Bell

2010

Capital Markets & Cash Deployment Strategy

Analyst Call

December 10, 2010

Safe harbour notice

Certain statements made in this presentation including, but not limited to, statements relating to our 2010 financial guidance (including revenue, EBITDA, adjusted earnings per share, free cash flow and capital intensity), Bell Canada's objective of achieving a surplus position in its defined benefit pension plan by the end of 2014, BCE Inc.'s dividend policy, the proposed acquisition by BCE Inc. of the remaining 85% interest in CTVglobemedia Inc. that it does not already own, the expected resumption in 2012 of BCE Inc.'s share buyback programs, our strategic objectives and priorities, and other statements that are not historical facts, are forward-looking statements. Several assumptions were made by BCE Inc. in preparing these forward-looking statements and there are risks that actual results will differ materially from those contemplated by our forward-looking statements. 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. For additional information on such assumptions and risks, please consult BCE Inc.'s 2009 Annual MD&A dated March 11, 2010, as updated in BCE Inc.'s 2010 First Quarter MD&A dated May 5, 2010, BCE Inc.'s 2010 Second Quarter MD&A dated August 4, 2010 and BCE Inc.'s 2010 Third Quarter MD&A dated November 3, 2010, and BCE Inc.'s press release dated December 10, 2010 announcing a common share dividend increase and voluntary pension contribution, all filed with the Canadian securities commissions and with the SEC and which are also available on BCE Inc.'s website.

Forward-looking statements made in this presentation represent BCE Inc.'s expectations as of December 10, 2010, 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 any forward-looking statement, whether as a result of new information, future events or otherwise.

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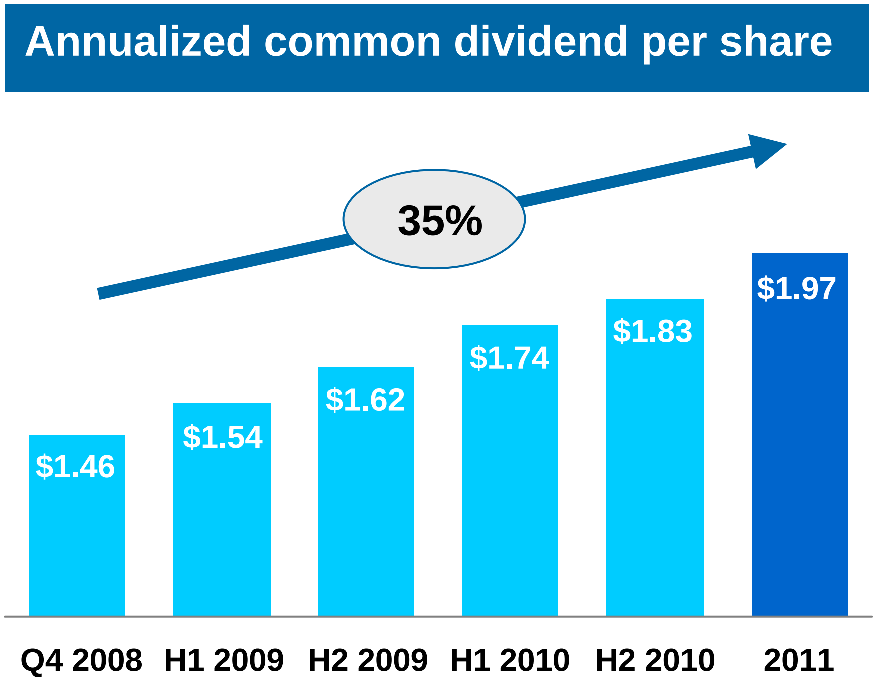
Raising dividend by 7.7% to $1.97 per share



(1) Payout ratio based on Adjusted EPS, which is equivalent to EPS before restructuring and other and net gains (losses) on investments

- **Effective for 2011 commencing with Q1'11 dividend payment on April 15 to holders of record on March 15**
- **Strong track record of consistent and sustainable dividend increases**
  - 35% increase since Q4 2008
- **Payout ratio(1) conservatively within 65%-75% policy range**
- **Increase reflects confidence in future business performance and expectation to deliver continued earnings growth**

Delivering on dividend growth model strategy

Maintaining strong liquidity position

Bell liquidity position ($M)	
Cash balance -- Sept. 30, 2010	**1,170**
Q4 Activity	
Free cash flow [1]	~200
Common dividends	~(350)
Debt repayments	(269)
NCIB	(125)
Acquisitions	~(75)
Other (incl. capital lease repayments)	~(30)
Sub-total	**~500**
Debt issuance	1,000
Available cash -- Dec. 31, 2010 [1]	**~1,500**
Available credit Facilities	**1,400**

(1) Before special pension contribution. Assumes mid-point of FY2010 guidance range for Free Cash Flow

- **Business performance and substantial cash flow generation provide ample flexibility to support dividend growth objective**
- **Expected available cash balance[1] at YE'10 of ~$1.5B**
  - FCF on track with FY2010 guidance
  - $1B issuance of 3.6% 5-year MTN debentures on December 2
  - $269M for repayment of Series ES debentures
  - $125M for $500M 2010 NCIB program completed on December 6
  - Completion of Hypertec acquisition
- **Access to $1.4B of credit facilities**
  - Capacity will increase to $2B in 2011

Cash position and substantial FCF generation provide significant financial flexibility

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Most effective use of surplus cash

Bell cash available ($M)	
Cash available -- Dec. 31, 2010	**~1,500**
<u>2011 financing requirements</u>	
Debt repayment (December)	(250)
Capital lease repayments	~(400)
xwave acquisition (January)	(40)
	~(700)
Surplus cash	**~800**
Special pension contribution (Dec. 2010)	**(750)**

- **2011 normal course financing requirements**
  - ~$700M required for maturing debt, capital lease repayments, and xwave acquisition
- **Expected closing of CTV transaction in Q2'11**
  - Financed through combination of $2B committed debt facility, roll-over debt, surplus cash and $750M equity issuance
  - CTV financing brings EBITDA leverage ratio to higher end of financial policy range
- **$750M special pension contribution**
  - To be funded prior to YE'10
  - Prudent de-risking of pension liability given low interest rate environment
  - Reduces future pension funding requirements
  - Most economically attractive ROI

$750M special pension contribution consistent with capital structure objectives, while maintaining strong balance sheet, credit profile and financial flexibility

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$750M special pension contribution

Bell pension funding forecast [1]

($M)	2009	2010	2011	2012	2013	2014
Regular	$521	~$500	~$400	~$400	~$400	~$400
Special	$500	$750	-	-	-	-
Total	**$1,021**	**~$1,250**	**~$400**	**~$400**	**~$400**	**~$400**

(1) Assumes expected ROA of 10% for 2010 and 7% for 2011 to 2014, a 4.25% discount rate at the end of 2010, and an approximate 100 bps increase in discount rate by end of 2014

Effectively de-risks pension plan

- Estimated solvency deficit of ~$2.4B at YE'10 reduced to ~$1.6B
- Reduces future pension funding & expense
  - Annual cash funding decreased to ~$400M

No further special contributions required

- Annual cash pension funding of ~$400M and ~100 bps discount rate increase eliminates pension deficit entirely by end of 2014

Positive impact on financial performance

- FCF benefit of ~$360M represents an ~50% payback in 2011
  - Cash taxes lower by ~$190M in 2011 as pension contribution is tax deductible
  - Annual pension funding (net of financing costs) reduced by ~$170M
- Adjusted EPS accretion, net of financing costs, of ~$0.03 in 2011 as a result of reduced below EBITDA pension expense

Clear path established towards our goal of achieving a surplus position in Bell's defined benefit pension plan in 2014

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2010 financial guidance update

- **On track to meet guidance for revenue growth, EBITDA and capital intensity**
- **Adjusted EPS revised upwards reflecting tax deductibility of special pension payment**
  - Effective tax rate for FY'10 now expected to be ~19%, down from previous expectation of 20%
- **Free cash flow expectation for FY'10 adjusted to account for $750M special pension payment**

	February 4 Guidance	August 5 Guidance	November 4 FY'10 Expectation	December 10 FY'10 Expectation
Revenue growth	1% to 2%	2% to 3%	On track	On track
EBITDA growth	2% to 4%	No change	On track	On track
Capital intensity	≤ 16%	No change	On track	On track
Adjusted EPS (1)	$2.65 to $2.75 6% to 10%	$2.75 to $2.80 10% to 12%	On track	$2.80 to $2.85 12% to 14%
Free cash flow (2)	~$2B to $2.2B	No change	On track	~$1.25B to $1.45B (3)

* Revenue, EBITDA & capital intensity guidance for Bell excluding Bell Aliant

(1) EPS before restructuring and other and net gains (losses) on investments

(2) Free cash flow before common share dividends and including Bell Aliant's cash distributions

(3) Reflects $750M special pension contribution before YE'10

2011 guidance to be provided on February 10th

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