



TELUS Corporation

Second Quarter, 2009

Supplemental Investor Information

(UNAUDITED)

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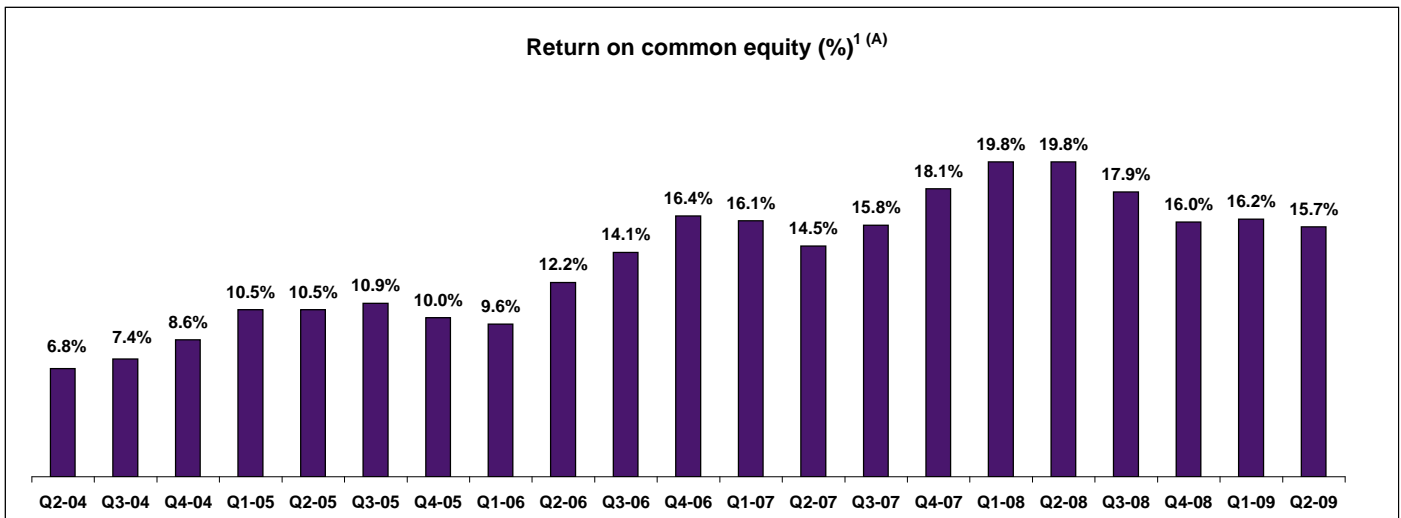
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TELUS Corporation
Selected Consolidated Data

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

	Quarterly						June 2009	Annual 2008
	Q2/09	Q1/09	Q4/08	Q3/08	Q2/08	Q1/08		
Net Income	244	322	285	286	268	292	566	1,131
Basic earnings per share (\$)	0.77	1.01	0.90	0.89	0.83	0.90	1.78	3.52
Dividends declared per share (\$)	0.475	0.475	0.475	0.450	0.450	0.450	0.950	1.825
Return on common equity ^{1 (A)}	15.7%	16.2%	16.0%	17.9%	19.8%	19.8%	15.7%	16.0%
EBITDA interest coverage ratio ²	8.7	8.5	8.3	8.4	9.1	8.8	8.7	8.3
Free cash flow ³	144	125	61	(482)	254	528	269	361
Net debt ⁴	7,255	7,301	7,286	7,187	6,644	6,653	7,255	7,286
Net debt : Total capitalization	49.1%	49.6%	50.2%	50.3%	48.6%	48.8%	49.1%	50.2%
Net debt : EBITDA ratio ⁵	1.9	1.9	1.9	1.9	1.7	1.8	1.9	1.9
Outstanding shares at end of period (M)	318	318	318	318	320	321	318	318
Basic weighted average shares outstanding (M)	318	318	318	319	321	324	318	320
Total customer connections (000s)	11,760	11,689	11,673	11,537	11,414	11,248	11,760	11,673

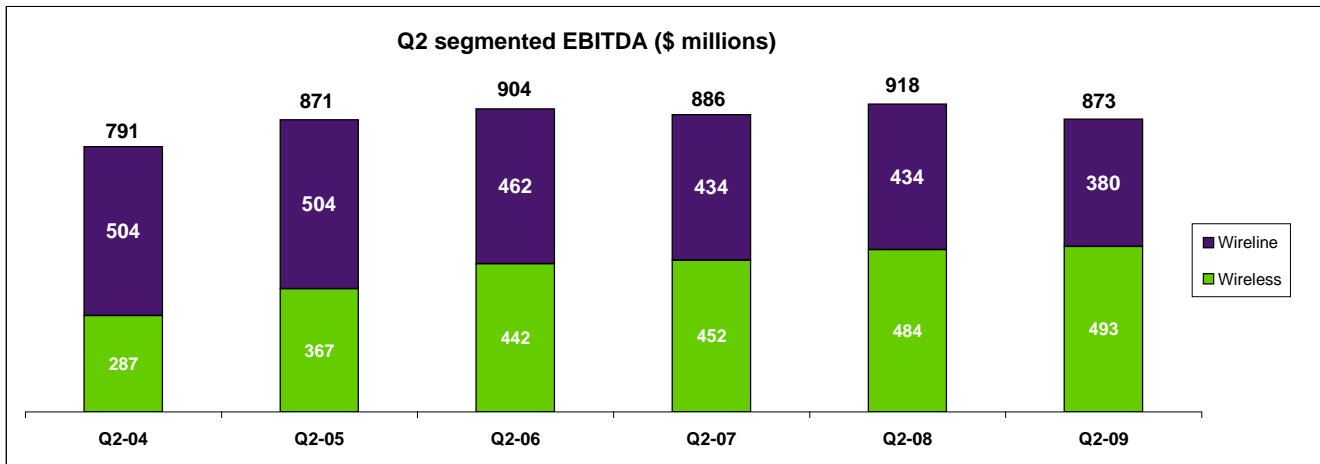
^(A) Return on equity reported for the 2008 periods have been restated for adjustments to common equity that came about from transitional provisions under CICA Handbook Section 3064. Figures for the 2007 and prior periods are as reported previously.



TELUS Corporation
Segmented Data

<i>\$ millions</i>	Qtr 2				June YTD			
	2009	2008	Change	% Change	2009	2008	Change	% Change
Revenues								
TELUS Wireline	1,262	1,289	(27)	-2.1%	2,540	2,570	(30)	-1.2%
TELUS Wireless	1,153	1,149	4	0.3%	2,290	2,256	34	1.5%
Less: Intersegment revenue	(38)	(39)	1	2.6%	(78)	(77)	(1)	-1.3%
Operating revenues	<u>2,377</u>	<u>2,399</u>	<u>(22)</u>	<u>-0.9%</u>	<u>4,752</u>	<u>4,749</u>	<u>3</u>	<u>0.1%</u>
EBITDA⁶								
TELUS Wireline	380	434	(54)	-12%	798	880	(82)	-9.3%
TELUS Wireless	493	484	9	1.9%	981	987	(6)	-0.6%
Consolidated	<u>873</u>	<u>918</u>	<u>(45)</u>	<u>-4.9%</u>	<u>1,779</u>	<u>1,867</u>	<u>(88)</u>	<u>-4.7%</u>
EBITDA margin								
TELUS Wireline	30.1%	33.7%	(3.6)		31.4%	34.2%	(2.8)	
TELUS Wireless	42.8%	42.1%	0.7		42.8%	43.8%	(1.0)	
Consolidated	<u>36.7%</u>	<u>38.3%</u>	<u>(1.6)</u>		<u>37.4%</u>	<u>39.3%</u>	<u>(1.9)</u>	
Capital expenditures								
TELUS Wireline	368	321	47	15%	646	576	70	12%
TELUS Wireless	189	114	75	66%	385	179	206	115%
Consolidated	<u>557</u>	<u>435</u>	<u>122</u>	<u>28%</u>	<u>1,031</u>	<u>755</u>	<u>276</u>	<u>37%</u>
Capital expenditure intensity⁷								
TELUS Wireline	29%	25%	4		25%	22%	3	
TELUS Wireless	16%	10%	6		17%	8%	9	
Consolidated	<u>23%</u>	<u>18%</u>	<u>5</u>		<u>22%</u>	<u>16%</u>	<u>6</u>	
EBITDA less capex								
TELUS Wireline	12	113	(101)	-89%	152	304	(152)	-50%
TELUS Wireless	304	370	(66)	-18%	596	808	(212)	-26%
Consolidated	<u>316</u>	<u>483</u>	<u>(167)</u>	<u>-35%</u>	<u>748</u>	<u>1,112</u>	<u>(364)</u>	<u>-33%</u>
EBITDA excluding restructuring costs^{6 (A)}								
TELUS Wireline	429	437	(8)	-1.8%	873	890	(17)	-1.9%
TELUS Wireless	497	485	12	2.5%	987	988	(1)	-0.1%
Consolidated ^(A)	<u>926</u>	<u>922</u>	<u>4</u>	<u>0.4%</u>	<u>1,860</u>	<u>1,878</u>	<u>(18)</u>	<u>-1.0%</u>
EBITDA margin excluding restructuring costs^(A)								
TELUS Wireline	34.0%	33.9%	0.1		34.4%	34.6%	(0.2)	
TELUS Wireless	43.1%	42.2%	0.9		43.1%	43.8%	(0.7)	
Consolidated	<u>39.0%</u>	<u>38.4%</u>	<u>0.6</u>		<u>39.1%</u>	<u>39.5%</u>	<u>(0.4)</u>	

^(A) EBITDA has been adjusted to exclude restructuring costs of \$53M and \$4M for Q2-09 and Q2-08, respectively, and \$81M and \$11M for Q2-09 YTD and Q2-08 YTD, respectively.

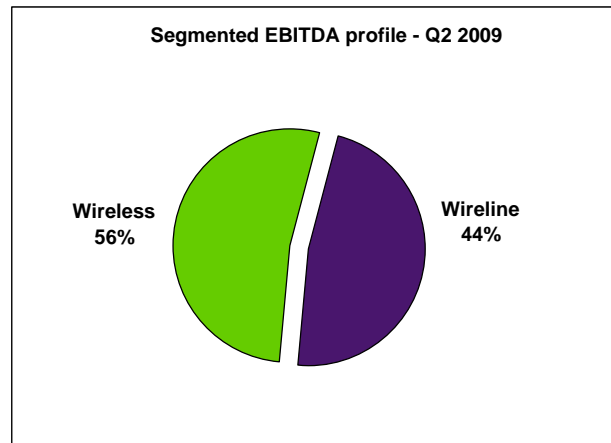
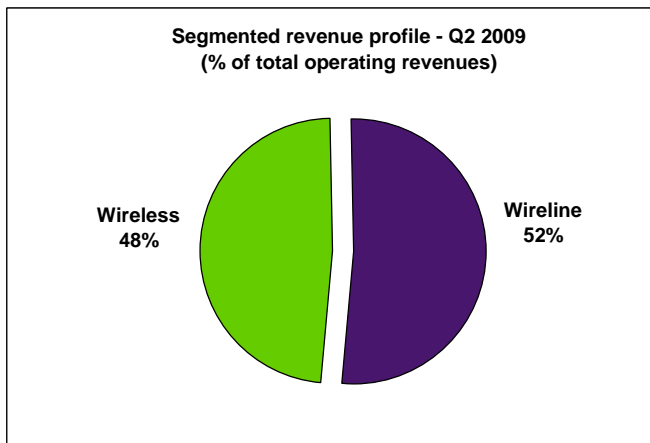


TELUS Corporation
Segmented Data - Historical Trend

<i>\$ millions</i>	Quarterly						June 2009	Annual 2008
	Q2/09	Q1/09	Q4/08	Q3/08	Q2/08	Q1/08		
Revenues								
TELUS Wireline	1,262	1,278	1,301	1,281	1,289	1,281	2,540	5,152
TELUS Wireless	1,153	1,137	1,195	1,209	1,149	1,107	2,290	4,660
Less: Intersegment revenue	(38)	(40)	(42)	(40)	(39)	(38)	(78)	(159)
Operating revenues	2,377	2,375	2,454	2,450	2,399	2,350	4,752	9,653
EBITDA⁶								
TELUS Wireline	380	418	445	449	434	446	798	1,774
TELUS Wireless	493	488	492	526	484	503	981	2,005
Consolidated	873	906	937	975	918	949	1,779	3,779
EBITDA margin								
TELUS Wireline	30.1%	32.7%	34.2%	35.1%	33.7%	34.8%	31.4%	34.4%
TELUS Wireless	42.8%	42.9%	41.2%	43.5%	42.1%	45.4%	42.8%	43.0%
Consolidated	36.7%	38.1%	38.2%	39.8%	38.3%	40.4%	37.4%	39.1%
Capital expenditures								
TELUS Wireline	368	278	395	340	321	255	646	1,311
TELUS Wireless	189	196	236	133	114	65	385	548
Consolidated	557	474	631	473	435	320	1,031	1,859
Capital expenditure intensity⁷								
TELUS Wireline	29%	22%	30%	27%	25%	20%	25%	25%
TELUS Wireless	16%	17%	20%	11%	10%	6%	17%	12%
Consolidated	23%	20%	26%	19%	18%	14%	22%	19%
EBITDA less capex								
TELUS Wireline	12	140	50	109	113	191	152	463
TELUS Wireless	304	292	256	393	370	438	596	1,457
Consolidated	316	432	306	502	483	629	748	1,920
Full-Time Equivalent (FTE) employees^(B)	34,400	34,700					34,400	35,900
EBITDA excluding restructuring costs^{6 (A)}								
TELUS Wireline	429	444	477	458	437	453	873	1,825
TELUS Wireless	497	490	498	527	485	503	987	2,013
Consolidated	926	934	975	985	922	956	1,860	3,838
EBITDA margin excluding restructuring costs^(A)								
TELUS Wireline	34.0%	34.7%	36.7%	35.8%	33.9%	35.4%	34.4%	35.4%
TELUS Wireless	43.1%	43.1%	41.7%	43.6%	42.2%	45.4%	43.1%	43.2%
Consolidated	39.0%	39.3%	39.7%	40.2%	38.4%	40.7%	39.1%	39.8%

(A) EBITDA has been adjusted to exclude restructuring costs of \$53M and \$4M for Q2-09 and Q2-08, respectively, and \$81M and \$11M for Q2-09 YTD and Q2-08 YTD, respectively.

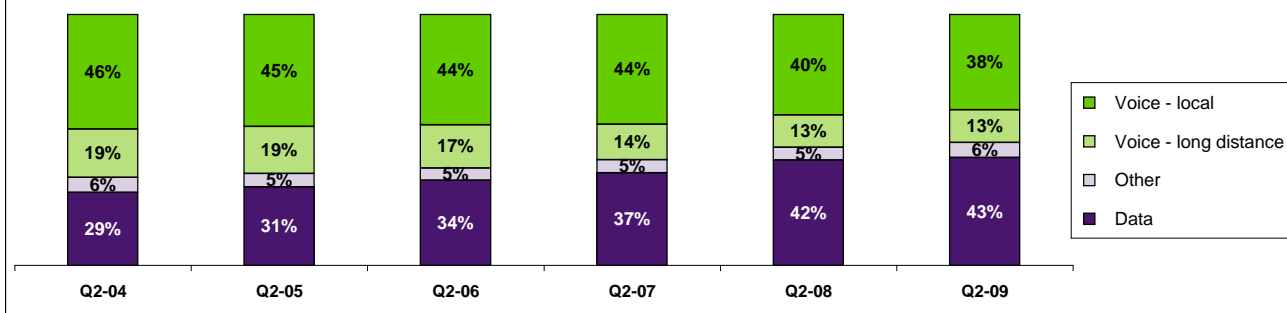
(B) Excluding full time equivalent (FTE) employees in TELUS International, as well as employees providing human resources outsourcing services to TELUS customers, FTE employees were approximately 26,900, 27,300 and 27,900, respectively, for Q2/09, Q1/09 and year end 2008.



TELUS Wireline Operations

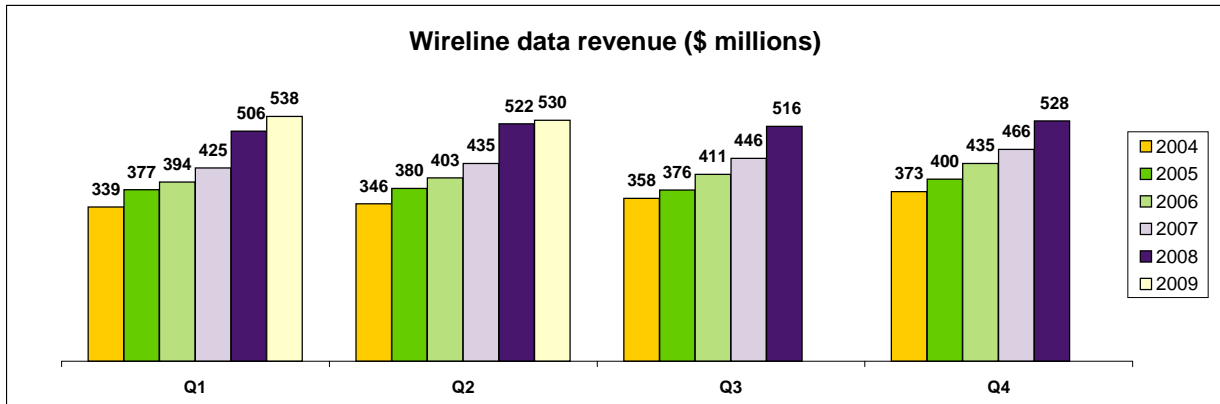
<i>\$ millions</i>	Qtr 2				June YTD			
	2009	2008	Change	% Change	2009	2008	Change	% Change
Revenues								
Voice - local	470	497	(27)	-5.4%	940	999	(59)	-5.9%
Voice - long distance	163	175	(12)	-6.9%	329	354	(25)	-7.1%
Data	530	522	8	1.5%	1,068	1,028	40	3.9%
Other	68	63	5	7.9%	139	126	13	10%
Total external revenue	1,231	1,257	(26)	-2.1%	2,476	2,507	(31)	-1.2%
Intersegment revenue	31	32	(1)	-3.1%	64	63	1	1.6%
Total operating revenues	1,262	1,289	(27)	-2.1%	2,540	2,570	(30)	-1.2%
Operations expense	833	852	(19)	-2.2%	1,667	1,680	(13)	-0.8%
Restructuring costs	49	3	46	n.m.	75	10	65	n.m.
Total operating expense	882	855	27	3.2%	1,742	1,690	52	3.1%
EBITDA⁶	380	434	(54)	-12%	798	880	(82)	-9.3%
EBITDA margin	30.1%	33.7%	(3.6)		31.4%	34.2%	(2.8)	
Capital expenditures	368	321	47	15%	646	576	70	12%
Capital expenditure intensity⁷	29%	25%	4		25%	22%	3	
EBITDA less capex	12	113	(101)	-89%	152	304	(152)	-50%
EBITDA⁶ excluding restructuring costs	429	437	(8)	-1.8%	873	890	(17)	-1.9%
EBITDA margin excluding restructuring costs	34.0%	33.9%	0.1		34.4%	34.6%	(0.2)	

Q2 Wireline revenue profile - (% of total external wireline revenue)



**TELUS Wireline
Operations - Historical Trend**

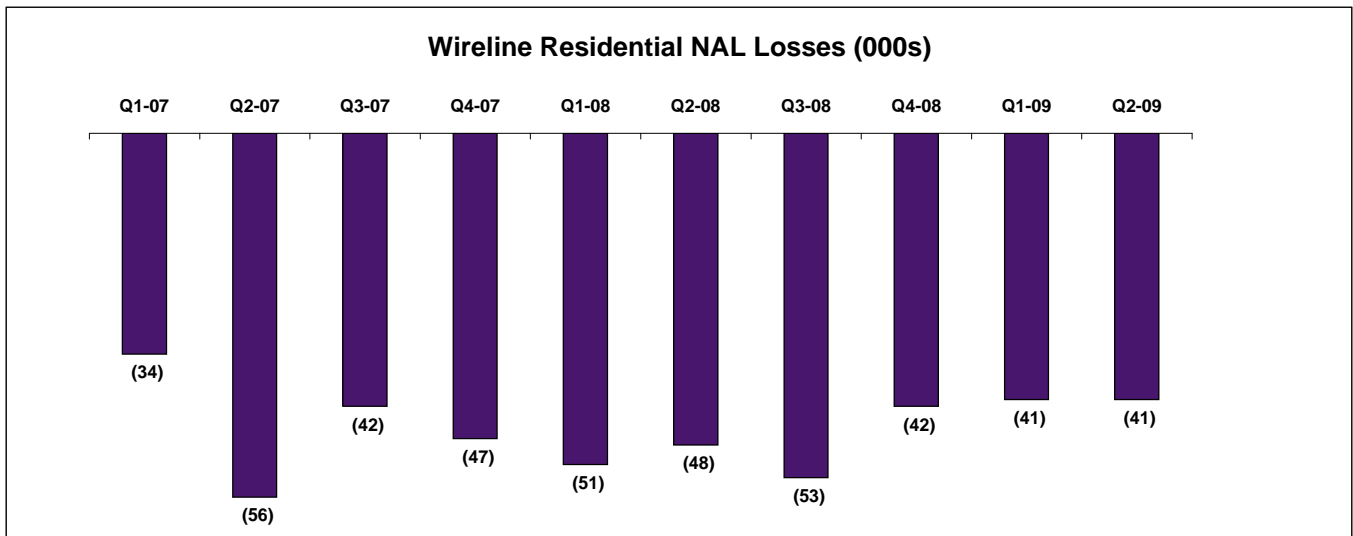
<i>\$ millions</i>	Quarterly						June 2009	Annual 2008
	Q2/09	Q1/09	Q4/08	Q3/08	Q2/08	Q1/08		
Revenues								
Voice - local	470	470	480	494	497	502	940	1,973
Voice - long distance	163	166	173	173	175	179	329	700
Data	530	538	528	516	522	506	1,068	2,072
Other	68	71	85	65	63	63	139	276
Total external revenue	1,231	1,245	1,266	1,248	1,257	1,250	2,476	5,021
Intersegment revenue	31	33	35	33	32	31	64	131
Total operating revenues	1,262	1,278	1,301	1,281	1,289	1,281	2,540	5,152
Operations expense	833	834	824	823	852	828	1,667	3,327
Restructuring costs	49	26	32	9	3	7	75	51
Total operating expense	882	860	856	832	855	835	1,742	3,378
EBITDA⁶	380	418	445	449	434	446	798	1,774
EBITDA margin	30.1%	32.7%	34.2%	35.1%	33.7%	34.8%	31.4%	34.4%
Capital expenditures	368	278	395	340	321	255	646	1,311
Capital expenditure intensity⁷	29%	22%	30%	27%	25%	20%	25%	25%
EBITDA less capex	12	140	50	109	113	191	152	463
EBITDA⁶ excluding restructuring costs	429	444	477	458	437	453	873	1,825
EBITDA margin excluding restructuring costs	34.0%	34.7%	36.7%	35.8%	33.9%	35.4%	34.4%	35.4%



TELUS Wireline Operating Statistics

	Qtr 2				June YTD			
	2009	2008	Change	% Change	2009	2008	Change	% Change
Network access lines (NAL) (000s)								
Residential					2,320	2,497	(177)	-7.1%
Business					1,824	1,828	(4)	-0.2%
Total					4,144	4,325	(181)	-4.2%
NAL net additions (losses) (000s)								
Residential	(41)	(48)	7	15%	(82)	(99)	17	17%
Business	(10)	8	(18)	n.m.	(20)	20	(40)	n.m.
Total	(51)	(40)	(11)	-28%	(102)	(79)	(23)	-29%
Internet subscriber net adds (000s)								
High-speed	3	24	(21)	-88%	17	44	(27)	-61%
Dial-up	(9)	(4)	(5)	-125%	(19)	(13)	(6)	-46%
Total	(6)	20	(26)	-130%	(2)	31	(33)	-106%
Internet subscribers (000s)								
High-speed ^(A)					1,108	1,064	44	4.1%
Dial-up					105	142	(37)	-26%
Total ^(A)					1,213	1,206	7	0.6%
TV subscriber net adds (000s)	17	10	7	70%	37	16	21	131%
TV subscribers (000s)					115	51	64	125%

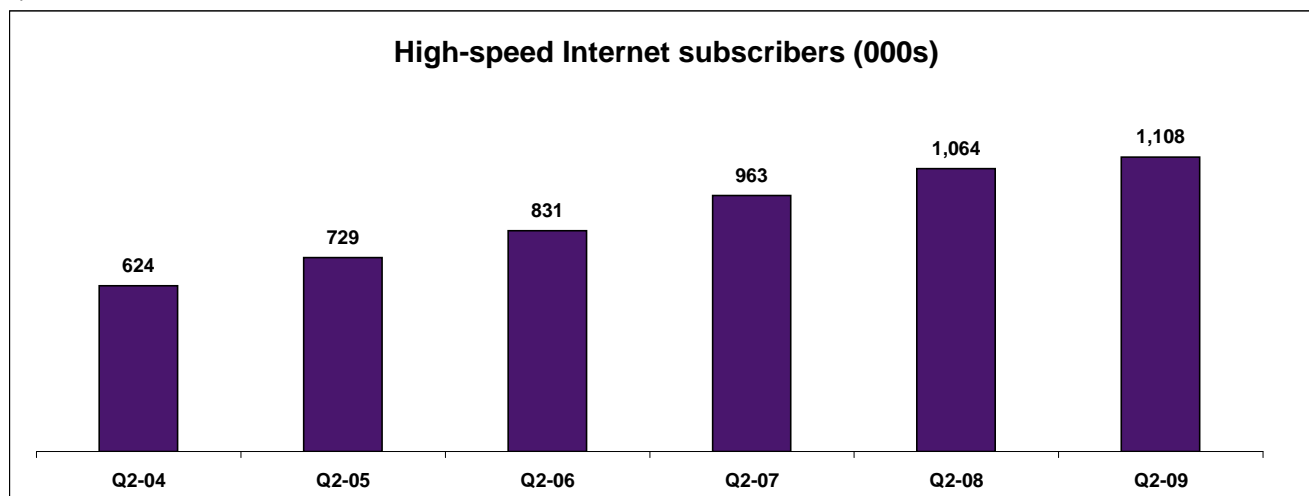
^(A) Opening balances for high-speed Internet subscribers and total Internet subscribers for the second quarter of 2009 were reduced by five thousand to reflect prior period reporting adjustments.



TELUS Wireline Operating Statistics - Historical Trend

	Quarterly						June 2009	Annual 2008
	Q2/09	Q1/09	Q4/08	Q3/08	Q2/08	Q1/08		
Network access lines (NAL) (000s)								
Residential	2,320	2,361	2,402	2,444	2,497	2,545	2,320	2,402
Business	1,824	1,834	1,844	1,838	1,828	1,820	1,824	1,844
Total	4,144	4,195	4,246	4,282	4,325	4,365	4,144	4,246
NAL net additions (losses) (000s)								
Residential	(41)	(41)	(42)	(53)	(48)	(51)	(82)	(194)
Business	(10)	(10)	6	10	8	12	(20)	36
Total	(51)	(51)	(36)	(43)	(40)	(39)	(102)	(158)
Internet subscriber net adds (000s)								
High-speed	3	14	19	13	24	20	17	76
Dial-up	(9)	(10)	(10)	(8)	(4)	(9)	(19)	(31)
Total	(6)	4	9	5	20	11	(2)	45
Internet subscribers (000s)								
High-speed ^(A)	1,108	1,105	1,096	1,077	1,064	1,040	1,108	1,096
Dial-up	105	114	124	134	142	146	105	124
Total ^(A)	1,213	1,219	1,220	1,211	1,206	1,186	1,213	1,220
TV subscriber net adds (000s)	17	20	15	12	10	6	37	43
TV subscribers (000s)	115	98	78	63	51	41	115	78

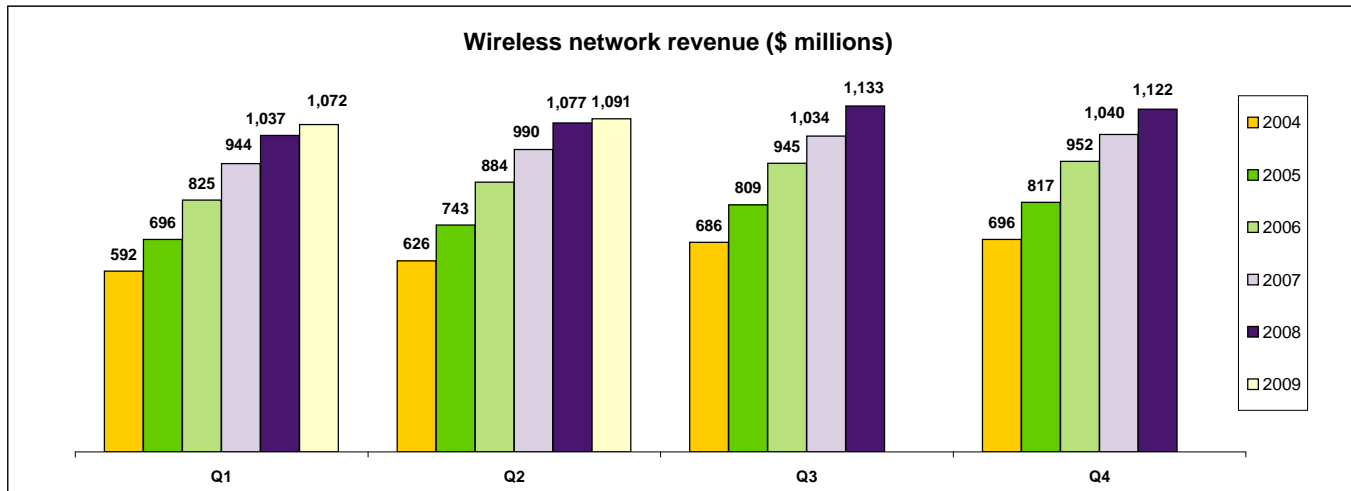
^(A) Opening balances for high-speed Internet subscribers and total Internet subscribers for the second quarter of 2009 were reduced by five thousand to reflect prior period reporting adjustments.



**TELUS Wireless
Operations**

<i>\$ millions</i>	Qtr 2				June YTD			
	2009	2008	Change	% Change	2009	2008	Change	% Change
Revenues								
Network revenue	1,091	1,077	14	1.3%	2,163	2,114	49	2.3%
Equipment revenue	55	65	(10)	-15%	113	128	(15)	-12%
Total external revenue	1,146	1,142	4	0.4%	2,276	2,242	34	1.5%
Intersegment revenue	7	7	-	-	14	14	-	-
Total operating revenues	1,153	1,149	4	0.3%	2,290	2,256	34	1.5%
Operations expense	656	664	(8)	-1.2%	1,303	1,268	35	2.8%
Restructuring costs	4	1	3	n.m.	6	1	5	n.m.
Total operating expense	660	665	(5)	-0.8%	1,309	1,269	40	3.2%
EBITDA⁶	493	484	9	1.9%	981	987	(6)	-0.6%
COA expense^(A)	125	145	(20)	-14%	241	258	(17)	-6.6%
EBITDA excluding COA	618	629	(11)	-1.7%	1,222	1,245	(23)	-1.8%
EBITDA margin (total revenue)	42.8%	42.1%	0.7		42.8%	43.8%	(1.0)	
EBITDA margin (network revenue)	45.2%	44.9%	0.3		45.4%	46.7%	(1.3)	
Retention spend % network revenue^(A)	10.6%	9.1%	1.5		10.5%	8.7%	1.8	
Capital expenditures	189	114	75	66%	385	179	206	115%
Capital expenditure intensity⁷	16%	10%	6		17%	8%	9	
EBITDA less capex	304	370	(66)	-18%	596	808	(212)	-26%
EBITDA⁶ excluding restructuring costs	497	485	12	2.5%	987	988	(1)	-0.1%
EBITDA margin excluding restructuring costs (total revenue)	43.1%	42.2%	0.9		43.1%	43.8%	(0.7)	

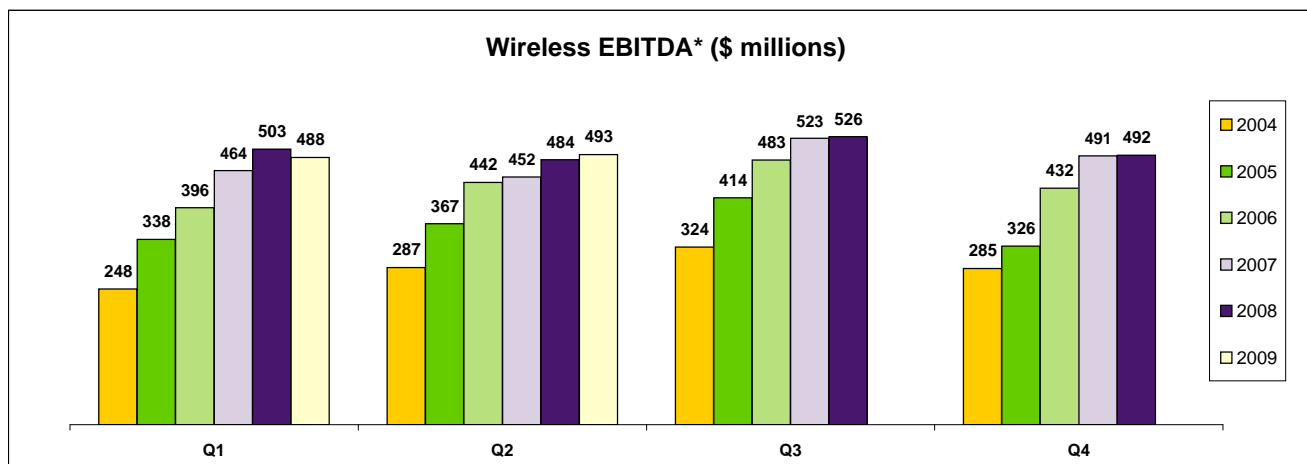
(A) In the first quarter of 2009, the Company refined the measurement of the costs of acquisition and retention in its operational systems to align with changes in the business and to improve consistency with industry measurements. Prior year comparative figures have been restated on a consistent basis.



TELUS Wireless Operations - Historical Trend

<i>\$ millions</i>	Quarterly						June 2009	Annual 2008
	Q2/09	Q1/09	Q4/08	Q3/08	Q2/08	Q1/08		
Revenues								
Network revenue	1,091	1,072	1,122	1,133	1,077	1,037	2,163	4,369
Equipment revenue	55	58	66	69	65	63	113	263
Total external revenue	1,146	1,130	1,188	1,202	1,142	1,100	2,276	4,632
Intersegment revenue	7	7	7	7	7	7	14	28
Total operating revenues	1,153	1,137	1,195	1,209	1,149	1,107	2,290	4,660
Operations expense	656	647	697	682	664	604	1,303	2,647
Restructuring costs	4	2	6	1	1	-	6	8
Total operating expense	660	649	703	683	665	604	1,309	2,655
EBITDA⁶	493	488	492	526	484	503	981	2,005
COA expense^(A)	125	116	164	160	145	113	241	582
EBITDA excluding COA	618	604	656	686	629	616	1,222	2,587
EBITDA margin (total revenue)	42.8%	42.9%	41.2%	43.5%	42.1%	45.4%	42.8%	43.0%
EBITDA margin (network revenue)	45.2%	45.5%	43.9%	46.4%	44.9%	48.5%	45.4%	45.9%
Retention spend % network revenue^(A)	10.6%	10.5%	9.4%	8.7%	9.1%	8.5%	10.5%	8.9%
Capital expenditures	189	196	236	133	114	65	385	548
Capital expenditure intensity⁷	16%	17%	20%	11%	10%	6%	17%	12%
EBITDA less capex	304	292	256	393	370	438	596	1,457
EBITDA⁶ excluding restructuring costs	497	490	498	527	485	503	987	2,013
EBITDA margin, less restructuring costs (total revenue)	43.1%	43.1%	41.7%	43.6%	42.2%	45.4%	43.1%	43.2%

^(A) In the first quarter of 2009, 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.



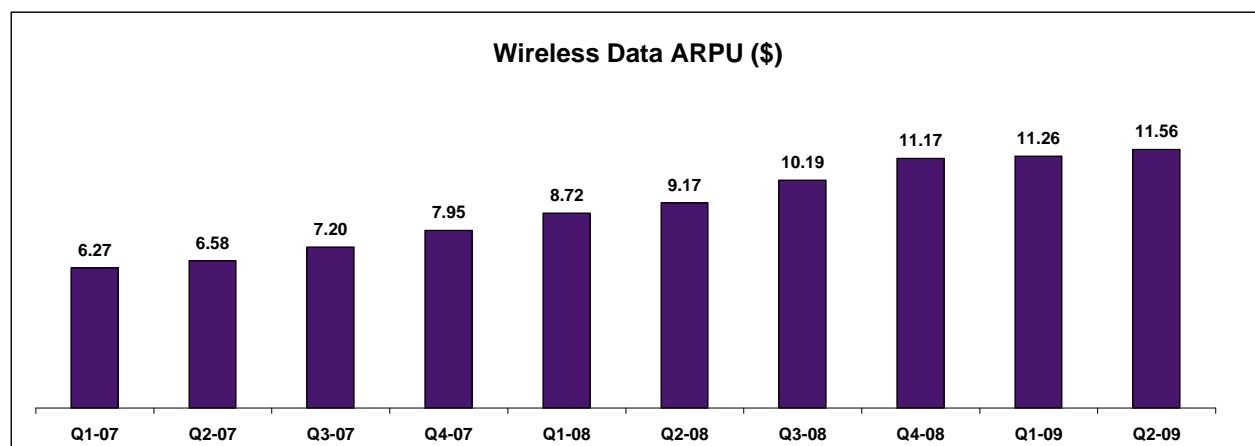
*2007 EBITDA has been adjusted to exclude non-cash expense (recovery) associated with net-cash settlement feature for share option awards granted prior to 2005.

TELUS Wireless Operating Statistics

<i>population coverage in millions</i>	Qtr 2				June YTD			
	2009	2008	Change	% Change	2009	2008	Change	% Change
Subscriber gross adds (000s)								
Postpaid	247	279	(32)	-11%	462	483	(21)	-4.3%
Prepaid	155	143	12	8.4%	286	284	2	0.7%
Total	402	422	(20)	-4.7%	748	767	(19)	-2.5%
Subscriber net adds, as reported (000s)								
Postpaid	95	157	(62)	-39%	139	229	(90)	-39%
Prepaid	16	19	(3)	-16%	20	35	(15)	-43%
Total	111	176	(65)	-37%	159	264	(105)	-40%
Digital subscribers (000s)								
End of period					6,288	5,762	526	9%
Percentage of total subscribers					100%	99%	1	
Subscribers (000s)								
Postpaid					5,061	4,670	391	8.4%
Prepaid					1,227	1,162	65	5.6%
Total					6,288	5,832	456	7.8%
ARPU (\$) ⁹								
Data ARPU	\$58.61	\$62.73	\$ (4.12)	-6.6%	\$58.50	\$62.31	\$ (3.81)	-6.1%
	\$11.56	\$9.17	\$ 2.39	26%	\$11.41	\$8.95	\$ 2.46	28%
Churn, per month (%) , as reported ⁹	1.55%	1.43%	0.12		1.59%	1.48%	0.11	
Average minutes of use per subscriber per month (MOU)	402	420	(18)	-4.3%	392	408	(16)	-3.8%
COA per gross subscriber addition (\$) ^{10 (A)}	\$311	\$342	(31)	-9.1%	\$322	\$336	(14)	-4.2%
Population coverage - digital incl. roaming/resale ^(B)					32.7	32.4	0.3	0.9%

^(A) In the first quarter of 2009, 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.

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



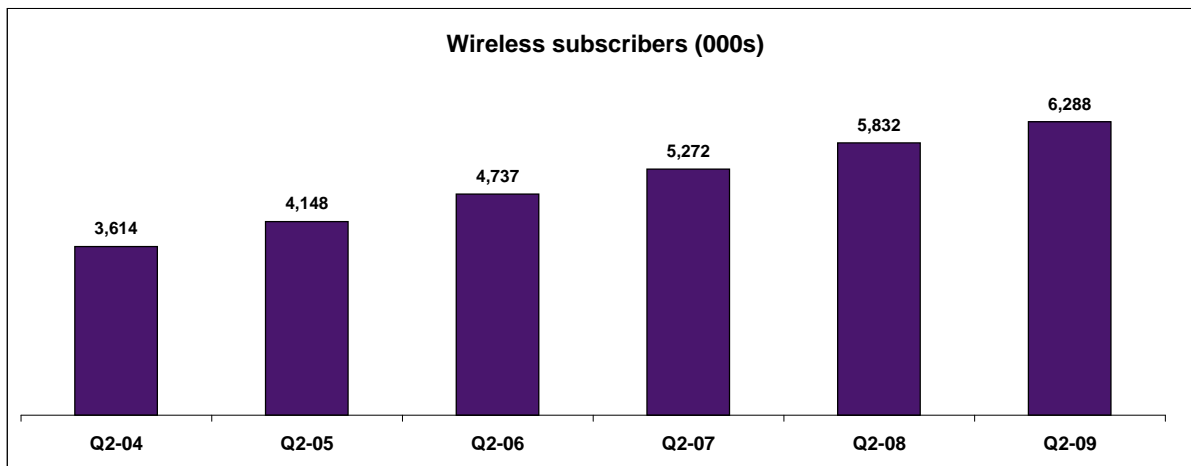
TELUS Wireless
Operating Statistics - Historical Trend

<i>population coverage in millions</i>	Quarterly						June 2009	Annual 2008
	Q2/09	Q1/09	Q4/08	Q3/08	Q2/08	Q1/08		
Subscriber gross adds (000s)								
Postpaid	247	215	279	300	279	204	462	1,062
Prepaid	155	131	162	147	143	141	286	593
Total	402	346	441	447	422	345	748	1,655
Subscriber net adds, adjusted for analogue turndown (000s)^(A)								
Postpaid	95	44	119	159	157	72	139	507
Prepaid	16	4	29	17	19	16	20	81
Total	111	48	148	176	176	88	159	588
Subscriber net adds, as reported (000s)								
Postpaid	95	44	119	133	157	72	139	481
Prepaid	16	4	29	16	19	16	20	80
Total	111	48	148	149	176	88	159	561
Digital subscribers (000s)								
End of period	6,288	6,177	6,129	5,981	5,762	5,566	6,288	6,129
Percentage of total subscribers	100%	100%	100%	100%	99%	98%	100%	100%
Subscribers (000s)								
Postpaid	5,061	4,966	4,922	4,803	4,670	4,513	5,061	4,922
Prepaid	1,227	1,211	1,207	1,178	1,162	1,143	1,227	1,207
Total	6,288	6,177	6,129	5,981	5,832	5,656	6,288	6,129
ARPU (\$) ⁸	\$58.61	\$58.39	\$62.16	\$64.14	\$62.73	\$61.88	\$58.50	\$62.73
Data ARPU	\$11.56	\$11.26	\$11.17	\$10.19	\$9.17	\$8.72	\$11.41	\$9.84
Churn, per month (%), as adjusted for analogue turndown ^{9 (A)}	1.55%	1.62%	1.62%	1.52%	1.43%	1.53%	1.59%	1.52%
Churn, per month (%), as reported ⁹	1.55%	1.62%	1.62%	1.68%	1.43%	1.53%	1.59%	1.57%
Average minutes of use per subscriber per month (MOU)	402	382	412	416	420	394	392	411
COA per gross subscriber addition (\$) ^{10 (B)}	\$311	\$336	\$372	\$358	\$342	\$328	\$322	\$351
Population coverage - digital incl. roaming/resale ^(C)	32.7	32.7	32.6	32.4	32.4	31.9	32.7	32.6

^(A) 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

^(B) In the first quarter of 2009, 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.

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



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 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.
- 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).