TD Newcrest Communications & Media Conference 2009

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Bell

5 strategic imperatives

Our goal

"To be recognized by customers as Canada's leading communications company"

Strategic imperatives

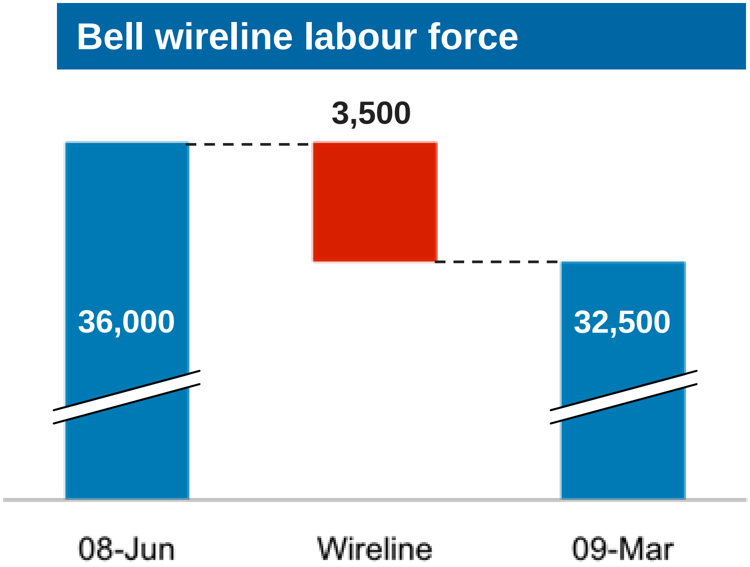
1. **Achieve a competitive cost structure**
2. **Accelerate wireless**
3. **Leverage wireline momentum**
4. **Invest in broadband network and services**
5. **Improve customer service**

Focused on key drivers of value

Strategic imperative 1 :

Achieve a competitive cost structure

Streamlined organization



Streamlined organizational structure

- ✓ Executive team from 17 to 12
- ✓ 30% reduction in SVP and VP positions
- ✓ Removed 3 layers of management
- ✓ Reduced 8% of workforce and 15% of management
- ✓ Pay for performance culture
  - Management base compensation unchanged since 2007
  - Increased management variable pay

Retirement incentive for more than 1,250

Bell Aliant 15% management reduction

- ✓ Complete

Approximately 3,500 wireline reductions over past 9 months

Bell

Driving productivity

Efficiency and contracts

- Field force productivity
  - 2,000 new Bell trucks
  - GPS-equipped for better efficiency
- Renegotiated contracts with key IT vendors
- Real estate consolidation (3 main campuses)
  - Moved out of 40 locations in past two years

Insourcing, outsourcing and offshoring

- Non-customer affecting
- Call centre/IT/back office
- Call centres consolidated from 33 to 27 with more to come

Reduced discretionary spend

- Consulting expense down dramatically
- 47 ad agencies to 11
- Eliminated ~7,000 corporate credit cards

Exited non-core businesses

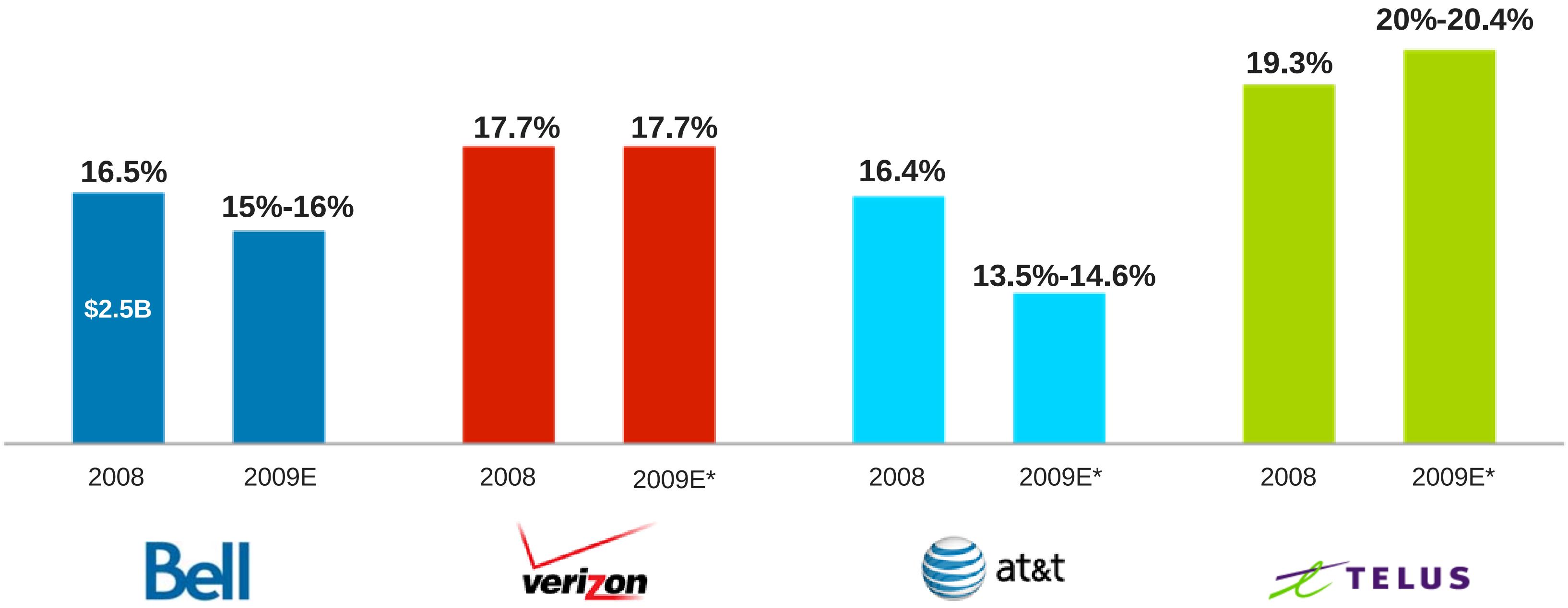
- Bell Business Solutions (SMB)
- Bell New Ventures
- Expertech U.S.
- BCE Merchant Services
- BCE Capital

Bell

Disciplined capital management

Capital intensity

- Rigorous new capital governance – single company priorities list
- Q1 Capital Intensity on track at 13.3%



Source: Company guidance and sell-side analyst estimates

Bell/BCE investing over $2.5 billion in 2009

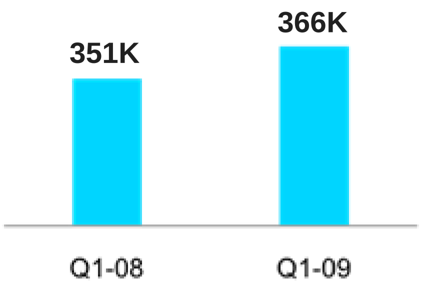
Strategic imperative 2 :

Accelerate wireless

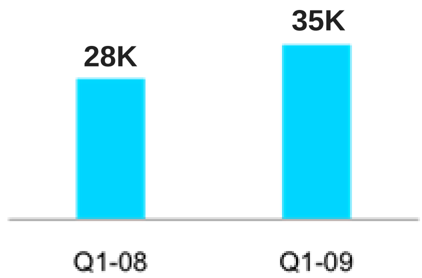
Bell mobility just got better

Wireless performance

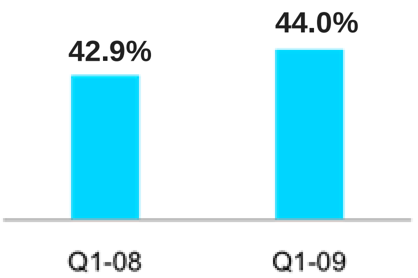
Gross adds



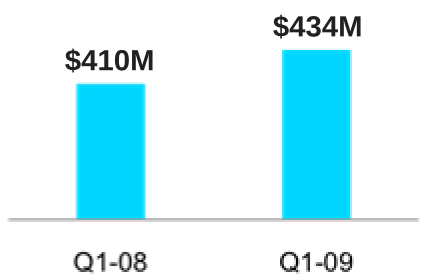
Postpaid net adds



EBITDA margin*



EBITDA



* Margin based on service revenue

Q1 2009 highlights

Gross additions up 4.3%

– Postpaid gross additions up 6.1%

Postpaid net additions up 25%

– Improved postpaid churn

ARPU declines $0.80

– Impacted by economy

Driving up EBITDA

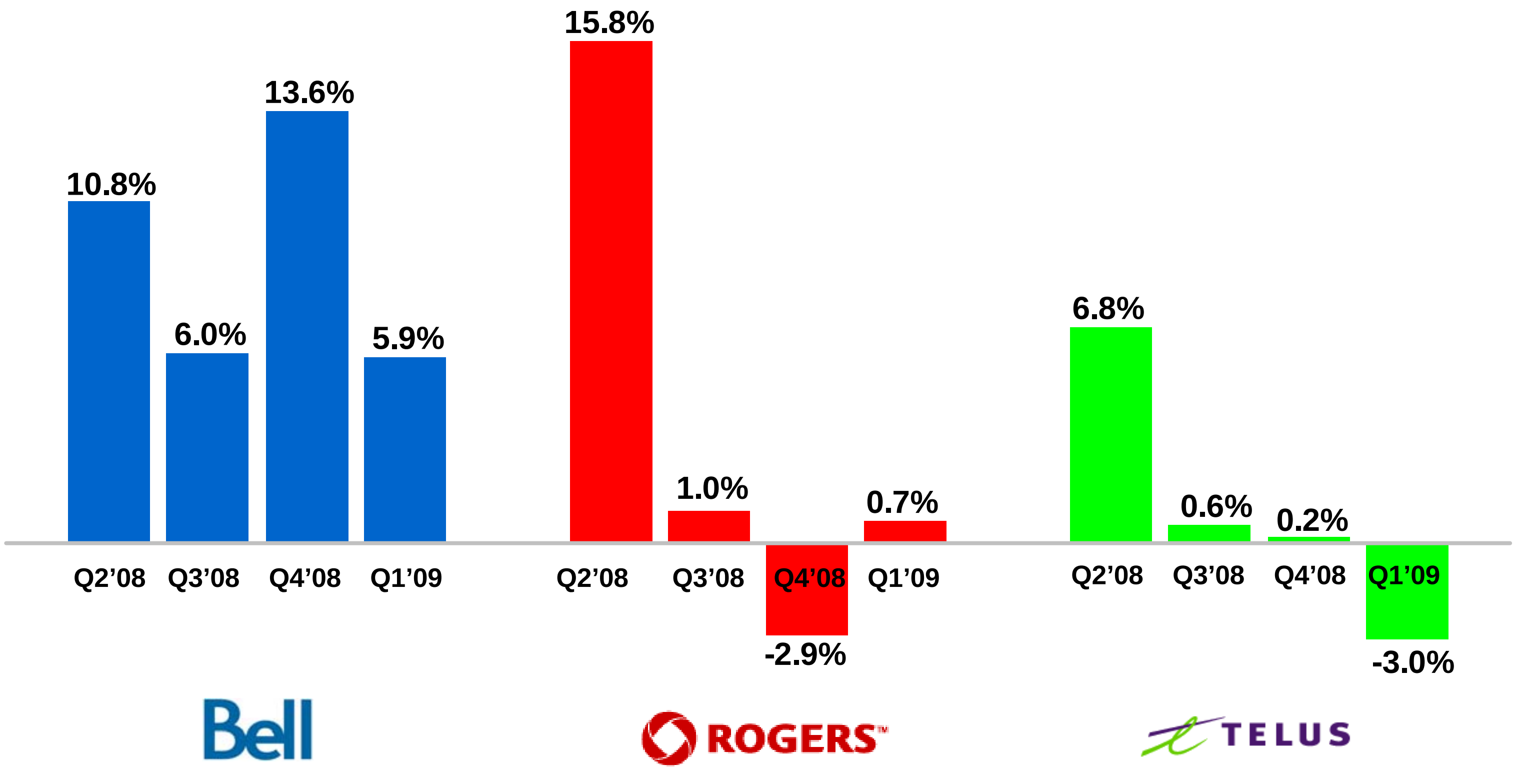
– 80% EBITDA flow-through

Stable metrics generate solid EBITDA growth of 5.9%

Wireless EBITDA growth in difficult environment

Wireless EBITDA growth

- Three consecutive quarters of leading EBITDA growth versus peers
- Reflects lower retention spend and disciplined handset pricing



Increasing wireless EBITDA margin for Bell

Accelerating wireless data

- First NHL mobile experience of its kind in North America
- Live audio and video highlights

- More than a billion messages a month
- 1 text for every phone call

- 1st location aware mobile portal in North America
- Live content on Bell home page by location

- 2 million TV and radio-capable devices
- 4 million TV and radio streams a month

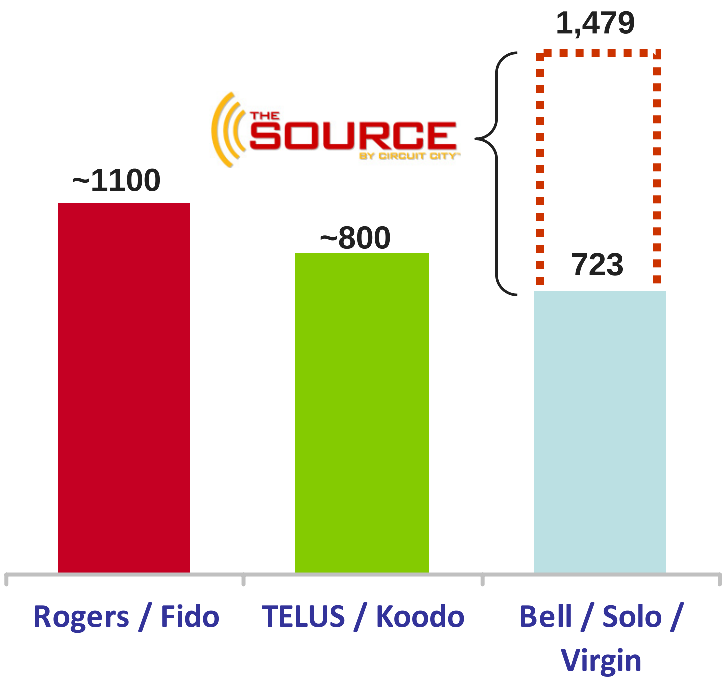
Bell Q1 data revenue growth up 36%

Bell

Acquisition of *The Source* on track to close in Q3

Distribution game-changer

Pro-forma exclusive carrier points of distribution[1]



(1) Includes dealer channel
Source: BCE estimates – February 2009
(2) LTM ended December 31, 2008

The Asset

- 756 retail stores nationally and ~3,000 employees
- Revenues[2] of \$643M; EBITDA[2] of \$27M
- 7-year track record of profitability

Benefits to Bell

- Cost effective way to quickly increase points of distribution
- Access to desirable traffic: more than 80M shoppers annually
- Full Bell product line carried by Jan.1, 2010

Enhanced distribution will drive activations and market share

Acquisition of Virgin Mobile's 50% stake

Rationale

1 Leverage Virgin Brand

- Significant brand awareness
- Continued global marketing support from Virgin Group
- Long-term extension of brand licensing agreement
- Maximizes Bell's flanker brand flexibility

2 Leverage Distribution

- Virgin's strong brand appeal should drive incremental traffic for ***The Source***
- ~85 Virgin kiosks
- Strong 3rd party retail distribution appeal

3 Compelling Value

- Net purchase price of ~$102M
  - Reflects access to tax losses valued at ~$40M
- Limited impact on wireless financials in 2009

Consistent with strategic imperative to accelerate wireless

Next generation wireless network

Customer benefits

- Global standard
- Path to next generation data services
- More choice in handsets
- Improved rural coverage
- International roaming

Financial benefits

- Bell/TELUS agreement lowers capital requirement
- Network operating cost savings
- Lower handset costs
- New entrant roaming revenues
- Faster time to market and greater coverage

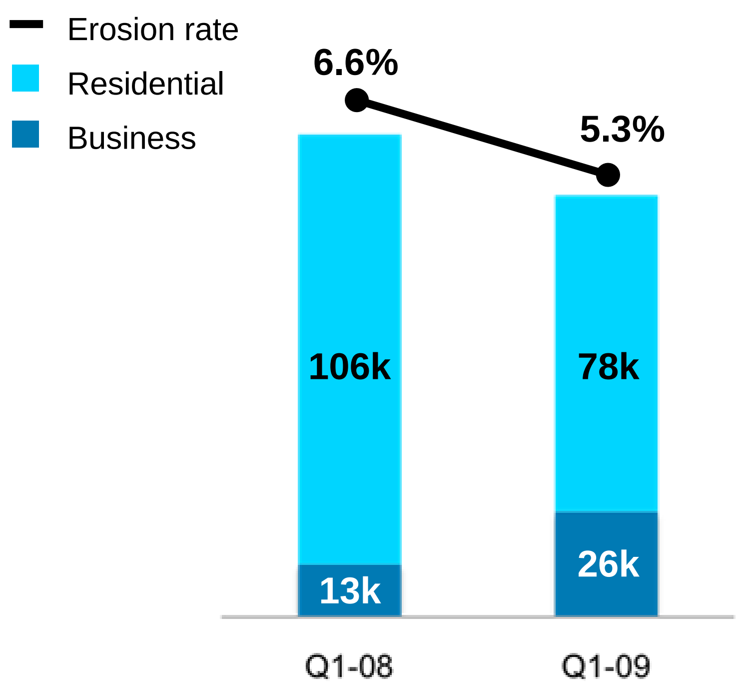
Launching HSPA network by early 2010

Strategic imperative 3 :

Leverage wireline momentum

Slowing telephone line losses

Fewer local line losses



Significant improvement

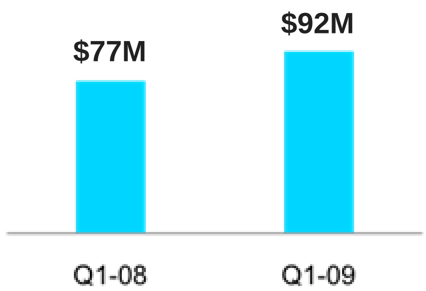
- Line losses improve for six straight quarters
- Economy softened SMB results
- Bundles contributing to improving trend in residential NAS erosion
- Steady level of winbacks
- Continual service improvements

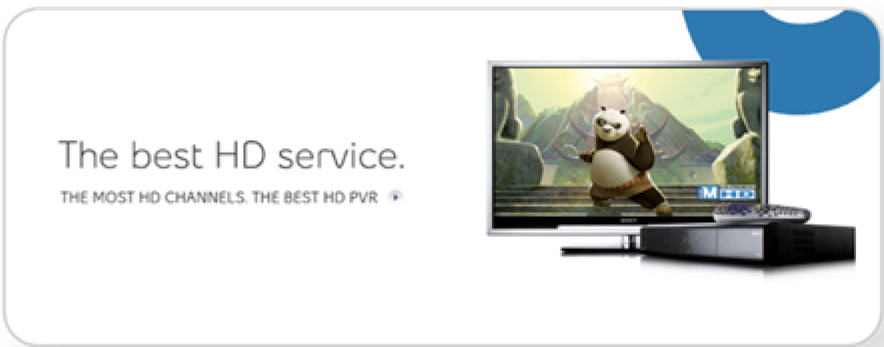
Residential showing good resiliency to economic downturn

Strong Bell TV growth

Revenue per sub

EBITDA





Solid revenue and EBITDA growth

- Revenue up 8.7%
- EBITDA up 19.5%
- Industry-leading churn of 1.1%
- Over 1.8M TV subscribers

Maintaining HD leadership

- Most HD channels in Canada
- HD penetration over 25%
- PVR penetration over 25%

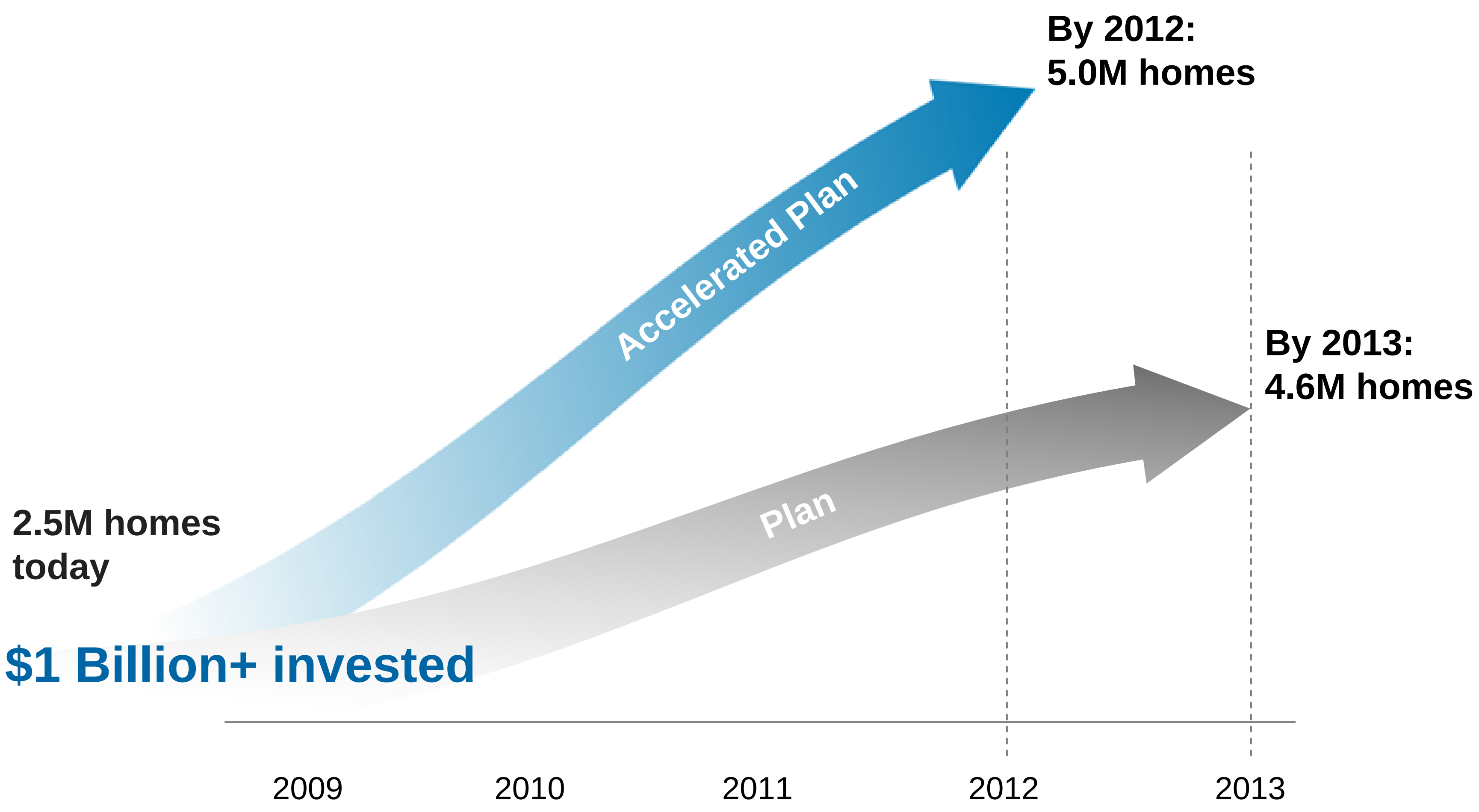
Building on 2008 momentum

Bell

New TV distribution channel

- Agreement with TELUS to distribute satellite TV in BC and AB
  - Confirms success and quality of Bell TV
  - Supports industry-leading offering, including the most HD channels of any television provider in Canada
- Takes advantage of TELUS' distribution network in the West
- Improves Bell's return on investment in a leading service
- Bell to continue marketing Bell TV branded services in Western Canada

Accelerated fibre broadband investment



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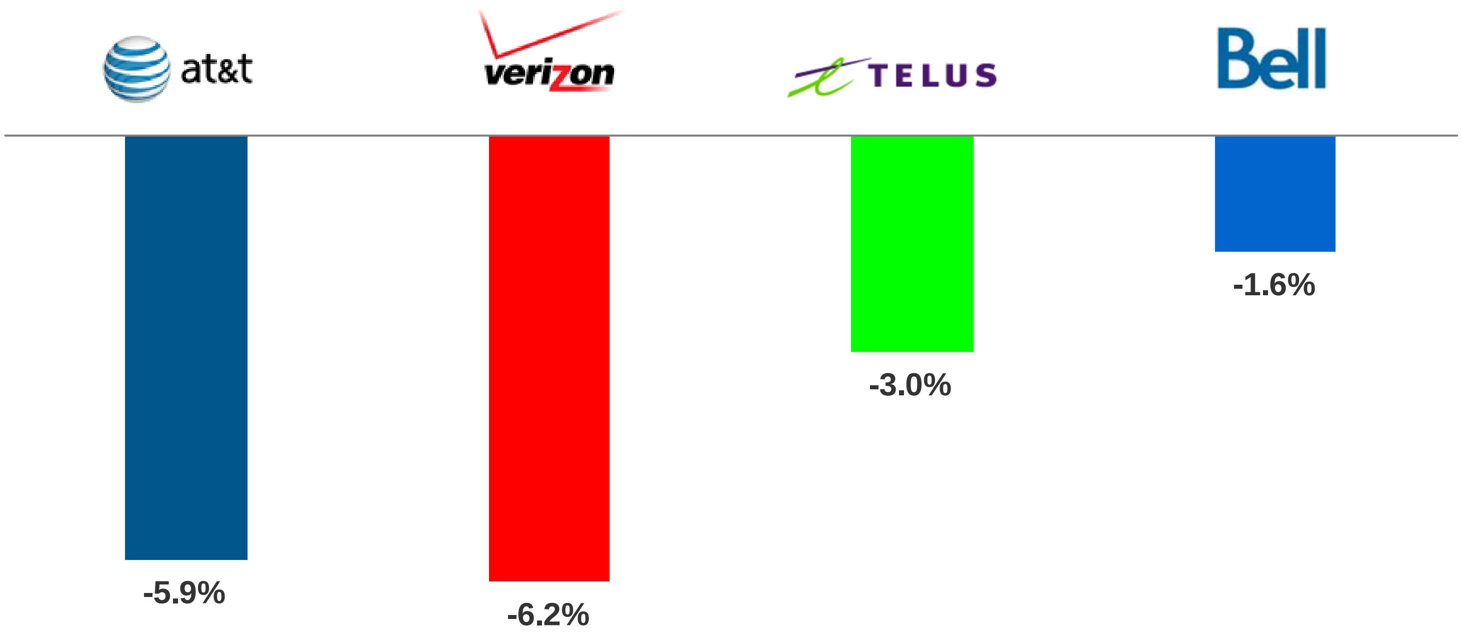
Best-in-class wireline EBITDA performance

Wireline EBITDA growth

Telco peer performance benchmark: LTM ended Q1’09



Leading our North American peers

Strategic imperative 4 :

Invest in broadband networks & services

networks just got better

Building platforms for the future

Rolling out HSPA

Ready by early 2010

- Accelerated time to market
- Joint build reduces capital requirement
- Global standard and path to next generation data services

Investing in FTTN

Accelerating FTTN deployment

- Advanced by one year
- ~$700M cumulative investment over next 3 years
- 175 condos set up for fibre

Leveraging best-in-class IP core

Investments in core made Bell #1 IP MPLS network in North America

- Reduced outages for Enterprise customers

Bell

Strategic imperative 5 :

Improve customer service

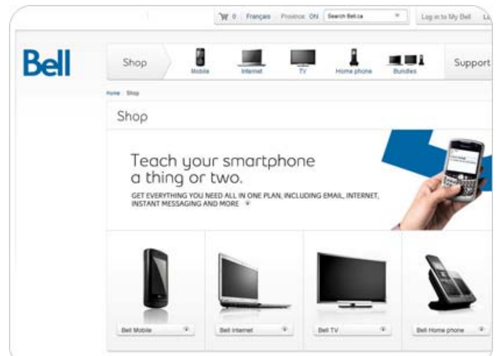
Bell service just got better

New service model

Full in-home service

Better in-store experience

Quality focus



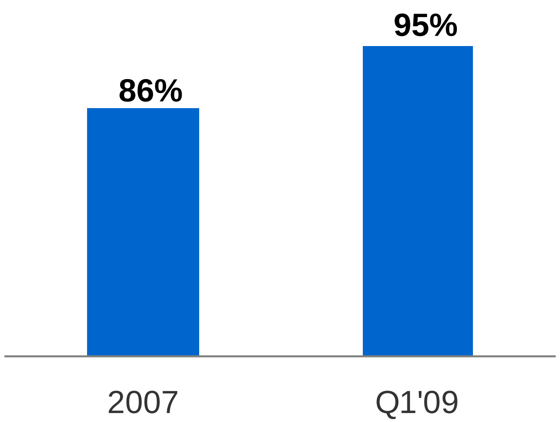
Self-serve convenience

Service just got better

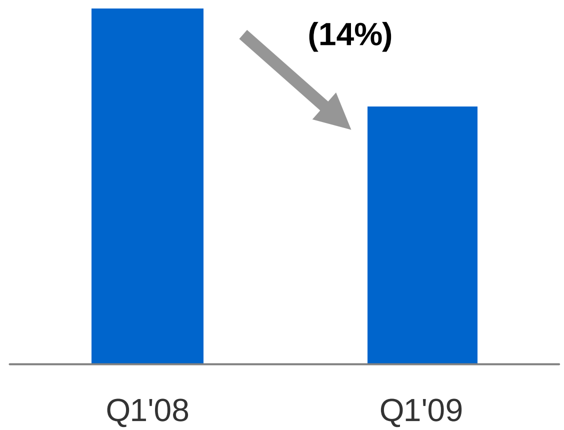
Service enhancements	Better results
Same Day Next Day	▪ 95% success rate ▪ Great improvement over 2008
Express Install	▪ Customers prepared to pay for premium service ▪ Solid momentum with new orders increasing monthly
Full Install	▪ Offered to all new DSL subscribers ▪ Targetting more than 300,000 installs in 2009
Enterprise service	▪ 18% fewer data and broadband outages year over year ▪ IP network stability surpasses standards with 99.9998% availability

Measurable call centre improvement

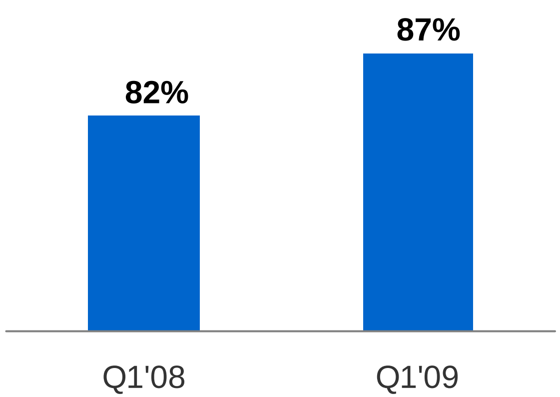
Same Day / Next Day



Fewer repair calls



Repair call satisfaction



Call volumes drop

- 14% fewer repair calls per year

Customer satisfaction increases

- Internet satisfaction up 33%

Key service desks move onshore

- ~1 million calls moving from India to North America

Best overall satisfaction in over 4 years

More to come

SPA (Service & Product Assistance)

Full wireless service, warranty and repair in store

Move Concierge Service

One Bell agent dedicated to 3-Product customers

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Capital structure & Results review

Capital structure model

1 Maintain strong credit profile

- Solid investment grade metrics
- Ample access to short- and long-term capital

2 Ensure ample liquidity

- Strong, reliable cash flow generation
- Ability to self-fund debt maturities

3 Return cash to shareholders

- Target dividend payout ratio of 65%-75% of Adjusted EPS*
- Direct excess cash to share buybacks

* Before restructuring and other and net gains (losses) on investments

Strong capital structure and prudent financial policy

Bell

Executing on our capital structure model

1. 5% dividend increase > February 11, 2009 ✓
2. 5% share buyback completed > May 5, 2009 ✓
3. $1.4B three-year credit facility renewed > May 7, 2009 ✓
4. Repay $1.5B 2009 debt maturities from cash on hand > Balance of 2009

Balancing shareholder returns with strong credit profile

Q1 financial results consistent with strategy

Bell	Q1'09	Y/Y
Revenues	$3,623M	(0.5%)
EBITDA	$1,426M	0.3%
EBITDA margin	39.4%	0.3 pts
Capex	$482M	(5.7%)
Capital Intensity	13.3%	(0.8 pts)

BCE	Q1'09	Y/Y
Statutory EPS	$0.48	50.0%
Adjusted EPS[(1)]	$0.57	–
Free Cash Flow[(2)]	$272M	($32M)

(1) Before restructuring and other and net gains (losses) on investments
(2) Before common share dividends and including Bell Aliant's cash distributions

- **Revenues essentially flat y/y**
  - Service revenues up 0.2%
  - Product sales down 8.2%
- **Managing through economic downturn**
- **Stable EBITDA y/y**
- **Higher capital spending due to HSPA and FTTN**
- **Stable Adjusted EPS**
- **Healthy free cash flow**

Results in line with guidance

Bell

What's changed at Bell since July 2008

Focus on cost…

- ✓ New organizational structure
- ✓ Removed 3 layers of management
- ✓ Reduced wireline workforce by ~3,500
- ✓ Renegotiated IT contracts
- ✓ Campus consolidation
- ✓ New capital governance process
- ✓ Exited non-core businesses

… balanced with investments in strategic imperatives

- ✓ Changed culture to pay for performance
- ✓ New HSPA wireless network build
- ✓ Launched new satellite for HD capacity
- ✓ Accelerated Fibre-to-the-node (FTTN)
- ✓ Expanding fibre to the building for MDUs
- ✓ Rolled out new service initiatives
  - Same Day/Next Day
  - Express Install
  - Full Install
- ✓ Launched new brand – received best new brand award in Québec market
- ✓ Announced *The Source* acquisition
- ✓ Announced expanded Bell TV distribution
- ✓ Announced Virgin acquisition

Bell

Bell

today
just got
better