



Financial and Operational Trends

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

JULY 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	6/30/19
Operating Revenues	\$ 39,365	\$ 39,837	\$ 39,668	\$ 41,676	\$ 160,546	\$ 38,038	\$ 38,986	\$ 45,739	\$ 47,993	\$ 170,756	\$ 44,827	\$ 44,957
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	4,061
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	7,730
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	8,721
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	9,844
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	7,101
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	37,457
Operating Income	6,356	6,526	5,807	1,281	19,970	6,201	6,466	7,269	6,160	26,096	7,233	7,500
Interest Expense	1,293	1,395	1,686	1,926	6,300	1,771	2,023	2,051	2,112	7,957	2,141	2,149
Equity in Net Income (Loss) of Affiliates	(173)	14	11	20	(128)	9	(16)	(64)	23	(48)	(7)	40
Other Income (Expense) – Net	488	925	842	(658)	1,597	1,702	2,353	1,053	1,674	6,782	286	(318)
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	5,073
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	1,099
Net Income	3,574	4,014	3,123	19,136	29,847	4,759	5,248	4,816	5,130	19,953	4,348	3,974
Less: Net Income Attributable to Noncontrolling Interest	(105)	(99)	(94)	(99)	(397)	(97)	(116)	(98)	(272)	(583)	(252)	(261)
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	\$ 3,713
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	\$ 0.51
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	\$ 0.89
EBITDA¹	\$ 12,483	\$ 12,673	\$ 11,849	\$ 7,352	\$ 44,357	\$ 12,195	\$ 12,844	\$ 15,435	\$ 14,052	\$ 54,526	\$ 14,439	\$ 14,601
Adjusted EBITDA¹	\$ 12,572	\$ 13,049	\$ 12,398	\$ 11,259	\$ 49,278	\$ 12,442	\$ 13,316	\$ 15,872	\$ 15,029	\$ 56,659	\$ 14,802	\$ 15,041
Adjusted EBITDA Margin¹	31.9%	32.8%	31.2%	26.9%	30.6%	32.7%	34.2%	34.7%	31.3%	33.2%	33.0%	33.4%
Pro Forma Operating Revenues²	\$ 46,333	\$ 46,401	\$ 46,501	\$ 49,534	\$ 188,769	\$ 45,222	\$ 44,697	\$ 45,739	\$ 47,993	\$ 183,651	\$ 44,827	\$ 44,957
Adjusted Pro Forma EBITDA²	\$ 15,506	\$ 15,469	\$ 15,209	\$ 13,482	\$ 59,666	\$ 14,756	\$ 14,921	\$ 15,872	\$ 15,029	\$ 60,578	\$ 14,802	\$ 15,041
Adjusted Pro Forma EBITDA - Prior Methodology²	\$ 14,894	\$ 14,978	\$ 14,823	\$ 13,217	\$ 57,912	\$ 14,592	\$ 14,789	\$ 15,100	\$ 14,484	\$ 58,965	\$ 14,652	\$ 14,929

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	6/30/19
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	\$ 5,421
Interest during construction	231	242	245	185	903	161	106	137	89	493	61	51
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	\$ 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%	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	7,305
Debt Ratio	51.6%	53.3%	56.4%	53.6%		52.6%	50.8%	49.8%	47.7%		47.4%	46.8%
Total Employees	264,530	260,480	256,800	254,000		249,240	273,210	269,280	268,220		262,290	257,790

See Notes to Financial and Operational Trends on page 15.



Consolidated Statements of Cash Flows

AT&T Inc.

Dollars in millions

Unaudited

	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Operating Activities³					
Net income	\$ 5,248	\$ 4,816	\$ 5,130	\$ 4,348	\$ 3,974
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	6,378	8,166	7,892	7,206	7,101
Amortization of film and television costs	168	1,440	2,164	2,497	2,702
Undistributed earnings from investments in equity affiliates	237	77	(20)	112	(36)
Provision for uncollectible accounts	370	432	551	592	624
Deferred income tax expense (benefit)	872	2,052	594	753	327
Net (gain) loss from sale of investments, net of impairments	(31)	(472)	(238)	(175)	(730)
Actuarial (gain) loss on pension and postretirement benefits	(1,796)	-	(686)	432	1,699
Asset abandonments and impairments	-	-	46	-	-
Changes in operating assets and liabilities:					
Accounts receivable	672	(1,251)	(226)	1,894	1,646
Other current assets, inventories and theatrical film and television production costs	425	(3,768)	(3,713)	(2,510)	(2,912)
Accounts payable and other accrued liabilities	(1,928)	2,505	2,987	(3,686)	630
Equipment installment receivables and related sales	(15)	(270)	(710)	652	492
Deferred customer contract acquisition and fulfillment costs	(899)	(932)	(801)	(375)	(239)
Employee retirement benefits	(454)	(459)	(692)	(562)	(670)
Other - net	982	10	(198)	(126)	(324)
Total adjustments	4,981	7,530	6,950	6,704	10,310
Net Cash Provided by Operating Activities	10,229	12,346	12,080	11,052	14,284
Investing Activities					
Capital expenditures:					
Purchase of property and equipment	(5,002)	(5,736)	(4,063)	(5,121)	(5,421)
Interest during construction	(106)	(137)	(89)	(61)	(51)
Acquisitions, net of cash acquired	(40,481)	(2,401)	(193)	(117)	(203)
Dispositions	3	924	1,165	10	3,583
(Purchases), sales and settlement of securities and investments, net	(102)	(16)	49	(1)	397
Advances to and investments in equity affiliates, net	(28)	14	(29)	(111)	(203)
Cash collections of deferred purchase price	233	-	-	-	-
Other	-	-	2	-	-
Net Cash Used in Investing Activities	(45,483)	(7,352)	(3,158)	(5,401)	(1,898)
Financing Activities					
Net change in short-term borrowings with original maturities of three months or less	2,227	(3,298)	250	(256)	375
Issuance of other short-term borrowings	4,839	13	46	296	2,771
Repayment of other short-term borrowings	-	(1,075)	(1,023)	(176)	(2,972)
Issuance of long-term debt	23,913	11,847	3,550	9,182	848
Repayment of long-term debt	(24,536)	(14,132)	(9,064)	(9,840)	(6,284)
Purchase of treasury stock	(419)	(13)	(32)	(189)	(51)
Issuance of treasury stock	1	347	386	167	288
Dividends paid	(3,074)	(3,631)	(3,635)	(3,714)	(3,722)
Other	(3,169)	(17)	(2,788)	109	(1,615)
Net Cash Used in Financing Activities	(218)	(9,959)	(12,310)	(4,421)	(10,362)
Net (decrease) increase in cash and cash equivalents and restricted cash	(35,472)	(4,965)	(3,388)	1,230	2,024
Cash and cash equivalents and restricted cash beginning of period	49,225	13,753	8,788	5,400	6,630
Cash and Cash Equivalents and Restricted Cash End of Period	\$ 13,753	\$ 8,788	\$ 5,400	\$ 6,630	\$ 8,654
Cash paid for interest	\$ 1,637	\$ 2,898	\$ 1,875	\$ 2,507	\$ 1,903

See Notes to Financial and Operational Trends on page 15.


AT&T Inc.
Free Cash Flow & Capital Investment Detail

Dollars in millions

Unaudited	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Cash Flow Detail									
Net cash provided by operating activities	\$ 8,705	\$ 10,803	\$ 9,537	\$ 8,947	\$ 10,229	\$ 12,346	\$ 12,080	\$ 11,052	\$ 14,284
Less: Capital expenditures	(5,208)	(5,251)	(5,076)	(6,118)	(5,108)	(5,873)	(4,152)	(5,182)	(5,472)
Free Cash Flow¹	3,497	5,552	4,461	2,829	5,121	6,473	7,928	5,870	8,812

Capital Investment Detail

Capital expenditures	\$ 5,208	\$ 5,251	\$ 5,076	\$ 6,118	\$ 5,108	\$ 5,873	\$ 4,152	\$ 5,182	\$ 5,472
Add: Vendor financing payments	201	124	118	172	85	92	211	820	1,016
Capital Investment¹	5,409	5,375	5,194	6,290	5,193	5,965	4,363	6,002	6,488
Add: FirstNet capital expenditures reimbursement		17	262	-	302	-	1,127	-	103
Gross Capital Investment	\$ 5,409	\$ 5,392	\$ 5,456	\$ 6,290	\$ 5,495	\$ 5,965	\$ 5,490	\$ 6,002	\$ 6,591

AT&T Inc.
FirstNet - Capital Expenditures and Reimbursements

Dollars in millions

Unaudited	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19							
Capital Expenditures Impact																
Capital expenditures	\$	5,251	\$	5,076	\$	6,118	\$	5,108	\$	5,873	\$	4,152	\$	5,182	\$	5,472
FirstNet capital expenditures reimbursement		17		262		-		302		-		1,127		-		103
Capital expenditures, gross		5,268		5,338		6,118		5,410		5,873		5,279		5,182		5,575
FirstNet Reimbursements																
Capital expenditures	\$	17	\$	262	\$	-	\$	302	\$	-	\$	1,127	\$	-	\$	103
Operating expenses		3		46		-		34		-		207		-		31
Total reimbursements		20		308		-		336		-		1,334		-		134

See Notes to Financial and Operational Trends on page 15.


Operating Revenues and Adjusted EBITDA
AT&T Inc.

Dollars in millions

Unaudited	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Operating Revenues	\$ 39,837	\$ 39,668	\$ 41,676	\$ 38,038	\$ 38,986	\$ 45,739	\$ 47,993	\$ 44,827	\$ 44,957
Communications	37,259	37,115	39,110	35,533	35,410	36,230	37,458	35,393	35,508
Mobility	17,455	17,370	19,168	17,355	17,282	17,938	18,769	17,567	17,512
Entertainment Group	12,501	12,467	12,560	11,431	11,478	11,589	11,962	11,328	11,368
Business Wireline	7,303	7,278	7,382	6,747	6,650	6,703	6,727	6,498	6,628
WarnerMedia	111	107	107	112	1,393	8,204	9,232	8,379	8,350
Turner	111	107	107	112	667	2,988	3,212	3,443	3,410
Home Box Office	-	-	-	-	281	1,644	1,673	1,510	1,716
Warner Bros.	-	-	-	-	507	3,720	4,476	3,518	3,389
Eliminations and other	-	-	-	-	(62)	(148)	(129)	(92)	(165)
Latin America	2,026	2,099	2,215	2,025	1,951	1,833	1,843	1,718	1,757
Vrio	1,361	1,363	1,391	1,354	1,254	1,102	1,074	1,067	1,032
Mexico	665	736	824	671	697	731	769	651	725
Xandr	338	333	381	337	392	445	566	426	485
Corporate, Acquisition Related and Significant Items	391	293	186	333	320	308	230	167	179
Eliminations⁴	45	50	54	32	(93)	(880)	(863)	(906)	(923)
Consolidation⁴	(333)	(329)	(377)	(334)	(387)	(401)	(473)	(350)	(399)
Adjusted EBITDA	\$ 13,049	\$ 12,398	\$ 11,259	\$ 12,442	\$ 13,316	\$ 15,872	\$ 15,029	\$ 14,802	\$ 15,041
Communications	13,175	12,647	11,466	12,604	13,052	12,790	12,244	12,645	13,357
Mobility	7,364	7,341	6,302	7,253	7,619	7,683	7,523	7,386	7,858
Entertainment Group	3,106	2,663	2,368	2,620	2,821	2,434	2,155	2,801	2,853
Business Wireline	2,705	2,643	2,796	2,731	2,612	2,673	2,566	2,458	2,646
WarnerMedia	(4)	9	48	30	482	2,701	2,762	2,386	2,061
Latin America	254	162	279	221	148	87	38	127	63
Vrio	363	288	342	353	238	225	225	201	151
Mexico	(109)	(126)	(63)	(132)	(90)	(138)	(187)	(74)	(88)
Xandr	302	294	330	287	333	336	386	266	338
Corporate	(376)	(418)	(527)	(402)	(342)	326	28	(304)	(417)
Eliminations and Consolidation⁴	(302)	(296)	(337)	(298)	(357)	(368)	(429)	(318)	(361)

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	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Operating Revenues									
Service	\$ 14,471	\$ 14,475	\$ 14,282	\$ 13,403	\$ 13,682	\$ 13,989	\$ 13,859	\$ 13,792	\$ 14,006
Equipment	2,984	2,895	4,886	3,952	3,600	3,949	4,910	3,775	3,506
Total Operating Revenues	\$ 17,455	\$ 17,370	\$ 19,168	\$ 17,355	\$ 17,282	\$ 17,938	\$ 18,769	\$ 17,567	\$ 17,512
Operating Expenses									
Operations and support	10,091	10,029	12,866	10,102	9,663	10,255	11,246	10,181	9,654
Depreciation and amortization	1,988	2,008	2,027	2,095	2,113	2,079	2,068	2,035	2,025
Total Operating Expenses	12,079	12,037	14,893	12,197	11,776	12,334	13,314	12,216	11,679
Operating Income	\$ 5,376	\$ 5,333	\$ 4,275	\$ 5,158	\$ 5,506	\$ 5,604	\$ 5,455	\$ 5,351	\$ 5,833
Operating Income Margin									
	30.8%	30.7%	22.3%	29.7%	31.9%	31.2%	29.1%	30.5%	33.3%
EBITDA¹	\$ 7,364	\$ 7,341	\$ 6,302	\$ 7,253	\$ 7,619	\$ 7,683	\$ 7,523	\$ 7,386	\$ 7,858
EBITDA Margin¹	42.2%	42.3%	32.9%	41.8%	44.1%	42.8%	40.1%	42.0%	44.9%
EBITDA Service Margin¹	50.9%	50.7%	44.1%	54.1%	55.7%	54.9%	54.3%	53.6%	56.1%

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	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
AT&T Mobility Subscribers and Connections									
Total Subscribers and Connections	136,101	138,445	141,202	143,832	146,889	150,252	153,006	155,732	159,665
Postpaid	77,002	77,034	77,510	77,431	77,372	76,996	76,889	76,550	76,282
Prepaid	14,187	15,136	15,335	15,671	16,217	16,894	17,000	17,180	17,602
Reseller	10,254	9,877	9,366	9,002	8,582	8,183	7,782	7,574	7,392
Connected Devices	34,658	36,398	38,991	41,728	44,718	48,179	51,335	54,428	58,389
Net Add Detail									
Net Subscriber Additions	2,297	2,342	2,757	2,630	3,064	3,363	2,753	2,727	3,932
Postpaid Net Adds	143	134	558	49	73	(232)	13	(204)	(154)
Prepaid Net Adds	267	324	140	241	453	570	26	96	341
Phone Detail									
Postpaid Phones	63,854	63,566	63,818	63,657	63,543	63,462	63,493	63,438	63,415
Postpaid Smartphones	59,178	59,277	59,874	60,002	60,183	60,408	60,712	60,597	60,737
Total Smartphones ⁵	71,818	72,242	72,924	73,403	73,797	74,917	75,384	75,390	75,961
Postpaid Feature Phones ⁵	4,676	4,289	3,944	3,655	3,360	3,054	2,781	2,841	2,678
Prepaid Phones	14,187	14,497	14,641	14,928	15,376	15,964	16,057	16,225	16,588
Phone Detail - Net Adds									
Postpaid Phone Net Adds	(115)	(145)	295	(60)	51	69	134	80	72
Prepaid Phone Net Adds	267	227	85	192	356	481	13	85	283
Churn Detail⁶									
Postpaid Phone Churn	0.79%	0.84%	0.89%	0.84%	0.82%	0.93%	1.00%	0.93%	0.86%
Postpaid Churn	1.01%	1.06%	1.11%	1.06%	1.02%	1.17%	1.24%	1.17%	1.08%
ARPU^{7, 8}									
Postpaid Phone-Only ARPU				\$ 53.40	\$ 54.48	\$ 55.65	\$ 55.35	\$ 55.36	\$ 55.68
Postpaid ARPU				47.79	48.90	49.95	49.73	49.72	50.18

See Notes to Financial and Operational Trends on page 15.



Communications

Entertainment Group Results

Dollars in millions

Unaudited	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Operating Revenues									
Video Entertainment	\$ 9,009	\$ 9,052	\$ 9,200	\$ 8,225	\$ 8,173	\$ 8,283	\$ 8,676	\$ 8,074	\$ 8,035
High-Speed Internet	1,927	1,916	1,890	1,878	1,981	2,045	2,052	2,070	2,109
Legacy Voice and Data Services	964	913	878	806	772	740	724	683	658
Other Service and Equipment	601	586	592	522	552	521	510	501	566
Total Operating Revenues	\$ 12,501	\$ 12,467	\$ 12,560	\$ 11,431	\$ 11,478	\$ 11,589	\$ 11,962	\$ 11,328	\$ 11,368
Operating Expenses									
Operations and support	9,395	9,804	10,192	8,811	8,657	9,155	9,807	8,527	8,515
Depreciation and amortization	1,456	1,379	1,367	1,310	1,345	1,331	1,329	1,323	1,339
Total Operating Expenses	10,851	11,183	11,559	10,121	10,002	10,486	11,136	9,850	9,854
Operating Income	\$ 1,650	\$ 1,284	\$ 1,001	\$ 1,310	\$ 1,476	\$ 1,103	\$ 826	\$ 1,478	\$ 1,514
Operating Income Margin	13.2%	10.3%	8.0%	11.5%	12.9%	9.5%	6.9%	13.0%	13.3%
EBITDA¹	\$ 3,106	\$ 2,663	\$ 2,368	\$ 2,620	\$ 2,821	\$ 2,434	\$ 2,155	\$ 2,801	\$ 2,853
EBITDA Margin¹	24.8%	21.4%	18.9%	22.9%	24.6%	21.0%	18.0%	24.7%	25.1%

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	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Total Video Connections⁹									
Premium TV	25,172	25,083	25,244	25,369	25,449	25,152	24,494	23,867	22,921
Over-the-Top ¹⁰	24,681	24,296	24,089	23,902	23,640	23,294	22,903	22,359	21,581
	491	787	1,155	1,467	1,809	1,858	1,591	1,508	1,340
Video Net Adds⁹									
Premium TV	(351)	(385)	(207)	(187)	(262)	(346)	(391)	(544)	(778)
Over-the-Top	152	296	368	312	342	49	(267)	(83)	(168)
Premium TV ARPU^{8,11}	\$ 112.45	\$ 112.19	\$ 114.90	\$ 121.76	\$ 114.98	\$ 117.49			
Total Broadband Connections									
IP	14,302	14,331	14,350	14,432	14,455	14,441	14,409	14,454	14,420
DSL	13,242	13,367	13,462	13,616	13,692	13,723	13,729	13,822	13,822
	1,060	964	888	816	763	718	680	632	598
Total Broadband Net Adds	8	29	19	82	23	(14)	(32)	45	(34)
IP	112	125	95	154	76	31	6	93	0
DSL	(104)	(96)	(76)	(72)	(53)	(45)	(38)	(48)	(34)
Fiber Broadband Connections (included in IP)	1,955	2,204	2,504	2,763	3,060	3,378			
Fiber Broadband Net Adds (included in IP)	226	249	300	259	297	318			
IP Broadband ARPU¹¹	\$ 48.70	\$ 48.00	\$ 46.94	\$ 46.27	\$ 48.32	\$ 49.78	\$ 49.83	\$ 50.10	\$ 50.82

See Notes to Financial and Operational Trends on page 15.

Q2 2019 AT&T EARNINGS



Communications

Business Wireline Results

Dollars in millions

Unaudited	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Operating Revenues¹²									
Strategic and Managed Services ¹³	\$ 3,441	\$ 3,505	\$ 3,622	\$ 3,595	\$ 3,603	\$ 3,690	\$ 3,824	\$ 3,792	\$ 3,848
Legacy Voice and Data Services	3,499	3,403	3,297	2,865	2,730	2,609	2,506	2,404	2,331
Equipment	181	195	240	170	199	197	257	159	178
Other	182	175	223	117	118	207	140	143	271
Total Operating Revenues	\$ 7,303	\$ 7,278	\$ 7,382	\$ 6,747	\$ 6,650	\$ 6,703	\$ 6,727	\$ 6,498	\$ 6,628
Operating Expenses									
Operations and support	4,598	4,635	4,586	4,016	4,038	4,030	4,161	4,040	3,982
Depreciation and amortization	1,210	1,189	1,206	1,170	1,180	1,197	1,207	1,235	1,256
Total Operating Expenses	5,808	5,824	5,792	5,186	5,218	5,227	5,368	5,275	5,238
Operating Income	\$ 1,495	\$ 1,454	\$ 1,590	\$ 1,561	\$ 1,432	\$ 1,476	\$ 1,359	\$ 1,223	\$ 1,390
Operating Income Margin	20.5%	20.0%	21.5%	23.1%	21.5%	22.0%	20.2%	18.8%	21.0%
EBITDA¹	\$ 2,705	\$ 2,643	\$ 2,796	\$ 2,731	\$ 2,612	\$ 2,673	\$ 2,566	\$ 2,458	\$ 2,646
EBITDA Margin¹	37.0%	36.3%	37.9%	40.5%	39.3%	39.9%	38.1%	37.8%	39.9%

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	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Operating Revenues	\$ 9,667	\$ 9,641	\$ 9,925	\$ 9,116	\$ 9,063	\$ 9,170	\$ 9,407	\$ 9,007	\$ 9,272
Operating Income	\$ 2,131	\$ 2,079	\$ 2,084	\$ 2,064	\$ 1,960	\$ 2,073	\$ 1,989	\$ 1,826	\$ 2,172
EBITDA¹	\$ 3,614	\$ 3,545	\$ 3,576	\$ 3,522	\$ 3,447	\$ 3,572	\$ 3,496	\$ 3,367	\$ 3,733

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			
	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Segment Operating Revenues									
Turner	\$ 3,213	\$ 2,875	\$ 3,230	\$ 3,456	\$ 3,345	\$ 2,988	\$ 3,212	\$ 3,443	\$ 3,410
Home Box Office	1,476	1,605	1,680	1,619	1,667	1,644	1,673	1,510	1,716
Warner Bros.	2,988	3,460	4,053	3,238	3,306	3,720	4,476	3,518	3,389
Eliminations and other	(236)	(238)	(245)	(205)	(405)	(148)	(129)	(92)	(165)
Total Segment Operating Revenues¹⁵	\$ 7,441	\$ 7,702	\$ 8,718	\$ 8,108	\$ 7,913	\$ 8,204	\$ 9,232	\$ 8,379	\$ 8,350
Segment Operating Expenses									
Operations and support	5,516	5,180	6,557	5,927	5,958	5,503	6,470	5,993	6,289
Depreciation and amortization	170	170	192	172	169	134	139	143	91
Total Segment Operating Expenses	5,686	5,350	6,749	6,099	6,127	5,637	6,609	6,136	6,380
Segment Operating Income¹⁵	\$ 1,755	\$ 2,352	\$ 1,969	\$ 2,009	\$ 1,786	\$ 2,567	\$ 2,623	\$ 2,243	\$ 1,970
Equity in Net Income (Loss) of Affiliates						(39)	80	67	55
Segment Contribution						\$ 2,528	\$ 2,703	\$ 2,310	\$ 2,025
Segment Operating Income Margin¹⁵	23.6%	30.5%	22.6%	24.8%	22.6%	31.3%	28.4%	26.8%	23.6%
EBITDA	\$ 1,925	\$ 2,522	\$ 2,161	\$ 2,181	\$ 1,955	\$ 2,701	\$ 2,762	\$ 2,386	\$ 2,061
EBITDA Margin	25.9%	32.7%	24.8%	26.9%	24.7%	32.9%	29.9%	28.5%	24.7%
Total Programming and Production Costs¹⁶	\$ 3,188	\$ 2,876	\$ 3,874	\$ 3,515	\$ 3,595	\$ 3,188	\$ 3,828	\$ 3,622	\$ 3,670

* 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			
	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Operating Revenues									
Subscription	\$ 1,761	\$ 1,756	\$ 1,779	\$ 1,888	\$ 1,870	\$ 1,855	\$ 1,844	\$ 1,965	\$ 1,943
Advertising	1,287	980	1,226	1,340	1,324	944	1,149	1,261	1,266
Content and other	165	139	225	228	151	189	219	217	201
Total Operating Revenues¹⁵	\$ 3,213	\$ 2,875	\$ 3,230	\$ 3,456	\$ 3,345	\$ 2,988	\$ 3,212	\$ 3,443	\$ 3,410
Operating Expenses									
Operations and support	2,129	1,544	2,104	2,234	2,283	1,487	1,861	2,137	2,217
Depreciation and amortization	57	55	56	57	59	59	60	59	39
Total Operating Expenses	2,186	1,599	2,160	2,291	2,342	1,546	1,921	2,196	2,256
Operating Income¹⁵	\$ 1,027	\$ 1,276	\$ 1,070	\$ 1,165	\$ 1,003	\$ 1,442	\$ 1,291	\$ 1,247	\$ 1,154
Operating Income Margin¹⁵	32.0%	44.4%	33.1%	33.7%	30.0%	48.3%	40.2%	36.2%	33.8%
Programming Costs¹⁶	\$ 1,384	\$ 852	\$ 1,284	\$ 1,511	\$ 1,552	\$ 817	\$ 1,111	\$ 1,445	\$ 1,533

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

See Notes to Financial and Operational Trends on page 15.


WarnerMedia
Home Box Office Results
Non-GAAP Comparable Basis¹⁴

Dollars in millions
Unaudited

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 6/30/19

Operating Revenues

Subscription	\$	1,357	\$	1,418	\$	1,458	\$	1,429	\$	1,529
Content and other		119		187		222		190		138
Total Operating Revenues¹⁵	\$	1,476	\$	1,605	\$	1,680	\$	1,619	\$	1,667

Operating Expenses

Operations and support		906		1,012		1,167		1,054		1,070
Depreciation and amortization		23		26		29		30		28
Total Operating Expenses		929		1,038		1,196		1,084		1,098

Operating Income¹⁵	\$	547	\$	567	\$	484	\$	535	\$	569
--------------------------------------	-----------	------------	-----------	------------	-----------	------------	-----------	------------	-----------	------------

Operating Income Margin¹⁵		37.1%		35.3%		28.8%		33.0%		34.1%
---	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------

Programming Costs¹⁸	\$	510	\$	554	\$	645	\$	596	\$	589
---------------------------------------	-----------	------------	-----------	------------	-----------	------------	-----------	------------	-----------	------------

	\$	1,517	\$	1,414	\$	1,334	\$	1,516
		127		259		176		200
	\$	1,644	\$	1,673	\$	1,510	\$	1,716
		991		1,025		921		1,131
		25		26		22		12
		1,016		1,051		943		1,143
	\$	628	\$	622	\$	567	\$	573
		38.2%		37.2%		37.5%		33.4%
	\$	579	\$	561	\$	482	\$	606

WarnerMedia
Warner Bros. Results
Non-GAAP Comparable Basis¹⁴

Dollars in millions
Unaudited

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 6/30/19

Operating Revenues

Theatrical product	\$	1,351	\$	1,697	\$	1,613	\$	1,336	\$	1,346
Television product		1,151		1,308		1,758		1,498		1,528
Games and other		486		455		682		404		432
Total Operating Revenues¹⁵	\$	2,988	\$	3,460	\$	4,053	\$	3,238	\$	3,306

Operating Expenses

Operations and support		2,642		2,800		3,438		2,778		2,893
Depreciation and amortization		83		82		99		77		75
Total Operating Expenses		2,725		2,882		3,537		2,855		2,968

Operating Income¹⁵	\$	263	\$	578	\$	516	\$	383	\$	338
--------------------------------------	-----------	------------	-----------	------------	-----------	------------	-----------	------------	-----------	------------

Operating Income Margin¹⁵		8.8%		16.7%		12.7%		11.8%		10.2%
---	--	-------------	--	--------------	--	--------------	--	--------------	--	--------------

Film and Television Production Costs¹⁶	\$	1,487	\$	1,656	\$	2,101	\$	1,574	\$	1,729
--	-----------	--------------	-----------	--------------	-----------	--------------	-----------	--------------	-----------	--------------

	\$	1,694	\$	2,085	\$	1,506	\$	1,527
		1,591		1,827		1,613		1,310
		435		564		399		552
	\$	3,720	\$	4,476	\$	3,518	\$	3,389
		3,104		3,623		2,919		2,918
		40		42		52		31
		3,144		3,665		2,971		2,949
	\$	576	\$	811	\$	547	\$	440
		15.5%		18.1%		15.5%		13.0%
	\$	1,909	\$	2,238	\$	1,746	\$	1,626

See Notes to Financial and Operational Trends on page 15.



Latin America

Statement of Segment Income

Dollars in millions

Unaudited	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Segment Operating Revenues									
Video Entertainment	\$ 1,361	\$ 1,363	\$ 1,391	\$ 1,354	\$ 1,254	\$ 1,102	\$ 1,074	\$ 1,067	\$ 1,032
Wireless Service	535	536	501	404	417	440	440	442	479
Wireless Equipment	130	200	323	267	280	291	329	209	246
Total Segment Operating Revenues	\$ 2,026	\$ 2,099	\$ 2,215	\$ 2,025	\$ 1,951	\$ 1,833	\$ 1,843	\$ 1,718	\$ 1,757
Segment Operating Expenses									
Operations and support	1,772	1,937	1,936	1,804	1,803	1,746	1,805	1,591	1,694
Depreciation and amortization	311	304	313	332	313	297	296	300	284
Total Segment Operating Expenses	2,083	2,241	2,249	2,136	2,116	2,043	2,101	1,891	1,978
Segment Operating Income (Loss)	(57)	(142)	(34)	(111)	(165)	(210)	(258)	(173)	(221)
Equity in Net Income (Loss) of Affiliates	25	17	25	-	15	9	10	-	12
Segment Contribution	\$ (32)	\$ (125)	\$ (9)	\$ (111)	\$ (150)	\$ (201)	\$ (248)	\$ (173)	\$ (209)
Segment Operating Income Margin									
	-2.8%	-6.8%	-1.5%	-5.5%	-8.5%	-11.5%	-14.0%	-10.1%	-12.6%
EBITDA¹	\$ 254	\$ 162	\$ 279	\$ 221	\$ 148	\$ 87	\$ 38	\$ 127	\$ 63
EBITDA Margin¹	12.5%	7.7%	12.6%	10.9%	7.6%	4.7%	2.1%	7.4%	3.6%

Latin America

Vrio and Mexico Results

Dollars in millions

Unaudited	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Vrio EBITDA¹	\$ 363	\$ 288	\$ 342	\$ 353	\$ 238	\$ 225	\$ 225	\$ 201	\$ 151
Vrio EBITDA Margin¹	26.7%	21.1%	24.6%	26.1%	19.0%	20.4%	20.9%	18.8%	14.6%
Mexico EBITDA¹	\$ (109)	\$ (126)	\$ (63)	\$ (132)	\$ (90)	\$ (138)	\$ (187)	\$ (74)	\$ (88)
Mexico EBITDA Margin¹	-16.4%	-17.1%	-7.6%	-19.7%	-12.9%	-18.9%	-24.3%	-11.4%	-12.1%

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	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Vrio Video Connections¹⁷	13,622	13,490	13,629	13,573	13,713	13,640	13,838	13,584	13,473
Vrio Video Net Adds¹⁷	(56)	(132)	139	(15)	140	(73)	198	(32)	(111)
Mexico Wireless Subscribers¹⁸	13,082	13,779	15,099	15,642	16,398	17,305	18,321	17,722	18,021
Postpaid	5,187	5,316	5,498	5,607	5,749	5,822	5,805	5,642	5,489
Prepaid	7,646	8,231	9,397	9,857	10,468	11,270	12,264	11,779	12,180
Other	249	232	204	178	181	213	252	301	352
Mexico Wireless Net Adds	476	697	1,320	543	756	907	1,016	93	299
Mexico Wireless Churn⁶	7.89%	7.65%	7.90%	7.02%	6.82%	6.59%	7.08%	6.69%	7.16%
Mexico Wireless ARPU⁷	\$10.87	\$11.14	\$9.88	\$8.18	\$8.31	\$8.32	\$7.97	\$7.99	\$8.61

See Notes to Financial and Operational Trends on page 15.



Xandr

Statement of Segment Income

Dollars in millions

Unaudited	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Segment Operating Revenues	\$ 338	\$ 333	\$ 381	\$ 337	\$ 392	\$ 445	\$ 566	\$ 426	\$ 485
Segment Operating Expenses									
Operations and support	36	39	51	50	59	109	180	160	147
Depreciation and amortization	1	-	1	1	-	3	5	13	13
Total Segment Operating Expenses	37	39	52	51	59	112	185	173	160
Segment Operating Income	301	294	329	286	333	333	381	253	325
Equity in Net Income of Affiliates	-	-	-	-	-	-	-	-	-
Segment Contribution	\$ 301	\$ 294	\$ 329	\$ 286	\$ 333	\$ 333	\$ 381	\$ 253	\$ 325
Segment Operating Income Margin	89.1%	88.3%	86.4%	84.9%	84.9%	74.8%	67.3%	59.4%	67.0%
EBITDA¹	\$ 302	\$ 294	\$ 330	\$ 287	\$ 333	\$ 336	\$ 386	\$ 266	\$ 338
EBITDA Margin¹	89.3%	88.3%	86.6%	85.2%	84.9%	75.5%	68.2%	62.4%	69.7%

AT&T Inc.

Supplemental Total Advertising Revenues

Dollars in millions

Unaudited	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Operating Revenues									
WarnerMedia	\$ 22	\$ 17	\$ 13	\$ 14	\$ 225	\$ 983	\$ 1,239	\$ 1,279	\$ 1,285
Communications	372	368	420	375	431	478	543	417	470
Xandr	338	333	381	337	392	445	566	426	485
Eliminations ⁴	(334)	(329)	(377)	(334)	(387)	(401)	(473)	(350)	(399)
Total Advertising Revenues	\$ 398	\$ 389	\$ 437	\$ 392	\$ 661	\$ 1,505	\$ 1,875	\$ 1,772	\$ 1,841

See Notes to Financial and Operational Trends on page 15.



Corporate

Supplemental Results - Corporate¹⁹

Dollars in millions

Unaudited	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Total Operating Revenues	\$ 391	\$ 382	\$ 340	\$ 333	\$ 320	\$ 308	\$ 279	\$ 209	\$ 209
Operating Expenses									
Operations and support	767	801	866	735	661	(18)	252	513	626
Depreciation and amortization	10	24	24	23	118	797	560	169	134
Total Operating Expenses	777	825	890	758	779	779	812	682	760
Operating Loss	\$ (386)	\$ (443)	\$ (550)	\$ (425)	\$ (459)	\$ (471)	\$ (533)	\$ (473)	\$ (551)

Corporate

Supplemental Reconciliation of Operations and Support

Dollars in millions

Unaudited	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Operations and Support	\$ 767	\$ 801	\$ 866	\$ 735	\$ 661	\$ (18)	\$ 252	\$ 513	\$ 626
Reclassification of amortization of prior service credits	(385)	(420)	(420)	(428)	(442)	(442)	(442)	(454)	(454)
Reclassification of WarnerMedia amortization of production costs to Depreciation and Amortization ¹⁹	-	-	-	-	98	772	545	150	112
Operations and Support excluding segment reclassifications	\$ 382	\$ 381	\$ 446	\$ 307	\$ 317	\$ 312	\$ 355	\$ 209	\$ 284

AT&T Inc.

Other Income (Expense) - Net

Dollars in millions

Unaudited	6/30/17	9/30/17	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19
Interest income and other gain/(loss) items	\$ 129	\$ 246	\$ 263	\$ 205	\$ -	\$ 538	\$ 328	\$ 210	\$ 708
Special termination charges	-	-	-	-	-	-	-	(93)	-
Net pension and postretirement credit, excluding actuarial gain/(loss)	537	596	596	567	557	515	660	601	673
Actuarial gain/(loss)	259	-	(1,517)	930	1,796	-	686	(432)	(1,699)
Other Income (Expense) - Net	\$ 925	\$ 842	\$ (658)	\$ 1,702	\$ 2,353	\$ 1,053	\$ 1,674	\$ 286	\$ (318)

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 July 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 Prior period results have been recast to conform to current period presentation. 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 (approximately \$399M revenues in 2Q19). 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. 3Q18 Total Smartphones subscriber count includes 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 subscriber revenues during the period divided by average wireless subscribers during the period. Wireless service revenues include subscriber revenues and other revenues.

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 an additional 117K Premium TV and 38K 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 2Q19 include 8 thousand 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 is 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 net adds excludes 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 includes 692K reduction to beginning of period customer base (-599k prepaid and -93K postpaid) to remove the churn related to certain third-party distributors and the sunset of 2G services in Mexico.

¹⁹ Corporate includes: (1) operations that are no longer integral to our operations or which we no longer actively market, (2) corporate support functions, (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 intangible asset amortization, for released programming acquired in the Time Warner acquisition, which we continue to report within WarnerMedia segment operating expense, to consolidated amortization expense. The largest corporate operations included are other wholesale operations, hosting colocation (divested December 31, 2018), Digital Life, National Mass Markets, and Consumer Information Services.