July 24, 2018

WARNER MEDIA, LLC
2018 TRENDING SCHEDULES
BASIS OF PRESENTATION

NOTE: These materials are dated as of the date originally issued and may now be out of date.

On June 14, 2018 (the “Acquisition Date”), through a series of related transactions, Time Warner Inc. was merged into (the “Merger”) Warner Media, LLC ("WarnerMedia" or the “Company”), a direct wholly owned subsidiary of AT&T Inc. The financial information presented herein reflects the historical financial information and results of Time Warner Inc. through the Acquisition Date combined with the results of WarnerMedia from the Acquisition Date through June 30, 2018. These combined results do not reflect the impact of any purchase accounting adjustments related to the Merger. AT&T Inc.’s financial results for the periods ended June 30, 2018 reflect WarnerMedia’s results for the period subsequent to the Acquisition Date. This information is being provided solely to illustrate what Time Warner Inc.’s financial results for the periods ended June 30, 2018 would have been absent the Merger. In future quarters, financial results for WarnerMedia for the full quarter will be included in the consolidated financial results of AT&T Inc.

The trending schedules summarize financial information to facilitate your review and understanding of the Company's operating results. Regulation G adopted by the Securities and Exchange Commission sets forth rules regarding the disclosure of non-GAAP financial measures, as defined in that Regulation. The Company uses non-GAAP financial measures to evaluate the performance of its businesses, and the trending schedules disclose these non-GAAP financial measures in accordance with the requirements of the Regulation.

The Company utilizes Adjusted Operating Income (Loss), among other measures, to evaluate the performance of its businesses. This measure is considered an important indicator of the operational strength of the Company’s businesses. Some limitations of Adjusted Operating Income (Loss) are that it does not reflect certain charges that affect the operating results of the Company’s businesses and it involves judgment as to whether items affect fundamental operating performance.

Adjusted Operating Income (Loss) is Operating Income (Loss) excluding the impact of: noncash impairments of goodwill, intangible and fixed assets; gains and losses on operating assets (other than deferred gains on sale-leasebacks); external costs related to mergers, acquisitions or dispositions (including restructuring and severance costs associated with dispositions), as well as contingent consideration related to such transactions, to the extent such costs are expensed; and amounts related to securities litigation and government investigations. Beginning with the periods ended on or after October 1, 2016, Adjusted Operating Income (Loss) also excludes the impact of costs related to the AT&T merger (including retention and incentive, restructuring and severance costs associated with the transaction).

On January 1, 2018, the Company adopted, on a retrospective basis, new accounting guidance that requires that an employer disaggregate the service cost component from the other components of net periodic benefit costs relating to defined benefit pension and other postretirement benefit plans. While the service cost component of net periodic benefit costs continues to be presented as an operating expense, the other components are presented outside of Operating income in the Consolidated Statement of Operations. Under the old guidance, pension and other postretirement benefit plan curtailments or settlements were classified as a component of Operating Income and amounts related to such items were subtracted in the calculation of Adjusted Operating Income. Because of the Company’s adoption of the new accounting guidance, such adjustment is no longer necessary and gains and losses recognized in connection with pension and other postretirement benefit plan curtailments or settlements are not subtracted in the calculation of Adjusted Operating Income for any period presented herein.

A general limitation of this non-GAAP financial measure is that it is not prepared in accordance with U.S. generally accepted accounting principles and may not be comparable to similarly titled measures of other companies due to differences in methods of calculation and excluded items. Adjusted Operating Income (Loss) should be considered in addition to, not as a substitute for, the Company’s Operating Income (Loss) as well as other measures of financial performance reported in accordance with U.S. generally accepted accounting principles.

WARNER MEDIA, LLC
2018 TRENDING SCHEDULES
REVENUES
(In millions; Unaudited)

	Three Months Ended				Three Months Ended				Three Months Ended	
	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018
Turner										
Subscription	$ 1,490	$ 1,485	$ 1,480	$ 1,481	$ 1,665	$ 1,672	$ 1,666	$ 1,685	$ 1,790	$ 1,774
Advertising	1,235	1,345	996	1,187	1,213	1,265	963	1,213	1,326	1,301
Content and other	181	180	134	170	210	165	139	225	228	152
Total	$ 2,906	$ 3,010	$ 2,610	$ 2,838	$ 3,088	$ 3,102	$ 2,768	$ 3,123	$ 3,344	$ 3,227
Home Box Office										
Subscription	$ 1,236	$ 1,253	$ 1,262	$ 1,252	$ 1,302	$ 1,357	$ 1,418	$ 1,458	$ 1,429	$ 1,529
Content and other	270	214	164	239	266	119	187	222	190	138
Total	$ 1,506	$ 1,467	$ 1,426	$ 1,491	$ 1,568	$ 1,476	$ 1,605	$ 1,680	$ 1,619	$ 1,667
Warner Bros.										
Theatrical product	$ 1,234	$ 1,087	$ 1,605	$ 1,686	$ 1,377	$ 1,351	$ 1,697	$ 1,613	$ 1,336	$ 1,346
Television product	1,425	1,203	1,430	1,761	1,675	1,151	1,308	1,758	1,498	1,528
Games and other	450	368	367	421	313	486	455	682	404	432
Total	$ 3,109	$ 2,658	$ 3,402	$ 3,868	$ 3,365	$ 2,988	$ 3,460	$ 4,053	$ 3,238	$ 3,306
Intersegment eliminations										
Turner	$ (20)	$ (34)	$ (25)	$ (29)	$ (21)	$ (29)	$ (19)	$ (19)	$ (22)	$ (18)
Home Box Office	(3)	(2)	3	11	(2)	(3)	(1)	(11)	(2)	(1)
Warner Bros.	(190)	(147)	(249)	(288)	(263)	(204)	(218)	(215)	(181)	(386)
Total	$ (213)	$ (183)	$ (271)	$ (306)	$ (286)	$ (236)	$ (238)	$ (245)	$ (205)	$ (405)
WarnerMedia										
Subscription	$ 2,745	$ 2,754	$ 2,763	$ 2,752	$ 2,988	$ 3,050	$ 3,105	$ 3,165	$ 3,240	$ 3,324
Advertising	1,224	1,318	982	1,172	1,209	1,262	964	1,220	1,322	1,297
Content	3,179	2,700	3,268	3,788	3,380	2,843	3,355	4,017	3,254	2,970
Other	160	180	154	179	158	175	171	209	180	204
Total	$ 7,308	$ 6,952	$ 7,167	$ 7,891	$ 7,735	$ 7,330	$ 7,595	$ 8,611	$ 7,996	$ 7,795

WARNER MEDIA, LLC
2018 TRENDING SCHEDULES
RECONCILIATION OF OPERATING INCOME TO ADJUSTED OPERATING INCOME AND ADJUSTED OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION ("Adjusted OIBDA") BY SEGMENT; RESTRUCTURING AND SEVERANCE COSTS BY SEGMENT
(In millions; Unaudited)

	Three Months Ended				Three Months Ended				Three Months Ended	
	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018
Turner										
Operating Income	**$ 1,239**	**$ 1,130**	**$ 1,162**	**$ 841**	**$ 1,170**	**$ 1,050**	**$ 1,243**	**$ 1,026**	**$ 1,092**	**$ 906**
Asset impairments	-	-	25	3	-	-	5	4	-	-
(Gain) loss on operating assets, net	-	2	13	(1)	(6)	(49)	(13)	2	(1)	-
Costs related to the AT&T merger (1)	-	-	-	5	22	29	32	(10)	37	93
Other(2)	-	1	3	3	1	-	-	-	-	-
Adjusted Operating Income	**1,239**	**1,133**	**1,203**	**851**	**1,187**	**1,030**	**1,267**	**1,022**	**1,128**	**999**
Depreciation	47	48	48	48	50	51	50	51	52	53
Amortization	4	5	4	4	4	5	4	4	4	5
Adjusted OIBDA	**$ 1,290**	**$ 1,186**	**$ 1,255**	**$ 903**	**$ 1,241**	**$ 1,086**	**$ 1,321**	**$ 1,077**	**$ 1,184**	**$ 1,057**
Home Box Office										
Operating Income	**$ 479**	**$ 482**	**$ 532**	**$ 430**	**$ 585**	**$ 532**	**$ 554**	**$ 487**	**$ 516**	**$ 530**
Asset impairments	-	-	-	-	-	-	-	-	-	-
(Gain) loss on operating assets, net	-	-	-	-	-	-	-	-	-	-
Costs related to the AT&T merger	-	-	-	2	12	15	13	(3)	19	39
Other(2)	9	-	-	-	-	-	-	-	-	-
Adjusted Operating Income	**488**	**482**	**532**	**432**	**597**	**547**	**567**	**484**	**535**	**569**
Depreciation	18	20	17	19	19	20	22	26	26	25
Amortization	4	3	4	3	4	3	4	3	4	3
Adjusted OIBDA	**$ 510**	**$ 505**	**$ 553**	**$ 454**	**$ 620**	**$ 570**	**$ 593**	**$ 513**	**$ 565**	**$ 597**
Warner Bros.										
Operating Income	**$ 427**	**$ 310**	**$ 431**	**$ 577**	**$ 490**	**$ 225**	**$ 540**	**$ 514**	**$ 322**	**$ 256**
Asset impairments	1	-	5	3	1	1	4	1	-	1
(Gain) loss on operating assets, net	-	(91)	(1)	-	(1)	-	-	-	24	-
Costs related to the AT&T merger (1)	-	-	-	7	22	27	29	-	37	81
Other(2)	1	-	1	2	-	10	5	1	-	-
Adjusted Operating Income	**429**	**219**	**436**	**589**	**512**	**263**	**578**	**516**	**383**	**338**
Depreciation	48	48	46	46	44	45	45	45	42	41
Amortization	40	39	40	40	37	38	37	54	35	34
Adjusted OIBDA	**$ 517**	**$ 306**	**$ 522**	**$ 675**	**$ 593**	**$ 346**	**$ 660**	**$ 615**	**$ 460**	**$ 413**
Corporate										
Operating Loss	**$ (139)**	**$ (94)**	**$ (85)**	**$ (155)**	**$ (114)**	**$ (126)**	**$ (91)**	**$ (95)**	**$ (133)**	**$ (416)**
Asset impairments	2	2	-	2	-	-	-	-	-	-
(Gain) loss on operating assets, net	-	-	-	-	-	-	-	-	-	-
Costs related to the AT&T merger (1)	-	-	-	28	26	30	19	16	53	335
Other(2)	3	-	-	-	-	-	-	-	-	1
Adjusted Operating Loss	**(134)**	**(92)**	**(85)**	**(125)**	**(88)**	**(96)**	**(72)**	**(79)**	**(80)**	**(80)**
Depreciation	6	6	7	7	7	7	7	8	8	7
Amortization	-	-	-	-	-	-	-	-	-	-
Adjusted OIBDA	**$ (128)**	**$ (86)**	**$ (78)**	**$ (118)**	**$ (81)**	**$ (89)**	**$ (65)**	**$ (71)**	**$ (72)**	**$ (73)**
Intersegment eliminations										
Operating Income (Loss)	**$ (4)**	**$ 22**	**$ (11)**	**$ 15**	**$ (51)**	**$ 16**	**$ 4**	**$ (21)**	**$ 14**	**$ (40)**
Warner Media, LLC										
Operating Income	**$ 2,002**	**$ 1,850**	**$ 2,029**	**$ 1,708**	**$ 2,080**	**$ 1,697**	**$ 2,250**	**$ 1,911**	**$ 1,811**	**$ 1,236**
Asset impairments	3	2	30	8	1	1	9	5	-	1
(Gain) loss on operating assets, net	-	(89)	12	(1)	(7)	(49)	(13)	2	23	-
Costs related to the AT&T merger (1)	-	-	-	42	82	101	93	3	146	548
Other(2)	13	1	4	5	1	10	5	1	-	1
Adjusted Operating Income	**2,018**	**1,764**	**2,075**	**1,762**	**2,157**	**1,760**	**2,344**	**1,922**	**1,980**	**1,786**
Depreciation	119	122	118	120	120	123	124	130	128	126
Amortization	48	47	48	47	45	46	45	61	43	42
Adjusted OIBDA	**$ 2,185**	**$ 1,933**	**$ 2,241**	**$ 1,929**	**$ 2,322**	**$ 1,929**	**$ 2,513**	**$ 2,113**	**$ 2,151**	**$ 1,954**
Restructuring and severance costs(1)										
Turner	$ (1)	$ (6)	$ (8)	$ (46)	$ (2)	$ (5)	$ (1)	$ (51)	$ 2	$ (44)
Home Box Office	(4)	(37)	-	(8)	(2)	(3)	(1)	(7)	(13)	(11)
Warner Bros.	(1)	(4)	(1)	2	(9)	-	1	(38)	12	-
Corporate	1	(1)	(2)	(1)	1	-	(2)	(1)	(1)	(84)

(1) For the three months ended June 30, 2018, Costs related to the AT&T merger includes $40 million, $1 million and $84 million of Restructuring and severance costs for Turner, Warner Bros. and Corporate, respectively.

(2) Other includes external costs related to mergers, acquisitions or dispositions (including restructuring and severance costs associated with dispositions, but not including the AT&T merger) and amounts related to securities litigation and government investigations.