

OUTLINE OF SHAREHOLDER IMPACTS FROM MERGER

The following sections by way of examples show BC TELECOM and TELUS shareholders how the merger

1. affected your shareholdings
2. maintained your total share value
3. maintained or increased (in TELUS case) your total dividend payments, and
4. did not trigger a capital gain or loss and did not change the cost base of your new shares for tax purposes.

BC TELECOM SHAREHOLDERS

1. Share Exchange - Exchange ratio 1 for 1:

For every 100 BC TELECOM shares, you receive 100 BCT.TELUS shares, of which 75% are Common shares and 25% are Non-Voting shares.

For example:

	<u>Pre-Merger (Jan 29/99)</u>	<u>Post-Merger (Feb 1/99)</u>
Number of Shares	100 BC TELECOM shares	75 BCT.TELUS Common shares 25 BCT.TELUS Non-Voting shares 100

Note: if the exchange of your shares resulted in any fractional BCT.TELUS shares, the fractional shares are paid out (other than for those shareholders in plans such as the Dividend Reinvestment and Share Purchase Plan where fractional shares were transferred to the new BCT.TELUS Plan) at the following three day weighted average trading prices for February 1 to 3, 1999:

Common shares - \$42.5737
Non-Voting shares - \$40.3425

2. Fair Market Value of Shares:

The value of BCT.TELUS Shares received on the exchange was clearly maintained.

For example:

	<u>Pre-Merger (Jan 29/99)</u>	<u>Post-Merger (Feb 1/99)</u>
Value	100 BC TELECOM shares @ \$40* = \$4,000	75 BCT.TELUS Common shares @ \$42.50^ = \$3,187.50 25 BCT.TELUS Non-Voting shares @ \$40.50** = <u>\$1,012.50</u> \$4,200.00

* - share price of BC TELECOM shares on the Toronto Stock Exchange at the end of day January 29, 1999

^ - share price of BCT.TELUS Common shares on the Toronto Stock Exchange at the end of day February 1, 1999

** - share price of BCT.TELUS Non-Voting shares on the Toronto Stock Exchange at the end of day February 1, 1999

3. Dividends:

The value of dividends received remained unchanged after the merger.

For example:

	<u>Pre-Merger (Jan 29/99)</u>	<u>Post-Merger (Feb 1/99)</u>
Quarterly Dividend	100 BC TELECOM shares @ \$0.35 = \$35.00	75 BCT.TELUS Common shares @ \$0.35 = \$26.25 25 BCT.TELUS Non-Voting shares @ \$0.35 = <u>\$ 8.75</u> \$35.00

4. Tax Base of Shares (“Adjusted Cost Base” or ACB):

The merger and exchange of shares was designed as a tax-free rollover so most shareholders would not have any capital gain or loss. In addition, the total cost base of your BC TELECOM shares becomes the total cost base of your BCT.TELUS shares, apportioned 75% to Common and 25% to Non-Voting.

For example:

	<u>Pre-Merger (Jan 29/99)</u>	<u>Post-Merger (Feb 1/99)^</u>
	<i>Calculated on total share basis:</i> 100 BC TELECOM shares with an ACB of \$3,100*	75 BCT.TELUS Common shares with an ACB of \$3,100 x .75 = \$2,325 25 BCT.TELUS Non-Voting shares with an ACB of \$3,100 x .25 = <u>\$ 775</u> \$3,100
	OR	
	<i>Calculated on a per share basis:</i> 100 BC TELECOM shares with an ACB of \$31.00* each	75 BCT.TELUS Common shares with an ACB of \$31.00 each 25 BCT.TELUS Non-Voting shares with an ACB of \$31.00 each

* - Illustrative only. The adjusted cost base for your BC TELECOM shares will vary for each shareholder.

^ - Any fractional share payout may slightly impact your new ACB or result in a capital gain or loss on the payout amount. Please see the December 8, 1998 “Joint Management Proxy Circular” (page 63) for explanation.

TELUS SHAREHOLDERS

1. Share Exchange - Exchange ratio .7773 for 1:

For every 100 TELUS shares, you receive 77.73 BCT.TELUS shares, of which 75% are Common shares and 25% are Non-Voting shares.

For example:

	<u>Pre-Merger (Jan 29/99)</u>	<u>Post-Merger (Feb 1/99)</u>
Number of Shares	100 TELUS shares	58 BCT.TELUS Common shares plus a .2975 fractional payout 19 BCT.TELUS Non-Voting shares plus a <u>.4325</u> fractional payout <u>77</u> <u>.73</u>

Fractional Payout

The fractional shares are paid out (other than for those shareholders in plans such as the Dividend Reinvestment and Share Purchase Plan where fractional shares were transferred to the new BCT.TELUS Plan) at the following three day weighted average trading prices for February 1 to 3, 1999:

For example:

In the above example, you would receive a fractional payout of \$30.12.	Common shares - \$42.5737
	Non-Voting shares - \$40.3425
	Common shares .2975 x \$42.5737 = \$12.67
	Non-Voting shares .4325 x \$40.3425 = <u>\$17.45</u>
	\$30.12

2. Fair Market Value of Shares:

The value of the BCT.TELUS shares received on the exchange was clearly maintained, despite the lower number of shares received.

For example:

	<u>Pre-Merger (Jan 29/99)</u>	<u>Post-Merger (Feb 1/99)</u>
Value	100 TELUS shares @ \$31* = \$3,100	58 BCT.TELUS Common shares @ \$42.50^ = \$2,465.00 19 BCT.TELUS Non-Voting shares @ \$40.50**) = <u>\$ 769.50</u> \$3,234.50

* - share price of TELUS shares on the Toronto Stock Exchange at the end of day January 29, 1999

^ - share price of BCT.TELUS Common shares on the Toronto Stock Exchange at the end of day February 1, 1999

** - share price of BCT.TELUS Non-Voting shares on the Toronto Stock Exchange at the end of day February 1, 1999

3. Dividends:

The value of the dividends received after the merger increased within a range of 16 to 18% (depending on the number of TELUS shares held).

For example:

	<u>Pre-Merger (Jan 29/99)</u>	<u>Post-Merger (Feb 1/99)</u>
Quarterly Dividend	100 TELUS shares @ \$0.23 = \$23.00	58 BCT.TELUS Common shares @ \$0.35 = \$20.30 19 BCT.TELUS Non-Voting shares @ \$0.35 = \$ <u>6.65</u> \$26.95

4. Tax Base of Shares (“Adjusted Cost Base” or ACB):

The merger and exchange of shares was designed as a tax-free rollover so most shareholders would not have any capital gain or loss. In addition, the total cost base of your TELUS shares becomes the total cost of your BCT.TELUS shares, apportioned 75% to Common and 25% to Non-Voting.

For example:

	<u>Pre-Merger (Jan 29/99)</u>	<u>Post-Merger (Feb 1/99)^</u>
	<i>Calculated on a total share basis:</i> 100 TELUS shares with an ACB of \$2,100*	58 BCT.TELUS Common shares with an ACB of \$2,100 x .75 = \$1,575 19 BCT.TELUS Non-Voting shares with an ACB of \$2,100 x .25 = \$ <u>525</u> \$2,100
	OR	
	<i>Calculated on a per share basis:</i> 100 TELUS shares with an ACB of \$21.00 each	58 BCT.TELUS Common shares with an ACB of \$21.00/.7773 = \$27.0166 each 19 BCT.TELUS Non-Voting shares with an ACB of \$21.00/.7773 = \$27.0166 each

* - Illustrative only. The adjusted cost base of your TELUS Shares will vary for each shareholder.

^ - The fractional share payout may slightly impact your new ACB or result in a capital gain or loss on the payout amount. Please see the December 8, 1998 “Joint Management Proxy Circular” (page 63) for explanation.