



Remarks by

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President & CEO

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FINAL

Good morning and welcome to TELUS' 117th annual meeting of our shareholders.

Your company has a rich legacy of pioneering excellence in telecommunications, and we are deeply proud of our roots in the Province of Alberta, the birthplace of a company that is now:

- A world leading telecommunications provider;
- Recognised for our thought leadership and social conscience;
- Generating strong financial results; and
- Consistently outpacing our global peers.

Today, TELUS continues to embrace the technological evolution that is characteristic of our growing industry, and Alberta remains a focal point for many of our critical, customer-focused initiatives.

Indeed, since 2000, TELUS has invested more than \$16 billion dollars in this province.



Today, Alberta is home to 8,000 TELUS team members, who are committed to serving our customers and designing our future in areas such as energy, health care and consumer lifestyles.

With a proud history, a talented team and a growing portfolio of innovative solutions, your company is positioned to deliver strong and sustainable value for our shareholders, our customers, our team members and our communities . . . for today and tomorrow.

In my remarks today, I will explain how our winning strategy and disciplined focus on TELUS' core business has, over an eight year period:

- *Positioned your company at the forefront* of technological innovation, making the future friendly for our customers;
- *Positioned your company at the forefront* of our global peers with respect to the excellence of our strategy, financial performance and creation of shareholder value; and
- *Positioned your company at the forefront* of the communities where we live, work and serve, reflecting our commitment . . . 'we give, where we live'.

I will conclude my remarks with TELUS' 2008 corporate priorities, which are designed to sustain our success.

TELUS' progress can be attributed to the execution of our proven national growth strategy, and our team's relentless focus on the six strategic imperatives that have guided our organisation since our journey took shape back in 2000.



Since then, TELUS has increased our revenue and profit by more than 50 per cent and the enterprise value of your organisation by 100 per cent.

Your company has built an enviable track record.

Notably, the chart before you compares TELUS' share price performance to an index of 49 of our peers around the world, clearly demonstrating that at TELUS, we view excellence, as a way of life.

Since 2000, TELUS shareholders have benefited from a 19 per cent increase in share price, and an 80 per cent total return when you include dividends.

By contrast, the average telecommunications stock in the world has lost more than 40 per cent in value over the same period.

This means your company has outperformed our global peers by a factor of two to one.

With an eight-year legacy of operational excellence, TELUS ranks number two amongst global incumbent telcos.

It is insightful for shareholders to recognise that our consistent performance over this period was accomplished during a challenging time for telecom companies on a global basis.

This achievement is entirely attributable to our team members and the commitment that they have to our strategy and our customers.

Building on our track record of success, 2007 was a year of accomplishment, change and challenge.



Through it all, TELUS focused on advancing our strategy and generating solid operating results.

At the consolidated level, your company delivered:

- Revenue growth of 4.5 per cent, breaking through the \$9 billion dollar level for the first time in our history;
- Operating profit growth of four per cent, to an unprecedented \$3.8 billion dollars;
- Record net income of \$1.3 billion dollars, up \$113 million dollars from last year; and
- An all time high return on equity of 18 per cent.

Moreover, in 2007 and into the first quarter of 2008, TELUS delivered sustained growth in total customer connections as evidenced by:

- Solid high-speed Internet growth of 124,000 new client additions, enabling TELUS to surpass the one million customer mark, and
- A four year track record of producing more than 500,000 wireless client additions annually, including record gross additions in 2007.

As this chart illustrates, since 2000, total customer connections are up 5.2 million or 88 per cent, with Internet and wireless now accounting for 61 per cent of our total client connections.

TELUS' strategy has produced a distinct shift in our revenue streams from our mature voice businesses to our higher-growth wireless and data businesses.



As shown here, wireless and data revenues have more than doubled from 28 per cent eight years ago, to 67 per cent of TELUS' total revenue.

Moreover, wireless now represents more than 50 per cent of TELUS' overall operating profit, compared to 17 per cent back in 2000.

This demonstrates that TELUS' significant investment in wireless, combined with a relentless focus on profitable customer growth, is indeed paying off.

In 2007, TELUS posted strong wireless revenue growth of 10.5 per cent and operating profit growth of 10 per cent.

Indeed, TELUS' industry-high, lifetime revenue per customer of \$4,400 dollars contributed to robust wireless cash flow of \$1.4 billion dollars and a cash flow yield of 32 cents per dollar of revenue generated.

As shown, TELUS is a leader amongst our global peers, indicative of your company's ongoing economic strength.

TELUS remains confident in our strong position within the vibrant wireless industry given the significant potential for continued growth, as evidenced by the 4.9 point penetration gain that we saw in 2007 in the Canadian wireless industry.

This clearly illustrates that the Canadian market is continuing its healthy growth.

Over the next four years, some six million new clients should join our industry, and your company is well positioned to win an economic portion of this expanding wireless business.



To illustrate, TELUS has created the fastest, the most powerful, coast-to-coast wireless service.

Building on TELUS' leading mobile information, messaging and entertainment services, we provide a suite of differentiated, value-add solutions for Albertans who want to *do more* with their cell phones.

This includes:

- Trading multimedia messages and accessing social networking applications such as Facebook;
- Downloading digital music, with TELUS being number one in mobile music downloads in Canada;
- Playing interactive video games and watching 31 TV channels on your mobile handset; or importantly
- From a public safety perspective, enabling the police to access criminal records, photos and alerts right in their cruisers.

These cool data applications, coupled with the best selection of smartphones in Canada, underpin your company's future growth in the lucrative wireless market.

Turning our attention now to the wireline business, your company is investing today, for tomorrow.

Building from 26,000 customers back in 2000, our growing high speed Internet customer base has surpassed the one million mark today.



TELUS is investing hundreds of millions of dollars each year to expand and enhance our broadband networks across our consumer markets in Alberta, British Columbia and Eastern Quebec.

This investment fuels our growth, supporting exciting new services, such as the all digital TELUS TV experience.

Your company continues to roll out the TELUS TV service across Calgary and Edmonton, with the inclusion of high-definition capability.

TELUS TV offers Albertans unrivalled choice and flexibility to:

- Customise and create your own entertainment experience;
- Watch first run movies through Video on Demand, with the ability to pause, fast forward or rewind the movies at will;
- Timeshift programmes so you never miss your favourite show; and
- See who is calling with Onscreen Call Display, while you are watching that favourite show.

The TV business is a \$1.8 billion dollar in Western Canada, growing at more than 10 per cent each year, and your company is well positioned to secure value from this long-term opportunity.

On the business front, TELUS is driving thought leadership that propels our ability to secure large contracts nationwide as evidenced by:

- A major wireless contract with the Government of Canada, the most significant wireless deal in TELUS' history;



- A landmark \$200 million dollar contract with the Department of National Defence, providing a secure telecommunications network here in Canada and abroad; and
- A groundbreaking \$100 million dollar deal for managed voice and data services with the City of Montreal.

TELUS is also driving thought leadership in four key industry verticals, namely the public sector, financial services, energy and importantly, the healthcare sector in Canada.

Indeed, our investment in these four areas is allowing us to realise growth that is two to four times the rest of the business market.

Let me illustrate with the thought leadership that has elevated TELUS to the top position in the energy sector.

Your company has a long history of supporting the energy sector's incredible growth and economic prosperity right here in Alberta.

When we ask oil and gas executives what keeps them up at night, in addition to advancing the economics of their operations, they have three priorities that focus on the human elements of their business, obviously.

These include:

- Ensuring worker safety in the field;
- Improving quality of life for remote workers; and
- Addressing the significant labour shortage in the province.



At TELUS, we are driving thought leadership in the energy sector by developing the solutions that are aimed directly at tackling these concerns.

First, TELUS solutions such as Safety Net are protecting workers who are alone in remote areas.

By connecting to our wireless and satellite networks, workers in remote locations can call for help. How? With a simple push of a button and be located immediately when there is an emergency – keeping people safe using your company's technology.

Second, TELUS is improving the quality of life for remote oil workers with our camp-in-a-box solution that is bringing entertainment, education and voice services directly to workers' rooms in the camps.

This TELUS solution now reaches 80 per cent of all operations in the oil sands as illustrated by the map before you.

Finally, TELUS' many wireless energy solutions are driving productivity for the thousands of companies that support the oil and gas sector, saving them millions of dollars and easing labour constraints.

From the heart, for example, TELUS' wireless field ticketing solution automatically monitors production volumes and efficiencies at each well-head, improving operations and logistics.

TELUS is indeed thankful for our partnerships throughout Alberta's energy sector.



Another area of strategic importance for TELUS and Canada is health care.

Despite massive investment, Canada's healthcare industry is in the midst of a challenge of historic proportions that is impacting every single person in this room.

It is also impacting the way you care for your children, and the way you care for your parents, and I can tell you we will only crack the code on healthcare affordability and quality is through innovation in information, communications and technology.

Leveraging TELUS' intellectual property our, implementation track record and our skilled people, your company's goal is to transform the healthcare industry.

A major step in this regard is our recent acquisition of Emergis, which augments TELUS' leading capabilities in this field.

Our healthcare transformation agenda is clear and it includes:

- Delivering critical health information to the point of patient care;
- Bringing clinical expertise to rural communities; and
- Shifting the focus from remediation to prevention.

Let me address each of these points in turn.

First, TELUS has established an electronic platform across Canada to give health providers access to patient records and test results instantly, accurately and securely so that they can manage their responsibilities to their fellow human beings.



Notably, TELUS is:

- Tracking patient data for more than 150 hospitals and health facilities in Canada;
- Supporting one in four Canadians as the largest drug claims processor in our country; and
- Managing employment records and transactions for 40,000 doctors, nurses and healthcare workers in Alberta, British Columbia and Ontario, making TELUS the largest provider of these services in the country.

Our second tenet for healthcare transformation is using our IP-based video collaboration services to bring essential clinical expertise to patients who live in rural locations.

Through our partnership with the Alberta Government, and the Calgary and Capital Health regions, TELUS' innovative tele-health technologies are enabling post-operative and paediatric care, rehabilitation and elder care, all geared towards making a positive difference in the lives of Albertans.

With over 500 sites in Alberta alone, TELUS is supporting one of the largest tele-health networks in all of North America, reducing the strain on healthcare resources, whilst improving quality of life.

To illustrate, a general practitioner in Wainwright is using your company's tele-health platform to provide a stroke patient better access to a cardiologist in who may be located in Edmonton or Calgary.

The patient's treatment occurs without the risk and expense of repeatedly driving hundreds of kilometers, and being separated from their family.



Our third tenet for healthcare transformation is shifting the focus from remediation to prevention.

Imagine a wireless device embedded into a wristwatch or a cell phone for that matter, that can monitor blood pressure, glucose levels or other vital signs.

When you consider that by 2010, 10 per cent of Canadians will have diabetes, a chronic disease which demands early detection of physical conditions before they become life threatening; these technologies are extremely compelling and necessary.

Now, imagine a personal health record for each Canadian that includes your medical history, your DNA map, your x-rays and your lab results; now imagine all of it on your BlackBerry.

This vital information could be used to drive prevention or early detection of conditions by easily sharing information with all the people involved in your health care.

Ultimately, all Canadians must take a leadership role in helping to transform health care for the benefit of current and future generations in our country.

This challenge is going to be addressed by the Public Sector alone.

Fortuitously, technology enables each of us to take an increasingly active role in managing our own health, and your company is designing and implementing these capabilities right now.



Recently, Branham 300, a premier ranking of information technology companies, positioned TELUS number one and Emergis number three out of the top 10 companies that support health care.

Now as one team, TELUS' leadership position in Canadian health care is even more powerful.

The best measure of a strategy and its execution is the amount of cash invested, generated and returned over a defined period.

From 2000 to 2002, TELUS invested \$1.1 billion dollars in technology, national expansion and operating efficiency.

Since 2003, TELUS' superior asset mix has generated significant free cash flow of \$6.8 billion dollars.

As a result of this strong cash flow, TELUS has accomplished two goals that at many companies are mutually exclusive, specifically, investing prudently in growth opportunities for the future whilst simultaneously returning significant amounts of cash to shareholders on an ongoing and progressive basis.

Your company has delivered four, successive, sizeable increases in your dividend, including 20 per cent for 2008 to a record high of \$1.80 on an annualized basis.

Furthermore, since December 2004, TELUS has repurchased and cancelled nearly 56 million shares for some \$2.6 billion dollars.

Over the last four years alone, TELUS has returned \$4.2 billion dollars to shareholders, or more than \$12 per share.



TELUS, your company, conducts business with a focus on economic, environmental and social sustainability practices.

We believe that in order to do well in business, we must “do good” within the communities where we live, work and serve as citizens.

Indeed, since 2000, TELUS and our team members have demonstrated this philosophy being put into action by volunteering more than 2.1 million hours of service and contributing more than \$113 million dollars to charitable organisations across Canada.

Let us take a look at the following video, which we feel demonstrates the strength of our commitment.

What a remarkable demonstration of our team's passion to give, where we live.

Indeed, in Alberta, TELUS has contributed more than \$40 million dollars since 2000 to a variety of partnerships, including:

- The TELUS Worlds of Science in Calgary and Edmonton;
- The Alberta Children's Hospital Foundation;
- The world-class Spruce Meadows facility; and
- The Mazankowski Alberta Heart Institute

In addition, TELUS is taking a leadership role in the fight against breast cancer.

In partnership with Rethink, we are enabling important medical research, fundraising and public awareness about the disease.



With each purchase of our exclusive Pink Pearl, TELUS is contributing \$25 to Rethink Breast Cancer.

We have also invested significantly in the Canadian Breast Cancer Foundation.

I am pleased and proud to announce today the launch of the TELUS Tour for the Cure in Alberta.

Currently, 60 per cent of women in Alberta, who are 50 years of age or older have a regular mammogram.

If we increase this number to only 70 per cent, it is estimated that breast cancer deaths in the province would be reduced by incredible 30 per cent. Lives saved.

By leveraging technology, and improving communications and education, we can save mothers, sisters and daughters.

Beginning May 21st, the tour will reach one million Albertans in 16 communities across the province.

On behalf of the entire TELUS team, we would like to thank, from our hearts, Ravi Bakshi, the regional chair of the Canadian Breast Cancer Foundation and Trish Bronsch, chief executive officer, for their wonderful, heartfelt passion day-in and day-out, and we are honoured to be partners in this critical and so very important cause.

Based on the principle that community support should be owned and executed locally, TELUS has established eight Community Boards across Canada, including two boards in Calgary and Edmonton.



These boards are ensuring TELUS' support goes to grassroots charities that do not necessarily have access to significant corporate dollars, and their goal is to deliver distinct societal benefits – and they are winning.

For 2008, our eight Community Boards will donate \$5.3 million dollars, including \$1.4 million dollars for Alberta, in support of deserving organizations that do such great things in our communities unheralded.

Today, we are joined by Dr. Bob Westbury, the chair of the Edmonton Community Board.

Over the past four years, Dr. Bob – as he likes to be called – has played a leadership role in bringing TELUS' community initiatives to fruition.

Bob Westbury, thank you.

Here in Calgary we are honoured to have Marilyn and Harold Milavsky as the co-chairs of the Calgary Community Board.

Renowned for their outstanding professionalism, passion and integrity, Marilyn and Harold are dedicated to delivering excellence in community leadership in the Calgary area.

Harold is also well known for his business endeavours across Canada, and served your company as a director for 10 years.

Marilyn, a member of the Board of the Calgary Opera and Advisory Committee for the Hotchkiss Brain Institute and the National Campaign for the Banff Centre, is tirelessly making a huge difference in our communities.



I would like to now invite Marilyn to say a few words to you.

On behalf of TELUS, our Board of Directors and our shareholders, thank you Marilyn, and thank you Harold and all the members of the TELUS Calgary Community Board for giving selflessly.

TELUS' commitment to achieving excellence in corporate social responsibility has gained your company international recognition.

In 2007, for the seventh consecutive year, your company was the only North American telco to be included in the global Dow Jones Sustainability Index, recognising TELUS' continued economic, environmental and social leadership.

Moreover, since 2000, TELUS has been twice recognised as Canada's Best Environmental Citizen by Corporate Knights, an organisation specialising in corporate social responsibility.

In 2007, the Canadian Institute of Chartered Accountants also recognised TELUS as a leader in Canadian sustainability reporting.

I encourage you to view a copy of your social responsibility report . . . please do it online to demonstrate our commitment to the environment.

Underscoring our community giving philosophy is the TELUS Day of Service.

I am tremendously proud of the considerable impact the TELUS team has on the lives of Canadians on this very special day each year.

This year, the third annual TELUS Day of Service will take place on May 31st.



175 volunteer activities are planned across the country, focusing on caring for the environment and the well-being of our citizens.

Here in Calgary, team members, their families and friends will take part in activities such as:

- Cleaning up the environment with the Friends of Fish Creek Provincial Park Society;
- Preparing meals at The Mustard Seed feeding people; and
- Working with the Calgary Humane Society to make a difference.

In conjunction with the TELUS Day of Service, your company is supporting the Juvenile Diabetes Research Foundation's annual walk, which attracts 45,000 Canadians and raises some \$7 million dollars on an annual basis.

As the lead sponsor in the TELUS Walk to Cure Diabetes, your company will be there to make this event more successful this year.

The walk takes place on June 1st in Calgary and Edmonton, and I implore you to join us, and join our team members, in supporting a world without diabetes.

The energy and passion our team members bring to our communities is also evident in their pursuit of our winning strategy.

Since 2001, TELUS through our team members has met or exceeded 86 per cent of the 36 consolidated targets that we have set publicly with the investment community.



Proudly, our team is TELUS' 8th largest shareholder, owning some seven million shares as a collective.

Joining us today are more than 300 team members from Calgary.

I would now ask them to please stand and be recognised for their tremendous efforts and commitment to our customers, their commitment to our shareholders and their commitment to our communities. Please stand up.

TELUS' corporate priorities for 2008 are designed to advance our winning strategy and deliver the future success of your company.

We are again taking a disciplined approach to drive profitable growth from wireline and wireless data services on a national basis.

We will continue to build scale in vertical markets and advance our leadership position in healthcare technology.

Importantly, elevating the client experience, building enhanced loyalty, and exacting productivity gains will again be key in 2008.

Finally, TELUS will continue to progress our technology initiatives, including enhancing broadband access for wireline and wireless clients.

By executing on these corporate priorities, TELUS' goal is to achieve our 2008 growth targets, building upon our strong track record in this regard.

In conclusion, TELUS, your company, has the right strategy, one that has been tested and proven since 2000, and this strategy remains entirely relevant for today and for the future.



Your company has achieved a tremendous transformation as shown by the key metrics on the chart before you.

Together, we have achieved significant accomplishments despite challenging circumstances, despite punitive regulatory decisions, and despite negative capital markets and escalating competition.

We can draw strength and draw confidence from our track record over the last eight years as we continue to advance our growth strategy in the years ahead.

On a personal basis, I want to thank our customers, our shareholders, our team members and our communities for their continuing, generous support.

I will now turn the meeting back to Brian.

Thanks so much.

Thanks Brian.

I will close today with a summary of the messages that TELUS would be grateful for you to take away.

First, TELUS' national, winning strategy with a focus on the key growth tenets of data and wireless has positioned your company favourably to deliver a strong and sustainable future for today and tomorrow.

Second, we are executing on our corporate priorities for 2008 to exploit the opportunities and address the challenges inherent in our industry.



Finally, we are striving to achieve our financial targets, with a view to increasing TELUS' future share price and continuing to return cash to shareholders so that you benefit directly in our success.

Thank you for attending TELUS' 117th annual meeting of shareholders.