



Supplementary Financial Information Fourth Quarter 2004

BCE Investor Relations

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(\$ millions, except per share amounts)	Q4 2004	Q4 2003	\$ change	% change	Total 2004	Total 2003	\$ change	% change
Operating revenues	4,989	4,818	171	3.5%	19,193	18,737	456	2.4%
Operating expenses	(3,158)	(2,971)	(187)	(6.3%)	(11,629)	(11,327)	(302)	(2.7%)
EBITDA ⁽²⁾	1,831	1,847	(16)	(0.9%)	7,564	7,410	154	2.1%
EBITDA margin ⁽³⁾	36.7%	38.3%		(1.6) pts	39.4%	39.5%		(0.1) pts
Amortization expense	(803)	(775)	(28)	(3.6%)	(3,108)	(3,100)	(8)	(0.3%)
Net benefit plans cost	(67)	(46)	(21)	(45.7%)	(256)	(175)	(81)	(46.3%)
Restructuring and other items	(126)	(13)	(113)	n.m.	(1,224)	(14)	(1,210)	n.m.
Operating income	835	1,013	(178)	(17.6%)	2,976	4,121	(1,145)	(27.8%)
Other income	18	127	(109)	(85.8%)	411	175	236	n.m.
Interest expense	(247)	(266)	19	7.1%	(1,005)	(1,105)	100	9.0%
Pre-tax earnings from continuing operations	606	874	(268)	(30.7%)	2,382	3,191	(809)	(25.4%)
Income taxes	(199)	(331)	132	39.9%	(710)	(1,119)	409	36.6%
Non-controlling interest	(40)	(57)	17	29.8%	(174)	(201)	27	13.4%
Earnings from continuing operations	367	486	(119)	(24.5%)	1,498	1,871	(373)	(19.9%)
Discontinued operations	(2)	(86)	84	97.7%	26	(56)	82	n.m.
Net earnings before extraordinary gain	365	400	(35)	(8.8%)	1,524	1,815	(291)	(16.0%)
Extraordinary gain	69	-	69	n.m.	69	-	69	n.m.
Net earnings	434	400	34	8.5%	1,593	1,815	(222)	(12.2%)
Dividends on preferred shares	(17)	(14)	(3)	(21.4%)	(70)	(64)	(6)	(9.4%)
Premium on redemption of preferred shares	-	-	-	n.m.	-	(7)	7	n.m.
Net earnings applicable to common shares	417	386	31	8.0%	1,523	1,744	(221)	(12.7%)
Net earnings per common share - basic								
Continuing operations	\$ 0.38	\$ 0.50	\$ (0.12)	(24.0%)	\$ 1.55	\$ 1.96	\$ (0.41)	(20.9%)
Discontinued operations	\$ -	\$ (0.09)	\$ 0.09	n.m.	\$ 0.03	\$ (0.06)	\$ 0.09	n.m.
Extraordinary gain	\$ 0.07	\$ -	\$ 0.07	n.m.	\$ 0.07	\$ -	\$ 0.07	n.m.
Net earnings	\$ 0.45	\$ 0.41	\$ 0.04	9.8%	\$ 1.65	\$ 1.90	\$ (0.25)	(13.2%)
Net earnings per common share - diluted								
Continuing operations	\$ 0.38	\$ 0.50	\$ (0.12)	(24.0%)	\$ 1.55	\$ 1.95	\$ (0.40)	(20.5%)
Discontinued operations	\$ -	\$ (0.09)	\$ 0.09	n.m.	\$ 0.03	\$ (0.06)	\$ 0.09	n.m.
Extraordinary gain	\$ 0.07	\$ -	\$ 0.07	n.m.	\$ 0.07	\$ -	\$ 0.07	n.m.
Net earnings	\$ 0.45	\$ 0.41	\$ 0.04	9.8%	\$ 1.65	\$ 1.89	\$ (0.24)	(12.7%)
Dividends per common share	\$ 0.30	\$ 0.30	\$ -	0.0%	\$ 1.20	\$ 1.20	\$ -	0.0%
Average number of common shares outstanding - basic (millions)	925.3	923.4			924.6	920.3		
The following items are included in net earnings:								
Net gains on sale of investments and dilution gains								
Continuing operations	64	84			389	84		
Discontinued operations	(2)	(94)			34	(86)		
Restructuring and other items	(62)	(9)			(772)	(3)		
Total	-	(19)			(349)	(5)		
Impact on net earnings per share	\$ -	\$ (0.01)			\$ (0.37)	\$ -		

n.m. : not meaningful

(\$ millions, except per share amounts)	Total 2004	Q4 04	Q3 04	Q2 04	Q1 04	Total 2003	Q4 03	Q3 03	Q2 03	Q1 03
Operating revenues	19,193	4,989	4,781	4,782	4,641	18,737	4,818	4,627	4,673	4,619
Operating expenses	(11,629)	(3,158)	(2,845)	(2,829)	(2,797)	(11,327)	(2,971)	(2,732)	(2,778)	(2,846)
EBITDA ⁽²⁾	7,564	1,831	1,936	1,953	1,844	7,410	1,847	1,895	1,895	1,773
EBITDA margin ⁽³⁾	39.4%	36.7%	40.5%	40.8%	39.7%	39.5%	38.3%	41.0%	40.6%	38.4%
Amortization expense	(3,108)	(803)	(769)	(769)	(767)	(3,100)	(775)	(801)	(774)	(750)
Net benefit plans cost	(256)	(67)	(61)	(65)	(63)	(175)	(46)	(44)	(43)	(42)
Restructuring and other items	(1,224)	(126)	(1,081)	(14)	(3)	(14)	(13)	(1)	-	-
Operating income	2,976	835	25	1,105	1,011	4,121	1,013	1,049	1,078	981
Other income	411	18	333	24	36	175	127	1	2	45
Interest expense	(1,005)	(247)	(253)	(253)	(252)	(1,105)	(266)	(270)	(289)	(280)
Pre-tax earnings from continuing operations	2,382	606	105	876	795	3,191	874	780	791	746
Income taxes	(710)	(199)	44	(293)	(262)	(1,119)	(331)	(282)	(268)	(238)
Non-controlling interest	(174)	(40)	(47)	(39)	(48)	(201)	(57)	(45)	(57)	(42)
Earnings from continuing operations	1,498	367	102	544	485	1,871	486	453	466	466
Discontinued operations	26	(2)	(2)	27	3	(56)	(86)	11	12	7
Net earnings before extraordinary gain	1,524	365	100	571	488	1,815	400	464	478	473
Extraordinary gain	69	69	-	-	-	-	-	-	-	-
Net earnings	1,593	434	100	571	488	1,815	400	464	478	473
Dividends on preferred shares	(70)	(17)	(18)	(17)	(18)	(64)	(14)	(18)	(17)	(15)
Premium on redemption of preferred shares	-	-	-	-	-	(7)	-	-	-	(7)
Net earnings applicable to common shares	1,523	417	82	554	470	1,744	386	446	461	451
Net earnings per common share - basic										
Continuing operations	\$ 1.55	\$ 0.38	\$ 0.09	\$ 0.57	\$ 0.51	\$ 1.96	\$ 0.50	\$ 0.48	\$ 0.49	\$ 0.49
Discontinued operations	\$ 0.03	\$ -	\$ -	\$ 0.03	\$ -	\$ (0.06)	\$ (0.09)	\$ 0.01	\$ 0.01	\$ 0.01
Extraordinary gain	\$ 0.07	\$ 0.07	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net earnings	\$ 1.65	\$ 0.45	\$ 0.09	\$ 0.60	\$ 0.51	\$ 1.90	\$ 0.41	\$ 0.49	\$ 0.50	\$ 0.50
Net earnings per common share - diluted										
Continuing operations	\$ 1.55	\$ 0.38	\$ 0.09	\$ 0.57	\$ 0.51	\$ 1.95	\$ 0.50	\$ 0.47	\$ 0.49	\$ 0.49
Discontinued operations	\$ 0.03	\$ -	\$ -	\$ 0.03	\$ -	\$ (0.06)	\$ (0.09)	\$ 0.01	\$ 0.01	\$ 0.01
Extraordinary gain	\$ 0.07	\$ 0.07	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net earnings	\$ 1.65	\$ 0.45	\$ 0.09	\$ 0.60	\$ 0.51	\$ 1.89	\$ 0.41	\$ 0.48	\$ 0.50	\$ 0.50
Dividends per common share	\$ 1.20	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30	\$ 1.20	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.30
Average number of common shares outstanding - basic (millions)	924.6	925.3	924.6	924.3	924.1	920.3	923.4	921.5	919.3	917.1
The following items are included in net earnings:										
Net gains on sale of investments and dilution gains										
Continuing operations	389	64	325	-	-	84	84	-	-	-
Discontinued operations	34	(2)	(2)	31	7	(86)	(94)	8	-	-
Restructuring and other items	(772)	(62)	(725)	16	(1)	(3)	(9)	6	-	-
Total	(349)	-	(402)	47	6	(5)	(19)	14	-	-
Impact on net earnings per share	\$ (0.37)	\$ -	\$ (0.43)	\$ 0.05	\$ 0.01	\$ -	\$ (0.01)	\$ 0.01	\$ -	\$ -

(\$ millions, except where otherwise indicated)	Q4 2004	Q4 2003	\$ change	% change	Total 2004	Total 2003	\$ change	% change
Revenues								
Consumer	1,911	1,868	43	2.3%	7,502	7,203	299	4.2%
Business	1,535	1,516	19	1.3%	5,851	5,827	24	0.4%
Aliant	506	527	(21)	(4.0%)	2,033	2,059	(26)	(1.3%)
Other Bell Canada	511	468	43	9.2%	1,939	2,015	(76)	(3.8%)
Inter-segment eliminations	(160)	(133)	(27)	(20.3%)	(538)	(490)	(48)	(9.8%)
Total Bell Canada	4,303	4,246	57	1.3%	16,787	16,614	173	1.0%
Other BCE								
Bell Globemedia	405	375	30	8.0%	1,420	1,363	57	4.2%
Advertising	306	283	23	8.1%	1,041	978	63	6.4%
Subscriber	77	69	8	11.6%	298	291	7	2.4%
Production and Sundry	22	23	(1)	(4.3%)	81	94	(13)	(13.8%)
Telesat	102	99	3	3.0%	362	345	17	4.9%
CGI	274	208	66	31.7%	1,019	838	181	21.6%
Other	19	15	4	26.7%	60	51	9	17.6%
Total Other BCE	800	697	103	14.8%	2,861	2,597	264	10.2%
Inter-segment eliminations	(114)	(125)	11	8.8%	(455)	(474)	19	4.0%
Total revenues	4,989	4,818	171	3.5%	19,193	18,737	456	2.4%
Operating income								
Consumer	464	471	(7)	(1.5%)	2,119	2,019	100	5.0%
Business	183	199	(16)	(8.0%)	896	781	115	14.7%
Aliant	23	108	(85)	(78.7%)	268	415	(147)	(35.4%)
Other Bell Canada	61	152	(91)	(59.9%)	(588)	621	(1,209)	n.m.
Total Bell Canada	731	930	(199)	(21.4%)	2,695	3,836	(1,141)	(29.7%)
Other BCE								
Bell Globemedia	103	66	37	56.1%	240	167	73	43.7%
Telesat	37	33	4	12.1%	141	124	17	13.7%
CGI	24	22	2	9.1%	94	91	3	3.3%
Other	(60)	(38)	(22)	(57.9%)	(194)	(97)	(97)	n.m.
Total Other BCE	104	83	21	25.3%	281	285	(4)	(1.4%)
Total Operating income	835	1,013	(178)	(17.6%)	2,976	4,121	(1,145)	(27.8%)
Capital expenditures ⁽⁴⁾								
Consumer	459	485	26	5.4%	1,481	1,287	(194)	(15.1%)
Business	289	286	(3)	(1.0%)	898	936	38	4.1%
Aliant	114	97	(17)	(17.5%)	295	333	38	11.4%
Other Bell Canada	123	123	-	0.0%	352	336	(16)	(4.8%)
Total Bell Canada	985	991	6	0.6%	3,026	2,892	(134)	(4.6%)
Other BCE								
Telesat	40	43	3	7.0%	257	159	(98)	(61.6%)
Other	21	45	24	53.3%	81	116	35	30.2%
Total capital expenditures	1,046	1,079	33	3.1%	3,364	3,167	(197)	(6.2%)

<i>(\$ millions, except where otherwise indicated)</i>	Total 2004	Q4 04	Q3 04	Q2 04	Q1 04	Total 2003	Q4 03	Q3 03	Q2 03	Q1 03
Revenues										
Consumer	7,502	1,911	1,908	1,858	1,825	7,203	1,868	1,838	1,768	1,729
Business	5,851	1,535	1,440	1,441	1,435	5,827	1,516	1,440	1,452	1,419
Aliant	2,033	506	497	526	504	2,059	527	514	517	501
Other Bell Canada	1,939	511	486	468	474	2,015	468	478	517	552
Inter-segment eliminations	(538)	(160)	(125)	(121)	(132)	(490)	(133)	(115)	(124)	(118)
Total Bell Canada	16,787	4,303	4,206	4,172	4,106	16,614	4,246	4,155	4,130	4,083
Other BCE										
Bell Globemedia	1,420	405	302	371	342	1,363	375	296	357	335
Advertising	1,041	306	209	277	249	978	283	201	259	235
Subscriber	298	77	73	74	74	291	69	73	75	74
Production and Sundry	81	22	20	20	19	94	23	22	23	26
Telesat	362	102	91	85	84	345	99	84	83	79
CGI	1,019	274	277	251	217	838	208	203	211	216
Other	60	19	12	18	11	51	15	13	13	10
Total Other BCE	2,861	800	682	725	654	2,597	697	596	664	640
Inter-segment eliminations	(455)	(114)	(107)	(115)	(119)	(474)	(125)	(124)	(121)	(104)
Total revenues	19,193	4,989	4,781	4,782	4,641	18,737	4,818	4,627	4,673	4,619
Operating income										
Consumer	2,119	464	569	560	526	2,019	471	552	503	493
Business	896	183	245	227	241	781	199	193	199	190
Aliant	268	23	71	92	82	415	108	104	122	81
Other Bell Canada	(588)	61	(898)	138	111	621	152	163	144	162
Total Bell Canada	2,695	731	(13)	1,017	960	3,836	930	1,012	968	926
Other BCE										
Bell Globemedia	240	103	23	74	40	167	66	20	62	19
Telesat	141	37	39	34	31	124	33	28	31	32
CGI	94	24	24	25	21	91	22	23	24	22
Other	(194)	(60)	(48)	(45)	(41)	(97)	(38)	(34)	(7)	(18)
Total Other BCE	281	104	38	88	51	285	83	37	110	55
Total Operating Income	2,976	835	25	1,105	1,011	4,121	1,013	1,049	1,078	981
Capital expenditures ⁽⁴⁾										
Consumer	1,481	459	406	354	262	1,287	485	307	287	208
Business	898	289	154	258	197	936	286	228	229	193
Aliant	295	114	51	45	85	333	97	92	73	71
Other Bell Canada	352	123	125	58	46	336	123	81	70	62
Total Bell Canada	3,026	985	736	715	590	2,892	991	708	659	534
Other BCE										
Telesat	257	40	64	88	65	159	43	64	16	36
Other	81	21	11	23	26	116	45	19	31	21
Total capital expenditures	3,364	1,046	811	826	681	3,167	1,079	791	706	591

<i>(\$ millions, except where otherwise indicated)</i>	December 31 2004	September 30 2004	June 30 2004	March 31 2004	December 31 2003
ASSETS					
Current assets					
Cash and cash equivalents	380	1,386	577	1,135	585
Accounts receivable	2,119	2,491	2,292	2,267	2,061
Other current assets	1,211	892	900	869	739
Current assets of discontinued operations	-	-	8	447	280
Total current assets	3,710	4,769	3,777	4,718	3,665
Capital assets					
Other long-term assets	2,656	2,494	3,609	3,475	3,459
Indefinite-life intangible assets					
Goodwill	8,413	8,368	7,987	7,803	7,761
Non-current assets of discontinued operations	50	50	50	310	511
Total assets	39,143	39,702	39,328	40,049	39,420
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	3,700	3,932	3,151	3,002	3,046
Interest payable	183	307	199	305	194
Dividends payable	297	298	298	295	294
Debt due within one year	1,276	1,516	1,030	1,156	1,519
Current liabilities of discontinued operations	-	-	-	214	285
Total current liabilities	5,456	6,053	4,678	4,972	5,338
Long-term debt					
Other long-term liabilities	4,932	4,790	4,884	4,768	4,705
Non-current liabilities of discontinued operations	-	-	-	20	20
Total liabilities	22,197	22,919	22,054	22,872	22,444
Non-controlling interest	2,914	2,904	3,203	3,385	3,403
SHAREHOLDERS' EQUITY					
Preferred shares					
Common shareholders' equity	1,670	1,670	1,670	1,670	1,670
Common shares	16,781	16,765	16,757	16,753	16,749
Contributed surplus	1,061	1,052	1,043	1,045	1,037
Deficit	(5,424)	(5,563)	(5,368)	(5,645)	(5,837)
Currency translation adjustment	(56)	(45)	(31)	(31)	(46)
Total common shareholders' equity	12,362	12,209	12,401	12,122	11,903
Total shareholders' equity	14,032	13,879	14,071	13,792	13,573
Total liabilities and shareholders' equity	39,143	39,702	39,328	40,049	39,420
Number of common shares outstanding	925.9	924.9	924.5	924.2	924.0

Key ratios					
Net debt : Total Capitalization	42.8%	42.1%	42.8%	43.3%	44.0%
Net debt : Trailing 12 month EBITDA	1.68	1.61	1.72	1.76	1.80
EBITDA : Interest (trailing 12 month)	7.53	7.40	7.24	6.95	6.71

(\$ millions, except where otherwise indicated)	Q4 2004	Q4 2003	\$ change	Total 2004	Total 2003	\$ change
Cash flows from operating activities						
Earnings from continuing operations	367	486	(119)	1,498	1,871	(373)
Adjustments to reconcile earnings from continuing operations to cash flows from operating activities:						
Amortization expense	803	775	28	3,108	3,100	8
Net benefit plans cost	67	46	21	256	175	81
Restructuring and other items	126	13	113	1,224	14	1,210
Net (gains) losses on investments	12	(76)	88	(319)	(76)	(243)
Future income taxes	62	207	(145)	(34)	418	(452)
Non-controlling interest	40	57	(17)	174	201	(27)
Contributions to employee pension plans	(24)	(87)	63	(112)	(160)	48
Other employee future benefit plan payments	(22)	(23)	1	(81)	(87)	6
Payments of restructuring and other items	(214)	(27)	(187)	(253)	(124)	(129)
Change in operating assets and liabilities	90	227	(137)	58	636	(578)
	1,307	1,598	(291)	5,519	5,968	(449)
Capital expenditures	(1,046)	(1,079)	33	(3,364)	(3,167)	(197)
Other investing activities	(9)	(7)	(2)	124	62	62
Cash dividends paid on preferred shares	(21)	(22)	1	(85)	(61)	(24)
Cash dividends paid by subsidiaries to non-controlling interest	(49)	(47)	(2)	(188)	(184)	(4)
Free Cash Flow from operations, before common dividends ⁽²⁾	182	443	(261)	2,006	2,618	(612)
Cash dividends paid on common shares	(277)	(259)	(18)	(1,108)	(1,029)	(79)
Free Cash Flow from operations, after common dividends ⁽²⁾	(95)	184	(279)	898	1,589	(691)
Business acquisitions	(347)	(42)	(305)	(1,299)	(115)	(1,184)
Business dispositions	-	-	-	20	55	(35)
Change in investments accounted for under the cost and equity methods	(38)	156	(194)	655	163	492
Free Cash Flow after investments and divestitures	(480)	298	(778)	274	1,692	(1,418)
Other financing activities						
Increase (decrease) in notes payable and bank advances	7	(53)	60	130	(295)	425
Issue of long-term debt	111	105	6	1,521	1,986	(465)
Repayment of long-term debt	(641)	(1,532)	891	(2,391)	(3,472)	1,081
Issue of common shares	16	5	11	32	19	13
Issue of preferred shares	-	-	-	-	510	(510)
Redemption of preferred shares	-	-	-	-	(357)	357
Issue of equity securities by subsidiaries to non-controlling interest	1	19	(18)	8	132	(124)
Redemption of equity securities by subsidiaries from non-controlling interest	-	(34)	34	(58)	(108)	50
Other financing activities	(17)	(41)	24	(51)	(46)	(5)
	(523)	(1,531)	1,008	(809)	(1,631)	822
Cash provided by (used in) continuing operations	(1,003)	(1,233)	230	(535)	61	(596)
Cash provided by (used in) discontinued operations	(3)	338	(341)	193	355	(162)
Net increase (decrease) in cash and cash equivalents	(1,006)	(895)	(111)	(342)	416	(758)
Cash and cash equivalents at beginning of period	1,386	1,617	(231)	722	306	416
Cash and cash equivalents at end of period	380	722	(342)	380	722	(342)
Consists of:						
Cash and cash equivalents of continuing operations	380	585	(205)	380	585	(205)
Cash and cash equivalents of discontinued operations	-	137	(137)	-	137	(137)
Total	380	722	(342)	380	722	(342)
Other information						
Capital expenditures as a percentage of revenues	21.0%	22.4%	1.4 pts	17.5%	16.9%	(0.6) pts
Cash flow per share ⁽⁵⁾	\$ 0.28	\$ 0.56	\$ (0.28)	\$ 2.33	\$ 3.04	\$ (0.71)
Annualized cash flow yield ⁽⁶⁾	2.7%	6.8%	(4.1) pts	7.5%	9.8%	(2.3) pts
Common dividend payout	66.4%	67.1%	(0.7) pts	72.8%	59.0%	13.8 pts

(\$ millions, except where otherwise indicated)	Total 2004	Q4 04	Q3 04	Q2 04	Q1 04	Total 2003	Q4 03	Q3 03	Q2 03	Q1 03
Cash flows from operating activities										
Earnings from continuing operations	1,498	367	102	544	485	1,871	486	453	466	466
Adjustments to reconcile earnings from continuing operations to cash flows from operating activities:										
Amortization expense	3,108	803	769	769	767	3,100	775	801	774	750
Net benefit plans cost	256	67	61	65	63	175	46	44	43	42
Restructuring and other items	1,224	126	1,081	14	3	14	13	1	-	-
Net (gains) losses on investments	(319)	12	(325)	(1)	(5)	(76)	(76)	-	-	-
Future income taxes	(34)	62	(183)	33	54	418	207	134	99	(22)
Non-controlling interest	174	40	47	39	48	201	57	45	57	42
Contributions to employee pension plans	(112)	(24)	(32)	(27)	(29)	(160)	(87)	(46)	(21)	(6)
Other employee future benefit plan payments	(81)	(22)	(13)	(22)	(24)	(87)	(23)	(22)	(21)	(21)
Payments of restructuring and other items	(253)	(214)	(12)	(8)	(19)	(124)	(27)	(23)	(20)	(54)
Change in operating assets and liabilities	58	90	333	(282)	(83)	636	227	431	10	(32)
	5,519	1,307	1,828	1,124	1,260	5,968	1,598	1,818	1,387	1,165
Capital expenditures	(3,364)	(1,046)	(811)	(826)	(681)	(3,167)	(1,079)	(791)	(706)	(591)
Other investing activities	124	(9)	(2)	116	19	62	(7)	155	(44)	(42)
Cash dividends paid on preferred shares	(85)	(21)	(21)	(21)	(22)	(61)	(22)	(14)	(14)	(11)
Cash dividends paid by subsidiaries to non-controlling interest	(188)	(49)	(44)	(52)	(43)	(184)	(47)	(38)	(55)	(44)
Free Cash Flow from operations, before common dividends ⁽²⁾	2,006	182	950	341	533	2,618	443	1,130	568	477
Cash dividends paid on common shares	(1,108)	(277)	(277)	(277)	(277)	(1,029)	(259)	(259)	(254)	(257)
Free Cash Flow from operations, after common dividends ⁽²⁾	898	(95)	673	64	256	1,589	184	871	314	220
Business acquisitions	(1,299)	(347)	(646)	(247)	(59)	(115)	(42)	(3)	(7)	(63)
Business dispositions	20	-	4	-	16	55	-	55	-	-
Change in investments accounted for under the cost and equity methods	655	(38)	695	(8)	6	163	156	1	(1)	7
Free Cash Flow after investments and divestitures	274	(480)	726	(191)	219	1,692	298	924	306	164
Other financing activities										
Increase (decrease) in notes payable and bank advances	130	7	173	(69)	19	(295)	(53)	(73)	(55)	(114)
Issue of long-term debt	1,521	111	10	74	1,326	1,986	105	17	72	1,792
Repayment of long-term debt	(2,391)	(641)	(98)	(718)	(934)	(3,472)	(1,532)	(123)	(1,457)	(360)
Issue of common shares	32	16	8	4	4	19	5	5	4	5
Issue of preferred shares	-	-	-	-	-	510	-	-	-	510
Redemption of preferred shares	-	-	-	-	-	(357)	-	-	-	(357)
Issue of equity securities and convertible debentures by subsidiaries to non-controlling interest	8	1	-	-	7	132	19	24	16	73
Redemption of equity securities by subsidiaries from non-controlling interest	(58)	-	(4)	(12)	(42)	(108)	(34)	(39)	(16)	(19)
Other financing activities	(51)	(17)	(18)	32	(48)	(46)	(41)	56	(59)	(2)
	(809)	(523)	71	(689)	332	(1,631)	(1,531)	(133)	(1,495)	1,528
Cash provided by (used in) continuing operations	(535)	(1,003)	797	(880)	551	61	(1,233)	791	(1,189)	1,692
Cash provided by (used in) discontinued operations	193	(3)	12	(54)	238	355	338	30	(3)	(10)
Net increase (decrease) in cash and cash equivalents	(342)	(1,006)	809	(934)	789	416	(895)	821	(1,192)	1,682
Cash and cash equivalents at beginning of period	722	1,386	577	1,511	722	306	1,617	796	1,988	306
Cash and cash equivalents at end of period	380	380	1,386	577	1,511	722	722	1,617	796	1,988
Consists of:										
Cash and cash equivalents of continuing operations	380	380	1,386	577	1,135	585	585	1,476	684	1,855
Cash and cash equivalents of discontinued operations	-	-	-	-	376	137	137	141	112	133
Total	380	380	1,386	577	1,511	722	722	1,617	796	1,988

Other information

Capital expenditures as a percentage of revenues	17.5%	21.0%	17.0%	17.3%	14.7%	16.9%	22.4%	17.1%	15.1%	12.8%
Cash flow per share ⁽⁵⁾	\$ 2.33	\$ 0.28	\$ 1.10	\$ 0.32	\$ 0.63	\$ 3.04	\$ 0.56	\$ 1.11	\$ 0.74	\$ 0.63
Annualized cash flow yield ⁽⁶⁾	7.5%	2.7%	15.1%	5.5%	8.4%	9.8%	6.8%	16.8%	8.0%	7.6%
Common dividend payout	72.8%	66.4%	337.8%	50.0%	58.9%	59.0%	67.1%	58.1%	55.1%	57.0%

BCE Corporate and Bell Canada Net debt and preferreds
At December 31, 2004
(\$ millions, except where otherwise indicated)

	Bell Canada (excl. Aliant)	Aliant	Bell Canada Statutory	Inter- company eliminations	Total Bell Canada	BCE Inc. Corporate
Bank indebtedness / (cash and cash equivalents)	106	(138)	(32)	-	(32)	(99)
Long-term debt	8,422	744	9,166	(387)	8,779	2,000
Debt due within one year	1,189	163	1,352	(77)	1,275	-
Long-term note receivable from BCH	(498)	-	(498)	498	-	-
PPA fair value increment ⁽⁷⁾	-	-	-	-	113	-
Net debt	9,219	769	9,988	34	10,135	1,901
Preferred shares - Bell Canada ⁽⁸⁾	1,100	-	1,100	-	1,100	-
Preferred shares - Aliant ⁽⁸⁾	-	172	172	-	172	-
Perpetual Preferred shares - BCE	-	-	-	-	-	1,670
Nortel common shares at market	-	-	-	-	-	(59)
Net debt and preferreds	10,319	941	11,260	34	11,407	3,512

Proportionate net debt and preferreds, Trailing EBITDA
For the quarter ended December 31, 2004
(\$ millions, except where otherwise indicated)

	% owned by BCE	Proportionate net debt and preferreds	TOTAL EBITDA					PROPORTIONATE EBITDA				
			Q4 04	Q3 04	Q2 04	Q1 04	Trailing	Q4 04	Q3 04	Q2 04	Q1 04	Trailing
Bell Canada (excluding Aliant)	100%	10,466 *	1,469	1,669	1,612	1,549	6,299	1,469	1,669	1,612	1,549	6,299
Aliant	53.2%	501	210	187	209	206	812	112	99	112	110	433
Total Bell Canada Consolidated		10,967	1,679	1,856	1,821	1,755	7,111	1,581	1,768	1,724	1,659	6,732
Other BCE												
Bell Globemedia	68.5%	321	124	43	93	56	316	73	22	54	34	183
Telesat	100%	178	60	60	54	54	228	60	60	54	54	228
CGI	28.9%	62	40	38	37	31	146	40	38	37	31	146
Corporate and other	100%	3,525	(47)	(35)	(31)	(32)	(145)	(47)	(35)	(31)	(32)	(145)
Total Other BCE	100%	4,086	177	106	153	109	545	126	85	114	87	412
Inter-segment eliminations			(25)	(26)	(21)	(20)	(92)	(25)	(26)	(21)	(20)	(92)
Total		15,053	1,831	1,936	1,953	1,844	7,564	1,682	1,827	1,817	1,726	7,052

* Calculated the following way: Bell Canada (excl. Aliant) net debt and preferred of \$10,319 million plus \$34 million of inter-company eliminations plus \$113 million PPA fair value increment.

(\$ millions, except where otherwise indicated)	Q4 2004	Q4 2003	\$ change	% change	Total 2004	Total 2003	\$ change	% change
Revenues								
Local and access	1,397	1,401	(4)	(0.3%)	5,572	5,601	(29)	(0.5%)
Long distance	560	602	(42)	(7.0%)	2,327	2,544	(217)	(8.5%)
Wireless	742	658	84	12.8%	2,818	2,461	357	14.5%
Data	963	955	8	0.8%	3,640	3,717	(77)	(2.1%)
Video	219	200	19	9.5%	850	759	91	12.0%
Terminal sales and other	422	430	(8)	(1.9%)	1,580	1,532	48	3.1%
Total operating revenues	4,303	4,246	57	1.3%	16,787	16,614	173	1.0%
Operating expenses	(2,624)	(2,515)	(109)	(4.3%)	(9,676)	(9,613)	(63)	(0.7%)
EBITDA	1,679	1,731	(52)	(3.0%)	7,111	7,001	110	1.6%
EBITDA margin (%)	39.0%	40.8%		(1.8) pts	42.4%	42.1%		0.3 pts
Amortization expense	(763)	(742)	(21)	(2.8%)	(2,962)	(2,970)	8	0.3%
Net benefit plans cost	(62)	(46)	(16)	(34.8%)	(235)	(181)	(54)	(29.8%)
Restructuring and other items	(123)	(13)	(110)	n.m.	(1,219)	(14)	(1,205)	n.m.
Operating income	731	930	(199)	(21.4%)	2,695	3,836	(1,141)	(29.7%)
Other income	20	135	(115)	(85.2%)	183	217	(34)	(15.7%)
Interest expense	(212)	(231)	19	8.2%	(863)	(945)	82	8.7%
Pre-tax earnings from continuing operations	539	834	(295)	(35.4%)	2,015	3,108	(1,093)	(35.2%)
Income taxes	(140)	(209)	69	33.0%	(506)	(787)	281	35.7%
Non-controlling interest	8	1	7	n.m.	9	(53)	62	n.m.
Earnings from continuing operations	407	626	(219)	(35.0%)	1,518	2,268	(750)	(33.1%)
Discontinued operations	-	53	(53)	n.m.	-	59	(59)	n.m.
Net earnings before extraordinary gain	407	679	(272)	(40.1%)	1,518	2,327	(809)	(34.8%)
Extraordinary gain	69	-	69	n.m.	69	-	69	n.m.
Net earnings	476	679	(203)	(29.9%)	1,587	2,327	(740)	(31.8%)
Dividends on preferred shares	(11)	(9)	(2)	(22.2%)	(60)	(58)	(2)	(3.4%)
Interest on equity-settled notes	-	-	-	n.m.	-	(25)	25	n.m.
Net earnings applicable to common shares	465	670	(205)	(30.6%)	1,527	2,244	(717)	(32.0%)
Other information								
Cash flow information								
Free Cash Flow (FCF)								
Cash from operating activities	1,293	1,547	(254)	(16.4%)	5,333	5,366	(33)	(0.6%)
Capital expenditures	(985)	(991)	6	0.6%	(3,026)	(2,892)	(134)	(4.6%)
Dividends and distributions	(351)	(523)	172	32.9%	(1,736)	(2,081)	345	16.6%
Interest on equity-settled notes	-	-	-	n.m.	-	(47)	47	n.m.
Other investing items	(8)	3	(11)	n.m.	(15)	47	(62)	n.m.
Total	(51)	36	(87)	n.m.	556	393	163	41.5%
Capital expenditures as a percentage of revenues (%)	22.9%	23.3%		0.4 pts	18.0%	17.4%		(0.6) pts
Balance Sheet Information	Dec. 31	Dec. 31						
Capital Structure	2004	2003						
Net Debt								
Long-term debt	9,166	10,024						
Debt due within one year	1,352	1,165						
Less: Cash and cash equivalents	(32)	(398)						
Total Net Debt	10,486	10,791						
Non-controlling interest	1,235	1,627						
Total shareholders' equity	9,678	9,520						
Total Capitalization	21,399	21,938						
Net Debt: Total Capitalization	49.0%	49.2%						
Net Debt: Trailing 12 month EBITDA	1.47	1.54						
EBITDA : Interest (trailing 12 month)	8.24	7.41						

(\$ millions, except where otherwise indicated)

	Total 2004	Q4 04	Q3 04	Q2 04	Q1 04	Total 2003	Q4 03	Q3 03	Q2 03	Q1 03
Revenues										
Local and access	5,572	1,397	1,395	1,401	1,379	5,601	1,401	1,410	1,404	1,386
Long distance	2,327	560	589	572	606	2,544	602	641	615	686
Wireless	2,818	742	727	698	651	2,461	658	645	607	551
Data	3,640	963	915	870	892	3,717	955	906	936	920
Video	850	219	213	211	207	759	200	192	190	177
Terminal sales and other	1,580	422	367	420	371	1,532	430	361	378	363
Total operating revenues	16,787	4,303	4,206	4,172	4,106	16,614	4,246	4,155	4,130	4,083
Operating expenses	(9,676)	(2,624)	(2,350)	(2,351)	(2,351)	(9,613)	(2,515)	(2,338)	(2,370)	(2,390)
EBITDA	7,111	1,679	1,856	1,821	1,755	7,001	1,731	1,817	1,760	1,693
EBITDA margin (%)	42.4%	39.0%	44.1%	43.6%	42.7%	42.1%	40.8%	43.7%	42.6%	41.5%
Amortization expense	(2,962)	(763)	(734)	(733)	(732)	(2,970)	(742)	(758)	(747)	(723)
Net benefit plans cost	(235)	(62)	(55)	(58)	(60)	(181)	(46)	(46)	(45)	(44)
Restructuring and other items	(1,219)	(123)	(1,080)	(13)	(3)	(14)	(13)	(1)	-	-
Operating income (loss)	2,695	731	(13)	1,017	960	3,836	930	1,012	968	926
Other income	183	20	114	19	30	217	135	3	35	44
Interest expense	(863)	(212)	(215)	(216)	(220)	(945)	(231)	(239)	(232)	(243)
Pre-tax earnings (loss) from continuing operations	2,015	539	(114)	820	770	3,108	834	776	771	727
Income taxes	(506)	(140)	75	(245)	(196)	(787)	(209)	(196)	(199)	(183)
Non-controlling interest	9	8	2	9	(10)	(53)	1	(13)	(22)	(19)
Earnings (loss) from continuing operations	1,518	407	(37)	584	564	2,268	626	567	550	525
Discontinued operations	-	-	-	-	-	59	53	-	5	1
Net earnings (loss) before extraordinary gain	1,518	407	(37)	584	564	2,327	679	567	555	526
Extraordinary gain	69	69	-	-	-	-	-	-	-	-
Net earnings (loss)	1,587	476	(37)	584	564	2,327	679	567	555	526
Dividends on preferred shares	(60)	(11)	(16)	(17)	(16)	(58)	(9)	(17)	(16)	(16)
Interest on equity-settled notes	-	-	-	-	-	(25)	-	-	(10)	(15)
Net earnings (loss) applicable to common shares	1,527	465	(53)	567	548	2,244	670	550	529	495

Other information

Cash flow information

Free Cash Flow (FCF)

Cash from operating activities	5,333	1,293	1,756	1,089	1,195	5,366	1,547	1,728	1,229	862
Capital expenditures	(3,026)	(985)	(736)	(715)	(590)	(2,892)	(991)	(708)	(659)	(534)
Dividends and distributions	(1,736)	(351)	(445)	(437)	(503)	(2,081)	(523)	(465)	(704)	(389)
Interest on equity-settled notes	-	-	-	-	-	(47)	-	-	(24)	(23)
Other investing items	(15)	(8)	1	(1)	(7)	47	3	52	(5)	(3)
Total	556	(51)	576	(64)	95	393	36	607	(163)	(87)

Capital expenditures as a percentage of revenues (%)

	18.0%	22.9%	17.5%	17.1%	14.4%	17.4%	23.3%	17.0%	16.0%	13.1%
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Balance Sheet Information

Capital Structure

	Dec. 31 2004	Sept. 30 2004	June 30 2004	March 31 2004	Dec. 31 2003
Net Debt					
Long-term debt	9,166	9,362	9,674	10,331	10,024
Debt due within one year	1,352	1,658	1,269	1,111	1,165
Less: Cash and cash equivalents	(32)	(499)	(422)	(1,112)	(398)
Total Net Debt	10,486	10,521	10,521	10,330	10,791
Non-controlling interest	1,235	1,230	1,559	1,608	1,627
Total shareholders' equity	9,678	9,150	9,851	9,682	9,520
Total Capitalization	21,399	20,901	21,931	21,620	21,938
Net Debt: Total Capitalization	49.0%	50.3%	48.0%	47.8%	49.2%
Net Debt : Trailing 12 month EBITDA	1.47	1.47	1.48	1.46	1.54
EBITDA : Interest (trailing 12 month)	8.24	8.12	7.86	7.66	7.41

	Q4 2004	Q4 2003	% change	Total 2004	Total 2003	% change
Wireline						
Local						
Network access services (k)						
Residential				8,392	8,511	(1.4%)
Business				4,513	4,540	(0.6%)
Total				12,905	13,051	(1.1%)
SmartTouch feature revenues (\$M)	233	240	(2.9%)	939	955	(1.7%)
Long Distance (LD)						
Conversation minutes (M)	4,559	4,685	(2.7%)	18,070	19,132	(5.6%)
Average revenue per minute (\$)	0.109	0.122	(10.7%)	0.117	0.124	(5.6%)
Data						
Equivalent access lines ⁽⁹⁾ (k) - Ontario and Quebec						
Digital equivalent access lines (k)				4,335	3,867	12.1%
Internet subscribers ⁽¹⁰⁾ (k)						
DSL High Speed Internet net activations ⁽¹¹⁾ (k)	91	86	5.8%	350	358	(2.2%)
DSL High Speed Internet subscribers ⁽¹¹⁾ (k)				1,808	1,458	24.0%
Dial-up Internet subscribers (k)				743	869	(14.5%)
				2,551	2,327	9.6%
Wireless						
Cellular & PCS Net activations (k)						
Pre-paid	88	33	n.m.	142	101	40.6%
Post-paid	129	156	(17.3%)	371	413	(10.2%)
	217	189	14.8%	513	514	(0.2%)
Cellular & PCS subscribers (k)						
Pre-paid				1,201	1,059	13.4%
Post-paid				3,724	3,353	11.1%
				4,925	4,412	11.6%
Average revenue per unit (ARPU) (\$/month)	50	50	0.0%	49	48	2.1%
Pre-paid	13	12	8.3%	12	12	0.0%
Post-paid	61	62	(1.6%)	61	60	1.7%
Churn (%) (average per month)	1.4%	1.4%	0.0 pts	1.3%	1.4%	0.1 pts
Pre-paid	1.9%	1.8%	(0.1) pts	1.9%	1.9%	0.0 pts
Post-paid	1.2%	1.2%	0.0 pts	1.1%	1.3%	0.2 pts
Usage per subscriber (min/month)	n/a	240	n/a	n/a	228	n/a
Cost of acquisition (COA) ⁽¹²⁾ (\$/sub)	402	445	9.7%	411	426	3.5%
Wireless EBITDA (\$ millions)	274	229	19.7%	1,187	918	29.3%
Wireless EBITDA margin ⁽¹³⁾	36.2%	34.0%	2.2 pts	41.5%	36.3%	5.2 pts
Wireless capital expenditures (\$ millions)	125	169	26.0%	362	408	11.3%
Paging subscribers (k)				427	524	(18.5%)
Paging average revenue per unit (\$/month)	9	10	(10.0%)	10	10	0.0%
Video (DTH and VDSL)						
Total subscribers (k)				1,503	1,387	8.4%
Net subscriber activations (k)	43	35	22.9%	116	83	39.8%
ARPU (\$/month)	49	48	2.1%	49	46	6.5%
COA (\$/sub)	537	581	7.6%	571	532	(7.3%)
Video EBITDA (\$ millions)	(4)	(21)	81.0%	(19)	(45)	57.8%
Churn (%) (average per month)	0.8%	1.0%	0.2 pts	1.0%	1.1%	0.1 pts

	Total 2004	Q4 04	Q3 04	Q2 04	Q1 04	Total 2003	Q4 03	Q3 03	Q2 03	Q1 03
Wireline										
Local										
Network access services (k)										
Residential		8,392	8,427	8,390	8,476		8,511	8,539	8,504	8,566
Business		4,513	4,535	4,548	4,541		4,540	4,549	4,564	4,577
Total		<u>12,905</u>	<u>12,962</u>	<u>12,938</u>	<u>13,017</u>		<u>13,051</u>	<u>13,088</u>	<u>13,068</u>	<u>13,143</u>
SmartTouch feature revenues (\$M)	939	233	234	235	237	955	240	239	239	237
Long Distance (LD)										
Conversation minutes (M)	18,070	4,559	4,435	4,498	4,578	19,132	4,685	4,664	4,911	4,872
Average revenue per minute (\$)	0.117	0.109	0.120	0.118	0.120	0.124	0.122	0.128	0.120	0.124
Data										
Equivalent access lines ⁽⁹⁾ (k) - Ontario and Quebec										
Digital equivalent access lines (k)		4,335	4,197	4,083	3,983		3,867	3,771	3,708	3,704
Internet subscribers ⁽¹⁰⁾ (k)										
DSL High Speed Internet net activations ⁽¹¹⁾ (k)	350	91	84	65	110	358	86	101	79	92
DSL High Speed Internet subscribers ⁽¹¹⁾ (k)		1,808	1,717	1,633	1,568		1,458	1,372	1,271	1,192
Dial-up Internet subscribers (k)		743	775	807	836		869	892	911	940
		<u>2,551</u>	<u>2,492</u>	<u>2,440</u>	<u>2,404</u>		<u>2,327</u>	<u>2,264</u>	<u>2,182</u>	<u>2,132</u>
Wireless										
Cellular & PCS Net activations (k)										
Pre-paid	142	88	14	17	23	101	33	23	27	18
Post-paid	371	129	95	78	69	413	156	101	104	52
	<u>513</u>	<u>217</u>	<u>109</u>	<u>95</u>	<u>92</u>	<u>514</u>	<u>189</u>	<u>124</u>	<u>131</u>	<u>70</u>
Cellular & PCS subscribers (k)										
Pre-paid		1,201	1,113	1,099	1,082		1,059	1,026	1,003	976
Post-paid		3,724	3,595	3,500	3,422		3,353	3,197	3,096	2,992
		<u>4,925</u>	<u>4,708</u>	<u>4,599</u>	<u>4,504</u>		<u>4,412</u>	<u>4,223</u>	<u>4,099</u>	<u>3,968</u>
Average revenue per unit (ARPU) (\$/month)	49	50	50	50	47	48	50	50	48	45
Pre-paid	12	13	12	11	11	12	12	13	12	11
Post-paid	61	61	63	62	59	60	62	62	60	56
Churn (%) (average per month)	1.3%	1.4%	1.2%	1.3%	1.3%	1.4%	1.4%	1.4%	1.4%	1.4%
Pre-paid	1.9%	1.9%	1.9%	1.9%	1.7%	1.9%	1.8%	1.8%	1.9%	1.9%
Post-paid	1.1%	1.2%	1.0%	1.1%	1.1%	1.3%	1.2%	1.3%	1.3%	1.3%
Usage per subscriber (min/month)	n/a	n/a	n/a	n/a	223	228	240	231	237	203
Cost of acquisition (COA) ⁽¹²⁾ (\$/sub)	411	402	381	413	455	426	445	425	435	387
Wireless EBITDA (\$ millions)	1,187	274	334	317	262	918	229	251	219	219
Wireless EBITDA margin ⁽¹³⁾	41.5%	36.2%	45.4%	44.9%	39.6%	36.3%	34.0%	38.0%	35.3%	38.4%
Wireless capital expenditures (\$ millions)	362	125	95	77	65	408	169	88	81	70
Paging subscribers (k)		427	449	469	493		524	549	581	606
Paging average revenue per unit (\$/month)	10	9	10	10	10	10	10	10	10	10
Video (DTH and VDSL)										
Total subscribers (k)		1,503	1,460	1,427	1,403		1,387	1,352	1,335	1,317
Net subscriber activations (k)	116	43	33	24	16	83	35	17	18	13
ARPU (\$/month)	49	49	48	49	48	46	48	47	47	44
COA (\$/sub)	571	537	548	570	661	532	581	507	533	493
Video EBITDA (\$ millions)	(19)	(4)	(16)	-	1	(45)	(21)	(9)	(9)	(6)
Churn (%) (average per month)	1.0%	0.8%	1.1%	1.0%	0.9%	1.1%	1.0%	1.4%	1.1%	1.0%

(1) We have reclassified some of the figures for the comparative period to make them consistent with the current period's presentation.

(2) **Non-GAAP Financial Measures**

EBITDA

The term, EBITDA (earnings before interest, taxes, depreciation and amortization), does not have any standardized meaning prescribed by Canadian generally accepted accounting principles (GAAP). It is therefore unlikely to be comparable to similar measures presented by other companies. EBITDA is presented on a consistent basis from period to period.

We define EBITDA as operating revenues less operating expenses, which means it represents operating income before amortization expense, net benefit plans cost, and restructuring and other items.

We use EBITDA, among other measures, to assess the operating performance of our ongoing businesses without the effects of amortization expense, net benefit plans cost, and restructuring and other items. We exclude amortization expense and net benefit plans cost because they largely depend on the accounting methods and assumptions a company uses, as well as non-operating factors, such as the historical cost of capital assets and the fund performance of a company's pension plans. We exclude restructuring and other items because they are transitional in nature.

EBITDA allows us to compare our operating performance on a consistent basis. We believe that certain investors and analysts use EBITDA to measure a company's ability to service debt and to meet other payment obligations, or as a common valuation measurement in the telecommunications industry.

EBITDA should not be confused with net cash flows from operating activities. The most comparable Canadian GAAP financial measure is operating income.

FREE CASH FLOW

The term, free cash flow, does not have any standardized meaning prescribed by Canadian GAAP. It is therefore unlikely to be comparable to similar measures presented by other companies. Free cash flow is presented on a consistent basis from period to period.

We define free cash flow as cash from operating activities after capital expenditures, total dividends and other investing activities.

We consider free cash flow to be an important indicator of the financial strength and performance of our business because it shows how much cash is available to repay debt and to reinvest in our company. We believe that certain investors and analysts use free cash flow when valuing a business and its underlying assets.

The most comparable Canadian GAAP financial measure is cash from operating activities.

(3) EBITDA margin is calculated as follows:

$$\frac{\text{EBITDA}}{\text{Operating revenues}}$$

(4) Total Wireless capital expenditures are included in the Consumer segment.

(5) Cash flow per share is calculated as follows:

$$\frac{\text{Cash flow from operations less capital expenditures}}{\text{Average number of common shares outstanding during the period}}$$

(6) Annualized cash flow yield is calculated as follows:

Free cash flow from operations before common dividends

Number of common shares outstanding at end of period multiplied by share price at end of period

Note: to annualize, multiply the most recent quarter's resultant by 4.

- (7) Reflects an increase in the total Bell Canada debt as a result of the completion of the purchase price allocation (PPA) relating to the repurchase of SBC's 20% interest in Bell Canada, which resulted in an increase in long-term debt of \$165 million. This increase in long-term debt will be applied against interest expense (\$11 million in Q4 2004) over the remaining terms of the related long-term debt.
- (8) At the BCE Consolidated level, 3rd Party Preferred Shares reflected in the financial statements of subsidiaries are included in non-controlling interest on the balance sheet.
- (9) Digital equivalent access lines are derived by converting low capacity data lines (DS-3 and lower) to the equivalent number of voice grade access lines. Broadband equivalent access lines are derived by converting high capacity data lines (higher than DS-3) to the equivalent number of voice grade access lines.

Conversion factors	
DS-0	1
Basic ISDN	2
Primary ISDN	23
DS-1, DEA	24
DS-3	672
OC-3	2,016
OC-12	8,064
OC-48	32,256
OC-192	129,024
10 Base T	155
100 Base T	1,554
Gigabit E	15,554

- (10) DSL High Speed Internet subscribers include consumer, business and wholesale. Dial-up Internet subscribers include consumer and business.
- (11) As part of our billing improvement program, we identified 49,000 High Speed Internet subscriber accounts that were not cancelled when they became inactive. As a result, prior period subscribers have been restated.
- (12) Includes allocation of selling costs from Bell Canada and excludes costs of migrating from analog to digital. Cost of Acquisition (COA) per subscriber is reflected on a consolidated basis.
- (13) Wireless EBITDA margins are calculated based on total Wireless operating revenues (i.e. external revenues as shown on pages 10 and 11 plus inter-company revenues).