



U-verse Update: 2Q10

First Billion-Dollar Revenue Quarter Driven By Strong Customer Response

The second quarter of 2010 set a record for AT&T U-verse® as our first billion-dollar revenue quarter. Our U-verse revenue and customer growth are driven by our advanced fiber network deployment that reaches customer homes quickly and efficiently. We continue to make upgrades to the U-verse experience using our all-Internet Protocol (IP) service to deliver new apps, more flexible bundle offers and our first 3D channel. We're giving customers more control over their TV watching experience with the introduction of My Multiview, a new TV app that lets you choose and watch up to four of your favorite channels on your U-verse TV screen at the same time. And we added more flexibility and more savings for customers with our new quad-play bundle offers. Below is a recap on our AT&T U-verse highlights and growth from the second quarter.

ADOPTION: Customer Growth Reshaping TV Market, AT&T

- **2.5 million U-verse TV customers.**
- **1.3 million U-verse Voice connections.**
- **2.6 million U-verse High Speed Internet customers.**
- More than **90 percent** of U-verse TV customers bundle High Speed Internet.
- Approximately **two-thirds** 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.
- Average revenue per user (ARPU) for U-verse triple-play* customers was nearly **\$160 a month**, up 13.8 percent year over year.
- AT&T U-verse had its first ever billion dollar revenue quarter — just four years since its initial launch.

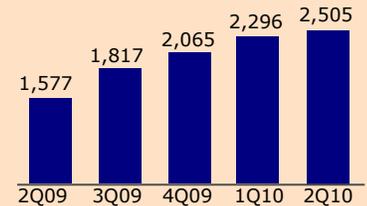
DEPLOYMENT: Continuing to Expand Availability, Reach

- AT&T U-verse bundles available in **124 markets (MSAs)** across 22 states.
- **25 million living units passed** by our advanced fiber network.
- Began rollout of pair bonding technology, which allows U-verse services to reach more homes.

SERVICE EVOLUTION: Delivering New Apps, Content, Across Screens

- Introduced **My Multiview**, the exclusive app that lets you choose and watch your four favorite channels at the same time on your U-verse TV screen. The app is currently rolling out on a market-by-market basis.
- Expanded the U-verse HD channel lineup to offer more than **130 HD channels**.
- Launched ESPN 3D, the **first 3D channel** on U-verse TV.
- Added new functionality to the **U-verse YP.COM TV app**, which gives you the ability to locate and place a call to a business from your U-verse TV screen to any phone number.
- Launched **two interactive sports apps** for this summer's soccer tournament, including the first Spanish-language app from U-verse TV.
- Introduced **U-verse Online**, the newly rebranded and expanded AT&T Entertainment website that lets you watch streaming TV shows, movies and video clips on your PC.
- Introduced new **quad-play bundle offers** which give consumers even more savings for bundling a complete quad-play of U-verse TV, High Speed Internet, U-verse Voice and wireless voice services.
- Completed rollout of **Caller ID on TV** to all U-verse Voice customers.

U-verse TV Subscribers in Service
(in thousands)



U-verse Voice Connections
(in thousands)



Living Units Passed by Fiber Network
(in millions)



All figures as of the end of the second quarter of 2010.

Geographic and service restrictions apply to U-verse. Call or go to www.att.com/u-verse to see if you qualify.

*U-verse triple-play includes U-verse TV, High Speed Internet and Voice.