



the future is friendly





# 2005

third quarter review & conference call  
November 10, 2005

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## Q3 2005 highlights

- Company demonstrated resilience of underlying business in face of labour disruption
- Solid TELUS consolidated results
  - Revenue  6%
  - EBITDA  3%
  - Net income  21%
  - Free cash flow  16%

## Q3 2005 highlights

- TELUS Mobility on strategy with continued excellent results
  - Revenue up 16% & EBITDA up 28%
  - Higher ARPU and lower churn
  - Improved COA efficiency
  - Cash flow\* up 49% to \$327 million
- TELUS Communications results impacted by non-recurring labour disruption
  - Revenue flat with data up 5%, LD down 5%
  - EBITDA down 14%
  - Cash flow\* of \$250 million

\* EBITDA less capex

# labour relations disruption impacts

- Emergency plan working extremely well
- 59% of Alberta union employees working
- Various expenses temporarily higher
- Temporary benefit to cash flow as capex deferred

# labour relations events update

- Oct 10 - TELUS & TWU reached tentative agreement supported by TWU leadership
  - 3 week ratification process of town hall meetings
- Oct 30 - TWU members vote narrowly against agreement
  - 53 vote difference of over 9,000 cast
- Nov 6 – tentative agreement supported by TWU leadership
  - Mail-in ballot process with vote result expected next week

# new product launches continuing

## TELUS Mobility's launching EVDO business applications

- National launch in five cities next week
- EVDO-capable products
  - Sierra Wireless AirCard 580
  - PDAs, e-mail devices, new data cards



## TELUS Communications expanding Future Friendly Home services

- TELUS TV moving to next stage with targeted roll-out this month



## summary

- 2005 guidance revisions demonstrate strength and resilience in spite of labour disruption
- Continued focus on returning capital to investors
  - December debt redemption \$1.6 billion
  - Share repurchases total \$742 million
  - Second step of dividend growth model with 37.5% increase for January 2006 payment