Q1 2009 TELUS
investor conference call

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May 7, 2009

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TELUS forward looking statements

Today's session and our answers to questions contain statements about expected future events and financial and operating results of TELUS that are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause actual future results and events to differ materially from that expressed in the forward-looking statements. Accordingly our comments are subject to the disclaimer and qualified by the assumptions (including assumptions for 2009 guidance and share purchases), qualifications and risk factors referred to in our Management's discussion and analysis in the 2008 annual report, and the 2009 first quarter Management's discussion and analysis, and in other TELUS public disclosure documents and filings with securities commissions in Canada (on www.sedar.com) and in the United States (on EDGAR at www.sec.gov). Except as required by law, TELUS disclaims any intention or obligation to update or revise forward-looking statements, and reserves the right to change, at any time at its sole discretion, its current practice of updating annual targets and guidance.

Agenda

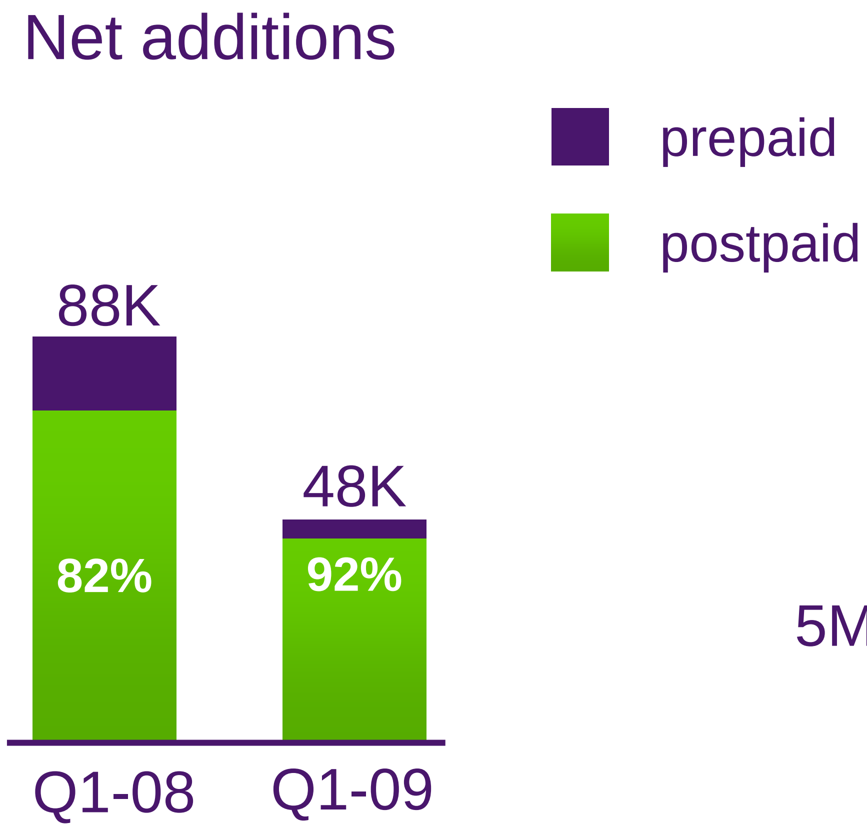
- Wireless and wireline segment review
- Consolidated financial review
- Updates
  - Cash and accounting for taxes
  - Operating Efficiency Program
  - 2009 guidance
- Questions and Answers

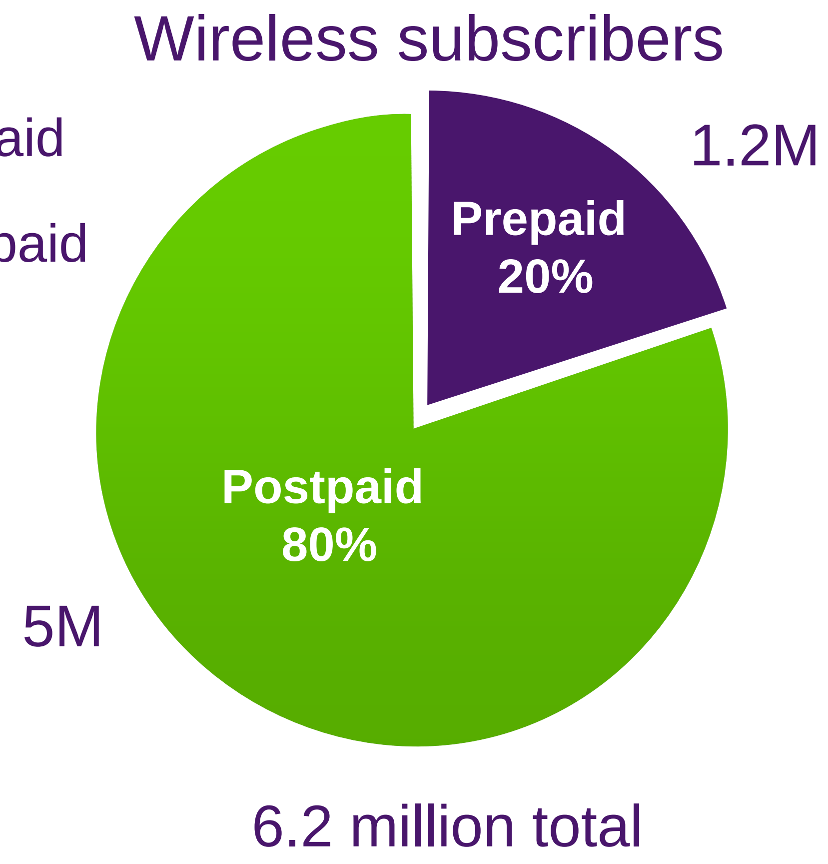
Wireless segment – Q1 2009 financial results

($M)	Q1-08	**Q1-09**	**Change**
Revenue	1,100	**1,130**	↑ **2.7%**
EBITDA	503	**488**	↓ **(3.0)%**
Capital expenditures	65	**196**	↑ **202%**

Revenue higher on subscriber growth despite lower ARPU
Capex reflects investments in new HSPA network build

Wireless subscriber results





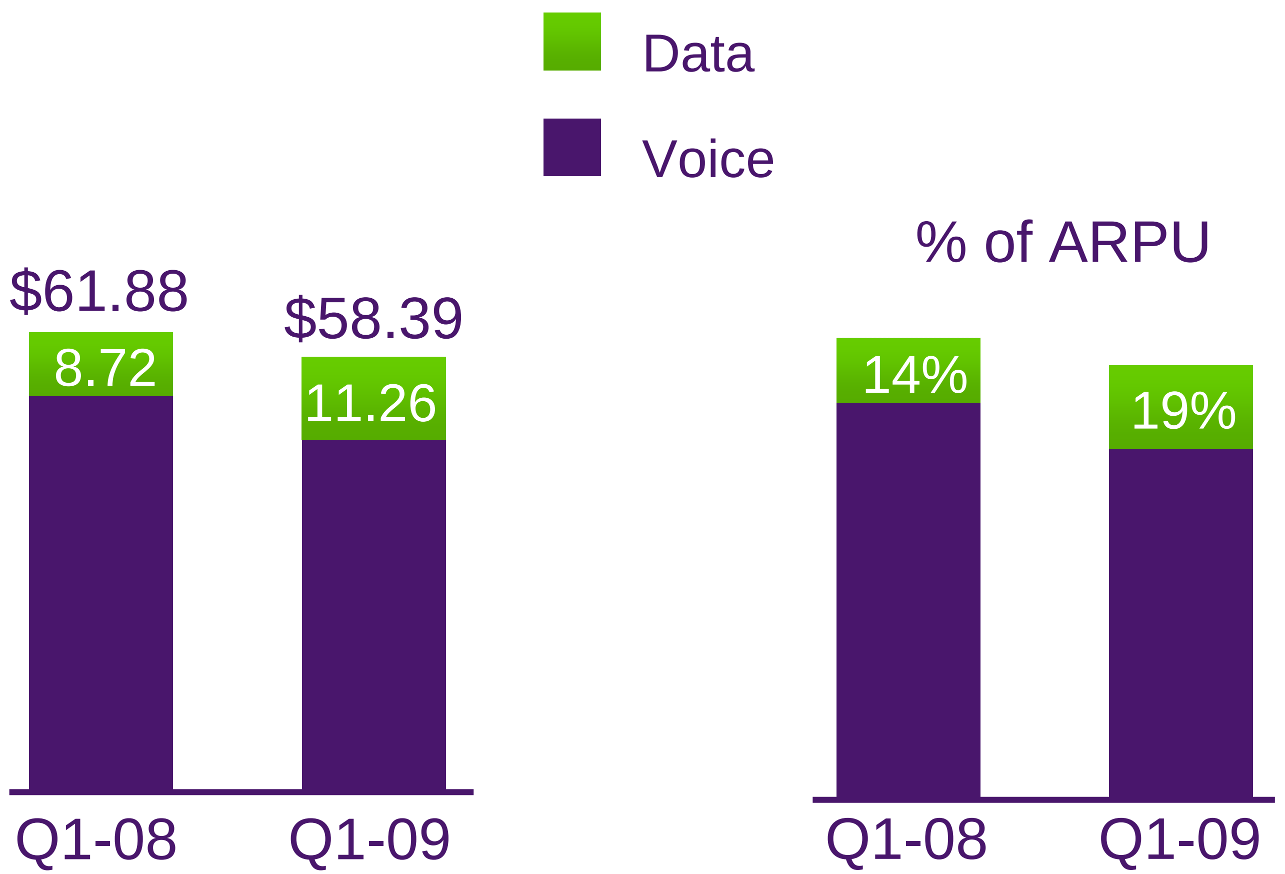
Low level of net additions impacted by recession and competitive intensity

Wireless ARPU recap

- Declining voice ARPU accelerated due to economic weakness and competitor price change in October 2008
- Wireless ARPU impacted by:
  - Lower service revenue from Mike
  - Declining MOU by consumers and businesses and right sizing of plans
  - Decreased roaming due to re-price & slowing travel
  - Increased penetration of Koodo brand

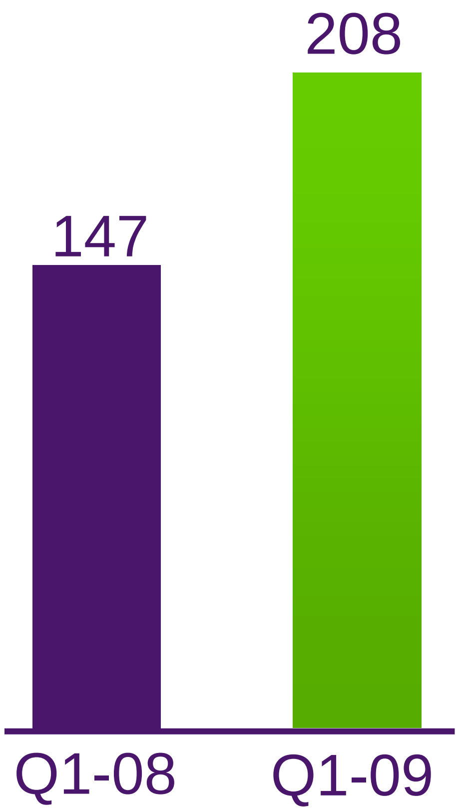
Wireless operating results impacted by weak economic environment

Wireless ARPU



Good data growth offset by acceleration in voice ARPU erosion

Wireless data revenue ($M)



Strong 41% annualized data growth
driven by continued smartphone adoption

Wireless marketing and retention

	Q1-08	**Q1-09**	**Change**
Gross adds	345K	**346K**	↑ 0.3%
Churn	1.53%	**1.62%**	↑ 9 bps
COA per gross add	$328	**$336**	↑ 2.4%
COA expense	$113M	**$116M**	↑ 2.6%
Retention expense	$88M	**$113M**	↑ 28%

Note: Measurement of costs of acquisition and retention have been refined. Prior year comparisons have been restated.

Weak wireless metrics

Wireless guidance update

($M)	2009 revised guidance*	Change from 2008
Revenue	$4,700 to $4,800	1 to 4%
EBITDA	$1,975 to $2,050	(1) to 2%

Wireless revenue growth of up to 4%
Projecting flat EBITDA in weak Canadian economy

* See forward looking statement caution

Wireline segment - revenue profile

($M)	Q1-08	**Q1-09**	**Change**
Voice – Local	502	**470**	↓ **(6)%**
Voice – Long Distance	179	**166**	↓ **(7)%**
Data	506	**538**	↑ **6%**
Other	63	**71**	↑ **13%**
External Revenue	1,250	**1,245**	↓ **(0.4)%**

Data & equipment growth offset declines in local and LD

Wireline segment – Q1 2009 financial results

($M)	Q1-08	**Q1-09**	**Change**
Revenue	1,250	1,245	(0.4)%
EBITDA	446	**418**	↓ **(6.3)%**
Capital expenditures	255	**278**	↑ **9%**

EBITDA impacted by pension and restructuring costs
As planned, higher capex to support broadband expansion

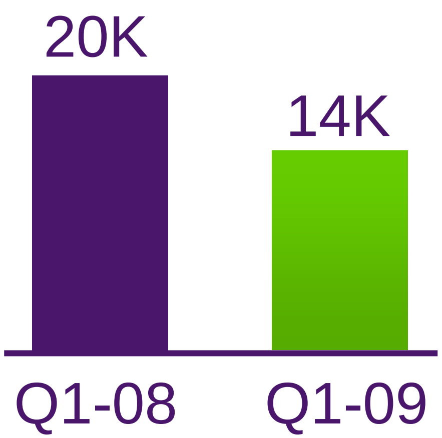
Wireline segment – EBITDA normalized

($M)	Q1-08	**Q1-09**	**Change**
EBITDA	446	**418**	↓ **(6.3)%**
DB pension expense/(recovery)	(23)	**4**	
Restructuring costs	7	**26**	
EBITDA normalized	430	**448**	↑ **4.2%**

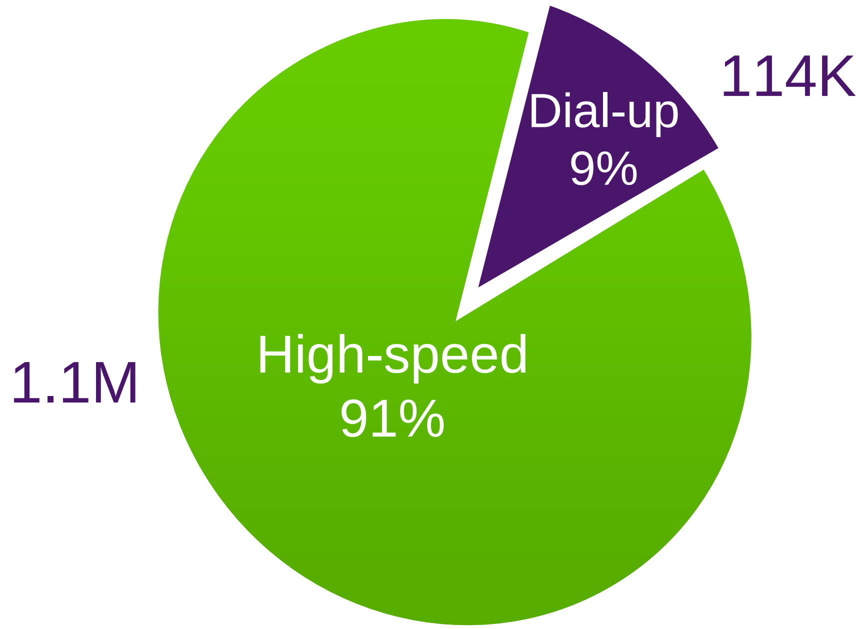
Underlying EBITDA up 4% when excluding DB pension expense and restructuring costs

Internet subscribers

High-speed Internet net additions



Internet subscribers



1.2 million total

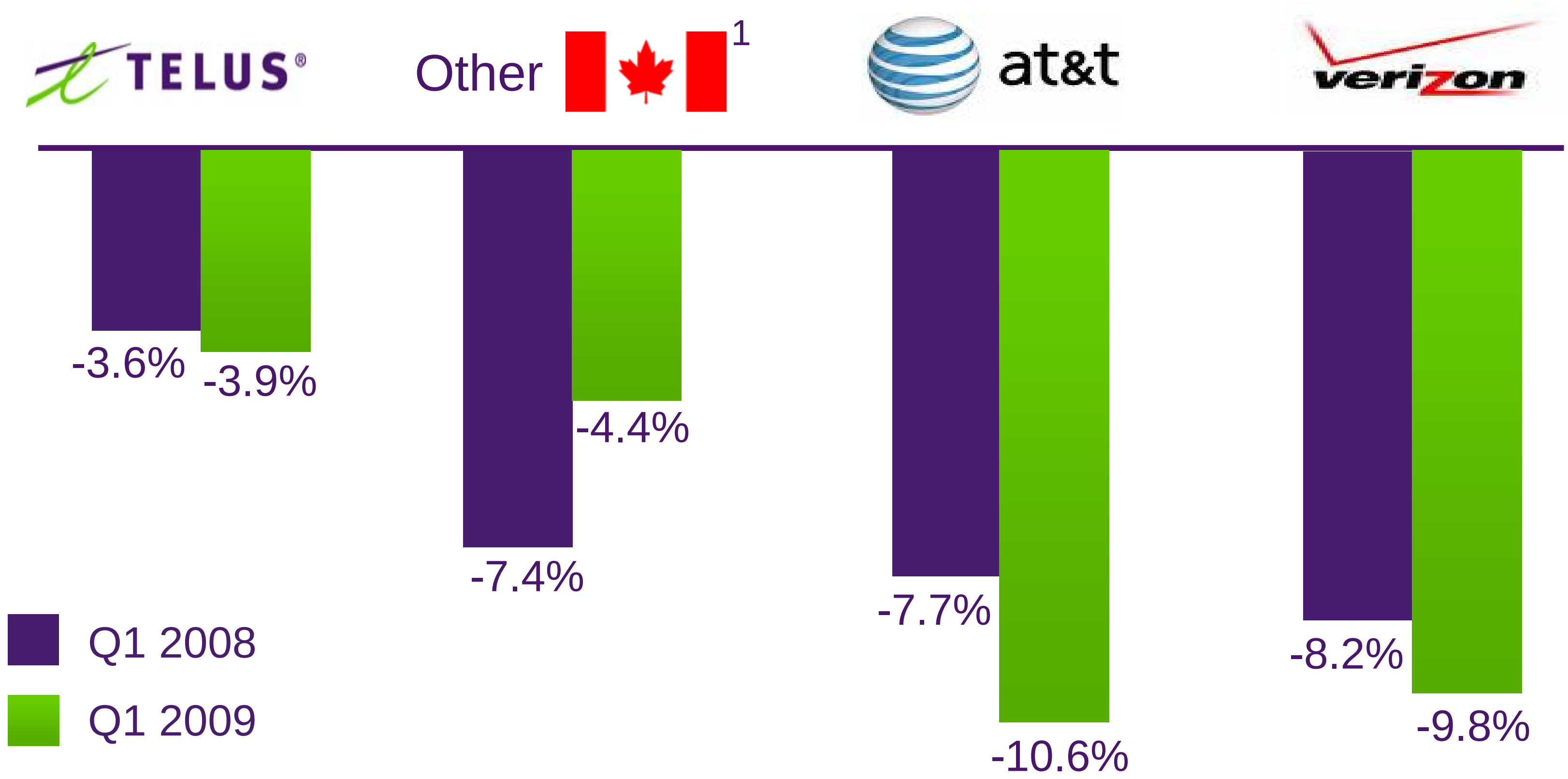
High-speed base up 7% YoY

TELUS TV update

- TELUS TV subscribers surpassed 100K milestone in April
- TELUS continuing TELUS TV over broadband network build out
- TELUS Satellite TV:
  - Complements TELUS' current IP TV service/entertainment portfolio
  - Increases TELUS TV bundle footprint in ILEC territory to >90%
  - Enhances TELUS' competitive position
- Commercial launch later in 2009
- Financial impact included in 2009 guidance

TELUS TV subscribers surpassed 100K milestone in April

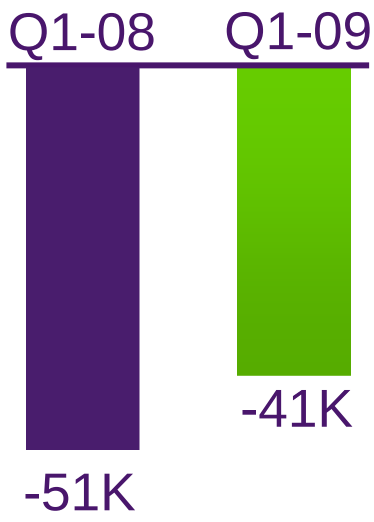
Moderate Network Access Line losses vs. peers



[1] Includes a weighted average of reported NALs for Bell, MTS and Bell Aliant.

TELUS continues to compare favourably to North American peers

Improved residential NAL losses



Residential line losses improved by 10K YoY

Wireline guidance update

($M)	2009 revised guidance*	Change from 2008
Revenue	$5,000 to $5,100	0 to 2%
EBITDA[1]	$1,650 to $1,725 (unchanged)	(3) to (7)%

[1] Underlying EBITDA growth would be 3 to 8% adjusted for wireline restructuring costs of $51M and approx. $125M in 2008 and 2009E respectively, and a $110M increase in 2009 wireline DB pension expense

EBITDA adjusted for pension and restructuring underlying EBITDA growth of 3 to 8%

* See forward looking statement caution

Consolidated – Q1 2009 financial results

($M excluding EPS)	Q1-08	**Q1-09**	**Change**
Revenue	2,350	**2,375**	↑ **1.1%**
EBITDA	949	**906**	↓ **(4.5)%**
EPS	0.90	**1.01**	↑ **12%**
Capital Expenditures	320	**474**	↑ **48%**

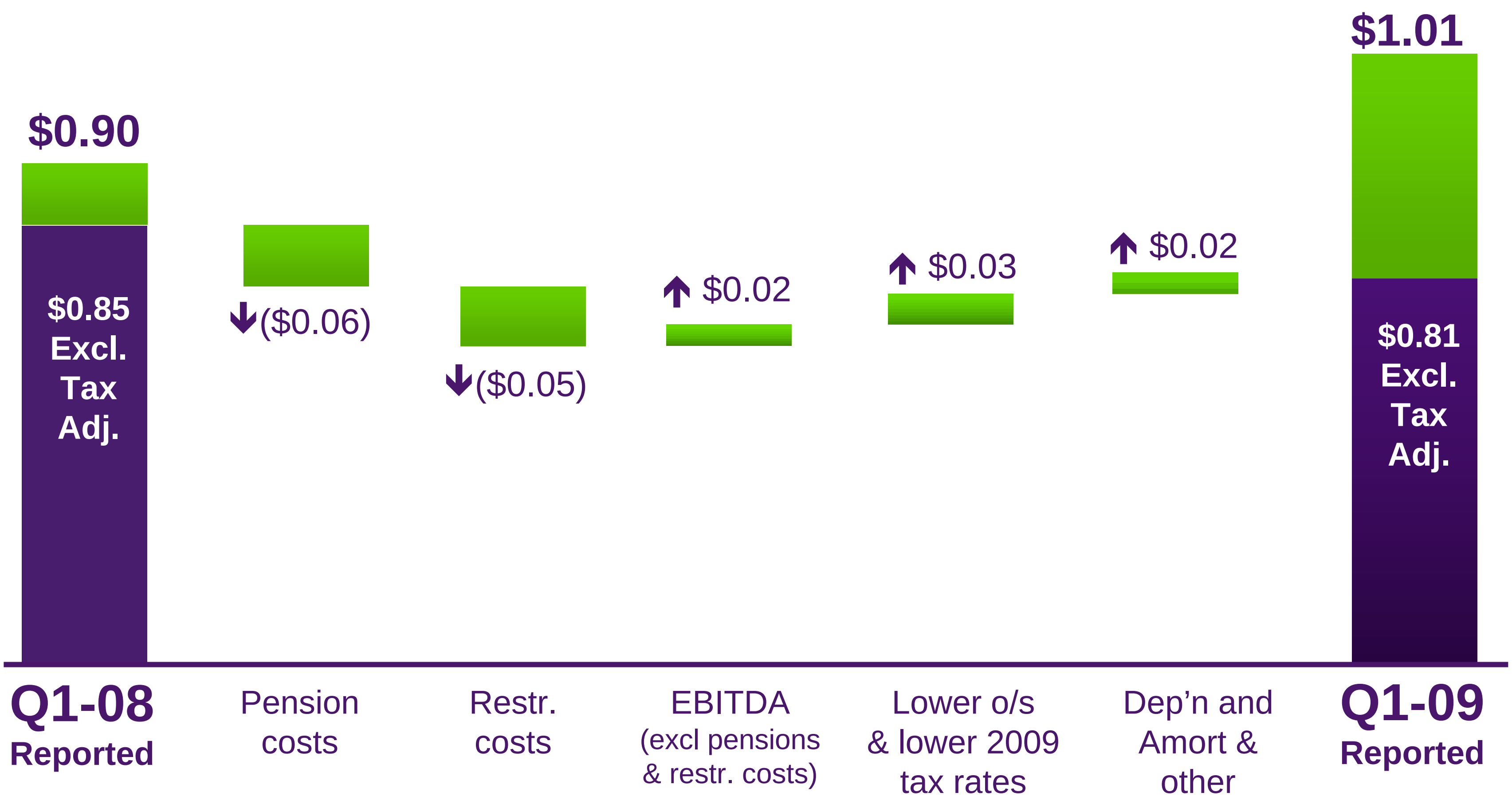
Consolidated results impacted by economic softness and increased pension and restructuring

Consolidated – EBITDA normalized

($M)	Q1-08	**Q1-09**	**Change**
EBITDA	949	**906**	↓ **(4.5)%**
DB pension expense/(recovery)	(25)	**4**	
Restructuring costs	7	**28**	
EBITDA (normalized)	931	**938**	↑ **0.8%**

Normalized EBITDA up 1% when excluding
DB pension expense and restructuring costs

EPS continuity



Excluding income tax-related adjustments, EPS impacted by increased pension and restructuring costs

Consolidated guidance update

($M, excluding EPS)	2009 revised guidance*	Change from 2008
Revenue	$9,700 to $9,900	0 to 3%
EBITDA[1]	$3,625 to $3,775	(4) to 0%
EPS (excl. income-tax related adj.)	$3.15 to $3.45	(7) to 2%
Capex	approx. $2,050 (unchanged)	10%

[1] Underlying EBITDA growth would be 1 to 5% adjusted for restructuring of $59M and approx. $125M in 2008 and 2009E respectively, and a $118M increase in 2009 DB pension expense

EBITDA adjusted for pension and restructuring underlying EBITDA growth of up to 5%

* See forward looking statement caution

Tax update

Cash taxes

- Cash income tax payments of $214M paid in Q1-09 primarily consist of final 2008 tax payment and commencement of 2009 installments

Accounting Tax

- Effective tax rate of 15% due to reassessments of prior year tax issues and revaluation of future income tax liabilities
- Positive income tax-related adjustment of $62M or $0.20 per share includes $8M after-tax interest income on settlements

2009 net cash tax payment guideline of approx. $320 to $350M* unchanged

* See forward looking statement caution

Operating efficiency program (OEP) update

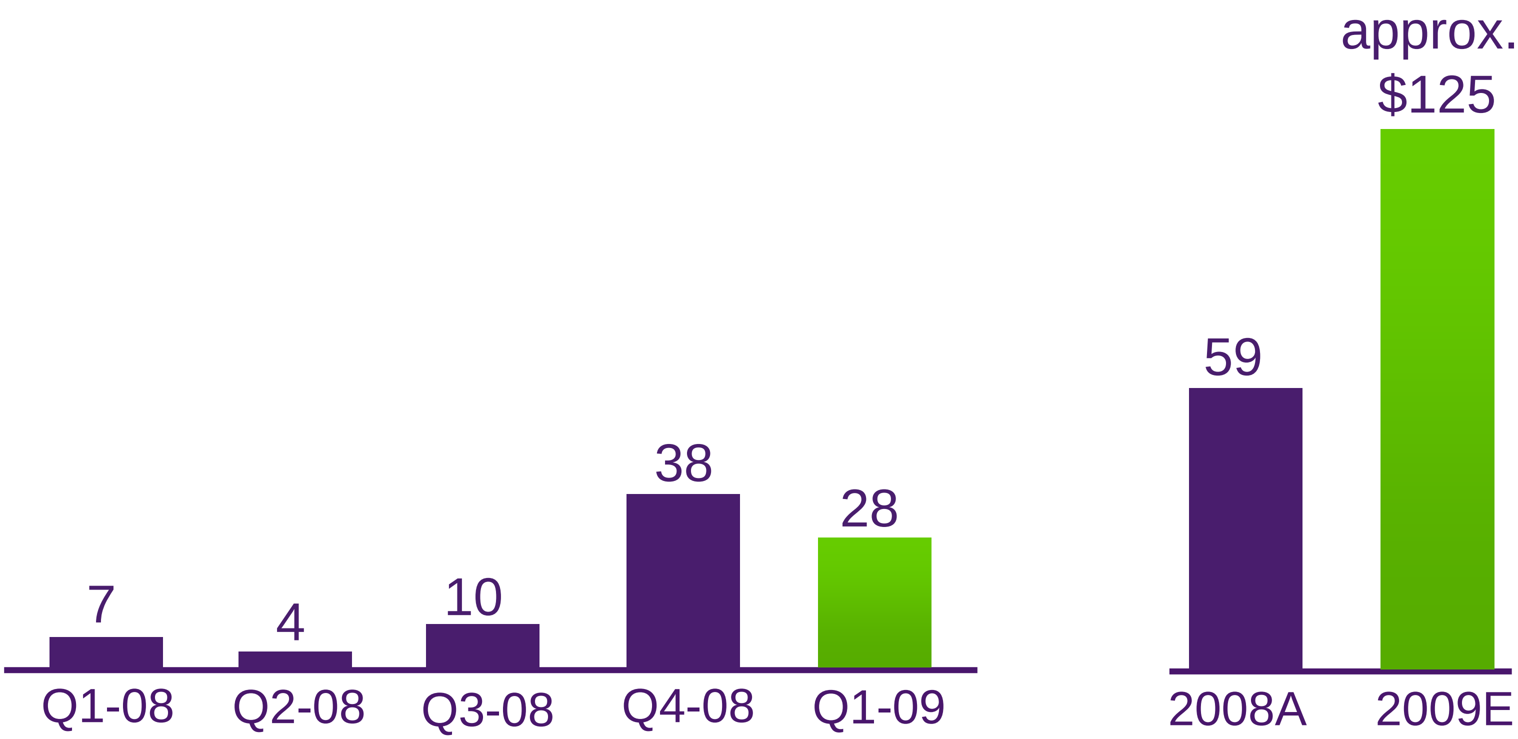
- Significant acceleration of restructuring costs since mid-2008
- $28M in Q1-09 compared to $7M in Q1-08
- 2009 restructuring cost estimate raised from $50 to $75M range to approx. $125M*
  - Reflects increased emphasis on cost reduction initiatives

Significant acceleration of efficiency initiatives

* See forward looking statement caution

Investing in operational efficiency

Total restructuring costs ($M)



Ongoing significant acceleration of operational efficiency initiatives driving increased restructuring costs

Analysis of full time equivalent employees

	YE 2008	Q1-09	Change
Total (domestic)	27,920	27,260	↓ (660)
TELUS International	7,950	7,450	↓ (500)
Total	35,870	34,710	↓ (1,160)

- Q1/09 permanent domestic FTE reduction is 500 and balance is seasonality
- TELUS International expects YoY increase in staff count for the full year 2009

Significant progress already made towards YE target of >1500* reduction in domestic FTEs

* See forward looking statement caution

TELUS funding position

- Strong position with sustainable cash flows and >$1B liquidity
  - $500M accounts receivable securitization until May 2012
  - Committed $2B credit facility available until May 2012
  - $700M 364-day bank facility to available until March 2010 (undrawn)
  - Greater than $1B of low-rate CP issuance outstanding
- 1.9x net debt to EBITDA within 1.5 to 2.0x long-term guideline
- Strong investment grade credit ratings (BBB+/A-) with stable outlook
- Could term-out some existing short-term financing if conditions advantageous

TELUS continues to meet all prudent financial policies

Summary

- Wireless results disappointing
- Positive trends for wireline results
  - Improved cost efficiency
  - EBITDA up 4% excluding pension and restructuring costs
  - Building momentum in TELUS TV
    - TELUS TV subscribers surpass 100K milestone
    - Expanding coverage with TELUS Satellite TV in late 2009
- Continued strategic investments in wireless and wireline broadband
- Strong balance sheet and longstanding adherence to financial policies
- Updated 2009 consolidated and segmented guidance reflecting Q1/09 results and accelerated efficiency initiatives given general economic conditions

Questions?

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Appendix – free cash flow

C$ millions	2008 Q1	2009 Q1
EBITDA	949	906
Capex	(320)	(474)
Net Employee Defined Benefit Plans Expense (Recovery)	(25)	4
Employer Contributions to Employee Defined Benefit Plans	(27)	(53)
Interest expense paid (includes income tax interest income)	(44)	(49)
Cash Income Taxes and Other	2	(214)
Non-cash portion of share-based compensation	12	13
Restructuring payments (net of expense)	(3)	(1)
Donations and securitization fees included in other expense	(10)	(3)
Free Cash Flow (before share based comp payment)	**534**	**129**
Share based compensation paid	(6)	(4)
Free Cash Flow	**528**	**125**
Purchase of shares for cancellation (NCIB)	(122)	-
Dividends (Note: Q4-07 dividend remitted Dec 31, 2007)	-	(151)
Acquisitions	(687)	-
Working Capital and Other	(221)	12
Funds Available for debt redemption	**(502)**	**(14)**
Net Issuance (Repayment) of debt	531	75
Increase (Decrease) in cash	**29**	**61**

Appendix – definitions

- **EBITDA**: earnings, after restructuring and workforce reduction costs, before interest, taxes, depreciation and amortization
- **Capital intensity:** capex divided by total revenue
- **Cash flow:** EBITDA less capex
- **Free cash flow:** EBITDA, adding Restructuring and workforce reduction costs, net employee defined benefit plans expense, cash interest received and excess of share compensation expense over share compensation payments, subtracting cash interest paid, cash taxes, capital expenditures, cash restructuring payments, employer contributions to employee defined benefit plans, and cash related to Other expenses such as charitable donations and securitization fees
- **Cost of retention (COR):** total costs to retain existing subscribers, often presented as a percentage of network revenue

TELUS definitions for non-GAAP measures