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TELUS CORP
Form 6-K
November 05, 2002

Form 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a - 16 or 15d - 16 of
the Securities Exchange Act of 1934

For the month of November 2002

(Commission File No. 000-24876)

TELUS Corporation
(Translation of registrant's name into English)

21st Floor, 3777 Kingsway
Burnaby, British Columbia V5H 3Z7
Canada
(Address of principal registered offices)

Indicate by check mark whether the registrant files or will file annual reports
under cover of Form 20-F or Form 40-F:

Form 20-F _____ Form 40-F _____ X

Indicate by check mark whether the registrant by furnishing the information
contained in this Form is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of
1934.

Yes _____ No _____ X

This Form 6-K consists of the following:

Press release dated November 4, 2002 of third quarter results.

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TELUS

NEWS RELEASE

November 4, 2002

TELUS Reports Third Quarter Results

Strong wireless performance and considerable progress on wireline efficiency

Vancouver, B.C. - TELUS Corporation (TSE: T and T.A / NYSE: TU) today reported for the third quarter of 2002 strong wireless performance including 40% growth in operating earnings (EBITDA) at TELUS Mobility and significant cost structure improvements in the quarter resulting from the continued implementation of the Operational Efficiency Program (OEP) at TELUS Communications.

Darren Entwistle, president and CEO commented "third quarter results reflect excellent performance at TELUS Mobility and considerable progress in improving the cost structure and efficiency at TELUS Communications. TELUS Mobility continues to perform well on all operating and financial metrics. Our industry leading ARPU of \$58 and 1.7% churn reflect our focus on delivering profitable growth and investing in customer retention. The Operational Efficiency Program at TELUS Communications is well underway and generating extensive results, including the closure of 33 retail stores and the closure and consolidation of 11 customer contact centres by the end of October. At the end of the third quarter, approximately 2,700 employee positions had been reduced this year, 1,700 in the quarter, and by the end of October we were up to 4,000. The strong momentum of the Operational Efficiency Program, combined with wide acceptance of our early retirement incentive, has led to TELUS raising our original plan of 6,000 net employee reductions to 6,500. The estimated recurring annualized increase in operating earnings from the program has increased to approximately \$540 million."

Robert McFarlane, executive vice president and CFO, stated "the financial strength of TELUS was clearly demonstrated and enhanced in the third quarter by a \$402 million debt repurchase funded by a \$337 million equity issuance in September. As a result of repurchasing debt at an average 21 percent discount to face value, TELUS recorded an \$82 million pre-tax gain and effectively issued equity at a premium. These transactions balanced the interests of equity and debt holders as evidenced by TELUS' publicly traded debt and share prices rallying following the transactions. These transactions in combination with \$241 million of free cash flow generation in the quarter significantly enhanced TELUS' credit profile."

FINANCIAL HIGHLIGHTS

The financial results for the third quarter reflect underlying growth offset by the expected impact of recent regulatory decisions. Excluding the impact of these, underlying consolidated revenue and operating earnings (EBITDA) growth would have been 3% and 4% respectively. In the third quarter, TELUS reported a Net loss of \$107.4 million. This was primarily due to regulatory decision impacts of approximately \$38.6 million after-tax, \$207 million in after-tax restructuring and workforce reduction costs partly offset by a \$67 million after-tax gain on debt redemption and the required cessation of amortization of goodwill and intangible assets with indefinite lives. Net income of \$580.7 million recorded in the third quarter of 2001 was largely due to an after-tax gain on discontinued operations of \$551.8 million.

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Rounded to nearest Cdn\$ Millions,
except per share amounts
(unaudited)

3 Months Ended
September 30

2002

2001

| | | |
|--|-----------|-----------|
| Operating revenues | \$1,766.3 | \$1,823.2 |
| EBITDA (1) normalized for regulatory impacts | 726.9 | 699.3 |
| EBITDA (1) | 663.1 | 699.3 |
| Restructuring and workforce reduction costs | 313.3 | -- |
| Discontinued operations | (2.1) | 556.7 |
| Net income (loss) | (107.4) | 580.7 |
| Common Voting share & Non-Voting share Income (loss) | (110.0) | 578.5 |
| Earnings (loss) per share (EPS) | (0.35) | 1.94 |
| EPS from continuing operations before workforce costs | 0.31 | .07 |
| Capital expenditures | 322.7 | 587.1 |
| Operating cash flow adjusted for workforce reduction costs | 415.8 | 390.3 |