

stronger together



We are growing through continued investment

+5.0%

Data revenue
2017: \$4.26 billion
2016: \$4.06 billion

+88,000

Internet subscribers
2017: 1.74 million
2016: 1.66 million

+39,000

TV subscribers
2017: 1.10 million
2016: 1.06 million

+51,000

Wireline customer connections
2017: 4.14 million
2016: 4.09 million

Performing in a dynamic market

The wireline communications market continued to be defined by changing customer habits, technology evolution and intense competition. Enhanced data services revenue grew at a slower pace amid increased competition and moderate business spending, while declines in higher-margin legacy voice services were ongoing. Telecom companies made significant fibre-optic network expansion investments to support their growing consumer Internet, IP TV and business service offerings, and cable companies ramped up their bundled Internet and TV promotions, and pushed deeper into business markets. Direct-to-consumer streaming services continued to proliferate, requiring all carriers to invest in video delivery platforms to keep pace. Canadian regulators continued to encourage

facilities-based competition, which balances ongoing investment with rigorous competition.

Investing for continued growth

Our significant broadband investments have put us at the forefront of delivering a superior customer experience. Our future friendly home service bundle, including innovative Optik TV 4K and Pik TV service options, continues to differentiate us and drive our success in customer additions, despite increased competition from rival cable-TV providers and over-the-top video services. Our comprehensive integrated wireless and wireline solutions target high-value business customers across the country, helping to maximize their IT investments and drive greater business agility. TELUS International (TI) expanded its presence and capabilities through acquisitions, while TELUS Health continued to extend its reach. With these growing markets and our focus on efficiency and effectiveness, we remained one of the few established telecoms in the world generating positive wireline revenue, EBITDA and customer growth in 2017.



In 2017, we advanced our capabilities by:

- Expanding and enhancing our gigabit-capable fibre-optic network, TELUS PureFibre, which now reaches 1.44 million premises in B.C., Alberta and Eastern Quebec – nearly 50% of our current target footprint
- Enhancing our Optik TV content offering with a revamped Optik TV app and the launch of Pik TV, which gives customers flexible and affordable access to live TV and streaming apps like Netflix and YouTube through a self-install media box
- Further developing our cloud and managed IT solutions for businesses, as well as Internet of Things offerings, to deliver an enhanced, flexible and secure customer experience
- Welcoming new TI clients with the acquisition of Voxpro, to help meet our fast-growing customer demands for more locations, flexible and agile support structures, and highly engaged multilingual team members
- Complementing the geographic reach and quality of TELUS Health's national pharmacy management services by acquiring Kroll Computer Systems.

In 2018, we are reinforcing our leadership position by:

- Continuing to elevate the customer experience by putting our customers first, simplifying products and delivering exceptional service
- Further expanding the capabilities, speed and reliability of our TELUS PureFibre network
- Continuing to grow our TV and Internet subscriber bases by introducing and promoting new and innovative services, including home security, to our future friendly® home bundle
- Driving sales and efficiency in the enterprise and business markets through enhanced connectivity, tailored solutions and high-quality customer service
- Growing our evolving TI operations and strategy by integrating Voxpro and attracting new business with the addition of next-generation IT consulting services following the successful acquisition of Xavient Information Systems in early 2018
- Advancing our strategy to improve the delivery of healthcare by increasing the adoption of our innovative healthcare technology solutions, which support greater collaboration across the healthcare ecosystem and drive better patient outcomes.



We offer

- Comprehensive high-speed Internet access with a growing fibre-optic network
- Differentiated TELUS Optik TV 4K and Pik TV service
- Reliable home phone service
- Home automation and security
- Leading IP networks and applications for businesses
- Hosting, managed IT, security and cloud-based services
- Innovative healthcare technology solutions
- Business process outsourcing solutions

2017 results – wireline

+1.5%

**Revenue
(external)**

2017: \$5.77 billion
2016: \$5.68 billion

+4.0%

**Adjusted
EBITDA**

2017: \$1.73 billion
2016: \$1.67 billion



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