Q3

Supplementary Financial Information

Third Quarter 2020

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BCE

BCE [1] [2] [3]
Consolidated Operational Data

(In millions of Canadian dollars, except share amounts) (unaudited)	Q3 2020	Q3 2019	$ change	% change	YTD 2020	YTD 2019	$ change	% change
Operating revenues								
Service	**4,924**	5,141	(217)	(4.2%)	**14,742**	15,331	(589)	(3.8%)
Product	**863**	799	64	8.0%	**2,039**	2,187	(148)	(6.8%)
Total operating revenues	**5,787**	5,940	(153)	(2.6%)	**16,781**	17,518	(737)	(4.2%)
Operating costs [A]	**(3,268)**	(3,312)	44	1.3%	**(9,374)**	(9,810)	436	4.4%
Post-employment benefit plans service cost	**(65)**	(60)	(5)	(8.3%)	**(204)**	(186)	(18)	(9.7%)
Adjusted EBITDA [4]	**2,454**	2,568	(114)	(4.4%)	**7,203**	7,522	(319)	(4.2%)
Adjusted EBITDA margin [4]	***42.4%***	*43.2%*		*(0.8) pts*	***42.9%***	*42.9%*		-
Severance, acquisition and other costs	**(26)**	(23)	(3)	(13.0%)	**(64)**	(86)	22	25.6%
Depreciation	**(876)**	(852)	(24)	(2.8%)	**(2,603)**	(2,604)	1	-
Amortization	**(232)**	(225)	(7)	(3.1%)	**(696)**	(662)	(34)	(5.1%)
Finance costs								
Interest expense	**(279)**	(280)	1	0.4%	**(836)**	(840)	4	0.5%
Interest on post-employment benefit obligations	**(12)**	(16)	4	25.0%	**(35)**	(47)	12	25.5%
Impairment of assets	**(4)**	(1)	(3)	n.m.	**(460)**	(6)	(454)	n.m.
Other (expense) income	**(29)**	62	(91)	n.m.	**(156)**	113	(269)	n.m.
Income taxes	**(262)**	(319)	57	17.9%	**(601)**	(884)	283	32.0%
Net earnings from continuing operations	**734**	914	(180)	(19.7%)	**1,752**	2,506	(754)	(30.1%)
Net earnings from discontinued operations	**6**	8	(2)	(25.0%)	**15**	24	(9)	(37.5%)
Net earnings	**740**	922	(182)	(19.7%)	**1,767**	2,530	(763)	(30.2%)
Net earnings from continuing operations attributable to:								
Common shareholders	**686**	859	(173)	(20.1%)	**1,594**	2,344	(750)	(32.0%)
Preferred shareholders	**32**	37	(5)	(13.5%)	**104**	113	(9)	(8.0%)
Non-controlling interest	**16**	18	(2)	(11.1%)	**54**	49	5	10.2%
Net earnings from continuing operations	**734**	914	(180)	(19.7%)	**1,752**	2,506	(754)	(30.1%)
Net earnings attributable to:								
Common shareholders	**692**	867	(175)	(20.2%)	**1,609**	2,368	(759)	(32.1%)
Preferred shareholders	**32**	37	(5)	(13.5%)	**104**	113	(9)	(8.0%)
Non-controlling interest	**16**	18	(2)	(11.1%)	**54**	49	5	10.2%
Net earnings	**740**	922	(182)	(19.7%)	**1,767**	2,530	(763)	(30.2%)
Net earnings per common share - basic and diluted								
Continuing operations	**$ 0.76**	$ 0.96	$ (0.20)	(20.8%)	**$ 1.76**	$ 2.61	$ (0.85)	(32.6%)
Discontinued operations	**$ 0.01**	$ -	$ 0.01	n.m.	**$ 0.02**	$ 0.02	$ -	-
Net earnings per common share - basic and diluted	**$ 0.77**	$ 0.96	$ (0.19)	(19.8%)	**$ 1.78**	$ 2.63	$ (0.85)	(32.3%)
Dividends per common share	**$ 0.8325**	$ 0.7925	$ 0.04	5.0%	**$ 2.4975**	$ 2.3775	$ 0.12	5.0%
Weighted average number of common shares outstanding - basic (millions)	**904.3**	901.4			**904.3**	899.8		
Weighted average number of common shares outstanding - diluted (millions)	**904.4**	902.2			**904.4**	900.2		
Number of common shares outstanding (millions)	**904.3**	903.7			**904.3**	903.7		
Adjusted net earnings and EPS								
Net earnings attributable to common shareholders	**692**	867	(175)	(20.2%)	**1,609**	2,368	(759)	(32.1%)
Severance, acquisition and other costs	**19**	17	2	11.8%	**47**	63	(16)	(25.4%)
Net mark-to-market losses (gains) on derivatives used to economically hedge equity settled share-based compensation plans	**10**	(64)	74	n.m.	**37**	(146)	183	n.m.
Net (gains) losses on investments	**(22)**	-	(22)	n.m.	**(43)**	57	(100)	n.m.
Early debt redemption costs	**16**	-	16	n.m.	**28**	13	15	n.m.
Impairment of assets	**3**	-	3	n.m.	**336**	4	332	n.m.
Net earnings from discontinued operations	**(6)**	(8)	2	25.0%	**(15)**	(24)	9	37.5%
Adjusted net earnings [4]	**712**	812	(100)	(12.3%)	**1,999**	2,335	(336)	(14.4%)
Impact on net earnings per share	**$ 0.03**	$ (0.05)	$ 0.08	n.m.	**$ 0.45**	$ (0.01)	$ 0.46	n.m.
Adjusted EPS [4]	**$ 0.79**	$ 0.91	$ (0.12)	(13.2%)	**$ 2.21**	$ 2.60	$ (0.39)	(15.0%)

n.m. : not meaningful
[A] Excludes post-employment benefit plans service cost

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Consolidated Operational Data - Historical Trend

(In millions of Canadian dollars, except share amounts) (unaudited)	**YTD 2020**	**Q3 20**	Q2 20	Q1 20	TOTAL 2019	Q4 19	Q3 19	Q2 19	Q1 19
Operating revenues									
Service	**14,742**	**4,924**	4,800	5,018	20,566	5,235	5,141	5,190	5,000
Product	**2,039**	**863**	554	622	3,227	1,040	799	699	689
Total operating revenues	**16,781**	**5,787**	5,354	5,640	23,793	6,275	5,940	5,889	5,689
Operating costs (A)	**(9,374)**	**(3,268)**	(2,959)	(3,147)	(13,541)	(3,731)	(3,312)	(3,259)	(3,239)
Post-employment benefit plans service cost	**(204)**	**(65)**	(64)	(75)	(246)	(60)	(60)	(58)	(68)
Adjusted EBITDA	**7,203**	**2,454**	2,331	2,418	10,006	2,484	2,568	2,572	2,382
Adjusted EBITDA margin	***42.9%***	***42.4%***	*43.5%*	*42.9%*	*42.1%*	*39.6%*	*43.2%*	*43.7%*	*41.9%*
Severance, acquisition and other costs	**(64)**	**(26)**	(22)	(16)	(114)	(28)	(23)	(39)	(24)
Depreciation	**(2,603)**	**(876)**	(869)	(858)	(3,458)	(854)	(852)	(879)	(873)
Amortization	**(696)**	**(232)**	(234)	(230)	(886)	(224)	(225)	(220)	(217)
Finance costs									
Interest expense	**(836)**	**(279)**	(280)	(277)	(1,125)	(285)	(280)	(279)	(281)
Interest on post-employment benefit obligations	**(35)**	**(12)**	(11)	(12)	(63)	(16)	(16)	(15)	(16)
Impairment of assets	**(460)**	**(4)**	(449)	(7)	(102)	(96)	(1)	(1)	(4)
Other (expense) income	**(156)**	**(29)**	(80)	(47)	95	(18)	62	(54)	105
Income taxes	**(601)**	**(262)**	(96)	(243)	(1,129)	(245)	(319)	(275)	(290)
Net earnings from continuing operations	**1,752**	**734**	290	728	3,224	718	914	810	782
Net earnings from discontinued operations	**15**	**6**	4	5	29	5	8	7	9
Net earnings	**1,767**	**740**	294	733	3,253	723	922	817	791
Net earnings from continuing operations attributable to:									
Common shareholders	**1,594**	**686**	233	675	3,011	667	859	754	731
Preferred shareholders	**104**	**32**	34	38	151	38	37	38	38
Non-controlling interest	**54**	**16**	23	15	62	13	18	18	13
Net earnings from continuing operations	**1,752**	**734**	290	728	3,224	718	914	810	782
Net earnings attributable to:									
Common shareholders	**1,609**	**692**	237	680	3,040	672	867	761	740
Preferred shareholders	**104**	**32**	34	38	151	38	37	38	38
Non-controlling interest	**54**	**16**	23	15	62	13	18	18	13
Net earnings	**1,767**	**740**	294	733	3,253	723	922	817	791
Net earnings per common share - basic and diluted									
Continuing operations	**$ 1.76**	**$ 0.76**	$ 0.26	$ 0.74	$ 3.34	$ 0.73	$ 0.96	$ 0.84	$ 0.81
Discontinued operations	**$ 0.02**	**$ 0.01**	$ -	$ 0.01	$ 0.03	$ 0.01	$ -	$ 0.01	$ 0.01
Net earnings per common share - basic and diluted	**$ 1.78**	**$ 0.77**	$ 0.26	$ 0.75	$ 3.37	$ 0.74	$ 0.96	$ 0.85	$ 0.82
Dividends per common share	**$ 2.4975**	**$ 0.8325**	$ 0.8325	$ 0.8325	$ 3.1700	$ 0.7925	$ 0.7925	$ 0.7925	$ 0.7925
Weighted average number of common shares outstanding - basic (millions)	**904.3**	**904.3**	904.3	904.1	900.8	903.8	901.4	899.5	898.4
Weighted average number of common shares outstanding - diluted (millions)	**904.4**	**904.4**	904.4	904.5	901.4	904.8	902.2	900.3	898.7
Number of common shares outstanding (millions)	**904.3**	**904.3**	904.3	904.3	903.9	903.9	903.7	900.1	898.8
Adjusted net earnings and EPS									
Net earnings attributable to common shareholders	**1,609**	**692**	237	680	3,040	672	867	761	740
Severance, acquisition and other costs	**47**	**19**	16	12	83	20	17	28	18
Net mark-to-market losses (gains) on derivatives used to economically hedge equity settled share-based compensation plans	**37**	**10**	7	20	(101)	45	(64)	(9)	(73)
Net (gains) losses on investments	**(43)**	**(22)**	(11)	(10)	39	(18)	-	53	4
Early debt redemption costs	**28**	**16**	-	12	13	-	-	13	-
Impairment of assets	**336**	**3**	328	5	74	70	-	1	3
Net earnings from discontinued operations	**(15)**	**(6)**	(4)	(5)	(29)	(5)	(8)	(7)	(9)
Adjusted net earnings	**1,999**	**712**	573	714	3,119	784	812	840	683
Impact on net earnings per share	**$ 0.45**	**$ 0.03**	$ 0.37	$ 0.05	$ 0.12	$ 0.13	$ (0.05)	$ 0.09	$ (0.05)
Adjusted EPS	**$ 2.21**	**$ 0.79**	$ 0.63	$ 0.79	$ 3.46	$ 0.86	$ 0.91	$ 0.93	$ 0.76

(A) Excludes post-employment benefit plans service cost

(In millions of Canadian dollars, except where otherwise indicated) (unaudited)	**Q3 2020**	Q3 2019	$ change	% change	**YTD 2020**	YTD 2019	$ change	% change
Operating revenues								
Bell Wireless	**2,318**	2,310	8	0.3%	**6,275**	6,547	(272)	(4.2%)
Bell Wireline	**3,032**	3,057	(25)	(0.8%)	**9,111**	9,182	(71)	(0.8%)
Bell Media	**628**	751	(123)	(16.4%)	**1,959**	2,338	(379)	(16.2%)
Inter-segment eliminations	**(191)**	(178)	(13)	(7.3%)	**(564)**	(549)	(15)	(2.7%)
Total	**5,787**	5,940	(153)	(2.6%)	**16,781**	17,518	(737)	(4.2%)
Operating costs								
Bell Wireless	**(1,362)**	(1,310)	(52)	(4.0%)	**(3,512)**	(3,687)	175	4.7%
Bell Wireline	**(1,712)**	(1,715)	3	0.2%	**(5,177)**	(5,165)	(12)	(0.2%)
Bell Media	**(450)**	(525)	75	14.3%	**(1,453)**	(1,693)	240	14.2%
Inter-segment eliminations	**191**	178	13	7.3%	**564**	549	15	2.7%
Total	**(3,333)**	(3,372)	39	1.2%	**(9,578)**	(9,996)	418	4.2%
Adjusted EBITDA								
Bell Wireless	**956**	1,000	(44)	(4.4%)	**2,763**	2,860	(97)	(3.4%)
Margin	***41.2%***	*43.3%*		*(2.1) pts*	***44.0%***	*43.7%*		*0.3 pts*
Bell Wireline	**1,320**	1,342	(22)	(1.6%)	**3,934**	4,017	(83)	(2.1%)
Margin	***43.5%***	*43.9%*		*(0.4) pts*	***43.2%***	*43.7%*		*(0.5) pts*
Bell Media	**178**	226	(48)	(21.2%)	**506**	645	(139)	(21.6%)
Margin	***28.3%***	*30.1%*		*(1.8) pts*	***25.8%***	*27.6%*		*(1.8) pts*
Total	**2,454**	2,568	(114)	(4.4%)	**7,203**	7,522	(319)	(4.2%)
Margin	***42.4%***	*43.2%*		*(0.8) pts*	***42.9%***	*42.9%*		-
Capital expenditures								
Bell Wireless	**212**	161	(51)	(31.7%)	**524**	468	(56)	(12.0%)
Capital intensity (5)	***9.1%***	*7.0%*		*(2.1) pts*	***8.4%***	*7.1%*		*(1.3) pts*
Bell Wireline	**792**	826	34	4.1%	**2,108**	2,285	177	7.7%
Capital intensity	***26.1%***	*27.0%*		*0.9 pts*	***23.1%***	*24.9%*		*1.8 pts*
Bell Media	**27**	22	(5)	(22.7%)	**76**	71	(5)	(7.0%)
Capital intensity	***4.3%***	*2.9%*		*(1.4) pts*	***3.9%***	*3.0%*		*(0.9) pts*
Total	**1,031**	1,009	(22)	(2.2%)	**2,708**	2,824	116	4.1%
Capital intensity	***17.8%***	*17.0%*		*(0.8) pts*	***16.1%***	*16.1%*		-

(In millions of Canadian dollars, except where otherwise indicated) (unaudited)	**YTD 2020**	**Q3 20**	Q2 20	Q1 20	TOTAL 2019	Q4 19	Q3 19	Q2 19	Q1 19
Operating revenues									
Bell Wireless	**6,275**	**2,318**	1,922	2,035	9,001	2,454	2,310	2,160	2,077
Bell Wireline	**9,111**	**3,032**	3,043	3,036	12,317	3,135	3,057	3,073	3,052
Bell Media	**1,959**	**628**	579	752	3,217	879	751	842	745
Inter-segment eliminations	**(564)**	**(191)**	(190)	(183)	(742)	(193)	(178)	(186)	(185)
Total	**16,781**	**5,787**	5,354	5,640	23,793	6,275	5,940	5,889	5,689
Operating costs									
Bell Wireless	**(3,512)**	**(1,362)**	(1,043)	(1,107)	(5,210)	(1,523)	(1,310)	(1,192)	(1,185)
Bell Wireline	**(5,177)**	**(1,712)**	(1,764)	(1,701)	(6,952)	(1,787)	(1,715)	(1,723)	(1,727)
Bell Media	**(1,453)**	**(450)**	(406)	(597)	(2,367)	(674)	(525)	(588)	(580)
Inter-segment eliminations	**564**	**191**	190	183	742	193	178	186	185
Total	**(9,578)**	**(3,333)**	(3,023)	(3,222)	(13,787)	(3,791)	(3,372)	(3,317)	(3,307)
Adjusted EBITDA									
Bell Wireless	**2,763**	**956**	879	928	3,791	931	1,000	968	892
Margin	***44.0%***	***41.2%***	*45.7%*	*45.6%*	*42.1%*	*37.9%*	*43.3%*	*44.8%*	*42.9%*
Bell Wireline	**3,934**	**1,320**	1,279	1,335	5,365	1,348	1,342	1,350	1,325
Margin	***43.2%***	***43.5%***	*42.0%*	*44.0%*	*43.6%*	*43.0%*	*43.9%*	*43.9%*	*43.4%*
Bell Media	**506**	**178**	173	155	850	205	226	254	165
Margin	***25.8%***	***28.3%***	*29.9%*	*20.6%*	*26.4%*	*23.3%*	*30.1%*	*30.2%*	*22.1%*
Total	**7,203**	**2,454**	2,331	2,418	10,006	2,484	2,568	2,572	2,382
Margin	***42.9%***	***42.4%***	*43.5%*	*42.9%*	*42.1%*	*39.6%*	*43.2%*	*43.7%*	*41.9%*
Capital expenditures									
Bell Wireless	**524**	**212**	182	130	671	203	161	159	148
Capital intensity	***8.4%***	***9.1%***	*9.5%*	*6.4%*	*7.5%*	*8.3%*	*7.0%*	*7.4%*	*7.1%*
Bell Wireline	**2,108**	**792**	694	622	3,195	910	826	784	675
Capital intensity	***23.1%***	***26.1%***	*22.8%*	*20.5%*	*25.9%*	*29.0%*	*27.0%*	*25.5%*	*22.1%*
Bell Media	**76**	**27**	24	25	108	37	22	24	25
Capital intensity	***3.9%***	***4.3%***	*4.1%*	*3.3%*	*3.4%*	*4.2%*	*2.9%*	*2.9%*	*3.4%*
Total	**2,708**	**1,031**	900	777	3,974	1,150	1,009	967	848
Capital intensity	***16.1%***	***17.8%***	*16.8%*	*13.8%*	*16.7%*	*18.3%*	*17.0%*	*16.4%*	*14.9%*

(In millions of Canadian dollars, except where otherwise indicated) (unaudited)	Q3 2020	Q3 2019	% change	YTD 2020	YTD 2019	% change
Bell Wireless						
Operating revenues						
External service revenues	**1,563**	1,633	(4.3%)	**4,579**	4,741	(3.4%)
Inter-segment service revenues	**12**	13	(7.7%)	**36**	37	(2.7%)
Total operating service revenues	**1,575**	1,646	(4.3%)	**4,615**	4,778	(3.4%)
External product revenues	**742**	664	11.7%	**1,657**	1,766	(6.2%)
Inter-segment product revenues	**1**	-	n.m.	**3**	3	-
Total operating product revenues	**743**	664	11.9%	**1,660**	1,769	(6.2%)
Total external revenues	**2,305**	2,297	0.3%	**6,236**	6,507	(4.2%)
Total operating revenues	**2,318**	2,310	0.3%	**6,275**	6,547	(4.2%)
Operating costs	**(1,362)**	(1,310)	(4.0%)	**(3,512)**	(3,687)	4.7%
Adjusted EBITDA	**956**	1,000	(4.4%)	**2,763**	2,860	(3.4%)
Adjusted EBITDA margin (Total operating revenues)	***41.2%***	*43.3%*	*(2.1) pts*	***44.0%***	*43.7%*	*0.3 pts*
Capital expenditures	**212**	161	(31.7%)	**524**	468	(12.0%)
Capital intensity	***9.1%***	*7.0%*	*(2.1) pts*	***8.4%***	*7.1%*	*(1.3) pts*
Wireless subscriber gross activations [5]	**514,384**	593,547	(13.3%)	**1,293,513**	1,521,498	(15.0%)
Postpaid	**365,781**	417,966	(12.5%)	**891,359**	1,113,618	(20.0%)
Prepaid	**148,603**	175,581	(15.4%)	**402,154**	407,880	(1.4%)
Wireless subscriber net activations	**128,168**	204,067	(37.2%)	**182,465**	391,827	(53.4%)
Postpaid	**87,529**	127,172	(31.2%)	**132,811**	280,356	(52.6%)
Prepaid	**40,639**	76,895	(47.2%)	**49,654**	111,471	(55.5%)
Wireless subscribers end of period (EOP)	**10,140,427**	9,834,380	3.1%	**10,140,427**	9,834,380	3.1%
Postpaid	**9,292,751**	9,038,341	2.8%	**9,292,751**	9,038,341	2.8%
Prepaid	**847,676**	796,039	6.5%	**847,676**	796,039	6.5%
Blended average billing per user (ABPU)($/month) [5] [A]	**65.74**	69.94	(6.0%)	**64.68**	68.71	(5.9%)
Churn (%) (average per month) [5]	**1.28%**	1.34%	0.06 pts	**1.24%**	1.31%	0.07 pts
Postpaid	**1.04%**	1.12%	0.08 pts	**0.95%**	1.08%	0.13 pts
Prepaid	**3.98%**	3.89%	(0.09) pts	**4.54%**	4.18%	(0.36) pts

n.m. : not meaningful

[A] In Q1 2020, we updated our definition of ABPU to include monthly billings related to device financing receivables owing from customers on contract. Consequently, we restated previously reported 2019 ABPU for comparability. See Note 5, Key performance indicators (KPIs), for the definition of ABPU.

Bell Wireless - Historical Trend

(In millions of Canadian dollars, except where otherwise indicated) (unaudited)	**YTD 2020**	**Q3 20**	Q2 20	Q1 20	TOTAL 2019	Q4 19	Q3 19	Q2 19	Q1 19
Bell Wireless									
Operating revenues									
External service revenues	**4,579**	**1,563**	1,481	1,535	6,323	1,582	1,633	1,580	1,528
Inter-segment service revenues	**36**	**12**	12	12	49	12	13	12	12
Total operating service revenues	**4,615**	**1,575**	1,493	1,547	6,372	1,594	1,646	1,592	1,540
External product revenues	**1,657**	**742**	428	487	2,623	857	664	566	536
Inter-segment product revenues	**3**	**1**	1	1	6	3	-	2	1
Total operating product revenues	**1,660**	**743**	429	488	2,629	860	664	568	537
Total external revenues	**6,236**	**2,305**	1,909	2,022	8,946	2,439	2,297	2,146	2,064
Total operating revenues	**6,275**	**2,318**	1,922	2,035	9,001	2,454	2,310	2,160	2,077
Operating costs	**(3,512)**	**(1,362)**	(1,043)	(1,107)	(5,210)	(1,523)	(1,310)	(1,192)	(1,185)
Adjusted EBITDA	**2,763**	**956**	879	928	3,791	931	1,000	968	892
Adjusted EBITDA margin (Total operating revenues)	***44.0%***	***41.2%***	*45.7%*	*45.6%*	*42.1%*	*37.9%*	*43.3%*	*44.8%*	*42.9%*
Capital expenditures	**524**	**212**	182	130	671	203	161	159	148
Capital intensity	***8.4%***	***9.1%***	*9.5%*	*6.4%*	*7.5%*	*8.3%*	*7.0%*	*7.4%*	*7.1%*
Wireless subscriber gross activations	**1,293,513**	**514,384**	372,710	406,419	2,117,517	596,019	593,547	517,650	410,301
Postpaid	**891,359**	**365,781**	243,166	282,412	1,568,729	455,111	417,966	375,094	320,558
Prepaid	**402,154**	**148,603**	129,544	124,007	548,788	140,908	175,581	142,556	89,743
Wireless subscriber net activations (losses)	**182,465**	**128,168**	34,702	19,595	515,409	123,582	204,067	149,478	38,282
Postpaid	**132,811**	**87,529**	21,632	23,650	401,955	121,599	127,172	102,980	50,204
Prepaid	**49,654**	**40,639**	13,070	(4,055)	113,454	1,983	76,895	46,498	(11,922)
Wireless subscribers EOP	**10,140,427**	**10,140,427**	10,012,259	9,977,557	9,957,962	9,957,962	9,834,380	9,630,313	9,480,835
Postpaid	**9,292,751**	**9,292,751**	9,205,222	9,183,590	9,159,940	9,159,940	9,038,341	8,911,169	8,808,189
Prepaid	**847,676**	**847,676**	807,037	793,967	798,022	798,022	796,039	719,144	672,646
Blended ABPU ($/month)[(A)]	**64.68**	**65.74**	62.77	65.53	68.36	67.35	69.94	68.79	67.35
Churn (%)(average per month)	**1.24%**	**1.28%**	1.13%	1.30%	1.39%	1.60%	1.34%	1.29%	1.31%
Postpaid	**0.95%**	**1.04%**	0.82%	0.97%	1.13%	1.28%	1.12%	1.06%	1.07%
Prepaid	**4.54%**	**3.98%**	4.63%	5.03%	4.44%	5.14%	3.89%	4.20%	4.49%

[(A)] In Q1 2020, we updated our definition of ABPU to include monthly billings related to device financing receivables owing from customers on contract. Consequently, we restated previously reported 2019 ABPU for comparability. See Note 5, Key performance indicators (KPIs), for the definition of ABPU.

(In millions of Canadian dollars, except where otherwise indicated) (unaudited)	Q3 2020	Q3 2019	% change	YTD 2020	YTD 2019	% change
Bell Wireline						
Operating revenues						
Data	**1,931**	1,912	1.0%	**5,738**	5,692	0.8%
Voice	**839**	881	(4.7%)	**2,574**	2,685	(4.1%)
Other services	**61**	61	-	**181**	182	(0.5%)
Total external service revenues	**2,831**	2,854	(0.8%)	**8,493**	8,559	(0.8%)
Inter-segment service revenues	**80**	68	17.6%	**236**	202	16.8%
Total operating service revenues	**2,911**	2,922	(0.4%)	**8,729**	8,761	(0.4%)
Data	**110**	125	(12.0%)	**346**	390	(11.3%)
Equipment and other	**11**	10	10.0%	**36**	31	16.1%
Total external product revenues	**121**	135	(10.4%)	**382**	421	(9.3%)
Inter-segment product revenues	**-**	-	-	**-**	-	-
Total operating product revenues	**121**	135	(10.4%)	**382**	421	(9.3%)
Total external revenues	**2,952**	2,989	(1.2%)	**8,875**	8,980	(1.2%)
Total operating revenues	**3,032**	3,057	(0.8%)	**9,111**	9,182	(0.8%)
Operating costs	**(1,712)**	(1,715)	0.2%	**(5,177)**	(5,165)	(0.2%)
Adjusted EBITDA	**1,320**	1,342	(1.6%)	**3,934**	4,017	(2.1%)
Adjusted EBITDA margin	***43.5%***	*43.9%*	*(0.4) pts*	***43.2%***	*43.7%*	*(0.5) pts*
Capital expenditures	**792**	826	4.1%	**2,108**	2,285	7.7%
Capital intensity	***26.1%***	*27.0%*	*0.9 pts*	***23.1%***	*24.9%*	*1.8 pts*
Retail high-speed Internet subscribers [5]						
Retail net activations	**62,859**	58,137	8.1%	**104,477**	100,222	4.2%
Retail subscribers EOP	**3,660,078**	3,519,962	4.0%	**3,660,078**	3,519,962	4.0%
Retail TV subscribers [5]						
Retail net subscriber (losses) activations	**(296)**	4,842	(106.1%)	**(34,395)**	5,632	(710.7%)
Internet protocol television (IPTV)	**18,837**	31,746	(40.7%)	**18,085**	69,437	(74.0%)
Satellite	**(19,133)**	(26,904)	28.9%	**(52,480)**	(63,805)	17.7%
Total retail subscribers EOP	**2,738,069**	2,772,043	(1.2%)	**2,738,069**	2,772,043	(1.2%)
IPTV	**1,785,267**	1,745,143	2.3%	**1,785,267**	1,745,143	2.3%
Satellite	**952,802**	1,026,900	(7.2%)	**952,802**	1,026,900	(7.2%)
Retail residential network access services (NAS) [5]						
Retail residential NAS lines net losses	**(49,792)**	(65,656)	24.2%	**(159,792)**	(205,215)	22.1%
Retail residential NAS lines	**2,537,691**	2,755,593	(7.9%)	**2,537,691**	2,755,593	(7.9%)

(In millions of Canadian dollars, except where otherwise indicated) (unaudited)	**YTD 2020**	**Q3 20**	Q2 20	Q1 20	TOTAL 2019	Q4 19	Q3 19	Q2 19	Q1 19
Bell Wireline									
Operating revenues									
Data	**5,738**	**1,931**	1,916	1,891	7,617	1,925	1,912	1,914	1,866
Voice	**2,574**	**839**	863	872	3,564	879	881	897	907
Other services	**181**	**61**	58	62	251	69	61	62	59
Total external service revenues	**8,493**	**2,831**	2,837	2,825	11,432	2,873	2,854	2,873	2,832
Inter-segment service revenues	**236**	**80**	80	76	281	79	68	67	67
Total operating service revenues	**8,729**	**2,911**	2,917	2,901	11,713	2,952	2,922	2,940	2,899
Data	**346**	**110**	113	123	556	166	125	123	142
Equipment and other	**36**	**11**	13	12	48	17	10	10	11
Total external product revenues	**382**	**121**	126	135	604	183	135	133	153
Inter-segment product revenues	**-**	**-**	-	-	-	-	-	-	-
Total operating product revenues	**382**	**121**	126	135	604	183	135	133	153
Total external revenues	**8,875**	**2,952**	2,963	2,960	12,036	3,056	2,989	3,006	2,985
Total operating revenues	**9,111**	**3,032**	3,043	3,036	12,317	3,135	3,057	3,073	3,052
Operating costs	**(5,177)**	**(1,712)**	(1,764)	(1,701)	(6,952)	(1,787)	(1,715)	(1,723)	(1,727)
Adjusted EBITDA	**3,934**	**1,320**	1,279	1,335	5,365	1,348	1,342	1,350	1,325
Adjusted EBITDA margin	***43.2%***	***43.5%***	*42.0%*	*44.0%*	*43.6%*	*43.0%*	*43.9%*	*43.9%*	*43.4%*
Capital expenditures	**2,108**	**792**	694	622	3,195	910	826	784	675
Capital intensity	***23.1%***	***26.1%***	*22.8%*	*20.5%*	*25.9%*	*29.0%*	*27.0%*	*25.5%*	*22.1%*
Retail high-speed Internet subscribers									
Retail net activations	**104,477**	**62,859**	19,023	22,595	135,861	35,639	58,137	19,414	22,671
Retail subscribers EOP	**3,660,078**	**3,660,078**	3,597,219	3,578,196	3,555,601	3,555,601	3,519,962	3,461,825	3,442,411
Retail TV subscribers									
Retail net subscriber (losses) activations	**(34,395)**	**(296)**	(15,544)	(18,555)	6,053	421	4,842	2,350	(1,560)
IPTV	**18,085**	**18,837**	(3,604)	2,852	91,476	22,039	31,746	16,775	20,916
Satellite	**(52,480)**	**(19,133)**	(11,940)	(21,407)	(85,423)	(21,618)	(26,904)	(14,425)	(22,476)
Total retail subscribers EOP	**2,738,069**	**2,738,069**	2,738,365	2,753,909	2,772,464	2,772,464	2,772,043	2,767,201	2,764,851
IPTV	**1,785,267**	**1,785,267**	1,766,430	1,770,034	1,767,182	1,767,182	1,745,143	1,713,397	1,696,622
Satellite	**952,802**	**952,802**	971,935	983,875	1,005,282	1,005,282	1,026,900	1,053,804	1,068,229
Retail residential network access services (NAS)									
Retail residential NAS lines net losses	**(159,792)**	**(49,792)**	(48,405)	(61,595)	(263,325)	(58,110)	(65,656)	(72,780)	(66,779)
Retail residential NAS lines	**2,537,691**	**2,537,691**	2,587,483	2,635,888	2,697,483	2,697,483	2,755,593	2,821,249	2,894,029

BCE - Net debt and preferred shares

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

	September 30 2020	June 30 2020	March 31 2020	December 31 2019
Debt due within one year	**2,904**	2,584	4,209	3,881
Long-term debt	**24,914**	25,024	25,513	22,415
50% of preferred shares	**2,002**	2,002	2,002	2,002
Cash and cash equivalents	**(1,679)**	(1,547)	(2,679)	(145)
Net debt (4)	**28,141**	28,063	29,045	28,153
Net debt leverage ratio (4)	**2.91**	2.86	2.89	2.81
Adjusted EBITDA /net interest expense ratio (4)	**8.29**	8.36	8.58	8.50

Cash flow information

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

	Q3 2020	Q3 2019	$ change	% change	**YTD 2020**	YTD 2019	$ change	% change
Free cash flow (FCF) (4)								
Cash flows from operating activities	**2,110**	2,258	(148)	(6.6%)	**6,123**	5,867	256	4.4%
Capital expenditures	**(1,031)**	(1,009)	(22)	(2.2%)	**(2,708)**	(2,824)	116	4.1%
Cash dividends paid on preferred shares	**(32)**	(47)	15	31.9%	**(101)**	(110)	9	8.2%
Cash dividends paid by subsidiaries to non-controlling interest	**(11)**	(12)	1	8.3%	**(37)**	(51)	14	27.5%
Acquisition and other costs paid	**13**	3	10	n.m.	**33**	53	(20)	(37.7%)
Cash from discontinued operations (included in cash flows from operating activities)	**(15)**	(24)	9	37.5%	**(54)**	(71)	17	23.9%
FCF	**1,034**	1,169	(135)	(11.5%)	**3,256**	2,864	392	13.7%

Cash flow information - Historical trend

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

	YTD 2020	**Q3 2020**	Q2 2020	Q1 2020	TOTAL 2019	Q4 2019	Q3 2019	Q2 2019	Q1 2019
FCF									
Cash flows from operating activities	**6,123**	**2,110**	2,562	1,451	7,958	2,091	2,258	2,093	1,516
Capital expenditures	**(2,708)**	**(1,031)**	(900)	(777)	(3,974)	(1,150)	(1,009)	(967)	(848)
Cash dividends paid on preferred shares	**(101)**	**(32)**	(33)	(36)	(147)	(37)	(47)	(37)	(26)
Cash dividends paid by subsidiaries to non-controlling interest	**(37)**	**(11)**	(12)	(14)	(65)	(14)	(12)	(12)	(27)
Acquisition and other costs paid	**33**	**13**	11	9	60	7	3	21	29
Cash from discontinued operations (included in cash flows from operating activities)	**(54)**	**(15)**	(17)	(22)	(94)	(23)	(24)	(22)	(25)
FCF	**3,256**	**1,034**	1,611	611	3,738	874	1,169	1,076	619

n.m. : not meaningful

Consolidated Statements of Financial Position

(In millions of Canadian dollars, except where otherwise indicated) (unaudited)	**September 30 2020**	June 30 2020	March 31 2020	December 31 2019
ASSETS				
Current assets				
Cash	**1,482**	1,297	943	141
Cash equivalents	**197**	250	1,736	4
Trade and other receivables	**2,945**	2,812	2,990	3,038
Inventory	**425**	445	487	427
Contract assets	**799**	921	1,037	1,111
Contract costs	**401**	399	416	415
Prepaid expenses	**264**	301	280	194
Other current assets	**191**	212	419	190
Assets held for sale	**829**	825	-	-
Total current assets	**7,533**	7,462	8,308	5,520
Non-current assets				
Contract assets	**273**	328	452	533
Contract costs	**351**	341	363	368
Property, plant and equipment	**27,057**	26,840	27,432	27,636
Intangible assets	**12,931**	12,897	13,513	13,352
Deferred tax assets	**142**	123	90	98
Investments in associates and joint ventures	**772**	718	730	698
Other non-current assets	**2,011**	1,931	3,960	1,274
Goodwill	**10,552**	10,551	10,667	10,667
Total non-current assets	**54,089**	53,729	57,207	54,626
Total assets	**61,622**	61,191	65,515	60,146
LIABILITIES				
Current liabilities				
Trade payables and other liabilities	**3,566**	3,341	3,335	3,954
Contract liabilities	**699**	723	725	683
Interest payable	**190**	229	192	227
Dividends payable	**767**	766	767	729
Current tax liabilities	**292**	287	186	303
Debt due within one year	**2,904**	2,584	4,209	3,881
Liabilities held for sale	**159**	205	-	-
Total current liabilities	**8,577**	8,135	9,414	9,777
Non-current liabilities				
Contract liabilities	**223**	216	211	207
Long-term debt	**24,914**	25,024	25,513	22,415
Deferred tax liabilities	**3,827**	3,765	4,444	3,561
Post-employment benefit obligations	**1,969**	1,980	1,603	1,907
Other non-current liabilities	**1,032**	934	906	871
Total non-current liabilities	**31,965**	31,919	32,677	28,961
Total liabilities	**40,542**	40,054	42,091	38,738
EQUITY				
Equity attributable to BCE shareholders				
Preferred shares	**4,004**	4,004	4,004	4,004
Common shares	**20,386**	20,386	20,386	20,363
Contributed surplus	**1,168**	1,155	1,156	1,178
Accumulated other comprehensive income	**258**	386	528	161
Deficit	**(5,087)**	(5,142)	(2,990)	(4,632)
Total equity attributable to BCE shareholders	**20,729**	20,789	23,084	21,074
Non-controlling interest	**351**	348	340	334
Total equity	**21,080**	21,137	23,424	21,408
Total liabilities and equity	**61,622**	61,191	65,515	60,146
Number of common shares outstanding (millions)	**904.3**	904.3	904.3	903.9

(In millions of Canadian dollars, except where otherwise indicated) (unaudited)	**Q3 2020**	Q3 2019	$ change	**YTD 2020**	YTD 2019	$ change
Net earnings from continuing operations	**734**	914	(180)	**1,752**	2,506	(754)
Adjustments to reconcile net earnings from continuing operations to cash flows from operating activities						
Severance, acquisition and other costs	**26**	23	3	**64**	86	(22)
Depreciation and amortization	**1,108**	1,077	31	**3,299**	3,266	33
Post-employment benefit plans cost	**77**	76	1	**239**	233	6
Net interest expense	**273**	274	(1)	**818**	821	(3)
Impairment of assets	**4**	1	3	**460**	6	454
Losses on investments	**-**	-	-	**-**	4	(4)
Income taxes	**262**	319	(57)	**601**	884	(283)
Contributions to post-employment benefit plans	**(69)**	(62)	(7)	**(219)**	(213)	(6)
Payments under other post-employment benefit plans	**(15)**	(17)	2	**(44)**	(54)	10
Severance and other costs paid	**(11)**	(45)	34	**(59)**	(144)	85
Interest paid	**(321)**	(284)	(37)	**(877)**	(818)	(59)
Income taxes paid (net of refunds)	**(236)**	(88)	(148)	**(463)**	(504)	41
Acquisition and other costs paid	**(13)**	(3)	(10)	**(33)**	(53)	20
Net change in operating assets and liabilities	**276**	49	227	**531**	(224)	755
Cash from discontinued operations	**15**	24	(9)	**54**	71	(17)
Cash flows from operating activities	**2,110**	2,258	(148)	**6,123**	5,867	256
Capital expenditures	**(1,031)**	(1,009)	(22)	**(2,708)**	(2,824)	116
Cash dividends paid on preferred shares	**(32)**	(47)	15	**(101)**	(110)	9
Cash dividends paid by subsidiaries to non-controlling interest	**(11)**	(12)	1	**(37)**	(51)	14
Acquisition and other costs paid	**13**	3	10	**33**	53	(20)
Cash from discontinued operations (included in cash flows from operating activities)	**(15)**	(24)	9	**(54)**	(71)	17
Free cash flow	**1,034**	1,169	(135)	**3,256**	2,864	392
Cash from discontinued operations (included in cash flows from operating activities)	**15**	24	(9)	**54**	71	(17)
Business acquisitions	**-**	(1)	1	**(23)**	(51)	28
Acquisition and other costs paid	**(13)**	(3)	(10)	**(33)**	(53)	20
Acquisition of spectrum licences	**(85)**	-	(85)	**(86)**	-	(86)
Other investing activities	**(49)**	4	(53)	**(67)**	12	(79)
Cash used in discontinued operations (included in cash flows from investing activities)	**(6)**	(4)	(2)	**(21)**	(11)	(10)
Increase (decrease) in notes payable	**317**	(1,066)	1,383	**(1,117)**	(222)	(895)
(Decrease) increase in securitized trade receivables	**(23)**	-	(23)	**(23)**	31	(54)
Issue of long-term debt	**750**	549	201	**6,006**	1,954	4,052
Repayment of long-term debt	**(979)**	(225)	(754)	**(3,909)**	(2,025)	(1,884)
Issue of common shares	**-**	161	(161)	**22**	225	(203)
Purchase of shares for settlement of share-based payments	**(40)**	(14)	(26)	**(209)**	(100)	(109)
Cash dividends paid on common shares	**(753)**	(713)	(40)	**(2,222)**	(2,103)	(119)
Other financing activities	**(32)**	(8)	(24)	**(87)**	(47)	(40)
Cash used in discontinued operations (included in cash flows from financing activities)	**(4)**	(1)	(3)	**(7)**	(4)	(3)
	(902)	(1,297)	395	**(1,722)**	(2,323)	601
Net increase (decrease) in cash and cash equivalents	**132**	(128)	260	**1,534**	541	993
Cash and cash equivalents at beginning of period	**1,547**	1,094	453	**145**	425	(280)
Cash and cash equivalents at end of period	**1,679**	966	713	**1,679**	966	713

(In millions of Canadian dollars, except where otherwise indicated) (unaudited)	YTD 2020	Q3 20	Q2 20	Q1 20	TOTAL 2019	Q4 19	Q3 19	Q2 19	Q1 19
Net earnings from continuing operations	1,752	734	290	728	3,224	718	914	810	782
Adjustments to reconcile net earnings from continuing operations to cash flows from operating activities									
Severance, acquisition and other costs	64	26	22	16	114	28	23	39	24
Depreciation and amortization	3,299	1,108	1,103	1,088	4,344	1,078	1,077	1,099	1,090
Post-employment benefit plans cost	239	77	75	87	309	76	76	73	84
Net interest expense	818	273	275	270	1,101	280	274	271	276
Impairment of assets	460	4	449	7	102	96	1	1	4
Losses on investments	-	-	-	-	(18)	(22)	-	-	4
Income taxes	601	262	96	243	1,129	245	319	275	290
Contributions to post-employment benefit plans	(219)	(69)	(71)	(79)	(290)	(77)	(62)	(70)	(81)
Payments under other post-employment benefit plans	(44)	(15)	(12)	(17)	(72)	(18)	(17)	(19)	(18)
Severance and other costs paid	(59)	(11)	(13)	(35)	(167)	(23)	(45)	(33)	(66)
Interest paid	(877)	(321)	(240)	(316)	(1,079)	(261)	(284)	(269)	(265)
Income taxes paid (net of refunds)	(463)	(236)	6	(233)	(725)	(221)	(88)	(127)	(289)
Acquisition and other costs paid	(33)	(13)	(11)	(9)	(60)	(7)	(3)	(21)	(29)
Net change in operating assets and liabilities	531	276	576	(321)	(48)	176	49	42	(315)
Cash from discontinued operations	54	15	17	22	94	23	24	22	25
Cash flows from operating activities	6,123	2,110	2,562	1,451	7,958	2,091	2,258	2,093	1,516
Capital expenditures	(2,708)	(1,031)	(900)	(777)	(3,974)	(1,150)	(1,009)	(967)	(848)
Cash dividends paid on preferred shares	(101)	(32)	(33)	(36)	(147)	(37)	(47)	(37)	(26)
Cash dividends paid by subsidiaries to non-controlling interest	(37)	(11)	(12)	(14)	(65)	(14)	(12)	(12)	(27)
Acquisition and other costs paid	33	13	11	9	60	7	3	21	29
Cash from discontinued operations (included in cash flows from operating activities)	(54)	(15)	(17)	(22)	(94)	(23)	(24)	(22)	(25)
Free cash flow	3,256	1,034	1,611	611	3,738	874	1,169	1,076	619
Cash from discontinued operations (included in cash flows from operating activities)	54	15	17	22	94	23	24	22	25
Business acquisitions	(23)	-	(23)	-	(51)	-	(1)	(50)	-
Acquisition and other costs paid	(33)	(13)	(11)	(9)	(60)	(7)	(3)	(21)	(29)
Acquisition of spectrum licences	(86)	(85)	-	(1)	-	-	-	-	-
Other investing activities	(67)	(49)	(13)	(5)	7	(5)	4	32	(24)
Cash used in discontinued operations (included in cash flows from investing activities)	(21)	(6)	(8)	(7)	(18)	(7)	(4)	(5)	(2)
(Decrease) increase in notes payable	(1,117)	317	(1,204)	(230)	(1,073)	(851)	(1,066)	277	567
(Decrease) increase in securitized trade receivables	(23)	(23)	(400)	400	131	100	-	-	31
Issue of long-term debt	6,006	750	1,975	3,281	1,954	-	549	1,405	-
Repayment of long-term debt	(3,909)	(979)	(2,221)	(709)	(2,221)	(196)	(225)	(1,597)	(203)
Issue of common shares	22	-	-	22	240	15	161	44	20
Purchase of shares for settlement of share-based payments	(209)	(40)	(75)	(94)	(142)	(42)	(14)	(10)	(76)
Cash dividends paid on common shares	(2,222)	(753)	(753)	(716)	(2,819)	(716)	(713)	(712)	(678)
Other financing activities	(87)	(32)	(25)	(30)	(54)	(7)	(8)	(33)	(6)
Cash used in discontinued operations (included in cash flows from financing activities)	(7)	(4)	(2)	(1)	(6)	(2)	(1)	(2)	(1)
	(1,722)	(902)	(2,743)	1,923	(4,018)	(1,695)	(1,297)	(650)	(376)
Net increase (decrease) in cash and cash equivalents	1,534	132	(1,132)	2,534	(280)	(821)	(128)	426	243
Cash and cash equivalents at beginning of period	145	1,547	2,679	145	425	966	1,094	668	425
Cash and cash equivalents at end of period	1,679	1,679	1,547	2,679	145	145	966	1,094	668

Accompanying Notes

(1) Our results are reported in three segments: Bell Wireless, Bell Wireline and Bell Media. Our segments reflect how we manage our business and how we classify our operations for planning and measuring performance.

Throughout this report, *we, us, our, BCE* and *the company* mean, as the context may require, either BCE Inc. or, collectively, BCE Inc., Bell Canada, their subsidiaries, joint arrangements and associates. *Bell* means, as the context may require, either Bell Canada or, collectively, Bell Canada, its subsidiaries, joint arrangements and associates.

(2) On June 1, 2020, BCE announced that it had entered into an agreement to sell substantially all of its data centre operations in an all-cash transaction valued at $1.04 billion. We have reclassified amounts related to the announced sale for the previous periods to discontinued operations in our consolidated income statements and consolidated statements of cash flows to make them consistent with the presentation for the current period. We have also reclassified the assets and liabilities of the data centre operations to be sold as held for sale in our consolidated statements of financial position at September 30, 2020, measured at their carrying amount, which is lower than the estimated fair value less costs to sell. Property, plant and equipment and intangible assets included in assets held for sale are no longer depreciated or amortized effective June 1, 2020.

(3) To align with changes in how we manage our business and assess performance, the operating results of our public safety land radio network business are now included within our Bell Wireline segment effective January 1, 2020, with prior periods restated for comparative purposes. Previously, these results were included within our Bell Wireless segment. Our public safety land radio network business, which builds and manages land mobile radio networks primarily for the government sector, is now managed by our Bell Business Markets team in order to better serve our customers with end-to-end communications solutions.

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

In Q2 2020, we updated our definitions of adjusted net earnings, adjusted EPS and free cash flow to exclude the impacts of discontinued operations as they may affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. As a result of this change, prior periods have been restated for comparative purposes.

Adjusted EBITDA and adjusted EBITDA margin

The terms adjusted EBITDA and adjusted EBITDA margin 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 EBITDA as operating revenues less operating costs (including post-employment benefit plans service cost) as shown in BCE's consolidated income statements. Adjusted EBITDA for BCE's segments is the same as segment profit as reported in BCE's consolidated financial statements. 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 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 mark-to-market losses (gains) on derivatives used to economically hedge equity settled share-based compensation plans, net losses (gains) on investments, early debt redemption costs, impairment of assets and discontinued operations, net of tax and non-controlling interest (NCI). We define adjusted EPS as adjusted net earnings per BCE common share.

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 mark-to-market losses (gains) on derivatives used to economically hedge equity settled share-based compensation plans, net losses (gains) on investments, early debt redemption costs, impairment of assets and discontinued operations, net of tax and NCI. 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, as reconciled in this document.

Free cash flow

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

We define free cash flow as cash flows from operating activities, excluding cash from discontinued operations, acquisition and other costs paid (which include significant litigation costs) and voluntary pension funding, less capital expenditures, preferred share dividends and dividends paid by subsidiaries to NCI. We exclude cash from discontinued operations, acquisition and other costs paid and voluntary pension funding 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.

We consider free cash flow to be an important indicator of the financial strength and performance of our businesses because it shows how much cash is available to pay dividends on common shares, 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 and to evaluate the financial strength and performance of our businesses.

The most comparable IFRS financial measure is cash flows from operating activities, as reconciled in this document.

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, as shown in BCE's consolidated statements of financial position. We include 50% of outstanding preferred shares in our net debt as it is consistent with the treatment by certain credit rating agencies.

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.

Net debt leverage ratio

The net debt leverage ratio does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers. We use, and believe that certain investors and analysts use, the net debt leverage ratio as a measure of financial leverage.

The net debt leverage ratio represents net debt divided by adjusted EBITDA. For the purposes of calculating our net debt leverage ratio, adjusted EBITDA is twelve-month trailing adjusted EBITDA.

Adjusted EBITDA to net interest expense ratio

The ratio of adjusted EBITDA to net interest expense does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers. We use, and believe that certain investors and analysts use, the adjusted EBITDA to net interest expense ratio as a measure of financial health of the company.

The adjusted EBITDA to net interest expense ratio represents adjusted EBITDA divided by net interest expense. For the purposes of calculating our adjusted EBITDA to net interest expense ratio, adjusted EBITDA is twelve-month trailing adjusted EBITDA. Net interest expense is twelve-month trailing net interest expense as shown in our statements of cash flows, plus 50% of declared preferred share dividends as shown in our income statements.

(5) Key performance indicators (KPIs)

In addition to the non-GAAP financial measures described previously, 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.

Average billing per user (ABPU) or subscriber approximates the average amount billed to customers on a monthly basis, including monthly billings related to device financing receivables owing from customers on contract, which is used to track our recurring billing streams. Wireless blended ABPU is calculated by dividing certain customer billings by the average subscriber base for the specified period and is expressed as a dollar unit per month.

Capital intensity is capital expenditures divided by operating revenues.

Churn is the rate at which existing subscribers cancel their services. It is a measure of our ability to retain our customers. Wireless churn is calculated by dividing the number of deactivations during a given period by the average number of subscribers in the base for the specified period and is expressed as a percentage per month.

Wireless subscriber unit is comprised of an active revenue-generating unit (e.g. mobile device, tablet or wireless Internet products), with a unique identifier (typically International Mobile Equipment Identity (IMEI) number), that has access to our wireless networks. We report wireless subscriber units in two categories: postpaid and prepaid. Prepaid subscriber units are considered active for a period of 90 days following the expiry of the subscriber's prepaid balance.

Wireline subscriber unit consists of an active revenue-generating unit with access to our services, including retail Internet, satellite TV, IPTV, and/or NAS. A subscriber is included in our subscriber base when the service has been installed and is operational at the customer premise and a billing relationship has been established.

- Retail Internet, IPTV and satellite TV subscribers have access to stand-alone services, and are primarily represented by a dwelling unit
- Retail NAS subscribers are based on a line count and are represented by a unique telephone number