



stronger together

Q3 2018 investor conference call
November 8, 2018

Caution regarding forward-looking statements

This presentation and answers to questions contain forward-looking statements about our objectives and our strategies to achieve those objectives, including statements relating to our 2018 and 2019 targets, multi-year dividend growth plan, fibre network and other capital investments, leverage ratios, and the performance of TELUS. By their nature, forward-looking statements do not refer to historical facts and require the Company to make assumptions and predictions, and are subject to inherent risks. There is significant risk that the forward-looking statements will not prove to be accurate. There can be no assurances that TELUS will meet its 2018 and 2019 targets and outlook, or that TELUS will maintain its multi-year dividend growth program. Readers and listeners of this presentation are cautioned not to place undue reliance on forward-looking statements as a number of factors (such as competition, technological substitution, regulatory developments, government decisions, economic performance in Canada, our cost reduction initiatives, our earnings and free cash flow, our capital expenditures and decisions regarding our dividend) could cause actual future performance and events to differ materially from those expressed in the forward-looking statements. Accordingly, all forward-looking statements made today are subject to the cautionary note and qualified by the assumptions (including assumptions for the 2018 and 2019 annual targets and guidance, and semi-annual dividend increases through 2019), qualifications and risk factors as set out in the third quarter of 2018 Management's discussion and analysis and in the 2017 annual MD&A, especially Sections 9 and 10, and in other TELUS public disclosure documents and filings with securities commissions in Canada (on SEDAR at sedar.com) and in the United States (on EDGAR at sec.gov). Except as required by law, TELUS disclaims any intention or obligation to update or revise forward-looking statements, and reserves the right to change, at any time at its sole discretion, its current practice of updating annual targets and guidance.

Continuing our strong operating momentum

- Leading customer loyalty
- Delivering robust customer growth
- Leveraging our superior broadband networks
- Enhancing our operational efficiency and effectiveness
- Executing on our transparent dividend growth program



Generating solid wireless results

+109,000

Postpaid
net adds

(6,000) y/y

+36,000

Prepaid
net adds

+27,000 y/y

0.87%

Postpaid
churn

+1 bp y/y

\$68.64

Blended
ABPU*

Unchanged

* Average billing per user per month (ABPU)

Strong wireless growth reflecting growing market penetration,
customers first initiatives and network leadership

Leading wireline customer performance

+36,000	+18,000	(12,000)	+42,000
High-speed Internet net adds	TELUS TV customers	Residential NAL losses	New wireline customer additions
<hr/>	<hr/>	<hr/>	<hr/>
+17,000 y/y	+9,000 y/y	+8,000 y/y	+34,000 y/y

Strong wireline net additions driven by record Q3 customer churn and expanding PureFibre network

Returning capital to shareholders

**\$10.8
billion**

Dividends paid

**\$16
billion**

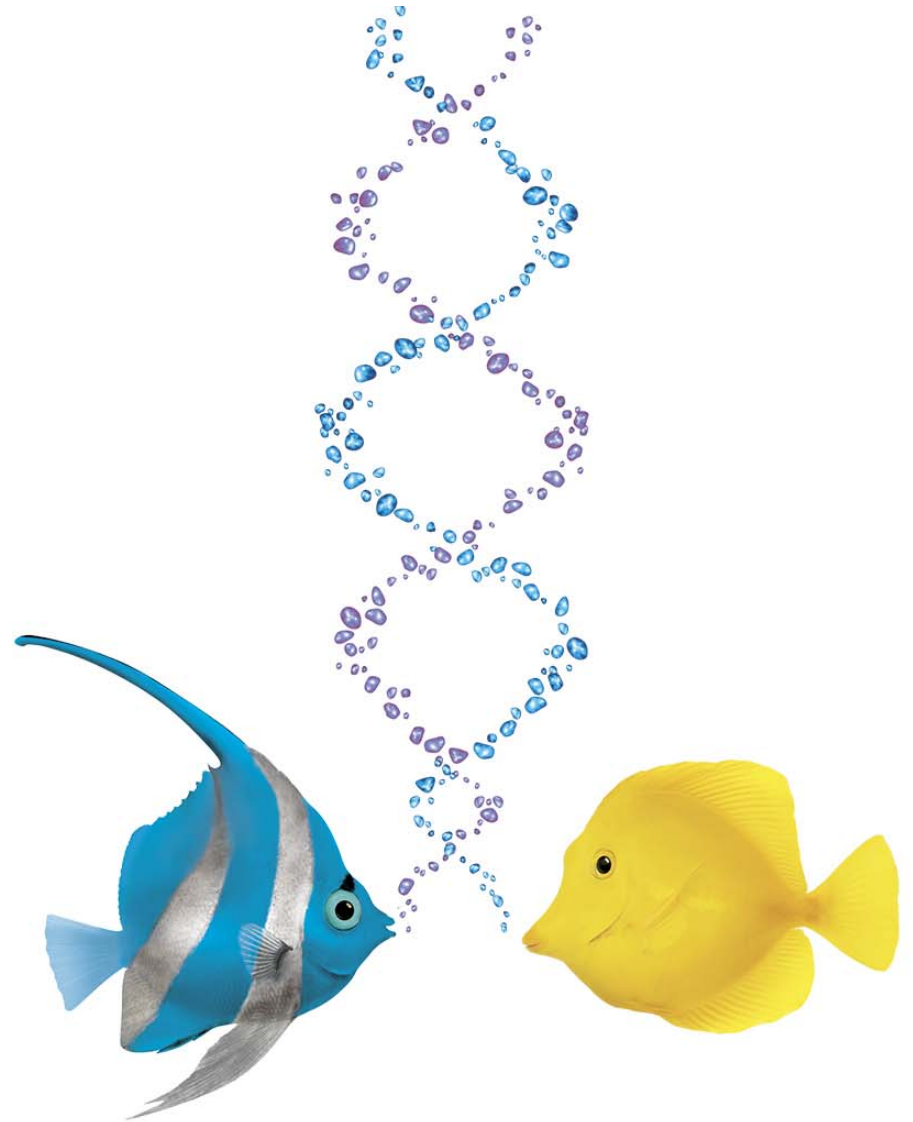
Total capital returned

**\$2.18
+7.9% y/y**

Annualized dividend

\$16 billion returned to shareholders since 2004,
representing approximately \$27 per share

Q3 2018 financial results



Q3 2018 wireless results

+2.2%

Network revenue

\$1,547 million

+10.8%

Equipment revenue

\$512 million

+6.8%

Adjusted EBITDA

\$912 million

Achieving strong wireless results due to execution of customers' first initiatives and cost efficiency

Q3 2018 wireline results

+8.1%

Revenue (external)¹

\$1,540 million

+14.6%

Data services revenue

\$1,168 million

+5.7%

Adjusted EBITDA

\$439 million

¹ Revenue excludes our share of the non-recurring equity income arising from the sale of TELUS Garden. Reported external wireline revenue of \$1,625 million is up 14.1% over Q3 2017.

Delivering industry-leading wireline results

Q3 2018 consolidated results

+5.8%	+6.4%	41%
Revenue ¹	Adjusted EBITDA	Free cash flow
<hr/>	<hr/>	<hr/>
\$3,603 million	\$1,351 million	\$303 million

¹ Revenue excludes our share of the non-recurring equity income arising from the sale of TELUS Garden. Reported consolidated revenue of \$3,774 million is up 10.9% over Q3 2017.

Fueling strong financial growth through
strong wireless and wireline results

Q3 2018 consolidated results

\$0.74

basic EPS

+6 cents y/y

\$0.74

adjusted EPS

+4 cents y/y

Higher EPS driven by EBITDA growth

Investing in leading broadband networks

**\$762
million**

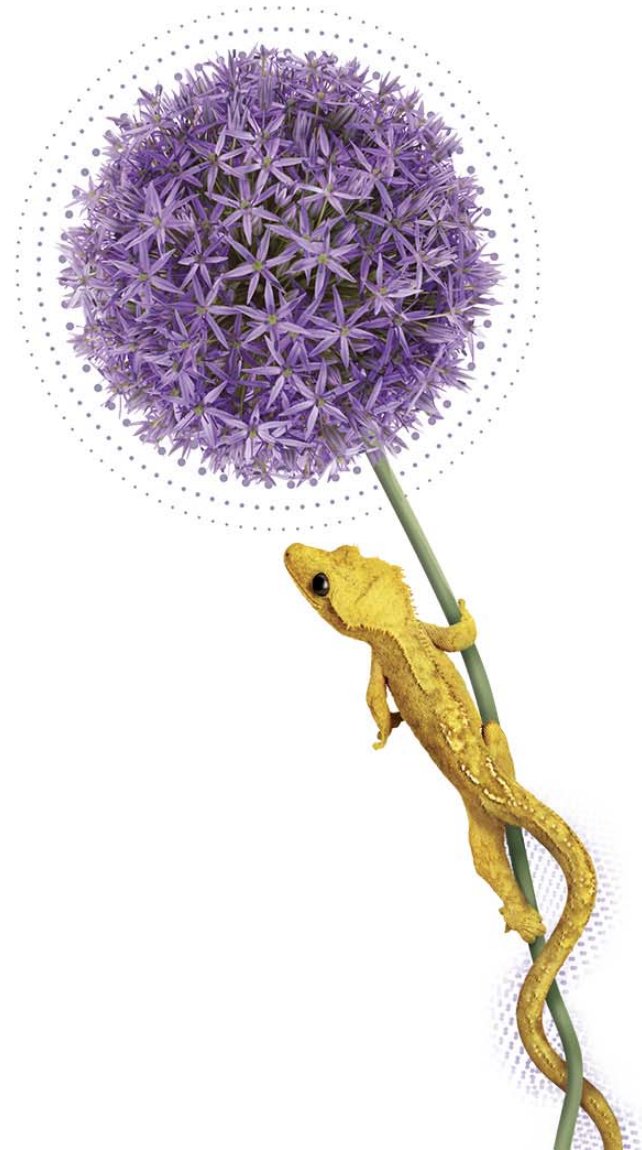
consolidated capex
(7.2)% y/y

- 1.74 million premises now have immediate access to our PureFibre network, up 410,000 over Q3 2017
- 56% PureFibre coverage of our 3.1 million high-speed broadband footprint
- 4G LTE to 99%, LTE-A to 92% of Canadians

Capital expenditures on plan with expanding PureFibre footprint

Questions?

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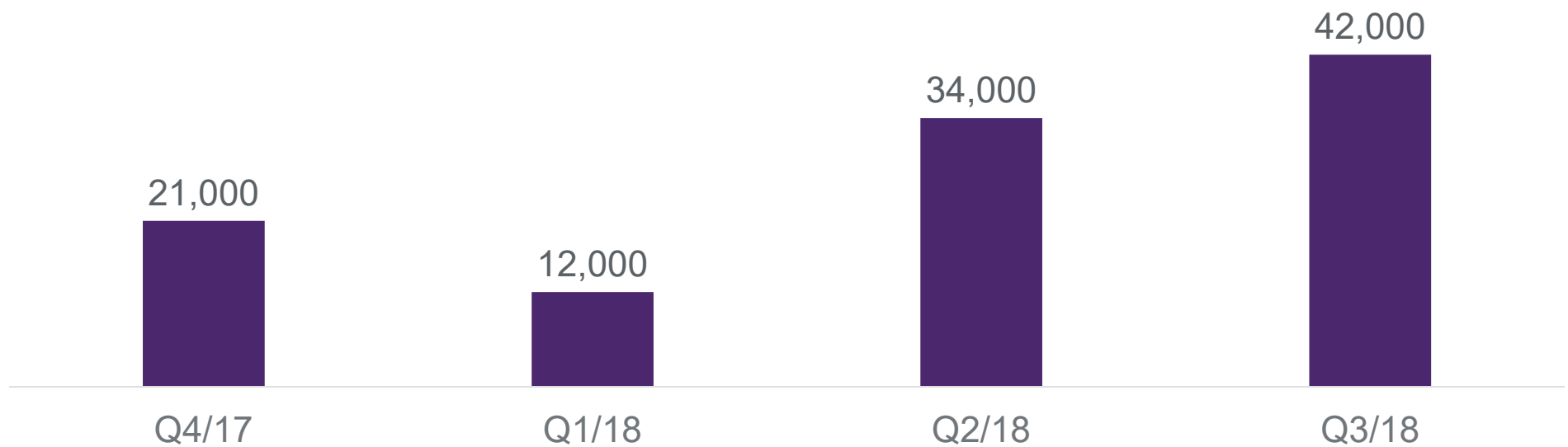


Appendix – definitions

Our presentation and answers include the following non-GAAP measures, which may not be comparable to similar measures used by other issuers:

- EBITDA does not have any standardized meaning prescribed by IFRS-IASB. We have issued guidance on and report EBITDA because it is a key measure used to evaluate performance at a consolidated level and the contribution of our two segments. For definition and explanation, see Section 11.1 in the 2018 third quarter Management’s discussion and analysis.
- Adjusted EBITDA for the third quarters of 2018 and 2017 excludes restructuring and other costs of \$173 million and \$23 million respectively and non-recurring gains and equity income related to real estate joint ventures.
- Adjusted basic EPS does not have any standardized meaning prescribed by IFRS-IASB. This term is defined in this presentation as excluding from net income attributable to common shares and basic EPS (after income taxes), restructuring and other costs, non-recurring gains and equity income related to real estate joint ventures, long-term debt prepayment premium, and favourable income tax-related adjustments. For further analysis of adjusted basic EPS, see Section 1.3 in the 2018 third quarter Management’s discussion and analysis.

Appendix - wireline subscriber growth



Delivering strong wireline subscriber growth on network leadership and customer service excellence

Appendix – Q3 2018 EPS analysis

Basic EPS as reported (Q3 2017)	\$0.68
Restructuring and other costs	0.03
Favourable income-tax related adjustments	(0.01)
Adjusted basic EPS (Q3 2017)	\$0.70
Higher Adjusted EBITDA	0.10
Higher income taxes	(0.01)
Higher depreciation and amortization and other	(0.04)
Higher net financing costs	(0.01)
Adjusted basic EPS (Q3 2018)	\$0.74
Restructuring and other costs	(0.22)
Gains and equity income related to real estate joint ventures	0.25
Favourable income tax-related adjustments	0.01
Long-term debt prepayment premium	(0.04)
Basic EPS as reported (Q3 2018)	\$0.74

Appendix – free cash flow (\$ millions)

	Q3-2017	Q3-2018	YTD-2017	YTD-2018
EBITDA	1,244	1,349	3,687	3,869
Capital expenditures (excluding spectrum licenses)	(821)	(762)	(2,355)	(2,203)
Net employee defined benefit plans expense	20	24	61	73
Employer contributions to employee defined benefit plans	(17)	(9)	(52)	(44)
Interest paid, net	(145)	(196)	(411)	(471)
Income taxes paid, net of refunds	(20)	(49)	(199)	(157)
Share-based compensation	22	34	61	87
Restructuring and other costs, net of disbursements	(19)	42	(65)	45
Net gains and equity income from real estate joint venture developments	-	(171)	(3)	(171)
Non-cash gains from the sale of property, plant and equipment	(2)	(3)	(3)	(19)
Effect of contract asset, acquisition and fulfilment	(47)	(56)	(35)	(34)
Donation to TELUS Friendly Future Foundation in TELUS Common Shares		100		100
Other	-	-	6	-
Free Cash Flow	215	303	692	1,075
Spectrum	-	(1)	-	(1)
Dividends paid to holders of Common Shares	(269)	(293)	(813)	(850)
Cash payments for acquisitions and related investments	(82)	(34)	(560)	(285)
Real estate joint ventures	8	175	(1)	164
Working Capital and Other	127	(97)	(81)	(281)
Funds available for debt redemption	(1)	53	(763)	(178)
Net issuance of debt	118	(303)	819	102
Increase (decrease) in cash	117	(250)	56	(76)