

RBC Capital Markets

Telecommunications Fixed Income Conference

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May 13, 2009



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 those expressed in the forward-looking statements. Accordingly comments are subject to the disclaimer and qualified by the assumptions (including assumptions for 2009 guidance, share repurchases and the launch of satellite TV service later this year), qualifications and risk factors referred to in 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 (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.

Leading the way with a proven strategy

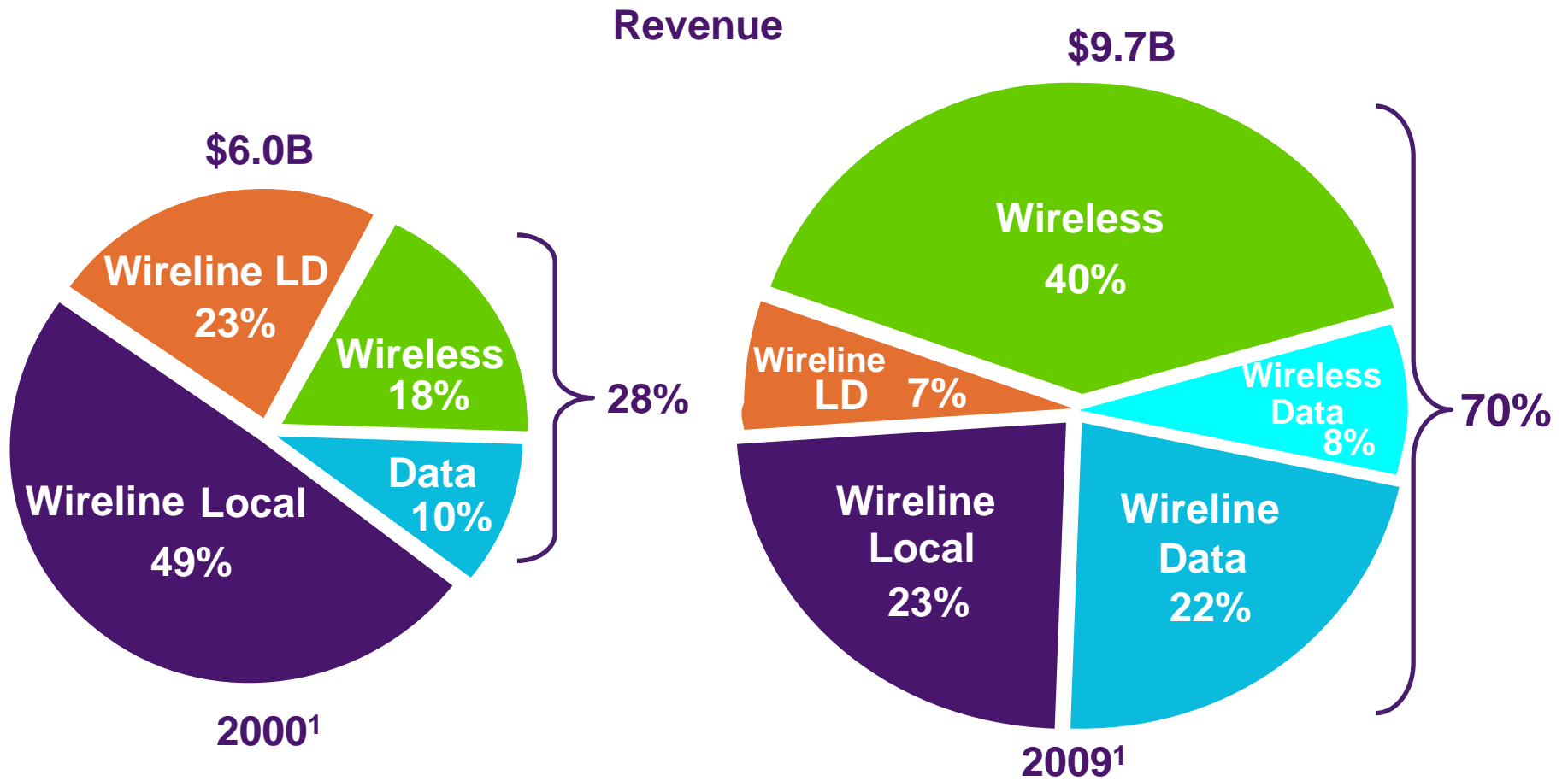
Strategic imperatives

- **Focusing on growth markets of data and wireless**
- **Building national capabilities**
- **Providing integrated solutions**
- **Investing in internal capabilities**
- **Partnering, acquiring and divesting as necessary**
- **Going to market as one team**

strategic intent... *to unleash the power of the Internet to deliver the best solutions to Canadians at home, in the workplace and on the move.*

Consistent strategy and execution 2000 → 2009

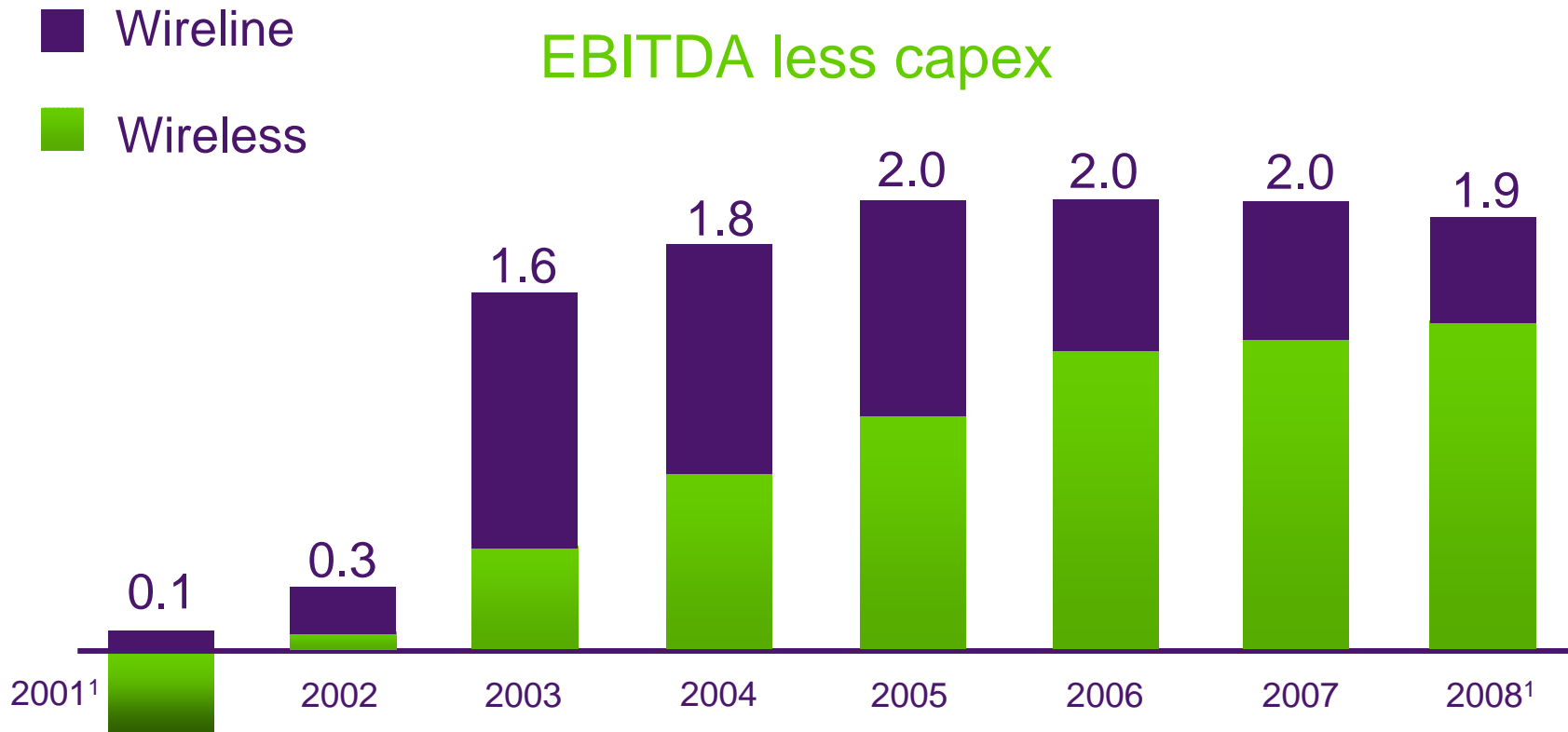
Strategic focus on data and wireless



¹ 12 months ending June 30, 2000 and March 31, 2009, respectively

TELUS revenues increased 61% since 2000

Total simple cash flow by segment (\$B)

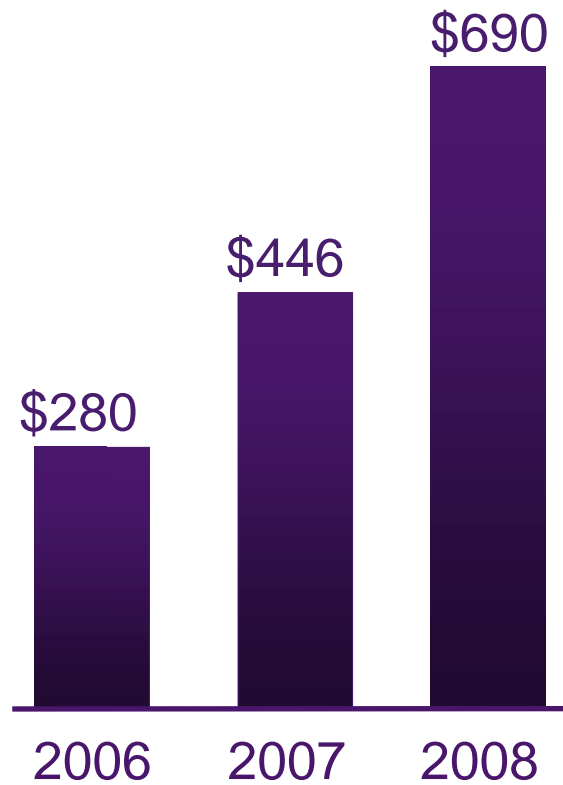


¹ Wireless simple cash flow excl. pmt for wireless spectrum of \$356M in 2001 and \$882M in 2008

Robust cash flow increasingly driven by wireless segment

Growing data usage through smartphone adoption

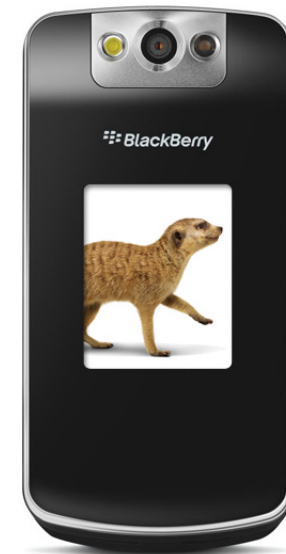
■ Wireless data revenue (\$M)



Data up 55% in 2008 representing 16% of network revenue

Wireless broadband strategic investments

- Optimising transition over time from CDMA to GSM/LTE ecosystem
- Investing in HSPA network in 2009 for planned launch early 2010
- 2009 a peak year in wireless capital
- Expected benefits to TELUS
 - Access roaming revenues
 - Reduce data transmission costs
 - Enhance selection and cost of handsets



Strengthening our competitive position and cost efficiency

Wireline broadband strategic investments

- Enhancing high speed networks in BC, Alberta & E. Quebec
- Supporting broadband solutions such as IP TV and High Definition (HD)
- Expected benefits to TELUS
 - Supports customer and revenue growth of high-speed Internet and TV
 - Improves competitive position by increasing coverage
 - Advances rollout of new services



Strengthening our competitive position and supporting growth

TELUS TV update

IP TV Rollout – TELUS TV

- Continuing rollout of TV service including HDTV and PVR
- Target to achieve 90% HDTV urban footprint in next two years
- TELUS TV subscribers surpassed 100K milestone in April
- Continuing broadband network enhancement initiative

TELUS Satellite TV

- Recent announcement that commercial launch later in 2009
- Complements current IP TV service/entertainment portfolio
- Instant increase to TELUS TV bundle footprint in BC & AB to >90%
- TELUS branded and delivered under agreement with Bell

TELUS TV subscribers surpassed 100K milestone in April

Building on large enterprise deals

Investing in and focusing on key industry verticals

- Public sector
- Financial services
- Energy
- Healthcare

Québec 



Shell



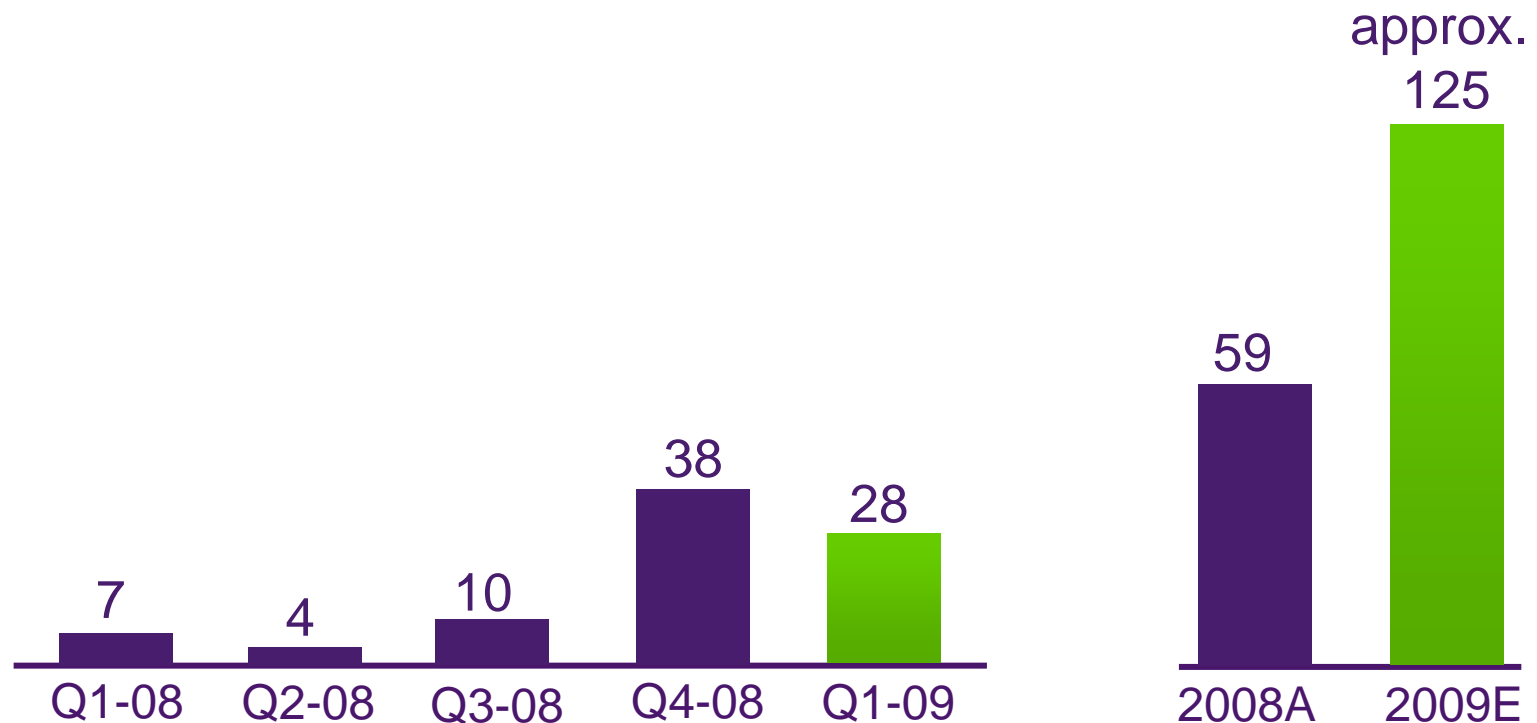
Canada 



Implementation track record leading to contract wins

Investing in operational efficiency

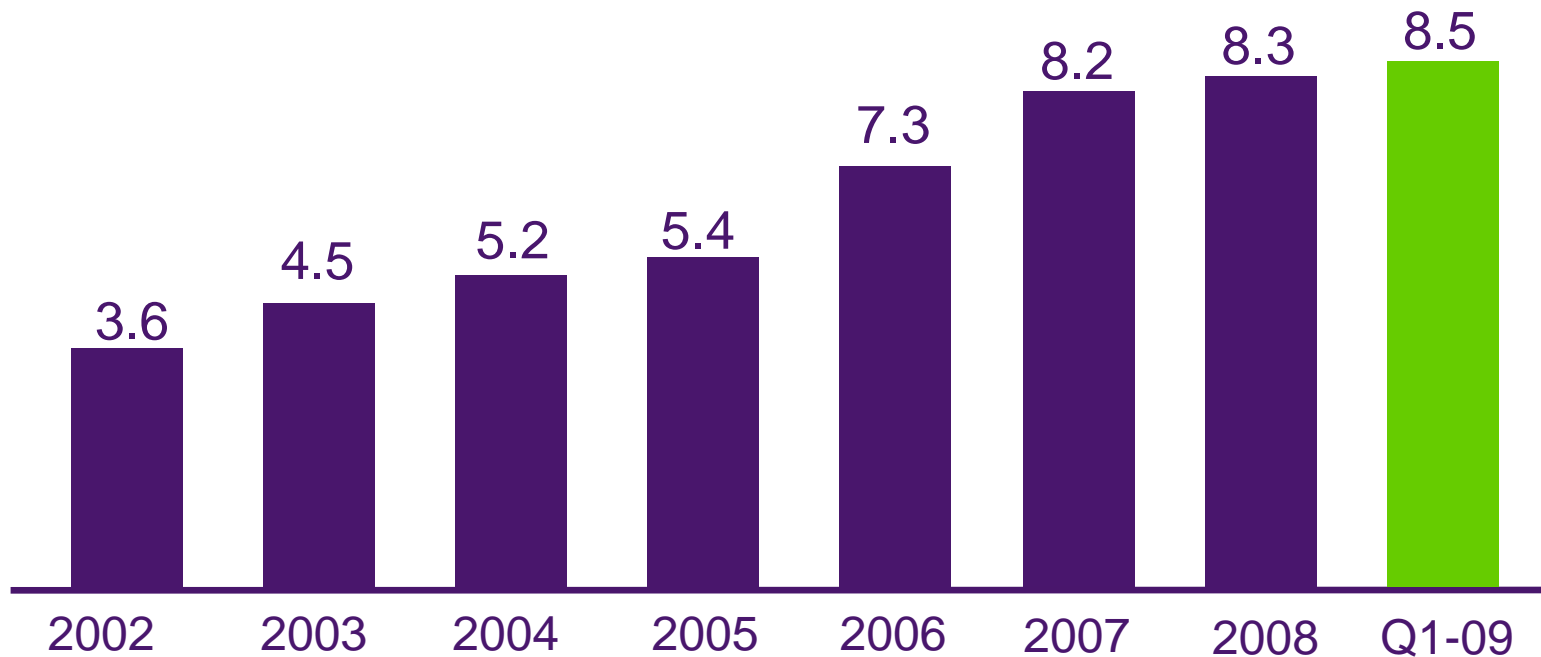
Total restructuring costs (\$M)



Ongoing significant acceleration of operational efficiency initiatives driving increased restructuring costs

EBITDA interest coverage

EBITDA interest coverage ratio¹

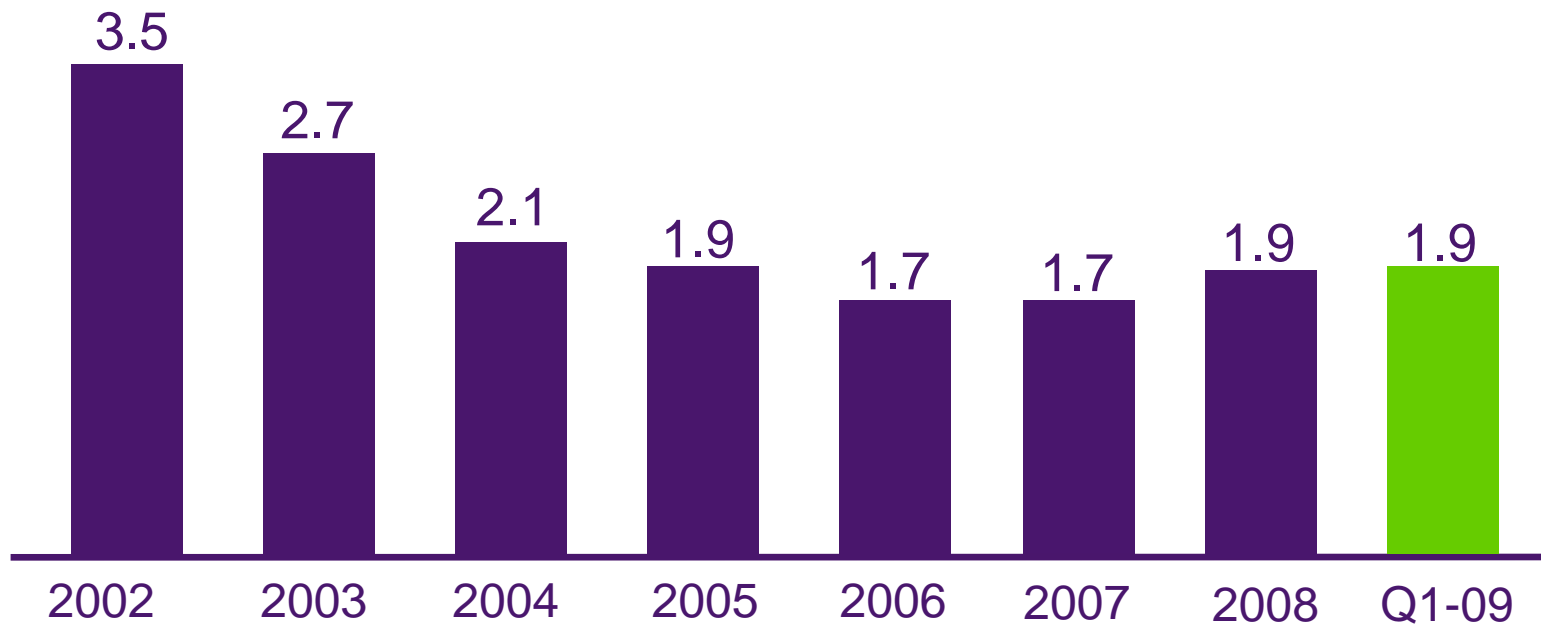


¹ EBITDA before restructuring costs divided by Financing costs before gains on redemption and repayment of debt, calculated on a 12-month trailing basis

Consistent improvements in interest coverage

Net debt to EBITDA

Net debt to EBITDA ratio



Entering 5th consecutive year of leverage ratio < 2.0x

Long-term financial policy targets

| | Long-term policy | Q1-09 | Met |
|-----------------------|-------------------------------|--------------------|-----|
| Net Debt : EBITDA | 1.5 to 2.0x | 1.9x | ✓ |
| Minimum liquidity | > \$1 billion | 1.24B ¹ | ✓ |
| | Long-term policy | Current | Met |
| Current credit rating | BBB+ to A- (or equivalent) | BBB+ / A (low) | ✓ |

¹ Includes \$200M of unutilized Accounts Receivable securitization

Strong balance sheet consistent with policy targets

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 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 (low)) with stable outlook
- Intend to term-out some existing short-term financing if conditions remain advantageous

TELUS continues to meet prudent financial policies

Credit rating overview

TELUS Corporation

| Agency | Rating | Outlook |
|---------|---------|----------------|
| DBRS | A (low) | Stable trend |
| S&P | BBB+ | Stable outlook |
| Moody's | Baa1 | Stable outlook |
| Fitch | BBB+ | Stable outlook |

TELUS at targeted credit rating with all 4 rating agencies

Excellence in disclosure and governance

e.Com
Report
Watch

- **Annual Report on Annual Reports 2008**
 - TELUS 2007 Annual Report ranked 3rd in world
- **Canadian Institute of Chartered Accountants (CICA) 2008**
 - Overall award of Excellence for Corporate Reporting
 - Award of Excellence for Financial Reporting
 - Honorable mention for corporate governance and corporate social responsibility report
- **Dow Jones Sustainability Index for eight years**
 - Only 10 Canadian companies on the World Index
 - Only North American telco in global index



Investor considerations

- Consistent strategy
- Long term wireless and data growth
- Making significant strategic investments in wireless and wireline broadband for long term benefit
- History of robust free cash flow generation
- Track record of setting & achieving long term credit policies that appropriately balance interests of equity & debt holders
- Accomplished record of excellence in reporting, transparency and governance

Combination of good growth and resilient cash flow results in solid investment grade credit ratings

Questions?

investor relations
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Appendix - 2009E Free cash flow (\$B)

(\$M)

2009E

EBITDA (after restructuring) \$3,625 to 3,775

Capex ~(2,050)

Net Cash Interest ~(450)

Net cash tax payment (320) to (350)

Other ~(40)

Free Cash Flow 750 to 900

Cash pension contribution (in excess of expense) ~(175)

Free Cash Flow¹ (incl. cash pension contribution) 575 to 725

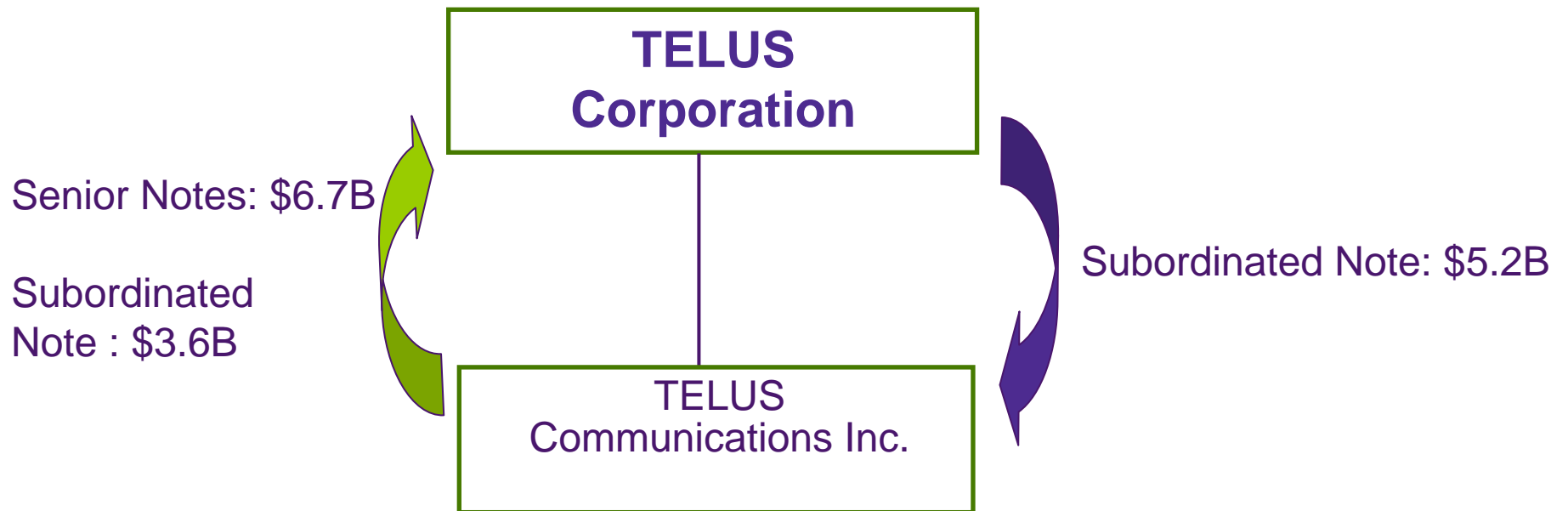
¹ see Free Cash flow definition on Appendix slide

Appendix - Current debt structure

| <u>TELUS Corporation</u> | | |
|----------------------------------|----------|-------------------|
| | | <u>Maturity</u> |
| Bank / CP Program | C\$2.0 B | Revolver May 2012 |
| Bank Liquidity Line | C\$0.7 B | March 2010 |
| US\$ 8.0% Notes | C\$2.4 B | June 2011 |
| CAD\$ 4.5% Notes | C\$0.3 B | March 2012 |
| CAD\$ 5.0% Notes | C\$0.3 B | June 2013 |
| CAD\$ 5.95% Notes | C\$0.5 B | April 2015 |
| CAD\$ 4.95% Notes | C\$0.7 B | March 2017 |
| | 100% | |
| <u>TELUS Communications Inc.</u> | | |
| | | <u>Maturity</u> |
| Mortgage Bonds | C\$0.03B | July 2010 |
| Debentures | C\$0.80B | 2010 - 2025 |

82% of total debt at TELUS Corporation

Appendix - Intercompany financing



As at March 31, 2009

TELUS Corporation has a net \$6.7B senior claim at TCI

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