Financial and Operational Trends

INCOME STATEMENTS, CASH FLOWS, SEGMENT RESULTS, REVENUE DETAILS AND OPERATING VOLUMES

APRIL 24, 2019

Consolidated Statements of Income

AT&T Inc.

Dollars in millions except per share amounts

Unaudited	3/31/17	6/30/17	9/30/17	12/31/17	2017	3/31/18	6/30/18	9/30/18	12/31/18	2018	3/31/19
Operating Revenues	$ 39,365	$ 39,837	$ 39,668	$ 41,676	$ 160,546	$ 38,038	$ 38,986	$ 45,739	$ 47,993	$ 170,756	**$ 44,827**
Operating Expenses											
Cost of revenues											
Equipment	3,848	4,138	4,191	6,532	18,709	4,848	4,377	4,828	5,733	19,786	**4,502**
Broadcast, programming and operations	4,974	4,898	5,284	6,003	21,159	5,166	5,449	7,227	8,885	26,727	**7,652**
Other cost of revenues	9,288	9,569	9,694	9,391	37,942	7,932	7,632	8,651	8,691	32,906	**8,585**
Selling, general and administrative	8,772	8,559	8,650	9,484	35,465	7,897	8,684	9,598	10,586	36,765	**9,649**
Asset abandonments and impairments	-	-	-	2,914	2,914	-	-	-	46	46	**-**
Depreciation and amortization	6,127	6,147	6,042	6,071	24,387	5,994	6,378	8,166	7,892	28,430	**7,206**
Total Operating Expenses	33,009	33,311	33,861	40,395	140,576	31,837	32,520	38,470	41,833	144,660	**37,594**
Operating Income	6,356	6,526	5,807	1,281	19,970	6,201	6,466	7,269	6,160	26,096	**7,233**
Interest Expense	1,293	1,395	1,686	1,926	6,300	1,771	2,023	2,051	2,112	7,957	**2,141**
Equity in Net Income (Loss) of Affiliates	(173)	14	11	20	(128)	9	(16)	(64)	23	(48)	**(7)**
Other Income (Expense) – Net	488	925	842	(658)	1,597	1,702	2,353	1,053	1,674	6,782	**286**
Income (Loss) Before Income Taxes	5,378	6,070	4,974	(1,283)	15,139	6,141	6,780	6,207	5,745	24,873	**5,371**
Income Tax Expense (Benefit)	1,804	2,056	1,851	(20,419)	(14,708)	1,382	1,532	1,391	615	4,920	**1,023**
Net Income	3,574	4,014	3,123	19,136	29,847	4,759	5,248	4,816	5,130	19,953	**4,348**
Less: Net Income Attributable to Noncontrolling Interest	(105)	(99)	(94)	(99)	(397)	(97)	(116)	(98)	(272)	(583)	**(252)**
Net Income Attributable to AT&T	$ 3,469	$ 3,915	$ 3,029	$ 19,037	$ 29,450	$ 4,662	$ 5,132	$ 4,718	$ 4,858	$ 19,370	**$ 4,096**
Diluted Earnings Per Share Attributable to AT&T	$ 0.56	$ 0.63	$ 0.49	$ 3.08	$ 4.76	$ 0.75	$ 0.81	$ 0.65	$ 0.66	$ 2.85	**$ 0.56**
Adjusted Diluted Earnings Per Share Attributable to AT&T	$ 0.74	$ 0.79	$ 0.74	$ 0.78	$ 3.05	$ 0.85	$ 0.91	$ 0.90	$ 0.86	$ 3.52	**$ 0.86**
EBITDA[1]	$ 12,483	$ 12,673	$ 11,849	$ 7,352	$ 44,357	$ 12,195	$ 12,844	$ 15,435	$ 14,052	$ 54,526	**$ 14,439**
Adjusted EBITDA[1]	$ 12,572	$ 13,049	$ 12,398	$ 11,259	$ 49,278	$ 12,442	$ 13,316	$ 15,872	$ 15,029	$ 56,659	**$ 14,802**
Adjusted EBITDA Margin[1]	31.9%	32.8%	31.2%	26.9%	30.6%	32.7%	34.2%	34.7%	31.3%	33.2%	**33.0%**
Pro Forma Operating Revenues[2]	$ 46,333	$ 46,401	$ 46,501	$ 49,534	$ 188,769	$ 45,222	$ 44,697	$ 45,739	$ 47,993	$ 183,651	**$ 44,827**
Adjusted Pro Forma EBITDA[2]	$ 15,506	$ 15,469	$ 15,209	$ 13,482	$ 59,666	$ 14,756	$ 14,921	$ 15,872	$ 15,029	$ 60,578	**$ 14,802**
Adjusted Pro Forma EBITDA - Prior Methodology[2]	$ 14,894	$ 14,978	$ 14,823	$ 13,217	$ 57,912	$ 14,592	$ 14,789	$ 15,100	$ 14,484	$ 58,965	**$ 14,652**

Periods beginning 3/31/18 reflect the impact of ASC 606 and therefore 2017 results are not comparable.

Financial and Operating Statistics Summary

AT&T Inc.

Dollars in millions except per share amounts

Unaudited	3/31/17	6/30/17	9/30/17	12/31/17	2017	3/31/18	6/30/18	9/30/18	12/31/18	2018	3/31/19
Capital Expenditures:											
Purchase of property and equipment	$ 5,784	$ 4,966	$ 5,006	$ 4,891	$ 20,647	$ 5,957	$ 5,002	$ 5,736	$ 4,063	$ 20,758	**$ 5,121**
Interest during construction	231	242	245	185	903	161	106	137	89	493	**61**
Dividends Declared Per Share	$ 0.49	$ 0.49	$ 0.49	$ 0.50	$ 1.97	$ 0.50	$ 0.50	$ 0.50	$ 0.51	$ 2.01	**$ 0.51**
Annual Dividend Per Share Growth	2.1%	2.1%	2.1%	2.0%		2.0%	2.0%	2.0%	2.0%		**2.0%**
End of Period Common Shares Outstanding (000,000)	6,147	6,140	6,139	6,139		6,148	7,261	7,270	7,282		**7,297**
Debt Ratio	51.6%	53.3%	56.4%	53.6%		52.6%	50.8%	49.8%	47.7%		**47.4%**
Total Employees	264,530	260,480	256,800	254,000		249,240	273,210	269,280	268,220		**262,290**

See Notes to Financial and Operational Trends on page 15.

Consolidated Statements of Cash Flows

AT&T Inc.

Dollars in millions

Unaudited	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Operating Activities					
Net income	$ 4,759	$ 5,248	$ 4,816	$ 5,130	**$ 4,348**
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	5,994	6,378	8,166	7,892	**7,206**
Amortization of film and television costs	-	168	1,440	2,164	**2,497**
Undistributed earnings from investments in equity affiliates	(2)	237	77	(20)	**112**
Provision for uncollectible accounts	438	370	432	551	**592**
Deferred income tax expense (benefit)	1,222	810	902	(2,324)	**1,069**
Net (gain) loss from sale of investments, net of impairments	2	(31)	(472)	(238)	**(175)**
Actuarial (gain) loss on pension and postretirement benefits	(930)	(1,796)	-	(686)	**432**
Asset abandonments and impairments	-	-	-	46	**-**
Changes in operating assets and liabilities:					
Accounts receivable	(439)	672	(1,251)	(226)	**1,894**
Other current assets, inventories and theatrical film and television production costs	614	425	(3,768)	(3,713)	**(2,510)**
Accounts payable and other accrued liabilities	(1,962)	(1,928)	2,505	2,987	**(3,686)**
Equipment installment receivables and related sales	505	(15)	(270)	(710)	**652**
Deferred customer contract acquisition and fulfillment costs	(826)	(899)	(932)	(801)	**(375)**
Retirement benefit funding[3]	(140)	(140)	(140)	(80)	**-**
Other - net	(288)	730	841	2,108	**(1,004)**
Total adjustments	4,188	4,981	7,530	6,950	**6,704**
Net Cash Provided by Operating Activities	8,947	10,229	12,346	12,080	**11,052**
Investing Activities					
Capital expenditures:					
Purchase of property and equipment	(5,957)	(5,002)	(5,736)	(4,063)	**(5,121)**
Interest during construction	(161)	(106)	(137)	(89)	**(61)**
Acquisitions, net of cash acquired	(234)	(40,481)	(2,401)	(193)	**(213)**
Dispositions	56	3	924	1,165	**10**
(Purchases) sales of securities, net	(116)	(102)	(16)	49	**(1)**
Advances to and investments in equity affiliates, net	(1,007)	(28)	14	(29)	**(15)**
Cash collections of deferred purchase price	267	233	-	-	**-**
Other	-	-	-	2	**-**
Net Cash Used in Investing Activities	(7,152)	(45,483)	(7,352)	(3,158)	**(5,401)**
Financing Activities					
Net change in short-term borrowings with original maturities of three months or less	-	2,227	(3,298)	250	**(256)**
Issuance of other short-term borrowings	-	4,839	13	46	**296**
Repayment of other short-term borrowings	-	-	(1,075)	(1,023)	**(176)**
Issuance of long-term debt	2,565	23,913	11,847	3,550	**9,182**
Repayment of long-term debt	(4,911)	(24,536)	(14,132)	(9,064)	**(9,840)**
Purchase of treasury stock	(145)	(419)	(13)	(32)	**(189)**
Issuance of treasury stock	11	1	347	386	**167**
Dividends paid	(3,070)	(3,074)	(3,631)	(3,635)	**(3,714)**
Other	2,048	(3,169)	(17)	(2,788)	**109**
Net Cash Used in Financing Activities	(3,502)	(218)	(9,959)	(12,310)	**(4,421)**
Net (decrease) increase in cash and cash equivalents and restricted cash	(1,707)	(35,472)	(4,965)	(3,388)	**1,230**
Cash and cash equivalents and restricted cash beginning of period	50,932	49,225	13,753	8,788	**5,400**
Cash and Cash Equivalents and Restricted Cash End of Period	$ 49,225	$ 13,753	$ 8,788	$ 5,400	**$ 6,630**
Cash paid for interest	$ 2,408	$ 1,637	$ 2,898	$ 1,875	**$ 2,507**

See Notes to Financial and Operational Trends on page 15.

AT&T Inc.

Free Cash Flow & Capital Investment Detail

Dollars in millions Unaudited	Three Months Ended 3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Cash Flow Detail									
Net cash provided by operating activities	$ 8,965	$ 8,705	$ 10,803	$ 9,537	$ 8,947	$ 10,229	$ 12,346	$ 12,080	**$ 11,052**
Less: Capital expenditures	(6,015)	(5,208)	(5,251)	(5,076)	(6,118)	(5,108)	(5,873)	(4,152)	**(5,182)**
Free Cash Flow[1]	$ 2,950	$ 3,497	$ 5,552	$ 4,461	$ 2,829	$ 5,121	$ 6,473	$ 7,928	**$ 5,870**
Capital Investment Detail									
Capital expenditures	$ 6,015	$ 5,208	$ 5,251	$ 5,076	$ 6,118	$ 5,108	$ 5,873	$ 4,152	**$ 5,182**
Add: Vendor financing payments	388	201	124	118	172	85	92	211	**820**
Capital Investment[1]	6,403	5,409	5,375	5,194	6,290	5,193	5,965	4,363	**6,002**
Add: FirstNet capital expenditures reimbursement			17	262	-	302	-	1,127	**-**
Gross Capital Investment	$ 6,403	$ 5,409	$ 5,392	$ 5,456	$ 6,290	$ 5,495	$ 5,965	$ 5,490	**$ 6,002**

AT&T Inc.

FirstNet - Capital Expenditures and Reimbursements

Dollars in millions Unaudited	Three Months Ended 3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Capital Expenditures Impact									
Capital expenditures			$ 5,251	$ 5,076	$ 6,118	$ 5,108	$ 5,873	$ 4,152	**$ 5,182**
FirstNet capital expenditures reimbursement			17	262	-	302	-	1,127	**-**
Capital expenditures, gross			$ 5,268	$ 5,338	$ 6,118	$ 5,410	$ 5,873	$ 5,279	**$ 5,182**
FirstNet Reimbursements									
Capital expenditures			$ 17	$ 262	$ -	$ 302	$ -	$ 1,127	**$ -**
Operating expenses			3	46	-	34	-	207	**-**
Total reimbursements			$ 20	$ 308	$ -	$ 336	$ -	$ 1,334	**$ -**

See Notes to Financial and Operational Trends on page 15.

Operating Revenues and Adjusted EBITDA

AT&T Inc.

Dollars in millions
Unaudited

	Three Months Ended								
	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Operating Revenues	$ 39,365	$ 39,837	$ 39,668	$ 41,676	$ 38,038	$ 38,986	$ 45,739	$ 47,993	**$ 44,827**
Communications	36,894	37,259	37,115	39,110	35,533	35,410	36,230	37,458	**35,393**
Mobility	17,097	17,455	17,370	19,168	17,355	17,282	17,938	18,769	**17,567**
Entertainment Group	12,467	12,501	12,467	12,560	11,431	11,478	11,589	11,962	**11,328**
Business Wireline	7,330	7,303	7,278	7,382	6,747	6,650	6,703	6,727	**6,498**
WarnerMedia	105	111	107	107	112	1,393	8,204	9,232	**8,379**
Turner	105	111	107	107	112	667	2,988	3,212	**3,443**
Home Box Office	-	-	-	-	-	281	1,644	1,673	**1,510**
Warner Bros.	-	-	-	-	-	507	3,720	4,476	**3,518**
Eliminations and other	-	-	-	-	-	(62)	(148)	(129)	**(92)**
Latin America	1,929	2,026	2,099	2,215	2,025	1,951	1,833	1,843	**1,718**
Vrio	1,341	1,361	1,363	1,391	1,354	1,254	1,102	1,074	**1,067**
Mexico	588	665	736	824	671	697	731	769	**651**
Xandr	321	338	333	381	337	392	445	566	**426**
Corporate, Acquisition Related and Significant Items	409	391	293	186	333	320	308	230	**167**
Eliminations[4]	25	45	50	54	32	(93)	(880)	(863)	**(906)**
Consolidation[4]	(318)	(333)	(329)	(377)	(334)	(387)	(401)	(473)	**(350)**

	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Adjusted EBITDA	$ 12,572	$ 13,049	$ 12,398	$ 11,259	$ 12,442	$ 13,316	$ 15,872	$ 15,029	**$ 14,802**
Communications	12,824	13,175	12,647	11,466	12,604	13,052	12,790	12,244	**12,645**
Mobility	7,212	7,364	7,341	6,302	7,253	7,619	7,683	7,523	**7,386**
Entertainment Group	2,955	3,106	2,663	2,368	2,620	2,821	2,434	2,155	**2,801**
Business Wireline	2,657	2,705	2,643	2,796	2,731	2,612	2,673	2,566	**2,458**
WarnerMedia	42	(4)	9	48	30	482	2,701	2,762	**2,386**
Latin America	170	254	162	279	221	148	87	38	**127**
Vrio	291	363	288	342	353	238	225	225	**201**
Mexico	(121)	(109)	(126)	(63)	(132)	(90)	(138)	(187)	**(74)**
Xandr	278	302	294	330	287	333	336	386	**266**
Corporate	(463)	(376)	(418)	(527)	(402)	(342)	326	28	**(304)**
Eliminations and Consolidation[4]	(279)	(302)	(296)	(337)	(298)	(357)	(368)	(429)	**(318)**

Periods beginning 3/31/18 reflect the impact of ASC 606 and therefore 2017 results are not comparable.
See Notes to Financial and Operational Trends on page 15.

Communications

Mobility Results

Dollars in millions
Unaudited

	Three Months Ended								
	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Operating Revenues									
Service	$ 14,468	$ 14,471	$ 14,475	$ 14,282	$ 13,403	$ 13,682	$ 13,989	$ 13,859	**$ 13,792**
Equipment	2,629	2,984	2,895	4,886	3,952	3,600	3,949	4,910	**3,775**
Total Operating Revenues	$ 17,097	$ 17,455	$ 17,370	$ 19,168	$ 17,355	$ 17,282	$ 17,938	$ 18,769	**$ 17,567**
Operating Expenses									
Operations and support	9,885	10,091	10,029	12,866	10,102	9,663	10,255	11,246	**10,181**
Depreciation and amortization	1,992	1,988	2,008	2,027	2,095	2,113	2,079	2,068	**2,035**
Total Operating Expenses	11,877	12,079	12,037	14,893	12,197	11,776	12,334	13,314	**12,216**
Operating Income	$ 5,220	$ 5,376	$ 5,333	$ 4,275	$ 5,158	$ 5,506	$ 5,604	$ 5,455	**$ 5,351**
Operating Income Margin	30.5%	30.8%	30.7%	22.3%	29.7%	31.9%	31.2%	29.1%	**30.5%**
EBITDA[1]	$ 7,212	$ 7,364	$ 7,341	$ 6,302	$ 7,253	$ 7,619	$ 7,683	$ 7,523	**$ 7,386**
EBITDA Margin[1]	42.2%	42.2%	42.3%	32.9%	41.8%	44.1%	42.8%	40.1%	**42.0%**
EBITDA Service Margin[1]	49.8%	50.9%	50.7%	44.1%	54.1%	55.7%	54.9%	54.3%	**53.6%**

Periods beginning 3/31/18 reflect the impact of ASC 606 and therefore 2017 results are not comparable.

See Notes to Financial and Operational Trends on page 15.

Communications

Mobility Operating Volumes and Statistics

Volumes in thousands Unaudited	Three Months Ended 3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
AT&T Mobility Subscribers and Connections									
Total Subscribers and Connections	133,804	136,101	138,445	141,202	143,832	146,889	150,252	153,006	**155,732**
Postpaid	76,935	77,002	77,034	77,510	77,431	77,372	76,996	76,889	**76,550**
Prepaid	13,844	14,187	15,136	15,335	15,671	16,217	16,894	17,000	**17,180**
Reseller	10,625	10,254	9,877	9,366	9,002	8,582	8,183	7,782	**7,574**
Connected Devices	32,400	34,658	36,398	38,991	41,728	44,718	48,179	51,335	**54,428**
Net Add Detail									
Net Subscriber Additions	2,078	2,297	2,342	2,757	2,630	3,064	3,363	2,753	**2,727**
Postpaid Net Adds	(194)	143	134	558	49	73	(232)	13	**(204)**
Prepaid Net Adds	282	267	324	140	241	453	570	26	**96**
Phone Detail									
Postpaid Phones	64,011	63,854	63,566	63,818	63,657	63,543	63,462	63,493	**63,438**
Postpaid Smartphones[5]	59,025	59,178	59,277	59,874	60,002	60,183	60,408	60,712	**60,597**
Postpaid Feature Phones[5]	4,986	4,676	4,289	3,944	3,655	3,360	3,054	2,781	**2,841**
Total Smartphones[5]	71,274	71,818	72,242	72,924	73,403	73,797	74,917	75,384	**75,390**
Prepaid Phones	13,844	14,187	14,497	14,641	14,928	15,376	15,964	16,057	**16,225**
Phone Detail - Net Adds									
Postpaid Phone Net Adds	(354)	(115)	(145)	295	(60)	51	69	134	**80**
Prepaid Phone Net Adds	282	267	227	85	192	356	481	13	**85**
Churn Detail[6]									
Postpaid Phone Churn	0.90%	0.79%	0.84%	0.89%	0.84%	0.82%	0.93%	1.00%	**0.93%**
Postpaid Churn	1.12%	1.01%	1.06%	1.11%	1.06%	1.02%	1.17%	1.24%	**1.17%**
ARPU[7,8]									
Postpaid Phone-Only ARPU					$ 53.40	$ 54.48	$ 55.65	$ 55.35	**$ 55.36**
Postpaid ARPU					47.79	48.90	49.95	49.73	**49.72**

See Notes to Financial and Operational Trends on page 15.

Communications

Entertainment Group Results

Dollars in millions Unaudited	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
					Three Months Ended				
Operating Revenues									
Video Entertainment	$ 8,906	$ 9,009	$ 9,052	$ 9,200	$ 8,225	$ 8,173	$ 8,283	$ 8,676	**$ 8,074**
High-Speed Internet	1,941	1,927	1,916	1,890	1,878	1,981	2,045	2,052	**2,070**
Legacy Voice and Data Services	1,012	964	913	878	806	771	740	724	**683**
Other Service and Equipment	608	601	586	592	522	553	521	510	**501**
Total Operating Revenues	$ 12,467	$ 12,501	$ 12,467	$ 12,560	$ 11,431	$ 11,478	$ 11,589	$ 11,962	**$ 11,328**
Operating Expenses									
Operations and support	9,512	9,395	9,804	10,192	8,811	8,657	9,155	9,807	**8,527**
Depreciation and amortization	1,419	1,456	1,379	1,367	1,310	1,345	1,331	1,329	**1,323**
Total Operating Expenses	10,931	10,851	11,183	11,559	10,121	10,002	10,486	11,136	**9,850**
Operating Income	$ 1,536	$ 1,650	$ 1,284	$ 1,001	$ 1,310	$ 1,476	$ 1,103	$ 826	**$ 1,478**
Operating Income Margin	12.3%	13.2%	10.3%	8.0%	11.5%	12.9%	9.5%	6.9%	**13.0%**
EBITDA[1]	$ 2,955	$ 3,106	$ 2,663	$ 2,368	$ 2,620	$ 2,821	$ 2,434	$ 2,155	**$ 2,801**
EBITDA Margin[1]	23.7%	24.8%	21.4%	18.9%	22.9%	24.6%	21.0%	18.0%	**24.7%**

Periods beginning 3/31/18 reflect the impact of ASC 606 and therefore 2017 results are not comparable.

Communications

Entertainment Group Operating Volumes and Statistics

Volumes in thousands Unaudited	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
					Three Months Ended				
Total Video Connections[9]	25,371	25,172	25,083	25,244	25,369	25,449	25,152	24,494	**23,867**
Premium TV	25,032	24,681	24,296	24,089	23,902	23,640	23,294	22,903	**22,359**
Over-the-Top[10]	339	491	787	1,155	1,467	1,809	1,858	1,591	**1,508**
Total Video Net Adds[9]	(161)	(199)	(89)	161	125	80	(297)	(658)	(627)
Premium TV	(233)	(351)	(385)	(207)	(187)	(262)	(346)	(391)	(544)
Over-the-Top	72	152	296	368	312	342	49	(267)	(83)
Premium TV ARPU[8,11]					$ 112.45	$ 112.19	$ 114.90	$ 121.76	**$ 114.98**
Total Broadband Connections	14,294	14,302	14,331	14,350	14,432	14,455	14,441	14,409	**14,454**
IP	13,130	13,242	13,367	13,462	13,616	13,692	13,723	13,729	**13,822**
DSL	1,164	1,060	964	888	816	763	718	680	**632**
Total Broadband Net Adds	115	8	29	19	82	23	(14)	(32)	**45**
IP	242	112	125	95	154	76	31	6	**93**
DSL	(127)	(104)	(96)	(76)	(72)	(53)	(45)	(38)	**(48)**
Fiber Broadband Connections (included in IP)					1,955	2,204	2,504	2,763	**3,060**
Fiber Broadband Net Adds (included in IP)					226	249	300	259	**297**
IP Broadband ARPU[11]	$ 49.81	$ 48.70	$ 48.00	$ 46.94	$ 46.27	$ 48.32	$ 49.78	$ 49.83	**$ 50.10**

See Notes to Financial and Operational Trends on page 15.

Communications

Business Wireline Results

Dollars in millions Unaudited	Three Months Ended 3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Operating Revenues[12]									
Strategic and Managed Services[13]	$ 3,364	$ 3,441	$ 3,505	$ 3,622	$ 3,595	$ 3,603	$ 3,690	$ 3,824	**$ 3,792**
Legacy Voice and Data Services	3,629	3,499	3,403	3,297	2,865	2,730	2,609	2,506	**2,404**
Equipment	164	181	195	240	170	199	197	257	**159**
Other	173	182	175	223	117	118	207	140	**143**
Total Operating Revenues	$ 7,330	$ 7,303	$ 7,278	$ 7,382	$ 6,747	$ 6,650	$ 6,703	$ 6,727	**$ 6,498**
Operating Expenses									
Operations and support	4,673	4,598	4,635	4,586	4,016	4,038	4,030	4,161	**4,040**
Depreciation and amortization	1,184	1,210	1,189	1,206	1,170	1,180	1,197	1,207	**1,235**
Total Operating Expenses	5,857	5,808	5,824	5,792	5,186	5,218	5,227	5,368	**5,275**
Operating Income	$ 1,473	$ 1,495	$ 1,454	$ 1,590	$ 1,561	$ 1,432	$ 1,476	$ 1,359	**$ 1,223**
Operating Income Margin	20.1%	20.5%	20.0%	21.5%	23.1%	21.5%	22.0%	20.2%	**18.8%**
EBITDA[1]	$ 2,657	$ 2,705	$ 2,643	$ 2,796	$ 2,731	$ 2,612	$ 2,673	$ 2,566	**$ 2,458**
EBITDA Margin[1]	36.2%	37.0%	36.3%	37.9%	40.5%	39.3%	39.9%	38.1%	**37.8%**

Periods beginning 3/31/18 reflect the impact of ASC 606 and therefore 2017 results are not comparable.

Communications

Supplemental Business Solutions Results (Wireline and Business Mobility)

Dollars in millions Unaudited	Three Months Ended 3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Operating Revenues	$ 9,621	$ 9,667	$ 9,641	$ 9,925	$ 9,116	$ 9,063	$ 9,170	$ 9,407	**$ 9,007**
Operating Income	2,163	2,131	2,079	2,084	2,064	1,960	2,073	1,989	**1,826**
EBITDA[1]	$ 3,623	$ 3,614	$ 3,545	$ 3,576	$ 3,522	$ 3,447	$ 3,572	$ 3,496	**$ 3,367**

Periods beginning 3/31/18 reflect the impact of ASC 606 and therefore 2017 results are not comparable.

See Notes to Financial and Operational Trends on page 15.

WarnerMedia
WarnerMedia Results

Dollars in millions Unaudited	Non-GAAP Comparable Basis[14*] Three Months Ended 3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	Three Months Ended 9/30/18	12/31/18	**3/31/19**
Segment Operating Revenues									
Turner	$ 3,193	$ 3,213	$ 2,875	$ 3,230	$ 3,456	$ 3,345	$ 2,988	$ 3,212	**$ 3,443**
Home Box Office	1,568	1,476	1,605	1,680	1,619	1,667	1,644	1,673	**1,510**
Warner Bros.	3,365	2,988	3,460	4,053	3,238	3,306	3,720	4,476	**3,518**
Eliminations and other	(286)	(236)	(238)	(245)	(205)	(405)	(148)	(129)	**(92)**
Total Segment Operating Revenues[15]	$ 7,840	$ 7,441	$ 7,702	$ 8,718	$ 8,108	$ 7,913	$ 8,204	$ 9,232	**$ 8,379**
Segment Operating Expenses									
Operations and support	5,476	5,516	5,180	6,557	5,927	5,958	5,503	6,470	**5,993**
Depreciation and amortization	166	170	170	192	172	169	134	139	**143**
Total Segment Operating Expenses	5,642	5,686	5,350	6,749	6,099	6,127	5,637	6,609	**6,136**
Segment Operating Income[15]	$ 2,198	$ 1,755	$ 2,352	$ 1,969	$ 2,009	$ 1,786	$ 2,567	$ 2,623	**$ 2,243**
Equity in Net Income (Loss) of Affiliates							(39)	80	**67**
Segment Contribution							$ 2,528	$ 2,703	**$ 2,310**
Segment Operating Income Margin[15]	28.0%	23.6%	30.5%	22.6%	24.8%	22.6%	31.3%	28.4%	**26.8%**
EBITDA	$ 2,364	$ 1,925	$ 2,522	$ 2,161	$ 2,181	$ 1,955	$ 2,701	$ 2,762	**$ 2,386**
EBITDA Margin	30.2%	25.9%	32.7%	24.8%	26.9%	24.7%	32.9%	29.9%	**28.5%**
Total Programming and Production Costs[16]	$ 3,312	$ 3,188	$ 2,876	$ 3,874	$ 3,515	$ 3,595	$ 3,188	$ 3,828	**$ 3,622**

*** Non-GAAP Comparable Basis = Historical Warner Media, LLC Adjusted Results + RSNs and Other**

WarnerMedia
Turner Results

Dollars in millions Unaudited	Non-GAAP Comparable Basis[14*] Three Months Ended 3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	Three Months Ended 9/30/18	12/31/18	**3/31/19**
Operating Revenues									
Subscription	$ 1,757	$ 1,761	$ 1,756	$ 1,779	$ 1,888	$ 1,870	$ 1,855	$ 1,844	**$ 1,965**
Advertising	1,226	1,287	980	1,226	1,340	1,324	944	1,149	**1,261**
Content and other	210	165	139	225	228	151	189	219	**217**
Total Operating Revenues[15]	$ 3,193	$ 3,213	$ 2,875	$ 3,230	$ 3,456	$ 3,345	$ 2,988	$ 3,212	**$ 3,443**
Operating Expenses									
Operations and support	1,910	2,129	1,544	2,104	2,234	2,283	1,487	1,861	**2,137**
Depreciation and amortization	55	57	55	56	57	59	59	60	**59**
Total Operating Expenses	1,965	2,186	1,599	2,160	2,291	2,342	1,546	1,921	**2,196**
Operating Income[15]	$ 1,228	$ 1,027	$ 1,276	$ 1,070	$ 1,165	$ 1,003	$ 1,442	$ 1,291	**$ 1,247**
Operating Income Margin[15]	38.5%	32.0%	44.4%	33.1%	33.7%	30.0%	48.3%	40.2%	**36.2%**
Programming Costs[16]	$ 1,249	$ 1,384	$ 852	$ 1,284	$ 1,511	$ 1,552	$ 817	$ 1,111	**$ 1,445**

*** Non-GAAP Comparable Basis = Historical Turner Adjusted Results + RSNs**

See Notes to Financial and Operational Trends on page 15.

WarnerMedia
Home Box Office Results

Dollars in millions Unaudited	Non-GAAP Comparable Basis[14] Three Months Ended 3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	Three Months Ended 9/30/18	12/31/18	**3/31/19**
Operating Revenues									
Subscription	$ 1,302	$ 1,357	$ 1,418	$ 1,458	$ 1,429	$ 1,529	$ 1,517	$ 1,414	**$ 1,334**
Content and other	266	119	187	222	190	138	127	259	**176**
Total Operating Revenues[15]	$ 1,568	$ 1,476	$ 1,605	$ 1,680	$ 1,619	$ 1,667	$ 1,644	$ 1,673	**$ 1,510**
Operating Expenses									
Operations and support	948	906	1,012	1,167	1,054	1,070	991	1,025	**921**
Depreciation and amortization	23	23	26	29	30	28	25	26	**22**
Total Operating Expenses	971	929	1,038	1,196	1,084	1,098	1,016	1,051	**943**
Operating Income[15]	$ 597	$ 547	$ 567	$ 484	$ 535	$ 569	$ 628	$ 622	**$ 567**
Operating Income Margin[15]	38.1%	37.1%	35.3%	28.8%	33.0%	34.1%	38.2%	37.2%	**37.5%**
Programming Costs[16]	$ 552	$ 510	$ 554	$ 645	$ 596	$ 589	$ 579	$ 561	**$ 482**

WarnerMedia
Warner Bros. Results

Dollars in millions Unaudited	Non-GAAP Comparable Basis[14] Three Months Ended 3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	Three Months Ended 9/30/18	12/31/18	**3/31/19**
Operating Revenues									
Theatrical product	$ 1,377	$ 1,351	$ 1,697	$ 1,613	$ 1,336	$ 1,346	$ 1,694	$ 2,085	**$ 1,506**
Television product	1,675	1,151	1,308	1,758	1,498	1,528	1,591	1,827	**1,613**
Games and other	313	486	455	682	404	432	435	564	**399**
Total Operating Revenues[15]	$ 3,365	$ 2,988	$ 3,460	$ 4,053	$ 3,238	$ 3,306	$ 3,720	$ 4,476	**$ 3,518**
Operating Expenses									
Operations and support	2,772	2,642	2,800	3,438	2,778	2,893	3,104	3,623	**2,919**
Depreciation and amortization	81	83	82	99	77	75	40	42	**52**
Total Operating Expenses	2,853	2,725	2,882	3,537	2,855	2,968	3,144	3,665	**2,971**
Operating Income[15]	$ 512	$ 263	$ 578	$ 516	$ 383	$ 338	$ 576	$ 811	**$ 547**
Operating Income Margin[15]	15.2%	8.8%	16.7%	12.7%	11.8%	10.2%	15.5%	18.1%	**15.5%**
Film and Television Production Costs[16]	$ 1,667	$ 1,487	$ 1,656	$ 2,101	$ 1,574	$ 1,729	$ 1,909	$ 2,238	**$ 1,746**

See Notes to Financial and Operational Trends on page 15.

Latin America
Statement of Segment Income

Dollars in millions
Unaudited

	Three Months Ended								
	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Segment Operating Revenues									
Video Entertainment	$ 1,341	$ 1,361	$ 1,363	$ 1,391	$ 1,354	$ 1,254	$ 1,102	$ 1,074	**$ 1,067**
Wireless Service	475	535	536	501	404	417	440	440	**442**
Wireless Equipment	113	130	200	323	267	280	291	329	**209**
Total Segment Operating Revenues	$ 1,929	$ 2,026	$ 2,099	$ 2,215	$ 2,025	$ 1,951	$ 1,833	$ 1,843	**$ 1,718**
Segment Operating Expenses									
Operations and support	1,759	1,772	1,937	1,936	1,804	1,803	1,746	1,805	**1,591**
Depreciation and amortization	290	311	304	313	332	313	297	296	**300**
Total Segment Operating Expenses	2,049	2,083	2,241	2,249	2,136	2,116	2,043	2,101	**1,891**
Segment Operating Income (Loss)	(120)	(57)	(142)	(34)	(111)	(165)	(210)	(258)	**(173)**
Equity in Net Income (Loss) of Affiliates	20	25	17	25	-	15	9	10	**-**
Segment Contribution	$ (100)	$ (32)	$ (125)	$ (9)	$ (111)	$ (150)	$ (201)	$ (248)	**$ (173)**
Segment Operating Income Margin	-6.2%	-2.8%	-6.8%	-1.5%	-5.5%	-8.5%	-11.5%	-14.0%	**-10.1%**
EBITDA[1]	$ 170	$ 254	$ 162	$ 279	$ 221	$ 148	$ 87	$ 38	**$ 127**
EBITDA Margin[1]	8.8%	12.5%	7.7%	12.6%	10.9%	7.6%	4.7%	2.1%	**7.4%**

Latin America
Vrio and Mexico Results

Dollars in millions
Unaudited

	Three Months Ended								
	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Vrio EBITDA[1]	$ 291	$ 363	$ 288	$ 342	$ 353	$ 238	$ 225	$ 225	**$ 201**
Vrio EBITDA Margin[1]	21.7%	26.7%	21.1%	24.6%	26.1%	19.0%	20.4%	20.9%	**18.8%**
Mexico EBITDA[1]	$ (121)	$ (109)	$ (126)	$ (63)	$ (132)	$ (90)	$ (138)	$ (187)	**$ (74)**
Mexico EBITDA Margin[1]	-20.6%	-16.4%	-17.1%	-7.6%	-19.7%	-12.9%	-18.9%	-24.3%	**-11.4%**

Periods beginning 3/31/18 reflect the impact of ASC 606 and therefore 2017 results are not comparable.

Latin America
Operating Volumes and Statistics

Volumes in thousands
Unaudited

	Three Months Ended								
	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Vrio Video Connections[17]	13,678	13,622	13,490	13,629	13,573	13,713	13,640	13,838	**13,584**
Vrio Video Net Adds	91	(56)	(132)	139	(15)	140	(73)	198	**(32)**
Mexico Wireless Subscribers[18]	12,606	13,082	13,779	15,099	15,642	16,398	17,305	18,321	**17,722**
Postpaid	5,095	5,187	5,316	5,498	5,607	5,749	5,822	5,805	**5,642**
Prepaid	7,244	7,646	8,231	9,397	9,857	10,468	11,270	12,264	**11,779**
Other	267	249	232	204	178	181	213	252	**301**
Mexico Wireless Net Adds	633	476	697	1,320	543	756	907	1,016	**93**
Mexico Wireless Churn[6]	7.11%	7.89%	7.65%	7.90%	7.02%	6.82%	6.59%	7.08%	**6.69%**
Mexico Wireless ARPU[7]	$9.63	$10.87	$11.14	$9.88	$8.18	$8.31	$8.32	$7.97	**$7.99**

See Notes to Financial and Operational Trends on page 15.

Xandr

Statement of Segment Income

Dollars in millions
Unaudited

	Three Months Ended								
	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Segment Operating Revenues	$ 321	$ 338	$ 333	$ 381	$ 337	$ 392	$ 445	$ 566	**$ 426**
Segment Operating Expenses									
Operations and support	43	36	39	51	50	59	109	180	**160**
Depreciation and amortization	-	1	-	1	1	-	3	5	**13**
Total Segment Operating Expenses	43	37	39	52	51	59	112	185	**173**
Segment Operating Income	278	301	294	329	286	333	333	381	**253**
Equity in Net Income of Affiliates	-	-	-	-	-	-	-	-	**-**
Segment Contribution	$ 278	$ 301	$ 294	$ 329	$ 286	$ 333	$ 333	$ 381	**$ 253**
Segment Operating Income Margin	86.6%	89.1%	88.3%	86.4%	84.9%	84.9%	74.8%	67.3%	**59.4%**
EBITDA[1]	$ 278	$ 302	$ 294	$ 330	$ 287	$ 333	$ 336	$ 386	**$ 266**
EBITDA Margin[1]	86.6%	89.3%	88.3%	86.6%	85.2%	84.9%	75.5%	68.2%	**62.4%**

AT&T Inc.

Supplemental Total Advertising Revenues

Dollars in millions
Unaudited

	Three Months Ended								
	3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Operating Revenues									
WarnerMedia	$ 13	$ 22	$ 17	$ 13	$ 14	$ 225	$ 983	$ 1,239	**$ 1,279**
Communications	353	372	368	420	375	431	478	543	**417**
Xandr	321	338	333	381	337	392	445	566	**426**
Eliminations[4]	(317)	(334)	(329)	(377)	(334)	(387)	(401)	(473)	**(350)**
Total Advertising Revenues	$ 370	$ 398	$ 389	$ 437	$ 392	$ 661	$ 1,505	$ 1,875	**$ 1,772**

See Notes to Financial and Operational Trends on page 15.

Corporate

Supplemental Results - Corporate[19]

Dollars in millions Unaudited	Three Months Ended 3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Total Operating Revenues	$ 409	$ 391	$ 382	$ 340	$ 333	$ 320	$ 308	$ 279	**$ 209**
Operating Expenses									
Operations and support	872	767	801	866	735	661	(18)	252	**513**
Depreciation and amortization	39	10	24	24	23	118	797	560	**169**
Total Operating Expenses	911	777	825	890	758	779	779	812	**682**
Operating Loss	$ (502)	$ (386)	$ (443)	$ (550)	$ (425)	$ (459)	$ (471)	$ (533)	**$ (473)**

Corporate

Supplemental Reconciliation of Operations and Support

Dollars in millions Unaudited	Three Months Ended 3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Operations and Support	$ 872	$ 767	$ 801	$ 866	$ 735	$ 661	$ (18)	$ 252	**$ 513**
Reclassification of amortization of prior service credits	(367)	(385)	(420)	(420)	(428)	(442)	(442)	(442)	**(454)**
Reclassification of WarnerMedia amortization of production costs to Depreciation and Amortization[19]	-	-	-	-	-	98	772	545	**150**
Operations and Support excluding segment reclassifications	$ 505	$ 382	$ 381	$ 446	$ 307	$ 317	$ 312	$ 355	**$ 209**

AT&T Inc.

Other Income (Expense) - Net

Dollars in millions Unaudited	Three Months Ended 3/31/17	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	**3/31/19**
Interest income and other gain/(loss) items	$ (21)	$ 129	$ 246	$ 263	$ 205	$ -	$ 538	$ 328	**$ 210**
Special termination charges	-	-	-	-	-	-	-	-	**(93)**
Net pension and postretirement credit, excluding actuarial gain/(loss)	509	537	596	596	567	557	515	660	**601**
Actuarial gain/(loss)	-	259	-	(1,517)	930	1,796	-	686	**(432)**
Other Income (Expense) - Net	$ 488	$ 925	$ 842	$ (658)	$ 1,702	$ 2,353	$ 1,053	$ 1,674	**$ 286**

See Notes to Financial and Operational Trends on page 15.

Notes to Financial and Operational Trends

AT&T Inc.

[1] See Discussion and Reconciliation of Non-GAAP Measures in the Investor Briefing or exhibit 99.1 to Form 8-K dated April 24, 2019.

[2] Pro Forma results reflect the acquisition of Time Warner on June 14, 2018. See Quarterly Pro Forma Financial Information schedule and related Form 8-K/A filed August 27, 2018 included on the AT&T Investor Relations website for further explanation of these pro forma metrics.

[3] Beginning with quarter ended 12/31/18, distributions paid on the Mobility preferred equity interest are reflected in Financing Activities.

[4] Eliminations and consolidation removes transactions that either involve dealings between AT&T companies, including content licensing with WarnerMedia, or relate to advertising arrangements recorded in both the Communications and Xandr segments (approx. $350M revenues in 1Q19). This reconciling item also includes conforming adjustment to the historical presentation of our advertising business.

[5] Total smartphones include postpaid and prepaid smartphones. Feature phones are basic phones that are primarily used for voice and text services. 1Q19 total smartphones and postpaid smartphones include a true-up of 320K smartphones to feature phones. 3Q18 total smartphones include a true-up of 372K Cricket feature phones to smartphones.

[6] 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.

[7] ARPU is defined as wireless service revenues during the period divided by average wireless subscribers during the period.

[8] Periods prior to 2018 not presented due to lack of comparability after adoption of ASC 606, "Revenue from Contracts with Customers (Topic 606)."

[9] 1Q19 connections and net adds include the impact of conforming the Entertainment Group subscriber disconnection policy with the Mobility business and industry practice (to billing cycle basis). This policy change resulted in 117K additional Premium TV subscribers and 38K additional Broadband subscribers at March 31, 2019.

[10] Over-the-Top connections include DIRECTV NOW and exclude WatchTV, which launched near end of June 2018, during its promotional period. DIRECTV NOW connections as of 1Q19 include 71K free or substantially free trial-period subscribers. AT&T has successfully retained many subscribers after the expiration of their trial period.

[11] Premium TV ARPU is defined as Video Entertainment revenues, excluding Over-the-Top revenues and non-linear advertising, 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.

[12] Prior-period amounts have been recast to conform to current-period reporting methodology.

[13] Strategic and Managed Services are the next generation wireline capabilities that lead AT&T's most advanced business solutions, includes (1) data services (VPN, dedicated internet ethernet and broadband), (2) voice service (VOIP and cloud-based voice solutions), (3) security and cloud solutions, and (4) managed, professional and outsourcing services previously reported in Other Service and Equipment.

[14] Non-GAAP comparable basis results for WarnerMedia and Turner reflect historical Warner Media, LLC adjusted results and include the results for AT&T's Regional Sports Networks (RSNs) which were recast into the WarnerMedia segment (see Form 8-K dated September 21, 2018). Non-GAAP comparable results for Home Box Office and Warner Bros. reflect historical Warner Media, LLC adjusted results. Historical WarnerMedia adjusted results were presented in the Warner Media, LLC 2Q18 Trending Schedules dated July 24, 2018, which are included in the 2Q18 quarterly earnings materials on the AT&T Investor Relations website. See Basis of Presentation for definition of Adjusted Operating Income and Adjusted OIBDA. As determined by Time Warner management, Adjusted Operating Income (Loss) and Adjusted OIBDA include certain items affecting comparability.

[15] See Item 7.01 in Form 8-K dated October 24, 2018 for reconciliation of comparable Operating Revenues, Operating Income, and Operating Income Margin.

[16] Programming and production costs are included in Operations & Support expenses.

[17] Vrio Video connections and net adds include satellite and over-the-top. 1Q19 subscriber count excludes the impact of 222k subscriber disconnections resulting from conforming our video credit policy across the region, which are reflected in beginning of period connections.

[18] 1Q19 subscriber count excludes the impact of 692K subscriber disconnections (-599K prepaid and -93K postpaid) resulting from the churn of customers related to certain third-party distributors and the sunset of 2G services in Mexico, which are reflected in beginning of period subscribers.

[19] Corporate includes: (1) operations that are no longer integral to our operations or which we no longer actively market, (2) corporate support functions and operations, (3) impacts of corporate-wide decisions for which the individual operating segments are not being evaluated, (4) the reclassification of amortization of prior service credits, which we continue to report with segment operating expense, to consolidated to Other Income (Expense) - Net, and (5) the recharacterization of programming costs amortization, which we continue to report with WarnerMedia segment operating expenses, to consolidated amortization expense. The largest corporate operations included are other wholesale operations, hosting colocation (divested December 31, 2018), National Mass Markets, Digital Life, and Consumer Information Services.