

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*This prospectus supplement, together with the accompanying short form base shelf prospectus dated June 13, 2007 to which it relates, as amended or supplemented, and each document incorporated by reference into this prospectus supplement and the short form base shelf prospectus dated June 13, 2007 to which it relates, constitutes a public offering of these securities only in those jurisdictions where such securities may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*The securities offered hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws. Subject to certain limited exceptions, these securities may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons.*

*Information has been incorporated by reference in this prospectus supplement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Bell Canada at 1 Carrefour Alexander-Graham-Bell, Building A, 7th Floor, Verdun (Québec) H3E 3B3 514-786-8424 and are also available electronically at [www.bce.ca](http://www.bce.ca) and at [www.sedar.com](http://www.sedar.com).*

**PROSPECTUS SUPPLEMENT  
to the short form base shelf prospectus dated June 13, 2007**

New Issue

June 23, 2009



**Bell Canada**

**\$1,000,000,000**

**4.85% Debentures, Series M-20, Due June 30, 2014**

(Unsecured)

**Unconditionally guaranteed as to payment of principal,  
interest and other payment obligations by BCE Inc.**

The 4.85% Debentures, Series M-20, Due June 30, 2014 (the "Series M-20 Debentures") will bear interest at the rate of 4.85% per year from the issuance date. We will pay interest on the Series M-20 Debentures semi-annually in arrears in equal installments on June 30 and December 30 of each year, beginning on December 30, 2009. **The effective yield on the Series M-20 Debentures if held to maturity will be 4.886% per year.** Unless we redeem the Series M-20 Debentures earlier, the Series M-20 Debentures will mature on June 30, 2014.

Bell Canada (referred to in this prospectus supplement as "we", "us" or "Bell Canada") has the option, at any time, to redeem, in whole or in part, the Series M-20 Debentures at the redemption price described herein. See "Details of the Series M-20 Debentures - Redemption"). Bell Canada will be required to make an offer to repurchase the Series M-20 Debentures at a price equal to 101% of their principal amount plus accrued and unpaid interest up to but excluding the date of repurchase upon the occurrence of a Change of Control Triggering Event. See "Details of the Series M-20 Debentures – Repurchase upon Change of Control Triggering Event".

The Series M-20 Debentures will be unsecured, unsubordinated obligations of Bell Canada and will rank equally with its unsecured, unsubordinated obligations. Payment of principal, premium, if any, and interest on the Series M-20 Debentures will be fully and unconditionally guaranteed on an unsecured, unsubordinated basis by BCE Inc. (the "Guarantor" or "BCE"). See "Details of the Series M-20 Debentures – Guarantee".

**The Series M-20 Debentures offered hereby will generally be qualified investments under the *Income Tax Act (Canada)*. See "Eligibility for Investment."**

**Investing in the Series M-20 Debentures involves risks. See "Risk Factors".**

	<u>Price to Public</u>	<u>Agents' Fees</u>	<u>Net proceeds to Bell Canada<sup>(1)(2)</sup></u>
Per \$1,000 principal amount.....	\$998.42	\$3.50	\$994.92
Total.....	\$998,420,000	\$3,500,000	\$994,920,000

(1) Consisting of the purchase price of 99.842% (or \$998,420,000) less the Agents' fees in respect of the Series M-20 Debentures.

(2) Before deducting expenses of the offering estimated to be approximately \$425,000, which, together with the Agents' fees, will be paid by Bell Canada.

RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., Merrill Lynch Canada Inc., National Bank Financial Inc., Desjardins Securities Inc. and Casgrain & Company Limited (collectively, the "Agents"), as agents, conditionally offer the Series M-20 Debentures subject to prior sale, on a best efforts basis if, as and when issued and sold by Bell Canada in accordance with the conditions of the agency agreement described under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of Bell Canada by Ms. Martine Turcotte, Executive Vice-President and Chief Legal and Regulatory Officer of Bell Canada and Stikeman Elliott LLP and on behalf of the Agents by Ogilvy Renault LLP of Montréal, Québec. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the Series M-20 Debentures will be available for delivery in book-entry form only on closing of this offering, which is expected to occur on or about June 29, 2009, or such other date as may be agreed upon by Bell Canada and the Agents.

In connection with this offering, the Agents may, subject to applicable law, over-allot or effect transactions intended to fix or stabilize the market price of the Series M-20 Debentures at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

The Series M-20 Debentures and the guarantee thereof offered hereunder have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "U.S. securities Act") or any state securities laws, and subject to certain limited exceptions may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons. See "Plan of Distribution".

The Series M-20 Debentures will not be listed on any securities exchange. **Consequently, there is no market through which the Series M-20 Debentures may be sold and purchasers may not be able to resell the Series M-20 Debentures purchased under this prospectus supplement. This may affect the pricing of the Series M-20 Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Series M-20 Debentures, and the extent of issuer regulation. See "Risk Factors".**

**All of the Agents, except Casgrain & Company Limited, are subsidiaries or affiliates of lenders that have made credit facilities available to Bell Canada and its related issuers. Accordingly, Bell Canada may be considered to be a connected issuer of such Agents for purposes of securities laws in certain Canadian provinces. See "Plan of Distribution".**

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### DOCUMENTS INCORPORATED BY REFERENCE

This prospectus supplement is deemed, as of the date hereof, to be incorporated by reference into the accompanying short form base shelf prospectus of Bell Canada dated June 13, 2007 (the "Prospectus") only for the purposes of the offering of the Series M-20 Debentures. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full details.

The following documents filed by Bell Canada or BCE, as the case may be, with the various securities commissions or similar securities regulatory authorities in Canada, are specifically incorporated by reference into and form an integral part of the Prospectus as supplemented by this prospectus supplement:

- (a) unaudited selected summary financial information for the periods ended December 31, 2008 and 2007 filed by Bell Canada with the Canadian securities regulatory authorities on March 17, 2009;
- (b) BCE's Annual Information Form dated March 11, 2009 for the year ended December 31, 2008;
- (c) BCE's audited Consolidated Financial Statements for the year ended December 31, 2008, and the Report of Independent Registered Chartered Accountants thereon, provided on pages 80 to 120 of the BCE 2008 Annual Report;
- (d) BCE's Management's Discussion and Analysis for the year ended December 31, 2008 provided on pages 18 to 77 of the BCE 2008 Annual Report (the "BCE 2008 MD&A");
- (e) unaudited selected summary financial information for the periods ended March 31, 2009 and 2008 filed by Bell Canada with the Canadian securities regulatory authorities on May 7, 2009;
- (f) BCE's unaudited interim consolidated financial statements for the three-month period ended March 31, 2009 provided on pages 27 to 34 of the BCE 2009 First Quarter Shareholder Report;
- (g) BCE's Management's Discussion and Analysis for the three-month period ended March 31, 2009 (the "BCE 2009 First Quarter MD&A") provided on pages 2 to 26 of the BCE 2009 First Quarter Shareholder Report; and
- (h) BCE's Management Proxy Circular dated March 11, 2009 in connection with the annual general meeting of the shareholders of BCE held on May 7, 2009.

Any documents of the type referred to in the preceding paragraph, or required to be incorporated by reference herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*, including any annual information form, annual and interim financial statements and related management's discussion and analysis, material change report (excluding any confidential material change report), exhibit to interim and annual consolidated financial statements containing updated earnings coverage information, business acquisition report and information circular of BCE or Bell Canada filed by BCE or Bell Canada with the various securities commissions or similar securities regulatory authorities in Canada after the date of this prospectus supplement and prior to the

completion or withdrawal of any offering hereunder, shall be deemed to be incorporated by reference into this prospectus supplement.

Pursuant to the exemption provided under Section 13.4 of National Instrument 51-102 — *Continuous Disclosure Obligations*, Bell Canada does not file with the securities commissions and similar securities regulatory authorities in Canada separate continuous disclosure information regarding Bell Canada except for: (a) the consolidating summary financial information referred to above; and (b) a material change report for a material change in respect of the affairs of Bell Canada that is not also a material change in the affairs of BCE.

**Any statement contained in the Prospectus, in this prospectus supplement or in any other document incorporated or deemed to be incorporated by reference into the Prospectus or this prospectus supplement for the purposes of the offering of the Series M-20 Debentures shall be deemed to be modified or superseded for the purposes of the Prospectus and this prospectus supplement, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in the Prospectus or this prospectus supplement for the purposes of the offering of the Series M-20 Debentures modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of the Prospectus or this prospectus supplement, except as so modified or superseded.**

## RECENT DEVELOPMENTS

### Redemption of the Series M-16 Debentures

On June 23, 2009, Bell Canada announced its intention to redeem, following closing of this offering of Series M-20 Debentures, prior to maturity, all of its \$600 million principal amount of 5.50% Debentures, Series M-16 due August 12, 2010 (the "Series M-16 Debentures"). Following closing of this offering, Bell Canada intends to provide to holders of Series M-16 Debentures a notice of redemption in accordance with the terms and conditions of such debentures, setting out the price at which the Series M-16 Debentures shall be redeemed as well as the redemption date. The net proceeds of this offering will be used, in part, to pay the redemption price for the Series M-16 Debentures. See "Use of Proceeds".

## CONSOLIDATED CAPITALIZATION

The following table sets out the consolidated share and loan capital of BCE as at March 31, 2009 on an actual basis and on a *pro forma* basis as adjusted to reflect (i) the issuance of the Series M-20 Debentures, (ii) the redemption of the Series M-16 Debentures (as described under "Use of Proceeds"), (iii) the redemption, prior to maturity, on June 8, 2009, of BCE's outstanding \$650 million principal amount of 7.35% Series C notes due October 30, 2009, and (iv) the repayment, at maturity, on June 15, 2009, of Bell Canada's outstanding \$700 million principal amount of 6.15% Debentures, Series M-2, due June 15, 2009 (the "Series M-2 Debentures"), as if they occurred on March 31, 2009:

		As at March 31, 2009	
		(\$ millions) (unaudited)	
		Actual	As Adjusted
Debt due within one year <sup>(1)</sup> .....		2,196	846
Long-term debt <sup>(1)</sup> .....		<u>10,133</u>	<u>10,533</u>
Total long-term debt .....		12,329	11,379
Non-controlling interest .....		1,072	1,072
Share Capital			
— Preferred shares .....		2,770	2,770
— Common shares .....		13,148	13,148
— Contributed surplus .....		2,505	2,505
— Deficit .....		(1,545)	(1,545)
— Accumulated other comprehensive income .....		102	102
— Treasury stock .....		(95)	(95)

<sup>(1)</sup> Included in the amounts of BCE's consolidated debt above is Bell Aliant Regional Communications Income Fund's ("Bell Aliant") debt due within one year at March 31, 2009 of \$408 million on both an actual and pro forma basis and Bell Aliant's long-term debt of \$2,448 million on both an actual and pro forma basis.

With the exception of the repayment, at maturity, of the Series M-2 Debentures, there has been no material change in the share and loan capital of Bell Canada since March 31, 2009. At March 31, 2009, the consolidated long-term debt of Bell Canada was \$13,167 million on an actual basis and \$12,867 million on a *pro forma* basis, as adjusted to reflect the issuance of the Series M-20 Debentures, the redemption of the Series M-16 Debentures (as described under "Use of Proceeds") and the repayment at maturity of the Series M-2 Debentures, as if they occurred on March 31, 2009. Included in this amount is debt due to related parties at March 31, 2009 of \$1,551 million.

#### USE OF PROCEEDS

The net proceeds from the sale of Series M-20 Debentures under this prospectus supplement are estimated to be approximately \$994,495,000 after deduction of the Agents' fees and the estimated expenses of this offering. The Agents' fees and the expenses of this offering will be paid out of the proceeds of this offering.

The net proceeds of this offering will be used by Bell Canada to pre-fund debt repayments, including the intended redemption of the Series M-16 Debentures and for general corporate purposes, including increasing our working capital and, pending any such use, investing in bank deposits and short-term marketable securities.

#### PLAN OF DISTRIBUTION

Under an agency agreement (the "Agency Agreement") dated June 23, 2009 between the Agents and Bell Canada, the Agents have agreed to act as agents of Bell Canada to offer the Series M-20 Debentures for sale to the public on a best efforts basis, if, as and when issued by Bell Canada, subject to compliance with all necessary legal requirements and in accordance with the terms and conditions of the Agency Agreement. The offering price of the Series M-20 Debentures was established by negotiation between Bell Canada and the Agents. The Agents will receive a fee equal to \$3.50 for each \$1,000 principal amount of Series M-20 Debentures sold.

While the Agents have agreed to use their best efforts to sell the Series M-20 Debentures offered under this prospectus supplement, the Agents will not be obligated to purchase any Series M-20 Debentures which are not sold.

The offering is being made in all the provinces of Canada. No sales of the Series M-20 Debentures will be effected in any province of Canada by any Agents not duly registered as a securities dealer under the laws of such province, other than sales effected pursuant to the exemption from the registration requirements under the laws of such province. The Series M-20 Debentures will not be listed on any securities exchange. See "Risk Factors".

The Series M-20 Debentures and the guarantee thereof have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from

the registration requirements of the U.S. Securities Act, including transactions in reliance on Rule 144A under such act. The Series M-20 Debentures may be offered or sold by any Agents within the United States only to qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act. Each Agent has agreed that except pursuant to an exemption from the registration requirements of the U.S. Securities Act, it will not offer, sell or deliver, directly or indirectly, any Series M-20 Debentures, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells such Series M-20 Debentures during the 40-day distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Series M-20 Debentures within the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after the commencement of the offering of the Series M-20 Debentures, an offer or sale within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

In accordance with rules and policy statements of certain Canadian securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Series M-20 Debentures. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising prices of, the Series M-20 Debentures. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing and applicable laws, in connection with the offering, and subject to the first exception mentioned above, the Agents may engage in over-allotment and stabilizing transactions and purchases to cover short positions created by the Agents in connection with the offering. Stabilizing transactions consist of certain bids or purchases for the purpose of preventing or retarding a decline in the market price of the Series M-20 Debentures and short positions created by the Agents involving the sale by the Agents of a greater number of Series M-20 Debentures than may be offered by Bell Canada in the offering. These activities may stabilize, maintain or otherwise affect the market price of the Series M-20 Debentures, which may be higher than the price that might otherwise prevail in the open market; these activities, if commenced, may be discontinued at any time. These transactions may be effected in the over-the-counter market or otherwise.

Bell Canada and the Agents have agreed to indemnify each other against certain liabilities, including liabilities under Canadian provincial securities legislation.

All of the Agents, except Casgrain & Company Limited, are subsidiaries or affiliates of lenders (the "Lenders") that have made credit facilities (the "Credit Facilities") available to Bell Canada and its related issuers. As at May 31, 2009, a total amount of approximately \$696.3 million (of which \$194.9 million represents indebtedness of Bell Aliant) was outstanding under the Credit Facilities. Accordingly, Bell Canada may be considered to be a connected issuer to the Agents other than Casgrain & Company Limited, for purposes of securities laws in certain Canadian provinces. Bell Canada and its related issuers are not and have not been in default of their respective obligations to the Lenders under the Credit Facilities, which are unsecured. None of the Lenders have had involvement in the decision to offer the Series M-20 Debentures or in the determination of the terms of the distribution of the Series M-20 Debentures. None of the Agents will receive any benefit from the offering of Series M-20 Debentures other than its portion of the remuneration payable by Bell Canada on the principal amount of the Series M-20 Debentures sold through such Agents. Certain of the Agents or their affiliates have in the past engaged, and may in the future engage, in transactions with and perform services, including commercial banking, financial advisory and investment banking services, for Bell Canada and its related issuers in the ordinary course of business for which they have received or may receive customary compensation.

Bell Canada and, if applicable, the Agents reserve the right to reject any offer to purchase Series M-20 Debentures in whole or in part.

## EARNINGS COVERAGE

The following earnings coverage ratios are calculated for the 12 months ended December 31, 2008 and for the 12 months ended March 31, 2009 and give effect to (i) the issuance of the Series M-20 Debentures, (ii) the redemption of the Series M-16 Debentures (as described under "Use of Proceeds"), (iii) the redemption, prior to maturity, on June 8, 2009, of BCE's outstanding \$650 million principal amount of 7.35% Series C notes due October 30, 2009, and (iv) the repayment, at maturity, on June 15, 2009, of Bell Canada's outstanding \$700 million principal amount of Series M-2 Debentures, as if they occurred on January 1, 2008 and April 1, 2008, respectively.

BCE's consolidated interest requirements would have amounted to \$716 million for the 12 months ended December 31, 2008 and \$709 million for the 12 months ended March 31, 2009. BCE's consolidated earnings before interest expense, income tax and non-controlling interests for the 12 months ended December 31, 2008 would have been \$2,399 million, which equal to 3.35 times what BCE's consolidated interest requirements would have been for this period. BCE's consolidated earnings before interest, income tax and non-controlling interests for the 12 months ended March 31, 2009 would have been \$2,557 million, which is equal to 3.61 times what BCE's consolidated interest requirements would have been for this period.

The earnings coverage ratios set out above do not purport to be indicative of an earnings coverage ratio for any future periods.

## DETAILS OF THE SERIES M-20 DEBENTURES

The following description of the Series M-20 Debentures is a summary of certain of their material attributes and characteristics, which does not purport to be complete and is qualified in its entirety by reference to the MTN Indenture and the Corporation Order (both as defined below). The following summary uses words and terms which have been defined in the Prospectus and the MTN Indenture. For full particulars, reference is made to the Prospectus, the MTN Indenture and the Corporation Order.

### General

The Series M-20 Debentures will be issued under an indenture (the "MTN Indenture") dated as of November 28, 1997, as amended and supplemented from time to time, executed by Bell Canada in favour of CIBC Mellon Trust Company, as trustee (the "Trustee"). A written order executed by Bell Canada and addressed to the Trustee (a "Corporation Order") will provide for the creation of the Series M-20 Debentures offered under this prospectus supplement. The aggregate principal amount of the Series M-20 Debentures will be \$1,000,000,000. The aggregate principal amount of debt securities authorized under the MTN Indenture is unlimited and debt securities may be issued from time to time in one or more series and in one or more tranches within a series thereunder.

Under the MTN Indenture, Bell Canada has the right, without the consent of the holders of MTN Debentures, to issue MTN Debentures with terms different from MTN Debentures previously issued or to reopen a previously issued series of MTN Debentures and issue additional MTN Debentures of the same series having terms identical to the previously issued MTN Debentures of the same series. Therefore, after the issuance of the Series M-20 Debentures, Bell Canada will have the right, without first obtaining the consent of the holders of Series M-20 Debentures, to issue additional MTN Debentures with terms different from the Series M-20 Debentures (and any other issued and outstanding series of MTN Debentures) as well as to reopen the Series M-20 Debentures and issue additional Series M-20 Debentures.

### Maturity and Interest

The Series M-20 Debentures will be dated as of their date of issue, will mature on June 30, 2014, and will bear interest at the rate of 4.85% per annum, from the date of issue, payable semi-annually in arrears on June 30 and December 30 of each year. The first interest payment on the Series M-20 Debentures will be due on December 30, 2009 and will represent accrued interest from, and including, June 29, 2009 to, but excluding, December 30, 2009 and will be in the amount of \$24,382,876.71. For the purposes of the *Interest Act* (Canada), any amount of interest or fees calculated herein using 365 or 366 days per year and expressed as an annual rate is equal

to the said rate of interest or fees multiplied by the actual number of days comprised within the calendar year, divided by 365 or 366, as the case may be.

Principal and interest on the Series M-20 Debentures will be payable in lawful money of Canada.

The issuance date for the Series M-20 Debentures will be June 29, 2009.

Unless Bell Canada redeems the Series M-20 Debentures earlier, Bell Canada will, on maturity, repay the indebtedness represented by the Series M-20 Debentures by paying the Trustee in lawful money of Canada an amount equal to the principal amount of the outstanding Series M-20 Debentures plus accrued and unpaid interest thereon.

The Series M-20 Debentures will be issued only in fully registered form, without coupons, in denominations of \$1,000 of principal amount and any integral multiple thereof.

### **Ranking**

The Series M-20 Debentures will be unsecured, will rank *pari passu* with all other unsecured and unsubordinated indebtedness of Bell Canada.

### **Guarantee**

The Guarantor has irrevocably and unconditionally guaranteed the full and timely payment when due, whether at stated maturity, by required payment, acceleration, declaration, demand or otherwise, of all of the payment obligations of Bell Canada under the MTN Indenture existing at the time the Guarantor entered into such Guarantee and, unless otherwise provided in a supplemental trust indenture, incurred thereafter (the "Guarantee"). Such Guarantee therefore includes all of the payment obligations of Bell Canada under the Series M-20 Debentures, the whole in accordance with the terms of such Series M-20 Debentures and as provided in the Guarantee pursuant to the MTN Indenture. The Guarantor has agreed that its obligations under the Guarantee will be irrevocable and unconditional, irrespective of, will not be affected or limited by, and will not be subject to any defence, set-off, counterclaim or termination by reason of: (i) the legality, genuineness, validity, regularity or enforceability of the Guarantee or the liabilities of Bell Canada guaranteed thereby; (ii) any provision of applicable law or regulation prohibiting the payment by Bell Canada of the Series M-20 Debentures; or (iii) any other fact or circumstance which might otherwise constitute a defence to a guarantee. The Guarantor has no right of subrogation, reimbursement or indemnity whatsoever against Bell Canada, nor any right of recourse to security for its obligations under the Guarantee, unless and until all MTN Debentures have been finally and irrevocably paid in full. The obligations of the Guarantor under the MTN Indenture and the Guarantee will be continuing obligations. The liability of the Guarantor will be discharged or satisfied only upon full payment and performance by either Bell Canada or the Guarantor of all the payment obligations of Bell Canada under the MTN Debentures.

### **Form of Series M-20 Debentures**

The Series M-20 Debentures will be issued in the form of fully registered global debentures (the "Global Debentures") held by, or on behalf of, CDS Clearing and Depository Services Inc. or a successor thereof (the "Depository") as custodian for its participants, and will be registered in the name of the Depository or its nominee. Purchasers of Series M-20 Debentures represented by Global Debentures will not receive Series M-20 Debentures in definitive form. Furthermore, upon the occurrence of certain stated events, if the Depository notifies Bell Canada that it is unwilling or unable to continue as a depository in connection with a Global Debenture, or if the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository, and Bell Canada is unable to find a qualified successor, or if Bell Canada elects, in its sole discretion, to terminate the book-entry system in respect of a Global Debenture, Bell Canada will arrange to have issued and delivered to Participants (as defined below), on behalf of beneficial owners, definitive Series M-20 Debentures (the "Definitive Series M-20 Debentures") in fully registered form.



Beneficial interests in Global Debentures, constituting ownership of the Series M-20 Debentures, will be represented through book-entry accounts of institutions (including the Agents) acting on behalf of beneficial owners, as direct and indirect participants (the "Participants") of the Depository. Each purchaser of Series M-20 Debentures represented by a Global Debenture will receive a customer confirmation of purchase from the Agents from whom the Series M-20 Debentures are purchased in accordance with the practices and procedures of the Agents. Such practices may vary between Agents, but generally, customer confirmations are issued promptly following execution of a customer order. The Depository will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in Global Debentures. The rights of beneficial owners of Series M-20 Debentures shall be limited to those established by applicable law and any agreements between the Depository and the Participants, and between such Participants and the beneficial owners of Series M-20 Debentures, and must be exercised through a Participant in accordance with the rules and procedures of the Depository.

The MTN Indenture provides for the issuance of a separate global debenture certificate (a "U.S. Global Debenture") representing Series M-20 Debentures of a particular series sold to qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act.

If deemed necessary by Bell Canada, a United States depository may, in connection with the sale of Series M-20 Debentures to qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act, be appointed by Bell Canada, which United States depository may be in addition to or in lieu of the Depository.

### **Redemption**

Bell Canada, at its option, may redeem the Series M-20 Debentures, in whole at any time or in part from time to time, by giving prior notice of not less than 30 days and not more than 60 days to the holders thereof, at the greater of the Canada Yield Price (as defined below) and the principal amount of the Series M-20 Debentures, together in each case with unpaid interest accrued up to but excluding the date fixed for redemption. In the case of partial redemption, the Series M-20 Debentures will be redeemed on a *pro rata* basis.

The Corporation Order for the Series M-20 Debentures defines the following terms substantially as follows:

"Canada Yield Price" means a price equal to the price of the Series M-20 Debentures calculated on the business day preceding the day on which the redemption is authorized by Bell Canada to provide a yield from the date fixed for redemption to the maturity date of the Series M-20 Debentures to be redeemed, equal to the "Government of Canada Yield" plus 0.575%; and

"Government of Canada Yield" means the yield from the date fixed for redemption to the maturity date of the Series M-20 Debentures to be redeemed, assuming semi-annual compounding, which an issue of non-callable Government of Canada bonds would carry on the remaining term to the maturity date of the Series M-20 Debentures to be redeemed. The "Government of Canada Yield" in the case of redemption of the Series M-20 Debentures shall be the average of the yields provided by two registered Canadian investment dealers selected by the Trustee and approved by Bell Canada.

The Series M-20 Debentures will not be redeemable at the option of the holder prior to maturity.

### **Repurchase upon Change of Control Triggering Event**

If a Change of Control Triggering Event (as defined below) occurs, unless Bell Canada has exercised its optional right to redeem all of the Series M-20 Debentures as described under "Redemption" above, Bell Canada will be required to make an offer to repurchase all or, at the option of the holder thereof, any part (equal to \$1,000 or an integral multiple thereof) of the Series M-20 Debentures pursuant to the offer described below (the "Change of Control Offer") on the terms set forth in the Corporation Order. In the Change of Control Offer, Bell Canada will be required to offer payment in cash equal to 101% of the outstanding principal amount of the Series M-20 Debentures together with accrued and unpaid interest on the Series M-20 Debentures repurchased up to but excluding the date of purchase (the "Change of Control Payment").

Within 30 days following any Change of Control Triggering Event, Bell Canada will be required to give written notice to each holder of Series M-20 Debentures, with a copy to the Trustee, describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the Series M-20 Debentures on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given (the "Change of Control Payment Date"), pursuant to the procedure described herein and in such notice. Bell Canada must comply with the requirements of applicable securities laws and regulations in connection with the repurchase of the Series M-20 Debentures as a result of a Change of Control Triggering Event. To the extent that the provisions of any such applicable securities laws and regulations conflict with the Change of Control (as defined below) provisions, Bell Canada will be required to comply with such laws and regulations and will not be deemed to have breached its obligation to offer to repurchase the Series M-20 Debentures by virtue of such conflict.

On the Change of Control Payment Date, Bell Canada will, to the extent lawful:

1. accept for payment all Series M-20 Debentures or portions of Series M-20 Debentures properly tendered pursuant to the Change of Control Offer;
2. deposit with the Trustee an amount of money equal to the Change of Control Payment in respect of all Series M-20 Debentures or portions of Series M-20 Debentures properly tendered pursuant to the Change of Control Offer; and
3. deliver or cause to be delivered to the Trustee the Series M-20 Debentures properly accepted, together with a certificate of Bell Canada stating the aggregate principal amount of the Series M-20 Debentures or portions of Series M-20 Debentures being purchased by Bell Canada.

The Trustee will promptly pay to each holder of properly tendered Series M-20 Debentures an amount equal to the Change of Control Payment in respect of such Series M-20 Debentures either, at the Trustee's option, by mailing (first class mail, postage prepaid) a cheque to such holder or by means of a wire transfer in accordance with the applicable payment procedures of the Depository, and the Trustee will promptly certify and mail (first class mail, postage prepaid) (or cause to be transferred by book-entry) to each such holder a new Series M-20 Debenture equal in principal amount to any unpurchased portion of any Series M-20 Debentures surrendered; provided that each new Series M-20 Debenture will be in a principal amount of Cdn.\$1,000 and integral multiples of Cdn.\$1,000 in excess thereof.

Bell Canada will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes such an offer substantially in the manner, at the times and in compliance with the requirements for a Change of Control Offer (and for at least the same purchase price payable in cash) and such third party purchases all Series M-20 Debentures properly tendered and not withdrawn under its offer.

"Change of Control" means the occurrence of any one of the following: (i) the consummation of the direct or indirect sale, transfer, conveyance, lease or other disposition (other than by way of consolidation, amalgamation or merger), in one or a series of related transactions, of all or substantially all of the property and assets of Bell Canada and its subsidiaries, taken as a whole, to any person or group of persons acting jointly or in concert for purposes of such transaction other than (a) sales, transfers, conveyances, leases or other dispositions to Bell Canada and/or its subsidiaries, or (b) provided that the Series M-20 Debentures shall remain subject to the Guarantee, or any other guarantee by BCE of the full and timely payment when due of all of Bell Canada's payment obligations to the Trustee and the holders thereof with respect to the Series M-20 Debentures, sales, transfers, conveyances, leases or other dispositions to BCE and/or its subsidiaries (excluding Bell Canada and its subsidiaries); or (ii) the consummation of any transaction including, without limitation, any consolidation, amalgamation, merger or issue of voting shares the result of which is that any person or group of persons acting jointly or in concert for purposes of such transaction (other than BCE, Bell Canada and/or their subsidiaries) becomes the beneficial owner, directly or indirectly, of voting shares of BCE or Bell Canada having more than 50% of the voting power for the election of directors of BCE or Bell Canada (but shall not include the creation of a holding company, the combination of Bell Canada with BCE or any of their subsidiaries by any method whatsoever or any other similar transaction that does not involve a change in the beneficial ownership of BCE, Bell Canada or any successor thereof).

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Event.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's Investors Service, Inc. ("Moody's"), BBB- (or the equivalent) by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") or BBB (low) (or the equivalent) by Dominion Bond Rating Service Limited ("DBRS"), or the equivalent investment grade credit rating from any other Specified Rating Agency.

"Rating Event" means the rating on the Series M-20 Debentures is lowered to below an Investment Grade Rating by at least two out of three of the Specified Rating Agencies if there are three Specified Rating Agencies or all of the Specified Rating Agencies if there are less than three Specified Rating Agencies (the "Required Threshold") on any day within the 60-day period (which 60-day period will be extended so long as the rating of the Series M-20 Debentures is under publicly announced consideration for a possible downgrade by such number of the Specified Rating Agencies which, together with Specified Rating Agencies which have already lowered their ratings on the Series M-20 Debentures as aforesaid, would aggregate in number the Required Threshold, but only to the extent that, and for so long as, a Change of Control Triggering Event would result if such downgrade were to occur) after the earlier of (a) the occurrence of a Change of Control and (b) public notice of the occurrence of a Change of Control or of BCE's or Bell Canada's intention or agreement to effect a Change of Control.

"Specified Rating Agencies" means each of Moody's, S&P and DBRS as long as, in each case, it has not ceased to rate the Series M-20 Debentures or failed to make a rating of the Series M-20 Debentures publicly available for reasons outside of Bell Canada's control; provided that if one or more of Moody's, S&P or DBRS ceases to rate the Series M-20 Debentures or fails to make a rating of the Series M-20 Debentures publicly available for reasons outside of Bell Canada's control, Bell Canada may select any other "approved rating organization" within the meaning of National Instrument 41-101 of the Canadian Securities Administrators as a replacement agency for such one or more of them, as the case may be.

### **Transfer of Series M-20 Debentures**

Transfers of beneficial ownership of Series M-20 Debentures represented by Global Debentures will be effected through records maintained by the Depositary or its nominee for such Global Debentures (with respect to interests of Participants) and through the records of Participants (with respect to interests of persons other than Participants). Unless Bell Canada prepares and delivers Definitive Series M-20 Debentures as described above under "Form of Series M-20 Debentures", beneficial owners who are not Participants in the Depositary's book-entry system, but who desire to purchase, sell or otherwise transfer ownership of, or other interest in, Global Debentures, may do so only through Participants in the Depositary's book-entry system.

The ability of a beneficial owner of an interest in a Global Debenture to pledge or otherwise take action with respect to such owner's interest in a Global Debenture (other than through a Participant) may be limited by reason of not holding a certificate registered in such owner's name.

If applicable, registered holders of Definitive Series M-20 Debentures may transfer such Definitive Series M-20 Debentures upon payment of taxes or other charges incidental thereto, if any, by executing and delivering a form of transfer together with the Definitive Series M-20 Debentures to any of the principal offices of the Trustee in Montréal or Toronto or in any other city which may be designated by Bell Canada, whereupon new Definitive Series M-20 Debentures will be issued in authorized denominations in the same aggregate principal amount as the Definitive Series M-20 Debentures so transferred and registered in the names of the transferees.

A U.S. Global Debenture, and all beneficial interests therein, will be subject to certain restrictions on transfer set out in the MTN Indenture and will bear a legend regarding such restrictions, as set forth in the MTN Indenture, and a distinct identification number. Definitive Series M-20 Debentures sold to qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act will also be subject to certain restrictions on transfer and will bear a legend regarding such restrictions, as set forth in the MTN Indenture.

The Trustee shall not be required to register any transfer of a Definitive Series M-20 Debenture on any interest payment date or during the ten business days preceding any interest payment date.

### **Payment of Principal and Interest**

Payments of principal and premium, if any, and interest, if any, on each Global Debenture will be made to the Depository or its nominee, as the case may be, as registered holder of the Global Debenture. As long as the Depository or its nominee is the registered holder of a Global Debenture, the Depository or its nominee, as the case may be, will be considered to be the sole owner of the Global Debenture for the purpose of receiving payments of principal and premium, if any, and interest, if any, on the Global Debenture and for all other purposes under the Global Debenture. The record date for the payment of interest will be a day no earlier than the day on which the Trustee shall cease to register the transfer of Series M-20 Debentures as provided in the MTN Indenture. Interest payments on Global Debentures will be delivered to the Depository or its nominee, as the case may be.

Bell Canada understands that the Depository or its nominee, upon receipt of any payment of principal and premium, if any, or interest, if any, in respect of a Global Debenture, will credit Participants' accounts, on the date the principal and premium, if any, or interest, if any, is paid, with payments in amounts proportionate to their respective interests in the principal amount of such Global Debenture as shown on the records of the Depository or its nominee. Bell Canada also understands that payments of principal and premium, if any, or interest, if any, by Participants to the beneficial owners in such Global Debenture held through such Participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants. The responsibility and liability of Bell Canada in respect of payments on Global Debentures is limited solely and exclusively, while the Series M-20 Debentures are in Global Debenture form, to making payment of principal and premium, if any, and interest, if any, due on such Global Debenture to the Depository or its nominee. Bell Canada will not have any responsibility or liability for any aspect of the records relating to beneficial ownership interests in the Global Debenture or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

If Definitive Series M-20 Debentures are issued instead of and in the place of Global Debentures, payments of principal and premium, if any, and interest, if any, will be made by Bell Canada or by the Trustee as paying agent for Bell Canada.

If the due date for payment of any principal and premium, if any, or interest, if any, on any Series M-20 Debenture is not, at the place of payment, a business day, such payment will be made on the next business day and the holder of such Series M-20 Debenture will not be entitled to any further interest or other payment in respect of such delay.

### **Covenants**

The MTN Indenture contains covenants to the following effect:

1. *Limitation on Liens.* Subject to the exceptions set forth in paragraph 2 hereinbelow, Bell Canada will not issue, assume or guarantee any Debt secured by, and will not after the date of the MTN Indenture secure any Debt by, a Mortgage upon any property of Bell Canada (whether now owned or hereafter acquired), without in any such case effectively providing concurrently therewith that the MTN Debentures (together with any other Debt of Bell Canada which may then be outstanding and entitled to the benefit of a covenant similar in effect to this covenant) will be secured equally and rateably with such Debt; provided, however, that the foregoing restrictions shall not apply to Debt secured by:

- (i) Purchase Money Mortgages;
- (ii) Mortgages on property of a corporation existing at the time such corporation is merged into or consolidated with Bell Canada or at the time of a sale, lease or other disposition to Bell Canada of the properties of a corporation as an entirety or substantially as an entirety;

- (iii) Mortgages on current assets of Bell Canada securing Current Debt of Bell Canada; or
- (iv) any extension, renewal or replacement (or successive extensions, renewals or replacements) in whole or in part of any Mortgage referred to in the foregoing clauses (i) or (ii) or any Mortgage existing at the date of the MTN Indenture, provided, however, that the principal amount of Debt secured thereby must not exceed the principal amount of Debt so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement must be limited to all or a part of the property which secured the Mortgage so extended, renewed or replaced (plus improvements on such property).

2. *Additional Permitted Liens.* In addition to Mortgages permitted by paragraph 1 hereinabove, Bell Canada may issue, assume or guarantee any Debt secured by, or secure after the date of the MTN Indenture any Debt by, a Mortgage upon any property of Bell Canada (whether now owned or hereafter acquired) if, after giving effect thereto, the aggregate principal amount of Debt secured by Mortgages of Bell Canada permitted only by this paragraph 2 does not at such time exceed 5% of the Net Worth of Bell Canada.

The terms "Current Debt", "Debt", "Mortgage", "Net Worth of Bell Canada" and "Purchase Money Mortgage" are defined in the MTN Indenture.

### **Events of Default**

The MTN Indenture provides that any of the following constitutes an event of default: (i) default in the payment of the principal of or premium, if any, on any MTN Debenture when the same becomes due and payable and continuation of such default for a period of five days; (ii) default in the payment of any instalment of interest on any MTN Debenture when the same becomes due and payable and continuation of such default for a period of 90 days; (iii) default in the payment of any purchase or sinking fund instalment on any MTN Debenture when the same shall become due and payable and continuation of such default for a period of 30 days; (iv) default in the performance or observance of any covenant, agreement or condition of the MTN Indenture and continuation of such default for a period of 90 days after written notice has been given by the Trustee to Bell Canada specifying such default and requiring Bell Canada to remedy the same or after written notice by the holders of not less than 25% in principal amount of the MTN Debentures at the time outstanding; (v) certain events of insolvency or bankruptcy and, in certain cases, continuation of such events for a period of 60 days; and (vi) default, as defined in one or more instruments evidencing indebtedness for borrowed money of Bell Canada, happens and continues in relation to indebtedness in excess of 5% of the aggregate principal amount of all outstanding indebtedness for borrowed money of Bell Canada, and (a) consists of a failure to make any payment of principal at maturity or (b) results in the acceleration of such indebtedness so that the same will be or become due and payable prior to the date on which the same would otherwise have become due and payable.

If an event of default has occurred under the MTN Indenture and is continuing, the Trustee may in its discretion and must upon the request in writing of the holders of at least 25% of the principal amount of MTN Debentures issued and outstanding under the MTN Indenture, subject to any waiver of default under the MTN Indenture, by notice in writing to Bell Canada declare the principal and interest on all MTN Debentures then outstanding under the MTN Indenture and other money payable thereunder to be due and payable.

### **Modification**

The rights of the holders of Series M-20 Debentures under the MTN Indenture may in certain circumstances be modified. For that purpose, among others, the MTN Indenture contains provisions making extraordinary resolutions binding upon all holders of MTN Debentures issued thereunder. "Extraordinary resolution" is defined, in effect, as a resolution passed at a meeting of such holders by the affirmative votes of the holders of at least 66 2/3% of the principal amount of MTN Debentures voted on the resolution at a meeting of holders at which a quorum, as specified in the MTN Indenture, is present or as one or more instruments in writing signed by the holders of at least 66 2/3% in principal amount of all outstanding MTN Debentures. In certain cases, modifications may require separate extraordinary resolutions of the holders of a specific series of MTN Debentures outstanding under the MTN Indenture.

## CREDIT RATINGS

As of the date of this prospectus supplement, the Series M-20 Debentures to be issued pursuant to this prospectus supplement have been rated A(low), by DBRS, Baa1, by Moody's and BBB+, by S&P (each, a "Rating Agency"). Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. Ratings for debt instruments range from "AAA" (DBRS and S&P) and "Aaa" (Moody's), which represent the highest quality of securities, to "D" (DBRS and S&P) and "C" (Moody's), which represent the lowest quality of securities rated. The A(low) rating for the Series M-20 Debentures is the seventh highest credit rating of the twenty-six credit ratings given by DBRS, the Baa1 rating is the eighth highest credit rating of the twenty-one credit ratings given by Moody's and the BBB+ rating is the eighth highest credit rating of the twenty-two credit ratings given by S&P. The ten highest credit ratings given by each of DBRS, Moody's and S&P are investment grade ratings. Each rating should be evaluated independently of another rating. The credit ratings assigned to the Series M-20 Debentures by the Rating Agencies are not recommendations to purchase, hold or sell the Series M-20 Debentures inasmuch as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a Rating Agency in the future if in its judgment circumstances so warrant.

## RISK FACTORS

The purchase of Series M-20 Debentures offered hereunder involves risks which prospective purchasers should take into consideration when making a decision to purchase such securities. Certain of these risk factors have been disclosed in the BCE 2008 MD&A included in the BCE 2008 Annual Report on pages 63 to 69 under the heading "Risks That Could Affect Our Business and Results", on pages 53 to 56 under the heading "Our Competitive Environment" and on pages 56 to 63 under the heading "Our Regulatory Environment", as updated in the BCE 2009 First Quarter MD&A under the headings "Updates to the Description of Risks" and "Updates to our Regulatory Environment" at pages 21 and 22 and 16 and 19, respectively, of the BCE 2009 First Quarter Shareholder Report, which BCE 2008 MD&A and BCE 2009 First Quarter MD&A are incorporated by reference into this prospectus supplement. This discussion of risk factors shall be updated from time to time in BCE's subsequent filings with the Canadian securities regulatory authorities, including in subsequent quarterly management's discussion and analysis and annual information forms.

### **Structural Subordination of the Series M-20 Debentures**

Although the Series M-20 Debentures and the Guarantee may not necessarily be subordinated to any other indebtedness, they are not secured. Furthermore, although Bell Canada's and BCE's various debt instruments restrict the incurrence of secured indebtedness, such indebtedness may, subject to certain conditions, be incurred. In addition, Bell Canada's and BCE's subsidiaries may incur indebtedness. Although BCE is the Guarantor of the Series M-20 Debentures issued hereunder, it is not subject to the limitations on liens and other covenants under the MTN Indenture. Consequently, BCE may, subject to the limitations and covenants under its own debt instruments, incur substantial additional indebtedness, which could make it more difficult for BCE to fulfill its Guarantee obligations with respect to the Series M-20 Debentures. The Series M-20 Debentures will be effectively subordinated to the creditors of Bell Canada's subsidiaries and the Guarantee will be effectively subordinated to the creditors of BCE's subsidiaries, in that the right of Bell Canada or BCE, as the case may be, to participate as a shareholder in the distribution of the assets of any subsidiary upon any such distribution would be subject to the prior claims of the creditors of such subsidiary.

### **No Public Market**

There is no established trading market for the Series M-20 Debentures. Bell Canada does not intend to have the Series M-20 Debentures listed for trading on any securities exchange or quoted on any automated dealer quotation system. The Agents have advised Bell Canada that they presently intend to make a market in the Series M-20 Debentures, but the Agents are not obligated to do so and any such market-making may be discontinued at any time at the sole discretion of the Agents. Accordingly, no assurance can be given as to the prices or liquidity of, or trading markets for, the Series M-20 Debentures. The liquidity of any market for the Series M-20 Debentures will depend upon the number of holders of such securities, the interest of securities dealers in making a market in the

securities and other factors. The absence of an active market for the securities offered hereby could adversely affect their market price and liquidity.

### **Credit Ratings**

There is no assurance that any credit rating, assigned to Series M-20 Debentures issued hereunder will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by any Rating Agency. A lowering or withdrawal of such rating may have an adverse effect on the market value of the Series M-20 Debentures. See "Credit Ratings".

### **Market Value Fluctuations**

Prevailing interest rates will affect the market value of the Series M-20 Debentures as they carry a fixed interest rate. Assuming all other factors remain unchanged, the market value of the Series M-20 Debentures will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

### **Redemption of Senior Debentures**

The Series M-20 Debentures are redeemable at Bell Canada's option. Bell Canada may choose to redeem the Series M-20 Debentures from time to time. If prevailing rates are lower at the time of redemption, a purchaser may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Series M-20 Debentures being redeemed.

## **ELIGIBILITY FOR INVESTMENT**

In the opinion of Ms. Martine Turcotte, Executive Vice-President and Chief Legal and Regulatory Officer of Bell Canada and Ogilvy Renault LLP, counsel to the Agents, the Series M-20 Debentures offered hereby, at the date of issue, will be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder for trusts governed by a registered retirement savings plan, a registered retirement income fund, a registered disability savings plan, a registered education savings plan or a deferred profit sharing plan (other than a trust governed by a deferred profit sharing plan for which any employer is Bell Canada or is an employer with whom Bell Canada does not deal at arm's length) and tax-free savings accounts. The Series M-20 Debentures will not be a "prohibited investment" for a tax-free savings account provided the holder deals at arm's length with Bell Canada for the purposes of the *Income Tax Act* (Canada) and does not have a "significant interest" (within the meaning of the *Income Tax Act* (Canada)) in Bell Canada or in a corporation, partnership or trust with which Bell Canada does not deal at arm's length for purposes of the *Income Tax Act* (Canada).

## **LEGAL MATTERS**

Legal matters in connection with the issuance of the Series M-20 Debentures will be passed upon on behalf of Bell Canada by Ms. Martine Turcotte, Executive Vice-President and Chief Legal and Regulatory Officer of Bell Canada and Stikeman Elliott LLP and on behalf of the Agents by Ogilvy Renault LLP. As of the date hereof, Ms. Martine Turcotte and the partners and associates of Ogilvy Renault LLP and Stikeman Elliott LLP, as a group, beneficially own, directly and indirectly, less than 1% of the securities of Bell Canada or any associate or affiliate thereof.

## AUDITORS' CONSENT

We have read the prospectus supplement of Bell Canada dated June 23, 2009 to the short form base shelf prospectus dated June 13, 2007, relating to the offering of \$1,000,000,000 of Series M-20 Debentures of Bell Canada (collectively, the "Prospectus"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the Prospectus of our report to the Board of Directors and Shareholders of BCE Inc. on the consolidated balance sheets of BCE Inc. and subsidiaries as at December 31, 2008 and 2007, and the related consolidated statements of operations, comprehensive income, deficit and cash flows for each of the three years in the period ended December 31, 2008. Our report is dated March 11, 2009.

(Signed) Deloitte & Touche LLP  
Independent Registered Chartered Accountants<sup>(1)</sup>  
Montréal, Canada  
June 23, 2009.

<sup>(1)</sup> Chartered accountant auditor permit no. 13633



## CERTIFICATE OF AGENTS

Dated: June 23, 2009

To the best of our knowledge, information and belief, the short form prospectus dated June 13, 2007 of Bell Canada, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

RBC DOMINION SECURITIES INC.

TD SECURITIES INC

BMO NESBITT BURNS INC.

by: (signed) James W. McKenna

by: (signed) Paul Noreau

by: (signed) Darryl White

CIBC WORLD MARKETS INC.

SCOTIA CAPITAL INC.

MERRILL LYNCH CANADA INC.

by: (signed) Benoît Lauzé

by: (signed) John P. Tkach

by: (signed) M. Marianne Harris

NATIONAL BANK FINANCIAL INC.

DESJARDINS SECURITIES INC.

CASGRAIN & COMPANY LIMITED

by: (signed) Rob Sainsbury

by: (signed) Michel Duchesne

by: (signed) Stephen McHarg