



## TELUS Corporation

***Second Quarter, 2011***

### ***Supplemental Investor Information***

(UNAUDITED)

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

Certain comparative information for 2010 and prior periods is also presented as originally reported  
under Canadian GAAP, where indicated by "as originally reported"

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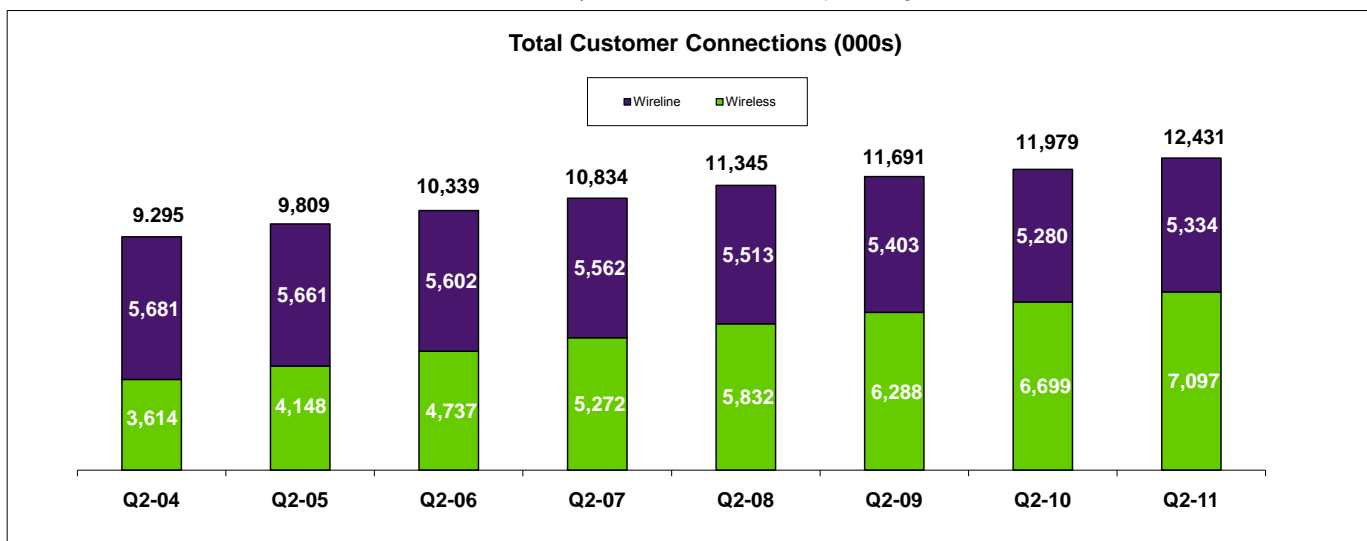
**TELUS Corporation**  
**Selected Consolidated Data**

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

	Quarterly						June YTD 2011	Annual 2010
	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10		
Net Income	324	328	226	251	302	273	652	1,052
Net Income - As originally reported	n/a	n/a	227	247	296	268	n/a	1,038
Basic earnings per share (\$)	0.99	1.01	0.70	0.78	0.94	0.85	2.00	3.27
Basic earnings per share (\$) - As originally reported	n/a	n/a	0.70	0.77	0.92	0.84	n/a	3.23
Dividends declared per share (\$)	0.550	0.525	0.525	0.500	0.500	0.475	1.075	2.000
Return on common equity <sup>1</sup>	14.0%	14.0%	13.6%	n/a	n/a	n/a	14.0%	13.6%
Return on common equity <sup>1</sup> - As originally reported	n/a	n/a	13.1%	12.3%	13.0%	12.5%	n/a	13.1%
EBITDA interest coverage ratio <sup>2 (A)</sup>	7.8	7.4	7.1	n/a	n/a	n/a	7.8	7.1
EBITDA interest coverage ratio <sup>2 (B)</sup> - As originally reported	n/a	n/a	7.3	5.8	6.7	6.7	n/a	7.3
Free cash flow <sup>3</sup>	286	162	122	338	239	247	448	946
Free cash flow <sup>3</sup> - As originally reported	n/a	n/a	121	339	241	246	n/a	947
Net debt <sup>4</sup>	7,200	7,034	6,869	6,905	7,221	7,235	7,200	6,869
Net debt : Total capitalization	46.2%	45.9%	46.2%	46.7%	48.3%	48.9%	46.2%	46.2%
Net debt : Total capitalization - As originally reported	n/a	n/a	45.5%	46.0%	47.6%	48.2%	n/a	45.5%
Net debt : EBITDA <sup>5</sup> (times)	1.9	1.9	1.8	n/a	n/a	n/a	1.9	1.8
Net debt : EBITDA <sup>5</sup> - As originally reported (times)	n/a	n/a	1.8	1.9	1.9	2.0	n/a	1.8
Outstanding shares at end of period (M)	324	324	322	321	319	318	324	322
Basic weighted average shares outstanding (M)	324	324	322	321	319	318	324	320
Total customer connections (000s)	12,431	12,308	12,253	12,129	11,979	11,893	12,431	12,253

<sup>(A)</sup> This ratio was 8.3 in Q2-11, 8.2 in Q1-11 and 7.9 in Q4-10 when adjusted to exclude a loss on redemption of long-term debt in Q3-10.

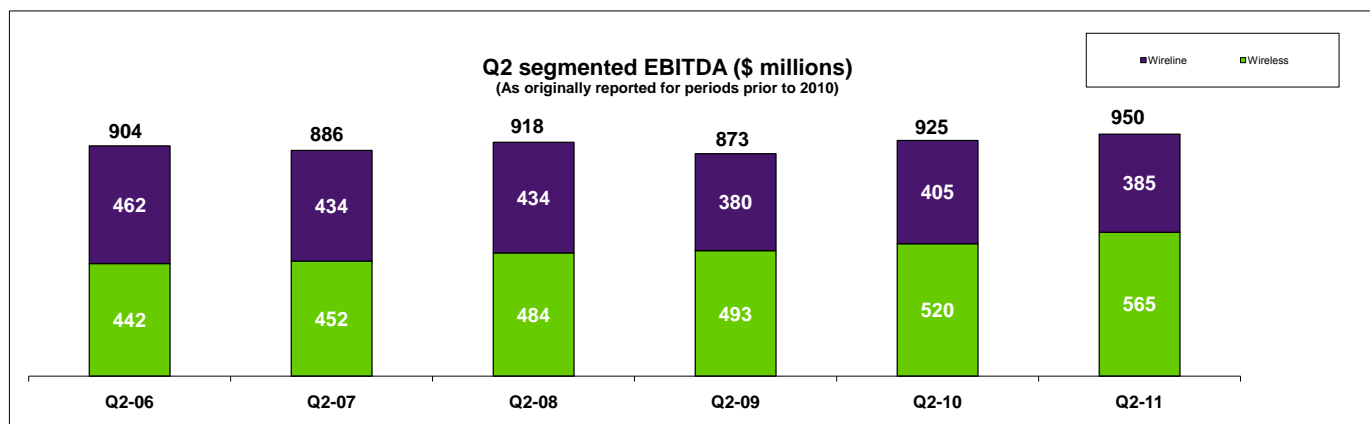
<sup>(B)</sup> This ratio was 8.1 in Q4-10, 7.6 in Q3-10, 8.1 in Q2-10, 8.2 in Q1-10 when adjusted to exclude losses on redemption of long-term debt in Q3-10 and Q4-09.



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

\$ millions	Qtr 2				June YTD			
	2011	2010	Change	% Change	2011	2010	Change	% Change
<b>Revenues</b>								
TELUS Wireless	1,343	1,225	118	9.6%	2,660	2,409	251	10%
TELUS Wireline	1,261	1,224	37	3.0%	2,524	2,460	64	2.6%
Less: Intersegment revenue	(50)	(49)	(1)	-2.0%	(99)	(92)	(7)	-7.6%
Operating revenues	2,554	2,400	154	6.4%	5,085	4,777	308	6.4%
<b>EBITDA</b>								
TELUS Wireless	565	520	45	8.7%	1,116	1,015	101	10%
TELUS Wireline	385	405	(20)	-4.9%	820	853	(33)	-3.9%
Consolidated	950	925	25	2.7%	1,936	1,868	68	3.6%
<b>EBITDA margin</b>								
TELUS Wireless	42.1%	42.4%	(0.3)		42.0%	42.1%	(0.1)	
TELUS Wireline	30.5%	33.1%	(2.6)		32.5%	34.7%	(2.2)	
Consolidated	37.2%	38.5%	(1.3)		38.1%	39.1%	(1.0)	
<b>Capital expenditures</b>								
TELUS Wireless	107	99	8	8.1%	183	158	25	16%
TELUS Wireline	349	298	51	17%	682	550	132	24%
Consolidated	456	397	59	15%	865	708	157	22%
<b>Capital expenditure intensity<sup>6</sup></b>								
TELUS Wireless	8%	8%	-	pt.	7%	7%	-	pt.
TELUS Wireline	28%	24%	4	pts.	27%	22%	5	pts.
Consolidated	18%	17%	1	pts.	17%	15%	2	pts.
<b>EBITDA less capex</b>								
TELUS Wireless	458	421	37	8.8%	933	857	76	8.9%
TELUS Wireline	36	107	(71)	-66%	138	303	(165)	-54%
Consolidated	494	528	(34)	-6.4%	1,071	1,160	(89)	-7.7%
<b>EBITDA excluding restructuring costs<sup>(A)</sup></b>								
TELUS Wireless	566	520	46	8.8%	1,117	1,017	100	10%
TELUS Wireline	396	424	(28)	-6.6%	835	876	(41)	-4.7%
Consolidated	962	944	18	1.9%	1,952	1,893	59	3.1%
<b>EBITDA margin excluding restructuring costs<sup>(A)</sup></b>								
TELUS Wireless	42.1%	42.4%	(0.3)		42.0%	42.2%	(0.2)	
TELUS Wireline	31.4%	34.6%	(3.2)		33.1%	35.6%	(2.5)	
Consolidated	37.7%	39.3%	(1.6)		38.4%	39.6%	(1.2)	

<sup>(A)</sup> EBITDA has been adjusted to exclude restructuring costs of \$12M and \$19M for Q2-11 and Q2-10 and \$16M and \$25M for Q2-11 YTD and Q2-10 YTD respectively.

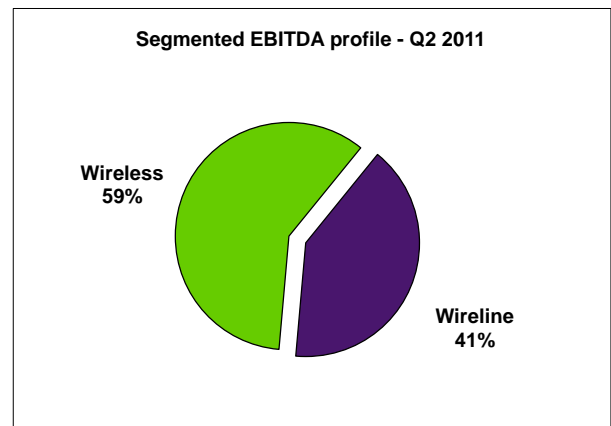
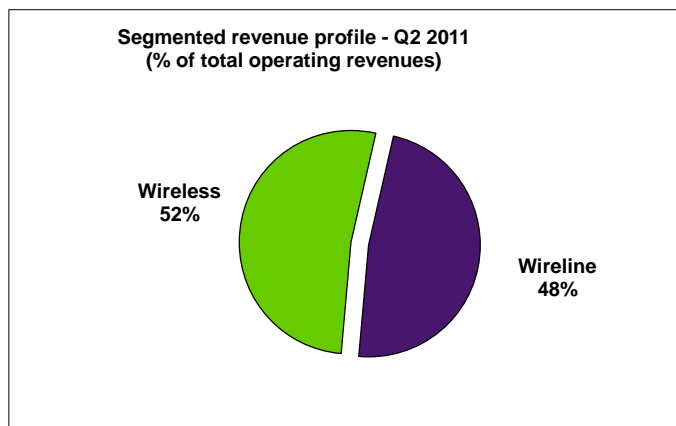


**TELUS Corporation**  
**Segmented Data - Historical Trend**

<i>\$ millions</i>	<u>Quarterly</u>						June YTD 2011	Annual 2010
	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10		
<b>Revenues</b>								
TELUS Wireless	1,343	1,317	1,346	1,290	1,225	1,184	2,660	5,045
TELUS Wireline	1,261	1,263	1,257	1,218	1,224	1,236	2,524	4,935
Less: Intersegment revenue	(50)	(49)	(49)	(47)	(49)	(43)	(99)	(188)
Operating revenues	2,554	2,531	2,554	2,461	2,400	2,377	5,085	9,792
<b>EBITDA</b>								
TELUS Wireless	565	551	471	534	520	495	1,116	2,020
TELUS Wireline	385	435	370	407	405	448	820	1,630
Consolidated	950	986	841	941	925	943	1,936	3,650
<b>EBITDA margin</b>								
TELUS Wireless	42.1%	41.8%	35.0%	41.4%	42.4%	41.8%	42.0%	40.0%
TELUS Wireline	30.5%	34.4%	29.4%	33.4%	33.1%	36.2%	32.5%	33.0%
Consolidated	37.2%	39.0%	32.9%	38.2%	38.5%	39.7%	38.1%	37.3%
<b>Capital expenditures</b>								
TELUS Wireless	107	76	192	113	99	59	183	463
TELUS Wireline	349	333	372	336	298	252	682	1,258
Consolidated	456	409	564	449	397	311	865	1,721
<b>Capital expenditure intensity<sup>6</sup></b>								
TELUS Wireless	8%	6%	14%	9%	8%	5%	7%	9%
TELUS Wireline	28%	26%	30%	28%	24%	20%	27%	25%
Consolidated	18%	16%	22%	18%	17%	13%	17%	18%
<b>EBITDA less capex</b>								
TELUS Wireless	458	475	279	421	421	436	933	1,557
TELUS Wireline	36	102	(2)	71	107	196	138	372
Consolidated	494	577	277	492	528	632	1,071	1,929
<b>Full-Time Equivalent (FTE) employees<sup>(B)</sup></b>	38,500	38,000	33,900	34,100	34,200	34,100	38,500	33,900
<b>EBITDA excluding restructuring costs<sup>(A)</sup></b>								
TELUS Wireless	566	551	471	536	520	497	1,117	2,024
TELUS Wireline	396	439	408	422	424	452	835	1,706
Consolidated	962	990	879	958	944	949	1,952	3,730
<b>EBITDA margin excluding restructuring costs<sup>(A)</sup></b>								
TELUS Wireless	42.1%	41.8%	35.0%	41.6%	42.4%	42.0%	42.0%	40.1%
TELUS Wireline	31.4%	34.8%	32.5%	34.6%	34.6%	36.6%	33.1%	34.6%
Consolidated	37.7%	39.1%	34.4%	38.9%	39.3%	39.9%	38.4%	38.1%

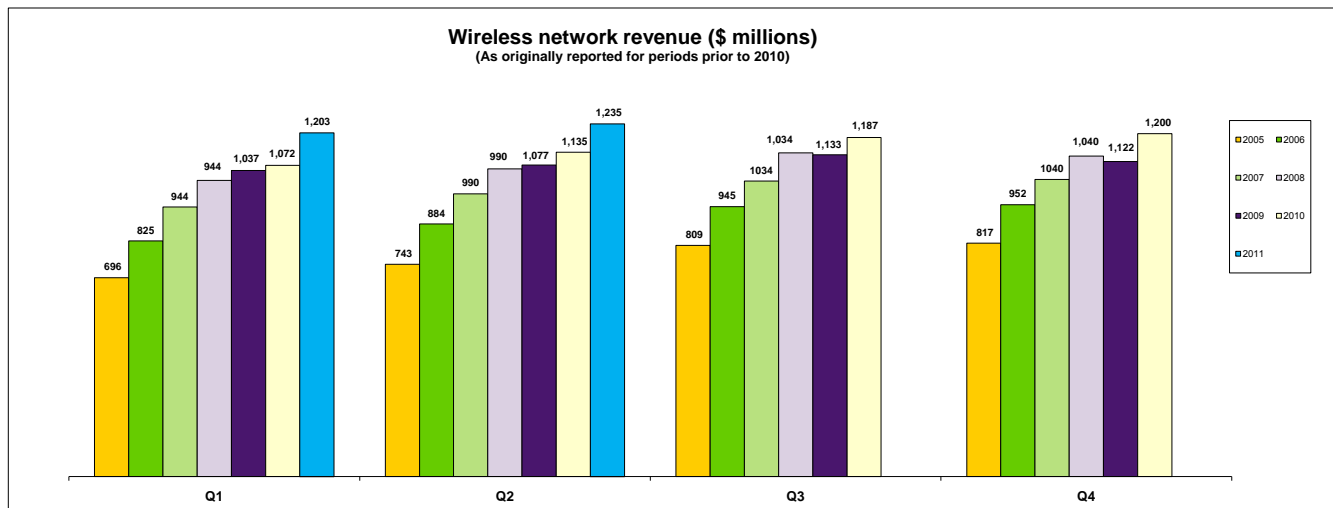
<sup>(A)</sup> EBITDA has been adjusted to exclude restructuring costs (see Historical Trend pages for Wireless and Wireline)

<sup>(B)</sup> Excluding full-time equivalent (FTE) employees in TELUS International, FTE employees were approximately 26,100 and 25,600, respectively for Q2-11 and Q1-11, and 25,500, 25,500, 25,700, 25,850, respectively, for Q4-10, Q3-10, Q2-10, and Q1-10.



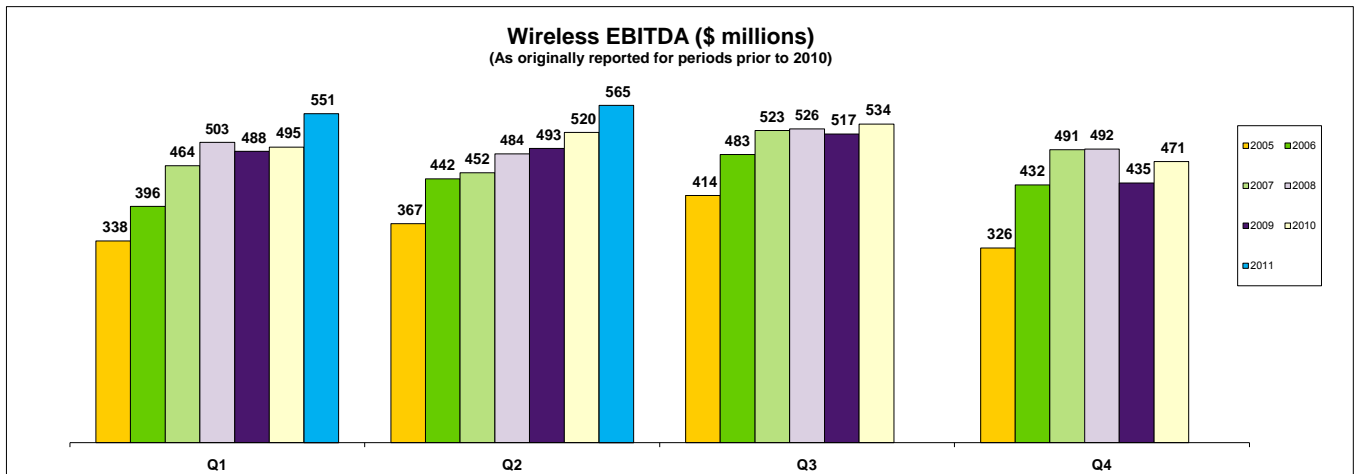
**TELUS Wireless  
Operations**

<i>\$ millions</i>	Qtr 2				June YTD			
	2011	2010	Change	% Change	2011	2010	Change	% Change
<b>Revenues</b>								
Voice	833	865	(32)	-3.7%	1,670	1,700	(30)	-1.8%
Data	402	270	132	49%	768	524	244	47%
Total Network revenue	1,235	1,135	100	8.8%	2,438	2,224	214	9.6%
Equipment and other service revenue	98	82	16	20%	203	170	33	19%
<b>Total external service and equipment revenue</b>	1,333	1,217	116	9.5%	2,641	2,394	247	10%
Other operating income	-	(1)	1	n.m.	-	(1)	1	n.m.
<b>Total external revenue</b>	1,333	1,216	117	9.6%	2,641	2,393	248	10%
Intersegment revenue	10	9	1	11%	19	16	3	19%
<b>Total operating revenues</b>	1,343	1,225	118	9.6%	2,660	2,409	251	10%
Goods and services purchased	645	582	63	11%	1,287	1,146	141	12%
Employee benefits expense	133	123	10	8.1%	257	248	9	3.6%
<b>Total operating expense</b>	778	705	73	10%	1,544	1,394	150	11%
<b>EBITDA</b>	565	520	45	8.7%	1,116	1,015	101	10%
<b>COA expense</b>	165	142	23	16%	300	256	44	17%
<b>EBITDA excluding COA</b>	730	662	68	10%	1,416	1,271	145	11%
<b>EBITDA margin (total revenue)</b>	42.1%	42.4%	(0.3)		42.0%	42.1%	(0.1)	
<b>EBITDA margin (network revenue)</b>	45.7%	45.8%	(0.1)		45.8%	45.6%	0.2	
<b>Retention spend % network revenue</b>	11.9%	9.9%	2.0		12.1%	10.6%	1.5	
<b>Capital expenditures</b>	107	99	8	8.1%	183	158	25	16%
<b>Capital expenditure intensity<sup>6</sup></b>	8%	8%	-		7%	7%	-	
<b>EBITDA less capex</b>	458	421	37	8.8%	933	857	76	8.9%
Restructuring costs included in total operating expense	1	-	1	n.m.	1	2	(1)	n.m.
<b>EBITDA excluding restructuring costs</b>	566	520	46	8.8%	1,117	1,017	100	10%
<b>EBITDA margin excluding restructuring costs (total revenue)</b>	42.1%	42.4%	(0.3)		42.0%	42.2%	(0.2)	



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

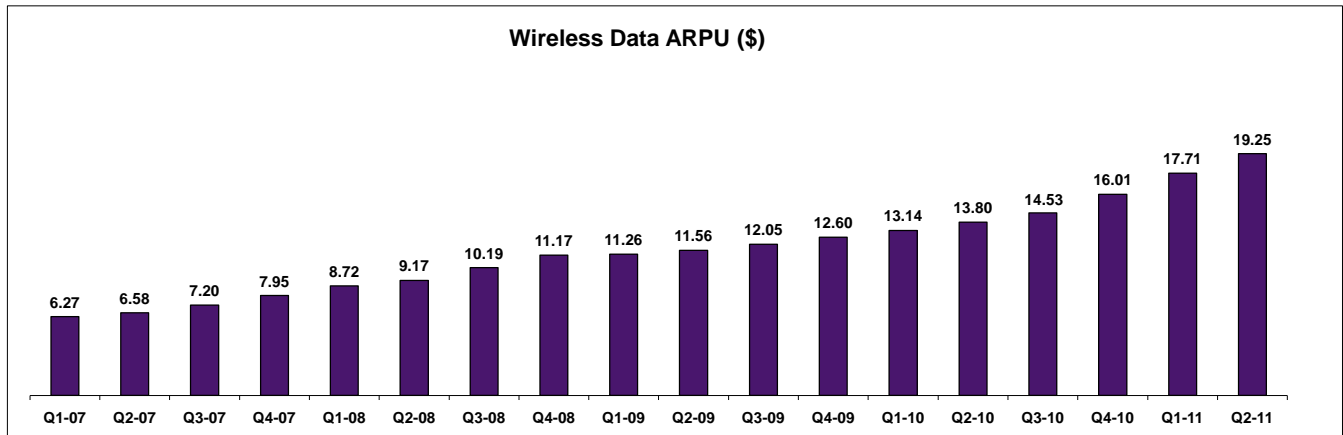
\$ millions	Quarterly						June YTD 2011	Annual 2010
	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10		
<b>Revenues</b>								
Voice	833	837	874	896	865	835	1,670	3,470
Data	402	366	326	291	270	254	768	1,141
Total Network revenue	1,235	1,203	1,200	1,187	1,135	1,089	2,438	4,611
Equipment and other service revenue	98	105	138	95	82	88	203	403
<b>Total external service and equipment revenue</b>	<b>1,333</b>	<b>1,308</b>	<b>1,338</b>	<b>1,282</b>	<b>1,217</b>	<b>1,177</b>	<b>2,641</b>	<b>5,014</b>
Other operating income	-	-	(1)	-	(1)	-	-	(2)
<b>Total external revenue</b>	<b>1,333</b>	<b>1,308</b>	<b>1,337</b>	<b>1,282</b>	<b>1,216</b>	<b>1,177</b>	<b>2,641</b>	<b>5,012</b>
Intersegment revenue	10	9	9	8	9	7	19	33
<b>Total operating revenues</b>	<b>1,343</b>	<b>1,317</b>	<b>1,346</b>	<b>1,290</b>	<b>1,225</b>	<b>1,184</b>	<b>2,660</b>	<b>5,045</b>
Goods and services purchased	645	642	744	627	582	564	1,287	2,517
Employee benefits expense	133	124	131	129	123	125	257	508
<b>Total operating expense</b>	<b>778</b>	<b>766</b>	<b>875</b>	<b>756</b>	<b>705</b>	<b>689</b>	<b>1,544</b>	<b>3,025</b>
<b>EBITDA</b>	<b>565</b>	<b>551</b>	<b>471</b>	<b>534</b>	<b>520</b>	<b>495</b>	<b>1,116</b>	<b>2,020</b>
<b>COA expense</b>	<b>165</b>	<b>135</b>	<b>184</b>	<b>158</b>	<b>142</b>	<b>114</b>	<b>300</b>	<b>598</b>
<b>EBITDA excluding COA</b>	<b>730</b>	<b>686</b>	<b>655</b>	<b>692</b>	<b>662</b>	<b>609</b>	<b>1,416</b>	<b>2,618</b>
<b>EBITDA margin (total revenue)</b>	<b>42.1%</b>	<b>41.8%</b>	<b>35.0%</b>	<b>41.4%</b>	<b>42.4%</b>	<b>41.8%</b>	<b>42.0%</b>	<b>40.0%</b>
<b>EBITDA margin (network revenue)</b>	<b>45.7%</b>	<b>45.8%</b>	<b>39.3%</b>	<b>45.0%</b>	<b>45.8%</b>	<b>45.5%</b>	<b>45.8%</b>	<b>43.8%</b>
<b>Retention spend % network revenue</b>	<b>11.9%</b>	<b>12.2%</b>	<b>14.2%</b>	<b>10.7%</b>	<b>9.9%</b>	<b>11.3%</b>	<b>12.1%</b>	<b>11.6%</b>
<b>Capital expenditures</b>	<b>107</b>	<b>76</b>	<b>192</b>	<b>113</b>	<b>99</b>	<b>59</b>	<b>183</b>	<b>463</b>
<b>Capital expenditure intensity<sup>6</sup></b>	<b>8%</b>	<b>6%</b>	<b>14%</b>	<b>9%</b>	<b>8%</b>	<b>5%</b>	<b>7%</b>	<b>9%</b>
<b>EBITDA less capex</b>	<b>458</b>	<b>475</b>	<b>279</b>	<b>421</b>	<b>421</b>	<b>436</b>	<b>933</b>	<b>1,557</b>
Restructuring costs included in total operating expense	1	-	-	2	-	2	1	4
<b>EBITDA excluding restructuring costs</b>	<b>566</b>	<b>551</b>	<b>471</b>	<b>536</b>	<b>520</b>	<b>497</b>	<b>1,117</b>	<b>2,024</b>
<b>EBITDA margin, less restructuring costs (total revenue)</b>	<b>42.1%</b>	<b>41.8%</b>	<b>35.0%</b>	<b>41.6%</b>	<b>42.4%</b>	<b>42.0%</b>	<b>42.0%</b>	<b>40.1%</b>



## TELUS Wireless Operating Statistics

<i>population coverage in millions</i>	Qtr 2				June YTD			
	2011	2010	Change	% Change	2011	2010	Change	% Change
<b>Subscriber gross adds (000s)</b>								
Postpaid	310	277	33	12%	582	515	67	13%
Prepaid	137	136	1	0.7%	253	254	(1)	-0.4%
Total	447	413	34	8.2%	835	769	66	8.6%
<b>Subscriber net adds, as reported (000s)</b>								
Postpaid	92	109	(17)	-16%	144	174	(30)	-17%
Prepaid	2	15	(13)	-87%	(18)	1	(19)	n.m.
Total	94	124	(30)	-24%	126	175	(49)	-28%
<b>Subscribers (000s)</b>								
Postpaid	5,849	5,464	385	7.0%	5,849	5,464	385	7.0%
Prepaid	1,248	1,235	13	1.1%	1,248	1,235	13	1.1%
Total	7,097	6,699	398	5.9%	7,097	6,699	398	5.9%
<b>ARPU (\$) <sup>7</sup></b>								
Data ARPU	\$58.88	\$57.47	\$1.41	2.5%	\$58.39	\$56.64	\$1.75	3.1%
Churn, per month (%), as reported <sup>8</sup>	1.67%	1.45%	0.22		1.69%	1.50%	0.19	
Average minutes of use per subscriber per month (MOU)	337	373	(36)	-9.7%	331	366	(35)	-10%
COA per gross subscriber addition (\$) <sup>9</sup>	\$370	\$342	28	8.2%	\$360	\$333	27	8.1%
Population coverage - digital incl. roaming/resale <sup>(A)</sup>	34.1	33.7	0.4	1.2%	34.1	33.7	0.4	1.2%

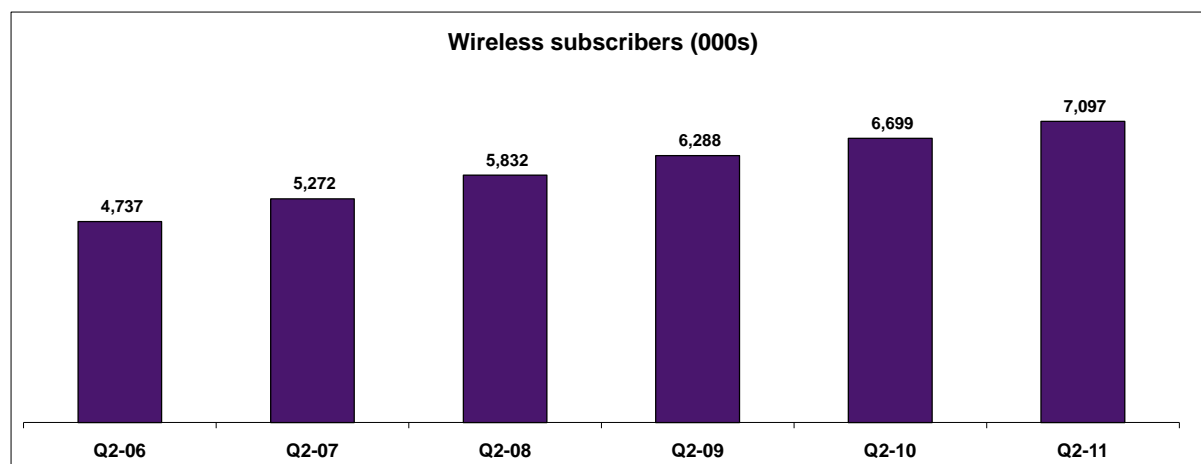
<sup>(A)</sup> Includes expanded coverage due to roaming/resale and network access agreements principally with Bell Mobility.



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

<i>population coverage in millions</i>	Q2/11	Q1/11	Quarterly				June YTD 2011	Annual 2010
			Q4/10	Q3/10	Q2/10	Q1/10		
<b>Subscriber gross adds (000s)</b>								
Postpaid	310	272	323	322	277	238	582	1,160
Prepaid	137	116	152	144	136	118	253	550
Total	447	388	475	466	413	356	835	1,710
<b>Subscriber net adds, as reported (000s)</b>								
Postpaid	92	52	109	132	109	65	144	415
Prepaid	2	(20)	10	21	15	(14)	(18)	32
Total	94	32	119	153	124	51	126	447
<b>Subscribers (000s)</b>								
Postpaid	5,849	5,757	5,705	5,596	5,464	5,355	5,849	5,705
Prepaid	1,248	1,246	1,266	1,256	1,235	1,220	1,248	1,266
Total	7,097	7,003	6,971	6,852	6,699	6,575	7,097	6,971
<b>ARPU (\$)<sup>7</sup></b>	\$58.88	\$57.89	\$58.48	\$58.75	\$57.47	\$55.80	\$58.39	\$57.64
Data ARPU	\$19.25	\$17.71	\$16.01	\$14.53	\$13.80	\$13.14	\$18.49	\$14.39
<b>Churn, per month (%), as reported<sup>8</sup></b>	1.67%	1.70%	1.72%	1.54%	1.45%	1.55%	1.69%	1.57%
<b>Average minutes of use per subscriber per month (MOU)</b>	337	324	352	361	373	359	331	361
<b>COA per gross subscriber addition (\$)<sup>9</sup></b>	\$370	\$348	\$388	\$339	\$342	\$322	\$360	\$350
<b>Population coverage - digital incl. roaming/resale<sup>(A)</sup></b>	34.1	33.8	33.8	33.7	33.7	33.7	34.1	33.8

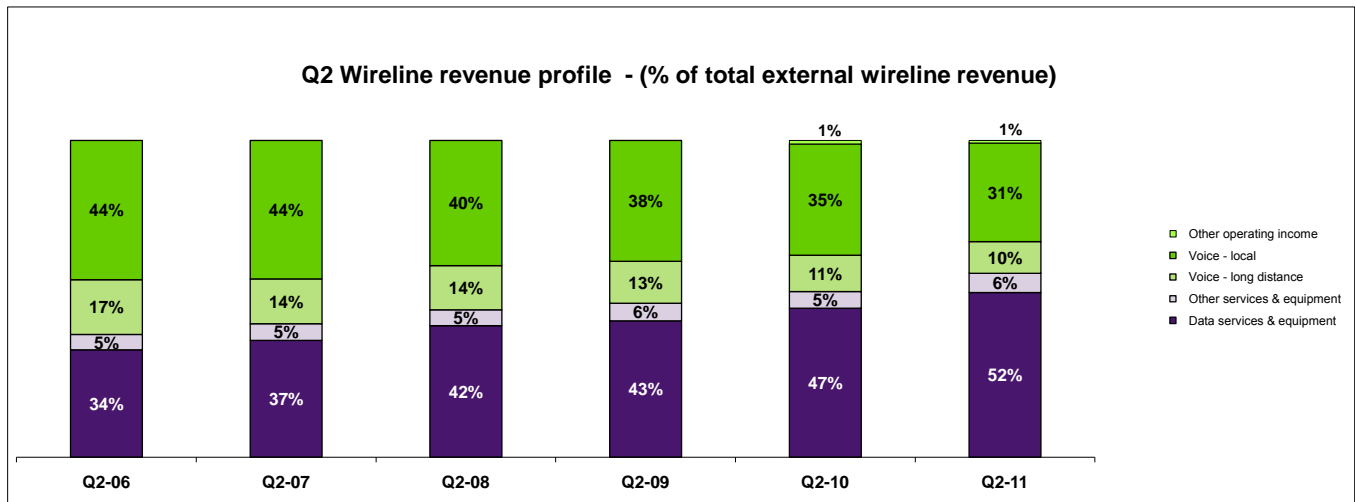
<sup>(A)</sup> Includes expanded coverage due to roaming/resale and network access agreements principally with Bell Mobility.





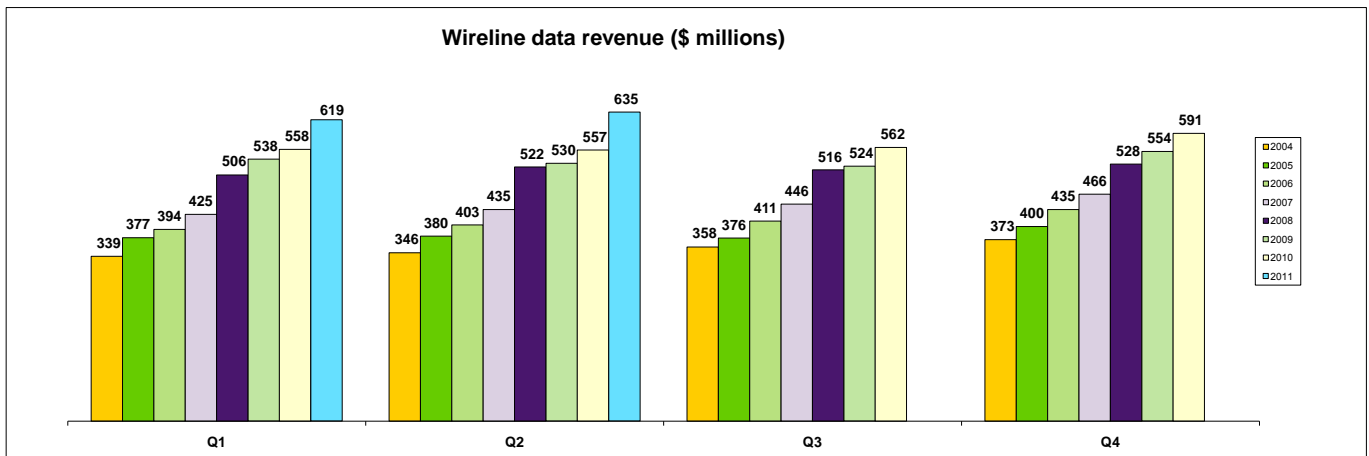
## TELUS Wireline Operations

<i>\$ millions</i>	Qtr 2				June YTD			
	2011	2010	Change	% Change	2011	2010	Change	% Change
<b>Revenues</b>								
Data service and equipment	635	557	78	14%	1,254	1,115	139	12%
Voice - local service	380	416	(36)	-8.7%	767	845	(78)	-9.2%
Voice - long distance service	122	136	(14)	-10%	246	269	(23)	-8.6%
Other services and equipment	74	62	12	19%	142	130	12	9.2%
<b>Total external services &amp; equipment revenue</b>	<b>1,211</b>	<b>1,171</b>	<b>40</b>	<b>3.4%</b>	<b>2,409</b>	<b>2,359</b>	<b>50</b>	<b>2.1%</b>
Other operating income	10	13	(3)	-23%	35	25	10	40%
<b>Total external revenue</b>	<b>1,221</b>	<b>1,184</b>	<b>37</b>	<b>3.1%</b>	<b>2,444</b>	<b>2,384</b>	<b>60</b>	<b>2.5%</b>
Intersegment revenue	40	40	-	0.0%	80	76	4	5.3%
<b>Total operating revenues</b>	<b>1,261</b>	<b>1,224</b>	<b>37</b>	<b>3.0%</b>	<b>2,524</b>	<b>2,460</b>	<b>64</b>	<b>2.6%</b>
Goods and services purchased	539	464	75	16%	1,044	911	133	15%
Employee benefits expense	337	355	(18)	-5.1%	660	696	(36)	-5.2%
<b>Total operating expense</b>	<b>876</b>	<b>819</b>	<b>57</b>	<b>7.0%</b>	<b>1,704</b>	<b>1,607</b>	<b>97</b>	<b>6.0%</b>
<b>EBITDA</b>	<b>385</b>	<b>405</b>	<b>(20)</b>	<b>-4.9%</b>	<b>820</b>	<b>853</b>	<b>(33)</b>	<b>-3.9%</b>
<b>EBITDA margin</b>	<b>30.5%</b>	<b>33.1%</b>	<b>(2.6)</b>		<b>32.5%</b>	<b>34.7%</b>	<b>(2.2)</b>	
<b>Capital expenditures</b>	<b>349</b>	<b>298</b>	<b>51</b>	<b>17%</b>	<b>682</b>	<b>550</b>	<b>132</b>	<b>24%</b>
<b>Capital expenditure intensity<sup>6</sup></b>	<b>28%</b>	<b>24%</b>	<b>4</b>		<b>27%</b>	<b>22%</b>	<b>5</b>	
<b>EBITDA less capex</b>	<b>36</b>	<b>107</b>	<b>(71)</b>	<b>-66%</b>	<b>138</b>	<b>303</b>	<b>(165)</b>	<b>-54%</b>
Restructuring costs included in total operating expense	11	19	(8)	-42%	15	23	(8)	-35%
<b>EBITDA excluding restructuring costs</b>	<b>396</b>	<b>424</b>	<b>(28)</b>	<b>-6.6%</b>	<b>835</b>	<b>876</b>	<b>(41)</b>	<b>-4.7%</b>
<b>EBITDA margin excluding restructuring costs</b>	<b>31.4%</b>	<b>34.6%</b>	<b>(3.2)</b>		<b>33.1%</b>	<b>35.6%</b>	<b>(2.5)</b>	



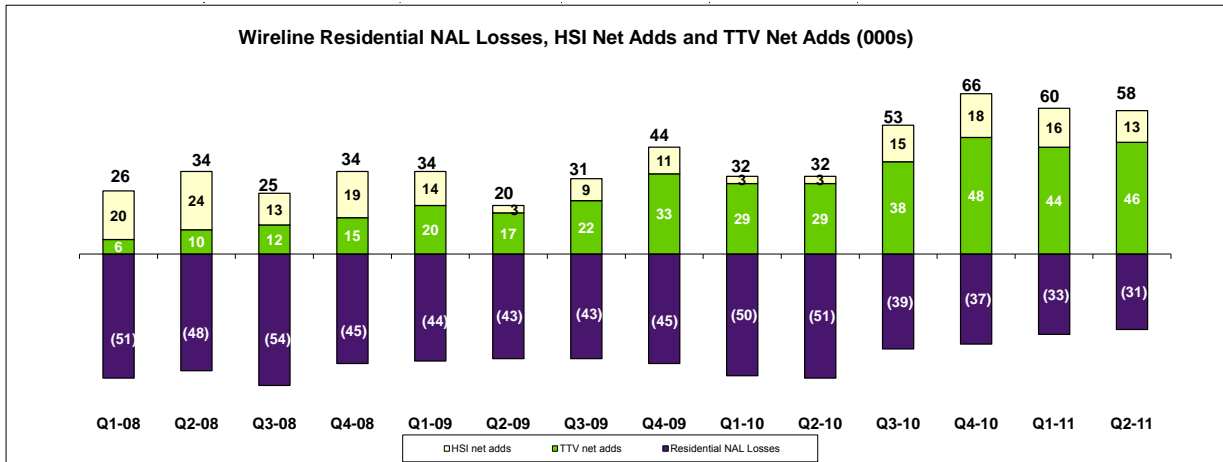
**TELUS Wireline  
Operations - Historical Trend**

<i>\$ millions</i>	Quarterly						June YTD 2011	Annual 2010
	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10		
<b>Revenues</b>								
Data service and equipment	635	619	591	562	557	558	1,254	2,268
Voice - local service	380	387	395	407	416	429	767	1,647
Voice - long distance service	122	124	130	131	136	133	246	530
Other services and equipment	74	68	89	64	62	68	142	283
<b>Total external services &amp; equipment revenue</b>	<b>1,211</b>	<b>1,198</b>	<b>1,205</b>	<b>1,164</b>	<b>1,171</b>	<b>1,188</b>	<b>2,409</b>	<b>4,728</b>
Other operating income	10	25	12	15	13	12	35	52
<b>Total external revenue</b>	<b>1,221</b>	<b>1,223</b>	<b>1,217</b>	<b>1,179</b>	<b>1,184</b>	<b>1,200</b>	<b>2,444</b>	<b>4,780</b>
Intersegment revenue	40	40	40	39	40	36	80	155
<b>Total operating revenues</b>	<b>1,261</b>	<b>1,263</b>	<b>1,257</b>	<b>1,218</b>	<b>1,224</b>	<b>1,236</b>	<b>2,524</b>	<b>4,935</b>
Goods and services purchased	539	505	540	456	464	447	1,044	1,907
Employee benefits expense	337	323	347	355	355	341	660	1,398
<b>Total operating expense</b>	<b>876</b>	<b>828</b>	<b>887</b>	<b>811</b>	<b>819</b>	<b>788</b>	<b>1,704</b>	<b>3,305</b>
<b>EBITDA</b>	<b>385</b>	<b>435</b>	<b>370</b>	<b>407</b>	<b>405</b>	<b>448</b>	<b>820</b>	<b>1,630</b>
<b>EBITDA margin</b>	<b>30.5%</b>	<b>34.4%</b>	<b>29.4%</b>	<b>33.4%</b>	<b>33.1%</b>	<b>36.2%</b>	<b>32.5%</b>	<b>33.0%</b>
<b>Capital expenditures</b>	<b>349</b>	<b>333</b>	<b>372</b>	<b>336</b>	<b>298</b>	<b>252</b>	<b>682</b>	<b>1,258</b>
<b>Capital expenditure intensity<sup>6</sup></b>	<b>28%</b>	<b>26%</b>	<b>30%</b>	<b>28%</b>	<b>24%</b>	<b>20%</b>	<b>27%</b>	<b>25%</b>
<b>EBITDA less capex</b>	<b>36</b>	<b>102</b>	<b>(2)</b>	<b>71</b>	<b>107</b>	<b>196</b>	<b>138</b>	<b>372</b>
Restructuring costs included in total operating expense	11	4	38	15	19	4	15	76
<b>EBITDA excluding restructuring costs</b>	<b>396</b>	<b>439</b>	<b>408</b>	<b>422</b>	<b>424</b>	<b>452</b>	<b>835</b>	<b>1,706</b>
<b>EBITDA margin excluding restructuring costs</b>	<b>31.4%</b>	<b>34.8%</b>	<b>32.5%</b>	<b>34.6%</b>	<b>34.6%</b>	<b>36.6%</b>	<b>33.1%</b>	<b>34.6%</b>



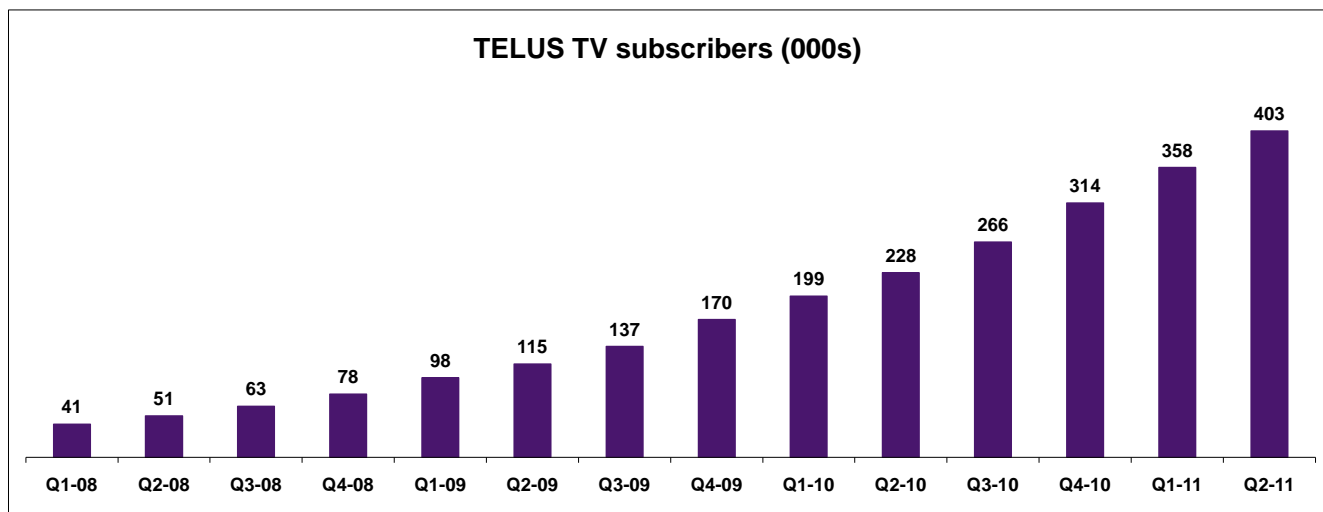
**TELUS Wireline  
Operating Statistics**

	Qtr 2				June YTD			
	2011	2010	Change	% Change	2011	2010	Change	% Change
<b>Network access lines (NAL) (000s)</b>								
Residential	1,982	2,122	(140)	-6.6%	1,982	2,122	(140)	-6.6%
Business	1,702	1,723	(21)	-1.2%	1,702	1,723	(21)	-1.2%
Total	3,684	3,845	(161)	-4.2%	3,684	3,845	(161)	-4.2%
<b>NAL net additions (losses) (000s)</b>								
Residential	(31)	(51)	20	39%	(64)	(101)	37	37%
Business	7	(12)	19	158%	9	(20)	29	145%
Total	(24)	(63)	39	62%	(55)	(121)	66	55%
<b>Internet subscriber net adds (000s)</b>								
High-speed	13	3	10	333%	29	6	23	383%
Dial-up	(5)	(7)	2	29%	(11)	(14)	3	21%
Total	8	(4)	12	n.m.	18	(8)	26	n.m.
<b>Internet subscribers (000s)</b>								
High-speed	1,196	1,134	62	5.5%	1,196	1,134	62	5.5%
Dial-up	51	73	(22)	-30%	51	73	(22)	-30%
Total	1,247	1,207	40	3.3%	1,247	1,207	40	3.3%
<b>TV subscriber net adds (000s)<sup>10</sup></b>	46	29	17	59%	90	58	32	55%
<b>TV subscribers (000s)<sup>10</sup></b>	403	228	175	77%	403	228	175	77%



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

	<u>Quarterly</u>						June YTD 2011	Annual 2010
	Q2/11	Q1/11	Q4/10	Q3/10	Q2/10	Q1/10		
<b>Network access lines (NAL) (000s)</b>								
Residential	1,982	2,013	2,046	2,083	2,122	2,173	1,982	2,046
Business	1,702	1,695	1,693	1,711	1,723	1,735	1,702	1,693
Total	3,684	3,708	3,739	3,794	3,845	3,908	3,684	3,739
<b>NAL net additions (losses) (000s)</b>								
Residential	(31)	(33)	(37)	(39)	(51)	(50)	(64)	(177)
Business	7	2	(18)	(12)	(12)	(8)	9	(50)
Total	(24)	(31)	(55)	(51)	(63)	(58)	(55)	(227)
<b>Internet subscriber net adds (000s)</b>								
High-speed	13	16	18	15	3	3	29	39
Dial-up	(5)	(6)	(6)	(5)	(7)	(7)	(11)	(25)
Total	8	10	12	10	(4)	(4)	18	14
<b>Internet subscribers (000s)</b>								
High-speed	1,196	1,183	1,167	1,149	1,134	1,131	1,196	1,167
Dial-up	51	56	62	68	73	80	51	62
Total	1,247	1,239	1,229	1,217	1,207	1,211	1,247	1,229
<b>TV subscriber net adds (000s)<sup>10</sup></b>	46	44	48	38	29	29	90	144
<b>TV subscribers (000s)<sup>10</sup></b>	403	358	314	266	228	199	403	314



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

<sup>1</sup> **Return on common equity** - For quarterly figures, Return on common equity is common share and non-voting share 12-month trailing income over the average quarterly equity for the 12-month period. For annual figures, Return on common equity is common share and non-voting share income over the average equity for the 12-month period. Equity is the Common Share and Non-Voting Share Equity adding back Accumulated other comprehensive losses (deducting Accumulated other comprehensive income).

<sup>2</sup> **EBITDA interest coverage ratio** is defined as EBITDA (excluding restructuring costs), divided by net interest cost, defined as financing costs before gains or losses 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' 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 EBITDA** – excluding restructuring costs is defined as Net debt as at the end of the period divided by the 12-month trailing EBITDA excluding restructuring costs. TELUS' guideline range for Net debt to EBITDA is from 1.5 to 2.0 times. Historically, Net debt to EBITDA excluding restructuring costs is substantially the same as the Leverage Ratio covenant in TELUS' credit facilities.

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

<sup>7</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>8</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>9</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>10</sup> **TV subscribers** consists of TELUS IP TV subscribers and TELUS Satellite TV subscribers.