Q2 2016 investor conference call
August 5, 2016

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TELUS®

Forward looking statement

Today's presentation and answers to questions contain statements about financial and operating performance of TELUS (the Company) and future events, including with respect to future dividend increases and normal course issuer bids through 2019, the 2016 annual targets and guidance that are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and predictions and are subject to inherent risks and uncertainties. There is significant risk that the forward-looking statements will not prove to be accurate. The forward-looking statements contained in this presentation describe our expectations at the date of this presentation and, accordingly, are subject to change after such date. Readers and listeners are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause actual future performance and events to differ materially from those expressed in the forward-looking statements. Accordingly, this presentation is subject to the disclaimer and qualified by the assumptions (including assumptions for the 2016 annual targets and guidance, semi-annual dividend increases through 2019 and our ability to sustain and complete our multi-year share purchase program through 2019), qualifications and risk factors referred to in the first and second quarter Management’s discussion and analysis and in the 2015 annual report, and in other TELUS public disclosure documents and filings with securities commissions in Canada (on SEDAR at sedar.com) and in the United States (on EDGAR at sec.gov). Except as required by law, TELUS disclaims any intention or obligation to update or revise forward-looking statements, and reserves the right to change, at any time at its sole discretion, its current practice of updating annual targets and guidance.

Strong results supported by consistent growth strategy and strategic investments

- Delivering stronger second quarter results
- Investing for sustainable long-term future growth
- Returning significant capital to our shareholders

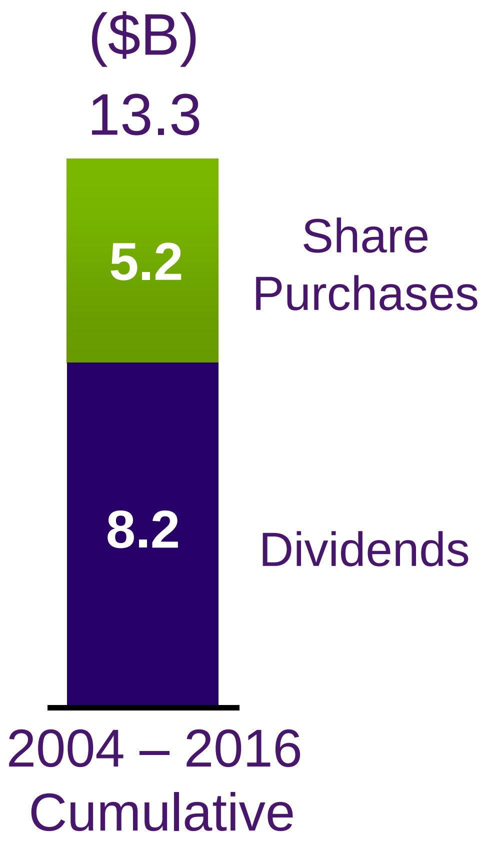
Returning significant cash to shareholders

2011 through Q2-2016

- 11 dividend increases to $1.84 annualized, up 75% since 2011
- Purchased over 65 million shares for $2.4 billion
- $140 million remaining under 2016 NCIB at end of July 2016

Since 2004

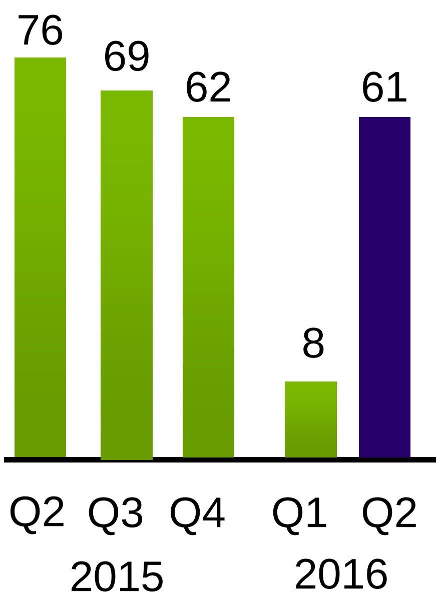
- 18 dividend increases from 2004 through Q2-2016
- Purchased 185 million shares for $5.2 billion
- Returned $13.3 billion or over $22 per share



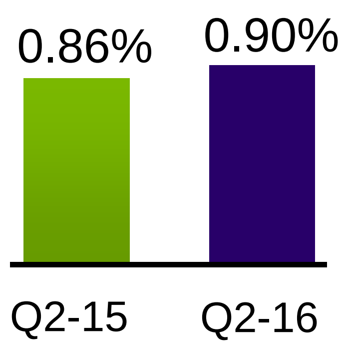
Consistent track record of growth
while returning capital to shareholders

Wireless postpaid net additions

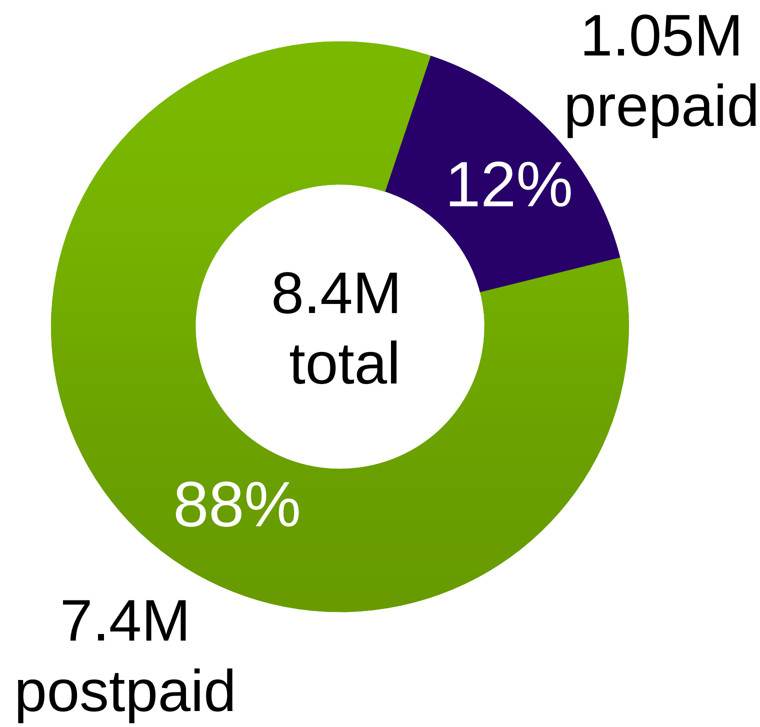
Postpaid
net adds
(000s)



Postpaid
churn rate

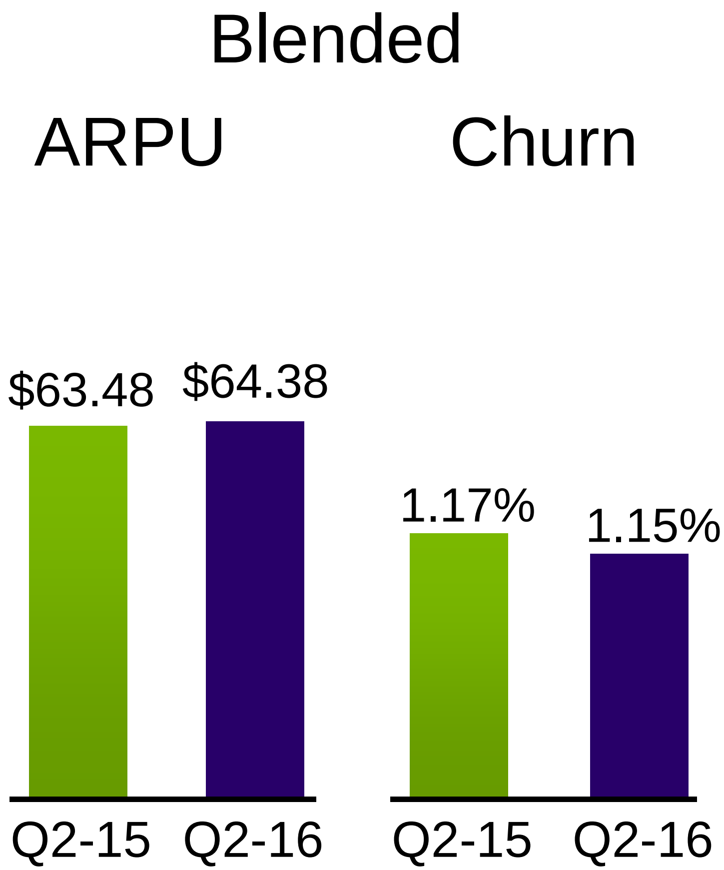


Wireless
subscribers



Strong execution in face of economic slowdown and competition
Industry-leading postpaid churn of 0.90%

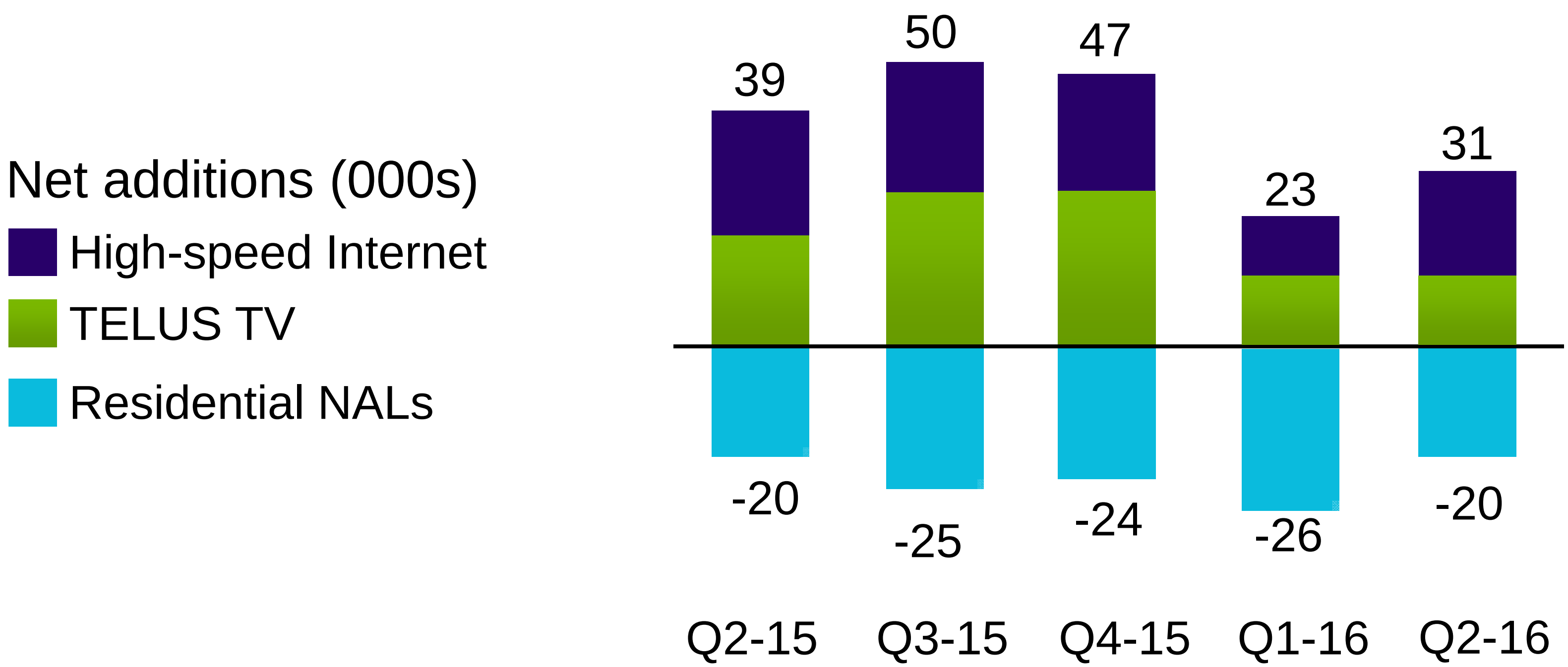
Industry-leading ARPU & lifetime revenue per sub



[1] Lifetime revenue derived by dividing ARPU by blended churn rate.

Continued focus on high-value postpaid subscriber growth delivering leading lifetime revenue per subscriber

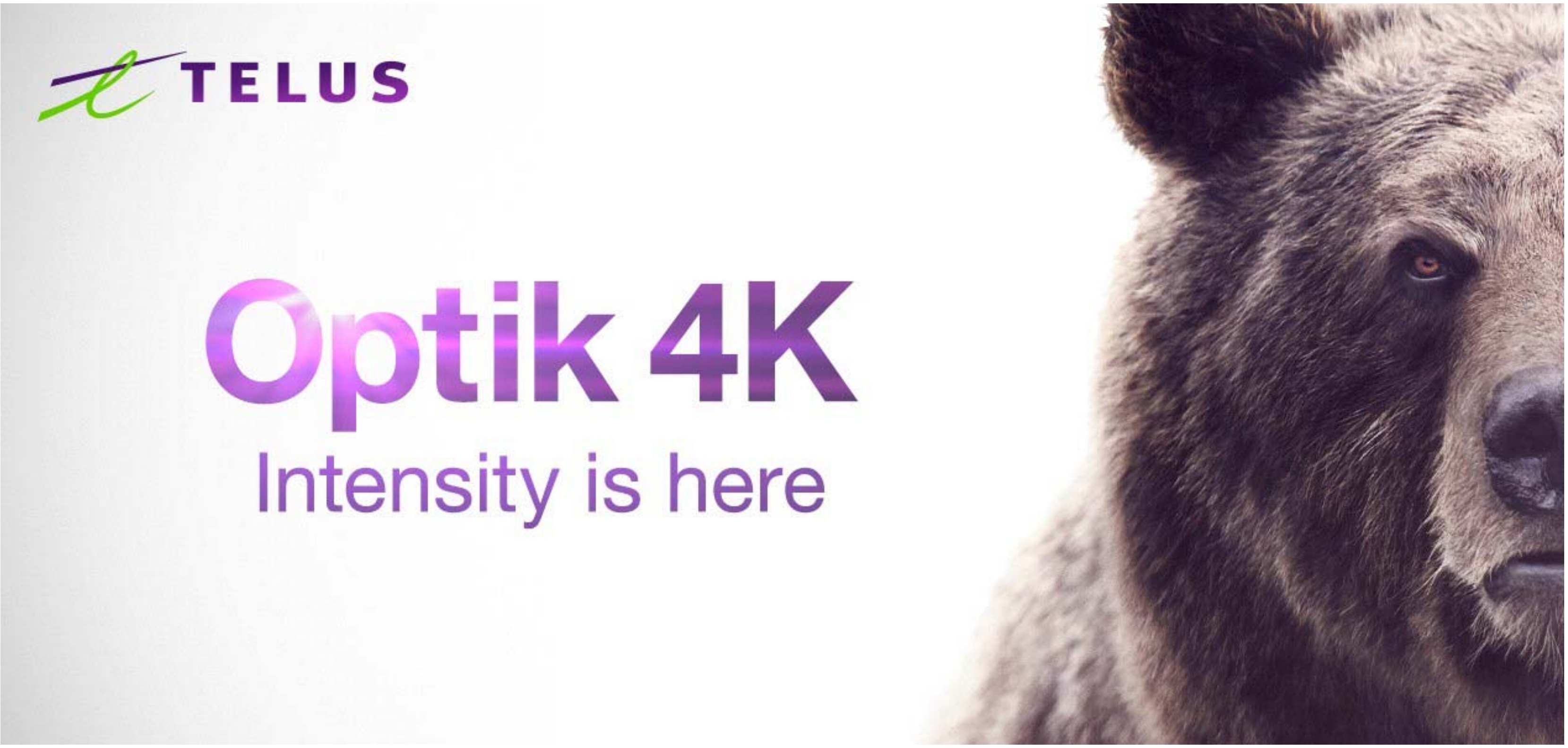
Wireline subscriber trends



	Q2-15	Q3-15	Q4-15	Q1-16	Q2-16
Net wireline additions	19	25	23	(3)	11

Focused efforts lead to improved net adds despite economic and competitive pressures

TELUS bringing 4K TV to Western Canada



Optik 4K powered by investments in fibre

Second quarter 2016 wireless financial results

($ millions, except margin)	Q2 2016	y/y change
Revenue (external)	1,754	+1.9%
Network revenue	1,608	+2.6%
EBITDA[1]	793	+10%
Adjusted EBITDA[1]	783	+3.6%
EBITDA margin[2]	44.9%	+3.5 pts
Adjusted EBITDA margin[2]	44.8%	+1.3 pts
Capital expenditures	258	+14%

[1] EBITDA and Adjusted EBITDA are non-GAAP measures and do not have any standardized meaning prescribed by IFRS-IASB. Please see the appendix for the definitions.
[2] As a percentage of total revenue.

EBITDA growth driven by subscriber and ARPU gains combined with cost savings from ongoing operating efficiency initiatives

Second quarter 2016 wireline financial results

($ millions, except margin)	Q2 2016	y/y change
Revenue (external)[1]	1,394	+1.0%
EBITDA[1]	396	+9.6%
Adjusted EBITDA[1]	405	+5.5%
EBITDA margin[2]	27.5%	+2.1 pts
Adjusted EBITDA margin[2]	28.2%	+1.2 pts
Capital expenditures	511	+17%

[1] EBITDA and Adjusted EBITDA are non-GAAP measures and do not have any standardized meaning prescribed by IFRS-IASB. Please see the appendix for the definitions.
[2] As a percentage of total revenue.

EBITDA growth driven by data service growth and focus on operational efficiency & effectiveness

Second quarter 2016 consolidated financial results

($ millions, except EPS)	Q2 2016	y/y change
Revenue	3,148	+1.5%
EBITDA[1]	1,189	+10%
EBITDA (adjusted) [1]	1,188	+4.3%
EPS (basic)	0.70	+25%
Adjusted basic EPS[1]	0.70	+6.1%
Capital expenditures	769	16%
Free cash flow	126	(58)%

[1] EBITDA, adjusted EBITDA and adjusted basic EPS are non-GAAP measures and do not have any standardized meaning prescribed by IFRS-IASB. Please see the appendix for the definitions.

Profitable consolidated growth driven
by revenue gains and continued cost efficiency

Questions?

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Appendix – Q2 2016 EPS analysis

	Q2-2016
Basic EPS as reported (Q2 2015)	**$0.56**
Restructuring and other costs	0.07
Unfavourable income-tax adjustments	0.02
Asset retirement costs, Black’s	0.01
Adjusted basic EPS (Q2 2015)	**$0.66**
Higher EBITDA excluding restructuring and other costs	0.06
Lower shares outstanding from NCIB	0.01
Higher depreciation and amortization and other	(0.03)
Adjusted basic EPS (Q2 2016)	**$0.70**
Restructuring and other costs	(0.03)
Gain on exchange of wireless spectrum licences	0.02
Net gains and equity income from real estate joint ventures	0.01
Basic EPS as reported (Q2 2016)	**$0.70**

Appendix - free cash flow comparison

	Q2-2015	Q2-2016	YTD-2015	YTD-2016
EBITDA	1,081	1,189	2,216	2,329
Capital expenditures (excluding spectrum licenses)	(664)	(769)	(1,299)	(1,387)
Net employee defined benefit plans expense	26	22	54	44
Employer contributions to employee defined benefit plans	(21)	(14)	(48)	(39)
Interest paid, net	(126)	(131)	(211)	(254)
Income taxes paid, net of refunds	(63)	(150)	(178)	(423)
Share-based compensation	25	21	2	37
Restructuring (disbursements) net of restructuring costs	42	(11)	35	(39)
Gain on transfer of wireless spectrum licence	-	(15)	-	(15)
Net gains and equity income from real estate joint venture	-	(9)	-	(9)
Other	-	(7)	-	(10)
Free Cash Flow	**300**	**126**	**571**	**234**
Spectrum	(1,688)	(145)	(1,990)	(145)
Issue of shares by subsidiary to non-controlling interest	-	292	-	292
Purchase of Common Shares for cancellation	(106)	(61)	(262)	(121)
Dividends paid to holders of Common Shares	(243)	(261)	(487)	(524)
Cash payments for acquisitions and related investments	(1)	-	(5)	-
Real estate joint ventures	(15)	30	(22)	18
Working Capital and Other	(30)	137	(205)	(56)
Funds available for debt redemption	**(1,783)**	**118**	**(2,400)**	**(302)**
Net issuance of debt	281	(168)	2,417	507
Increase (decrease) in cash	**(1,502)**	**(50)**	**17**	**205**

Appendix - definitions

- EBITDA does not have any standardized meaning prescribed by IFRS-IASB. We have issued guidance on and report EBITDA because it is a key measure used to evaluate performance at a consolidated level and the contribution of our two segments. For definition and explanation, see Section 11.1 in the 2016 second quarter Management's discussion and analysis.
- Adjusted EBITDA excludes: 1) net gains and equity income of $9 million related to real estate joint venture developments in the second quarter of 2016; 2) $15 million gain from the exchange of wireless spectrum licences in in the second quarter of 2016; and 3) restructuring and other costs of $23 million and $59 million in the second quarter of 2016 and 2015 respectively.
- Adjusted basic EPS does not have any standardized meaning prescribed by IFRS-IASB. This term is defined in this presentation as excluding (after income taxes), 1) Gain on the exchange of wireless spectrum licences in the second quarter of 2016 of $0.02; 2) net gains and equity income from real estate joint venture developments in the second quarter of 2016 of $0.01; 3) restructuring and other costs in the second quarter of 2016 and 2015 of $0.03 and $0.07 respectively; 4) unfavourable income tax-related adjustments in the second quarter of 2015 of $0.02; and 4) asset retirement from planned closure of Black's Photography in the second quarter of 2015 of $0.01. For further analysis of Adjusted basic EPS see Section 1.3 in the 2016 second quarter Management's discussion and analysis.