



Your world. Delivered.

Enterprise and Wholesale

Ron Spears

Group President-Global Business Services
AT&T Inc.

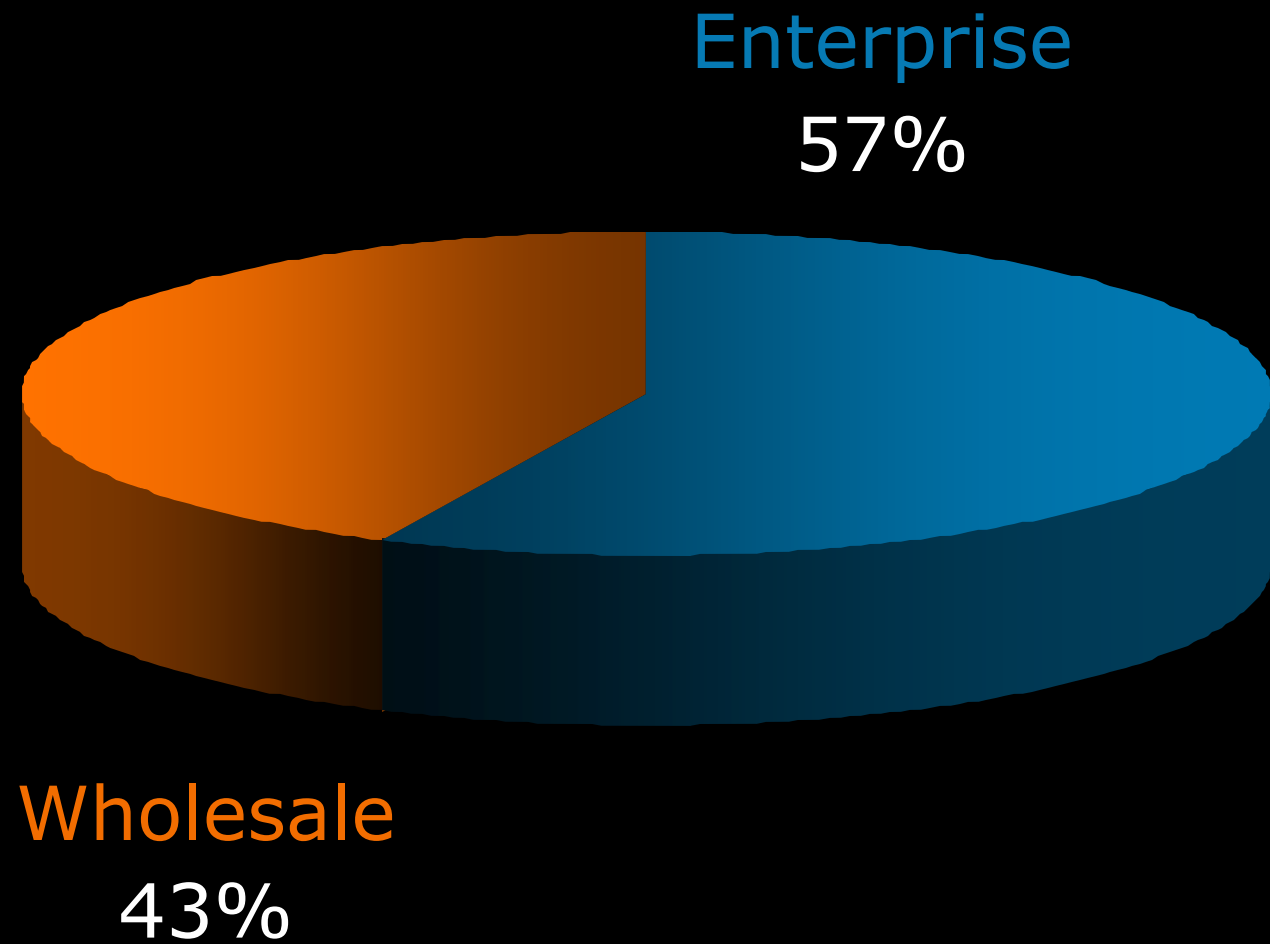
2007 Analyst Conference

Cautionary Language Concerning Forward-Looking Statements

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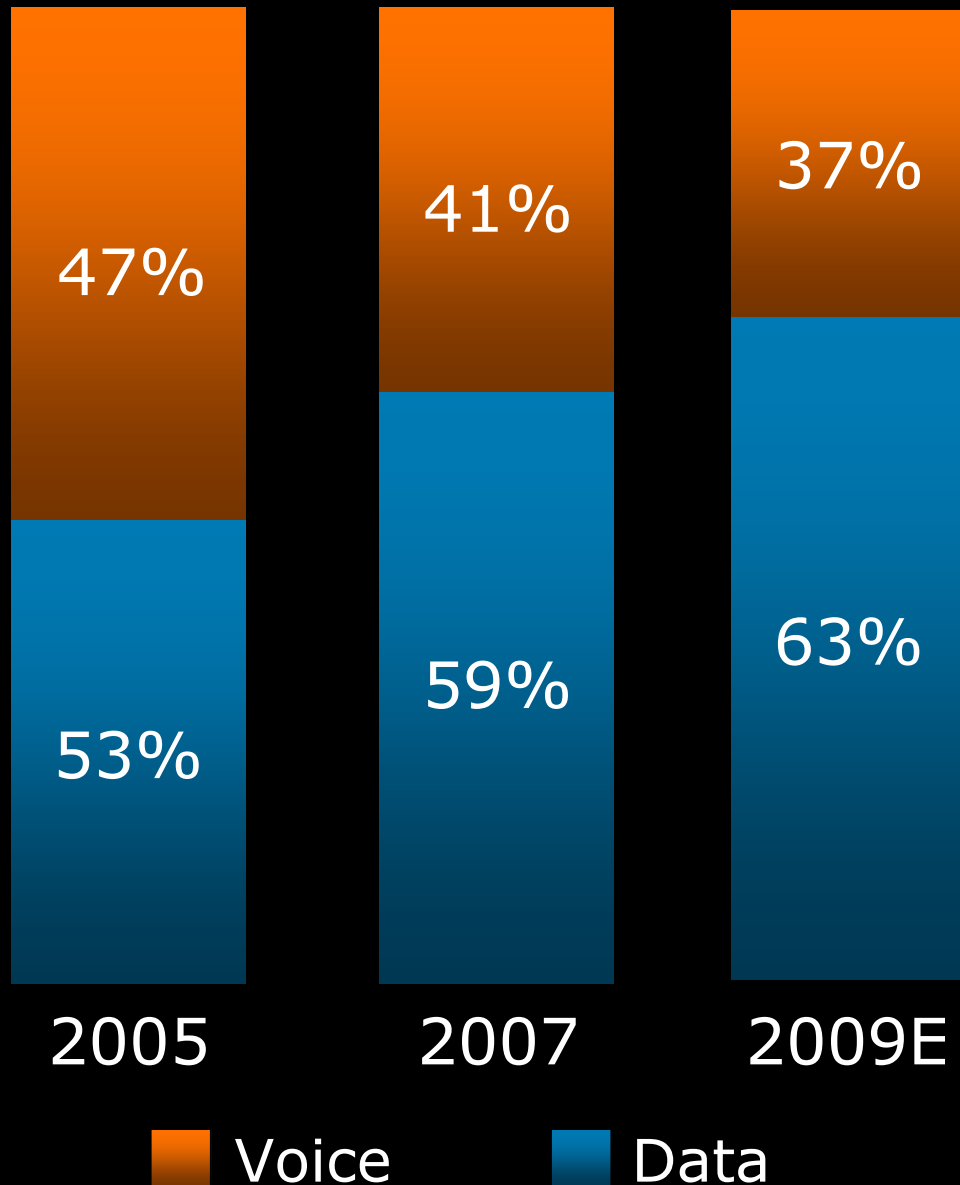
Global Business Services



- ⇒ Serves nearly 120,000 enterprise and wholesale customers globally
- ⇒ Annual revenues of ~ \$33B
- ⇒ ~ 28% of consolidated revenues
- ⇒ More than 40,000 employees
- ⇒ Operations in 164 countries

Enterprise

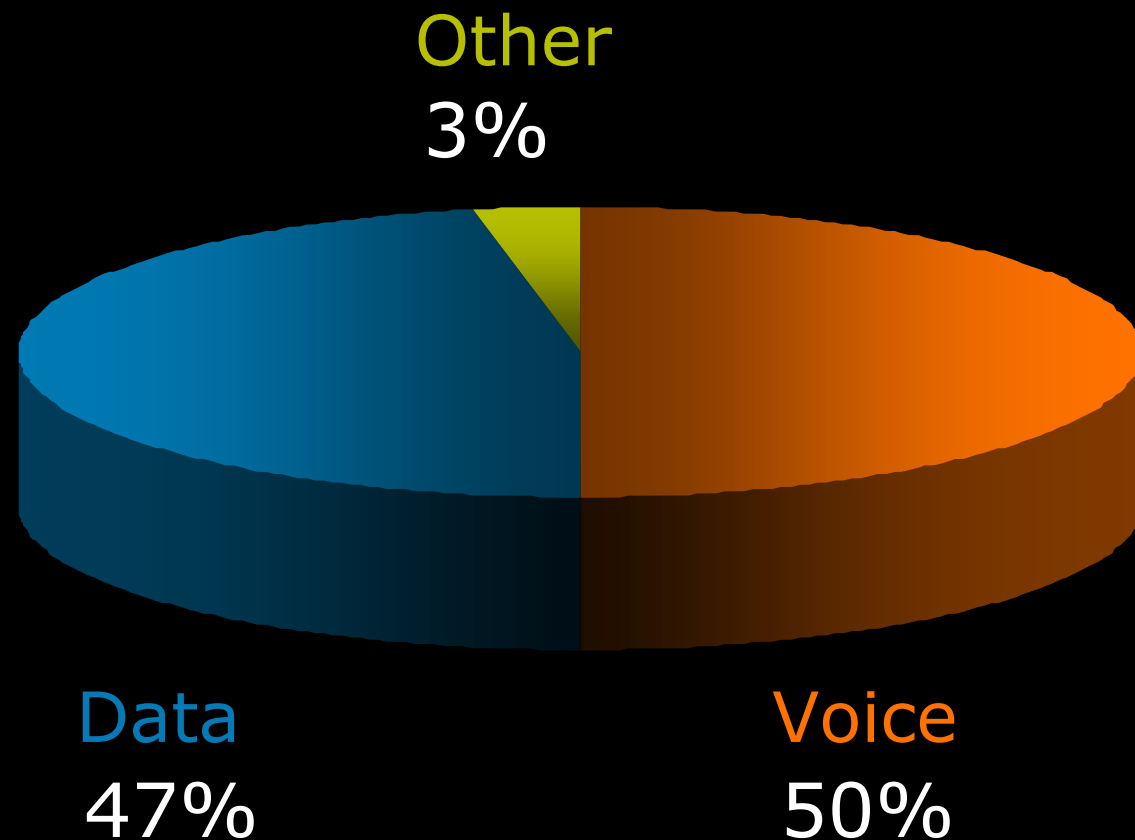
Voice and Data Revenue Mix



- ⇒ Traffic shifting from voice to data
- ⇒ Packet migration to IP continues
- ⇒ Voice, transport and IP volumes are growing
- ⇒ Revenue growth continues to expand due to improving supply-and-demand characteristics

Wholesale

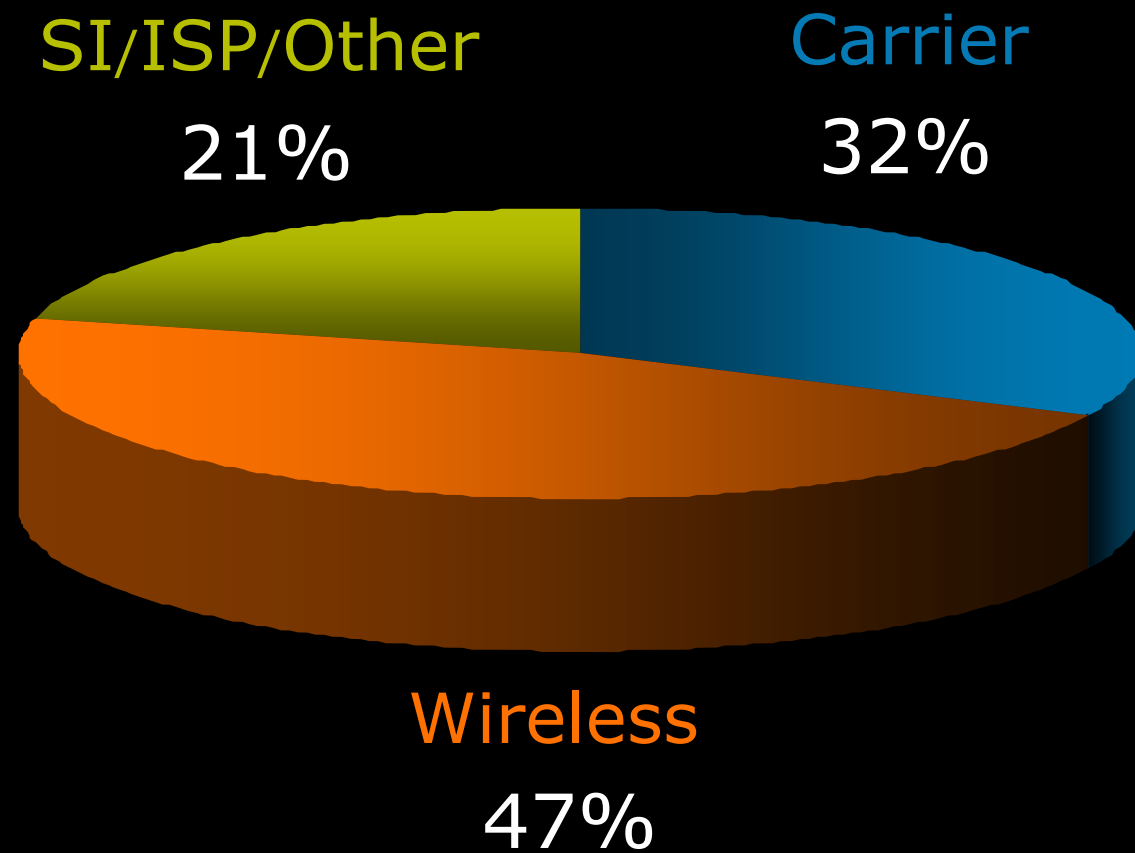
Revenue Segments



- ⇒ Revenue pressure from carrier traffic migration largely complete
- ⇒ Wireless volumes continue to grow
- ⇒ Wireless and carrier clients comprise nearly 70% of customers and drive 80% of revenues
- ⇒ Network assets and capabilities driving new growth

Wholesale

% of Revenues by Customer Segment



- ⇒ Revenue pressure from carrier traffic migration largely complete
- ⇒ Wireless volumes continue to grow
- ⇒ Wireless and carrier clients comprise nearly 70% of customers and drive 80% of revenues
- ⇒ Network assets and capabilities driving new growth

Market Trends



Globalization



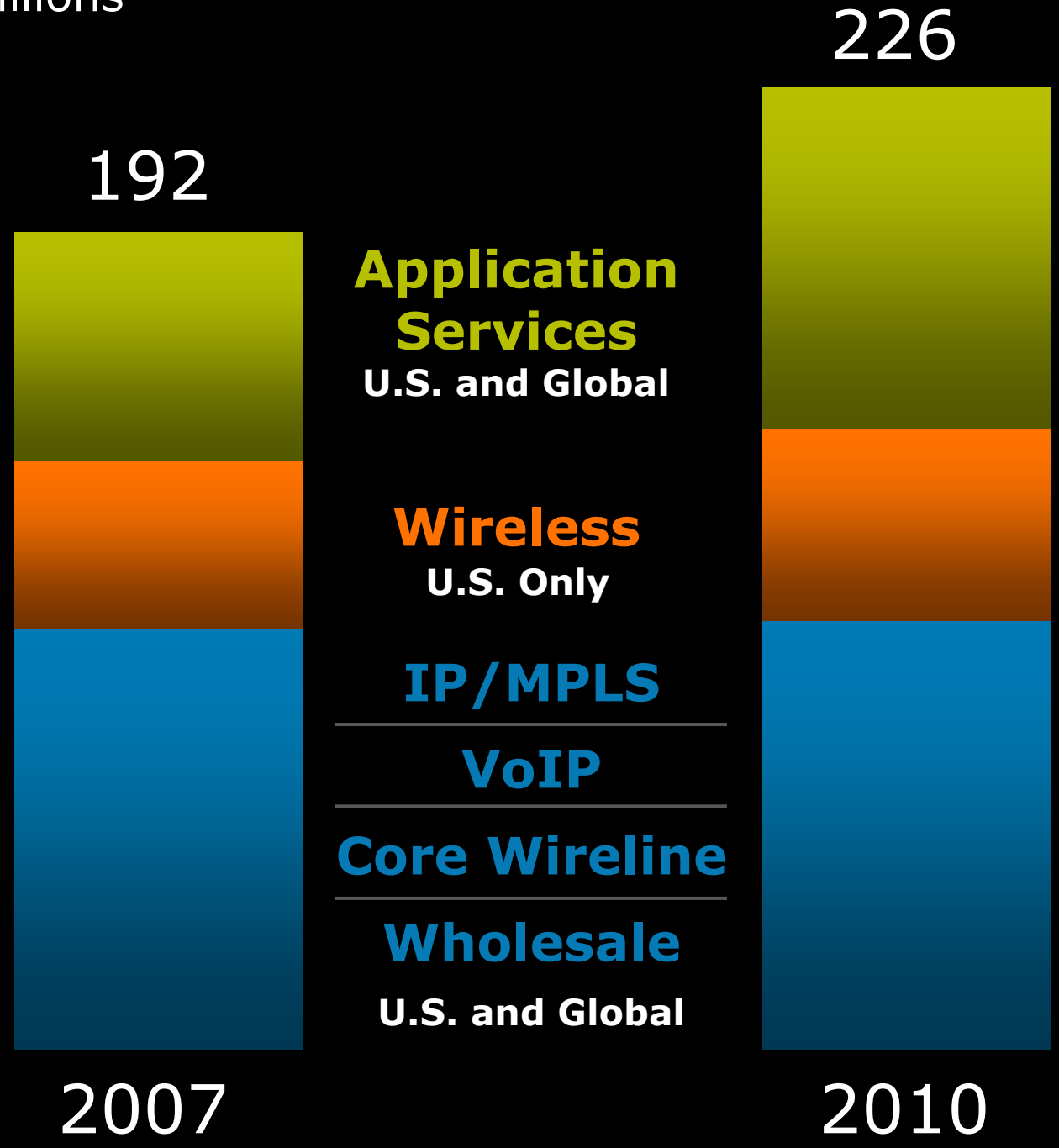
Virtualization



Mobile Society

Addressable Industry Revenue Projections

\$ Billions

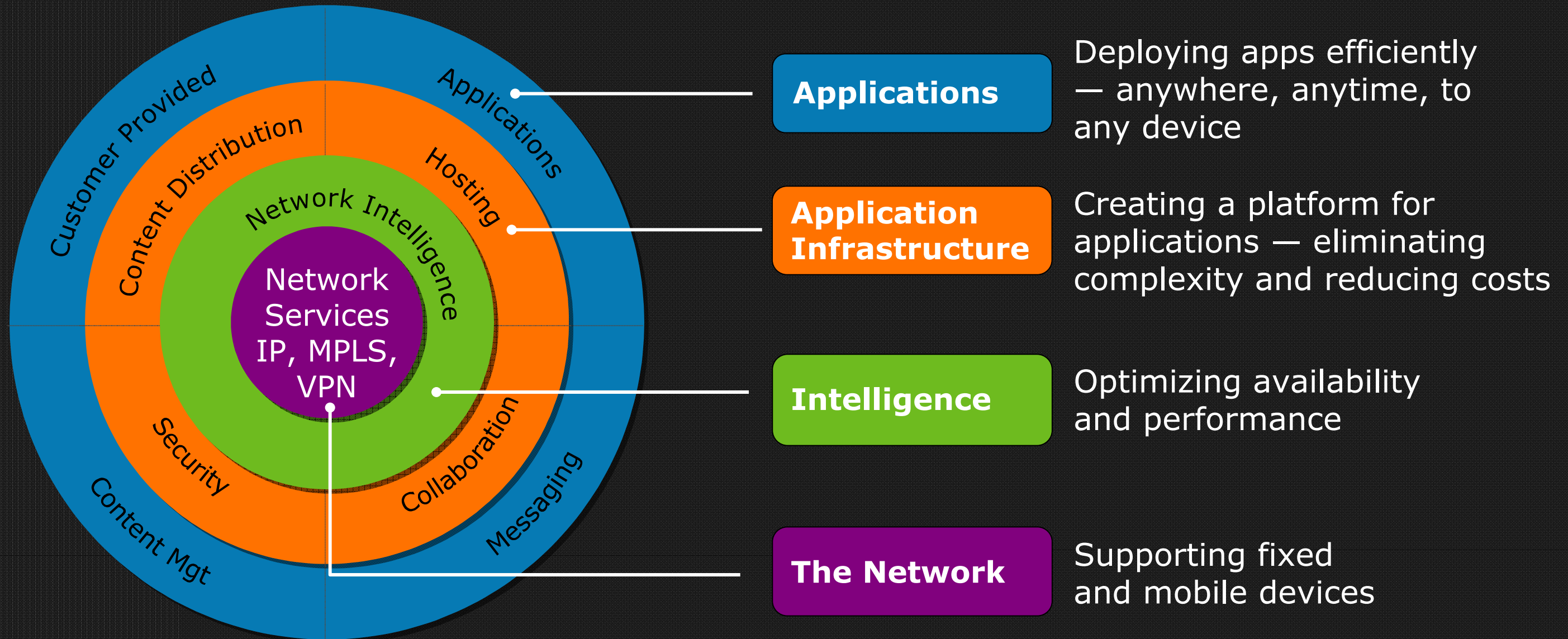


- ⇒ Overall addressable growth ~ 18%
- ⇒ Approximately 75% of market growth is from application services
- ⇒ Wireless accounts for ~ 20% of the growth
- ⇒ Core wireline is driving ~ 5% of the growth
- ⇒ Across both application services and core wireline, global drives ~ 20% of the growth

Collaborated forecast among AT&T, IDC, Yankee Group and Atlantic-ACM.

Our Strategy

To help enterprises achieve **velocity** by delivering intelligent and secure networking, application-enabling platforms and business solutions expertise.



Our Plan for Sustainable Growth

Execute, Expand, Transform and Deliver

Execute

in core enterprise
business

Expand

services
and markets

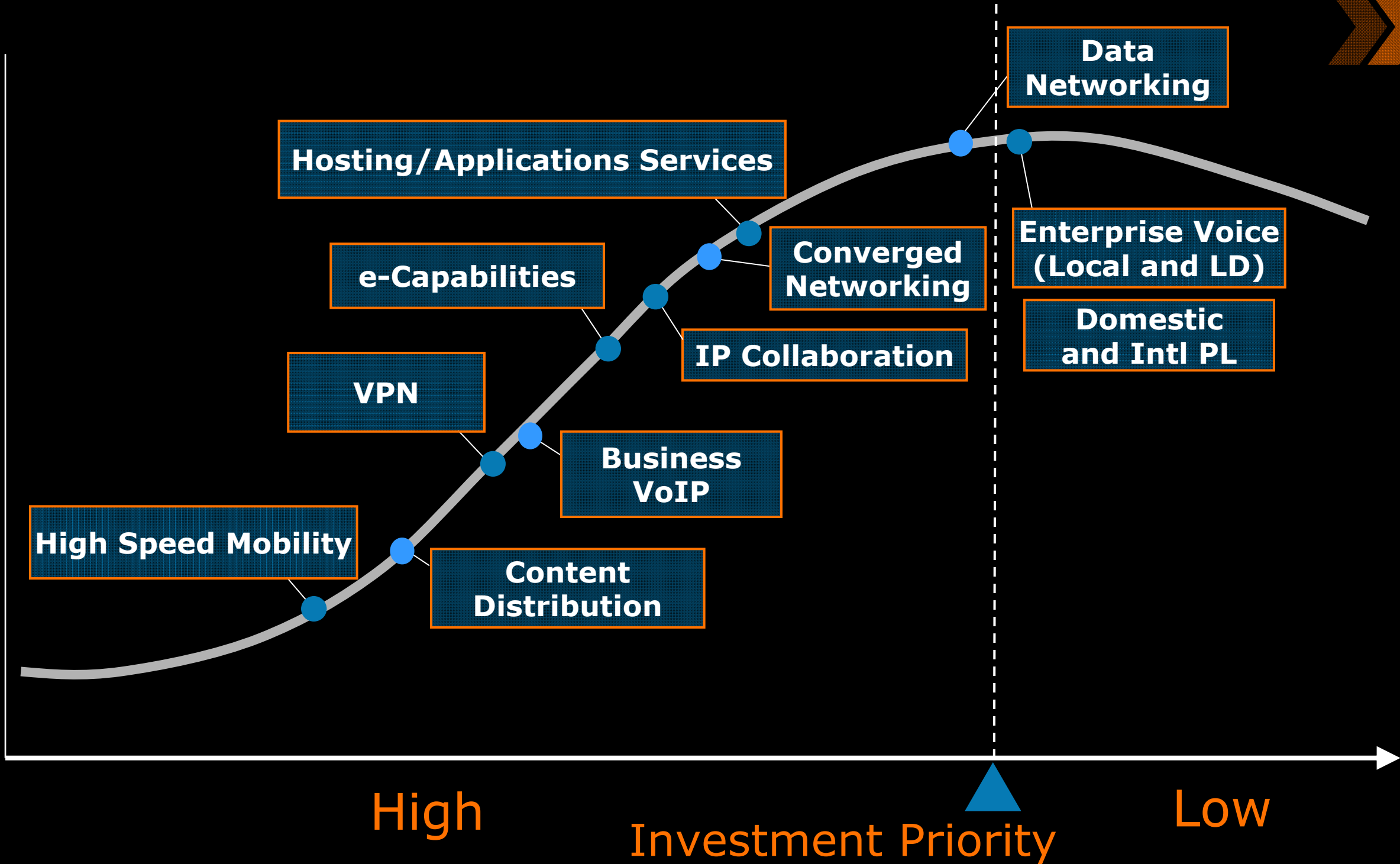
Transform

business to
applications enabler

Deliver

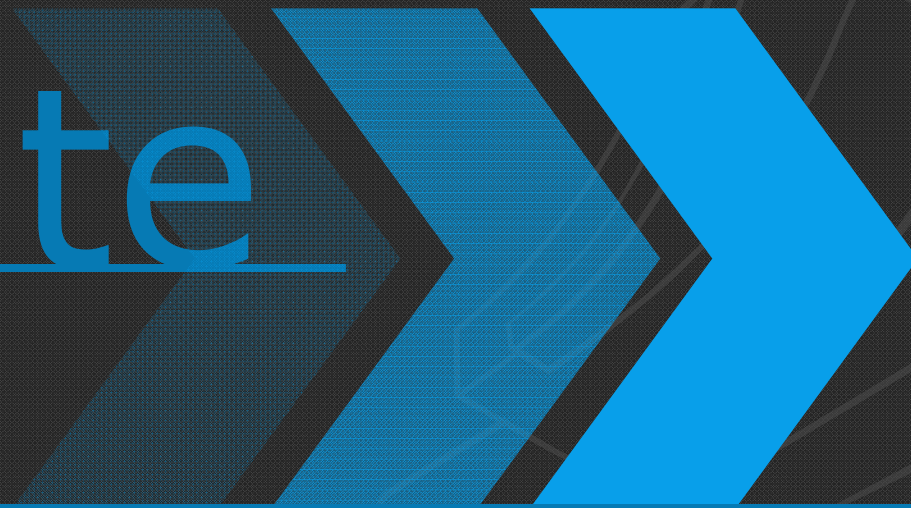
world-class
customer experience

Pivoting Our Portfolio



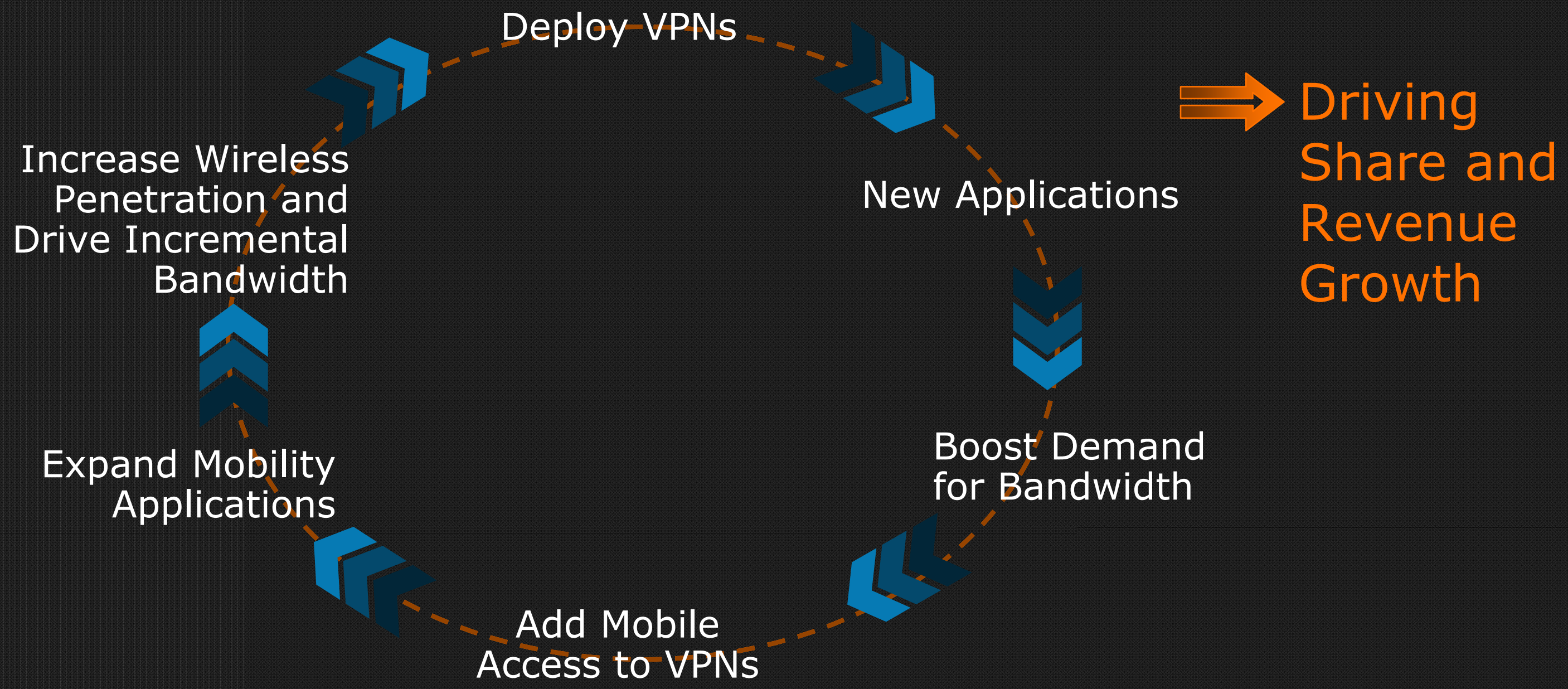
Majority of AT&T investment targeted to high-value growth services

Execute



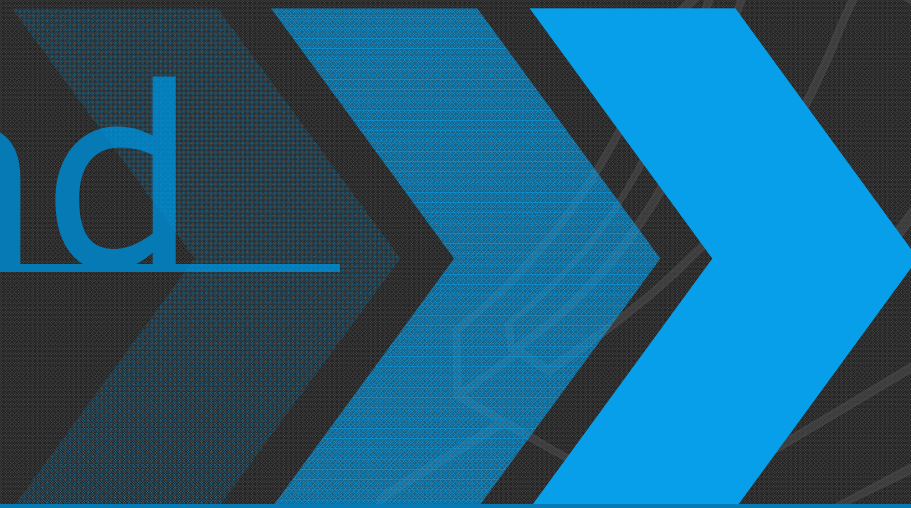
**Core
Enterprise
Business**

Leveraging Mobility



Expand

Wholesale



**Capture Growth
Opportunities**

Expand in Wholesale

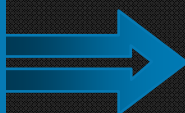
Content Providers



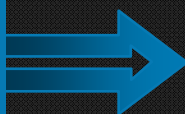
Wireless

Global Carriers

Wholesale Initiatives



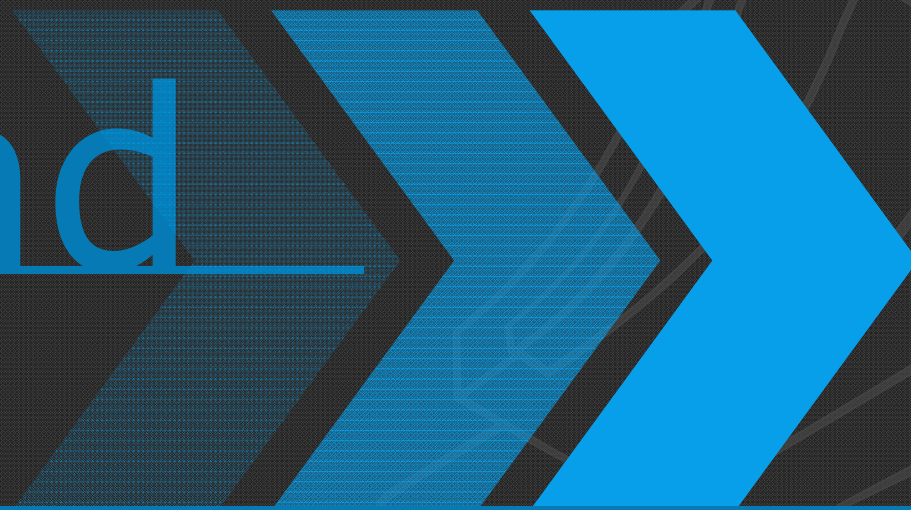
Capitalize on Worldwide Carrier Growth



Focus on Emerging Players

Expand

Globally



Targeted Growth

Targeted Global Growth

-  Targeted customer base
-  20 key markets (27 countries)
-  IBM enhances global applications capacity



Transform

Application Services

Hosting and
Application
Services

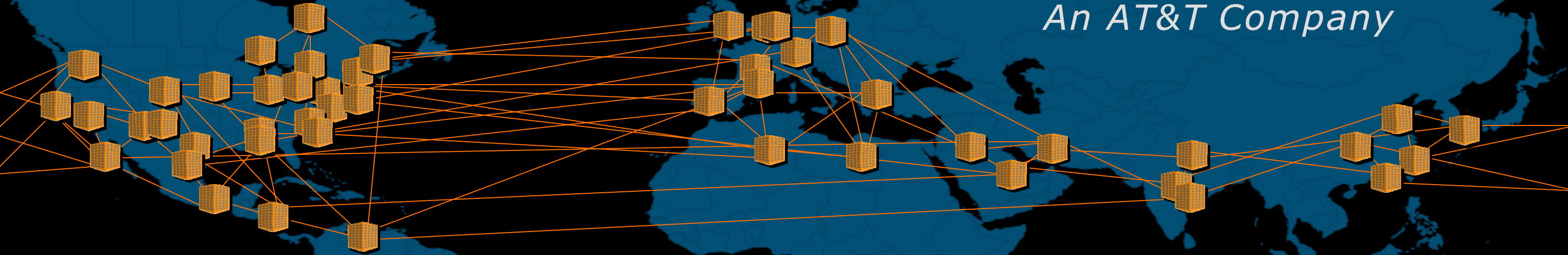
IP Collaboration

Content
Management
and Delivery

Hosting and Application Services



An AT&T Company



Hosting and Application Services

➤ Expanding Capacity **U.S. and Globally**

➤ Services Initiatives to Shift the Mix

⇒ Utility computing offering

⇒ On-demand application services for small and medium businesses

⇒ New fully managed hosting offering

⇒ Virtual dedicated server offer for small business

Unified Communications

AT&T Connect | Options | Help | Logout |

Ron Spears (I am available)
Meeting ID: **86317**

MY CONTACTS

Contacts Groups

- ▼ (5)
 - ✓ **Randall Stephenson**
 - ✓ **Bill Archer**
 - ✗ **Mark Keiffer (Busy)**
 - ✓ **Kathie Morrissey**
 - ✓ **Paulino Barros**
- ▼ Offline (3)
 - ✗ **Andy Geisse (Offline)**
 - ✗ **Dan Fete (Offline)**
 - **Kent Mathy (Away)**

Options: Email, Chat, Call, Meet, More

Navigation: My Room, Voice Conf, Join, My Profile, Search

Buttons: hold, history, meet

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Send | Attach

AT&T Yahoo! Messenger

Messenger | Contacts | Actions | Help

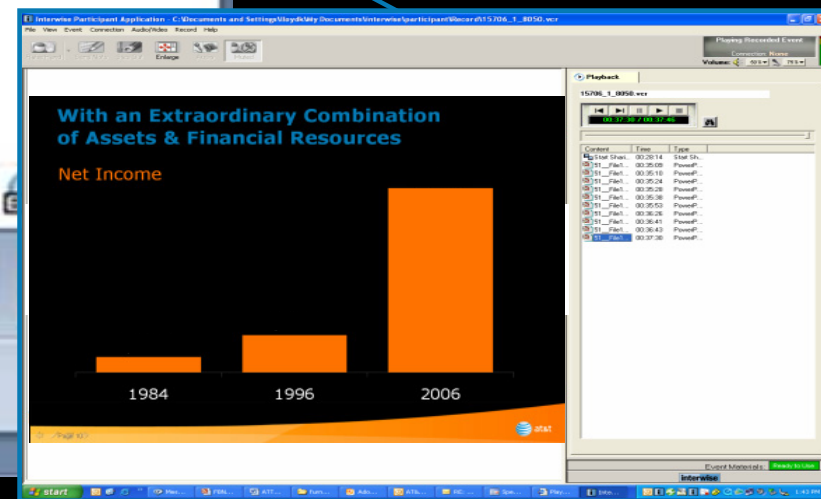
Nicole Stika - Available

Type a Yahoo! ID

Video | My Number: 955-772-3330

Phone Book

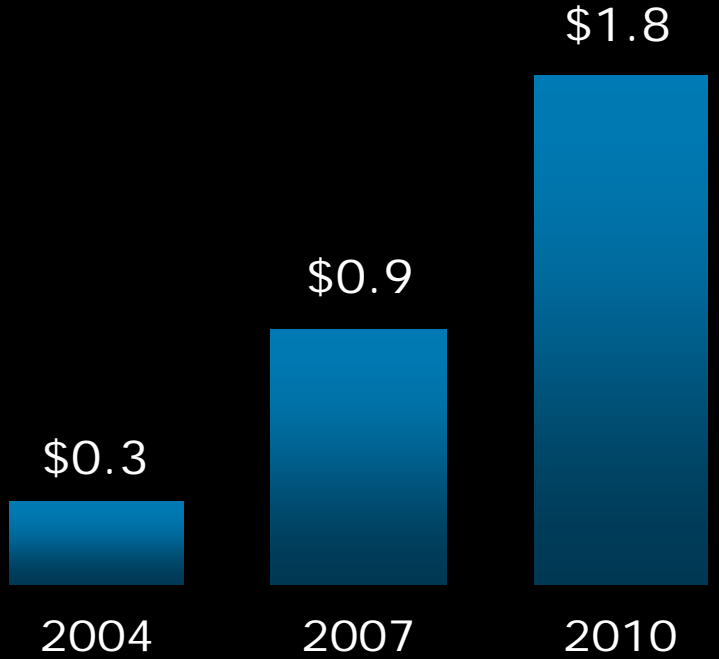
Name	Number	Dial
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	(9) 5551 2222	



AT&T Connect™

Content Management and Delivery

U.S. and Global Market Size (\$ in billions)



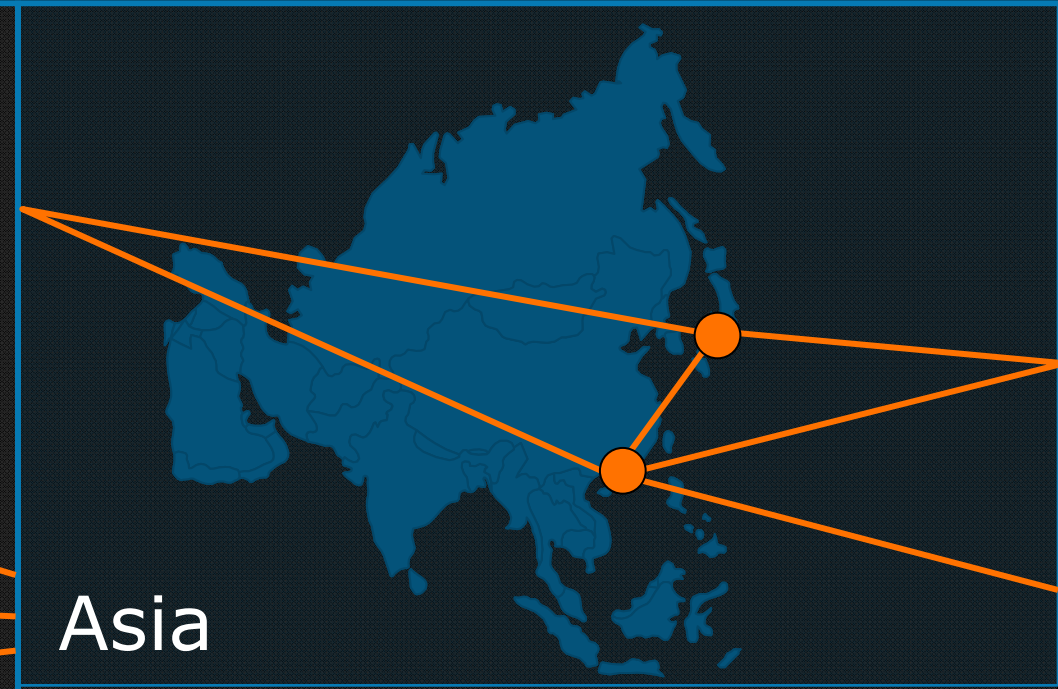
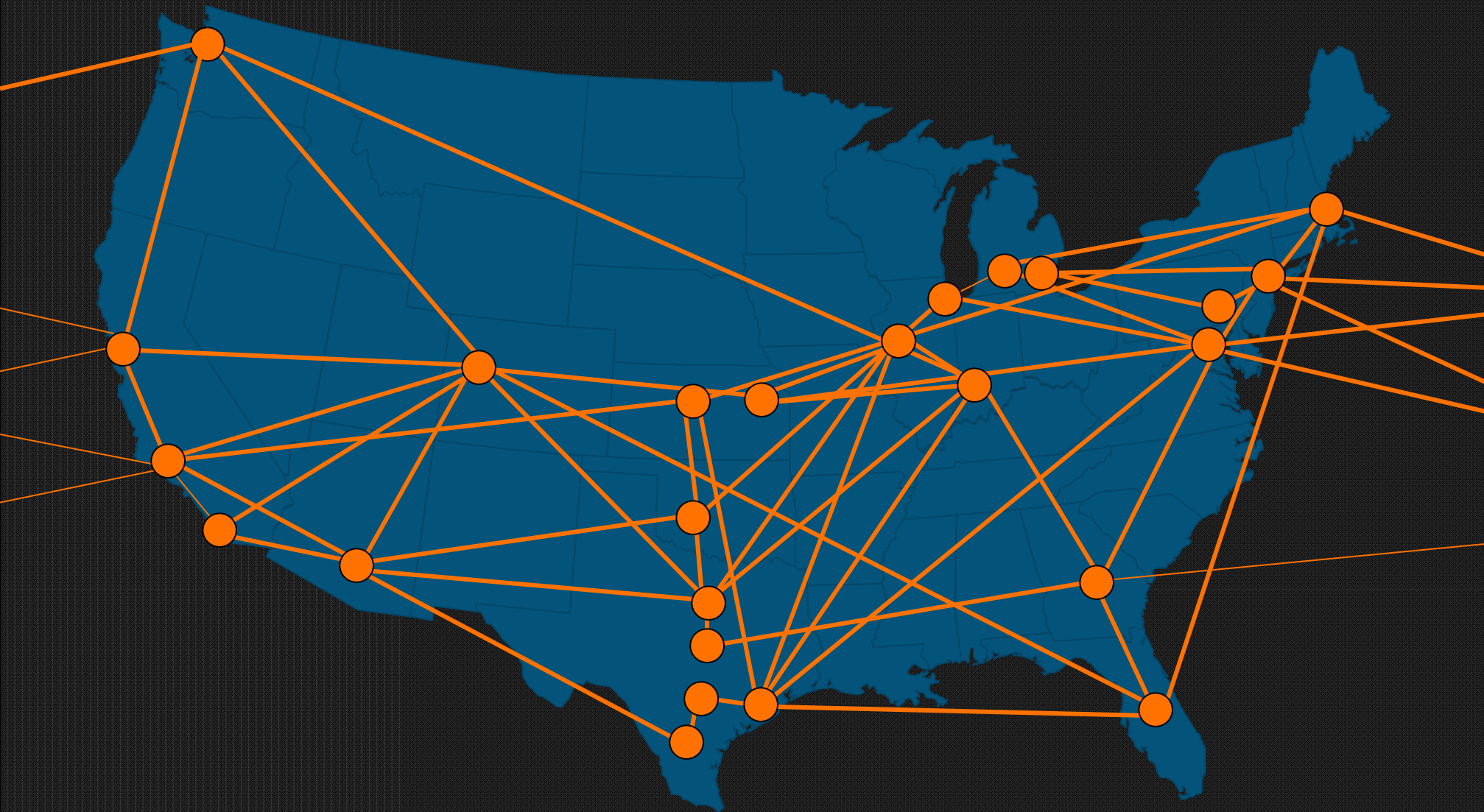
Collaborated forecast between AT&T and IDC.

Capturing Growth in Content

- ⇒ Rapidly expand capacity
- ⇒ Enhance caching and streaming capabilities
- ⇒ Drive off of core strengths

Content Management and Delivery

We Are Deploying Content Servers at Key Locations Throughout the World



Asia



Europe

Our Plan for Sustainable Growth

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Execute

in core enterprise
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Expand

services
and markets

Transform

business to
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Deliver

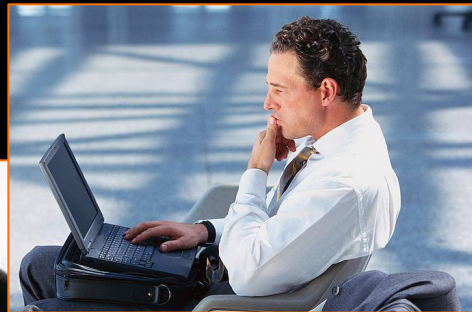
world-class
customer experience

Industry-Leading Customer Experience

Invest in Tools,
Automation

2007 and 2008

~ \$100 million



Outside-In Approach

⇒ Satisfaction survey

⇒ Competitive benchmarking

Directed Investments

⇒ Customer information tools

⇒ Enterprise portal (BusinessDirect)

⇒ Global billing road map

Multiyear Financial Outlook

With our strong business mix, GBS is positioned for growth

- » Enterprise revenues will grow throughout 2008 and will achieve mid-single-digit growth in 2010
- » A significant ramp to positive wholesale growth in 2008 as the impacts of IBM agreement are realized
- » Long-term wholesale growth in the low-single-digit range



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