



Q1

Supplementary Financial Information

First Quarter 2015

BCE Investor Relations

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Bell

BCE ⁽¹⁾
Consolidated Operational Data ⁽²⁾

<i>(In millions of Canadian dollars, except share amounts) (unaudited)</i>	Q1 2015	Q1 2014	\$ change	% change
Operating revenues	5,240	5,099	141	2.8%
Operating costs ^(A)	(3,070)	(3,003)	(67)	(2.2%)
Post-employment benefit plans service cost	(76)	(74)	(2)	(2.7%)
Adjusted EBITDA ⁽³⁾	2,094	2,022	72	3.6%
Adjusted EBITDA margin ⁽³⁾	40.0%	39.7%		0.3 pts
Severance, acquisition and other costs	(224)	(38)	(186)	n.m.
Depreciation	(712)	(699)	(13)	(1.9%)
Amortization	(127)	(167)	40	24.0%
Finance costs				
Interest expense	(226)	(235)	9	3.8%
Interest on post-employment benefit obligations	(27)	(25)	(2)	(8.0%)
Other (expense) income	(20)	87	(107)	n.m.
Income taxes	(175)	(231)	56	24.2%
Net earnings	583	714	(131)	(18.3%)
Net earnings attributable to:				
Common shareholders	532	615	(83)	(13.5%)
Preferred shareholders	38	33	5	15.2%
Non-controlling interest	13	66	(53)	(80.3%)
Net earnings	583	714	(131)	(18.3%)
Net earnings per common share - basic	\$ 0.63	\$ 0.79	\$ (0.16)	(20.3%)
Net earnings per common share - diluted	\$ 0.63	\$ 0.79	\$ (0.16)	(20.3%)
Dividends per common share	\$ 0.6500	\$ 0.6175	\$ 0.0325	5.3%
Average number of common shares outstanding - basic (millions)	841.0	776.5		
Average number of common shares outstanding - diluted (millions)	842.6	777.2		
Number of common shares outstanding (millions)	841.9	777.3		
Adjusted Net Earnings and EPS				
Net earnings attributable to common shareholders	532	615	(83)	(13.5%)
Severance, acquisition and other costs	164	23	141	n.m.
Net losses (gains) on investments	2	(12)	14	n.m.
Early debt redemption costs	7	-	7	n.m.
Adjusted net earnings ⁽³⁾	705	626	79	12.6%
Impact on net earnings per share	\$ 0.21	\$ 0.02	\$ 0.19	n.m.
Adjusted EPS ⁽³⁾	\$ 0.84	\$ 0.81	\$ 0.03	3.7%

^(A) Excludes post-employment benefit plans service cost

n.m. : not meaningful

BCE
Consolidated Operational Data - Historical Trend

<i>(In millions of Canadian dollars, except share amounts) (unaudited)</i>	Q1 15	TOTAL 2014	Q4 14	Q3 14	Q2 14	Q1 14
Operating revenues	5,240	21,042	5,528	5,195	5,220	5,099
Operating costs ^(A)	(3,070)	(12,463)	(3,438)	(3,014)	(3,008)	(3,003)
Post-employment benefit plans service cost	(76)	(276)	(68)	(66)	(68)	(74)
Adjusted EBITDA	2,094	8,303	2,022	2,115	2,144	2,022
Adjusted EBITDA margin	40.0%	39.5%	36.6%	40.7%	41.1%	39.7%
Severance, acquisition and other costs	(224)	(216)	(58)	(66)	(54)	(38)
Depreciation	(712)	(2,880)	(734)	(739)	(708)	(699)
Amortization	(127)	(572)	(118)	(116)	(171)	(167)
Finance costs						
Interest expense	(226)	(929)	(238)	(227)	(229)	(235)
Interest on post-employment benefit obligations	(27)	(101)	(25)	(25)	(26)	(25)
Other (expense) income	(20)	42	(34)	2	(13)	87
Income taxes	(175)	(929)	(221)	(241)	(236)	(231)
Net earnings	583	2,718	594	703	707	714
Net earnings attributable to:						
Common shareholders	532	2,363	542	600	606	615
Preferred shareholders	38	137	40	31	33	33
Non-controlling interest	13	218	12	72	68	66
Net earnings	583	2,718	594	703	707	714
Net earnings per common share - basic	\$ 0.63	\$ 2.98	\$ 0.64	\$ 0.77	\$ 0.78	\$ 0.79
Net earnings per common share - diluted	\$ 0.63	\$ 2.97	\$ 0.63	\$ 0.77	\$ 0.78	\$ 0.79
Dividends per common share	\$ 0.6500	\$ 2.4700	\$ 0.6175	\$ 0.6175	\$ 0.6175	\$ 0.6175
Average number of common shares outstanding - basic (millions)	841.0	793.7	837.7	782.1	777.7	776.5
Average number of common shares outstanding - diluted (millions)	842.6	794.6	838.9	783.0	778.6	777.2
Number of common shares outstanding (millions)	841.9	840.3	840.3	828.3	778.1	777.3
Adjusted Net Earnings and EPS						
Net earnings attributable to common shareholders	532	2,363	542	600	606	615
Severance, acquisition and other costs	164	148	42	45	38	23
Net losses (gains) on investments	2	(8)	8	-	(4)	(12)
Early debt redemption costs	7	21	18	3	-	-
Adjusted net earnings	705	2,524	610	648	640	626
Impact on net earnings per share	\$ 0.21	\$ 0.20	\$ 0.08	\$ 0.06	\$ 0.04	\$ 0.02
Adjusted EPS	\$ 0.84	\$ 3.18	\$ 0.72	\$ 0.83	\$ 0.82	\$ 0.81

^(A) Excludes post-employment benefit plans service cost

BCE ⁽¹⁾
Segmented Data ⁽²⁾

(In millions of Canadian dollars, except where otherwise indicated) (unaudited)

	Q1 2015	Q1 2014	\$ change	% change
Revenues				
Bell Wireless	1,637	1,492	145	9.7%
Bell Wireline	3,027	3,019	8	0.3%
Bell Media	726	722	4	0.6%
Inter-segment eliminations	(150)	(134)	(16)	(11.9%)
Total	5,240	5,099	141	2.8%
Operating costs				
Bell Wireless	(925)	(849)	(76)	(9.0%)
Bell Wireline	(1,786)	(1,790)	4	0.2%
Bell Media	(585)	(572)	(13)	(2.3%)
Inter-segment eliminations	150	134	16	11.9%
Total	(3,146)	(3,077)	(69)	(2.2%)
Adjusted EBITDA				
Bell Wireless	712	643	69	10.7%
<i>Margin</i>	43.5%	43.1%		0.4 pts
Bell Wireline	1,241	1,229	12	1.0%
<i>Margin</i>	41.0%	40.7%		0.3 pts
Bell Media	141	150	(9)	(6.0%)
<i>Margin</i>	19.4%	20.8%		(1.4) pts
Total	2,094	2,022	72	3.6%
<i>Margin</i>	40.0%	39.7%		0.3 pts
Capital expenditures				
Bell Wireless	151	119	(32)	(26.9%)
<i>Capital Intensity</i> ⁽⁴⁾	9.2%	8.0%		(1.2) pts
Bell Wireline	656	596	(60)	(10.1%)
<i>Capital Intensity</i>	21.7%	19.7%		(2.0) pts
Bell Media	20	14	(6)	(42.9%)
<i>Capital Intensity</i>	2.8%	1.9%		(0.9) pts
Total	827	729	(98)	(13.4%)
<i>Capital Intensity</i>	15.8%	14.3%		(1.5) pts

BCE
Segmented Data - Historical Trend

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 15	TOTAL 2014	Q4 14	Q3 14	Q2 14	Q1 14
Revenues						
Bell Wireless	1,637	6,327	1,671	1,621	1,543	1,492
Bell Wireline	3,027	12,324	3,210	3,046	3,049	3,019
Bell Media	726	2,937	789	665	761	722
Inter-segment eliminations	(150)	(546)	(142)	(137)	(133)	(134)
Total	5,240	21,042	5,528	5,195	5,220	5,099
Operating costs						
Bell Wireless	(925)	(3,703)	(1,071)	(921)	(862)	(849)
Bell Wireline	(1,786)	(7,379)	(1,980)	(1,813)	(1,796)	(1,790)
Bell Media	(585)	(2,203)	(597)	(483)	(551)	(572)
Inter-segment eliminations	150	546	142	137	133	134
Total	(3,146)	(12,739)	(3,506)	(3,080)	(3,076)	(3,077)
Adjusted EBITDA						
Bell Wireless	712	2,624	600	700	681	643
<i>Margin</i>	43.5%	41.5%	35.9%	43.2%	44.1%	43.1%
Bell Wireline	1,241	4,945	1,230	1,233	1,253	1,229
<i>Margin</i>	41.0%	40.1%	38.3%	40.5%	41.1%	40.7%
Bell Media	141	734	192	182	210	150
<i>Margin</i>	19.4%	25.0%	24.3%	27.4%	27.6%	20.8%
Total	2,094	8,303	2,022	2,115	2,144	2,022
<i>Margin</i>	40.0%	39.5%	36.6%	40.7%	41.1%	39.7%
Capital expenditures						
Bell Wireless	151	687	218	182	168	119
<i>Capital Intensity</i>	9.2%	10.9%	13.0%	11.2%	10.9%	8.0%
Bell Wireline	656	2,893	804	756	737	596
<i>Capital Intensity</i>	21.7%	23.5%	25.0%	24.8%	24.2%	19.7%
Bell Media	20	137	54	37	32	14
<i>Capital Intensity</i>	2.8%	4.7%	6.8%	5.6%	4.2%	1.9%
Total	827	3,717	1,076	975	937	729
<i>Capital Intensity</i>	15.8%	17.7%	19.5%	18.8%	18.0%	14.3%

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 2015	Q1 2014	% change
Bell Wireless			
Revenues			
Service	1,500	1,388	8.1%
Product	127	94	35.1%
Total external Bell Wireless revenues	1,627	1,482	9.8%
Inter-segment	10	10	0.0%
Total Bell Wireless operating revenues	1,637	1,492	9.7%
Operating costs	(925)	(849)	(9.0%)
Adjusted EBITDA	712	643	10.7%
<i>Adjusted EBITDA margin (Total revenues)</i>	43.5%	43.1%	0.4 pts
<i>Adjusted EBITDA margin (Service revenues)</i>	47.5%	46.3%	1.2 pts
Capital expenditures	151	119	(26.9%)
<i>Capital intensity</i>	9.2%	8.0%	(1.2) pts
Wireless gross activations	341,360	358,324	(4.7%)
Postpaid	278,984	279,527	(0.2%)
Wireless net activations	(15,914)	(16,436)	3.2%
Postpaid	35,373	34,104	3.7%
Wireless subscribers end of period (EOP)	8,102,714	7,908,596	2.5%
Postpaid	7,145,420	6,832,197	4.6%
Average revenue per user ⁽⁴⁾ (ARPU)(\$/month)	60.83	57.75	5.3%
Churn (%) ⁽⁴⁾ (average per month)	1.47%	1.58%	0.11 pts
Prepaid	3.60%	3.68%	0.08 pts
Postpaid	1.18%	1.24%	0.06 pts
Cost of acquisition (COA) ⁽⁴⁾ (\$/subscriber)	452	439	(3.0%)

Bell Wireless - Historical Trend

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 15	TOTAL 2014	Q4 14	Q3 14	Q2 14	Q1 14
Bell Wireless						
Revenues						
Service	1,500	5,806	1,494	1,495	1,429	1,388
Product	127	483	167	117	105	94
Total external Bell Wireless revenues	1,627	6,289	1,661	1,612	1,534	1,482
Inter-segment	10	38	10	9	9	10
Total Bell Wireless operating revenues	1,637	6,327	1,671	1,621	1,543	1,492
Operating costs	(925)	(3,703)	(1,071)	(921)	(862)	(849)
Adjusted EBITDA	712	2,624	600	700	681	643
<i>Adjusted EBITDA margin (Total revenues)</i>	43.5%	41.5%	35.9%	43.2%	44.1%	43.1%
<i>Adjusted EBITDA margin (Service revenues)</i>	47.5%	45.2%	40.2%	46.8%	47.7%	46.3%
Capital expenditures	151	687	218	182	168	119
<i>Capital intensity</i>	9.2%	10.9%	13.0%	11.2%	10.9%	8.0%
Wireless gross activations	341,360	1,643,451	462,285	431,460	391,382	358,324
Postpaid	278,984	1,291,207	382,455	331,851	297,374	279,527
Wireless net activations	(15,914)	193,596	83,498	83,636	42,898	(16,436)
Postpaid	35,373	311,954	118,120	91,779	67,951	34,104
Wireless subscribers EOP	8,102,714	8,118,628	8,118,628	8,035,130	7,951,494	7,908,596
Postpaid	7,145,420	7,110,047	7,110,047	6,991,927	6,900,148	6,832,197
ARPU (\$/month)	60.83	59.92	60.97	61.59	59.35	57.75
Churn (%)(average per month)	1.47%	1.52%	1.57%	1.45%	1.47%	1.58%
Prepaid	3.60%	3.44%	3.43%	3.14%	3.49%	3.68%
Postpaid	1.18%	1.22%	1.29%	1.20%	1.15%	1.24%
COA (\$/subscriber)	452	441	495	420	403	439

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 2015	Q1 2014	% change
Bell Wireline			
Data	1,757	1,698	3.5%
Local & access	824	867	(5.0%)
Long distance	213	226	(5.8%)
Equipment & other	173	178	(2.8%)
Total external revenues	2,967	2,969	(0.1%)
Inter-segment revenues	60	50	20.0%
Total Bell Wireline operating revenues	3,027	3,019	0.3%
Operating costs	(1,786)	(1,790)	0.2%
Adjusted EBITDA	1,241	1,229	1.0%
<i>Adjusted EBITDA Margin</i>	41.0%	40.7%	0.3 pts
Capital expenditures	656	596	(10.1%)
<i>Capital intensity</i>	21.7%	19.7%	(2.0) pts
High-speed Internet			
High-speed Internet net activations	39,650	26,582	49.2%
High-speed Internet subscribers EOP ^{(A) (B)}	3,297,745	3,163,218	4.3%
TV			
Net subscriber activations	26,990	40,223	(32.9%)
Internet Protocol Television (IPTV)	60,863	66,378	(8.3%)
Total subscribers EOP ^{(A) (B)}	2,658,106	2,529,471	5.1%
IPTV ^{(A) (B)}	990,325	723,891	36.8%
Local			
Network Access Services (NAS)			
Residential ^{(A) (B)}	3,745,986	4,031,682	(7.1%)
Business	3,271,175	3,431,147	(4.7%)
Total ^{(A) (B)}	7,017,161	7,462,829	(6.0%)
NAS net (losses)/activations			
Residential	(65,870)	(89,655)	26.5%
Business	(44,069)	(43,085)	(2.3%)
Total	(109,939)	(132,740)	17.2%

^(A) Our Q1 2015 Internet, IPTV, total TV, and NAS subscriber base included a beginning of period adjustment to reduce the number of subscribers by 7,505, 2,236, 7,702, and 4,409, respectively, for deactivations as a result of the CRTC's decision to eliminate the 30-day notice period required to cancel services.

^(B) Subsequent to a review of our subscriber metrics, our Q1 2015 beginning of period Internet, IPTV and total TV subscriber base was reduced by 31,426, 1,849 and 3,790, respectively, while our NAS base was increased by 657 subscribers. These adjustments primarily consisted of older balances.

Bell Wireline - Historical Trend

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 15	TOTAL 2014	Q4 14	Q3 14	Q2 14	Q1 14
Bell Wireline						
Data	1,757	6,978	1,833	1,722	1,725	1,698
Local & access	824	3,420	838	855	860	867
Long distance	213	922	234	229	233	226
Equipment & other	173	791	248	186	179	178
Total external revenues	2,967	12,111	3,153	2,992	2,997	2,969
Inter-segment revenues	60	213	57	54	52	50
Total Bell Wireline operating revenues	3,027	12,324	3,210	3,046	3,049	3,019
Operating costs	(1,786)	(7,379)	(1,980)	(1,813)	(1,796)	(1,790)
Adjusted EBITDA	1,241	4,945	1,230	1,233	1,253	1,229
<i>Adjusted EBITDA Margin</i>	41.0%	40.1%	38.3%	40.5%	41.1%	40.7%
Capital expenditures	656	2,893	804	756	737	596
<i>Capital intensity</i>	21.7%	23.5%	25.0%	24.8%	24.2%	19.7%
High-speed Internet						
High-speed Internet net activations	39,650	160,390	52,010	64,254	17,544	26,582
High-speed Internet subscribers EOP ^{(A) (B)}	3,297,745	3,297,026	3,297,026	3,245,016	3,180,762	3,163,218
TV						
Net subscriber activations	26,990	153,360	42,190	37,578	33,369	40,223
IPTV	60,863	276,034	76,074	74,450	59,132	66,378
Total subscribers EOP ^{(A) (B)}	2,658,106	2,642,608	2,642,608	2,600,418	2,562,840	2,529,471
IPTV ^{(A) (B)}	990,325	933,547	933,547	857,473	783,023	723,891
Local						
NAS						
Residential ^{(A) (B)}	3,745,986	3,815,608	3,815,608	3,872,840	3,943,622	4,031,682
Business	3,271,175	3,315,244	3,315,244	3,351,017	3,388,287	3,431,147
Total ^{(A) (B)}	7,017,161	7,130,852	7,130,852	7,223,857	7,331,909	7,462,829
NAS net (losses)/activations						
Residential	(65,870)	(305,729)	(57,232)	(70,782)	(88,060)	(89,655)
Business	(44,069)	(158,988)	(35,773)	(37,270)	(42,860)	(43,085)
Total	(109,939)	(464,717)	(93,005)	(108,052)	(130,920)	(132,740)

^(A) Our Q1 2015 Internet, IPTV, total TV, and NAS subscriber base included a beginning of period adjustment to reduce the number of subscribers by 7,505, 2,236, 7,702, and 4,409, respectively, for deactivations as a result of the CRTC's decision to eliminate the 30-day notice period required to cancel services.

^(B) Subsequent to a review of our subscriber metrics, our Q1 2015 beginning of period Internet, IPTV and total TV subscriber base was reduced by 31,426, 1,849 and 3,790, respectively, while our NAS base was increased by 657 subscribers. These adjustments primarily consisted of older balances.

BCE - Net debt and preferred shares*(In millions of Canadian dollars, except where otherwise indicated) (unaudited)*

	March 31 2015	December 31 2014
Debt due within one year	4,712	3,743
Long-term debt	16,612	16,355
Preferred shares - BCE ^(A)	2,002	2,002
Cash and cash equivalents	(1,125)	(566)
Net Debt ⁽³⁾	22,201	21,534
Net Debt / Adjusted EBITDA ⁽⁴⁾	2.65	2.59
Adjusted EBITDA / Net interest expense, excluding interest on post-employment benefit obligations and including 50% of preferred dividends ⁽⁴⁾	8.52	8.38

Bell Media Inc. - Proportionate Information*(In millions of Canadian dollars, except where otherwise indicated) (unaudited)*

	Q1 2015	Total 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Proportionate Net Debt	-	-	-	-	14	30
Proportionate Adjusted EBITDA	121	657	181	158	189	129

Cash Flow Information*(In millions of Canadian dollars, except where otherwise indicated) (unaudited)*

	Q1 2015	Q1 2014	\$ change	% change
Free Cash Flow (FCF) ⁽³⁾	1,097	888	209	23.5%
Cash from operating activities, excluding acquisition costs paid	(827)	(594)	(233)	(39.2%)
Capital expenditures	(39)	(32)	(7)	(21.9%)
Dividends paid on preferred shares	231	262	(31)	(11.8%)
FCF	231	262	(31)	(11.8%)

Cash Flow Information - Historical Trend*(In millions of Canadian dollars, except where otherwise indicated) (unaudited)*

	Q1 2015	Total 2014	Q4 2014	Q3 2014	Q2 2014	Q1 2014
FCF	1,097	5,680	1,559	1,644	1,589	888
Cash from operating activities, excluding acquisition costs paid	(827)	(3,245)	(1,035)	(825)	(791)	(594)
Capital expenditures	(39)	(134)	(40)	(31)	(31)	(32)
Dividends paid on preferred shares	-	(2)	(1)	(1)	-	-
Dividends paid by subsidiaries to non-controlling interest	-	350	350	-	-	-
Voluntary defined benefit pension plan contribution	-	95	-	47	48	-
Bell Aliant dividends to BCE	-	2,744	833	834	815	262
FCF	231	2,744	833	834	815	262

^(A) Net debt includes 50% of preferred shares

BCE ⁽¹⁾
Consolidated Statements of Financial Position ⁽²⁾

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	March 31 2015	December 31 2014
ASSETS		
Current assets		
Cash	127	142
Cash equivalents	998	424
Trade and other receivables	2,781	3,069
Inventory	403	333
Prepaid expenses	522	379
Other current assets	249	201
Total current assets	5,080	4,548
Non-current assets		
Property, plant and equipment	21,347	21,327
Intangible assets	10,332	10,224
Deferred tax assets	162	162
Investments in associates and joint ventures	790	776
Other non-current assets	989	875
Goodwill	8,376	8,385
Total non-current assets	41,996	41,749
Total assets	47,076	46,297
LIABILITIES		
Current liabilities		
Trade payables and other liabilities	4,007	4,398
Interest payable	143	145
Dividends payable	561	534
Current tax liabilities	74	269
Debt due within one year	4,712	3,743
Total current liabilities	9,497	9,089
Non-current liabilities		
Long-term debt	16,612	16,355
Deferred tax liabilities	1,352	1,321
Post-employment benefit obligation	2,803	2,772
Other non-current liabilities	1,493	1,521
Total non-current liabilities	22,260	21,969
Total liabilities	31,757	31,058
EQUITY		
Equity attributable to BCE shareholders		
Preferred shares	4,004	4,004
Common shares	16,790	16,717
Contributed surplus	1,121	1,141
Accumulated other comprehensive income	124	97
Deficit	(7,027)	(7,013)
Total Equity attributable to BCE shareholders	15,012	14,946
Non-controlling interest	307	293
Total equity	15,319	15,239
Total liabilities and equity	47,076	46,297
Number of common shares outstanding	841.9	840.3

BCE ⁽¹⁾Consolidated Cash Flow Data ⁽²⁾*(In millions of Canadian dollars, except where otherwise indicated) (unaudited)*

	Q1 2015	Q1 2014	\$ change
Net earnings	583	714	(131)
Adjustments to reconcile net earnings to cash flows from operating activities			
Severance, acquisition and other costs	224	38	186
Depreciation and amortization	839	866	(27)
Post-employment benefit plans cost	103	99	4
Net interest expense	223	234	(11)
Losses (gains) on investments	2	(12)	14
Income taxes	175	231	(56)
Contributions to post-employment benefit plans	(81)	(88)	7
Payments under other post-employment benefit plans	(20)	(18)	(2)
Severance and other costs paid	(49)	(68)	19
Acquisition costs paid	(52)	(14)	(38)
Interest paid	(227)	(229)	2
Income taxes paid (net of refunds)	(333)	(361)	28
Net change in operating assets and liabilities	(342)	(410)	68
Cash flows from operating activities	1,045	982	63
Capital expenditures	(827)	(729)	(98)
Cash dividends paid on preferred shares	(39)	(32)	(7)
Cash dividends paid by subsidiaries to non-controlling interest	-	(7)	7
Acquisition costs paid	52	14	38
Bell Aliant Free Cash Flow	-	34	(34)
Free Cash Flow	231	262	(31)
Bell Aliant free cash flow, excluding dividends paid	-	(34)	34
Acquisition costs paid	(52)	(14)	(38)
Business dispositions	-	538	(538)
Spectrum payment	(100)	(113)	13
Other investing activities	5	(5)	10
Increase in notes payable and bank advances	691	601	90
Issue of long-term debt	502	33	469
Repayment of long-term debt	(146)	(415)	269
Cash dividends paid on common shares	(519)	(452)	(67)
Issue of common shares	38	32	6
Other financing activities	(91)	(48)	(43)
	328	123	205
Net increase in cash and cash equivalents	559	385	174
Cash and cash equivalents at beginning of period	566	335	231
Cash and cash equivalents at end of period	1,125	720	405
Other information			
Free cash flow per share ⁽³⁾	\$ 0.27	\$ 0.34	\$ (0.07)
Annualized cash flow yield ⁽⁵⁾	6.0%	7.0%	(1.0) pts

Consolidated Cash Flow Data - Historical Trend

	TOTAL					
<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 15	2014	Q4 14	Q3 14	Q2 14	Q1 14
Net earnings	583	2,718	594	703	707	714
Adjustments to reconcile net earnings to cash flows from operating activities						
Severance, acquisition and other costs	224	216	58	66	54	38
Depreciation and amortization	839	3,452	852	855	879	866
Post-employment benefit plans cost	103	377	93	91	94	99
Net interest expense	223	921	236	225	226	234
Losses (gains) on investments	2	(10)	6	-	(4)	(12)
Income taxes	175	929	221	241	236	231
Contributions to post-employment benefit plans	(81)	(683)	(428)	(82)	(85)	(88)
Payments under other post-employment benefit plans	(20)	(73)	(19)	(18)	(18)	(18)
Severance and other costs paid	(49)	(190)	(44)	(40)	(38)	(68)
Acquisition costs paid	(52)	(131)	(68)	(33)	(16)	(14)
Interest paid	(227)	(907)	(233)	(214)	(231)	(229)
Income taxes paid (net of refunds)	(333)	(743)	(180)	(92)	(110)	(361)
Net change in operating assets and liabilities	(342)	365	439	180	156	(410)
Cash flows from operating activities	1,045	6,241	1,527	1,882	1,850	982
Bell Aliant dividends paid to BCE	-	95	-	47	48	-
Capital expenditures	(827)	(3,717)	(1,076)	(975)	(937)	(729)
Cash dividends paid on preferred shares	(39)	(134)	(40)	(31)	(31)	(32)
Cash dividends paid by subsidiaries to non-controlling interest	-	(145)	(1)	(69)	(68)	(7)
Acquisition costs paid	52	131	68	33	16	14
Voluntary defined benefit pension plan contribution	-	350	350	-	-	-
Bell Aliant Free Cash Flow	-	(77)	5	(53)	(63)	34
Free Cash Flow	231	2,744	833	834	815	262
Bell Aliant free cash flow, excluding dividends paid	-	(18)	(5)	6	15	(34)
Business acquisitions	-	(18)	(8)	(10)	-	-
Acquisition costs paid	(52)	(131)	(68)	(33)	(16)	(14)
Voluntary defined benefit pension plan contribution	-	(350)	(350)	-	-	-
Business dispositions	-	720	(4)	186	-	538
Spectrum payment	(100)	(566)	-	-	(453)	(113)
Other investing activities	5	11	13	1	2	(5)
Increase (decrease) in notes payable and bank advances	691	469	(132)	443	(443)	601
Issue of long-term debt	502	1,428	2	1,243	150	33
Repayment of long-term debt	(146)	(1,113)	(445)	(117)	(136)	(415)
Early debt redemption costs	-	(4)	(4)	-	-	-
Cash dividends paid on common shares	(519)	(1,893)	(481)	(480)	(480)	(452)
Privatization of Bell Aliant	-	(989)	(185)	(804)	-	-
Issue of common shares	38	49	6	2	9	32
Other financing activities	(91)	(108)	(12)	(15)	(33)	(48)
	328	(2,513)	(1,673)	422	(1,385)	123
Net increase (decrease) in cash and cash equivalents	559	231	(840)	1,256	(570)	385
Cash and cash equivalents at beginning of period	566	335	1,406	150	720	335
Cash and cash equivalents at end of period	1,125	566	566	1,406	150	720
Other information						
Free cash flow per share	\$ 0.27	\$ 3.46	\$ 1.01	\$ 1.06	\$ 1.05	\$ 0.34
Annualized cash flow yield	6.0%	6.1%	6.1%	6.5%	6.6%	7.0%

Accompanying Notes

Beginning January 1, 2015, we report our results of operations in three segments: Bell Wireless, Bell Wireline and Bell Media. Our reporting structure reflects how we manage our business and how we classify our operations for planning and measuring performance.

- (1) Throughout this report, *we, us, our, the company* and *BCE* mean, as the context may require, either BCE Inc. or, collectively, BCE Inc., its subsidiaries, joint arrangements and associates; and *Bell Aliant* means, as the context may require, until December 31, 2014, either Bell Aliant Inc. or, collectively, Bell Aliant Inc. and its subsidiaries and associates, or, after December 31, 2014, either Bell Aliant Regional Communications Inc. or, collectively, Bell Aliant Regional Communications Inc. and its subsidiaries and associates.
- (2) On October 31, 2014, BCE completed the acquisition of all the issued and outstanding shares of Bell Aliant that it did not already own, therefore eliminating the 55.9% ownership interest held by non-controlling interest. Beginning January 1, 2015, the results of operation of our former Bell Aliant segment are included within our Bell Wireless and Bell Wireline segments, with prior periods restated for comparative purposes.

(3) **Non-GAAP Financial Measures**

Adjusted EBITDA and Adjusted EBITDA margin

The terms Adjusted EBITDA and Adjusted EBITDA margin do not have any standardized meaning under International Financial Reporting Standards (IFRS). Therefore, they are unlikely to be comparable to similar measures presented by other issuers.

We define Adjusted EBITDA as operating revenues less operating costs (including post-employment benefit plans service cost). We define Adjusted EBITDA margin as Adjusted EBITDA divided by operating revenues.

We use Adjusted EBITDA and Adjusted EBITDA margin to evaluate the performance of our businesses as they reflect their ongoing profitability. We believe that certain investors and analysts use Adjusted EBITDA to measure a company's ability to service debt and to meet other payment obligations or as a common measurement to value companies in the telecommunications industry. We believe that certain investors and analysts also use Adjusted EBITDA and Adjusted EBITDA margin to evaluate the performance of our businesses. Adjusted EBITDA also is one component in the determination of short-term incentive compensation for all management employees.

Adjusted EBITDA and Adjusted EBITDA margin have no directly comparable IFRS financial measure. Alternatively, Adjusted EBITDA may be reconciled to net earnings as shown in this document.

Adjusted net earnings and Adjusted earnings per share (EPS)

The terms Adjusted net earnings and Adjusted EPS do not have any standardized meaning under IFRS. Therefore, they are unlikely to be comparable to similar measures presented by other issuers.

We define Adjusted net earnings as net earnings attributable to common shareholders before severance, acquisition and other costs, net (gains) losses on investments, and early debt redemption costs. We define Adjusted EPS as Adjusted net earnings per BCE common share.

Accompanying Notes

We use Adjusted net earnings and Adjusted EPS and we believe that certain investors and analysts use these measures, among other ones, to assess the performance of our businesses without the effects of severance, acquisition and other costs, net (gains) losses on investments, and early debt redemption costs, net of tax and non-controlling interest. We exclude these items because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring.

The most comparable IFRS financial measures are net earnings attributable to common shareholders and EPS.

Free Cash Flow and Free Cash Flow per share

The terms Free Cash Flow and Free Cash Flow per share do not have any standardized meaning under IFRS. Therefore, they are unlikely to be comparable to similar measures presented by other issuers.

As of November 1, 2014, BCE's Free Cash Flow includes 100% of Bell Aliant's Free Cash Flow rather than cash dividends received from Bell Aliant. We define Free Cash Flow as cash flows from operating activities, excluding acquisition costs paid and voluntary pension funding, less capital expenditures, preferred share dividends and dividends paid by subsidiaries to non-controlling interest.

Prior to November 1, 2014, Free Cash Flow was defined as cash flows from operating activities, excluding acquisition costs paid and voluntary pension funding, plus dividends received from Bell Aliant, less capital expenditures, preferred share dividends, dividends paid by subsidiaries to non-controlling interest and Bell Aliant Free Cash Flow.

We define Free Cash Flow per share as follows:

Free Cash Flow

Average number of common shares outstanding

We consider Free Cash Flow and Free Cash Flow per share to be important indicators of the financial strength and performance of our businesses because they show how much cash is available to pay dividends, repay debt and reinvest in our company.

We believe that certain investors and analysts use Free Cash Flow to value a business and its underlying assets. We believe that certain investors and analysts also use Free Cash Flow and Free Cash Flow per share to evaluate the financial strength and performance of our businesses.

For Free Cash Flow, the most comparable IFRS financial measure is cash flows from operating activities.

Net debt

The term Net Debt does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers.

We define Net Debt as debt due within one year plus long-term debt and 50% of preferred shares less cash and cash equivalents. We include 50% of outstanding preferred shares in our Net Debt as it is consistent with the treatment by certain credit rating agencies.

Accompanying Notes

We consider Net Debt to be an important indicator of the company's financial leverage because it represents the amount of debt that is not covered by available cash and cash equivalents. We believe that certain investors and analysts use Net Debt to determine a company's financial leverage.

Net Debt has no directly comparable IFRS financial measure, but rather is calculated using several asset and liability categories from the statements of financial position, as shown in this document.

(4) Key Performance Indicators (KPIs)

We use a number of KPIs to measure the success of our strategic imperatives. These KPIs are not accounting measures and may not be comparable to similar measures presented by other issuers.

Capital Intensity is capital expenditures divided by operating revenues.

Average revenue per user or subscriber (ARPU) represents the measurement of certain service revenues divided by the average subscriber base for the specified period.

Churn is the rate at which existing subscribers cancel their services, expressed as a percentage. Churn is calculated as the number of subscribers disconnected divided by the average subscriber base. It is a measure of monthly customer turnover.

Cost of acquisition (COA) is also referred to as subscriber acquisition costs. COA represents the total cost associated with acquiring a customer and includes costs such as hardware discounts, marketing and distribution costs. This measure is expressed per gross activation during the period.

Net Debt to Adjusted EBITDA

Net Debt to Adjusted EBITDA is BCE Net Debt divided by Adjusted EBITDA. Net Debt is debt due within one year plus long-term debt and 50% of preferred shares less cash and cash equivalents. For the purposes of calculating our Net Debt to Adjusted EBITDA ratio, Adjusted EBITDA is defined as twelve-month trailing BCE Adjusted EBITDA.

Adjusted EBITDA to net interest expense

Adjusted EBITDA to net interest expense is Adjusted EBITDA divided by net interest expense. For the purposes of calculating our Adjusted EBITDA to net interest expense ratio, Adjusted EBITDA is defined as twelve-month trailing BCE Adjusted EBITDA. Net interest expense is twelve-month trailing BCE interest expense excluding interest on post-employment benefit obligations and including 50% of preferred dividends.

(5) Annualized cash flow yield is calculated as follows:

Trailing 12 month Free Cash Flow

Number of common shares outstanding at end of period multiplied by share price at end of period