

Q3 2006 TELUS investor conference call

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Agenda

- Income Trust update
- Call for regulatory change
- Q3 highlights and Govt. of Ontario contract
- CFO Q3 detailed review

Major developments for TELUS investors this quarter

TELUS conversion to income trust update

- Income trust policy change announced by Finance Minister
- Mid-stream change entirely unexpected
- Decision to convert based on public policy reaffirmed by federal government twice in past year
- Companies require a consistent, continuous legislative framework to make major long term strategic decisions
- Conversion supports advancement of national growth strategy
- Continuing to assess options available
- Regardless of structure, TELUS offers investors superior assets, strong predictable cash flow and prospect of growth

As a trust or corporation, TELUS growth prospects are excellent

Returning capital to investors

- Dividend growth model for last three years
 - Increasing quarterly dividend by 36% to 37.5 cents
 - Third successive increase
- Share repurchase programs carried out since 2004
 - 35.7 million shares repurchased for \$1.57 billion



Proven track record of returning capital and creating value

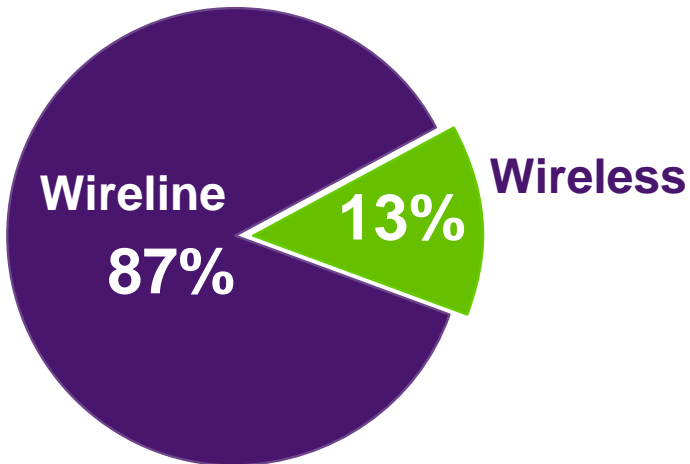
Call for public policy and regulatory change

- Current regulatory framework enacted 15 years ago
 - do not reflect communication realities of digital IP revolution
- Wireless industry demonstrates unequivocally benefits of light regulation and competition
- Innovation and investment can be stifled
- Support Telecom Policy Review call for free market approach
 - TPR should be implemented
- Overturn VoIP and local forbearance decisions

Strategic focus on national wireless growth

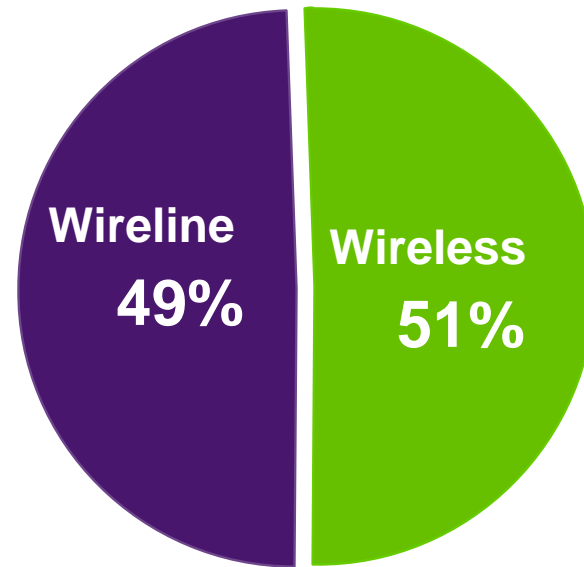
EBITDA

Q3 2000



\$610M

Q3 2006



\$952M

Wireless represents more than 50% of EBITDA for 1st time

Q3 review

Wireless

- Strong revenue growth of 17% led by data
- COA down for third consecutive quarter
- EBITDA up 17% with margin of 47.5%
- Cash flow of \$370M up 13%



Continued leading performance in wireless results

Q3 review

Wireline

- Improved trends in revenue and EBITDA
- Data revenue up 9% with 41,500 high speed Internet additions
- Moderate NAL loss of 2.8%
- Capex cyclically high for ongoing growth investments
- Major \$140 million contract with Government of Ontario

Wireline results demonstrate resiliency

Q3 review - consolidated

- Accelerating revenue and earnings growth
- 2006 consolidated guidance updated
 - Ranges tightened
 - EPS range increased to \$3.15 to \$3.25
- Increasing dividend by 36% to \$1.50 annual level

Thank you for your support