



## TELUS Corporation

*Fourth Quarter, 2008*

### *Supplemental Investor Information*

(UNAUDITED)

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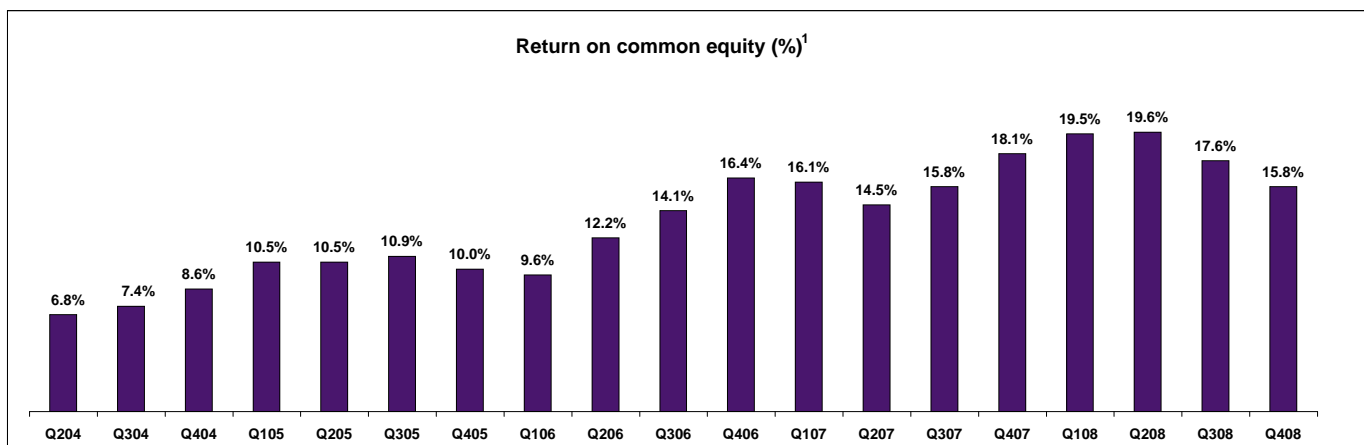
**Table of Contents**

|   |    |
|---|----|
| <b>TELUS Corporation</b>                  |    |
| - Selected Consolidated Data              | 2  |
| - Segmented Data                          | 3  |
| - Segmented Data (Historical Trend)       | 4  |
| <b>TELUS Wireline</b>                     |    |
| - Operations                              | 5  |
| - Operations (Historical Trend)           | 6  |
| - Operating Statistics                    | 7  |
| - Operating Statistics (Historical Trend) | 8  |
| <b>TELUS Wireless</b>                     |    |
| - Operations                              | 9  |
| - Operations (Historical Trend)           | 10 |
| - Operating Statistics                    | 11 |
| - Operating Statistics (Historical Trend) | 12 |
| <b>Non-GAAP measures and definitions</b>  | 13 |

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

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

|   | Quarterly |        |        |        |        |        |        |        | Annual 2008 | Annual 2007 |
|---|-----------|--------|--------|--------|--------|--------|--------|--------|-------------|-------------|
|   | Q4/08     | Q3/08  | Q2/08  | Q1/08  | Q4/07  | Q3/07  | Q2/07  | Q1/07  |             |             |
| Net Income  | 285       | 285    | 267    | 291    | 400    | 410    | 253    | 195    | 1,128       | 1,258       |
| Net-cash settlement feature expense (recovery), after tax | -         | -      | -      | -      | 1      | (5)    | 1      | 108    | -           | 105         |
| Net Income - as adjusted                                  | 285       | 285    | 267    | 291    | 401    | 405    | 254    | 303    | 1,128       | 1,363       |
| Basic earnings per share (\$)                             | 0.90      | 0.89   | 0.83   | 0.90   | 1.23   | 1.24   | 0.76   | 0.58   | 3.52        | 3.79        |
| Net-cash settlement feature per share (\$)                | -         | -      | -      | -      | 0.00   | (0.01) | 0.00   | 0.32   | -           | 0.32        |
| Basic Earnings per share - as adjusted (\$)               | 0.90      | 0.89   | 0.83   | 0.90   | 1.23   | 1.23   | 0.76   | 0.90   | 3.52        | 4.11        |
| Dividends declared per share (\$)                         | 0.475     | 0.450  | 0.450  | 0.450  | 0.450  | 0.375  | 0.375  | 0.375  | 1.825       | 1.575       |
| Return on common equity <sup>1</sup>                      | 15.8%     | 17.6%  | 19.6%  | 19.5%  | 18.1%  | 15.8%  | 14.5%  | 16.1%  | 15.8%       | 18.1%       |
| EBITDA interest coverage ratio <sup>2</sup>               | 8.3       | 8.4    | 9.1    | 8.8    | 8.2    | 7.6    | 7.1    | 7.2    | 8.3         | 8.2         |
| Free cash flow <sup>3</sup>                               | 61        | (482)  | 254    | 528    | 379    | 460    | 126    | 423    | 361         | 1,388       |
| Net debt <sup>4</sup>                                     | 7,286     | 7,187  | 6,644  | 6,653  | 6,141  | 6,121  | 6,240  | 6,179  | 7,286       | 6,141       |
| Net debt : Total capitalization                           | 49.8%     | 49.9%  | 48.2%  | 48.4%  | 46.5%  | 46.9%  | 47.6%  | 47.2%  | 49.8%       | 46.5%       |
| Net debt : EBITDA ratio <sup>5</sup>                      | 1.9       | 1.9    | 1.7    | 1.8    | 1.7    | 1.7    | 1.8    | 1.7    | 1.9         | 1.7         |
| Outstanding shares at end of period (M)                   | 318       | 318    | 320    | 321    | 324    | 327    | 332    | 334    | 318         | 324         |
| Basic weighted average shares outstanding (M)             | 318       | 319    | 321    | 324    | 326    | 330    | 333    | 337    | 320         | 332         |
| Total customer connections (000s)                         | 11,595    | 11,475 | 11,363 | 11,208 | 11,147 | 11,008 | 10,885 | 10,800 | 11,595      | 11,147      |



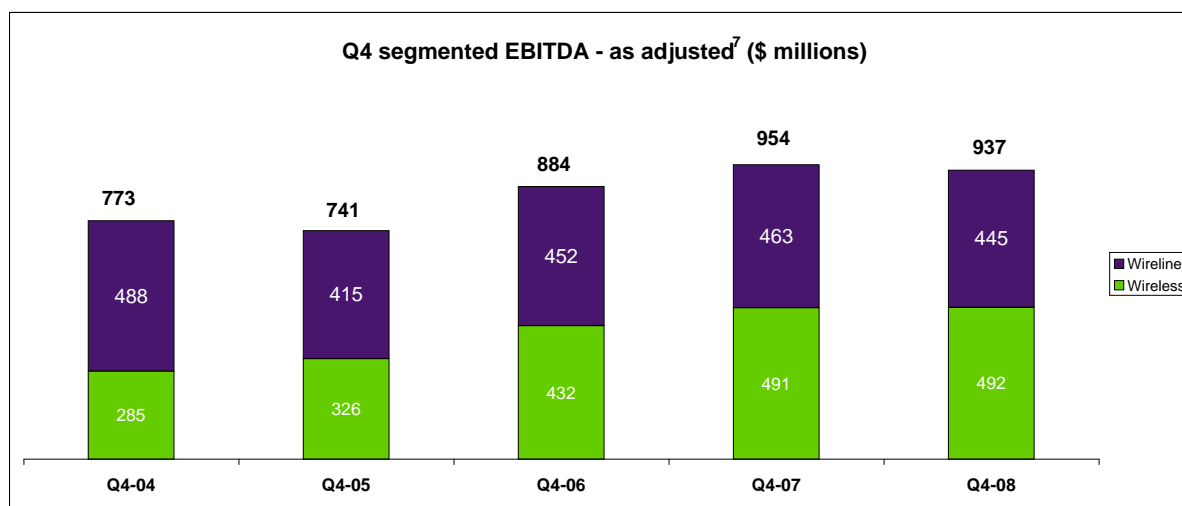
**TELUS Corporation**  
**Segmented Data**

| \$ millions   | Qtr 4 |       |        |          | December YTD |        |        |          |
|---|-------|-------|--------|----------|--------------|--------|--------|----------|
|   | 2008  | 2007  | Change | % Change | 2008         | 2007   | Change | % Change |
| <b>Revenues</b>                                       |       |       |        |          |              |        |        |          |
| TELUS Wireline  | 1,301 | 1,250 | 51     | 4.1%     | 5,152        | 4,924  | 228    | 4.6%     |
| TELUS Wireless  | 1,195 | 1,118 | 77     | 6.9%     | 4,660        | 4,291  | 369    | 8.6%     |
| Less: Intersegment revenue                            | (42)  | (38)  | (4)    | -1.1%    | (159)        | (141)  | (18)   | -13%     |
| Operating revenues                                    | 2,454 | 2,330 | 124    | 5.3%     | 9,653        | 9,074  | 579    | 6.4%     |
| <b>EBITDA<sup>6</sup></b>                             |       |       |        |          |              |        |        |          |
| TELUS Wireline  | 445   | 461   | (16)   | -3.5%    | 1,774        | 1,683  | 91     | 5.4%     |
| TELUS Wireless  | 492   | 492   | -      | -        | 2,005        | 1,906  | 99     | 5.2%     |
| Consolidated <sup>(A)</sup>                           | 937   | 953   | (16)   | -1.7%    | 3,779        | 3,589  | 190    | 5.3%     |
| <b>Net-cash settlement feature expense (recovery)</b> |       |       |        |          |              |        |        |          |
| TELUS Wireline  | -     | 2     | (2)    | n/a      | -            | 145    | (145)  | n/a      |
| TELUS Wireless  | -     | (1)   | 1      | n/a      | -            | 24     | (24)   | n/a      |
| Consolidated  | -     | 1     | (1)    | n/a      | -            | 169    | (169)  | n/a      |
| <b>EBITDA (as adjusted)<sup>7</sup></b>               |       |       |        |          |              |        |        |          |
| TELUS Wireline  | 445   | 463   | (18)   | -3.9%    | 1,774        | 1,828  | (54)   | -3.0%    |
| TELUS Wireless  | 492   | 491   | 1      | 0.2%     | 2,005        | 1,930  | 75     | 3.9%     |
| Consolidated <sup>(B)</sup>                           | 937   | 954   | (17)   | -1.8%    | 3,779        | 3,758  | 21     | 0.6%     |
| <b>EBITDA (as adjusted)<sup>7</sup> margin</b>        |       |       |        |          |              |        |        |          |
| TELUS Wireline  | 34.2% | 37.0% | (2.8)  |          | 34.4%        | 37.1%  | (2.7)  |          |
| TELUS Wireless  | 41.2% | 43.9% | (2.7)  |          | 43.0%        | 45.0%  | (2.0)  |          |
| Consolidated  | 38.2% | 40.9% | (2.7)  |          | 39.1%        | 41.4%  | (2.3)  |          |
| <b>Capital expenditures</b>                           |       |       |        |          |              |        |        |          |
| TELUS Wireline  | 395   | 337   | 58     | 17%      | 1,311        | 1,219  | 92     | 7.5%     |
| TELUS Wireless  | 236   | 135   | 101    | 75%      | 548          | 551    | (3)    | -0.5%    |
| Consolidated  | 631   | 472   | 159    | 34%      | 1,859        | 1,770  | 89     | 5.0%     |
| <b>Capital expenditure intensity<sup>8</sup></b>      |       |       |        |          |              |        |        |          |
| TELUS Wireline  | 30%   | 27%   | 3      |          | 25%          | 25%    | 1      |          |
| TELUS Wireless  | 20%   | 12%   | 8      |          | 12%          | 13%    | (1)    |          |
| Consolidated  | 26%   | 20%   | 6      |          | 19%          | 20%    | (1)    |          |
| <b>EBITDA (as adjusted)<sup>7</sup> less capex</b>    |       |       |        |          |              |        |        |          |
| TELUS Wireline  | 50    | 126   | (76)   | -60%     | 463          | 609    | (146)  | -24%     |
| TELUS Wireless  | 256   | 356   | (100)  | -28%     | 1,457        | 1,379  | 78     | 5.7%     |
| Consolidated  | 306   | 482   | (176)  | -37%     | 1,920        | 1,988  | (68)   | -3.4%    |
| <b>Total active employees</b>                         |       |       |        |          |              |        |        |          |
| TELUS Wireline <sup>(C)</sup>                         |       |       |        |          | 28,000       | 26,100 | 1,900  | 7.3%     |
| TELUS Wireless  |       |       |        |          | 8,600        | 8,100  | 500    | 6.2%     |
| Consolidated  |       |       |        |          | 36,600       | 34,200 | 2,400  | 7.0%     |
| <b>Full Time Equivalent (FTE) employees</b>           |       |       |        |          |              |        |        |          |
| TELUS Wireline <sup>(C)</sup>                         |       |       |        |          | 27,700       | 25,700 | 2,000  | 7.8%     |
| TELUS Wireless  |       |       |        |          | 8,200        | 7,700  | 500    | 6.5%     |
| Consolidated  |       |       |        |          | 35,900       | 33,400 | 2,500  | 7.5%     |

(A) Consolidated EBITDA includes restructuring costs of \$38M and \$6M for Q4-08 and Q4-07 and \$59M and \$20M for YTD-08 and YTD-07, respectively. Normalized to exclude these costs EBITDA would have increased 2% in Q4-08 and increased 6% YTD-08.

(B) Normalized to exclude restructuring expenses, EBITDA (as adjusted) would have increased by 2% in Q4-08 and increased 2% YTD-08.

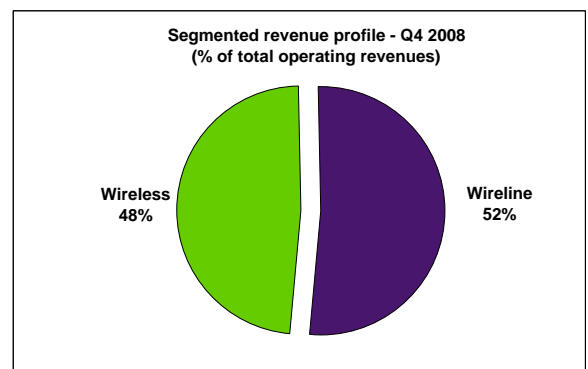
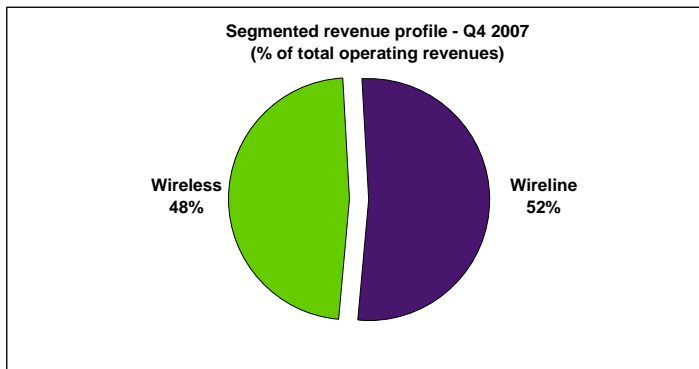
(C) Includes TELUS International employees (approx. 8,000 in 2008 and 6,700 in 2007) and Emergis employees (1,100 in 2008 as a result of the January acquisition)



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

| <i>\$ millions</i>                                    | Quarterly |       |       |       |       |       |       |       | Annual<br>2008 | Annual<br>2007 |
|---|-----------|-------|-------|-------|-------|-------|-------|-------|----------------|----------------|
|   | Q4/08     | Q3/08 | Q2/08 | Q1/08 | Q4/07 | Q3/07 | Q2/07 | Q1/07 |                |                |
| <b>Revenues</b>                                       |           |       |       |       |       |       |       |       |                |                |
| TELUS Wireline  | 1,301     | 1,281 | 1,289 | 1,281 | 1,250 | 1,234 | 1,209 | 1,231 | 5,152          | 4,924          |
| TELUS Wireless  | 1,195     | 1,209 | 1,149 | 1,107 | 1,118 | 1,112 | 1,055 | 1,006 | 4,660          | 4,291          |
| Less: Intersegment revenue                            | (42)      | (40)  | (39)  | (38)  | (38)  | (36)  | (36)  | (31)  | (159)          | (141)          |
| Operating revenues                                    | 2,454     | 2,450 | 2,399 | 2,350 | 2,330 | 2,310 | 2,228 | 2,206 | 9,653          | 9,074          |
| <b>EBITDA<sup>6</sup></b>                             |           |       |       |       |       |       |       |       |                |                |
| TELUS Wireline  | 445       | 449   | 434   | 446   | 461   | 467   | 434   | 321   | 1,774          | 1,683          |
| TELUS Wireless  | 492       | 526   | 484   | 503   | 492   | 520   | 451   | 443   | 2,005          | 1,906          |
| Consolidated  | 937       | 975   | 918   | 949   | 953   | 987   | 885   | 764   | 3,779          | 3,589          |
| <b>Net-cash settlement feature expense (recovery)</b> |           |       |       |       |       |       |       |       |                |                |
| TELUS Wireline  | -         | 1     | (1)   | -     | 2     | (10)  | -     | 153   | -              | 145            |
| TELUS Wireless  | -         | (1)   | 1     | -     | (1)   | 3     | 1     | 21    | -              | 24             |
| Consolidated  | -         | -     | -     | -     | 1     | (7)   | 1     | 174   | -              | 169            |
| <b>EBITDA (as adjusted)<sup>7</sup></b>               |           |       |       |       |       |       |       |       |                |                |
| TELUS Wireline  | 445       | 450   | 433   | 446   | 463   | 457   | 434   | 474   | 1,774          | 1,828          |
| TELUS Wireless  | 492       | 525   | 485   | 503   | 491   | 523   | 452   | 464   | 2,005          | 1,930          |
| Consolidated  | 937       | 975   | 918   | 949   | 954   | 980   | 886   | 938   | 3,779          | 3,758          |
| <b>EBITDA (as adjusted)<sup>7</sup> margin</b>        |           |       |       |       |       |       |       |       |                |                |
| TELUS Wireline  | 34.2%     | 35.1% | 33.6% | 34.8% | 37.0% | 37.0% | 35.9% | 38.5% | 34.4%          | 37.1%          |
| TELUS Wireless  | 41.2%     | 43.4% | 42.2% | 45.4% | 43.9% | 47.0% | 42.8% | 46.1% | 43.0%          | 45.0%          |
| Consolidated  | 38.2%     | 39.8% | 38.3% | 40.4% | 40.9% | 42.4% | 39.8% | 42.5% | 39.1%          | 41.4%          |
| <b>Capital expenditures</b>                           |           |       |       |       |       |       |       |       |                |                |
| TELUS Wireline  | 395       | 340   | 321   | 255   | 337   | 302   | 309   | 271   | 1,311          | 1,219          |
| TELUS Wireless  | 236       | 133   | 114   | 65    | 135   | 132   | 173   | 111   | 548            | 551            |
| Consolidated  | 631       | 473   | 435   | 320   | 472   | 434   | 482   | 382   | 1,859          | 1,770          |
| <b>Capital expenditure intensity<sup>8</sup></b>      |           |       |       |       |       |       |       |       |                |                |
| TELUS Wireline  | 30%       | 27%   | 25%   | 20%   | 27%   | 24%   | 26%   | 22%   | 25%            | 25%            |
| TELUS Wireless  | 20%       | 11%   | 10%   | 5.9%  | 12%   | 12%   | 16%   | 11%   | 12%            | 13%            |
| Consolidated  | 26%       | 19%   | 18%   | 14%   | 20%   | 19%   | 22%   | 17%   | 19%            | 20%            |
| <b>EBITDA (as adjusted)<sup>7</sup> less capex</b>    |           |       |       |       |       |       |       |       |                |                |
| TELUS Wireline  | 50        | 110   | 112   | 191   | 126   | 155   | 125   | 203   | 463            | 609            |
| TELUS Wireless  | 256       | 392   | 371   | 438   | 356   | 391   | 279   | 353   | 1,457          | 1,379          |
| Consolidated  | 306       | 502   | 483   | 629   | 482   | 546   | 404   | 556   | 1,920          | 1,988          |
| <b>Total active employees</b>                         |           |       |       |       |       |       |       |       |                |                |
| TELUS Wireline <sup>(A)</sup>                         |           |       |       |       |       |       |       |       | 28,000         | 26,100         |
| TELUS Wireless  |           |       |       |       |       |       |       |       | 8,600          | 8,100          |
| Consolidated  |           |       |       |       |       |       |       |       | 36,600         | 34,200         |
| <b>Full Time Equivalent (FTE) employees</b>           |           |       |       |       |       |       |       |       |                |                |
| TELUS Wireline <sup>(A)</sup>                         |           |       |       |       |       |       |       |       | 27,700         | 25,700         |
| TELUS Wireless  |           |       |       |       |       |       |       |       | 8,200          | 7,700          |
| Consolidated  |           |       |       |       |       |       |       |       | 35,900         | 33,400         |

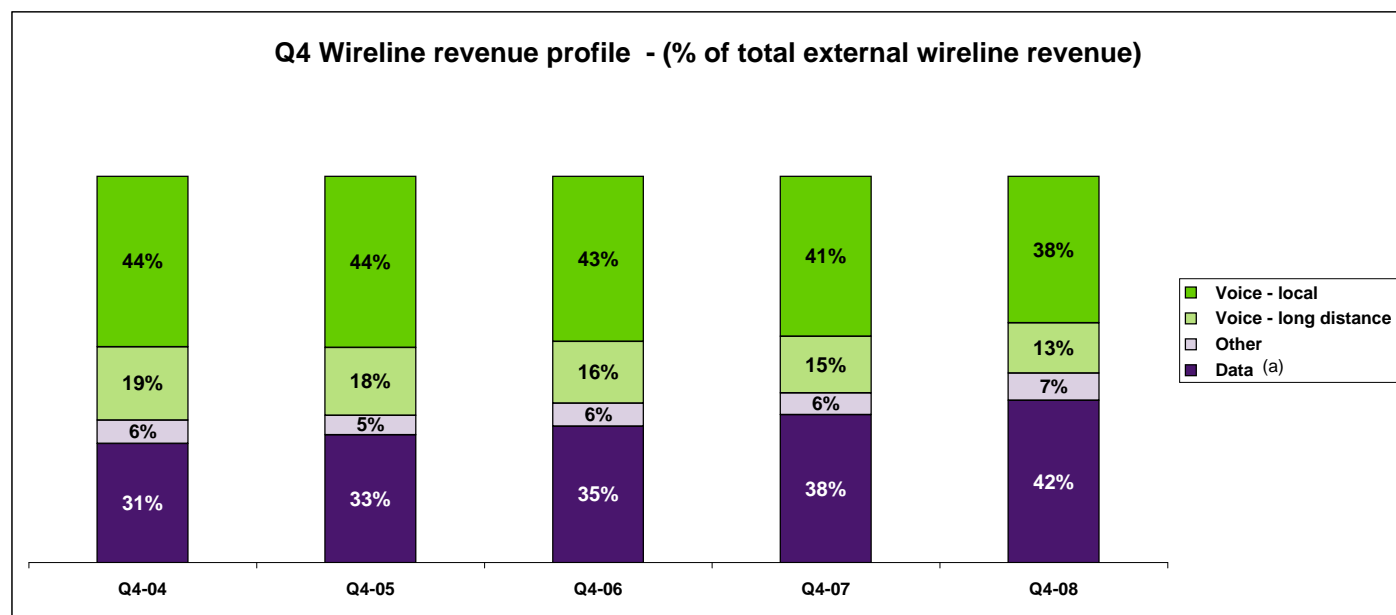
<sup>(A)</sup> Includes TELUS International employees (approx. 8,000 in 2008 and 6,700 in 2007) and Emergis employees (1,100 in 2008 as a result of the January acquisition).



## TELUS Wireline Operations

| <i>\$ millions</i>                                    | Qtr 4        |              |              |              | December YTD |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2008         | 2007         | Change       | % Change     | 2008         | 2007         | Change       | % Change     |
| <b>Revenues</b>                                       |              |              |              |              |              |              |              |              |
| Voice - local   | 480          | 505          | (25)         | -5.0%        | 1,973        | 2,064        | (91)         | -4.4%        |
| Voice - long distance                                 | 173          | 179          | (6)          | -3.4%        | 700          | 715          | (15)         | -2.1%        |
| Data <sup>(a)</sup>                                   | 528          | 466          | 62           | 13%          | 2,072        | 1,772        | 300          | 17%          |
| Other   | 85           | 69           | 16           | 23%          | 276          | 259          | 17           | 6.6%         |
| <b>Total external revenue</b>                         | <b>1,266</b> | <b>1,219</b> | <b>47</b>    | <b>3.9%</b>  | <b>5,021</b> | <b>4,810</b> | <b>211</b>   | <b>4.4%</b>  |
| Intersegment revenue                                  | 35           | 31           | 4            | 13%          | 131          | 114          | 17           | 15%          |
| <b>Total operating revenues</b>                       | <b>1,301</b> | <b>1,250</b> | <b>51</b>    | <b>4.1%</b>  | <b>5,152</b> | <b>4,924</b> | <b>228</b>   | <b>4.6%</b>  |
| Operations expense                                    | 824          | 783          | 41           | 5.2%         | 3,327        | 3,222        | 105          | 3.3%         |
| Restructuring costs                                   | 32           | 6            | 26           | 433%         | 51           | 19           | 32           | 168%         |
| <b>Total operating expense</b>                        | <b>856</b>   | <b>789</b>   | <b>67</b>    | <b>8.5%</b>  | <b>3,378</b> | <b>3,241</b> | <b>137</b>   | <b>4.2%</b>  |
| <b>EBITDA<sup>6,(a)</sup></b>                         | <b>445</b>   | <b>461</b>   | <b>(16)</b>  | <b>-3.5%</b> | <b>1,774</b> | <b>1,683</b> | <b>91</b>    | <b>5.4%</b>  |
| <b>Net-cash settlement feature expense (recovery)</b> | <b>-</b>     | <b>2</b>     | <b>(2)</b>   | <b>n/a</b>   | <b>-</b>     | <b>145</b>   | <b>(145)</b> | <b>n/a</b>   |
| <b>EBITDA (as adjusted)<sup>7</sup></b>               | <b>445</b>   | <b>463</b>   | <b>(18)</b>  | <b>-3.9%</b> | <b>1,774</b> | <b>1,828</b> | <b>(54)</b>  | <b>-3.0%</b> |
| <b>EBITDA (as adjusted)<sup>7</sup> margin</b>        | <b>34.2%</b> | <b>37.0%</b> | <b>(2.8)</b> |              | <b>34.4%</b> | <b>37.1%</b> | <b>(2.7)</b> |              |
| <b>Capital expenditures</b>                           | <b>395</b>   | <b>337</b>   | <b>58</b>    | <b>17%</b>   | <b>1,311</b> | <b>1,219</b> | <b>92</b>    | <b>7.5%</b>  |
| <b>Capital expenditure intensity<sup>8</sup></b>      | <b>30%</b>   | <b>27%</b>   | <b>3</b>     |              | <b>25%</b>   | <b>25%</b>   | <b>-</b>     |              |
| <b>EBITDA (as adjusted)<sup>7</sup> less capex</b>    | <b>50</b>    | <b>126</b>   | <b>(76)</b>  | <b>-60%</b>  | <b>463</b>   | <b>609</b>   | <b>(146)</b> | <b>-24%</b>  |

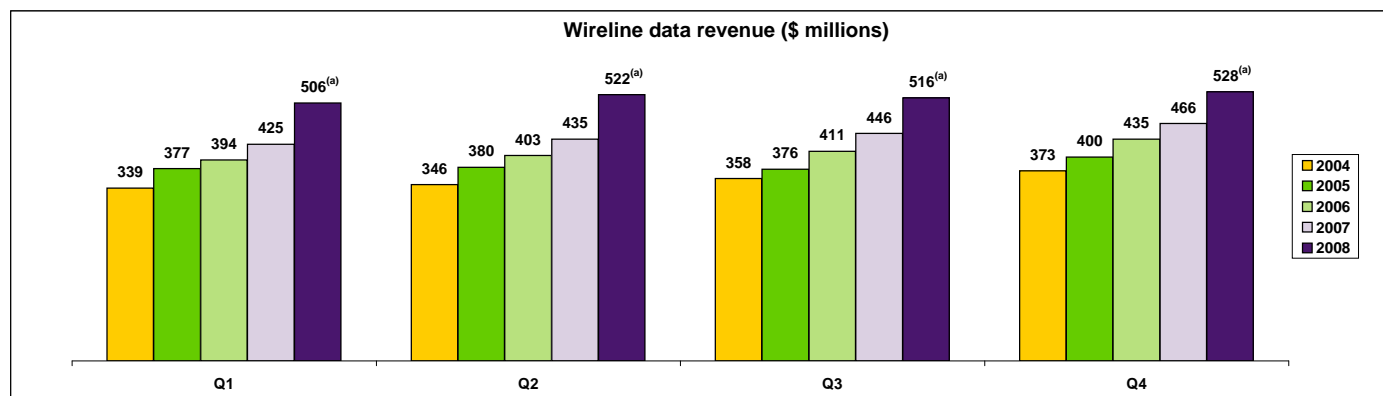
<sup>(a)</sup> Q4-08 and 2008 YTD includes revenues and costs associated with Emergis and Fast Vibe corporation acquisitions



**TELUS Wireline  
Operations - Historical Trend**

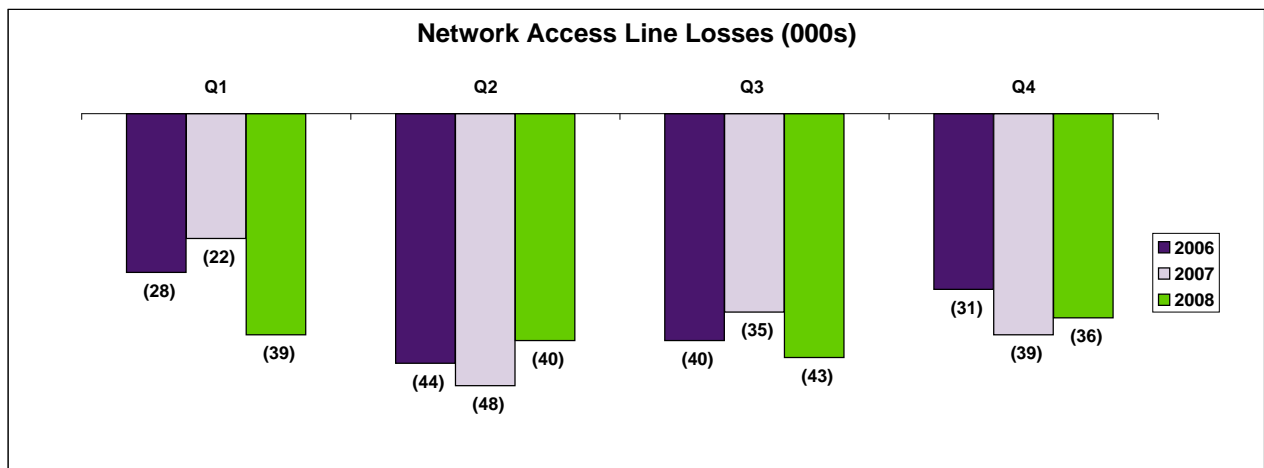
| <i>\$ millions</i>                                    | Quarterly |       |       |       |       |       |       |       | Annual<br>2008 | Annual<br>2007 |
|---|-----------|-------|-------|-------|-------|-------|-------|-------|----------------|----------------|
|   | Q4/08     | Q3/08 | Q2/08 | Q1/08 | Q4/07 | Q3/07 | Q2/07 | Q1/07 |                |                |
| <b>Revenues</b>                                       |           |       |       |       |       |       |       |       |                |                |
| Voice - local   | 480       | 494   | 497   | 502   | 505   | 511   | 516   | 532   | 1,973          | 2,064          |
| Voice - long distance                                 | 173       | 173   | 175   | 179   | 179   | 181   | 167   | 188   | 700            | 715            |
| Data <sup>(a)</sup>                                   | 528       | 516   | 522   | 506   | 466   | 446   | 435   | 425   | 2,072          | 1,772          |
| Other   | 85        | 65    | 63    | 63    | 69    | 67    | 62    | 61    | 276            | 259            |
| <b>Total external revenue</b>                         | 1,266     | 1,248 | 1,257 | 1,250 | 1,219 | 1,205 | 1,180 | 1,206 | 5,021          | 4,810          |
| Intersegment revenue                                  | 35        | 33    | 32    | 31    | 31    | 29    | 29    | 25    | 131            | 114            |
| <b>Total operating revenues</b>                       | 1,301     | 1,281 | 1,289 | 1,281 | 1,250 | 1,234 | 1,209 | 1,231 | 5,152          | 4,924          |
| Operations expense                                    | 824       | 823   | 852   | 828   | 783   | 761   | 773   | 905   | 3,327          | 3,222          |
| Restructuring costs                                   | 32        | 9     | 3     | 7     | 6     | 6     | 2     | 5     | 51             | 19             |
| <b>Total operating expense</b>                        | 856       | 832   | 855   | 835   | 789   | 767   | 775   | 910   | 3,378          | 3,241          |
| <b>EBITDA<sup>6(a)</sup></b>                          | 445       | 449   | 434   | 446   | 461   | 467   | 434   | 321   | 1,774          | 1,683          |
| <b>Net-cash settlement feature expense (recovery)</b> | -         | 1     | (1)   | -     | 2     | (10)  | -     | 153   | -              | 145            |
| <b>EBITDA (as adjusted)<sup>7</sup></b>               | 445       | 450   | 433   | 446   | 463   | 457   | 434   | 474   | 1,774          | 1,828          |
| <b>EBITDA (as adjusted)<sup>7</sup> margin</b>        | 34.2%     | 35.1% | 33.6% | 34.8% | 37.0% | 37.0% | 35.9% | 38.5% | 34.4%          | 37.1%          |
| <b>Capital expenditures</b>                           | 395       | 340   | 321   | 255   | 337   | 302   | 309   | 271   | 1,311          | 1,219          |
| <b>Capital expenditure intensity<sup>8</sup></b>      | 30%       | 27%   | 25%   | 20%   | 27%   | 25%   | 26%   | 22%   | 25%            | 25%            |
| <b>EBITDA (as adjusted)<sup>7</sup> less capex</b>    | 50        | 110   | 112   | 191   | 126   | 155   | 125   | 203   | 463            | 609            |

<sup>(a)</sup> 2008 includes revenues and costs associated with Emergis and Fast Vibe corporation acquisitions



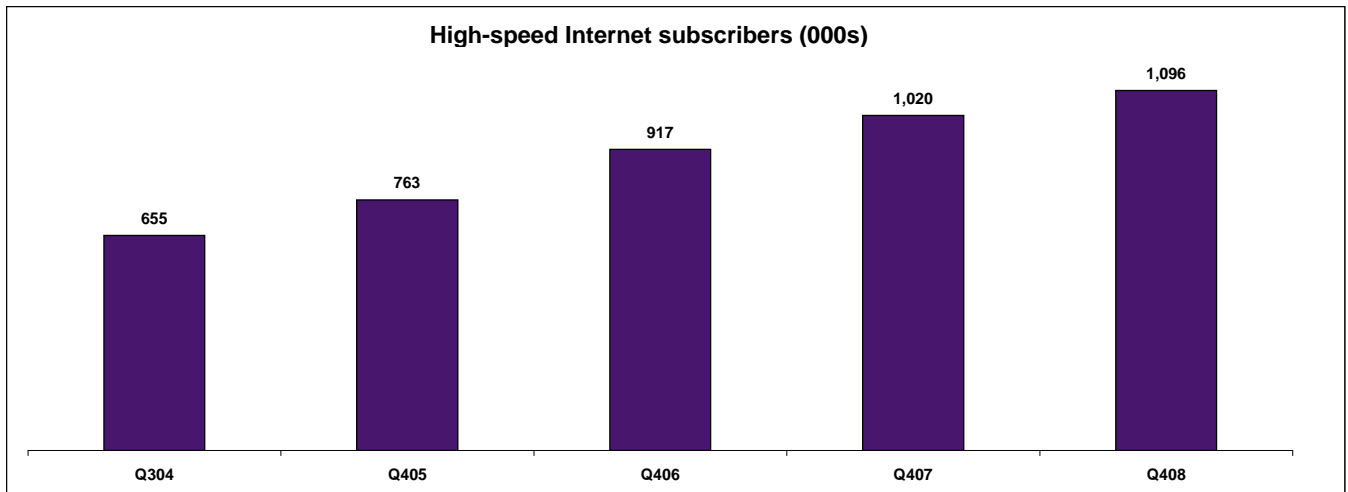
## TELUS Wireline Operating Statistics

|  | Qtr 4       |             |            |             | December YTD |              |              |              |
|--|-------------|-------------|------------|-------------|--------------|--------------|--------------|--------------|
|  | 2008        | 2007        | Change     | % Change    | 2008         | 2007         | Change       | % Change     |
| <b>Internet subscriber net adds (000s)</b> |             |             |            |             |              |              |              |              |
| High-speed                                 | 19          | 26          | (7)        | -27%        | 76           | 103          | (27)         | -26%         |
| Dial-up                                    | (10)        | (9)         | (1)        | -11%        | (31)         | (39)         | 8            | 21%          |
| <b>Total</b>                               | <b>9</b>    | <b>17</b>   | <b>(8)</b> | <b>-47%</b> | <b>45</b>    | <b>64</b>    | <b>(19)</b>  | <b>-30%</b>  |
| <b>Internet subscribers (000s)</b>         |             |             |            |             |              |              |              |              |
| High-speed                                 |             |             |            |             | 1,096        | 1,020        | 76           | 7.5%         |
| Dial-up                                    |             |             |            |             | 124          | 155          | (31)         | -20%         |
| <b>Total</b>                               |             |             |            |             | <b>1,220</b> | <b>1,175</b> | <b>45</b>    | <b>3.8%</b>  |
| <b>Network access lines (NAL) (000s)</b>   |             |             |            |             |              |              |              |              |
| Residential                                |             |             |            |             | 2,402        | 2,596        | (194)        | -7.5%        |
| Business                                   |             |             |            |             | 1,844        | 1,808        | 36           | 2.0%         |
| <b>Total</b>                               |             |             |            |             | <b>4,246</b> | <b>4,404</b> | <b>(158)</b> | <b>-3.6%</b> |
| <b>NAL net additions (losses) (000s)</b>   |             |             |            |             |              |              |              |              |
| Residential                                | (42)        | (47)        | 5          | 11%         | (194)        | (179)        | (15)         | -8.4%        |
| Business                                   | 6           | 8           | (2)        | -25%        | 36           | 35           | 1            | 2.9%         |
| <b>Total</b>                               | <b>(36)</b> | <b>(39)</b> | <b>3</b>   | <b>7.7%</b> | <b>(158)</b> | <b>(144)</b> | <b>(14)</b>  | <b>-9.7%</b> |



**TELUS Wireline**  
**Operating Statistics - Historical Trend**

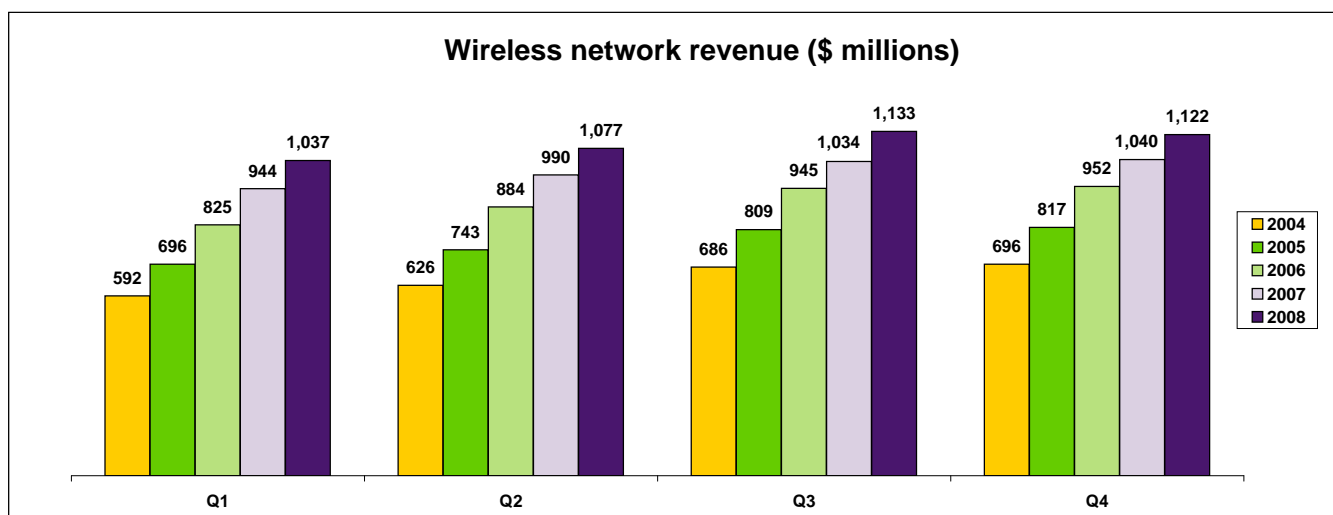
|  | Quarterly |       |       |       |       |       |       |       | Annual<br>2008 | Annual<br>2007 |
|--|-----------|-------|-------|-------|-------|-------|-------|-------|----------------|----------------|
|  | Q4/08     | Q3/08 | Q2/08 | Q1/08 | Q4/07 | Q3/07 | Q2/07 | Q1/07 |                |                |
| <b>Internet subscriber net adds (000s)</b> |           |       |       |       |       |       |       |       |                |                |
| High-speed                                 | 19        | 13    | 24    | 20    | 26    | 31    | 14    | 32    | 76             | 103            |
| Dial-up                                    | (10)      | (8)   | (4)   | (9)   | (9)   | (8)   | (9)   | (13)  | (31)           | (39)           |
| Total                                      | 9         | 5     | 20    | 11    | 17    | 23    | 5     | 19    | 45             | 64             |
| <b>Internet subscribers (000s)</b>         |           |       |       |       |       |       |       |       |                |                |
| High-speed                                 | 1,096     | 1,077 | 1,064 | 1,040 | 1,020 | 994   | 963   | 949   | 1,096          | 1,020          |
| Dial-up                                    | 124       | 134   | 142   | 146   | 155   | 164   | 172   | 181   | 124            | 155            |
| Total                                      | 1,220     | 1,211 | 1,206 | 1,186 | 1,175 | 1,158 | 1,135 | 1,130 | 1,220          | 1,175          |
| <b>Network access lines (NAL) (000s)</b>   |           |       |       |       |       |       |       |       |                |                |
| Residential                                | 2,402     | 2,444 | 2,497 | 2,545 | 2,596 | 2,643 | 2,685 | 2,741 | 2,402          | 2,596          |
| Business                                   | 1,844     | 1,838 | 1,828 | 1,820 | 1,808 | 1,800 | 1,793 | 1,785 | 1,844          | 1,808          |
| Total                                      | 4,246     | 4,282 | 4,325 | 4,365 | 4,404 | 4,443 | 4,478 | 4,526 | 4,246          | 4,404          |
| <b>NAL net additions (losses) (000s)</b>   |           |       |       |       |       |       |       |       |                |                |
| Residential                                | (42)      | (53)  | (48)  | (51)  | (47)  | (42)  | (56)  | (34)  | (194)          | (179)          |
| Business                                   | 6         | 10    | 8     | 12    | 8     | 7     | 8     | 12    | 36             | 35             |
| Total                                      | (36)      | (43)  | (40)  | (39)  | (39)  | (35)  | (48)  | (22)  | (158)          | (144)          |





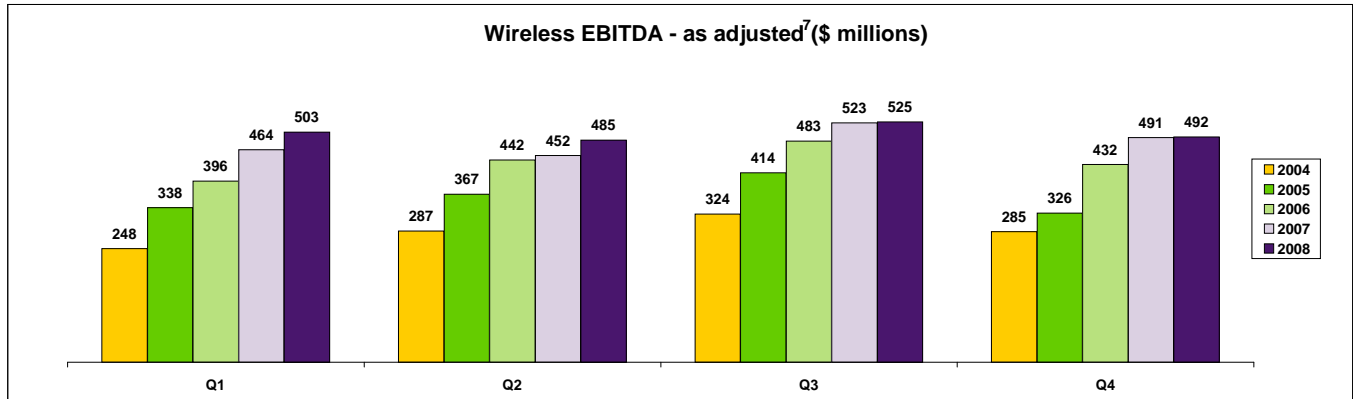
## TELUS Wireless Operations

| <i>\$ millions</i>   | Qtr 4 |       |        |          | December YTD |       |        |          |
|--|-------|-------|--------|----------|--------------|-------|--------|----------|
|  | 2008  | 2007  | Change | % Change | 2008         | 2007  | Change | % Change |
| <b>Revenues</b>  |       |       |        |          |              |       |        |          |
| Network revenue  | 1,122 | 1,040 | 82     | 7.9%     | 4,369        | 4,008 | 361    | 9.0%     |
| Equipment revenue  | 66    | 71    | (5)    | -7.0%    | 263          | 256   | 7      | 2.7%     |
| <b>Total external revenue</b>                                    | 1,188 | 1,111 | 77     | 6.9%     | 4,632        | 4,264 | 368    | 8.6%     |
| Intersegment revenue   | 7     | 7     | -      | -        | 28           | 27    | 1      | 3.7%     |
| <b>Total operating revenues</b>                                  | 1,195 | 1,118 | 77     | 6.9%     | 4,660        | 4,291 | 369    | 8.6%     |
| Operations expense   | 697   | 626   | 71     | 11%      | 2,647        | 2,384 | 263    | 11%      |
| Restructuring costs  | 6     | -     | 6      | n/a      | 8            | 1     | 7      | n/a      |
| <b>Total operating expense</b>                                   | 703   | 626   | 77     | 12%      | 2,655        | 2,385 | 270    | 11%      |
| <b>EBITDA<sup>6</sup></b>  | 492   | 492   | -      | -        | 2,005        | 1,906 | 99     | 5.2%     |
| Net-cash settlement feature expense (recovery)                   | -     | (1)   | 1      | n/a      | -            | 24    | (24)   | n/a      |
| <b>EBITDA (as adjusted)<sup>7</sup></b>                          | 492   | 491   | 1      | 0.2%     | 2,005        | 1,930 | 75     | 3.9%     |
| COA expense  | 172   | 148   | 24     | 16%      | 574          | 565   | 9      | 1.6%     |
| <b>EBITDA (as adjusted)<sup>7</sup> excluding COA</b>            | 664   | 639   | 25     | 3.9%     | 2,579        | 2,495 | 84     | 3.4%     |
| <b>EBITDA (as adjusted)<sup>7</sup> margin (total revenue)</b>   | 41.2% | 43.9% | (2.7)  |          | 43.0%        | 45.0% | (2.0)  |          |
| <b>EBITDA (as adjusted)<sup>7</sup> margin (network revenue)</b> | 43.9% | 47.2% | (3.3)  |          | 45.9%        | 48.2% | (2.3)  |          |
| Retention spend % network revenue                                | 8.7%  | 8.6%  | 0.1    |          | 9.1%         | 7.6%  | 1.5    |          |
| Capital expenditures   | 236   | 135   | 101    | 75%      | 548          | 551   | (3)    | -0.5%    |
| Capital expenditure intensity <sup>8</sup>                       | 20%   | 12%   | 8      |          | 12%          | 13%   | (1)    |          |
| <b>EBITDA (as adjusted)<sup>7</sup> less capex</b>               | 256   | 356   | (100)  | -28%     | 1,457        | 1,379 | 78     | 5.7%     |



**TELUS Wireless**  
**Operations - Historical Trend**

| <i>\$ millions</i>   | Quarterly |       |       |       |       |       |       |       | Annual<br>2008 | Annual<br>2007 |
|--|-----------|-------|-------|-------|-------|-------|-------|-------|----------------|----------------|
|  | Q4/08     | Q3/08 | Q2/08 | Q1/08 | Q4/07 | Q3/07 | Q2/07 | Q1/07 |                |                |
| <b>Revenues</b>  |           |       |       |       |       |       |       |       |                |                |
| Network revenue  | 1,122     | 1,133 | 1,077 | 1,037 | 1,040 | 1,034 | 990   | 944   | 4,369          | 4,008          |
| Equipment revenue  | 66        | 69    | 65    | 63    | 71    | 71    | 58    | 56    | 263            | 256            |
| <b>Total external revenue</b>                                    | 1,188     | 1,202 | 1,142 | 1,100 | 1,111 | 1,105 | 1,048 | 1,000 | 4,632          | 4,264          |
| Intersegment revenue   | 7         | 7     | 7     | 7     | 7     | 7     | 7     | 6     | 28             | 27             |
| <b>Total operating revenues</b>                                  | 1,195     | 1,209 | 1,149 | 1,107 | 1,118 | 1,112 | 1,055 | 1,006 | 4,660          | 4,291          |
| Operations expense   | 697       | 682   | 664   | 604   | 626   | 592   | 603   | 563   | 2,647          | 2,384          |
| Restructuring costs  | 6         | 1     | 1     | 0     | 0     | 0     | 1     | 0     | 8              | 1              |
| <b>Total operating expense</b>                                   | 703       | 683   | 665   | 604   | 626   | 592   | 604   | 563   | 2,655          | 2,385          |
| <b>EBITDA<sup>6</sup></b>  | 492       | 526   | 484   | 503   | 492   | 520   | 451   | 443   | 2,005          | 1,906          |
| <b>Net-cash settlement feature expense (recovery)</b>            | -         | (1)   | 1     | -     | (1)   | 3     | 1     | 21    | -              | 24             |
| <b>EBITDA (as adjusted)<sup>7</sup></b>                          | 492       | 525   | 485   | 503   | 491   | 523   | 452   | 464   | 2,005          | 1,930          |
| <b>COA expense</b>   | 172       | 152   | 140   | 110   | 148   | 137   | 150   | 130   | 574            | 565            |
| <b>EBITDA (as adjusted)<sup>7</sup> excluding COA</b>            | 664       | 677   | 625   | 613   | 639   | 660   | 602   | 594   | 2,579          | 2,495          |
| <b>EBITDA (as adjusted)<sup>7</sup> margin (total revenue)</b>   | 41.2%     | 43.4% | 42.2% | 45.4% | 43.9% | 47.0% | 42.8% | 46.1% | 43.0%          | 45.0%          |
| <b>EBITDA (as adjusted)<sup>7</sup> margin (network revenue)</b> | 43.9%     | 46.3% | 45.0% | 48.5% | 47.2% | 50.6% | 45.7% | 49.2% | 45.9%          | 48.2%          |
| <b>Retention spend % network revenue</b>                         | 8.7%      | 9.3%  | 9.4%  | 8.8%  | 8.6%  | 6.3%  | 8.2%  | 7.3%  | 9.1%           | 7.6%           |
| <b>Capital expenditures</b>                                      | 236       | 133   | 114   | 65    | 135   | 132   | 173   | 111   | 548            | 551            |
| <b>Capital expenditure intensity<sup>8</sup></b>                 | 20%       | 11%   | 10%   | 6%    | 12%   | 12%   | 16%   | 11%   | 12%            | 13%            |
| <b>EBITDA (as adjusted)<sup>7</sup> less capex</b>               | 256       | 392   | 371   | 438   | 356   | 391   | 279   | 353   | 1,457          | 1,379          |



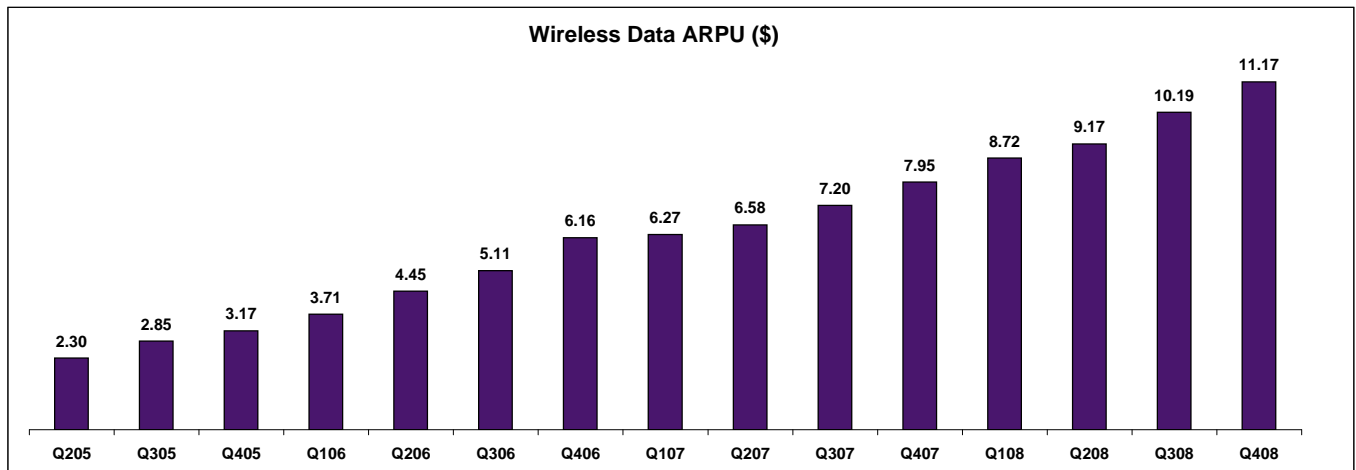
**TELUS Wireless  
Operating Statistics**

| <i>population coverage in millions</i>  | Qtr 4   |         |           |          | December YTD |         |           |          |
|---|---------|---------|-----------|----------|--------------|---------|-----------|----------|
|   | 2008    | 2007    | Change    | % Change | 2008         | 2007    | Change    | % Change |
| <b>Subscriber gross adds (000s)</b>   |         |         |           |          |              |         |           |          |
| Postpaid  | 279     | 241     | 38        | 16%      | 1,062        | 850     | 212       | 25%      |
| Prepaid   | 162     | 180     | (18)      | -10%     | 593          | 584     | 9         | 1.5%     |
| Total   | 441     | 421     | 20        | 4.8%     | 1,655        | 1,434   | 221       | 15%      |
| <b>Subscriber net adds, adjusted for analogue turndown (000s)<sup>(A)</sup></b> |         |         |           |          |              |         |           |          |
| Postpaid <sup>(B)</sup>   | 119     | 107     | 12        | 11%      | 507          | 365     | 142       | 39%      |
| Prepaid   | 29      | 55      | (26)      | -47%     | 81           | 150     | (69)      | -46%     |
| Total   | 148     | 162     | (14)      | -8.6%    | 588          | 515     | 73        | 14%      |
| <b>Subscriber net adds, as reported (000s)</b>                                  |         |         |           |          |              |         |           |          |
| Postpaid <sup>(B)</sup>   | 119     | 107     | 12        | 11%      | 481          | 365     | 116       | 32%      |
| Prepaid   | 29      | 55      | (26)      | -47%     | 80           | 150     | (70)      | -47%     |
| Total   | 148     | 162     | (14)      | -8.6%    | 561          | 515     | 46        | 8.9%     |
| <b>Digital subscribers (000s)</b>   |         |         |           |          |              |         |           |          |
| End of period   |         |         |           |          | 6,129        | 5,464   | 665       | 12%      |
| Percentage of total subscribers   |         |         |           |          | 100%         | 98%     | 2         |          |
| <b>Subscribers (000s)</b>   |         |         |           |          |              |         |           |          |
| Postpaid <sup>(B)</sup>   |         |         |           |          | 4,922        | 4,441   | 481       | 11%      |
| Prepaid   |         |         |           |          | 1,207        | 1,127   | 80        | 7.1%     |
| Total   |         |         |           |          | 6,129        | 5,568   | 561       | 10%      |
| <b>ARPU (\$)<sup>9</sup></b>  |         |         |           |          |              |         |           |          |
| Data ARPU   | \$62.16 | \$63.70 | \$ (1.54) | -2.4%    | \$62.73      | \$63.56 | \$ (0.83) | -1.3%    |
|   | \$11.17 | \$7.95  | \$ 3.22   | 41%      | \$9.84       | \$7.02  | \$ 2.82   | 40%      |
| <b>Churn, per month (%), as adjusted for analogue turndown<sup>10(A)</sup></b>  | 1.62%   | 1.59%   | 0.03      |          | 1.52%        | 1.45%   | 0.07      |          |
| <b>Churn, per month (%), as reported<sup>10</sup></b>                           | 1.62%   | 1.59%   | 0.03      |          | 1.57%        | 1.45%   | 0.12      |          |
| <b>Average minutes of use per subscriber per month (MOU)</b>                    | 412     | 411     | 1         | 0.2%     | 411          | 404     | 7         | 1.7%     |
| <b>COA per gross subscriber addition (\$)<sup>11</sup></b>                      | \$388   | \$352   | 36        | 10%      | \$346        | \$395   | (49)      | -12%     |
| <b>Population coverage - digital incl. roaming/resale<sup>(C)</sup></b>         |         |         |           |          | 32.6         | 31.6    | 1.0       | 3.2%     |

<sup>(A)</sup> Excludes the impact of TELUS' analogue network turndown which reduced net adds by 27,635 (1,774 Prepaid and 25,861 Postpaid), and resulted in higher churn of 1.57%, for Dec YTD respectively

<sup>(B)</sup> Cumulative subscribers were reduced by approximately 2,600 in Q1-07 to reflect the discontinuation of network service to its cellular digital packet data (CDPD) subscribers.

<sup>(C)</sup> Includes expanded coverage due to roaming/resale agreements principally with Bell Mobility (Bell Canada) of approximately 7.5 million PCS POPs.



**TELUS Wireless**  
Operating Statistics - Historical Trend

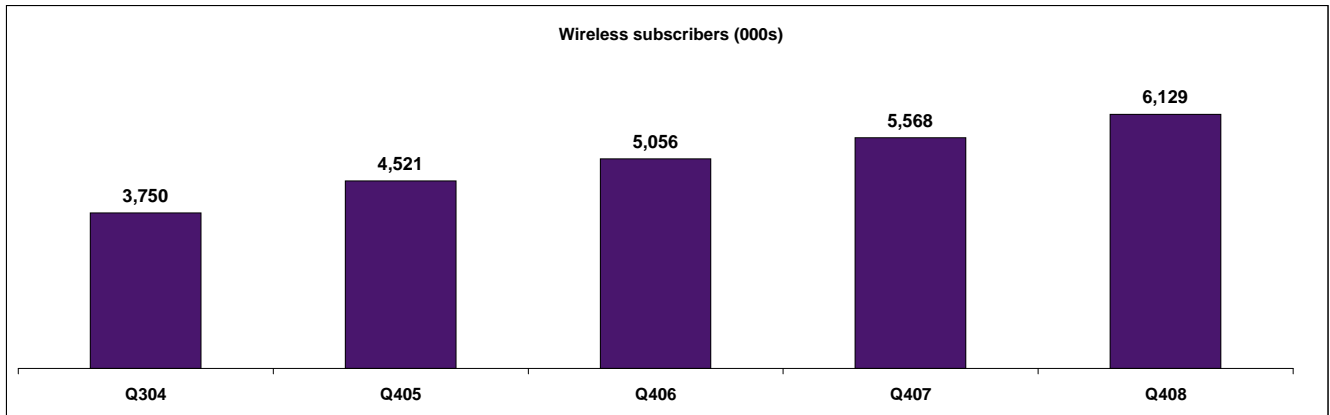
| <i>population coverage in millions</i>  | Quarterly |         |         |         |         |         |         |         | Annual<br>2008 | Annual<br>2007 |
|---|-----------|---------|---------|---------|---------|---------|---------|---------|----------------|----------------|
|   | Q4/08     | Q3/08   | Q2/08   | Q1/08   | Q4/07   | Q3/07   | Q2/07   | Q1/07   |                |                |
| <b>Subscriber gross adds (000s)</b>   |           |         |         |         |         |         |         |         |                |                |
| Postpaid  | 279       | 300     | 279     | 204     | 241     | 217     | 219     | 173     | 1,062          | 850            |
| Prepaid <sup>(C)</sup>  | 162       | 147     | 143     | 141     | 180     | 146     | 135     | 123     | 593            | 584            |
| Total   | 441       | 447     | 422     | 345     | 421     | 363     | 354     | 296     | 1,655          | 1,434          |
| <b>Subscriber net adds, adjusted for analogue turndown (000s)<sup>(A)</sup></b> |           |         |         |         |         |         |         |         |                |                |
| Postpaid <sup>(B)</sup>   | 119       | 159     | 157     | 72      | 107     | 98      | 99      | 61      | 507            | 365            |
| Prepaid <sup>(C)</sup>  | 29        | 17      | 19      | 16      | 55      | 36      | 29      | 30      | 81             | 150            |
| Total   | 148       | 176     | 176     | 88      | 162     | 134     | 128     | 91      | 588            | 515            |
| <b>Subscriber net adds, as reported (000s)</b>                                  |           |         |         |         |         |         |         |         |                |                |
| Postpaid <sup>(B)</sup>   | 119       | 133     | 157     | 72      | 107     | 98      | 99      | 61      | 481            | 365            |
| Prepaid <sup>(C)</sup>  | 29        | 16      | 19      | 16      | 55      | 36      | 29      | 30      | 80             | 150            |
| Total   | 148       | 149     | 176     | 88      | 162     | 134     | 128     | 91      | 561            | 515            |
| <b>Digital subscribers (000s)</b>   |           |         |         |         |         |         |         |         |                |                |
| End of period   | 6,129     | 5,981   | 5,762   | 5,566   | 5,464   | 5,283   | 5,137   | 4,995   | 6,129          | 5,464          |
| Percentage of total subscribers   | 100%      | 100%    | 99%     | 98%     | 98%     | 98%     | 97%     | 97%     | 100%           | 98%            |
| <b>Subscribers (000s)</b>   |           |         |         |         |         |         |         |         |                |                |
| Postpaid <sup>(B)</sup>   | 4,922     | 4,803   | 4,670   | 4,513   | 4,441   | 4,334   | 4,236   | 4,137   | 4,922          | 4,441          |
| Prepaid <sup>(C)</sup>  | 1,207     | 1,178   | 1,162   | 1,143   | 1,127   | 1,072   | 1,036   | 1,007   | 1,207          | 1,127          |
| Total   | 6,129     | 5,981   | 5,832   | 5,656   | 5,568   | 5,406   | 5,272   | 5,144   | 6,129          | 5,568          |
| <b>ARPU (\$)<sup>9</sup></b>  | \$62.16   | \$64.14 | \$62.73 | \$61.88 | \$63.70 | \$64.80 | \$63.65 | \$62.03 | \$62.73        | \$63.56        |
| Data ARPU   | \$11.17   | \$10.19 | \$9.17  | \$8.72  | \$7.95  | \$7.20  | \$6.58  | \$6.27  | \$9.84         | \$7.02         |
| <b>Churn, per month (%), as adjusted for analogue turndown<sup>10(A)</sup></b>  | 1.62%     | 1.52%   | 1.43%   | 1.53%   | 1.59%   | 1.43%   | 1.45%   | 1.35%   | 1.52%          | 1.45%          |
| <b>Churn, per month (%), as reported<sup>10</sup></b>                           | 1.62%     | 1.68%   | 1.43%   | 1.53%   | 1.59%   | 1.43%   | 1.45%   | 1.35%   | 1.57%          | 1.45%          |
| <b>Average minutes of use per subscriber per month (MOU)</b>                    | 412       | 416     | 420     | 394     | 411     | 410     | 411     | 382     | 411            | 404            |
| <b>COA per gross subscriber addition (\$)<sup>11</sup></b>                      | \$388     | \$341   | \$332   | \$319   | \$352   | \$379   | \$425   | \$438   | \$346          | \$395          |
| <b>Population coverage - digital incl. roaming/resale<sup>(D)</sup></b>         | 32.6      | 32.4    | 32.4    | 31.9    | 31.6    | 31.6    | 31.5    | 31.0    | 32.6           | 31.6           |

<sup>(A)</sup> Excludes the impact of TELUS' analogue network turndown which reduced net adds by 27,635 (1,774 Prepaid and 25,861 Postpaid), and resulted in higher churn of 1.68% and 1.57%, for Q3-08 and Dec YTD respectively

<sup>(B)</sup> Cumulative subscribers were reduced by approximately 2,600 in Q1-07 to reflect the discontinuation of network service to its cellular digital packet data (CDPD) subscribers.

<sup>(C)</sup> Includes a one-time adjustment in Q4-07 of 5,124 deactivations to the prepaid net adds.

<sup>(D)</sup> Includes expanded coverage due to roaming/resale agreements principally with Bell Mobility of approximately 7.5 million PCS POPs.



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

- <sup>1</sup> **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.
- <sup>2</sup> **EBITDA interest coverage ratio** is defined as EBITDA (excluding restructuring), divided by Financing costs before gains 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.
- <sup>3</sup> **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.
- <sup>4</sup> **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.
- <sup>5</sup> **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.
- <sup>6</sup> **Earnings before interest, taxes, depreciation and amortization** (EBITDA) includes restructuring
- <sup>7</sup> **EBITDA (as adjusted)** excludes non-cash expense (recovery) associated with net-cash settlement feature for share option awards granted prior to 2005.
- <sup>8</sup> **Capital expenditure intensity** is defined as capital expenditures as a percentage of operating revenues.
- <sup>9</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. 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.
- <sup>10</sup> **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.
- <sup>11</sup> **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).