



# TELUS Corporation

*First Quarter, 2017*

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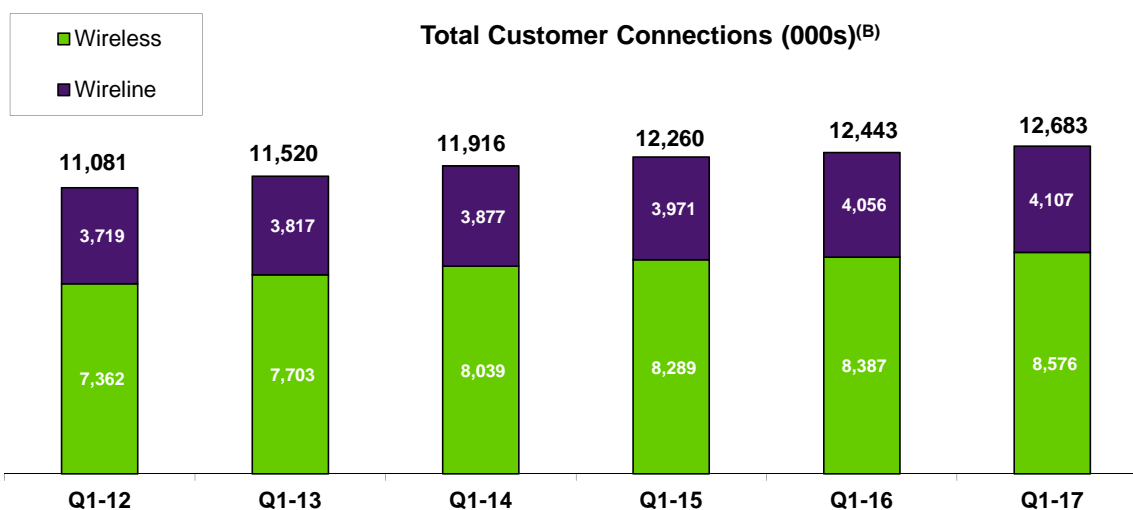
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**TELUS Corporation**  
**Selected Consolidated Data**

<i>\$ millions except shares, per share amounts, ratios and total customer connections</i>	Quarterly					March YTD 2017	Annual 2016
	Q1/17	Q4/16	Q3/16	Q2/16	Q1/16		
Net Income	441	87	355	416	378	441	1,236
Basic earnings per share (\$)	0.73	0.14	0.59	0.70	0.64	0.73	2.06
Dividends declared per share (\$)	0.48	0.48	0.46	0.46	0.44	0.48	1.84
Return on common equity <sup>1</sup>	16.0%	15.4%	17.9%	18.5%	17.7%	16.0%	15.4%
EBITDA interest coverage ratio <sup>2 (A)</sup>	8.5	8.3	8.5	8.8	9.2	8.5	8.3
Free cash flow <sup>3</sup>	217	(191)	98	126	108	217	141
Net debt <sup>4</sup>	13,054	12,652	12,217	12,257	12,374	13,054	12,652
Net debt : EBITDA (times) <sup>5</sup>	2.73	2.69	2.62	2.67	2.74	2.73	2.69
Outstanding shares at end of period (M)	591	590	591	592	593	591	590
Basic weighted average shares outstanding (M)	591	591	592	593	593	591	592
Total customer connections (000s) <sup>(B)</sup>	12,683	12,673	12,577	12,494	12,443	12,683	12,673

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

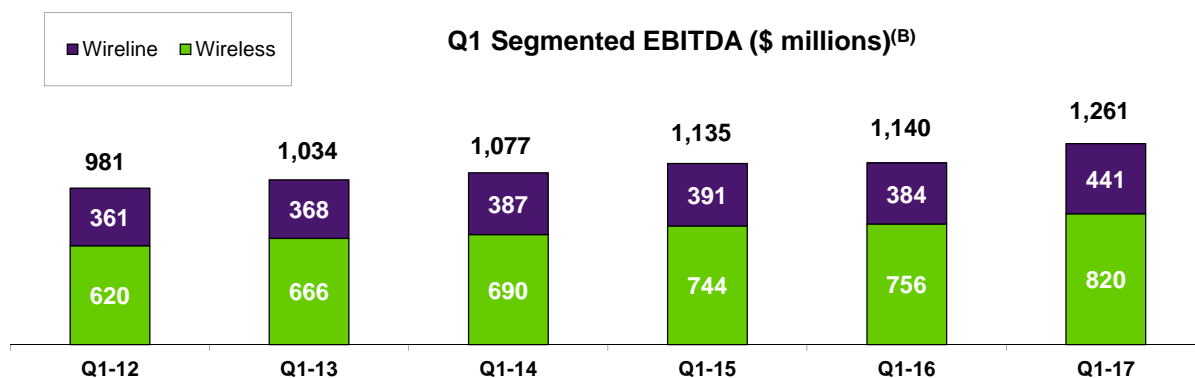


<sup>(B)</sup> Customer Connections may not balance due to rounding alignment to YTD figures. Subsequent to a review of our subscriber base, our Q1 2016 beginning of period postpaid wireless subscriber base was reduced by 45,000. In addition, Q1 2016 beginning of period high-speed Internet subscriber base was increased by 21,000. Also, in relation to an acquisition and a divestiture both undertaken during the first quarter of 2017, beginning of period Residential NALS, high-speed Internet and TELUS TV subscriber balances have been increased by a net 1,000, 4,000 and 5,000 respectively.

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

\$ millions	Quarter 1			
	2017	2016	Change	% Change
<b>Revenues</b>				
TELUS Wireless	1,794	1,716	78	4.6%
TELUS Wireline	1,467	1,453	14	1.0%
Less: Intersegment revenue	(63)	(61)	(2)	3.3%
Operating revenues	3,198	3,108	90	2.9%
<b>EBITDA</b>				
TELUS Wireless	820	756	64	8.6%
TELUS Wireline	441	384	57	14.6%
Consolidated	1,261	1,140	121	10.6%
<b>EBITDA margin</b>				
TELUS Wireless	45.7%	44.1%	1.6 pts.	
TELUS Wireline	30.0%	26.4%	3.6 pts.	
Consolidated	39.4%	36.7%	2.7 pts.	
<b>Capital expenditures</b>				
TELUS Wireless	249	180	69	38.3%
TELUS Wireline	475	438	37	8.4%
Consolidated	724	618	106	17.2%
<b>Capital expenditure intensity<sup>6</sup></b>				
TELUS Wireless	14%	10%	4 pts.	
TELUS Wireline	32%	30%	2 pts.	
Consolidated	23%	20%	3 pts.	
<b>EBITDA less capex</b>				
TELUS Wireless	571	576	(5)	(0.9%)
TELUS Wireline	(34)	(54)	20	37.0%
Consolidated	537	522	15	2.9%
<b>Adjusted EBITDA<sup>(A)</sup></b>				
TELUS Wireless	821	765	56	7.4%
TELUS Wireline	444	423	21	4.7%
Consolidated	1,265	1,188	77	6.4%
<b>Adjusted EBITDA margin<sup>(A)</sup></b>				
TELUS Wireless	45.8%	44.6%	1.2 pts.	
TELUS Wireline	30.2%	29.1%	1.1 pts.	
Consolidated	39.5%	38.2%	1.3 pts.	

(A) EBITDA has been adjusted to exclude restructuring and other costs, net gains and equity income related to real estate joint venture developments and gain on the exchange of wireless spectrum licences (see Historical Trend pages for Wireless and Wireline).



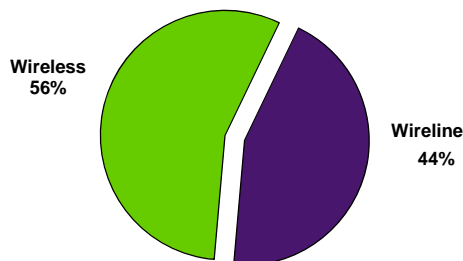
<sup>(B)</sup>Periods in 2012 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits (2011).

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

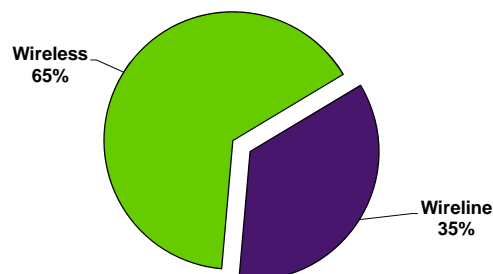
<i>\$ millions</i>	Quarterly					March YTD 2017	Annual 2016
	Q1/17	Q4/16	Q3/16	Q2/16	Q1/16		
<b>Revenues</b>							
TELUS Wireless	1,794	1,856	1,833	1,768	1,716	1,794	7,173
TELUS Wireline	1,467	1,515	1,468	1,442	1,453	1,467	5,878
Less: Intersegment revenue	(63)	(66)	(63)	(62)	(61)	(63)	(252)
Operating revenues	3,198	3,305	3,238	3,148	3,108	3,198	12,799
<b>EBITDA</b>							
TELUS Wireless	820	598	759	793	756	820	2,906
TELUS Wireline	441	171	372	396	384	441	1,323
Consolidated	1,261	769	1,131	1,189	1,140	1,261	4,229
<b>EBITDA margin</b>							
TELUS Wireless	45.7%	32.2%	41.4%	44.9%	44.1%	45.7%	40.5%
TELUS Wireline	30.0%	11.3%	25.3%	27.5%	26.4%	30.0%	22.5%
Consolidated	39.4%	23.3%	34.9%	37.8%	36.7%	39.4%	33.0%
<b>Capital expenditures</b>							
TELUS Wireless	249	249	295	258	180	249	982
TELUS Wireline	475	545	492	511	438	475	1,986
Consolidated	724	794	787	769	618	724	2,968
<b>Capital expenditure intensity<sup>6</sup></b>							
TELUS Wireless	14%	13%	16%	15%	10%	14%	14%
TELUS Wireline	32%	36%	34%	35%	30%	32%	34%
Consolidated	23%	24%	24%	24%	20%	23%	23%
<b>EBITDA less capex</b>							
TELUS Wireless	571	349	464	535	576	571	1,924
TELUS Wireline	(34)	(374)	(120)	(115)	(54)	(34)	(663)
Consolidated	537	(25)	344	420	522	537	1,261
<b>Adjusted EBITDA<sup>(A)</sup></b>							
TELUS Wireless	821	679	773	783	765	821	3,000
TELUS Wireline	444	431	408	405	423	444	1,667
Consolidated	1,265	1,110	1,181	1,188	1,188	1,265	4,667
<b>Adjusted EBITDA margin<sup>(A)</sup></b>							
TELUS Wireless	45.8%	36.7%	42.3%	44.8%	44.6%	45.8%	42.0%
TELUS Wireline	30.2%	28.5%	27.8%	28.2%	29.1%	30.2%	28.4%
Consolidated	39.5%	33.7%	36.5%	38.0%	38.2%	39.5%	36.6%
<b>Full-Time Equivalent (FTE) employees</b>	49,500	50,500	49,500	47,900	46,800	49,500	50,500
<i>Full-Time Equivalent (FTE) employees, excluding TELUS International</i>	24,600	24,700	24,700	25,100	25,300	24,600	24,700

<sup>(A)</sup> EBITDA has been adjusted to exclude restructuring and other costs, net gains and equity income related to real estate joint venture developments and gain on the exchange of wireless spectrum licences (see Historical Trend pages for Wireless and Wireline).

**Segmented external revenue profile - Q1 2017**  
(% of total operating revenues)



**Segmented EBITDA profile - Q1 2017**

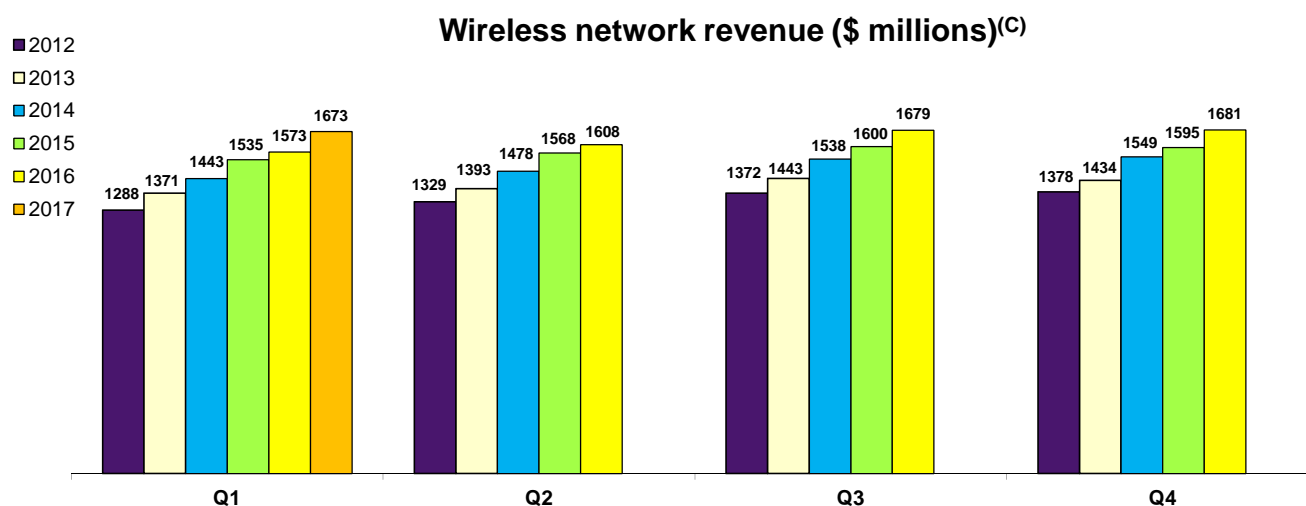


## TELUS Wireless Operations<sup>(A)</sup>

<i>\$ millions</i>	Quarter 1			
	2017	2016	Change	% Change
<b>Revenues</b>				
Network revenue	1,673	1,573	100	6.4%
Equipment and other service revenue	108	124	(16)	(12.9%)
<b>Revenues arising from contracts with customers</b>	1,781	1,697	84	4.9%
Other operating income	2	5	(3)	(60.0%)
<b>Total external revenue</b>	1,783	1,702	81	4.8%
Intersegment network revenue	11	14	(3)	(21.4%)
<b>Total operating revenues</b>	1,794	1,716	78	4.6%
Goods and services purchased	818	794	24	3.0%
Employee benefits expense <sup>(B)</sup>	156	166	(10)	(6.0%)
<b>Total operating expense</b>	974	960	14	1.5%
<b>EBITDA</b>	820	756	64	8.6%
<b>EBITDA margin (total revenue)</b>	45.7%	44.1%	1.6 pts.	
<b>Capital expenditures</b>	249	180	69	38.3%
<b>Capital expenditure intensity<sup>6</sup></b>	14%	10%	4 pts.	
<b>EBITDA less capex</b>	571	576	(5)	(0.9%)
Add: Restructuring and other costs included in total operating expense	1	9	(8)	(88.9%)
<b>Adjusted EBITDA</b>	821	765	56	7.4%
<b>Adjusted EBITDA margin</b>	45.8%	44.6%	1.2 pts.	

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

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



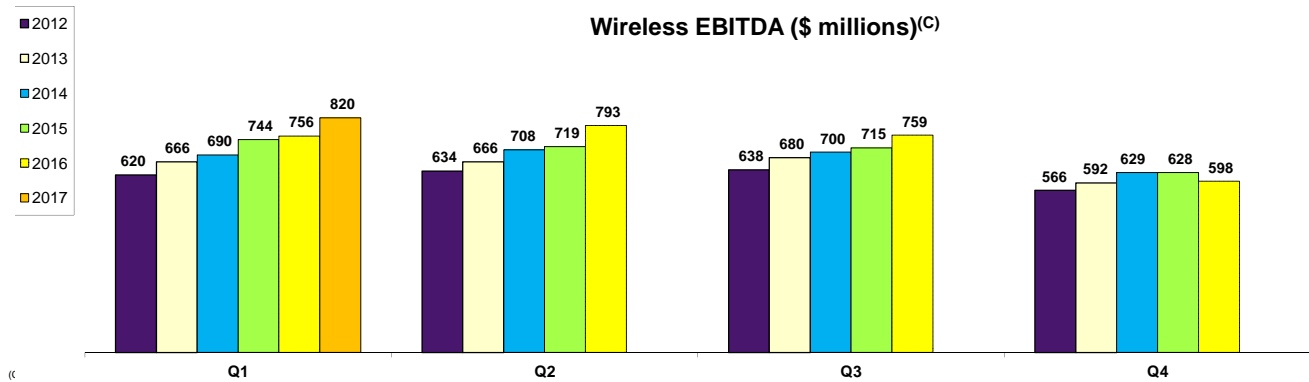
<sup>(C)</sup> Periods in 2012 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits (2011).

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

<i>\$ millions</i>	Quarterly					March YTD 2017	Annual 2016
	Q1/17	Q4/16	Q3/16	Q2/16	Q1/16		
<b>Revenues</b>							
Network revenue	1,673	1,681	1,679	1,608	1,573	1,673	6,541
Equipment and other service revenue	108	155	135	123	124	108	537
<b>Revenues arising from contracts with customers</b>	1,781	1,836	1,814	1,731	1,697	1,781	7,078
Other operating income	2	5	4	23	5	2	37
<b>Total external revenue</b>	1,783	1,841	1,818	1,754	1,702	1,783	7,115
Intersegment network revenue	11	15	15	14	14	11	58
<b>Total operating revenues</b>	1,794	1,856	1,833	1,768	1,716	1,794	7,173
Goods and services purchased	818	1,025	908	817	794	818	3,544
Employee benefits expense <sup>(B)</sup>	156	233	166	158	166	156	723
<b>Total operating expense</b>	974	1,258	1,074	975	960	974	4,267
<b>EBITDA</b>	820	598	759	793	756	820	2,906
<b>EBITDA margin (total revenue)</b>	45.7%	32.2%	41.4%	44.9%	44.1%	45.7%	40.5%
<b>Capital expenditures</b>	249	249	295	258	180	249	982
<b>Capital expenditure intensity<sup>6</sup></b>	14%	13%	16%	15%	10%	14%	14%
<b>EBITDA less capex</b>	571	349	464	535	576	571	1,924
Add: Restructuring and other costs included in total operating expense	1	85	18	9	9	1	121
Deduct: Net gains and equity income related to real estate joint venture developments	-	(4)	(4)	(4)	-	-	(12)
Deduct: Gain on the exchange of wireless spectrum licences	-	-	-	(15)	-	-	(15)
<b>Adjusted EBITDA</b>	821	679	773	783	765	821	3,000
<b>Adjusted EBITDA margin</b>	45.8%	36.7%	42.3%	44.8%	44.6%	45.8%	42.0%

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

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



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

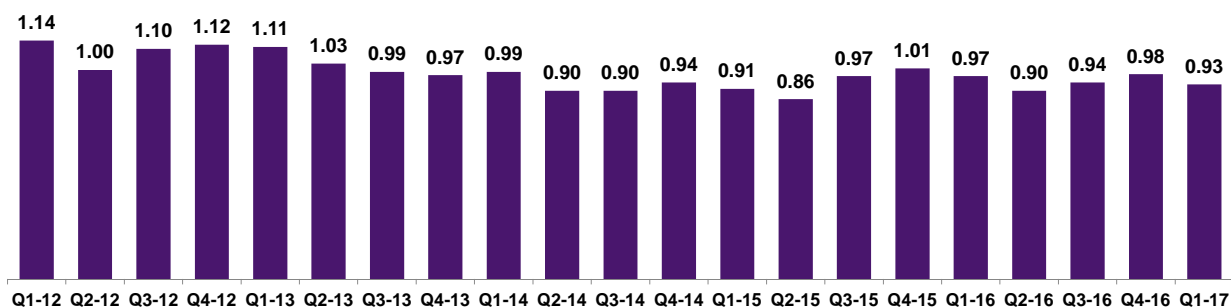
	Quarter 1			
	2017	2016	Change	% Change
<b>Subscriber gross adds (000s)</b>				
Postpaid	225	212	13	6.1%
Prepaid	70	79	(9)	(11.4%)
<b>Total</b>	<b>295</b>	<b>291</b>	<b>4</b>	<b>1.4%</b>
<b>Subscriber net adds (000s)</b>				
Postpaid	44	8	36	n.m.
Prepaid	(53)	(33)	(20)	(60.6%)
<b>Total</b>	<b>(9)</b>	<b>(25)</b>	<b>16</b>	<b>64.0%</b>
<b>Subscribers (000s)<sup>(B)</sup></b>				
Postpaid <sup>(B)</sup>	7,594	7,315	279	3.8%
Prepaid	982	1,072	(90)	(8.4%)
<b>Total<sup>(B)</sup></b>	<b>8,576</b>	<b>8,387</b>	<b>189</b>	<b>2.3%</b>
<b>ARPU (\$) <sup>7</sup></b>	<b>\$65.53</b>	<b>\$63.08</b>	<b>\$2.45</b>	<b>3.9%</b>
<b>Churn, per month (%)<sup>8</sup></b>				
Blended Churn	1.18%	1.26%	(0.08) pts.	
Postpaid Churn	0.93%	0.97%	(0.04) pts.	
<b>Population coverage in millions - HSPA<sup>(C)</sup></b>	<b>36.1</b>	<b>35.7</b>	<b>0.4</b>	<b>1.1%</b>
<b>Population coverage in millions - LTE<sup>(C)</sup></b>	<b>36.0</b>	<b>35.0</b>	<b>1.0</b>	<b>2.9%</b>

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

<sup>(B)</sup> Subsequent to a review of our subscriber base, our Q1 2016 beginning of period postpaid wireless subscriber base was reduced by 45,000.

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

### Postpaid Churn (%)



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

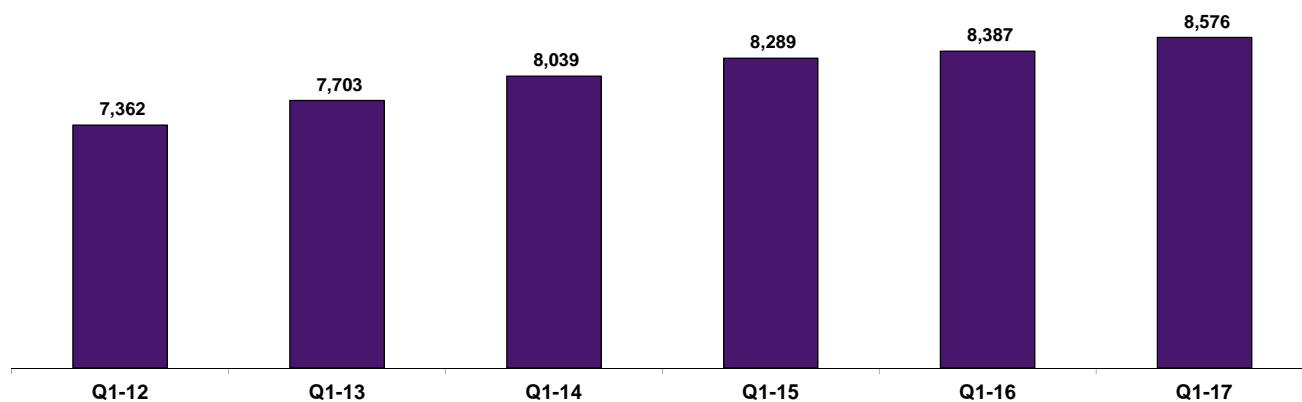
	<u>Quarterly</u>					March YTD 2017	Annual 2016
	Q1/17	Q4/16	Q3/16	Q2/16	Q1/16		
<b>Subscriber gross adds (000s)</b>							
Postpaid	225	297	283	247	212	225	1,039
Prepaid	70	101	96	84	79	70	360
<b>Total</b>	<b>295</b>	<b>398</b>	<b>379</b>	<b>331</b>	<b>291</b>	<b>295</b>	<b>1,399</b>
<b>Subscriber net adds (000s)</b>							
Postpaid	44	87	87	61	8	44	243
Prepaid	(53)	(9)	(7)	(21)	(33)	(53)	(70)
<b>Total</b>	<b>(9)</b>	<b>78</b>	<b>80</b>	<b>40</b>	<b>(25)</b>	<b>(9)</b>	<b>173</b>
<b>Subscribers (000s)<sup>(B)</sup></b>							
Postpaid <sup>(B)</sup>	7,594	7,550	7,463	7,376	7,315	7,594	7,550
Prepaid	982	1,035	1,044	1,051	1,072	982	1,035
<b>Total</b>	<b>8,576</b>	<b>8,585</b>	<b>8,507</b>	<b>8,427</b>	<b>8,387</b>	<b>8,576</b>	<b>8,585</b>
<b>ARPU (\$) <sup>7</sup></b>	<b>\$65.53</b>	<b>\$66.24</b>	<b>\$66.67</b>	<b>\$64.38</b>	<b>\$63.08</b>	<b>\$65.53</b>	<b>\$65.10</b>
<b>Churn, per month (%) <sup>8</sup></b>							
Blended Churn	1.18%	1.25%	1.18%	1.15%	1.26%	1.18%	1.21%
Postpaid Churn	0.93%	0.98%	0.94%	0.90%	0.97%	0.93%	0.95%
<b>Population coverage in millions - HSPA<sup>(C)</sup></b>	<b>36.1</b>	<b>35.7</b>	<b>35.7</b>	<b>35.7</b>	<b>35.7</b>	<b>36.1</b>	<b>35.7</b>
<b>Population coverage in millions - LTE<sup>(C)</sup></b>	<b>36.0</b>	<b>35.2</b>	<b>35.1</b>	<b>35.1</b>	<b>35.0</b>	<b>36.0</b>	<b>35.2</b>

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

<sup>(B)</sup> Subsequent to a review of our subscriber base, our Q1 2016 beginning of period postpaid wireless subscriber base was reduced by 45,000.

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

**Wireless subscribers (000s)**





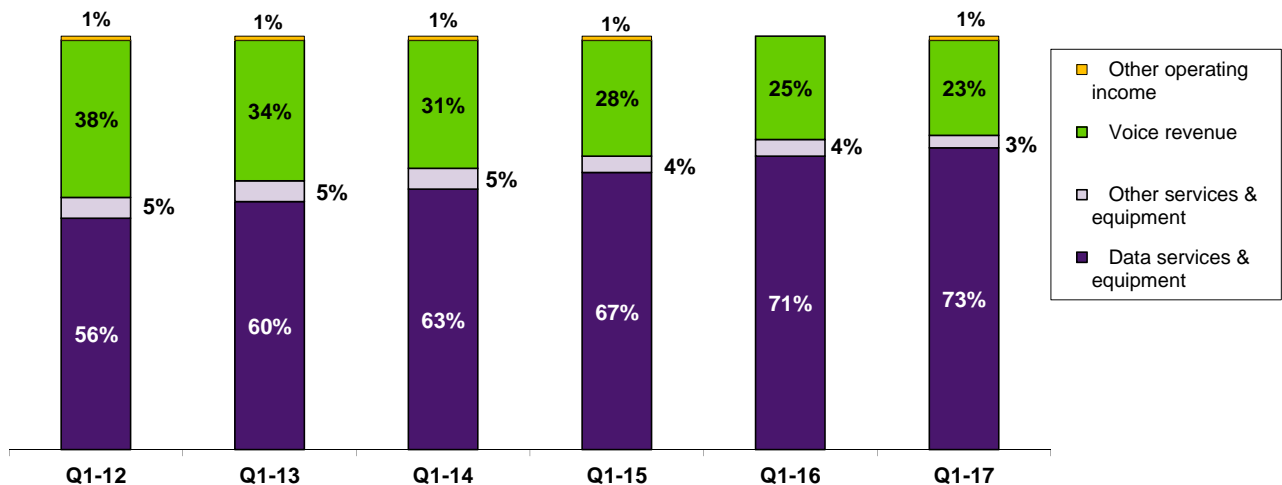
## TELUS Wireline Operations<sup>(A)</sup>

\$ millions	Quarter 1			
	2017	2016	Change	% Change
<b>Revenues</b>				
Data service and equipment	1,035	993	42	4.2%
Voice revenue	320	348	(28)	(8.0%)
Other services and equipment	49	58	(9)	(15.5%)
<b>Revenues arising from contracts with customers</b>	<b>1,404</b>	<b>1,399</b>	<b>5</b>	<b>0.4%</b>
Other operating income	11	7	4	57.1%
<b>Total external revenue</b>	<b>1,415</b>	<b>1,406</b>	<b>9</b>	<b>0.7%</b>
Intersegment revenue	52	47	5	10.6%
<b>Total operating revenues</b>	<b>1,467</b>	<b>1,453</b>	<b>14</b>	<b>1.0%</b>
Goods and services purchased	558	567	(9)	(1.6%)
Employee benefits expense <sup>(B)</sup>	468	502	(34)	(6.8%)
<b>Total operating expense</b>	<b>1,026</b>	<b>1,069</b>	<b>(43)</b>	<b>(4.0%)</b>
<b>EBITDA</b>	<b>441</b>	<b>384</b>	<b>57</b>	<b>14.6%</b>
<b>EBITDA margin</b>	<b>30.0%</b>	<b>26.4%</b>	<b>3.6 pts.</b>	
<b>Capital expenditures</b>	<b>475</b>	<b>438</b>	<b>37</b>	<b>8.4%</b>
<b>Capital expenditure intensity<sup>6</sup></b>	<b>32%</b>	<b>30%</b>	<b>2 pts.</b>	
<b>EBITDA less capex</b>	<b>(34)</b>	<b>(54)</b>	<b>20</b>	<b>37.0%</b>
Add: Restructuring and other costs included in total operating expense	3	39	(36)	(92.3%)
<b>Adjusted EBITDA</b>	<b>444</b>	<b>423</b>	<b>21</b>	<b>4.7%</b>
<b>Adjusted EBITDA margin</b>	<b>30.2%</b>	<b>29.1%</b>	<b>1.1 pts.</b>	

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

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

### Q1 Wireline revenue profile - (% of total external wireline revenue)

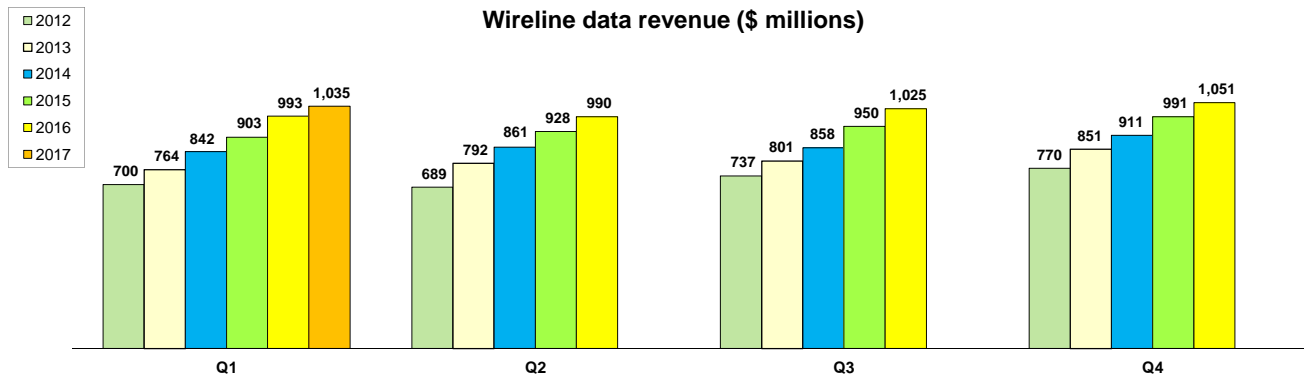


**TELUS Wireline  
Operations - Historical Trend<sup>(A)</sup>**

<i>\$ millions</i>	Quarterly					March YTD 2017	Annual 2016
	Q1/17	Q4/16	Q3/16	Q2/16	Q1/16		
<b>Revenues</b>							
Data service and equipment	1,035	1,051	1,025	990	993	1,035	4,059
Voice revenue	320	340	335	340	348	320	1,363
Other services and equipment	49	61	51	55	58	49	225
<b>Revenues arising from contracts with customers</b>	1,404	1,452	1,411	1,385	1,399	1,404	5,647
Other operating income	11	12	9	9	7	11	37
<b>Total external revenue</b>	1,415	1,464	1,420	1,394	1,406	1,415	5,684
Intersegment revenue	52	51	48	48	47	52	194
<b>Total operating revenues</b>	1,467	1,515	1,468	1,442	1,453	1,467	5,878
Goods and services purchased	558	615	581	576	567	558	2,339
Employee benefits expense <sup>(B)</sup>	468	729	515	470	502	468	2,216
<b>Total operating expense</b>	1,026	1,344	1,096	1,046	1,069	1,026	4,555
<b>EBITDA</b>	441	171	372	396	384	441	1,323
<b>EBITDA margin</b>	30.0%	11.3%	25.3%	27.5%	26.4%	30.0%	22.5%
<b>Capital expenditures</b>	475	545	492	511	438	475	1,986
<b>Capital expenditure intensity<sup>6</sup></b>	32%	36%	34%	35%	30%	32%	34%
<b>EBITDA less capex</b>	(34)	(374)	(120)	(115)	(54)	(34)	(663)
Add: Restructuring and other costs included in total operating expense	3	263	42	14	39	3	358
Deduct: Net gains and equity income related to real estate joint venture developments	-	(3)	(6)	(5)	-	-	(14)
<b>Adjusted EBITDA</b>	444	431	408	405	423	444	1,667
<b>Adjusted EBITDA margin</b>	30.2%	28.5%	27.8%	28.2%	29.1%	30.2%	28.4%

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

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



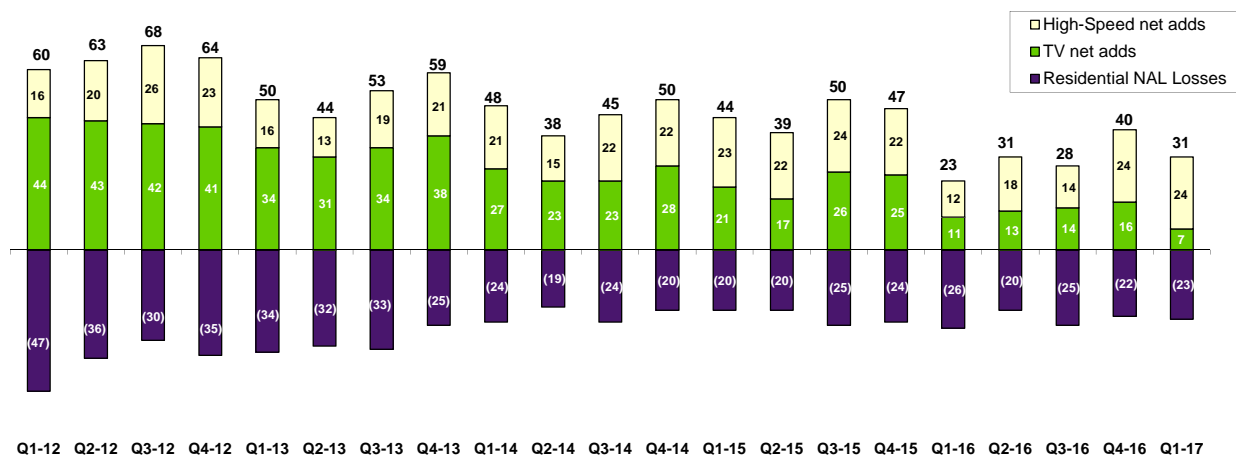
## TELUS Wireline Operating Statistics<sup>(A)</sup>

<i>thousands (000s)</i>	Quarter 1			
	2017	2016	Change	% Change
Residential NAL net additions (losses)	(23)	(26)	3	11.5%
Residential Network access lines (NAL) <sup>(B)</sup>	1,351	1,441	(90)	(6.2%)
High Speed Internet Subscriber net additions (losses)	24	12	12	n.m.
High Speed Internet Subscribers <sup>(B)</sup>	1,686	1,599	87	5.4%
TV subscriber net adds <sup>9</sup>	7	11	(4)	(36.4%)
TV subscribers <sup>9, (B)</sup>	1,070	1,016	54	5.3%
Total Wireline net additions	8	(3)	11	n.m.
Total Wireline Subscribers <sup>(B)</sup>	4,107	4,056	51	1.3%

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

<sup>(B)</sup>In relation to an acquisition and a divestiture both undertaken during the first quarter of 2017, beginning of period Residential NALs, high-speed Internet and TELUS TV subscriber balances have been increased by a net 1,000, 4,000 and 5,000 respectively.

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



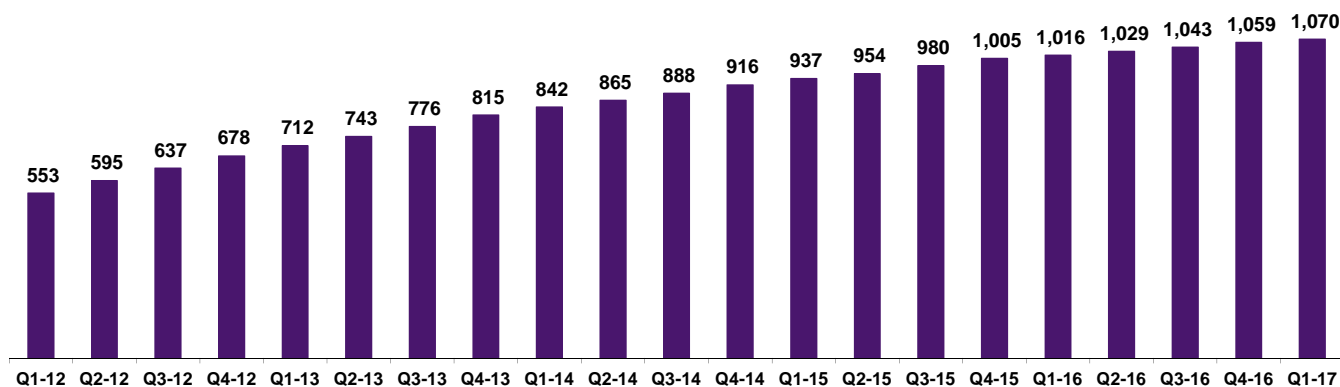
## TELUS Wireline Operating Statistics - Historical Trend<sup>(A)</sup>

<i>thousands (000s)</i>	<u>Quarterly</u>					March YTD 2017	Annual 2016
	Q1/17	Q4/16	Q3/16	Q2/16	Q1/16		
Residential NAL net additions (losses)	(23)	(22)	(25)	(20)	(26)	(23)	(93)
Residential Network access lines (NAL) <sup>(B)</sup>	1,351	1,374	1,396	1,421	1,441	1,351	1,374
High Speed Internet Subscriber net additions (losses)	24	24	14	18	12	24	68
High Speed Internet Subscribers <sup>(B)</sup>	1,686	1,655	1,631	1,617	1,599	1,686	1,655
TV subscriber net adds <sup>9</sup>	7	16	14	13	11	7	54
TV subscribers <sup>9, (B)</sup>	1,070	1,059	1,043	1,029	1,016	1,070	1,059
Total Wireline net additions	8	18	3	11	(3)	8	29
Total Wireline Subscribers <sup>(B)</sup>	4,107	4,088	4,070	4,067	4,056	4,107	4,088

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

<sup>(B)</sup>In relation to an acquisition and a divestiture both undertaken during the first quarter of 2017, beginning of period Residential NALs, high-speed Internet and TELUS TV subscriber balances have been increased by a net 1,000, 4,000 and 5,000 respectively.

### 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 Leverage Ratio covenant in TELUS' credit facilities.

<sup>3</sup> **Free cash flow** is calculated as EBITDA, adding: Restructuring and other costs net of disbursements, net employee defined benefit plans expense and interest received; and deducting: share-based compensation, employer contributions to employee defined benefit plans, interest paid, cash income taxes, capital expenditures (excluding spectrum licences and non-monetary transactions), gain on transfer of wireless spectrum licenses, gains from the sale of property, plant and equipment and net gains and equity income from real estate joint venture developments.

<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 revenue per subscriber unit per month (ARPU)** for wireless subscribers is calculated as Network revenue 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> **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. 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>9</sup> **TV subscribers** consist of IP-based Optik TV subscribers and TELUS Satellite TV subscribers.