

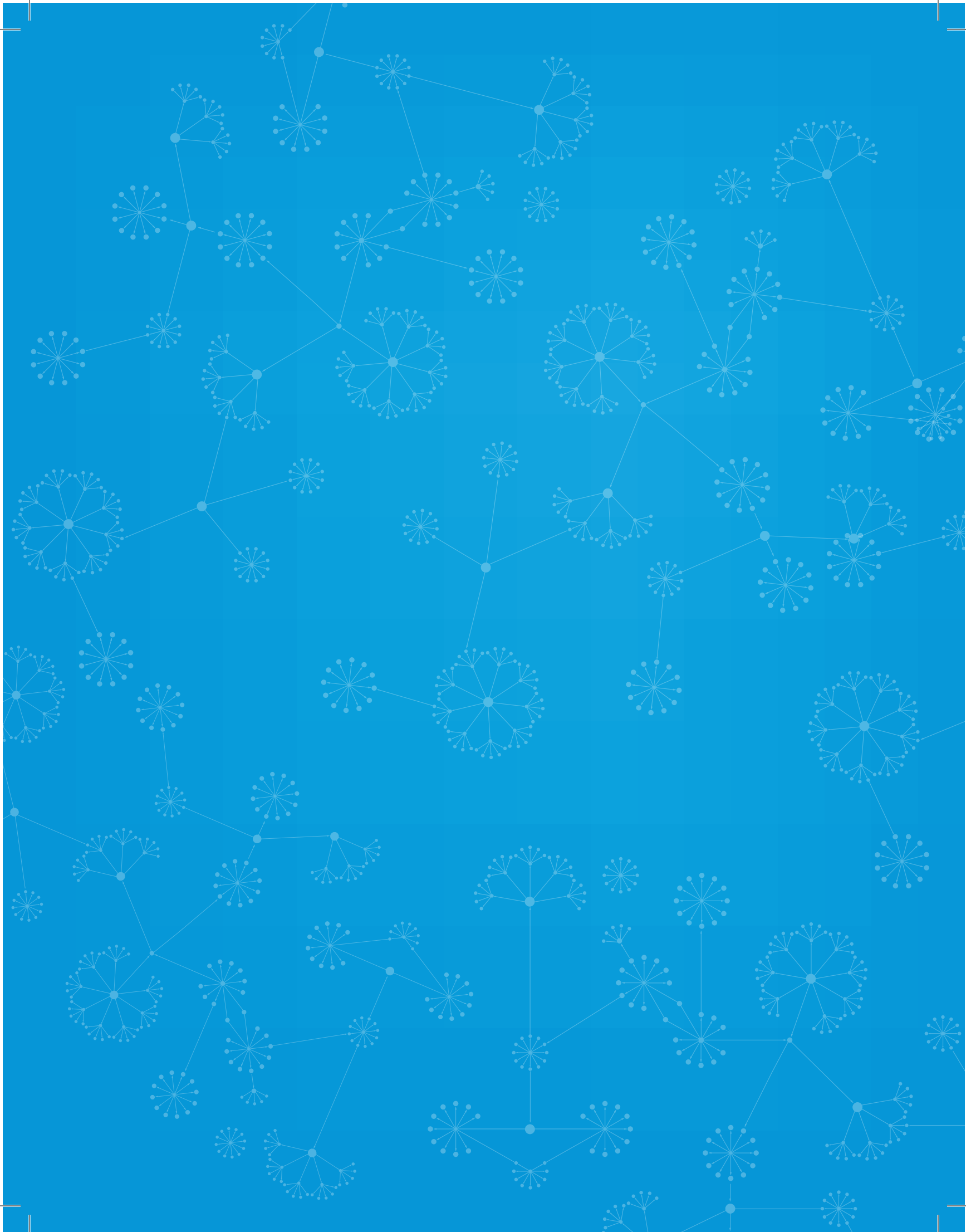
Special Issue '10



Moving Forward. Giving Back.

Celebrating 132 years serving the Land of Lincoln.





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Letter from Paul La Schiazza



Dear Illinoisans:

I am pleased to share with you this special edition of "Moving Forward, Giving Back," a glimpse into AT&T Illinois' involvement throughout the state – our progress, our priorities, and our people. As technology has transformed how society communicates, AT&T is working to advance innovative communications solutions that will create economic growth and job creation and retention in the Prairie State.

As one of the state's largest private sector employers, I am most proud of what our workers do every day to help improve the quality of life in Illinois communities. In addition to helping the state "move forward" by delivering cutting-edge products and services, such as broadband, wireless, and advanced TV, AT&T and our employees are also leaders in "giving back" by serving communities throughout our state – giving time, expertise and resources to countless causes and community organizations.

As we embark on this new decade and look to future possibilities, Illinois policy must reflect the iPhone world we live in today. A more modern state telecom policy will ensure Illinois consumers and businesses are able to enjoy the full benefits of advancing technology today and tomorrow. A modern policy can further the benefits AT&T will provide moving forward -- good jobs, economic investment and volunteerism to promote an even better Illinois in the future.

At AT&T, our commitment to the future of Illinois extends into other areas as well. Environmental initiatives are changing the way we do business, our historic philanthropic commitment to education "AT&T Aspire" will help develop the workforce leaders of tomorrow and our employees' volunteerism will continue to provide a helping hand to our families here and to those protecting us abroad.

It is certainly rewarding to celebrate over 132 years of serving communities across Illinois. AT&T Illinois and our more than 18,500 employees are proud to be a part of the rich fabric of this great state and we look forward to building on what we've achieved to keep Illinois moving forward together.

A handwritten signature in dark ink that reads "Paul V. La Schiazza". The signature is fluid and cursive.

President - AT&T Illinois

Investing in Illinois

We're bullish on Illinois. That's why each year we make significant investments in our Illinois communications networks, our people and local communities – all of which contribute to the state's economy and quality of life.

Between 2006-2008, we invested more than **\$3.3 billion in our Illinois networks** to meet the growing demand of our wireline and wireless customers.

As part of AT&T Illinois' wireless network expansion plan, **we added more than 40 new cell sites** throughout Illinois in 2009 in Chicago, Springfield, Danville, Quincy and across the state – building on the 55 new cell sites added in Illinois in 2008. And, as part of AT&T's ongoing effort to build broadband networks that will **create jobs and fuel the economy**, AT&T **expanded its 3G footprint in new cities**, including Champaign, LaSalle, Ottawa and Peoria.



AT&T continues to enhance its wireline network and provide **AT&T U-verseSM TV** and **U-verse High Speed Internet** to more customers following passage of a new state law that encourages broadband investment and video competition in Illinois.

AT&T is a leader in Internet Protocol Television (IPTV) deployment and expects to reach approximately 30 million living units across 22 states by the end of 2011.

"We continue to make significant investments to deliver dependable, high speed wireless access in more places across Illinois for consumers and business customers who need to stay connected to work, family and friends. Our ongoing investments in Illinois will help us fulfill this vision while ensuring that our state has access to the advanced wireless broadband services that help drive economic growth."

- Paul La Schiazza, President - AT&T Illinois

AT&T's Annual Impact in Illinois

2008 Payroll	\$1.49 Billion
2008 Taxes	\$895.7 Million
2008 Goods & Services	\$146.2 Million
2008 Contributions	\$6.0 Million
2008 Volunteer Hours	\$3.0 Million
Total Illinois Impact	\$2.53 Billion

We're a company of engaged employees, reliable networks and cutting-edge services. We take pride in supporting Illinois community programs that create learning opportunities, improve quality of life and help meet the needs of our diverse state.

Did you know? 1876

Alexander Graham Bell invented the telephone, for which he received two patents; with two financial backers founded the company that became AT&T.

Employment

AT&T employs more than 18,500 people living in the state of Illinois and **our payroll represents more than \$1.49 billion.**

Being a diverse workforce that mirrors the diversity of our customers has always been important to AT&T.

- AT&T's 50-state workforce is 44 percent female and 39 percent people of color.
- Women make up 41 percent of AT&T's managers, above the average of most Fortune 500 companies.
- Thirty percent of AT&T's managers are people of color, compared with 12 percent people of color in management nationwide.

Diversity Inc. magazine ranked AT&T in 2009:

#2 among the **Top 50 Companies** for our commitment to diversity in the workplace and marketplace.

#1 among the **Top 10 Companies** for African Americans.



Nationally, AT&T has a larger union workforce than the U.S. steel, auto or airline industries.

We employ the nation's **largest full-time union workforce** and invest billions of dollars to continue building the advanced, high-speed networks – both wired and wireless – necessary to make broadband widely available.

Of AT&T's more than 18,500 Illinois employees, about 60 percent are union workers.

AT&T has more than 65 retail stores in Illinois where our retail sales consultants help customers connect everywhere they live and work.

Did you know?

1892

AT&T reached its initial goal, opening a long distance line connecting New York and Chicago. The circuit could handle only one call at a time. The price was \$9 for the first five minutes.

Charitable Giving

Through philanthropic initiatives and partnerships, AT&T supports projects that promote academic and economic achievement, and address community needs.

In 2008, AT&T and its employees contributed more than **\$6 million** through corporate, employee and AT&T Foundation giving programs in Illinois.

We believe **there is no better way to have a lasting impact on a community** than by supporting the education of its children.

In 2008, AT&T launched the four-year, **\$100 million AT&T Aspire** national initiative to address high school success, college preparation and workforce readiness – **the largest education initiative in company history.**

The AT&T Foundation is widely recognized as one of the most generous corporate foundations and, in 2008, Forbes magazine ranked AT&T as one of America's Top 10 Most Generous Corporations.

AT&T Aspire provides grants to help students stay in school, a company-wide job shadowing program in conjunction with Junior Achievement, and funding for 100 community dropout prevention summits through America's Promise.

As part of this commitment, **AT&T awarded 11 grants in Illinois valued at \$1.9 million** to Illinois educational organizations working to support high school retention programs. And, to date, we have provided the opportunity for **more than 2,800 students to job shadow** Illinois employees in locations across the state.



Illinois high school students spend the day with AT&T employees to gain firsthand valuable knowledge about the workplace and skills needed for future opportunities.

Working together, we can help students make the connection between education and future life success.



AT&T Illinois employees support the Illinois Pioneers Shoes Project, which benefits hundreds of families by providing 2,400 children with new shoes and socks.



Nearly 70 teams, organized by the AT&T Illinois volunteers, and 650 participants raised over \$120,000 in the past several years for the American Cancer Society "Making Strides Against Breast Cancer" events in Illinois.

Did you know?

1975

Computerization of the network began as AT&T installed the world's first digital electronic toll switch, the 4ESS®, in Chicago. This switch could handle a much higher volume of calls (initially 350,000 per hour) with greater flexibility and speed than the electromechanical switch it replaced.

People Power

AT&T donates phone cards for military families



Actor Gary Sinise, is joined by soldiers accepting prepaid phone cards for U.S. Military families at the USO Gala in Chicago. AT&T Illinois' Valerie Bruggeman makes the presentation with State Rep. Patti Bellock and State Rep. Randy Ramey.

At AT&T, employees and retirees strive to enhance communities where we live and work to provide immediate help when it's needed and to support education and local programs. In 2008, the **AT&T Pioneers in Illinois donated more than 150,000 hours** of personal time to community outreach activities – **worth more than \$3 million**. AT&T Pioneers is one of the largest industry-sponsored volunteer organizations in the country, with nearly 325,000 employee and retiree members nationally.

40 Years of Supplier Diversity

In 1968, AT&T was one of the first companies in the U.S. to establish a formal supplier diversity program, and we remain as committed as ever to helping Illinois' minority-owned small businesses thrive.

In 2008, AT&T spent \$6 billion with diverse suppliers, representing more than 12 percent of its procurement base. In the past 10 years, AT&T spent more than \$32 billion with diverse suppliers, an increase of 272 percent.

AT&T is a member of the Billion Dollar Roundtable, a supplier diversity think tank of corporations that spend more than \$1 billion annually with diverse companies. Only 15 companies nationally qualify at this level.

In fact, AT&T Illinois has been honored by the **Chicago Minority Business Development Council** for facilitating procurement of MBE contacts in the Staffing Industry Group and by **Chicago Minority Business Development Council** for four decades of support for the organization and for the company's work of opening doors of opportunity for minority businesses.



AT&T is among the "**50 World's Most Admired Companies**" by Fortune magazine.

Did you know?

1977

In Chicago, AT&T installed the first fiber optic cable in a commercial communications system.

Our Commitment to Sustainability

Connecting for a sustainable future is our commitment. We believe that the investments we make in our people, the network, communities and the environment can bring prosperity, growth and opportunity to workers, families and businesses.

At AT&T, we're working hard to reduce our environmental impact and helping customers to do the same. Some of our initiatives include:

- Investing **\$565 million** to deploy more than **15,000 alternative fuel vehicles** over 10 years.
- In 2008, AT&T reused and recycled **4.5 million phones** and **1.3 million pounds of accessories** and batteries, and we launched comprehensive office recycling efforts at 100 of our largest locations.
- We encourage consumers to recycle their devices through our **Cell Phones for Soldiers recycling program**, and through our Web site, att.com/recycle.
- Formed the **AT&T Business Sustainability Advisory Council**, which includes private sector, foundation and academic member organizations and is dedicated to advising AT&T on the powerful linkage between information and communications technology and helping customers minimize the environmental impact of their operations.
- AT&T appointed our first **Director of Energy** who will drive comprehensive programs to increase energy efficiencies and direct AT&T's energy-purchasing strategies.
- AT&T is a founding member of **Green Touch**, a global consortium whose goal is to create technologies needed to make communications networks 1000 times more energy efficient.



AT&T made a bold statement on the exhibit floor of SUPERCOMM 2009, held in Chicago in November, showcasing the company's "Green Fleet Experience." The AT&T exhibit featured AT&T's wireless fleet management technology and five of our alternative-fuel vehicles, including our first all-electric vehicle, the Smith Newton; a Low Emission Electric Power (LEEP) Aerial Truck with a quiet, battery-powered aerial lift; a compressed natural gas (CNG) van and two hybrid vehicles.

Did you know?

1983

In conjunction with the soon-to-be-divested Ameritech, AT&T opened the first commercial cellular telephone system in the United States in Chicago. The cellular franchises passed to the divested local companies in January 1984.

- We are also working to enhance the sustainable qualities of AT&T products. For example, AT&T U-verseSM TV was one of the first video service providers to commit to operating under the new **ENERGY STAR certification** for video providers.
- We're connecting customers with **innovative and sustainable products and services** such as: AT&T Telepresence, which combines video, audio and interactive elements to offer an "in-person experience;" Vehicle-based fleet management products utilizing GPS, wireless and Web technologies to make mobile workforces more efficient; and smart grid solutions that allow two-way communication between energy providers and customers.

Investing in cleaner, domestic, alternative-fuel vehicles:

With one of the largest commercial fleets in the nation, AT&T is actively exploring alternative-fuel technologies and looking for cleaner, more efficient methods of powering our fleet.

In 2009, AT&T announced plans to invest up to **\$565 million** as part of a long-term strategy to deploy more than 15,000 alternative-fuel vehicles over the next 10 years. This investment represents the largest U.S. corporation commitment to compressed natural gas vehicles to date and signals a demand for cleaner, domestic alternative fuels. The Center for Automotive Research (CAR) estimates that nearly **1,000 jobs will be created or saved each year** for five years, as a result. And the new vehicles will save more than **49 million gallons of gasoline** and reduce carbon emissions by **211,000 metric**



tons over the 10-year deployment period – equivalent to removing the emissions from more than 38,600 cars a year.

*The new alternative-fuel vehicles will provide a **carbon emission reduction of 211,000 metric tons** over the 10-year deployment.*

Putting Broadband to Work for Illinois

The percentage of people accessing the Internet through broadband continues to rise.

Broadband and wireless growth will help our state meet the demands of the population while protecting the environment and enhancing economic development opportunities.

Extending broadband services to more people will create jobs, leading to the development of new products, and connect more Illinoisans to educational and employment opportunities.

With wireless, U-verse, DSL and satellite, AT&T delivers affordable broadband options to customers – urban and rural – across Illinois and our 22-state in-region wired footprint.

Economic impact from accelerating broadband availability in Illinois:

Total Economic Impact	\$6.2 billion
Jobs Created & Retained	105,622
Direct Income Growth	\$4.3 billion
Average Annual Healthcare Costs Saved	\$28.4 million
Average Annual Mileage Costs Saved	\$374 million
Average Annual Hours Saved	161 million
Value of Hours Saved	\$1.6 billion
Average Annual lbs. of CO2 Emissions Cut	138.7 million
Value of Carbon Offsets	\$749,314

Source: Connected Nation, "The Economic Impact of Stimulating Broadband Nationally," Feb. 21, 2008.



AT&T operates the nation's largest Wi-Fi network, and offers access to more than 130,000 hotspots worldwide and more than 20,000 hotspots nationwide.

Our mission is to connect people
with their world, everywhere they
live and work, and do it better
than anyone else.



AT&T By the Numbers: Our National and International Impact

Wireless

85.1 M

AT&T wireless customers.

458 B

Text messages handled in 2009.

660 B

AT&T wireless minutes in 2009.

7.3 M

AT&T wireless customers added in 2008.

Network

932,592

Miles of network fiber owned and operated by AT&T.

25%

U.S. rural lines provided by AT&T -- more than any other telecom.

371

Metro areas where AT&T 3G is available.

18.7

Petabytes of data transmitted by AT&T on an average business day.

38

AT&T Internet data hosting centers worldwide.

132,973

Wi-Fi hotspots around the world.

Corporate

282,720

Employees worldwide -- 60% are union represented.

1

Rank among U.S. wired and wireless broadband providers.

2

Average number of patents AT&T receives every day.

8

Nobel Prizes in AT&T's heritage.

133

Years AT&T has been improving the way people communicate.

Broadband | U-verse | Subscribers

2.1 M

AT&T U-verseSM TV subscribers.

17.3 M

AT&T broadband connections in service in America.

10.4 M

AT&T wireless business data subscribers.

Investment

\$565 M

AT&T's planned investment in alternative-fuel vehicles.

\$17.3 B

AT&T capital investment in 2009.

International

220

Countries where AT&T's wireless customers can make calls.

160

Languages in which AT&T communicates with customers.

Volunteer + Giving

325,000

Employee and retiree volunteers.

10.3 M

Employee volunteer hours in 2008.

\$2 B

Charitable contributions by AT&T.

Network Disaster Recovery (NDR)

60,000

Lines restored by a single disaster recovery trailer.

312

Vehicles in AT&T's NDR fleet.

