



U-verse Update: 2Q09

AT&T U-verse Keeps Getting Better With Even More Upgrades and Apps

The evolution of AT&T U-verseSM TV continued in the second quarter of 2009 as we introduced several service enhancements and interactive applications to customers at no extra cost. We began the rollout of our exclusive new Total Home DVR functionality that allows customers to schedule and delete recordings from any U-verse receiver in the home. And we launched the Mobile Remote Access App for iPhone, giving customers another easy way to remotely schedule DVR recordings. U-verse Internet Max customers received a 20 percent downstream speed increase for free. As AT&T U-verse builds on its history of ongoing upgrades for our customers, we continue to see customer growth and demand across our triple-play of services. Below is a recap on our AT&T U-verse growth and highlights from the second quarter.

ADOPTION: U-verse Services Driving Bundle Subscriptions

- **1,577,000 U-verse TV customers.**
- **570,000 U-verse Voice customers.**
- **1,585,000 U-verse High Speed Internet customers.**
- More than **90 percent** of U-verse TV customers bundle High Speed Internet.
- More than **65 percent** of new U-verse TV customers bundle U-verse Voice.
- More than **75 percent** of U-verse TV customers have a triple- or quad-play.
- **Double-digit penetration** for U-verse TV across all eligible living units.

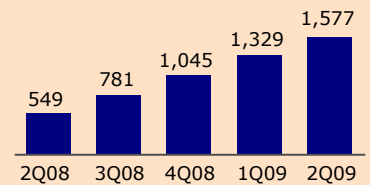
DEPLOYMENT: Continued Network and Service Expansion

- U-verse TV available in **105 markets (MSAs)** across 19 states, with launches in Champaign-Springfield-Decatur and Corpus Christi and regular expansions in existing markets.
- U-verse Voice available in **93 markets**, with launches in West Palm Beach, Orlando and Raleigh-Durham.
- **More than 19 million living units passed** by our advanced fiber network, with ongoing expansion.

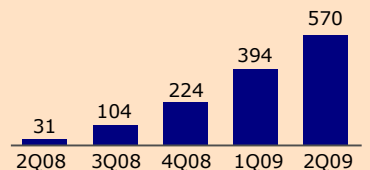
SERVICE EVOLUTION: Ongoing Upgrades, Apps Make Most of IP

- Began rollout of **exclusive Total Home DVR enhancement**, a new feature which gives customers the ability to schedule and delete recordings on any U-verse receiver in the home.
- **Increased U-verse Internet Max downstream speeds** by 20 percent, from up to 10 Mbps to up to 12 Mbps at no extra cost.
- Introduced the **Mobile Remote Access App for iPhone**, giving U-verse TV and Internet customers another simple way to remotely manage their recordings.
- Launched **six new HD channels**, bringing customers access to **110 HD channels in every market.**
- Delivered exclusive U.S. premiere of new **Wallace and Gromit** short film and three-screen content.
- Launched **enhancements** to the Web Remote Access application and U-verse TV user interface.

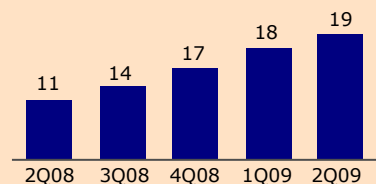
U-verse TV Subscribers in Service
(in thousands)



U-verse Voice Subscribers in Service
(in thousands)



Living Units Passed by Fiber Network
(in millions)



All figures as of the end of the second quarter of 2009.

Geographic and service restrictions apply to U-verse. Call or go to www.uverse.att.com to see if you qualify. Penetration is the number of subscribers divided by eligible living units.