



TELUS Annual Meeting of Shareholders  
Thursday, May 7, 2009

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Bonjour et bienvenue à l'Assemblée générale annuelle des actionnaires de TELUS.

Your company has established a profound presence in Central Canada.

Today, TELUS is:

- A world leading communications provider;
- Recognised for our thought leadership and social conscience;
- Generating solid financial results; and
- Consistently outpacing our global peers over the years.

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

Depuis deux mille, TELUS a investi treize milliards de dollars en Ontario.

Today, Ontario is home to more than 7,000 TELUS team members, who are dedicated to serving the needs of our customers.

In my remarks, I will explain how our proven strategy, talented team and disciplined focus on TELUS' core business has, over a nine year period:

- Positioned your company at the forefront of technological innovation, delivering future friendly services to our customers;
- Positioned your company at the forefront of our global peers with respect to the excellence of our strategy, and creation of shareholder value; and
- Positioned your company in the hearts of our communities, reflecting our commitment... 'to give, where we live'.



I will conclude my remarks with TELUS' 2009 corporate priorities, which are designed to ensure our success for the long term in a competitive industry and challenging economic environment.

TELUS' progress can be attributed to our team's relentless focus on the six strategic imperatives that have guided our organisation since our journey took shape nine years ago.

Since 2000, TELUS has almost doubled our client base, increased our revenue by more than 60 per cent, raised operating profit by 54 per cent and expanded our enterprise value by 72 per cent.

Votre société a rempli ses promesses.

The chart before you compares TELUS' share valuation performance to our peers around the world.

Looking back over the last decade, on a total return basis, which includes share price appreciation and dividends, TELUS has generated a 33 per cent return for shareholders.

As shown, TELUS has created positive shareholder value compared to our global peers, demonstrating the robustness of our share price performance over many years.

At the consolidated level, your company delivered:

- Revenue growth of more than six per cent, up \$579 million dollars from the previous year;
- Operating profit of \$3.8 billion dollars;
- Earnings per share of \$3 dollars and 37 cents; and
- A strong return on equity of 16 per cent.

Our company's performance on a consolidated level remained strong in 2008 due to our significant national exposure to wireless and data growth.

In 2008, TELUS delivered strong growth in total customer connections as evidenced by:

- A record 588,000 new wireless clients, which continues our five-year track record of producing more than 500,000 annual additions; and
- 76,000 additional High Speed Internet customers, reaching 1.1 million clients today.

As this chart illustrates, since 2000, total customer connections are up 5.7 million or 96 per cent, with Internet, TELUS TV and wireless now accounting for 64 per cent of our total client base.



TELUS' strategy has produced a distinct shift in our revenue streams from our mature voice business to our higher-growth wireless and data businesses. Wireless and data now make up 70 per cent of our revenue base from only 28 percent in 2000.

Moreover, by focusing on data, both in wireline and wireless, we have generated a threefold increase to a 30 per cent proportion of total revenues.

In 2008, TELUS posted strong wireless revenue growth of almost nine per cent and operating profit growth of four per cent.

Additionally, TELUS' lifetime revenue per customer of \$4,000 dollars contributed to robust, wireless operating cash flow growth, of six per cent to \$1.5 billion dollars.

The weak economy in Canada, however, impacted our first quarter wireless results in 2009. Revenue growth slowed to three per cent and operating profit was down three per cent. We currently believe that this is transitory and should recover with the economy as we move into 2010.

To put this in perspective, TELUS remains a leader amongst our global peers for wireless cash flow yield as a per cent of revenue, which is indicative of your company's economic performance in this regard.

TELUS is also an industry leader with wireless data revenue growth last year of 55 per cent. Despite the economic slowdown, in the first quarter, wireless data revenue growth remained strong at 41 per cent.

This performance is driven by our efficient marketing of smartphones, the introduction of innovative data applications and consumers downloading from our extensive music library. Indeed, TELUS is the number one mobile music provider in Canada.

The successful launch of Koodo one year ago expands your company's ability to serve clients who only want talk and text. This market-leading service augments our wireless distribution, increases our customer base and complements our full-service, TELUS brand.

Notably, Koodo received the highest score for postpaid service providers in the 2008 Canadian wireless customer satisfaction study by J.D. Power and Associates.



TELUS remains confident in our strong position within the Canadian wireless industry given the significant potential for growth. In the next five years, up to seven million new clients will join our industry, and your company is well positioned to compete for this expanding wireless business.

Last year, your company inaugurated an important strategic investment in wireless with the building of a high-speed packet access network, which is planned for launch in early 2010.

Your company's HSPA network will significantly strengthen our competitive position. Canadians will have more choice with the broadest selection of wireless services, which will help them stay connected, improve their quality of life and enhance their business competitiveness.

Importantly, this will also:

- Provide TELUS with access to new roaming revenue;
- Reduce our data transmission costs; and
- Give customers access to a compelling selection of globally-compatible handsets.

Let us turn now to the wireline business.

TELUS is investing to enhance our wireline broadband infrastructure to support innovative solutions for our clients. These solutions will fuel our growth and improve our competitiveness, better position us against cable TV companies for high-speed Internet, and advance the ongoing roll out of exciting new services, such as all digital TELUS TV.

TELUS TV offers customers the choice and flexibility to:

- Customize and create their own entertainment experience;
- Watch first run movies through Video on Demand, with the ability to pause, fast forward or rewind at will; and
- Record programs with Personal Video Recording.

Notably, I am pleased to report that we have now connected more than 100,000 clients.

We are also pleased to announce today that we will be adding a new service later this year, TELUS Satellite TV.

This service will complement the current success of our IP-based TV offering by enabling us to accelerate our entertainment coverage across British Columbia and Alberta to reach more than 90 per cent of households.



TELUS' objective of delivering profitable growth from national expansion in Ontario and Quebec is aimed at offsetting wireline revenue and margin pressure in our incumbent operations. Since 2000, your company has focused on managed data network services in Central Canada.

TELUS has built scale in our Ontario and Quebec wireline operations, generating \$1.2 billion dollars of revenue and \$260 million dollars of operating profit. We have also incurred a modest negative cash flow of \$50 million dollars, which supports the implementation of long-term, managed data networks for our clients.

We have come a long way since 2000 and our success in this regard is a tremendous source of pride for the TELUS team.

TELUS is achieving these results by investing in and driving thought leadership in four key industry verticals, namely the public sector, healthcare, financial services, and energy.

Your company has established its leadership in state-of-the-art, IP network solutions and has built a track record of successful, large-scale deployments.

Late in 2008, we were awarded a new 10-year contract with the Government of Quebec to manage the province's next generation data network. This infrastructure will provide data connections to 350 health institutions across the province, underpinning our strategy to help transform Canada's healthcare system.

Indeed, we have earned the confidence of our customers, elevating TELUS to the top position in the public sector across Canada, as evidenced by the market share we have built in this regard. TELUS is the provider of choice for the Governments of British Columbia, Alberta, Ontario and Quebec. Moreover, we have been successful in winning multiple communications contracts with Federal Government departments.

Public sector organisations have three critical priorities:

- Firstly, keeping citizens safe and secure;
- Secondly, meeting increased citizen expectations for high service delivery amidst an aging and shrinking workforce; and
- Finally, modernizing government through the deployment of advanced technology solutions.



À TELUS, nous développons des solutions qui visent justement la réalisation de ces objectifs.

For example, TELUS SafetyNet, is equipping emergency response teams with secure, reliable and coordinated communications. Through these capabilities, emergency teams can share vital information in real time, notify communities and respond quickly and effectively during a crisis or contagion.

TELUS is also providing governments with the foundation by which they can more easily offer automated services. For example, with the recently released TELUS FrontLine, a self-service, web-based product, public sector organizations can respond to greater volumes of citizen inquiries, with fewer resources.

Finally, all governments are embracing new ways of working as part of a broader public sector renewal initiative. Through the delivery of TELUS Collaboration Solutions such as telecommuting, and web and video conferencing, TELUS is helping governments stay connected, reduce travel expenses and achieve greener operations.

Another area of prime strategic importance for TELUS and Canada is healthcare. Despite massive investment, our healthcare industry is in the midst of a challenge of historic proportions that is impacting every Canadian.

Ce défi influence la façon dont nous prenons soin de nos enfants, de nous-mêmes et de nos parents.

I believe that the only way we will realize healthcare affordability and effectiveness is through innovation and investment in information, communications and technology.

TELUS is committed to making a big difference in Canadian healthcare with a clear transformation agenda that includes:

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

The TELUS team is resolute in our commitment. Over three years, TELUS is investing \$100 million dollars in healthcare technology. This includes:



- Bringing to market, ground-breaking applications for remote patient monitoring;
- Driving the ubiquitous adoption of electronic health records and prescriptions;
- Providing the secure storage of patient information; and
- Automating the healthcare system with patient-centered, technology solutions that will engage patients as an equal partner in the management of their health.

It is through these investments that we are transforming the way critical health information is delivered across the continuum of care.

By way of example, the opportunity for change through electronic medical records is tremendous.

A survey in 2008 from Ipsos Reid revealed that 55 per cent of Canadians are tracking their medical history on paper, and one out of four people track their history by memory, or not at all. Moreover, 93 per cent of Canadians believe that medical errors can be prevented by tracking health records electronically.

Encouragingly, Canada Health Infoway has established a goal to provide all Canadians with an electronic health record by 2016, leveraging \$500 million dollars made available in the recent budget.

We are heartened that this is a strategic priority for our country.

The opportunity to accelerate the way healthcare is managed and delivered is ours to seize.

Your company has also just entered into an exclusive, ground-breaking agreement with Microsoft to deliver the first, consumer web-based health platform in Canada – TELUS HealthSpace. Powered by Microsoft, this solution will give Canadians the ability to electronically store, manage and secure their personal health data and share it amongst health providers.

TELUS HealthSpace will also offer applications for health and well-being, chronic disease management and pediatric care. Canadians will be able to access this ground-breaking product and their medical information from wherever they have a wireline or wireless broadband connection.

Supported by the effort and thought leadership of our team members, TELUS recently earned recognition as the 2008 Health Company of the Year by the Information Technology Association of Canada. Moreover, for the second year in a row, TELUS was named the number one Canadian Healthcare Solution Company by Branham300.



Let me conclude our industry vertical strategy by commenting on the economics.

In 2000, we launched a strategic focus on acquiring new business in Central Canada. We understood that the broad-based move to IP in the corporate sector meant that every enterprise customer would need to consider a comprehensive swap-out of their data network services.

Indeed, this market expectation has come to fruition with a large number of significant contract wins nationally. Importantly, these wins represent investments that typically generate a cash return at the mid-point of the contract. These investments are also success-based; we only invest, if we secure the contract.

The industry verticals and the data networks that we manage have excellent loyalty and retention characteristics, given the complexity of the solution and the intimacy between TELUS and the client. Moreover, they provide a tidy profit contribution to our national fixed cost infrastructure that supports our wireline and wireless services, driving economies of scope and scale, as well as incremental business.

The cumulative cash flow from the large, client network implementations that we have completed is \$175 million dollars on revenues of approximately \$830 million dollars.

In terms of more recent wins, the Government of Ontario, the City of Montreal, the Department of National Defence and the Government of Quebec are in various stages of deployment. When these new network builds are complete, we expect they will exhibit similar economics.

Clearly, these investments collectively provide sustainable economic value and diversification for TELUS.

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

Our strong cash flow position and investment grade balance sheet allows your company, even during economic times like these, to make smart investments in our core businesses. To this end, TELUS is investing wisely to underpin our long-term competitive position and realize cost-efficiencies that we expect through the introduction of next generation technology.

Your company's 2009 investment program is centered on our strategic investments in our broadband network builds. This represents half of our \$2 billion dollar capital program.



Notably, 2009 is a peak year for broadband capital expenditures in general, and wireless in particular, given our HSPA build this year.

Since 2000, our capital spending has been dedicated to our core business in Canada and we have never strayed from this focus.

This is illustrated on the chart before you.

It shows how we continue to allocate our overall wireless and wireline capital investments with two thirds being directed into British Columbia and Alberta; the remaining third is focused right here in Ontario and Quebec.

Let us move now to shareholder returns.

As a result of our strong cash flow, TELUS has accomplished two goals that at many companies are mutually exclusive. Specifically, we are investing capital prudently in growth opportunities for the future whilst simultaneously returning significant amounts of cash to shareholders on a consistent basis.

TELUS has delivered five, successive increases in your dividend, including 33, 38, 36 and 20 per cent; and in 2009, an almost 6 per cent increase, reaching an all time high of \$1 dollar and 90 cents.

Furthermore, since December 2004, TELUS has repurchased nearly 60 million shares for some \$2.8 billion dollars.

Overall, during a six year timeframe, TELUS expects to return \$5.5 billion dollars to shareholders, or more than \$15 dollars per share.

Your company believes that in order to do well in business, we must do 'good' in our communities and that is why we are passionately committed to our community giving philosophy. It is a simple and engaging philosophy that says: "we give, where we live" and we take that to heart.

Based on the principle that community support should be owned and executed locally, TELUS has established nine community boards across Canada, including boards in Ottawa and Toronto.



These boards are ensuring TELUS' support and funding goes to grassroots charities that are well positioned to deliver distinct societal benefits in our communities.

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

Quelle belle démonstration de l'engagement de notre équipe à donner où nous vivons.

I am tremendously proud of all the work the Ottawa Community Board does for grassroots charities and non-profit organisations... organisations such as Dreams Take Flight, the Odyssey Theatre, Christie Lake Kids and the Ottawa Youth Orchestra Academy.

I would like to acknowledge the Board members whose images are appearing on the screen. Many are here today and I would like to acknowledge them for the excellent and selfless work they do.

It gives me great pleasure to also acknowledge the remarkable leadership role that General Rick Hillier has played in bringing our newest board – the TELUS Atlantic Canada Community Board - to fruition. Born and raised in Newfoundland, his passion for the well-being of the communities and the citizens in Atlantic Canada is absolutely inspirational.

L'engagement de TELUS envers l'excellence en matière de responsabilité sociale a valu à votre société une reconnaissance internationale.

In 2008, for the eighth 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, for the first time, we were one of only five Canadian companies named to the Global 100 Most Sustainable Corporations list for 2009.

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. Our fourth annual Day of Service will take place later this month on Saturday, May 30th.

More than 150 volunteer activities are planned across the country, focusing on caring for the environment and the well-being of our citizens.



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

- Assisting the Ottawa Food Bank to collect food for those in need;
- Arranging blood donor clinics with the Canadian Red Cross; and
- Cleaning up the Richard and Annette Bloch Cancer Survivor's Park.

Your company is also supporting the TELUS Walk to Cure Diabetes, which takes place on June 14 in Ottawa and Toronto. I ask you to join us, and join our team members, in supporting our vision of a world without diabetes.

The energy and passion our team brings to our communities is also evident in the pursuit of our national strategy.

Since 2001, TELUS through our team members, has met or exceeded 83 per cent of the 40 consolidated targets that we have set publicly with the investment community. Impressively, our team is TELUS' fifth largest shareholder, owning some eight million shares as a collective.

Joining us today are 200 team members from Ottawa.

I would like to extend my gratitude for their tremendous efforts and commitment to our customers, their commitment to our shareholders and their commitment to this community.

TELUS' corporate priorities for 2009 are designed to advance our proven strategy and deliver the future success of your company.

We are again taking a disciplined approach to execute on TELUS' broadband strategy, leveraging our investments in leading wireline and wireless networks to deliver innovative solutions for our customers.

Secondly, TELUS is committed to outpacing the competition and earning the patronage of our clients through an engaged TELUS team.

Finally, we will continue to increase the efficiency of our operations to improve TELUS' cost structure and economic performance.

Realizing internal efficiencies is an ongoing responsibility and necessity within our business. In the second half of 2008 and into 2009, TELUS accelerated its operational efficiency program with a series of initiatives to proactively reduce costs and enhance our competitiveness including:



- Rationalizing external supplier spending;
- Simplifying our processes and decommissioning uneconomic products;
- Reducing staffing levels, freezing management compensation and containing benefit costs;
- Leveraging business process outsourcing; and
- Reducing expenses operation-wide.

By executing on these corporate priorities, TELUS is addressing the impacts from the weakness in the Canadian economy and the ongoing challenges and opportunities presented by our industry.

This focus will also help us achieve our 2009 guidance, which has been updated today to reflect the current economic environment.

TELUS has the right strategy and is dedicated to its long-term success. This strategy, has been tested and proven – in good times and bad – going back to 2000, and it remains entirely relevant for today, and for the future.

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

We are building on the strength of our financial performance and track record over the last nine years to make strategic investments in our core business that advance our growth and competitiveness.

We are building on the strength of our talent and thought leadership to deliver innovative services that live up to our promise – the future is friendly – in the hearts and minds of our clients.

We are building on the strength in our vertical markets to deliver unique solutions that help our enterprise and public sector customers succeed.

Finally, we are building strength in our communities to create a better world through innovative social responsibility.

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

I will now turn the meeting back to Brian. Merci beaucoup.



Thanks Brian.

TELUS' proven national strategy, with a focus on the key growth tenets of data and wireless, continues to position your company favourably. We are building on our financial strength, and the strength of our team, for the long-term benefit of our customers, our investors and our communities.

Thank you for attending TELUS' annual meeting of shareholders.

