



# TELUS Corporation

*Third Quarter, 2015*

## ***Supplemental Investor Information***

(UNAUDITED)

Financial information presented according to  
International Financial Reporting Standards (IFRS)  
as issued by the International Accounting Standards Board (IASB)

(Financial information prior to 2010 is presented as reported under previous Canadian GAAP)

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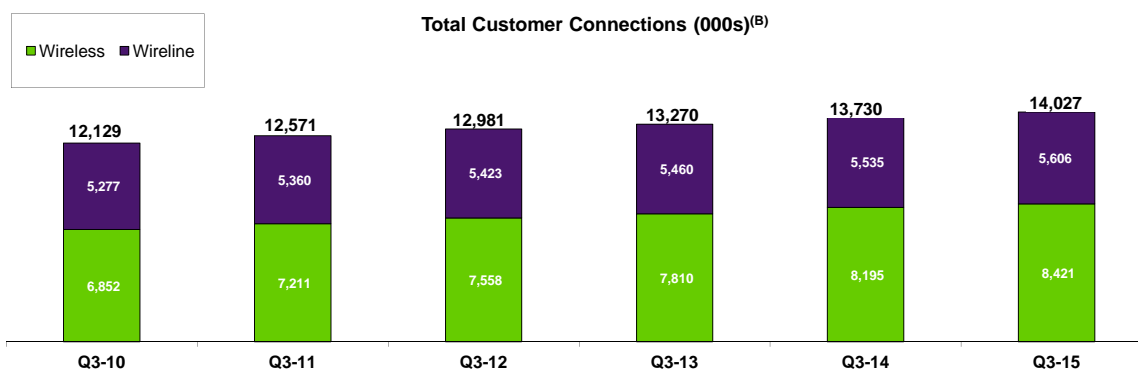
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**TELUS Corporation**  
**Selected Consolidated Data**

*\$ millions except shares, per share amounts, ratios and total customer connections*

|  | Quarterly |        |        |        |        |        |        | Sept YTD<br>2015 | Annual<br>2014 |
|--|-----------|--------|--------|--------|--------|--------|--------|------------------|----------------|
|  | Q3/15     | Q2/15  | Q1/15  | Q4/14  | Q3/14  | Q2/14  | Q1/14  |                  |                |
| Net Income                                       | 365       | 341    | 415    | 312    | 355    | 381    | 377    | 1,121            | 1,425          |
| Basic earnings per share (\$)                    | 0.61      | 0.56   | 0.68   | 0.51   | 0.58   | 0.62   | 0.61   | 1.85             | 2.31           |
| Dividends declared per share (\$)                | 0.42      | 0.42   | 0.40   | 0.40   | 0.38   | 0.38   | 0.36   | 1.24             | 1.52           |
| Return on common equity <sup>1</sup>             | 18.7%     | 18.3%  | 18.5%  | 17.8%  | 17.6%  | 18.0%  | 16.8%  | 18.7%            | 17.8%          |
| EBITDA interest coverage ratio <sup>2 (A)</sup>  | 9.8       | 9.8    | 9.4    | 9.5    | 9.8    | 10.3   | 10.1   | 9.8              | 9.5            |
| Free cash flow <sup>3</sup>                      | 310       | 300    | 271    | 337    | 219    | 210    | 291    | 881              | 1,057          |
| Net debt <sup>4</sup>                            | 11,713    | 11,795 | 10,011 | 9,393  | 9,253  | 9,272  | 8,202  | 11,713           | 9,393          |
| Net debt : EBITDA (times) <sup>5</sup>           | 2.64      | 2.67   | 2.30   | 2.19   | 2.18   | 2.21   | 2.00   | 2.64             | 2.19           |
| Outstanding shares at end of period (M)          | 600       | 602    | 605    | 609    | 612    | 615    | 620    | 600              | 609            |
| Basic weighted average shares outstanding (M)    | 601       | 605    | 608    | 611    | 613    | 617    | 622    | 605              | 616            |
| Total customer connections (000s) <sup>(B)</sup> | 14,027    | 13,941 | 13,868 | 13,841 | 13,730 | 13,599 | 13,527 | 14,027           | 13,841         |

<sup>(A)</sup> EBITDA excluding restructuring and other like costs.

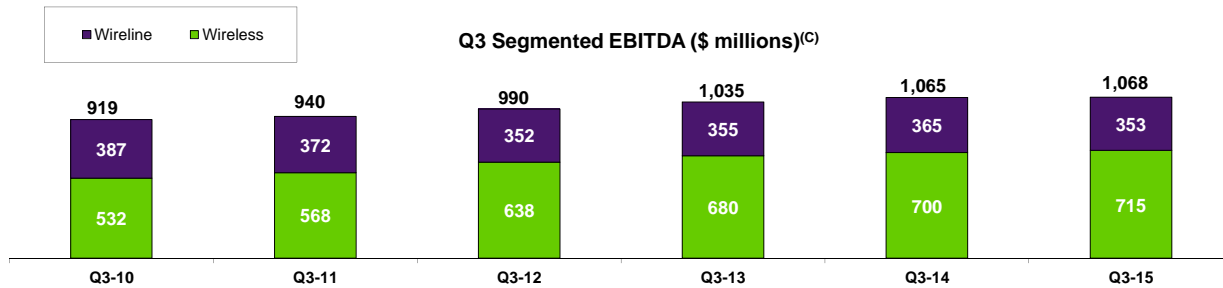


<sup>(B)</sup> Customer Connections may not balance due to rounding alignment to YTD figures. Effective January 1, 2014, subscriber connections have been restated to exclude 25,000 dial-up Internet subscribers in the opening balance. In addition, effective January 1, 2014, Customer Connections have been adjusted to include 222,000 Public Mobile subscribers in the opening subscriber balances.

**TELUS Corporation**  
**Segmented Data**

| \$ millions   | Quarter 3 |       |            |          | September YTD |       |            |          |
|---|-----------|-------|------------|----------|---------------|-------|------------|----------|
|   | 2015      | 2014  | Change     | % Change | 2015          | 2014  | Change     | % Change |
| <b>Revenues</b>   |           |       |            |          |               |       |            |          |
| TELUS Wireless  | 1,783     | 1,697 | 86         | 5.1%     | 5,205         | 4,882 | 323        | 6.6%     |
| TELUS Wireline  | 1,432     | 1,390 | 42         | 3.0%     | 4,254         | 4,162 | 92         | 2.2%     |
| Less: Intersegment revenue  | (60)      | (59)  | (1)        | 1.7%     | (174)         | (170) | (4)        | 2.4%     |
| Operating revenues  | 3,155     | 3,028 | 127        | 4.2%     | 9,285         | 8,874 | 411        | 4.6%     |
| <b>EBITDA</b>   |           |       |            |          |               |       |            |          |
| TELUS Wireless  | 715       | 700   | 15         | 2.0%     | 2,178         | 2,098 | 80         | 3.8%     |
| TELUS Wireline  | 353       | 365   | (12)       | (3.2%)   | 1,106         | 1,117 | (11)       | (0.9%)   |
| Consolidated  | 1,068     | 1,065 | 3          | 0.2%     | 3,284         | 3,215 | 69         | 2.1%     |
| <b>EBITDA margin</b>  |           |       |            |          |               |       |            |          |
| TELUS Wireless  | 40.1%     | 41.2% | (1.1) pts. |          | 41.8%         | 43.0% | (1.2) pts. |          |
| TELUS Wireline  | 24.7%     | 26.3% | (1.6) pts. |          | 26.0%         | 26.8% | (0.8) pts. |          |
| Consolidated  | 33.9%     | 35.2% | (1.3) pts. |          | 35.4%         | 36.2% | (0.8) pts. |          |
| <b>Capital expenditures</b>   |           |       |            |          |               |       |            |          |
| TELUS Wireless  | 209       | 251   | (42)       | (16.7%)  | 684           | 644   | 40         | 6.2%     |
| TELUS Wireline  | 414       | 406   | 8          | 2.0%     | 1,238         | 1,145 | 93         | 8.1%     |
| Consolidated  | 623       | 657   | (34)       | (5.2%)   | 1,922         | 1,789 | 133        | 7.4%     |
| <b>Capital expenditure intensity<sup>6</sup></b>                                |           |       |            |          |               |       |            |          |
| TELUS Wireless  | 12%       | 15%   | (3) pts.   |          | 13%           | 13%   | -          | pts.     |
| TELUS Wireline  | 29%       | 29%   | -          | pts.     | 29%           | 28%   | 1          | pts.     |
| Consolidated  | 20%       | 22%   | (2) pts.   |          | 21%           | 20%   | 1          | pts.     |
| <b>EBITDA less capex</b>  |           |       |            |          |               |       |            |          |
| TELUS Wireless  | 506       | 449   | 57         | 12.7%    | 1,494         | 1,454 | 40         | 2.8%     |
| TELUS Wireline  | (61)      | (41)  | (20)       | (48.8%)  | (132)         | (28)  | (104)      | n.m.     |
| Consolidated  | 445       | 408   | 37         | 9.1%     | 1,362         | 1,426 | (64)       | (4.5%)   |
| <b>EBITDA excluding restructuring and other like costs<sup>(A)</sup></b>        |           |       |            |          |               |       |            |          |
| TELUS Wireless  | 729       | 718   | 11         | 1.4%     | 2,234         | 2,122 | 112        | 5.2%     |
| TELUS Wireline  | 390       | 377   | 13         | 3.6%     | 1,177         | 1,142 | 35         | 3.1%     |
| Consolidated  | 1,119     | 1,095 | 24         | 2.2%     | 3,411         | 3,264 | 147        | 4.5%     |
| <b>EBITDA margin excluding restructuring and other like costs<sup>(A)</sup></b> |           |       |            |          |               |       |            |          |
| TELUS Wireless  | 40.9%     | 42.3% | (1.4) pts. |          | 42.9%         | 43.5% | (0.6) pts. |          |
| TELUS Wireline  | 27.3%     | 27.2% | 0.1 pts.   |          | 27.7%         | 27.4% | 0.3 pts.   |          |
| Consolidated  | 35.5%     | 36.2% | (0.7) pts. |          | 36.7%         | 36.8% | (0.1) pts. |          |

<sup>(A)</sup>EBITDA has been adjusted to exclude restructuring and other like costs of \$51M and \$30M for Q3-15 and Q3-14, respectively, and \$127M and \$49M for 2015 YTD and 2014 YTD, respectively.

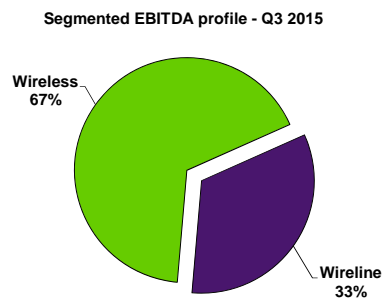
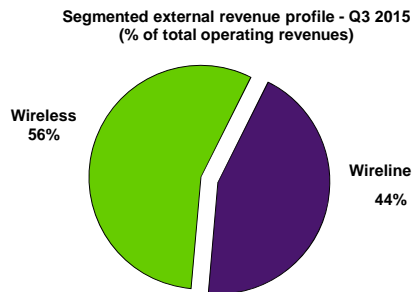


<sup>(C)</sup>Periods in 2012, 2011 and 2010 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits (2011).

**TELUS Corporation**  
**Segmented Data - Historical Trend**

| \$ millions   | Quarterly |        |        |        |        |        |        | Sept YTD<br>2015 | Annual<br>2014 |
|---|-----------|--------|--------|--------|--------|--------|--------|------------------|----------------|
|   | Q3/15     | Q2/15  | Q1/15  | Q4/14  | Q3/14  | Q2/14  | Q1/14  |                  |                |
| <b>Revenues</b>   |           |        |        |        |        |        |        |                  |                |
| TELUS Wireless  | 1,783     | 1,736  | 1,686  | 1,759  | 1,697  | 1,617  | 1,568  | 5,205            | 6,641          |
| TELUS Wireline  | 1,432     | 1,423  | 1,399  | 1,428  | 1,390  | 1,391  | 1,381  | 4,254            | 5,590          |
| Less: Intersegment revenue  | (60)      | (57)   | (57)   | (59)   | (59)   | (57)   | (54)   | (174)            | (229)          |
| Operating revenues  | 3,155     | 3,102  | 3,028  | 3,128  | 3,028  | 2,951  | 2,895  | 9,285            | 12,002         |
| <b>EBITDA</b>   |           |        |        |        |        |        |        |                  |                |
| TELUS Wireless  | 715       | 719    | 744    | 629    | 700    | 708    | 690    | 2,178            | 2,727          |
| TELUS Wireline  | 353       | 362    | 391    | 372    | 365    | 365    | 387    | 1,106            | 1,489          |
| Consolidated  | 1,068     | 1,081  | 1,135  | 1,001  | 1,065  | 1,073  | 1,077  | 3,284            | 4,216          |
| <b>EBITDA margin</b>  |           |        |        |        |        |        |        |                  |                |
| TELUS Wireless  | 40.1%     | 41.4%  | 44.1%  | 35.8%  | 41.2%  | 43.8%  | 44.0%  | 41.8%            | 41.1%          |
| TELUS Wireline  | 24.7%     | 25.4%  | 28.0%  | 26.0%  | 26.3%  | 26.2%  | 28.0%  | 26.0%            | 26.6%          |
| Consolidated  | 33.9%     | 34.8%  | 37.5%  | 32.0%  | 35.2%  | 36.4%  | 37.2%  | 35.4%            | 35.1%          |
| <b>Capital expenditures</b>   |           |        |        |        |        |        |        |                  |                |
| TELUS Wireless  | 209       | 227    | 248    | 188    | 251    | 228    | 165    | 684              | 832            |
| TELUS Wireline  | 414       | 437    | 387    | 382    | 406    | 408    | 331    | 1,238            | 1,527          |
| Consolidated  | 623       | 664    | 635    | 570    | 657    | 636    | 496    | 1,922            | 2,359          |
| <b>Capital expenditure intensity<sup>6</sup></b>                                |           |        |        |        |        |        |        |                  |                |
| TELUS Wireless  | 12%       | 13%    | 15%    | 11%    | 15%    | 14%    | 11%    | 13%              | 13%            |
| TELUS Wireline  | 29%       | 31%    | 28%    | 27%    | 29%    | 29%    | 24%    | 29%              | 27%            |
| Consolidated  | 20%       | 21%    | 21%    | 18%    | 22%    | 22%    | 17%    | 21%              | 20%            |
| <b>EBITDA less capex</b>  |           |        |        |        |        |        |        |                  |                |
| TELUS Wireless  | 506       | 492    | 496    | 441    | 449    | 480    | 525    | 1,494            | 1,895          |
| TELUS Wireline  | (61)      | (75)   | 4      | (10)   | (41)   | (43)   | 56     | (132)            | (38)           |
| Consolidated  | 445       | 417    | 500    | 431    | 408    | 437    | 581    | 1,362            | 1,857          |
| <b>EBITDA excluding restructuring and other like costs<sup>(A)</sup></b>        |           |        |        |        |        |        |        |                  |                |
| TELUS Wireless  | 729       | 755    | 750    | 635    | 718    | 711    | 693    | 2,234            | 2,757          |
| TELUS Wireline  | 390       | 385    | 402    | 392    | 377    | 373    | 392    | 1,177            | 1,534          |
| Consolidated  | 1,119     | 1,140  | 1,152  | 1,027  | 1,095  | 1,084  | 1,085  | 3,411            | 4,291          |
| <b>EBITDA margin excluding restructuring and other like costs<sup>(A)</sup></b> |           |        |        |        |        |        |        |                  |                |
| TELUS Wireless  | 40.9%     | 43.5%  | 44.5%  | 36.1%  | 42.3%  | 44.0%  | 44.2%  | 42.9%            | 41.5%          |
| TELUS Wireline  | 27.3%     | 27.0%  | 28.8%  | 27.4%  | 27.2%  | 26.8%  | 28.3%  | 27.7%            | 27.4%          |
| Consolidated  | 35.5%     | 36.8%  | 38.0%  | 32.8%  | 36.2%  | 36.7%  | 37.5%  | 36.7%            | 35.8%          |
| <b>Full-Time Equivalent (FTE) employees</b>                                     | 46,000    | 43,900 | 42,600 | 42,700 | 41,400 | 41,400 | 41,600 | 46,000           | 42,700         |
| <i>Full-Time Equivalent (FTE) employees, excluding TELUS International</i>      | 26,500    | 26,800 | 26,600 | 26,900 | 26,800 | 27,200 | 27,100 | 26,500           | 26,900         |

<sup>(A)</sup> EBITDA has been adjusted to exclude restructuring and other like costs (see Historical Trend pages for Wireless and Wireline).

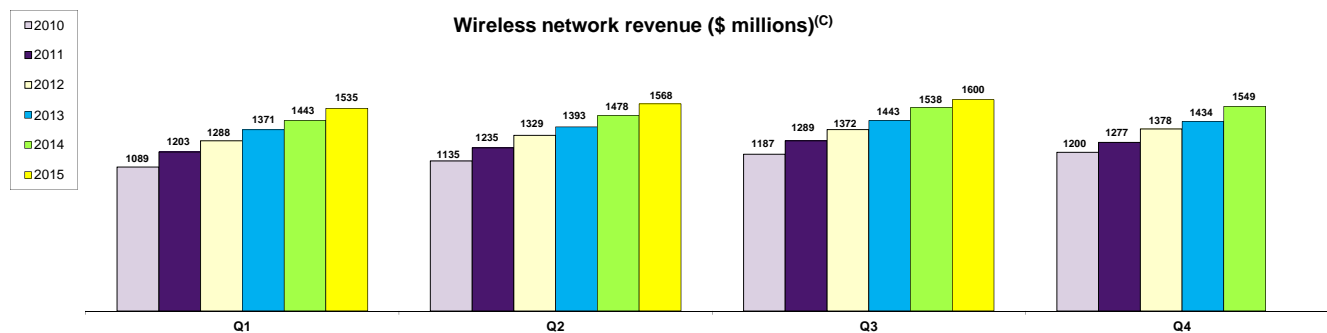


**TELUS Wireless  
Operations<sup>(A)</sup>**

| <i>\$ millions</i>  | Quarter 3    |              |                   |                | September YTD |              |                   |               |
|---|--------------|--------------|-------------------|----------------|---------------|--------------|-------------------|---------------|
|   | 2015         | 2014         | Change            | % Change       | 2015          | 2014         | Change            | % Change      |
| <b>Revenues</b>   |              |              |                   |                |               |              |                   |               |
| Network revenue   | 1,600        | 1,538        | 62                | 4.0%           | 4,703         | 4,459        | 244               | 5.5%          |
| Equipment and other service revenue   | 165          | 146          | 19                | 13.0%          | 456           | 381          | 75                | 19.7%         |
| <b>Revenues arising from contracts with customers</b>                             | <b>1,765</b> | <b>1,684</b> | <b>81</b>         | <b>4.8%</b>    | <b>5,159</b>  | <b>4,840</b> | <b>319</b>        | <b>6.6%</b>   |
| Other operating income  | 2            | -            | 2                 | n.m.           | 2             | 3            | (1)               | (33.3%)       |
| <b>Total external revenue</b>   | <b>1,767</b> | <b>1,684</b> | <b>83</b>         | <b>4.9%</b>    | <b>5,161</b>  | <b>4,843</b> | <b>318</b>        | <b>6.6%</b>   |
| Intersegment network revenue  | 16           | 13           | 3                 | 23.1%          | 44            | 39           | 5                 | 12.8%         |
| <b>Total operating revenues</b>   | <b>1,783</b> | <b>1,697</b> | <b>86</b>         | <b>5.1%</b>    | <b>5,205</b>  | <b>4,882</b> | <b>323</b>        | <b>6.6%</b>   |
| Goods and services purchased  | 886          | 823          | 63                | 7.7%           | 2,506         | 2,278        | 228               | 10.0%         |
| Employee benefits expense <sup>(B)</sup>  | 182          | 174          | 8                 | 4.6%           | 521           | 506          | 15                | 3.0%          |
| <b>Total operating expense</b>  | <b>1,068</b> | <b>997</b>   | <b>71</b>         | <b>7.1%</b>    | <b>3,027</b>  | <b>2,784</b> | <b>243</b>        | <b>8.7%</b>   |
| <b>EBITDA</b>   | <b>715</b>   | <b>700</b>   | <b>15</b>         | <b>2.0%</b>    | <b>2,178</b>  | <b>2,098</b> | <b>80</b>         | <b>3.8%</b>   |
| <b>COA expense</b>  | <b>156</b>   | <b>163</b>   | <b>(7)</b>        | <b>(4.3%)</b>  | <b>427</b>    | <b>433</b>   | <b>(6)</b>        | <b>(1.4%)</b> |
| <b>EBITDA excluding COA</b>   | <b>871</b>   | <b>863</b>   | <b>8</b>          | <b>0.9%</b>    | <b>2,605</b>  | <b>2,531</b> | <b>74</b>         | <b>2.9%</b>   |
| <b>EBITDA margin (total revenue)</b>  | <b>40.1%</b> | <b>41.2%</b> | <b>(1.1) pts.</b> |                | <b>41.8%</b>  | <b>43.0%</b> | <b>(1.2) pts.</b> |               |
| <b>Capital expenditures</b>   | <b>209</b>   | <b>251</b>   | <b>(42)</b>       | <b>(16.7%)</b> | <b>684</b>    | <b>644</b>   | <b>40</b>         | <b>6.2%</b>   |
| <b>Capital expenditure intensity<sup>6</sup></b>                                  | <b>12%</b>   | <b>15%</b>   | <b>(3) pts.</b>   |                | <b>13%</b>    | <b>13%</b>   | <b>-</b>          | <b>pts.</b>   |
| <b>EBITDA less capex</b>  | <b>506</b>   | <b>449</b>   | <b>57</b>         | <b>12.7%</b>   | <b>1,494</b>  | <b>1,454</b> | <b>40</b>         | <b>2.8%</b>   |
| Restructuring and other like costs included in total operating expense            | 14           | 18           | (4)               | (22.2%)        | 56            | 24           | 32                | n.m.          |
| <b>EBITDA excluding restructuring and other like costs</b>                        | <b>729</b>   | <b>718</b>   | <b>11</b>         | <b>1.4%</b>    | <b>2,234</b>  | <b>2,122</b> | <b>112</b>        | <b>5.2%</b>   |
| <b>EBITDA margin excluding restructuring and other like costs (total revenue)</b> | <b>40.9%</b> | <b>42.3%</b> | <b>(1.4) pts.</b> |                | <b>42.9%</b>  | <b>43.5%</b> | <b>(0.6) pts.</b> |               |

<sup>(A)</sup>May not balance due to rounding alignment to YTD figures.

<sup>(B)</sup>Includes restructuring and other like costs.



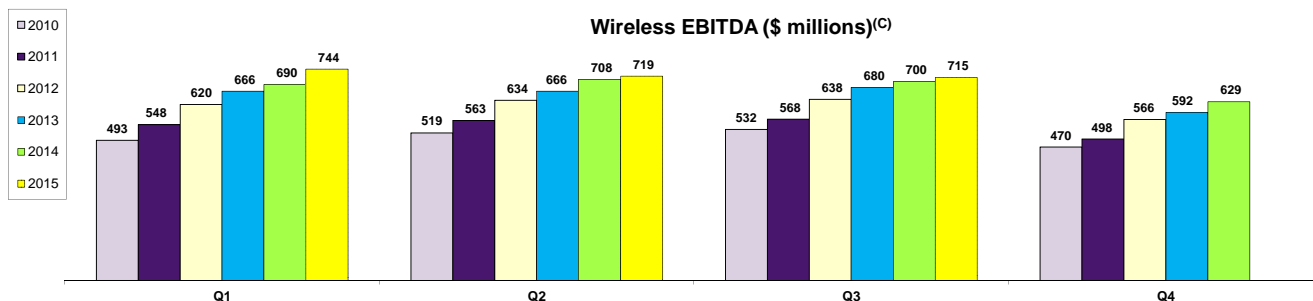
<sup>(C)</sup>Periods in 2012, 2011 and 2010 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits (2011).

**TELUS Wireless**  
Operations - Historical Trend<sup>(A)</sup>

| \$ millions   | Quarterly    |              |              |              |              |              |              | Sept YTD<br>2015 | Annual<br>2014 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|----------------|
|   | Q3/15        | Q2/15        | Q1/15        | Q4/14        | Q3/14        | Q2/14        | Q1/14        |                  |                |
| <b>Revenues</b>   |              |              |              |              |              |              |              |                  |                |
| Network revenue   | 1,600        | 1,568        | 1,535        | 1,549        | 1,538        | 1,478        | 1,443        | 4,703            | 6,008          |
| Equipment and other service revenue   | 165          | 156          | 135          | 195          | 146          | 126          | 109          | 456              | 576            |
| <b>Revenues arising from contracts with customers</b>                             | <b>1,765</b> | <b>1,724</b> | <b>1,670</b> | <b>1,744</b> | <b>1,684</b> | <b>1,604</b> | <b>1,552</b> | <b>5,159</b>     | <b>6,584</b>   |
| Other operating income  | 2            | (2)          | 2            | -            | -            | -            | 3            | 2                | 3              |
| <b>Total external revenue</b>   | <b>1,767</b> | <b>1,722</b> | <b>1,672</b> | <b>1,744</b> | <b>1,684</b> | <b>1,604</b> | <b>1,555</b> | <b>5,161</b>     | <b>6,587</b>   |
| Intersegment network revenue  | 16           | 14           | 14           | 15           | 13           | 13           | 13           | 44               | 54             |
| <b>Total operating revenues</b>   | <b>1,783</b> | <b>1,736</b> | <b>1,686</b> | <b>1,759</b> | <b>1,697</b> | <b>1,617</b> | <b>1,568</b> | <b>5,205</b>     | <b>6,641</b>   |
| Goods and services purchased  | 886          | 840          | 780          | 950          | 823          | 746          | 709          | 2,506            | 3,228          |
| Employee benefits expense <sup>(B)</sup>  | 182          | 177          | 162          | 180          | 174          | 163          | 169          | 521              | 686            |
| <b>Total operating expense</b>  | <b>1,068</b> | <b>1,017</b> | <b>942</b>   | <b>1,130</b> | <b>997</b>   | <b>909</b>   | <b>878</b>   | <b>3,027</b>     | <b>3,914</b>   |
| <b>EBITDA</b>   | <b>715</b>   | <b>719</b>   | <b>744</b>   | <b>629</b>   | <b>700</b>   | <b>708</b>   | <b>690</b>   | <b>2,178</b>     | <b>2,727</b>   |
| <b>COA expense</b>  | <b>156</b>   | <b>143</b>   | <b>128</b>   | <b>190</b>   | <b>163</b>   | <b>141</b>   | <b>129</b>   | <b>427</b>       | <b>623</b>     |
| <b>EBITDA excluding COA</b>   | <b>871</b>   | <b>862</b>   | <b>872</b>   | <b>819</b>   | <b>863</b>   | <b>849</b>   | <b>819</b>   | <b>2,605</b>     | <b>3,350</b>   |
| <b>EBITDA margin (total revenue)</b>  | <b>40.1%</b> | <b>41.4%</b> | <b>44.1%</b> | <b>35.8%</b> | <b>41.2%</b> | <b>43.8%</b> | <b>44.0%</b> | <b>41.8%</b>     | <b>41.1%</b>   |
| <b>Capital expenditures</b>   | <b>209</b>   | <b>227</b>   | <b>248</b>   | <b>188</b>   | <b>251</b>   | <b>228</b>   | <b>165</b>   | <b>684</b>       | <b>832</b>     |
| <b>Capital expenditure intensity<sup>6</sup></b>                                  | <b>12%</b>   | <b>13%</b>   | <b>15%</b>   | <b>11%</b>   | <b>15%</b>   | <b>14%</b>   | <b>11%</b>   | <b>13%</b>       | <b>13%</b>     |
| <b>EBITDA less capex</b>  | <b>506</b>   | <b>492</b>   | <b>496</b>   | <b>441</b>   | <b>449</b>   | <b>480</b>   | <b>525</b>   | <b>1,494</b>     | <b>1,895</b>   |
| Restructuring and other like costs included in total operating expense            | 14           | 36           | 6            | 6            | 18           | 3            | 3            | 56               | 30             |
| <b>EBITDA excluding restructuring and other like costs</b>                        | <b>729</b>   | <b>755</b>   | <b>750</b>   | <b>635</b>   | <b>718</b>   | <b>711</b>   | <b>693</b>   | <b>2,234</b>     | <b>2,757</b>   |
| <b>EBITDA margin excluding restructuring and other like costs (total revenue)</b> | <b>40.9%</b> | <b>43.5%</b> | <b>44.5%</b> | <b>36.1%</b> | <b>42.3%</b> | <b>44.0%</b> | <b>44.2%</b> | <b>42.9%</b>     | <b>41.5%</b>   |

<sup>(A)</sup> May not balance due to rounding alignment to YTD figures.

<sup>(B)</sup> Includes restructuring and other like costs.



<sup>(C)</sup> Periods in 2012, 2011 and 2010 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits (2011).

**TELUS Wireless**  
**Operating Statistics<sup>(A)(B)</sup>**

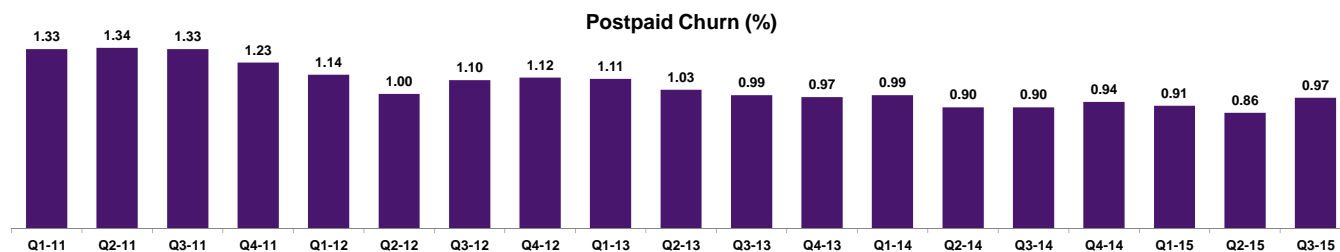
|   | Quarter 3 |         |             |          | September YTD |         |             |          |
|---|-----------|---------|-------------|----------|---------------|---------|-------------|----------|
|   | 2015      | 2014    | Change      | % Change | 2015          | 2014    | Change      | % Change |
| <b>Subscriber gross adds (000s)</b>                         |           |         |             |          |               |         |             |          |
| Postpaid  | 269       | 286     | (17)        | (5.9%)   | 741           | 767     | (26)        | (3.4%)   |
| Prepaid   | 121       | 144     | (23)        | (16.0%)  | 331           | 414     | (83)        | (20.0%)  |
| Total   | 390       | 430     | (40)        | (9.3%)   | 1,072         | 1,181   | (109)       | (9.2%)   |
| <b>Subscriber net adds (000s)</b>                           |           |         |             |          |               |         |             |          |
| Postpaid  | 69        | 113     | (44)        | (38.9%)  | 182           | 239     | (57)        | (23.8%)  |
| Prepaid   | -         | (6)     | 6           | n.m.     | (42)          | (73)    | 31          | 42.5%    |
| Total   | 69        | 107     | (38)        | (35.5%)  | 140           | 166     | (26)        | (15.7%)  |
| <b>Subscribers (000s)</b>                                   |           |         |             |          |               |         |             |          |
| Postpaid  | 7,290     | 6,990   | 300         | 4.3%     | 7,290         | 6,990   | 300         | 4.3%     |
| Prepaid   | 1,131     | 1,205   | (74)        | (6.1%)   | 1,131         | 1,205   | (74)        | (6.1%)   |
| Total   | 8,421     | 8,195   | 226         | 2.8%     | 8,421         | 8,195   | 226         | 2.8%     |
| <b>ARPU (\$)<sup>7</sup></b>                                | \$64.22   | \$63.52 | \$0.70      | 1.1%     | \$63.35       | \$61.88 | \$1.47      | 2.4%     |
| <b>Churn, per month (%)<sup>8</sup></b>                     |           |         |             |          |               |         |             |          |
| Blended Churn   | 1.28%     | 1.32%   | (0.04) pts. |          | 1.24%         | 1.40%   | (0.16) pts. |          |
| Postpaid Churn  | 0.97%     | 0.90%   | 0.07 pts.   |          | 0.91%         | 0.93%   | (0.02) pts. |          |
| <b>COA per gross subscriber addition (\$)<sup>9</sup></b>   | \$400     | \$380   | \$20        | 5.3%     | \$399         | \$367   | \$32        | 8.7%     |
| <b>Retention spend % network revenue<sup>(C)</sup></b>      | 14.3%     | 11.5%   | 2.8 pts.    |          | 12.8%         | 11.0%   | 1.8 pts.    |          |
| <b>Retention Subscribers (000s)</b>                         | 569       | 499     | 70          | 14.0%    | 1,560         | 1,393   | 167         | 12.0%    |
| <b>Population coverage in millions - HSPA<sup>(D)</sup></b> | 35.7      | 35.2    | 0.5         | 1.4%     | 35.7          | 35.2    | 0.5         | 1.4%     |
| <b>Population coverage in millions - LTE<sup>(D)</sup></b>  | 34.3      | 30.2    | 4.1         | 13.6%    | 34.3          | 30.2    | 4.1         | 13.6%    |

<sup>(A)</sup> May not balance due to rounding alignment to YTD figures.

<sup>(B)</sup> Effective January 1, 2014, prepaid subscribers, total subscribers and associated operating statistics (gross additions, net additions, blended ARPU, blended churn and COA per gross subscriber addition) have been adjusted for inclusion of 222,000 Public Mobile subscribers in the opening subscriber balances, and subsequent Public Mobile subscriber changes.

<sup>(C)</sup> Includes intersegment network revenue.

<sup>(D)</sup> Includes expanded coverage due to network access agreements, principally with Bell.



**TELUS Wireless**  
**Operating Statistics - Historical Trend<sup>(A)(B)</sup>**

|   | Quarterly |         |         |         |         |         |         | Sept YTD<br>2015 | Annual<br>2014 |
|---|-----------|---------|---------|---------|---------|---------|---------|------------------|----------------|
|   | Q3/15     | Q2/15   | Q1/15   | Q4/14   | Q3/14   | Q2/14   | Q1/14   |                  |                |
| <b>Subscriber gross adds (000s)</b>                         |           |         |         |         |         |         |         |                  |                |
| Postpaid  | 269       | 249     | 223     | 308     | 286     | 247     | 234     | 741              | 1,075          |
| Prepaid   | 121       | 106     | 104     | 131     | 144     | 132     | 138     | 331              | 545            |
| Total   | 390       | 355     | 327     | 439     | 430     | 379     | 372     | 1,072            | 1,620          |
| <b>Subscriber net adds (000s)</b>                           |           |         |         |         |         |         |         |                  |                |
| Postpaid  | 69        | 76      | 37      | 118     | 113     | 78      | 48      | 182              | 357            |
| Prepaid   | -         | (13)    | (29)    | (32)    | (6)     | (29)    | (38)    | (42)             | (105)          |
| Total   | 69        | 63      | 8       | 86      | 107     | 49      | 10      | 140              | 252            |
| <b>Subscribers (000s)</b>                                   |           |         |         |         |         |         |         |                  |                |
| Postpaid  | 7,290     | 7,221   | 7,145   | 7,108   | 6,990   | 6,877   | 6,799   | 7,290            | 7,108          |
| Prepaid   | 1,131     | 1,131   | 1,144   | 1,173   | 1,205   | 1,211   | 1,240   | 1,131            | 1,173          |
| Total   | 8,421     | 8,352   | 8,289   | 8,281   | 8,195   | 8,088   | 8,039   | 8,421            | 8,281          |
| <b>ARPU (\$)<sup>7</sup></b>                                | \$64.22   | \$63.48 | \$62.34 | \$63.34 | \$63.52 | \$61.69 | \$60.42 | \$63.35          | \$62.25        |
| <b>Churn, per month (%)<sup>8</sup></b>                     |           |         |         |         |         |         |         |                  |                |
| Blended Churn   | 1.28%     | 1.17%   | 1.28%   | 1.43%   | 1.32%   | 1.37%   | 1.50%   | 1.24%            | 1.41%          |
| Postpaid Churn  | 0.97%     | 0.86%   | 0.91%   | 0.94%   | 0.90%   | 0.90%   | 0.99%   | 0.91%            | 0.93%          |
| <b>COA per gross subscriber addition (\$)<sup>9</sup></b>   | \$400     | \$404   | \$392   | \$433   | \$380   | \$371   | \$346   | \$399            | \$385          |
| <b>Retention spend % network revenue<sup>(c)</sup></b>      | 14.3%     | 12.1%   | 12.1%   | 14.3%   | 11.5%   | 10.8%   | 10.7%   | 12.8%            | 11.8%          |
| <b>Retention Subscribers (000s)</b>                         | 569       | 506     | 485     | 578     | 499     | 448     | 446     | 1,560            | 1,971          |
| <b>Population coverage in millions - HSPA<sup>(d)</sup></b> | 35.7      | 35.7    | 35.6    | 35.3    | 35.2    | 35.2    | 34.9    | 35.7             | 35.3           |
| <b>Population coverage in millions - LTE<sup>(d)</sup></b>  | 34.3      | 33.9    | 33.1    | 31.7    | 30.2    | 29.8    | 28.8    | 34.3             | 31.7           |

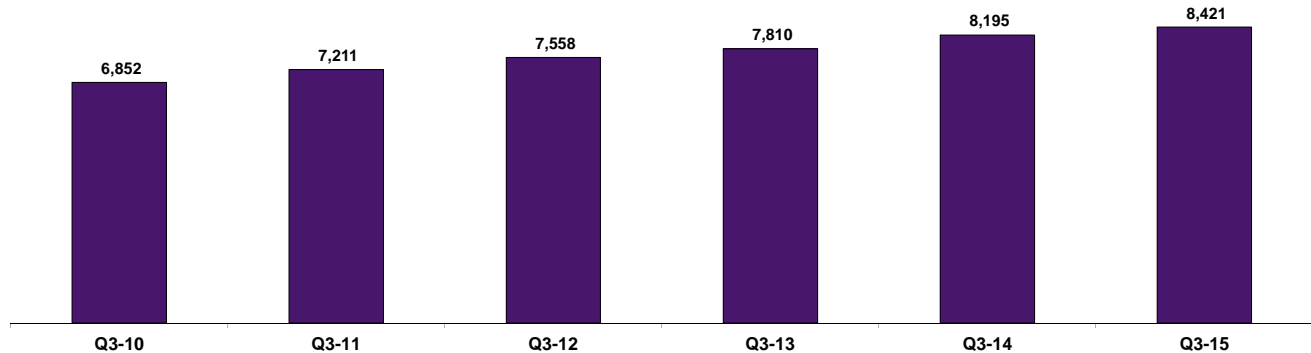
<sup>(A)</sup> May not balance due to rounding alignment to YTD figures.

<sup>(B)</sup> Effective January 1, 2014, prepaid subscribers, total subscribers and associated operating statistics (gross additions, net additions, blended ARPU, blended churn and COA per gross subscriber addition) have been adjusted for inclusion of 222,000 Public Mobile subscribers in the opening subscriber balances, and subsequent Public Mobile subscriber changes.

<sup>(C)</sup> Includes intersegment network revenue.

<sup>(D)</sup> Includes expanded coverage due to network access agreements, principally with Bell.

**Wireless subscribers (000s)**





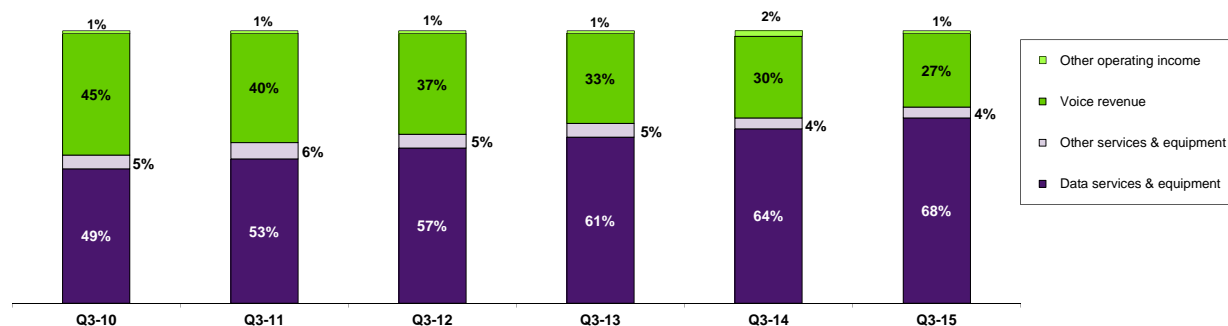
**TELUS Wireline  
Operations<sup>(A)</sup>**

| \$ millions  | Quarter 3    |              |                   |                | September YTD |              |                   |               |
|--|--------------|--------------|-------------------|----------------|---------------|--------------|-------------------|---------------|
|  | 2015         | 2014         | Change            | % Change       | 2015          | 2014         | Change            | % Change      |
| <b>Revenues</b>  |              |              |                   |                |               |              |                   |               |
| Data service and equipment   | 950          | 858          | 92                | 10.7%          | 2,781         | 2,561        | 220               | 8.6%          |
| Voice revenue  | 373          | 399          | (26)              | (6.5%)         | 1,138         | 1,222        | (84)              | (6.9%)        |
| Other services and equipment   | 53           | 58           | (5)               | (8.6%)         | 166           | 188          | (22)              | (11.7%)       |
| <b>Revenues arising from contracts with customers</b>                  | <b>1,376</b> | <b>1,315</b> | <b>61</b>         | <b>4.6%</b>    | <b>4,085</b>  | <b>3,971</b> | <b>114</b>        | <b>2.9%</b>   |
| Other operating income   | 12           | 29           | (17)              | (58.6%)        | 39            | 60           | (21)              | (35.0%)       |
| <b>Total external revenue</b>  | <b>1,388</b> | <b>1,344</b> | <b>44</b>         | <b>3.3%</b>    | <b>4,124</b>  | <b>4,031</b> | <b>93</b>         | <b>2.3%</b>   |
| Intersegment revenue   | 44           | 46           | (2)               | (4.3%)         | 130           | 131          | (1)               | (0.8%)        |
| <b>Total operating revenues</b>  | <b>1,432</b> | <b>1,390</b> | <b>42</b>         | <b>3.0%</b>    | <b>4,254</b>  | <b>4,162</b> | <b>92</b>         | <b>2.2%</b>   |
| Goods and services purchased   | 568          | 569          | (1)               | (0.2%)         | 1,718         | 1,715        | 3                 | 0.2%          |
| Employee benefits expense <sup>(B)</sup>                               | 511          | 456          | 55                | 12.1%          | 1,430         | 1,330        | 100               | 7.5%          |
| <b>Total operating expense</b>   | <b>1,079</b> | <b>1,025</b> | <b>54</b>         | <b>5.3%</b>    | <b>3,148</b>  | <b>3,045</b> | <b>103</b>        | <b>3.4%</b>   |
| <b>EBITDA</b>  | <b>353</b>   | <b>365</b>   | <b>(12)</b>       | <b>(3.2%)</b>  | <b>1,106</b>  | <b>1,117</b> | <b>(11)</b>       | <b>(0.9%)</b> |
| <b>EBITDA margin</b>   | <b>24.7%</b> | <b>26.3%</b> | <b>(1.6 pts.)</b> |                | <b>26.0%</b>  | <b>26.8%</b> | <b>(0.8 pts.)</b> |               |
| <b>Capital expenditures</b>  | <b>414</b>   | <b>406</b>   | <b>8</b>          | <b>2.0%</b>    | <b>1,238</b>  | <b>1,145</b> | <b>93</b>         | <b>8.1%</b>   |
| <b>Capital expenditure intensity<sup>6</sup></b>                       | <b>29%</b>   | <b>29%</b>   | <b>- pts.</b>     |                | <b>29%</b>    | <b>28%</b>   | <b>1 pts.</b>     |               |
| <b>EBITDA less capex</b>   | <b>(61)</b>  | <b>(41)</b>  | <b>(20)</b>       | <b>(48.8%)</b> | <b>(132)</b>  | <b>(28)</b>  | <b>(104)</b>      | <b>n.m.</b>   |
| Restructuring and other like costs included in total operating expense | 37           | 12           | 25                | n.m.           | 71            | 25           | 46                | n.m.          |
| <b>EBITDA excluding restructuring and other like costs</b>             | <b>390</b>   | <b>377</b>   | <b>13</b>         | <b>3.6%</b>    | <b>1,177</b>  | <b>1,142</b> | <b>35</b>         | <b>3.1%</b>   |
| <b>EBITDA margin excluding restructuring and other like costs</b>      | <b>27.3%</b> | <b>27.2%</b> | <b>0.1 pts.</b>   |                | <b>27.7%</b>  | <b>27.4%</b> | <b>0.3 pts.</b>   |               |

<sup>(A)</sup>May not balance due to rounding alignment to YTD figures.

<sup>(B)</sup> Includes restructuring and other like costs.

**Q3 Wireline revenue profile - (% of total external wireline revenue)**

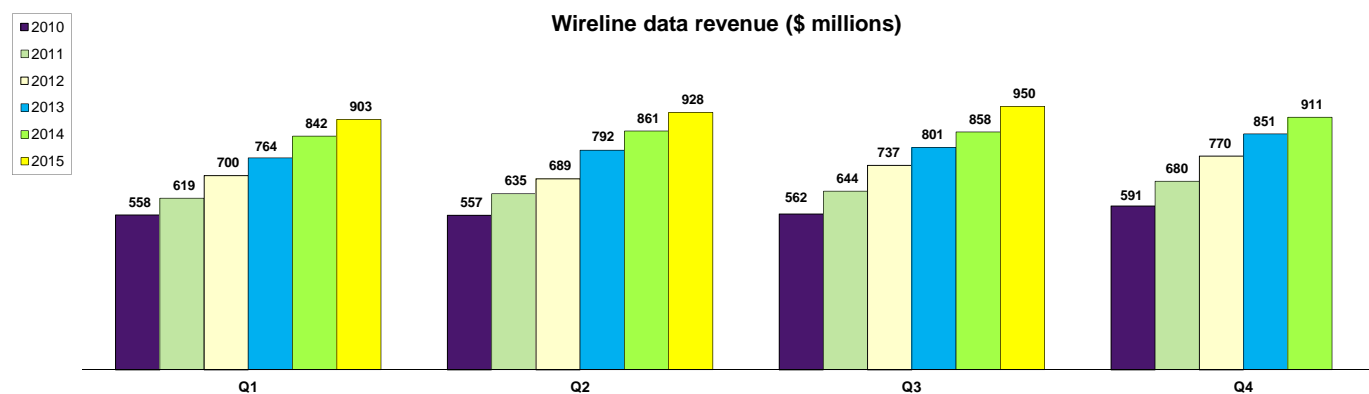


**TELUS Wireline**  
**Operations - Historical Trend<sup>(A)</sup>**

| <i>\$ millions</i>   | Quarterly |       |       |       |       |       |       | Sept YTD<br>2015 | Annual<br>2014 |
|--|-----------|-------|-------|-------|-------|-------|-------|------------------|----------------|
|  | Q3/15     | Q2/15 | Q1/15 | Q4/14 | Q3/14 | Q2/14 | Q1/14 |                  |                |
| <b>Revenues</b>  |           |       |       |       |       |       |       |                  |                |
| Data service and equipment   | 950       | 928   | 903   | 911   | 858   | 861   | 842   | 2,781            | 3,472          |
| Voice revenue  | 373       | 383   | 382   | 393   | 399   | 410   | 413   | 1,138            | 1,615          |
| Other services and equipment   | 53        | 57    | 56    | 67    | 58    | 63    | 67    | 166              | 255            |
| <b>Revenues arising from contracts with customers</b>                  | 1,376     | 1,368 | 1,341 | 1,371 | 1,315 | 1,334 | 1,322 | 4,085            | 5,342          |
| Other operating income   | 12        | 12    | 15    | 13    | 29    | 13    | 18    | 39               | 73             |
| <b>Total external revenue</b>  | 1,388     | 1,380 | 1,356 | 1,384 | 1,344 | 1,347 | 1,340 | 4,124            | 5,415          |
| Intersegment revenue   | 44        | 43    | 43    | 44    | 46    | 44    | 41    | 130              | 175            |
| <b>Total operating revenues</b>  | 1,432     | 1,423 | 1,399 | 1,428 | 1,390 | 1,391 | 1,381 | 4,254            | 5,590          |
| Goods and services purchased   | 568       | 589   | 561   | 585   | 569   | 579   | 567   | 1,718            | 2,300          |
| Employee benefits expense <sup>(B)</sup>                               | 511       | 472   | 447   | 471   | 456   | 447   | 427   | 1,430            | 1,801          |
| <b>Total operating expense</b>   | 1,079     | 1,061 | 1,008 | 1,056 | 1,025 | 1,026 | 994   | 3,148            | 4,101          |
| <b>EBITDA</b>  | 353       | 362   | 391   | 372   | 365   | 365   | 387   | 1,106            | 1,489          |
| <b>EBITDA margin</b>   | 24.7%     | 25.4% | 28.0% | 26.0% | 26.3% | 26.2% | 28.0% | 26.0%            | 26.6%          |
| <b>Capital expenditures</b>  | 414       | 437   | 387   | 382   | 406   | 408   | 331   | 1,238            | 1,527          |
| <b>Capital expenditure intensity<sup>6</sup></b>                       | 29%       | 31%   | 28%   | 27%   | 29%   | 29%   | 24%   | 29%              | 27%            |
| <b>EBITDA less capex</b>   | (61)      | (75)  | 4     | (10)  | (41)  | (43)  | 56    | (132)            | (38)           |
| Restructuring and other like costs included in total operating expense | 37        | 23    | 11    | 20    | 12    | 8     | 5     | 71               | 45             |
| <b>EBITDA excluding restructuring and other like costs</b>             | 390       | 385   | 402   | 392   | 377   | 373   | 392   | 1,177            | 1,534          |
| <b>EBITDA margin excluding restructuring and other like costs</b>      | 27.3%     | 27.0% | 28.8% | 27.4% | 27.2% | 26.8% | 28.3% | 27.7%            | 27.4%          |

<sup>(A)</sup> May not balance due to rounding alignment to YTD figures.

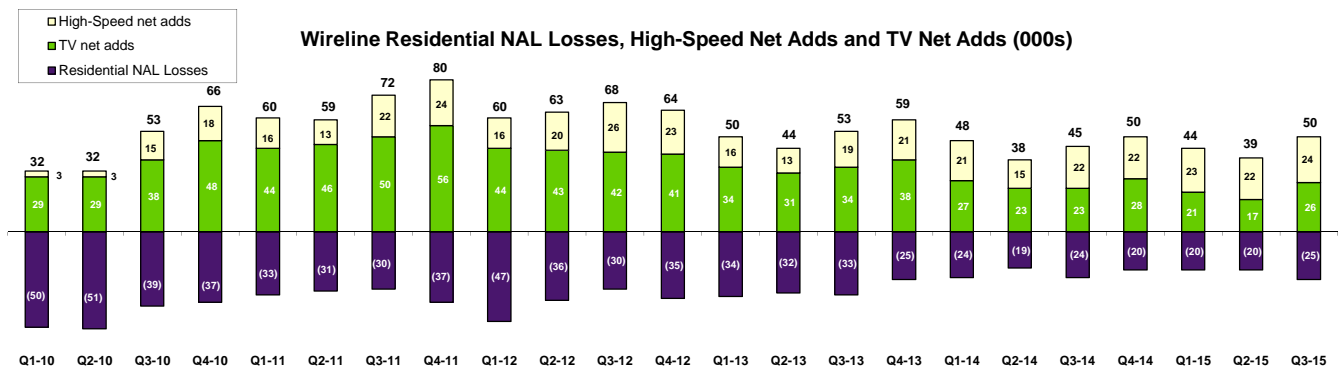
<sup>(B)</sup> Includes restructuring and other like costs.



## TELUS Wireline Operating Statistics<sup>(A)</sup>

| <i>thousands (000s)</i>                                      | Quarter 3    |              |              |                | September YTD |              |              |                |
|--|--------------|--------------|--------------|----------------|---------------|--------------|--------------|----------------|
|  | 2015         | 2014         | Change       | % Change       | 2015          | 2014         | Change       | % Change       |
| <b>Network access lines (NAL)</b>                            |              |              |              |                |               |              |              |                |
| Residential  | 1,491        | 1,576        | (85)         | (5.4%)         | 1,491         | 1,576        | (85)         | (5.4%)         |
| Business   | 1,591        | 1,618        | (27)         | (1.7%)         | 1,591         | 1,618        | (27)         | (1.7%)         |
| <b>Total</b>   | <b>3,082</b> | <b>3,194</b> | <b>(112)</b> | <b>(3.5%)</b>  | <b>3,082</b>  | <b>3,194</b> | <b>(112)</b> | <b>(3.5%)</b>  |
| <b>NAL net additions (losses)</b>                            |              |              |              |                |               |              |              |                |
| Residential  | (25)         | (24)         | (1)          | (4.2%)         | (65)          | (67)         | 2            | 3.0%           |
| Business   | (8)          | 3            | (11)         | n.m.           | (22)          | 7            | (29)         | n.m.           |
| <b>Total</b>   | <b>(33)</b>  | <b>(21)</b>  | <b>(12)</b>  | <b>(57.1%)</b> | <b>(87)</b>   | <b>(60)</b>  | <b>(27)</b>  | <b>(45.0%)</b> |
| <b>High Speed Internet Subscriber net additions (losses)</b> | 24           | 22           | 2            | 9.1%           | 69            | 58           | 11           | 19.0%          |
| <b>High Speed Internet Subscribers</b>                       | 1,544        | 1,453        | 91           | 6.3%           | 1,544         | 1,453        | 91           | 6.3%           |
| <b>TV subscriber net adds<sup>10</sup></b>                   | 26           | 23           | 3            | 13.0%          | 64            | 73           | (9)          | (12.3%)        |
| <b>TV subscribers<sup>10</sup></b>                           | 980          | 888          | 92           | 10.4%          | 980           | 888          | 92           | 10.4%          |
| <b>Total Wireline net additions</b>                          | 17           | 24           | (7)          | (29.2%)        | 46            | 71           | (25)         | (35.2%)        |
| <b>Total Wireline Subscribers</b>                            | 5,606        | 5,535        | 71           | 1.3%           | 5,606         | 5,535        | 71           | 1.3%           |

<sup>(A)</sup>May not balance due to rounding alignment to YTD figures.

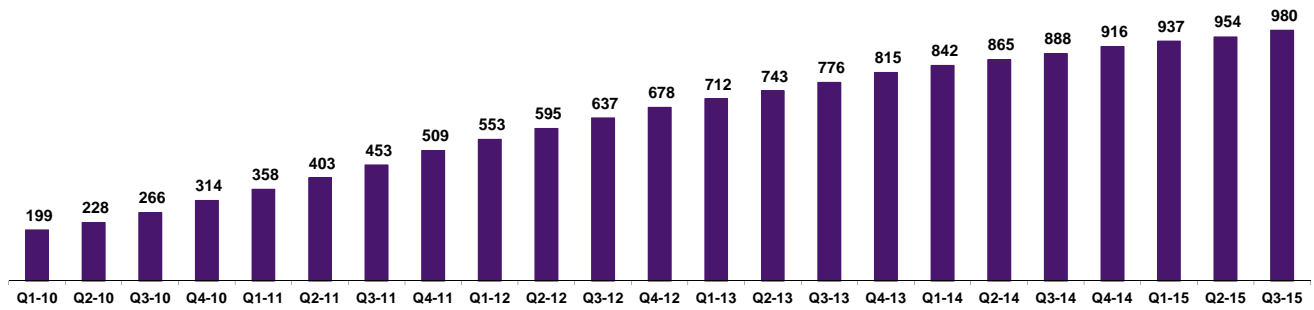


**TELUS Wireline**  
**Operating Statistics - Historical Trend<sup>(A)</sup>**

| <i>thousands (000s)</i>                                      | Quarterly |       |       |       |       |       |       | Sept YTD<br>2015 | Annual<br>2014 |
|--|-----------|-------|-------|-------|-------|-------|-------|------------------|----------------|
|  | Q3/15     | Q2/15 | Q1/15 | Q4/14 | Q3/14 | Q2/14 | Q1/14 |                  |                |
| <b>Network access lines (NAL)</b>                            |           |       |       |       |       |       |       |                  |                |
| Residential  | 1,491     | 1,516 | 1,536 | 1,556 | 1,576 | 1,600 | 1,619 | 1,491            | 1,556          |
| Business   | 1,591     | 1,599 | 1,608 | 1,613 | 1,618 | 1,615 | 1,611 | 1,591            | 1,613          |
| Total  | 3,082     | 3,115 | 3,144 | 3,169 | 3,194 | 3,215 | 3,230 | 3,082            | 3,169          |
| <b>NAL net additions (losses)</b>                            |           |       |       |       |       |       |       |                  |                |
| Residential  | (25)      | (20)  | (20)  | (20)  | (24)  | (19)  | (24)  | (65)             | (87)           |
| Business   | (8)       | (9)   | (5)   | (5)   | 3     | 4     | -     | (22)             | 2              |
| Total  | (33)      | (29)  | (25)  | (25)  | (21)  | (15)  | (24)  | (87)             | (85)           |
| <b>High Speed Internet Subscriber net additions (losses)</b> | 24        | 22    | 23    | 22    | 22    | 15    | 21    | 69               | 80             |
| <b>High Speed Internet Subscribers</b>                       | 1,544     | 1,520 | 1,498 | 1,475 | 1,453 | 1,431 | 1,416 | 1,544            | 1,475          |
| <b>TV subscriber net adds<sup>10</sup></b>                   | 26        | 17    | 21    | 28    | 23    | 23    | 27    | 64               | 101            |
| <b>TV subscribers<sup>10</sup></b>                           | 980       | 954   | 937   | 916   | 888   | 865   | 842   | 980              | 916            |
| <b>Total Wireline net additions</b>                          | 17        | 10    | 19    | 25    | 24    | 23    | 24    | 46               | 96             |
| <b>Total Wireline Subscribers</b>                            | 5,606     | 5,589 | 5,579 | 5,560 | 5,535 | 5,511 | 5,488 | 5,606            | 5,560          |

<sup>(A)</sup> May not balance due to rounding alignment to YTD figures.

**TELUS TV subscribers (000s)**



## Non-GAAP measures and definitions of key operating indicators

<sup>1</sup> **Return on common equity** is Net income attributed to equity shares for a 12-month trailing period, divided by the average Common equity for the 12-month period.

<sup>2</sup> **EBITDA interest coverage ratio** is defined as EBITDA (excluding restructuring and other like costs), divided by net interest cost. Net interest cost is defined as financing costs, net of capitalized long-term debt interest, excluding employee defined benefit plans net interest, as well as recoveries on redemption and repayment of debt, calculated on a 12-month trailing basis. Any losses recorded on the redemption of debt are included in net interest. This measure is similar to the Coverage Ratio covenant in TELUS' credit facilities.

<sup>3</sup> **Free cash flow** is calculated as EBITDA, adding: Restructuring costs net of disbursements, net employee defined benefit plans expense, the excess of share compensation expense over share compensation payments, and interest received; and deducting: restructuring payments, employer contributions to employee defined benefit plans, interest paid, cash income taxes, capital expenditures (excluding spectrum licences and non-monetary transactions).

<sup>4</sup> **Net debt** is defined as Long-term Debt (including current maturities of long-term debt) plus debt issue costs netted against long-term debt, Short-term borrowings, less net derivative assets, Cash and temporary investments.

<sup>5</sup> **Net debt to EBITDA** excluding restructuring and other like costs is defined as Net debt as at the end of the period divided by the 12-month trailing EBITDA excluding restructuring and other like costs. TELUS' current policy guideline for Net debt to EBITDA is from 2.0 to 2.5 times. Historically, Net debt to EBITDA excluding restructuring and other like costs is similar to the Leverage Ratio covenant in TELUS' credit facilities.

<sup>6</sup> **Capital expenditure intensity** is defined as capital expenditures (excluding spectrum licences and non-monetary transactions) as a percentage of total operating revenues.

<sup>7</sup> **Average revenue per subscriber unit per month (ARPU)** is calculated as Network revenue divided by the average number of subscriber units on the network during the period and expressed as a rate per month.

<sup>8</sup> **Churn per month** is calculated as the number of subscriber units deactivated during a given period divided by the average number of subscriber units on the network during the period, and expressed as a rate per month. A TELUS or Koodo brand prepaid subscriber is deactivated when the subscriber has no usage for 90 days following expiry of the prepaid credits.

<sup>9</sup> **Cost of acquisition (COA)** consists of the total of the device subsidy (the device cost to TELUS less initial charge to customer), commissions, and advertising and promotion expenses related to the initial subscriber acquisition during a given period. As defined, COA excludes costs to retain existing subscribers (retention spend).

<sup>10</sup> **TV subscribers** consist of IP-based Optik TV subscribers and TELUS Satellite TV subscribers.