



BCE Analyst Briefing

Acquisition of *The Source*

March 2, 2009



Cautionary statement concerning forward-looking statements

This presentation contains forward-looking statements relating to the proposed acquisition of The Source by a subsidiary of Bell Canada, strategic and operational benefits and competitive and cost efficiencies expected to result from the transaction and other statements that are not historical facts. Such forward-looking statements are subject to important risks, uncertainties and assumptions and the results or events predicted in these forward-looking statements may differ materially from actual results or events. As a result, we cannot guarantee that any forward-looking statement will materialize and you are cautioned not to place undue reliance on these forward-looking statements.

The timing and completion of the proposed acquisition of The Source by a subsidiary of Bell Canada is subject to customary closing conditions and other risks and uncertainties including, without limitation, court approvals, third party consents and any required regulatory approvals or expiry of any required regulatory waiting periods. Accordingly, there can be no assurance that any transaction between Bell Canada and The Source will occur, or that it will occur on the timetable contemplated in this presentation. There can also be no assurance that the strategic and operational benefits and competitive and cost efficiencies expected to result from the transaction will be fully realized.

The forward-looking statements contained in this presentation are made as of March 2, 2009 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.

Bell Has Agreed to Acquire *The Source*

The Asset

- *The Source* is a Canadian consumer electronics retailer with 493 corporate stores and 263 dealer stores across Canada
 - Distributes wireless, video and Internet currently for other carriers
 - Revenues⁽¹⁾ of \$643M; EBITDA⁽¹⁾ of \$27M; ~3,000 employees
- 7-year track record of profitability

Purchase Price

- Purchase price will be disclosed following court approval of the transaction
- Based on BCE's view of working capital value
- Materially less than the \$335M paid by Circuit City for *The Source* in 2004

Key Closing Condition

- Court approvals
- Expected closing: Q3'09

⁽¹⁾ LTM ended December 31, 2008

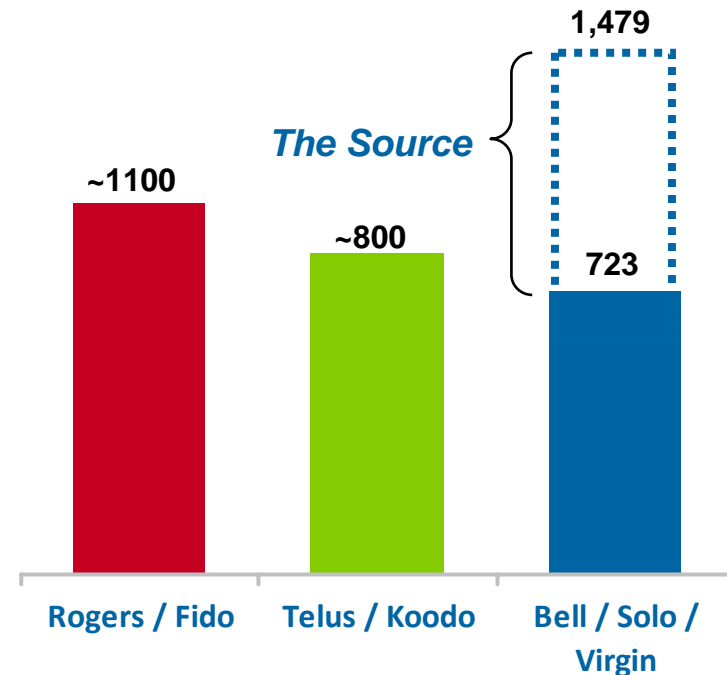
Acquisition price approximates value of working capital

Strategic Rationale: Distribution Game-Changer

Bell Strategy

Goal	To be recognized by customers as Canada's leading communications company
Key Strategic Imperatives	Accelerate Wireless Leverage Wireline Momentum
Tactical Priority	Enhance distribution <ul style="list-style-type: none"> • Wireless • Video • Internet • Home Phone

Pro-Forma Exclusive Carrier Points of Distribution⁽¹⁾

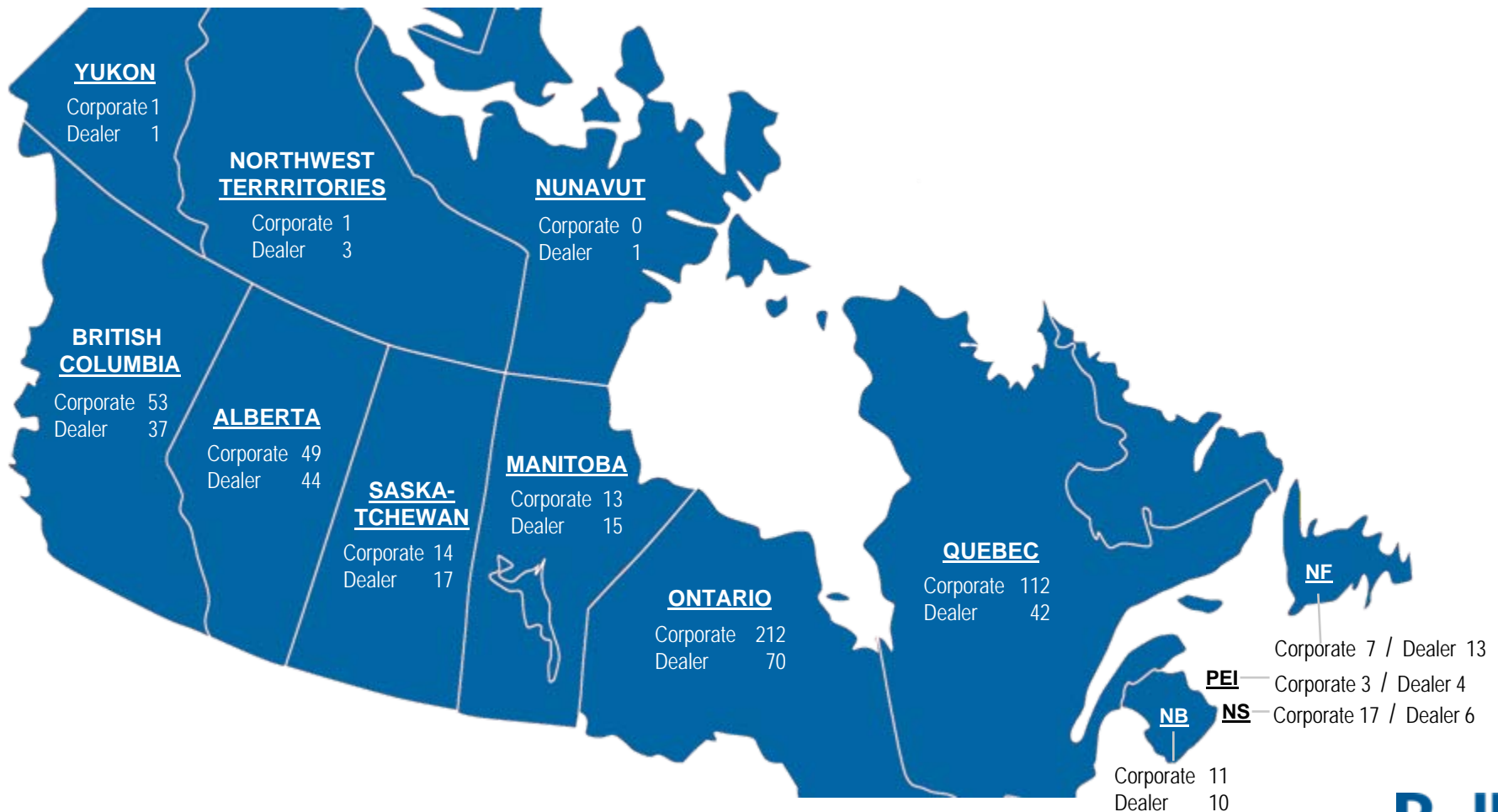


(1) Includes dealer channel
Source: BCE estimates – January 2009

Acquisition closes the distribution gap

Balanced National Footprint

- 756 stores coast-to-coast



The Source to Remain Independent of Bell

Stand Alone Strategy and Management

- The Source will remain independent of Bell
 - Retain current branding: *The Source*
 - Separate management
 - Stand-alone profit focus
- Continue current small-box retailer strategy
- Ron Cuthbertson, former CEO of *The Source*, will rejoin *The Source* as CEO upon closing

Benefits to Bell

- Cost effective way to quickly increase points of distribution
- *The Source* will carry Bell products, including wireless, video, Internet and home phone by January 1, 2010
 - Move from primarily one wireless brand to multiple brands (Bell, Solo and, potentially, Virgin)
 - Opportunity to displace current competitive cable TV and DTH products

Anticipate closing in Q3'09

Summary

Improved Distribution

- Distribution game-changer
- Adds more than 750 stores to Bell's national distribution network
- Drives distribution for wireless, video, Internet and home phone
- Addresses gaps in key geographic areas
- Increases focus on less penetrated wireless rural markets

Access to Desirable Traffic

- More than 80M shoppers annually
- Strong overlap with desirable customer segment
 - Youth / tech savvy

Improved Customer Service

- Improved service through expanded footprint reduces churn
- More than 70% of Canadian households are located within 5 km of The Source

Enhanced distribution will drive activations & market share



Appendix

Bell

Business Overview of *The Source*

- *The Source* is a "small-box" consumer electronics retailer focused on three primary product categories:

1

- Small Screens
 - iPods
 - Digital cameras
 - Smart phones
 - GPS devices

2

- Consumer Electronics Parts & Accessories
 - Adaptors
 - Batteries
 - Cables
 - Fuses
 - Power bars
 - Cases

3

- Consumer Electronics Subscriptions
 - Wireless
 - Video
 - Internet

-
- Focus on long shelf life products with relatively low demand elasticity (i.e., parts & accessories) partially insulates *The Source* from recessionary impacts
 - No reliance on Circuit City for supply chain efficiencies
 - Bell acquiring *The Source's* sourcing arm as part of acquisition

Ron Cuthbertson: 30 Years of Retail Experience

2005 – Dec. 2008: Circuit City / The Source

- President, InterTAN Canada Ltd. & CEO, Circuit City Global Sourcing
- SVP Supply Chain & Inventory Management, Circuit City & CEO, Circuit City Global Sourcing

2004 – 2005: Retail Consulting

- President & CEO, Southport Consulting Inc.

1999 – 2004: Best Buy

- Enterprise VP, Best Buy
- EVP Merchandising, Marketing & Supply Chain, Best Buy Canada (Future Shop & Best Buy)
- VP Merchandising, Supply Chain and Information Systems & Technology, Best Buy Concepts

1979 – 1998: Sears Canada

- Special Assignment to the Board of Directors, Sears Canada
- National Marketing Manager, Sears Canada