



## TELUS Corporation

*Fourth Quarter, 2012*

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

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

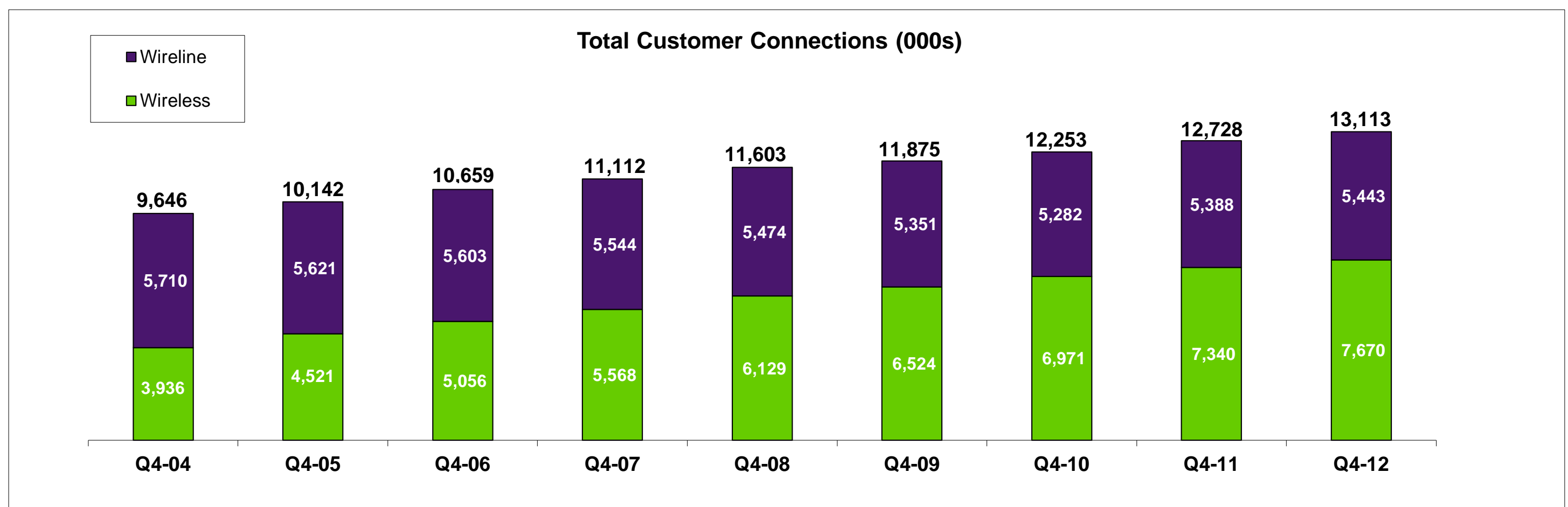
	Quarterly								Annual 2012	Annual 2011	Change	% Change
	Q4/12	Q3/12	Q2/12	Q1/12	Q4/11	Q3/11	Q2/11	Q1/11				
Net Income	291	351	328	348	237	326	324	328	1,318	1,215	103	8.5%
Basic earnings per share (\$)	0.89	1.08	1.01	1.07	0.76	1.00	0.99	1.01	4.05	3.76	0.29	7.7%
Dividends declared per share (\$) <sup>(A)</sup>	0.640	0.610	--	1.190	0.580	0.550	0.550	0.525	2.440	2.205	0.235	10.7%
Return on common equity <sup>1</sup>	17.0%	16.4%	16.0%	15.9%	15.5%	15.1%	14.3%	14.3%	17.0%	15.5%	1.5 pts.	
EBITDA interest coverage ratio <sup>2 (B)</sup>	12.1	11.8	11.5	11.0	10.1	9.6	7.8	7.4	12.1	10.1	2.0	
Free cash flow <sup>3(C)</sup>	263	426	284	358	204	345	286	162	1,331	997	334	33.5%
Net debt <sup>4</sup>	6,577	6,564	6,840	6,898	6,959	6,980	7,200	7,034	6,577	6,959	(382)	-5.5%
Net debt : Total capitalization <sup>5</sup>	46.2%	45.0%	46.8%	47.5%	48.1%	47.0%	47.1%	46.4%	46.2%	48.1%	(1.9) pts.	
Net debt : EBITDA <sup>6</sup> (times)	1.6	1.7	1.8	1.8	1.8	1.8	1.9	1.9	1.6	1.8	(0.2)	
Outstanding shares at end of period (M)	326	326	326	325	325	325	324	324	326	325	1	0.3%
Basic weighted average shares outstanding (M)	326	326	326	325	325	325	324	324	326	324	2	0.6%
Total customer connections (000s)	13,113	12,981	12,844	12,749	12,728	12,571	12,431	12,308	13,113	12,728	385	3.0%

<sup>(A)</sup> In the first quarter of 2012, dividends declared of \$1.19 is comprised of the February 8, 2012, first quarter declaration of 58 cents per share on the issued and outstanding Common Shares and Non-Voting Shares of the Company, paid on April 2, 2012, to shareholders of record at the close of business on March 9, 2012, as well as the February 21, 2012, second quarter declaration of 61 cents per share on the issued and outstanding Common Shares and Non-Voting Shares of the Company, payable on July 3, 2012, to shareholders of record at the close of business on June 8, 2012.

<sup>(B)</sup> This ratio was 8.3 in Q2-11 and 8.2 in Q1-11 when adjusted to exclude a loss on redemption of long-term debt in Q3-10.

<sup>(C)</sup> Our definition of free cash flow provides an indication of how much cash generated by operations is available after capital expenditures, but before dividends, purchases of spectrum licences, acquisitions, proceeds from divested assets and changes in certain working capital items (such as trade receivables and trade payables).

\*May not balance due to rounding alignment to YTD figures.

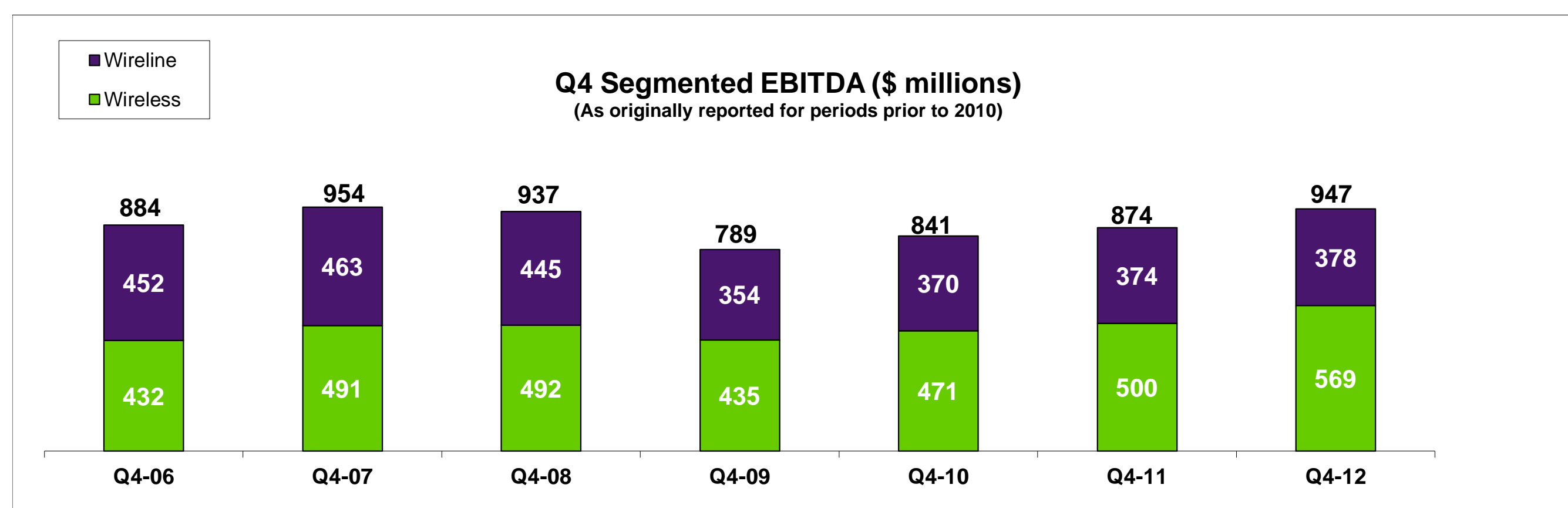


**TELUS Corporation**  
**Segmented Data**

\$ millions	Qtr 4				December YTD			
	2012	2011	Change	% Change	2012	2011	Change	% Change
<b>Revenues</b>								
TELUS Wireless	1,544	1,433	111	7.7%	5,886	5,500	386	7.0%
TELUS Wireline	1,361	1,308	53	4.1%	5,246	5,099	147	2.9%
Less: Intersegment revenue	(54)	(51)	(3)	-5.9%	(211)	(202)	(9)	-4.5%
Operating revenues	2,851	2,690	161	6.0%	10,921	10,397	524	5.0%
<b>EBITDA</b>								
TELUS Wireless	569	500	69	14%	2,467	2,186	281	13%
TELUS Wireline	378	374	4	1.1%	1,505	1,592	(87)	-5.5%
Consolidated	947	874	73	8.4%	3,972	3,778	194	5.1%
<b>EBITDA margin</b>								
TELUS Wireless	36.9%	34.9%	2.0 pts.		41.9%	39.7%	2.2 pts.	
TELUS Wireline	27.8%	28.6%	(0.8) pts.		28.7%	31.2%	(2.5) pts.	
Consolidated	33.2%	32.5%	0.7 pts.		36.4%	36.3%	0.1 pts.	
<b>Capital expenditures</b>								
TELUS Wireless	191	168	23	14%	711	508	203	40%
TELUS Wireline	330	344	(14)	-4.1%	1,270	1,339	(69)	-5.2%
Consolidated	521	512	9	1.8%	1,981	1,847	134	7.3%
<b>Capital expenditure intensity<sup>7</sup></b>								
TELUS Wireless	12%	12%	-	pts.	12%	9%	3	pts.
TELUS Wireline	24%	26%	(2)	pts.	24%	26%	(2)	pts.
Consolidated	18%	19%	(1)	pts.	18%	18%	-	pts.
<b>EBITDA less capex</b>								
TELUS Wireless	378	332	46	14%	1,756	1,678	78	4.6%
TELUS Wireline	48	30	18	60%	235	253	(18)	-7.1%
Consolidated	426	362	64	18%	1,991	1,931	60	3.1%
<b>EBITDA excluding restructuring costs<sup>(A)</sup></b>								
TELUS Wireless	573	500	73	15%	2,480	2,188	292	13%
TELUS Wireline	393	390	3	0.8%	1,540	1,625	(85)	-5.2%
Consolidated	966	890	76	8.5%	4,020	3,813	207	5.4%
<b>EBITDA margin excluding restructuring costs<sup>(A)</sup></b>								
TELUS Wireless	37.1%	34.9%	2.2 pts.		42.1%	39.8%	2.3 pts.	
TELUS Wireline	28.9%	29.8%	(0.9) pts.		29.4%	31.9%	(2.5) pts.	
Consolidated	33.9%	33.1%	0.8 pts.		36.8%	36.7%	0.1 pts.	

<sup>(A)</sup> EBITDA has been adjusted to exclude restructuring costs of \$19M and \$16M for Q4-12 and Q4-11, and \$48M and \$35M for Q4-12 YTD and Q4-11 YTD, respectively.

\*May not balance due to rounding alignment to YTD figures.



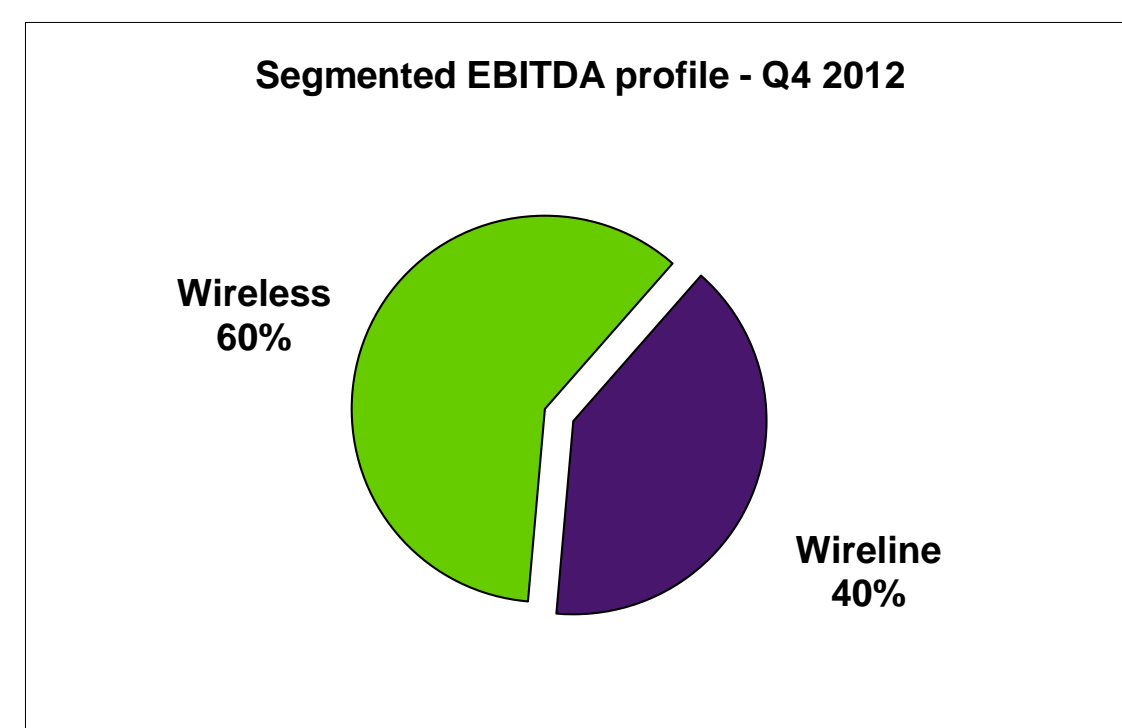
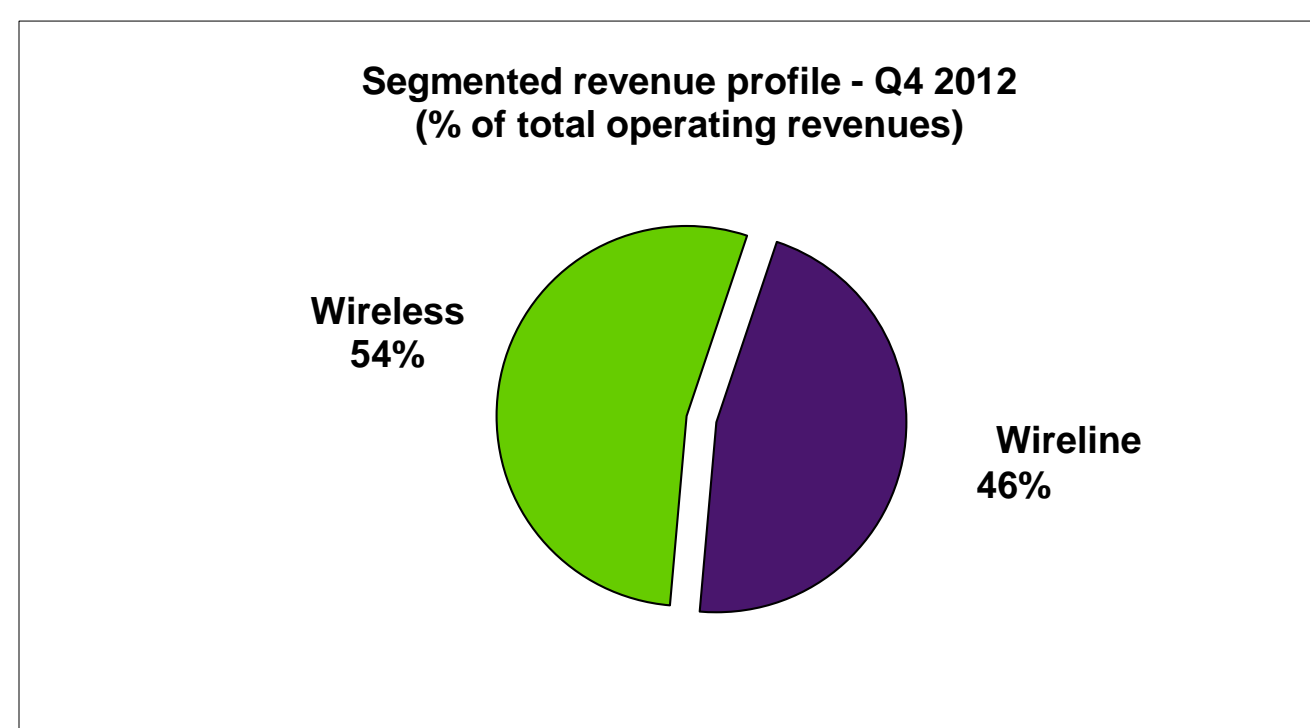
**TELUS Corporation**  
**Segmented Data - Historical Trend**

\$ millions	Quarterly								Annual 2012	Annual 2011
	Q4/12	Q3/12	Q2/12	Q1/12	Q4/11	Q3/11	Q2/11	Q1/11		
<b>Revenues</b>										
TELUS Wireless	1,544	1,511	1,438	1,393	1,433	1,407	1,343	1,317	5,886	5,500
TELUS Wireline	1,361	1,316	1,280	1,289	1,308	1,267	1,261	1,263	5,246	5,099
Less: Intersegment revenue	(54)	(53)	(53)	(51)	(51)	(52)	(50)	(49)	(211)	(202)
Operating revenues	2,851	2,774	2,665	2,631	2,690	2,622	2,554	2,531	10,921	10,397
<b>EBITDA</b>										
TELUS Wireless	569	640	636	622	500	570	565	551	2,467	2,186
TELUS Wireline	378	378	362	387	374	398	385	435	1,505	1,592
Consolidated	947	1,018	998	1,009	874	968	950	986	3,972	3,778
<b>EBITDA margin</b>										
TELUS Wireless	36.9%	42.4%	44.2%	44.7%	34.9%	40.5%	42.1%	41.8%	41.9%	39.7%
TELUS Wireline	27.8%	28.7%	28.3%	30.0%	28.6%	31.4%	30.5%	34.4%	28.7%	31.2%
Consolidated	33.2%	36.7%	37.4%	38.4%	32.5%	36.9%	37.2%	39.0%	36.4%	36.3%
<b>Capital expenditures</b>										
TELUS Wireless	191	175	194	151	168	157	107	76	711	508
TELUS Wireline	330	296	354	290	344	313	349	333	1,270	1,339
Consolidated	521	471	548	441	512	470	456	409	1,981	1,847
<b>Capital expenditure intensity<sup>7</sup></b>										
TELUS Wireless	12%	12%	13%	11%	12%	11%	8%	6%	12%	9%
TELUS Wireline	24%	22%	28%	22%	26%	25%	28%	26%	24%	26%
Consolidated	18%	17%	21%	17%	19%	18%	18%	16%	18%	18%
<b>EBITDA less capex</b>										
TELUS Wireless	378	465	442	471	332	413	458	475	1,756	1,678
TELUS Wireline	48	82	8	97	30	85	36	102	235	253
Consolidated	426	547	450	568	362	498	494	577	1,991	1,931
<b>EBITDA excluding restructuring costs<sup>(A)</sup></b>										
TELUS Wireless	573	641	640	626	500	571	566	551	2,480	2,188
TELUS Wireline	393	380	371	396	390	400	396	439	1,540	1,625
Consolidated	966	1,021	1,011	1,022	890	971	962	990	4,020	3,813
<b>EBITDA margin excluding restructuring costs<sup>(A)</sup></b>										
TELUS Wireless	37.1%	42.4%	44.5%	44.9%	34.9%	40.6%	42.1%	41.8%	42.1%	39.8%
TELUS Wireline	28.9%	28.9%	29.0%	30.7%	29.8%	31.6%	31.4%	34.8%	29.4%	31.9%
Consolidated	33.9%	36.8%	37.9%	38.8%	33.1%	37.0%	37.7%	39.1%	36.8%	36.7%
<b>Full-Time Equivalent (FTE) employees<sup>(B)</sup></b>	41,400	40,800	39,400	39,100	40,100	38,400	38,500	38,000	41,400	40,100

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

<sup>(B)</sup> Excluding full-time equivalent (FTE) employees in TELUS International, FTE employees were approximately 27,100 for Q4-12, 26,700 for Q3-12, 26,800 for Q2-12, 26,400 for Q1-12, and 26,900, 26,200, 26,100, 25,600, respectively, for Q4-11, Q3-11, Q2-11, and Q1-11.

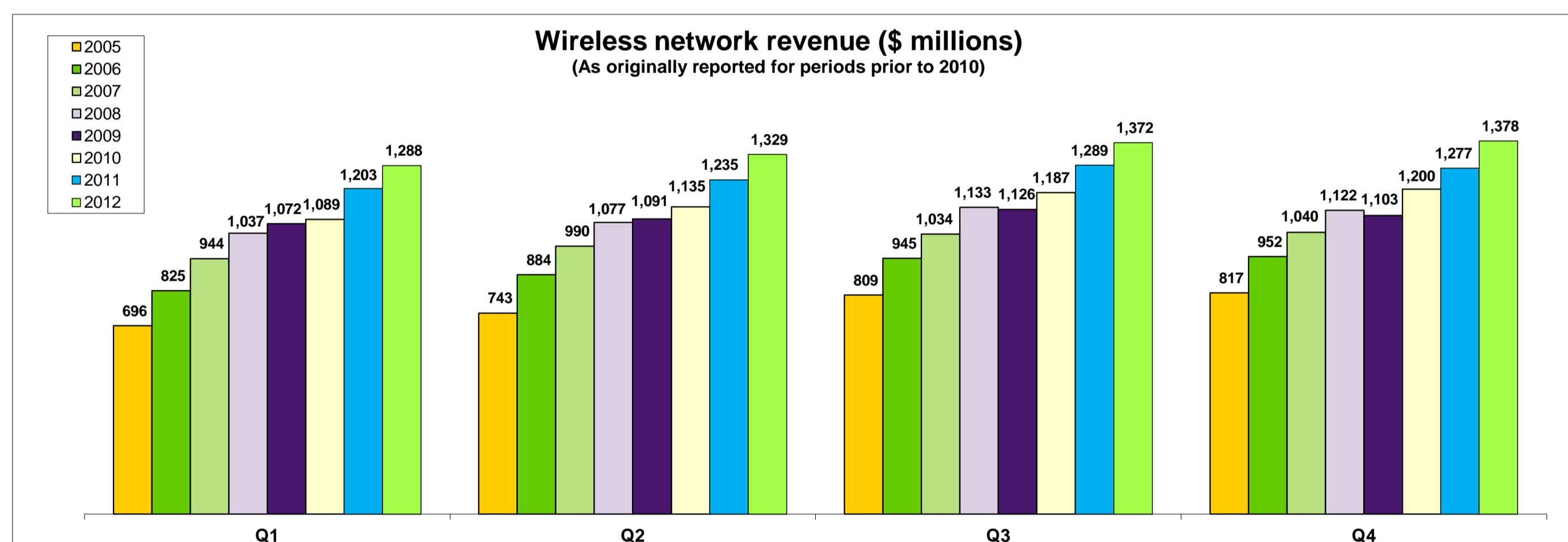
\*May not balance due to rounding alignment to YTD figures.



**TELUS Wireless  
Operations**

<i>\$ millions</i>	Qtr 4				December YTD			
	2012	2011	Change	% Change	2012	2011	Change	% Change
<b>Revenues</b>								
Voice	808	811	(3)	-0.4%	3,241	3,326	(85)	-2.6%
Data	570	466	104	22%	2,126	1,678	448	27%
Total Network revenue	1,378	1,277	101	7.9%	5,367	5,004	363	7.3%
Equipment and other service revenue	155	144	11	7.6%	476	456	20	4.4%
<b>Total external service and equipment revenue</b>	<b>1,533</b>	<b>1,421</b>	<b>112</b>	<b>7.9%</b>	<b>5,843</b>	<b>5,460</b>	<b>383</b>	<b>7.0%</b>
Other operating income	-	3	(3)	n.m.	2	2	-	n.m.
<b>Total external revenue</b>	<b>1,533</b>	<b>1,424</b>	<b>109</b>	<b>7.7%</b>	<b>5,845</b>	<b>5,462</b>	<b>383</b>	<b>7.0%</b>
Intersegment revenue	11	9	2	22%	41	38	3	7.9%
<b>Total operating revenues</b>	<b>1,544</b>	<b>1,433</b>	<b>111</b>	<b>7.7%</b>	<b>5,886</b>	<b>5,500</b>	<b>386</b>	<b>7.0%</b>
Goods and services purchased	817	785	32	4.1%	2,823	2,774	49	1.8%
Employee benefits expense	158	148	10	6.8%	596	540	56	10%
<b>Total operating expense</b>	<b>975</b>	<b>933</b>	<b>42</b>	<b>4.5%</b>	<b>3,419</b>	<b>3,314</b>	<b>105</b>	<b>3.2%</b>
<b>EBITDA</b>	<b>569</b>	<b>500</b>	<b>69</b>	<b>14%</b>	<b>2,467</b>	<b>2,186</b>	<b>281</b>	<b>13%</b>
<b>COA expense</b>	<b>206</b>	<b>207</b>	<b>(1)</b>	<b>-0.5%</b>	<b>671</b>	<b>694</b>	<b>(23)</b>	<b>-3.3%</b>
<b>EBITDA excluding COA</b>	<b>775</b>	<b>707</b>	<b>68</b>	<b>9.6%</b>	<b>3,138</b>	<b>2,880</b>	<b>258</b>	<b>9.0%</b>
<b>EBITDA margin (total revenue)</b>	<b>36.9%</b>	<b>34.9%</b>	<b>2.0 pts.</b>		<b>41.9%</b>	<b>39.7%</b>	<b>2.2 pts.</b>	
<b>EBITDA margin (network revenue)</b>	<b>41.3%</b>	<b>39.2%</b>	<b>2.1 pts.</b>		<b>46.0%</b>	<b>43.7%</b>	<b>2.3 pts.</b>	
<b>Retention spend % network revenue</b>	<b>13.4%</b>	<b>13.6%</b>	<b>(0.2) pts.</b>		<b>11.4%</b>	<b>12.4%</b>	<b>(1.0) pts.</b>	
<b>Capital expenditures</b>	<b>191</b>	<b>168</b>	<b>23</b>	<b>14%</b>	<b>711</b>	<b>508</b>	<b>203</b>	<b>40%</b>
<b>Capital expenditure intensity<sup>7</sup></b>	<b>12%</b>	<b>12%</b>	<b>0% pts.</b>		<b>12%</b>	<b>9%</b>	<b>300% pts.</b>	
<b>EBITDA less capex</b>	<b>378</b>	<b>332</b>	<b>46</b>	<b>14%</b>	<b>1,756</b>	<b>1,678</b>	<b>78</b>	<b>4.6%</b>
Restructuring costs included in total operating expense	4	-	4	n.m.	13	2	11	n.m.
<b>EBITDA excluding restructuring costs</b>	<b>573</b>	<b>500</b>	<b>73</b>	<b>15%</b>	<b>2,480</b>	<b>2,188</b>	<b>292</b>	<b>13%</b>
<b>EBITDA margin excluding restructuring costs (total revenue)</b>	<b>37.1%</b>	<b>34.9%</b>	<b>2.2 pts.</b>		<b>42.1%</b>	<b>39.8%</b>	<b>2.3 pts.</b>	

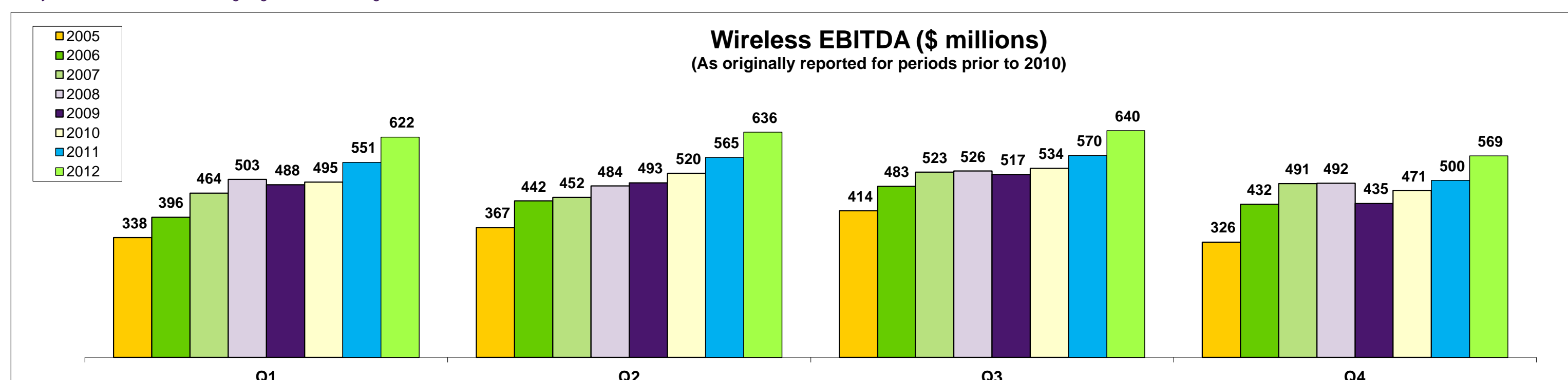
\*May not balance due to rounding alignment to YTD figures.



**TELUS Wireless**  
**Operations - Historical Trend**

<i>\$ millions</i>	Quarterly								Annual 2012	Annual 2011
	Q4/12	Q3/12	Q2/12	Q1/12	Q4/11	Q3/11	Q2/11	Q1/11		
<b>Revenues</b>										
Voice	808	826	817	790	811	845	833	837	3,241	3,326
Data	570	546	512	498	466	444	402	366	2,126	1,678
Total Network revenue	1,378	1,372	1,329	1,288	1,277	1,289	1,235	1,203	5,367	5,004
Equipment and other service revenue	155	127	99	95	144	109	98	105	476	456
<b>Total external service and equipment revenue</b>	<b>1,533</b>	<b>1,499</b>	<b>1,428</b>	<b>1,383</b>	<b>1,421</b>	<b>1,398</b>	<b>1,333</b>	<b>1,308</b>	<b>5,843</b>	<b>5,460</b>
Other operating income	-	2	-	-	3	(1)	-	-	2	2
<b>Total external revenue</b>	<b>1,533</b>	<b>1,501</b>	<b>1,428</b>	<b>1,383</b>	<b>1,424</b>	<b>1,397</b>	<b>1,333</b>	<b>1,308</b>	<b>5,845</b>	<b>5,462</b>
Intersegment revenue	11	10	10	10	9	10	10	9	41	38
<b>Total operating revenues</b>	<b>1,544</b>	<b>1,511</b>	<b>1,438</b>	<b>1,393</b>	<b>1,433</b>	<b>1,407</b>	<b>1,343</b>	<b>1,317</b>	<b>5,886</b>	<b>5,500</b>
Goods and services purchased	817	719	661	626	785	702	645	642	2,823	2,774
Employee benefits expense	158	152	141	145	148	135	133	124	596	540
<b>Total operating expense</b>	<b>975</b>	<b>871</b>	<b>802</b>	<b>771</b>	<b>933</b>	<b>837</b>	<b>778</b>	<b>766</b>	<b>3,419</b>	<b>3,314</b>
<b>EBITDA</b>	<b>569</b>	<b>640</b>	<b>636</b>	<b>622</b>	<b>500</b>	<b>570</b>	<b>565</b>	<b>551</b>	<b>2,467</b>	<b>2,186</b>
<b>COA expense</b>	<b>206</b>	<b>175</b>	<b>159</b>	<b>131</b>	<b>207</b>	<b>187</b>	<b>165</b>	<b>135</b>	<b>671</b>	<b>694</b>
<b>EBITDA excluding COA</b>	<b>775</b>	<b>815</b>	<b>795</b>	<b>753</b>	<b>707</b>	<b>757</b>	<b>730</b>	<b>686</b>	<b>3,138</b>	<b>2,880</b>
<b>EBITDA margin (total revenue)</b>	<b>36.9%</b>	<b>42.4%</b>	<b>44.2%</b>	<b>44.7%</b>	<b>34.9%</b>	<b>40.5%</b>	<b>42.1%</b>	<b>41.8%</b>	<b>41.9%</b>	<b>39.7%</b>
<b>EBITDA margin (network revenue)</b>	<b>41.3%</b>	<b>46.6%</b>	<b>47.9%</b>	<b>48.3%</b>	<b>39.2%</b>	<b>44.2%</b>	<b>45.7%</b>	<b>45.8%</b>	<b>46.0%</b>	<b>43.7%</b>
<b>Retention spend % network revenue</b>	<b>13.4%</b>	<b>11.0%</b>	<b>10.7%</b>	<b>10.7%</b>	<b>13.6%</b>	<b>11.9%</b>	<b>11.9%</b>	<b>12.2%</b>	<b>11.4%</b>	<b>12.4%</b>
<b>Capital expenditures</b>	<b>191</b>	<b>175</b>	<b>194</b>	<b>151</b>	<b>168</b>	<b>157</b>	<b>107</b>	<b>76</b>	<b>711</b>	<b>508</b>
<b>Capital expenditure intensity<sup>7</sup></b>	<b>12%</b>	<b>12%</b>	<b>13%</b>	<b>11%</b>	<b>12%</b>	<b>11%</b>	<b>8%</b>	<b>6%</b>	<b>12%</b>	<b>9%</b>
<b>EBITDA less capex</b>	<b>378</b>	<b>465</b>	<b>442</b>	<b>471</b>	<b>332</b>	<b>413</b>	<b>458</b>	<b>475</b>	<b>1,756</b>	<b>1,678</b>
Restructuring costs included in total operating expense	4	1	4	4	-	1	1	-	13	2
<b>EBITDA excluding restructuring costs</b>	<b>573</b>	<b>641</b>	<b>640</b>	<b>626</b>	<b>500</b>	<b>571</b>	<b>566</b>	<b>551</b>	<b>2,480</b>	<b>2,188</b>
<b>EBITDA margin excluding restructuring costs (total revenue)</b>	<b>37.1%</b>	<b>42.4%</b>	<b>44.5%</b>	<b>44.9%</b>	<b>34.9%</b>	<b>40.6%</b>	<b>42.1%</b>	<b>41.8%</b>	<b>42.1%</b>	<b>39.8%</b>

\*May not balance due to rounding alignment to YTD figures.

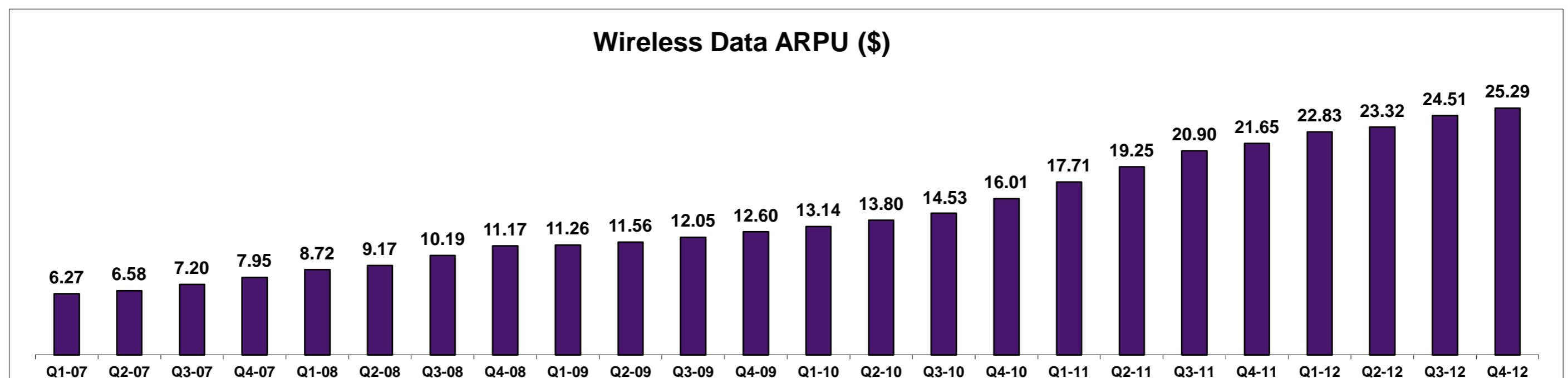


**TELUS Wireless  
Operating Statistics**

	Qtr 4				December YTD			
	2012	2011	Change	% Change	2012	2011	Change	% Change
<b>Subscriber gross adds (000s)</b>								
Postpaid	324	354	(30)	-8%	1,174	1,286	(112)	-8.7%
Prepaid	131	137	(6)	-4.4%	472	512	(40)	-7.8%
Total	455	491	(36)	-7.3%	1,646	1,798	(152)	-8.5%
<b>Subscriber net adds, as reported (000s)</b>								
Postpaid	123	148	(25)	-17%	414	425	(11)	-2.6%
Prepaid	(11)	(19)	8	n.m.	(83)	(56)	(27)	n.m.
Total	112	129	(17)	-13.2%	331	369	(38)	-10.3%
<b>Subscribers (000s)</b>								
Postpaid	6,543	6,130	413	6.7%	6,543	6,130	413	6.7%
Prepaid	1,127	1,210	(83)	-6.9%	1,127	1,210	(83)	-6.9%
Total	7,670	7,340	330	4.5%	7,670	7,340	330	4.5%
<b>ARPU (\$) <sup>8</sup></b>	\$60.95	\$59.08	\$1.87	3.2%	\$60.39	\$59.10	\$1.29	2.2%
Voice ARPU	\$35.66	\$37.43	(\$1.77)	-4.7%	\$36.39	\$39.20	(\$2.81)	-7.2%
Data ARPU	\$25.29	\$21.65	\$3.64	17%	\$24.00	\$19.90	\$4.10	21%
<b>Churn, per month (%), as reported <sup>9</sup></b>								
Blended Churn	1.51%	1.67%	(0.16) pts.		1.47%	1.68%	(0.21) pts.	
Postpaid Churn	1.12%	1.23%	(0.11) pts.		1.09%	1.31%	(0.22) pts.	
<b>Average minutes of use per subscriber per month (MOU)</b>	341	334	7	2.1%	336	332	4	1.2%
<b>COA per gross subscriber addition (\$) <sup>10</sup></b>	\$453	\$421	32	7.6%	\$408	\$386	22	5.7%
<b>Population coverage in millions - digital incl. roaming/resale <sup>(A)</sup></b>	34.7	34.4	0.3	0.9%	34.7	34.4	0.3	0.9%

<sup>(A)</sup> Includes expanded coverage due to roaming/resale and network access agreements principally with Bell Mobility.

\*May not balance due to rounding alignment to YTD figures.

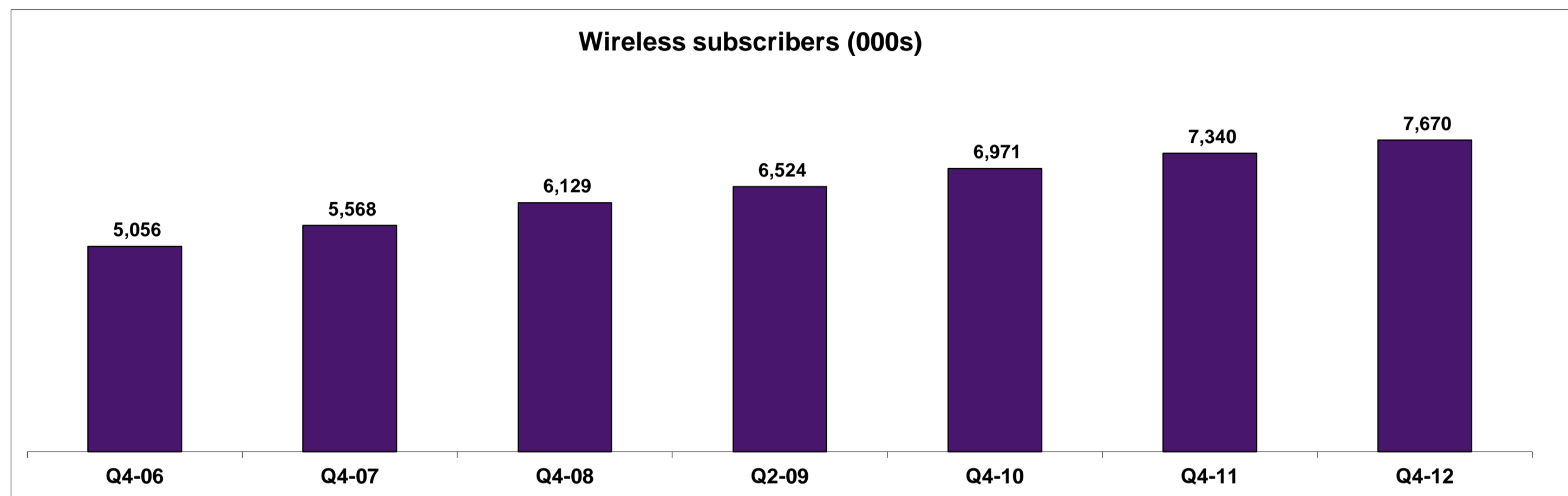


**TELUS Wireless**  
**Operating Statistics - Historical Trend**

<i>population coverage in millions</i>	Quarterly								Annual 2012	Annual 2011
	Q4/12	Q3/12	Q2/12	Q1/12	Q4/11	Q3/11	Q2/11	Q1/11		
<b>Subscriber gross adds (000s)</b>										
Postpaid	324	309	284	257	354	350	310	272	1,174	1,286
Prepaid	131	125	110	106	137	122	137	116	472	512
Total	455	434	394	363	491	472	447	388	1,646	1,798
<b>Subscriber net adds, as reported (000s)</b>										
Postpaid	123	116	112	63	148	133	92	52	414	425
Prepaid	(11)	(5)	(26)	(41)	(19)	(19)	2	(20)	(83)	(56)
Total	112	111	86	22	129	114	94	32	331	369
<b>Subscribers (000s)</b>										
Postpaid	6,543	6,420	6,304	6,193	6,130	5,982	5,849	5,757	6,543	6,130
Prepaid	1,127	1,138	1,143	1,169	1,210	1,229	1,248	1,246	1,127	1,210
Total	7,670	7,558	7,447	7,362	7,340	7,211	7,097	7,003	7,670	7,340
<b>ARPU (\$) <sup>8</sup></b>										
Voice ARPU	\$60.95	\$61.42	\$60.29	\$58.87	\$59.08	\$60.52	\$58.88	\$57.89	\$60.39	\$59.10
Data ARPU	\$25.29	\$24.51	\$23.32	\$22.83	\$21.65	\$20.90	\$19.25	\$17.71	\$24.00	\$19.90
<b>Churn, per month (%), as reported <sup>9</sup></b>										
Blended Churn	1.51%	1.44%	1.39%	1.55%	1.67%	1.67%	1.67%	1.70%	1.47%	1.68%
Postpaid Churn	1.12%	1.10%	1.00%	1.14%	1.23%	1.33%	1.34%	1.33%	1.09%	1.31%
<b>Average minutes of use per subscriber per month (MOU)</b>	341	338	341	324	334	332	337	324	336	332
<b>COA per gross subscriber addition (\$) <sup>10</sup></b>	\$453	\$402	\$404	\$362	\$421	\$397	\$370	\$348	\$408	\$386
<b>Population coverage in millions - digital incl. roaming/resale <sup>(A)</sup></b>	34.7	34.7	34.7	34.4	34.4	34.3	34.1	33.8	34.7	34.4

<sup>(A)</sup> Includes expanded coverage due to roaming/resale and network access agreements principally with Bell Mobility.

<sup>8</sup> May not balance due to rounding alignment to YTD figures.

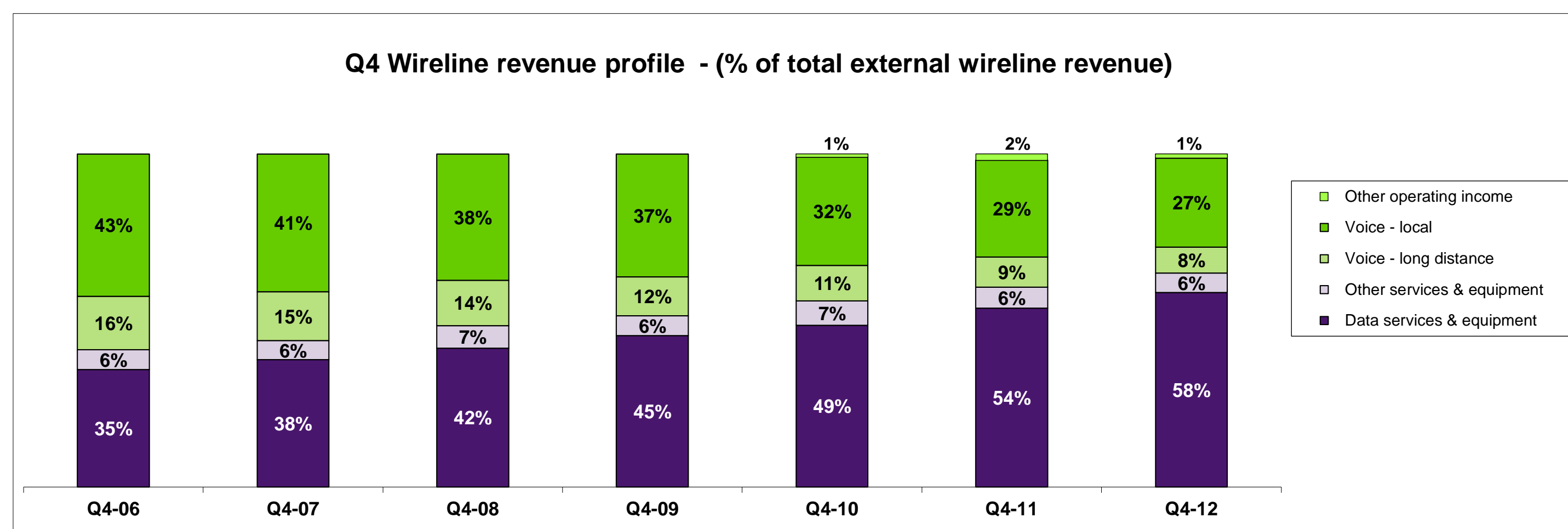




## TELUS Wireline Operations

<i>\$ millions</i>	Qtr 4				December YTD			
	2012	2011	Change	% Change	2012	2011	Change	% Change
<b>Revenues</b>								
Data service and equipment	770	680	90	13%	2,896	2,578	318	12%
Voice - local service	352	368	(16)	-4.3%	1,416	1,514	(98)	-6.5%
Voice - long distance service	103	115	(12)	-10%	425	477	(52)	-11%
Other services and equipment	76	79	(3)	-3.8%	272	296	(24)	-8.1%
<b>Total external services &amp; equipment revenue</b>	<b>1,301</b>	<b>1,242</b>	<b>59</b>	<b>4.8%</b>	<b>5,009</b>	<b>4,865</b>	<b>144</b>	<b>3.0%</b>
Other operating income	17	24	(7)	-29%	67	70	(3)	-4.3%
<b>Total external revenue</b>	<b>1,318</b>	<b>1,266</b>	<b>52</b>	<b>4.1%</b>	<b>5,076</b>	<b>4,935</b>	<b>141</b>	<b>2.9%</b>
Intersegment revenue	43	42	1	2.4%	170	164	6	3.7%
<b>Total operating revenues</b>	<b>1,361</b>	<b>1,308</b>	<b>53</b>	<b>4.1%</b>	<b>5,246</b>	<b>5,099</b>	<b>147</b>	<b>2.9%</b>
Goods and services purchased	567	582	(15)	-2.6%	2,208	2,154	54	2.5%
Employee benefits expense	416	352	64	18%	1,533	1,353	180	13%
<b>Total operating expense</b>	<b>983</b>	<b>934</b>	<b>49</b>	<b>5.2%</b>	<b>3,741</b>	<b>3,507</b>	<b>234</b>	<b>6.7%</b>
<b>EBITDA</b>	<b>378</b>	<b>374</b>	<b>4</b>	<b>1.1%</b>	<b>1,505</b>	<b>1,592</b>	<b>(87)</b>	<b>-5.5%</b>
<b>EBITDA margin</b>	<b>27.8%</b>	<b>28.6%</b>	<b>(0.8) pts.</b>		<b>28.7%</b>	<b>31.2%</b>	<b>(2.5) pts.</b>	
<b>Capital expenditures</b>	<b>330</b>	<b>344</b>	<b>(14)</b>	<b>-4.1%</b>	<b>1,270</b>	<b>1,339</b>	<b>(69)</b>	<b>-5.2%</b>
<b>Capital expenditure intensity<sup>7</sup></b>	<b>24%</b>	<b>26%</b>	<b>(2) pts.</b>		<b>24%</b>	<b>26%</b>	<b>(2) pts.</b>	
<b>EBITDA less capex</b>	<b>48</b>	<b>30</b>	<b>18</b>	<b>60%</b>	<b>235</b>	<b>253</b>	<b>(18)</b>	<b>-7.1%</b>
Restructuring costs included in total operating expense	15	16	(1)	-6.3%	35	33	2	6.1%
<b>EBITDA excluding restructuring costs</b>	<b>393</b>	<b>390</b>	<b>3</b>	<b>0.8%</b>	<b>1,540</b>	<b>1,625</b>	<b>(85)</b>	<b>-5.2%</b>
<b>EBITDA margin excluding restructuring costs</b>	<b>28.9%</b>	<b>29.8%</b>	<b>(0.9) pts.</b>		<b>29.4%</b>	<b>31.9%</b>	<b>(2.5) pts.</b>	

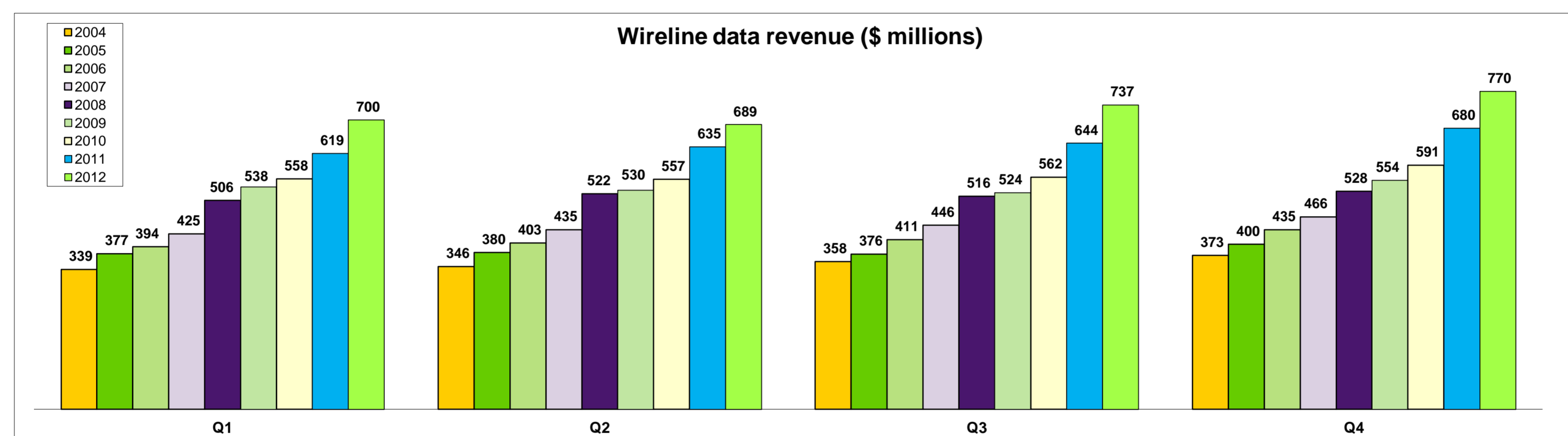
\*May not balance due to rounding alignment to YTD figures.



**TELUS Wireline  
Operations - Historical Trend**

<i>\$ millions</i>	Quarterly								Annual 2012	Annual 2011
	Q4/12	Q3/12	Q2/12	Q1/12	Q4/11	Q3/11	Q2/11	Q1/11		
<b>Revenues</b>										
Data service and equipment	770	737	689	700	680	644	635	619		2,896
Voice - local service	352	351	354	359	368	379	380	387		1,416
Voice - long distance service	103	103	109	110	115	116	122	124		425
Other services and equipment	76	65	64	67	79	75	74	68		272
<b>Total external services &amp; equipment revenue</b>	1,301	1,256	1,216	1,236	1,242	1,214	1,211	1,198		5,009
Other operating income	17	17	21	12	24	11	10	25		67
<b>Total external revenue</b>	1,318	1,273	1,237	1,248	1,266	1,225	1,221	1,223		5,076
Intersegment revenue	43	43	43	41	42	42	40	40		170
<b>Total operating revenues</b>	1,361	1,316	1,280	1,289	1,308	1,267	1,261	1,263		5,246
Goods and services purchased	567	556	544	541	582	528	539	505		2,208
Employee benefits expense	416	382	374	361	352	341	337	323		1,533
<b>Total operating expense</b>	983	938	918	902	934	869	876	828		3,741
<b>EBITDA</b>	378	378	362	387	374	398	385	435		1,505
<b>EBITDA margin</b>	27.8%	28.7%	28.3%	30.0%	28.6%	31.4%	30.5%	34.4%		28.7%
<b>Capital expenditures</b>	330	296	354	290	344	313	349	333		1,270
<b>Capital expenditure intensity<sup>7</sup></b>	24%	22%	28%	22%	26%	25%	28%	26%		24%
<b>EBITDA less capex</b>	48	82	8	97	30	85	36	102		235
Restructuring costs included in total operating expense	15	2	9	9	16	2	11	4		35
<b>EBITDA excluding restructuring costs</b>	393	380	371	396	390	400	396	439		1,540
<b>EBITDA margin excluding restructuring costs</b>	28.9%	28.9%	29.0%	30.7%	29.8%	31.6%	31.4%	34.8%		29.4%

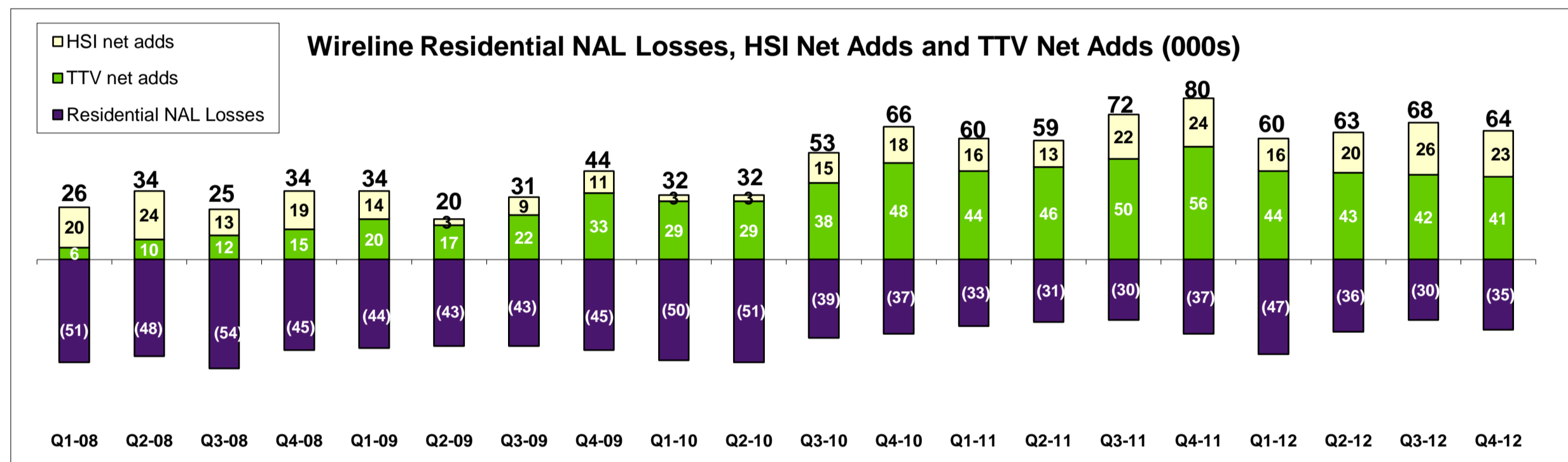
\*May not balance due to rounding alignment to YTD figures.



## TELUS Wireline Operating Statistics

	Qtr 4				December YTD			
	2012	2011	Change	% Change	2012	2011	Change	% Change
<b>Network access lines (NAL) (000s)</b>								
Residential	1,767	1,915	(148)	-7.7%	1,767	1,915	(148)	-7.7%
Business	1,639	1,678	(39)	-2.3%	1,639	1,678	(39)	-2.3%
<b>Total</b>	<b>3,406</b>	<b>3,593</b>	<b>(187)</b>	<b>-5.2%</b>	<b>3,406</b>	<b>3,593</b>	<b>(187)</b>	<b>-5.2%</b>
<b>NAL net additions (losses) (000s)</b>								
Residential	(35)	(37)	2	5.4%	(148)	(131)	(17)	-13%
Business	(7)	(11)	4	n.m.	(39)	(15)	(24)	n.m.
<b>Total</b>	<b>(42)</b>	<b>(48)</b>	<b>6</b>	<b>13%</b>	<b>(187)</b>	<b>(146)</b>	<b>(41)</b>	<b>-28%</b>
<b>Internet subscriber net adds (000s)</b>								
High-speed	23	24	(1)	-4.2%	84	75	9	12%
Dial-up	(2)	(4)	2	50%	(11)	(18)	7	39%
<b>Total</b>	<b>21</b>	<b>20</b>	<b>1</b>	<b>5.0%</b>	<b>73</b>	<b>57</b>	<b>16</b>	<b>28%</b>
<b>Internet subscribers (000s)</b>								
High-speed	1,326	1,242	84	6.8%	1,326	1,242	84	6.8%
Dial-up	33	44	(11)	-25%	33	44	(11)	-25%
<b>Total</b>	<b>1,359</b>	<b>1,286</b>	<b>73</b>	<b>5.7%</b>	<b>1,359</b>	<b>1,286</b>	<b>73</b>	<b>5.7%</b>
<b>TV subscriber net adds (000s)<sup>11</sup></b>	<b>41</b>	<b>56</b>	<b>(15)</b>	<b>-27%</b>	<b>169</b>	<b>196</b>	<b>(27)</b>	<b>-14%</b>
<b>TV subscribers (000s)<sup>11</sup></b>	<b>678</b>	<b>509</b>	<b>169</b>	<b>33%</b>	<b>678</b>	<b>509</b>	<b>169</b>	<b>33%</b>

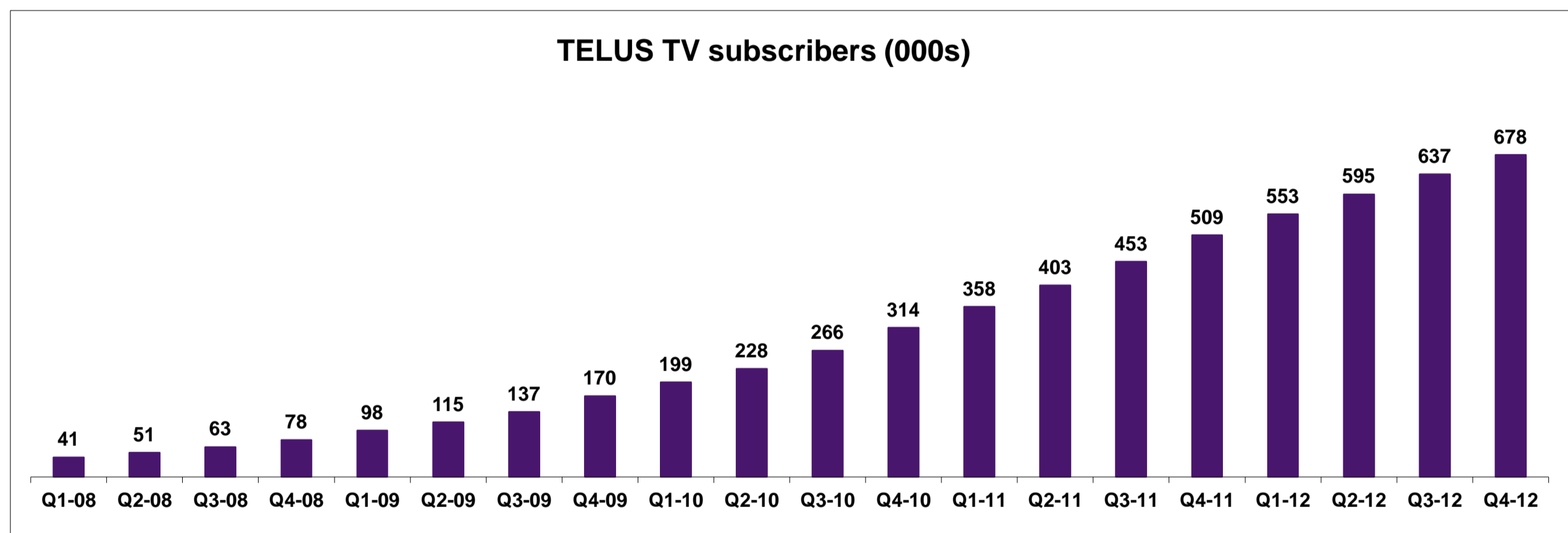
\*May not balance due to rounding alignment to YTD figures.



**TELUS Wireline**  
**Operating Statistics - Historical Trend**

	<u>Quarterly</u>								<b>Annual 2012</b>	<b>Annual 2011</b>
	Q4/12	Q3/12	Q2/12	Q1/12	Q4/11	Q3/11	Q2/11	Q1/11		
<b>Network access lines (NAL) (000s)</b>										
Residential	1,767	1,802	1,832	1,868	1,915	1,952	1,982	2,013	1,767	1,915
Business	1,639	1,646	1,655	1,668	1,678	1,689	1,702	1,695	1,639	1,678
<b>Total</b>	<b>3,406</b>	<b>3,448</b>	<b>3,487</b>	<b>3,536</b>	<b>3,593</b>	<b>3,641</b>	<b>3,684</b>	<b>3,708</b>	<b>3,406</b>	<b>3,593</b>
<b>NAL net additions (losses) (000s)</b>										
Residential	(35)	(30)	(36)	(47)	(37)	(30)	(31)	(33)	(148)	(131)
Business	(7)	(9)	(14)	(10)	(11)	(13)	7	2	(39)	(15)
<b>Total</b>	<b>(42)</b>	<b>(39)</b>	<b>(50)</b>	<b>(57)</b>	<b>(48)</b>	<b>(43)</b>	<b>(24)</b>	<b>(31)</b>	<b>(187)</b>	<b>(146)</b>
<b>Internet subscriber net adds (000s)</b>										
High-speed	23	26	20	16	24	22	13	16	84	75
Dial-up	(2)	(3)	(3)	(3)	(4)	(3)	(5)	(6)	(11)	(18)
<b>Total</b>	<b>21</b>	<b>23</b>	<b>17</b>	<b>13</b>	<b>20</b>	<b>19</b>	<b>8</b>	<b>10</b>	<b>73</b>	<b>57</b>
<b>Internet subscribers (000s)</b>										
High-speed	1,326	1,303	1,277	1,257	1,242	1,218	1,196	1,183	1,326	1,242
Dial-up	33	35	38	41	44	48	51	56	33	44
<b>Total</b>	<b>1,359</b>	<b>1,338</b>	<b>1,315</b>	<b>1,298</b>	<b>1,286</b>	<b>1,266</b>	<b>1,247</b>	<b>1,239</b>	<b>1,359</b>	<b>1,286</b>
<b>TV subscriber net adds (000s)<sup>11</sup></b>	<b>41</b>	<b>42</b>	<b>43</b>	<b>44</b>	<b>56</b>	<b>50</b>	<b>46</b>	<b>44</b>	<b>169</b>	<b>196</b>
<b>TV subscribers (000s)<sup>11</sup></b>	<b>678</b>	<b>637</b>	<b>595</b>	<b>553</b>	<b>509</b>	<b>453</b>	<b>403</b>	<b>358</b>	<b>678</b>	<b>509</b>

\*May not balance due to rounding alignment to YTD figures.



## Non-GAAP measures and definitions of key operating indicators

- <sup>1</sup> **Return on common equity** - Return on common equity is Net income attributed to Common Shares and Non-Voting Shares for a 12-month trailing period divided by the average quarterly equity for the 12-month period. Equity is the Common Share and Non-Voting Share Equity. The calculation has been amended such that Accumulated other comprehensive income (loss) is no longer deducted (added back) and previously reported figures have been restated.
- <sup>2</sup> **EBITDA interest coverage ratio** is defined as EBITDA (excluding restructuring costs), divided by net interest cost, defined as financing costs before gains or losses on redemption and repayment of debt, calculated on a 12-month trailing basis. This measure is substantially the same as the Coverage Ratio covenant in TELUS' credit facilities.
- <sup>3</sup> **Free cash flow** is calculated as EBITDA, adding Restructuring costs, 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 (including spectrum payments), and items of an unusual nature excluded in the calculation of Adjusted EBITDA.
- <sup>4</sup> **Net debt** is defined as Long-term Debt plus current maturities of Long-term Debt and cheques outstanding less Cash and temporary investments plus cross currency foreign exchange hedge liability (less cross currency foreign exchange hedge asset) related to U.S. dollar notes.
- <sup>5</sup> **Net debt to total capitalization** - provides a measure of the proportion of debt used in the Company's capital structure. Total capitalization is calculated as Net debt plus Owners' equity excluding accumulated other comprehensive income.
- <sup>6</sup> **Net debt to EBITDA** – excluding restructuring costs is defined as Net debt as at the end of the period divided by the 12-month trailing EBITDA excluding restructuring costs. TELUS' guideline range for Net debt to EBITDA is from 1.5 to 2.0 times. Historically, Net debt to EBITDA excluding restructuring costs is substantially the same as the Leverage Ratio covenant in TELUS' credit facilities.
- <sup>7</sup> **Capital expenditure intensity** is defined as capital expenditures as a percentage of operating revenues.
- <sup>8</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. Data ARPU is a component of ARPU, calculated on the same basis for revenues derived from services such as text messaging, mobile computing, personal digital assistance devices, Internet browser activity and pay-per-use downloads.
- <sup>9</sup> **Churn per month** is calculated as the number of subscriber units disconnected 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 prepaid subscriber is disconnected when the subscriber has no usage for 90 days following expiry of the prepaid card.
- <sup>10</sup> **Cost of acquisition (COA)** consists of the total of handset subsidies, 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>11</sup> **TV subscribers** consists of TELUS IP TV subscribers and TELUS Satellite TV subscribers.