



2005





third quarter review & conference call
November 10, 2005

Robert McFarlane
EVP & Chief Financial Officer



Mobility segment

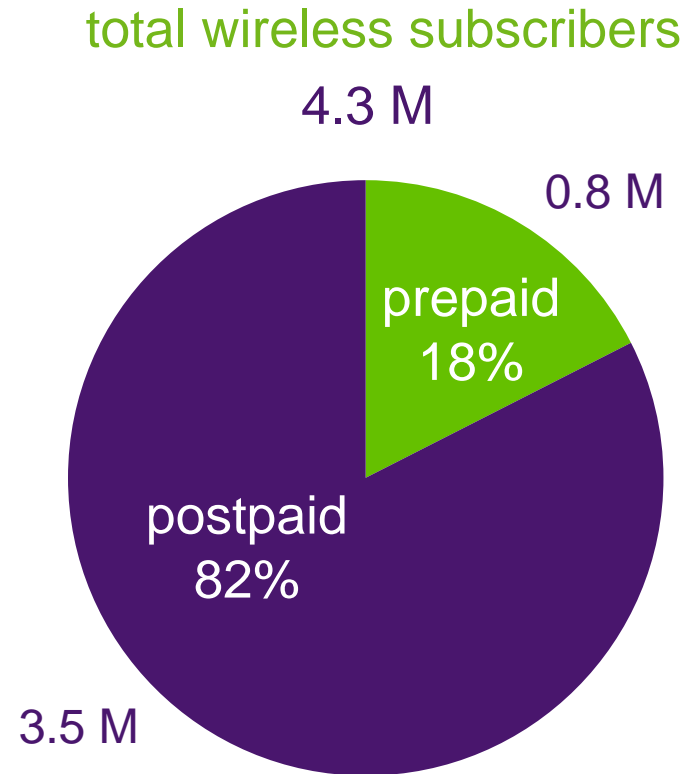
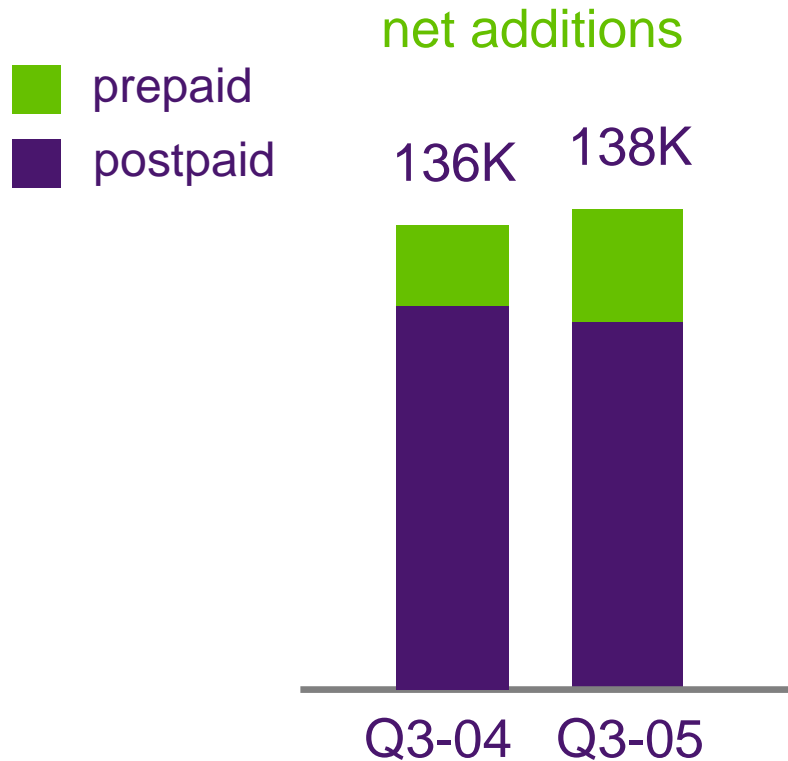
financial results

(\$M)	Q3-04	Q3-05	Change
Revenue	747	864	 16%
EBITDA ¹	324	414	 28%
Capex	103	87	 16%
Cash Flow (EBITDA less capex)	220	327	 49%

¹ Q3-05 EBITDA excluding \$3M net expense savings from labour disruption is \$411M, or 27% YoY growth. This excludes any revenue or indirect impacts of labour disruption.

Mobility segment

subscriber results



Mobility segment

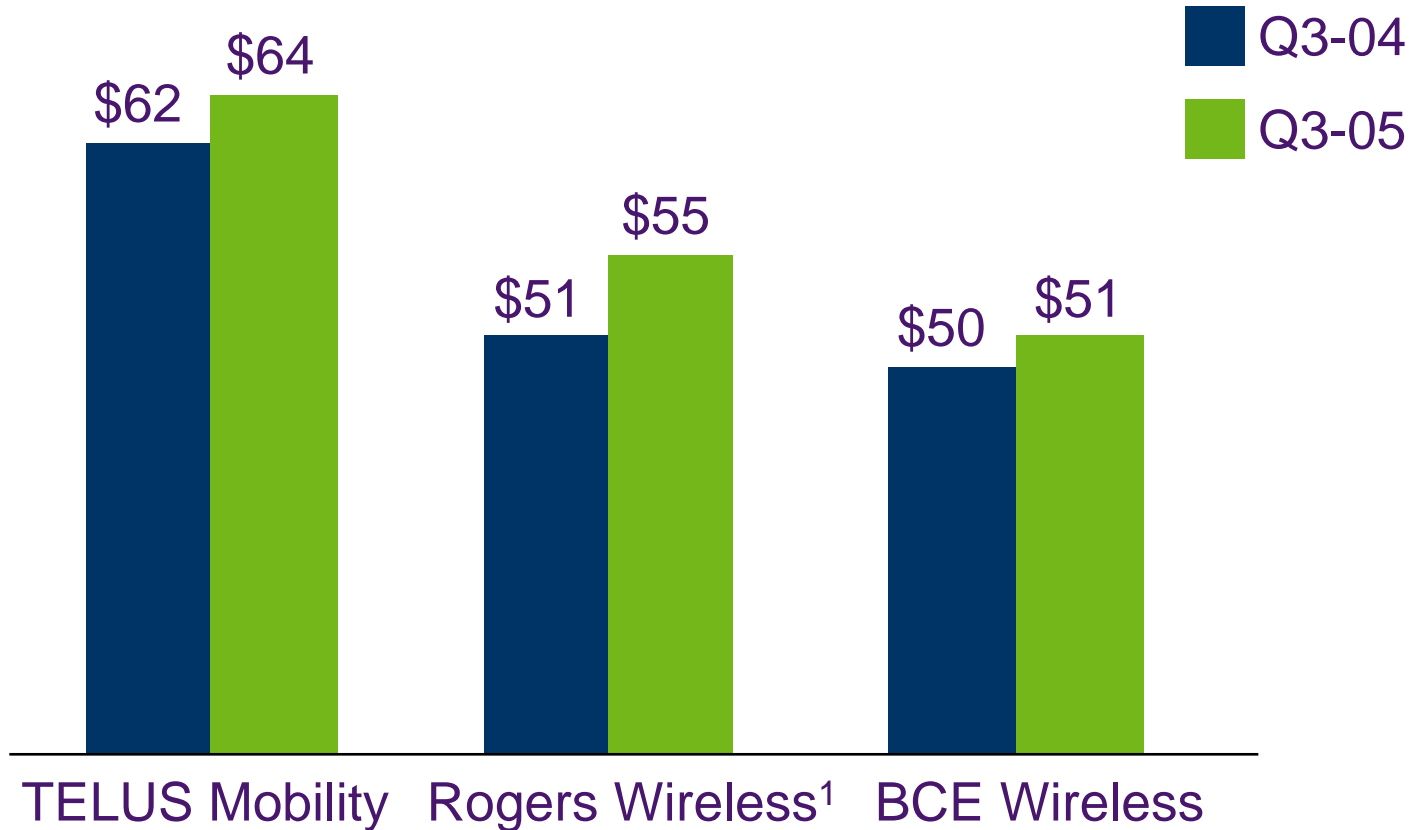
industry subscriber growth

12ME	Q3-04	Q3-05
Population	31.8M	32.3M
Net subscriber additions	1.5M	1.8M
Cdn wireless market	14.4M	16.2M
Penetration	45.2%	50.2%
Penetration gain	4.5%	5.0%

Source: Company reports, CWTA. Includes subscriber results for Bell Wireless Alliance, Rogers Wireless p.f. Microcell, and TELUS Mobility.

Mobility segment

industry ARPU








Source: Company reports

¹ Pro forma Microcell

Mobility segment

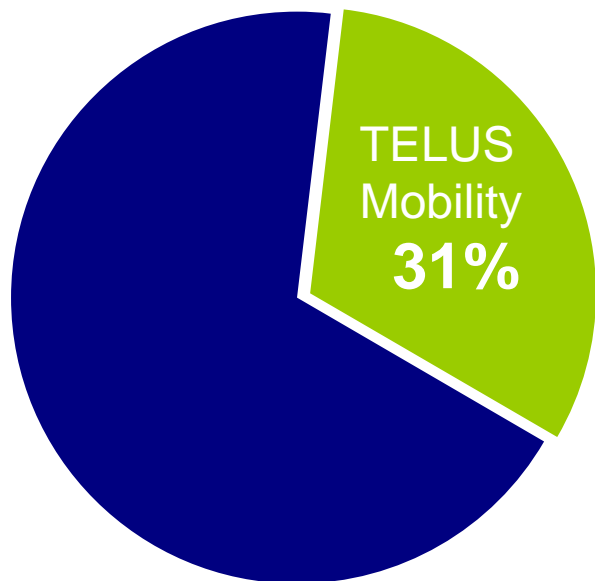
profitable growth

	Q3-04	Q3-05	Change
ARPU	\$62	\$64	 3.2%
Blended churn	1.34%	1.33%	 1 bps
COA per gross add	\$374	\$371	 0.8%
Avg. lifetime revenue per sub	\$4600	\$4800	 4.3%
COA / lifetime revenue	8.1%	7.7%	 40 bps

Mobility segment

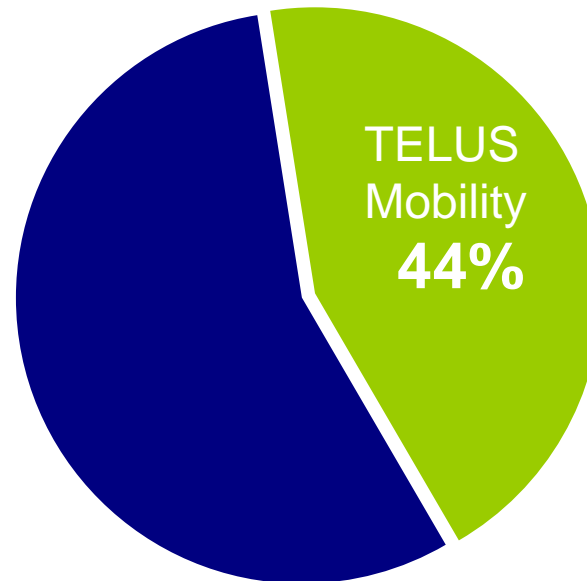
industry subscriber & EBITDA growth

**12ME Q3-05
net additions**



1.7M

**12ME Q3-05
EBITDA growth**



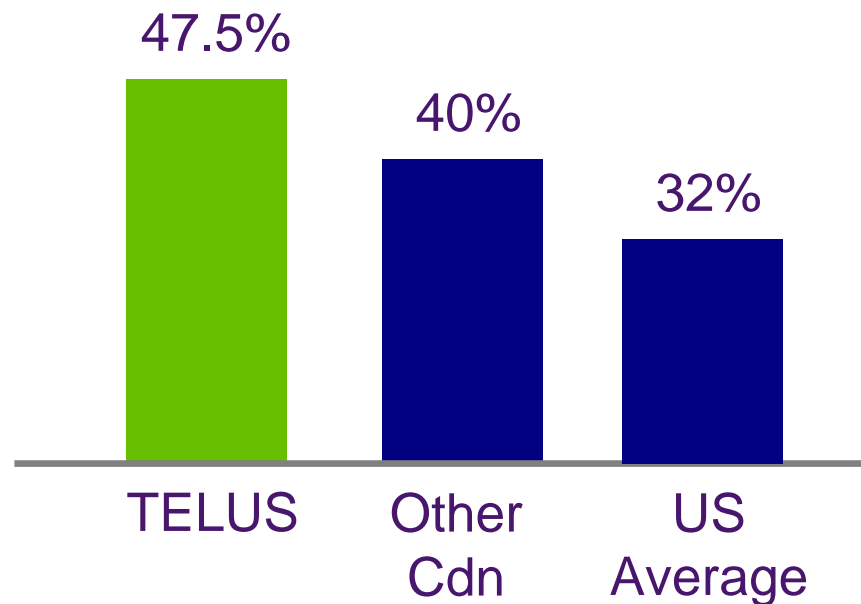
\$803M

Source: Company reports. EBITDA is sum of reported EBITDA for BCE, Rogers Wireless p.f. Microcell, and TELUS Mobility.

Mobility segment

leading North American performance

Q3-05 wireless EBITDA margins¹ (%)



Source: Company reports

¹ EBITDA divided by total revenue

Mobility segment

2005 guidance summary

	previous 2005 guidance ¹	updated 2005 guidance ²
Revenue	\$3.2 to \$3.25B	\$3.275 to 3.3B
EBITDA	\$1.375 to \$1.400B	\$1.425 to \$1.450B
Capex	approx. \$400M	no change
Wireless Net Adds	> 525K	no change

¹ Provided on August 5, 2005

² Updated November 10, 2005

Communications segment

revenue profile

(\$M)	Q3-04	Q3-05	Change
Voice – Local	538	542	↑ 0.7%
Voice – Long Distance	234	222	↓ 5.1%
Data	358	376	↑ 5.1%
Other	70	59	↓ 16%
Total Revenue	\$1,200	\$1,199	↓ 0.1%

Total wireline revenue remarkably stable despite labour disruption

Communications segment

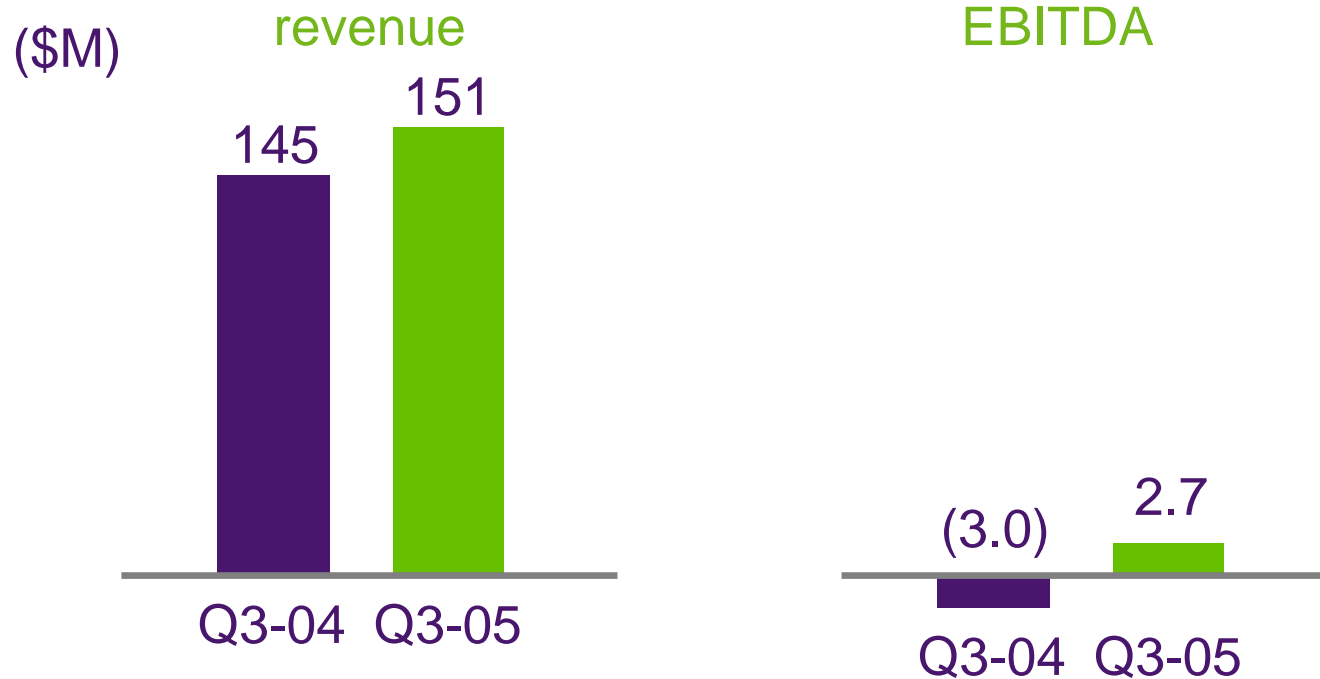
financial results

	Q3-04	Q3-05	Change
Revenue	\$1.20B	\$1.20B	-
EBITDA ¹	\$494M	\$426M	↓ 14%
Capex	\$216M	\$177M	↓ 18%
Cash Flow (EBITDA less capex)	\$278M	\$250M	↓ 10%

¹ Q3-05 EBITDA excluding \$68M net expense impact of labour disruption is \$494M, flat YoY. This excludes any revenue or indirect impacts of labour disruption.

Communications segment

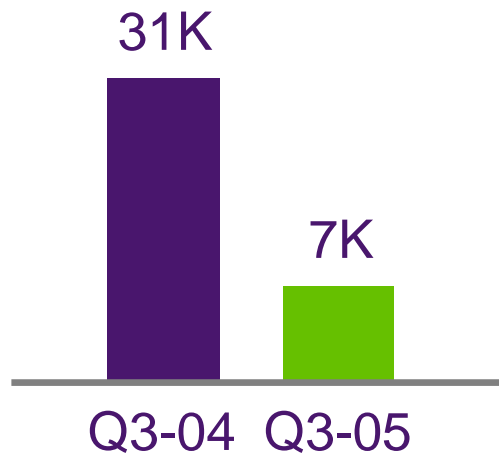
non-ILEC revenue & EBITDA



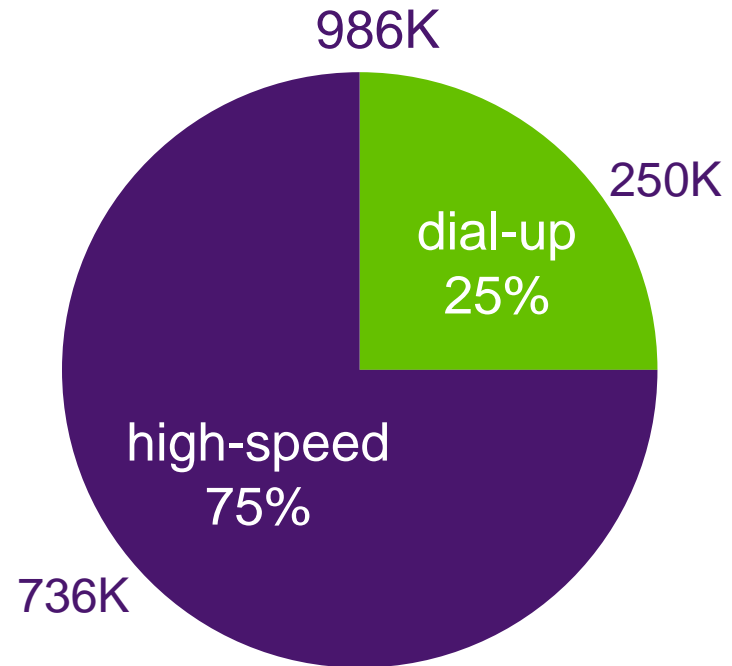
Communications segment

high-speed Internet subscriber growth

high-speed Internet
net additions



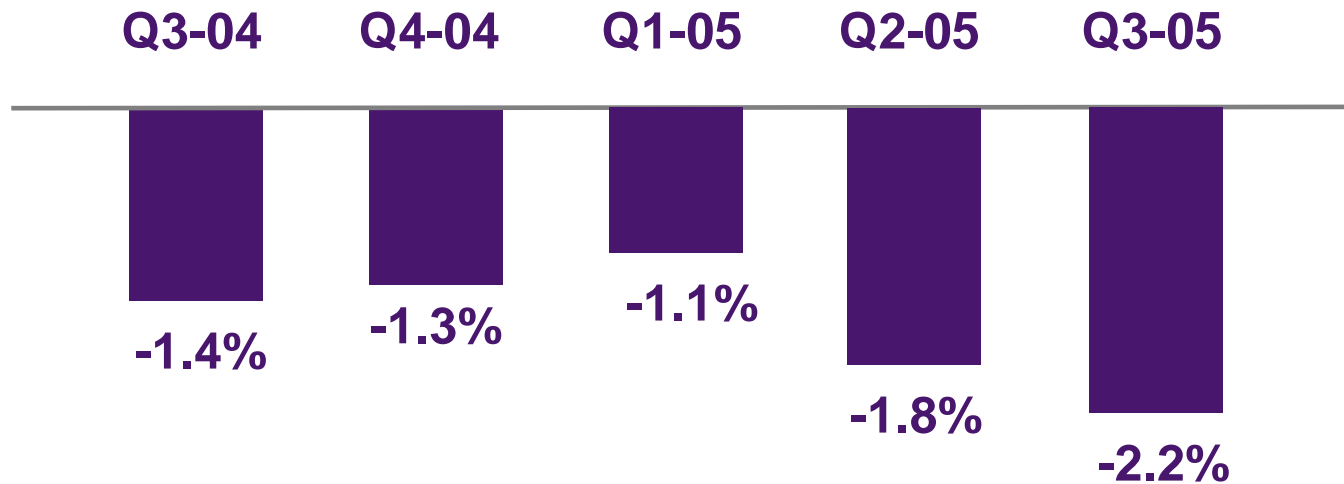
total Internet subscribers



Communications segment

network access line results

% of network access lines lost, YoY



NAL results impacted by labour disruption & increased competition

Communications segment

2005 guidance summary

	previous 2005 guidance ¹	updated 2005 guidance ²
Revenue	\$4.75 to \$4.80B	\$4.825 to \$4.85B
Non-ILEC Revenue	\$625 to \$650M	no change
EBITDA ³	\$1.875 to \$1.925B	\$1.80 to \$1.875B
Non-ILEC EBITDA	\$15 to \$20M	no change
Capex	approx. \$1.0B	approx. \$900M
High-Speed Net Adds	approx. 100K	approx. 65K

¹ Provided on August 5, 2005

² Updated November 10, 2005

³ Including restructuring & workforce reduction costs of \$20 to 50M

Changes reflect bullish revenue trends and one-time impacts from labour disruption

TELUS consolidated



financial results

	Q3-04	Q3-05	Change
Revenue	\$1.95B	\$2.06B	↑ 6.0%
EBITDA ¹	\$818M	\$840M	↑ 2.7%
EPS	\$0.44	\$0.53	↑ 20%
Capex	\$320M	\$263M	↓ 18%

¹ Q3-05 EBITDA excluding \$65M net expense impact of labour disruption is \$905M, or 11% YoY growth. This excludes any revenue or indirect impacts of labour disruption.

TELUS consolidated

EPS continuity

	Q3-04	Q3-05	Change	
EPS reported	\$0.44	\$0.53		20%
Tax related matters	-	(\$0.05)		
Restr. & workforce reduction	\$0.03	\$0.00		
Labour disruption impact	-	\$0.12		
EPS normalized	\$0.47	\$0.60		28%

TELUS consolidated

free cash flow

(\$M)	Q3-04	Q3-05
EBITDA	\$818	\$840
Capex	(320)	(263)
Net Cash Interest	(21)	(3)
Cash Restruct. Payments (in excess of expense)	7	(6)
Non-Cash Share Based Compensation	7	10
Net Cash Tax Recovery	12	3
Free Cash Flow	\$503	\$581

TELUS consolidated

return of capital update - share buy back

	<u>Q3-05</u>	<u>Since inception</u>		%
	No. of Shares Repurchased	No. of Shares Repurchased	Total Authorized	Repurchased vs. Auth. Since Inception
Common	2.5M	8.4M	14.0M	60%
Non-Voting	2.6M	9.6M	11.5M	83%
Total	5.1M	17.9M	25.5M	70%
Total cost	\$233M	\$742M		

return of capital update - dividend

- Quarterly dividend increased by 37.5% to 27.5 cents per share per quarter for Jan 1, 2006 payment
- Consistent with dividend growth approach, targeting a payout ratio guideline of 45 to 55% of sustainable net earnings

early redemption of Notes

- Issued notice of early redemption of \$1.6B 7.5% Series CA Notes due June 1, 2006
 - Payable December 1, 2005
 - Redemption price to be set Nov. 28/05 based on yield of GoC bond with equivalent maturity plus 35 bps

credit ratings & financial policy target update

	Previous Rating	Current Rating	Date of Change
Moody's	Baa3 (stable)	↑ Baa2 (stable)	June 27
S&P	BBB (positive)	↑ BBB+ (stable)	Sept 27
Fitch	BBB (positive)	↑ BBB+ (stable)	Oct 18
DBRS	BBB / BBB high (stable)	↑ BBB high/ A low (stable)	Oct 24

Long-term financial policy target

Net Debt : EBITDA

previous

new

≤2.2x

1.5 to 2.0x

2005 consolidated guidance summary

	previous 2005 guidance ¹	updated 2005 guidance ²
Revenue	\$7.950 to 8.050B	\$8.1 to 8.15B
EBITDA ³	\$3.250 to 3.325B	no change
EPS ⁴	\$1.85 to 2.05	\$1.90 to 2.00
Capex	approx. \$1.4B	approx. \$1.3B
Free Cash Flow	\$1.25 to 1.35B	\$1.4 to 1.5B

¹ Provided on August 5, 2005

² Updated November 10, 2005

³ Including restructuring & workforce reduction costs of \$20 to \$50M

⁴ Including favourable year-to-date impacts for tax related matters of \$0.21, and estimated Q4 impact of note redemption

2005 outlook reflects continued operating strength regardless of duration of labour disruption

questions?



2005

third quarter review

investor relations

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definitions

- **EBITDA:** Earnings, after restructuring and workforce reduction costs, before interest, taxes, depreciation and amortization
- **Capital intensity:** capex divided by total revenue
- **Cash flow:** EBITDA less capex
- **Free Cash Flow:** EBITDA, adding Restructuring and workforce reduction costs, cash interest received and excess of share compensation expense over share compensation payments, subtracting cash interest paid, cash taxes, capital expenditures, and cash restructuring payments