

# 2006 AT&T Accomplishments



- By any measure, 2006 was a banner year for AT&T and its stockholders. We successfully integrated several large mergers, launched new products and grew the business while delivering a 53 percent total return to our stockholders — the second highest return of all Dow Industrials stocks and the best among all telecom companies.
- Between AT&T and legacy BellSouth, the company delivered more than \$88 billion in value to stockholders last year in share price increases, dividends and share buybacks.
- AT&T's stock price on March 21, 2007, closed at a five-year high of \$38.86.
- Since 1990, AT&T has delivered an 8.6 percent annualized total return to its stockholders — higher than the returns delivered by our key competitors.
- In 2006, AT&T increased its quarterly dividend by 6.8 percent — the 22<sup>nd</sup> consecutive year in which it has increased the dividend. AT&T is the only telecom company to have done so.
- AT&T announced a \$10 billion share-repurchase plan; \$2.7 billion was bought back in 2006, with the remainder planned for 2007.
- Increased earnings per share more than 30 percent, and cash from operating activities was up more than 20 percent.
- Experienced double-digit year-over-year adjusted earnings growth for seven consecutive quarters, with expectations for continued double-digit growth through 2008.
- Exceeded plan on delivering value from the AT&T Corp. acquisition in 2006, realizing \$1.1 billion in total synergies compared with outlook of \$600 million to \$800 million.
- AT&T is now the largest telecom company in the world, with \$120 billion in revenues and more than 100 million customers.
- AT&T's revenue mix has been remade. Sales to wireless and business customers now make up 75 percent of the company's total revenues.
- AT&T is No. 1 in nearly every segment — wireless, broadband, business, voice and directory — and is positioned to continue leading the industry as technologies converge and the Internet continues to drive growth in communications services.
  - **Wireless:** No. 1 provider in the U.S., with 61 million customers.
  - **Broadband:** No. 1 provider in the U.S., with more than 12 million customers.
  - **Business and Wholesale:** No. 1 in the industry, with approximately \$44 billion in revenues.
  - **TV:** More than 1.5 million customers (satellite and U-verse<sup>SM</sup> TV). AT&T's U-verse is the only 100 percent Internet Protocol (IP)-based television service in the nation.
  - **Directory:** No. 1 provider in the industry, with more nearly \$6 billion in revenues.
- *Forbes* magazine named AT&T as the Company of the Year for 2006.
- *BusinessWeek* magazine selected AT&T as one of the 50 Best Performing Companies for 2006.