



TELUS Corporation

Fourth Quarter, 2010

Supplemental Investor Information

(UNAUDITED)

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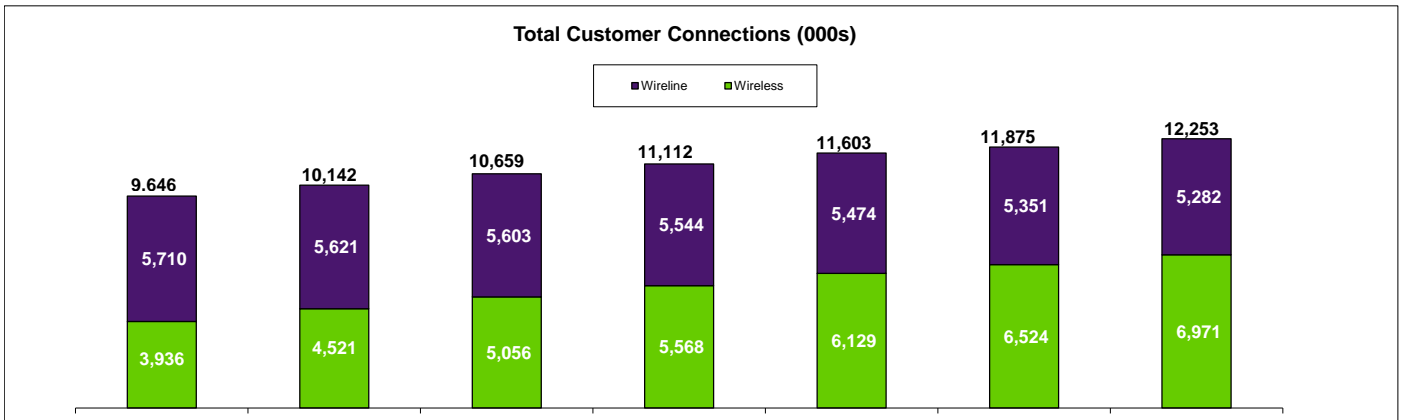
TELUS Corporation
Selected Consolidated Data

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

| | Quarterly | | | | | | | | Annual 2010 | Annual 2009 |
|---|-----------|--------|--------|--------|--------|--------|--------|--------|----------------|----------------|
| | Q4/10 | Q3/10 | Q2/10 | Q1/10 | Q4/09 | Q3/09 | Q2/09 | Q1/09 | | |
| Net Income | 227 | 247 | 296 | 268 | 156 | 280 | 244 | 322 | 1,038 | 1,002 |
| Basic earnings per share (\$) | 0.70 | 0.77 | 0.92 | 0.84 | 0.49 | 0.88 | 0.77 | 1.01 | 3.23 | 3.14 |
| Dividends declared per share (\$) | 0.525 | 0.500 | 0.500 | 0.475 | 0.475 | 0.475 | 0.475 | 0.475 | 2.00 | 1.90 |
| Return on common equity ¹ | 13.1% | 12.3% | 13.0% | 12.5% | 13.4% | 15.3% | 15.7% | 16.2% | 13.1% | 13.4% |
| EBITDA interest coverage ratio ^{2 (A)} | 7.3 | 5.8 | 6.7 | 6.7 | 6.9 | 9.0 | 8.7 | 8.5 | 7.3 | 6.9 |
| Free cash flow ^{3 (B)} | 121 | 339 | 241 | 246 | (50) | 266 | 144 | 125 | 947 | 485 |
| Net debt ⁴ | 6,869 | 6,905 | 7,221 | 7,235 | 7,312 | 7,177 | 7,255 | 7,301 | 6,869 | 7,312 |
| Net debt : Total capitalization | 45.5% | 46.0% | 47.6% | 48.2% | 48.9% | 48.4% | 49.1% | 49.6% | 45.5% | 48.9% |
| Net debt : EBITDA ⁵ | 1.8 | 1.9 | 1.9 | 2.0 | 2.0 | 1.9 | 1.9 | 1.9 | 1.8 | 2.0 |
| Outstanding shares at end of period (M) | 322 | 321 | 319 | 318 | 318 | 318 | 318 | 318 | 322 | 318 |
| Basic weighted average shares outstanding (M) | 322 | 321 | 319 | 318 | 318 | 318 | 318 | 318 | 320 | 318 |
| Total customer connections (000s) | 12,253 | 12,129 | 11,979 | 11,893 | 11,875 | 11,782 | 11,691 | 11,617 | 12,253 | 11,875 |

^(A) This ratio was 7.8 in Q4-10, 7.6 in Q3-10, 8.1 in Q2-10, 8.2 in Q1-10 and 8.5 in Q4-09, when adjusted to exclude the loss on redemption of long-term debt.

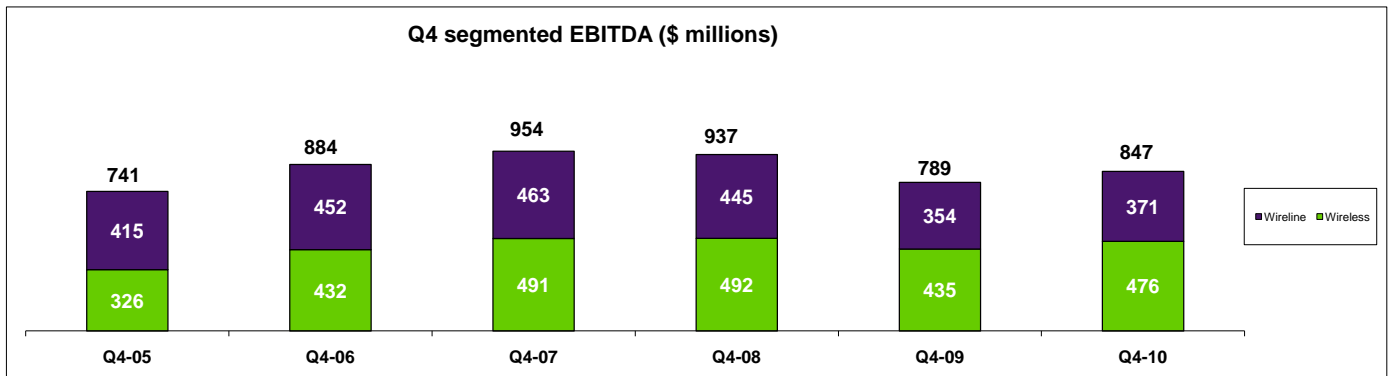
^(B) The 2009 consolidated statement of cash flows has a presentation correction whereby share-based compensation in the fourth quarter of 2009 is more negative, by \$15M (offset in Other working capital changes). Hence, since the definition of FCF uses the share-based compensation number, the 2009 Q4 and annual free cash flow decreases by \$15M from what was previously reported.



TELUS Corporation
Segmented Data

| \$ millions | Qtr 4 | | | | December YTD | | | |
|--|-------|-------|--------|----------|--------------|-------|--------|----------|
| | 2010 | 2009 | Change | % Change | 2010 | 2009 | Change | % Change |
| Revenues | | | | | | | | |
| TELUS Wireless | 1,347 | 1,232 | 115 | 9.3% | 5,047 | 4,735 | 312 | 6.6% |
| TELUS Wireline | 1,253 | 1,254 | (1) | -0.1% | 4,920 | 5,033 | (113) | -2.2% |
| Less: Intersegment revenue | (49) | (43) | (6) | -14% | (188) | (162) | (26) | -16% |
| Operating revenues | 2,551 | 2,443 | 108 | 4.4% | 9,779 | 9,606 | 173 | 1.8% |
| EBITDA⁶ | | | | | | | | |
| TELUS Wireless | 476 | 435 | 41 | 9.4% | 2,031 | 1,933 | 98 | 5.1% |
| TELUS Wireline | 371 | 354 | 17 | 4.8% | 1,612 | 1,558 | 54 | 3.5% |
| Consolidated | 847 | 789 | 58 | 7.4% | 3,643 | 3,491 | 152 | 4.4% |
| EBITDA margin | | | | | | | | |
| TELUS Wireless | 35.3% | 35.3% | - | | 40.2% | 40.8% | (0.6) | |
| TELUS Wireline | 29.6% | 28.2% | 1.4 | | 32.8% | 31.0% | 1.8 | |
| Consolidated | 33.2% | 32.3% | 0.9 | | 37.3% | 36.3% | 1.0 | |
| Capital expenditures | | | | | | | | |
| TELUS Wireless | 192 | 192 | - | 0.0% | 463 | 770 | (307) | -40% |
| TELUS Wireline | 372 | 322 | 50 | 15.5% | 1,258 | 1,333 | (75) | -5.6% |
| Consolidated | 564 | 514 | 50 | 9.7% | 1,721 | 2,103 | (382) | -18% |
| Capital expenditure intensity⁷ | | | | | | | | |
| TELUS Wireless | 14% | 16% | (2) | | 9% | 16% | (7) | |
| TELUS Wireline | 30% | 26% | 4 | | 26% | 26% | - | |
| Consolidated | 22% | 21% | 1 | | 18% | 22% | (4) | |
| EBITDA less capex | | | | | | | | |
| TELUS Wireless | 284 | 243 | 41 | 17% | 1,568 | 1,163 | 405 | 35% |
| TELUS Wireline | (1) | 32 | (33) | -103% | 354 | 225 | 129 | 57% |
| Consolidated | 283 | 275 | 8 | 2.9% | 1,922 | 1,388 | 534 | 38% |
| EBITDA⁶ excluding restructuring costs^(A) | | | | | | | | |
| TELUS Wireless | 476 | 438 | 38 | 8.7% | 2,035 | 1,945 | 90 | 4.6% |
| TELUS Wireline | 403 | 428 | (25) | -5.8% | 1,682 | 1,736 | (54) | -3.1% |
| Consolidated | 879 | 866 | 13 | 1.5% | 3,717 | 3,681 | 36 | 1.0% |
| EBITDA⁶ margin excluding restructuring costs^(A) | | | | | | | | |
| TELUS Wireless | 35.3% | 35.6% | (0.3) | | 40.3% | 41.1% | (0.8) | |
| TELUS Wireline | 32.2% | 34.1% | (1.9) | | 34.2% | 34.5% | (0.3) | |
| Consolidated | 34.5% | 35.4% | (0.9) | | 38.0% | 38.3% | (0.3) | |

^(A) EBITDA has been adjusted to exclude restructuring costs of \$32M and \$77M for Q4-10 and Q4-09, and \$74M and \$190M for Q4-10 YTD and Q4-09 YTD, respectively.



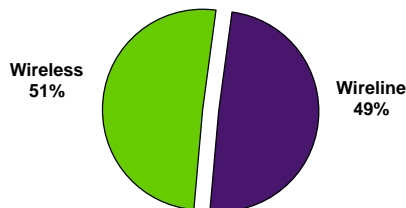
TELUS Corporation
Segmented Data - Historical Trend

| <i>\$ millions</i> | Quarterly | | | | | | | | Annual 2010 | Annual 2009 |
|--|-----------|--------|--------|--------|--------|--------|--------|--------|----------------|----------------|
| | Q4/10 | Q3/10 | Q2/10 | Q1/10 | Q4/09 | Q3/09 | Q2/09 | Q1/09 | | |
| Revenues | | | | | | | | | | |
| TELUS Wireless | 1,347 | 1,290 | 1,226 | 1,184 | 1,232 | 1,213 | 1,153 | 1,137 | 5,047 | 4,735 |
| TELUS Wireline | 1,253 | 1,212 | 1,221 | 1,234 | 1,254 | 1,239 | 1,262 | 1,278 | 4,920 | 5,033 |
| Less: Intersegment revenue | (49) | (47) | (49) | (43) | (43) | (41) | (38) | (40) | (188) | (162) |
| Operating revenues | 2,551 | 2,455 | 2,398 | 2,375 | 2,443 | 2,411 | 2,377 | 2,375 | 9,779 | 9,606 |
| EBITDA⁶ | | | | | | | | | | |
| TELUS Wireless | 476 | 535 | 523 | 497 | 435 | 517 | 493 | 488 | 2,031 | 1,933 |
| TELUS Wireline | 371 | 402 | 396 | 443 | 354 | 406 | 380 | 418 | 1,612 | 1,558 |
| Consolidated | 847 | 937 | 919 | 940 | 789 | 923 | 873 | 906 | 3,643 | 3,491 |
| EBITDA margin | | | | | | | | | | |
| TELUS Wireless | 35.3% | 41.5% | 42.7% | 42.0% | 35.3% | 42.6% | 42.8% | 42.9% | 40.2% | 40.8% |
| TELUS Wireline | 29.6% | 33.2% | 32.4% | 35.9% | 28.2% | 32.8% | 30.1% | 32.7% | 32.8% | 31.0% |
| Consolidated | 33.2% | 38.2% | 38.3% | 39.6% | 32.3% | 38.3% | 36.7% | 38.1% | 37.3% | 36.3% |
| Capital expenditures | | | | | | | | | | |
| TELUS Wireless | 192 | 113 | 99 | 59 | 192 | 193 | 189 | 196 | 463 | 770 |
| TELUS Wireline | 372 | 336 | 298 | 252 | 322 | 365 | 368 | 278 | 1,258 | 1,333 |
| Consolidated | 564 | 449 | 397 | 311 | 514 | 558 | 557 | 474 | 1,721 | 2,103 |
| Capital expenditure intensity⁷ | | | | | | | | | | |
| TELUS Wireless | 14% | 9% | 8% | 5% | 16% | 16% | 16% | 17% | 9% | 16% |
| TELUS Wireline | 30% | 28% | 24% | 20% | 26% | 29% | 29% | 22% | 26% | 26% |
| Consolidated | 22% | 18% | 17% | 13% | 21% | 23% | 23% | 20% | 18% | 22% |
| EBITDA less capex | | | | | | | | | | |
| TELUS Wireless | 284 | 422 | 424 | 438 | 243 | 324 | 304 | 292 | 1,568 | 1,163 |
| TELUS Wireline | (1) | 66 | 98 | 191 | 32 | 41 | 12 | 140 | 354 | 225 |
| Consolidated | 283 | 488 | 522 | 629 | 275 | 365 | 316 | 432 | 1,922 | 1,388 |
| Full-Time Equivalent (FTE) employees^(B) | 33,900 | 34,100 | 34,200 | 34,100 | 35,300 | 34,800 | 34,400 | 34,700 | 33,900 | 35,300 |
| EBITDA excluding restructuring costs^{6(A)} | | | | | | | | | | |
| TELUS Wireless | 476 | 537 | 523 | 499 | 438 | 520 | 497 | 490 | 2,035 | 1,945 |
| TELUS Wireline | 403 | 417 | 415 | 447 | 428 | 435 | 429 | 444 | 1,682 | 1,736 |
| Consolidated | 879 | 954 | 938 | 946 | 866 | 955 | 926 | 934 | 3,717 | 3,681 |
| EBITDA margin excluding restructuring costs^(A) | | | | | | | | | | |
| TELUS Wireless | 35.3% | 41.6% | 42.7% | 42.1% | 35.6% | 42.9% | 43.1% | 43.1% | 40.3% | 41.1% |
| TELUS Wireline | 32.2% | 34.4% | 34.0% | 36.2% | 34.1% | 35.1% | 34.0% | 34.7% | 34.2% | 34.5% |
| Consolidated | 34.5% | 38.9% | 39.1% | 39.8% | 35.4% | 39.6% | 39.0% | 39.3% | 38.0% | 38.3% |

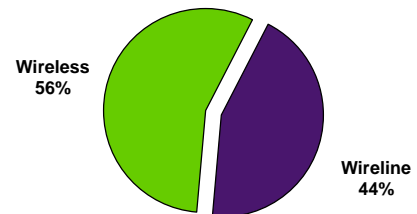
^(A) EBITDA has been adjusted to exclude restructuring costs of \$32M and \$77M for Q4-10 and Q4-09, and \$74M and \$190M for Q4-10 YTD and Q4-09 YTD, respectively.

^(B) Excluding full-time equivalent (FTE) employees in TELUS International, as well as employees providing human resources outsourcing services to TELUS customers, FTE employees were approximately 25,500 for Q4-10, and 25,500, 25,700, 25,850, 26,600, 27,000, 26,900, 27,300, respectively, for Q3-10, Q2-10, Q1-10, Q4-09, Q3-09, Q2-09, Q1-09. Q4-10 FTE employees includes 900 FTE employees from Black's Photo, and 800,700, 700, 800 & 700, respectively, for Q3-10, Q2-10, Q1-10, Q4-09 & Q3-09.

Segmented revenue profile - Q4 2010
(% of total operating revenues)



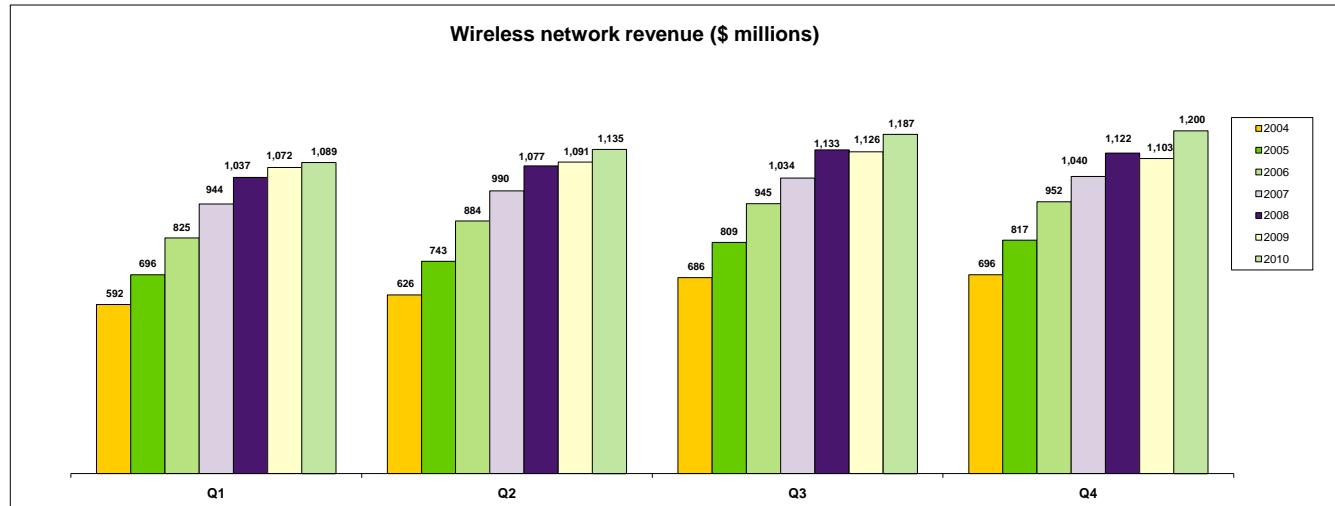
Segmented EBITDA profile - Q4 2010



**TELUS Wireless
Operations**

| <i>\$ millions</i> | Qtr 4 | | | | December YTD | | | |
|--|-------|-------|--------|----------|--------------|-------|--------|----------|
| | 2010 | 2009 | Change | % Change | 2010 | 2009 | Change | % Change |
| Revenues | | | | | | | | |
| Voice | 874 | 864 | 10 | 1.2% | 3,470 | 3,511 | (41) | -1.2% |
| Data | 326 | 239 | 87 | 36% | 1,141 | 881 | 260 | 30% |
| Total Network revenue | 1,200 | 1,103 | 97 | 8.8% | 4,611 | 4,392 | 219 | 5.0% |
| Equipment and other revenue | 138 | 122 | 16 | 13% | 403 | 315 | 88 | 28% |
| Total external revenue | 1,338 | 1,225 | 113 | 9.2% | 5,014 | 4,707 | 307 | 6.5% |
| Intersegment revenue | 9 | 7 | 2 | 29% | 33 | 28 | 5 | 18% |
| Total operating revenues | 1,347 | 1,232 | 115 | 9.3% | 5,047 | 4,735 | 312 | 6.6% |
| Operations expense | 871 | 794 | 77 | 9.7% | 3,012 | 2,790 | 222 | 8.0% |
| Restructuring costs | - | 3 | (3) | -100% | 4 | 12 | (8) | -67% |
| Total operating expense | 871 | 797 | 74 | 9.3% | 3,016 | 2,802 | 214 | 7.6% |
| EBITDA⁶ | 476 | 435 | 41 | 9.4% | 2,031 | 1,933 | 98 | 5.1% |
| COA expense^(A) | 184 | 163 | 21 | 13% | 598 | 539 | 59 | 11% |
| EBITDA excluding COA | 660 | 598 | 62 | 10.4% | 2,629 | 2,472 | 157 | 6.4% |
| EBITDA margin (total revenue) | 35.3% | 35.3% | - | | 40.2% | 40.8% | (0.6) | |
| EBITDA margin (network revenue) | 39.7% | 39.4% | 0.3 | | 44.0% | 44.0% | - | |
| Retention spend % network revenue^(A) | 14.2% | 12.1% | 2.1 | | 11.6% | 10.9% | 0.7 | |
| Capital expenditures | 192 | 192 | - | 0% | 463 | 770 | (307) | -40% |
| Capital expenditure intensity⁷ | 14% | 16% | (2) | | 9% | 16% | (7) | |
| EBITDA less capex | 284 | 243 | 41 | 17% | 1,568 | 1,163 | 405 | 35% |
| EBITDA⁶ excluding restructuring costs | 476 | 438 | 38 | 8.7% | 2,035 | 1,945 | 90 | 4.6% |
| EBITDA margin excluding restructuring costs (total revenue) | 35.3% | 35.6% | (0.3) | | 40.3% | 41.1% | (0.8) | |

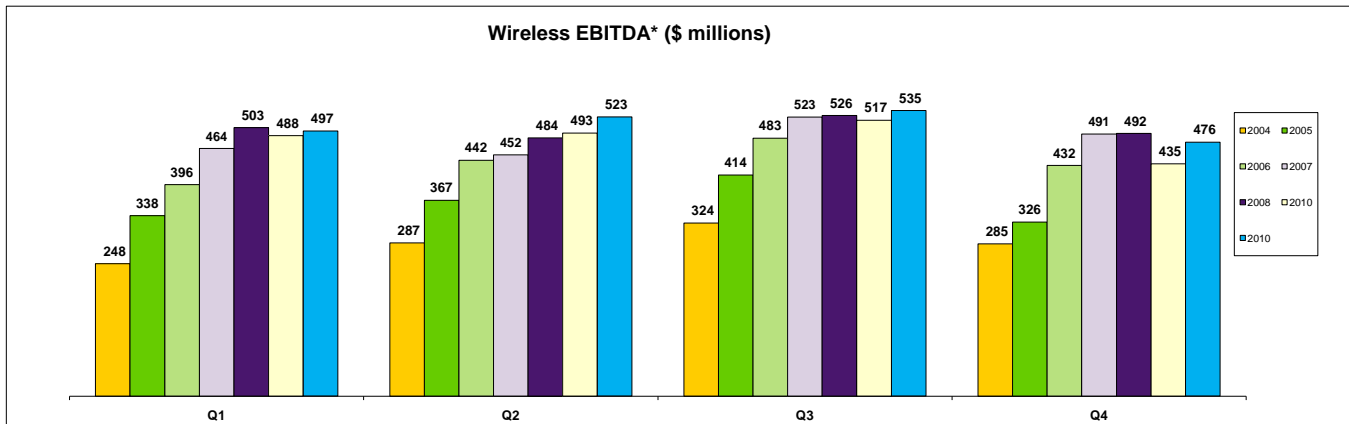
^(A) In Q1-09, the Company refined the measurement of the costs of acquisition and retention in its operational systems to align with changes in the business and to improve consistency with industry measurements. Prior year comparative figures have been restated on a consistent basis.



TELUS Wireless
Operations - Historical Trend

| <i>\$ millions</i> | Quarterly | | | | | | | | Annual 2010 | Annual 2009 |
|--|-----------|-------|-------|-------|-------|-------|-------|-------|----------------|----------------|
| | Q4/10 | Q3/10 | Q2/10 | Q1/10 | Q4/09 | Q3/09 | Q2/09 | Q1/09 | | |
| Revenues | | | | | | | | | | |
| Voice | 874 | 896 | 865 | 835 | 864 | 900 | 879 | 868 | 3,470 | 3,511 |
| Data | 326 | 291 | 270 | 254 | 239 | 226 | 212 | 204 | 1,141 | 881 |
| Total Network revenue | 1,200 | 1,187 | 1,135 | 1,089 | 1,103 | 1,126 | 1,091 | 1,072 | 4,611 | 4,392 |
| Equipment and other revenue | 138 | 95 | 82 | 88 | 122 | 80 | 55 | 58 | 403 | 315 |
| Total external revenue | 1,338 | 1,282 | 1,217 | 1,177 | 1,225 | 1,206 | 1,146 | 1,130 | 5,014 | 4,707 |
| Intersegment revenue | 9 | 8 | 9 | 7 | 7 | 7 | 7 | 7 | 33 | 28 |
| Total operating revenues | 1,347 | 1,290 | 1,226 | 1,184 | 1,232 | 1,213 | 1,153 | 1,137 | 5,047 | 4,735 |
| Operations expense | 871 | 753 | 703 | 685 | 794 | 693 | 656 | 647 | 3,012 | 2,790 |
| Restructuring costs | - | 2 | - | 2 | 3 | 3 | 4 | 2 | 4 | 12 |
| Total operating expense | 871 | 755 | 703 | 687 | 797 | 696 | 660 | 649 | 3,016 | 2,802 |
| EBITDA⁶ | 476 | 535 | 523 | 497 | 435 | 517 | 493 | 488 | 2,031 | 1,933 |
| COA expense^(A) | 184 | 158 | 142 | 114 | 163 | 135 | 125 | 116 | 598 | 539 |
| EBITDA excluding COA | 660 | 693 | 665 | 611 | 598 | 652 | 618 | 604 | 2,629 | 2,472 |
| EBITDA margin (total revenue) | 35.3% | 41.5% | 42.7% | 42.0% | 35.3% | 42.6% | 42.8% | 42.9% | 40.2% | 40.8% |
| EBITDA margin (network revenue) | 39.7% | 45.1% | 46.1% | 45.6% | 39.4% | 45.9% | 45.2% | 45.5% | 44.0% | 44.0% |
| Retention spend % network revenue^(A) | 14.2% | 10.7% | 9.9% | 11.3% | 12.1% | 10.3% | 10.6% | 10.5% | 11.6% | 10.9% |
| Capital expenditures | 192 | 113 | 99 | 59 | 192 | 193 | 189 | 196 | 463 | 770 |
| Capital expenditure intensity⁷ | 14% | 9% | 8% | 5% | 16% | 16% | 16% | 17% | 9% | 16% |
| EBITDA less capex | 284 | 422 | 424 | 438 | 243 | 324 | 304 | 292 | 1,568 | 1,163 |
| EBITDA⁶ excluding restructuring costs | 476 | 537 | 523 | 499 | 438 | 520 | 497 | 490 | 2,035 | 1,945 |
| EBITDA margin, less restructuring costs (total revenue) | 35.3% | 41.6% | 42.7% | 42.1% | 35.6% | 42.9% | 43.1% | 43.1% | 40.3% | 41.1% |

^(A) In Q1-09, the Company refined the measurement of the costs of acquisition and retention in its operational systems to align with changes in the business and to improve consistency with industry measurements. Prior year comparative figures have been restated on a consistent basis.

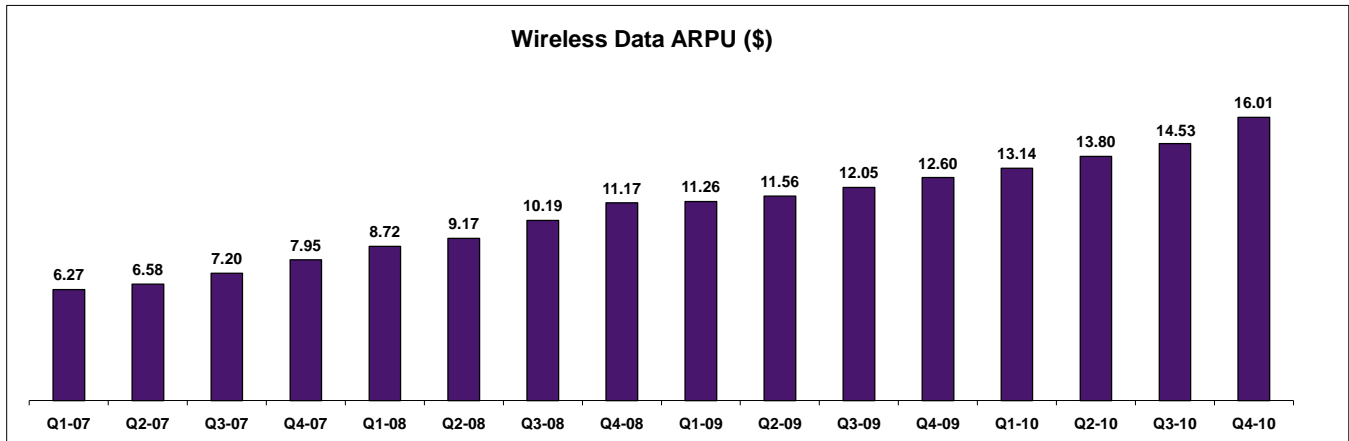


TELUS Wireless Operating Statistics

| <i>population coverage in millions</i> | Qtr 4 | | | | December YTD | | | |
|---|---------|---------|---------|----------|--------------|---------|-----------|----------|
| | 2010 | 2009 | Change | % Change | 2010 | 2009 | Change | % Change |
| Subscriber gross adds (000s) | | | | | | | | |
| Postpaid | 323 | 283 | 40 | 14% | 1,160 | 1,036 | 124 | 12% |
| Prepaid | 152 | 148 | 4 | 2.7% | 550 | 563 | (13) | -2.3% |
| Total | 475 | 431 | 44 | 10% | 1,710 | 1,599 | 111 | 6.9% |
| Subscriber net adds, as reported (000s)^(A) | | | | | | | | |
| Postpaid | 109 | 109 | - | 0.0% | 415 | 379 | 36 | 9.5% |
| Prepaid | 10 | 13 | (3) | -23% | 32 | 27 | 5 | 19% |
| Total | 119 | 122 | (3) | -2.5% | 447 | 406 | 41 | 10% |
| Subscribers (000s)^(A) | | | | | | | | |
| Postpaid | 5,705 | 5,290 | 415 | 7.8% | 5,705 | 5,290 | 415 | 7.8% |
| Prepaid | 1,266 | 1,234 | 32 | 2.6% | 1,266 | 1,234 | 32 | 2.6% |
| Total | 6,971 | 6,524 | 447 | 6.9% | 6,971 | 6,524 | 447 | 6.9% |
| ARPU (\$)⁸ | | | | | | | | |
| Data ARPU | \$58.48 | \$57.38 | \$ 1.10 | 1.9% | \$57.64 | \$58.46 | \$ (0.82) | -1.4% |
| | \$16.01 | \$12.60 | \$ 3.41 | 27% | \$14.39 | \$11.88 | \$ 2.51 | 21% |
| Churn, per month (%), as reported⁹ | 1.72% | 1.60% | 0.12 | | 1.57% | 1.58% | (0.01) | |
| Average minutes of use per subscriber per month (MOU) | 352 | 389 | (37) | -9.5% | 361 | 392 | (31) | -7.9% |
| COA per gross subscriber addition (\$)¹⁰ | \$388 | \$380 | 8 | 2.1% | \$350 | \$337 | 13 | 3.9% |
| Population coverage - digital incl. roaming/resale^(B) | 33.8 | 33.1 | 0.7 | 2.1% | 33.8 | 33.1 | 0.7 | 2.1% |

^(A) Opening balances for postpaid subscribers and total wireless subscribers for the fourth quarter of 2009 were reduced by eleven thousand to reflect prior period reporting adjustments.

^(B) Includes expanded coverage due to roaming/resale agreements principally with Bell Mobility (Bell Canada).

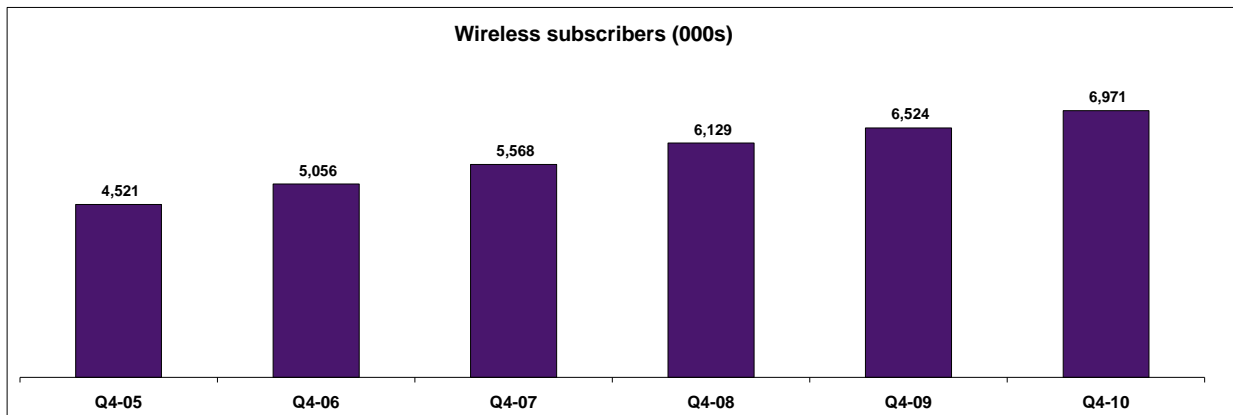


TELUS Wireless
Operating Statistics - Historical Trend

| <i>population coverage in millions</i> | Quarterly | | | | | | | | Annual 2010 | Annual 2009 |
|---|-----------|---------|---------|---------|---------|---------|---------|---------|----------------|----------------|
| | Q4/10 | Q3/10 | Q2/10 | Q1/10 | Q4/09 | Q3/09 | Q2/09 | Q1/09 | | |
| Subscriber gross adds (000s) | | | | | | | | | | |
| Postpaid | 323 | 322 | 277 | 238 | 283 | 291 | 247 | 215 | 1,160 | 1,036 |
| Prepaid | 152 | 144 | 136 | 118 | 148 | 129 | 155 | 131 | 550 | 563 |
| Total | 475 | 466 | 413 | 356 | 431 | 420 | 402 | 346 | 1,710 | 1,599 |
| Subscriber net adds, as reported (000s)^(A) | | | | | | | | | | |
| Postpaid | 109 | 132 | 109 | 65 | 109 | 131 | 95 | 44 | 415 | 379 |
| Prepaid | 10 | 21 | 15 | (14) | 13 | (6) | 16 | 4 | 32 | 27 |
| Total | 119 | 153 | 124 | 51 | 122 | 125 | 111 | 48 | 447 | 406 |
| Subscribers (000s)^(A) | | | | | | | | | | |
| Postpaid | 5,705 | 5,596 | 5,464 | 5,355 | 5,290 | 5,192 | 5,061 | 4,966 | 5,705 | 5,290 |
| Prepaid | 1,266 | 1,256 | 1,235 | 1,220 | 1,234 | 1,221 | 1,227 | 1,211 | 1,266 | 1,234 |
| Total | 6,971 | 6,852 | 6,699 | 6,575 | 6,524 | 6,413 | 6,288 | 6,177 | 6,971 | 6,524 |
| ARPU (\$)⁹ | | | | | | | | | | |
| Postpaid | \$58.48 | \$58.75 | \$57.47 | \$55.80 | \$57.38 | \$59.45 | \$58.61 | \$58.39 | \$57.64 | \$58.46 |
| Data ARPU | \$16.01 | \$14.53 | \$13.80 | \$13.14 | \$12.60 | \$12.05 | \$11.56 | \$11.26 | \$14.39 | \$11.88 |
| Churn, per month (%), as reported⁹ | 1.72% | 1.54% | 1.45% | 1.55% | 1.60% | 1.55% | 1.55% | 1.62% | 1.57% | 1.58% |
| Average minutes of use per subscriber per month (MOU) | 352 | 361 | 373 | 359 | 389 | 397 | 402 | 382 | 361 | 392 |
| COA per gross subscriber addition (\$)¹⁰ | \$388 | \$339 | \$342 | \$322 | \$380 | \$320 | \$311 | \$336 | \$350 | \$337 |
| Population coverage - digital incl. roaming/resale^(B) | 33.8 | 33.7 | 33.7 | 33.7 | 33.1 | 32.7 | 32.7 | 32.7 | 33.8 | 33.1 |

^(A) Opening balances for postpaid subscribers and total wireless subscribers for the fourth quarter of 2009 were reduced by eleven thousand to reflect prior period reporting adjustments.

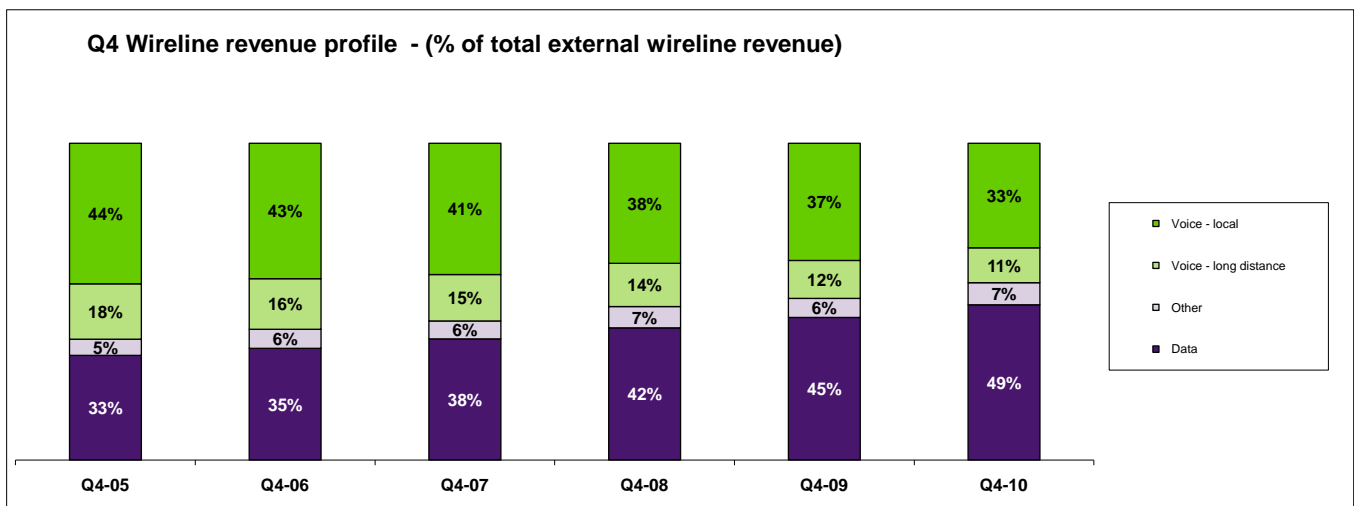
^(B) Includes expanded coverage due to roaming/resale agreements principally with Bell Mobility.



TELUS Wireline Operations

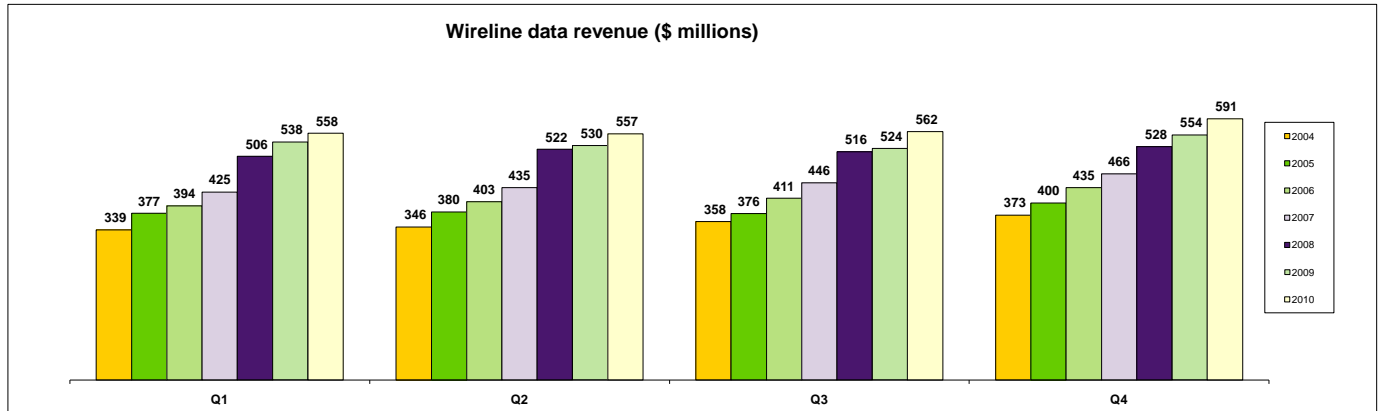
| <i>\$ millions</i> | Qtr 4 | | | | December YTD | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2010 | 2009 | Change | % Change | 2010 | 2009 | Change | % Change |
| Revenues | | | | | | | | |
| Data | 591 | 554 | 37 | 6.7% | 2,268 | 2,146 | 122 | 5.7% |
| Voice - local | 403 | 450 | (47) | -10.4% | 1,684 | 1,856 | (172) | -9.3% |
| Voice - long distance | 130 | 142 | (12) | -8.5% | 530 | 619 | (89) | -14.4% |
| Other | 89 | 72 | 17 | 23.6% | 283 | 278 | 5 | 1.8% |
| Total external revenue | 1,213 | 1,218 | (5) | -0.4% | 4,765 | 4,899 | (134) | -2.7% |
| Intersegment revenue | 40 | 36 | 4 | 11% | 155 | 134 | 21 | 16% |
| Total operating revenues | 1,253 | 1,254 | (1) | -0.1% | 4,920 | 5,033 | (113) | -2.2% |
| Operations expense | 850 | 826 | 24 | 2.9% | 3,238 | 3,297 | (59) | -1.8% |
| Restructuring costs | 32 | 74 | (42) | n.m. | 70 | 178 | (108) | n.m. |
| Total operating expense | 882 | 900 | (18) | -2.0% | 3,308 | 3,475 | (167) | -4.8% |
| EBITDA⁶ | 371 | 354 | 17 | 4.8% | 1,612 | 1,558 | 54 | 3.5% |
| EBITDA margin | 29.6% | 28.2% | 1.4 | | 32.8% | 31.0% | 1.8 | |
| Capital expenditures | 372 | 322 | 50 | 15.5% | 1,258 | 1,333 | (75) | -6% |
| Capital expenditure intensity⁷ | 30% | 26% | 4 | | 26% | 26% | - | |
| EBITDA less capex | (1) | 32 | (33) | -103% | 354 | 225 | 129 | 57% |
| EBITDA⁶ excluding restructuring costs | 403 | 428 | (25) | -5.8% | 1,682 | 1,736 | (54) | -3.1% |
| EBITDA margin excluding restructuring costs | 32.2% | 34.1% | (2.0) | | 34.2% | 34.5% | (0.3) | |

Q4 Wireline revenue profile - (% of total external wireline revenue)



TELUS Wireline
Operations - Historical Trend

| \$ millions | Quarterly | | | | | | | | Annual 2010 | Annual 2009 |
|---|-----------|-------|-------|-------|-------|-------|-------|-------|----------------|----------------|
| | Q4/10 | Q3/10 | Q2/10 | Q1/10 | Q4/09 | Q3/09 | Q2/09 | Q1/09 | | |
| Revenues | | | | | | | | | | |
| Data | 591 | 562 | 557 | 558 | 554 | 524 | 530 | 538 | 2,268 | 2,146 |
| Voice - local | 403 | 416 | 426 | 439 | 450 | 466 | 470 | 470 | 1,684 | 1,856 |
| Voice - long distance | 130 | 131 | 136 | 133 | 142 | 148 | 163 | 166 | 530 | 619 |
| Other | 89 | 64 | 62 | 68 | 72 | 67 | 68 | 71 | 283 | 278 |
| Total external revenue | 1,213 | 1,173 | 1,181 | 1,198 | 1,218 | 1,205 | 1,231 | 1,245 | 4,765 | 4,899 |
| Intersegment revenue | 40 | 39 | 40 | 36 | 36 | 34 | 31 | 33 | 155 | 134 |
| Total operating revenues | 1,253 | 1,212 | 1,221 | 1,234 | 1,254 | 1,239 | 1,262 | 1,278 | 4,920 | 5,033 |
| Operations expense | 850 | 795 | 806 | 787 | 826 | 804 | 833 | 834 | 3,238 | 3,297 |
| Restructuring costs | 32 | 15 | 19 | 4 | 74 | 29 | 49 | 26 | 70 | 178 |
| Total operating expense | 882 | 810 | 825 | 791 | 900 | 833 | 882 | 860 | 3,308 | 3,475 |
| EBITDA⁶ | 371 | 402 | 396 | 443 | 354 | 406 | 380 | 418 | 1,612 | 1,558 |
| EBITDA margin | 29.6% | 33.2% | 32.4% | 35.9% | 28.2% | 32.8% | 30.1% | 32.7% | 32.8% | 31.0% |
| Capital expenditures | 372 | 336 | 298 | 252 | 322 | 365 | 368 | 278 | 1,258 | 1,333 |
| Capital expenditure intensity⁷ | 30% | 28% | 24% | 20% | 26% | 30% | 29% | 22% | 26% | 27% |
| EBITDA less capex | (1) | 66 | 98 | 191 | 32 | 41 | 12 | 140 | 354 | 225 |
| EBITDA⁶ excluding restructuring costs | 403 | 417 | 415 | 447 | 428 | 435 | 429 | 444 | 1,682 | 1,736 |
| EBITDA margin excluding restructuring costs | 32.2% | 34.4% | 34.0% | 36.2% | 34.1% | 35.1% | 34.0% | 34.7% | 34.2% | 34.5% |

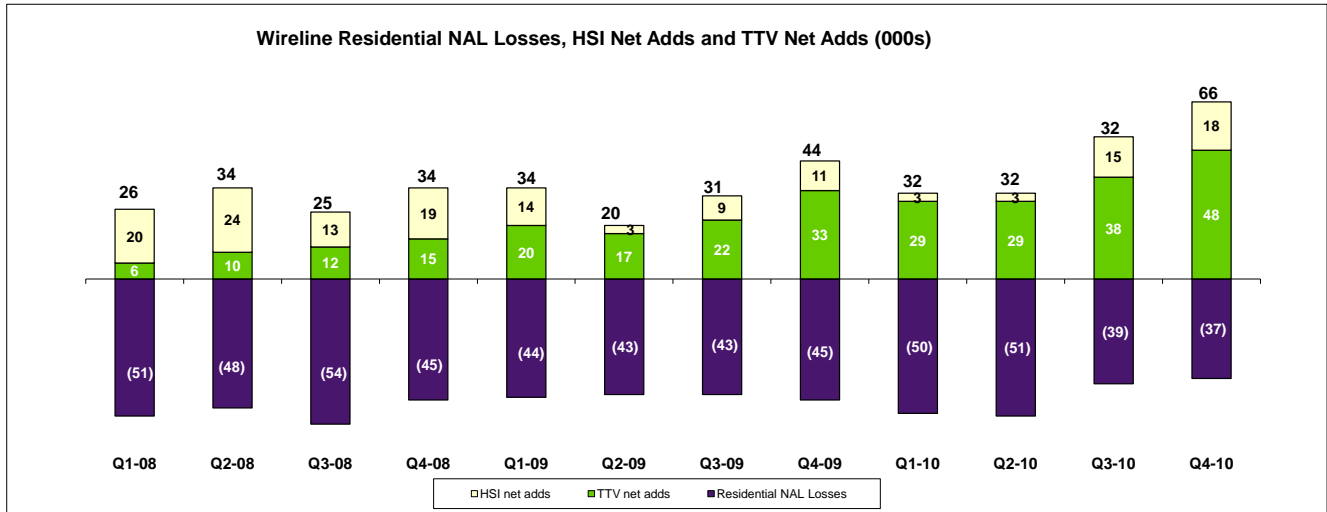


**TELUS Wireline
Operating Statistics**

| | Qtr 4 | | | | December YTD | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2010 | 2009 | Change | % Change | 2010 | 2009 | Change | % Change |
| Network access lines (NAL) (000s)^(A) | | | | | | | | |
| Residential | 2,046 | 2,223 | (177) | -8.0% | 2,046 | 2,223 | (177) | -8.0% |
| Business | 1,693 | 1,743 | (50) | -2.9% | 1,693 | 1,743 | (50) | -2.9% |
| Total | 3,739 | 3,966 | (227) | -5.7% | 3,739 | 3,966 | (227) | -5.7% |
| NAL net additions (losses) (000s)^(A) | | | | | | | | |
| Residential | (37) | (45) | 8 | 17.8% | (177) | (175) | (2) | -1.1% |
| Business | (18) | (8) | (10) | -125.0% | (50) | (35) | (15) | -43% |
| Total | (55) | (53) | (2) | -3.8% | (227) | (210) | (17) | -8% |
| Internet subscriber net adds (000s) | | | | | | | | |
| High-speed | 18 | 11 | 7 | 64% | 39 | 37 | 2 | 5% |
| Dial-up | (6) | (9) | 3 | 33% | (25) | (37) | 12 | 32% |
| Total | 12 | 2 | 10 | n.m. | 14 | - | 14 | n.m. |
| Internet subscribers (000s) | | | | | | | | |
| High-speed ^(B) | 1,167 | 1,128 | 39 | 3.5% | 1,167 | 1,128 | 39 | 3.5% |
| Dial-up | 62 | 87 | (25) | -29% | 62 | 87 | (25) | -29% |
| Total^(B) | 1,229 | 1,215 | 14 | 1.2% | 1,229 | 1,215 | 14 | 1.2% |
| TV subscriber net adds (000s)¹¹ | 48 | 33 | 15 | 45% | 144 | 92 | 52 | 57% |
| TV subscribers (000s)¹¹ | 314 | 170 | 144 | 85% | 314 | 170 | 144 | 85% |

^(A) Historical NAL's updated to reflect prior period reporting adjustments. See footnote 12 on Definitions tab for more detail.

^(B) Opening balances for high-speed Internet subscribers and total Internet subscribers for the second quarter of 2009 were reduced by five thousand to reflect prior period reporting adjustments.



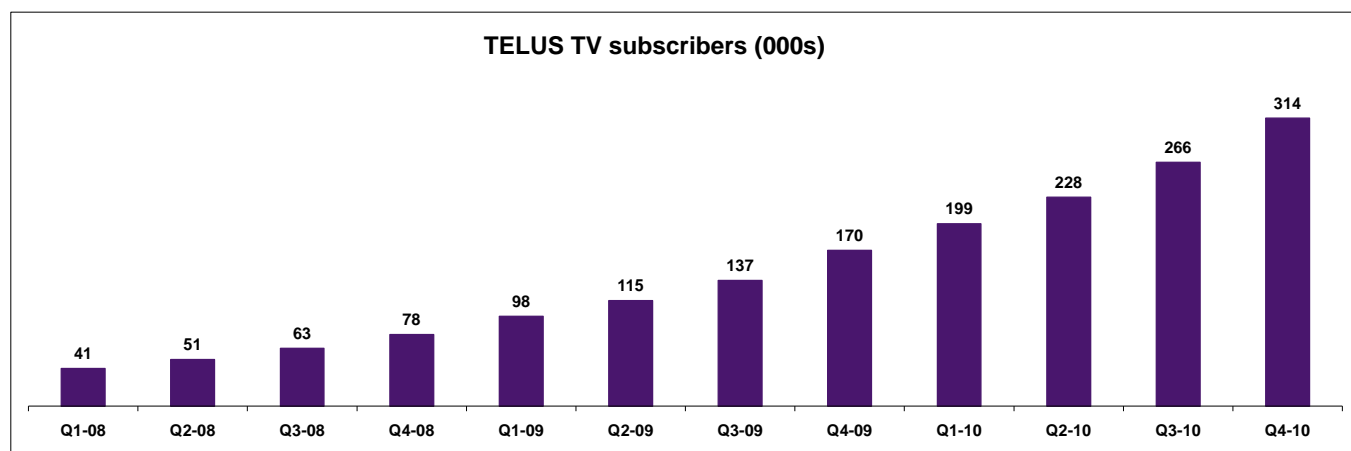
TELUS Wireline
Operating Statistics - Historical Trend

| | Quarterly | | | | | | | | Annual 2010 | Annual 2009 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
| | Q4/10 | Q3/10 | Q2/10 | Q1/10 | Q4/09 | Q3/09 | Q2/09 | Q1/09 | | |
| Network access lines (NAL) (000s)^(A) | | | | | | | | | | |
| Residential | 2,046 | 2,083 | 2,122 | 2,173 | 2,223 | 2,268 | 2,311 | 2,354 | 2,046 | 2,223 |
| Business | 1,693 | 1,711 | 1,723 | 1,735 | 1,743 | 1,751 | 1,764 | 1,769 | 1,693 | 1,743 |
| Total | 3,739 | 3,794 | 3,845 | 3,908 | 3,966 | 4,019 | 4,075 | 4,123 | 3,739 | 3,966 |
| NAL net additions (losses) (000s)^(B) | | | | | | | | | | |
| Residential | (37) | (39) | (51) | (50) | (45) | (43) | (43) | (44) | (177) | (175) |
| Business | (18) | (12) | (12) | (8) | (8) | (13) | (5) | (9) | (50) | (35) |
| Total | (55) | (51) | (63) | (58) | (53) | (56) | (48) | (53) | (227) | (210) |
| Internet subscriber net adds (000s) | | | | | | | | | | |
| High-speed | 18 | 15 | 3 | 3 | 11 | 9 | 3 | 14 | 39 | 37 |
| Dial-up | (6) | (5) | (7) | (7) | (9) | (9) | (9) | (10) | (25) | (37) |
| Total | 12 | 10 | (4) | (4) | 2 | - | (6) | 4 | 14 | - |
| Internet subscribers (000s) | | | | | | | | | | |
| High-speed ^(C) | 1,167 | 1,149 | 1,134 | 1,131 | 1,128 | 1,117 | 1,108 | 1,105 | 1,167 | 1,128 |
| Dial-up | 62 | 68 | 73 | 80 | 87 | 96 | 105 | 114 | 62 | 87 |
| Total^(C) | 1,229 | 1,217 | 1,207 | 1,211 | 1,215 | 1,213 | 1,213 | 1,219 | 1,229 | 1,215 |
| TV subscriber net adds (000s) | 48 | 38 | 29 | 29 | 33 | 22 | 17 | 20 | 144 | 92 |
| TV subscribers (000s) | 314 | 266 | 228 | 199 | 170 | 137 | 115 | 98 | 314 | 170 |

^(A) Historical NAL's updated to reflect prior period reporting adjustments. See footnote 12 on Definitions tab for more detail.

^(B) Residential NAL net additions (losses) changed by (3K), (2K), (2K), (4K); business NAL net additions (losses) subsequently changed by (2K), 3K, (12K), (1K), respectively in Q1-09, Q2-09, Q3-09, Q4-09.

^(C) Opening balances for high-speed Internet subscribers and total Internet subscribers for the second quarter of 2009 were reduced by five thousand to reflect prior period reporting adjustments.



Non-GAAP measures and definitions of key operating indicators

¹ **Return on common equity** - For quarterly figures, Return on common equity is common share and non-voting share 12-month trailing income over the average quarterly equity for the 12-month period. For annual figures, Return on common equity is common share and non-voting share income over the average equity for the 12-month period.

² **EBITDA interest coverage ratio** is defined as EBITDA (excluding restructuring costs), divided by net interest cost, defined as financing costs before gains or losses on redemption and repayment of debt, calculated on a 12-month trailing basis. This measure is substantially the same as the Coverage Ratio covenant in TELUS' new credit facilities.

³ **Free cash flow** is calculated as EBITDA, adding Restructuring costs, 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 (including spectrum payments), donations and securitization fees. Note, the definition was refined in 2008 to incorporate defined benefit plans contributions instead of expense.

⁴ **Net debt** is defined as Long-term Debt plus current maturities of Long-term Debt and cheques outstanding less Cash and temporary investments plus cross currency foreign exchange hedge liability (less cross currency foreign exchange hedge asset) related to U.S. dollar notes. The definition was changed in 2006 to include securitized accounts receivable, which is closer to methods used by credit rating agencies.

⁵ **Net debt to EBITDA** – excluding restructuring costs is defined as Net debt as at the end of the period divided by the 12-month trailing EBITDA excluding restructuring costs. TELUS' guideline range for Net debt to EBITDA is from 1.5 to 2.0 times. Historically, Net debt to EBITDA excluding restructuring costs is substantially the same as the Leverage Ratio covenant in TELUS' credit facilities.

⁶ **Earnings before interest, taxes, depreciation and amortization** (EBITDA) includes restructuring costs.

⁷ **Capital expenditure intensity** is defined as capital expenditures as a percentage of operating revenues.

⁸ **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. Data ARPU is a component of ARPU, calculated on the same basis for revenues derived from services such as text messaging, mobile computing, personal digital assistance devices, Internet browser activity and pay-per-use downloads.

⁹ **Churn per month** is calculated as the number of subscriber units disconnected 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 prepaid subscriber is disconnected when the subscriber has no usage for 90 days following expiry of the prepaid card.

¹⁰ **Cost of acquisition (COA)** consists of the total of handset subsidies, 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).

¹¹ **TV subscribers** consists of TELUS IPTV subscribers and TELUS Satellite TV subscribers.

¹² **Total NALs** at March 31, 2009, reflect a reduction of 7K residential NALs from the previously reported number in respect of TELUS TV subscribers that did not subscribe to voice lines services, but were inadvertently included in NAL counts. Business NALs were reduced by 65K from the previously reported number due to the clean up and removal of inaccurate subscriber records as part of the integration of billing and subscriber reporting processes, as well as the consistent application of industry measurement practices across TELUS. Residential NAL net additions (losses) changed by (3K), (2K), (2K), (4K); business NAL net additions (losses) changed by 1K, 5K, (10K), 3K; total NAL net additions (losses) subsequently changed by (2K), 3K, (12K), (1K), respectively in Q1-09, Q2-09, Q3-09, Q4-09.