

annual consolidated financials

TELUS Consolidated					
Income statement (millions)	2004	2003	2002	2001	2000
Operating revenues	\$ 7,581.2	\$ 7,146.0	\$ 7,006.7	\$ 7,080.5	\$ 5,998.4
Operations expense	4,438.0	4,301.9	4,488.1	4,550.9	3,684.1
Restructuring and workforce reduction costs	52.6	28.3	569.9	198.4	–
EBITDA	3,090.6	2,815.8	1,948.7	2,331.2	2,314.3
Depreciation and amortization	1,643.1	1,652.8	1,570.3	1,494.2	1,182.0
Operating income from continuing operations	1,447.5	1,163.0	378.4	837.0	1,132.3
Other expense (income), net	8.7	23.3	42.7	(17.0)	8.7
Financing costs	613.3	639.3	615.3	636.8	276.0
Refinancing charge from debt restructuring	–	–	–	96.5	–
Income (loss) from continuing operations before income taxes, non-controlling interest and goodwill amortization	825.5	500.4	(279.6)	120.7	847.6
Income taxes (recovery)	255.1	172.7	(46.9)	88.1	430.7
Non-controlling interest	4.6	3.3	3.1	3.6	8.7
Goodwill amortization	–	–	–	174.8	23.4
Income (loss) from continuing operations	565.8	324.4	(235.8)	(145.8)	384.8
Income from discontinued operations	–	–	–	592.3	74.7
Net income (loss)	565.8	324.4	(235.8)	446.5	459.5
Preference and preferred share dividends	1.8	3.5	3.5	3.5	3.5
Common share and non-voting share income (loss)	\$ 564.0	\$ 320.9	\$ (239.3)	\$ 443.0	\$ 456.0
Share information ¹	2004	2003	2002	2001	2000
Basic weighted average shares outstanding (millions)	355.3	349.3	317.9	294.2	247.0
Year-end shares outstanding (millions)	358.5	351.8	345.7	302.2	287.1
Basic earnings per share	\$ 1.58	\$ 0.92	\$ (0.75)	\$ 1.51	\$ 1.85
Dividends declared per share	\$ 0.65	\$ 0.60	\$ 0.60	\$ 1.20	\$ 1.40
Balance sheet (millions)	2004	2003	2002	2001	2000
Capital assets, at cost	\$26,631.9	\$25,778.2	\$25,037.3	\$23,888.4	\$21,782.5
Accumulated depreciation and amortization	15,410.9	14,214.6	13,062.8	11,128.6	10,251.5
Total assets	17,838.0	17,477.5	18,219.8	19,265.6	18,046.5
Total capitalization ²	13,516.4	14,102.4	14,713.7	15,677.5	14,473.1
Net debt ³	6,477.7	7,570.5	8,409.1	8,823.4	8,121.2
Long-term debt	6,332.2	6,609.8	8,336.6	8,792.2	3,188.1
Total shareholders' equity	7,025.6	6,521.2	6,293.4	6,846.1	6,277.6

1 Common shares and non-voting shares.

2 Net debt plus Non-controlling interest plus Total shareholders' equity.

3 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.

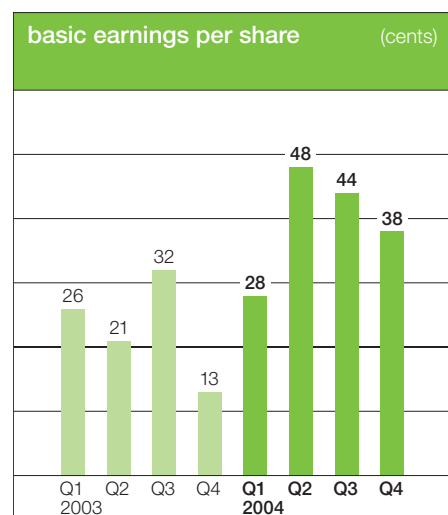
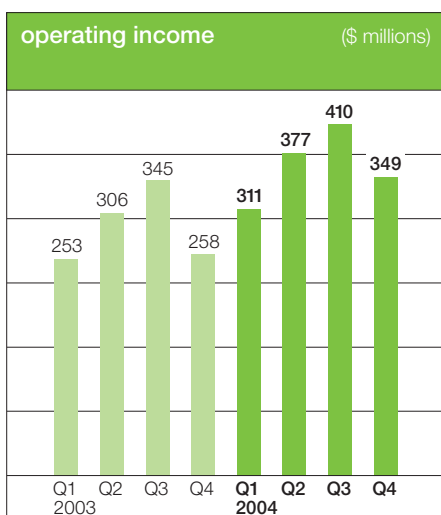
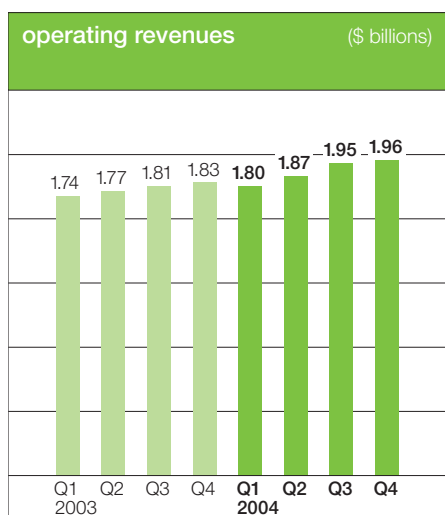
Note: Certain comparative financial information has been reclassified to conform with the 2004 presentation.

quarterly consolidated financials

TELUS Consolidated								
Income statement (millions)	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003
Operating revenues	\$1,964.9	\$1,946.9	\$1,865.6	\$1,803.8	\$1,825.6	\$1,806.2	\$1,773.3	\$1,740.9
Operations expense	1,178.5	1,112.8	1,080.1	1,066.6	1,126.6	1,051.7	1,053.5	1,070.1
Restructuring and workforce reduction costs	19.8	16.2	0.7	15.9	16.2	2.3	3.3	6.5
EBITDA	766.6	817.9	784.8	721.3	682.8	752.2	716.5	664.3
Depreciation and amortization	417.5	407.6	407.6	410.4	424.4	407.2	410.1	411.1
Operating income	349.1	410.3	377.2	310.9	258.4	345.0	306.4	253.2
Other expense (income), net	8.7	(3.2)	2.0	1.2	3.5	7.6	6.6	5.6
Financing costs	152.8	158.6	156.9	145.0	163.7	139.3	172.0	164.3
Income before income taxes and non-controlling interest	187.6	254.9	218.3	164.7	91.2	198.1	127.8	83.3
Income taxes (recovery)	50.4	97.2	44.9	62.6	42.8	83.0	53.8	(6.9)
Non-controlling interest	1.6	1.1	1.1	0.8	0.6	1.0	1.0	0.7
Net income	135.6	156.6	172.3	101.3	47.8	114.1	73.0	89.5
Preference and preferred share dividends	–	0.1	0.8	0.9	0.9	0.9	0.8	0.9
Common share and non-voting share income	\$ 135.6	\$ 156.5	\$ 171.5	\$ 100.4	\$ 46.9	\$ 113.2	\$ 72.2	\$ 88.6

Share information ¹	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003
Basic weighted average shares outstanding (millions)	358.0	355.7	354.3	353.1	351.5	350.1	348.6	346.8
Period-end shares outstanding (millions)	358.5	356.3	354.7	353.7	351.8	350.4	349.0	347.3
Basic earnings per share	\$ 0.38	\$ 0.44	\$ 0.48	\$ 0.28	\$ 0.13	\$ 0.32	\$ 0.21	\$ 0.26
Dividends declared per share	\$ 0.20	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15

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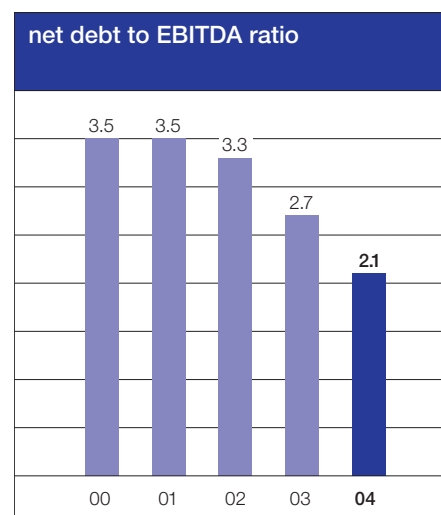
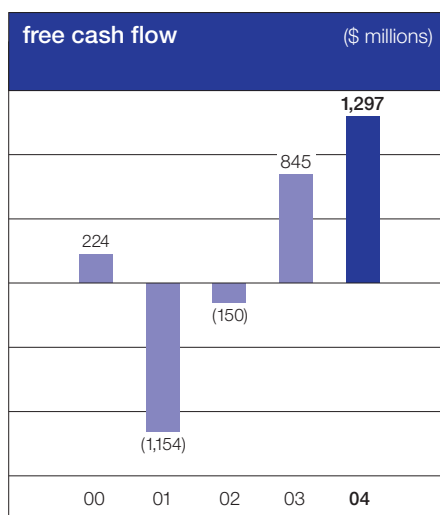
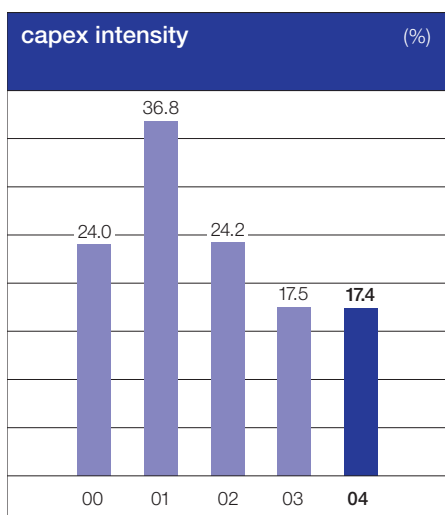
annual operating statistics

Consolidated	2004	2003	2002	2001	2000
Cash flow statement information					
Cash provided by operating activities (millions)	\$ 2,538.1	\$ 2,133.8	\$ 1,730.8	\$ 1,390.2	\$ 1,619.3
Cash used by investing activities (millions)	\$ (1,299.5)	\$ (1,197.8)	\$ (1,691.1)	\$ (1,821.3)	\$ (3,831.1)
Cash provided (used) by financing activities (millions)	\$ (348.3)	\$ (920.8)	\$ (65.8)	\$ 348.0	\$ 2,344.3
Performance indicators					
Net income (loss) (millions)	\$ 565.8	\$ 324.4	\$ (235.8)	\$ 446.5	\$ 459.5
Dividend payout ¹	41%	65%	n.m.	79%	76%
Return on common equity ²	8.4%	5.1%	(3.8%)	6.9%	9.6%
Return on assets ³	14.2%	12.2%	9.5%	7.2%	9.0%
EBITDA interest coverage ratio ⁴	5.1	4.4	3.6	4.0	10.5
Free cash flow (millions) ⁵	\$ 1,297.3	\$ 844.9	\$ (149.7)	\$ (1,154.0)	\$ 223.7
Net debt to EBITDA ratio ⁶	2.1	2.7	3.3	3.5	3.5
Net debt to total capitalization	47.9%	53.7%	57.2%	56.3%	56.1%
Capital expenditures (millions)	\$ 1,319.0	\$ 1,252.7	\$ 1,697.9	\$ 2,605.3	\$ 1,441.3
Capex intensity ⁷	17.4%	17.5%	24.2%	36.8%	24.0%
Other					
Total employees, continuing operations	25,798	24,719	25,752	30,701	29,122
Full-time equivalent (FTE) employees	24,754	23,817	24,829	-	-
EBITDA per average FTE employees (000s) ⁸	\$ 128.9	\$ 117.8	\$ 89.9	-	-
Total salaries and benefits (millions)	\$ 1,938.2	\$ 1,883.2	\$ 1,995.7	\$ 1,954.4	\$ 1,643.6

n.m. – not meaningful

- Dividends declared per share divided by Basic earnings per share. Quarterly ratios are calculated on a 12-month trailing basis.
- Common share and non-voting share income over the average quarterly common equity for the 12-month period. Quarterly ratios are calculated on a 12-month trailing basis.
- Cash provided by operating activities divided by total assets. Quarterly ratios are based on a 12-month trailing cash flow provided by operating activities.
- EBITDA excluding Restructuring and workforce reduction costs, divided by Financing costs before gains on redemption and repayment of debt, calculated on a 12-month trailing basis.
- EBITDA, adding Restructuring and workforce reduction costs, cash interest received and excess of share compensation expense over share compensation payments, less cash interest paid, cash taxes, capital expenditures, and cash restructuring payments.
- Net debt at the end of the period divided by 12-month trailing EBITDA (excluding restructuring).
- Capital expenditures divided by operating revenues.
- EBITDA excluding Restructuring and workforce reduction costs, divided by average FTE employees. Quarterly ratios are annualized.

Note: Certain comparative financial information has been reclassified to conform with the 2004 presentation.

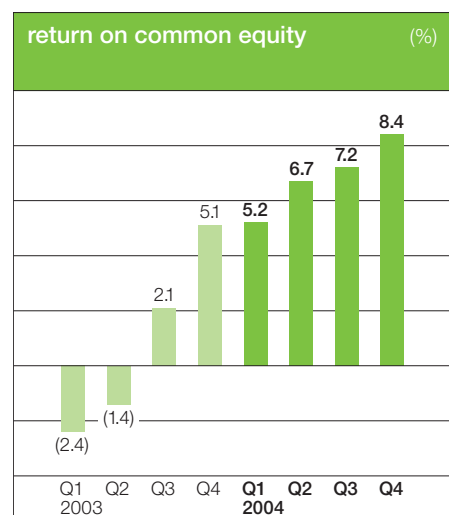
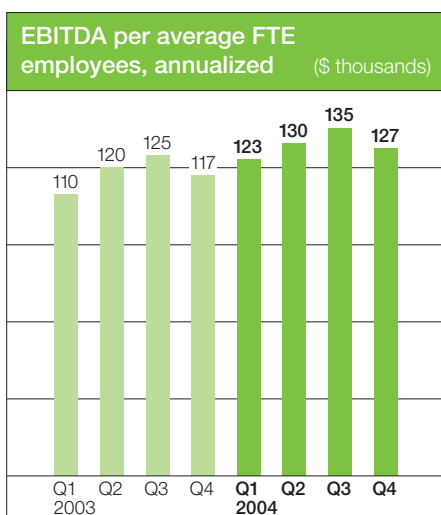
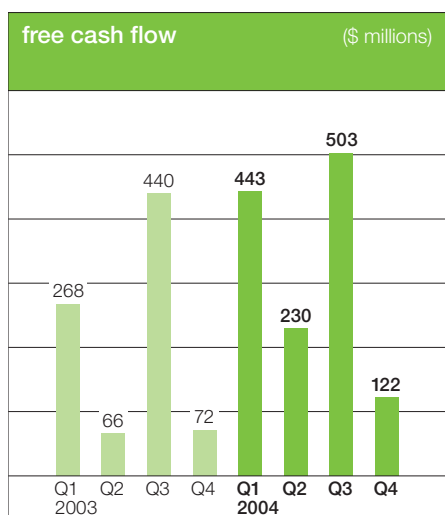


quarterly operating statistics

Consolidated	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003
Cash flow statement information								
Cash provided by operating activities (millions)	\$ 613.8	\$ 847.2	\$ 489.0	\$ 588.1	\$ 409.8	\$ 849.7	\$ 469.6	\$ 404.7
Cash used by investing activities (millions)	\$ (342.8)	\$ (316.5)	\$ (341.6)	\$ (298.6)	\$ (421.4)	\$ (307.8)	\$ (286.0)	\$ (182.6)
Cash provided (used) by financing activities (millions)	\$ 3.3	\$ (266.2)	\$ (63.2)	\$ (22.2)	\$ (84.5)	\$ (456.2)	\$ (174.4)	\$ (205.7)
Performance indicators								
Net income (millions)	\$ 135.6	\$ 156.6	\$ 172.3	\$ 101.3	\$ 47.8	\$ 114.1	\$ 73.0	\$ 89.5
Dividend payout ¹	41%	45%	50%	64%	65%	158%	n.m.	n.m.
Return on common equity ²	8.4%	7.2%	6.7%	5.2%	5.1%	2.1%	(1.4%)	(2.4%)
Return on assets ³	14.2%	13.2%	13.3%	13.2%	12.2%	11.9%	11.6%	10.3%
EBITDA interest coverage ratio ⁴	5.1	4.9	4.9	4.7	4.4	4.4	4.0	3.8
Free cash flow (millions) ⁵	\$ 121.9	\$ 502.6	\$ 229.5	\$ 443.3	\$ 71.5	\$ 440.3	\$ 65.5	\$ 267.6
Net debt to EBITDA ratio ⁶	2.1	2.2	2.4	2.5	2.7	2.7	3.0	3.2
Net debt to total capitalization	47.9%	49.7%	51.9%	52.7%	53.7%	53.7%	55.7%	56.3%
Capital expenditures (millions)	\$ 343.4	\$ 319.8	\$ 346.1	\$ 309.7	\$ 435.4	\$ 304.0	\$ 305.5	\$ 207.8
Capex intensity ⁷	17.5%	16.4%	18.6%	17.2%	23.8%	16.8%	17.2%	11.9%
Other								
Total employees, continuing operations	25,798	25,464	25,406	24,885	24,719	24,901	24,713	25,026
Full-time equivalent (FTE) employees	24,754	24,538	24,521	23,892	23,817	24,112	23,956	24,236
EBITDA per average FTE employees, annualized (000s) ⁸	\$ 127.4	\$ 135.4	\$ 129.5	\$ 123.1	\$ 116.8	\$ 124.6	\$ 120.1	\$ 109.6
Total salaries and benefits (millions)	\$ 502.6	\$ 490.3	\$ 478.8	\$ 466.5	\$ 464.9	\$ 467.8	\$ 476.3	\$ 474.2

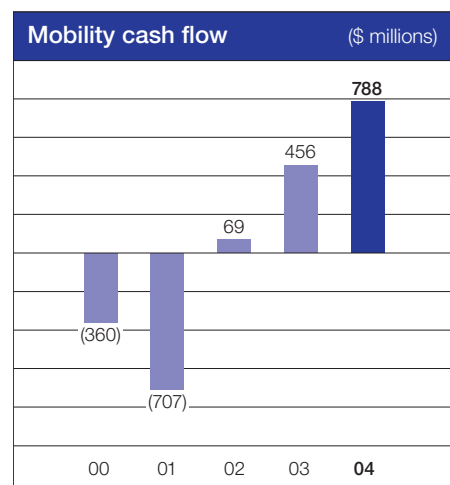
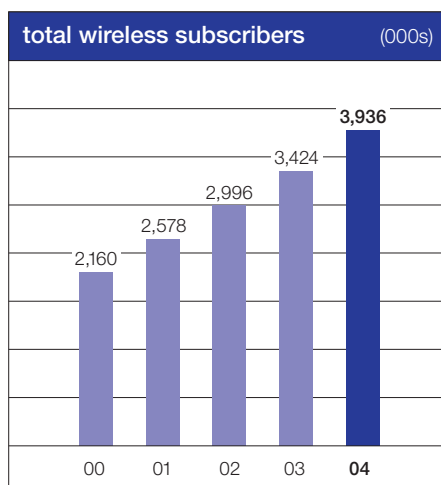
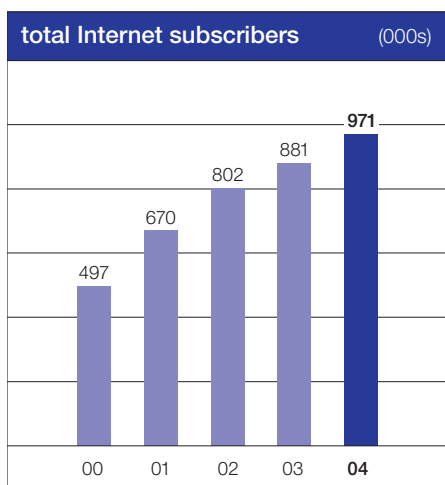
n.m. – not meaningful

Note: Certain comparative financial information has been reclassified to conform with the 2004 presentation.



annual segmented statistics

	2004	2003	2002	2001	2000
Communications segment					
Operating revenues (millions)	\$4,865.9	\$4,880.9	\$5,084.6	\$5,359.5	\$4,919.3
Operations expense (millions)	\$2,864.9	\$2,852.2	\$3,100.8	\$3,185.7	\$2,912.4
Restructuring and workforce reduction costs (millions)	\$ 52.6	\$ 28.3	\$ 563.4	\$ 135.4	–
EBITDA (millions)	\$1,948.4	\$2,000.4	\$1,420.4	\$2,038.4	\$2,006.9
Capital expenditures (millions)	\$ 964.3	\$ 892.8	\$1,238.2	\$1,605.8	\$1,218.4
Cash flow (millions) ¹	\$ 984.1	\$1,107.6	\$ 182.2	\$ 432.6	\$ 788.5
Network access lines in service (000s)	4,808	4,870	4,911	4,967	4,944
Net additions (losses) dial-up Internet subscribers (000s) ²	(38.2)	(71.9)	(63.4)	41.8	125.5
Dial-up Internet subscribers (000s) ²	281.6	319.8	391.7	455.1	413.2
Net additions high-speed Internet subscribers (000s) ²	128.1	151.6	195.2	131.2	57.9
High-speed Internet subscribers (000s) ²	689.7	561.6	410.0	214.8	83.6
Total employees, continuing operations	19,500	19,029	20,332	25,545	24,165
Full-time equivalent (FTE) employees	18,839	18,430	19,668	–	–
EBITDA ³ per average FTE employees (000s)	\$ 106.3	\$ 106.6	\$ 86.6	\$ –	\$ –
Mobility segment (proforma for 2000)					
Operating revenues (millions)	\$2,833.4	\$2,375.3	\$2,034.9	\$1,825.9	\$1,617.2
Operations expense (millions)	\$1,691.2	\$1,559.9	\$1,500.1	\$1,470.1	\$1,443.8
Restructuring and workforce reduction costs (millions)	\$ –	\$ –	\$ 6.5	\$ 63.0	\$ –
EBITDA (millions)	\$1,142.2	\$ 815.4	\$ 528.3	\$ 292.8	\$ 173.4
EBITDA ³ excluding COA (millions)	\$1,578.0	\$1,240.0	\$ 944.0	\$ 782.4	\$ –
Capital expenditures (millions)	\$ 354.7	\$ 359.9	\$ 459.7	\$ 999.5	\$ 533.7
Cash flow (millions) ¹	\$ 787.5	\$ 455.5	\$ 68.6	\$ (706.7)	\$ (360.3)
Net additions wireless subscribers (000s) ⁴	512.4	431.1	417.8	417.5	474.1
Gross additions wireless subscribers (000s)	1,120.7	987.2	1,016.9	984.6	924.2
Wireless subscribers (000s) ⁴	3,936.4	3,424.0	2,995.5	2,577.7	2,160.2
Penetration rate ⁵	12.9%	11.5%	10.9%	10.5%	9.1%
Wireless market share, subscriber based	26.1%	25.5%	25.0%	24.1%	24.5%
Average monthly revenue per subscriber unit (ARPU) ⁶	\$ 60	\$ 57	\$ 55	\$ 57	\$ 59
Average minutes per subscriber per month (MOU)	384	350	290	270	271
COA per gross addition ⁶	\$ 389	\$ 430	\$ 425	\$ 446	\$ –
Monthly churn rate ⁶	1.4%	1.5%	1.8%	2.0%	2.0%
Population coverage – digital (millions) ⁷	30.0	29.5	27.4	24.2	22.6
Total employees, continuing operations	6,298	5,690	5,420	5,156	4,957
Full-time equivalent (FTE) employees	5,915	5,387	5,161	4,851	–
EBITDA ³ per average FTE employees (000s)	\$ 205.0	\$ 159.2	\$ 104.3	\$ –	\$ –



quarterly segmented statistics

	Q4 2004	Q3 2004	Q2 2004	Q1 2004	Q4 2003	Q3 2003	Q2 2003	Q1 2003
Communications segment								
Operating revenues (millions)	\$1,233.9	\$1,224.8	\$1,211.1	\$1,196.1	\$1,205.5	\$1,210.9	\$1,232.6	\$1,231.9
Operations expense (millions)	\$ 732.2	\$ 714.2	\$ 711.8	\$ 706.7	\$ 696.5	\$ 701.9	\$ 714.1	\$ 739.7
Restructuring and workforce reduction costs (millions)	\$ 19.8	\$ 16.2	\$ 0.7	\$ 15.9	\$ 16.2	\$ 2.3	\$ 3.3	\$ 6.5
EBITDA (millions)	\$ 481.9	\$ 494.4	\$ 498.6	\$ 473.5	\$ 492.8	\$ 506.7	\$ 515.2	\$ 485.7
Capital expenditures (millions)	\$ 220.8	\$ 216.4	\$ 267.7	\$ 259.4	\$ 303.0	\$ 208.9	\$ 227.4	\$ 153.5
Cash flow (millions) ¹	\$ 261.1	\$ 278.0	\$ 230.9	\$ 214.1	\$ 189.8	\$ 297.8	\$ 287.8	\$ 332.2
Network access lines in service (000s)	4,808	4,817	4,827	4,848	4,870	4,883	4,887	4,913
Net losses dial-up Internet subscribers (000s) ²	(11.1)	(8.0)	(8.4)	(10.7)	(13.9)	(18.1)	(20.3)	(19.6)
Dial-up Internet subscribers (000s) ²	281.6	292.7	300.7	309.1	319.8	333.7	351.8	372.1
Net additions high-speed Internet subscribers (000s) ²	34.8	30.6	19.1	43.6	45.5	47.2	26.7	32.1
High-speed Internet subscribers (000s) ²	689.7	654.9	624.3	605.2	561.6	516.0	468.8	442.1
Total employees, continuing operations	19,500	19,493	19,640	19,197	19,029	19,497	19,459	19,734
Full-time equivalent (FTE) employees	18,839	18,857	19,036	18,522	18,430	18,937	18,923	19,215
EBITDA ³ per average FTE employees, annualized (000s)	\$ 106.5	\$ 107.4	\$ 106.1	\$ 105.4	\$ 109.2	\$ 106.6	\$ 109.5	\$ 101.3
Mobility segment								
Operating revenues (millions)	\$ 761.9	\$ 752.0	\$ 682.2	\$ 637.3	\$ 647.3	\$ 623.9	\$ 568.0	\$ 536.1
Operations expense (millions)	\$ 477.2	\$ 428.5	\$ 396.0	\$ 389.5	\$ 457.3	\$ 378.4	\$ 366.7	\$ 357.5
EBITDA (millions)	\$ 284.7	\$ 323.5	\$ 286.2	\$ 247.8	\$ 190.0	\$ 245.5	\$ 201.3	\$ 178.6
EBITDA ³ excluding COA (millions)	\$ 429.1	\$ 429.6	\$ 383.2	\$ 336.1	\$ 336.0	\$ 340.6	\$ 297.3	\$ 266.1
Capital expenditures (millions)	\$ 122.6	\$ 103.4	\$ 78.4	\$ 50.3	\$ 132.4	\$ 95.1	\$ 78.1	\$ 54.3
Cash flow (millions) ¹	\$ 162.1	\$ 220.1	\$ 207.8	\$ 197.5	\$ 57.6	\$ 150.4	\$ 123.2	\$ 124.3
Net additions wireless subscribers (000s) ⁴	186.4	136.2	113.7	76.1	166.0	100.6	102.8	66.7
Gross additions wireless subscribers (000s)	352.1	283.8	254.5	230.3	323.2	234.1	224.2	205.7
Wireless subscribers (000s) ⁴	3,936.4	3,750.0	3,613.8	3,500.1	3,424.0	3,265.6	3,165.1	3,062.2
Penetration rate ⁵	12.9%	12.4%	11.9%	11.7%	11.5%	11.2%	11.2%	10.9%
Wireless market share, subscriber based	26.1%	26.1%	26.0%	25.6%	25.5%	25.5%	25.4%	25.1%
Average monthly revenue per subscriber unit (ARPU)	\$ 61	\$ 62	\$ 59	\$ 57	\$ 59	\$ 60	\$ 56	\$ 54
Average minutes per subscriber per month (MOU)	390	393	390	362	373	367	342	315
COA per gross addition	\$ 410	\$ 374	\$ 381	\$ 383	\$ 452	\$ 406	\$ 428	\$ 425
Monthly churn rate ⁶	1.5%	1.3%	1.3%	1.5%	1.6%	1.4%	1.3%	1.5%
Population coverage – digital (millions) ⁷	30.0	29.7	29.7	29.5	29.5	29.0	28.0	27.9
Total employees, continuing operations	6,298	5,971	5,766	5,688	5,690	5,404	5,254	5,292
Full-time equivalent (FTE) employees	5,915	5,681	5,485	5,370	5,387	5,175	5,033	5,021
EBITDA ³ per average FTE employees, annualized (000s)	\$ 194.8	\$ 230.4	\$ 210.5	\$ 184.2	\$ 143.2	\$ 191.8	\$ 160.1	\$ 142.1

1 EBITDA less capital expenditures.

2 As a result of subscriber audit following a billing system conversion in the third quarter of 2002, Internet subscriber counts and net additions for the first six months of 2003 are net of reductions of approximately 13,000 dial-up subscribers and approximately 4,700 high-speed Internet subscribers.

3 EBITDA excluding Restructuring and workforce reduction costs.

4 Based on an audit of the prepaid platform in the fourth quarter of 2003, a one-time adjustment was made to the prepaid subscriber base. Cumulative subscribers were reduced by approximately 7,600 in the period. Of the 7,600, net additions as recorded for 2003 reflected a 5,000 adjustment for current year deactivations. Management believes the deactivations related to a prior period are immaterial and therefore net additions have not been restated. Furthermore, 2003 churn was calculated to reflect the 5,000 deactivations in the current year.

5 Subscribers divided by total population coverage.

6 Subscribers, churn, average monthly revenue per subscriber unit and marketing cost of acquisition per gross addition for 2000 have been adjusted to reflect definitional alignment between TELUS Mobility (pre-acquisitions), Clearnet and QuébecTel Mobilité. This includes a decrease of approximately 13,100 to the December 31, 2000 postpaid subscriber total partly offset by an increase of 4,100 to reflect inclusion of cellular digital packet data (CDPD) subscribers not previously counted. Marketing cost of acquisition as adjusted includes rebranding, retention and migration costs.

7 Includes expanded coverage due to roaming/resale agreements principally with Bell Mobility and Aliant Telecom Wireless of approximately 7.5 million PCS POPs.