



## TELUS Corporation

***Second Quarter, 2016***

### ***Supplemental Investor Information***

(UNAUDITED)

Financial information presented according to  
International Financial Reporting Standards (IFRS)  
as issued by the International Accounting Standards Board (IASB)

**For further information, please contact:**

TELUS Investor Relations  
1-800-667-4871  
ir@telus.com  
www.telus.com

Darrell Rae  
(604) 695-4314  
darrell.rae@telus.com

Robert Mitchell  
(647) 837-1606  
robert.mitchell2@telus.com

**Table of Contents**

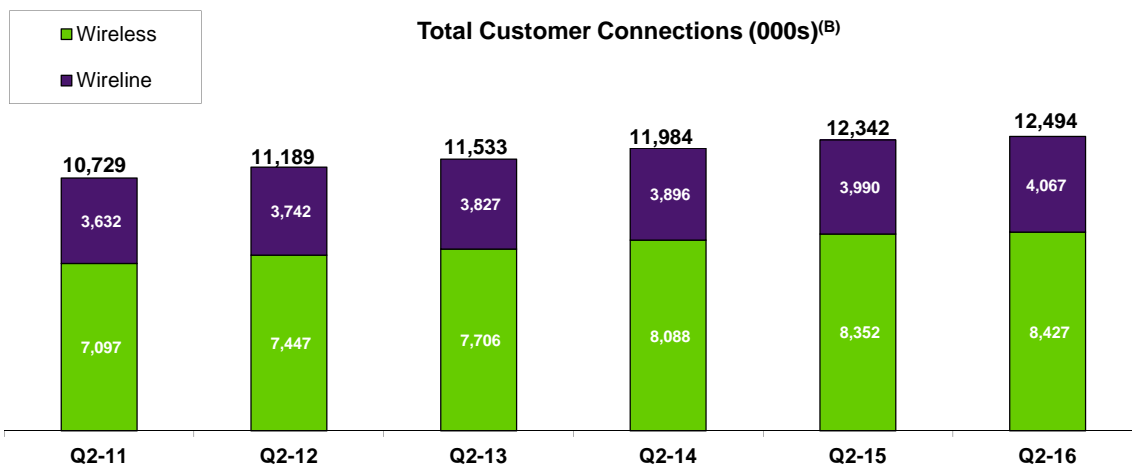
<b>TELUS Corporation</b>	
- Selected Consolidated Data	2
- Segmented Data	3
- Segmented Data (Historical Trend)	4
<b>TELUS Wireless</b>	
- Operations	5
- Operations (Historical Trend)	6
- Operating Statistics	7
- Operating Statistics (Historical Trend)	8
<b>TELUS Wireline</b>	
- Operations	9
- Operations (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						June YTD 2016	Annual 2015
	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15		
Net Income	416	378	261	365	341	415	794	1,382
Basic earnings per share (\$)	0.70	0.64	0.44	0.61	0.56	0.68	1.34	2.29
Dividends declared per share (\$)	0.46	0.44	0.44	0.42	0.42	0.40	0.90	1.68
Return on common equity <sup>1</sup>	18.5%	17.7%	18.3%	18.7%	18.3%	18.5%	18.5%	18.3%
EBITDA interest coverage ratio <sup>2 (A)</sup>	8.8	9.2	9.7	9.8	9.8	9.4	8.8	9.7
Free cash flow <sup>3</sup>	126	108	197	310	300	271	234	1,078
Net debt <sup>4</sup>	12,257	12,374	11,953	11,713	11,795	10,011	12,257	11,953
Net debt : EBITDA (times) <sup>5</sup>	2.67	2.74	2.66	2.64	2.67	2.30	2.67	2.66
Outstanding shares at end of period (M)	592	593	594	600	602	605	592	594
Basic weighted average shares outstanding (M)	593	593	598	601	605	608	593	603
Total customer connections (000s) <sup>(B)</sup>	12,494	12,443	12,495	12,436	12,342	12,260	12,494	12,495

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

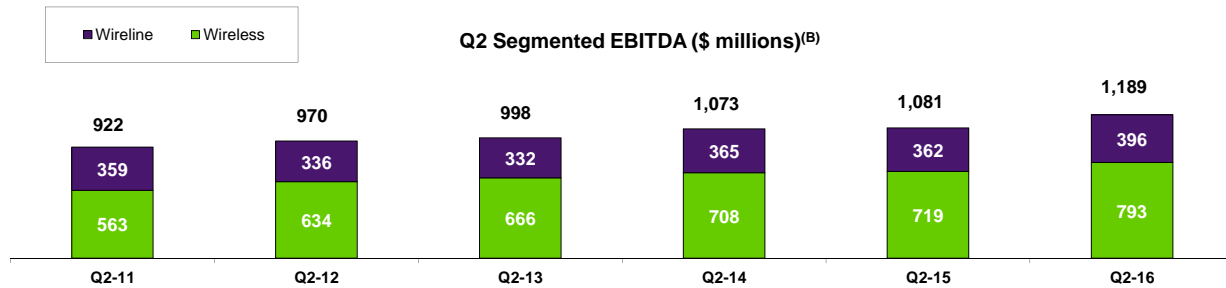


<sup>(B)</sup> Customer Connections may not balance due to rounding alignment to YTD figures. Subsequent to a review of our subscriber base, our Q1 2016 beginning of period postpaid wireless subscriber base was reduced by 45,000. As well, effective December 31, 2015, business NALs have been removed from the reported subscriber base due to its diminishing relevance as a key performance indicator, and as such our January 1, 2015, opening reported subscriber balance has been retrospectively adjusted to exclude 1,613,000 business NALs. In addition, Q1 2016 beginning of period high-speed Internet subscriber base was increased by 21,000.

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

<i>\$ millions</i>	Quarter 2				June YTD			
	2016	2015	Change	% Change	2016	2015	Change	% Change
<b>Revenues</b>								
TELUS Wireless	1,768	1,736	32	1.8%	3,484	3,422	62	1.8%
TELUS Wireline	1,442	1,423	19	1.3%	2,895	2,822	73	2.6%
Less: Intersegment revenue	(62)	(57)	(5)	8.8%	(123)	(114)	(9)	7.9%
Operating revenues	3,148	3,102	46	1.5%	6,256	6,130	126	2.1%
<b>EBITDA</b>								
TELUS Wireless	793	719	74	10.4%	1,549	1,463	86	5.9%
TELUS Wireline	396	362	34	9.6%	780	753	27	3.6%
Consolidated	1,189	1,081	108	10.1%	2,329	2,216	113	5.1%
<b>EBITDA margin</b>								
TELUS Wireless	44.9%	41.4%	3.5 pts.		44.5%	42.8%	1.7 pts.	
TELUS Wireline	27.5%	25.4%	2.1 pts.		27.0%	26.7%	0.3 pts.	
Consolidated	37.8%	34.8%	3.0 pts.		37.2%	36.2%	1.0 pts.	
<b>Capital expenditures</b>								
TELUS Wireless	258	227	31	13.7%	438	475	(37)	(7.8%)
TELUS Wireline	511	437	74	16.9%	949	824	125	15.2%
Consolidated	769	664	105	15.8%	1,387	1,299	88	6.8%
<b>Capital expenditure intensity<sup>6</sup></b>								
TELUS Wireless	15%	13%	2 pts.		13%	14%	(1) pts.	
TELUS Wireline	35%	31%	4 pts.		33%	29%	4 pts.	
Consolidated	24%	21%	3 pts.		22%	21%	1 pts.	
<b>EBITDA less capex</b>								
TELUS Wireless	535	492	43	8.7%	1,111	988	123	12.4%
TELUS Wireline	(115)	(75)	(40)	(53.3%)	(169)	(71)	(98)	n.m.
Consolidated	420	417	3	0.7%	942	917	25	2.7%
<b>EBITDA excluding restructuring and other costs<sup>(A)</sup></b>								
TELUS Wireless	802	755	47	6.2%	1,567	1,505	62	4.1%
TELUS Wireline	410	385	25	6.5%	833	787	46	5.8%
Consolidated	1,212	1,140	72	6.3%	2,400	2,292	108	4.7%
<b>EBITDA margin excluding restructuring and other costs<sup>(A)</sup></b>								
TELUS Wireless	45.4%	43.5%	1.9 pts.		45.0%	44.0%	1.0 pts.	
TELUS Wireline	28.4%	27.0%	1.4 pts.		28.8%	27.9%	0.9 pts.	
Consolidated	38.5%	36.8%	1.7 pts.		38.4%	37.4%	1.0 pts.	

<sup>(A)</sup>EBITDA has been adjusted to exclude restructuring and other costs of \$23M and \$59M for Q2-16 and Q2-15, respectively, and \$71M and \$76M for 2016 YTD and 2015 YTD, respectively.

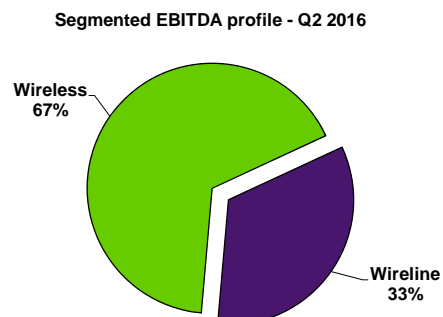
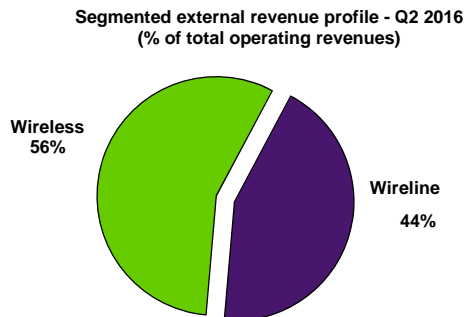


<sup>(B)</sup>Periods in 2012 and 2011 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits (2011).

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

<i>\$ millions</i>	Quarterly						June YTD 2016	Annual 2015
	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15		
<b>Revenues</b>								
TELUS Wireless	1,768	1,716	1,789	1,783	1,736	1,686	3,484	6,994
TELUS Wireline	1,442	1,453	1,489	1,432	1,423	1,399	2,895	5,743
Less: Intersegment revenue	(62)	(61)	(61)	(60)	(57)	(57)	(123)	(235)
Operating revenues	3,148	3,108	3,217	3,155	3,102	3,028	6,256	12,502
<b>EBITDA</b>								
TELUS Wireless	793	756	628	715	719	744	1,549	2,806
TELUS Wireline	396	384	350	353	362	391	780	1,456
Consolidated	1,189	1,140	978	1,068	1,081	1,135	2,329	4,262
<b>EBITDA margin</b>								
TELUS Wireless	44.9%	44.1%	35.1%	40.1%	41.4%	44.1%	44.5%	40.1%
TELUS Wireline	27.5%	26.4%	23.5%	24.7%	25.4%	28.0%	27.0%	25.4%
Consolidated	37.8%	36.7%	30.4%	33.9%	34.8%	37.5%	37.2%	34.1%
<b>Capital expenditures</b>								
TELUS Wireless	258	180	209	209	227	248	438	893
TELUS Wireline	511	438	446	414	437	387	949	1,684
Consolidated	769	618	655	623	664	635	1,387	2,577
<b>Capital expenditure intensity<sup>6</sup></b>								
TELUS Wireless	15%	10%	12%	12%	13%	15%	13%	13%
TELUS Wireline	35%	30%	30%	29%	31%	28%	33%	29%
Consolidated	24%	20%	20%	20%	21%	21%	22%	21%
<b>EBITDA less capex</b>								
TELUS Wireless	535	576	419	506	492	496	1,111	1,913
TELUS Wireline	(115)	(54)	(96)	(61)	(75)	4	(169)	(228)
Consolidated	420	522	323	445	417	500	942	1,685
<b>EBITDA excluding restructuring and other costs<sup>(A)</sup></b>								
TELUS Wireless	802	765	653	729	755	750	1,567	2,887
TELUS Wireline	410	423	424	390	385	402	833	1,601
Consolidated	1,212	1,188	1,077	1,119	1,140	1,152	2,400	4,488
<b>EBITDA margin excluding restructuring and other costs<sup>(A)</sup></b>								
TELUS Wireless	45.4%	44.6%	36.5%	40.9%	43.5%	44.5%	45.0%	41.3%
TELUS Wireline	28.4%	29.1%	28.5%	27.3%	27.0%	28.8%	28.8%	27.9%
Consolidated	38.5%	38.2%	33.5%	35.5%	36.8%	38.0%	38.4%	35.9%
<b>Full-Time Equivalent (FTE) employees</b>	47,900	46,800	46,600	46,000	43,900	42,600	47,900	46,600
<i>Full-Time Equivalent (FTE) employees, excluding TELUS International</i>	25,100	25,300	25,900	26,500	26,800	26,600	25,100	25,900

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

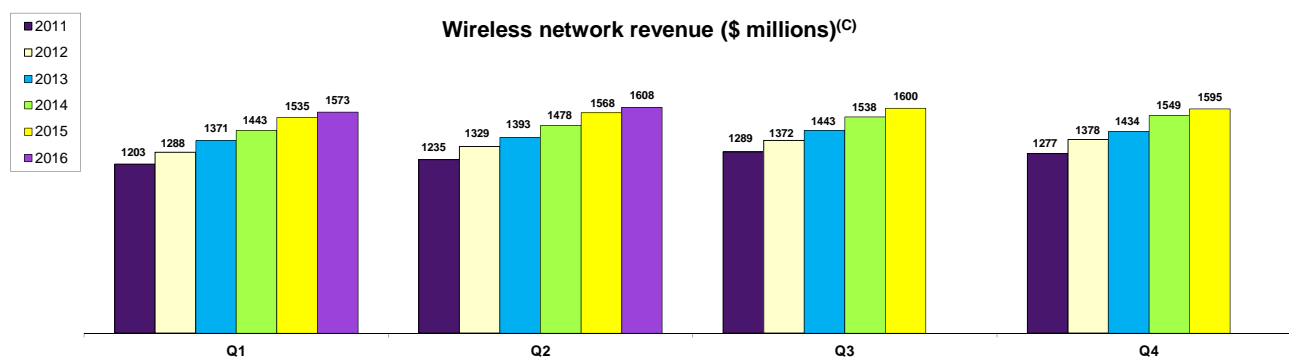


## TELUS Wireless Operations<sup>(A)</sup>

\$ millions	Quarter 2				June YTD			
	2016	2015	Change	% Change	2016	2015	Change	% Change
<b>Revenues</b>								
Network revenue	1,608	1,568	40	2.6%	3,181	3,103	78	2.5%
Equipment and other service revenue	123	156	(33)	(21.2%)	247	291	(44)	(15.1%)
<b>Revenues arising from contracts with customers</b>	1,731	1,724	7	0.4%	3,428	3,394	34	1.0%
Other operating income	23	(2)	25	n.m.	28	-	28	n.m.
<b>Total external revenue</b>	1,754	1,722	32	1.9%	3,456	3,394	62	1.8%
Intersegment network revenue	14	14	-	0.0%	28	28	-	0.0%
<b>Total operating revenues</b>	1,768	1,736	32	1.8%	3,484	3,422	62	1.8%
Goods and services purchased	817	840	(23)	(2.7%)	1,611	1,620	(9)	(0.6%)
Employee benefits expense <sup>(B)</sup>	158	177	(19)	(10.7%)	324	339	(15)	(4.4%)
<b>Total operating expense</b>	975	1,017	(42)	(4.1%)	1,935	1,959	(24)	(1.2%)
<b>EBITDA</b>	793	719	74	10.4%	1,549	1,463	86	5.9%
<b>COA expense</b>	146	143	3	2.1%	272	271	1	0.4%
<b>EBITDA excluding COA</b>	939	862	77	8.9%	1,821	1,734	87	5.0%
<b>EBITDA margin (total revenue)</b>	44.9%	41.4%	3.5 pts.		44.5%	42.8%	1.7 pts.	
<b>Capital expenditures</b>	258	227	31	13.7%	438	475	(37)	(7.8%)
<b>Capital expenditure intensity<sup>6</sup></b>	15%	13%	2 pts.		13%	14%	(1) pts.	
<b>EBITDA less capex</b>	535	492	43	8.7%	1,111	988	123	12.4%
Restructuring and other costs included in total operating expense	9	36	(27)	(75.0%)	18	42	(24)	(57.1%)
<b>EBITDA excluding restructuring and other costs</b>	802	755	47	6.2%	1,567	1,505	62	4.1%
<b>EBITDA margin excluding restructuring and other costs (total revenue)</b>	45.4%	43.5%	1.9 pts.		45.0%	44.0%	1.0 pts.	

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

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



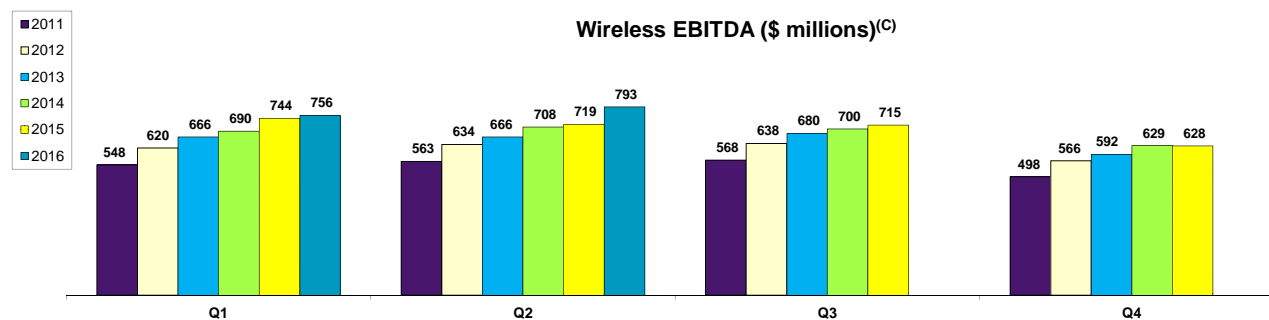
<sup>(C)</sup> Periods in 2012 and 2011 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits (2011).

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

<i>\$ millions</i>	Quarterly						June YTD 2016	Annual 2015
	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15		
<b>Revenues</b>								
Network revenue	1,608	1,573	1,595	1,600	1,568	1,535	3,181	6,298
Equipment and other service revenue	123	124	170	165	156	135	247	626
<b>Revenues arising from contracts with customers</b>	1,731	1,697	1,765	1,765	1,724	1,670	3,428	6,924
Other operating income	23	5	7	2	(2)	2	28	9
<b>Total external revenue</b>	1,754	1,702	1,772	1,767	1,722	1,672	3,456	6,933
Intersegment network revenue	14	14	17	16	14	14	28	61
<b>Total operating revenues</b>	1,768	1,716	1,789	1,783	1,736	1,686	3,484	6,994
Goods and services purchased	817	794	965	886	840	780	1,611	3,471
Employee benefits expense <sup>(B)</sup>	158	166	196	182	177	162	324	717
<b>Total operating expense</b>	975	960	1,161	1,068	1,017	942	1,935	4,188
<b>EBITDA</b>	793	756	628	715	719	744	1,549	2,806
<b>COA expense</b>	146	126	175	156	143	128	272	602
<b>EBITDA excluding COA</b>	939	882	803	871	862	872	1,821	3,408
<b>EBITDA margin (total revenue)</b>	44.9%	44.1%	35.1%	40.1%	41.4%	44.1%	44.5%	40.1%
<b>Capital expenditures</b>	258	180	209	209	227	248	438	893
<b>Capital expenditure intensity<sup>8</sup></b>	15%	10%	12%	12%	13%	15%	13%	13%
<b>EBITDA less capex</b>	535	576	419	506	492	496	1,111	1,913
Restructuring and other costs included in total operating expense	9	9	25	14	36	6	18	81
<b>EBITDA excluding restructuring and other costs</b>	802	765	653	729	755	750	1,567	2,887
<b>EBITDA margin excluding restructuring and other costs (total revenue)</b>	45.4%	44.6%	36.5%	40.9%	43.5%	44.5%	45.0%	41.3%

<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 and 2011 have been adjusted for retrospective application of accounting standard IAS 19 Employee benefits (2011).

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

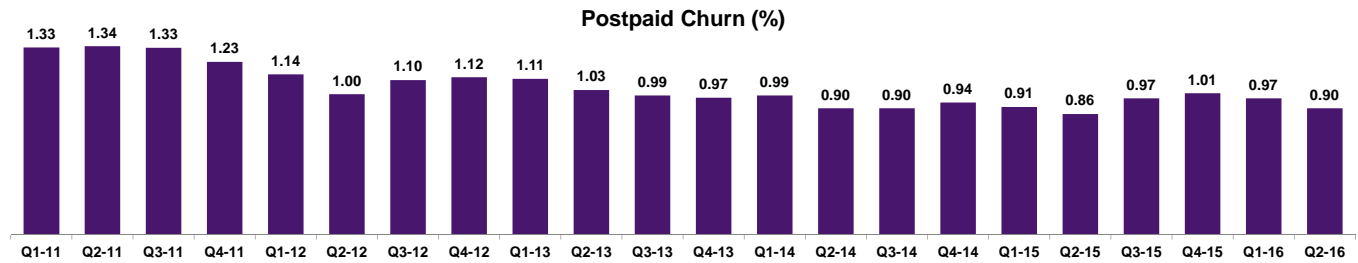
	Quarter 2				June YTD			
	2016	2015	Change	% Change	2016	2015	Change	% Change
<b>Subscriber gross adds (000s)</b>								
Postpaid	247	249	(2)	(0.8%)	459	472	(13)	(2.8%)
Prepaid	84	106	(22)	(20.8%)	163	210	(47)	(22.4%)
Total	331	355	(24)	(6.8%)	622	682	(60)	(8.8%)
<b>Subscriber net adds (000s)</b>								
Postpaid	61	76	(15)	(19.7%)	69	113	(44)	(38.9%)
Prepaid	(21)	(13)	(8)	(61.5%)	(54)	(42)	(12)	(28.6%)
Total	40	63	(23)	(36.5%)	15	71	(56)	(78.9%)
<b>Subscribers (000s)<sup>(B)</sup></b>								
Postpaid <sup>(B)</sup>	7,376	7,221	155	2.1%	7,376	7,221	155	2.1%
Prepaid	1,051	1,131	(80)	(7.1%)	1,051	1,131	(80)	(7.1%)
Total <sup>(B)</sup>	8,427	8,352	75	0.9%	8,427	8,352	75	0.9%
<b>ARPU (\$) <sup>7</sup></b>	\$64.38	\$63.48	\$0.90	1.4%	\$63.73	\$62.91	\$0.82	1.3%
<b>Churn, per month (%)<sup>8</sup></b>								
Blended Churn	1.15%	1.17%	(0.02) pts.		1.21%	1.23%	(0.02) pts.	
Postpaid Churn	0.90%	0.86%	0.04 pts.		0.93%	0.88%	0.05 pts.	
<b>COA per gross subscriber addition (\$) <sup>9</sup></b>	\$442	\$404	\$38	9.4%	\$439	\$398	\$41	10.3%
<b>Retention spend % network revenue<sup>(C)</sup></b>	12.9%	12.1%	0.8 pts.		13.2%	12.1%	1.1 pts.	
<b>Population coverage in millions - HSPA<sup>(D)</sup></b>	35.7	35.7	-	0.0%	35.7	35.7	-	-
<b>Population coverage in millions - LTE<sup>(D)</sup></b>	35.1	33.9	1.2	3.5%	35.1	33.9	1.2	3.5%

<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 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)</sup>**

	Quarterly						June YTD 2016	Annual 2015
	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15		
<b>Subscriber gross adds (000s)</b>								
Postpaid	247	212	273	269	249	223	459	1,014
Prepaid	84	79	98	121	106	104	163	429
<b>Total</b>	<b>331</b>	<b>291</b>	<b>371</b>	<b>390</b>	<b>355</b>	<b>327</b>	<b>622</b>	<b>1,443</b>
<b>Subscriber net adds (000s)</b>								
Postpaid	61	8	62	69	76	37	69	244
Prepaid	(21)	(33)	(26)	-	(13)	(29)	(54)	(68)
<b>Total</b>	<b>40</b>	<b>(25)</b>	<b>36</b>	<b>69</b>	<b>63</b>	<b>8</b>	<b>15</b>	<b>176</b>
<b>Subscribers (000s)<sup>(B)</sup></b>								
Postpaid <sup>(B)</sup>	7,376	7,315	7,352	7,290	7,221	7,145	7,376	7,352
Prepaid	1,051	1,072	1,105	1,131	1,131	1,144	1,051	1,105
<b>Total</b>	<b>8,427</b>	<b>8,387</b>	<b>8,457</b>	<b>8,421</b>	<b>8,352</b>	<b>8,289</b>	<b>8,427</b>	<b>8,457</b>
<b>ARPU (\$)<sup>7</sup></b>	<b>\$64.38</b>	<b>\$63.08</b>	<b>\$63.74</b>	<b>\$64.22</b>	<b>\$63.48</b>	<b>\$62.34</b>	<b>\$63.73</b>	<b>\$63.45</b>
<b>Churn, per month (%)<sup>8</sup></b>								
Blended Churn	1.15%	1.26%	1.32%	1.28%	1.17%	1.28%	1.21%	1.26%
Postpaid Churn	0.90%	0.97%	1.01%	0.97%	0.86%	0.91%	0.93%	0.94%
<b>COA per gross subscriber addition (\$)<sup>9</sup></b>	<b>\$442</b>	<b>\$435</b>	<b>\$472</b>	<b>\$400</b>	<b>\$404</b>	<b>\$392</b>	<b>\$439</b>	<b>\$418</b>
<b>Retention spend % network revenue<sup>(C)</sup></b>	<b>12.9%</b>	<b>13.5%</b>	<b>17.0%</b>	<b>14.3%</b>	<b>12.1%</b>	<b>12.1%</b>	<b>13.2%</b>	<b>13.9%</b>
<b>Population coverage in millions - HSPA<sup>(D)</sup></b>	<b>35.7</b>	<b>35.7</b>	<b>35.7</b>	<b>35.7</b>	<b>35.7</b>	<b>35.6</b>	<b>35.7</b>	<b>35.7</b>
<b>Population coverage in millions - LTE<sup>(D)</sup></b>	<b>35.1</b>	<b>35.0</b>	<b>34.9</b>	<b>34.3</b>	<b>33.9</b>	<b>33.1</b>	<b>35.1</b>	<b>34.9</b>

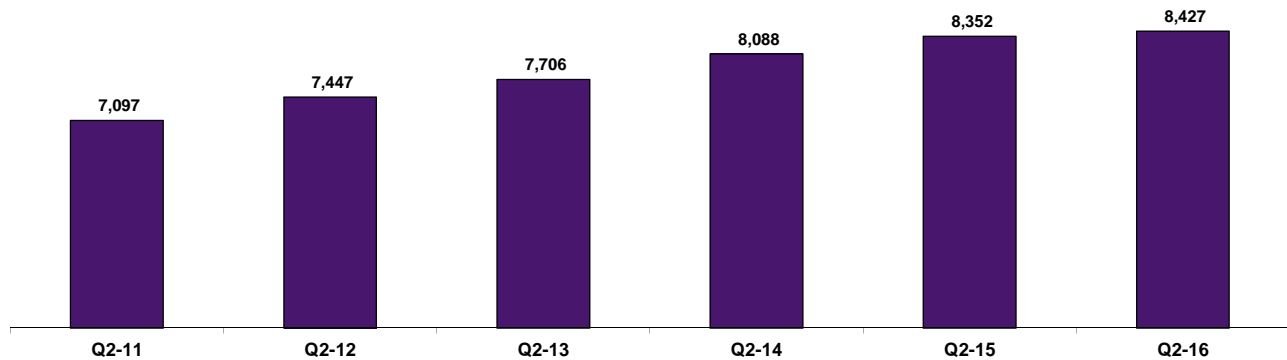
<sup>(A)</sup> May not balance due to rounding alignment to YTD figures.

<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 intersegment network revenue.

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

**Wireless subscribers (000s)**





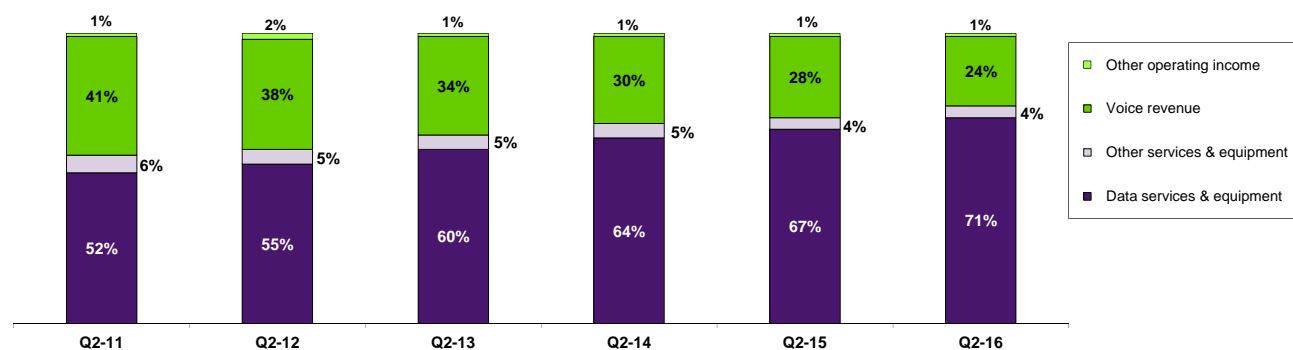
**TELUS Wireline  
Operations<sup>(A)</sup>**

<i>\$ millions</i>	Quarter 2				June YTD			
	2016	2015	Change	% Change	2016	2015	Change	% Change
<b>Revenues</b>								
Data service and equipment	990	928	62	6.7%	1,983	1,831	152	8.3%
Voice revenue	340	383	(43)	(11.2%)	688	765	(77)	(10.1%)
Other services and equipment	55	57	(2)	(3.5%)	113	113	-	-
<b>Revenues arising from contracts with customers</b>	1,385	1,368	17	1.2%	2,784	2,709	75	2.8%
Other operating income	9	12	(3)	(25.0%)	16	27	(11)	(40.7%)
<b>Total external revenue</b>	1,394	1,380	14	1.0%	2,800	2,736	64	2.3%
Intersegment revenue	48	43	5	11.6%	95	86	9	10.5%
<b>Total operating revenues</b>	1,442	1,423	19	1.3%	2,895	2,822	73	2.6%
Goods and services purchased	576	589	(13)	(2.2%)	1,143	1,150	(7)	(0.6%)
Employee benefits expense <sup>(B)</sup>	470	472	(2)	(0.4%)	972	919	53	5.8%
<b>Total operating expense</b>	1,046	1,061	(15)	(1.4%)	2,115	2,069	46	2.2%
<b>EBITDA</b>	396	362	34	9.6%	780	753	27	3.6%
<b>EBITDA margin</b>	27.5%	25.4%	2.1 pts.		27.0%	26.7%	0.3 pts.	
<b>Capital expenditures</b>	511	437	74	16.9%	949	824	125	15.2%
<b>Capital expenditure intensity<sup>6</sup></b>	35%	31%	4 pts.		33%	29%	4 pts.	
<b>EBITDA less capex</b>	(115)	(75)	(40)	(53.3%)	(169)	(71)	(98)	n.m.
Restructuring and other costs included in total operating expense	14	23	(9)	(39.1%)	53	34	19	55.9%
<b>EBITDA excluding restructuring and other costs</b>	410	385	25	6.5%	833	787	46	5.8%
<b>EBITDA margin excluding restructuring and other costs</b>	28.4%	27.0%	1.4 pts.		28.8%	27.9%	0.9 pts.	

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

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

**Q2 Wireline revenue profile - (% of total external wireline revenue)**

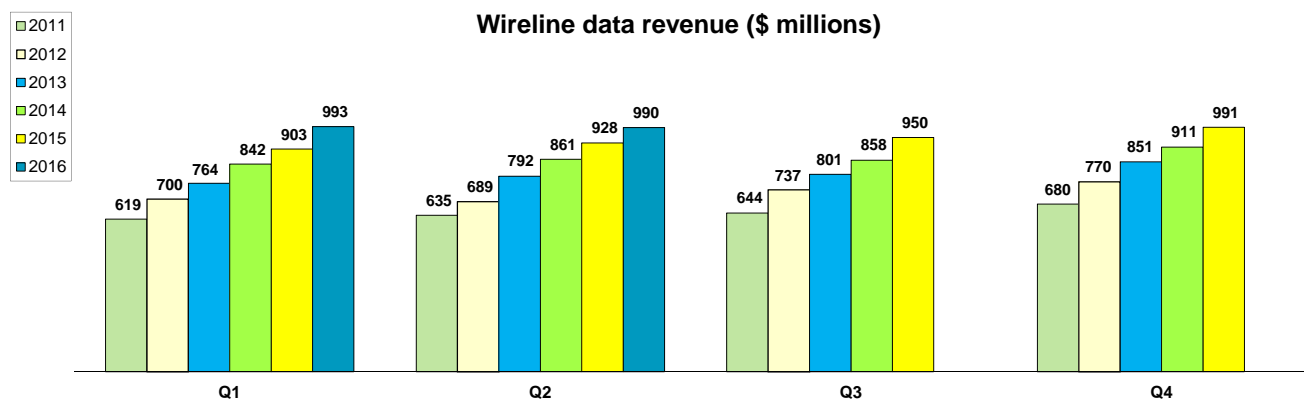


**TELUS Wireline**  
Operations - Historical Trend<sup>(A)</sup>

<i>\$ millions</i>	Quarterly						June YTD 2016	Annual 2015
	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15		
<b>Revenues</b>								
Data service and equipment	990	993	991	950	928	903	1,983	3,772
Voice revenue	340	348	358	373	383	382	688	1,496
Other services and equipment	55	58	72	53	57	56	113	238
<b>Revenues arising from contracts with customers</b>	1,385	1,399	1,421	1,376	1,368	1,341	2,784	5,506
Other operating income	9	7	24	12	12	15	16	63
<b>Total external revenue</b>	1,394	1,406	1,445	1,388	1,380	1,356	2,800	5,569
Intersegment revenue	48	47	44	44	43	43	95	174
<b>Total operating revenues</b>	1,442	1,453	1,489	1,432	1,423	1,399	2,895	5,743
Goods and services purchased	576	567	578	568	589	561	1,143	2,296
Employee benefits expense <sup>(B)</sup>	470	502	561	511	472	447	972	1,991
<b>Total operating expense</b>	1,046	1,069	1,139	1,079	1,061	1,008	2,115	4,287
<b>EBITDA</b>	396	384	350	353	362	391	780	1,456
<b>EBITDA margin</b>	27.5%	26.4%	23.5%	24.7%	25.4%	28.0%	27.0%	25.4%
<b>Capital expenditures</b>	511	438	446	414	437	387	949	1,684
<b>Capital expenditure intensity<sup>6</sup></b>	35%	30%	30%	29%	31%	28%	33%	29%
<b>EBITDA less capex</b>	(115)	(54)	(96)	(61)	(75)	4	(169)	(228)
Restructuring and other costs included in total operating expense	14	39	74	37	23	11	53	145
<b>EBITDA excluding restructuring and other costs</b>	410	423	424	390	385	402	833	1,601
<b>EBITDA margin excluding restructuring and other costs</b>	28.4%	29.1%	28.5%	27.3%	27.0%	28.8%	28.8%	27.9%

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

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



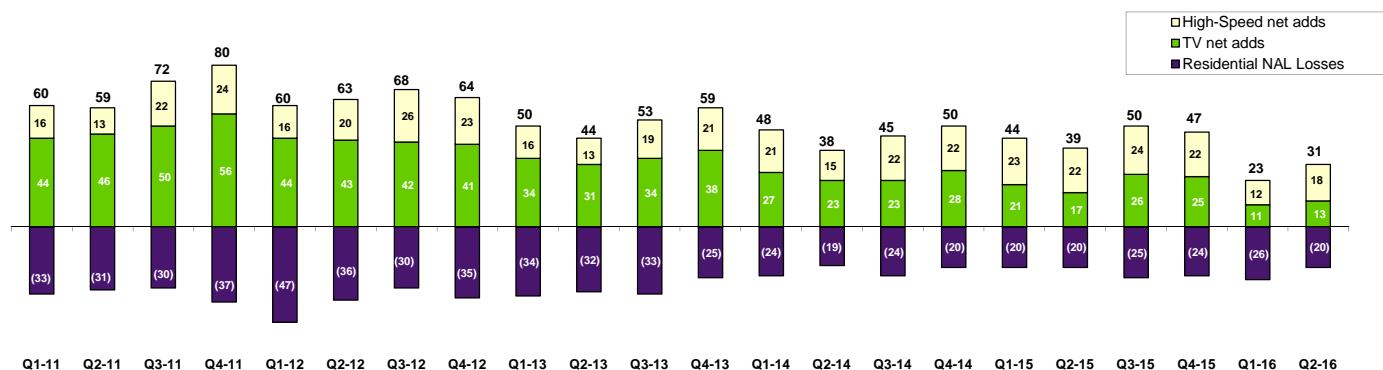
## TELUS Wireline Operating Statistics<sup>(A)</sup>

<i>thousands (000s)</i>	Quarter 2				June YTD			
	2016	2015	Change	% Change	2016	2015	Change	% Change
<b>Residential NAL net additions (losses)</b>	(20)	(20)	-	-	(46)	(40)	(6)	(15.0%)
<b>Residential Network access lines (NAL)</b>	1,421	1,516	(95)	(6.3%)	1,421	1,516	(95)	(6.3%)
<b>High Speed Internet Subscriber net additions (losses)</b>	18	22	(4)	(18.2%)	30	45	(15)	(33.3%)
<b>High Speed Internet Subscribers<sup>(B)</sup></b>	1,617	1,520	97	6.4%	1,617	1,520	97	6.4%
<b>TV subscriber net adds<sup>10</sup></b>	13	17	(4)	(23.5%)	24	38	(14)	(36.8%)
<b>TV subscribers<sup>10</sup></b>	1,029	954	75	7.9%	1,029	954	75	7.9%
<b>Total Wireline net additions</b>	11	19	(8)	(42.1%)	8	43	(35)	(81.4%)
<b>Total Wireline Subscribers<sup>(B)</sup></b>	4,067	3,990	77	1.9%	4,067	3,990	77	1.9%

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

<sup>(B)</sup>Effective December 31, 2015, business NALs have been removed from the reported subscriber base due to its diminishing relevance as a key performance indicator, and as such our January 1, 2015, opening reported subscriber balance has been retrospectively adjusted to exclude 1,613,000 business NALs. In addition, subsequent to a review of our subscriber base our Q1 2016 beginning of period high-speed Internet subscriber base was increased by 21,000.

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



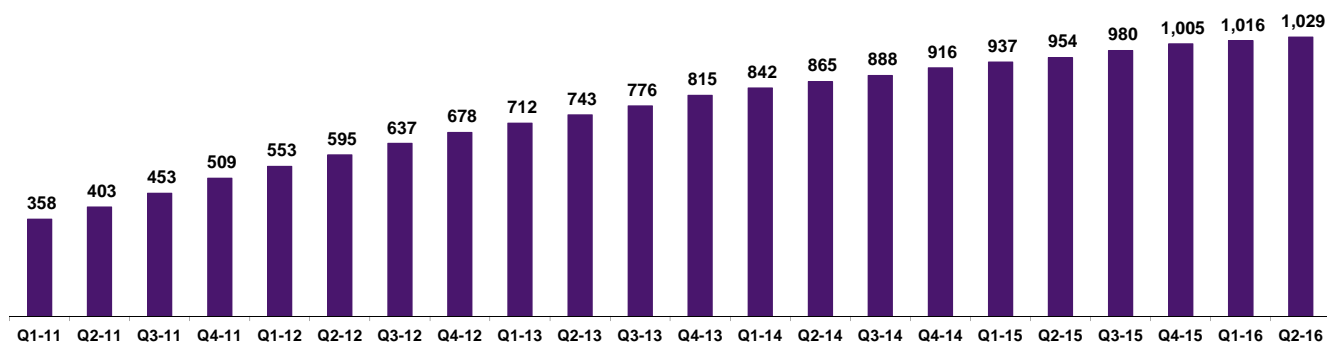
**TELUS Wireline**  
**Operating Statistics - Historical Trend<sup>(A)</sup>**

<i>thousands (000s)</i>	<u>Quarterly</u>						June YTD 2016	Annual 2015
	Q2/16	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15		
<b>Residential NAL net additions (losses)</b>	(20)	(26)	(24)	(25)	(20)	(20)	(46)	(89)
<b>Residential Network access lines (NAL)</b>	1,421	1,441	1,467	1,491	1,516	1,536	1,421	1,467
<b>High Speed Internet Subscriber net additions (losses)</b>	18	12	22	24	22	23	30	91
<b>High Speed Internet Subscribers<sup>(B)</sup></b>	1,617	1,599	1,566	1,544	1,520	1,498	1,617	1,566
<b>TV subscriber net adds<sup>10</sup></b>	13	11	25	26	17	21	24	89
<b>TV subscribers<sup>10</sup></b>	1,029	1,016	1,005	980	954	937	1,029	1,005
<b>Total Wireline net additions</b>	11	(3)	23	25	19	24	8	91
<b>Total Wireline Subscribers<sup>(B)</sup></b>	4,067	4,056	4,038	4,015	3,990	3,971	4,067	4,038

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

<sup>(B)</sup>Effective December 31, 2015, business NALs have been removed from the reported subscriber base due to its diminishing relevance as a key performance indicator, and as such our January 1, 2015, opening reported subscriber balance has been retrospectively adjusted to exclude 1,613,000 business NALs. In addition, subsequent to a review of our subscriber base our Q1 2016 beginning of period high-speed Internet subscriber base was increased by 21,000.

**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: 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 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.

<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.