



# TELUS Corporation

*First Quarter, 2018*

## ***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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**Table of Contents**

<b>TELUS Corporation</b>	
- Selected Consolidated Data	2
- Segmented Data	3
- Segmented Data (Historical Trend)	4
<b>TELUS Wireless</b>	
- Operations	5
- Operations (Historical Trend)	6
- Operating Statistics	7
- Operating Statistics (Historical Trend)	8
<b>TELUS Wireline</b>	
- Operations	9
- Operations (Historical Trend)	10
- Operating Statistics	11
- Operating Statistics (Historical Trend)	12
<b>Non-GAAP measures and definitions</b>	13

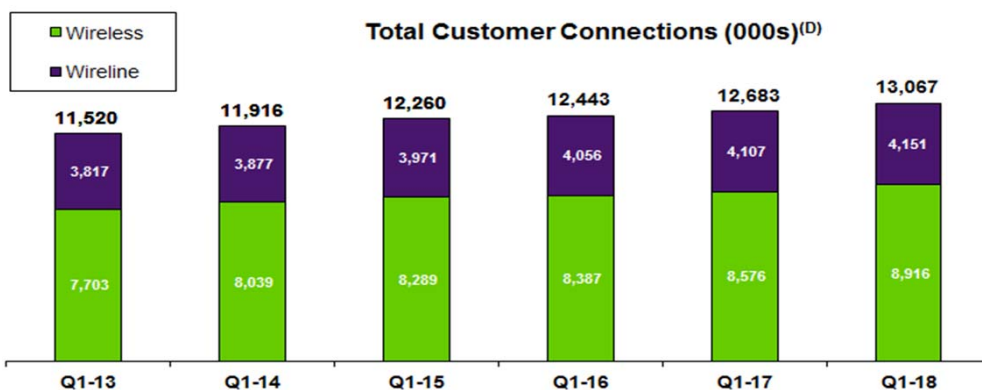
**TELUS Corporation**  
**Selected Consolidated Data**

\$ millions except shares, per share amounts, ratios and total customer connections	Quarterly					Mar YTD 2018	Annual 2017
	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17		
Net Income	412	354	406	396	422	412	1,578
Adjusted Net Income <sup>(A)</sup>	435	396	417	412	418	435	1,643
Basic earnings per share (\$)	0.69	0.59	0.68	0.66	0.70	0.69	2.63
Adjusted Basic earnings per share (\$) <sup>(A)</sup>	0.73	0.66	0.70	0.70	0.71	0.73	2.77
Dividends declared per share (\$)	0.5050	0.5050	0.4925	0.4925	0.48	0.5050	1.97
Return on common equity <sup>1(B)</sup>	17.5%	17.8%	15.3%	15.2%	16.0%	17.5%	17.8%
EBITDA interest coverage ratio <sup>2 (B)(C)</sup>	8.5	8.7	8.5	8.6	8.5	8.5	8.7
Free cash flow <sup>3</sup>	443	274	215	260	217	443	966
Net debt <sup>4</sup>	13,785	13,422	13,394	13,404	13,054	13,785	13,422
Net debt : EBITDA (times) <sup>5(B)</sup>	2.77	2.73	2.76	2.79	2.73	2.77	2.73
Outstanding shares at end of period (M)	595	595	594	593	591	595	595
Basic weighted average shares outstanding (M)	595	595	594	592	591	595	593
Total customer connections (000s) <sup>(D)</sup>	13,067	13,050	12,942	12,810	12,683	13,067	13,050

<sup>(A)</sup> Adjusted Net income and Adjusted EPS exclude the effects of restructuring and other costs, net gains and equity income or net losses and equity losses related to real estate joint venture developments, income tax-related adjustments, and the MTS net recovery described in section 1.2 of the Q4 2017 Management's Review of Operations.

<sup>(B)</sup> We have not recast comparative amounts for purposes of managing capital; as set out in Note 2(a) of the interim consolidated financial statements, a practical expedient that we are using in transitioning to IFRS 15 is that we are not recasting for contracts that were completed as at January 1, 2017, or earlier. Accordingly, amounts prior to fiscal 2017 included in the comparative 12 month period ended March 31, 2017, have not been prepared on a basis including IFRS 9 and IFRS 15. For purposes of assessing results compared to the prior period, we have excluded the effects of implementing IFRS 9 and IFRS 15 from our fiscal 2018 results.

<sup>(C)</sup> EBITDA excluding restructuring and other costs.



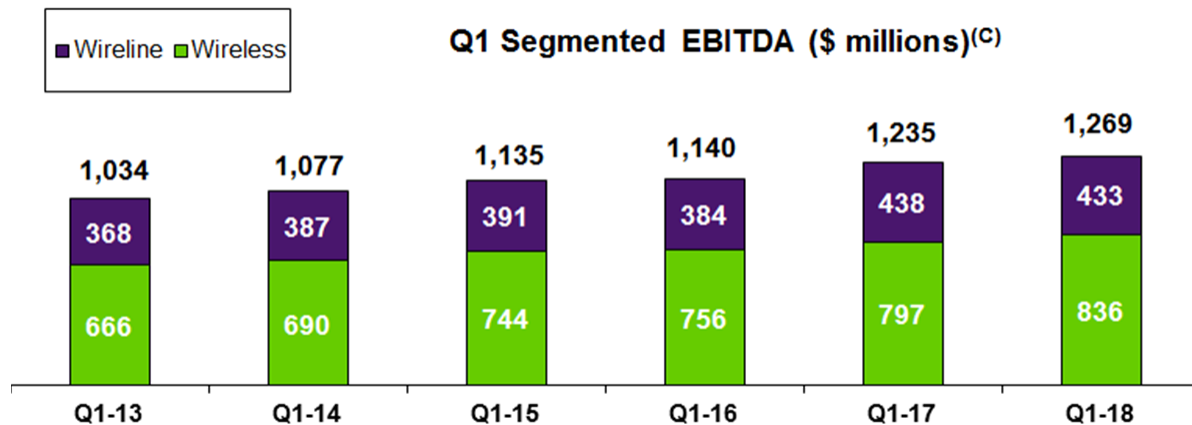
<sup>(D)</sup> Customer Connections may not balance due to rounding alignment to YTD figures. Effective April 1, 2017, postpaid subscribers, total subscribers and associated operating statistics (gross additions, net additions, ABPU/ARPU and churn) were adjusted to include an estimated migration of 85,000 MTS subscribers (see section 1.3 of the Q2 2017 Management's Discussion and Analysis for additional details) in the opening subscriber balances. Subsequent to this, on October 1, 2017, total subscribers and associated operating statistics were adjusted to reduce estimated migrations of MTS subscribers by 11,000 to 74,000. Cumulative subscriber connections also include an April 1, 2017 adjustment to remove approximately 19,000 prepaid and 25,000 postpaid subscriptions from the respective subscriber bases, primarily due to our national CDMA network shutdown.

## TELUS Corporation Segmented Data

<i>\$ millions</i>	Quarter 1			
	2018	2017	Change	% Change
<b>Revenues</b>				
TELUS Wireless	1,901	1,783	118	6.6%
TELUS Wireline	1,539	1,463	76	5.1%
Less: Intersegment revenue	(63)	(63)	-	-
Operating revenues	3,377	3,183	194	6.0%
<b>EBITDA</b>				
TELUS Wireless	836	797	39	4.9%
TELUS Wireline	433	438	(5)	(1.2%)
Consolidated	1,269	1,235	34	2.7%
<b>EBITDA margin</b>				
TELUS Wireless	44.0%	44.7%	(0.7) pts.	
TELUS Wireline	28.1%	29.9%	(1.8) pts.	
Consolidated	37.6%	38.8%	(1.2) pts.	
<b>Capital expenditures</b>				
TELUS Wireless	182	249	(67)	(26.9%)
TELUS Wireline	468	475	(7)	(1.5%)
Consolidated	650	724	(74)	(10.2%)
<b>Capital expenditure intensity<sup>6</sup></b>				
TELUS Wireless	10%	14%	(4) pts.	
TELUS Wireline	30%	32%	(2) pts.	
Consolidated	19%	23%	(4) pts.	
<b>EBITDA less capex</b>				
TELUS Wireless	654	548	106	19.3%
TELUS Wireline	(35)	(37)	2	5.4%
Consolidated	619	511	108	21.1%
<b>Adjusted EBITDA<sup>(A)</sup></b>				
TELUS Wireless	846	798	48	6.0%
TELUS Wireline	457	441	16	3.7%
Consolidated	1,303	1,239	64	5.2%
<b>Adjusted EBITDA margin<sup>(B)</sup></b>				
TELUS Wireless	44.5%	44.7%	(0.2) 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.

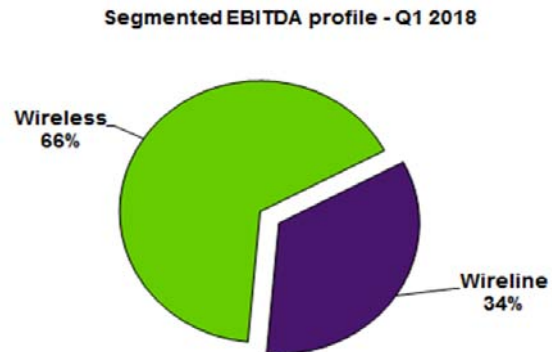
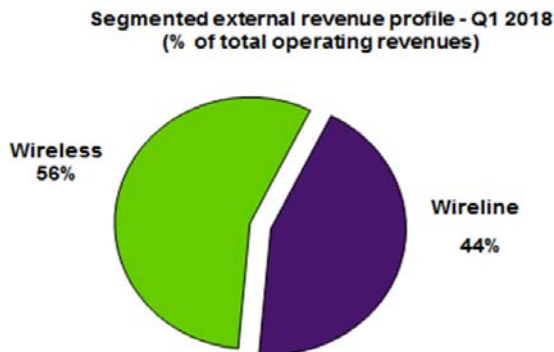


<sup>(C)</sup> Periods prior to 2017 have not been adjusted for adoption of IFRS15 and IFRS9 accounting standards; accordingly, they are not comparable to 2017 and 2018 results.

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

<i>\$ millions</i>	Quarterly					Mar YTD 2018	Annual 2017
	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17		
<b>Revenues</b>							
TELUS Wireless	1,901	2,066	1,991	1,874	1,783	1,901	7,714
TELUS Wireline	1,539	1,536	1,475	1,469	1,463	1,539	5,943
Less: Intersegment revenue	(63)	(61)	(62)	(63)	(63)	(63)	(249)
Operating revenues	3,377	3,541	3,404	3,280	3,183	3,377	13,408
<b>Revenues % change on prior year</b>							
TELUS Wireless	6.6%					6.6%	
TELUS Wireline	5.1%					5.1%	
Operating revenues	6.0%					6.0%	
<b>EBITDA</b>							
TELUS Wireless	836	811	842	800	797	836	3,250
TELUS Wireline	433	412	402	408	438	433	1,660
Consolidated	1,269	1,223	1,244	1,208	1,235	1,269	4,910
<b>EBITDA % change on prior year</b>							
TELUS Wireless	4.9%					4.9%	
TELUS Wireline	(1.2%)					(1.2%)	
Consolidated	2.7%					2.7%	
<b>EBITDA margin</b>							
TELUS Wireless	44.0%	39.2%	42.3%	42.8%	44.7%	44.0%	42.1%
TELUS Wireline	28.1%	26.7%	27.4%	27.8%	29.9%	28.1%	27.9%
Consolidated	37.6%	34.5%	36.5%	36.8%	38.8%	37.6%	36.6%
<b>Capital expenditures</b>							
TELUS Wireless	182	233	237	259	249	182	978
TELUS Wireline	468	506	584	551	475	468	2,116
Consolidated	650	739	821	810	724	650	3,094
<b>Capital expenditure intensity<sup>6</sup></b>							
TELUS Wireless	10%	11%	12%	14%	14%	10%	13%
TELUS Wireline	30%	33%	40%	38%	32%	30%	36%
Consolidated	19%	21%	24%	25%	23%	19%	23%
<b>EBITDA less capex</b>							
TELUS Wireless	654	578	605	541	548	654	2,272
TELUS Wireline	(35)	(94)	(182)	(143)	(37)	(35)	(456)
Consolidated	619	484	423	398	511	619	1,816
<b>Adjusted EBITDA<sup>(A)</sup></b>							
TELUS Wireless	846	812	853	823	798	846	3,286
TELUS Wireline	457	446	414	418	441	457	1,719
Consolidated	1,303	1,258	1,267	1,241	1,239	1,303	5,005
<b>Adjusted EBITDA<sup>(A)</sup> % change on prior year</b>							
TELUS Wireless	6.0%					6.0%	
TELUS Wireline	3.7%					3.7%	
Consolidated	5.2%					5.2%	
<b>Adjusted EBITDA margin<sup>(B)</sup></b>							
TELUS Wireless	44.5%	39.7%	42.8%	44.0%	44.7%	44.5%	42.7%

<sup>(A)</sup> EBITDA has been adjusted to exclude restructuring and other costs, net gains and equity income or net losses and equity losses related to real estate joint venture developments, and the MTS net recovery (see Historical Trend pages for Wireless and Wireline).



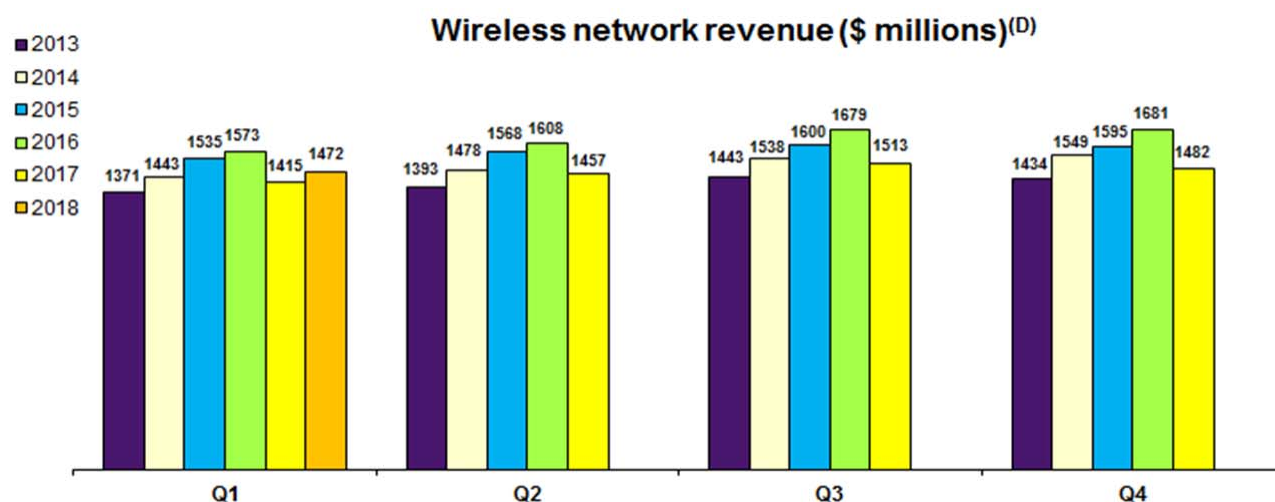
## TELUS Wireless Operations<sup>(A)</sup>

<i>\$ millions</i>	Quarter 1			
	2018	2017	Change	% Change
<b>Revenues</b>				
Network revenue	1,472	1,415	57	4.0%
Equipment and other service revenue	411	355	56	15.8%
<b>Revenues arising from contracts with customers</b>	1,883	1,770	113	6.4%
Other operating income	7	2	5	n.m.
<b>Total external revenue</b>	1,890	1,772	118	6.7%
Intersegment network revenue	11	11	-	-
<b>Total operating revenues</b>	1,901	1,783	118	6.6%
Goods and services purchased	894	826	68	8.2%
Employee benefits expense <sup>(B)</sup>	171	160	11	6.9%
<b>Total operating expense</b>	1,065	986	79	8.0%
<b>EBITDA</b>	836	797	39	4.9%
<b>EBITDA margin (total revenue)</b>	44.0%	44.7%	(0.7) pts.	
<b>Capital expenditures</b>	182	249	(67)	(26.9%)
<b>Capital expenditure intensity<sup>6</sup></b>	10%	14%	(4) pts.	
<b>EBITDA less capex</b>	654	548	106	19.3%
Add: Restructuring and other costs included in total operating expense	10	1	9	n.m.
<b>Adjusted EBITDA</b>	846	798	48	6.0%
<b>Adjusted EBITDA margin<sup>(C)</sup></b>	44.5%	44.7%	(0.2) 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 and 2018 results.

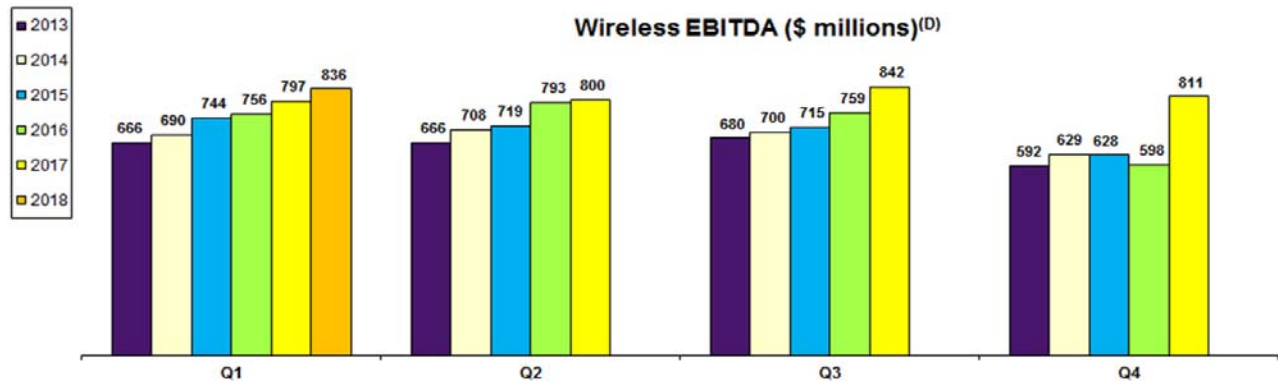
**TELUS Wireless**  
Operations - Historical Trend<sup>(A)</sup>

<i>\$ millions</i>	Quarterly					Mar YTD 2018	Annual 2017
	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17		
<b>Revenues</b>							
Network revenue	1,472	1,482	1,513	1,457	1,415	1,472	5,867
Equipment and other service revenue	411	543	462	408	355	411	1,768
<b>Revenues arising from contracts with customers</b>	1,883	2,025	1,975	1,865	1,770	1,883	7,635
Other operating income	7	31	5	(2)	2	7	36
<b>Total external revenue</b>	1,890	2,056	1,980	1,863	1,772	1,890	7,671
Intersegment network revenue	11	10	11	11	11	11	43
<b>Total operating revenues</b>	1,901	2,066	1,991	1,874	1,783	1,901	7,714
<i>Network revenue % change on prior year</i>	4.0%					4.0%	
<i>Total external revenue % change on prior year</i>	6.7%					6.7%	
Goods and services purchased	894	1,082	992	910	826	894	3,810
Employee benefits expense <sup>(B)</sup>	171	173	157	164	160	171	654
<b>Total operating expense</b>	1,065	1,255	1,149	1,074	986	1,065	4,464
<b>EBITDA</b>	836	811	842	800	797	836	3,250
<i>EBITDA % change on prior year</i>	4.9%					4.9%	
<b>EBITDA margin (total revenue)</b>	44.0%	39.2%	42.3%	42.8%	44.7%	44.0%	42.1%
<b>Capital expenditures</b>	182	233	237	259	249	182	978
<b>Capital expenditure intensity<sup>(B)</sup></b>	10%	11%	12%	14%	14%	10%	13%
<b>EBITDA less capex</b>	654	578	605	541	548	654	2,272
Add: Restructuring and other costs included in total operating expense	10	21	11	24	1	10	57
Deduct: Net gains and equity income related to real estate joint venture developments	-	1	-	(1)	-	-	-
Deduct: MTS net recovery	-	(21)	-	-	-	-	(21)
<b>Adjusted EBITDA</b>	846	812	853	823	798	846	3,286
<i>Adjusted EBITDA % change on prior year</i>	6.0%					6.0%	
<b>Adjusted EBITDA margin<sup>(C)</sup></b>	44.5%	39.7%	42.8%	44.0%	44.7%	44.5%	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 net gains and equity income or net losses and equity losses related to real estate joint venture developments, and the MTS net recovery.



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

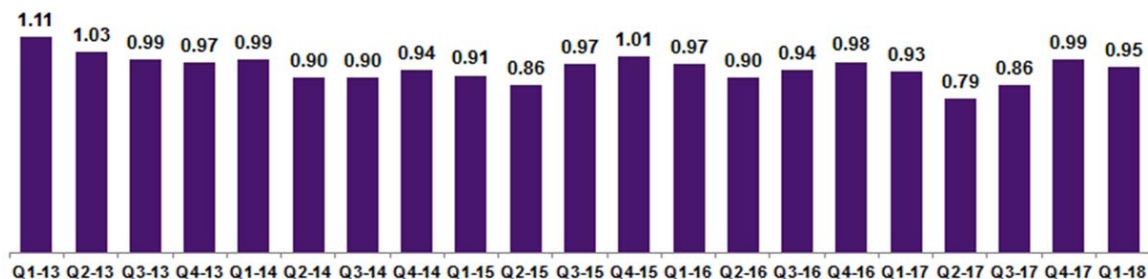
	Quarter 1			
	2018	2017	Change	% Change
<b>Subscriber gross adds (000s)</b>				
Postpaid	244	225	19	8.4%
Prepaid	64	70	(6)	(8.6%)
<b>Total</b>	<b>308</b>	<b>295</b>	<b>13</b>	<b>4.4%</b>
<b>Subscriber net adds (000s)</b>				
Postpaid	48	44	4	9.1%
Prepaid	(43)	(53)	10	18.9%
<b>Total</b>	<b>5</b>	<b>(9)</b>	<b>14</b>	<b>n.m.</b>
<b>Subscribers (000s)</b>				
Postpaid	8,026	7,594	432	5.7%
Prepaid	890	982	(92)	(9.4%)
<b>Total</b>	<b>8,916</b>	<b>8,576</b>	<b>340</b>	<b>4.0%</b>
<b>ABPU (\$)<sup>7</sup></b>	<b>\$66.51</b>	<b>\$65.53</b>	<b>\$0.98</b>	<b>1.5%</b>
<b>ARPU (\$)<sup>8</sup></b>	<b>\$55.55</b>	<b>\$55.50</b>	<b>\$0.05</b>	<b>0.1%</b>
<b>Churn, per month (%)<sup>9</sup></b>				
Blended Churn	1.14%	1.18%	(0.04) pts.	
Postpaid Churn	0.95%	0.93%	0.02 pts.	

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

<sup>(B)</sup>Effective April 1, 2017, postpaid subscribers, total subscribers and associated operating statistics (gross additions, net additions, ABPU/ARPU and churn) were adjusted to include an estimated migration of 85,000 MTS subscribers (see section 1.3 of the Q2 2017 Management's Discussion and Analysis for additional details) in the opening subscriber balances. Subsequent to this, on October 1, 2017, total subscribers and associated operating statistics were adjusted to reduce estimated migrations of MTS subscribers by 11,000 to 74,000.

<sup>(C)</sup>Cumulative subscriber connections also include an April 1, 2017 adjustment to remove approximately 19,000 prepaid and 25,000 postpaid subscriptions from the respective subscriber bases, primarily due to our national CDMA network shutdown.

### Postpaid Churn (%)



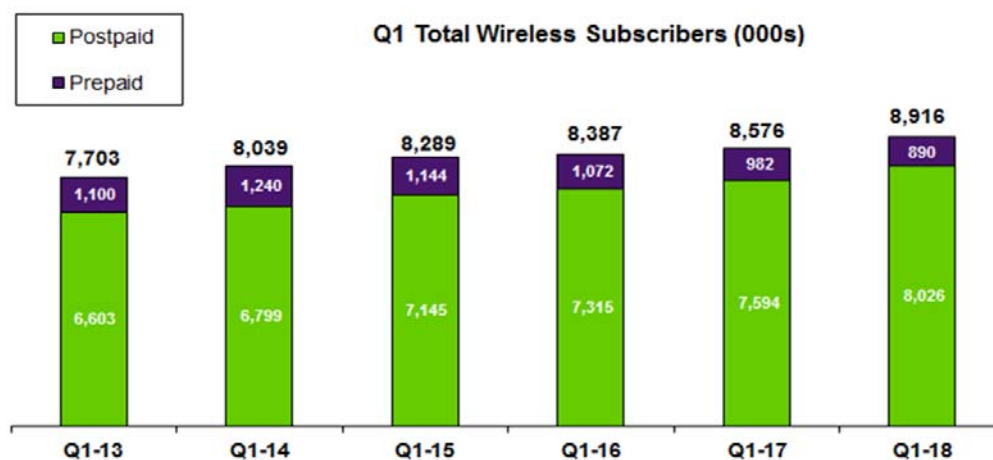
**TELUS Wireless**  
**Operating Statistics - Historical Trend**<sup>(A)(B)(C)</sup>

	Quarterly					Mar YTD 2018	Annual 2017
	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17		
<b>Subscriber gross adds (000s)</b>							
Postpaid	244	347	306	262	225	244	1,140
Prepaid	64	77	93	80	70	64	320
Total	308	424	399	342	295	308	1,460
<b>Subscriber net adds (000s)</b>							
Postpaid	48	121	115	99	44	48	379
Prepaid	(43)	(23)	9	(16)	(53)	(43)	(83)
Total	5	98	124	83	(9)	5	296
<b>Subscribers (000s)</b>							
Postpaid	8,026	7,978	7,868	7,753	7,594	8,026	7,978
Prepaid	890	933	956	947	982	890	933
Total	8,916	8,911	8,824	8,700	8,576	8,916	8,911
<b>ABPU (\$) <sup>7</sup></b>	\$66.51	\$67.27	\$68.67	\$66.87	\$65.53	\$66.51	\$67.05
<b>ABPU % change on prior year</b>	1.5%	1.6%	3.0%	3.9%	3.9%	1.5%	3.0%
<b>ARPU (\$) <sup>8</sup></b>	\$55.55	\$56.33	\$57.97	\$56.55	\$55.50	\$55.55	\$56.55
<b>ARPU % change on prior year</b>	0.1%					0.1%	
<b>Churn, per month (%) <sup>9</sup></b>							
Blended Churn	1.14%	1.23%	1.05%	1.00%	1.18%	1.14%	1.11%
Postpaid Churn	0.95%	0.99%	0.86%	0.79%	0.93%	0.95%	0.90%

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

<sup>(B)</sup>Effective April 1, 2017, postpaid subscribers, total subscribers and associated operating statistics (gross additions, net additions, ABPU/ARPU and churn) were adjusted to include an estimated migration of 85,000 MTS subscribers (see section 1.3 of the Q2 2017 Management's Discussion and Analysis for additional details) in the opening subscriber balances. Subsequent to this, on October 1, 2017, total subscribers and associated operating statistics were adjusted to reduce estimated migrations of MTS subscribers by 11,000 to 74,000.

<sup>(C)</sup>Cumulative subscriber connections also include an April 1, 2017 adjustment to remove approximately 19,000 prepaid and 25,000 postpaid subscriptions from the respective subscriber bases, primarily due to our national CDMA network shutdown.





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

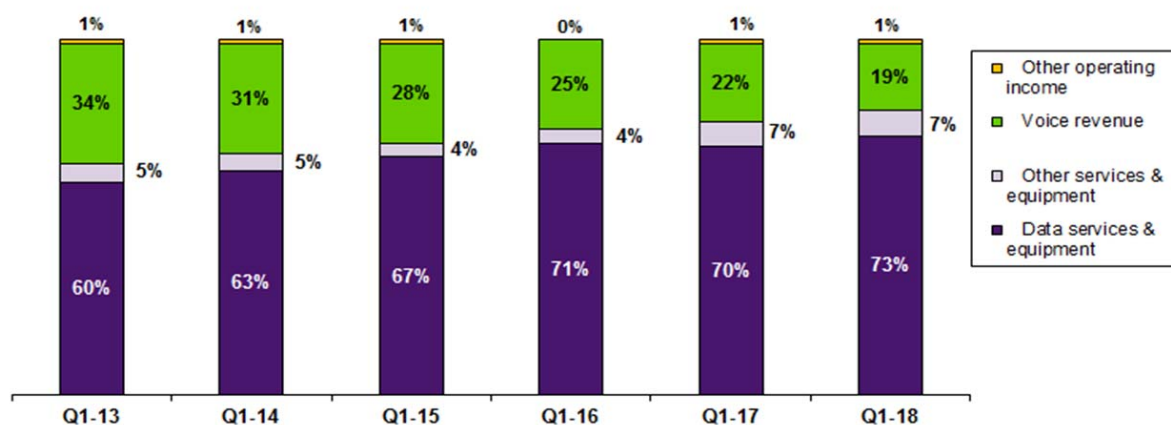
\$ millions	Quarter 1			
	2018	2017	Change	% Change
<b>Revenues</b>				
Data services	1,089	992	97	9.8%
Voice service (local and long distance)	281	316	(35)	(11.1%)
Other service and equipment	98	92	6	6.5%
<b>Revenues arising from contracts with customers</b>	1,468	1,400	68	4.9%
Other operating income	19	11	8	72.7%
<b>Total external revenue</b>	1,487	1,411	76	5.4%
Intersegment revenue	52	52	-	-
<b>Total operating revenues</b>	1,539	1,463	76	5.1%
Goods and services purchased	577	561	16	2.9%
Employee benefits expense <sup>(B)</sup>	529	464	65	14.0%
<b>Total operating expense</b>	1,106	1,025	81	7.9%
<b>EBITDA</b>	433	438	(5)	(1.2%)
<b>EBITDA margin</b>	28.1%	29.9%	(1.8) pts.	
<b>Capital expenditures</b>	468	475	(7)	(1.5%)
<b>Capital expenditure intensity<sup>6</sup></b>	30%	32%	(2) pts.	
<b>EBITDA less capex</b>	(35)	(37)	2	5.4%
Add: Restructuring and other costs included in total operating expense	24	3	21	n.m.
<b>Adjusted EBITDA</b>	457	441	16	3.7%
<b>Adjusted EBITDA margin<sup>(C)</sup></b>	29.7%	30.1%	(0.4) 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>**



<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 and 2018 results.

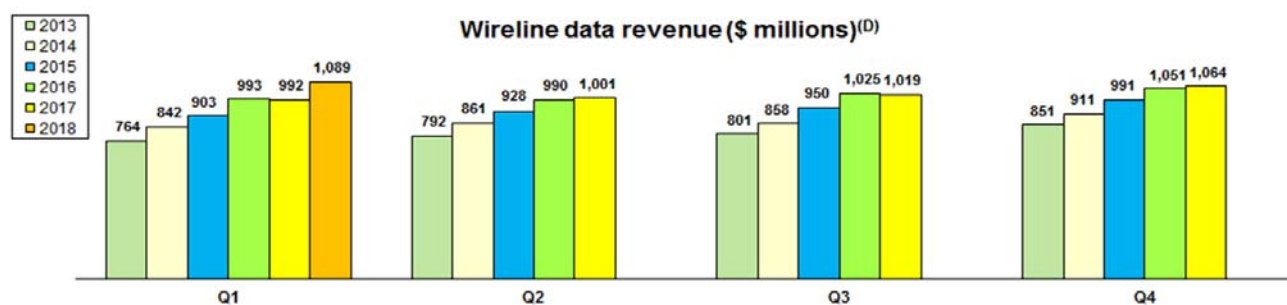
**TELUS Wireline**  
Operations - Historical Trend<sup>(A)</sup>

<i>\$ millions</i>	Quarterly					Mar YTD 2018	Annual 2017
	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17		
<b>Revenues</b>							
Data services	1,089	1,064	1,019	1,001	992	1,089	4,076
Voice service (local and long distance)	281	290	302	308	316	281	1,216
Other service and equipment	98	98	96	92	92	98	378
<b>Revenues arising from contracts with customers</b>	1,468	1,452	1,417	1,401	1,400	1,468	5,670
Other operating income	19	33	7	16	11	19	67
<b>Total external revenue</b>	1,487	1,485	1,424	1,417	1,411	1,487	5,737
Intersegment revenue	52	51	51	52	52	52	206
<b>Total operating revenues</b>	1,539	1,536	1,475	1,469	1,463	1,539	5,943
<i>Data service and equipment revenue % change on prior year</i>	9.8%					9.8%	
<i>Total external revenue % change on prior year</i>	5.4%					5.4%	
Goods and services purchased	577	614	592	576	561	577	2,343
Employee benefits expense <sup>(B)</sup>	529	510	481	485	464	529	1,940
<b>Total operating expense</b>	1,106	1,124	1,073	1,061	1,025	1,106	4,283
<b>EBITDA</b>	433	412	402	408	438	433	1,660
<i>EBITDA % change on prior year</i>	(1.2%)					(1.2%)	
<b>EBITDA margin</b>	28.1%	26.7%	27.4%	27.8%	29.9%	28.1%	27.9%
<b>Capital expenditures</b>	468	506	584	551	475	468	2,116
<b>Capital expenditure intensity<sup>6</sup></b>	30%	33%	40%	38%	32%	30%	36%
<b>EBITDA less capex</b>	(35)	(94)	(182)	(143)	(37)	(35)	(456)
Add: Restructuring and other costs included in total operating expense	24	33	12	12	3	24	60
Deduct: Net gains and equity income related to real estate joint venture developments	-	1	-	(2)	-	-	(1)
<b>Adjusted EBITDA</b>	457	446	414	418	441	457	1,719
<i>Adjusted EBITDA % change on prior year</i>	3.7%					3.7%	
<b>Adjusted EBITDA margin<sup>(C)</sup></b>	29.7%	28.9%	28.2%	28.5%	30.1%	29.7%	28.9%

<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 net gains and equity income or net losses and equity losses related to real estate joint venture developments.



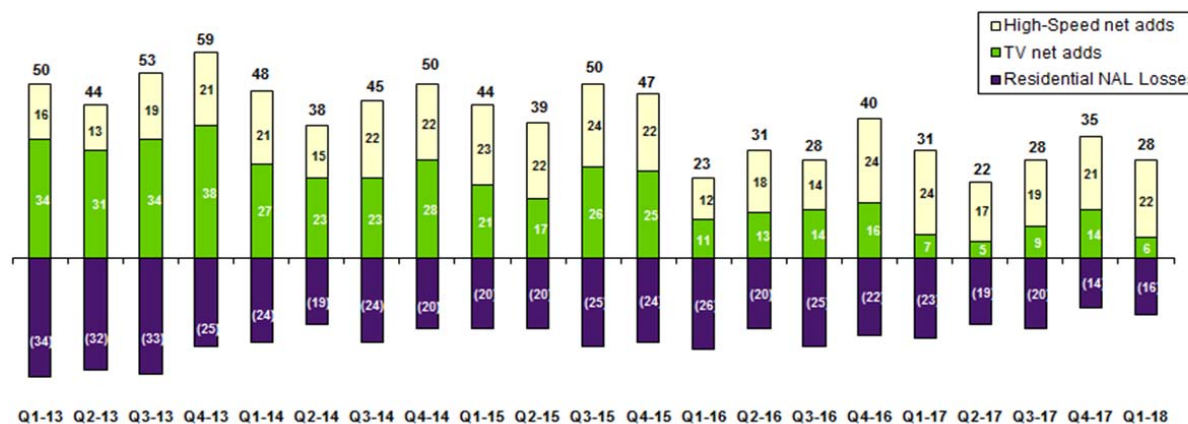
<sup>(D)</sup> Periods prior to 2017 have not been adjusted for adoption of IFRS15 and IFRS9 accounting standards; accordingly, they are not comparable to 2017 and 2018 results.

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

<i>thousands (000s)</i>	Quarter 1			
	2018	2017	Change	% Change
High Speed Internet Subscriber net additions (losses)	22	24	(2)	(8.3%)
High Speed Internet Subscribers	1,765	1,686	79	4.7%
TV subscriber net adds <sup>10</sup>	6	7	(1)	(14.3%)
TV subscribers <sup>10</sup>	1,104	1,070	34	3.2%
Residential NAL net additions (losses)	(16)	(23)	7	30.4%
Residential Network access lines (NAL)	1,282	1,351	(69)	(5.1%)
<b>Total Wireline net additions</b>	<b>12</b>	<b>8</b>	<b>4</b>	<b>50.0%</b>
<b>Total Wireline Subscribers</b>	<b>4,151</b>	<b>4,107</b>	<b>44</b>	<b>1.1%</b>

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

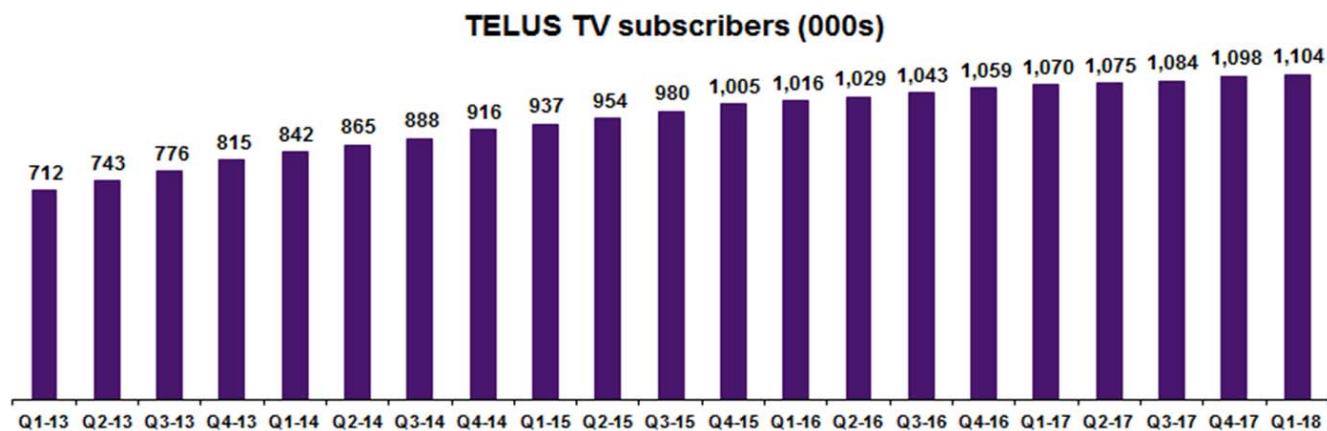
### Wireline Residential NAL Losses, High-Speed Net Adds and TV Net Adds (000s)



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

<i>thousands (000s)</i>	<u>Quarterly</u>					<b>Mar YTD 2018</b>	<b>Annual 2017</b>
	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17		
<b>High Speed Internet Subscriber net additions (losses)</b>	22	21	19	17	24	22	81
<b>High Speed Internet Subscribers</b>	1,765	1,743	1,722	1,703	1,686	1,765	1,743
<b>TV subscriber net adds<sup>10</sup></b>	6	14	9	5	7	6	35
<b>TV subscribers<sup>10</sup></b>	1,104	1,098	1,084	1,075	1,070	1,104	1,098
<b>Residential NAL net additions (losses)</b>	(16)	(14)	(20)	(19)	(23)	(16)	(76)
<b>Residential Network access lines (NAL)</b>	1,282	1,298	1,312	1,332	1,351	1,282	1,298
<b>Total Wireline net additions</b>	12	21	8	3	8	12	40
<b>Total Wireline Subscribers</b>	4,151	4,139	4,118	4,110	4,107	4,151	4,139

<sup>(A)</sup>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** 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 Leverage Ratio covenant in TELUS' credit facilities.

<sup>3</sup> **Free cash flow** is calculated as EBITDA, adding or deducting as appropriate: gain on transfer of wireless spectrum licenses, net gains and equity income or net losses and equity losses from real estate joint venture developments, 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 of the Q1 2018 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 2.0 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.

<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> **Average billing per subscriber unit per month (ABPU)** for wireless 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 subscriber units on the network during the period and is expressed as a rate per month.

<sup>8</sup> **Average revenue per subscriber unit per month (ARPU)** for wireless subscribers is calculated as Network revenue derived from monthly service plan, roaming and usage charges; divided by the average number of 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. Blended churn refers to the aggregate average of both prepaid and postpaid churn. 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.

<sup>10</sup> **TV subscribers** consist of IP-based Optik TV and Pik TV subscribers, as well as TELUS Satellite TV subscribers.