



Bell

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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

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

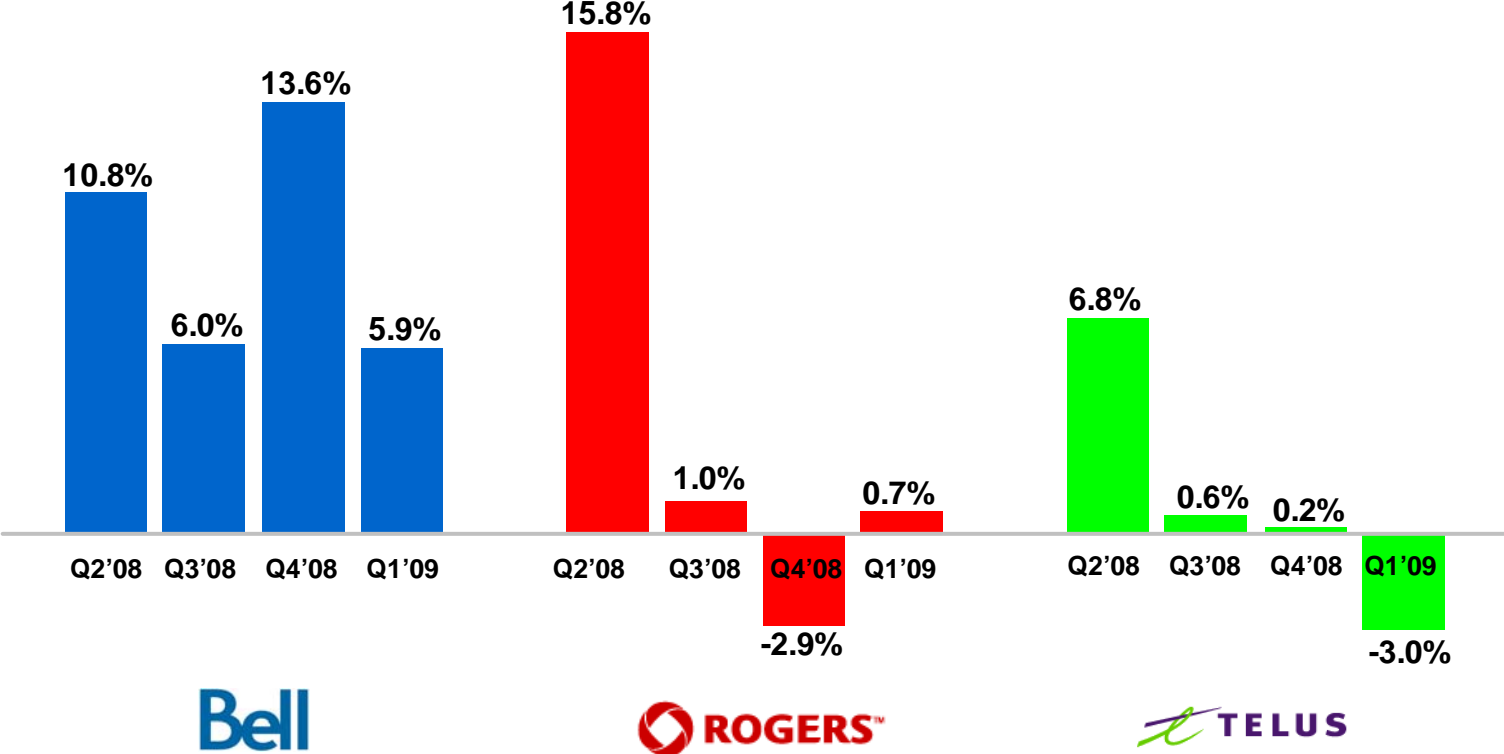
... balanced with investments in strategic imperatives

- ✓ 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

Wireless EBITDA growth in current 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



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

HSPA.
MOBILE BROADBAND TODAY

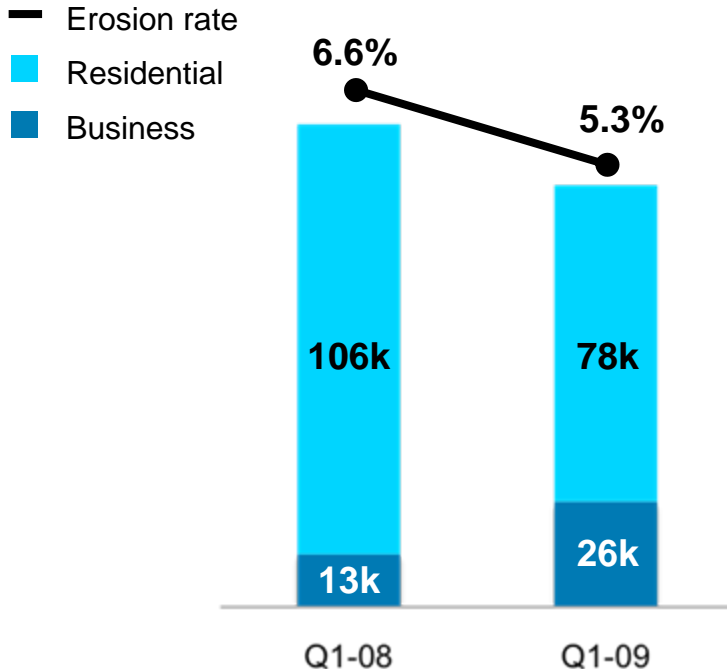


Launching HSPA network by early 2010

Bell

Slowing telephone line losses

Fewer local line losses



Significant improvement

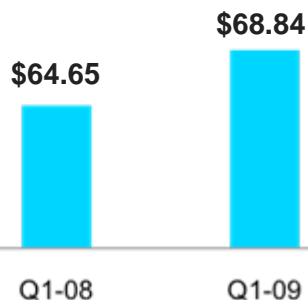
- Line losses improve for six straight quarters
- Economy softened SMB results
- Bundles contributing to improving trend in residential NAS erosion
- Steady level of winbacks
- Continual service improvements

Residential showing good resiliency to economic downturn

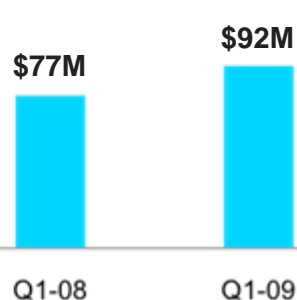


Strong Bell TV growth

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%

IPTV

- Technically stable and compelling platform
- FTTN providing ubiquitous video footprint
- Disciplined approach as we continue to prepare for future launch

The best HD service.
THE MOST HD CHANNELS. THE BEST HD PVR



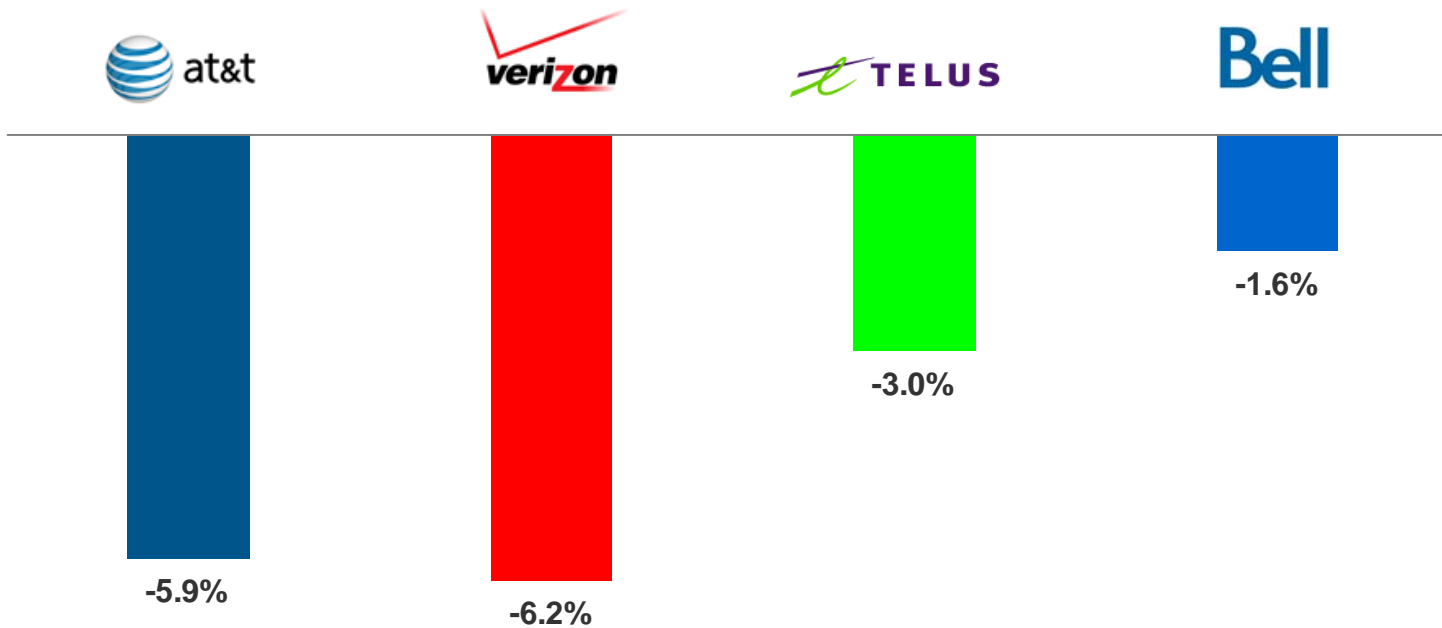
Building on 2008 momentum



Best-in-class wireline EBITDA performance

Wireline EBITDA growth

Telco peer performance benchmark: LTM ended Q1'09



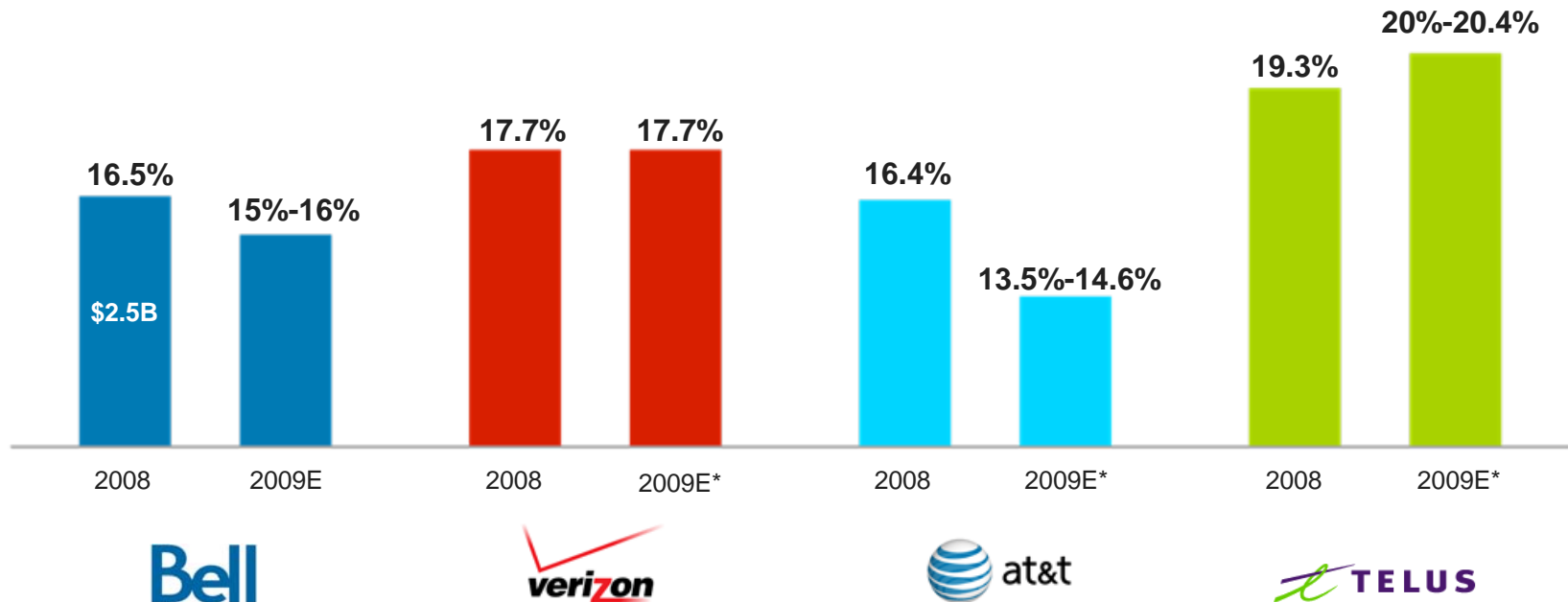
Leading our North American peers



Disciplined capital management

Capital intensity

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

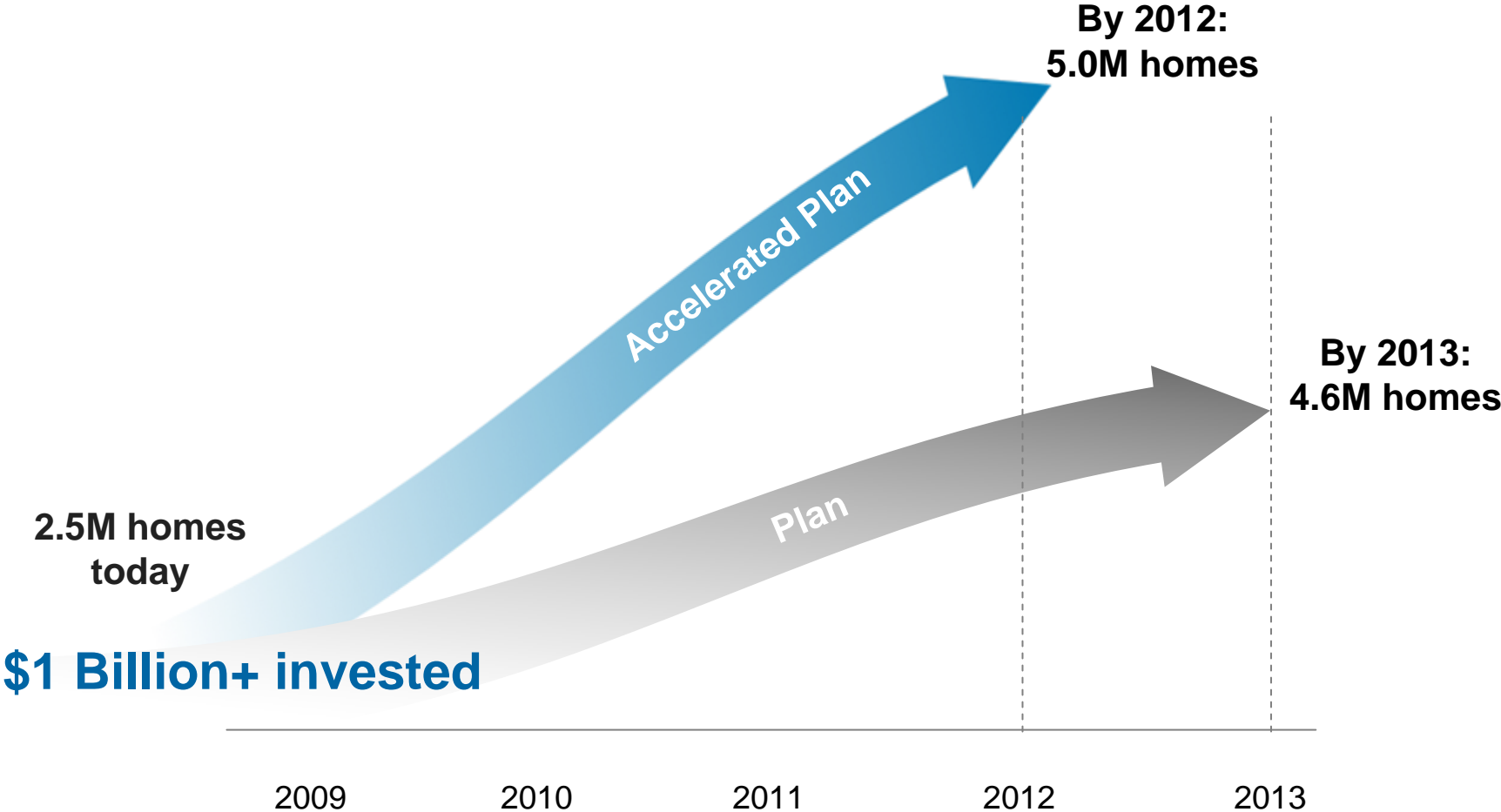


Source: Company guidance and sell-side analyst estimates

Bell/BCE investing over \$2.5 billion in 2009



Accelerated fibre broadband investment



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**
- **Attractive debt maturity profile**

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

Dividend growth model underpinned by strong capital structure



Executing on our Priorities

Solid operating results given macroeconomic environment

- Q1 results reflect continued execution on strategic imperatives
 - Abating NAS losses
 - Higher residential household ARPU
 - Wireless margin expansion in tough environment
 - Disciplined cost and capital management
- Financials in-line with 2009 guidance targets

Clear progress on capital structure objectives

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

Balancing shareholder returns with strong credit profile



Bell

today
just got
better