

TELUS Mobility

With two national digital wireless services, world-class customer satisfaction levels, superior network performance, and innovative products and services, TELUS Mobility is uniquely positioned to offer the right wireless solution to our customers. At TELUS Mobility, the future is friendly...

...with leading wireless performance

For TELUS Mobility, 2004 was a year when all elements of our operations came together to produce exceptional results. With a continued focus on profitable subscriber growth and superior customer satisfaction, we demonstrated world-class operational and financial performance, placing us at the forefront of the North American wireless industry.

During 2004, we increased our subscriber base by 15 per cent, ending the year with more than 3.9 million wireless customers. We continued to concentrate our efforts on attracting and keeping the industry's highest-value customers, which resulted in a Canadian-best average revenue per subscriber unit (ARPU) of \$60 per month in 2004, up from \$57 per month in 2003. TELUS Mobility's ARPU remains at approximately a 20 per cent premium over our Canadian peers. Overall usage continued to climb, with monthly average minutes of use up 10 per cent in 2004, suggesting Canadians continue to see increased benefits from wireless phones.

Our intense focus on customer care and vigorous loyalty and retention programs also resulted in one of the lowest churn rates in the global wireless industry. Our 2004 churn rate was just 1.4 per cent.

...as wireless data demand accelerates

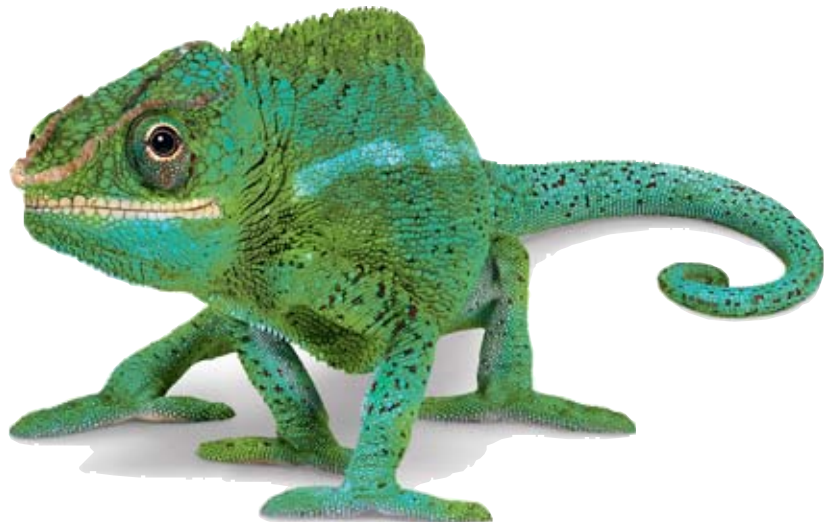
Wireless phones are not just for phone calls. We are providing data services to the business and enterprise market, with a focus on value-added services, unique data devices and the Mike network. Consumers are now sending text, picture and video messages; downloading the latest ringtones, images and interactive games; and surfing the World Wide Web more than ever before.

Picture messaging is increasingly popular with our customers, thanks to the personalized online photo albums that allow them to snap, save and send their photos. By the end of 2004, our customers were sending hundreds of thousands of photos each month, many with sound, voice and text messages attached. New for 2004 was a video messaging service, letting TELUS customers share business or personal videos instantly with colleagues, friends and family.

TELUS Mobility also brings fast mobile Internet access to Canadian business travellers. In addition to our 1X network offering coast-to-coast data solutions, we now operate approximately 200 Wi-Fi Hotspots in high-traffic locations across Canada, including office complexes, hotels, conference centres and certain international airports.

...with TELUS Mobility phones that do more

With the powerful Push To Talk (PTT) capabilities of Direct Connect, TELUS Mobility's Mike iDEN network has become the differentiated wireless service of choice for Canadian business, ranging from the largest enterprise and public-sector accounts



to small business. We underlined our leadership in the PTT market with the January 2005 introduction of Instant Talk, a service that brings the advantages of instant communication to consumers on our national CDMA network.

We continue to be a leader in wireless data by introducing innovative phones with extensive data capabilities as well as the infrastructure that allows customers to use those devices to their full advantage. TELUS Mobility now offers a broad range of data-capable phones – from Canada's first megapixel camera and the newest video phones to Java-capable handsets that provide the latest in mobile gameplay.

With our two digital networks, we also took the lead with powerful BlackBerry devices from Research in Motion (RIM). TELUS Mobility's offering includes the BlackBerry 7510, the first such device in Canada to operate on the powerful all-in-one Mike iDEN network for business and the first BlackBerry with a speakerphone.

Personalizing wireless phones is an increasingly popular trend, particularly in the youth market. With thousands of ringtones, voicetones and screen savers available from TELUS Mobility, customers can personalize their phones to reflect their own style.

TELUS Mobility took phone personalization a step further by introducing a broad roster of phones in vibrant colours, others that allow further customization with interchangeable faceplates, and phone pouches and holsters in a variety of colours.

...with service standards that are second to none

To meet the increasing demand to provide self-serve options, we added further enhancements to our portal, mytelusmobility.com. Customers have greater flexibility in managing their own

accounts and customizing their wireless products, and can go online to buy, activate and personalize their wireless phones – 24 hours a day.

With a strong focus on the customer, TELUS Mobility operates client care call centres across Canada, the newest of which was opened in the fast-growing community of Barrie, Ontario. During 2004, we opened 15 new TELUS Mobility flagship retail stores, bringing our total to more than 100 corporate stores. Our roster of national retail locations from Vancouver Island to Newfoundland grew to 2,500.

...as we continuously reach more and more Canadians

We continued to expand and enhance our 1X digital wireless network across Canada in 2004. For example, in Quebec we completed a \$4.5 million expansion that enhanced coverage in high-growth areas of the province. We also continued our B.C. Heartland Expansion program in 2004, adding further coverage to 10 small and remote communities in British Columbia.

Mike coverage continued to grow as well with the addition of coverage in Nova Scotia, allowing customers to use Mike's Direct Connect service from sea to sea.

In May, we joined with Nextel Communications to announce a cross-border walkie-talkie service that enables customers to use Direct Connect service across Canada and the U.S. on TELUS' and Nextel's all-digital networks. In the first quarter of 2005, we also announced Mike phone and PTT service into Mexico and several South American countries. As a result, Mike users will be able to Push To Talk with any of the almost 20 million iDEN users across North and South America.

fast and easy messaging

TELUS Mobility was first in the world to introduce the Fastap LG 6190. By neatly integrating text keys around a standard numeric keypad, Fastap makes it fast and easy to send text, picture and e-mail messages, or input other data into the phone. Canadians sent more than 710 million phone-to-phone text messages in 2004, an increase of more than 100 per cent over the previous year.

