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& Entertainment Conference*

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Areas to Cover

➤ **Wireless Network**

➤ **U-verse**

➤ **One AT&T**

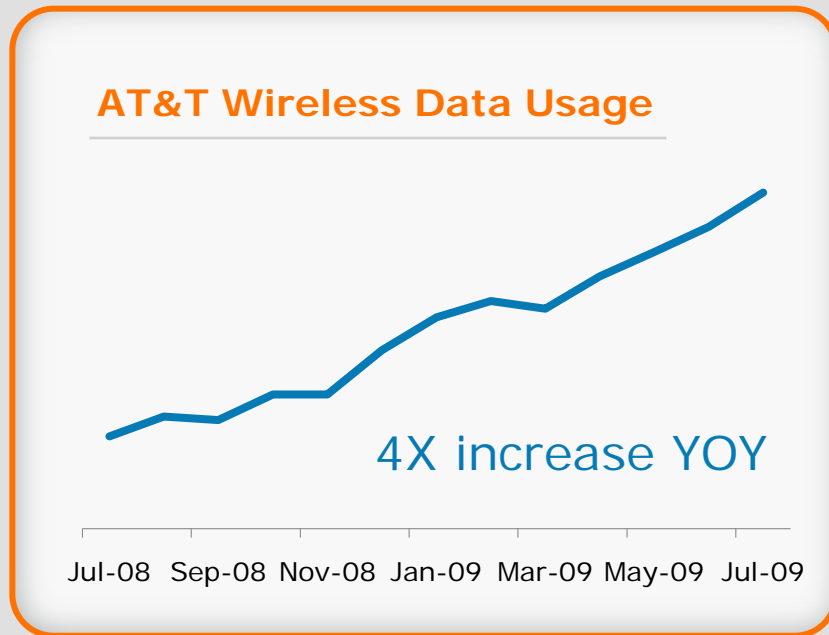
➤ **Summary**

The background is a vibrant orange gradient. On the left side, there is a complex network of white lines and icons. The icons include a camera, a guitar, a mobile phone, a laptop, a globe, a person, a Wi-Fi symbol, a speech bubble, a document, and a network node. The lines connect these icons, suggesting a global or interconnected network. The overall aesthetic is modern and technological.

Wireless Network

Wireless Data Usage Growing

▶ More customer engagement with data



2Q09:

- 36% postpaid customers have integrated devices
 - ≈ double 2Q08
 - ≈ 60% of postpaid sales are integrated devices
- > two-thirds of customers are active data users
- > 50% of postpaid customers have data plans
- 108 billion text messages
 - ≈ double 2Q08
- > 1 billion multi-media messages and growing

Investing in the Network

850 MHz overlay

- Using best spectrum and deploying across more sites to improve coverage, voice and data quality



New site build

- Scheduled to build ~2,000 new sites in 2009



Network capacity

- Adding approximately 100,000 circuits to better manage the backhaul from our cell sites to the switching centers



3G expansion

- Adding 3G to ~4,400 sites in 2009
- Covering 372 markets by EOY



YoY Progress

- Composite Quality Index **up 28%***
- Network-driven churn **down 28%**

** Nov. 08 – Aug. 09*

- 3G footprint **up 18%**

- Blocked calls **down 27%**
- Downlink throughput **up 9%**

- Total 3G coverage **up 20%**

AT&T Wi-Fi Services Deliver Superior Wireless Customer Experience

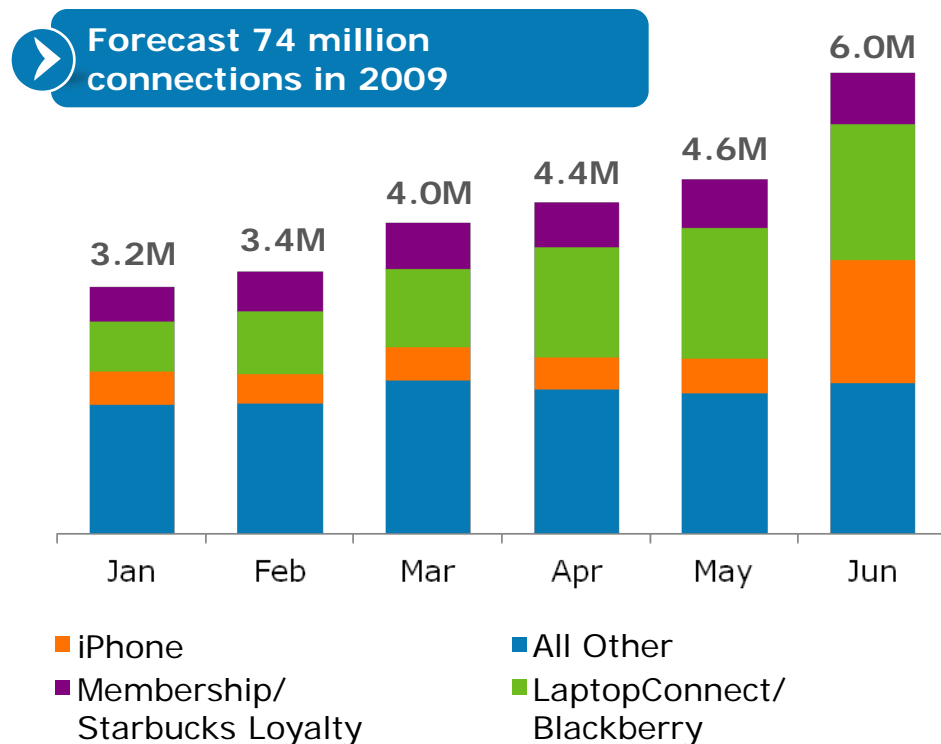
Wi-Fi venues **offload data traffic from macro network**

Focus on data clusters around hotels, sports venues, colleges

More than 40% connections from **integrated devices**

Drives **capital efficiency**

Total Monthly Connections



70% Wi-Fi cost advantage

Next Evolution – HSPA 7.2

Why HSPA 7.2 before LTE?

➤ Technology

- HSPA 7.2 platform is ready now
- Doubles theoretical speeds

➤ Devices

- Variety of 7.2 devices available today; more in 4Q09
- Limited LTE device portfolio in the early years

➤ Experience

- 7.2 better fallback experience from LTE than competitor 3G networks
- AT&T will keep customers' perceived average speed optimized

**Moving
to HSPA 7.2
then LTE will
provide
a more
consistent
customer
experience**

HSPA 7.2 Plans

Upgrading **3G sites over 9 quarters** (4Q09 – 4Q11)

Deploy **25 of 30 top markets** by 2Q10

Preparing for 7.2 upgrade **positions AT&T for LTE deployment**

Covering **90% of 3G POPs with 7.2 and fiber backhaul** by end of 2011

▶ Markets Planned for 4Q09 Deployment

- Chicago
- Los Angeles
- Dallas
- Charlotte
- Houston
- Miami

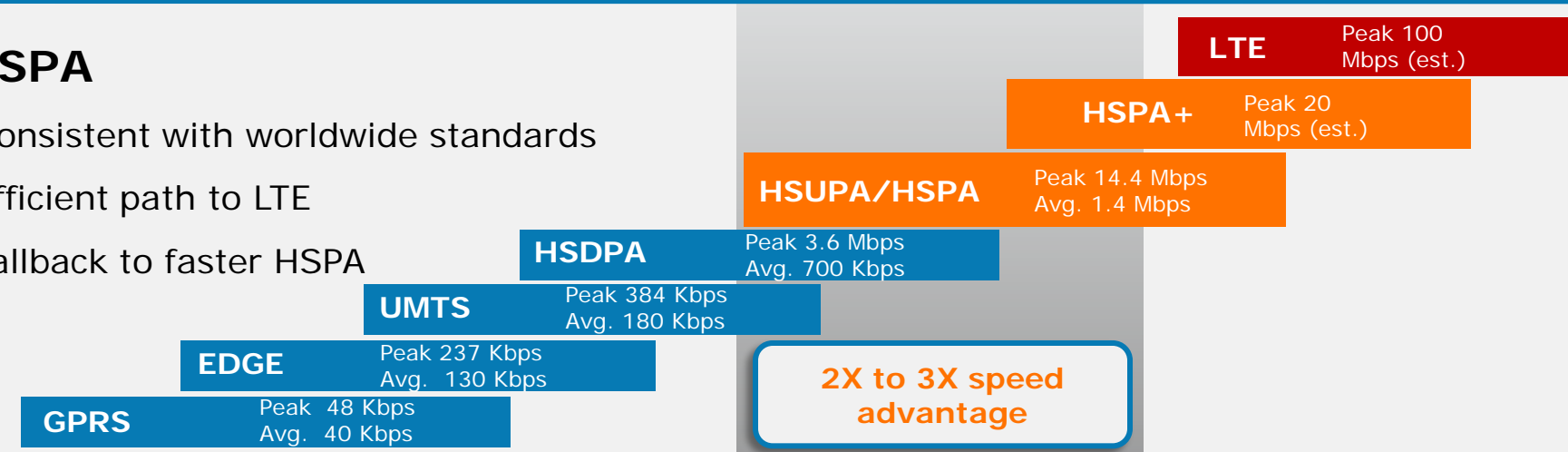
(Not necessarily in deployment order)

Path to LTE

HSPA vs. CDMA

HSPA

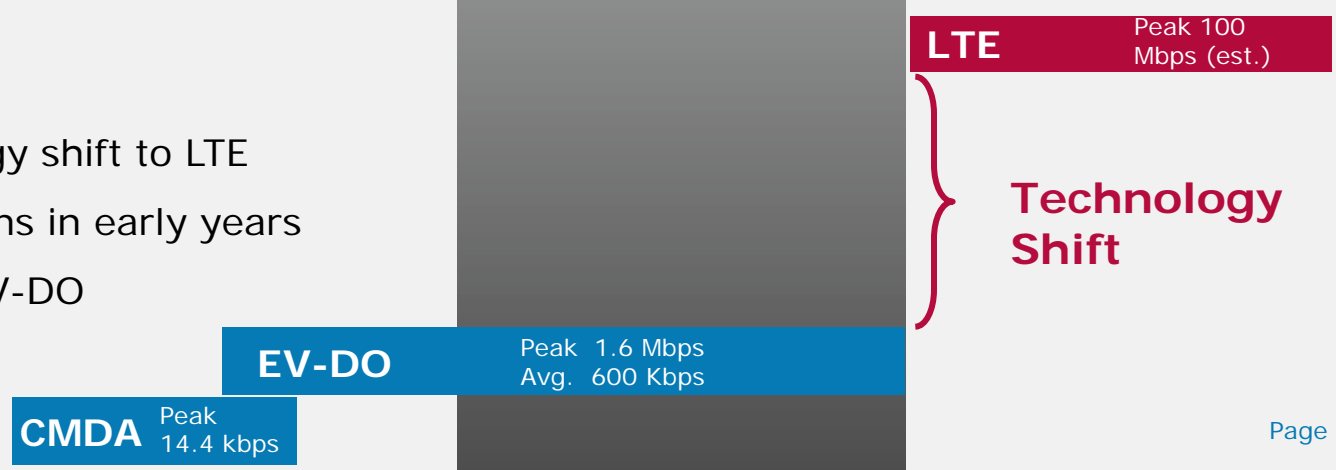
- Consistent with worldwide standards
- Efficient path to LTE
- Fallback to faster HSPA



Past ← Present → Future →

CDMA

- Significant technology shift to LTE
- Limited device options in early years
- Fallback to slower EV-DO



Technology Shift

The background of the slide is a vibrant orange gradient. On the left side, there is a complex, abstract graphic composed of numerous thin, white, curved lines that swirl and intersect. These lines are interspersed with various white icons representing different aspects of technology and communication, such as a camera, a guitar, a mobile phone, a laptop, a globe, and a person. The overall aesthetic is modern and dynamic, suggesting a wide range of services and connectivity.

AT&T U-verse

AT&T U-verse Scaling as Planned

Over **1.6 million**
customers

Delivering
operational
improvement

High **customer**
satisfaction

Focused on
new features

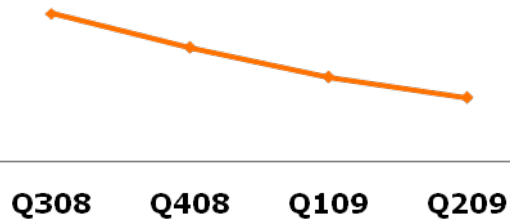


2008:
#1 Overall
Satisfaction

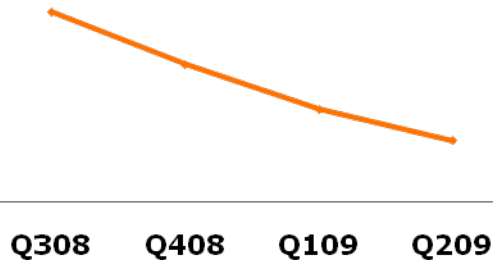
Continuing U-verse Operational Improvements

Productivity

Install Hours



Repair Hours



- 18% improvement in hours to install
- Offering install dates within 3 days
- 31% fewer in-home repair visits
- 15% improvement in repair hours
- Scheduling same day repairs
- Churn better than plan

High U-verse Customer Satisfaction Ratings

Video

- Network Quality
- Product Features
- Pricing and Value

▶ U-verse video ahead of DBS and major cable providers in all categories

Data

- Speed
- Reliability
- Customer Service
- Single Bill
- Monthly Cost

▶ U-verse high speed Internet higher than cable modem in all broadband attributes

AT&T U-verse: Feature Differentiation



➤ Superior video experience

- 3rd HD stream
- Multiview

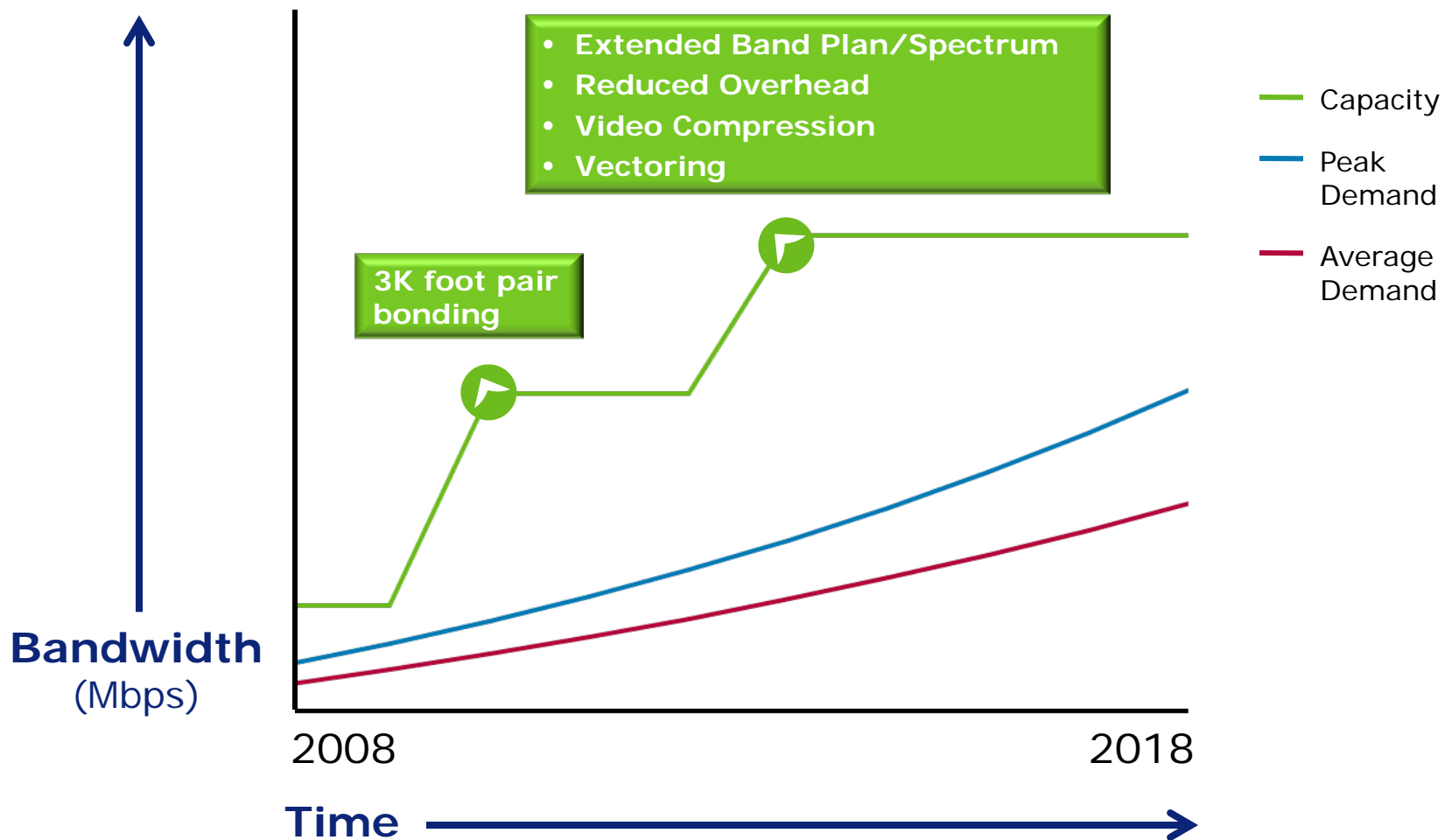
➤ Best-in-class content

- Media Mall
- More HD than cable

➤ Video anywhere

- U-verse content on PC and handset
- Media Share

VDSL Peak Downstream Offered Load Over Time





One AT&T

One AT&T



Integrating the business...eliminating historical divisions between products and platforms

Organize sales operations from customer's perspective: more efficient, faster, more competitive

Unified product sets

Simple, single customer interface

Simplified billing and customer care

Premium service experience for the high-value bundle customer

One AT&T: Ahead of Plan in 2009

2009 Focus

- Organizational integration
- Eliminate redundant functions
- Consistent approaches toward vendors/partners
- Integrated product offerings
- Leverage best practices



Consumer Sales

- Leverage spend with outsourced providers
- Combine marketing & advertising
- Create common online support experience

Business Sales

- Consolidate ordering & billing centers
- Eliminate sales overlap/consolidate interfaces with customers

Operations

- Consolidate network centers
- Raised floor integration
- IP backbone consolidation
- Integrate vendor maintenance contracts

One AT&T: 2010 Focus Areas

2009 Focus

- Organizational integration
- Eliminate redundant functions
- Consistent approaches toward vendors/partners
- Integrated product offerings
- Leverage best practices



2010 Action Plan

- Systems integration
- Integrated/converged services
- Integrated customer experience
- Combined care



Summary

Summary: What Sets AT&T Apart?

- **Scale:** U.S. leader in wireless data, business services, broadband, video and Wi-Fi

- **Network:** world-class integrated networks with wired and wireless, speed upgrades ahead of LTE

- **Financial Strength:** sound balance sheet, strong record of returning value to shareowners

- **Substantial Opportunity:** to further improve operations with our ONE AT&T customer experience and deliver new integrated services