

### *Risks that Could Affect Our Business*

This section describes general risks that could affect all BCE group companies and specific risks that could affect BCE Inc. and certain other BCE group companies.

A risk is the possibility that an event might happen in the future that could have a negative effect on the financial condition, results of operations or business of one or more BCE group companies. Part of managing our business is to understand what these potential risks could be and to minimize them where we can.

Because no one can predict whether an event will happen or what its consequences may be, the actual effect of any event on our business could be materially different from what we currently anticipate. In addition, this description of risks does not include all possible risks, and there may be other risks of which we are currently not aware.

The table below is a summary of our outstanding lines of credit, bank facilities and commercial paper programs at December 31, 2004.

	COMMITTED	NON-COMMITTED	TOTAL
Commercial paper credit lines	1,290	2,000	3,290
Other credit facilities	1,171	411	1,582
<b>Total</b>	<b>2,461</b>	<b>2,411</b>	<b>4,872</b>
Drawn	537	—	537
Undrawn	1,924	2,411	4,335

BCE Inc., Bell Canada and Aliant may issue notes under their commercial paper programs up to the amount of their supporting committed lines of credit. The total amount of these supporting committed lines of credit available (net of letters of credit) was \$1.3 billion at December 31, 2004.

BCE Inc., Bell Canada and Aliant had \$135 million in commercial paper outstanding at December 31, 2004.

BCE Inc. and Bell Canada can issue Class E notes under their commercial paper programs. These notes are not supported by committed lines of credit and may be extended in certain circumstances. BCE Inc. may issue up to \$360 million of Class E notes and Bell Canada may issue up to \$400 million. BCE Inc. and Bell Canada had no Class E notes outstanding at December 31, 2004.

The drawn portion of our total credit facilities includes \$414 million in letters of credit under our committed facilities.

### *Risks that Could Affect Our Business*

Bell Canada is our most important subsidiary, which means our financial performance depends in large part on how well Bell Canada performs financially. The risks that could affect Bell Canada and its subsidiaries are more likely to have a significant impact on our financial condition, results of operations and business than the risks that could affect other BCE group companies.

### *Risks that Could Affect All BCE Group Companies*

#### *Strategies and Plans*

We plan to achieve our business objectives through various strategies and plans.

In 2004, we embarked on our strategy to deliver unrivalled integrated communications to customers across Canada, with an overall objective to take a leadership position in setting the standard in IP for the industry and for our customers. Leveraging the opportunities created by IP-based communications should allow us to deliver on the guiding principles of our strategy of customer simplification, innovation and efficiency. This strategy is founded on three priorities:

- deliver an enhanced customer experience with the objective of enabling a significantly lower cost structure at Bell Canada
- deliver abundant bandwidth to enable all the services of the future with the reliability and security that customers require
- create the next-generation services to drive future growth.

Our strategic direction involves significant changes in our processes, in how we approach our markets, and in how we develop and deliver products and services. This means we will need to be responsive in adapting to these changes. It also means that a shift in employee skills will be necessary.

We will need to spend capital to implement our strategies and to carry out our plans. However, the actual amounts of capital required and the returns from these investments could differ materially from our current expectations.

If we are unable to achieve our business objectives, our financial performance, including our growth prospects, could be hurt. This could have a material and negative effect on our results of operations.

#### *Economic and Market Conditions*

Our business is affected by general economic conditions, consumer confidence and spending, and the demand for, and prices of, our products and services. When there is a decline in economic growth and in retail and commercial activity, there tends to be a lower demand for our products and services. During these periods, customers may delay buying our products and services, or reduce or discontinue using them.