



Financial and Operational Trends

Income Statements, Cash Flows, Segment Results, Revenue Details and Operating Volumes

JANUARY 31, 2018

Consolidated Statements of Income

AT&T Inc.

Dollars in millions except per share amounts

Unaudited	3/31/16	6/30/16	9/30/16	12/31/16	2016	3/31/17	6/30/17	9/30/17	12/31/17	2017
Operating Revenues	\$ 40,535	\$ 40,520	\$ 40,890	\$ 41,841	\$ 163,786	\$ 39,365	\$ 39,837	\$ 39,668	\$ 41,676	\$ 160,546
Operating Expenses										
Cost of services and sales										
Equipment	4,375	4,260	4,455	5,667	18,757	3,848	4,138	4,191	6,532	18,709
Broadcast, programming and operations	4,629	4,701	4,909	5,612	19,851	4,974	4,898	5,284	6,003	21,159
Other cost of services and sales	9,396	9,514	9,526	9,840	38,276	9,065	9,218	9,431	9,797	37,511
Selling, general and administrative	8,441	8,909	9,013	9,984	36,347	8,487	8,113	8,317	10,000	34,917
Asset abandonments and impairments	-	-	-	361	361	-	-	-	2,914	2,914
Depreciation and amortization	6,563	6,576	6,579	6,129	25,847	6,127	6,147	6,042	6,071	24,387
Total Operating Expenses	33,404	33,960	34,482	37,593	139,439	32,501	32,514	33,265	41,317	139,597
Operating Income	7,131	6,560	6,408	4,248	24,347	6,864	7,323	6,403	359	20,949
Interest Expense	1,207	1,258	1,224	1,221	4,910	1,293	1,395	1,686	1,926	6,300
Equity in Net Income (Loss) of Affiliates	13	28	16	41	98	(173)	14	11	20	(128)
Other Income (Expense) – Net	70	91	(7)	123	277	(20)	128	246	264	618
Income (Loss) Before Income Taxes	6,007	5,421	5,193	3,191	19,812	5,378	6,070	4,974	(1,283)	15,139
Income Tax Expense (Benefit)	2,122	1,906	1,775	676	6,479	1,804	2,056	1,851	(20,419)	(14,708)
Net Income	3,885	3,515	3,418	2,515	13,333	3,574	4,014	3,123	19,136	29,847
Less: Net Income Attributable to Noncontrolling Interest	(82)	(107)	(90)	(78)	(357)	(105)	(99)	(94)	(99)	(397)
Net Income Attributable to AT&T	\$ 3,803	\$ 3,408	\$ 3,328	\$ 2,437	\$ 12,976	\$ 3,469	\$ 3,915	\$ 3,029	\$ 19,037	\$ 29,450
Diluted Earnings Per Share Attributable to AT&T	\$ 0.61	\$ 0.55	\$ 0.54	\$ 0.39	\$ 2.10	\$ 0.56	\$ 0.63	\$ 0.49	\$ 3.08	\$ 4.76

Financial and Operating Statistics Summary

AT&T Inc.

Dollars in millions except per share amounts

Unaudited	3/31/16	6/30/16	9/30/16	12/31/16	2016	3/31/17	6/30/17	9/30/17	12/31/17	2017
Capital Expenditures:										
Purchase of property and equipment	\$ 4,451	\$ 5,251	\$ 5,581	\$ 6,233	\$ 21,516	\$ 5,784	\$ 4,966	\$ 5,006	\$ 4,891	\$ 20,647
Interest during construction	218	219	232	223	892	231	242	245	185	903
Dividends Declared Per Share	\$ 0.48	\$ 0.48	\$ 0.48	\$ 0.49	\$ 1.93	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.50	\$ 1.97
Annual Dividend Per Share Growth	2.1%	2.1%	2.1%	2.1%		2.1%	2.1%	2.1%	2.0%	
End of Period Common Shares Outstanding (000,000)	6,156	6,152	6,141	6,139		6,147	6,140	6,139	6,139	
Debt Ratio	51.2%	50.5%	50.1%	49.9%		51.6%	53.3%	56.4%	53.6%	
Total Employees	280,870	277,200	273,140	268,540		264,530	260,480	256,800	254,000	

See Notes to Financial and Operational Trends on page 14.



Consolidated Statements of Cash Flows¹

AT&T Inc.

Dollars in millions

Unaudited

	Three Months Ended				
	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Operating Activities					
Net income	\$ 2,515	\$ 3,574	\$ 4,014	\$ 3,123	\$ 19,136
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	6,129	6,127	6,147	6,042	6,071
Undistributed earnings from investments in equity affiliates	(15)	182	(15)	4	3
Provision for uncollectible accounts	438	393	402	421	426
Deferred income tax (benefit) expense	(64)	480	484	2,290	(19,194)
Net (gain) loss from sale of investments, net of impairments	(81)	61	(49)	(126)	(168)
Actuarial loss (gain) on pension and postretirement benefits	1,024	-	(259)	-	1,517
Asset abandonments and impairments	361	-	-	-	2,914
Changes in operating assets and liabilities:					
Accounts receivable	105	445	(326)	(771)	(334)
Other current assets	(97)	228	243	(577)	(671)
Accounts payable and other accrued liabilities	1,291	(1,582)	(1,179)	1,324	2,253
Equipment installment receivables and related sales	(783)	579	328	209	(1,379)
Deferred fulfillment costs	(476)	(436)	(360)	(306)	(320)
Retirement benefit funding	(140)	(140)	(140)	(140)	(646)
Other - net	(65)	(693)	(348)	(379)	269
Total adjustments	7,627	5,644	4,928	7,991	(9,259)
Net Cash Provided by Operating Activities	10,142	9,218	8,942	11,114	9,877
Investing Activities					
Capital expenditures:					
Purchase of property and equipment	(6,233)	(5,784)	(4,966)	(5,006)	(4,891)
Interest during construction	(223)	(231)	(242)	(245)	(185)
Acquisitions, net of cash acquired	(37)	(162)	1,386	(70)	(31)
Dispositions	462	6	45	5	3
(Purchases) sales of securities, net	5	-	-	(2)	(2)
Other	-	-	-	-	1
Net Cash Used in Investing Activities	(6,026)	(6,171)	(3,777)	(5,318)	(5,105)
Financing Activities					
Issuance of long-term debt	-	12,440	11,675	22,646	2,032
Repayment of long-term debt	(135)	(3,053)	(3,065)	(4,191)	(2,030)
Purchase of treasury stock	(68)	(177)	(281)	(2)	(3)
Issuance of treasury stock	9	21	3	2	7
Dividends paid	(2,947)	(3,009)	(3,012)	(3,009)	(3,008)
Other	(1,082)	(173)	248	1,640	229
Net Cash Provided by (Used in) Financing Activities	(4,223)	6,049	5,568	17,086	(2,773)
Net increase (decrease) in cash and cash equivalents	(107)	9,096	10,733	22,882	1,999
Cash and cash equivalents beginning of period	5,895	5,788	14,884	25,617	48,499
Cash and Cash Equivalents End of Period	\$ 5,788	\$ 14,884	\$ 25,617	\$ 48,499	\$ 50,498
Cash paid for interest	\$ 1,266	\$ 1,643	\$ 1,452	\$ 1,936	\$ 1,591

See Notes to Financial and Operational Trends on page 14.



Business Solutions

Statement of Segment Income

Dollars in millions

Unaudited

	Three Months Ended								
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Segment Operating Revenues									
Wireless Service	\$ 7,684	\$ 7,855	\$ 7,963	\$ 8,050	\$ 7,983	\$ 7,929	\$ 8,006	\$ 8,034	\$ 7,933
Wireless Equipment	2,454	1,771	1,775	1,876	2,348	1,498	1,721	1,654	3,022
Total Wireless Revenues	10,138	9,626	9,738	9,926	10,331	9,427	9,727	9,688	10,955
Fixed Strategic Services ²	2,704	2,751	2,805	2,913	2,962	2,974	3,028	3,087	3,138
Legacy Voice and Data Services	4,399	4,373	4,162	4,042	3,793	3,630	3,508	3,434	3,359
Other Service and Equipment	973	859	874	886	947	817	844	852	938
Total Fixed Revenues	8,076	7,983	7,841	7,841	7,702	7,421	7,380	7,373	7,435
Total Segment Operating Revenues	\$ 18,214	\$ 17,609	\$ 17,579	\$ 17,767	\$ 18,033	\$ 16,848	\$ 17,107	\$ 17,061	\$ 18,390
Segment Operating Expenses									
Operations and support	11,980	10,802	10,857	10,925	11,746	10,176	10,313	10,233	12,207
Depreciation and amortization	2,513	2,508	2,521	2,539	2,264	2,312	2,335	2,325	2,354
Total Segment Operating Expenses	14,493	13,310	13,378	13,464	14,010	12,488	12,648	12,558	14,561
Segment Operating Income	3,721	4,299	4,201	4,303	4,023	4,360	4,459	4,503	3,829
Equity in Net Income (Loss) of Affiliates	-	-	-	-	-	-	-	-	(1)
Segment Contribution	\$ 3,721	\$ 4,299	\$ 4,201	\$ 4,303	\$ 4,023	\$ 4,360	\$ 4,459	\$ 4,503	\$ 3,828
Segment Operating Income Margin									
	20.4%	24.4%	23.9%	24.2%	22.3%	25.9%	26.1%	26.4%	20.8%
EBITDA³	6,234	6,807	6,722	6,842	6,287	6,672	6,794	6,828	6,183
EBITDA Margin³	34.2%	38.7%	38.2%	38.5%	34.9%	39.6%	39.7%	40.0%	33.6%

Business Solutions

Supplemental Business Solutions Results

Dollars in millions

Unaudited

	Three Months Ended								
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Business Wireless EBITDA³	\$ 3,327	\$ 3,914	\$ 3,917	\$ 3,980	\$ 3,583	\$ 3,957	\$ 4,050	\$ 4,126	\$ 3,375
Business Wireless EBITDA Margin³	32.8%	40.7%	40.2%	40.1%	34.7%	42.0%	41.6%	42.6%	30.8%
Business Fixed EBITDA³	\$ 2,907	\$ 2,893	\$ 2,805	\$ 2,862	\$ 2,704	\$ 2,715	\$ 2,744	\$ 2,702	\$ 2,808
Business Fixed EBITDA Margin³	36.0%	36.2%	35.8%	36.5%	35.1%	36.6%	37.2%	36.6%	37.8%

See Notes to Financial and Operational Trends on page 14.



Business Solutions

Revenues by Customer Type⁴

Dollars in millions

Unaudited

	Three Months Ended								
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Segment Operating Revenues									
Wireless	\$ 5,682	\$ 5,162	\$ 5,184	\$ 5,275	\$ 5,522	\$ 4,963	\$ 5,078	\$ 5,055	\$ 5,735
Fixed	3,788	3,736	3,664	3,652	3,545	3,392	3,394	3,424	3,476
Global Business	9,470	8,898	8,848	8,927	9,067	8,355	8,472	8,479	9,211
Wireless	1,739	1,928	2,012	2,062	2,133	1,993	2,097	2,077	2,353
Fixed	1,792	1,801	1,765	1,758	1,729	1,665	1,641	1,651	1,632
National Business	3,531	3,729	3,777	3,820	3,862	3,658	3,738	3,728	3,985
Wireless	2,642	2,462	2,467	2,509	2,589	2,388	2,467	2,470	2,772
Fixed	997	954	964	993	994	929	941	915	964
Global Public Sector	3,639	3,416	3,431	3,502	3,583	3,317	3,408	3,385	3,736
Wireless	75	74	75	80	87	83	85	86	95
Fixed	1,499	1,492	1,448	1,438	1,434	1,435	1,404	1,383	1,363
Partner Solutions	1,574	1,566	1,523	1,518	1,521	1,518	1,489	1,469	1,458
Wireless	10,138	9,626	9,738	9,926	10,331	9,427	9,727	9,688	10,955
Fixed	8,076	7,983	7,841	7,841	7,702	7,421	7,380	7,373	7,435
Total Segment Operating Revenues	\$ 18,214	\$ 17,609	\$ 17,579	\$ 17,767	\$ 18,033	\$ 16,848	\$ 17,107	\$ 17,061	\$ 18,390

Business Solutions

Operating Volumes

Volumes in thousands

Unaudited

	Three Months Ended								
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Wireless Subscribers and Connections^{5,6}									
Total Subscribers and Connections	73,659	75,771	77,545	79,427	81,402	82,354	84,794	87,398	90,432
Postpaid	48,290	48,844	49,433	50,014	50,688	50,839	51,111	51,412	51,811
Connected Devices	25,284	26,863	28,061	29,355	30,649	31,439	33,611	35,909	38,534
Wireless Net Add Detail (Adjusted for M&A)^{5,6,7}									
Net Customer Additions	1,563	1,689	1,371	1,482	1,514	2,434	2,201	2,309	2,849
Postpaid Net Adds	353	133	185	191	250	(125)	36	15	221
Connected Devices Net Adds	1,211	1,578	1,199	1,290	1,263	2,553	2,170	2,292	2,624
Wireless Churn Detail									
Postpaid Churn ^{6,7,8}	1.10%	1.02%	0.91%	0.97%	1.11%	1.07%	0.97%	1.01%	1.08%
Broadband Connections									
IP	911	928	948	963	977	980	992	1,017	1,025
DSL	581	545	512	479	449	421	392	367	344
Total Broadband Connections	1,492	1,473	1,460	1,442	1,426	1,401	1,384	1,384	1,369
Voice Connections									
Total Wired Voice Connections ⁹	9,485	9,212	8,933	8,653	8,376	8,104	7,839	7,585	7,337

See Notes to Financial and Operational Trends on page 14.



Entertainment Group

Statement of Segment Income

Dollars in millions

Unaudited	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Segment Operating Revenues									
Video Entertainment	\$ 9,247	\$ 8,904	\$ 8,963	\$ 9,026	\$ 9,567	\$ 9,020	\$ 9,153	\$ 9,200	\$ 9,355
High-Speed Internet	1,740	1,803	1,867	1,892	1,910	1,941	1,927	1,916	1,890
Legacy Voice and Data Services	1,367	1,313	1,244	1,168	1,104	1,056	1,005	949	910
Other Service and Equipment	640	638	637	634	625	606	597	583	590
Total Segment Operating Revenues	\$ 12,994	\$ 12,658	\$ 12,711	\$ 12,720	\$ 13,206	\$ 12,623	\$ 12,682	\$ 12,648	\$ 12,745
Segment Operating Expenses									
Operations and support	10,123	9,578	9,569	9,728	10,463	9,601	9,558	9,953	10,308
Depreciation and amortization	1,426	1,488	1,489	1,504	1,381	1,419	1,458	1,379	1,367
Total Segment Operating Expenses	11,549	11,066	11,058	11,232	11,844	11,020	11,016	11,332	11,675
Segment Operating Income	1,445	1,592	1,653	1,488	1,362	1,603	1,666	1,316	1,070
Equity in Net Income (Loss) of Affiliates	12	3	(2)	-	8	(6)	(11)	(6)	(7)
Segment Contribution	\$ 1,457	\$ 1,595	\$ 1,651	\$ 1,488	\$ 1,370	\$ 1,597	\$ 1,655	\$ 1,310	\$ 1,063
Segment Operating Income Margin	11.1%	12.6%	13.0%	11.7%	10.3%	12.7%	13.1%	10.4%	8.4%
EBITDA ³	\$ 2,871	\$ 3,080	\$ 3,142	\$ 2,992	\$ 2,743	\$ 3,022	\$ 3,124	\$ 2,695	\$ 2,437
EBITDA Margin ³	22.1%	24.3%	24.7%	23.5%	20.8%	23.9%	24.6%	21.3%	19.1%

See Notes to Financial and Operational Trends on page 14.

Entertainment Group

Operating Volumes and Statistics

Volumes in thousands

Unaudited	12/31/15	3/31/16	6/30/16	Three Months Ended			6/30/17	9/30/17	12/31/17
				9/30/16	12/31/16	3/31/17			
Video Connections									
Satellite	19,784	20,112	20,454	20,777	21,012	21,012	20,856	20,605	20,458
U-verse	5,614	5,232	4,841	4,515	4,253	4,020	3,825	3,691	3,631
DIRECTV NOW ¹⁷					267	339	491	787	1,155
Total Video Connections	25,398	25,344	25,295	25,292	25,532	25,371	25,172	25,083	25,244
Broadband Connections									
IP	12,356	12,542	12,596	12,752	12,888	13,130	13,242	13,367	13,462
DSL	1,930	1,749	1,585	1,424	1,291	1,164	1,060	964	888
Total Broadband Connections	14,286	14,291	14,181	14,176	14,179	14,294	14,302	14,331	14,350
Voice Connections									
Total Wired Voice Connections ⁹	12,498	12,113	11,815	11,533	11,278	11,003	10,696	10,333	9,996
Net Adds									
Satellite	214	328	342	323	235	-	(156)	(251)	(147)
U-verse	(240)	(382)	(391)	(326)	(262)	(233)	(195)	(134)	(60)
DIRECTV NOW					267	72	152	296	368
Total Video	(26)	(54)	(49)	(3)	240	(161)	(199)	(89)	161
IP	171	186	54	156	136	242	112	125	95
DSL	(208)	(181)	(164)	(161)	(133)	(127)	(104)	(96)	(76)
Broadband	(37)	5	(110)	(5)	3	115	8	29	19
Total Entertainment Group Revenue Connections	52,182	51,748	51,291	51,001	50,989	50,668	50,170	49,747	49,590
Net Change	(455)	(434)	(457)	(290)	(12)	(321)	(498)	(423)	(157)
Linear Video ARPU ¹⁰	\$ 120.59	\$ 116.12	\$ 117.01	\$ 118.09	\$ 125.25	\$ 118.23	\$ 121.16	\$ 123.45	\$ 126.65
IP Broadband ARPU ¹⁰	\$ 47.22	\$ 48.22	\$ 49.52	\$ 49.82	\$ 49.69	\$ 49.81	\$ 48.70	\$ 48.00	\$ 46.94

See Notes to Financial and Operational Trends on page 14.



Consumer Mobility

Statement of Segment Income

Dollars in millions

Unaudited	Three Months Ended								
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Segment Operating Revenues									
Service	\$ 7,131	\$ 6,943	\$ 6,948	\$ 6,914	\$ 6,731	\$ 6,609	\$ 6,528	\$ 6,507	\$ 6,409
Equipment	1,618	1,385	1,238	1,353	1,688	1,131	1,263	1,241	1,864
Total Segment Operating Revenues	\$ 8,749	\$ 8,328	\$ 8,186	\$ 8,267	\$ 8,419	\$ 7,740	\$ 7,791	\$ 7,748	\$ 8,273
Segment Operating Expenses									
Operations and support	5,669	4,912	4,680	4,751	5,316	4,528	4,520	4,551	5,367
Depreciation and amortization	939	922	932	944	918	873	871	877	886
Total Segment Operating Expenses	6,608	5,834	5,612	5,695	6,234	5,401	5,391	5,428	6,253
Segment Operating Income	2,141	2,494	2,574	2,572	2,185	2,339	2,400	2,320	2,020
Equity in Net Income of Affiliates	-	-	-	-	-	-	-	-	-
Segment Contribution	\$ 2,141	\$ 2,494	\$ 2,574	\$ 2,572	\$ 2,185	\$ 2,339	\$ 2,400	\$ 2,320	\$ 2,020
Segment Operating Income Margin	24.5%	29.9%	31.4%	31.1%	26.0%	30.2%	30.8%	29.9%	24.4%
EBITDA³	\$ 3,080	\$ 3,416	\$ 3,506	\$ 3,516	\$ 3,103	\$ 3,212	\$ 3,271	\$ 3,197	\$ 2,906
EBITDA Margin³	35.2%	41.0%	42.8%	42.5%	36.9%	41.5%	42.0%	41.3%	35.1%
EBITDA Service Margin³	43.2%	49.2%	50.5%	50.9%	46.1%	48.6%	50.1%	49.1%	45.3%

Consumer Mobility

Operating Volumes⁶

Volumes in thousands

Unaudited	Three Months Ended								
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Wireless Subscribers and Connections									
Total Subscribers and Connections	54,981	54,674	54,260	53,911	53,457	51,864	51,706	51,428	51,135
Postpaid	28,814	28,294	27,862	27,374	27,095	26,510	26,290	26,003	26,064
Prepaid ¹⁸	11,548	12,171	12,633	13,035	13,536	13,844	14,187	15,136	15,335
Branded Connections ¹⁸	40,362	40,465	40,495	40,409	40,631	40,354	40,477	41,139	41,399
Reseller & Connected Devices ^{11, 18}	14,619	14,209	13,765	13,502	12,826	11,510	11,229	10,289	9,736
Net Add Detail (Adjusted for M&A)⁷									
Net Customer Additions	671	92	(10)	50	8	(353)	81	14	(108)
Postpaid Net Adds	174	(4)	72	21	270	(66)	91	102	320
Prepaid Net Adds ¹⁸	469	500	365	304	406	282	267	324	140
Branded Net Adds ¹⁸	643	496	437	325	676	216	358	426	460
Reseller & Connected Devices Net Adds ¹⁸	28	(404)	(447)	(275)	(668)	(569)	(277)	(412)	(568)
Churn Detail									
Total Churn ^{7, 8}	1.97%	2.11%	1.96%	2.11%	2.43%	2.42%	2.15%	2.37%	2.48%
Postpaid Churn ^{7, 8}	1.31%	1.24%	1.09%	1.19%	1.25%	1.22%	1.09%	1.17%	1.18%

See Notes to Financial and Operational Trends on page 14.



International

Statement of Segment Income

Dollars in millions

Unaudited	Three Months Ended								
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Segment Operating Revenues									
Video Entertainment	\$ 1,206	\$ 1,130	\$ 1,222	\$ 1,297	\$ 1,261	\$ 1,341	\$ 1,361	\$ 1,363	\$ 1,391
Wireless Service	494	455	489	484	477	475	535	536	501
Wireless Equipment	149	82	117	98	171	113	130	200	323
Total Segment Operating Revenues	\$ 1,849	\$ 1,667	\$ 1,828	\$ 1,879	\$ 1,909	\$ 1,929	\$ 2,026	\$ 2,099	\$ 2,215
Segment Operating Expenses									
Operations and support	1,799	1,588	1,723	1,640	1,879	1,759	1,772	1,937	1,936
Depreciation and amortization	309	277	298	293	298	290	311	304	313
Total Segment Operating Expenses	2,108	1,865	2,021	1,933	2,177	2,049	2,083	2,241	2,249
Segment Operating Income (Loss)	(259)	(198)	(193)	(54)	(268)	(120)	(57)	(142)	(34)
Equity in Net Income (Loss) of Affiliates	(1)	14	9	1	28	20	25	17	25
Segment Contribution	\$ (260)	\$ (184)	\$ (184)	\$ (53)	\$ (240)	\$ (100)	\$ (32)	\$ (125)	\$ (9)
Segment Operating Income Margin	-14.0%	-11.9%	-10.6%	-2.9%	-14.0%	-6.2%	-2.8%	-6.8%	-1.5%
EBITDA³	\$ 50	\$ 79	\$ 105	\$ 239	\$ 30	\$ 170	\$ 254	\$ 162	\$ 279
EBITDA Margin³	2.7%	4.7%	5.7%	12.7%	1.6%	8.8%	12.5%	7.7%	12.6%

International

Supplemental International Results

Dollars in millions

Unaudited	Three Months Ended								
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Latin America EBITDA³	\$ 219	\$ 249	\$ 244	\$ 306	\$ 264	\$ 291	\$ 363	\$ 288	\$ 342
Latin America EBITDA Margin³	18.2%	22.0%	20.0%	23.6%	20.9%	21.7%	26.7%	21.1%	24.6%
Mexico Wireless EBITDA³	\$ (169)	\$ (170)	\$ (139)	\$ (67)	\$ (234)	\$ (121)	\$ (109)	\$ (126)	\$ (63)
Mexico Wireless EBITDA Margin³	-26.3%	-31.7%	-22.9%	-11.5%	-36.1%	-20.6%	-16.4%	-17.1%	-7.6%

See Notes to Financial and Operational Trends on page 14.

International

Operating Volumes

Volumes in thousands

Unaudited

	Three Months Ended								
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Mexico Wireless Operating Statistics									
Subscriber Detail									
Total Subscribers	8,684	9,213	9,955	10,698	11,973	12,606	13,082	13,779	15,099
Postpaid	4,289	4,404	4,570	4,733	4,965	5,095	5,187	5,316	5,498
Prepaid	3,995	4,445	5,059	5,665	6,727	7,244	7,646	8,231	9,397
Other	400	364	326	300	281	267	249	232	204
Net Add Detail									
Net Customer Additions	593	529	742	743	1,275	633	476	697	1,320
Postpaid Net Adds	130	116	165	163	233	130	92	129	182
Prepaid Net Adds	508	450	614	606	1,062	517	402	585	1,166
Other Net Adds	(45)	(37)	(37)	(26)	(20)	(14)	(18)	(17)	(28)
Churn Detail									
Total Churn ⁸	5.67%	5.45%	5.83%	6.16%	6.94%	7.11%	7.89%	7.65%	7.90%

Latin America Operating Statistics¹²

	Three Months Ended								
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Video Connections									
SKY Brazil	5,444	5,342	5,348	5,337	5,249	5,588	5,519	5,289	5,359
PanAmericana	7,066	7,094	7,175	7,139	7,206	8,090	8,103	8,201	8,270
Total Video Connections	12,510	12,436	12,523	12,476	12,455	13,678	13,622	13,490	13,629
Video Net Add Detail									
SKY Brazil	(94)	(101)	6	(12)	(88)	39	(69)	(230)	70
PanAmericana	60	28	81	(36)	67	52	13	98	69
Total Video	(34)	(73)	87	(48)	(21)	91	(56)	(132)	139

International

Segment Operating Revenues By Country

Dollars in millions

Unaudited

	Three Months Ended								
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Segment Operating Revenues									
Mexico Wireless	\$ 643	\$ 537	\$ 606	\$ 582	\$ 648	\$ 588	\$ 665	\$ 736	\$ 824
Brazil	606	599	664	723	683	716	694	716	695
PanAmericana									
Argentina	352	284	301	313	316	339	362	352	390
Other Countries	248	247	257	261	262	286	305	295	306
Total Latin America	1,206	1,130	1,222	1,297	1,261	1,341	1,361	1,363	1,391
Total Segment Operating Revenues	\$ 1,849	\$ 1,667	\$ 1,828	\$ 1,879	\$ 1,909	\$ 1,929	\$ 2,026	\$ 2,099	\$ 2,215

See Notes to Financial and Operational Trends on page 14.

AT&T Mobility

Supplemental AT&T Mobility Results

Dollars in millions

Unaudited	Three Months Ended								
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
Operating Revenues									
Service	\$ 14,815	\$ 14,798	\$ 14,911	\$ 14,964	\$ 14,713	\$ 14,538	\$ 14,534	\$ 14,541	\$ 14,342
Equipment	4,071	3,156	3,013	3,229	4,037	2,629	2,984	2,895	4,886
Total Operating Revenues	\$ 18,886	\$ 17,954	\$ 17,924	\$ 18,193	\$ 18,750	\$ 17,167	\$ 17,518	\$ 17,436	\$ 19,228
Operating Expenses									
Operations and support	12,479	10,624	10,501	10,697	12,064	9,998	10,197	10,113	12,947
Depreciation and amortization	2,031	2,056	2,081	2,107	2,048	1,997	1,992	2,010	2,028
Total Operating Expenses	14,510	12,680	12,582	12,804	14,112	11,995	12,189	12,123	14,975
Operating Income	\$ 4,376	\$ 5,274	\$ 5,342	\$ 5,389	\$ 4,638	\$ 5,172	\$ 5,329	\$ 5,313	\$ 4,253
Operating Income Margin									
	23.2%	29.4%	29.8%	29.6%	24.7%	30.1%	30.4%	30.5%	22.1%
EBITDA³	\$ 6,407	\$ 7,330	\$ 7,423	\$ 7,496	\$ 6,686	\$ 7,169	\$ 7,321	\$ 7,323	\$ 6,281
EBITDA Margin³	33.9%	40.8%	41.4%	41.2%	35.7%	41.8%	41.8%	42.0%	32.7%
EBITDA Service Margin³	43.2%	49.5%	49.8%	50.1%	45.4%	49.3%	50.4%	50.4%	43.8%

AT&T Mobility

Supplemental AT&T Mobility Operating Statistics

Unaudited	Three Months Ended								
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17
ARPU⁶									
Wireless Service ARPU ¹³	\$ 38.78	\$ 38.14	\$ 37.88	\$ 37.65	\$ 36.58	\$ 36.29	\$ 35.80	\$ 35.23	\$ 34.13
Postpaid Phone-Only ARPU ¹³	59.76	59.53	59.80	59.64	58.84	58.09	58.30	58.29	57.33
Postpaid ARPU ¹³	55.58	55.06	54.97	54.67	53.59	52.77	52.79	52.75	51.72
Postpaid Phone-Only ARPU + EIP ¹⁴	68.91	69.54	69.97	69.99	69.54	68.81	69.04	68.95	68.20

See Notes to Financial and Operational Trends on page 14.



AT&T Mobility

Supplemental AT&T Mobility Operating Statistics⁶

Volumes in thousands	Three Months Ended								
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17*	6/30/17	9/30/17	12/31/17
AT&T Mobility Subscribers and Connections									
Total Subscribers and Connections	128,640	130,445	131,805	133,338	134,859	134,218	136,500	138,826	141,567
Postpaid	77,105	77,138	77,295	77,388	77,783	77,349	77,401	77,415	77,875
Prepaid ¹⁸	11,548	12,171	12,633	13,035	13,536	13,844	14,187	15,136	15,335
Branded Connections ¹⁸	88,653	89,309	89,928	90,423	91,319	91,193	91,588	92,551	93,210
Reseller ¹¹	13,774	13,378	12,920	12,624	11,949	10,625	10,254	9,877	9,366
Connected Devices ¹⁸	26,213	27,758	28,957	30,291	31,591	32,400	34,658	36,398	38,991
Net Add Detail									
Net Customer Additions	2,234	1,781	1,361	1,532	1,522	2,081	2,282	2,323	2,741
Postpaid Net Adds	526	129	257	212	520	(191)	127	117	541
Prepaid Net Adds ¹⁸	469	500	365	304	406	282	267	324	140
Branded Net Adds ¹⁸	995	629	622	516	926	91	394	441	681
Reseller Net Adds	50	(400)	(459)	(315)	(672)	(582)	(368)	(392)	(529)
Connected Devices Net Adds ¹⁸	1,189	1,552	1,198	1,331	1,268	2,572	2,256	2,274	2,589
M&A Activity, Partitioned Customers and Other Adjustments ¹¹	-	24	(1)	1	(1)	(425)	-	3	-
Phone Detail									
Branded Phones	77,955	78,131	78,327	78,375	78,729	78,554	78,765	78,834	79,264
Branded Smartphones ¹⁵	67,200	68,271	69,058	69,752	70,817	71,274	71,818	72,242	72,924
Postpaid Phones	66,407	65,960	65,694	65,340	65,193	64,710	64,578	64,337	64,623
Postpaid Smartphones	58,073	58,258	58,508	58,688	59,096	59,025	59,178	59,277	59,874
Postpaid Feature Phones ¹⁵	7,615	6,989	6,478	5,951	5,400	4,986	4,676	4,289	3,944
Postpaid Other Phones	719	713	708	701	697	699	724	771	805
Prepaid Phones	11,548	12,171	12,633	13,035	13,536	13,844	14,187	14,497	14,641
Phone Detail - Net Adds									
Branded Phone Net Adds	213	137	185	36	339	(66)	178	130	414
Postpaid Phone Net Adds	(256)	(363)	(180)	(268)	(67)	(348)	(89)	(97)	329
Prepaid Phone Net Adds	469	500	365	304	406	282	267	227	85
Churn Detail									
Total Churn ⁸	1.50%	1.42%	1.35%	1.45%	1.71%	1.46%	1.28%	1.32%	1.38%
Branded Churn ⁸	1.72%	1.63%	1.47%	1.63%	1.74%	1.71%	1.57%	1.70%	1.75%
Postpaid Churn ⁸	1.18%	1.10%	0.97%	1.05%	1.16%	1.12%	1.01%	1.07%	1.12%
Postpaid Phone Churn ⁸	1.07%	0.96%	0.84%	0.90%	0.98%	0.90%	0.79%	0.84%	0.89%

See Notes to Financial and Operational Trends on page 14.

*The shutdown of the 2G network was completed in early 2017. The impact is reflected as an adjustment to the 1Q17 beginning of period subscriber counts as of 1/1/2017. See footnote 6 for further discussion.



Corporate & Other¹⁶

Supplemental Results - Corporate & Other

Dollars in millions

Unaudited

	Three Months Ended									
	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16	3/31/17	6/30/17	9/30/17	12/31/17	
Operating Revenues										
National Mass Markets	\$ 92	\$ 87	\$ 84	\$ 81	\$ 78	\$ 72	\$ 69	\$ 67	\$ 63	
Other Wholesale and Global Hubbing	100	93	40	94	78	62	59	56	47	
Customer Information Services	37	35	31	30	29	28	27	26	24	
Other	84	58	61	65	99	63	76	52	73	
Total Operating Revenues	\$ 313	\$ 273	\$ 216	\$ 270	\$ 284	\$ 225	\$ 231	\$ 201	\$ 207	
Operating Expenses										
Operations and support	272	377	293	270	233	221	87	89	157	
Depreciation and amortization	17	17	20	17	11	31	2	21	18	
Total Operating Expenses	289	394	313	287	244	252	89	110	175	
Operating Income (Loss)	\$ 24	\$ (121)	\$ (97)	\$ (17)	\$ 40	\$ (27)	\$ 142	\$ 91	\$ 32	

See Notes to Financial and Operational Trends on page 14.



Notes to Financial and Operational Trends

AT&T Inc.

¹ Prior-period amounts restated to conform to current-period reporting methodology.

² Fixed Strategic Services are the next generation wireline capabilities that lead AT&T's most advanced business solutions — including VPNs, Ethernet, cloud, hosting, IP conferencing, voice over IP, dedicated internet, IP Broadband and security services.

³ See Discussion and Reconciliation of Non-GAAP Measures in the Investor Briefing.

⁴ The Business Solutions Segment provides both wireless and fixed services to business customers and individual subscribers who purchase wireless services through employer-sponsored plans. Global Business primarily consists of large business customers, including multi-national corporations. National Business primarily consists of small business, government and education accounts. Global Public Sector primarily consists of government and education. Partner Solutions primarily consists of Wholesale.

⁵ Business Mobility includes reseller subscribers, which are not significant.

⁶ Net Add, churn, and ARPU calculations exclude the impact of the shutdown of our U.S. 2G network. Adjustments to beginning subscriber counts as of 1/1/2017 are as follows (in thousands): Total Mobility: 2,298 Total, 85 Postpaid (primarily Business), 66 Prepaid (Consumer), 339 Reseller (Consumer), 1,808 Connected Devices (Business).

⁷ Excludes migrations between AT&T segments and/or subscriber categories and acquisition-related additions during the period.

⁸ Churn is calculated by dividing the aggregate number of wireless subscribers who canceled service during a month by the total number of wireless subscribers at the beginning of that month. The churn rate for the period is equal to the average of the churn rate for each month of that period.

⁹ Total Wired Voice Connections includes switched access lines served by AT&T's incumbent local exchange carriers and affiliates, switched access lines served by AT&T Corp and Voice over Internet Protocol connections. Includes both primary and additional lines. Connections for Entertainment Group include consumer Voice over Internet Protocol connections of 5,222 thousand as of December 31, 2017.

¹⁰ Linear Video ARPU is defined as Video Entertainment revenues, excluding regional TV sports networks and DIRECTV NOW revenues, during the period divided by average linear video connections during the period. IP Broadband ARPU is defined as High-Speed Internet revenues during the period divided by average IP Broadband connections during the period.

¹¹ 1Q17 subscriber count includes 413 thousand reduction to true-up reseller customer base. Prior periods not restated.

¹² Effective 1/1/17, DIRECTV Latin America changed its methodology for counting prepaid video connections to align with other AT&T prepaid business practices. This change increased the total number of DIRECTV Latin America video connections by 1.1 million in 1Q17.

¹³ ARPU is defined as wireless service revenues during the period divided by average wireless subscribers during the period.

¹⁴ ARPU + EIP is defined as wireless service revenues and billings from equipment installment plans during the period divided by average wireless subscribers during the period.

¹⁵ Branded smartphones include postpaid and prepaid smartphones. Feature phones are basic phones that are primarily used for voice and text services.

¹⁶ Corporate and Other includes: (1) operations that are not considered reportable segments and that are no longer integral to our operations or which we no longer actively market, and (2) impacts of corporate-wide decisions for which the individual operating segments are not being evaluated, including interest costs and expected return on plan assets for our pension and postretirement benefit plans.

¹⁷ DIRECTV NOW connections include 40 thousand trial-period subscribers for 4Q16, 22 thousand for 1Q17, 94 thousand for 2Q17, 67 thousand for 3Q17, and 73 thousand for 4Q17. AT&T has successfully retained many subscribers after the expiration of their trial period.

¹⁸ Effective 7/1/17, prepaid internet of things (IoT) connections are presented within the prepaid category. These connections primarily relate to customers that actively subscribe for vehicle connectivity. This resulted in 97 thousand additional prepaid net adds in 3Q17 with a corresponding decline in connected device net adds. The 3Q17 prepaid subscriber base was adjusted by 543 thousand connections with a corresponding decline in the connected device subscriber base to reflect subscriber activity prior to 3Q17. Prior periods not restated.