2010 AT&T
Developer Summit

'Apps for All'
Building a World-Class Platform to Enable Innovation

Ralph de la Vega
President and CEO,
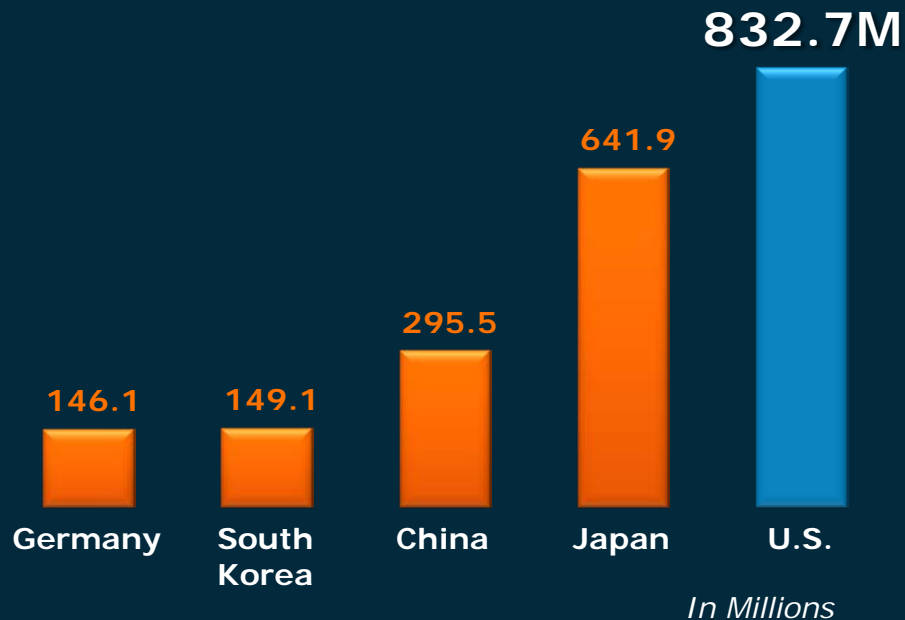*AT&T Mobility and Consumer Markets*

Explosive Growth in Apps

Top Countries Worldwide by Consumer Apps Downloaded
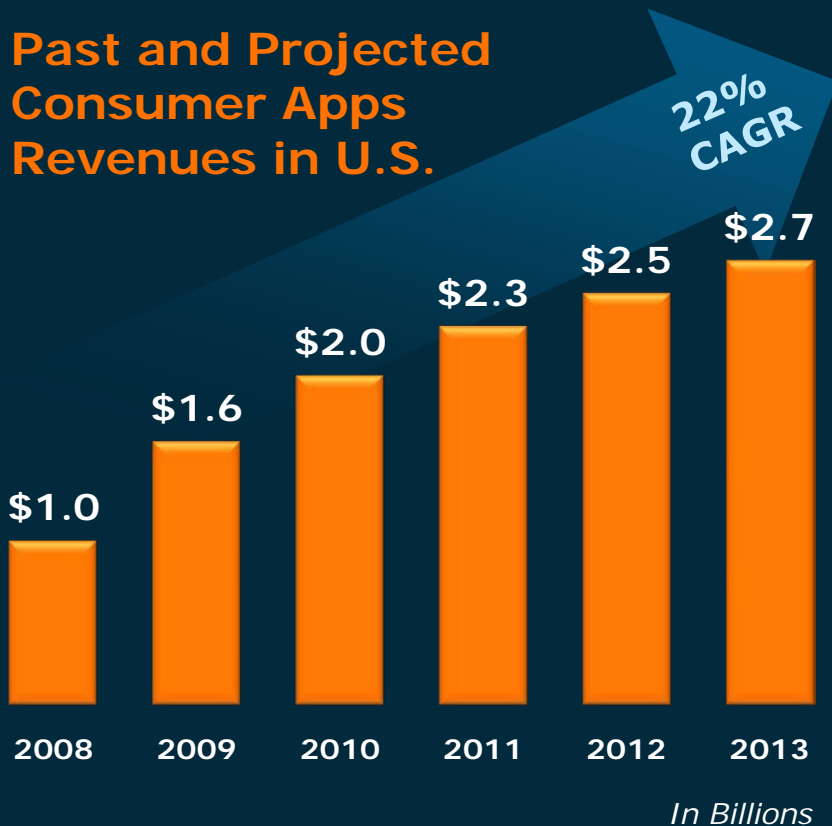
2009 Estimated Downloads

Bar chart of 2009 estimated downloads (In Millions):
- Germany: 146.1
- South Korea: 149.1
- China: 295.5
- Japan: 641.9
- U.S.: 832.7M

> Number of apps downloaded in U.S. **up 9X in 2 years**

Source: Strategy Analytics

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Explosive Growth in Apps

Past and Projected Consumer Apps Revenues in U.S.

22% CAGR

$1.0 — 2008
$1.6 — 2009
$2.0 — 2010
$2.3 — 2011
$2.5 — 2012
$2.7 — 2013

In Billions

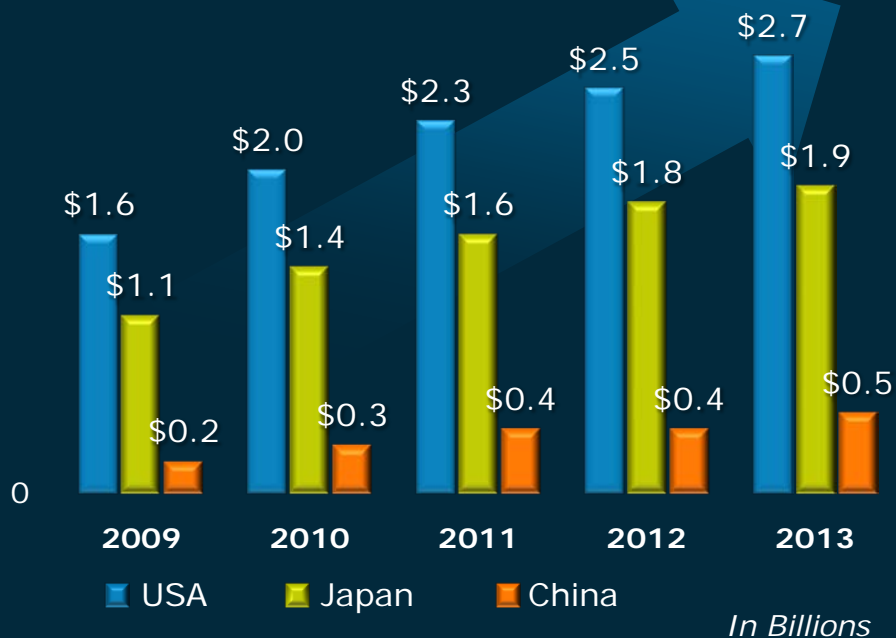> Number of apps downloaded in U.S. **up 9X in 2 years**

> U.S. consumer apps revenue **increasing**
>   - U.S. apps revenue **increased** 60% in 2009
>   - CAGR of **22%** between 2008-2013

Source: Strategy Analytics

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Explosive Growth in Apps

**Projected Consumer
App Revenues for Top 3 Countries**

$2.7
$2.5
$2.3
$2.0
$1.9
$1.8
$1.6
$1.6
$1.6
$1.4
$1.1
$0.5
$0.4
$0.4
$0.3
$0.2

0

2009   2010   2011   2012   2013

USA   Japan   China

In Billions

Source: Strategy Analytics

> Number of apps downloaded in U.S. **up 9X in 2 years**

> U.S. consumer apps revenue **increasing**

> **U.S. leads world** in consumer apps revenues by wide margin

- Overtook historic apps leader, Japan, in 2008
- 5X China in 2013

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What's Driving Apps Growth?

> **Mobile Broadband Networks**
> - Increasing bandwidth and footprint
> - Smarter networks

> **Rise of Smartphones**
> - More powerful operating systems
> - Faster processors, bigger displays, enhanced memory, improved browsers

> **Improved Developer Tools**
> - Easy-to-use developer platforms
> - Better tool kits and access to programming languages

> **Developer Innovation**
> - Compelling applications
> - Easy for customers to discover, buy and use
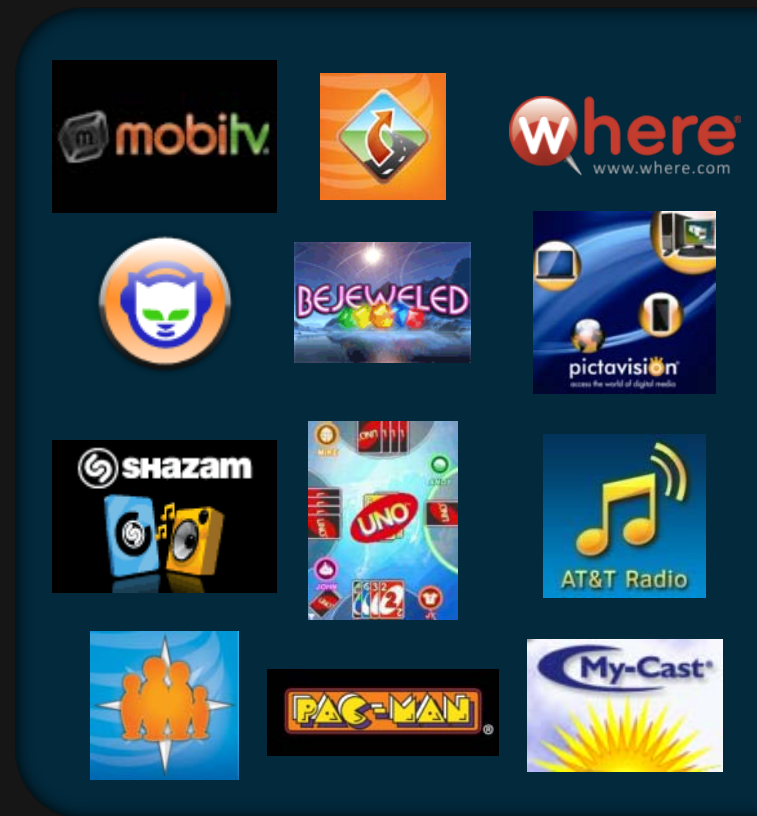
Winning in an Increasingly Complex Environment

Apps Stores

Networks

Developers

OEMs

Operating Systems
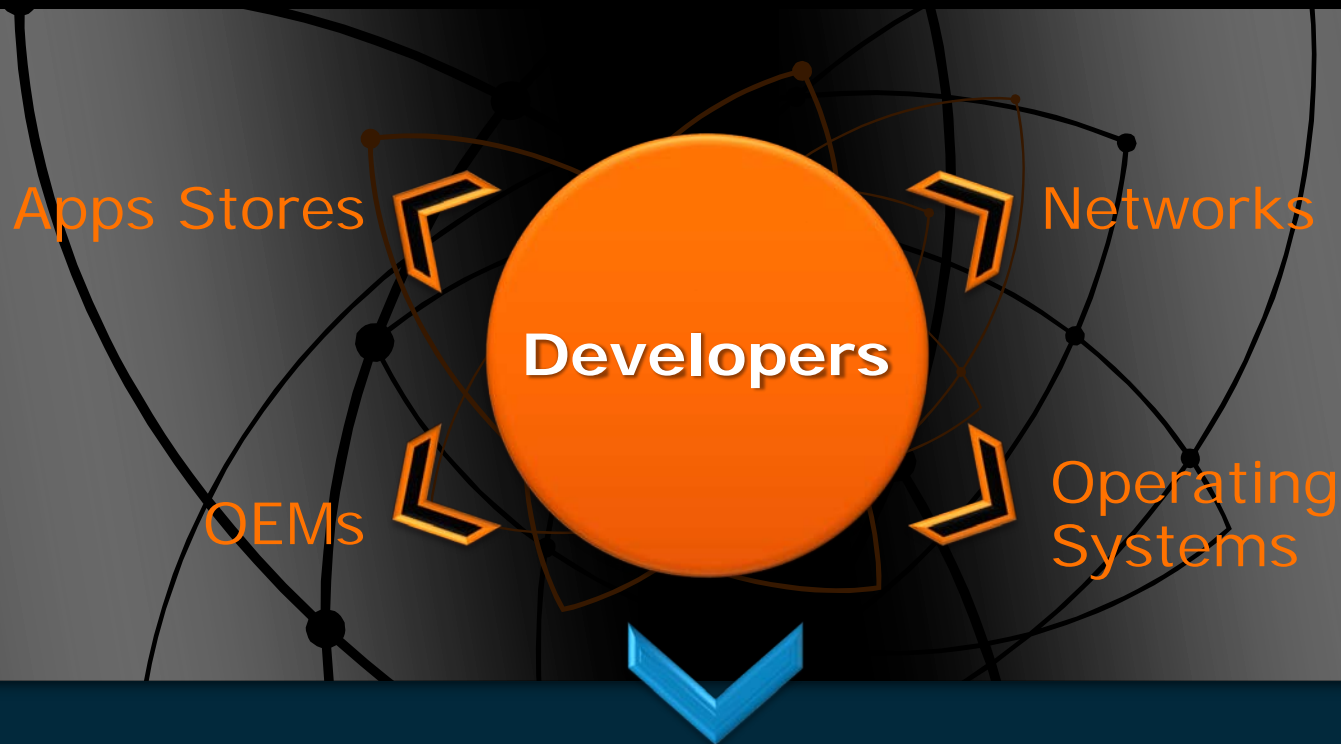
AT&T's goal is to **build the most comprehensive platform for mobile applications -- and beyond**

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Strategies to Deliver More Apps
to AT&T Customers

1 Continue supporting smartphone apps revolution

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Grow Device Portfolio to Represent Major Operating Systems

> Offer industry's **broadest range of OS systems** today

> Add **Android** in 1H 2010

Delivering a Better 3G Experience

at&t

Grow Device Portfolio to Represent Major Operating Systems

> Offer industry's **broadest range of OS systems** today

> Add **Android** in 1H 2010

New Motorola smartphone

Android OS

AT&T Exclusive

> **Delivering a Better 3G Experience**

at&t

Dr. Sanjay Jha

Chief Executive Officer, Mobile Devices for Motorola

Grow Device Portfolio to Represent Major Operating Systems

> Offer industry's **broadest range of OS systems** today

> Add **Android** in 1H 2010

First Dell smartphone

Android OS

AT&T Exclusive

> **Delivering a Better 3G Experience**

at&t

Ron Garriques

President, Communication Solutions, Dell

Grow Device Portfolio to Represent Major Operating Systems

> Offer industry's **broadest range of OS systems** today

> Add **Android** in 1H 2010

HTC
quietly brilliant™

New HTC smartphone

Android OS

AT&T Exclusive

> **Peter Chou, HTC CEO**

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Support and Offer Major App Stores

> **Support** major **OEM** stores

- • Preload appropriate store for device

> Offer **AT&T billing** as possible

> Provide **technical support** for all apps

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Strategies to Deliver More Apps to AT&T Customers

1 Continue supporting smartphone apps revolution

2 Spur apps revolution beyond smartphones

TODAY: Spur 'Apps for All' by Standardizing Development Platform

~65%
'Underserved'
With Apps

> **Focus now on midrange devices**

- Represents 'sweet spot' of today's market
- AT&T pioneered Quick Messaging Device category

> **Game Changer for Developers**
> **Win for Customers**

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TODAY: Spur 'Apps for All' by Standardizing Development Platform
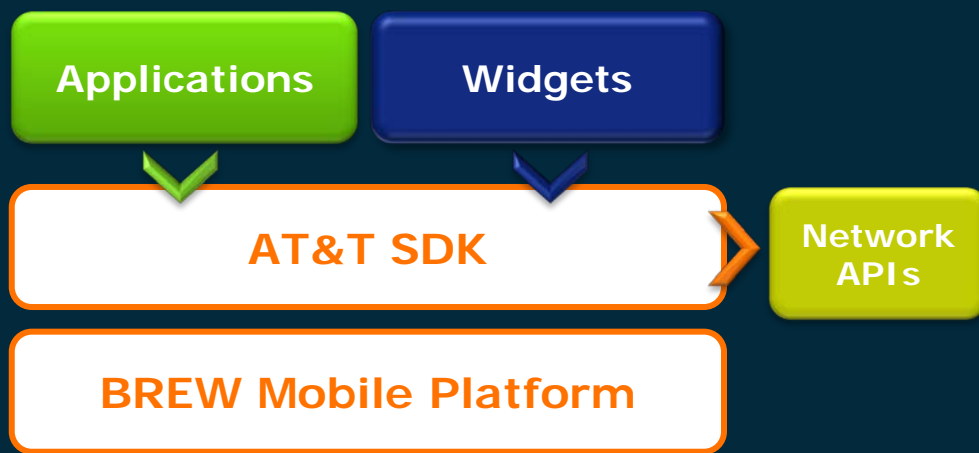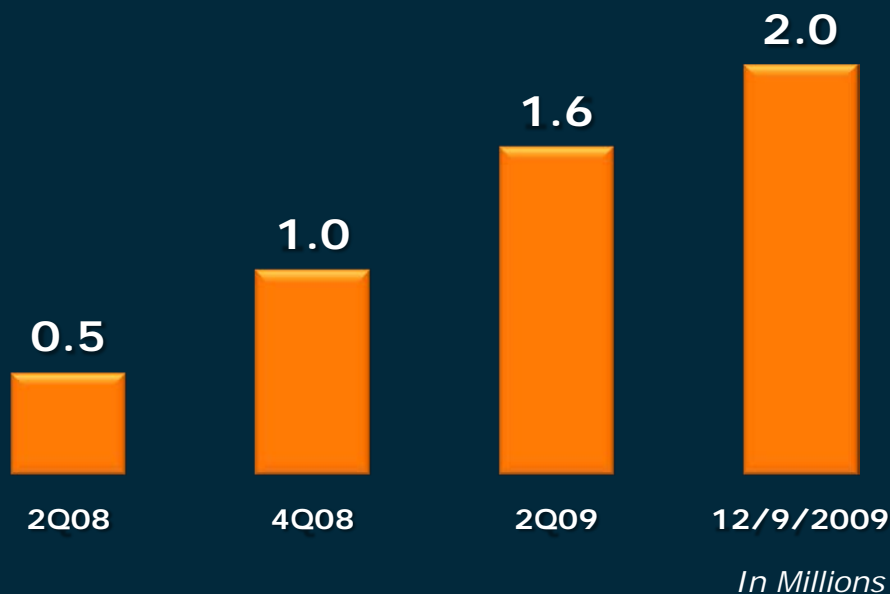
~30%
QMDs

> **Focus now on midrange devices**

- Represents 'sweet spot' of today's market

- AT&T pioneered Quick Messaging Device category

> **Game Changer for Developers**
> **Win for Customers**

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FUTURE: Opportunity to Increase Apps Beyond Mobile to 'Three Screens' and Workplace

AT&T U-verse TV Subscribers

2.0

1.6

1.0

0.5

2Q08   4Q08   2Q09   12/9/2009

In Millions

'Three Screens' & IPTV

- Offer developers multi-platform reach
  - 2 million U-verse subscribers
  - Plan to pass 30 million living units by 2011
- Today working closely with select developers
  - More than 20 apps launched to date

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FUTURE: Opportunity to Increase Apps Beyond Mobile to 'Three Screens' and Workplace

Connected Portable Device Shipments

>130 M

2009   2010   2011   2012   2013

In Millions

Source: In-Stat*

'Three Screens' & IPTV

Emerging Devices

- Emerging devices market expected to double by 2013*
- AT&T leads ED market today
  - Carrier of choice for top e-readers, PNDs
- GSM world standard
- Dedicated support team
- Network and platform unmatched

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FUTURE: Opportunity to Increase Apps Beyond Mobile to 'Three Screens' and Workplace

Small Business Mobile App Recommender Tool

Welcome to SMART

Our **Small Business Mobile Application Recommender Tool** can help you find the right mobile apps for your business.

1. Choose the things you need to do on the left (click as many as you like)

2. The relevant apps will appear here

You can even refine your list of recommen...

HELP

SMB
IDC 2009
EXCELLENCE AWARD

'Three Screens' & IPTV

Emerging Devices

Enterprise and SMB Environment

- Recognized leader in business market by IDC
  - "Leading Global Networking Provider"
  - SMB Award of Excellence
- ABI Research predicts global M2M connections will jump 3X – from 75M-225M by 2014

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Strategies to Deliver More Apps to AT&T Customers

1 Continue supporting smartphone apps revolution

2 Spur apps revolution beyond smartphones

3 Significantly strengthen developer program

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Significantly Strengthening Every Aspect of Developer Program

Knowledge Base	❯	Tools	❯	Support	❯	On-Boarding	❯	Go-to-Market

❯ **Improved support**

❯ **Improved tools**

❯ **Improved on-boarding time**

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Strategies to Deliver More Apps
to AT&T Customers

1 Continue supporting smartphone apps revolution

2 Spur apps revolution beyond smartphones

3 Significantly strengthen developer program

4 Continue to invest in network

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AT&T's Mobile Broadband Network

> **Giving customers a better network experience**

- 7.2 technology plans
- New cell sites, backhaul connections
- Preparing for LTE

> **Investing in network platform**

- New apps development capabilities offered to developers

A Major Commitment to Lead

1

Smartphone apps
- Support major operating systems
- Support major apps stores

2

Beyond smartphones
- Spur apps for other mobile devices, emerging devices, IPTV, workplace

3

Strengthen developer program
- Improve developer program

4

Invest in network
- Enhance platform to benefit developers

Deliver **more apps** to **more customers**

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