

TELUS CORP
Form SUPPL
September 10, 2014
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The information contained in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion

PRELIMINARY PROSPECTUS SUPPLEMENT

To a Short Form Base Shelf Prospectus dated November 15, 2013

New Issue

September 10, 2014

TELUS Corporation

\$ % Notes, Series CQ due January 17, 2025

\$ % Notes, Series CR due January 17, 2045

(unsecured)

The % Notes, Series CQ due January 17, 2025 (the Series CQ Notes) and % Notes, Series CR due January 17, 2045 (the Series CR Notes) of TELUS Corporation (TELUS or the Company) are offered under this prospectus supplement (the Offering). Any reference to the Notes contained in this prospectus supplement refers to both the Series CQ Notes and the Series CR Notes unless the context indicates otherwise.

The Series CQ Notes will bear interest from their issuance date at the rate of % per annum payable in equal semi-annual instalments (except for the first interest payment) on January 17 and July 17 of each year (each, a Series CQ Interest Payment Date). The first interest payment on the Series CQ Notes in the amount of \$ will be due on January 17, 2015. See Details of the Offering . **The effective yield on the Series CQ Notes if held to maturity will be %.**

The Series CR Notes will bear interest from their issuance date at the rate of % per annum payable in equal semi-annual instalments (except for the first interest payment) on January 17 and July 17 of each year (each, a Series CR Interest Payment Date , and together with the Series CQ Interest Payment Date, the Interest Payment Dates and each, an Interest Payment Date). The first interest payment on the Series CR Notes in the amount of \$ will be due on January 17, 2015. See Details of the Offering . **The effective yield on the Series CR Notes if held to maturity will be %.**

TELUS maintains its registered office at Floor 5, 3777 Kingsway, Burnaby, British Columbia, V5H 3Z7 and its executive office at Floor 8, 555 Robson Street, Vancouver, British Columbia, V6B 3K9.

This Offering is being made in all of the provinces of Canada and in the United States. See Plan of Distribution .

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The Notes offered hereby will generally be qualified investments under the *Income Tax Act* (Canada). See Eligibility for Investment .

This Offering is made by a Canadian issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare this prospectus supplement, and the short form base shelf prospectus to which it relates, in accordance with the disclosure requirements of Canada. Prospective investors in the United States should be aware that such requirements are different from those of the United States. The financial statements incorporated herein have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and thus they may not be comparable to financial statements of United States companies.

Prospective investors in the United States should be aware that the acquisition of the Notes of either series described herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be fully described herein.

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The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company is incorporated or organized under the laws of the Province of British Columbia, that some or all of its officers and directors may be residents of Canada, that some or all of the agents or experts named herein may be residents of Canada, and that all or a substantial portion of the assets of the Company and such persons may be located outside the United States.

The securities offered pursuant to this prospectus supplement have not been approved or disapproved by the United States Securities and Exchange Commission (the SEC) nor has the SEC passed upon the accuracy or adequacy of this prospectus supplement or the short form base shelf prospectus to which this prospectus supplement relates. Any representation to the contrary is a criminal offense.

The Series CQ Notes may be redeemed, at the option of the Company, in whole at any time or in part from time to time prior to October 17, 2024, at the redemption price described herein. The Series CQ Notes may be redeemed, at the option of the Company, at any time on or after October 17, 2024, in whole or from time to time, in part, at 100% of their principal amount. In addition, accrued and unpaid interest, if any, will be paid to the date fixed for redemption.

The Series CR Notes may be redeemed, at the option of the Company, in whole at any time or in part from time to time prior to July 17, 2044, at the redemption price described herein. The Series CR Notes may be redeemed, at the option of the Company, at any time on or after July 17, 2044, in whole or from time to time, in part, at 100% of their principal amount. In addition, accrued and unpaid interest, if any, will be paid to the date fixed for redemption.

In the event of certain changes affecting Canadian withholding taxes in respect of either or both series of Notes, the affected series of Notes will be redeemable at the option of the Company, in whole, but not in part, at 100% of their respective outstanding principal amount plus accrued and unpaid interest, if any, and applicable Additional Amounts (as defined herein), if any, to the date fixed for redemption.

The Company will be required to make an offer to repurchase a particular series of Notes at a price equal to 101% of its outstanding principal amount plus accrued and unpaid interest to the date of repurchase upon the occurrence of a Change of Control Triggering Event (as defined herein). See Details of the Offering Repurchase upon Change of Control Triggering Event.

The Notes of each series will be unsecured and unsubordinated obligations of the Company, will rank pari passu in right of payment with all existing and future unsecured and unsubordinated obligations of the Company and will be senior in right of payment to all existing and future subordinated indebtedness of the Company, but will be effectively subordinated to all existing and future obligations of, or guaranteed by, the Company's subsidiaries.

An investment in the Notes bears certain risks. See Risk Factors on page S-11 of this prospectus supplement.

	Price to Public	Agents Fees ⁽¹⁾	Net Proceeds to the Company ⁽¹⁾⁽²⁾⁽³⁾
Series CQ Notes, per \$1,000 principal amount	\$	\$ 4.00	\$
Series CR Notes, per \$1,000 principal amount	\$	\$ 5.00	\$
Total	\$	\$	\$

Notes:

- (1) TELUS has agreed to indemnify the Agents (as defined herein) against certain liabilities. See Plan of Distribution.
- (2) Consisting of the purchase price of % (or \$) less the Agents fees in respect of the Series CQ Notes, and % (or \$) less the Agents fees in respect of the Series CR Notes.
- (3) Before deducting expenses of the issue estimated at \$1,556,000 which, together with the Agents fees, will be paid from the general funds of the Company.

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There is no market through which the Notes of either series may be sold and purchasers may not be able to resell the Notes of either series purchased under this prospectus supplement and the short form base shelf prospectus to which it relates. This may affect the pricing of the Notes of each series in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes of each series, and the extent of issuer regulation. See Risk Factors on page S-11 of this prospectus supplement.

RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc., HSBC Securities (Canada) Inc., National Bank Financial Inc., Desjardins Securities Inc., Canaccord Genuity Corp., J.P. Morgan Securities Canada Inc., Wells Fargo Securities Canada, Ltd. and Laurentian Bank Securities Inc. (collectively, the Agents), as agents, conditionally offer the Notes of each series subject to prior sale, on a best efforts basis if, as and when issued and sold by TELUS in accordance with the conditions of the agency agreement described under Plan of Distribution and subject to the approval of certain legal matters on behalf of TELUS by Norton Rose Fulbright Canada LLP, Toronto, Ontario, the Company's Canadian counsel, and Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York, New York, the Company's U.S. counsel, and on behalf of the Agents by Osler, Hoskin & Harcourt LLP of Toronto, Ontario and New York, New York, the Agents' Canadian and U.S. counsel. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the Notes of each series will be available for delivery in book-entry form only on closing of this Offering, which is expected to occur on or about September 15, 2014 or such other date as may be agreed upon by TELUS and the Agents.

In connection with this Offering, the Agents may, subject to applicable law, over-allot or effect transactions which stabilize or maintain the market price of the Notes of each series offered at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See Plan of Distribution.

Each of the Agents, other than Canaccord Genuity Corp., is an affiliate of a financial institution which is a lender to the Company under a \$2.25 billion unsecured credit facility with a syndicate of 15 financial institutions (the 2014 Credit Facility). Consequently, the Company may be considered to be a connected issuer of each Agent other than Canaccord Genuity Corp. for purposes of securities legislation of the provinces of Canada. See Plan of Distribution.

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CURRENCY

Unless otherwise indicated, all references to \$ or dollar in this prospectus supplement refer to the Canadian dollar and all references to U.S.\$ or U.S. dollar in this prospectus supplement refer to the United States dollar. For information purposes, the noon exchange rate as reported by the Bank of Canada on September 9, 2014 was U.S.\$1.00 = \$1.1012.

DOCUMENTS INCORPORATED BY REFERENCE

This prospectus supplement is deemed to be incorporated by reference into the accompanying short form base shelf prospectus of TELUS dated November 15, 2013 (the short form base shelf prospectus) solely for the purposes of this Offering. Other documents are also incorporated or deemed to be incorporated by reference into the short form base shelf prospectus and reference should be made to the short form base shelf prospectus for full particulars thereof.

The following documents, which have been filed by the Company with securities commissions or similar authorities in Canada, are also specifically incorporated by reference into and form an integral part of the short form base shelf prospectus, as supplemented by this prospectus supplement:

- (a) the annual information form of the Company dated March 14, 2014 for the year ended December 31, 2013;
- (b) the audited consolidated financial statements of the Company as at and for the years ended December 31, 2013 and December 31, 2012, together with the report of the independent registered public accounting firm thereon and the notes thereto;
- (c) Management's Discussion and Analysis of financial results for the year ended December 31, 2013;
- (d) the unaudited condensed interim consolidated financial statements of the Company as at and for the three-month and six-month periods ended June 30, 2014 and June 30, 2013 together with the notes thereto;
- (e) Management's Discussion and Analysis of financial results for the three-month and six-month periods ended June 30, 2014;
- (f) the information circular dated March 31, 2014 prepared in connection with the Company's annual general meeting held on May 8, 2014; and
- (g) the information circular dated March 13, 2013 prepared in connection with the Company's annual and special meeting held on May 9, 2013.

Any statement contained in the short form base shelf prospectus, in this prospectus supplement or in any document incorporated or deemed to be incorporated by reference in the short form base shelf prospectus for the purpose of this Offering shall be deemed to be modified or superseded, for purposes of this prospectus supplement, to the extent that a statement contained herein or in the short form base shelf prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein or in the short form base shelf prospectus modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this prospectus supplement, except as so modified or superseded.

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WHERE YOU CAN FIND MORE INFORMATION

Information has been incorporated by reference in the accompanying short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of this prospectus supplement, together with the short form base shelf prospectus and documents incorporated by reference therein, may be obtained on request without charge from the Executive Vice-President, Corporate Affairs, Chief Legal Officer and Corporate Secretary of TELUS at Floor 5, 3777 Kingsway, Burnaby, British Columbia, V5H 3Z7 (telephone 604.697.8029). Copies of these documents are also available electronically on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

FORWARD-LOOKING STATEMENTS

This prospectus supplement and the short form base shelf prospectus to which it relates, together with the documents incorporated by reference herein and therein, contain forward-looking statements about expected future events and financial and operating performance of TELUS. Forward-looking statements include, but are not limited to, statements relating to annual targets, outlook, guidance and updates, the Company's multi-year dividend growth program, the Company's multi-year share purchase programs, and trends. Forward-looking statements are typically identified by the words assumption, goal, guidance, objective, outlook, strategy, target and other similar expressions or future or conditional verbs such as aim, anticipate, believe, could, expect, intend, may, plan, seek, should, strive and will. By their nature, forward-looking statements do not refer to historical facts, are subject to inherent risks and uncertainties, and require the Company to make assumptions. There is significant risk that assumptions, predictions and other 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 future performance, conditions, actions or events to differ materially from the stated targets, expectations, estimates or intentions. Except as required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statements. The Company's general outlook and assumptions for 2014 are described in each of the Company's Management's Discussion and Analysis of financial results for the year ended December 31, 2013 and Management's Discussion and Analysis of financial results for the three-month and six-month periods ended June 30, 2014. Factors that could cause actual performance to differ materially from the forward-looking statements made herein and in the documents incorporated by reference include, but are not limited to:

Competition including: continued intense rivalry across all services among established telecommunications companies, advanced wireless services (AWS) entrants, cable-TV providers, other communications companies and emerging over-the-top (OTT) services; the potential entry of new competitors; active price and brand competition; the Company's ability to continue to retain customers through an enhanced customer service experience; network access line (NAL) losses; subscriber additions and retention volumes and associated costs for wireless, TV and high-speed Internet services; pressures on wireless average revenue per subscriber unit per month (ARPU) from promotional activity from competitors, market conditions and government actions, flat-rate pricing trends for voice and data, inclusive long distance plans for voice, and increasing availability of Wi-Fi networks for data; ability to obtain and offer content across multiple devices on wireless and TV platforms at a reasonable cost; and competition for wireless spectrum.

Regulatory approvals and developments including: the federal government's stated intention to further increase wireless competition, reduce roaming costs on wireless networks in Canada and require further unbundling of TV channels; the Competition Bureau's recommendation to the Canadian Radio-television and Telecommunications Commission (CRTC) that it should implement remedies to provide more favourable roaming access terms to new entrant service providers and enhanced access to towers and potential vertical separation measures as between the wholesale and retail operations of large wireless service providers; future spectrum auctions (including limitations on wireless providers, spectrum set-aside favoring smaller carriers and other advantages provided to new and foreign participants, and the amount and cost of spectrum acquired); restrictions on the purchase, sale and transfer of spectrum licences; the outcome

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of the CRTC review of mandated wholesale services, including consideration of mandated competitor access to fibre-to-the-premises facilities; vertical integration by competitors into broadcast content ownership and timely and effective enforcement of regulatory safeguards; ongoing monitoring and compliance with restrictions on non-Canadian ownership of the Common Shares; interpretation and application of tower sharing and roaming rules; the non-harmonization between provincial consumer protection legislation and the new CRTC mandatory national wireless code (the Code), which came into effect on December 2, 2013; uncertainty around the outcome of the legal challenge to the retroactivity of the Code to contracts entered into between June 2012 and December 2, 2013; and a possible increase in or acceleration of costs of wireless customer acquisition and retention resulting from maximum two-year contracts implemented further to the Code.

Technological substitution including: reduced utilization and increased commoditization of traditional wireline voice local and long distance services and overall slower market growth in the wireline segment; increasing numbers of households that have only wireless and/or Internet-based telephone services; continuation of wireless voice ARPU declines through, among others, substitution to messaging and OTT applications, such as Skype; substitution to Wi-Fi services from wireless services; and OTT Internet Protocol (IP) services that may displace TV and entertainment services.

Technology including: subscriber demand for data that challenges wireless network and spectrum capacity levels; the Company's reliance on systems and information technology; technology options, evolution paths and roll-out plans for wireline and wireless networks (including broadband initiatives, such as fibre to the home, and wireless small-cell deployment); the Company's reliance on wireless network access agreements; choice of suppliers and suppliers' ability to maintain and service their product lines; wireless handset supplier concentration and market power; the performance of long-term evolution (LTE) wireless technology; the Company's ability to address its near-term spectrum deficiency in certain geographical areas with recently acquired spectrum (including the spectrum in the 700 MHz band) and redeployment of existing spectrum holdings; the Company's ability to obtain additional spectrum capacity through future spectrum auctions and from third parties to address increasing demand for data; deployment and operation of new wireless networks and success of new products, new services and supporting systems; network reliability and change management (including migration risks to new, more efficient Internet data centres (IDCs)) and realizing the expected benefits; timing of decommissioning of certain legacy wireline networks and services to reduce operating costs, timing of decommissioning of CDMA and iDEN wireless networks to redeploy spectrum and reduce operating costs, and the associated subscriber migration and retention risks; availability of resources and ability to build out adequate broadband capacity; and success of upgrades and evolution of TELUS TV[®] technology, which depend on third-party suppliers.

Economic growth and fluctuations including: the strength and persistence of economic growth in Canada that may be influenced by economic developments outside of Canada; future interest rates; inflation, pension investment returns, funding and discount rates; and Canada:U.S. dollar exchange rates.

Capital expenditure levels, including: potential outlays for spectrum licences in spectrum auctions or from third parties, due to the Company's wireless deployment strategy for LTE and future technologies, wireline broadband initiatives, subscriber demand for data, new IDC initiatives, and the Industry Canada wireless spectrum auctions for AWS-3 spectrum (1755-1780 MHz, 2155-2180 MHz), as well as for 2.5 GHz (2500-2690 MHz) bands currently expected in March 2015 and April 2015, respectively.

Financing and debt requirements including the ability to carry out refinancing activities.

Ability to sustain dividend growth program of circa 10% per annum through 2016 and the ability to sustain and complete multi-year share purchase programs through 2016. These programs may be affected by factors such as regulatory and government decisions, competitive environment, economic performance in Canada, the Company's earnings and free cash flow, and levels of capital expenditures and spectrum licence purchases. Quarterly dividend decisions are subject to the Company's Board of Directors' assessment and determination based on the Company's financial position and outlook. Share purchase programs may be affected by the change in the Company's intention to purchase shares, and the assessment and determination

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of the Company's Board of Directors from time to time. Consequently, there can be no assurance that these programs will be maintained through 2016.

Human resource matters including: recruitment, retention and appropriate training in a highly competitive industry.

Ability to successfully implement cost reduction initiatives and realize planned savings, net of restructuring and other like costs, without losing customer service focus or negatively impacting business operations. Initiatives include: the Company's earnings enhancement program to drive improvements in earnings before interest, income taxes, depreciation and amortization (EBITDA) of \$250 million by the end of 2015; business integrations; business process outsourcing; internal offshoring and reorganizations; procurement initiatives; and consolidation of real estate.

Process risks including: the Company's reliance on legacy systems and ability to implement and support new products and services and business operations; the Company's ability to implement effective change management for system replacements and upgrades; process redesigns and business integrations; implementation of large enterprise deals that may be adversely impacted by available resources and degree of co-operation from other service providers; the Company's ability to successfully manage operations in foreign jurisdictions; information security breaches, including data loss or theft; and real estate joint venture development risks.

Tax matters including: complex tax laws that may be subject to interpretation by the tax authorities that may be different from the Company's; changes in tax laws, including tax rates; elimination of income tax deferrals through the use of different tax year-ends for operating partnerships and corporate partners; and international tax complexity and compliance.

Business continuity events including: the Company's ability to maintain customer service and operate our networks in the event of human-caused threats such as electronic attacks and human errors; equipment failures that could cause various degrees of network outages; supply chain disruptions; natural disaster threats; epidemics and pandemics; and the effectiveness of business continuity and disaster recovery plans and responses.

Litigation and legal matters including: the Company's ability to successfully defend class actions pending against TELUS.

Acquisitions or divestitures including: the Company's ability to successfully integrate acquisitions or complete divestitures in a timely manner, and realizing expected strategic benefits.

Health, safety and environmental developments and other risk factors discussed herein and listed from time to time in the Company's reports and public disclosure documents, including the Company's annual report, annual information form, and other filings with securities commissions or similar regulatory authorities in Canada (on SEDAR at www.sedar.com) and in its filings with the SEC in the United States, including Form 40-F (on EDGAR at www.sec.gov).

For further information, see the section entitled "Risks and risk management" in each of the Company's Management's Discussion and Analysis of financial results for the year ended December 31, 2013 and Management's Discussion and Analysis of financial results for the three-month and six-month periods ended June 30, 2014.

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SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information contained elsewhere in this prospectus supplement and the accompanying short form base shelf prospectus to which it relates and in the documents incorporated by reference herein and therein. Unless the context otherwise indicates, references in this prospectus supplement to TELUS or the Company are references to TELUS Corporation, its consolidated subsidiaries and predecessor companies. References to \$ or dollar are to Canadian dollars and references to U.S.\$ or U.S. dollar are to United States dollars.

Recent Developments

Redemption of Series CE Notes

On August 7, 2014, TELUS exercised its right to redeem its 5.95% Series CE notes due April 15, 2015 in the principal amount of \$500 million. The redemption was completed on September 8, 2014, and was funded through indebtedness drawn on the 2014 Credit Facility, the issuance of commercial paper and from general funds of the Company. A portion of the net proceeds of this Offering will be used to repay the indebtedness incurred in connection with the redemption. See Use of Proceeds .

Regulatory Developments

On July 23, 2014, the CRTC issued a report concerning practices within the telecommunications industry with respect to paper bill charges. Subsequently on August 28, 2014, the CRTC announced that it will examine regulations about the ability of telecommunications service providers to charge for paper bills and the following day, the Minister of Industry indicated that he will introduce legislation to restrict charges for paper bills. As of the date of this prospectus supplement, no new regulations or legislation have been adopted concerning this matter.

The Offering

Issue \$ aggregate principal amount of Series CQ Notes.

\$ aggregate principal amount of Series CR Notes.

Interest Interest accrues on the Series CQ Notes at a rate of % per annum and is payable in arrears in equal semi-annual instalments (except for the first interest payment) on January 17 and July 17 of each year. The first interest payment on the Series CQ Notes in the amount of \$ will be due on January 17, 2015.

Interest accrues on the Series CR Notes at a rate of % per annum and is payable in arrears in equal semi-annual instalments (except for the first interest payment) on January 17 and July 17 of each year. The first interest payment on the Series CR Notes in the amount of \$ will be due on January 17, 2015.

Maturity The Series CQ Notes will mature on January 17, 2025.

The Series CR Notes will mature on January 17, 2045.

Ranking The Notes of each series will be unsecured and unsubordinated obligations of the Company, will rank pari passu in right of payment with all existing and future unsecured and unsubordinated obligations of the Company and will be senior in right of payment to all existing and future subordinated indebtedness of the Company, but will be effectively subordinated to all existing and future obligations of, or

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guaranteed by, the Company's subsidiaries.

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Optional Redemption

The Series CQ Notes may be redeemed at the option of the Company, in whole at any time, or in part from time to time, prior to October 17, 2024 on not fewer than 30 nor more than 60 days' prior notice, at a redemption price equal to the greater of (a) the Discounted Value (as defined in Details of the Offering Optional Redemption) of the Series CQ Notes, or (b) 100% of the principal amount thereof. The Series CQ Notes may be redeemed, at the option of the Company, at any time on or after October 17, 2024, in whole or from time to time, in part, on not fewer than 30 nor more than 60 days' prior notice, at 100% of their principal amount. In addition, accrued and unpaid interest, if any, will be paid to the date fixed for redemption.

The Series CR Notes may be redeemed at the option of the Company, in whole at any time, or in part from time to time, prior to July 17, 2044 on not fewer than 30 nor more than 60 days' prior notice, at a redemption price equal to the greater of (a) the Discounted Value (as defined in Details of the Offering Optional Redemption) of the Series CR Notes, or (b) 100% of the principal amount thereof. The Series CR Notes may be redeemed, at the option of the Company, at any time on or after July 17, 2044, in whole or from time to time, in part, on not fewer than 30 nor more than 60 days' prior notice, at 100% of their principal amount. In addition, accrued and unpaid interest, if any, will be paid to the date fixed for redemption.

In the event of certain changes to the tax laws of Canada or any province thereof in respect of either series of Notes or both, TELUS may, under certain circumstances, redeem the Notes of each series affected, in whole, but not in part, at 100% of their respective outstanding principal amount, together with accrued and unpaid interest, if any, and Additional Amounts (as defined herein), if any, to the date fixed for redemption. See Details of the Offering Tax Redemption .

Change of Control

The Company will be required to make an offer to repurchase a particular series of Notes at a price equal to 101% of its outstanding principal amount plus accrued and unpaid interest to the date of repurchase upon the occurrence of a Change of Control Triggering Event (as defined herein). See Details of the Offering Repurchase upon Change of Control Triggering Event .

Certain Covenants

The Indenture (as defined herein) pursuant to which the Notes of each series will be issued will contain certain covenants that, among other things, limit the ability of the Company and certain material subsidiaries to grant security in respect of Indebtedness (as defined herein) and to enter into Sale and Lease-Back Transactions (as defined herein) and limit the ability of such subsidiaries to incur new Indebtedness. See Details of the Offering Negative Pledge , Limitation on Restricted Subsidiary Indebtedness , and Limitation on Sale and Lease-Back Transactions .

Use of Proceeds

The total net proceeds to be received by the Company from this Offering are estimated to be approximately \$ after payment of commissions to the Agents but before deduction of the expenses of this Offering. The net proceeds will be used to repay indebtedness consisting of (a) advances on the 2014 Credit Facility and commercial paper issued to fund a substantial portion of the redemption of the Company's \$500 million Series CE Notes, and (b) other outstanding commercial paper, which was originally incurred for general corporate purposes.

Pending any such use of the net proceeds, the Company will invest the net proceeds in bank deposits and short-term marketable securities. See Use of Proceeds .

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Conflicts of Interest

As described above, the net proceeds of this Offering will be used to repay indebtedness of the Company under the 2014 Credit Facility and the Company's outstanding commercial paper. Certain affiliates of the Agents are lenders under the 2014 Credit Facility and may also be holders of such commercial paper. As a result, one or more affiliates of the Agents may receive more than 5% of the net proceeds from this Offering in the form of the repayment of indebtedness. Accordingly, this Offering is being made pursuant to Rule 5121 of the Financial Industry Regulatory Authority (FINRA). The appointment of a qualified independent underwriter is not necessary in connection with this Offering because the conditions of Rule 5121(a)(1)(C) of FINRA are satisfied.

Form and Denomination

The Notes of each series will be issued in the form of one or more fully registered global securities to be held by, or on behalf of, CDS Clearing and Depository Services Inc. The Notes of each series will be issued only in fully registered form, without coupons, in denominations of \$1,000 of principal amount and any integral multiple thereof.

Governing Law

Ontario, Canada.

RISK FACTORS

Prospective investors in the Notes of either series should consider carefully the matters set forth in the section entitled "Risk Factors" in this prospectus supplement and the sections entitled "Risks and risk management" in each of the Company's Management's Discussion and Analysis of financial results for the year ended December 31, 2013 and Management's Discussion and Analysis of financial results for the three-month and six-month periods ended June 30, 2014, each of which is being incorporated by reference herein.

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RECENT DEVELOPMENTS

Redemption of Series CE Notes

On August 7, 2014, TELUS exercised its right to redeem its 5.95% Series CE notes due April 15, 2015 in the principal amount of \$500 million. The redemption was completed on September 8, 2014, and was funded through indebtedness drawn on the 2014 Credit Facility, the issuance of commercial paper and from general funds of the Company. A portion of the net proceeds of this Offering will be used to repay the indebtedness incurred in connection with the redemption. See Use of Proceeds .

Regulatory Developments

On July 23, 2014, the CRTC issued a report concerning practices within the telecommunications industry with respect to paper bill charges. Subsequently on August 28, 2014, the CRTC announced that it will examine regulations about the ability of telecommunications service providers to charge for paper bills and the following day, the Minister of Industry indicated that he will introduce legislation to restrict charges for paper bills. As of the date of this prospectus supplement, no new regulations or legislation have been adopted concerning this matter.

Table of Contents**CONSOLIDATED CAPITALIZATION**

The following table sets forth the cash and temporary investments, net, and the capitalization of TELUS as at June 30, 2014, on an actual basis and on an as adjusted basis to give effect to (i) this Offering, and (ii) the use of proceeds of this Offering to (a) repay the indebtedness incurred in connection with the redemption of all of the Company's outstanding Series CE Notes, and (b) repay other outstanding commercial paper. This table should be read in conjunction with the audited consolidated financial statements of the Company as at and for the years ended December 31, 2013, and December 31, 2012, together with the report of the independent registered public accounting firm thereon and the notes thereto and the unaudited condensed interim consolidated financial statements of the Company for the three-month and six-month periods ended June 30, 2014, together with the notes thereto. All U.S. dollar amounts have been translated into Canadian dollars based on the monthly closing rate of exchange as reported by the Bank of Canada on June 30, 2014 (U.S.\$1.00 = \$1.0670).

	As at June 30, 2014	
	Actual	As adjusted (millions)
Cash and temporary investments, net	\$ 57	\$ (1)(2)(3)
Amounts arising from arm's-length securitization trust	100	100
Amounts arising from bank overdraft	5	5
Total short-term debt	105	105
Long-term debt		
Series CQ Notes offered hereby		
Series CR Notes offered hereby		
TELUS Corporation Notes		
Series CD: 4.95% due March 2017	696	696
Series CE: 5.95% due April 2015	500	(1)
Series CG: 5.05% due December 2019	993	993
Series CH: 5.05% due July 2020	995	995
Series CI: 3.65% due May 2016	598	598
Series CJ: 3.35% due March 2023	497	497
Series CK: 3.35% due April 2024	1,088	1,088
Series CL: 4.40% due April 2043	595	595
Series CM: 3.60% due January 2021	397	397
Series CN: 5.15% due November 2043	395	395
Series CO: 3.20% due April 2021	496	496
Series CP: 4.85% due April 2044	496	496
TELUS Corporation Commercial Paper	697	(1)(2)(3)
TELUS Corporation Credit Facility		(1)(3)
TELUS Communications Inc. Debentures		
Series 2: 11.90% due November 2015	125	125
Series 3: 10.65% due June 2021	174	174
Series 5: 9.65% due April 2022	245	245
Series B: 8.80% due September 2025	198	198
Total long-term debt	9,185	
Total debt	9,290	
Owners' equity:		
Common Shares	5,224	5,224
Contributed surplus	142	142
Retained earnings	2,766	2,757(1)(4)
Accumulated other comprehensive income	28	28
Total owners' equity	8,160	8,151
Total capitalization	\$ 17,393	\$

Notes:

- (1) Reflecting the redemption of the Series CE Notes on September 8, 2014 in the approximate aggregate amount of \$513 million (\$500 million in principal and approximately \$13 million in prepayment premium), which was funded through indebtedness drawn on the 2014 Credit Facility (in the approximate amount of \$120 million), the issua