



## TELUS Corporation

*First Quarter, 2013*

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

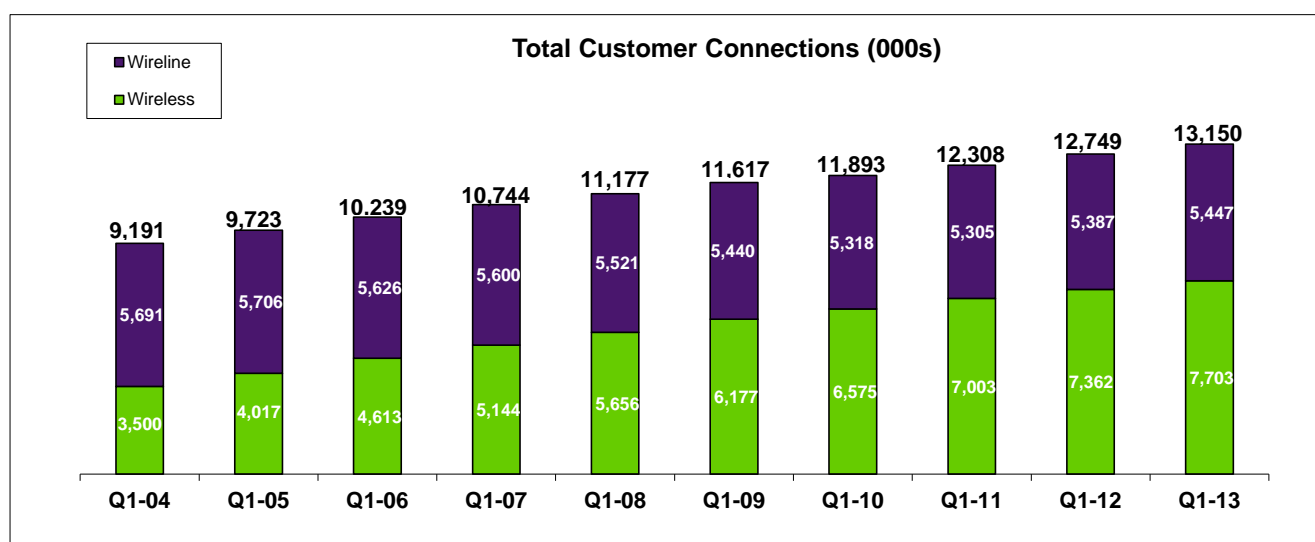
<i>\$ millions except shares, per share amounts, ratios and total customer connections</i>	Quarterly					Annual 2012
	Q1/13	Q4/12	Q3/12	Q2/12	Q1/12	
Net Income <sup>(A)</sup>	362	263	323	299	319	1,204
Basic earnings per share (\$) <sup>(A)(B)</sup>	0.56	0.40	0.49	0.46	0.49	1.85
Dividends declared per share (\$) <sup>(B)(C)</sup>	0.320	0.320	0.305	--	0.595	1.22
Return on common equity <sup>1(A)</sup>	15.9%	15.6%	15.0%	14.7%	14.7%	15.6%
EBITDA interest coverage ratio <sup>2(A)</sup>	11.6	11.8	11.5	11.2	10.7	11.8
Free cash flow <sup>3(D)</sup>	358	263	426	284	358	1,331
Net debt <sup>4</sup>	6,595	6,577	6,564	6,840	6,898	6,577
Net debt : Total capitalization <sup>5</sup>	45.3%	46.2%	45.0%	46.8%	47.5%	46.2%
Net debt : EBITDA (times) <sup>6(A)</sup>	1.7	1.7	1.7	1.8	1.8	1.7
Outstanding shares at end of period (M) <sup>(B)</sup>	654	652	652	651	651	652
Basic weighted average shares outstanding (M) <sup>(B)</sup>	653	652	652	651	650	651
Total customer connections (000s)	13,150	13,113	12,981	12,844	12,749	13,113

<sup>(A)</sup> Effective in 2013, we have applied the amended standard IAS 19 *Employee benefits* (2011) and, as required, we have applied the amended standard retrospectively. Results for 2012 have been adjusted.

<sup>(B)</sup> Adjusted for the 2-for-1 stock split effective April 16, 2013.

<sup>(C)</sup> In the first quarter of 2012, dividends declared of \$0.595 is composed of the February 8, 2012, first quarter declaration of 29 cents per share on the issued and outstanding Common Shares and Non-Voting Shares of the Company, paid on April 2, 2012, to shareholders of record at the close of business on March 9, 2012, as well as the February 21, 2012, second quarter declaration of 30.5 cents per share on the issued and outstanding Common Shares and Non-Voting Shares of the Company, payable on July 3, 2012, to shareholders of record at the close of business on June 8, 2012.

<sup>(D)</sup> Our definition of free cash flow provides an indication of how much cash generated by operations is available after capital expenditures, but before dividends, purchases of spectrum licences, acquisitions, proceeds from divested assets and changes in certain working capital items (such as trade receivables and trade payables).  
\*May not balance due to rounding alignment to YTD figures.



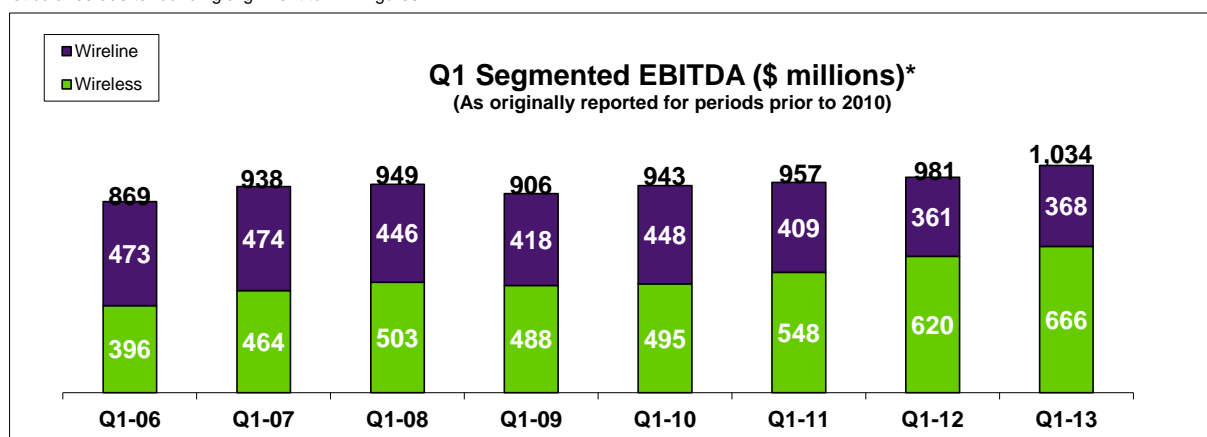
## TELUS Corporation Segmented Data

<i>\$ millions</i>	Qtr 1			
	2013	2012	Change	% Change
<b>Revenues</b>				
TELUS Wireless	1,484	1,393	91	6.5%
TELUS Wireline	1,325	1,289	36	2.8%
Less: Intersegment revenue	(53)	(51)	(2)	-3.9%
Operating revenues	2,756	2,631	125	4.8%
<b>EBITDA<sup>(A)</sup></b>				
TELUS Wireless	666	620	46	7.4%
TELUS Wireline	368	361	7	1.9%
Consolidated	1,034	981	53	5.4%
<b>EBITDA margin<sup>(A)</sup></b>				
TELUS Wireless	44.9%	44.5%	0.4 pts.	
TELUS Wireline	27.8%	28.0%	(0.2) pts.	
Consolidated	37.5%	37.3%	0.2 pts.	
<b>Capital expenditures</b>				
TELUS Wireless	134	151	(17)	-11%
TELUS Wireline	333	290	43	15%
Consolidated	467	441	26	5.9%
<b>Capital expenditure intensity<sup>7</sup></b>				
TELUS Wireless	9%	11%	(2) pts.	
TELUS Wireline	25%	22%	3 pts.	
Consolidated	17%	17%	-	pts.
<b>EBITDA less capex<sup>(A)</sup></b>				
TELUS Wireless	532	469	63	13%
TELUS Wireline	35	71	(36)	-51%
Consolidated	567	540	27	5.0%
<b>EBITDA excluding restructuring costs<sup>(A)</sup></b>				
TELUS Wireless	670	624	46	7.4%
TELUS Wireline	375	370	5	1.4%
Consolidated	1,045	994	51	5.1%
<b>EBITDA margin excluding restructuring costs<sup>(A)</sup></b>				
TELUS Wireless	45.1%	44.8%	0.3 pts.	
TELUS Wireline	28.3%	28.7%	(0.4) pts.	
Consolidated	37.9%	37.8%	0.1 pts.	

<sup>(A)</sup> EBITDA has been adjusted to exclude restructuring costs of \$11M and \$13M for Q1-13 and Q1-12, respectively.

\*Periods in 2012 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits.

\*\*May not balance due to rounding alignment to YTD figures.



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

[See Section 8.2 Accounting policy developments]

## TELUS Corporation Segmented Data - Historical Trend

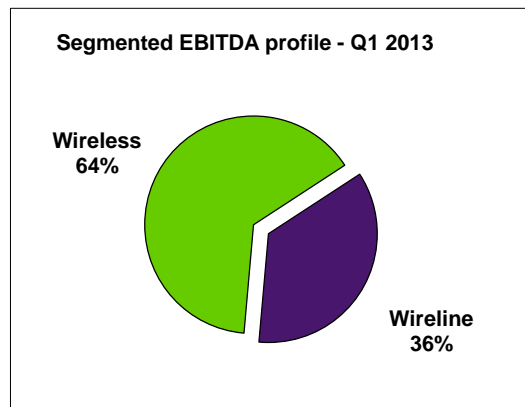
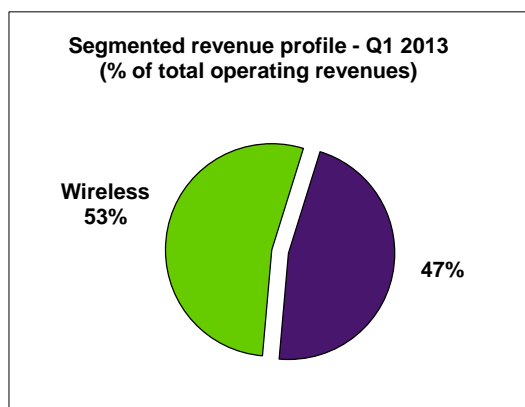
\$ millions	Quarterly					Annual 2012
	Q1/13	Q4/12	Q3/12	Q2/12	Q1/12	
<b>Revenues</b>						
TELUS Wireless	1,484	1,544	1,511	1,438	1,393	5,886
TELUS Wireline	1,325	1,361	1,316	1,280	1,289	5,246
Less: Intersegment revenue	(53)	(54)	(53)	(53)	(51)	(211)
Operating revenues	2,756	2,851	2,774	2,665	2,631	10,921
<b>EBITDA<sup>(A)</sup></b>						
TELUS Wireless	666	566	638	634	620	2,458
TELUS Wireline	368	352	352	336	361	1,401
Consolidated	1,034	918	990	970	981	3,859
<b>EBITDA margin<sup>(A)</sup></b>						
TELUS Wireless	44.9%	36.7%	42.2%	44.1%	44.5%	41.8%
TELUS Wireline	27.8%	25.9%	26.7%	26.3%	28.0%	26.7%
Consolidated	37.5%	32.2%	35.7%	36.4%	37.3%	35.3%
<b>Capital expenditures</b>						
TELUS Wireless	134	191	175	194	151	711
TELUS Wireline	333	330	296	354	290	1,270
Consolidated	467	521	471	548	441	1,981
<b>Capital expenditure intensity<sup>7</sup></b>						
TELUS Wireless	9%	12%	12%	13%	11%	12%
TELUS Wireline	25%	24%	22%	28%	22%	24%
Consolidated	17%	18%	17%	21%	17%	18%
<b>EBITDA less capex<sup>(A)</sup></b>						
TELUS Wireless	532	375	463	440	469	1,747
TELUS Wireline	35	22	56	(18)	71	131
Consolidated	567	397	519	422	540	1,878
<b>EBITDA excluding restructuring costs<sup>(A)</sup></b>						
TELUS Wireless	670	570	639	638	624	2,471
TELUS Wireline	375	367	354	345	370	1,436
Consolidated	1,045	937	993	983	994	3,907
<b>EBITDA margin excluding restructuring costs<sup>(A)</sup></b>						
TELUS Wireless	45.1%	36.9%	42.3%	44.4%	44.8%	42.0%
TELUS Wireline	28.3%	27.0%	26.9%	27.0%	28.7%	27.4%
Consolidated	37.9%	32.9%	35.8%	36.9%	37.8%	35.8%
<b>Full-Time Equivalent (FTE) employees<sup>(B)</sup></b>	41,900	41,400	40,800	39,400	39,100	41,400

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

<sup>(B)</sup> Excluding full-time equivalent (FTE) employees in TELUS International, FTE employees were approximately 27,100 for for Q1-13, and 27,100, 26,700, 26,800, 26,400, respectively, for Q4-12, Q3-12, Q2-12, and Q1-12.

\*Periods in 2012 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits.

\*\*May not balance due to rounding alignment to YTD figures.

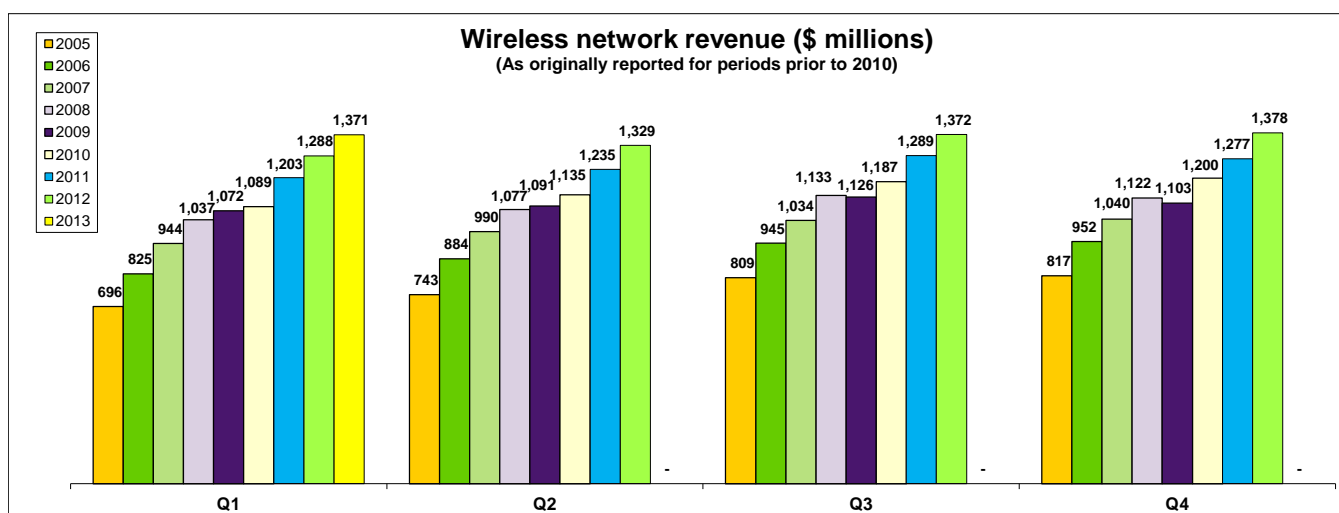


## TELUS Wireless Operations

<i>\$ millions</i>	Qtr 1			
	2013	2012	Change	% Change
<b>Revenues</b>				
Voice	788	790	(2)	-0.3%
Data	583	498	85	17%
Total Network revenue	1,371	1,288	83	6.4%
Equipment and other service revenue	101	95	6	6.3%
<b>Total external service and equipment revenue</b>	1,472	1,383	89	6.4%
Other operating income	-	-	-	n.m.
<b>Total external revenue</b>	1,472	1,383	89	6.4%
Intersegment revenue	12	10	2	20%
<b>Total operating revenues</b>	1,484	1,393	91	6.5%
Goods and services purchased	661	626	35	5.6%
Employee benefits expense	157	147	10	6.8%
<b>Total operating expense</b>	818	773	45	5.8%
<b>EBITDA<sup>(A)</sup></b>	666	620	46	7.4%
<b>COA expense</b>	138	131	7	5.3%
<b>EBITDA excluding COA<sup>(A)</sup></b>	804	751	53	7.1%
<b>EBITDA margin (total revenue)<sup>(A)</sup></b>	44.9%	44.5%	0.4 pts.	
<b>EBITDA margin (network revenue)<sup>(A)</sup></b>	48.6%	48.1%	0.5 pts.	
<b>Retention spend % network revenue</b>	10.9%	10.7%	0.2 pts.	
<b>Capital expenditures</b>	134	151	(17)	-11%
<b>Capital expenditure intensity<sup>7</sup></b>	9%	11%	(2.0) pts.	
<b>EBITDA less capex<sup>(A)</sup></b>	532	469	63	13%
Restructuring costs included in total operating expense	4	4	-	n.m.
<b>EBITDA excluding restructuring costs<sup>(A)</sup></b>	670	624	46	7.4%
<b>EBITDA margin excluding restructuring costs (total revenue)<sup>(A)</sup></b>	45.1%	44.8%	0.3 pts.	

<sup>(A)</sup> Periods in 2012 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits.

<sup>7</sup>May not balance due to rounding alignment to YTD figures.

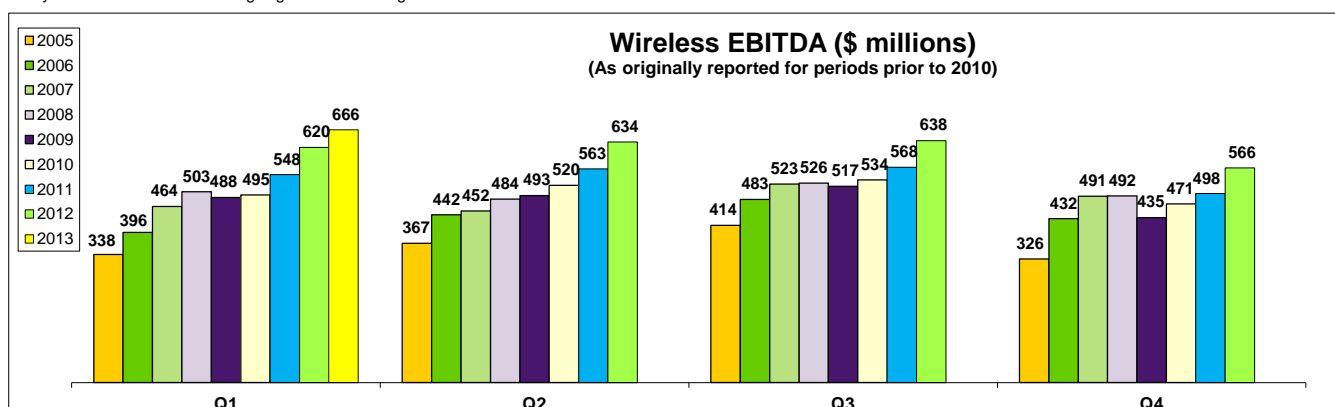


## TELUS Wireless Operations - Historical Trend

<i>\$ millions</i>	Quarterly					Annual 2012
	Q1/13	Q4/12	Q3/12	Q2/12	Q1/12	
<b>Revenues</b>						
Voice	788	808	826	817	790	3,241
Data	583	570	546	512	498	2,126
Total Network revenue	1,371	1,378	1,372	1,329	1,288	5,367
Equipment and other service revenue	101	155	127	99	95	476
<b>Total external service and equipment revenue</b>	1,472	1,533	1,499	1,428	1,383	5,843
Other operating income	-	-	2	-	-	2
<b>Total external revenue</b>	1,472	1,533	1,501	1,428	1,383	5,845
Intersegment revenue	12	11	10	10	10	41
<b>Total operating revenues</b>	1,484	1,544	1,511	1,438	1,393	5,886
Goods and services purchased	661	817	719	661	626	2,823
Employee benefits expense	157	161	154	143	147	605
<b>Total operating expense</b>	818	978	873	804	773	3,428
<b>EBITDA<sup>(A)</sup></b>	666	566	638	634	620	2,458
<b>COA expense</b>	138	206	175	159	131	671
<b>EBITDA excluding COA<sup>(A)</sup></b>	804	772	813	793	751	3,129
<b>EBITDA margin (total revenue)<sup>(A)</sup></b>	44.9%	36.7%	42.2%	44.1%	44.5%	41.8%
<b>EBITDA margin (network revenue)<sup>(A)</sup></b>	48.6%	41.1%	46.5%	47.7%	48.1%	45.8%
<b>Retention spend % network revenue</b>	10.9%	13.4%	11.0%	10.7%	10.7%	11.4%
<b>Capital expenditures</b>	134	191	175	194	151	711
<b>Capital expenditure intensity<sup>7</sup></b>	9%	12%	12%	13%	11%	12%
<b>EBITDA less capex<sup>(A)</sup></b>	532	375	463	440	469	1,747
Restructuring costs included in total operating expense	4	4	1	4	4	13
<b>EBITDA excluding restructuring costs<sup>(A)</sup></b>	670	570	639	638	624	2,471
<b>EBITDA margin excluding restructuring costs (total revenue)<sup>(A)</sup></b>	45.1%	36.9%	42.3%	44.4%	44.8%	42.0%

<sup>(A)</sup> Periods in 2012 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits.

<sup>7</sup> May not balance due to rounding alignment to YTD figures.

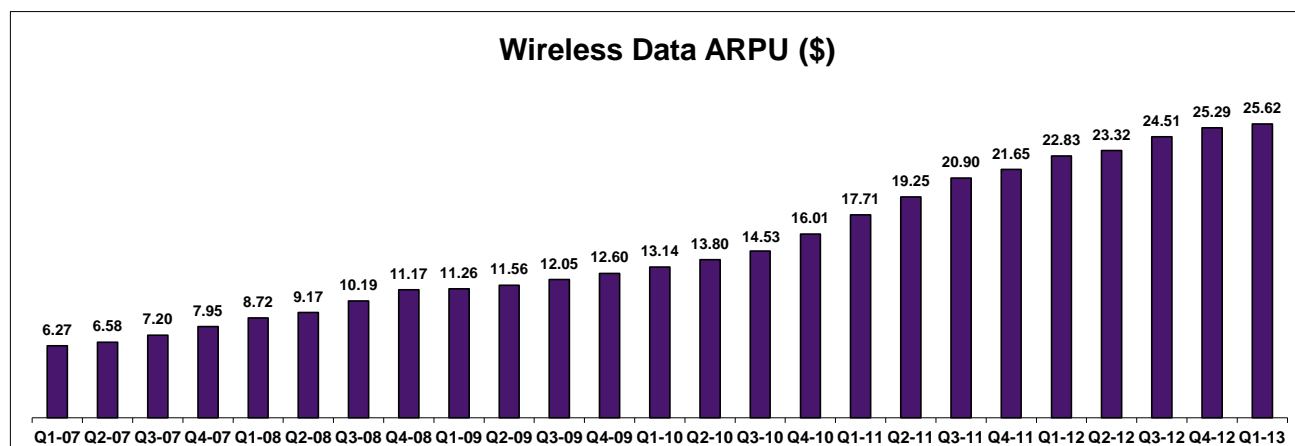


## TELUS Wireless Operating Statistics

	Qtr 1			
	2013	2012	Change	% Change
<b>Subscriber gross adds (000s)</b>				
Postpaid	260	257	3	1.2%
Prepaid	114	106	8	7.5%
<b>Total</b>	<b>374</b>	<b>363</b>	<b>11</b>	<b>3.0%</b>
<b>Subscriber net adds, as reported (000s)</b>				
Postpaid	59	63	(4)	-6.3%
Prepaid	(26)	(41)	15	-37%
<b>Total</b>	<b>33</b>	<b>22</b>	<b>11</b>	<b>50%</b>
<b>Subscribers (000s)</b>				
Postpaid	6,603	6,193	410	6.6%
Prepaid	1,100	1,169	(69)	-5.9%
<b>Total</b>	<b>7,703</b>	<b>7,362</b>	<b>341</b>	<b>4.6%</b>
<b>ARPU (\$) <sup>8</sup></b>				
Voice ARPU	\$60.04	\$58.87	\$1.17	2.0%
Data ARPU	\$25.62	\$22.83	\$2.79	12%
<b>Churn, per month (%) , as reported <sup>9</sup></b>				
Blended Churn	1.48%	1.55%	(0.07) pts.	
Postpaid Churn	1.11%	1.14%	(0.03) pts.	
<b>Average minutes of use per subscriber per month (MOU)</b>	328	324	4	1.2%
<b>COA per gross subscriber addition (\$) <sup>10</sup></b>	\$369	\$362	7	1.9%
<b>Population coverage in millions - HSPA <sup>(A)</sup></b>	34.3	33.8	0.5	1.5%
<b>Population coverage in millions - LTE <sup>(A)</sup></b>	24.7	n/a	n/a	n/a

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

\*May not balance due to rounding alignment to YTD figures.

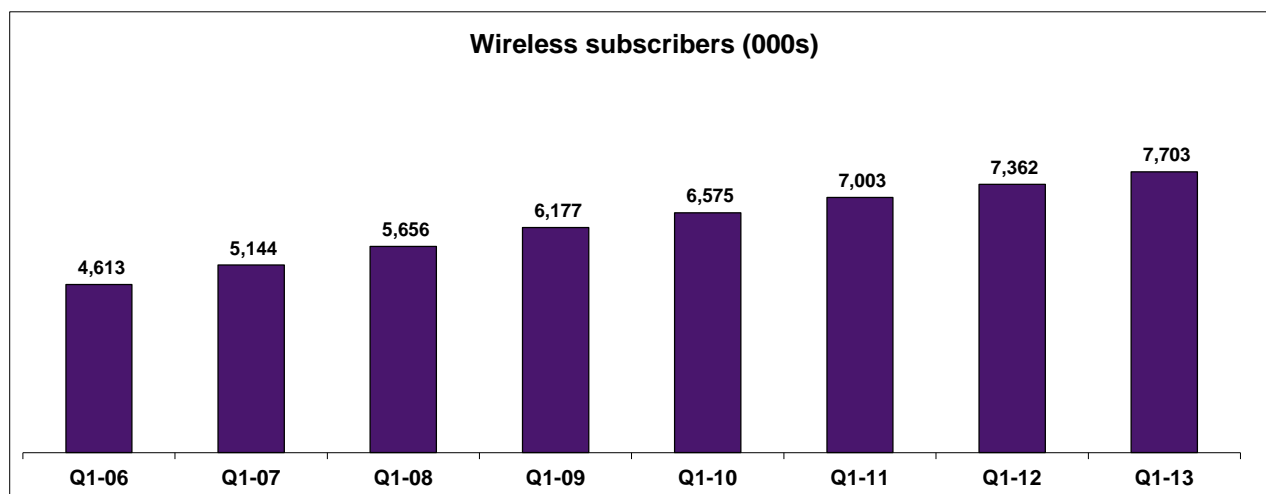


**TELUS Wireless**  
**Operating Statistics - Historical Trend**

<i>population coverage in millions</i>	<b>Quarterly</b>					<b>Annual 2012</b>
	<b>Q1/13</b>	<b>Q4/12</b>	<b>Q3/12</b>	<b>Q2/12</b>	<b>Q1/12</b>	
<b>Subscriber gross adds (000s)</b>						
Postpaid	260	324	309	284	257	1,174
Prepaid	114	131	125	110	106	472
<b>Total</b>	<b>374</b>	<b>455</b>	<b>434</b>	<b>394</b>	<b>363</b>	<b>1,646</b>
<b>Subscriber net adds, as reported (000s)</b>						
Postpaid	59	123	116	112	63	414
Prepaid	(26)	(11)	(5)	(26)	(41)	(83)
<b>Total</b>	<b>33</b>	<b>112</b>	<b>111</b>	<b>86</b>	<b>22</b>	<b>331</b>
<b>Subscribers (000s)</b>						
Postpaid	6,603	6,543	6,420	6,304	6,193	6,543
Prepaid	1,100	1,127	1,138	1,143	1,169	1,127
<b>Total</b>	<b>7,703</b>	<b>7,670</b>	<b>7,558</b>	<b>7,447</b>	<b>7,362</b>	<b>7,670</b>
<b>ARPU (\$) <sup>8</sup></b>						
Voice ARPU	\$60.04	\$60.95	\$61.42	\$60.29	\$58.87	\$60.39
Data ARPU	\$34.42	\$35.66	\$36.91	\$36.97	\$36.04	\$36.39
	\$25.62	\$25.29	\$24.51	\$23.32	\$22.83	\$24.00
<b>Churn, per month (%), as reported <sup>9</sup></b>						
Blended Churn	1.48%	1.51%	1.44%	1.39%	1.55%	1.47%
Postpaid Churn	1.11%	1.12%	1.10%	1.00%	1.14%	1.09%
<b>Average minutes of use per subscriber per month (MOU)</b>	328	341	338	341	324	336
<b>COA per gross subscriber addition (\$) <sup>10</sup></b>	\$369	\$453	\$402	\$404	\$362	\$408
<b>Population coverage in millions - HSPA <sup>(A)</sup></b>	34.3	34.3	34.3	34.2	33.8	34.3
<b>Population coverage in millions - LTE <sup>(A)</sup></b>	24.7	23.9	n/a	n/a	n/a	23.9

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

\*May not balance due to rounding alignment to YTD figures.



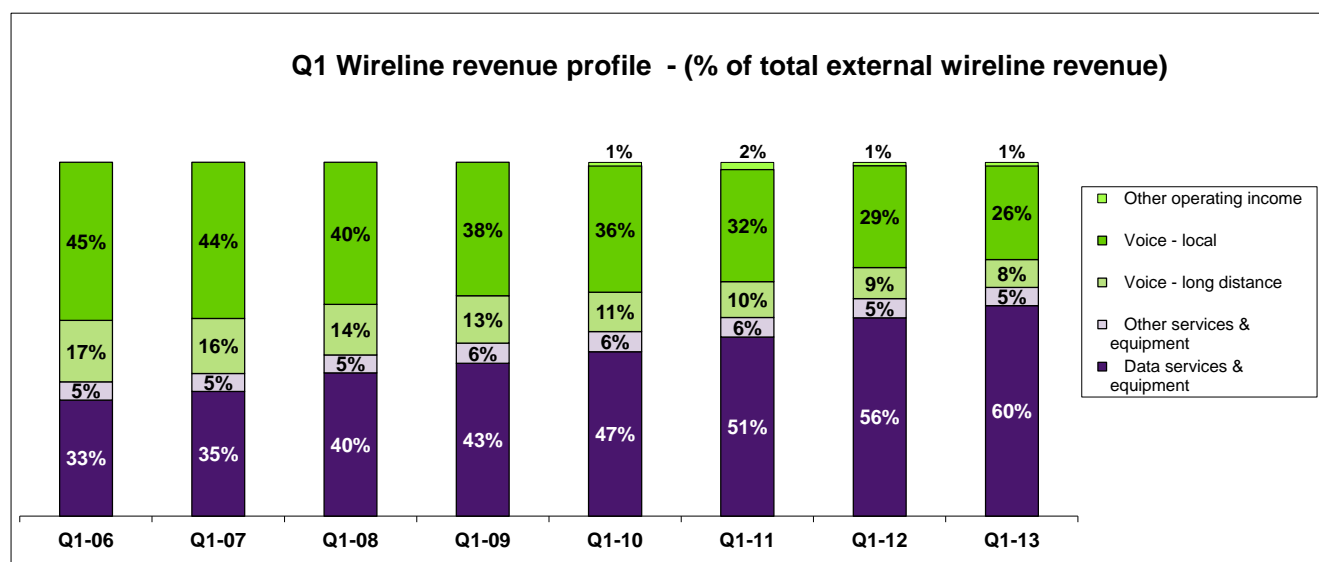


## TELUS Wireline Operations

<i>\$ millions</i>	Qtr 1			
	2013	2012	Change	% Change
<b>Revenues</b>				
Data service and equipment	764	700	64	9.1%
Voice - local service	340	359	(19)	-5.3%
Voice - long distance service	101	110	(9)	-8.2%
Other services and equipment	66	67	(1)	-1.5%
<b>Total external services &amp; equipment revenue</b>	<b>1,271</b>	<b>1,236</b>	<b>35</b>	<b>2.8%</b>
Other operating income	13	12	1	8.3%
<b>Total external revenue</b>	<b>1,284</b>	<b>1,248</b>	<b>36</b>	<b>2.9%</b>
Intersegment revenue	41	41	-	0.0%
<b>Total operating revenues</b>	<b>1,325</b>	<b>1,289</b>	<b>36</b>	<b>2.8%</b>
Goods and services purchased	546	541	5	0.9%
Employee benefits expense	411	387	24	6.2%
<b>Total operating expense</b>	<b>957</b>	<b>928</b>	<b>29</b>	<b>3.1%</b>
<b>EBITDA<sup>(A)</sup></b>	<b>368</b>	<b>361</b>	<b>7</b>	<b>1.9%</b>
<b>EBITDA margin<sup>(A)</sup></b>	<b>27.8%</b>	<b>28.0%</b>	<b>(0.2) pts.</b>	
<b>Capital expenditures</b>	<b>333</b>	<b>290</b>	<b>43</b>	<b>15%</b>
<b>Capital expenditure intensity<sup>7</sup></b>	<b>25%</b>	<b>22%</b>	<b>3 pts.</b>	
<b>EBITDA less capex<sup>(A)</sup></b>	<b>35</b>	<b>71</b>	<b>(36)</b>	<b>-51%</b>
Restructuring costs included in total operating expense	7	9	(2)	-22%
<b>EBITDA excluding restructuring costs<sup>(A)</sup></b>	<b>375</b>	<b>370</b>	<b>5</b>	<b>1.4%</b>
<b>EBITDA margin excluding restructuring costs<sup>(A)</sup></b>	<b>28.3%</b>	<b>28.7%</b>	<b>(0.4) pts.</b>	

<sup>(A)</sup> Periods in 2012 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits.

\*May not balance due to rounding alignment to YTD figures.

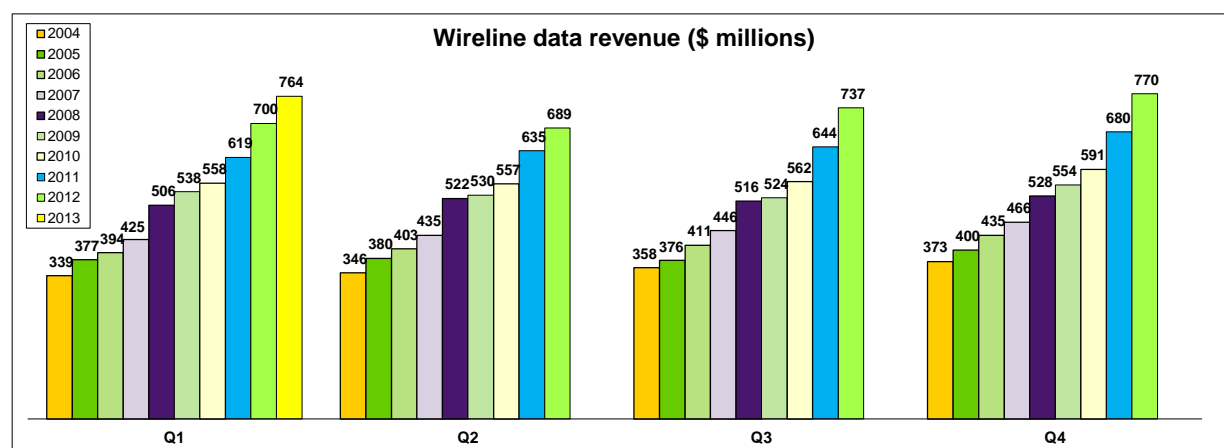


**TELUS Wireline  
Operations - Historical Trend**

\$ millions	Quarterly					Annual 2012
	Q1/13	Q4/12	Q3/12	Q2/12	Q1/12	
<b>Revenues</b>						
Data service and equipment	764	770	737	689	700	2,896
Voice - local service	340	352	351	354	359	1,416
Voice - long distance service	101	103	103	109	110	425
Other services and equipment	66	76	65	64	67	272
<b>Total external services &amp; equipment revenue</b>	1,271	1,301	1,256	1,216	1,236	5,009
Other operating income	13	17	17	21	12	67
<b>Total external revenue</b>	1,284	1,318	1,273	1,237	1,248	5,076
Intersegment revenue	41	43	43	43	41	170
<b>Total operating revenues</b>	1,325	1,361	1,316	1,280	1,289	5,246
Goods and services purchased	546	567	556	544	541	2,208
Employee benefits expense <sup>(A)</sup>	411	442	408	400	387	1,637
<b>Total operating expense</b>	957	1,009	964	944	928	3,845
<b>EBITDA<sup>(A)</sup></b>	368	352	352	336	361	1,401
<b>EBITDA margin<sup>(A)</sup></b>	27.8%	25.9%	26.7%	26.3%	28.0%	26.7%
<b>Capital expenditures</b>	333	330	296	354	290	1,270
<b>Capital expenditure intensity<sup>7</sup></b>	25%	24%	22%	28%	22%	24%
<b>EBITDA less capex<sup>(A)</sup></b>	35	22	56	(18)	71	131
Restructuring costs included in total operating expense	7	15	2	9	9	35
<b>EBITDA excluding restructuring costs<sup>(A)</sup></b>	375	367	354	345	370	1,436
<b>EBITDA margin excluding restructuring costs<sup>(A)</sup></b>	28.3%	27.0%	26.9%	27.0%	28.7%	27.4%

<sup>(A)</sup> Periods in 2012 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits.

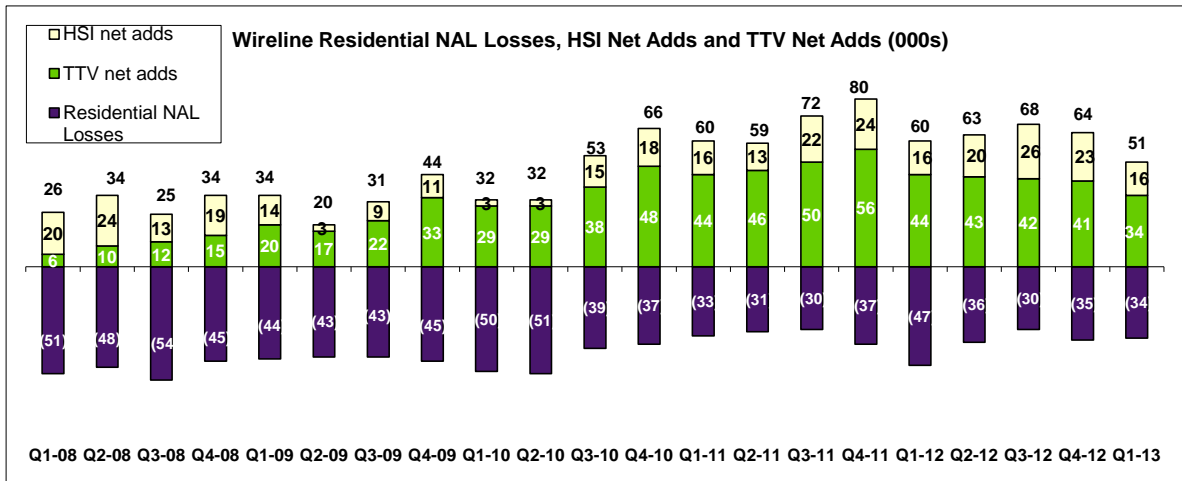
\*May not balance due to rounding alignment to YTD figures.



## TELUS Wireline Operating Statistics

	Qtr 1			
	2013	2012	Change	% Change
<b>Network access lines (NAL) (000s)</b>				
Residential	1,733	1,868	(135)	-7.2%
Business	1,630	1,668	(38)	-2.3%
Total	3,363	3,536	(173)	-4.9%
<b>NAL net additions (losses) (000s)</b>				
Residential	(34)	(47)	13	28%
Business	(9)	(10)	1	10%
Total	(43)	(57)	14	25%
<b>Internet subscriber net adds (000s)</b>				
High-speed	16	16	-	0%
Dial-up	(3)	(3)	-	0%
Total	13	13	-	0%
<b>Internet subscribers (000s)</b>				
High-speed	1,342	1,257	85	6.8%
Dial-up	30	41	(11)	-27%
Total	1,372	1,298	74	5.7%
<b>TV subscriber net adds (000s)<sup>11</sup></b>	34	44	(10)	-23%
<b>TV subscribers (000s)<sup>11</sup></b>	712	553	159	29%

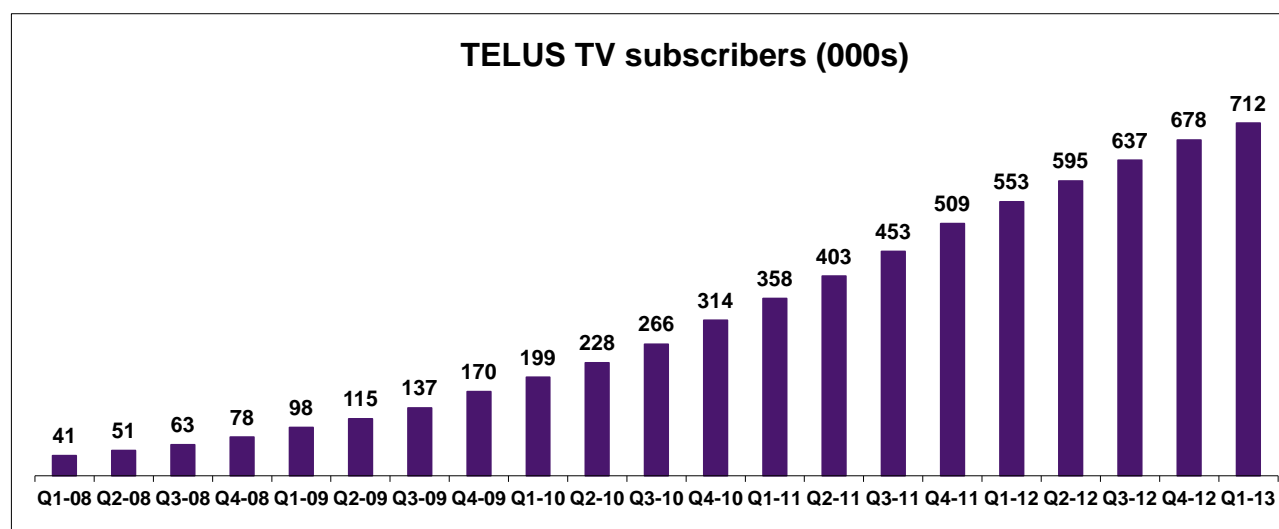
\*May not balance due to rounding alignment to YTD figures.



## TELUS Wireline Operating Statistics - Historical Trend

	<u>Quarterly</u>					<b>Annual 2012</b>
	Q1/13	Q4/12	Q3/12	Q2/12	Q1/12	
<b>Network access lines (NAL) (000s)</b>						
Residential	1,733	1,767	1,802	1,832	1,868	1,767
Business	1,630	1,639	1,646	1,655	1,668	1,639
<b>Total</b>	<b>3,363</b>	<b>3,406</b>	<b>3,448</b>	<b>3,487</b>	<b>3,536</b>	<b>3,406</b>
<b>NAL net additions (losses) (000s)</b>						
Residential	(34)	(35)	(30)	(36)	(47)	(148)
Business	(9)	(7)	(9)	(14)	(10)	(39)
<b>Total</b>	<b>(43)</b>	<b>(42)</b>	<b>(39)</b>	<b>(50)</b>	<b>(57)</b>	<b>(187)</b>
<b>Internet subscriber net adds (000s)</b>						
High-speed	16	23	26	20	16	84
Dial-up	(3)	(2)	(3)	(3)	(3)	(11)
<b>Total</b>	<b>13</b>	<b>21</b>	<b>23</b>	<b>17</b>	<b>13</b>	<b>73</b>
<b>Internet subscribers (000s)</b>						
High-speed	1,342	1,326	1,303	1,277	1,257	1,326
Dial-up	30	33	35	38	41	33
<b>Total</b>	<b>1,372</b>	<b>1,359</b>	<b>1,338</b>	<b>1,315</b>	<b>1,298</b>	<b>1,359</b>
<b>TV subscriber net adds (000s)<sup>11</sup></b>	34	41	42	43	44	169
<b>TV subscribers (000s)<sup>11</sup></b>	712	678	637	595	553	678

\*May not balance due to rounding alignment to YTD figures.



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

<sup>1</sup> **Return on common equity** - Return on common equity is Net income attributed to Common Shares and Non-Voting Shares for a 12-month trailing period divided by the average quarterly equity for the 12-month period. Equity is the Common Share and Non-Voting Share Equity. The calculation has been amended such that Accumulated other comprehensive income (loss) is no longer deducted (added back) and previously reported figures have been restated.

<sup>2</sup> **EBITDA interest coverage ratio** is defined as EBITDA (excluding restructuring costs), divided by net interest cost. Net interest cost is defined as financing costs excluding employee defined benefit plans net interest and gains 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 substantially the same as the Coverage Ratio covenant in TELUS' 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), and items of an unusual nature excluded in the calculation of Adjusted EBITDA.

<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.

<sup>5</sup> **Net debt to total capitalization** - provides a measure of the proportion of debt used in the Company's capital structure. Total capitalization is calculated as Net debt plus Owners' equity excluding accumulated other comprehensive income.

<sup>6</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>7</sup> **Capital expenditure intensity** is defined as capital expenditures as a percentage of operating revenues.

<sup>8</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>9</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>10</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).

<sup>11</sup> **TV subscribers** consists of TELUS IP TV subscribers and TELUS Satellite TV subscribers.