

BCE INC
Form 6-K
February 06, 2004

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

Pursuant to Rule 13a-16 or 15d-16 under
the Securities Exchange Act of 1934

For the month of: **February 2004**

Commission File Number: **1-8481**

BCE Inc.

(Translation of Registrant's name into English)

1000, rue de La Gauchetière Ouest, Bureau 3700, Montréal, Québec H3B 4Y7, (514) 397-7000

(Address of principal executive offices)

Indicate by check mark whether the Registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F _____ Form 40-F _____

Indicate by check mark whether the Registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes _____ No _____

If "Yes" is marked, indicate below the file number assigned to the Registrant in connection with Rule 12g3-2(b): 82-_____.

Edgar Filing: BCE INC - Form 6-K

Notwithstanding any reference to BCE's Web site on the World Wide Web in the documents attached hereto, the information contained in BCE's site or any other site on the World Wide Web referred to in BCE's site is not a part of this Form 6-K and, therefore, is not filed with the Securities and Exchange Commission.

Fourth Quarter 2003
Supplementary Financial Information

For further information,
please contact:

BCE Investor Relations

Sophie Argiriou
(514) 786-8145
sophie.argiriou@bell.ca

George Walker
(514) 870-2488
george.walker@bell.ca

BCE Inc. Supplementary Financial Information - Fourth Quarter 2003 Page 1

Edgar Filing: BCE INC - Form 6-K

BCE Consolidated (1)
Consolidated Operational Data

| <i>(\$ millions, except per share amounts)</i> | Q4 2003 | Q4 2002 | \$ change | % change | Total 2003 | Total 2002 | \$ change | % change |
|---|--------------------|------------|--------------|-------------|-----------------------|---------------|--------------|-------------|
| Operating revenues | 4,910 | 5,045 | (135) | (2.7%) | 19,056 | 19,186 | (130) | (0.7%) |
| Operating expenses | (3,056) | (3,238) | 182 | 5.6% | (11,630) | (11,831) | 201 | 1.7% |
| EBITDA (2) | 1,854 | 1,807 | 47 | 2.6% | 7,426 | 7,355 | 71 | 1.0% |
| Amortization expense | (786) | (773) | (13) | (1.7%) | (3,147) | (3,082) | (65) | (2.1%) |
| Net benefit plans (cost) credit | (46) | 8 | (54) | n.m | (175) | 33 | (208) | n.m |
| Restructuring and other charges | (51) | (395) | 344 | 87.1% | (52) | (887) | 835 | 94.1% |
| Operating income | 971 | 647 | 324 | 50.1% | 4,052 | 3,419 | 633 | 18.5% |
| Other income (expense) | 136 | 2,245 | (2,109) | (93.9%) | 213 | 2,433 | (2,220) | (91.2%) |
| Impairment charge | - | (765) | 765 | n.m | - | (765) | 765 | n.m |
| Interest expense | (263) | (341) | 78 | 22.9% | (1,093) | (1,124) | 31 | 2.8% |
| Earnings from continuing operations before income taxes and non-controlling interest | 844 | 1,786 | (942) | (52.7%) | 3,172 | 3,963 | (791) | (20.0%) |
| Income taxes | (340) | (732) | 392 | 53.6% | (1,136) | (1,583) | 447 | 28.2% |
| Non-controlling interest | (46) | (261) | 215 | 82.4% | (191) | (602) | 411 | 68.3% |
| Earnings from continuing operations | 458 | 793 | (335) | (42.2%) | 1,845 | 1,778 | 67 | 3.8% |
| Discontinued operations | (58) | 919 | (977) | n.m | (30) | 629 | (659) | n.m |
| Net earnings | 400 | 1,712 | (1,312) | (76.6%) | 1,815 | 2,407 | (592) | (24.6%) |
| Dividends on preferred shares | (14) | (16) | 2 | 12.5% | (64) | (59) | (5) | (8.5%) |
| Premium on redemption of preferred shares | - | - | - | n.m | (7) | (6) | (1) | (16.7%) |
| Net earnings applicable to common shares | 386 | 1,696 | (1,310) | (77.2%) | 1,744 | 2,342 | (598) | (25.5%) |
| Net earnings (loss) per common share - basic | | | | | | | | |
| Continuing operations | \$ 0.48 | \$ 0.87 | \$ (0.39) | (44.8%) | \$ 1.93 | \$ 2.00 | \$ (0.07) | (3.5%) |
| Discontinued operations | \$ (0.07) | \$ 1.01 | \$ (1.08) | n.m | \$ (0.03) | \$ 0.66 | \$ (0.69) | n.m |
| Net earnings | \$ 0.41 | \$ 1.88 | \$ (1.47) | (78.2%) | \$ 1.90 | \$ 2.66 | \$ (0.76) | (28.6%) |
| Net earnings (loss) per common share - diluted | | | | | | | | |
| Continuing operations | \$ 0.48 | \$ 0.86 | \$ (0.38) | (44.2%) | \$ 1.92 | \$ 1.98 | \$ (0.06) | (3.0%) |
| Discontinued operations | \$ (0.07) | \$ 0.99 | \$ (1.06) | n.m | \$ (0.03) | \$ 0.64 | \$ (0.67) | n.m |
| Net earnings | \$ 0.41 | \$ 1.85 | \$ (1.44) | (77.8%) | \$ 1.89 | \$ 2.62 | \$ (0.73) | (27.9%) |
| Dividends per common share | \$ 0.30 | \$ 0.30 | \$ - | 0.0% | \$ 1.20 | \$ 1.20 | \$ - | - |
| Average number of common shares outstanding - basic (millions) | 923.4 | 909.1 | | | 920.3 | 847.9 | | |

The following items are included in net earnings:

Net gains on sale of investments and dilution gains

| | | | | |
|-------------------------|-------------|-------|-------------|-------|
| Continuing operations | 84 | 1,230 | 84 | 1,353 |
| Discontinued operations | (73) | 911 | (65) | 658 |

Edgar Filing: BCE INC - Form 6-K

| | | | | |
|---|------------------|----------------|-------------|----------------|
| Restructuring and other charges | (30) | (251) | (24) | (504) |
| Impairment charge | - | (527) | - | (527) |
| Total | (19) | 1,363 | (5) | 980 |
| Impact on net earnings per share | \$ (0.01) | \$ 1.49 | \$ - | \$ 1.02 |

n.m. : not meaningful

BCE Inc. Supplementary Financial Information - Fourth Quarter 2003 Page 2

| BCE Consolidated ⁽¹⁾ | | | | | | | | | | |
|---|-------------------|----------------|--------------|--------------|--------------|-------------------|--------------|--------------|--------------|--------------|
| Consolidated Operational Data - Historical Trend | | | | | | | | | | |
| <i>(\$ millions, except per share amounts)</i> | Total 2003 | Q4 03 | Q3 03 | Q2 03 | Q1 03 | Total 2002 | Q4 02 | Q3 02 | Q2 02 | Q1 02 |
| Operating revenues | 19,056 | 4,910 | 4,702 | 4,748 | 4,696 | 19,186 | 5,045 | 4,677 | 4,797 | 4,667 |
| Operating expenses | (11,630) | (3,056) | (2,803) | (2,848) | (2,923) | (11,831) | (3,238) | (2,792) | (2,898) | (2,903) |
| EBITDA ⁽²⁾ | 7,426 | 1,854 | 1,899 | 1,900 | 1,773 | 7,355 | 1,807 | 1,885 | 1,899 | 1,764 |
| Amortization expense | (3,147) | (786) | (813) | (786) | (762) | (3,082) | (773) | (755) | (796) | (758) |
| Net benefit plans (cost) credit | (175) | (46) | (44) | (43) | (42) | 33 | 8 | 7 | 12 | 6 |
| Restructuring and other charges | (52) | (51) | (1) | - | - | (887) | (395) | (79) | (413) | - |
| Operating income | 4,052 | 971 | 1,041 | 1,071 | 969 | 3,419 | 647 | 1,058 | 702 | 1,012 |
| Other income (expense) | 213 | 136 | 19 | 7 | 51 | 2,433 | 2,245 | (4) | 190 | 2 |
| Impairment charge | - | - | - | - | - | (765) | (765) | - | - | - |
| Interest expense | (1,093) | (263) | (267) | (285) | (278) | (1,124) | (341) | (280) | (253) | (250) |
| Earnings from continuing operations before income taxes and non-controlling interest | 3,172 | 844 | 793 | 793 | 742 | 3,963 | 1,786 | 774 | 639 | 764 |
| Income taxes | (1,136) | (340) | (285) | (271) | (240) | (1,583) | (732) | (304) | (244) | (303) |
| Non-controlling interest | (191) | (46) | (50) | (57) | (38) | (602) | (261) | (117) | (104) | (120) |
| Earnings from continuing operations | 1,845 | 458 | 458 | 465 | 464 | 1,778 | 793 | 353 | 291 | 341 |
| Discontinued operations | (30) | (58) | 6 | 13 | 9 | 629 | 919 | 12 | (271) | (31) |

Edgar Filing: BCE INC - Form 6-K

| | | | | | | | | | | |
|---|----------------|------------------|---------|---------|---------|---------|---------|-----------|-----------|-----------|
| Net earnings | 1,815 | 400 | 464 | 478 | 473 | 2,407 | 1,712 | 365 | 20 | 310 |
| Dividends on preferred shares | (64) | (14) | (18) | (17) | (15) | (59) | (16) | (16) | (14) | (13) |
| Premium on redemption of preferred shares | (7) | - | - | - | (7) | (6) | - | - | - | (6) |
| Net earnings applicable to common shares | 1,744 | 386 | 446 | 461 | 451 | 2,342 | 1,696 | 349 | 6 | 291 |
| Net earnings (loss) per common share - basic | | | | | | | | | | |
| Continuing operations | \$ 1.93 | \$ 0.48 | \$ 0.48 | \$ 0.49 | \$ 0.48 | \$ 2.00 | \$ 0.87 | \$ 0.39 | \$ 0.34 | \$ 0.40 |
| Discontinued operations | \$ (0.03) | \$ (0.07) | \$ 0.01 | \$ 0.01 | \$ 0.02 | \$ 0.66 | \$ 1.01 | \$ 0.01 | \$ (0.33) | \$ (0.03) |
| Net earnings | \$ 1.90 | \$ 0.41 | \$ 0.49 | \$ 0.50 | \$ 0.50 | \$ 2.66 | \$ 1.88 | \$ 0.40 | \$ 0.01 | \$ 0.37 |
| Net earnings (loss) per common share - diluted | | | | | | | | | | |
| Continuing operations | \$ 1.92 | \$ 0.48 | \$ 0.47 | \$ 0.49 | \$ 0.48 | \$ 1.98 | \$ 0.86 | \$ 0.39 | \$ 0.34 | \$ 0.39 |
| Discontinued operations | \$ (0.03) | \$ (0.07) | \$ 0.01 | \$ 0.01 | \$ 0.02 | \$ 0.64 | \$ 0.99 | \$ 0.01 | \$ (0.33) | \$ (0.03) |
| Net earnings | \$ 1.89 | \$ 0.41 | \$ 0.48 | \$ 0.50 | \$ 0.50 | \$ 2.62 | \$ 1.85 | \$ 0.40 | \$ 0.01 | \$ 0.36 |
| Dividends per common share | \$ 1.20 | \$ 0.30 | \$ 0.30 | \$ 0.30 | \$ 0.30 | \$ 1.20 | \$ 0.30 | \$ 0.30 | \$ 0.30 | \$ 0.30 |
| Average number of common shares outstanding - basic (millions) | 920.3 | 923.4 | 921.5 | 919.3 | 917.1 | 847.9 | 909.1 | 864.1 | 808.7 | 808.6 |
| The following items are included in net earnings: | | | | | | | | | | |
| Net gains on sale of investments and dilution gains | | | | | | | | | | |
| Continuing operations | 84 | 84 | - | - | - | 1,353 | 1,230 | 12 | 111 | - |
| Discontinued operations | (65) | (73) | 8 | - | - | 658 | 911 | - | (253) | - |
| Restructuring and other charges | (24) | (30) | 6 | - | - | (504) | (251) | (37) | (216) | - |
| Impairment charge | - | - | - | - | - | (527) | (527) | - | - | - |
| Total | (5) | (19) | 14 | - | - | 980 | 1,363 | (25) | (358) | - |
| Impact on net earnings per share | - | \$ (0.01) | \$ 0.01 | \$ - | \$ - | \$ 1.02 | \$ 1.49 | \$ (0.03) | \$ (0.44) | \$ - |

Edgar Filing: BCE INC - Form 6-K

BCE Consolidated ⁽¹⁾
Segmented Data

| <i>(\$ millions, except where otherwise indicated)</i> | Q4 2003 | Q4 2002 | \$ change | % change | Total 2003 | Total 2002 | \$ change | % change |
|--|--------------|--------------|--------------|---------------|---------------|---------------|--------------|---------------|
| Revenues | | | | | | | | |
| Bell Canada Segment | 4,281 | 4,450 | (169) | (3.8%) | 16,698 | 17,102 | (404) | (2.4%) |
| Bell Globemedia | 375 | 379 | (4) | (1.1%) | 1,363 | 1,290 | 73 | 5.7% |
| Advertising | 283 | 284 | (1) | (0.4%) | 978 | 913 | 65 | 7.1% |
| Subscriber | 69 | 72 | (3) | (4.2%) | 291 | 287 | 4 | 1.4% |
| Production and Sundry | 23 | 23 | - | 0.0% | 94 | 90 | 4 | 4.4% |
| BCE Emergis | 77 | 86 | (9) | (10.5%) | 316 | 346 | (30) | (8.7%) |
| eFinance Solutions | 60 | 68 | (8) | (11.8%) | 249 | 264 | (15) | (5.7%) |
| eHealth Solutions | 17 | 18 | (1) | (5.6%) | 67 | 82 | (15) | (18.3%) |
| BCE Ventures | 316 | 282 | 34 | 12.1% | 1,218 | 1,064 | 154 | 14.5% |
| CGI | 211 | 185 | 26 | 14.1% | 849 | 709 | 140 | 19.7% |
| Telesat | 99 | 95 | 4 | 4.2% | 345 | 327 | 18 | 5.5% |
| Other | 6 | 2 | 4 | n.m | 24 | 28 | (4) | (14.3%) |
| Corporate and other (including inter-segment eliminations) | (139) | (152) | 13 | 8.6% | (539) | (616) | 77 | 12.5% |
| Total revenues | 4,910 | 5,045 | (135) | (2.7%) | 19,056 | 19,186 | (130) | (0.7%) |
| EBITDA | | | | | | | | |
| Bell Canada Segment | 1,731 | 1,690 | 41 | 2.4% | 7,001 | 7,079 | (78) | (1.1%) |
| Bell Canada (including Aliant) | 1,752 | 1,752 | - | 0.0% | 7,046 | 7,255 | (209) | (2.9%) |
| Bell ExpressVu | (21) | (62) | 41 | 66.1% | (45) | (176) | 131 | 74.4% |
| Bell Globemedia | 83 | 72 | 11 | 15.3% | 233 | 180 | 53 | 29.4% |
| BCE Emergis | 6 | 10 | (4) | (40.0%) | 15 | (29) | 44 | n.m |
| BCE Ventures | 91 | 71 | 20 | 28.2% | 347 | 287 | 60 | 20.9% |
| CGI | 33 | 25 | 8 | 32.0% | 131 | 99 | 32 | 32.3% |
| Telesat | 55 | 47 | 8 | 17.0% | 206 | 184 | 22 | 12.0% |
| Other | 3 | (1) | 4 | n.m | 10 | 4 | 6 | n.m |
| Corporate and other (including inter-segment eliminations) | (57) | (36) | (21) | (58.3%) | (170) | (162) | (8) | (4.9%) |
| Total EBITDA | 1,854 | 1,807 | 47 | 2.6% | 7,426 | 7,355 | 71 | 1.0% |

Edgar Filing: BCE INC - Form 6-K

| | | | | | |
|---------------------------|--------------|-------|--|--------------|-------|
| EBITDA margin (%) | 37.8% | 35.8% | | 39.0% | 38.3% |
| EBITDA : Interest expense | 7.05 | 5.30 | | 6.79 | 6.54 |

Net earnings applicable to common shares

| | | | | | | | | |
|--|-------------|-------|---------|---------|--------------|-------|-------|---------|
| Bell Canada Segment | 493 | 1,360 | (867) | (63.8%) | 1,773 | 2,334 | (561) | (24.0%) |
| Bell Canada (including Aliant) | 530 | 1,433 | (903) | (63.0%) | 1,900 | 2,521 | (621) | (24.6%) |
| Bell ExpressVu | (37) | (73) | 36 | 49.3% | (127) | (187) | 60 | 32.1% |
| Bell Globemedia | 39 | (493) | 532 | n.m | 51 | (492) | 543 | n.m |
| BCE Emergis | (27) | 2 | (29) | n.m | (26) | (93) | 67 | 72.0% |
| BCE Ventures | 28 | 31 | (3) | (9.7%) | 135 | 129 | 6 | 4.7% |
| CGI | 12 | 14 | (2) | (14.3%) | 55 | 43 | 12 | 27.9% |
| Telesat | 11 | 19 | (8) | (42.1%) | 68 | 56 | 12 | 21.4% |
| Other | 5 | (2) | 7 | n.m | 12 | 30 | (18) | (60.0%) |
| Corporate and other (including inter-segment eliminations) | (89) | (123) | 34 | 27.6% | (159) | (165) | 6 | 3.6% |
| Discontinued operations | (58) | 919 | (977) | n.m | (30) | 629 | (659) | n.m |
| Total net earnings applicable to common shares | 386 | 1,696 | (1,310) | (77.2%) | 1,744 | 2,342 | (598) | (25.5%) |

Proportionate EBITDA, net debt and preferreds

As at December 31, 2003

Proportionate EBITDA

| | BCE Ownership (%) | Proportionate EBITDA | | | | | 12-Mth Trailing | Proportionate net debt and preferreds |
|--|-------------------------|----------------------|-------|-------|-------|-------|--------------------|---|
| | | Q4 03 | Q3 03 | Q2 03 | Q1 03 | | | |
| Bell Canada Segment | | | | | | | | |
| Bell Canada (excl. Aliant & ExpressVu) | 100% | 1,535 | 1,593 | 1,536 | 1,507 | 6,171 | 10,969 (a) | |
| Aliant | 53.5% | 116 | 125 | 125 | 103 | 469 | 437 | |
| ExpressVu | 100% | (21) | (9) | (9) | (6) | (45) | (3) (b) | |
| Total Bell Canada Segment | | 1,630 | 1,709 | 1,652 | 1,604 | 6,595 | 11,403 | |
| Bell Globemedia | 68.5% | 50 | 18 | 45 | 21 | 134 | 109 | |
| BCE Emergis | 63.9% | 4 | 3 | 3 | - | 10 | (64) | |
| BCE Ventures | | | | | | | | |
| CGI | 29.8% | 33 | 32 | 35 | 31 | 131 | 41 | |
| Telesat | 100% | 55 | 51 | 50 | 50 | 206 | 443 | |
| Other | 100% | 3 | 2 | 3 | 2 | 10 | 2 | |
| Total BCE Ventures | | 91 | 85 | 88 | 83 | 347 | 486 | |
| Corporate | 100% | (57) | (43) | (30) | (40) | (170) | | |
| Perpetual Preferred Shares | | | | | | | 1,670 | |
| Debt due within one year | | | | | | | 351 (c) | |
| Long term debt | | | | | | | 2,000 | |

Edgar Filing: BCE INC - Form 6-K

| | | | | | | | |
|--------------------------------|-------|-------|-------|-------|-------|--|--------|
| less: | | | | | | | |
| Cash and cash equivalents | | | | | | | (133) |
| Nortel common shares at market | | | | | | | (77) |
| Total Corporate | | | | | | | 3,811 |
| Total | 1,718 | 1,772 | 1,758 | 1,668 | 6,916 | | 15,745 |

n.m. : not meaningful

- (a) Net of \$498 million of intersegment debt.
- (b) Net of \$422 million of intersegment debt.
- (c) Represents \$351 million of retractable preferred shares

BCE Inc. Supplementary Financial Information - Fourth Quarter 2003 Page 4

**BCE Consolidated ⁽¹⁾
Segmented Data - Historical Trend**

| <i>(\$ millions, except where otherwise indicated)</i> | Total 2003 | Q4 03 | Q3 03 | Q2 03 | Q1 03 | Total 2002 | Q4 02 | Q3 02 | Q2 02 | Q1 02 |
|--|-------------------|--------------|--------------|--------------|--------------|-------------------|--------------|--------------|--------------|--------------|
| Revenues | | | | | | | | | | |
| Bell Canada Segment | 16,698 | 4,281 | 4,169 | 4,145 | 4,103 | 17,102 | 4,450 | 4,219 | 4,276 | 4,157 |
| Bell Globemedia | 1,363 | 375 | 296 | 357 | 335 | 1,290 | 379 | 273 | 326 | 312 |
| Advertising | 978 | 283 | 201 | 259 | 235 | 913 | 284 | 180 | 230 | 219 |
| Subscriber | 291 | 69 | 73 | 75 | 74 | 287 | 72 | 72 | 70 | 73 |
| Production and Sundry | 94 | 23 | 22 | 23 | 26 | 90 | 23 | 21 | 26 | 20 |
| BCE Emergis | 316 | 77 | 78 | 82 | 79 | 346 | 86 | 86 | 91 | 83 |
| eFinance Solutions | 249 | 60 | 63 | 64 | 62 | 264 | 68 | 65 | 66 | 65 |
| eHealth Solutions | 67 | 17 | 15 | 18 | 17 | 82 | 18 | 21 | 25 | 18 |
| BCE Ventures | 1,218 | 316 | 295 | 304 | 303 | 1,064 | 282 | 258 | 261 | 263 |
| CGI | 849 | 211 | 205 | 214 | 219 | 709 | 185 | 177 | 176 | 171 |
| Telesat | 345 | 99 | 84 | 83 | 79 | 327 | 95 | 77 | 78 | 77 |
| Other | 24 | 6 | 6 | 7 | 5 | 28 | 2 | 4 | 7 | 15 |
| Corporate and other (including inter-segment eliminations) | (539) | (139) | (136) | (140) | (124) | (616) | (152) | (159) | (157) | (148) |

Edgar Filing: BCE INC - Form 6-K

| | | | | | | | | | | |
|-----------------------|---------------|--------------|-------|-------|-------|--------|-------|-------|-------|-------|
| Total revenues | 19,056 | 4,910 | 4,702 | 4,748 | 4,696 | 19,186 | 5,045 | 4,677 | 4,797 | 4,667 |
|-----------------------|---------------|--------------|-------|-------|-------|--------|-------|-------|-------|-------|

EBITDA

| | | | | | | | | | | |
|--|--------------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Bell Canada Segment | 7,001 | 1,731 | 1,817 | 1,760 | 1,693 | 7,079 | 1,690 | 1,849 | 1,816 | 1,724 |
| Bell Canada (including Aliant) | 7,046 | 1,752 | 1,826 | 1,769 | 1,699 | 7,255 | 1,752 | 1,888 | 1,841 | 1,774 |
| Bell ExpressVu | (45) | (21) | (9) | (9) | (6) | (176) | (62) | (39) | (25) | (50) |
| Bell Globemedia | 233 | 83 | 36 | 77 | 37 | 180 | 72 | 17 | 58 | 33 |
| BCE Emergis | 15 | 6 | 4 | 5 | - | (29) | 10 | (3) | (3) | (33) |
| BCE Ventures | 347 | 91 | 85 | 88 | 83 | 287 | 71 | 66 | 73 | 77 |
| CGI | 131 | 33 | 32 | 35 | 31 | 99 | 25 | 21 | 28 | 25 |
| Telesat | 206 | 55 | 51 | 50 | 50 | 184 | 47 | 44 | 46 | 47 |
| Other | 10 | 3 | 2 | 3 | 2 | 4 | (1) | 1 | (1) | 5 |
| Corporate and other (including inter-segment eliminations) | (170) | (57) | (43) | (30) | (40) | (162) | (36) | (44) | (45) | (37) |
| Total EBITDA | 7,426 | 1,854 | 1,899 | 1,900 | 1,773 | 7,355 | 1,807 | 1,885 | 1,899 | 1,764 |

| | | | | | | | | | | |
|----------------------------------|--------------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|
| EBITDA margin (%) | 39.0% | 37.8% | 40.4% | 40.0% | 37.8% | 38.3% | 35.8% | 40.3% | 39.6% | 37.8% |
| EBITDA : Interest expense | 6.79 | 7.05 | 7.11 | 6.67 | 6.38 | 6.54 | 5.30 | 6.73 | 7.51 | 7.06 |

Net earnings applicable to common shares

| | | | | | | | | | | |
|--|--------------|-------------|------|------|------|-------|-------|------|-------|------|
| Bell Canada Segment | 1,773 | 493 | 439 | 415 | 426 | 2,334 | 1,360 | 325 | 340 | 309 |
| Bell Canada (including Aliant) | 1,900 | 530 | 471 | 446 | 453 | 2,521 | 1,433 | 357 | 375 | 356 |
| Bell ExpressVu | (127) | (37) | (32) | (31) | (27) | (187) | (73) | (32) | (35) | (47) |
| Bell Globemedia | 51 | 39 | (1) | 15 | (2) | (492) | (493) | (11) | 11 | 1 |
| BCE Emergis | (26) | (27) | 5 | (2) | (2) | (93) | 2 | 2 | (73) | (24) |
| BCE Ventures | 135 | 28 | 30 | 38 | 39 | 129 | 31 | 15 | 59 | 24 |
| CGI | 55 | 12 | 12 | 13 | 18 | 43 | 14 | 7 | 11 | 11 |
| Telesat | 68 | 11 | 15 | 22 | 20 | 56 | 19 | 8 | 16 | 13 |
| Other | 12 | 5 | 3 | 3 | 1 | 30 | (2) | - | 32 | - |
| Corporate and other (including inter-segment eliminations) | (159) | (89) | (33) | (18) | (19) | (165) | (123) | 6 | (60) | 12 |
| Discontinued operations | (30) | (58) | 6 | 13 | 9 | 629 | 919 | 12 | (271) | (31) |
| Total net earnings applicable to common shares | 1,744 | 386 | 446 | 461 | 451 | 2,342 | 1,696 | 349 | 6 | 291 |

BCE Consolidated (1)
Consolidated Balance Sheet Data

(\$ millions, except where otherwise indicated)

| | December 31 2003 | December 31 2002 |
|---|-----------------------------|---------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 714 | 263 |
| Accounts receivable | 2,077 | 2,181 |
| Other current assets | 745 | 731 |
| Current assets of discontinued operations | 45 | 257 |
| Total current assets | 3,581 | 3,432 |
| Capital assets | 21,189 | 20,380 |
| Other long-term assets | 3,550 | 3,789 |
| Indefinite-life intangible assets | 2,910 | 900 |
| Goodwill | 7,825 | 9,471 |
| Non-current assets of discontinued operations | 276 | 1,134 |
| Total assets | 39,331 | 39,106 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 3,691 | 3,712 |
| Debt due within one year | 1,537 | 1,957 |
| Current liabilities of discontinued operations | 27 | 191 |
| Total current liabilities | 5,255 | 5,860 |
| Long-term debt | 12,393 | 13,117 |
| Other long-term liabilities | 4,699 | 3,650 |
| Non-current liabilities of discontinued operations | 1 | 280 |
| Total liabilities | 22,348 | 22,907 |
| Non-controlling interest | 3,403 | 3,584 |
| SHAREHOLDERS' EQUITY | | |
| Preferred shares | 1,670 | 1,510 |
| Common shareholders' equity | | |
| Common shares | 16,749 | 16,520 |

Edgar Filing: BCE INC - Form 6-K

| | | |
|---|---------------|---------------|
| Contributed surplus | 1,037 | 1,010 |
| Deficit | (5,830) | (6,435) |
| Currency translation adjustment | (46) | 10 |
| Total common shareholders' equity | 11,910 | 11,105 |
| Total shareholders' equity | 13,580 | 12,615 |
| Total liabilities and shareholders' equity | 39,331 | 39,106 |
| Number of common shares outstanding | 924.0 | 915.9 |

Capital Structure

| | | |
|--|--------------|--------------|
| Net debt : Total Capitalization | 43.8% | 48.4% |
| Net debt : Trailing 12 month EBITDA | 1.78 | 2.06 |

BCE Inc. Supplementary Financial Information - Fourth Quarter 2003 Page 6

| (\$ millions, except where otherwise indicated) | BCE Consolidated ⁽¹⁾ Consolidated Cash Flow Data | | | | | |
|---|--|--------------------|----------------------|-----------------------|-----------------------|----------------------|
| | Q4 2003 | Q4 2002 | \$ change | Total 2003 | Total 2002 | \$ change |
| Cash flows from operating activities | | | | | | |
| Earnings from continuing operations | 458 | 793 | (335) | 1,845 | 1,778 | 67 |
| Adjustments to reconcile earnings from continuing operations to cash flows from operating activities: | | | | | | |
| Amortization expense | 786 | 773 | 13 | 3,147 | 3,082 | 65 |
| Net benefit plans cost (credit) | 46 | (8) | 54 | 175 | (33) | 208 |
| Restructuring and other charges (non-cash portion) | 49 | 333 | (284) | 44 | 805 | (761) |
| Impairment charge | - | 765 | (765) | - | 765 | (765) |
| Net gains on investments | (101) | (2,254) | 2,153 | (76) | (2,414) | 2,338 |
| Future income taxes | 217 | 570 | (353) | 433 | 518 | (85) |
| Non-controlling interest | 46 | 261 | (215) | 191 | 602 | (411) |
| Contributions to employee benefit plans and other benefit plan payments | (110) | (29) | (81) | (247) | (97) | (150) |
| Other items | (31) | 46 | (77) | (90) | (12) | (78) |
| Change in non-cash working capital | 250 | (112) | 362 | 593 | (616) | 1,209 |
| | 1,610 | 1,138 | 472 | 6,015 | 4,378 | 1,637 |

Edgar Filing: BCE INC - Form 6-K

| | | | | | | |
|---|------------|----------------|--------------|--------------|----------------|--------------|
| Capital expenditures | (1,083) | (1,066) | (17) | (3,179) | (3,731) | 552 |
| Other items | (7) | (1) | (6) | 64 | 13 | 51 |
| Cash preferred dividends and cash dividends paid by subsidiaries to non-controlling interest | (69) | (160) | 91 | (245) | (511) | 266 |
| Free Cash Flow from operations, before common dividends (2) | 451 | (89) | 540 | 2,655 | 149 | 2,506 |
| Cash common dividends | (259) | (271) | 12 | (1,029) | (999) | (30) |
| Free Cash Flow from operations, after common dividends (2) | 192 | (360) | 552 | 1,626 | (850) | 2,476 |
| Business acquisitions | (42) | (5,078) | 5,036 | (119) | (6,471) | 6,352 |
| Business dispositions | - | 2,758 | (2,758) | 55 | 3,190 | (3,135) |
| Decrease (increase) in investments accounted for under the cost and equity methods | 151 | (13) | 164 | 164 | (86) | 250 |
| Free Cash Flow after investments and divestitures | 301 | (2,693) | 2,994 | 1,726 | (4,217) | 5,943 |
| Other financing activities | | | | | | |
| Decrease in notes payable and bank advances | (53) | (633) | 580 | (295) | (213) | (82) |
| Issue of long-term debt | 105 | 2,509 | (2,404) | 1,986 | 4,908 | (2,922) |
| Repayment of long-term debt | (1,538) | (2,068) | 530 | (3,515) | (2,720) | (795) |
| Issue of common shares | 5 | 303 | (298) | 19 | 2,693 | (2,674) |
| Issue of preferred shares | - | - | - | 510 | 510 | - |
| Redemption of preferred shares | - | - | - | (357) | (306) | (51) |
| Costs relating to the issuance of common shares | - | - | - | - | (78) | 78 |
| Issue of equity securities and convertible debentures by subsidiaries to non-controlling interest | 19 | 4 | 15 | 130 | 93 | 37 |
| Redemption of equity securities by subsidiaries | (34) | - | (34) | (108) | - | (108) |
| Other items | (42) | (9) | (33) | (44) | (44) | - |
| | (1,538) | 106 | (1,644) | (1,674) | 4,843 | (6,517) |
| Cash provided by (used in) continuing operations | (1,237) | (2,587) | 1,350 | 52 | 626 | (574) |
| Cash provided by (used in) discontinued operations | 342 | 23 | 319 | 364 | (889) | 1,253 |
| Net increase (decrease) in cash and cash equivalents | (895) | (2,564) | 1,669 | 416 | (263) | 679 |
| Cash and cash equivalents at beginning of period | 1,617 | 2,870 | (1,253) | 306 | 569 | (263) |
| Cash and cash equivalents at end of period | 722 | 306 | 416 | 722 | 306 | 416 |
| Consists of: | | | | | | |
| Cash and cash equivalents of continuing operations | 714 | 263 | 451 | 714 | 263 | 451 |
| Cash and cash equivalents of discontinued operations | 8 | 43 | (35) | 8 | 43 | (35) |
| Total | 722 | 306 | 416 | 722 | 306 | 416 |

Other information

| | | | | | | |
|--|-------|-------|-----------|-------|-------|--------|
| Capital expenditures as a percentage of revenues | 22.1% | 21.1% | (1.0) pts | 16.7% | 19.4% | 2.7pts |
|--|-------|-------|-----------|-------|-------|--------|

Edgar Filing: BCE INC - Form 6-K

| | | | | | | |
|---|---------|---------|---------|---------|---------|---------|
| Cash flow per share ⁽³⁾ | \$ 0.57 | \$ 0.08 | \$ 0.49 | \$ 3.08 | \$ 0.76 | \$ 2.32 |
| Annualized cash flow yield ⁽⁴⁾ | 6.8% | (1.2%) | 8.0pts | 9.9% | 0.6% | 9.3pts |
| Common dividend payout | 67.1% | 16.0% | 51.1pts | 59.0% | 42.7% | 16.3pts |

BCE Inc. Supplementary Financial Information - Fourth Quarter 2003 Page 7

| (\$ millions, except where otherwise indicated) | BCE Consolidated ⁽¹⁾ | | | | | | | | | |
|---|--|--------------|-------|-------|-------|------------|---------|-------|-------|-------|
| | Consolidated Cash Flow Data - Historical Trend | | | | | | | | | |
| | Total 2003 | Q4 03 | Q3 03 | Q2 03 | Q1 03 | Total 2002 | Q4 02 | Q3 02 | Q2 02 | Q1 02 |
| Cash flows from operating activities | | | | | | | | | | |
| Earnings from continuing operations | 1,845 | 458 | 458 | 465 | 464 | 1,778 | 793 | 353 | 291 | 341 |
| Adjustments to reconcile earnings from continuing operations to cash flows from operating activities: | | | | | | | | | | |
| Amortization expense | 3,147 | 786 | 813 | 786 | 762 | 3,082 | 773 | 755 | 796 | 758 |
| Net benefit plans cost (credit) | 175 | 46 | 44 | 43 | 42 | (33) | (8) | (7) | (12) | (6) |
| Restructuring and other charges (non-cash portion) | 44 | 49 | (5) | - | - | 805 | 333 | 67 | 405 | - |
| Impairment charge | - | - | - | - | - | 765 | 765 | - | - | - |
| Net gains on investments | (76) | (101) | 25 | - | - | (2,414) | (2,254) | (12) | (148) | - |
| Future income taxes | 433 | 217 | 134 | 102 | (20) | 518 | 570 | 103 | (136) | (19) |
| Non-controlling interest | 191 | 46 | 50 | 57 | 38 | 602 | 261 | 117 | 104 | 120 |
| Contributions to employee benefit plans and other benefit plan payments | (247) | (110) | (68) | (42) | (27) | (97) | (29) | (24) | (22) | (22) |
| Other items | (90) | (31) | (12) | (91) | 44 | (12) | 46 | (55) | (16) | 13 |
| Change in non-cash working capital | 593 | 250 | 429 | 60 | (146) | (616) | (112) | 145 | (88) | (561) |
| | 6,015 | 1,610 | 1,868 | 1,380 | 1,157 | 4,378 | 1,138 | 1,442 | 1,174 | 624 |
| Capital expenditures | (3,179) | (1,083) | (794) | (708) | (594) | (3,731) | (1,066) | (896) | (924) | (845) |
| Other items | 64 | (7) | 156 | (45) | (40) | 13 | (1) | 26 | 15 | (27) |
| Cash preferred dividends and cash dividends paid by subsidiaries to non-controlling interest | (245) | (69) | (52) | (69) | (55) | (511) | (160) | (146) | (127) | (78) |
| Free Cash Flow from operations, before common dividends | 2,655 | 451 | 1,178 | 558 | 468 | 149 | (89) | 426 | 138 | (326) |
| Cash common dividends | (1,029) | (259) | (259) | (254) | (257) | (999) | (271) | (243) | (242) | (243) |

Edgar Filing: BCE INC - Form 6-K

| | | | | | | | | | | |
|---|----------------|----------------|-------|---------|-------|---------|---------|---------|-------|-------|
| Free Cash Flow from operations, after common dividends (2) | 1,626 | 192 | 919 | 304 | 211 | (850) | (360) | 183 | (104) | (569) |
| Business acquisitions | (119) | (42) | (7) | (7) | (63) | (6,471) | (5,078) | (1,378) | - | (15) |
| Business dispositions | 55 | - | 55 | - | - | 3,190 | 2,758 | - | 306 | 126 |
| Decrease (increase) in investments accounted for under the cost and equity methods | 164 | 151 | 7 | (1) | 7 | (86) | (13) | (8) | (8) | (57) |
| Free Cash Flow after investments and divestitures | 1,726 | 301 | 974 | 296 | 155 | (4,217) | (2,693) | (1,203) | 194 | (515) |
| Other financing activities | | | | | | | | | | |
| Decrease in notes payable and bank advances | (295) | (53) | (73) | (56) | (113) | (213) | (633) | (58) | 600 | (122) |
| Issue of long-term debt | 1,986 | 105 | 17 | 72 | 1,792 | 4,908 | 2,509 | 1,104 | 43 | 1,252 |
| Repayment of long-term debt | (3,515) | (1,538) | (147) | (1,464) | (366) | (2,720) | (2,068) | (291) | (261) | (100) |
| Issue of common shares | 19 | 5 | 5 | 4 | 5 | 2,693 | 303 | 2,381 | 7 | 2 |
| Issue of preferred shares | 510 | - | - | - | 510 | 510 | - | - | - | 510 |
| Redemption of preferred shares | (357) | - | - | - | (357) | (306) | - | - | - | (306) |
| Costs relating to the issuance of common shares | - | - | - | - | - | (78) | - | (78) | - | - |
| Issue of equity securities and convertible debentures by subsidiaries to non-controlling interest | 130 | 19 | 24 | 14 | 73 | 93 | 4 | 44 | 38 | 7 |
| Redemption of equity securities by subsidiaries | (108) | (34) | (39) | (16) | (19) | - | - | - | - | - |
| Other items | (44) | (42) | 56 | (56) | (2) | (44) | (9) | (39) | 10 | (6) |
| | (1,674) | (1,538) | (157) | (1,502) | 1,523 | 4,843 | 106 | 3,063 | 437 | 1,237 |
| Cash provided by (used in) continuing operations | 52 | (1,237) | 817 | (1,206) | 1,678 | 626 | (2,587) | 1,860 | 631 | 722 |
| Cash (provided by) used in discontinued operations | 364 | 342 | 4 | 14 | 4 | (889) | 23 | 20 | (533) | (399) |
| Net increase (decrease) in cash and cash equivalents | 416 | (895) | 821 | (1,192) | 1,682 | (263) | (2,564) | 1,880 | 98 | 323 |
| Cash and cash equivalents at beginning of period | 306 | 1,617 | 796 | 1,988 | 306 | 569 | 2,870 | 990 | 892 | 569 |
| Cash and cash equivalents at end of period | 722 | 722 | 1,617 | 796 | 1,988 | 306 | 306 | 2,870 | 990 | 892 |
| Consists of: | | | | | | | | | | |
| Cash and cash equivalents of continuing operations | 714 | 714 | 1,552 | 735 | 1,941 | 263 | 263 | 2,850 | 990 | 359 |
| Cash and cash equivalents of discontinued operations | 8 | 8 | 65 | 61 | 47 | 43 | 43 | 20 | - | 533 |
| Total | 722 | 722 | 1,617 | 796 | 1,988 | 306 | 306 | 2,870 | 990 | 892 |

Other information

Edgar Filing: BCE INC - Form 6-K

| | | | | | | | | | | |
|--|----------------|----------------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Capital expenditures as a percentage of revenues | 16.7% | 22.1% | 16.9% | 14.9% | 12.6% | 19.4% | 21.1% | 19.2% | 19.3% | 18.1% |
| Cash flow per share ⁽³⁾ | \$ 3.08 | \$ 0.57 | \$ 1.17 | \$ 0.73 | \$ 0.61 | \$ 0.76 | \$ 0.08 | \$ 0.63 | \$ 0.31 | \$ (0.27) |
| Annualized cash flow yield ⁽⁴⁾ | 9.9% | 6.8% | 17.6% | 8.0% | 7.6% | 0.6% | (1.2%) | 6.8% | 2.4% | (5.6%) |
| Common dividend payout | 59.0% | 67.1% | 58.1% | 55.1% | 57.0% | 42.7% | 16.0% | 69.6% | n.m. | 83.5% |

BCE Inc. Supplementary Financial Information - Fourth Quarter 2003 Page 8

| (\$ millions, except where otherwise indicated) | Bell Canada Segment ⁽¹⁾ Operational Data | | | | | | | |
|---|--|------------|-----------|----------|-----------------------|---------------|-----------|----------|
| | Q4 2003 | Q4 2002 | \$ change | % change | Total 2003 | Total 2002 | \$ change | % change |
| Revenues | | | | | | | | |
| Local and access | 1,563 | 1,564 | (1) | (0.1%) | 6,105 | 6,129 | (24) | (0.4%) |
| Long distance | 602 | 635 | (33) | (5.2%) | 2,487 | 2,579 | (92) | (3.6%) |
| Wireless | 674 | 581 | 93 | 16.0% | 2,526 | 2,203 | 323 | 14.7% |
| Data | 972 | 1,024 | (52) | (5.1%) | 3,791 | 3,770 | 21 | 0.6% |
| Bell ExpressVu | 201 | 176 | 25 | 14.2% | 761 | 638 | 123 | 19.3% |
| Terminal sales and other | 269 | 379 | (110) | (29.0%) | 1,028 | 1,282 | (254) | (19.8%) |
| Directory advertising | - | 91 | (91) | n.m | - | 501 | (501) | n.m |
| | 4,281 | 4,450 | (169) | (3.8%) | 16,698 | 17,102 | (404) | (2.4%) |
| Cash operating expenses | (2,550) | (2,760) | 210 | 7.6% | (9,697) | (10,023) | 326 | 3.3% |
| EBITDA | 1,731 | 1,690 | 41 | 2.4% | 7,001 | 7,079 | (78) | (1.1%) |
| Bell Canada (including Aliant) | 1,752 | 1,752 | - | 0.0% | 7,046 | 7,255 | (209) | (2.9%) |
| Bell ExpressVu | (21) | (62) | 41 | 66.1% | (45) | (176) | 131 | 74.4% |
| EBITDA margin (%) | 40.4% | 38.0% | | 2.4pts | 41.9% | 41.4% | | 0.5pts |
| Amortization expense | (742) | (734) | (8) | (1.1%) | (2,970) | (2,894) | (76) | (2.6%) |
| Net benefit plans (cost) credit | (46) | 9 | (55) | n.m | (181) | 38 | (219) | n.m |
| Restructuring and other charges | (13) | (302) | 289 | 95.7% | (14) | (675) | 661 | 97.9% |
| Operating income | 930 | 663 | 267 | 40.3% | 3,836 | 3,548 | 288 | 8.1% |
| Interest expense | (231) | (293) | 62 | 21.2% | (945) | (1,108) | 163 | 14.7% |
| Other income (expense) | 134 | 2,284 | (2,150) | (94.1%) | 194 | 2,434 | (2,240) | (92.0%) |

Edgar Filing: BCE INC - Form 6-K

| | | | | | | | | |
|---|------------|-------|---------|---------|--------------|---------|---------|---------|
| Impairment charge | - | (50) | 50 | n.m | - | (50) | 50 | n.m |
| Earnings before income taxes and | | | | | | | | |
| non-controlling interest | 833 | 2,604 | (1,771) | (68.0%) | 3,085 | 4,824 | (1,739) | (36.0%) |
| Income taxes | (316) | (766) | 450 | 58.7% | (1,127) | (1,609) | 482 | 30.0% |
| Non-controlling interest | (15) | (20) | 5 | 25.0% | (102) | (101) | (1) | (1.0%) |
| Earnings from continuing operations | | | | | | | | |
| Discontinued operations | 53 | (3) | 56 | n.m | 59 | 14 | 45 | n.m |
| Net earnings | | | | | | | | |
| Dividends on preferred shares | (9) | (15) | 6 | 40.0% | (58) | (63) | 5 | 7.9% |
| Interest on equity settled notes | - | (15) | 15 | n.m | (25) | (59) | 34 | 57.6% |
| Net earnings applicable to common shares | | | | | | | | |
| | 546 | 1,785 | (1,239) | (69.4%) | 1,832 | 3,006 | (1,174) | (39.1%) |

The following items are included in net earnings:

| | | | | | | | | |
|---|------------|--------------|--|--|------------|--------------|--|--|
| Net gains on sale of investments and dilution gains | | | | | | | | |
| Continuing operations | 86 | 1,655 | | | 92 | 1,848 | | |
| Discontinued operations | 48 | (6) | | | 56 | 5 | | |
| Restructuring and other charges | (9) | (190) | | | (9) | (426) | | |
| Impairment charge | - | (26) | | | - | (26) | | |
| Other | - | - | | | - | (18) | | |
| Total | 125 | 1,433 | | | 139 | 1,383 | | |

Other information

| | | | | | | | | |
|--|-------|-------|------|-----------|-------|-------|-----|--------|
| Capital expenditures | 991 | 974 | (17) | (1.7%) | 2,892 | 3,390 | 498 | 14.7% |
| Capital expenditures as a percentage of revenues (%) | 23.1% | 21.9% | | (1.2) pts | 17.3% | 19.8% | | 2.5pts |

Net debt and preferreds

| <i>At December 31, 2003</i> | Bell Canada | Aliant | Bell ExpressVu | Bell Canada Consolidated | Inter-company eliminations | Bell Canada Segment |
|---|-------------|--------|----------------|--------------------------|----------------------------|---------------------|
| Bank indebtedness / (cash and cash equivalents) | (30) | (365) | (3) | (398) | - | (398) |
| Long term debt | 8,743 | 889 | 392 | 10,024 | (392) | 9,632 |
| Debt due within one year | 1,015 | 120 | 30 | 1,165 | (30) | 1,135 |
| | (498) | - | - | (498) | 498 | - |

Edgar Filing: BCE INC - Form 6-K

Long-term note receivable
from BCH
PPA fair value increment ⁽⁵⁾

| | | | | | | |
|--|---------------|------------|------------|---------------|-----------|---------------|
| | | | | | | 141 |
| Net debt | 9,230 | 644 | 419 | 10,293 | 76 | 10,510 |
| Preferred shares - Bell Canada ⁽⁶⁾ | 1,100 | - | - | 1,100 | - | 1,100 |
| Preferred shares - Aliant ⁽⁶⁾ | - | 172 | | 172 | - | 172 |
| Net debt and preferreds | 10,330 | 816 | 419 | 11,565 | 76 | 11,782 |

BCE Inc. Supplementary Financial Information - Fourth Quarter 2003 Page 9

Bell Canada Segment ⁽¹⁾
Operational Data - Historical Trend

(\$ millions, except where otherwise
indicated)

| | Total 2003 | Q4 03 | Q3 03 | Q2 03 | Q1 03 | Total 2002 | Q4 02 | Q3 02 | Q2 02 | Q1 02 |
|---------------------------------|-----------------------|----------------|--------------|--------------|--------------|-----------------------|--------------|--------------|--------------|--------------|
| Revenues | | | | | | | | | | |
| Local and access | 6,105 | 1,563 | 1,530 | 1,512 | 1,500 | 6,129 | 1,564 | 1,519 | 1,527 | 1,519 |
| Long distance | 2,487 | 602 | 631 | 608 | 646 | 2,579 | 635 | 651 | 645 | 648 |
| Wireless | 2,526 | 674 | 661 | 621 | 570 | 2,203 | 581 | 570 | 548 | 504 |
| Data | 3,791 | 972 | 931 | 955 | 933 | 3,770 | 1,024 | 908 | 933 | 905 |
| Bell ExpressVu | 761 | 201 | 192 | 191 | 177 | 638 | 176 | 156 | 155 | 151 |
| Terminal sales and other | 1,028 | 269 | 224 | 258 | 277 | 1,282 | 379 | 275 | 330 | 298 |
| Directory advertising | - | - | - | - | - | 501 | 91 | 140 | 138 | 132 |
| | 16,698 | 4,281 | 4,169 | 4,145 | 4,103 | 17,102 | 4,450 | 4,219 | 4,276 | 4,157 |
| Cash operating expenses | (9,697) | (2,550) | (2,352) | (2,385) | (2,410) | (10,023) | (2,760) | (2,370) | (2,460) | (2,433) |
| | 7,001 | 1,731 | 1,817 | 1,760 | 1,693 | 7,079 | 1,690 | 1,849 | 1,816 | 1,724 |
| EBITDA | 7,001 | 1,731 | 1,817 | 1,760 | 1,693 | 7,079 | 1,690 | 1,849 | 1,816 | 1,724 |
| | 7,046 | 1,752 | 1,826 | 1,769 | 1,699 | 7,255 | 1,752 | 1,888 | 1,841 | 1,774 |
| Bell Canada (including Aliant) | 7,046 | 1,752 | 1,826 | 1,769 | 1,699 | 7,255 | 1,752 | 1,888 | 1,841 | 1,774 |
| Bell ExpressVu | (45) | (21) | (9) | (9) | (6) | (176) | (62) | (39) | (25) | (50) |
| | 41.9% | 40.4% | 43.6% | 42.5% | 41.3% | 41.4% | 38.0% | 43.8% | 42.5% | 41.5% |
| EBITDA margin (%) | 41.9% | 40.4% | 43.6% | 42.5% | 41.3% | 41.4% | 38.0% | 43.8% | 42.5% | 41.5% |
| | (2,970) | (742) | (758) | (747) | (723) | (2,894) | (734) | (711) | (746) | (703) |
| Amortization expense | (2,970) | (742) | (758) | (747) | (723) | (2,894) | (734) | (711) | (746) | (703) |
| Net benefit plans (cost) credit | (181) | (46) | (46) | (45) | (44) | 38 | 9 | 10 | 11 | 8 |
| Restructuring and other charges | (14) | (13) | (1) | - | - | (675) | (302) | (79) | (294) | - |

Edgar Filing: BCE INC - Form 6-K

| | | | | | | | | | | |
|--|--------------|------------|-------|-------|-------|---------|-------|-------|-------|-------|
| Operating income | 3,836 | 930 | 1,012 | 968 | 926 | 3,548 | 663 | 1,069 | 787 | 1,029 |
| Interest expense | (945) | (231) | (239) | (232) | (243) | (1,108) | (293) | (282) | (266) | (267) |
| Other income (expense) | 194 | 134 | 3 | 13 | 44 | 2,434 | 2,284 | (32) | 190 | (8) |
| Impairment charge | - | - | - | - | - | (50) | (50) | - | - | - |
| Earnings before income taxes and non-controlling interest | | | | | | | | | | |
| non-controlling interest | 3,085 | 833 | 776 | 749 | 727 | 4,824 | 2,604 | 755 | 711 | 754 |
| Income taxes | (1,127) | (316) | (291) | (273) | (247) | (1,609) | (766) | (300) | (242) | (301) |
| Non-controlling interest | (102) | (15) | (29) | (35) | (23) | (101) | (20) | (36) | (21) | (24) |
| Earnings from continuing operations | | | | | | | | | | |
| Earnings from continuing operations | 1,856 | 502 | 456 | 441 | 457 | 3,114 | 1,818 | 419 | 448 | 429 |
| Discontinued operations | 59 | 53 | - | 5 | 1 | 14 | (3) | (1) | 13 | 5 |
| Net earnings | | | | | | | | | | |
| Net earnings | 1,915 | 555 | 456 | 446 | 458 | 3,128 | 1,815 | 418 | 461 | 434 |
| Dividends on preferred shares | (58) | (9) | (17) | (16) | (16) | (63) | (15) | (16) | (16) | (16) |
| Interest on equity settled notes | (25) | - | - | (10) | (15) | (59) | (15) | (14) | (16) | (14) |
| Net earnings applicable to common shares | | | | | | | | | | |
| Net earnings applicable to common shares | 1,832 | 546 | 439 | 420 | 427 | 3,006 | 1,785 | 388 | 429 | 404 |

The following items are included in net earnings:

| | | | | | | | | | | |
|---|------------|------------|----|---|---|-------|-------|------|-------|---|
| Net gains on sale of investments and dilution gains | | | | | | | | | | |
| Continuing operations | 92 | 86 | 6 | - | - | 1,848 | 1,655 | - | 193 | - |
| Discontinued operations | 56 | 48 | 8 | - | - | 5 | (6) | - | 11 | - |
| Restructuring and other charges | (9) | (9) | - | - | - | (426) | (190) | (45) | (191) | - |
| Impairment charge | - | - | - | - | - | (26) | (26) | - | - | - |
| Other | - | - | - | - | - | (18) | - | - | (18) | - |
| Total | 139 | 125 | 14 | - | - | 1,383 | 1,433 | (45) | (5) | - |

Other information

| | | | | | | | | | | |
|--|--------------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Capital expenditures | 2,892 | 991 | 708 | 659 | 534 | 3,390 | 974 | 831 | 824 | 761 |
| Capital expenditures as a percentage of revenues (%) | 17.3% | 23.1% | 17.0% | 15.9% | 13.0% | 19.8% | 21.9% | 19.7% | 19.3% | 18.3% |

Bell Canada Segment
Statistical Data*

| | Q4 2003 | Q4 2002 | % change | Total 2003 | Total 2002 | % change |
|--|------------|------------|-------------|---------------|---------------|-------------|
| Wireline | | | | | | |
| Local | | | | | | |
| Network access services (k) | | | | | | |
| Residential | | | | 8,511 | 8,573 | (0.7%) |
| Business | | | | 4,540 | 4,581 | (0.9%) |
| Total network access services | | | | 13,051 | 13,154 | (0.8%) |
| Estimated percentage of wireline NAS - Ontario and Quebec ⁽⁷⁾ | | | | | | |
| Residential | 96.9% | 97.9% | (1.0)pts | | | |
| Business | 90.4% | 91.3% | (0.9)pts | | | |
| Total estimated percentage of wireline NAS | 94.6% | 95.5% | (0.9)pts | | | |
| SmartTouch feature revenues (\$M) | 233 | 231 | 0.9% | 931 | 923 | 0.9% |
| Long Distance (LD) | | | | | | |
| Conversation minutes (M) | 4,685 | 5,000 | (6.3%) | 19,132 | 19,034 | 0.5% |
| Average revenue per minute (\$) | 0.122 | 0.120 | 1.7% | 0.124 | 0.126 | (1.6%) |
| Estimated percentage of traditional wireline LD revenues - Ontario and Quebec ⁽⁸⁾ | 62.9% | 63.0% | (0.1) pts | | | |
| Data | | | | | | |
| Data revenues (\$M) ⁽⁹⁾ | | | | | | |
| Legacy | 387 | 486 | (20.4%) | 1,644 | 1,864 | (11.8%) |
| Non-Legacy | 585 | 538 | 8.7% | 2,147 | 1,906 | 12.6% |
| | 972 | 1,024 | (5.1%) | 3,791 | 3,770 | 0.6% |
| Equivalent access lines ⁽¹⁰⁾ (k) - Bell Canada only | | | | | | |
| Digital equivalent access lines | | | | 3,867 | 3,683 | 5.0% |
| Broadband equivalent access lines | | | | 16,651 | 12,568 | 32.5% |
| Internet subscribers ⁽¹¹⁾ (k) | | | | | | |
| DSL High Speed Internet subscribers (k) | | | | 1,482 | 1,110 | 33.5% |
| Dial-up Internet subscribers (k) | | | | 869 | 957 | (9.2%) |
| | | | | 2,351 | 2,067 | 13.7% |
| Wireless | | | | | | |
| Cellular & PCS Net activations (k) | | | | | | |
| Pre-paid | 33 | 19 | 73.7% | 101 | - | n.m |
| Post-paid | 156 | 196 | (20.4%) | 413 | 452 | (8.6%) |
| | 189 | 215 | (12.1%) | 514 | 452 | 13.7% |
| Cellular & PCS subscribers (k) | | | | | | |

Edgar Filing: BCE INC - Form 6-K

| | | | | | | |
|--|--------------|-------|--------|--------------|-------|---------|
| Pre-paid | | | | 1,059 | 958 | 10.5% |
| Post-paid | | | | 3,353 | 2,940 | 14.0% |
| | | | | 4,412 | 3,898 | 13.2% |
| Average revenue per unit (\$/month) | 50 | 47 | 6.4% | 48 | 47 | 2.1% |
| Pre-paid | 12 | 10 | 20.0% | 12 | 12 | 0.0% |
| Post-paid | 62 | 60 | 3.3% | 60 | 59 | 1.7% |
| Churn (%) (average per month) | 1.4% | 1.7% | 0.3pts | 1.4% | 1.7% | 0.3pts |
| Pre-paid | 1.8% | 2.7% | 0.9pts | 1.9% | 2.2% | 0.3pts |
| Post-paid | 1.2% | 1.4% | 0.2pts | 1.3% | 1.5% | 0.2pts |
| Usage per subscriber (min/month) | 240 | 214 | 12.1% | 228 | 204 | 11.8% |
| Cost of acquisition ⁽¹²⁾ (\$/sub) | 445 | 409 | (8.8%) | 426 | 429 | 0.7% |
| Wireless EBITDA | 229 | 151 | 51.7% | 918 | 754 | 21.8% |
| Wireless EBITDA margin | 34.0% | 26.0% | 8.0pts | 36.3% | 34.2% | 2.1pts |
| Browser hits (M) | 190 | 99 | 91.9% | 653 | 392 | 66.6% |
| Paging subscribers (k) | | | | 524 | 639 | (18.0%) |
| Paging average revenue per unit (\$/month) | 10 | 10 | 0.0% | 10 | 10 | 0.0% |

Bell ExpressVu (Direct-to-Home Satellite Service)

| | | | | | | |
|---|-------------|------|-----------|--------------|-------|-----------|
| Total subscribers (k) | | | | 1,387 | 1,304 | 6.4% |
| Net subscriber activations (k) | 35 | 83 | (57.8%) | 83 | 235 | (64.7%) |
| Average revenue per subscriber (\$/month) | 48 | 43 | 11.6% | 46 | 44 | 4.5% |
| Cost of acquisition (\$/sub) | 735 | 667 | (10.2%) | 671 | 690 | 2.8% |
| Churn (%) (average per month) | 1.0% | 0.9% | (0.1) pts | 1.1% | 1.0% | (0.1) pts |

* Operating statistics are reported on a consolidated basis, except where otherwise noted.

BCE Inc. Supplementary Financial Information - Fourth Quarter 2003 Page 11

**Bell Canada Segment
Statistical Data - Historical Trend***

| | Total 2003 | Q4 03 | Q3 03 | Q2 03 | Q1 03 | Total 2002 | Q4 02 | Q3 02 | Q2 02 | Q1 02 |
|-----------------------------|-----------------------|--------------|--------------|--------------|--------------|-----------------------|--------------|--------------|--------------|--------------|
| Wireline | | | | | | | | | | |
| Local | | | | | | | | | | |
| Network access services (k) | | | | | | | | | | |
| Residential | 8,511 | 8,539 | 8,504 | 8,566 | | 8,573 | 8,580 | 8,532 | 8,613 | |

Edgar Filing: BCE INC - Form 6-K

| | | | | | | | | | | |
|---|---------------|--------------|--------|--------|-------|--------|--------|--------|--------|-------|
| Business | 4,540 | 4,549 | 4,564 | 4,577 | | 4,581 | 4,607 | 4,630 | 4,633 | |
| Total network access services | 13,051 | 13,088 | 13,068 | 13,143 | | 13,154 | 13,187 | 13,162 | 13,246 | |
| Estimated percentage of wireline NAS - Ontario and Quebec(7) | | | | | | | | | | |
| Residential | 96.9% | 97.3% | 97.6% | 97.9% | | 97.9% | 98.0% | 98.3% | 98.7% | |
| Business | 90.4% | 90.3% | 90.6% | 91.0% | | 91.3% | 91.5% | 91.6% | 91.8% | |
| Total estimated percentage of wireline NAS | 94.6% | 94.8% | 95.1% | 95.4% | | 95.5% | 95.7% | 95.9% | 96.2% | |
| SmartTouch feature revenues (\$M) | 931 | 233 | 234 | 233 | 231 | 923 | 231 | 230 | 230 | 232 |
| Long Distance (LD) | | | | | | | | | | |
| Conversation minutes (M) | 19,132 | 4,685 | 4,664 | 4,911 | 4,872 | 19,034 | 5,000 | 4,660 | 4,725 | 4,649 |
| Average revenue per minute (\$) | 0.124 | 0.122 | 0.128 | 0.120 | 0.124 | 0.126 | 0.120 | 0.130 | 0.126 | 0.128 |
| Estimated percentage of traditional wireline LD revenues - Ontario and Quebec (8) | 62.9% | 63.7% | 63.1% | 63.1% | | | 63.0% | 63.5% | 62.8% | 63.0% |
| Data | | | | | | | | | | |
| Data revenues (\$M)(9) | | | | | | | | | | |
| Legacy | 1,644 | 387 | 417 | 413 | 427 | 1,864 | 486 | 451 | 453 | 474 |
| Non-Legacy | 2,147 | 585 | 514 | 542 | 506 | 1,906 | 538 | 457 | 480 | 431 |
| | 3,791 | 972 | 931 | 955 | 933 | 3,770 | 1,024 | 908 | 933 | 905 |
| Equivalent access lines(10) (k) - Bell Canada only | | | | | | | | | | |
| Digital equivalent access lines | 3,867 | 3,771 | 3,708 | 3,704 | | 3,683 | 3,645 | 3,833 | 3,815 | |
| Broadband equivalent access lines | 16,651 | 15,393 | 14,658 | 13,808 | | 12,568 | 11,265 | 10,176 | 9,431 | |
| Internet subscribers(11) (k) | | | | | | | | | | |
| DSL High Speed Internet subscribers (k) | 1,482 | 1,391 | 1,287 | 1,206 | | 1,110 | 1,002 | 909 | 866 | |
| Dial-up Internet subscribers (k) | 869 | 892 | 911 | 940 | | 957 | 985 | 1,031 | 1,036 | |
| | 2,351 | 2,283 | 2,198 | 2,146 | | 2,067 | 1,987 | 1,940 | 1,902 | |
| Wireless | | | | | | | | | | |
| Cellular & PCS Net activations (k) | | | | | | | | | | |
| Pre-paid | 101 | 33 | 23 | 27 | 18 | - | 19 | (5) | (29) | 15 |
| Post-paid | 413 | 156 | 101 | 104 | 52 | 452 | 196 | 63 | 117 | 76 |
| | 514 | 189 | 124 | 131 | 70 | 452 | 215 | 58 | 88 | 91 |
| Cellular & PCS subscribers (k) | | | | | | | | | | |
| Pre-paid | 1,059 | 1,026 | 1,003 | 976 | | 958 | 939 | 944 | 973 | |
| Post-paid | 3,353 | 3,197 | 3,096 | 2,992 | | 2,940 | 2,744 | 2,681 | 2,564 | |
| | 4,412 | 4,223 | 4,099 | 3,968 | | 3,898 | 3,683 | 3,625 | 3,537 | |
| Average revenue per unit (\$/month) | 48 | 50 | 50 | 48 | 45 | 47 | 47 | 48 | 47 | 44 |
| Pre-paid | 12 | 12 | 13 | 12 | 11 | 12 | 10 | 13 | 13 | 11 |

Edgar Filing: BCE INC - Form 6-K

| | | | | | | | | | | |
|--|--------------|--------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Post-paid | 60 | 62 | 62 | 60 | 56 | 59 | 60 | 60 | 59 | 56 |
| Churn (%) (average per month) | 1.4% | 1.4% | 1.4% | 1.4% | 1.4% | 1.7% | 1.7% | 1.8% | 1.6% | 1.6% |
| Pre-paid | 1.9% | 1.8% | 1.8% | 1.9% | 1.9% | 2.2% | 2.7% | 2.2% | 1.9% | 1.8% |
| Post-paid | 1.3% | 1.2% | 1.3% | 1.3% | 1.3% | 1.5% | 1.4% | 1.6% | 1.4% | 1.5% |
| Usage per subscriber (min/month) | 228 | 240 | 231 | 237 | 203 | 204 | 214 | 207 | 206 | 188 |
| Cost of acquisition(12) (\$/sub) | 426 | 445 | 425 | 435 | 387 | 429 | 409 | 441 | 471 | 407 |
| Wireless EBITDA | 918 | 229 | 251 | 219 | 219 | 754 | 151 | 219 | 206 | 178 |
| Wireless EBITDA margins | 36.3% | 34.0% | 38.0% | 35.3% | 38.4% | 34.2% | 26.0% | 38.4% | 37.6% | 35.3% |
| Browser hits (M) | 653 | 190 | 170 | 170 | 123 | 392 | 99 | 87 | 94 | 112 |
| Paging subscribers (k) | | 524 | 549 | 581 | 606 | | 639 | 660 | 680 | 694 |
| Paging average revenue per unit (\$/month) | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Bell ExpressVu (Direct-to-Home Satellite Service) | | | | | | | | | | |
| Total subscribers (k) | | 1,387 | 1,352 | 1,335 | 1,317 | | 1,304 | 1,221 | 1,176 | 1,145 |
| Net subscriber activations (k) | 83 | 35 | 17 | 18 | 13 | 235 | 83 | 45 | 31 | 76 |
| Average revenue per subscriber (\$/month) | 46 | 48 | 47 | 47 | 44 | 44 | 43 | 43 | 44 | 45 |
| Cost of acquisition (\$/sub) | 671 | 735 | 613 | 655 | 675 | 690 | 667 | 630 | 769 | 718 |
| Churn (%) (average per month) | 1.1% | 1.0% | 1.4% | 1.1% | 1.0% | 1.0% | 0.9% | 1.2% | 1.0% | 0.8% |

* Operating statistics are reported on a consolidated basis, except where otherwise noted.

BCE Inc. Supplementary Financial Information - Fourth Quarter 2003 Page 12

Accompanying Notes

- (1) Effective December 2003, we started presenting the financial results of Aliant's remote communications segment which consisted mainly of Aliant's investment in Stratos Global Corporation (Stratos), and BCE Emergis' US Health operations (US Health) as discontinued operations. Stratos results were previously presented in the Bell Canada Segment and US Health results were previously presented in the BCE Emergis segment. As a result, prior periods have been restated to reflect the discontinued operations treatment of Stratos and US Health.

(2) **Non-GAAP financial Measures**

Certain financial measures used in this Supplementary Financial Information do not have any standardized meaning prescribed by Canadian generally accepted accounting principles (GAAP). Below you will find a discussion of these non-GAAP financial measures, as well as a reconciliation to the most comparable GAAP measure.

EBITDA

Edgar Filing: BCE INC - Form 6-K

The term EBITDA (earnings before interest, taxes, depreciation and amortization) does not have any standardized meaning prescribed by Canadian GAAP and is therefore unlikely to be comparable to similar measures presented by other issuers. We define it as operating revenues less operating expenses, which means it represents operating income before amortization expense, net benefit plans (cost) credit and restructuring and other charges. EBITDA is presented on a basis that is consistent from period to period.

We believe EBITDA to be an important measure as it allows us to assess the operating performance of our ongoing businesses without the effects of amortization expense, net benefit plans (cost) credit and restructuring and other charges. We exclude amortization expense and net benefit plans (cost) credit because they substantially depend on the accounting methods and assumptions a company uses, as well as non-operating factors such as the historical cost of capital assets and the fund performance of a company's pension plans. We exclude restructuring and other charges because they are transitional in nature.

EBITDA allows us to compare our operating performance on a consistent basis. We also believe that EBITDA is used by certain investors and analysts in measuring a company's ability to service debt and to meet other payment obligations or as the basis for a valuation measurement that is commonly used in the telecommunications industry.

EBITDA should not be confused with net cash flows from operating activities. The most comparable Canadian GAAP earnings measure is operating income. The following is a reconciliation of EBITDA to operating income on a consolidated and segmented basis.

| (in \$ millions) | Bell Canada | Bell Globe- media | BCE Emergis | BCE Ventures | Corpo- rate and other | BCE Consoli- dated |
|---------------------------------|----------------|-------------------------|----------------|-----------------|-----------------------------|--------------------------|
| Q4 2003 | | | | | | |
| EBITDA | 1 731 | 83 | 6 | 91 | (57) | 1 854 |
| Amortization expense | (742) | (14) | (10) | (34) | 14 | (786) |
| Net benefit plans (cost) credit | (46) | (3) | - | - | 3 | (46) |
| Restructuring and other charges | (13) | - | (38) | - | - | (51) |
| Operating income (loss) | 930 | 66 | (42) | 57 | (40) | 971 |
| Q4 2002 | | | | | | |
| EBITDA | 1 690 | 72 | 10 | 71 | (36) | 1 807 |
| Amortization expense | (734) | (16) | (12) | (28) | 17 | (773) |
| Net benefit plans (cost) credit | 9 | - | - | - | (1) | 8 |
| Restructuring and other charges | (302) | - | - | - | (93) | (395) |
| Operating income (loss) | 663 | 56 | (2) | 43 | (113) | 647 |

Accompanying Notes (continued)

| (in \$ millions) | Bell Canada | Bell Globe- media | BCE Emergis | BCE Ventures | Corpo- rate and other | BCE Consoli- dated |
|---------------------------------|----------------|-------------------------|----------------|-----------------|-----------------------------|--------------------------|
| Full Year 2003 | | | | | | |
| EBITDA | 7 001 | 233 | 15 | 347 | (170) | 7 426 |
| Amortization expense | (2 970) | (60) | (46) | (126) | 55 | (3 147) |
| Net benefit plans (cost) credit | (181) | (6) | - | - | 12 | (175) |
| Restructuring and other charges | (14) | - | (38) | - | - | (52) |
| Operating income (loss) | 3 836 | 167 | (69) | 221 | (103) | 4 052 |
| Full Year 2002 | | | | | | |
| EBITDA | 7 079 | 180 | (29) | 287 | (162) | 7 355 |
| Amortization expense | (2 894) | (67) | (58) | (121) | 58 | (3 082) |
| Net benefit plans (cost) credit | 38 | (3) | - | - | (2) | 33 |
| Restructuring and other charges | (675) | - | (119) | - | (93) | (887) |
| Operating income (loss) | 3 548 | 110 | (206) | 166 | (199) | 3 419 |

Free Cash Flow

The term free cash flow does not have any standardized meaning prescribed by Canadian GAAP and is therefore unlikely to be comparable to similar measures presented by other issuers. We define it as cash from operating activities less capital expenditures, total dividends and other investing activities. Free cash flow is presented on a basis that is consistent from period to

Edgar Filing: BCE INC - Form 6-K

period. We consider free cash flow as an important indicator of the financial strength and performance of our business as it demonstrates the cash available to repay debt and reinvest in our company. We believe that free cash flow is also used by certain investors and analysts in valuing a business and its underlying assets. The most comparable Canadian GAAP financial measure is cash from operating activities. The following is a reconciliation of free cash flow to cash from operating activities on a consolidated basis:

| (in \$ millions) | Q4 2003 | Q4 2002 | FY 2003 | FY 2002 |
|---|---------|---------|---------|---------|
| Cash from operating activities | 1 610 | 1 138 | 6 015 | 4 378 |
| Capital expenditures | (1 083) | (1 066) | (3 179) | (3 731) |
| Other investing activities | (7) | (1) | 64 | 13 |
| Preferred dividends and dividends paid | | | | |
| by subsidiaries to non-controlling interest | (69) | (160) | (245) | (511) |
| Free cash flow from operations, before common dividends | 451 | (89) | 2 655 | 149 |
| Common dividends | (259) | (271) | (1 029) | (999) |
| Free cash flow from operations, after common dividends | 192 | (360) | 1 626 | (850) |

(3) Cash flow per share is calculated as follows:

Cash flow from operations less capital expenditures

Average number of common shares outstanding during the period

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

Free cash flow before common dividends, investments and divestitures

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

BCE Inc. Supplementary Financial Information - Fourth Quarter 2003 Page 14

Accompanying Notes (continued)

(5) Reflects an increase in the Bell Canada Segment debt as a result of the completion of the purchase price allocation (PPA) relating to the repurchase of SBC's 20% interest in Bell Canada, which resulted in an increase in long-term debt of \$165 million. This increase in long-term debt will be applied against interest expense (\$6 million in Q4 2003, \$24 million YTD) over the remaining terms of the related long-term debt.

Edgar Filing: BCE INC - Form 6-K

- (6) At the BCE Consolidated level, 3rd Party Preferred Shares reflected in the financial statements of subsidiaries are included in non-controlling interest within the liabilities section of the balance sheet.
- (7) Bell Canada's estimated percentage of wireline NAS reflects losses to facilities-based competition only.
- (8) Represents Bell Canada's estimated percentage of traditional wireline revenues in Ontario and Quebec reflecting 1+, toll-free and calling card traffic. This measure does not include Bell Canada's share of long distance traffic originating through the use of dial-around services, prepaid cards and cellular and PCS services.
- (9) Legacy data revenues include digital transmission services such as MEGALINK™, network access and Integrated Services Digital Network (ISDN) and Data, as well as, competitive network services and the sale of inter-networking equipment.

Non-legacy data revenues include national and regional IP data, Internet and e-commerce.

- (10) Digital equivalent access lines are derived by converting low capacity data lines (DS-3 and lower) to the equivalent number of voice grade access lines. Broadband equivalent access lines are derived by converting high capacity data lines (higher than DS-3) to the equivalent number of voice grade access lines.

Conversion factors

| | |
|--------------|---------|
| DS-0 | 1 |
| Basic ISDN | 2 |
| Primary ISDN | 23 |
| DS-1, DEA | 24 |
| DS-3 | 672 |
| OC-3 | 2,016 |
| OC-12 | 8,064 |
| OC-48 | 32,256 |
| OC-192 | 129,024 |
| 10 Base T | 155 |
| 100 Base T | 1,554 |
| Gigabit E | 15,554 |

- (11) DSL High Speed Internet subscribers include consumer, business and wholesale. Dial-up Internet subscribers include consumer and business.
- (12) Includes allocation of selling costs from Bell Canada and excludes costs of migrating from analog to digital. Cost of Acquisition (COA) per subscriber is reflected on a consolidated basis.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BCE Inc.

(signed) Michael T. Boychuk

Michael T. Boychuk
Senior Vice-President and Treasurer

Date: February 5, 2004