

# staying ahead for communities

At TELUS, delivering a friendly future extends beyond our traditional business and the services we provide to ensuring we deliver on our corporate social responsibilities. In support of our vision to become Canada's premier corporate citizen, we are committed to improving the economic, social and environmental well-being of the communities in which we live, work and serve. We are staying ahead...

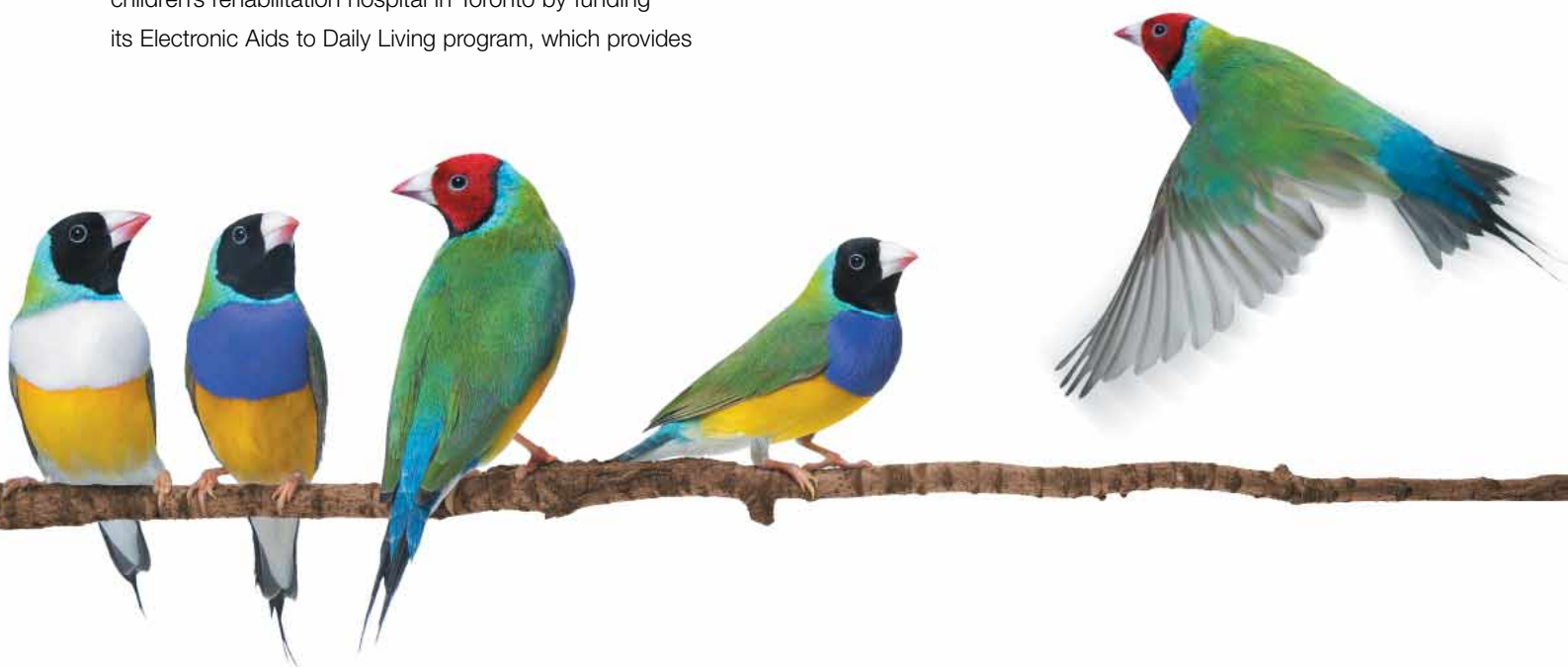
## ...by supporting our communities

With a focus on young Canadians, we look for opportunities to use our technology and expertise in ways that positively influence communities. To ensure our support has the greatest impact, our community investment efforts are focused in three areas – arts and culture, education and sport, and health and wellness. Below are some examples of our 2005 initiatives.

- **TELUS Tour for the Cure** – TELUS partnered with the Canadian Breast Cancer Foundation to bring this tour to 26 communities and 200,000 people in British Columbia. The goal of the program is to save lives through interactive education and prevention awareness programs.
- **Science Alberta Foundation** – TELUS supported special Alberta centennial education programs through leading organizations like the Science Alberta Foundation.
- **Bloorview Kids Rehab** – TELUS supported this leading children's rehabilitation hospital in Toronto by funding its Electronic Aids to Daily Living program, which provides

the customized tools and cutting-edge technology needed to enable young Canadians to lead richer, independent lives.

- **Share the Warmth Foundation** – In Montreal, TELUS partnered with this Foundation to help youth overcome hunger and poverty. We supported the Foundation's Build the Future project to raise funds for food, better educational programming and recreational programs for marginalized youth.
- **National Arts Centre Trust** – TELUS is the founding partner of the National Youth and Education Trust, which provides funding for the National Arts Centre. Our support helps develop programs that nurture the creative talent of young people in the Ottawa region and across Canada.



## corporate social responsibility

To ensure our support has the greatest impact, our community investment efforts are focused on arts and culture, education and sport, and health and wellness. To find out more about our efforts in these areas, visit [telus.com/socialresponsibility](http://telus.com/socialresponsibility).

### ...by encouraging life-long learning

#### TELUS WORLD of SCIENCE

TELUS formed partnerships with five science centres across Canada to help promote technological innovation and learning in science

and technology. Over the next 20 years, we are investing \$43 million in the TELUS World of Science® centres in Vancouver, Calgary and Edmonton, and the Ontario and Montreal Science Centres. These partnerships will help foster educational opportunities for young Canadians through the innovative use of technology and ensure these facilities remain leading-edge for future generations.

### ...by actively listening to our stakeholders

In 2005, we established seven TELUS Community Boards – in Vancouver, Edmonton, Calgary, Toronto, Ottawa, Montreal and Rimouski. The boards, which include key community representatives and senior team members from TELUS, meet quarterly to discuss local giving opportunities and strategically allocate approximately \$3.5 million annually to local charities. In doing so, the boards help TELUS determine where and how to invest resources to best optimize the benefits that flow to the communities.

### ...by making a difference through giving

At TELUS, we have a long history of giving. Since 1995, TELUS has been an Imagine Caring Company, a designation by the Canadian Centre for Philanthropy that means we donate more than one per cent of our pre-tax profits to charitable organizations each year. Over the past five years, TELUS and its team members have contributed more than \$62 million of financial and in-kind assistance to charitable organizations across Canada. In 2005, TELUS and its team members contributed more than \$11 million of financial and in-kind assistance to charitable organizations.



Each fall, we normally launch an Employee Charitable Giving Campaign, where TELUS matches team members' charitable donations dollar-for-dollar. To ensure the Canadian charitable organizations were not affected by the labour disruption, TELUS provided 100 per cent of the funding, \$2 million, in lieu of the 2005 campaign.

Through the TELUS Volunteer Involvement Fund, TELUS donated \$160,200 to Canadian charitable organizations in recognition of the 801 team members who volunteered a minimum of 60 hours of their personal time.

### ...with a dedication to social responsibility

TELUS maintains a long-standing commitment toward social responsibility and to operating in an economically, socially and environmentally sustainable manner. With a focus on being a good corporate citizen, we are implementing business practices that support long-term sustainable growth while protecting the environment and improving the quality of life in the communities we serve.



For the fifth consecutive year, TELUS was named to the global Dow Jones Sustainability Index (DJSI), a worldwide corporate sustainability ranking that recognizes economic, environmental

and social leaders. TELUS was once again the only North American telecommunications company, and one of only 12 Canadian companies, to make this international list.



TELUS was recognized as Canada's seventh best corporate citizen in the Corporate Knights' annual ranking of the Best 50 Corporate Citizens in Canada, up from 39th place in 2004.

# staying ahead for consumers

TELUS continued to unleash the power of the Internet for consumers in 2005, and set the stage for more to come in 2006. With innovative and compelling wireless and wireline solutions, first-class networks, and enhanced customer care, Canadians are benefiting at home, in the workplace and on the move. For consumers, we are staying ahead...

## ...with growing Internet services

In 2005, we continued to grow our national Internet subscriber base. In Alberta, British Columbia and Eastern Quebec, we now serve 1.0 million Internet subscribers, 76 per cent of whom are high-speed subscribers. Our extensive high-speed Internet infrastructure provides a platform for launching new telecommunications solutions for consumers.

Starting in May, we began promoting two additional varieties of high-speed Internet service. TELUS High-Speed Lite Internet offers speeds five times faster than dial-up Internet, does not tie up the phone line and is suitable for consumers wanting to surf the Internet and access e-mail. TELUS High-Speed Enhanced Internet offers more speed than our regular high-speed Internet service and is ideal for online gaming and downloading large files.

TELUS IP Messaging was introduced in 2005, bringing new voice mail management features to customers. IP Messaging allows consumers to forward their messages to e-mail, create and manage distribution lists visually, send alerts to a mobile phone, BlackBerry or e-mail, and even send voice messages to people who do not have voice mail service.

## ...with compelling solutions at home

As the platform for the TELUS Future Friendly Home, high-speed Internet is opening the door to a wide variety of new and fun opportunities for consumers.

For example, we expanded our suite of Future Friendly Home services to include entertainment with the introduction of TELUS TV. In November, we began a targeted launch of our innovative all-digital television service in Calgary and Edmonton, Alberta. Further expansion of TELUS TV service is planned for 2006 through a phased neighbourhood roll-out. It is a differentiated service, for example offering more

programming choice to customers as compared to cable-TV offerings, and is marketed as a premium-priced service.

Plans are underway to take Future Friendly Home services in new and exciting directions. For example, we have begun an employee trial of a voice over IP (VoIP) offering. By focusing on integration and simplification, TELUS' VoIP services should bring telephone and Internet services together for the convenience of consumers.

## ...with innovative wireless data solutions

Today more than ever, wireless phones are becoming powerful mobile multimedia and entertainment tools for consumers. With this in mind, in August we introduced TELUS mobile TV and a broad selection of content. Customers can conveniently



watch live streaming television programming including news, weather and shopping channels on their wireless phones.

The use of multimedia messaging services (MMS) increased exponentially in 2005 as text, picture and video messaging grew in popularity. In fact, Canadians sent well over a billion text messages last year. Messaging growth was fuelled by the introduction of inter-carrier MMS services in July, enabling customers with MMS-capable phones to send and receive messages, regardless of their wireless carrier.

### ...with unique phones that do more

Our goal is to lead the industry with unique, feature-rich phones that combine communication, productivity and entertainment tools in a single device. For example, the multi-functional (CDMA and GSM) Motorola A840 World Phone offers PCS customers roaming in more than 120 countries, along with a built-in digital camera, MP3 player and speakerphone. And, the LG 535, a multimedia phone powerhouse, packs video and camera capabilities alongside an integrated MP3 player and speakers.

The launch of Instant Talk early in 2005 gave PCS customers access to instant Push To Talk (PTT) communications for the first time in Canada. Instant Talk enables customers to communicate with colleagues, friends and family across North America, at the push of a button. As Canada's PTT leader, TELUS now offers instant communication on both our PCS and Mike networks.

### ...with enhanced distribution

In 2005, we opened 19 new corporate retail stores. In total, our national distribution network consists of more than 2,000 retail

locations across Canada, including approximately 140 corporate stores, as well as some 7,000 points of distribution for Pay & Talk airtime cards.

### ...with a firm commitment to customer care

Delivering customer service excellence remains a key priority for all areas of TELUS. Our strong focus on customer care and loyalty and retention programs in our wireless business resulted in a disconnect rate or "churn" of 1.4 per cent, among the lowest in the global wireless industry.

In our wireline operations, we intensified our customer service efforts. In April, TELUS launched SmartCall, a program for contact centre agents to support TELUS Internet customers. SmartCall complements TELUS e.Care, a technical support tool for Internet customers, by helping call centre agents resolve Internet connectivity problems quickly and effectively.

In June, TELUS was named the top national directory assistance provider in Canada for the second time in a row by The Paisley Group Ltd., a directory assistance and operator services consulting company that conducts semi-annual surveys. In 2005, TELUS handled more than 64 million directory assistance calls.

The 16-week labour disruption in Alberta and British Columbia impacted customer service levels in the second half of 2005. While we exceeded service expectations in areas such as call centre performance, areas such as new installations were negatively impacted. With the return to work of 8,000 unionized team members, there has been a renewed focus on customer service going into 2006.

## tune in to TV

With TELUS mobile TV, wireless customers are tuning in to live streaming television on their phones – anytime and anywhere. Combined with messaging, game playing and surfing the web, there's a lot more you can do with a wireless handset than just talk.



# staying ahead for business

TELUS is committed to offering integrated solutions that give our business customers a competitive edge through superior end-to-end customer service. From industry-leading IP telephony and security solutions, to mobile high-speed Internet access and instant communications, we provide businesses with reliable integrated data, IP, voice and wireless solutions that meet their needs. For business customers, we are staying ahead...

## ...with powerful mobile computing applications

With the launch of TELUS' national wireless high-speed network in November 2005, customers have access to Internet, e-mail and other networks at download speeds comparable to wireline high-speed. The EVDO network offers high-speed access to customers in Vancouver, Calgary, Edmonton, Toronto and Montreal, with plans to expand to other urban centres in 2006.

To accompany the new network, TELUS continued to introduce exciting new data devices. The BlackBerry 7130e offers fast access to data networks along with powerful e-mail and productivity tools. It also serves as a wireless high-speed modem for customers connecting their laptop computers to the Internet.

TELUS also launched both the Sierra Wireless AirCard 580 and Kyocera Passport KPC650, PC cards that offer customers mobile high-speed access from their portable computers. We expect that the higher speeds, additional handsets and new devices will result in more effective mobile business customer applications, such as the mobile desktop.

## ...by enhancing our IP-based integrated solutions

Building on our leadership position in IP telephony, in 2005 we expanded our suite of advanced IP-based network applications with TELUS IP-One Evolution. This hosted and managed IP service enables business customers to migrate from their existing Centrex system to IP telephony at a pace that suits their needs. In addition to utilizing the benefits of Centrex, customers gain the productive power of IP with converged voice, data and Internet applications such as integrated messaging and remote activation of services.

TELUS continued to enhance its national presence through the addition of new large contracts with business customers throughout 2005. In March, we announced an eight-year, \$30 million agreement with Intrawest Corporation to be the

exclusive supplier of certain IP and telecommunications services for Intrawest resorts across Canada. In late 2005, we signed a five-year agreement with Best Buy Canada to carry voice, video and data for 169 Best Buy and Future Shop stores across Canada through TELUS' innovative IP network.

## ...by securing new business in the West

TELUS partnered with the Government of B.C. in April to consolidate about 340 existing competitive telecommunications services contracts into a master agreement and to invest \$110 million to bring high-speed Internet access to 119 communities



## helping businesses communicate

CallCentreAnywhere enables businesses to benefit from leading technology without large investments of time and money. This innovative solution streamlines customer contact and communication through a single IP-based system. In 2005, TELUS secured more than \$12 million in contracts for CallCentreAnywhere from customers including the Canadian Red Cross and Canada Post.



and to expand broadband services. This agreement secures a large share of provincial government business projected at more than \$245 million over four years, with options for three more years, and positions TELUS for new revenue growth opportunities from both the agreement and our investment in broadband.

### ...with leading Push To Talk solutions

We continued to enhance our leadership position in wireless Push To Talk (PTT) solutions, which enable users to communicate at the touch of a button.

In April, we launched the BlackBerry 7520, powered by Mike, maintaining our position as the only Canadian carrier to offer the powerful combination of BlackBerry with the Mike Direct Connect walkie talkie service. Direct Connect service enables customers to speak instantly with other PTT users across Canada, the United States, Mexico and South America. The BlackBerry 7520 also features global positioning system (GPS) capabilities that support location-based services like fleet management.

We introduced Push To View® picture messaging on several new Mike phones in August, enabling Mike customers to send picture messages and other data, such as stored contact information.

### ...with advanced communications solutions

In 2005, TELUS introduced innovative communications solutions for business, such as CallCentreAnywhere.

We also enhanced our conferencing services, enabling businesses to effectively share information, no matter where they are located. Through TELUS Collaboration Solutions, business customers can benefit from leading audio, web and video conferencing services managed by TELUS.

TELUS Camp-in-a-Box™, a communications solution for the energy sector, gained popularity in the market and generated \$40 million in new contracts in 2005. Camp-in-a-Box provides everything needed to set up and run field operations, from

business processes and workplace safety requirements to entertainment services for workers.

### ...with state-of-the-art security solutions

In response to one of the most critical concerns of business customers, we enhanced our suite of security applications during 2005 by developing and offering cutting-edge comprehensive end-to-end network protection to businesses and governments across Canada.

In March, we launched Distributed Denial of Service, the first in Canada, which constantly monitors network traffic and eliminates attacks before they can have an impact. In May, we introduced TELUS End Point Enforcement™, which provides protection against worms and viruses for network workstations, including – for the first time – laptops for remote workers. In October, we introduced End Point Security Agent, becoming the first to market a fully managed solution that monitors computer behaviour, rather than applications like e-mail, to identify suspicious actions and protect networks against viruses and worms.

### ...with IP and human resources expertise

Leveraging TELUS' innovative IP and human resources (HR) expertise, TELUS Sourcing Solutions delivers world-class HR and occupational health and safety solutions to public sector organizations across Canada.

In October, TELUS Sourcing Solutions announced a 10-year, \$65 million contract with the Calgary Board of Education for the delivery of a portion of its HR services. In November, TELUS announced a 15-year, \$137 million agreement with Hamilton Health Sciences to provide the process and information technology components, including the day-to-day management and delivery, of its HR services. As part of the agreement, the TELUS Centre of Excellence will be established for further development and testing of innovative HR system solutions.