Cash Relating to Discontinued Operations

Cash from discontinued operations was $193 million in 2004. This consisted mainly of net cash proceeds of $315 million from the sale of our investment in Emergis, which were partly offset by the deconsolidation of Emergis' cash on hand of $137 million at December 31, 2003.

Cash from discontinued operations was $355 million in 2003. This consisted mainly of net cash proceeds of $320 million on Aliant's sale of its 53.2% interest in Stratos.

Credit Ratings
The interest rates we pay are partly based on the quality of our credit ratings, which were all investment grade at March 2, 2005. Investment grade ratings usually mean that when we borrow money, we qualify for lower interest rates than companies that have ratings lower than investment grade.

Credit Ratings

The table below lists our key credit ratings at March 2, 2005.

	BCE INC.			BELL CANADA		
	S&P(1)	DBRS(2)	MOODY'S(3)	S&P(1)	DBRS(2)	MOODY'S(3)
Commercial paper	A-1 (mid) / stable	R-1 (low) / stable	P-2 / stable	A-1 (mid) / stable	R-1 (mid) / stable	P-2 / stable
Extendable commercial notes	A-1 (mid) / stable	R-1 (low) / stable	–	A-1 (mid) / stable	R-1 (mid) / stable	–
Long-term debt	A– / stable	A / stable	Baa1 / stable	A / stable	A (high) / stable	A3 / stable
Preferred shares	P-2 (high) / stable	Pfd-2 / stable	–	P-2 (high) / stable	Pfd-2 (high) / stable	–

(1) Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (S&P)

(2) Dominion Bond Rating Services Limited (DBRS)

(3) Moody's Investors Service, Inc. (Moody's)

Liquidity

Our plan is to generate enough cash from our operating activities to pay for capital expenditures and dividends. In other words, we are targeting to have positive free cash flow in the short term and in the long term.

We expect to repay contractual obligations maturing in 2005 and in the long term from cash on hand, from cash generated from our operations or by issuing new debt. Contractual obligations include long-term debt.

Cash Requirements

In 2005, we will need cash mainly for capital expenditures, dividend payments, the payment of contractual obligations and other cash requirements.

Capital Expenditures

We spent $3.4 billion on capital expenditures in 2004, representing 17.5% of our revenues for the year. Our target is for Bell Canada's capital expenditures to be in the range of 18% to 19% of its total revenues in 2005.

Dividends

In December 2004, the board of directors of BCE Inc. approved an increase of 10% or $0.12 per common share in the annual dividend on BCE Inc.'s common shares. As a result, starting with the quarterly dividend to be paid on April 15, 2005, subject to being declared by the board of directors, we expect to pay quarterly dividends on BCE Inc.'s common shares of approximately $305 million, based on the revised dividend policy. This assumes that there are no significant changes to the number of outstanding common shares. These quarterly dividends equal $0.33 per common share, based on approximately 925 million common shares outstanding at December 31, 2004.

Contractual Obligations

The table on the next page is a summary of our contractual obligations at December 31, 2004 that are due in each of the next five years and after 2009.