



News Release

July 10, 2006

Menkes Developments and TELUS announce new office development in downtown Toronto *TELUS putting down deeper roots in Ontario; state-of-the-art tower will accommodate growth*

Toronto, Ontario — Menkes Developments and TELUS today announced that they are moving forward on the development of a new landmark office tower in downtown Toronto.

"TELUS is putting down deeper roots in Ontario," said Joseph Natale, president, TELUS Business Solutions. "It is an important growth market for us and our decision to invest in a new building in the heart of downtown Toronto demonstrates our long-term commitment to Toronto and the province. The new TELUS tower will be the most advanced technology-equipped facility in Canada, allowing us to showcase our leadership in innovation in a signature building that will become part of Toronto's cityscape."

Peter Menkes, president, Commercial/Industrial of Menkes Developments, said "Menkes is very excited to be developing the first major office tower in downtown Toronto in over a decade. Demand for high-quality office space in the Greater Toronto Area (GTA) is growing and our decision to move forward on this project reflects our belief that downtown Toronto is a dynamic place to do business for Canadian companies, whether they are operating locally, nationally or on a global basis."

The TELUS building will be a 30-storey tower featuring 780,000 square feet of Class "AAA" office space, located at 25 York Street on the northeast corner of York Street and Bremner Boulevard. The estimated construction cost of the building is \$250 million. Situated adjacent to the Air Canada Centre, the building will feature direct access to the Air Canada Centre galleria and Union Station.

The project is being developed by Menkes Union Tower Ltd., a joint venture partnership between Menkes Developments Ltd., Hospitals of Ontario Pension Plan (HOOPP) and [Alcion Real Estate Partners Fund](#), an institutional real estate equity fund. TELUS will be the lead tenant of the building, occupying approximately 440,000 square feet or 60% of the total rentable area, and will have prominent roof-top and podium signage rights.

"The TELUS investments in Toronto and Ottawa are great news for Ontario families. Building more opportunity through high-value jobs today means more prosperity for generations to come," said Ontario Premier Dalton McGuinty.

"This project will be a tremendous benefit to the downtown area, making a valuable contribution to the vibrant business and residential neighbourhood that is going to emerge around the Air Canada Centre in the next few years," said David Miller, Mayor of the City of Toronto. "Furthermore, the expansion of a recognized business leader such as TELUS, with its demonstrated track record of local community involvement and investment, is not just a

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great business success story, but also a positive development for the entire City of Toronto as well.”

The 30-storey office tower includes a two-storey podium, conference and wellness facilities, as well as 30,000 square feet of retail space on the ground floor. The project will feature a three-level underground parking garage with 270 parking stalls.

The TELUS tower will house “Future Friendly™” technology in both building automation systems and tenant environments, with raised floors to facilitate under-floor distribution of cooling/heating systems, communications cabling and electrical power, as well as floor-to-ceiling windows.

Construction on the building is slated to begin in the fall of 2006, with an expected occupancy date of January 1, 2009. Details of the groundbreaking and construction phase of the TELUS tower will be announced later this summer.

The development of the TELUS building supports long-standing goals of the City of Toronto to create a vibrant business district south of Union Station and its plans to effectively link the city to the lake. In selecting this building, and its significance from an urban design perspective, TELUS has demonstrated its commitment to environmental and social responsibility.

The project will also set a new standard for environmentally sustainable development by pursuing Silver status under the Leadership in Energy and Environmental Design (LEED) program. The LEED rating system recognizes leading-edge buildings that incorporate design, construction and operational practices that combine healthy, high-quality and high-performance advantages with reduced environmental impacts.

The TELUS tower will be the new Toronto home for TELUS, bringing together over 2,000 employees who are currently based in various locations across the GTA. This new office location will also complement TELUS’ presence in Toronto’s East End at Consilium Place where 3,000 team members are located.

TELUS expanded into Ontario in 2000 with the \$6.6B purchase of Clearnet Communications. Since then, TELUS has invested more than \$1.5B in its Internet protocol (IP) capabilities. As part of its \$325 million capital investment in Ontario in 2005, TELUS made significant investments in an EVDO wireless network, high-speed internet services and other wireline infrastructure in the province.

TELUS employs more than 5,200 highly skilled workers in Ontario and has an annual payroll in excess of \$279 million. Ontario is home to TELUS Business Solutions, a business unit led by Mr. Natale, that meets the communications needs of small, medium and large business customers across Canada by providing customized solutions including IP, voice, and data solutions, as well as integrated wireless solutions nationally.

TELUS is a proud sponsor of the Royal Conservatory of Music, Ontario Science Centre and Canadian Film Centre, investing more than \$23 million in them over the past two years.

Additionally, in 2005, TELUS contributed more than \$3 million to educational, health, arts and charitable organizations in Ontario. Consistent with a commitment to becoming Canada’s premier corporate citizen, over the past two years TELUS and its team members have contributed more than \$4.8 million to a wide range of charitable and non-profit organizations in Ontario. By focusing on the areas of health and wellness, education and sport, and arts and culture, TELUS is committed to investing in opportunities that include the innovative use of technology and make the future friendly for Canada’s youth.

In May, TELUS announced the creation of the TELUS Toronto Community Board, a \$500,000 annual initiative supporting the important work of grass-roots organizations in the

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city that may lack public profile or expertise in fund-raising. The board has donated more than \$300,000 to 15 Toronto area charities since its launch in July 2005.

About Menkes Developments

Menkes Developments Ltd. is a fully integrated real estate company involved in the construction, ownership and management of office, industrial and residential properties. Menkes was founded in 1954 by Murray Menkes, who initially carried on business as a developer of single family homes. Over the years, the company expanded significantly and branched out into other areas of real estate, and is now one of the largest private Canadian developers of residential, industrial and office properties. Menkes has developed a portfolio of high quality, strategically located industrial and office buildings in the GTA, including the Beaver Creek Business Park in Richmond Hill, and the Procter & Gamble building and 5000 Yonge in North York. For more information about Menkes, please visit menkes.com.

About TELUS

TELUS (TSX: T, T.A; NYSE: TU) is a leading national telecommunications company in Canada, with \$8.2 billion of annual revenue and 10.3 million customer connections including 4.6 million wireless subscribers, 4.7 million wireline network access lines and 1.0 million Internet subscribers. The company's strategic intent is to unleash the power of the Internet to deliver the best solutions to Canadians at home, in the workplace and on the move. TELUS provides customers with a wide range of wireline and wireless communications products and services including data, Internet protocol (IP), voice, entertainment and video services. For more information about TELUS, please visit telus.com.

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For media inquiries, please contact:

Allison Vale
TELUS Media Relations
(416) 629-6425
Allison.Vale@telus.com

Peter Menkes
President, Commercial/Industrial
Menkes Developments Ltd.
(416) 491-2222
pmenkes@menkes.com