a small fee, or we'll come a couple of days later and install it for free; it's your choice. Customer satisfaction is the highest it's been in five years and look what's happening to our calls into the call centres. Down 28 percent, 16 percent from '08 to '09 and in the first quarter alone, we've seen a reduction of calls into our call centres of 12 percent. Each call costs us about \$8; imagine the cost savings we're getting at the same time as we're improving

service. We're not finished that journey, but we are much better than we were just a year and a half ago.

And one of the important things we made a decision to do is equip our team members with the latest technology and make sure they had all the right tools so when they visited that home, they were prepared to deal with the issue. Hopefully, you've seen our beautifully rebranded vehicles all over the city. They're moving billboards, great marketing for us as well. We have put GPS in all of our vehicles so we don't have vehicles crossing each other on a bridge going to an appointment and geography-wise, we can be much more efficient, saves fuel, obviously great for the environment. Equipped all of our vehicles with laptops and new branded apparel for the Company, for our employees and obviously a lot of pride gets built when we do that and we see these improved metrics. But the journey's not over in service. As I said, there's more to come. We will invest \$140 million of your money this year in improving service further. We have moved calls closer to home, as you can see here. Our stores; at the end of the year, we'll have 500 service and product assistant centres, and we've had to add specialized client care as the technology gets more and more complicated for us and for our clients. So a lot of progress on service, more to come but I can absolutely assure you that our service level is as good or better than any of our competitors right now; that's not good enough. We know that and we're going to continue on that journey.

And we felt actually confident enough to run an ad during the Olympics; one to tell the market we've improved on service but just as importantly for our 50,000 employees to see, we're serious about improving service for our customers. So if we could just run that ad for a moment, if you would.

Video presentation

And you get a sense also that it finally tells everyone on those TV ads what's behind Bell; it's all of us working away at executing the improvements on service.

Let me now turn to our third strategic imperative, which is leveraging our leadership position in wireline, our traditional business, and making sure with new technologies there we maintain that leadership position. Let me first of all start with our Enterprise sector in our business side. In a very tough economy, last year for all the business in Canada, we had a very strong year. In fact, Canada does run on Bell.

Last year, not one major contract was lost by Bell Canada in terms of the enterprise space. Tremendous execution by our business team in delivering and meeting these contract requirements; having said that, a lot of pressure, as you can imagine, on price in this economy and not a lot of growth in this area as literally every company in Canada was going through some form of downsizing. We have, though, begun to serve our customers on a global basis. We provide service to the Canadian government on a worldwide basis. We'll be a major provider of services for the G8/G20 summit coming up in Toronto in June. We recently received an award of a contract from McCain's, a great Canadian company, for 40-country service over AT&T and the account that every sales person in Bell Canada wants, the 24 Caribbean locations that the Bank of Nova Scotia has with us. And we've tried at every employee meeting to get that sales rep to stand up and admit who he is but he won't tell us who he is because he all knows that someone else wants to run that account. Good place to be in February, if you're servicing that client. So a lot of work on a global side for us and a lot of work on product innovation.

One of the great products is Telepresence, with the economy, people wanting to cut travel. We have really seen an explosion in the use of video conferencing and the technology, it's impossible to explain to you in a room. But literally, you're in a board room and someone else is in a board room and you swear they're in the same room you are. It's set up that way, this technology. Just last week, we received a major order from one of the Canadian banks, not just to put this service in place with Bell in Canada but around the world. So our leadership position in the business sector continues, albeit in a tough economy and a tough area to get top line growth.

Probably no slide we could show would better show the evolution of Bell's traditional home phone business versus what we're doing now in TV and Internet. In 2009 for the first time in our history, we are now generating more revenue from TV and Internet than we are from home phone. You see the ascent of the evolution. And at the end of the first quarter, 57 percent of our consumer revenue came from those two sectors versus just at the end of the year at 53. And we expect that to continue to grow. We have great confidence that within the next four to five years we will be the largest provider of TV services in Canada in the marketplace, and I'll talk a little about that in a few moments.

We are today the largest provider of Internet service in Canada and with the launch of our new Fibe network in Montreal and Toronto in February, providing customers with speeds that, frankly, none of us would have dreamed

possible just three or four years ago. We continue to see a migration to our new network. That drives incremental revenue for us. We saw that in the quarter, as the average revenue we're generating from the Internet was actually up 5 percent per customer. And that's through customers using the Internet more and more and you focusing on getting a return on that investment for you. And as we all know in the room, this business is only going to do one thing, and that is grow over the next 10 to 20 years.

And as a result, to continue to meet that demand, we made an historical announcement for our Company for Québec City, where we made the decision that we are actually going to overlay the entire City with fibre right to the home. And this will be the first major city in Canada that we have done this. It is possible because Québec City has telephone pole cabling attached to the homes, not in the ground. So the costs to do fibre is much cheaper because of telephone poles; whoever would have thought that 50 years ago, that the neighbourhoods that kept telephone poles would be easier for us to execute a new technology than the neighbourhoods without? It's really something. We've got to thank someone from years and years and years ago in Québec City for doing that. And so great investment for us this year. We will do all of Québec City. Every new neighbourhood now in our footprints in Ontario and Québec will also begin to have fibre built right to the home so if there's a new neighbourhood being built, we'll be bringing fibre there. So those investments will continue and I'll talk a little bit about how we'll leverage those in TV in a moment here.

Sometimes it's lost in all of our numbers just how successful we are in the TV business, already today, with close to two million subscribers, and we just reported our first quarter numbers, where the average revenue per customer has increased because people are watching more and more movies, using our technology more and our net ads grew. 69 percent more people joined us in the first quarter than joined us in the first quarter last year. And we're doing more here this year. We're going to actually launch what's called IPTV. Our satellite TV service is a fantastic product. We have great market share in the suburbs and in the rural markets. In downtown cores, we want to have that same market share, and we will get that through launching IPTV. And IPTV is really using our Internet access that we've built to the home to provide a TV service and that will actually launch over the coming months in parts of Montreal and parts of Toronto and over 2011, it will be a major initiative. So we will have the best of both worlds; leadership TV on a national basis and leadership TV in the urban markets so that we're fully confident by 2014

and '15, we will be the largest provider in Canada of TV services. And that's our goal for you as shareholders and, at the same time, making sure we get the appropriate return on the investment in that technology.

A fourth imperative for us is driving wireless growth. The Internet and TV are two areas of growth for us. Included in the wireless, as we all know, is the rapid area of growth for the Company. And we have made a lot of progress since this time last year with a lot of work. Most importantly is, in November, we launched our new network. It's a leading network. This is a network that is far in advance of anything that the US has today. In fact, it's the fastest wireless network in the world. And as a result, our network also allows for roaming on a global basis. One of our competitors had an advantage on that for a period of time. That competition advantage is over. We also entered into an arrangement with AT&T in the US. If you buy an iPhone in Manhattan and you use AT&T, you now use Bell when you come to Canada. You used to use our competitor. So that's new revenue for us. We went to AT&T and said, we've built the most advanced network in the world, and so they said they would move the traffic to us. So that's important revenue.

And we have an advantage at the moment. We think we caught one of our competitors a little off guard. We launched this new technology and there's a key letter; it's called plus. The plus gives you high speed Internet as well, speeds that none of us would have thought and it's in 93 percent of the population. Here's the difference: This is our competitor's HSPA+ network today. This is ours. This is our competitor's network in Western Canada. This is ours. It doesn't get any better than that. As I've said to our sales people, if you can't sell now, you should get out of sales because you'll never have an advantage like this in this industry again, and we're beginning to see those benefits. Mobile device leadership; we now have every one of the latest technologies available to us. The iPhone, the Palm devices now are going to be owned by HP. Obviously, the Canadian leadership of RIM, which we love to work with, and this stick on the side, that you plug it into the Internet and you can be anywhere. You can be at your cottage and you are going to have Internet speeds that you can't believe off of wireless. And this area is exploding in Canada because suddenly now you have mobile Internet access like we didn't think was possible.

And one of the really fun areas is we now have TV on a wireless phone and there will be lots of reasons to remember the Olympics, and I'm going to talk about those in a few moments, but from a technology perspective, it will be remembered when mobile TV was launched in Canada. It was crazy at the Olympics.

People had Bell TV. Other people in the line who didn't have it because our competitors didn't have access couldn't believe people were watching events. In fact, that gold medal hockey game, we hit capacity just for a moment because people were watching. And in game seven, Montreal Canadiens, Washington, right outcome for the Habs for sure; we also hit the same traffic we had for the gold medal hockey game. So obviously probably a few less Canadians watching that relative to that gold medal game so you can see the expansion in the technology and it's just... it's unbelievable what's happening in this space. New revenue and we're doing a lot of work here and you're going to hear a lot about Bell's leadership in this. You can actually program your PVR at home from your Bell Mobility handset so if you're out and you forgot to program that show, you can actually do it. You also, by the way, can watch any NHL playoff game right now live on your Bell Mobility handset.

We also were lagging the market in distributions, so last year we made the decision to acquire The Source. The Source have 750 stores. For 15 years they were exclusive with Rogers. We acquired them on January 1st; we took Rogers out. We put Bell and Virgin in, so we now have 750 new stores selling Bell product and Virgin product, which Tom mentioned, we own that entity, and we're already beginning to see the benefits of that new distribution channel for us. Also carries all of our TV products; took Shaw out, took Videotron out, put Bell in. Same on the Internet. And so it added new distribution and, as Tom, our Chairman, mentioned, added a new control of the Virgin brand to focus on the youth market, to have multiple choices in a highly competitive market where we see new entrants. The results, quite frankly, beyond our expectations. This morning we reported the best wireless performance the Company has ever had in 25 years. Our market share was over 40 percent. We outsold one of our competitors two to one. These type of growth numbers are going to be hard to maintain in the competitive market so we're going to enjoy them for the moment. We know we're on the right track and we're in a good spot going forward now that we've made these moves, to make sure we return Bell to the leadership position it should be in in the wireless industry and now, for two quarters in a row, we have led the industry in wireless growth and we're not planning to give that up soon.

Our fifth imperative is making sure you are aware that we are clearly making investments where they matter. BCE invested \$3 billion in 2000... close to \$3 billion in '09 and we'll be close to \$3 billion in 2010. Three focused areas: broadband wireless, satellite IPTV and broadband for business and the consumer. That's 50 percent more capital spent than our closest competitor and it's

interesting; to let you know how large we are, in the great recession that we're just drawing to an end, other than companies in the oil sands, BCE invested more in Canada than anyone else. So as shareholders, you should also feel, not only are we investing properly, we're investing a lot of money into the Canadian economy.

And so all five imperatives we are making progress on. And importantly, of course, for you as shareholders, is it creating value? And as Siim said, it really is starting to be recognized and this is the return on our stock as of, I guess, yesterday since December 31st, 2008, including the three dividend increases. Those gaps won't continue obviously forever but, clearly, to see this type of return relative to our competitors, and of particular note, if you look at our US competitors, our results – and people often compare Bell to AT&T and Verizon – clearly, we are outperforming with our focus on these five imperatives.

So that's a bit of a summary on where we are, and now we're going to make a right turn and have a little bit of fun and talk about an amazing story in Canada and that was the 2010 Winter Olympics. Thanks to your support as shareholders, Bell's involvement in the Olympics. Tom mentioned already we truly did deliver for Canada, from a technology perspective, the golden games. It was the first Olympics ever that saw the explosion of wireless broadband technology on all three fronts, we call them three screens, the three screen Olympics, as you can see here. I mentioned already mobile TV taking off. We put in 20 percent more capacity than they had at the Beijing Games, to give you the sense of the work. We had 500 team members focused for years on building out the infrastructure. Three and a half billion people watched the Opening Games. Every person watching in the world was working through the Bell network that we built. There was a facility at the broadcast centre, that if you went downstairs into this room, you could actually see everyone and who's watching in Russia; that's their technology. Everybody who's watching here, that's their technology. That's there. So in that room, three and a half billion people, that's how they accessed. We did something really quite amazing as a company and, yes, you can be sure, every time your Board went close to that room, we thought, why are there not 5,000 military people in front of this room because the whole world's watching? And, you know, obviously our people counted down the Closing Ceremonies and Opening Ceremonies for different reasons, because we wanted to make sure we delivered flawless Games, and we did.

And it gave us a significant branding opportunity that went well beyond our expectations because the Olympic Games, I think we all have to admit, went well beyond all of our expectations in terms of how well Canada did. But

if you step back and think of technology, it's one of the few events now that everybody wants to watch live. So if you're watching live, you also watch advertising. It's one of the few events that kids, mom and dad and grandmother all watch and may be watching together, one of the very few left. We all grew up doing that; that doesn't happen today in technology. You wanted to see it live. So we had an opportunity and we decided we would really make sure we were disciplined about it. We had 43 different ads that we ran during the Olympics and it has clearly lifted our brand image in the marketplace. And what I thought for fun is we'd run five of our fun ads, our opening serious ad, a couple of those lighter ads that we ran and also sold some of our products, and in a closing ad that we run, just to give you a sense of new momentum we have with our branding. And so if we could just take a moment and run those, it would be great. Thank you, if you could run them.

Video Presentation

George Cope

I don't know about you, but every time I watch it, I get goose bumps. It's incredible.

So, you know, and we also... You should be proud as shareholders of what we did from a technology perspective, from a branding perspective. But also I want you to know we also supported the athletes, and we were fortunate. We had five athletes that we had supported. You can take a look at their success here, in Joannie, in Sidney, in Ashleigh, in Steve and in Clara. And it was... I'll tell you one story. One thing came to our attention with the Olympics, that athletes don't get tickets to events so we made sure – because these were our five athletes – that they would all have tickets to the gold medal hockey game. And I being, you know, a little forceful once in a while, as you might imagine as CEO, said, we've got to get five tickets, get five tickets. And someone quietly said, George, I think we want Sidney to play, although I think tonight we wouldn't mind if we just gave him a ticket to sit in the stands so... And, you know, what we thought we would do here, we're going to run a short video of the success of three of our athletes, Joannie, Ashleigh and Clara, so if we could just run that to remind you just how well those three did, with Ashleigh with her gold and Clara and Joannie with their bronze and both their amazing stories. Why don't we just run that video for a moment to remind us.

Video Presentation

George Cope

So, Mr. Chairman, I am going to break the rules of the Annual Meeting, and we are going to allow cameras for a few minutes. And Joannie and Clara and Ashleigh wanted to say thank you to you, as shareholders, so they're going to come out and join us on stage here, so please welcome great Canadian Olympians.

Thank you very much.

Clara Hughes

So a great day to be in Montreal.

Nicolas Poitras

Yes, indeed, indeed. Well, hello, my name is Nicolas Poitras with the Bell team and I have the immense privilege of introducing you to three of our greatest athletes, who also were Bell champions and they're also all medal winners, of course. Two of them carried the flag at Opening and Closing Ceremonies and one of them carried home gold. So truly amazing to be here with you today to chat about your Olympic experience.

Joannie, I'd like to start with you. There was a lot of talk about the additional pressure on athletes here in Canada as the Games started because the Games were held in Canada. How did you get ready for this pressure?

Joannie Rochette

Well, I would lie if I said that there was not a lot of pressure on athletes because we were here in Canada but it was also great fun over the past year, seeing how much interest was being paid to amateur sport and seeing the whole nation coming together behind us, encouraging us and we did have access to a large number of resources. I had a sports psychologist who went over to Vancouver with me, thanks to the Own The Podium program. I had an opportunity to train, to use the choreographers I needed. I have been with Bell since 2006 and, you know, since I didn't get a medal, I was 11th in the World Championships but Bell believed in me and supported me all the way through to 2010. They never questioned me, they never exercised additional pressure. We put enough pressure on ourselves. We, as athletes, know that it's part of our job to be able to handle the pressure.

Nicolas Poitras

You had a different kind of pressure, or perhaps just a thrill. You were the flag bearer for Opening Ceremonies. You walked it to BC Stadium amid 60,000 screaming fans. What was that like?

Clara Hughes

It was absolutely the greatest honour of my sporting life, but it was a beautiful moment and I actually prepared for it as it was my... as if it was my first race at the Olympics because I knew there would be just so much incredible energy that, when you're on the receiving end of that kind of energy and it's funneled towards you, it can do funny things. So if you're not prepared for it, it can really overwhelm you but I honestly felt like the whole team walked into that Stadium with an open heart. And as the flag bearer, I felt like I had the most beautiful maple leaf in my hands and that was our flag, and I will never forget the moment, that first step of walking in and hearing the crowd, hearing every stomp, every yell, every scream and just a celebration of our country, of our athletes and the 16 days that lay before us to show the world what we have.

Nicolas Poitras

Right. Ashleigh, you were competing in a fairly new sport, ski cross. You were competing in – we all read about it and heard about it – challenging weather conditions at Cypress Mountain, and you were in your home province. So was it more pressure or less pressure because you were at home?

Ashleigh McIvor

It was a bit of both. For me, I actually kind of... I was a little bit happy that the weather was as bad as it was because it affects me a lot less than it affects those European girls, you know? I grew up in Whistler; I... you know, we have some of the best powder skiing in the world and it's because it's often cloudy and snowing so I think that was a bit of an advantage for me. And, you know, just, you know, being on the Canadian team... actually, a particular advantage we had as the Canadian ski cross team was our ski technicians were able to watch our runs live on the Bell phones we were provided with so that was huge for us. The conditions from the top of the course to the bottom of the course in ski cross

were very different because it was such wet, heavy snow and even a bit of rain. It was really crucial for our techs to be able to see where our skis were slowing down so they knew what to put on them, what sort of wax to put on them between runs. And I honestly... I mean my skis were running in the final, like on the medal run. I think... they just showed some footage and I guess I was way out in front by the bottom so that was pretty amazing so thanks for that.

Nicolas Poitras

Now, you stayed at the Olympic Village. What was the ambience like there?

Ashleigh McIvor

I, honestly, I didn't really go out and experience the Village very much. I stayed in our little apartment and we were kind of in the zone, in focus mode but, you know, it was... it was just... it was pretty spectacular to be in those gorgeous apartments. I think that the ones we were in went for \$900 a square foot on average after so... yeah, that was definitely a bonus. I'm glad that I did experience the Village a little bit and, you know, even though it was the Olympics, it still felt like home.

Nicolas Poitras

Right. Now, Clara, on the other hand, you took part in two events and you chose not to stay at the Olympic Village. Was that an advantage? Were you able to focus more because of that?

Clara Hughes

Yeah, it definitely was and part of my preparation was creating a home away from home and I had rented an apartment two years out of the Olympics, 500 metres from the speed skating oval in Richmond. And every time I had a training camp there, the World Championships the year before, any national races we had, I was able to stay there with my husband and have a full-on home setup with a great view of a beautiful park and so when the Olympics came around, I felt like I was at home and it was an advantage for me. But it also... I mean it cost a lot of money to have that and a big part of what people don't realize is the impact of sponsorship on athletes, on Olympic athletes. Bell's sponsorship enabled me to do that two years out of the Olympics; you don't do that two months out. Two years out and I was

able to really have every option I could ever imagine and dream of at the Games in terms of managing where I needed to be and the environment I needed and with my husband, my family and everyone and so it was really a... I thank Bell for allowing me to do it absolutely right, the last time for me, last chance for me at a home Olympics. It was truly a dream and I felt like, because of that preparation, I brought the absolute best in me to have the race of my life in Vancouver.

Nicolas Poitras

Wow. Well, Joannie, talking about concentration here, there is no doubt that when you stepped onto the ice in Vancouver, the whole country was supporting you. I wondered then, how could you concentrate, how could you focus on your performance despite the fact that all these people were rooting for you?

Joannie Rochette

Well, evidently, we were getting a lot of attention but it was different than what I had prepared for. When you get to the Olympics, you have a plan with you. I had an advisor with me, as I said, a psychologist and we had prepared for this and two days ahead of time, things changed, however. I have a great support team but what people don't know is that athletes, the Canadian athletes in the Village were really good to me. I got tremendous support and I felt the camaraderie when I walked into the Village, it was great to see this and my friend was there with me throughout the Games. My family, well my dad came over with eight people from my native town and they were there all throughout to support him and me. So everything was under control, if you will. And when this kind of thing hits you so close to a competition, you get an adrenaline boost so I did manage to stay in my bubble and when this happened, I decided not to give any more interviews. I decided to try and focus and did what I felt like doing, and this was doable thanks to the fact that the Olympic Committee did everything that they could to make me feel better. So when I stepped onto the ice, even though it was difficult, I knew that people were supporting me and I felt this support on their part, on the part of all the Canadians and people all throughout the world. It was so impressive, you know, so sometimes I wondered, what am I doing here? I'd like to go back home but thanks to all the messages that I got and the flowers that I got, I managed to stick it out.

Nicolas Poitras

Well, we're happy that you stayed actually.

Joannie Rochette

Well thank you.

Nicolas Poitras

Athletes, among other things, and it seemed to have been really tight in Vancouver. Tell me about it.

Clara Hughes

Yeah, I was... I mean, for me, I raced the second day and the second last... or fourth last day of the Olympics so I had 10 days in between and it was funny. When we were chatting and you said, I didn't really watch any of the Olympics, I spent 10 days watching everything. When I wasn't training, I was glued to the TV. I watched you win your gold medal. I was totally inspired because you just dominated and you looked so ready and so relaxed on the starting line. And when I watched Joannie and her short program the night before my 5,000 metres and I watched you skate with such courage and just beauty, it was... it really showed me that anything was possible and that I had nothing against me for my race, nothing against me in that long distance, and you showed me real strength and inspired me. So it was a... The team was just... I mean I felt like we all inspired each other.

Nicolas Poitras

Yeah. Ashleigh, you won gold. Canada won gold in Canada for the first time. Did we prove something as a nation with the Vancouver 2010 Games?

Ashleigh McIvor

Well we definitely proved something. I think, you know, it just... it really proved that the whole entire nation was behind us as athletes, and we were behind one another. And, you know, not only as a whole entire nation but corporate Canada and OTP, like, it was huge. We all were given every opportunity imaginable. Like, I... as you said, I felt 100 percent prepared on the starting line, in the start gate. And, yeah, I don't know. It was just amazing. We all went out there to perform instead of to participate, like we used to.

Nicolas Poitras

Right. Well, you all represented us extremely well. Thank you, again, for what you did in Vancouver and thank you for being here today. I do think there's a little something you'd like to show to the crowd right now.

Clara Hughes

We brought some hardware.

Ashleigh McIvor

Clara couldn't choose between all of hers.

Joannie Rochette

You should get them all out.

Clara Hughes

I had a few so... But we're, we're also signing autographs after so if anyone wants to try these on, it's really fun to have around your neck.

Nicolas Poitras

Yeah. Joannie has to leave us. She goes to Stars On Ice tonight in Winnipeg. Thank you for coming here.

(Unintelligible) being with us. They'll be in the lobby right after this to take pictures and talk with you. Ladies and gentlemen, Joannie Rochette, Ashleigh McIvor and Clara Hughes.

Clara Hughes

Thank you.

George Cope

Thank you so much. And, you know, I want to let you know that the athletes took the time to visit our employees after the Olympics on a national road show and it was just amazing that you all took the time. And as

you see, these young Canadians aren't just... they're great athletes and they're not just great athletes; they're great ambassadors for Canada. Can you at all wonder why we had a few flag bearers here in the audience and a gold medal winner at the same time after listening to them? Thank you very much. Good luck in Winnipeg and thank you for staying for the photos.

And so, as you can see, your Company's been up to a lot over the last year and a half. We are making progress in a very competitive marketplace, focusing on those five Strategic Imperatives with a focus of dividend growth strategy for you, as shareholders, through executing growth, profitable growth allowing us to make sure we're in a position to continue to drive that dividend growth for you as shareholders. Thank you very much.
