



## TELUS Corporation

*Fourth Quarter, 2015*

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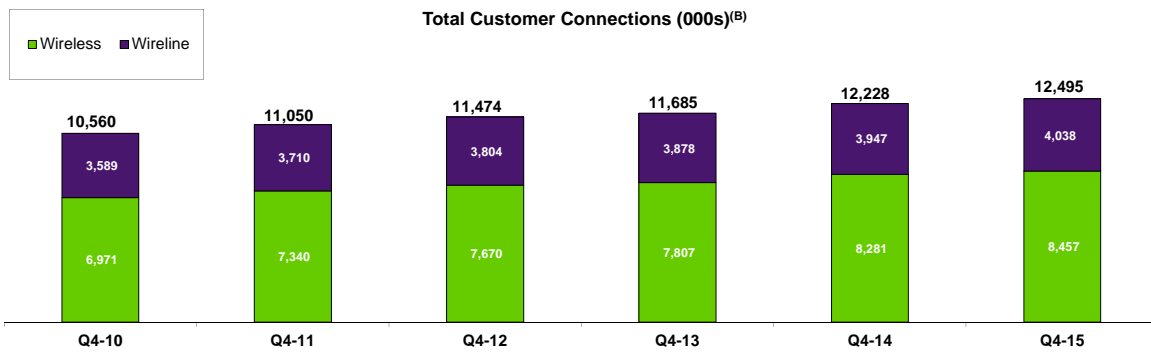
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**TELUS Corporation**  
**Selected Consolidated Data**

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

	Quarterly								Annual 2015	Annual 2014
	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14		
Net Income	261	365	341	415	312	355	381	377	1,382	1,425
Basic earnings per share (\$)	0.44	0.61	0.56	0.68	0.51	0.58	0.62	0.61	2.29	2.31
Dividends declared per share (\$)	0.44	0.42	0.42	0.40	0.40	0.38	0.38	0.36	1.68	1.52
Return on common equity <sup>1</sup>	18.3%	18.7%	18.3%	18.5%	17.8%	17.6%	18.0%	16.8%	18.3%	17.8%
EBITDA interest coverage ratio <sup>2 (A)</sup>	9.7	9.8	9.8	9.4	9.5	9.8	10.3	10.1	9.7	9.5
Free cash flow <sup>3</sup>	197	310	300	271	337	219	210	291	1,078	1,057
Net debt <sup>4</sup>	11,953	11,713	11,795	10,011	9,393	9,253	9,272	8,202	11,953	9,393
Net debt : EBITDA (times) <sup>5</sup>	2.66	2.64	2.67	2.30	2.19	2.18	2.21	2.00	2.66	2.19
Outstanding shares at end of period (M)	594	600	602	605	609	612	615	620	594	609
Basic weighted average shares outstanding (M)	598	601	605	608	611	613	617	622	603	616
Total customer connections (000s) <sup>(B)</sup>	12,495	12,436	12,342	12,260	12,228	12,112	11,984	11,916	12,495	12,228

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

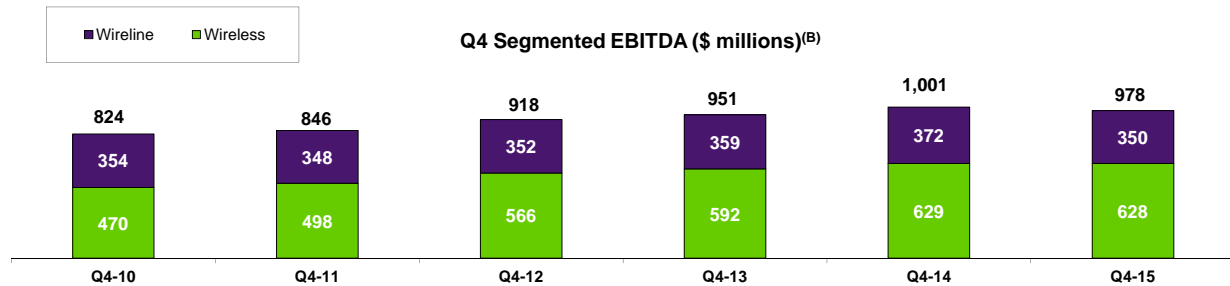


<sup>(B)</sup> Customer Connections may not balance due to rounding alignment to YTD figures. Effective January 1, 2014, customer connections have been restated to exclude 25,000 dial-up Internet subscribers and include 222,000 Public Mobile subscribers in their respective opening subscriber balances. In addition, effective the fourth quarter of 2015 and on a retroactive basis, business NALs have been removed from the reported subscriber base and, as such, January 1, 2014 has been adjusted to exclude 1,611,000 business NALs in the opening balance.

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

\$ millions	Quarter 4				December YTD			
	2015	2014	Change	% Change	2015	2014	Change	% Change
<b>Revenues</b>								
TELUS Wireless	1,789	1,759	30	1.7%	6,994	6,641	353	5.3%
TELUS Wireline	1,489	1,428	61	4.3%	5,743	5,590	153	2.7%
Less: Intersegment revenue	(61)	(59)	(2)	3.4%	(235)	(229)	(6)	2.6%
Operating revenues	3,217	3,128	89	2.8%	12,502	12,002	500	4.2%
<b>EBITDA</b>								
TELUS Wireless	628	629	(1)	(0.2%)	2,806	2,727	79	2.9%
TELUS Wireline	350	372	(22)	(5.9%)	1,456	1,489	(33)	(2.2%)
Consolidated	978	1,001	(23)	(2.2%)	4,262	4,216	46	1.1%
<b>EBITDA margin</b>								
TELUS Wireless	35.1%	35.8%	(0.7) pts.		40.1%	41.1%	(1.0) pts.	
TELUS Wireline	23.5%	26.0%	(2.5) pts.		25.4%	26.6%	(1.2) pts.	
Consolidated	30.4%	32.0%	(1.6) pts.		34.1%	35.1%	(1.0) pts.	
<b>Capital expenditures</b>								
TELUS Wireless	209	188	21	11.2%	893	832	61	7.3%
TELUS Wireline	446	382	64	16.8%	1,684	1,527	157	10.3%
Consolidated	655	570	85	14.9%	2,577	2,359	218	9.2%
<b>Capital expenditure intensity<sup>6</sup></b>								
TELUS Wireless	12%	11%	1 pts.		13%	13%	-	pts.
TELUS Wireline	30%	27%	3 pts.		29%	27%	2 pts.	
Consolidated	20%	18%	2 pts.		21%	20%	1 pts.	
<b>EBITDA less capex</b>								
TELUS Wireless	419	441	(22)	(5.0%)	1,913	1,895	18	0.9%
TELUS Wireline	(96)	(10)	(86)	n.m.	(228)	(38)	(190)	n.m.
Consolidated	323	431	(108)	(25.1%)	1,685	1,857	(172)	(9.3%)
<b>EBITDA excluding restructuring and other costs<sup>(A)</sup></b>								
TELUS Wireless	653	635	18	2.8%	2,887	2,757	130	4.7%
TELUS Wireline	424	392	32	8.2%	1,601	1,534	67	4.4%
Consolidated	1,077	1,027	50	4.9%	4,488	4,291	197	4.6%
<b>EBITDA margin excluding restructuring and other costs<sup>(A)</sup></b>								
TELUS Wireless	36.5%	36.1%	0.4 pts.		41.3%	41.5%	(0.2) pts.	
TELUS Wireline	28.5%	27.4%	1.1 pts.		27.9%	27.4%	0.5 pts.	
Consolidated	33.5%	32.8%	0.7 pts.		35.9%	35.8%	0.1 pts.	

<sup>(A)</sup>EBITDA has been adjusted to exclude restructuring and other costs of \$99M and \$26M for Q4-15 and Q4-14, respectively, and \$226M and \$75M for 2015 YTD and 2014 YTD, respectively.

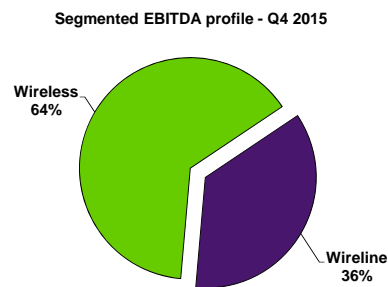
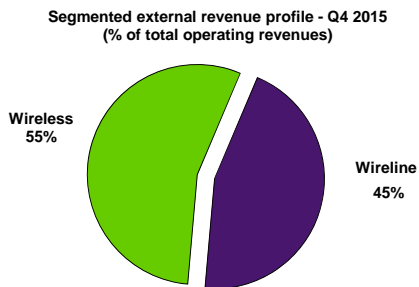


<sup>(B)</sup>Periods in 2012, 2011 and 2010 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits (2011).

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

\$ millions	Quarterly								Annual 2015	Annual 2014
	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14		
<b>Revenues</b>										
TELUS Wireless	1,789	1,783	1,736	1,686	1,759	1,697	1,617	1,568	6,994	6,641
TELUS Wireline	1,489	1,432	1,423	1,399	1,428	1,390	1,391	1,381	5,743	5,590
Less: Intersegment revenue	(61)	(60)	(57)	(57)	(59)	(59)	(57)	(54)	(235)	(229)
Operating revenues	3,217	3,155	3,102	3,028	3,128	3,028	2,951	2,895	12,502	12,002
<b>EBITDA</b>										
TELUS Wireless	628	715	719	744	629	700	708	690	2,806	2,727
TELUS Wireline	350	353	362	391	372	365	365	387	1,456	1,489
Consolidated	978	1,068	1,081	1,135	1,001	1,065	1,073	1,077	4,262	4,216
<b>EBITDA margin</b>										
TELUS Wireless	35.1%	40.1%	41.4%	44.1%	35.8%	41.2%	43.8%	44.0%	40.1%	41.1%
TELUS Wireline	23.5%	24.7%	25.4%	28.0%	26.0%	26.3%	26.2%	28.0%	25.4%	26.6%
Consolidated	30.4%	33.9%	34.8%	37.5%	32.0%	35.2%	36.4%	37.2%	34.1%	35.1%
<b>Capital expenditures</b>										
TELUS Wireless	209	209	227	248	188	251	228	165	893	832
TELUS Wireline	446	414	437	387	382	406	408	331	1,684	1,527
Consolidated	655	623	664	635	570	657	636	496	2,577	2,359
<b>Capital expenditure intensity<sup>5</sup></b>										
TELUS Wireless	12%	12%	13%	15%	11%	15%	14%	11%	13%	13%
TELUS Wireline	30%	29%	31%	28%	27%	29%	29%	24%	29%	27%
Consolidated	20%	20%	21%	21%	18%	22%	22%	17%	21%	20%
<b>EBITDA less capex</b>										
TELUS Wireless	419	506	492	496	441	449	480	525	1,913	1,895
TELUS Wireline	(96)	(61)	(75)	4	(10)	(41)	(43)	56	(228)	(38)
Consolidated	323	445	417	500	431	408	437	581	1,685	1,857
<b>EBITDA excluding restructuring and other costs<sup>(A)</sup></b>										
TELUS Wireless	653	729	755	750	635	718	711	693	2,887	2,757
TELUS Wireline	424	390	385	402	392	377	373	392	1,601	1,534
Consolidated	1,077	1,119	1,140	1,152	1,027	1,095	1,084	1,085	4,488	4,291
<b>EBITDA margin excluding restructuring and other costs<sup>(A)</sup></b>										
TELUS Wireless	36.5%	40.9%	43.5%	44.5%	36.1%	42.3%	44.0%	44.2%	41.3%	41.5%
TELUS Wireline	28.5%	27.3%	27.0%	28.8%	27.4%	27.2%	26.8%	28.3%	27.9%	27.4%
Consolidated	33.5%	35.5%	36.8%	38.0%	32.8%	36.2%	36.7%	37.5%	35.9%	35.8%
<b>Full-Time Equivalent (FTE) employees</b>	46,600	46,000	43,900	42,600	42,700	41,400	41,400	41,600	46,600	42,700
<i>Full-Time Equivalent (FTE) employees, excluding TELUS International</i>	25,900	26,500	26,800	26,600	26,900	26,800	27,200	27,100	25,900	26,900

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

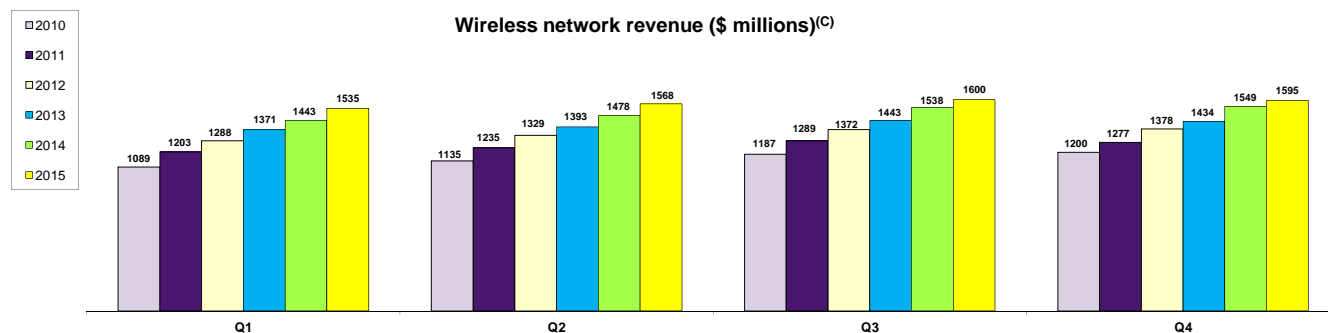


**TELUS Wireless  
Operations<sup>(A)</sup>**

<i>\$ millions</i>	Quarter 4				December YTD			
	2015	2014	Change	% Change	2015	2014	Change	% Change
<b>Revenues</b>								
Network revenue	1,595	1,549	46	3.0%	6,298	6,008	290	4.8%
Equipment and other service revenue	170	195	(25)	(12.8%)	626	576	50	8.7%
<b>Revenues arising from contracts with customers</b>	<b>1,765</b>	<b>1,744</b>	<b>21</b>	<b>1.2%</b>	<b>6,924</b>	<b>6,584</b>	<b>340</b>	<b>5.2%</b>
Other operating income	7	-	7	n.m.	9	3	6	n.m.
<b>Total external revenue</b>	<b>1,772</b>	<b>1,744</b>	<b>28</b>	<b>1.6%</b>	<b>6,933</b>	<b>6,587</b>	<b>346</b>	<b>5.3%</b>
Intersegment network revenue	17	15	2	13.3%	61	54	7	13.0%
<b>Total operating revenues</b>	<b>1,789</b>	<b>1,759</b>	<b>30</b>	<b>1.7%</b>	<b>6,994</b>	<b>6,641</b>	<b>353</b>	<b>5.3%</b>
Goods and services purchased	965	950	15	1.6%	3,471	3,228	243	7.5%
Employee benefits expense <sup>(B)</sup>	196	180	16	8.9%	717	686	31	4.5%
<b>Total operating expense</b>	<b>1,161</b>	<b>1,130</b>	<b>31</b>	<b>2.7%</b>	<b>4,188</b>	<b>3,914</b>	<b>274</b>	<b>7.0%</b>
<b>EBITDA</b>	<b>628</b>	<b>629</b>	<b>(1)</b>	<b>(0.2%)</b>	<b>2,806</b>	<b>2,727</b>	<b>79</b>	<b>2.9%</b>
<b>COA expense</b>	<b>175</b>	<b>190</b>	<b>(15)</b>	<b>(7.9%)</b>	<b>602</b>	<b>623</b>	<b>(21)</b>	<b>(3.4%)</b>
<b>EBITDA excluding COA</b>	<b>803</b>	<b>819</b>	<b>(16)</b>	<b>(2.0%)</b>	<b>3,408</b>	<b>3,350</b>	<b>58</b>	<b>1.7%</b>
<b>EBITDA margin (total revenue)</b>	<b>35.1%</b>	<b>35.8%</b>	<b>(0.7) pts.</b>		<b>40.1%</b>	<b>41.1%</b>	<b>(1.0) pts.</b>	
<b>Capital expenditures</b>	<b>209</b>	<b>188</b>	<b>21</b>	<b>11.2%</b>	<b>893</b>	<b>832</b>	<b>61</b>	<b>7.3%</b>
<b>Capital expenditure intensity<sup>6</sup></b>	<b>12%</b>	<b>11%</b>	<b>1 pts.</b>		<b>13%</b>	<b>13%</b>	<b>- pts.</b>	
<b>EBITDA less capex</b>	<b>419</b>	<b>441</b>	<b>(22)</b>	<b>(5.0%)</b>	<b>1,913</b>	<b>1,895</b>	<b>18</b>	<b>0.9%</b>
Restructuring and other costs included in total operating expense	25	6	19	n.m.	81	30	51	n.m.
<b>EBITDA excluding restructuring and other costs</b>	<b>653</b>	<b>635</b>	<b>18</b>	<b>2.8%</b>	<b>2,887</b>	<b>2,757</b>	<b>130</b>	<b>4.7%</b>
<b>EBITDA margin excluding restructuring and other costs (total revenue)</b>	<b>36.5%</b>	<b>36.1%</b>	<b>0.4 pts.</b>		<b>41.3%</b>	<b>41.5%</b>	<b>(0.2) pts.</b>	

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

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



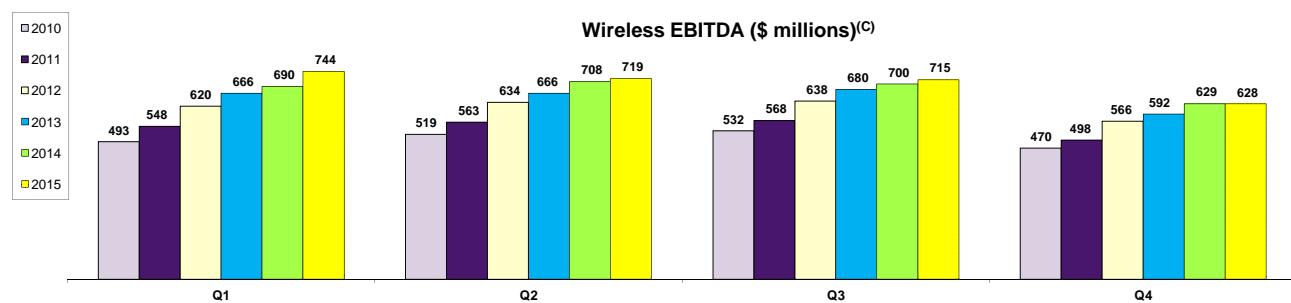
<sup>(C)</sup> Periods in 2012, 2011 and 2010 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits (2011).

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

<i>\$ millions</i>	Quarterly								Annual 2015	Annual 2014
	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14		
<b>Revenues</b>										
Network revenue	1,595	1,600	1,568	1,535	1,549	1,538	1,478	1,443	6,298	6,008
Equipment and other service revenue	170	165	156	135	195	146	126	109	626	576
<b>Revenues arising from contracts with customers</b>	1,765	1,765	1,724	1,670	1,744	1,684	1,604	1,552	6,924	6,584
Other operating income	7	2	(2)	2	-	-	-	3	9	3
<b>Total external revenue</b>	1,772	1,767	1,722	1,672	1,744	1,684	1,604	1,555	6,933	6,587
Intersegment network revenue	17	16	14	14	15	13	13	13	61	54
<b>Total operating revenues</b>	1,789	1,783	1,736	1,686	1,759	1,697	1,617	1,568	6,994	6,641
Goods and services purchased	965	886	840	780	950	823	746	709	3,471	3,228
Employee benefits expense <sup>(B)</sup>	196	182	177	162	180	174	163	169	717	686
<b>Total operating expense</b>	1,161	1,068	1,017	942	1,130	997	909	878	4,188	3,914
<b>EBITDA</b>	628	715	719	744	629	700	708	690	2,806	2,727
<b>COA expense</b>	175	156	143	128	190	163	141	129	602	623
<b>EBITDA excluding COA</b>	803	871	862	872	819	863	849	819	3,408	3,350
<b>EBITDA margin (total revenue)</b>	35.1%	40.1%	41.4%	44.1%	35.8%	41.2%	43.8%	44.0%	40.1%	41.1%
<b>Capital expenditures</b>	209	209	227	248	188	251	228	165	893	832
<b>Capital expenditure intensity<sup>6</sup></b>	12%	12%	13%	15%	11%	15%	14%	11%	13%	13%
<b>EBITDA less capex</b>	419	506	492	496	441	449	480	525	1,913	1,895
Restructuring and other costs included in total operating expense	25	14	36	6	6	18	3	3	81	30
<b>EBITDA excluding restructuring and other costs</b>	653	729	755	750	635	718	711	693	2,887	2,757
<b>EBITDA margin excluding restructuring and other costs (total revenue)</b>	36.5%	40.9%	43.5%	44.5%	36.1%	42.3%	44.0%	44.2%	41.3%	41.5%

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

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



<sup>(C)</sup> Periods in 2012, 2011 and 2010 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits (2011).

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

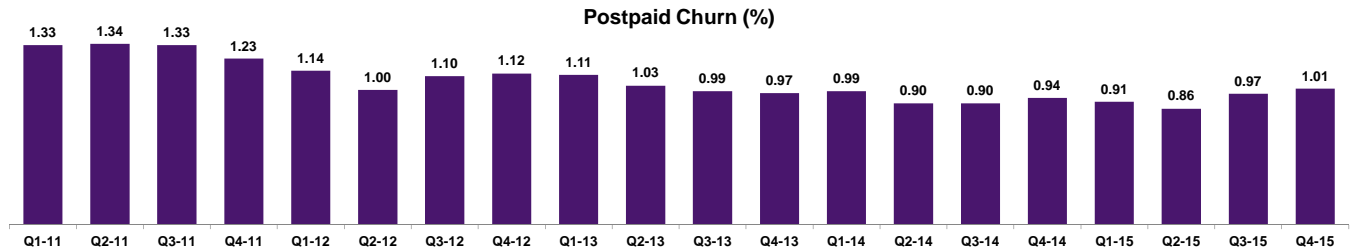
	Quarter 4				December YTD			
	2015	2014	Change	% Change	2015	2014	Change	% Change
<b>Subscriber gross adds (000s)</b>								
Postpaid	273	308	(35)	(11.4%)	1,014	1,075	(61)	(5.7%)
Prepaid	98	131	(33)	(25.2%)	429	545	(116)	(21.3%)
Total	371	439	(68)	(15.5%)	1,443	1,620	(177)	(10.9%)
<b>Subscriber net adds (000s)</b>								
Postpaid	62	118	(56)	(47.5%)	244	357	(113)	(31.7%)
Prepaid	(26)	(32)	6	18.8%	(68)	(105)	37	35.2%
Total	36	86	(50)	(58.1%)	176	252	(76)	(30.2%)
<b>Subscribers (000s)</b>								
Postpaid	7,352	7,108	244	3.4%	7,352	7,108	244	3.4%
Prepaid	1,105	1,173	(68)	(5.8%)	1,105	1,173	(68)	(5.8%)
Total	8,457	8,281	176	2.1%	8,457	8,281	176	2.1%
<b>ARPU (\$)<sup>7</sup></b>	\$63.74	\$63.34	\$0.40	0.6%	\$63.45	\$62.25	\$1.20	1.9%
<b>Churn, per month (%)<sup>8</sup></b>								
Blended Churn	1.32%	1.43%	(0.11) pts.		1.26%	1.41%	(0.15) pts.	
Postpaid Churn	1.01%	0.94%	0.07 pts.		0.94%	0.93%	0.01 pts.	
<b>COA per gross subscriber addition (\$)<sup>9</sup></b>	\$472	\$433	\$39	9.0%	\$418	\$385	\$33	8.5%
<b>Retention spend % network revenue<sup>(C)</sup></b>	17.0%	14.3%	2.7 pts.		13.9%	11.8%	2.1 pts.	
<b>Retention Subscribers (000s)</b>	609	578	31	5.4%	2,169	1,971	198	10.1%
<b>Population coverage in millions - HSPA<sup>(D)</sup></b>	35.7	35.3	0.4	1.1%	35.7	35.3	0.4	1.1%
<b>Population coverage in millions - LTE<sup>(D)</sup></b>	34.9	31.7	3.2	10.1%	34.9	31.7	3.2	10.1%

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

<sup>(B)</sup>Effective January 1, 2014, prepaid subscribers, total subscribers and associated operating statistics (gross additions, net additions, blended ARPU, blended churn and COA per gross subscriber addition) have been adjusted for inclusion of 222,000 Public Mobile subscribers in the opening subscriber balances, and subsequent Public Mobile subscriber changes.

<sup>(C)</sup>Includes intersegment network revenue.

<sup>(D)</sup>Includes expanded coverage due to network access agreements, principally with Bell.



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

	Quarterly								Annual 2015	Annual 2014
	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14		
<b>Subscriber gross adds (000s)</b>										
Postpaid	273	269	249	223	308	286	247	234	1,014	1,075
Prepaid	98	121	106	104	131	144	132	138	429	545
Total	371	390	355	327	439	430	379	372	1,443	1,620
<b>Subscriber net adds (000s)</b>										
Postpaid	62	69	76	37	118	113	78	48	244	357
Prepaid	(26)	-	(13)	(29)	(32)	(6)	(29)	(38)	(68)	(105)
Total	36	69	63	8	86	107	49	10	176	252
<b>Subscribers (000s)</b>										
Postpaid	7,352	7,290	7,221	7,145	7,108	6,990	6,877	6,799	7,352	7,108
Prepaid	1,105	1,131	1,131	1,144	1,173	1,205	1,211	1,240	1,105	1,173
Total	8,457	8,421	8,352	8,289	8,281	8,195	8,088	8,039	8,457	8,281
<b>ARPU (\$)<sup>7</sup></b>	\$63.74	\$64.22	\$63.48	\$62.34	\$63.34	\$63.52	\$61.69	\$60.42	\$63.45	\$62.25
<b>Churn, per month (%)<sup>8</sup></b>										
Blended Churn	1.32%	1.28%	1.17%	1.28%	1.43%	1.32%	1.37%	1.50%	1.26%	1.41%
Postpaid Churn	1.01%	0.97%	0.86%	0.91%	0.94%	0.90%	0.90%	0.99%	0.94%	0.93%
<b>COA per gross subscriber addition (\$)<sup>9</sup></b>	\$472	\$400	\$404	\$392	\$433	\$380	\$371	\$346	\$418	\$385
<b>Retention spend % network revenue<sup>(C)</sup></b>	17.0%	14.3%	12.1%	12.1%	14.3%	11.5%	10.8%	10.7%	13.9%	11.8%
<b>Retention Subscribers (000s)</b>	609	569	506	485	578	499	448	446	2,169	1,971
<b>Population coverage in millions - HSPA<sup>(D)</sup></b>	35.7	35.7	35.7	35.6	35.3	35.2	35.2	34.9	35.7	35.3
<b>Population coverage in millions - LTE<sup>(D)</sup></b>	34.9	34.3	33.9	33.1	31.7	30.2	29.8	28.8	34.9	31.7

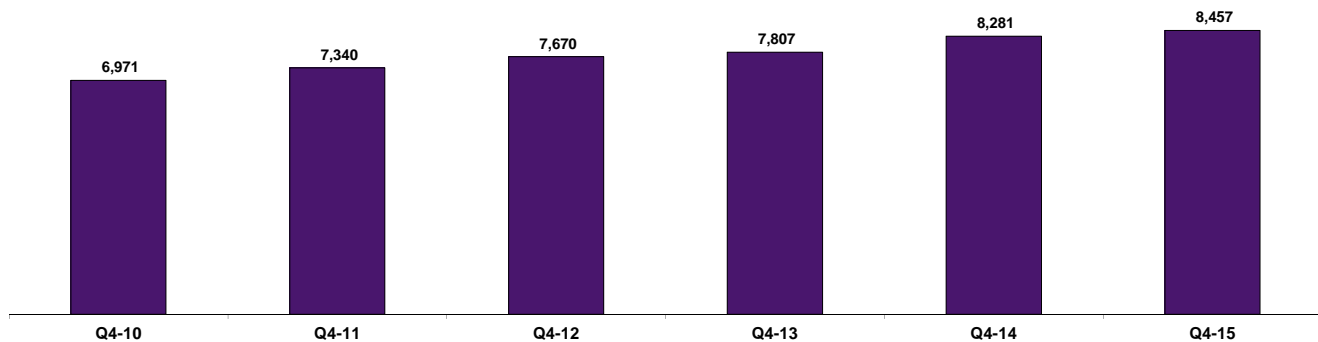
<sup>(A)</sup>May not balance due to rounding alignment to YTD figures.

<sup>(B)</sup>Effective January 1, 2014, prepaid subscribers, total subscribers and associated operating statistics (gross additions, net additions, blended ARPU, blended churn and COA per gross subscriber addition) have been adjusted for inclusion of 222,000 Public Mobile subscribers in the opening subscriber balances, and subsequent Public Mobile subscriber changes.

<sup>(C)</sup>Includes intersegment network revenue.

<sup>(D)</sup>Includes expanded coverage due to network access agreements, principally with Bell.

**Wireless subscribers (000s)**





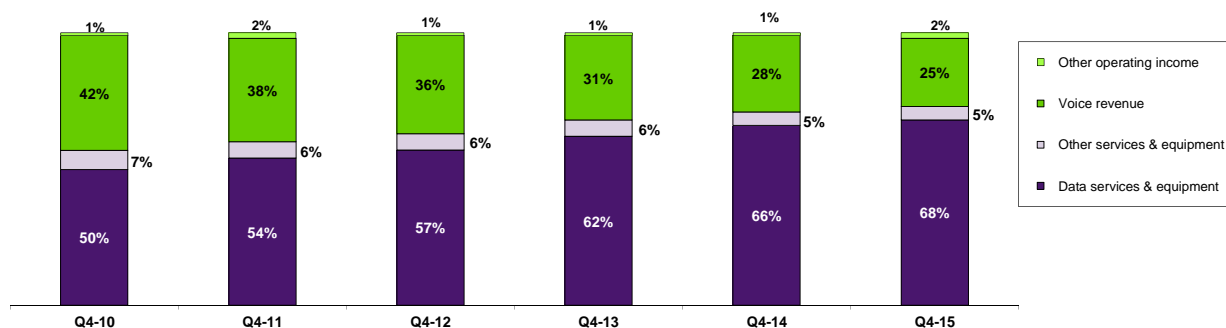
**TELUS Wireline  
Operations<sup>(A)</sup>**

<i>\$ millions</i>	Quarter 4				December YTD			
	2015	2014	Change	% Change	2015	2014	Change	% Change
<b>Revenues</b>								
Data service and equipment	991	911	80	8.8%	3,772	3,472	300	8.6%
Voice revenue	358	393	(35)	(8.9%)	1,496	1,615	(119)	(7.4%)
Other services and equipment	72	67	5	7.5%	238	255	(17)	(6.7%)
<b>Revenues arising from contracts with customers</b>	1,421	1,371	50	3.6%	5,506	5,342	164	3.1%
Other operating income	24	13	11	84.6%	63	73	(10)	(13.7%)
<b>Total external revenue</b>	1,445	1,384	61	4.4%	5,569	5,415	154	2.8%
Intersegment revenue	44	44	-	0.0%	174	175	(1)	(0.6%)
<b>Total operating revenues</b>	1,489	1,428	61	4.3%	5,743	5,590	153	2.7%
Goods and services purchased	578	585	(7)	(1.2%)	2,296	2,300	(4)	(0.2%)
Employee benefits expense <sup>(B)</sup>	561	471	90	19.1%	1,991	1,801	190	10.5%
<b>Total operating expense</b>	1,139	1,056	83	7.9%	4,287	4,101	186	4.5%
<b>EBITDA</b>	350	372	(22)	(5.9%)	1,456	1,489	(33)	(2.2%)
<b>EBITDA margin</b>	23.5%	26.0%	(2.5) pts.		25.4%	26.6%	(1.2) pts.	
<b>Capital expenditures</b>	446	382	64	16.8%	1,684	1,527	157	10.3%
<b>Capital expenditure intensity<sup>6</sup></b>	30%	27%	3 pts.		29%	27%	2 pts.	
<b>EBITDA less capex</b>	(96)	(10)	(86)	n.m.	(228)	(38)	(190)	n.m.
Restructuring and other costs included in total operating expense	74	20	54	n.m.	145	45	100	n.m.
<b>EBITDA excluding restructuring and other costs</b>	424	392	32	8.2%	1,601	1,534	67	4.4%
<b>EBITDA margin excluding restructuring and other costs</b>	28.5%	27.4%	1.1 pts.		27.9%	27.4%	0.5 pts.	

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

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

**Q4 Wireline revenue profile - (% of total external wireline revenue)**

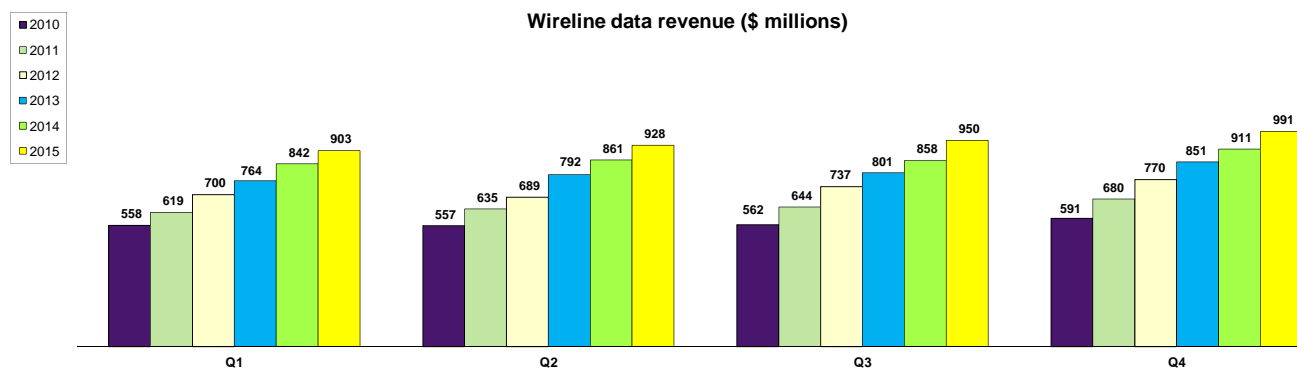


**TELUS Wireline**  
Operations - Historical Trend<sup>(A)</sup>

\$ millions	Quarterly								Annual 2015	Annual 2014
	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14		
<b>Revenues</b>										
Data service and equipment	991	950	928	903	911	858	861	842	3,772	3,472
Voice revenue	358	373	383	382	393	399	410	413	1,496	1,615
Other services and equipment	72	53	57	56	67	58	63	67	238	255
<b>Revenues arising from contracts with customers</b>	1,421	1,376	1,368	1,341	1,371	1,315	1,334	1,322	5,506	5,342
Other operating income	24	12	12	15	13	29	13	18	63	73
<b>Total external revenue</b>	1,445	1,388	1,380	1,356	1,384	1,344	1,347	1,340	5,569	5,415
Intersegment revenue	44	44	43	43	44	46	44	41	174	175
<b>Total operating revenues</b>	1,489	1,432	1,423	1,399	1,428	1,390	1,391	1,381	5,743	5,590
Goods and services purchased	578	568	589	561	585	569	579	567	2,296	2,300
Employee benefits expense <sup>(B)</sup>	561	511	472	447	471	456	447	427	1,991	1,801
<b>Total operating expense</b>	1,139	1,079	1,061	1,008	1,056	1,025	1,026	994	4,287	4,101
<b>EBITDA</b>	350	353	362	391	372	365	365	387	1,456	1,489
<b>EBITDA margin</b>	23.5%	24.7%	25.4%	28.0%	26.0%	26.3%	26.2%	28.0%	25.4%	26.6%
<b>Capital expenditures</b>	446	414	437	387	382	406	408	331	1,684	1,527
<b>Capital expenditure intensity<sup>6</sup></b>	30%	29%	31%	28%	27%	29%	29%	24%	29%	27%
<b>EBITDA less capex</b>	(96)	(61)	(75)	4	(10)	(41)	(43)	56	(228)	(38)
Restructuring and other costs included in total operating expense	74	37	23	11	20	12	8	5	145	45
<b>EBITDA excluding restructuring and other costs</b>	424	390	385	402	392	377	373	392	1,601	1,534
<b>EBITDA margin excluding restructuring and other costs</b>	28.5%	27.3%	27.0%	28.8%	27.4%	27.2%	26.8%	28.3%	27.9%	27.4%

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

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

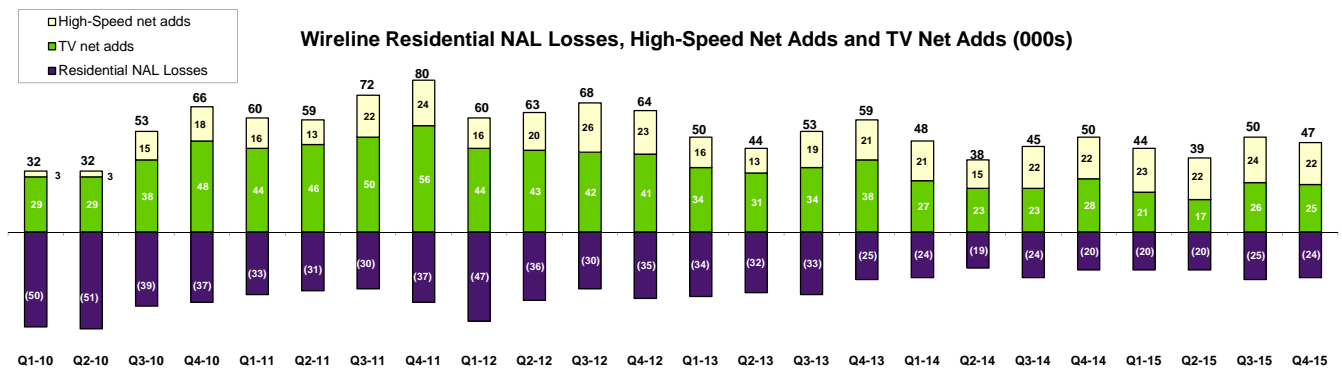


## TELUS Wireline Operating Statistics<sup>(A)</sup>

<i>thousands (000s)</i>	Quarter 4				December YTD			
	2015	2014	Change	% Change	2015	2014	Change	% Change
Residential NAL net additions (losses)	(24)	(20)	(4)	(20.0%)	(89)	(87)	(2)	(2.3%)
Residential Network access lines (NAL)	1,467	1,556	(89)	(5.7%)	1,467	1,556	(89)	(5.7%)
High Speed Internet Subscriber net additions (losses)	22	22	-	0.0%	91	80	11	13.8%
High Speed Internet Subscribers	1,566	1,475	91	6.2%	1,566	1,475	91	6.2%
TV subscriber net adds <sup>10</sup>	25	28	(3)	(10.7%)	89	101	(12)	(11.9%)
TV subscribers <sup>10</sup>	1,005	916	89	9.7%	1,005	916	89	9.7%
Total Wireline net additions	23	30	(7)	(23.3%)	91	94	(3)	(3.2%)
Total Wireline Subscribers <sup>(B)</sup>	4,038	3,947	91	2.3%	4,038	3,947	91	2.3%

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

<sup>(B)</sup>Effective the fourth quarter of 2015 and on a retroactive basis, business NALs have been removed from the reported subscriber base and, as such, January 1, 2014 has been adjusted to exclude 1,611,000 business NALs in the opening balance).



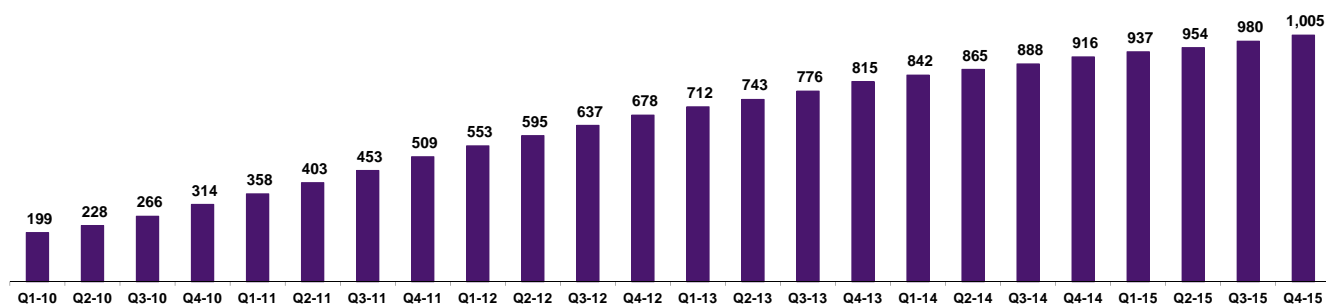
**TELUS Wireline**  
**Operating Statistics - Historical Trend<sup>(A)</sup>**

<i>thousands (000s)</i>	Quarterly								Annual 2015	Annual 2014
	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14	Q2/14	Q1/14		
Residential NAL net additions (losses)	(24)	(25)	(20)	(20)	(20)	(24)	(19)	(24)	(89)	(87)
Residential Network access lines (NAL)	1,467	1,491	1,516	1,536	1,556	1,576	1,600	1,619	1,467	1,556
High Speed Internet Subscriber net additions (losses)	22	24	22	23	22	22	15	21	91	80
High Speed Internet Subscribers	1,566	1,544	1,520	1,498	1,475	1,453	1,431	1,416	1,566	1,475
TV subscriber net adds <sup>10</sup>	25	26	17	21	28	23	23	27	89	101
TV subscribers <sup>10</sup>	1,005	980	954	937	916	888	865	842	1,005	916
Total Wireline net additions	23	25	19	24	30	21	19	24	91	94
Total Wireline Subscribers <sup>(B)</sup>	4,038	4,015	3,990	3,971	3,947	3,917	3,896	3,877	4,038	3,947

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

<sup>(B)</sup>Effective the fourth quarter of 2015 and on a retroactive basis, business NALs have been removed from the reported subscriber base and, as such, January 1, 2014 has been adjusted to exclude 1,611,000 business NALs in the opening balance).

**TELUS TV subscribers (000s)**



## 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: Restructuring costs net of disbursements, 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 (excluding spectrum licences and non-monetary transactions).

<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, less net derivative assets, Cash and temporary investments.

<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 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.

<sup>8</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 expressed as a rate per month. A TELUS or Koodo brand prepaid subscriber is deactivated when the subscriber has no usage for 90 days following expiry of the prepaid credits.

<sup>9</sup> **Cost of acquisition (COA)** consists of the total of the device subsidy (the device cost to TELUS less initial charge to customer), 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** consist of IP-based Optik TV subscribers and TELUS Satellite TV subscribers.