



TELUS Corporation

Fourth Quarter, 2016

Supplemental Investor Information

(UNAUDITED)

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

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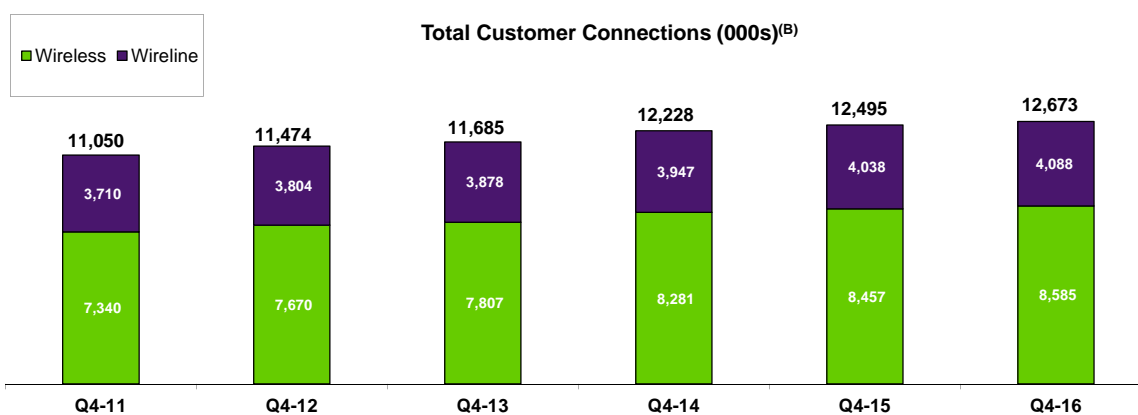
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TELUS Corporation
Selected Consolidated Data

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

	Quarterly								Annual 2016	Annual 2015
	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15		
Net Income	87	355	416	378	261	365	341	415	1,236	1,382
Basic earnings per share (\$)	0.14	0.59	0.70	0.64	0.44	0.61	0.56	0.68	2.06	2.29
Dividends declared per share (\$)	0.48	0.46	0.46	0.44	0.44	0.42	0.42	0.40	1.84	1.68
Return on common equity ¹	15.4%	17.9%	18.5%	17.7%	18.3%	18.7%	18.3%	18.5%	15.4%	18.3%
EBITDA interest coverage ratio ^{2 (A)}	8.3	8.5	8.8	9.2	9.7	9.8	9.8	9.4	8.3	9.7
Free cash flow ³	(191)	98	126	108	197	310	300	271	141	1,078
Net debt ⁴	12,652	12,217	12,257	12,374	11,953	11,713	11,795	10,011	12,652	11,953
Net debt : EBITDA (times) ⁵	2.69	2.62	2.67	2.74	2.66	2.64	2.67	2.30	2.69	2.66
Outstanding shares at end of period (M)	590	591	592	593	594	600	602	605	590	594
Basic weighted average shares outstanding (M)	591	592	593	593	598	601	605	608	592	603
Total customer connections (000s) ^(B)	12,673	12,577	12,494	12,443	12,495	12,436	12,342	12,260	12,673	12,495

^(A) EBITDA excluding restructuring and other costs.

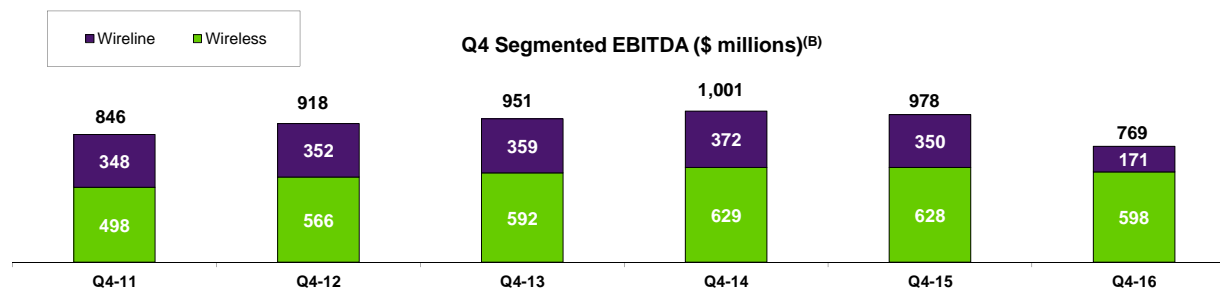


^(B)Customer Connections may not balance due to rounding alignment to YTD figures. Subsequent to a review of our subscriber base, our Q1 2016 beginning of period postpaid wireless subscriber base was reduced by 45,000. As well, effective December 31, 2015, business NALs have been removed from the reported subscriber base due to its diminishing relevance as a key performance indicator, and as such our January 1, 2015, opening reported subscriber balance has been retrospectively adjusted to exclude 1,613,000 business NALs. In addition, Q1 2016 beginning of period high-speed Internet subscriber base was increased by 21,000.

TELUS Corporation
Segmented Data

<i>\$ millions</i>	Quarter 4				December YTD			
	2016	2015	Change	% Change	2016	2015	Change	% Change
Revenues								
TELUS Wireless	1,856	1,789	67	3.7%	7,173	6,994	179	2.6%
TELUS Wireline	1,515	1,489	26	1.7%	5,878	5,743	135	2.4%
Less: Intersegment revenue	(66)	(61)	(5)	8.2%	(252)	(235)	(17)	7.2%
Operating revenues	3,305	3,217	88	2.7%	12,799	12,502	297	2.4%
EBITDA								
TELUS Wireless	598	628	(30)	(4.7%)	2,906	2,806	100	3.6%
TELUS Wireline	171	350	(179)	(51.1%)	1,323	1,456	(133)	(9.1%)
Consolidated	769	978	(209)	(21.3%)	4,229	4,262	(33)	(0.8%)
EBITDA margin								
TELUS Wireless	32.2%	35.1%	(2.9) pts.		40.5%	40.1%	0.4 pts.	
TELUS Wireline	11.3%	23.5%	(12.2) pts.		22.5%	25.4%	(2.9) pts.	
Consolidated	23.3%	30.4%	(7.1) pts.		33.0%	34.1%	(1.1) pts.	
Capital expenditures								
TELUS Wireless	249	209	40	19.1%	982	893	89	10.0%
TELUS Wireline	545	446	99	22.2%	1,986	1,684	302	17.9%
Consolidated	794	655	139	21.2%	2,968	2,577	391	15.2%
Capital expenditure intensity⁶								
TELUS Wireless	13%	12%	1 pts.		14%	13%	1 pts.	
TELUS Wireline	36%	30%	6 pts.		34%	29%	5 pts.	
Consolidated	24%	20%	4 pts.		23%	21%	2 pts.	
EBITDA less capex								
TELUS Wireless	349	419	(70)	(16.7%)	1,924	1,913	11	0.6%
TELUS Wireline	(374)	(96)	(278)	n.m.	(663)	(228)	(435)	n.m.
Consolidated	(25)	323	(348)	n.m.	1,261	1,685	(424)	(25.2%)
EBITDA excluding restructuring and other costs^(A)								
TELUS Wireless	683	653	30	4.6%	3,027	2,887	140	4.8%
TELUS Wireline	434	424	10	2.4%	1,681	1,601	80	5.0%
Consolidated	1,117	1,077	40	3.7%	4,708	4,488	220	4.9%
EBITDA margin excluding restructuring and other costs^(A)								
TELUS Wireless	36.8%	36.5%	0.3 pts.		42.2%	41.3%	0.9 pts.	
TELUS Wireline	28.6%	28.5%	0.1 pts.		28.6%	27.9%	0.7 pts.	
Consolidated	33.8%	33.5%	0.3 pts.		36.8%	35.9%	0.9 pts.	

^(A)EBITDA has been adjusted to exclude restructuring and other costs of \$349M and \$99M for Q4-16 and Q4-15, respectively, and \$480M and \$226M for 2016 YTD and 2015 YTD, respectively.

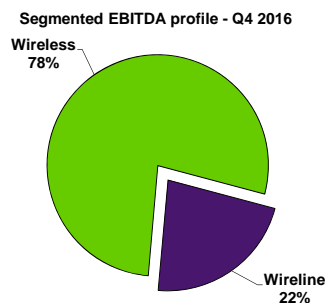
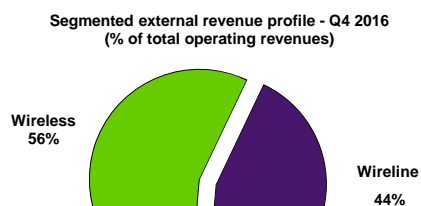


^(B)Periods in 2012 and 2011 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits (2011).

TELUS Corporation
Segmented Data - Historical Trend

\$ millions	Quarterly								Annual 2016	Annual 2015
	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15		
Revenues										
TELUS Wireless	1,856	1,833	1,768	1,716	1,789	1,783	1,736	1,686	7,173	6,994
TELUS Wireline	1,515	1,468	1,442	1,453	1,489	1,432	1,423	1,399	5,878	5,743
Less: Intersegment revenue	(66)	(63)	(62)	(61)	(61)	(60)	(57)	(57)	(252)	(235)
Operating revenues	3,305	3,238	3,148	3,108	3,217	3,155	3,102	3,028	12,799	12,502
EBITDA										
TELUS Wireless	598	759	793	756	628	715	719	744	2,906	2,806
TELUS Wireline	171	372	396	384	350	353	362	391	1,323	1,456
Consolidated	769	1,131	1,189	1,140	978	1,068	1,081	1,135	4,229	4,262
EBITDA margin										
TELUS Wireless	32.2%	41.4%	44.9%	44.1%	35.1%	40.1%	41.4%	44.1%	40.5%	40.1%
TELUS Wireline	11.3%	25.3%	27.5%	26.4%	23.5%	24.7%	25.4%	28.0%	22.5%	25.4%
Consolidated	23.3%	34.9%	37.8%	36.7%	30.4%	33.9%	34.8%	37.5%	33.0%	34.1%
Capital expenditures										
TELUS Wireless	249	295	258	180	209	209	227	248	982	893
TELUS Wireline	545	492	511	438	446	414	437	387	1,986	1,684
Consolidated	794	787	769	618	655	623	664	635	2,968	2,577
Capital expenditure intensity⁵										
TELUS Wireless	13%	16%	15%	10%	12%	12%	13%	15%	14%	13%
TELUS Wireline	36%	34%	35%	30%	30%	29%	31%	28%	34%	29%
Consolidated	24%	24%	24%	20%	20%	20%	21%	21%	23%	21%
EBITDA less capex										
TELUS Wireless	349	464	535	576	419	506	492	496	1,924	1,913
TELUS Wireline	(374)	(120)	(115)	(54)	(96)	(61)	(75)	4	(663)	(228)
Consolidated	(25)	344	420	522	323	445	417	500	1,261	1,685
EBITDA excluding restructuring and other costs^(A)										
TELUS Wireless	683	777	802	765	653	729	755	750	3,027	2,887
TELUS Wireline	434	414	410	423	424	390	385	402	1,681	1,601
Consolidated	1,117	1,191	1,212	1,188	1,077	1,119	1,140	1,152	4,708	4,488
EBITDA margin excluding restructuring and other costs^(A)										
TELUS Wireless	36.8%	42.4%	45.4%	44.6%	36.5%	40.9%	43.5%	44.5%	42.2%	41.3%
TELUS Wireline	28.6%	28.2%	28.4%	29.1%	28.5%	27.3%	27.0%	28.8%	28.6%	27.9%
Consolidated	33.8%	36.8%	38.5%	38.2%	33.5%	35.5%	36.8%	38.0%	36.8%	35.9%
Full-Time Equivalent (FTE) employees	50,500	49,500	47,900	46,800	46,600	46,000	43,900	42,600	50,500	46,600
<i>Full-Time Equivalent (FTE) employees, excluding TELUS International</i>	24,700	24,700	25,100	25,300	25,900	26,500	26,800	26,600	24,700	25,900

^(A) EBITDA has been adjusted to exclude restructuring and other costs (see Historical Trend pages for Wireless and Wireline).

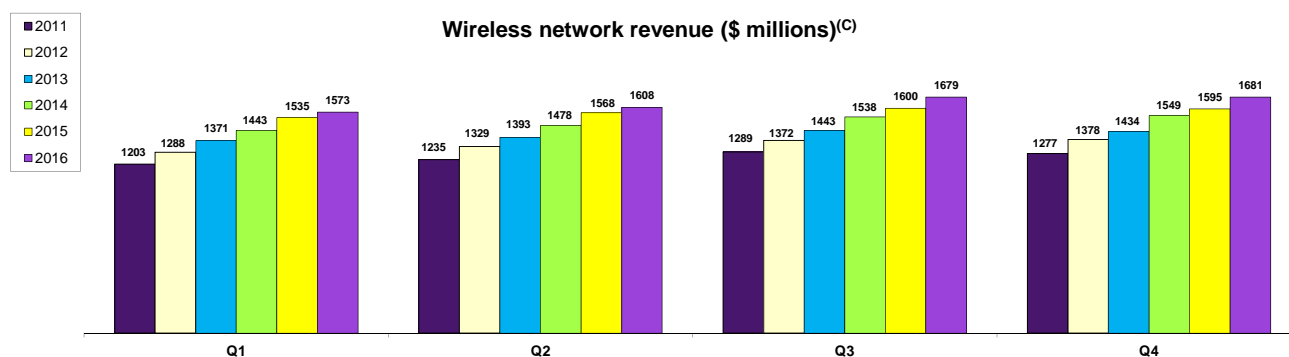


TELUS Wireless Operations^(A)

\$ millions	Quarter 4				December YTD			
	2016	2015	Change	% Change	2016	2015	Change	% Change
Revenues								
Network revenue	1,681	1,595	86	5.4%	6,541	6,298	243	3.9%
Equipment and other service revenue	155	170	(15)	(8.8%)	537	626	(89)	(14.2%)
Revenues arising from contracts with customers	1,836	1,765	71	4.0%	7,078	6,924	154	2.2%
Other operating income	5	7	(2)	(28.6%)	37	9	28	n.m.
Total external revenue	1,841	1,772	69	3.9%	7,115	6,933	182	2.6%
Intersegment network revenue	15	17	(2)	(11.8%)	58	61	(3)	(4.9%)
Total operating revenues	1,856	1,789	67	3.7%	7,173	6,994	179	2.6%
Goods and services purchased	1,025	965	60	6.2%	3,544	3,471	73	2.1%
Employee benefits expense ^(B)	233	196	37	18.9%	723	717	6	0.8%
Total operating expense	1,258	1,161	97	8.4%	4,267	4,188	79	1.9%
EBITDA	598	628	(30)	(4.7%)	2,906	2,806	100	3.6%
COA expense	199	175	24	13.7%	636	602	34	5.6%
EBITDA excluding COA	797	803	(6)	(0.7%)	3,542	3,408	134	3.9%
EBITDA margin (total revenue)	32.2%	35.1%	(2.9) pts.		40.5%	40.1%	0.4 pts.	
Capital expenditures	249	209	40	19.1%	982	893	89	10.0%
Capital expenditure intensity⁶	13%	12%	1 pts.		14%	13%	1 pts.	
EBITDA less capex	349	419	(70)	(16.7%)	1,924	1,913	11	0.6%
Restructuring and other costs included in total operating expense	85	25	60	n.m.	121	81	40	49.4%
EBITDA excluding restructuring and other costs	683	653	30	4.6%	3,027	2,887	140	4.8%
EBITDA margin excluding restructuring and other costs (total revenue)	36.8%	36.5%	0.3 pts.		42.2%	41.3%	0.9 pts.	

^(A) May not balance due to rounding alignment to YTD figures.

^(B) Includes restructuring and other costs.



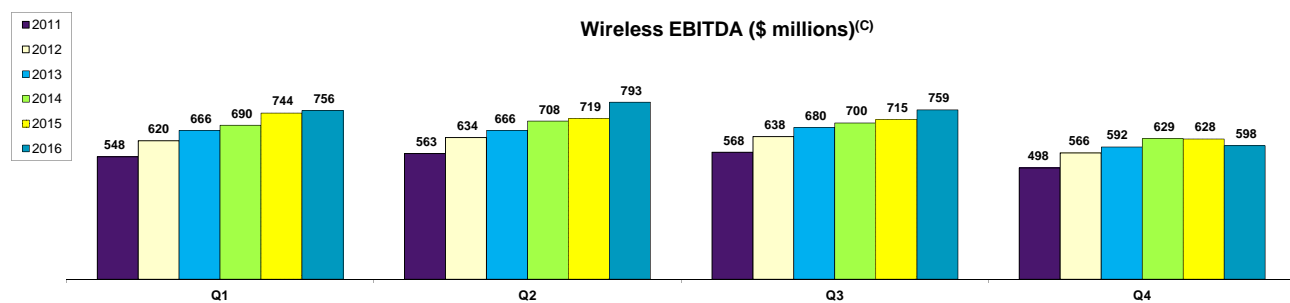
^(C) Periods in 2012 and 2011 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits (2011).

TELUS Wireless
Operations - Historical Trend^(A)

<i>\$ millions</i>	Quarterly								Annual 2016	Annual 2015
	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15		
Revenues										
Network revenue	1,681	1,679	1,608	1,573	1,595	1,600	1,568	1,535	6,541	6,298
Equipment and other service revenue	155	135	123	124	170	165	156	135	537	626
Revenues arising from contracts with customers	1,836	1,814	1,731	1,697	1,765	1,765	1,724	1,670	7,078	6,924
Other operating income	5	4	23	5	7	2	(2)	2	37	9
Total external revenue	1,841	1,818	1,754	1,702	1,772	1,767	1,722	1,672	7,115	6,933
Intersegment network revenue	15	15	14	14	17	16	14	14	58	61
Total operating revenues	1,856	1,833	1,768	1,716	1,789	1,783	1,736	1,686	7,173	6,994
Goods and services purchased	1,025	908	817	794	965	886	840	780	3,544	3,471
Employee benefits expense ^(B)	233	166	158	166	196	182	177	162	723	717
Total operating expense	1,258	1,074	975	960	1,161	1,068	1,017	942	4,267	4,188
EBITDA	598	759	793	756	628	715	719	744	2,906	2,806
COA expense	199	165	146	126	175	156	143	128	636	602
EBITDA excluding COA	797	924	939	882	803	871	862	872	3,542	3,408
EBITDA margin (total revenue)	32.2%	41.4%	44.9%	44.1%	35.1%	40.1%	41.4%	44.1%	40.5%	40.1%
Capital expenditures	249	295	258	180	209	209	227	248	982	893
Capital expenditure intensity⁶	13%	16%	15%	10%	12%	12%	13%	15%	14%	13%
EBITDA less capex	349	464	535	576	419	506	492	496	1,924	1,913
Restructuring and other costs included in total operating expense	85	18	9	9	25	14	36	6	121	81
EBITDA excluding restructuring and other costs	683	777	802	765	653	729	755	750	3,027	2,887
EBITDA margin excluding restructuring and other costs (total revenue)	36.8%	42.4%	45.4%	44.6%	36.5%	40.9%	43.5%	44.5%	42.2%	41.3%

^(A) May not balance due to rounding alignment to YTD figures.

^(B) Includes restructuring and other costs.



^(C) Periods in 2012 and 2011 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits (2011).

**TELUS Wireless
Operating Statistics^(A)**

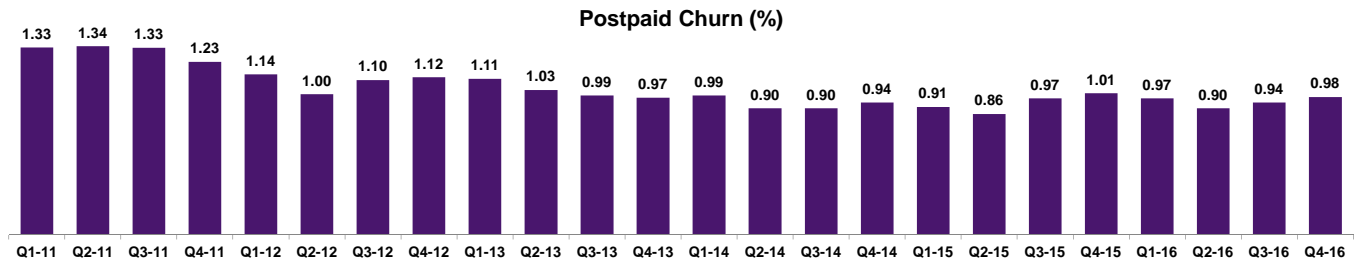
	Quarter 4				December YTD			
	2016	2015	Change	% Change	2016	2015	Change	% Change
Subscriber gross adds (000s)								
Postpaid	297	273	24	8.8%	1,039	1,014	25	2.5%
Prepaid	101	98	3	3.1%	360	429	(69)	(16.1%)
Total	398	371	27	7.3%	1,399	1,443	(44)	(3.0%)
Subscriber net adds (000s)								
Postpaid	87	62	25	40.3%	243	244	(1)	(0.4%)
Prepaid	(9)	(26)	17	65.4%	(70)	(68)	(2)	(2.9%)
Total	78	36	42	n.m.	173	176	(3)	(1.7%)
Subscribers (000s)^(B)								
Postpaid ^(B)	7,550	7,352	198	2.7%	7,550	7,352	198	2.7%
Prepaid	1,035	1,105	(70)	(6.3%)	1,035	1,105	(70)	(6.3%)
Total ^(B)	8,585	8,457	128	1.5%	8,585	8,457	128	1.5%
ARPU (\$) ⁷	\$66.24	\$63.74	\$2.50	3.9%	\$65.10	\$63.45	\$1.65	2.6%
Churn, per month (%)⁸								
Blended Churn	1.25%	1.32%	(0.07) pts.		1.21%	1.26%	(0.05) pts.	
Postpaid Churn	0.98%	1.01%	(0.03) pts.		0.95%	0.94%	0.01 pts.	
COA per gross subscriber addition (\$) ⁹	\$500	\$472	\$28	6.0%	\$455	\$418	\$37	8.9%
Retention spend % network revenue^(C)	17.9%	17.0%	0.9 pts.		14.7%	13.9%	0.8 pts.	
Population coverage in millions - HSPA^(D)	35.7	35.7	-	-	35.7	35.7	-	-
Population coverage in millions - LTE^(D)	35.2	34.9	0.3	0.9%	35.2	34.9	0.3	0.9%

^(A) May not balance due to rounding alignment to YTD figures.

^(B) Subsequent to a review of our subscriber base, our Q1 2016 beginning of period postpaid wireless subscriber base was reduced by 45,000.

^(C) Includes intersegment network revenue.

^(D) Includes expanded coverage due to network access agreements, principally with Bell.



TELUS Wireless
Operating Statistics - Historical Trend^(A)

	Quarterly								Annual 2016	Annual 2015
	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15		
Subscriber gross adds (000s)										
Postpaid	297	283	247	212	273	269	249	223	1,039	1,014
Prepaid	101	96	84	79	98	121	106	104	360	429
Total	398	379	331	291	371	390	355	327	1,399	1,443
Subscriber net adds (000s)										
Postpaid	87	87	61	8	62	69	76	37	243	244
Prepaid	(9)	(7)	(21)	(33)	(26)	-	(13)	(29)	(70)	(68)
Total	78	80	40	(25)	36	69	63	8	173	176
Subscribers (000s)^(B)										
Postpaid ^(B)	7,550	7,463	7,376	7,315	7,352	7,290	7,221	7,145	7,550	7,352
Prepaid	1,035	1,044	1,051	1,072	1,105	1,131	1,131	1,144	1,035	1,105
Total	8,585	8,507	8,427	8,387	8,457	8,421	8,352	8,289	8,585	8,457
ARPU (\$) ⁽⁷⁾	\$66.24	\$66.67	\$64.38	\$63.08	\$63.74	\$64.22	\$63.48	\$62.34	\$65.10	\$63.45
Churn, per month (%) ⁽⁸⁾										
Blended Churn	1.25%	1.18%	1.15%	1.26%	1.32%	1.28%	1.17%	1.28%	1.21%	1.26%
Postpaid Churn	0.98%	0.94%	0.90%	0.97%	1.01%	0.97%	0.86%	0.91%	0.95%	0.94%
COA per gross subscriber addition (\$) ⁽⁹⁾	\$500	\$435	\$442	\$435	\$472	\$400	\$404	\$392	\$455	\$418
Retention spend % network revenue ^(C)	17.9%	14.6%	12.9%	13.5%	17.0%	14.3%	12.1%	12.1%	14.7%	13.9%
Population coverage in millions - HSPA ^(D)	35.7	35.7	35.7	35.7	35.7	35.7	35.7	35.6	35.7	35.7
Population coverage in millions - LTE ^(D)	35.2	35.1	35.1	35.0	34.9	34.3	33.9	33.1	35.2	34.9

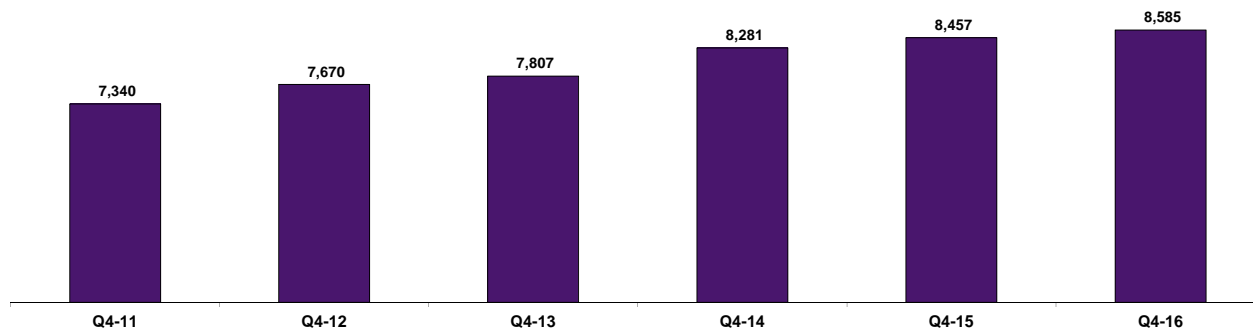
^(A) May not balance due to rounding alignment to YTD figures.

^(B) Subsequent to a review of our subscriber base, our Q1 2016 beginning of period postpaid wireless subscriber base was reduced by 45,000.

^(C) Includes intersegment network revenue.

^(D) Includes expanded coverage due to network access agreements, principally with Bell.

Wireless subscribers (000s)



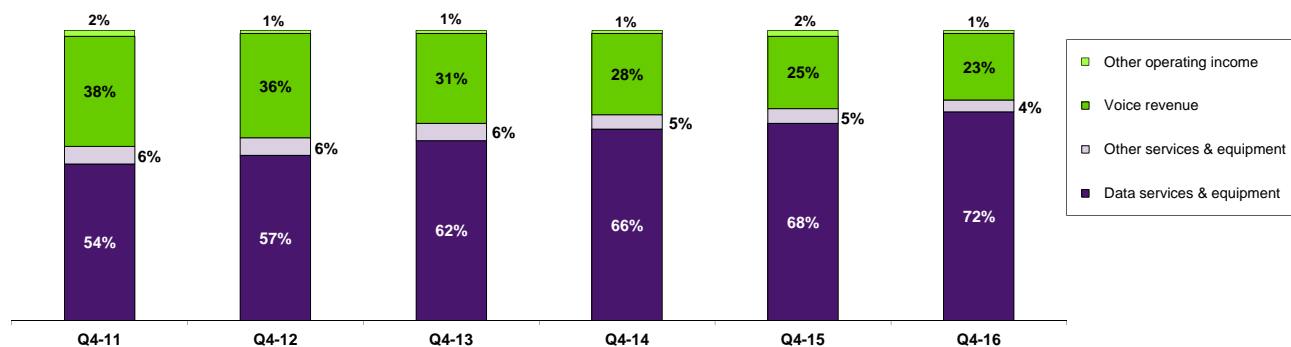
**TELUS Wireline
Operations^(A)**

<i>\$ millions</i>	Quarter 4				December YTD			
	2016	2015	Change	% Change	2016	2015	Change	% Change
Revenues								
Data service and equipment	1,051	991	60	6.1%	4,059	3,772	287	7.6%
Voice revenue	340	358	(18)	(5.0%)	1,363	1,496	(133)	(8.9%)
Other services and equipment	61	72	(11)	(15.3%)	225	238	(13)	(5.5%)
Revenues arising from contracts with customers	1,452	1,421	31	2.2%	5,647	5,506	141	2.6%
Other operating income	12	24	(12)	(50.0%)	37	63	(26)	(41.3%)
Total external revenue	1,464	1,445	19	1.3%	5,684	5,569	115	2.1%
Intersegment revenue	51	44	7	15.9%	194	174	20	11.5%
Total operating revenues	1,515	1,489	26	1.7%	5,878	5,743	135	2.4%
Goods and services purchased	615	578	37	6.4%	2,339	2,296	43	1.9%
Employee benefits expense ^(B)	729	561	168	29.9%	2,216	1,991	225	11.3%
Total operating expense	1,344	1,139	205	18.0%	4,555	4,287	268	6.3%
EBITDA	171	350	(179)	(51.1%)	1,323	1,456	(133)	(9.1%)
EBITDA margin	11.3%	23.5%	(12.2) pts.		22.5%	25.4%	(2.9) pts.	
Capital expenditures	545	446	99	22.2%	1,986	1,684	302	17.9%
Capital expenditure intensity⁶	36%	30%	6 pts.		34%	29%	5 pts.	
EBITDA less capex	(374)	(96)	(278)	n.m.	(663)	(228)	(435)	n.m.
Restructuring and other costs included in total operating expense	263	74	189	n.m.	358	145	213	n.m.
EBITDA excluding restructuring and other costs	434	424	10	2.4%	1,681	1,601	80	5.0%
EBITDA margin excluding restructuring and other costs	28.6%	28.5%	0.1 pts.		28.6%	27.9%	0.7 pts.	

^(A) May not balance due to rounding alignment to YTD figures.

^(B) Includes restructuring and other costs.

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

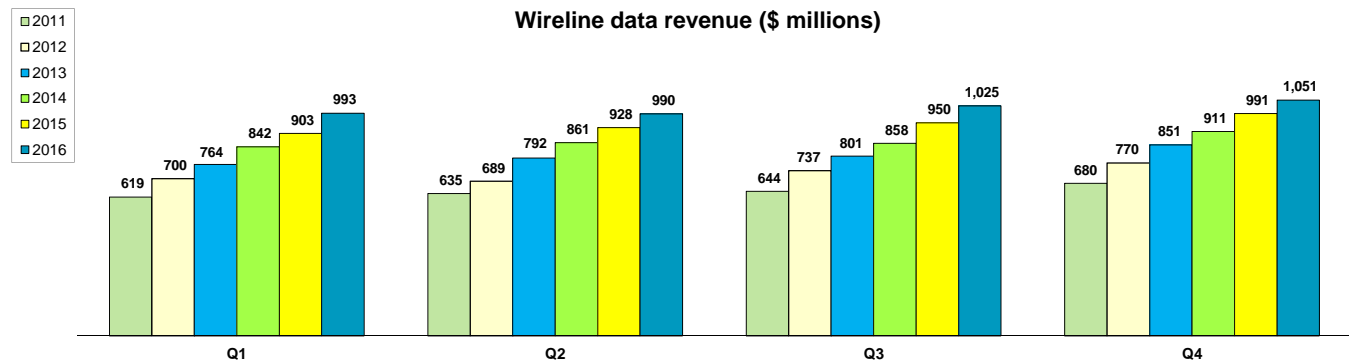


**TELUS Wireline
Operations - Historical Trend^(A)**

<i>\$ millions</i>	Quarterly								Annual 2016	Annual 2015
	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15		
Revenues										
Data service and equipment	1,051	1,025	990	993	991	950	928	903	4,059	3,772
Voice revenue	340	335	340	348	358	373	383	382	1,363	1,496
Other services and equipment	61	51	55	58	72	53	57	56	225	238
Revenues arising from contracts with customers	1,452	1,411	1,385	1,399	1,421	1,376	1,368	1,341	5,647	5,506
Other operating income	12	9	9	7	24	12	12	15	37	63
Total external revenue	1,464	1,420	1,394	1,406	1,445	1,388	1,380	1,356	5,684	5,569
Intersegment revenue	51	48	48	47	44	44	43	43	194	174
Total operating revenues	1,515	1,468	1,442	1,453	1,489	1,432	1,423	1,399	5,878	5,743
Goods and services purchased	615	581	576	567	578	568	589	561	2,339	2,296
Employee benefits expense ^(B)	729	515	470	502	561	511	472	447	2,216	1,991
Total operating expense	1,344	1,096	1,046	1,069	1,139	1,079	1,061	1,008	4,555	4,287
EBITDA	171	372	396	384	350	353	362	391	1,323	1,456
EBITDA margin	11.3%	25.3%	27.5%	26.4%	23.5%	24.7%	25.4%	28.0%	22.5%	25.4%
Capital expenditures	545	492	511	438	446	414	437	387	1,986	1,684
Capital expenditure intensity⁶	36%	34%	35%	30%	30%	29%	31%	28%	34%	29%
EBITDA less capex	(374)	(120)	(115)	(54)	(96)	(61)	(75)	4	(663)	(228)
Restructuring and other costs included in total operating expense	263	42	14	39	74	37	23	11	358	145
EBITDA excluding restructuring and other costs	434	414	410	423	424	390	385	402	1,681	1,601
EBITDA margin excluding restructuring and other costs	28.6%	28.2%	28.4%	29.1%	28.5%	27.3%	27.0%	28.8%	28.6%	27.9%

^(A) May not balance due to rounding alignment to YTD figures.

^(B) Includes restructuring and other costs.



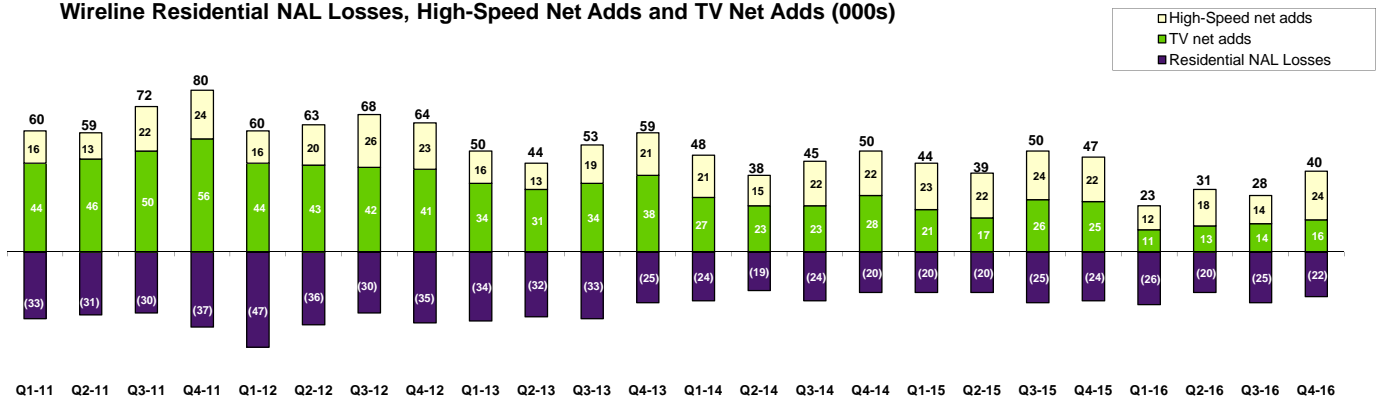
TELUS Wireline Operating Statistics^(A)

<i>thousands (000s)</i>	Quarter 4				December YTD			
	2016	2015	Change	% Change	2016	2015	Change	% Change
Residential NAL net additions (losses)	(22)	(24)	2	8.3%	(93)	(89)	(4)	(4.5%)
Residential Network access lines (NAL)	1,374	1,467	(93)	(6.3%)	1,374	1,467	(93)	(6.3%)
High Speed Internet Subscriber net additions (losses)	24	22	2	9.1%	68	91	(23)	(25.3%)
High Speed Internet Subscribers^(B)	1,655	1,566	89	5.7%	1,655	1,566	89	5.7%
TV subscriber net adds¹⁰	16	25	(9)	(36.0%)	54	89	(35)	(39.3%)
TV subscribers¹⁰	1,059	1,005	54	5.4%	1,059	1,005	54	5.4%
Total Wireline net additions	18	23	(5)	(21.7%)	29	91	(62)	(68.1%)
Total Wireline Subscribers^(B)	4,088	4,038	50	1.2%	4,088	4,038	50	1.2%

^(A)May not balance due to rounding alignment to YTD figures.

^(B)Effective December 31, 2015, business NALs have been removed from the reported subscriber base due to its diminishing relevance as a key performance indicator, and as such our January 1, 2015, opening reported subscriber balance has been retrospectively adjusted to exclude 1,613,000 business NALs. In addition, subsequent to a review of our subscriber base our Q1 2016 beginning of period high-speed Internet subscriber base was increased by 21,000.

Wireline Residential NAL Losses, High-Speed Net Adds and TV Net Adds (000s)



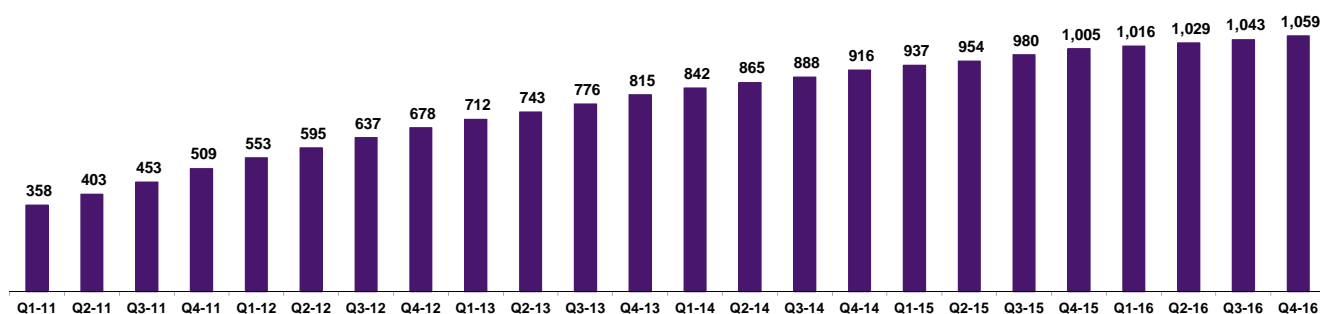
TELUS Wireline
Operating Statistics - Historical Trend^(A)

<i>thousands (000s)</i>	Quarterly								Annual 2016	Annual 2015
	Q4/16	Q3/16	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15		
Residential NAL net additions (losses)	(22)	(25)	(20)	(26)	(24)	(25)	(20)	(20)	(93)	(89)
Residential Network access lines (NAL)	1,374	1,396	1,421	1,441	1,467	1,491	1,516	1,536	1,374	1,467
High Speed Internet Subscriber net additions (losses)	24	14	18	12	22	24	22	23	68	91
High Speed Internet Subscribers ^(B)	1,655	1,631	1,617	1,599	1,566	1,544	1,520	1,498	1,655	1,566
TV subscriber net adds ¹⁰	16	14	13	11	25	26	17	21	54	89
TV subscribers ¹⁰	1,059	1,043	1,029	1,016	1,005	980	954	937	1,059	1,005
Total Wireline net additions	18	3	11	(3)	23	25	19	24	29	91
Total Wireline Subscribers ^(B)	4,088	4,070	4,067	4,056	4,038	4,015	3,990	3,971	4,088	4,038

^(A)May not balance due to rounding alignment to YTD figures.

^(B)Effective December 31, 2015, business NALs have been removed from the reported subscriber base due to its diminishing relevance as a key performance indicator, and as such our January 1, 2015, opening reported subscriber balance has been retrospectively adjusted to exclude 1,613,000 business NALs. In addition, subsequent to a review of our subscriber base our Q1 2016 beginning of period high-speed Internet subscriber base was increased by 21,000.

TELUS TV subscribers (000s)



Non-GAAP measures and definitions of key operating indicators

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

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

³ **Free cash flow** is calculated as EBITDA, adding: Restructuring and other costs net of disbursements, net employee defined benefit plans expense and interest received; and deducting: share-based compensation, employer contributions to employee defined benefit plans, interest paid, cash income taxes, capital expenditures (excluding spectrum licences and non-monetary transactions), gain on transfer of wireless spectrum licenses, gains from the sale of property, plant and equipment and net gains and equity income from real estate joint venture developments.

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

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

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

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

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

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

¹⁰ **TV subscribers** consist of IP-based Optik TV subscribers and TELUS Satellite TV subscribers.