Q1 2018 Results Conference Call

May 3, 2018

Bell

Safe harbour notice

Certain statements made in this presentation are forward-looking statements. These forward-looking statements include, but are not limited to, statements relating to BCE's financial guidance (including revenues, adjusted EBITDA, capital intensity, adjusted EPS and free cash flow), BCE's common share dividend payout policy, our network deployment plans and related capital investments, BCE's business outlook, objectives, plans and strategic priorities, and other statements that are not historical facts. A statement we make is forward-looking when it uses what we know and expect today to make a statement about the future. Forward-looking statements are typically identified by the words *assumption*, *goal*, *guidance*, *objective*, *outlook*, *project*, *strategy*, *target* and other similar expressions or future or conditional verbs such as *aim*, *anticipate*, *believe*, *could*, *expect*, *intend*, *may*, *plan*, *seek*, *should*, *strive* and *will*. All such forward-looking statements are made pursuant to the 'safe harbour' provisions of applicable Canadian securities laws and of the United States *Private Securities Litigation Reform Act of 1995*.

Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in or implied by such forward-looking statements. As a result, we cannot guarantee that any forward-looking statement will materialize and we caution you against relying on any of these forward-looking statements. For a description of such assumptions and risks, please consult BCE's 2017 Annual MD&A dated March 8, 2018, as updated in BCE's 2018 First Quarter MD&A dated May 2, 2018, and BCE's news release dated May 3, 2018 announcing its financial results for the first quarter of 2018, all filed with the Canadian provincial securities regulatory authorities (available at sedar.com) and with the U.S. Securities and Exchange Commission (available at sec.gov), and which are also available on BCE's website at BCE.ca.

The forward-looking statements contained in this presentation describe our expectations at May 3, 2018 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 contained in this presentation, whether as a result of new information, future events or otherwise.

The terms "adjusted EBITDA", "adjusted EBITDA margin", "adjusted EPS", "free cash flow" and "dividend payout ratio" are non-GAAP financial measures and do not have any standardized meaning under IFRS. Therefore, they are unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Notes" in BCE's news release dated May 3, 2018 for more details.

George Cope

President & Chief Executive Officer

Bell

Q1 overview

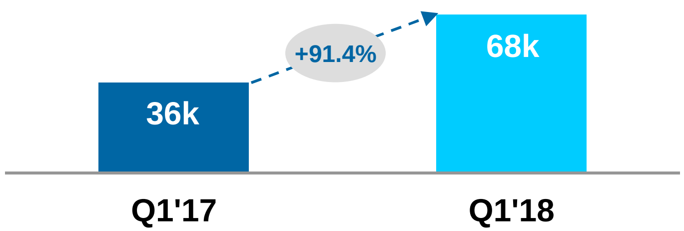
- **102k total broadband wireless postpaid, Internet and IPTV net additions, up 29k or 39.0% y/y**
- **4.8% revenue growth drove 4.1% higher adjusted EBITDA with healthy 40.3% margin**
- **Continued strong wireless operating momentum**
  - Double-digit revenue growth of 10.1%
  - Adjusted EBITDA up 8.7%, excluding $14M retroactive regulatory impact
- **Positive wireline operating trends**
  - Wireline adjusted EBITDA up 3.1% y/y on 3.6% revenue growth
- **Mass-market launch of Bell's all-fibre broadband network in Toronto on April 5th**
- **Stable cash flow contribution from Bell Media with adjusted EBITDA-capex growth of 0.9%**

50th consecutive quarter of uninterrupted y/y adjusted EBITDA growth generated FCF growth of 9.8% in Q1

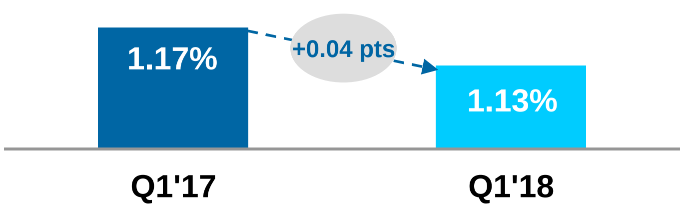
Bell

Wireless operating metrics

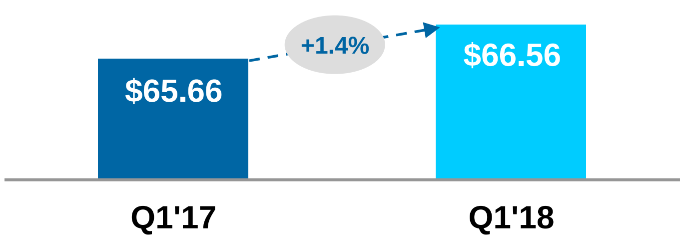
Postpaid net additions



Postpaid churn rate



Blended ABPU(1)



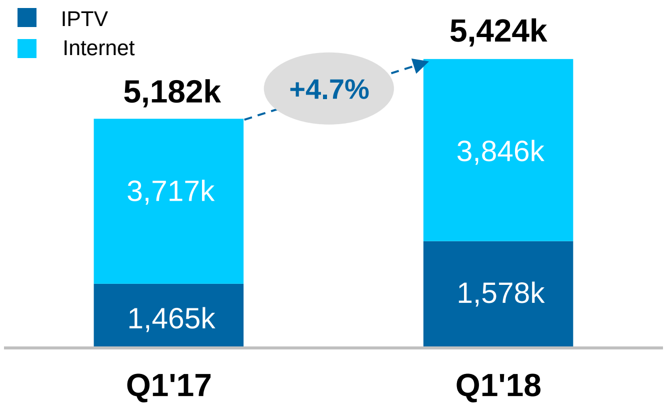
(1) This metric is equivalent to blended ARPU reported prior to the adoption of IFRS 15. Excludes $14M retroactive regulatory impact due to CRTC wholesale wireless domestic roaming rate decision.

- **Postpaid subscriber momentum maintained in Q1 with net additions of 68k**
  - Best Q1 performance since 2011
  - 4th consecutive quarter of lower y/y postpaid churn
- **Lucky Mobile driving improved prepaid subscriber trajectory**
  - 10.9% higher y/y prepaid gross additions drove 31.3% improvement in net customer losses
- **Blended ABPU(1) (formerly reported as ARPU) up 1.4% on higher mix of postpaid subscribers on premium-rate plans with more data and increased LTE network usage**

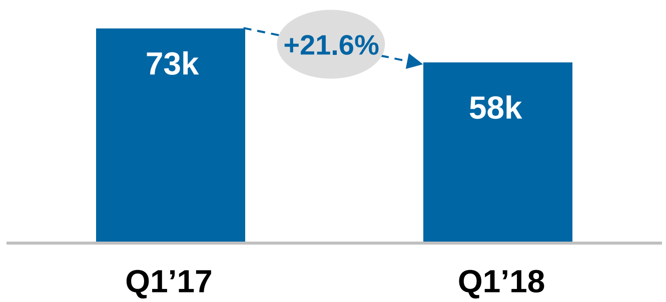
Strong set of Q1 wireless metrics with postpaid net adds up 91.4% y/y

Wireline subscriber metrics

Internet and IPTV subscribers (EOP)



Residential NAS net losses



- **20k total Internet net additions, up 31.1% y/y, in seasonally slower quarter**
  - Broadband fibre driving new customer growth, lower churn and higher residential ARPU
  - 44k new FTTH customers added in Q1
- **Mass-market launch of Bell Fibe in Toronto on April 5th**
- **14k IPTV net additions**
  - Minimal new footprint expansion and high rate of market penetration in more mature Fibe TV markets moderating y/y net additions
  - Return of aggressive 24-month cable bundle offers in Ontario in Q1
- **26k Satellite TV net losses improved 31.6% y/y**
  - Reflects 23 bps reduction in residential churn to 1.24%
- **Residential NAS net losses down 21.6% y/y**
  - Improved customer retention in Bell fibre footprint

Balancing broadband growth with promotional pricing discipline and subscriber profitability as direct fibre footprint continues to expand

Bell

Bell Media

- **Stable contribution by Bell Media to overall BCE consolidated FCF in Q1 despite content cost pressures and Winter Olympics on CBC**
- **Leading TV viewership and ratings maintained**
  - 9 of top 20 programs for CTV in winter season
- **TSN and RDS remained Canada's leading English and French-language specialty TV channels in Q1**
  - TSN audiences up 15% y/y
- **CTV National News is #1 national newscast in Canada ahead of CBC's The National by 89%**
- **BNN Bloomberg launched on April 30th**
- **Deal reached with Sony Pictures Television for worldwide distribution of CTV's The Launch**
- **Recognition for excellence in programming**
  - Bell Media and its partners honoured with 52 awards at recent Canadian Screen Awards

Market-leading media properties and focused operational execution delivered financial results in line with plan for Q1

Glen LeBlanc

EVP & Chief Financial Officer

Q1 financial review

($M) except per share data	Q1'18	Y/Y
Revenue	**5,590**	**4.8%**
Service	4,964	3.2%
Product	626	19.2%
Adjusted EBITDA	**2,254**	**4.1%**
Margin	40.3%	(0.3 pts)
Net earnings	**709**	**3.1%**
Statutory EPS	**0.73**	**0.0%**
Adjusted EPS(1)	**0.80**	**0.0%**
Capex	**931**	**(9.3%)**
Capital Intensity (CI)	16.7%	(0.7 pts)
Cash from operating activities	**1,496**	**13.9%**
Free cash flow (FCF)(2)	**537**	**9.8%**

* **Presented in accordance with IFRS 15 accounting standards**

(1) Before severance, acquisition and other costs, net mark-to-market (gains) losses on equity derivatives, net (gains) losses on investments, impairment charges and early debt redemption costs

(2) Before BCE common share dividends and voluntary pension contributions

- **IFRS 15 changeover on January 1, 2018**
  - No impact on underlying operating fundamentals
  - No material change in y/y growth rates compared to prior accounting basis
  - For comparability, 2017 financials revised to reflect IFRS 15 impact
  - Free cash flow not affected
- **4.8% revenue growth driven by strong wireless financials, improved wireline business results and final quarter of Bell MTS contribution**
  - MTS acquisition lapped on March 17th
- **Adjusted EBITDA up 4.1% y/y**
  - Adjusted EBITDA increased 4.7%, excluding $14M retroactive regulatory impact at Bell Wireless
- **Net earnings up 3.1% y/y**
- **Stable adjusted EPS of $0.80**
- **9.3% higher y/y capex in line with plan to accelerate broadband fibre buildout and increase LTE-A network reach and speeds**
- **FCF up 9.8% y/y in seasonally low Q1**

Q1 financial results in line with 2018 guidance targets

Bell

Wireless financials

($M)	Q1'18	Y/Y
Revenue	**1,946**	**10.1%**
Service	1,512	6.1%
Product	434	26.9%
Operating costs	**1,124**	**(12.6%)**
Adjusted EBITDA	**822**	**6.9%**
Margin (total revenue)	42.2%	(1.3 pts)
Adjusted EBITDA[(1)]	**836**	**8.7%**
Margin (total revenue)	42.7%	(0.8 pts)
Capex	**164**	**(20.6%)**
Capital intensity (CI)	8.4%	(0.7 pts)

* **Presented in accordance with IFRS 15 accounting standards**

(1) Excluding $14M retroactive regulatory impact due to CRTC wholesale wireless domestic roaming rate decision

- **10.1% revenue growth driven by a larger customer base, higher y/y postpaid subscriber mix and Bell MTS financial contribution**
  - Service revenue up 7.1% excluding retroactive regulatory impact
  - Product revenue up 26.9% on higher y/y volumes and increased sales mix of premium devices
- **Adjusted EBITDA up 6.9% y/y on strong revenue flow-through**
  - Adjusted EBITDA growth of 8.7%, excluding retroactive regulatory impact
  - Retroactive impact related to period from May 2015 to December 2017

Healthy adjusted EBITDA growth together with low capital intensity of 8.4% delivering strong consolidated free cash flow contribution

Bell

Wireline financials

($M)	Q1'18	Y/Y
Revenue	**3,084**	**3.6%**
Service	2,892	3.5%
Product	192	4.3%
Operating costs	**1,782**	**(4.0%)**
Adjusted EBITDA	**1,302**	**3.1%**
Margin	42.2%	(0.2 pts)
Capex	**747**	**(8.1%)**
Capital intensity	24.2%	(1.0 pts)
Adjusted EBITDA-capex	**555**	**(3.0%)**

* **Presented in accordance with IFRS 15 accounting standards**

- **Revenue up 3.6% y/y on steady broadband subscriber growth and Bell MTS contribution**
  - Internet and TV revenue up ~7% y/y
  - No material contribution from AlarmForce
- **Improved business markets performance**
  - IP broadband connectivity revenue up ~5% y/y
  - Stronger y/y data product and business service solutions sales to large enterprise customers
  - Best quarter of operating profitability since Q3 2010
- **Adjusted EBITDA up 3.1% y/y with industry-leading margin of 42.2%**
- **Adjusted EBITDA-capex margin fully supports ~$2B planned broadband fibre spend in 2018**

Q1 wireline financials reflect profitable broadband subscriber growth in a competitive market and improved y/y business markets results

Media financials

($M)	Q1'18	Y/Y
Revenue	**749**	**(0.3%)**
Operating costs	**619**	**(0.3%)**
Adjusted EBITDA	**130**	**(3.0%)**
Margin	17.4%	(0.4 pts)
Capital expenditures	**20**	**20.0%**
Capital intensity	2.7%	0.6 pts
Adjusted EBITDA-capex	**110**	**0.9%**

- **Q1 revenue stable y/y**
- **Advertising revenue down 0.4%**
  - TV advertising impacted by ongoing market softness and Winter Olympics on CBC
  - Partly offset by outdoor advertising and digital growth
- **Subscriber revenue up 0.4% on continued steady CraveTV and TV Everywhere growth**
- **Adjusted EBITDA down 3.0% y/y**
  - Continued operating cost pressure from sports broadcast rights and CraveTV content expansion

Stable cash flow contribution from Bell Media in Q1 despite ongoing TV advertising pressure and strategic CraveTV content investments

Adjusted EPS

Adjusted EPS[1]

Adjusted EPS walk down ($)	Q1'17	Q1'18
Adjusted EBITDA	**1.81**	**1.88**
Depreciation & amortization	(0.76)	(0.83)
Net interest expense	(0.20)	(0.20)
Net pension financing cost	(0.01)	(0.01)
Tax adjustments	0.00	0.01
Other	0.01	0.02
Preferred share dividends & NCI	(0.05)	(0.05)
Share issuance	0.00	(0.02)
Adjusted EPS	**0.80**	**0.80**

* **Presented in accordance with IFRS 15 accounting standards**

(1) Before severance, acquisition and other costs, net (gains) losses on investments, net mark-to-market (gains) losses on equity derivatives, impairment charges and early debt redemption costs

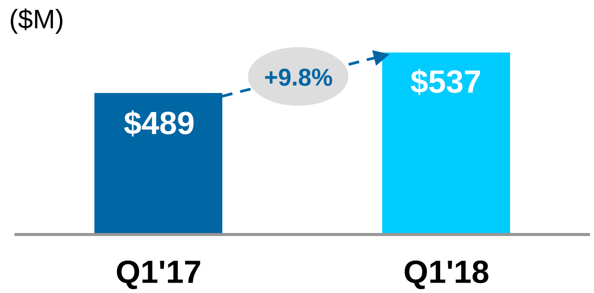
- **Adjusted EBITDA growth contributed 7¢ increase to adjusted EPS in Q1**
- **Increased depreciation and amortization expense reflects higher capital asset base including MTS**
- **2¢ per share dilution in Q1'18 from shares issued for MTS acquisition in March 2017**
- **$175M NCIB program completed March 13th**
  - ~3.1M common shares repurchased, generating annualized dividend savings of ~$9M
- **Adjusted EPS now excludes mark-to-market movements on equity derivatives**
  - Better reflects underlying fundamental results and reduces volatility from non-operational factors

Stable y/y adjusted EPS of $0.80 in line with plan for Q1

Bell

Free cash flow

FCF



FCF walk down ($M)	Q1'17	Q1'18
Adjusted EBITDA[(1)]	2,216	2,327
Capex	(852)	(931)
Interest paid	(223)	(236)
Cash pension	(107)	(106)
Cash taxes	(288)	(284)
Severance and other costs	(41)	(35)
Working capital & other	(161)	(152)
Preferred share & NCI dividends	(55)	(46)
FCF[(2)]	**489**	**537**

[(1)] Before post-employment benefit plans service cost

[(2)] Free cash flow before BCE common share dividends and voluntary pension contributions

- **Higher y/y FCF driven by strong adjusted EBITDA growth, including MTS contribution, and positive change in working capital**
- **Capex reflects higher planned spending in 2018**
- **Higher interest paid due to MTS public debt assumed and timing of debt service payments**
- **Cash taxes relatively stable y/y as higher instalment payments offset by partial utilization of MTS tax losses**
- **Completed 7-year C$500M and 30-year US$750M public debt offerings in Q1 2018**
  - First issuance in U.S. market in over 20 years
  - Maintains average after-tax cost of public debt stable at ~3.1%, while increasing average term to maturity from 9.3 to 10.4 years
  - Refinancing of near-term maturities completed to end of February 2019
- **Bell Canada pension plan now nearly fully-funded with a solvency ratio of over 99%**

FCF of $537M generated in Q1, up 9.8% y/y

Updated financial targets for 2018

BCE	February 8[1]	May 3[2]
Revenue growth	**2% to 4%**	**2% to 4%**
Adjusted EBITDA growth	**2% to 4%**	**2% to 4%**
Capital intensity	**~17%**	**~17%**
Adjusted EPS Growth y/y	**$3.42 to $3.52**[3] 1% to 4%	**$3.45 to $3.55**[4] **1% to 4%**
Free cash flow (FCF)[5] Growth y/y	**$3,525M to $3,650M** 3% to 7%	**$3,525M to $3,650M** 3% to 7%
Dividend payout policy	**65% to 75%** of free cash flow	**65% to 75%** of free cash flow

(1) Based on 2017 IFRS accounting standards which do not reflect IFRS 15 financial impacts

(2) Based on IFRS 15 accounting standards

(3) Before severance, acquisition and other costs, net (gains) losses on investments, impairment charges and early debt redemption costs

(4) Before severance, acquisition and other costs, net (gains) losses on investments, net mark-to-market (gains) losses on equity derivatives, impairment charges and early debt redemption costs

(5) Before BCE common share dividends and voluntary pension contributions

- **No change to 2018 guidance growth rates due to IFRS 15 transition**
- **Adjusted EPS dollar guidance for 2018 increased to reflect favourable impact on adjusted EBITDA from adoption of IFRS 15**
  - 2017 adjusted EPS restated from $3.39 on prior accounting basis to $3.42 to reflect IFRS 15 impact and exclusion of net mark-to-market changes on equity derivatives
- **FCF not impacted by IFRS 15**

Financial plan and business outlook on track, supporting higher y/y capital investment and 5.2% dividend increase for 2018

Bell