



# TELUS Corporation

*First Quarter, 2019*

## *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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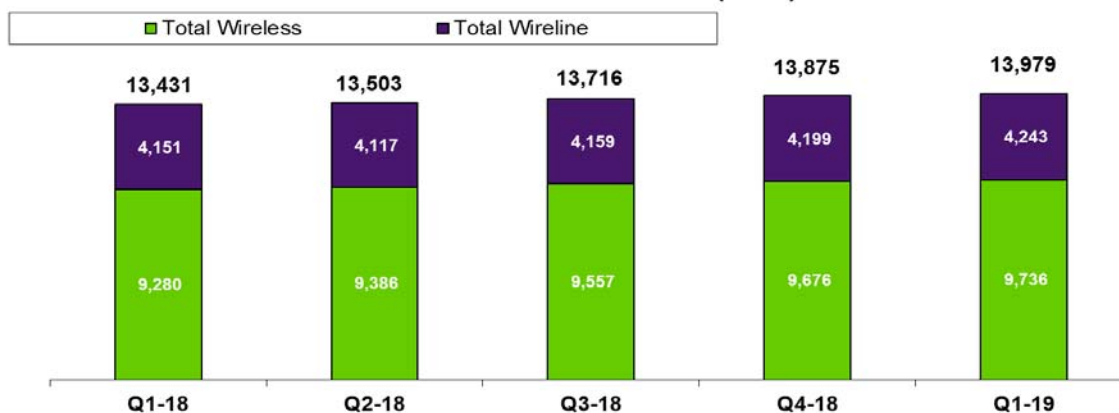
**TELUS Corporation**  
**Selected Consolidated Data<sup>(A)</sup>**

<i>\$ millions except shares, per share amounts, ratios and total customer connections</i>	Quarterly					Mar YTD 2019	Annual 2018
	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18		
Net Income	437	368	447	397	412	437	1,624
Adjusted Net Income <sup>(B)</sup>	453	409	445	414	435	453	1,703
Basic earnings per share (\$)	0.71	0.60	0.74	0.66	0.69	0.71	2.68
Adjusted Basic earnings per share (\$) <sup>(B)</sup>	0.75	0.69	0.74	0.70	0.73	0.75	2.85
Dividends declared per share (\$)	0.5450	0.5450	0.5250	0.5250	0.5050	0.5450	2.10
Return on common equity <sup>1</sup>	16.3%	16.4%	16.6%	16.3%	16.5%	16.3%	16.4%
EBITDA interest coverage ratio <sup>2</sup>	8.4	8.4	8.5	8.8	8.8	8.4	8.4
Free cash flow <sup>3</sup>	153	122	303	329	443	153	1,197
Net debt <sup>4</sup>	15,732	13,770	13,698	13,667	13,785	15,732	13,770
Net debt : EBITDA (times) <sup>5</sup>	2.84	2.54	2.54	2.66	2.71	2.84	2.54
Outstanding shares at end of period (M)	601	599	598	596	595	601	599
Basic weighted average shares outstanding (M)	600	599	597	596	595	600	597
Total customer connections (000s)	13,979	13,875	13,716	13,503	13,431	13,979	13,875

<sup>(A)</sup> TELUS Q3 2018 results include non-recurring equity income related to real estate joint ventures of \$171 million arising from the sale of TELUS Garden and a donation to the TELUS Friendly Future Foundation of \$118 million as part of Restructuring and other costs. The impact of these items was split evenly between Wireless and Wireline and has been excluded in certain metrics, as noted in this document.

<sup>(B)</sup> Adjusted Net income and Adjusted EPS exclude the effects of restructuring and other costs, non-recurring gains and equity income or non-recurring losses and equity losses related to real estate joint ventures, income tax-related adjustments.

**Total Customer Connections (000s)<sup>(C)(D)</sup>**



<sup>(C)</sup> Customer Connections may not balance due to rounding alignment to YTD figures. Effective April 1, 2018 and on a prospective basis, we have adjusted Wireline cumulative subscriber connections to remove approximately 68,000 TELUS TV subscribers as we have ceased marketing our Satellite TV product. In addition the fourth quarter of 2018 opening mobile phone subscriber connections have been adjusted to exclude an estimated 23,000 subscribers impacted by the CRTC's final pro-rating ruling in June 2018, which was effective October 1, 2018. Finally, during the first quarter of 2019, we adjusted internet and total wireline cumulative subscriber connections to add approximately 16,000 subscribers from acquisitions undertaken during the quarter.

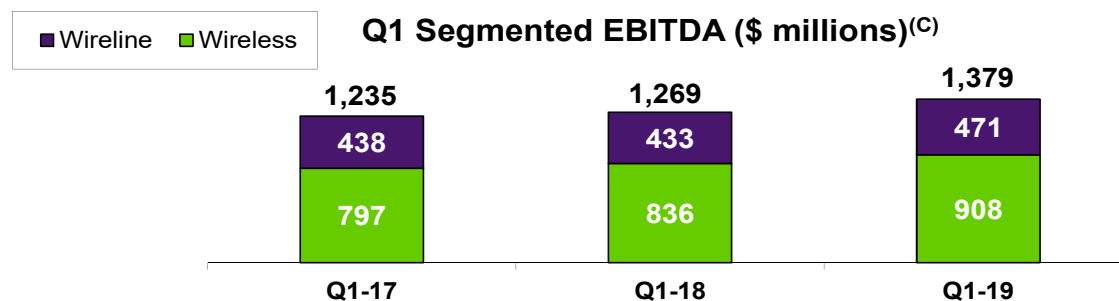
<sup>(D)</sup> Effective for the first quarter of 2019, with retrospective application to January 1, 2018, we have revised our definition of a wireless subscriber unit and now report mobile phone units and mobile connected device units as separate subscriber bases so as to be consistent with the way we manage our business and to align with global peers. As a result of the change, total subscribers and associated operating statistics (gross additions, net additions, churn, ABPU and ARPU) have been adjusted to reflect (i) the movement of certain subscriber units from the mobile phones subscriber base to the newly created mobile connected devices subscriber base, and (ii) the inclusion of previously undisclosed Internet of Things and mobile health subscriber units in our mobile connected devices subscriber base. For additional information on our subscriber definitions, see Section 11.2 in the Q1 2019 Management's Discussion and Analysis.

## TELUS Corporation Segmented Data

\$ millions	Quarter 1			
	2019	2018	Change	% Change
<b>Revenues</b>				
TELUS Wireless	1,937	1,901	36	1.9%
TELUS Wireline	1,638	1,539	99	6.4%
Less: Intersegment revenue	(69)	(63)	(6)	9.5%
Operating revenues	3,506	3,377	129	3.8%
<b>EBITDA</b>				
TELUS Wireless	908	836	72	8.6%
TELUS Wireline	471	433	38	8.8%
Consolidated	1,379	1,269	110	8.7%
<b>EBITDA margin</b>				
TELUS Wireless	46.9%	44.0%	2.9 pts.	
TELUS Wireline	28.7%	28.1%	0.6 pts.	
Consolidated	39.3%	37.6%	1.7 pts.	
<b>Capital expenditures</b>				
TELUS Wireless	177	182	(5)	(2.7%)
TELUS Wireline	469	468	1	0.2%
Consolidated	646	650	(4)	(0.6%)
<b>Capital expenditure intensity<sup>6</sup></b>				
TELUS Wireless	9%	10%	(1) pts.	
TELUS Wireline	29%	30%	(1) pts.	
Consolidated	18%	19%	(1) pts.	
<b>EBITDA less capex</b>				
TELUS Wireless	731	654	77	11.8%
TELUS Wireline	2	(35)	37	n.m.
Consolidated	733	619	114	18.4%
<b>Adjusted EBITDA<sup>(A)</sup></b>				
TELUS Wireless	917	846	71	8.4%
TELUS Wireline	498	457	41	9.0%
Consolidated	1,415	1,303	112	8.6%
<b>Adjusted EBITDA margin<sup>(B)</sup></b>				
TELUS Wireless	47.4%	44.5%	2.9 pts.	
TELUS Wireline	30.4%	29.7%	0.7 pts.	
Consolidated	40.4%	38.6%	1.8 pts.	

<sup>(A)</sup> EBITDA has been adjusted to exclude restructuring and other costs.

<sup>(B)</sup> Adjusted EBITDA margin is Adjusted EBITDA divided by Operating revenues.



<sup>(C)</sup> Periods prior to 2019 have not been adjusted for adoption of IFRS16, accordingly, they are not comparable to 2019 results.

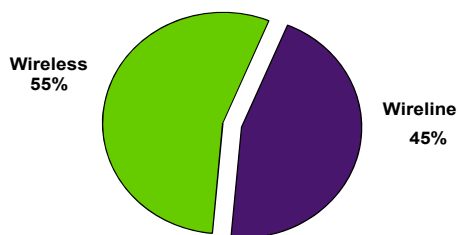
**TELUS Corporation**  
**Segmented Data - Historical Trend**

<i>\$ millions</i>	Quarterly					Mar YTD 2019	Annual 2018
	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18		
<b>Revenues</b>							
TELUS Wireless	1,937	2,179	2,161	1,941	1,901	1,937	8,182
TELUS Wireline	1,638	1,650	1,677	1,574	1,539	1,638	6,440
Less: Intersegment revenue	(69)	(65)	(64)	(62)	(63)	(69)	(254)
Operating revenues	3,506	3,764	3,774	3,453	3,377	3,506	14,368
<b>Revenues % change on prior year</b>							
TELUS Wireless	1.9%	5.5%	8.5%	3.6%	6.6%	1.9%	6.1%
TELUS Wireline	6.4%	7.4%	13.7%	7.1%	5.1%	6.4%	8.4%
Operating revenues	3.8%	6.3%	10.9%	5.3%	6.0%	3.8%	7.2%
<b>EBITDA</b>							
TELUS Wireless	908	830	921	844	836	908	3,431
TELUS Wireline	471	405	428	407	433	471	1,673
Consolidated	1,379	1,235	1,349	1,251	1,269	1,379	5,104
<b>EBITDA % change on prior year</b>							
TELUS Wireless	8.6%	2.4%	9.3%	5.5%	4.9%	8.6%	5.5%
TELUS Wireline	8.8%	(1.2%)	6.1%	(0.2%)	(1.2%)	8.8%	0.8%
Consolidated	8.7%	1.1%	8.2%	3.6%	2.7%	8.7%	3.9%
<b>EBITDA margin</b>							
TELUS Wireless	46.9%	38.1%	42.6%	43.5%	44.0%	46.9%	41.9%
TELUS Wireline	28.7%	24.5%	25.6%	25.9%	28.1%	28.7%	26.0%
Consolidated	39.3%	32.8%	35.7%	36.2%	37.6%	39.3%	35.5%
<b>Capital expenditures</b>							
TELUS Wireless	177	253	218	243	182	177	896
TELUS Wireline	469	458	544	548	468	469	2,018
Consolidated	646	711	762	791	650	646	2,914
<b>Capital expenditure intensity<sup>6</sup></b>							
TELUS Wireless	9%	12%	10%	13%	10%	9%	11%
TELUS Wireline	29%	28%	32%	35%	30%	29%	31%
Consolidated	18%	19%	20%	23%	19%	18%	20%
<b>EBITDA less capex</b>							
TELUS Wireless	731	577	703	601	654	731	2,535
TELUS Wireline	2	(53)	(116)	(141)	(35)	2	(345)
Consolidated	733	524	587	460	619	733	2,190
<b>Adjusted EBITDA<sup>(A)</sup></b>							
TELUS Wireless	917	852	912	851	846	917	3,461
TELUS Wireline	498	458	439	435	457	498	1,789
Consolidated	1,415	1,310	1,351	1,286	1,303	1,415	5,250
<b>Adjusted EBITDA<sup>(A)</sup> % change on prior year</b>							
TELUS Wireless	8.4%	5.0%	6.8%	3.3%	6.0%	8.4%	5.3%
TELUS Wireline	9.0%	3.1%	5.7%	4.0%	3.7%	9.0%	4.1%
Consolidated	8.6%	4.3%	6.4%	3.6%	5.2%	8.6%	4.9%
<b>Adjusted EBITDA margin<sup>(B)</sup></b>							
TELUS Wireless	47.4%	39.1%	43.9%	43.8%	44.5%	47.4%	42.7%
TELUS Wireline	30.4%	27.7%	27.6%	27.7%	29.7%	30.4%	28.2%
Consolidated	40.4%	35.0%	37.5%	37.2%	38.6%	40.4%	37.0%

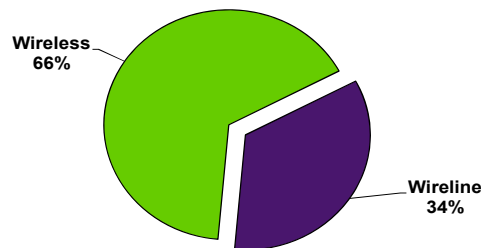
<sup>(A)</sup> EBITDA has been adjusted to exclude restructuring and other costs, and non-recurring gains and equity income or non-recurring losses and equity losses related to real estate joint ventures (see Historical Trend pages for Wireless and Wireline).

<sup>(B)</sup> Adjusted EBITDA margin is Adjusted EBITDA divided by Operating revenues, where the calculation of the Operating revenues excludes the non-recurring gains and equity income or non-recurring losses and equity losses related to real estate joint ventures.

**Segmented external revenue profile - Q1 2019**  
(% of total operating revenues)



**Segmented EBITDA profile - Q1 2019**



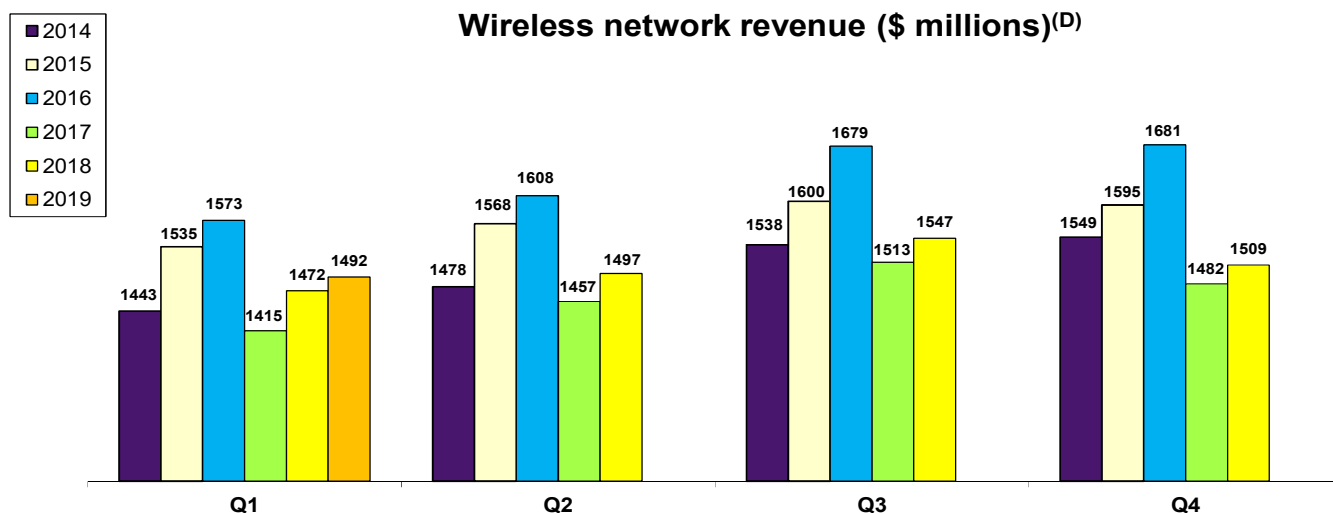
## TELUS Wireless Operations<sup>(A)</sup>

\$ millions	Quarter 1			
	2019	2018	Change	% Change
<b>Revenues</b>				
Network revenue	1,492	1,472	20	1.4%
Equipment and other service revenue	427	411	16	3.9%
<b>Revenues arising from contracts with customers</b>	1,919	1,883	36	1.9%
Other operating income	5	7	(2)	(28.6%)
<b>Total external revenue</b>	1,924	1,890	34	1.8%
Intersegment network revenue	13	11	2	18.2%
<b>Total operating revenues</b>	1,937	1,901	36	1.9%
Goods and services purchased	876	894	(18)	(2.0%)
Employee benefits expense <sup>(B)</sup>	153	171	(18)	(10.5%)
<b>Total operating expense</b>	1,029	1,065	(36)	(3.4%)
<b>EBITDA</b>	908	836	72	8.6%
<b>EBITDA margin (total revenue)</b>	46.9%	44.0%	2.9 pts.	
<b>Capital expenditures</b>	177	182	(5)	(2.7%)
<b>Capital expenditure intensity<sup>6</sup></b>	9%	10%	(1) pts.	
<b>EBITDA less capex</b>	731	654	77	11.8%
Add: Restructuring and other costs included in total operating expense	9	10	(1)	n.m.
<b>Adjusted EBITDA</b>	917	846	71	8.4%
<b>Adjusted EBITDA margin<sup>(C)</sup></b>	47.4%	44.5%	2.9 pts.	

<sup>(A)</sup> May not balance due to rounding alignment to YTD figures.

<sup>(B)</sup> Includes restructuring and other costs.

<sup>(C)</sup> Adjusted EBITDA margin is Adjusted EBITDA divided by Operating revenues.



<sup>(D)</sup> Periods prior to 2017 have not been adjusted for adoption of IFRS15 and IFRS9 accounting standards; accordingly, they are not comparable to 2017, 2018 and 2019 results. The implementation of IFRS16 standards did not impact network revenue.

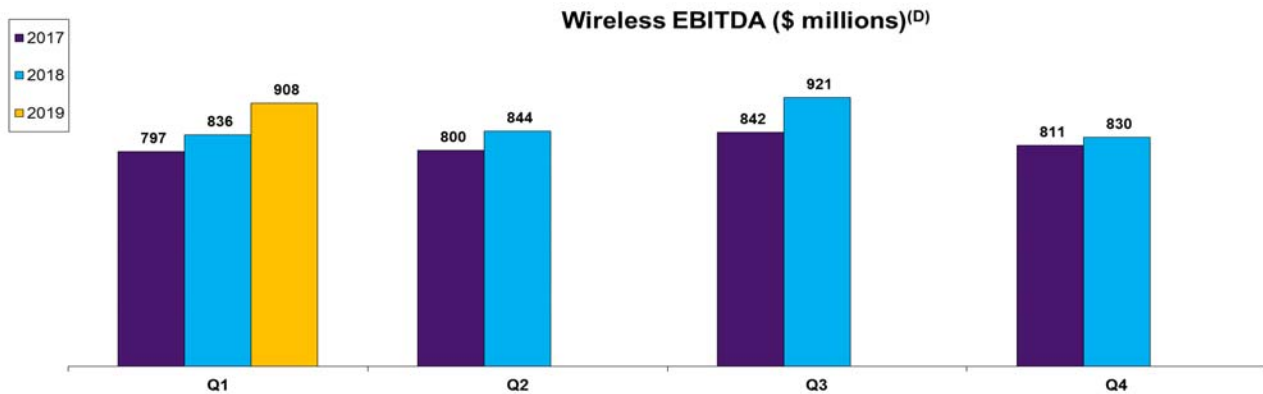
**TELUS Wireless**  
**Operations - Historical Trend<sup>(A)</sup>**

<i>\$ millions</i>	Quarterly					Mar YTD 2019	Annual 2018
	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18		
<b>Revenues</b>							
Network revenue	1,492	1,509	1,547	1,497	1,472	1,492	6,025
Equipment and other service revenue	427	645	512	424	411	427	1,992
<b>Revenues arising from contracts with customers</b>	1,919	2,154	2,059	1,921	1,883	1,919	8,017
Other operating income	5	13	90	8	7	5	118
<b>Total external revenue</b>	1,924	2,167	2,149	1,929	1,890	1,924	8,135
Intersegment network revenue	13	12	12	12	11	13	47
<b>Total operating revenues</b>	1,937	2,179	2,161	1,941	1,901	1,937	8,182
<i>Network revenue % change on prior year</i>	1.4%	1.8%	2.2%	2.7%	4.0%	1.4%	2.7%
<i>Total external revenue % change on prior year</i>	1.8%	5.4%	8.5%	3.5%	6.7%	1.8%	6.0%
Goods and services purchased	876	1,175	1,064	928	894	876	4,061
Employee benefits expense <sup>(B)</sup>	153	174	176	169	171	153	690
<b>Total operating expense</b>	1,029	1,349	1,240	1,097	1,065	1,029	4,751
<b>EBITDA</b>	908	830	921	844	836	908	3,431
<i>EBITDA % change on prior year</i>	8.6%	2.4%	9.3%	5.5%	4.9%	8.6%	5.5%
<b>EBITDA margin (total revenue)</b>	46.9%	38.1%	42.6%	43.5%	44.0%	46.9%	41.9%
<b>Capital expenditures</b>	177	253	218	243	182	177	896
<b>Capital expenditure intensity<sup>6</sup></b>	9%	12%	10%	13%	10%	9%	11%
<b>EBITDA less capex</b>	731	577	703	601	654	731	2,535
Add: Restructuring and other costs included in total operating expense	9	22	76	7	10	9	115
Deduct: Non-recurring gains and equity income related to real estate joint ventures	-	-	(85)	-	-	-	(85)
<b>Adjusted EBITDA</b>	917	852	912	851	846	917	3,461
<i>Adjusted EBITDA % change on prior year</i>	8.4%	5.0%	6.8%	3.3%	6.0%	8.4%	5.3%
<b>Adjusted EBITDA margin<sup>(C)</sup></b>	47.4%	39.1%	43.9%	43.8%	44.5%	47.4%	42.7%

<sup>(A)</sup> May not balance due to rounding alignment to YTD figures.

<sup>(B)</sup> Includes restructuring and other costs.

<sup>(C)</sup> Adjusted EBITDA margin is Adjusted EBITDA divided by Operating revenues, where the calculation of the Operating revenues excludes the non-recurring gains and equity income or non-recurring losses and equity losses related to real estate joint ventures.



<sup>(D)</sup> Periods prior to 2019 have not been adjusted for adoption of IFRS16, accordingly, they are not comparable to 2019 results.

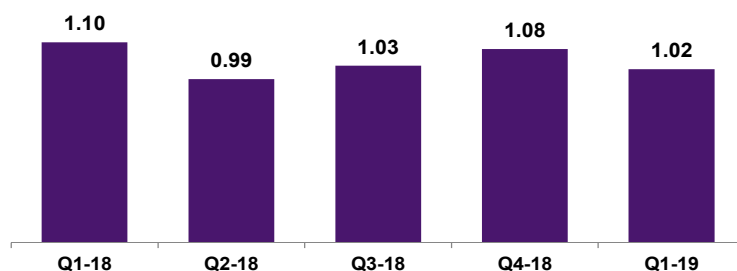
## TELUS Wireless Operating Statistics<sup>(A)(B)(C)</sup>

	Quarter 1			
	2019	2018	Change	% Change
<b><u>Mobile Phone</u></b>				
Additions (000s)				
Gross additions	269	263	6	2.3%
Net additions	11	(3)	14	n.m.
Subscribers (000s)	8,470	8,215	255	3.1%
ABPU (\$) <sup>7</sup>	\$72.19	\$72.15	\$0.04	0.1%
ARPU (\$) <sup>8</sup>	\$59.33	\$60.26	(\$0.93)	(1.5%)
Churn, per month (%) <sup>9</sup>	1.02%	1.10%	(0.08) pts.	
<b><u>Mobile Connected Device</u></b>				
Net additions (000s)	49	41	8	19.5%
Subscribers (000s)	1,266	1,065	201	18.9%
<b><u>Total</u></b>				
Total Net Adds	60	38	22	57.9%
Total Subscribers	9,736	9,280	456	4.9%

<sup>(A)</sup>May not balance due to rounding alignment to YTD figures.

<sup>(B)</sup>Fourth quarter of 2018 opening mobile phone subscriber connections have been adjusted to exclude an estimated 23,000 subscribers impacted by the CRTC's final pro-rating ruling in June 2018, as well as associated Q4 operating statistics (ARPU, ABPU and churn), which was effective October 1, 2018.

### Mobile Phone Churn (%)<sup>(C)</sup>



<sup>(C)</sup>Effective for the first quarter of 2019, with retrospective application to January 1, 2018, we have revised our definition of a wireless subscriber unit and now report mobile phone units and mobile connected device units as separate subscriber bases so as to be consistent with the way we manage our business and to align with global peers. As a result of the change, total subscribers and associated operating statistics (gross additions, net additions, churn, ABPU and ARPU) have been adjusted to reflect (i) the movement of certain subscriber units from the mobile phones subscriber base to the newly created mobile connected devices subscriber base, and (ii) the inclusion of previously undisclosed Internet of Things and mobile health subscriber units in our mobile connected devices subscriber base. For additional information on our subscriber definitions, see Section 11.2 in the Q1 2019 Management's Discussion and Analysis.

**TELUS Wireless**  
**Operating Statistics - Historical Trend**<sup>(A)(B)(C)</sup>

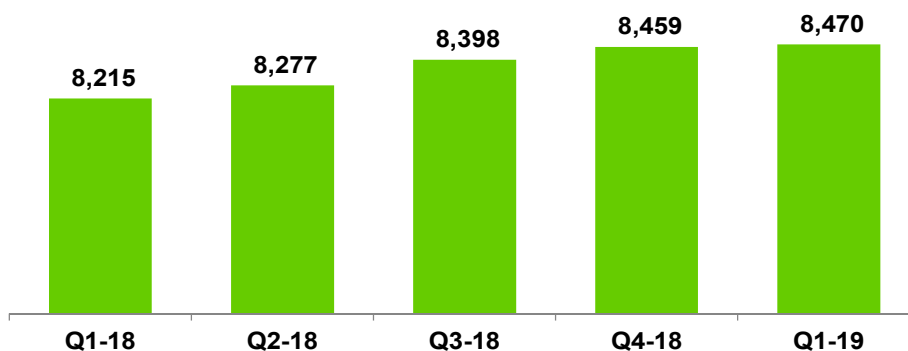
	Quarterly					Mar YTD 2019	Annual 2018
	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18		
<b><u>Mobile Phone</u></b>							
Additions (000s)							
Gross additions	269	350	366	303	263	269	1,282
Net additions	11	84	121	62	(3)	11	264
Subscribers (000s)	8,470	8,459	8,398	8,277	8,215	8,470	8,459
ABPU (\$) <sup>7</sup>	\$72.19	\$72.85	\$74.77	\$73.08	\$72.15	\$72.19	\$73.22
ABPU % change on prior year	0.1%					0.1%	
ARPU (\$) <sup>8</sup>	\$59.33	\$60.30	\$62.39	\$61.06	\$60.26	\$59.33	\$61.00
ARPU % change on prior year	(1.5%)					(1.5%)	
Churn, per month (%) <sup>9</sup>	1.02%	1.08%	1.03%	0.99%	1.10%	1.02%	1.05%
<b><u>Mobile Connected Device</u></b>							
Net additions (000s)	49	58	50	44	41	49	193
Subscribers (000s)	1,266	1,217	1,159	1,109	1,065	1,266	1,217
<b><u>Total</u></b>							
Total Net Adds	60	142	171	106	38	60	457
Total Subscribers	9,736	9,676	9,557	9,386	9,280	9,736	9,676

<sup>(A)</sup>May not balance due to rounding alignment to YTD figures.

<sup>(B)</sup>Fourth quarter of 2018 opening mobile phone subscriber connections have been adjusted to exclude an estimated 23,000 subscribers impacted by the CRTC's final pro-rating ruling in June 2018, as well as associated Q4 operating statistics (ARPU, ABPU and churn), which was effective October 1, 2018.

<sup>(C)</sup>Effective for the first quarter of 2019, with retrospective application to January 1, 2018, we have revised our definition of a wireless subscriber unit and now report mobile phone units and mobile connected device units as separate subscriber bases so as to be consistent with the way we manage our business and to align with global peers. As a result of the change, total subscribers and associated operating statistics (gross additions, net additions, churn, ABPU and ARPU) have been adjusted to reflect (i) the movement of certain subscriber units from the mobile phones subscriber base to the newly created mobile connected devices subscriber base, and (ii) the inclusion of previously undisclosed Internet of Things and mobile health subscriber units in our mobile connected devices subscriber base. For additional information on our subscriber definitions, see Section 11.2 in the Q1 2019 Management's Discussion and Analysis.

**Mobile Phone Subscribers (000s)**<sup>(B)(C)</sup>





## TELUS Wireline Operations<sup>(A)</sup>

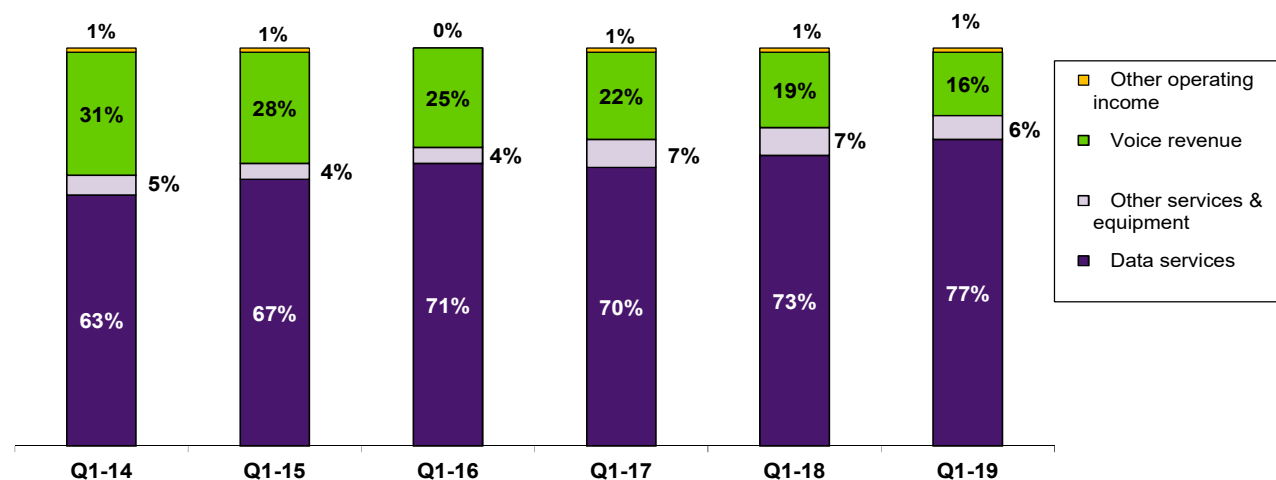
\$ millions	Quarter 1			
	2019	2018	Change	% Change
<b>Revenues</b>				
Data services	1,219	1,089	130	11.9%
Voice service (local and long distance)	253	281	(28)	(10.0%)
Other service and equipment	98	98	-	0.0%
<b>Revenues arising from contracts with customers</b>	1,570	1,468	102	6.9%
Other operating income	12	19	(7)	(36.8%)
<b>Total external revenue</b>	1,582	1,487	95	6.4%
Intersegment revenue	56	52	4	7.7%
<b>Total operating revenues</b>	1,638	1,539	99	6.4%
Goods and services purchased	614	577	37	6.4%
Employee benefits expense <sup>(B)</sup>	553	529	24	4.5%
<b>Total operating expense</b>	1,167	1,106	61	5.5%
<b>EBITDA</b>	471	433	38	8.8%
<b>EBITDA margin</b>	28.7%	28.1%	0.6 pts.	
<b>Capital expenditures</b>	469	468	1	0.2%
<b>Capital expenditure intensity<sup>6</sup></b>	29%	30%	(1) pts.	
<b>EBITDA less capex</b>	2	(35)	37	n.m.
Add: Restructuring and other costs included in total operating expense	27	24	3	n.m.
<b>Adjusted EBITDA</b>	498	457	41	9.0%
<b>Adjusted EBITDA margin<sup>(C)</sup></b>	30.4%	29.7%	0.7 pts.	

<sup>(A)</sup> May not balance due to rounding alignment to YTD figures.

<sup>(B)</sup> Includes restructuring and other costs.

<sup>(C)</sup> Adjusted EBITDA margin is Adjusted EBITDA divided by Operating revenues.

### Q1 Wireline revenue profile - (% of total external wireline revenue)<sup>(D)</sup>



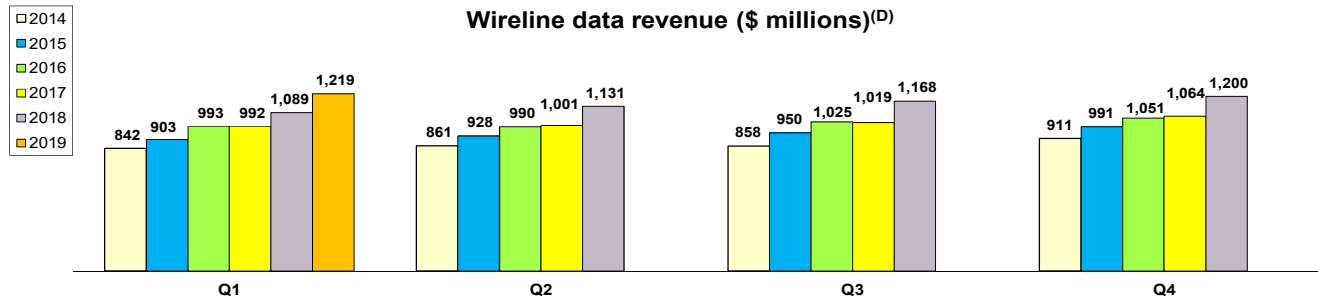
**TELUS Wireline**  
Operations - Historical Trend<sup>(A)</sup>

\$ millions	Quarterly					Mar YTD 2019	Annual 2018
	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18		
<b>Revenues</b>							
Data services	1,219	1,200	1,168	1,131	1,089	1,219	4,588
Voice service (local and long distance)	253	259	267	277	281	253	1,084
Other service and equipment	98	100	97	111	98	98	406
<b>Revenues arising from contracts with customers</b>	<b>1,570</b>	<b>1,559</b>	<b>1,532</b>	<b>1,519</b>	<b>1,468</b>	<b>1,570</b>	<b>6,078</b>
Other operating income	12	38	93	5	19	12	155
<b>Total external revenue</b>	<b>1,582</b>	<b>1,597</b>	<b>1,625</b>	<b>1,524</b>	<b>1,487</b>	<b>1,582</b>	<b>6,233</b>
Intersegment revenue	56	53	52	50	52	56	207
<b>Total operating revenues</b>	<b>1,638</b>	<b>1,650</b>	<b>1,677</b>	<b>1,574</b>	<b>1,539</b>	<b>1,638</b>	<b>6,440</b>
<i>Data services revenue % change on prior year</i>	11.9%	12.8%	14.6%	13.0%	9.8%	11.9%	12.6%
<i>Total external revenue % change on prior year</i>	6.4%	7.5%	14.1%	7.6%	5.4%	6.4%	8.6%
Goods and services purchased	614	674	685	625	577	614	2,561
Employee benefits expense <sup>(B)</sup>	553	571	564	542	529	553	2,206
<b>Total operating expense</b>	<b>1,167</b>	<b>1,245</b>	<b>1,249</b>	<b>1,167</b>	<b>1,106</b>	<b>1,167</b>	<b>4,767</b>
<b>EBITDA</b>	<b>471</b>	<b>405</b>	<b>428</b>	<b>407</b>	<b>433</b>	<b>471</b>	<b>1,673</b>
<i>EBITDA % change on prior year</i>	8.8%	(1.2%)	6.1%	(0.2%)	(1.2%)	8.8%	0.8%
<b>EBITDA margin</b>	<b>28.7%</b>	<b>24.5%</b>	<b>25.6%</b>	<b>25.9%</b>	<b>28.1%</b>	<b>28.7%</b>	<b>26.0%</b>
<b>Capital expenditures</b>	<b>469</b>	<b>458</b>	<b>544</b>	<b>548</b>	<b>468</b>	<b>469</b>	<b>2,018</b>
<b>Capital expenditure intensity<sup>6</sup></b>	<b>29%</b>	<b>28%</b>	<b>32%</b>	<b>35%</b>	<b>30%</b>	<b>29%</b>	<b>31%</b>
<b>EBITDA less capex</b>	<b>2</b>	<b>(53)</b>	<b>(116)</b>	<b>(141)</b>	<b>(35)</b>	<b>2</b>	<b>(345)</b>
Add: Restructuring and other costs included in total operating expense	27	53	97	28	24	27	202
Deduct: Non-recurring gains and equity income related to real estate joint ventures	-	-	(86)	-	-	-	(86)
<b>Adjusted EBITDA</b>	<b>498</b>	<b>458</b>	<b>439</b>	<b>435</b>	<b>457</b>	<b>498</b>	<b>1,789</b>
<i>Adjusted EBITDA % change on prior year</i>	9.0%	3.1%	5.7%	4.0%	3.7%	9.0%	4.1%
<b>Adjusted EBITDA margin<sup>(C)</sup></b>	<b>30.4%</b>	<b>27.7%</b>	<b>27.6%</b>	<b>27.7%</b>	<b>29.7%</b>	<b>30.4%</b>	<b>28.2%</b>

<sup>(A)</sup>May not balance due to rounding alignment to YTD figures.

<sup>(B)</sup>Includes restructuring and other costs.

<sup>(C)</sup>Adjusted EBITDA margin is Adjusted EBITDA divided by Operating revenues, where the calculation of the Operating revenues excludes the non-recurring gains and equity income or non-recurring losses and equity losses related to real estate joint ventures.



<sup>(D)</sup>Periods prior to 2017 have not been adjusted for adoption of IFRS15 and IFRS9 accounting standards; accordingly, they are not comparable to 2017, 2018 and 2019 results. The implementation of IFRS16 standards did not impact wireline revenue.

## TELUS Wireline Operating Statistics<sup>(A)</sup>

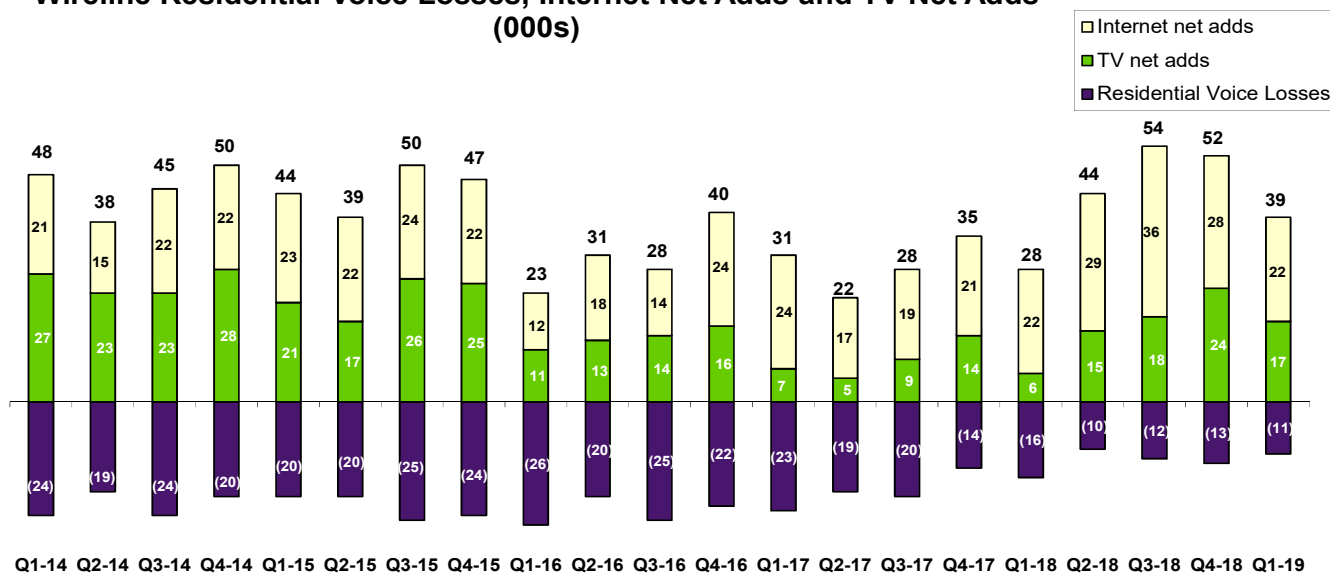
<i>thousands (000s)</i>	Quarter 1			
	2019	2018	Change	% Change
Internet Subscriber net additions (losses)	22	22	-	0.0%
Internet Subscribers <sup>(B)</sup>	1,896	1,765	131	7.4%
TV subscriber net adds	17	6	11	n.m.
TV subscribers <sup>(C)</sup>	1,110	1,104	6	0.5%
Residential Voice net additions (losses)	(11)	(16)	5	31.3%
Residential Voice	1,237	1,282	(45)	(3.5%)
Total Wireline net additions	28	12	16	133.3%
Total Wireline Subscribers <sup>(B)(C)</sup>	4,243	4,151	92	2.2%

<sup>(A)</sup>May not balance due to rounding alignment to YTD figures.

<sup>(B)</sup>During the first quarter of 2019, we adjusted cumulative subscriber connections to add approximately 16,000 subscribers from acquisitions undertaken during the quarter.

<sup>(C)</sup>Effective April 1, 2018 and on a prospective basis, we have adjusted cumulative subscriber connections to remove approximately 68,000 TELUS TV subscribers as we have ceased marketing our Satellite TV product.

### Wireline Residential Voice Losses, Internet Net Adds and TV Net Adds (000s)



## TELUS Wireline Operating Statistics - Historical Trend<sup>(A)</sup>

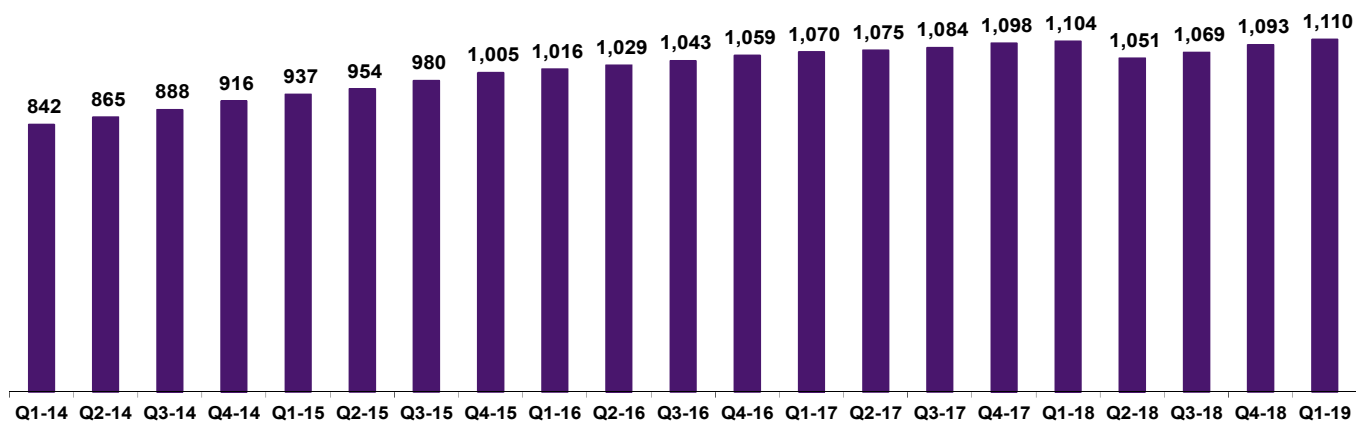
<i>thousands (000s)</i>	<u>Quarterly</u>					<b>Mar YTD 2019</b>	<b>Annual 2018</b>
	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18		
<b>Internet Subscriber net additions (losses)</b>	22	28	36	29	22	22	115
<b>Internet Subscribers<sup>(B)</sup></b>	1,896	1,858	1,830	1,794	1,765	1,896	1,858
<b>TV subscriber net adds</b>	17	24	18	15	6	17	63
<b>TV subscribers<sup>(C)</sup></b>	1,110	1,093	1,069	1,051	1,104	1,110	1,093
<b>Residential Voice net additions (losses)</b>	(11)	(13)	(12)	(10)	(16)	(11)	(51)
<b>Residential Voice</b>	1,237	1,248	1,260	1,272	1,282	1,237	1,248
<b>Total Wireline net additions</b>	28	39	42	34	12	28	127
<b>Total Wireline Subscribers<sup>(B)(C)</sup></b>	4,243	4,199	4,159	4,117	4,151	4,243	4,199

<sup>(A)</sup>May not balance due to rounding alignment to YTD figures.

<sup>(B)</sup>During the first quarter of 2019, we adjusted cumulative subscriber connections to add approximately 16,000 subscribers from acquisitions undertaken during the quarter.

<sup>(C)</sup>Effective April 1, 2018 and on a prospective basis, we have adjusted cumulative subscriber connections to remove approximately 68,000 TELUS TV subscribers as we have ceased marketing our Satellite TV product.

### TELUS TV subscribers (000s)<sup>(C)</sup>



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

<sup>1</sup> **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.

<sup>2</sup> **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.

<sup>3</sup> **Free cash flow** is calculated as EBITDA, adding or deducting as appropriate: non-recurring gains and equity income or non-recurring losses and equity losses from real estate joint ventures, the Q3 2018 donation to TELUS Friendly Future Foundation in TELUS Common Shares, the effects of contract asset, acquisition and fulfilment, the effects of lease principal and interest, non-cash gains from the sale of property, plant and equipment, restructuring and other costs net of disbursements, share-based compensation, net employee defined benefit plans expense, employer contributions to employee defined benefit plans, interest paid, interest received, capital expenditures (excluding spectrum licenses), income taxes received or paid net of refunds. Refer to section 11.1 in the Q1 2019 Annual Management's Discussion and Analysis for additional details.

<sup>4</sup> **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 and Accumulated other comprehensive income amounts arising from financial instruments used to manage interest rate and currency risks associated with U.S. dollar-denominated long-term debt (excluding tax effects).

<sup>5</sup> **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 2.00 to 2.50 times. Historically, Net debt to EBITDA excluding restructuring and other costs is similar to the Leverage Ratio covenant in TELUS' credit facilities.

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

<sup>7</sup> **Mobile phone Average billing per subscriber unit per month (ABPU)** for mobile phone subscribers is calculated as Network revenue derived from monthly service plan, roaming and usage charges, as well as monthly re-payments of the outstanding device balance owing from customers on contract; divided by the average number of mobile phone subscriber units on the network during the period and is expressed as a rate per month.

<sup>8</sup> **Mobile phone Average revenue per subscriber unit per month (ARPU)** for mobile phone subscribers is calculated as Network revenue derived from monthly service plan, roaming and usage charges; divided by the average number of mobile phone subscriber units on the network during the period and is expressed as a rate per month.

<sup>9</sup> **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. Mobile phone churn refers to the aggregate average of both prepaid and postpaid mobile phone churn. A TELUS, Koodo or Public Mobile brand prepaid mobile phone subscriber is deactivated when the subscriber has no usage for 90 days following expiry of the prepaid credits.