

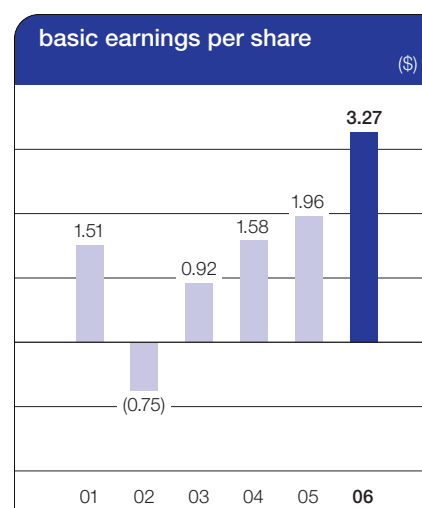
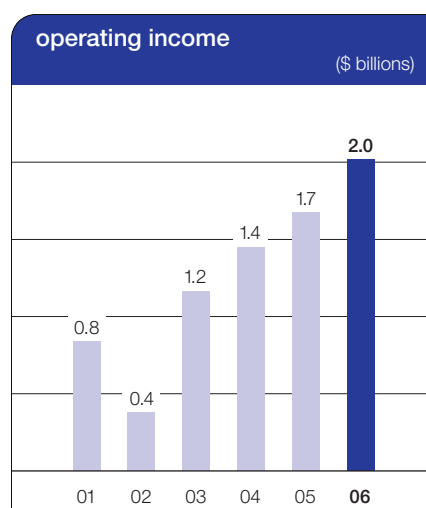
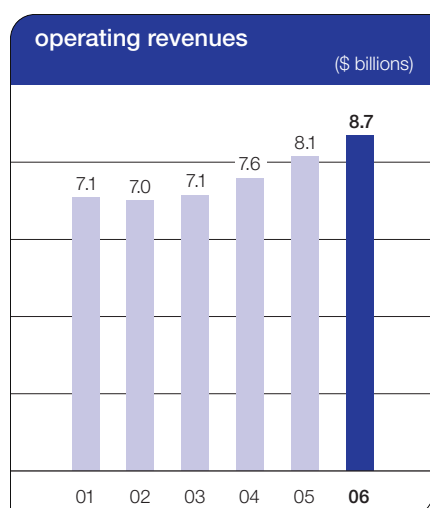
annual consolidated financials

Consolidated						
Income statement (millions)	2006	2005	2004	2003	2002	2001
Operating revenues	\$ 8,681.0	\$ 8,142.7	\$ 7,581.2	\$ 7,146.0	\$ 7,006.7	\$ 7,080.5
Operations expense	5,022.9	4,793.5	4,438.0	4,301.9	4,488.1	4,550.9
Restructuring and workforce reduction costs	67.8	53.9	52.6	28.3	569.9	198.4
EBITDA ¹	3,590.3	3,295.3	3,090.6	2,815.8	1,948.7	2,331.2
Depreciation and amortization	1,575.6	1,623.7	1,643.1	1,652.8	1,570.3	1,494.2
Operating income from continuing operations	2,014.7	1,671.6	1,447.5	1,163.0	378.4	837.0
Other expense (income), net	28.0	18.4	8.7	23.3	42.7	(17.0)
Financing costs	504.7	623.1	613.3	639.3	615.3	636.8
Refinancing charge from debt restructuring	–	–	–	–	–	96.5
Income (loss) from continuing operations before income taxes, non-controlling interest and goodwill amortization	1,482.0	1,030.1	825.5	500.4	(279.6)	120.7
Income taxes (recovery)	351.0	322.0	255.1	172.7	(46.9)	88.1
Non-controlling interest	8.5	7.8	4.6	3.3	3.1	3.6
Goodwill amortization	–	–	–	–	–	174.8
Income (loss) from continuing operations	1,122.5	700.3	565.8	324.4	(235.8)	(145.8)
Income from discontinued operations	–	–	–	–	–	592.3
Net income (loss)	1,122.5	700.3	565.8	324.4	(235.8)	446.5
Preference and preferred share dividends	–	–	1.8	3.5	3.5	3.5
Common share and non-voting share income (loss)	\$ 1,122.5	\$ 700.3	\$ 564.0	\$ 320.9	\$ (239.3)	\$ 443.0

Share information ²	2006	2005	2004	2003	2002	2001
Basic weighted average shares outstanding (millions)	343.8	357.1	355.3	349.3	317.9	294.2
Year-end shares outstanding (millions)	337.9	350.1	358.5	351.8	345.7	302.2
Basic earnings per share	\$ 3.27	\$ 1.96	\$ 1.58	\$ 0.92	\$ (0.75)	\$ 1.51
Dividends declared per share	1.20	0.875	0.65	0.60	0.60	1.20

Balance sheet (millions)	2006	2005	2004	2003	2002	2001
Capital assets, at cost	\$ 28,661.3	\$ 27,455.7	\$ 26,631.9	\$ 25,778.2	\$ 25,037.3	\$ 23,888.4
Accumulated depreciation and amortization	17,679.2	16,514.2	15,410.9	14,214.6	13,062.8	11,128.6
Total assets	16,508.2	16,222.3	17,838.0	17,477.5	18,219.8	19,265.6
Net debt ³	6,278.1	6,294.4	6,627.7	7,870.5	8,884.1	8,961.4
Total capitalization ⁴	13,229.8	13,190.0	13,666.4	14,402.4	15,188.7	15,815.5
Long-term debt	3,493.7	4,639.9	6,332.2	6,609.8	8,336.6	8,792.2
Total shareholders' equity	6,928.1	6,870.0	7,025.6	6,521.2	6,293.4	6,846.1

Note: Certain comparative financial information has been reclassified to conform with the 2006 presentation.



quarterly consolidated financials

Consolidated								
Income statement (millions)	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005
Operating revenues	\$ 2,254.6	\$ 2,210.7	\$ 2,135.2	\$ 2,080.5	\$ 2,086.7	\$ 2,062.8	\$ 2,018.5	\$ 1,974.7
Operations expense	1,368.6	1,245.8	1,207.4	1,201.1	1,316.8	1,221.5	1,146.1	1,109.1
Restructuring and workforce reduction costs	7.9	12.5	30.7	16.7	35.5	1.6	7.4	9.4
EBITDA ¹	878.1	952.4	897.1	862.7	734.4	839.7	865.0	856.2
Depreciation and amortization	407.1	383.3	382.1	403.1	413.2	409.2	399.1	402.2
Operating income	471.0	569.1	515.0	459.6	321.2	430.5	465.9	454.0
Other expense, net	10.1	4.0	9.6	4.3	9.3	7.1	0.5	1.5
Financing costs	133.6	116.6	127.5	127.0	171.7	144.8	168.2	138.4
Income before income taxes and non-controlling interest	327.3	448.5	377.9	328.3	140.2	278.6	297.2	314.1
Income taxes	89.7	126.5	18.7	116.1	58.8	86.9	106.0	70.3
Non-controlling interest	1.4	2.4	2.6	2.1	2.9	1.6	1.7	1.6
Net income and common share and non-voting share income	\$ 236.2	\$ 319.6	\$ 356.6	\$ 210.1	\$ 78.5	\$ 190.1	\$ 189.5	\$ 242.2

Share information ²	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005
Basic weighted average shares outstanding (millions)	339.5	341.4	344.9	349.3	353.4	356.8	358.1	360.2
Period-end shares outstanding (millions)	337.9	340.7	341.3	346.3	350.1	354.4	357.4	358.4
Basic earnings per share	\$ 0.70	\$ 0.94	\$ 1.03	\$ 0.60	\$ 0.22	\$ 0.53	\$ 0.53	\$ 0.67
Dividends declared per share	0.375	0.275	0.275	0.275	0.275	0.20	0.20	0.20

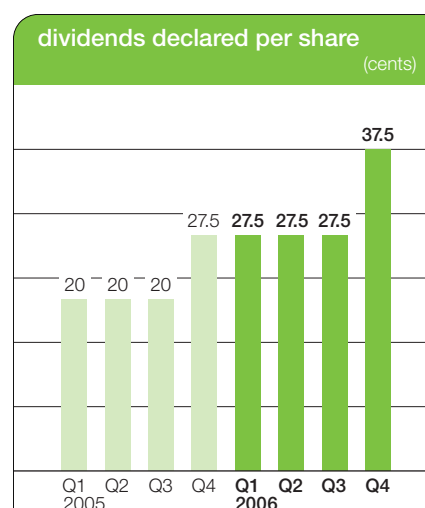
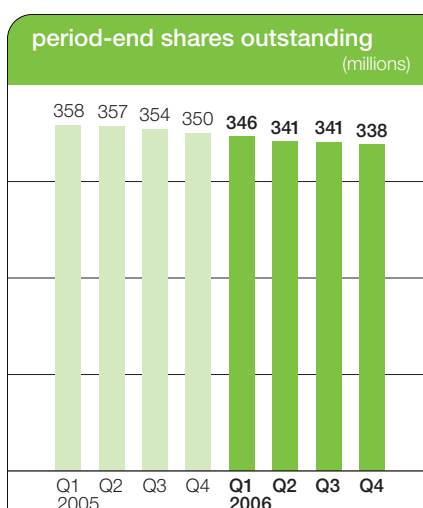
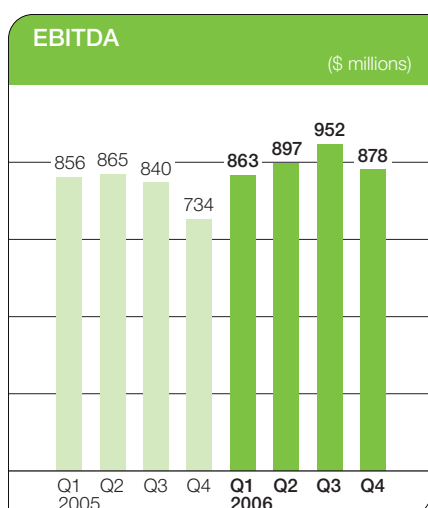
1 Operating revenues less Operations expense less Restructuring and workforce reduction costs.

2 Common shares and non-voting shares.

3 The summation of Long-term debt, current maturities of long-term debt, net deferred hedging liability related to U.S. dollar Notes, and proceeds from securitized accounts receivable, less Cash and temporary investments.

4 Net debt plus Non-controlling interest and Shareholders' equity.

Note: Certain comparative financial information has been reclassified to conform with the 2006 presentation.



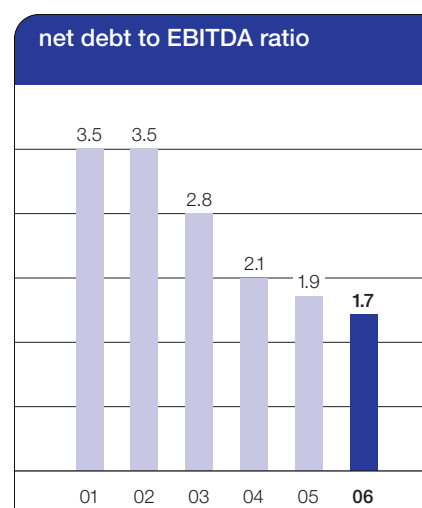
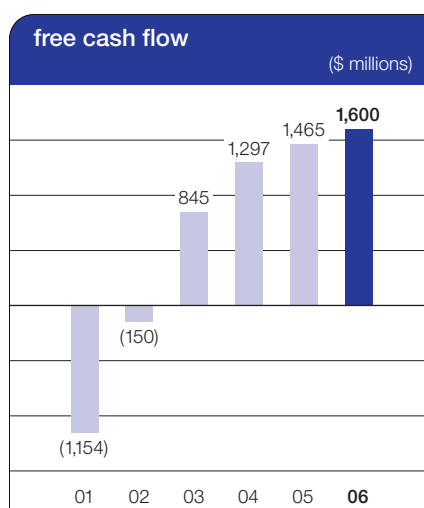
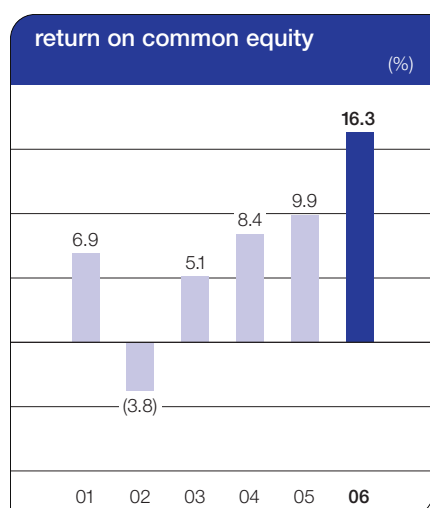
annual operating statistics

Consolidated	2006	2005	2004	2003	2002	2001
Cash flow statement information						
Cash provided by operating activities (millions)	\$ 2,803.7	\$ 2,914.6	\$ 2,538.1	\$ 2,133.8	\$ 1,730.8	\$ 1,390.2
Cash used by investing activities (millions)	(1,675.2)	(1,355.2)	(1,299.5)	(1,197.8)	(1,691.1)	(1,821.3)
Cash provided (used) by financing activities (millions)	(1,148.6)	(2,447.3)	(348.3)	(920.8)	(65.8)	348.0
Performance indicators						
Net income (loss) (millions)	\$ 1,122.5	\$ 700.3	\$ 565.8	\$ 324.4	\$ (235.8)	\$ 446.5
Dividend payout ¹	46%	56%	51%	65%	n.m.	79%
Return on common equity ²	16.3%	9.9%	8.4%	5.1%	(3.8%)	6.9%
Return on assets ³	17.0%	18.0%	14.2%	12.2%	9.5%	7.2%
EBITDA interest coverage ratio ⁴	7.2	5.4	5.1	4.4	3.6	4.0
Free cash flow (millions) ⁵	\$ 1,600.4	\$ 1,465.5	\$ 1,297.3	\$ 844.9	\$ (149.7)	\$(1,154.0)
Net debt to EBITDA ratio ⁶	1.7	1.9	2.1	2.8	3.5	3.5
Net debt to total capitalization	47.5%	47.7%	48.5%	54.6%	58.5%	56.7%
Capital expenditures (millions)	\$ 1,618.4	\$ 1,319.0	\$ 1,319.0	\$ 1,252.7	\$ 1,697.9	\$ 2,605.3
Capex intensity ⁷	18.6%	16.2%	17.4%	17.5%	24.2%	36.8%
Total subscriber connections (000s)	10,715	10,211	9,716	9,175	8,708	8,215
Other						
Total active employees ⁸	31,955	29,819	25,798	24,719	25,752	30,701
Full-time equivalent (FTE) employees ⁹	31,094	n.m.	24,754	23,817	24,829	–
EBITDA per average FTE employee (000s) ^{9,10}	\$ 124.9	n.m.	\$ 128.9	\$ 117.8	\$ 89.9	\$ –
Total salaries and benefits (millions)	\$ 2,052.6	\$ 1,921.4	\$ 1,938.2	\$ 1,883.2	\$ 1,995.7	\$ 1,954.4

n.m. – not meaningful

- 1 Last quarterly dividend declared per share, in the respective reporting period, annualized, divided by the sum of Basic earnings per share reported in the most recent four quarters.
- 2 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.
- 3 Cash provided by operating activities divided by total assets. Quarterly ratios are based on a 12-month trailing cash flow provided by operating activities.
- 4 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.
- 5 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.
- 6 Net debt at the end of the period divided by 12-month trailing EBITDA (excluding restructuring).
- 7 Capital expenditures divided by Operating revenues.
- 8 Excluding new employees in TELUS International call centres, as well as employees providing human resources outsourcing services to TELUS customers, total active employees were 26,770, 26,092 and 25,478, respectively, for 2006, 2005 and 2004.
- 9 The measure of full-time equivalent employees is not reported for the third quarter, fourth quarter and fiscal year 2005, as it does not factor in effective overtime hours on staff equivalents because of the labour disruption.
- 10 EBITDA excluding Restructuring and workforce reduction costs, divided by average FTE employees. Quarterly ratios are annualized.

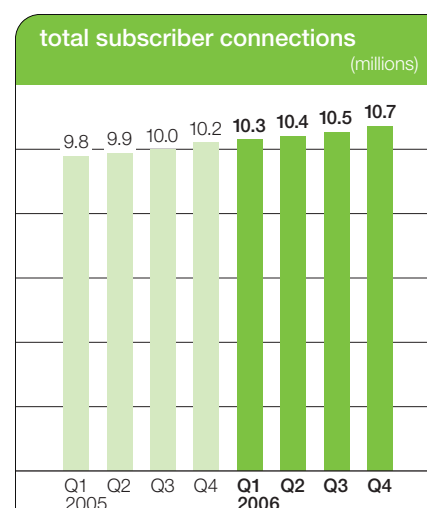
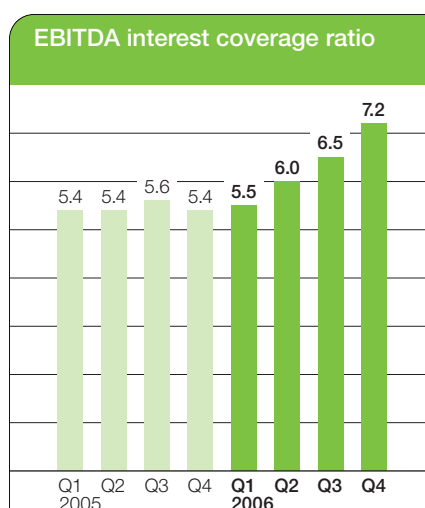
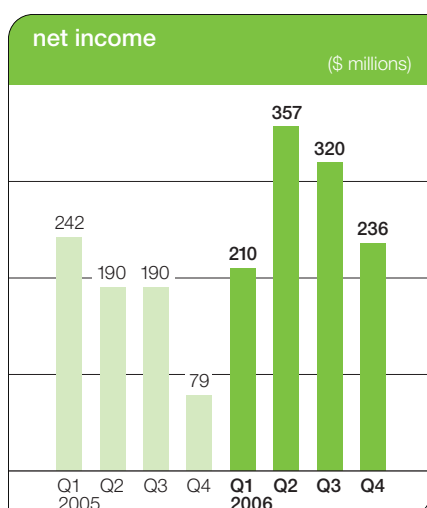
Note: Certain comparative financial information has been reclassified to conform with the 2006 presentation.



quarterly operating statistics

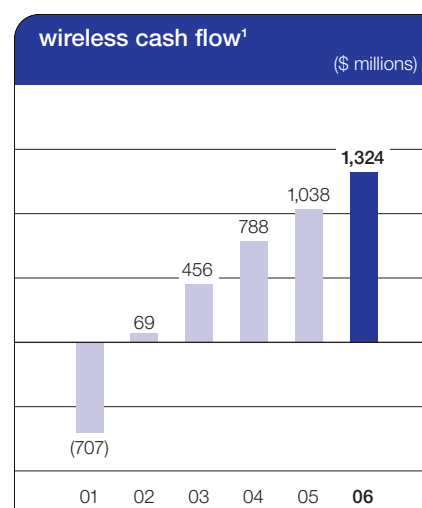
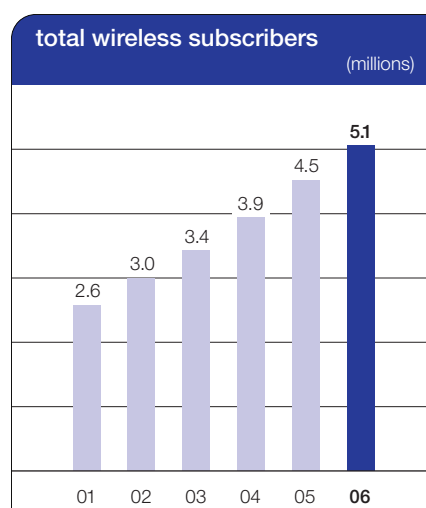
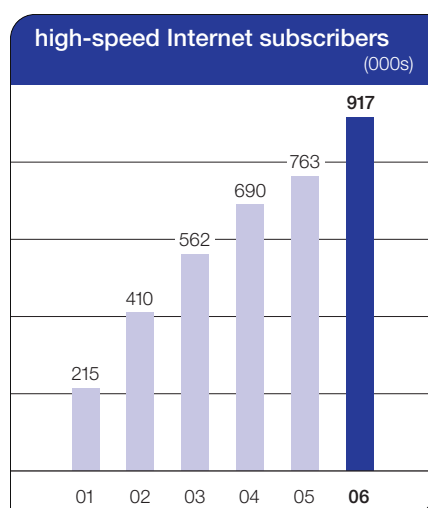
Consolidated	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005
Cash flow statement information								
Cash provided by operating activities (millions)	\$ 747.2	\$ 570.4	\$ 813.0	\$ 673.1	\$ 805.0	\$ 693.5	\$ 687.7	\$ 728.4
Cash used by investing activities (millions)	(422.0)	(451.0)	(486.1)	(316.1)	(375.7)	(263.3)	(410.0)	(306.2)
Cash used by financing activities (millions)	(311.3)	(126.2)	(344.4)	(366.7)	(1,742.8)	(249.2)	(383.9)	(71.4)
Performance indicators								
Net income (millions)	\$ 236.2	\$ 319.6	\$ 356.6	\$ 210.1	\$ 78.5	\$ 190.1	\$ 189.5	\$ 242.2
Dividend payout ¹	46%	39%	46%	59%	56%	38%	40%	41%
Return on common equity ²	16.3%	13.9%	12.0%	9.5%	9.9%	10.8%	10.4%	10.3%
Return on assets ³	17.0%	17.4%	18.6%	17.9%	18.0%	15.1%	16.0%	14.8%
EBITDA interest coverage ratio ⁴	7.2	6.5	6.0	5.5	5.4	5.6	5.4	5.4
Free cash flow (millions) ⁵	\$ 233.4	\$ 528.3	\$ 198.6	\$ 640.1	\$ 109.8	\$ 581.3	\$ 207.8	\$ 566.6
Net debt to EBITDA ratio ⁶	1.7	1.7	1.8	1.8	1.9	1.8	1.9	1.9
Net debt to total capitalization	47.5%	46.7%	47.8%	47.3%	47.7%	46.0%	46.6%	46.8%
Capital expenditures (millions)	\$ 415.2	\$ 423.9	\$ 458.8	\$ 320.5	\$ 374.1	\$ 263.0	\$ 408.7	\$ 273.2
Capex intensity ⁷	18.4%	19.2%	21.5%	15.4%	17.9%	12.7%	20.2%	13.8%
Total subscriber connections (000s)	10,715	10,531	10,404	10,306	10,211	9,981	9,878	9,792
Other								
Total active employees	31,955	30,620	29,974	29,290	29,819	20,743	28,706	28,456
Full-time equivalent (FTE) employees ⁹	31,094	29,754	29,157	28,261	n.m.	n.m.	27,789	27,411
EBITDA per average FTE employee, annualized (000s) ^{9,10}	\$ 116.1	\$ 130.5	\$ 128.7	\$ 124.6	n.m.	n.m.	\$ 126.4	\$ 135.0
Total salaries and benefits (millions)	\$ 533.7	\$ 513.8	\$ 506.7	\$ 498.4	\$ 461.8	\$ 465.7	\$ 501.6	\$ 492.3

Note: Certain comparative financial information has been reclassified to conform with the 2006 presentation.



annual segmented statistics

	2006	2005	2004	2003	2002	2001
Wireline segment						
Operating revenues (millions)	\$ 4,921.4	\$ 4,937.6	\$ 4,865.9	\$ 4,880.9	\$ 5,084.6	\$ 5,359.5
Operations expense (millions)	3,020.5	3,031.4	2,864.9	2,852.2	3,100.8	3,185.7
Restructuring and workforce reduction costs (millions)	61.6	53.9	52.6	28.3	563.4	135.4
EBITDA (millions)	\$ 1,839.3	\$ 1,852.3	\$ 1,948.4	\$ 2,000.4	\$ 1,420.4	\$ 2,038.4
Capital expenditures (millions)	\$ 1,191.0	\$ 914.2	\$ 964.3	\$ 892.8	\$ 1,238.2	\$ 1,605.8
Cash flow (millions) ¹	648.3	938.1	984.1	1,107.6	182.2	432.6
Network access lines in service (000s)	4,548	4,691	4,808	4,870	4,911	4,967
Net additions (losses) dial-up Internet subscribers (000s) ²	(42)	(46)	(38)	(72)	(63)	42
Dial-up Internet subscribers (000s) ²	194	236	282	320	392	455
Net additions high-speed Internet subscribers (000s) ²	154	73	128	152	195	131
High-speed Internet subscribers (000s) ²	917	763	690	562	410	215
Total active employees ³	24,228	22,888	19,500	19,029	20,332	25,545
Full-time equivalent (FTE) employees ⁴	23,884	n.m.	18,839	18,430	19,668	–
EBITDA per average FTE employee (000s) ^{4,5}	\$ 84.3	n.m.	\$ 106.3	\$ 106.6	\$ 86.6	\$ –
Wireless segment						
Operating revenues (millions)	\$ 3,881.3	\$ 3,319.0	\$ 2,833.4	\$ 2,375.3	\$ 2,034.9	\$ 1,825.9
Operations expense (millions)	2,124.1	1,876.0	1,691.2	1,559.9	1,500.1	1,470.1
Restructuring and workforce reduction costs (millions)	6.2	–	–	–	6.5	63.0
EBITDA (millions)	\$ 1,751.0	\$ 1,443.0	\$ 1,142.2	\$ 815.4	\$ 528.3	\$ 292.8
EBITDA ⁶ excluding cost of acquisition (COA) (millions)	\$ 2,283.6	\$ 1,937.3	\$ 1,578.0	\$ 1,240.0	\$ 944.0	\$ 782.4
Capital expenditures (millions)	427.4	404.8	354.7	359.9	459.7	999.5
Cash flow (millions) ¹	1,323.6	1,038.2	787.5	455.5	68.6	(706.7)
Net additions wireless subscribers (000s) ⁷	535	584	512	431	418	418
Gross additions wireless subscribers (000s)	1,293	1,279	1,121	987	1,017	985
Wireless subscribers (000s) ⁷	5,056	4,521	3,936	3,424	2,996	2,578
Penetration rate ⁸	16.2%	14.5%	12.9%	11.5%	10.9%	10.5%
Wireless market share, subscriber-based	27%	27%	26%	26%	25%	24%
Average monthly revenue per subscriber unit (ARPU)	\$ 63	\$ 62	\$ 60	\$ 57	\$ 55	\$ 57
Average minutes per subscriber per month (MOU)	403	399	384	350	290	270
COA, per gross addition	\$ 412	\$ 386	\$ 389	\$ 430	\$ 425	\$ 446
Monthly churn rate ⁷	1.33%	1.39%	1.40%	1.46%	1.80%	2.04%
Population coverage – digital (millions) ⁹	31.0	30.6	30.0	29.5	27.4	24.2
Total active employees	7,727	6,931	6,298	5,690	5,420	5,156
Full-time equivalent (FTE) employees ⁴	7,210	n.m.	5,915	5,387	5,161	4,851
EBITDA per average FTE employee (000s) ^{4,5}	\$ 260.6	n.m.	\$ 205.0	\$ 159.2	\$ 104.3	\$ –



quarterly segmented statistics

	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005
Wireline segment								
Operating revenues (millions)	\$ 1,260.8	\$ 1,223.8	\$ 1,214.7	\$ 1,222.1	\$ 1,232.9	\$ 1,222.2	\$ 1,237.7	\$ 1,244.8
Operations expense (millions)	809.0	742.5	728.6	740.4	788.5	794.5	731.8	716.6
Restructuring and workforce reduction costs (millions)	5.2	11.7	29.8	14.9	35.5	1.6	7.4	9.4
EBITDA (millions)	\$ 446.6	\$ 469.6	\$ 456.3	\$ 466.8	\$ 408.9	\$ 426.1	\$ 498.5	\$ 518.8
Capital expenditures (millions)	\$ 309.2	\$ 311.4	\$ 311.4	\$ 259.0	\$ 230.2	\$ 176.5	\$ 293.9	\$ 213.6
Cash flow (millions) ¹	137.4	158.2	144.9	207.8	178.7	249.6	204.6	305.2
Network access lines in service (000s)	4,548	4,579	4,619	4,663	4,691	4,709	4,741	4,793
Net losses dial-up Internet subscribers (000s)	(11)	(11)	(11)	(8)	(14)	(11)	(10)	(11)
Dial-up Internet subscribers (000s)	194	206	217	228	236	250	261	270
Net additions high-speed Internet subscribers (000s)	44	42	29	39	27	7	17	22
High-speed Internet subscribers (000s)	917	872	831	802	763	736	729	712
Total active employees	24,228	23,369	23,025	22,384	22,888	14,958	22,334	22,172
Full-time equivalent (FTE) employees ⁴	23,884	22,876	22,552	21,789	n.m.	n.m.	21,777	21,519
EBITDA per average FTE employee, annualized (000s) ^{4,5}	\$ 77.3	\$ 84.4	\$ 87.2	\$ 88.7	n.m.	n.m.	\$ 93.5	\$ 106.9
Wireless segment								
Operating revenues (millions)	\$ 1,026.6	\$ 1,016.4	\$ 950.5	\$ 887.8	\$ 883.1	\$ 869.9	\$ 807.7	\$ 758.3
Operations expense (millions)	592.4	532.8	508.8	490.1	557.6	456.3	441.2	420.9
Restructuring and workforce reduction costs (millions)	2.7	0.8	0.9	1.8	–	–	–	–
EBITDA (millions)	\$ 431.5	\$ 482.8	\$ 440.8	\$ 395.9	\$ 325.5	\$ 413.6	\$ 366.5	\$ 337.4
EBITDA ⁶ excluding COA (millions)	\$ 596.7	\$ 611.4	\$ 561.7	\$ 513.8	\$ 514.2	\$ 527.3	\$ 468.6	\$ 427.2
Capital expenditures (millions)	106.0	112.5	147.4	61.5	143.9	86.5	114.8	59.6
Cash flow (millions) ¹	325.5	370.3	293.4	334.4	181.6	327.1	251.7	277.8
Net additions wireless subscribers (000s)	182	137	124	92	235	138	131	80
Gross additions wireless subscribers (000s)	379	333	307	275	421	307	299	253
Wireless subscribers (000s)	5,056	4,874	4,737	4,613	4,521	4,286	4,148	4,017
Penetration rate ⁸	16.2%	15.6%	15.2%	14.8%	14.5%	14.0%	13.5%	13.1%
Wireless market share, subscriber-based	27%	27%	27%	27%	27%	26%	26%	26%
Average monthly revenue per subscriber unit (ARPU)	\$ 65	\$ 66	\$ 63	\$ 60	\$ 63	\$ 64	\$ 61	\$ 58
Average minutes per subscriber per month (MOU)	404	409	412	386	410	408	405	371
COA, per gross addition	\$ 436	\$ 386	\$ 394	\$ 429	\$ 449	\$ 371	\$ 342	\$ 355
Monthly churn rate	1.33%	1.36%	1.30%	1.33%	1.42%	1.33%	1.37%	1.45%
Population coverage – digital (millions) ⁹	31.0	31.0	31.0	30.6	30.6	30.2	30.2	30.2
Total active employees	7,727	7,251	6,949	6,906	6,931	5,785	6,372	6,284
Full-time equivalent (FTE) employees ⁴	7,210	6,878	6,605	6,472	n.m.	n.m.	6,012	5,892
EBITDA per average FTE employee, annualized (000s) ^{4,5}	\$ 243.1	\$ 285.5	\$ 269.8	\$ 244.6	n.m.	n.m.	\$ 246.0	\$ 229.5

n.m. – not meaningful

- EBITDA less capital expenditures.
- As a result of a 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.
- Excluding new employees in TELUS International call centres, as well as employees providing human resources outsourcing services to TELUS customers, total wireline active employees were 19,043, 19,161 and 19,180, respectively, for 2006, 2005 and 2004.
- The measure of full-time equivalent employees is not reported for the third quarter, fourth quarter and fiscal year 2005, as it does not factor in effective overtime hours on staff equivalents because of the labour disruption.
- EBITDA excluding Restructuring and workforce reduction costs, divided by average FTE employees. Quarterly ratios are annualized.
- EBITDA excluding Restructuring and workforce reduction costs.
- 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 an adjustment of 5,000 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.
- Wireless subscribers divided by total population coverage.
- Includes expanded coverage due to roaming/resale agreements, principally with Bell Canada, of approximately 7.5 million PCS POPs.