Financial and Operational Trends

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

JANUARY 29, 2020

Consolidated Statements of Income

AT&T Inc.

Dollars in millions except per share amounts

Unaudited	3/31/18	6/30/18	9/30/18	12/31/18	2018	3/31/19	6/30/19	9/30/19	**12/31/19**	**2019**
Operating Revenues	$ 38,038	$ 38,986	$ 45,739	$ 47,993	$ 170,756	$ 44,827	$ 44,957	$ 44,588	**$ 46,821**	**$ 181,193**
Operating Expenses										
Cost of revenues										
Equipment	4,848	4,377	4,828	5,733	19,786	4,502	4,061	4,484	**5,606**	**18,653**
Broadcast, programming and operations	5,166	5,449	7,227	8,885	26,727	7,652	7,730	7,066	**8,684**	**31,132**
Other cost of revenues	7,932	7,632	8,651	8,691	32,906	8,585	8,721	8,604	**8,446**	**34,356**
Selling, general and administrative	7,897	8,684	9,598	10,586	36,765	9,649	9,844	9,584	**10,345**	**39,422**
Asset abandonments and impairments	-	-	-	46	46	-	-	-	**1,458**	**1,458**
Depreciation and amortization	5,994	6,378	8,166	7,892	28,430	7,206	7,101	6,949	**6,961**	**28,217**
Total Operating Expenses	31,837	32,520	38,470	41,833	144,660	37,594	37,457	36,687	**41,500**	**153,238**
Operating Income	6,201	6,466	7,269	6,160	26,096	7,233	7,500	7,901	**5,321**	**27,955**
Interest Expense	1,771	2,023	2,051	2,112	7,957	2,141	2,149	2,083	**2,049**	**8,422**
Equity in Net Income (Loss) of Affiliates	9	(16)	(64)	23	(48)	(7)	40	3	**(30)**	**6**
Other Income (Expense) – Net	1,702	2,353	1,053	1,674	6,782	286	(318)	(935)	**(104)**	**(1,071)**
Income (Loss) Before Income Taxes	6,141	6,780	6,207	5,745	24,873	5,371	5,073	4,886	**3,138**	**18,468**
Income Tax Expense (Benefit)	1,382	1,532	1,391	615	4,920	1,023	1,099	937	**434**	**3,493**
Net Income	4,759	5,248	4,816	5,130	19,953	4,348	3,974	3,949	**2,704**	**14,975**
Less: Net Income Attributable to Noncontrolling Interest	(97)	(116)	(98)	(272)	(583)	(252)	(261)	(249)	**(310)**	**(1,072)**
Net Income Attributable to AT&T	4,662	5,132	4,718	4,858	19,370	4,096	3,713	3,700	**2,394**	**13,903**
Less: Preferred Stock Dividends	-	-	-	-	-	-	-	-	**(3)**	**(3)**
Net Income Attributable to Common Stock	$ 4,662	$ 5,132	$ 4,718	$ 4,858	$ 19,370	$ 4,096	$ 3,713	$ 3,700	**$ 2,391**	**$ 13,900**
Diluted Earnings Per Share Attributable to Common Stock	$ 0.75	$ 0.81	$ 0.65	$ 0.66	$ 2.85	$ 0.56	$ 0.51	$ 0.50	**$ 0.33**	**$ 1.89**
Adjusted Diluted Earnings Per Share Attributable to Common Stock	$ 0.85	$ 0.91	$ 0.90	$ 0.86	$ 3.52	$ 0.86	$ 0.89	$ 0.94	**$ 0.89**	**$ 3.57**
EBITDA[1]	$ 12,195	$ 12,844	$ 15,435	$ 14,052	$ 54,526	$ 14,439	$ 14,601	$ 14,850	**$ 12,282**	**$ 56,172**
Adjusted EBITDA[1]	$ 12,442	$ 13,316	$ 15,872	$ 15,029	$ 56,659	$ 14,802	$ 15,041	$ 15,079	**$ 14,365**	**$ 59,287**
Adjusted EBITDA Margin[1]	32.7%	34.2%	34.7%	31.3%	33.2%	33.0%	33.4%	33.8%	**30.7%**	**32.7%**
Pro Forma Operating Revenues[2]	$ 45,222	$ 44,697	$ 45,739	$ 47,993	$ 183,651	$ 44,827	$ 44,957	$ 44,588	**$ 46,821**	**$ 181,193**
Adjusted Pro Forma EBITDA[2]	$ 14,756	$ 14,921	$ 15,872	$ 15,029	$ 60,578	$ 14,802	$ 15,041	$ 15,079	**$ 14,365**	**$ 59,287**
Adjusted Pro Forma EBITDA - Prior Methodology[2]	$ 14,592	$ 14,789	$ 15,100	$ 14,484	$ 58,965	$ 14,652	$ 14,929	$ 14,971	**$ 14,263**	**$ 58,815**

Financial and Operating Statistics Summary

AT&T Inc.

Dollars in millions except per share amounts

Unaudited	3/31/18	6/30/18	9/30/18	12/31/18	2018	3/31/19	6/30/19	9/30/19	**12/31/19**	**2019**
Capital Expenditures:										
Purchase of property and equipment	$ 5,957	$ 5,002	$ 5,736	$ 4,063	$ 20,758	$ 5,121	$ 5,421	$ 5,141	**$ 3,752**	**$ 19,435**
Interest during construction	161	106	137	89	493	61	51	48	**40**	**200**
Dividends Declared Per Share	$ 0.50	$ 0.50	$ 0.50	$ 0.51	$ 2.01	$ 0.51	$ 0.51	$ 0.51	**$ 0.52**	**$ 2.05**
Annual Dividend Per Share Growth	2.0%	2.0%	2.0%	2.0%		2.0%	2.0%	2.0%	**2.0%**	
End of Period Common Shares Outstanding (000,000)	6,148	7,261	7,270	7,282		7,297	7,305	7,303	**7,255**	
Debt Ratio	52.6%	50.8%	49.8%	47.7%		47.4%	46.8%	45.9%	**44.7%**	
Total Employees	249,240	273,210	269,280	268,220		262,290	257,790	251,840	**247,800**	

See Notes to Financial and Operational Trends on page 15.

Consolidated Statements of Cash Flows[3]

AT&T Inc.

Dollars in millions

Unaudited	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Operating Activities								
Net income	$ 4,759	$ 5,248	$ 4,816	$ 5,130	$ 4,348	$ 3,974	$ 3,949	**$ 2,704**
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	7,101	6,949	**6,961**
Amortization of film and television costs	-	168	1,440	2,164	2,497	2,702	1,860	**2,528**
Undistributed earnings from investments in equity affiliates	(2)	237	77	(20)	112	(36)	5	**214**
Provision for uncollectible accounts	438	370	432	551	592	624	639	**720**
Deferred income tax expense (benefit)	1,413	872	2,052	594	753	327	(41)	**767**
Net (gain) loss from investments, net of impairments	2	(31)	(472)	(238)	(175)	(730)	(109)	**(204)**
Pension and postretirement benefit expense (credit)	(266)	(262)	(234)	(386)	(369)	(439)	(489)	**(705)**
Actuarial (gain) loss on pension and postretirement benefits	(930)	(1,796)	-	(686)	432	1,699	1,917	**1,123**
Asset abandonments and impairments	-	-	-	46	-	-	-	**1,458**
Changes in operating assets and liabilities:								
Receivables *	(439)	704	(1,533)	(312)	2,125	1,459	(1,081)	**309**
Other current assets, inventories and theatrical film and television production costs	614	425	(3,768)	(3,713)	(2,510)	(2,912)	(3,915)	**(3,515)**
Accounts payable and other accrued liabilities *	(1,962)	(1,928)	2,505	2,987	(3,686)	630	2,120	**(588)**
Equipment installment receivables and related sales	505	(15)	(270)	(710)	652	492	(296)	**(300)**
Deferred customer contract acquisition and fulfillment costs	(826)	(899)	(932)	(801)	(375)	(239)	(182)	**(114)**
Postretirement claims and contributions	(213)	(192)	(225)	(306)	(193)	(231)	(211)	**(373)**
Other - net	(140)	950	292	(112)	(357)	(137)	274	**958**
Total adjustments	4,188	4,981	7,530	6,950	6,704	10,310	7,440	**9,239**
Net Cash Provided by Operating Activities	8,947	10,229	12,346	12,080	11,052	14,284	11,389	**11,943**
Investing Activities								
Capital expenditures:								
Purchase of property and equipment	(5,957)	(5,002)	(5,736)	(4,063)	(5,121)	(5,421)	(5,141)	**(3,752)**
Interest during construction	(161)	(106)	(137)	(89)	(61)	(51)	(48)	**(40)**
Acquisitions, net of cash acquired	(234)	(40,481)	(2,401)	(193)	(117)	(203)	(804)	**(685)**
Dispositions	56	3	924	1,165	10	3,583	182	**909**
(Purchases), sales and settlement of securities and investments, net	(116)	(102)	(16)	51	(1)	397	127	**(88)**
Advances to and investments in equity affiliates, net	(1,007)	(28)	14	(29)	(111)	(203)	(19)	**(32)**
Cash collections of deferred purchase price	267	233	-	-	-	-	-	**-**
Net Cash Used in Investing Activities	(7,152)	(45,483)	(7,352)	(3,158)	(5,401)	(1,898)	(5,703)	**(3,688)**
Financing Activities								
Net change in short-term borrowings with original maturities of three months or less	-	2,227	(3,298)	250	(256)	375	(141)	**(254)**
Issuance of other short-term borrowings	-	4,839	13	46	296	2,771	945	**-**
Repayment of other short-term borrowings	-	-	(1,075)	(1,023)	(176)	(2,972)	(1,554)	**(2,202)**
Issuance of long-term debt	2,565	23,913	11,847	3,550	9,182	848	5,004	**2,005**
Repayment of long-term debt	(4,911)	(24,536)	(14,132)	(9,064)	(9,840)	(6,284)	(8,244)	**(3,224)**
Payment of vendor financing	(171)	(86)	(90)	(213)	(819)	(1,017)	(765)	**(449)**
Issuance of preferred stock	-	-	-	-	-	-	-	**1,164**
Purchase of treasury stock	(145)	(419)	(13)	(32)	(189)	(51)	(169)	**(2,008)**
Issuance of treasury stock	11	1	347	386	167	288	121	**55**
Issuance of preferred interests in subsidiary	-	-	-	-	-	-	1,488	**6,388**
Dividends paid	(3,070)	(3,074)	(3,631)	(3,635)	(3,714)	(3,722)	(3,726)	**(3,726)**
Other	2,219	(3,083)	73	(2,575)	928	(598)	(517)	**(491)**
Net Cash Used in Financing Activities	(3,502)	(218)	(9,959)	(12,310)	(4,421)	(10,362)	(7,558)	**(2,742)**
Net increase (decrease) in cash and cash equivalents and restricted cash	(1,707)	(35,472)	(4,965)	(3,388)	1,230	2,024	(1,872)	**5,513**
Cash and cash equivalents and restricted cash beginning of period	50,932	49,225	13,753	8,788	5,400	6,630	8,654	**6,782**
Cash and Cash Equivalents and Restricted Cash End of Period	$ 49,225	$ 13,753	$ 8,788	$ 5,400	$ 6,630	$ 8,654	$ 6,782	**$ 12,295**
Cash paid for interest	$ 2,408	$ 1,637	$ 2,898	$ 1,875	$ 2,507	$ 1,903	$ 2,528	**$ 1,755**

See Notes to Financial and Operational Trends on page 15.

** 12/31/19 period updated per Form 10-K filed February 20,2020.*

AT&T Inc.
Free Cash Flow & Capital Investment Detail
Dollars in millions

Unaudited	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Cash Flow Detail									
Net cash provided by operating activities	$ 9,537	$ 8,947	$ 10,229	$ 12,346	$ 12,080	$ 11,052	$ 14,284	$ 11,389	**$ 11,943**
Less: Capital expenditures	(5,076)	(6,118)	(5,108)	(5,873)	(4,152)	(5,182)	(5,472)	(5,189)	**(3,792)**
Free Cash Flow[1]	4,461	2,829	5,121	6,473	7,928	5,870	8,812	6,200	**8,151**
Capital Investment Detail									
Capital expenditures	$ 5,076	$ 6,118	$ 5,108	$ 5,873	$ 4,152	$ 5,182	$ 5,472	$ 5,189	**$ 3,792**
Add: Vendor financing payments	118	171	86	90	213	819	1,017	765	**449**
Capital Investment[1]	5,194	6,289	5,194	5,963	4,365	6,001	6,489	5,954	**4,241**
Add: FirstNet capital expenditures reimbursement	262	-	302	-	1,127	-	103	-	**901**
Gross Capital Investment	$ 5,456	$ 6,289	$ 5,496	$ 5,963	$ 5,492	$ 6,001	$ 6,592	$ 5,954	**$ 5,142**

AT&T Inc.
FirstNet - Capital Expenditures and Reimbursements
Dollars in millions

Unaudited	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Capital Expenditures Impact									
Capital expenditures	$ 5,076	$ 6,118	$ 5,108	$ 5,873	$ 4,152	$ 5,182	$ 5,472	$ 5,189	**$ 3,792**
FirstNet capital expenditures reimbursement	262	-	302	-	1,127	-	103	-	**901**
Capital expenditures, gross	5,338	6,118	5,410	5,873	5,279	5,182	5,575	5,189	**4,693**
FirstNet Reimbursements									
Capital expenditures	$ 262	$ -	$ 302	$ -	$ 1,127	$ -	$ 103	$ -	**$ 901**
Operating expenses	46	-	34	-	207	-	31	-	**339**
Total reimbursements	308	-	336	-	1,334	-	134	-	**1,240**

See Notes to Financial and Operational Trends on page 15.

Operating Revenues and Adjusted EBITDA

AT&T Inc.

Dollars in millions

Unaudited	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Operating Revenues	$ 38,038	$ 38,986	$ 45,739	$ 47,993	$ 44,827	$ 44,957	$ 44,588	**$ 46,821**
Communications[11]	35,305	35,186	36,007	37,223	35,169	35,267	35,401	**36,522**
Mobility[11]	17,151	17,079	17,735	18,556	17,363	17,292	17,701	**18,700**
Entertainment Group	11,431	11,478	11,589	11,962	11,328	11,368	11,197	**11,233**
Business Wireline[11]	6,723	6,629	6,683	6,705	6,478	6,607	6,503	**6,589**
WarnerMedia	112	1,393	8,204	9,232	8,379	8,350	7,846	**8,924**
Turner	112	667	2,988	3,212	3,443	3,410	3,007	**3,262**
Home Box Office	-	281	1,644	1,673	1,510	1,716	1,819	**1,704**
Warner Bros.	-	507	3,720	4,476	3,518	3,389	3,333	**4,118**
Eliminations and other	-	(62)	(148)	(129)	(92)	(165)	(313)	**(160)**
Latin America	2,025	1,951	1,833	1,843	1,718	1,757	1,730	**1,758**
Vrio	1,354	1,254	1,102	1,074	1,067	1,032	1,013	**982**
Mexico	671	697	731	769	651	725	717	**776**
Xandr	337	392	445	566	426	485	504	**607**
Corporate, Acquisition Related and Significant Items[11]	561	544	531	465	391	420	407	**385**
Eliminations[4]	32	(93)	(880)	(863)	(906)	(923)	(879)	**(873)**
Consolidation[4]	(334)	(387)	(401)	(473)	(350)	(399)	(421)	**(502)**

Adjusted EBITDA	$ 12,442	$ 13,316	$ 15,872	$ 15,029	$ 14,802	$ 15,041	$ 15,079	**$ 14,365**
Communications[11]	12,534	12,965	12,726	12,175	12,569	13,255	12,634	**12,101**
Mobility[11]	7,193	7,538	7,631	7,469	7,322	7,770	7,753	**7,530**
Entertainment Group	2,620	2,821	2,434	2,155	2,801	2,853	2,400	**2,044**
Business Wireline[11]	2,721	2,606	2,661	2,551	2,446	2,632	2,481	**2,527**
WarnerMedia	30	482	2,701	2,762	2,386	2,061	2,679	**2,576**
Latin America	221	148	87	38	127	63	105	**205**
Vrio	353	238	225	225	201	151	162	**202**
Mexico	(132)	(90)	(138)	(187)	(74)	(88)	(57)	**3**
Xandr	287	333	336	386	266	338	342	**430**
Corporate[11]	(332)	(254)	390	96	(228)	(315)	(296)	**(494)**
Eliminations and Consolidation[4]	(298)	(357)	(368)	(429)	(318)	(361)	(385)	**(454)**

See Notes to Financial and Operational Trends on page 15.

Communications

Mobility Results[11]

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	6/30/19	9/30/19	**12/31/19**
Operating Revenues												
Service	$ 14,307	$ 14,310	$ 14,317	$ 14,089	$ 13,246	$ 13,520	$ 13,828	$ 13,700	$ 13,629	$ 13,824	$ 13,930	**$ 13,948**
Equipment	2,598	2,949	2,866	4,823	3,905	3,559	3,907	4,856	3,734	3,468	3,771	**4,752**
Total Operating Revenues	$ 16,905	$ 17,259	$ 17,183	$ 18,912	$ 17,151	$ 17,079	$ 17,735	$ 18,556	$ 17,363	$ 17,292	$ 17,701	**$ 18,700**
Operating Expenses												
Operations and support	9,756	9,953	9,901	12,707	9,958	9,541	10,104	11,087	10,041	9,522	9,948	**11,170**
Depreciation and amortization	1,971	1,967	1,987	2,006	2,072	2,089	2,057	2,045	2,013	2,003	2,011	**2,027**
Total Operating Expenses	11,727	11,920	11,888	14,713	12,030	11,630	12,161	13,132	12,054	11,525	11,959	**13,197**
Operating Income	$ 5,178	$ 5,339	$ 5,295	$ 4,199	$ 5,121	$ 5,449	$ 5,574	$ 5,424	$ 5,309	$ 5,767	$ 5,742	**$ 5,503**
Operating Income Margin	30.6%	30.9%	30.8%	22.2%	29.9%	31.9%	31.4%	29.2%	30.6%	33.4%	32.4%	**29.4%**
EBITDA[1]	$ 7,149	$ 7,306	$ 7,282	$ 6,205	$ 7,193	$ 7,538	$ 7,631	$ 7,469	$ 7,322	$ 7,770	$ 7,753	**$ 7,530**
EBITDA Margin[1]	42.3%	42.3%	42.4%	32.8%	41.9%	44.1%	43.0%	40.3%	42.2%	44.9%	43.8%	**40.3%**
EBITDA Service Margin[1]	50.0%	51.1%	50.9%	44.0%	54.3%	55.8%	55.2%	54.5%	53.7%	56.2%	55.7%	**54.0%**

Historical results in the Mobility business units have been recast to remove operations in Puerto Rico and the U.S. Virgin Islands, which are now reported in Corporate & Other.

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[11]

Volumes in thousands

Unaudited	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
AT&T Mobility Subscribers and Connections								
Total Subscribers and Connections	142,642	145,715	149,150	151,921	154,670	158,622	162,300	**165,889**
Postpaid	76,601	76,543	76,173	76,068	75,737	75,478	75,152	**75,207**
Prepaid	15,500	16,046	16,721	16,828	17,012	17,434	17,740	**17,803**
Reseller	8,816	8,411	8,079	7,693	7,495	7,323	7,120	**6,893**
Connected Devices	41,725	44,715	48,177	51,332	54,426	58,387	62,288	**65,986**
Net Add Detail								
Net Subscriber Additions	2,654	3,080	3,432	2,770	2,740	3,950	3,679	**3,590**
Postpaid Net Adds	53	73	(231)	15	(207)	(146)	(217)	**135**
Prepaid Net Adds	251	454	570	26	101	341	227	**8**
Phone Detail								
Postpaid Phones	63,043	62,930	62,850	62,882	62,830	62,811	62,812	**63,018**
Postpaid Smartphones	59,428	59,606	59,829	60,131	60,020	60,162	60,306	**60,664**
Total Smartphones[5]	72,638	73,077	74,258	74,657	74,721	75,249	75,621	**76,199**
Postpaid Feature Phones[5]	3,615	3,324	3,021	2,751	2,810	2,649	2,506	**2,354**
Prepaid Phones	14,737	15,206	15,789	15,885	16,057	16,420	16,650	**16,682**
Phone Detail - Net Adds								
Postpaid Phone Net Adds	(53)	49	67	131	79	74	101	**229**
Prepaid Phone Net Adds	203	358	480	13	89	283	154	**(20)**
Churn Detail[6]								
Postpaid Phone Churn	0.83%	0.82%	0.93%	1.00%	0.92%	0.86%	0.95%	**1.07%**
Postpaid Churn	1.06%	1.02%	1.16%	1.23%	1.16%	1.07%	1.19%	**1.29%**
ARPU[7]								
Postpaid Phone-Only ARPU	$ 53.33	$ 54.42	$ 55.58	$ 55.28	$ 55.27	$ 55.50	$ 55.89	**$ 55.52**
Postpaid ARPU	47.76	48.86	49.91	49.70	49.67	50.05	50.51	**50.49**

Historical results in the Mobility business units have been recast to remove operations in Puerto Rico and the U.S. Virgin Islands, which are now reported in Corporate & Other.

See Notes to Financial and Operational Trends on page 15.

Communications

Entertainment Group Results

Dollars in millions

Unaudited	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Operating Revenues								
Video Entertainment	$ 8,225	$ 8,173	$ 8,283	$ 8,676	$ 8,074	$ 8,035	$ 7,933	**$ 8,068**
High-Speed Internet	1,878	1,981	2,045	2,052	2,070	2,109	2,117	**2,107**
Legacy Voice and Data Services	806	772	739	724	683	658	628	**604**
Other Service and Equipment	522	552	522	510	501	566	519	**454**
Total Operating Revenues	$ 11,431	$ 11,478	$ 11,589	$ 11,962	$ 11,328	$ 11,368	$ 11,197	**$ 11,233**
Operating Expenses								
Operations and support	8,811	8,657	9,155	9,807	8,527	8,515	8,797	**9,189**
Depreciation and amortization	1,310	1,345	1,331	1,329	1,323	1,339	1,316	**1,298**
Total Operating Expenses	10,121	10,002	10,486	11,136	9,850	9,854	10,113	**10,487**
Operating Income	$ 1,310	$ 1,476	$ 1,103	$ 826	$ 1,478	$ 1,514	$ 1,084	**$ 746**
Operating Income Margin	11.5%	12.9%	9.5%	6.9%	13.0%	13.3%	9.7%	**6.6%**
EBITDA[1]	$ 2,620	$ 2,821	$ 2,434	$ 2,155	$ 2,801	$ 2,853	$ 2,400	**$ 2,044**
EBITDA Margin[1]	22.9%	24.6%	21.0%	18.0%	24.7%	25.1%	21.4%	**18.2%**

Communications

Entertainment Group Operating Volumes and Statistics

Volumes in thousands

Unaudited	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Total Video Connections[8]	25,369	25,449	25,152	24,494	23,867	22,921	21,563	**20,399**
Premium TV	23,902	23,640	23,294	22,903	22,359	21,581	20,418	**19,473**
Over-the-Top[9]	1,467	1,809	1,858	1,591	1,508	1,340	1,145	**926**
Video Net Adds[8]								
Premium TV	(187)	(262)	(346)	(391)	(544)	(778)	(1,163)	(945)
Over-the-Top	312	342	49	(267)	(83)	(168)	(195)	(219)
Premium TV ARPU[10]	$ 112.45	$ 112.19	$ 114.90	$ 121.76	$ 114.98	$ 117.49	$ 121.35	**$ 131.00**
Total Broadband Connections	14,432	14,455	14,441	14,409	14,454	14,420	14,301	**14,119**
IP	13,616	13,692	13,723	13,729	13,822	13,822	13,739	**13,598**
DSL	816	763	718	680	632	598	562	**521**
Total Broadband Net Adds	82	23	(14)	(32)	45	(34)	(119)	**(182)**
IP	154	76	31	6	93	0	(83)	**(141)**
DSL	(72)	(53)	(45)	(38)	(48)	(34)	(36)	**(41)**
Fiber Broadband Connections (included in IP)	1,955	2,204	2,504	2,763	3,060	3,378	3,696	**3,887**
Fiber Broadband Net Adds (included in IP)	226	249	300	259	297	318	318	**191**
IP Broadband ARPU[10]	$ 46.27	$ 48.32	$ 49.78	$ 49.83	$ 50.10	$ 50.82	$ 51.21	**$ 51.36**

See Notes to Financial and Operational Trends on page 15.

Communications

Business Wireline Results[11]

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	6/30/19	9/30/19	**12/31/19**
Operating Revenues												
Strategic and Managed Services[12]	$ 3,351	$ 3,428	$ 3,491	$ 3,610	$ 3,583	$ 3,589	$ 3,677	$ 3,811	$ 3,779	$ 3,834	$ 3,900	**$ 3,927**
Legacy Voice and Data Services	3,620	3,489	3,395	3,287	2,854	2,720	2,602	2,498	2,397	2,324	2,252	**2,207**
Equipment	164	181	194	238	170	199	197	257	159	178	199	**249**
Other	172	183	176	224	116	121	207	139	143	271	152	**206**
Total Operating Revenues	$ 7,307	$ 7,281	$ 7,256	$ 7,359	$ 6,723	$ 6,629	$ 6,683	$ 6,705	$ 6,478	$ 6,607	$ 6,503	**$ 6,589**
Operating Expenses												
Operations and support	4,659	4,585	4,620	4,577	4,002	4,023	4,022	4,154	4,032	3,975	4,022	**4,062**
Depreciation and amortization	1,174	1,201	1,179	1,202	1,161	1,172	1,187	1,194	1,222	1,242	1,271	**1,264**
Total Operating Expenses	5,833	5,786	5,799	5,779	5,163	5,195	5,209	5,348	5,254	5,217	5,293	**5,326**
Operating Income	$ 1,474	$ 1,495	$ 1,457	$ 1,580	$ 1,560	$ 1,434	$ 1,474	$ 1,357	$ 1,224	$ 1,390	$ 1,210	**$ 1,263**
Operating Income Margin	20.2%	20.5%	20.1%	21.5%	23.2%	21.6%	22.1%	20.2%	18.9%	21.0%	18.6%	**19.2%**
EBITDA[1]	$ 2,648	$ 2,696	$ 2,636	$ 2,782	$ 2,721	$ 2,606	$ 2,661	$ 2,551	$ 2,446	$ 2,632	$ 2,481	**$ 2,527**
EBITDA Margin[1]	36.2%	37.0%	36.3%	37.8%	40.5%	39.3%	39.8%	38.0%	37.8%	39.8%	38.2%	**38.4%**

Historical results in the Business Wireline business units have been recast to remove operations in Puerto Rico and the U.S. Virgin Islands, which are now reported in Corporate & Other.
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)[11]

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	6/30/19	9/30/19	**12/31/19**
Operating Revenues	$ 9,574	$ 9,622	$ 9,596	$ 9,871	$ 9,069	$ 9,017	$ 9,126	$ 9,361	$ 8,961	$ 9,224	$ 9,206	**$ 9,468**
Operating Income	$ 2,158	$ 2,127	$ 2,079	$ 2,064	$ 2,058	$ 1,956	$ 2,066	$ 1,985	$ 1,821	$ 2,167	$ 1,990	**$ 1,933**
EBITDA[1]	$ 3,605	$ 3,598	$ 3,534	$ 3,550	$ 3,505	$ 3,432	$ 3,551	$ 3,477	$ 3,346	$ 3,712	$ 3,563	**$ 3,503**

Historical results in the Business Wireline business units have been recast to remove operations in Puerto Rico and the U.S. Virgin Islands, which are now reported in Corporate & Other.
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[13]* 12/31/17	3/31/18	6/30/18	Three Months Ended 9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Segment Operating Revenues									
Turner	$ 3,230	$ 3,456	$ 3,345	$ 2,988	$ 3,212	$ 3,443	$ 3,410	$ 3,007	**$ 3,262**
Home Box Office	1,680	1,619	1,667	1,644	1,673	1,510	1,716	1,819	**1,704**
Warner Bros.	4,053	3,238	3,306	3,720	4,476	3,518	3,389	3,333	**4,118**
Eliminations and other	(245)	(205)	(405)	(148)	(129)	(92)	(165)	(313)	**(160)**
Total Segment Operating Revenues[14]	$ 8,718	$ 8,108	$ 7,913	$ 8,204	$ 9,232	$ 8,379	$ 8,350	$ 7,846	**$ 8,924**
Segment Operating Expenses									
Operations and support	6,557	5,927	5,958	5,503	6,470	5,993	6,289	5,167	**6,348**
Depreciation and amortization	192	172	169	134	139	143	91	150	**154**
Total Segment Operating Expenses	6,749	6,099	6,127	5,637	6,609	6,136	6,380	5,317	**6,502**
Segment Operating Income[14]	$ 1,969	$ 2,009	$ 1,786	$ 2,567	$ 2,623	$ 2,243	$ 1,970	$ 2,529	**$ 2,422**
Equity in Net Income (Loss) of Affiliates				(39)	80	67	55	15	**25**
Segment Contribution				$ 2,528	$ 2,703	$ 2,310	$ 2,025	$ 2,544	**$ 2,447**
Segment Operating Income Margin[14]	22.6%	24.8%	22.6%	31.3%	28.4%	26.8%	23.6%	32.2%	**27.1%**
EBITDA	$ 2,161	$ 2,181	$ 1,955	$ 2,701	$ 2,762	$ 2,386	$ 2,061	$ 2,679	**$ 2,576**
EBITDA Margin	24.8%	26.9%	24.7%	32.9%	29.9%	28.5%	24.7%	34.1%	**28.9%**
Total Programming and Production Costs[15]	$ 3,874	$ 3,515	$ 3,595	$ 3,188	$ 3,828	$ 3,622	$ 3,670	$ 2,915	**$ 3,861**

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

WarnerMedia
Turner Results

Dollars in millions Unaudited	Non-GAAP Comparable Basis[13]* 12/31/17	3/31/18	6/30/18	Three Months Ended 9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Operating Revenues									
Subscription	$ 1,779	$ 1,888	$ 1,870	$ 1,855	$ 1,844	$ 1,965	$ 1,943	$ 1,927	**$ 1,901**
Advertising	1,226	1,340	1,324	944	1,149	1,261	1,266	913	**1,126**
Content and other	225	228	151	189	219	217	201	167	**235**
Total Operating Revenues[14]	$ 3,230	$ 3,456	$ 3,345	$ 2,988	$ 3,212	$ 3,443	$ 3,410	$ 3,007	**$ 3,262**
Operating Expenses									
Operations and support	2,104	2,234	2,283	1,487	1,861	2,136	2,217	1,460	**1,927**
Depreciation and amortization	56	57	59	59	60	60	39	68	**68**
Total Operating Expenses	2,160	2,291	2,342	1,546	1,921	2,196	2,256	1,528	**1,995**
Operating Income[14]	$ 1,070	$ 1,165	$ 1,003	$ 1,442	$ 1,291	$ 1,247	$ 1,154	$ 1,479	**$ 1,267**
Operating Income Margin[14]	33.1%	33.7%	30.0%	48.3%	40.2%	36.2%	33.8%	49.2%	**38.8%**
Programming Costs[15]	$ 1,284	$ 1,511	$ 1,552	$ 817	$ 1,111	$ 1,445	$ 1,533	$ 795	**$ 1,234**

*** 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[13] 12/31/17	3/31/18	6/30/18	Three Months Ended 9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Operating Revenues									
Subscription	$ 1,458	$ 1,429	$ 1,529	$ 1,517	$ 1,414	$ 1,334	$ 1,516	$ 1,533	**$ 1,431**
Content and other	222	190	138	127	259	176	200	286	**273**
Total Operating Revenues[14]	$ 1,680	$ 1,619	$ 1,667	$ 1,644	$ 1,673	$ 1,510	$ 1,716	$ 1,819	**$ 1,704**
Operating Expenses									
Operations and support	1,167	1,054	1,070	991	1,025	921	1,131	1,072	**1,188**
Depreciation and amortization	29	30	28	25	26	22	12	33	**35**
Total Operating Expenses	1,196	1,084	1,098	1,016	1,051	943	1,143	1,105	**1,223**
Operating Income[14]	$ 484	$ 535	$ 569	$ 628	$ 622	$ 567	$ 573	$ 714	**$ 481**
Operating Income Margin[14]	28.8%	33.0%	34.1%	38.2%	37.2%	37.5%	33.4%	39.3%	**28.2%**
Programming Costs[15]	$ 645	$ 596	$ 589	$ 579	$ 561	$ 482	$ 606	$ 622	**$ 648**

WarnerMedia
Warner Bros. Results

Dollars in millions Unaudited	Non-GAAP Comparable Basis[13] 12/31/17	3/31/18	6/30/18	Three Months Ended 9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Operating Revenues									
Theatrical product	$ 1,613	$ 1,336	$ 1,346	$ 1,694	$ 2,085	$ 1,506	$ 1,527	$ 1,375	**$ 1,570**
Television product	1,758	1,498	1,528	1,591	1,827	1,613	1,310	1,461	**1,983**
Games and other	682	404	432	435	564	399	552	497	**565**
Total Operating Revenues[14]	$ 4,053	$ 3,238	$ 3,306	$ 3,720	$ 4,476	$ 3,518	$ 3,389	$ 3,333	**$ 4,118**
Operating Expenses									
Operations and support	3,438	2,778	2,893	3,104	3,623	2,919	2,918	2,706	**3,273**
Depreciation and amortization	99	77	75	40	42	52	31	39	**40**
Total Operating Expenses	3,537	2,855	2,968	3,144	3,665	2,971	2,949	2,745	**3,313**
Operating Income[14]	$ 516	$ 383	$ 338	$ 576	$ 811	$ 547	$ 440	$ 588	**$ 805**
Operating Income Margin[14]	12.7%	11.8%	10.2%	15.5%	18.1%	15.5%	13.0%	17.6%	**19.5%**
Film and Television Production Costs[15]	$ 2,101	$ 1,574	$ 1,729	$ 1,909	$ 2,238	$ 1,746	$ 1,626	$ 1,618	**$ 2,103**

See Notes to Financial and Operational Trends on page 15.

Latin America

Statement of Segment Income

Dollars in millions

Unaudited	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Segment Operating Revenues								
Video Entertainment	$ 1,354	$ 1,254	$ 1,102	$ 1,074	$ 1,067	$ 1,032	$ 1,013	**$ 982**
Wireless Service	404	417	440	440	442	479	455	**487**
Wireless Equipment	267	280	291	329	209	246	262	**289**
Total Segment Operating Revenues	$ 2,025	$ 1,951	$ 1,833	$ 1,843	$ 1,718	$ 1,757	$ 1,730	**$ 1,758**
Segment Operating Expenses								
Operations and support	1,804	1,803	1,746	1,805	1,591	1,694	1,625	**1,553**
Depreciation and amortization	332	313	297	296	300	284	284	**294**
Total Segment Operating Expenses	2,136	2,116	2,043	2,101	1,891	1,978	1,909	**1,847**
Segment Operating Income (Loss)	(111)	(165)	(210)	(258)	(173)	(221)	(179)	**(89)**
Equity in Net Income (Loss) of Affiliates	-	15	9	10	-	12	13	**2**
Segment Contribution	$ (111)	$ (150)	$ (201)	$ (248)	$ (173)	$ (209)	$ (166)	**$ (87)**
Segment Operating Income Margin	-5.5%	-8.5%	-11.5%	-14.0%	-10.1%	-12.6%	-10.3%	**-5.1%**
EBITDA[1]	$ 221	$ 148	$ 87	$ 38	$ 127	$ 63	$ 105	**$ 205**
EBITDA Margin[1]	10.9%	7.6%	4.7%	2.1%	7.4%	3.6%	6.1%	**11.7%**

Latin America

Vrio and Mexico Results

Dollars in millions

Unaudited	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Vrio EBITDA[1]	$ 353	$ 238	$ 225	$ 225	$ 201	$ 151	$ 162	**$ 202**
Vrio EBITDA Margin[1]	26.1%	19.0%	20.4%	20.9%	18.8%	14.6%	16.0%	**20.6%**
Mexico EBITDA[1]	$ (132)	$ (90)	$ (138)	$ (187)	$ (74)	$ (88)	$ (57)	**$ 3**
Mexico EBITDA Margin[1]	-19.7%	-12.9%	-18.9%	-24.3%	-11.4%	-12.1%	-7.9%	**0.4%**

Latin America

Operating Volumes and Statistics

Volumes in thousands

Unaudited	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Vrio Video Connections[16]	13,573	13,713	13,640	13,838	13,584	13,473	13,306	**13,331**
Vrio Video Net Adds[16]	(15)	140	(73)	198	(32)	(111)	(167)	**25**
Mexico Wireless Subscribers[17]	15,642	16,398	17,305	18,321	17,722	18,021	18,619	**19,159**
Postpaid	5,607	5,749	5,822	5,805	5,642	5,489	5,352	**5,103**
Prepaid	9,857	10,468	11,270	12,264	11,779	12,180	12,848	**13,584**
Other	178	181	213	252	301	352	419	**472**
Mexico Wireless Net Adds	543	756	907	1,016	93	299	598	**540**
Mexico Wireless Churn[6]	7.02%	6.82%	6.59%	7.08%	6.69%	7.16%	7.32%	**7.43%**
Mexico Wireless ARPU[7]	$8.18	$8.31	$8.32	$7.97	$7.99	$8.61	$7.86	**$8.30**

See Notes to Financial and Operational Trends on page 15.

Xandr

Statement of Segment Income

Dollars in millions

Unaudited	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Segment Operating Revenues	$ 381	$ 337	$ 392	$ 445	$ 566	$ 426	$ 485	$ 504	**$ 607**
Segment Operating Expenses									
Operations and support	51	50	59	109	180	160	147	162	**177**
Depreciation and amortization	1	1	-	3	5	13	13	15	**17**
Total Segment Operating Expenses	52	51	59	112	185	173	160	177	**194**
Segment Operating Income	329	286	333	333	381	253	325	327	**413**
Equity in Net Income of Affiliates	-	-	-	-	-	-	-	-	**-**
Segment Contribution	$ 329	$ 286	$ 333	$ 333	$ 381	$ 253	$ 325	$ 327	**$ 413**
Segment Operating Income Margin	86.4%	84.9%	84.9%	74.8%	67.3%	59.4%	67.0%	64.9%	**68.0%**
EBITDA[1]	$ 330	$ 287	$ 333	$ 336	$ 386	$ 266	$ 338	$ 342	**$ 430**
EBITDA Margin[1]	86.6%	85.2%	84.9%	75.5%	68.2%	62.4%	69.7%	67.9%	**70.8%**

AT&T Inc.

Supplemental Total Advertising Revenues

Dollars in millions

Unaudited	12/31/17	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Operating Revenues									
WarnerMedia	$ 13	$ 14	$ 225	$ 983	$ 1,239	$ 1,279	$ 1,285	$ 945	**$ 1,167**
Communications	420	375	431	478	543	417	470	495	**581**
Xandr	381	337	392	445	566	426	485	504	**607**
Eliminations[4]	(377)	(334)	(387)	(401)	(473)	(350)	(399)	(421)	**(502)**
Total Advertising Revenues	$ 437	$ 392	$ 661	$ 1,505	$ 1,875	$ 1,772	$ 1,841	$ 1,523	**$ 1,853**

See Notes to Financial and Operational Trends on page 15.

Corporate

Supplemental Results - Corporate[11,18]

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	6/30/19	9/30/19	**12/31/19**
Total Operating Revenues	$ 624	$ 609	$ 591	$ 619	$ 561	$ 544	$ 531	$ 514	$ 433	$ 450	$ 407	**$ 385**
Operating Expenses												
Operations and support	1,015	918	944	1,034	893	798	141	418	661	765	703	**879**
Depreciation and amortization	70	40	55	49	55	150	829	596	204	170	131	**124**
Total Operating Expenses	1,085	958	999	1,083	948	948	970	1,014	865	935	834	**1,003**
Operating Loss	$ (461)	$ (349)	$ (408)	$ (464)	$ (387)	$ (404)	$ (439)	$ (500)	$ (432)	$ (485)	$ (427)	**$ (618)**

Historical results in Corporate & Other include operations in Puerto Rico and the U.S. Virgin Islands, which were previously reported in the Mobility and Business Wireline business units.

Corporate

Supplemental Reconciliation of Operations and Support[11]

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	6/30/19	9/30/19	**12/31/19**
Operations and Support	$ 1,015	$ 918	$ 944	$ 1,034	$ 893	$ 798	$ 141	$ 418	$ 661	$ 765	$ 703	**$ 879**
Reclassification of amortization of prior service credits	(367)	(385)	(420)	(420)	(428)	(442)	(442)	(442)	(454)	(454)	(454)	**(454)**
Reclassification of WarnerMedia amortization of production costs to Depreciation and Amortization[18]						98	772	545	150	112	108	**102**
Operations and Support excluding segment reclassifications	$ 648	$ 533	$ 524	$ 614	$ 465	$ 454	$ 471	$ 521	$ 357	$ 423	$ 357	**$ 527**

AT&T Inc.

Other Income (Expense) - Net

Dollars in millions

Unaudited	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19	**12/31/19**
Interest income and other gain/(loss) items[19]	$ 205	$ -	$ 538	$ 328	$ 210	$ 708	$ 237	**$ 18**
Special termination charges	-	-	-	-	(93)	-	12	**-**
Net pension and postretirement credit, excluding actuarial gain/(loss)	567	557	515	660	601	673	733	**1,001**
Actuarial gain/(loss)	930	1,796	-	686	(432)	(1,699)	(1,917)	**(1,123)**
Other Income (Expense) - Net	$ 1,702	$ 2,353	$ 1,053	$ 1,674	$ 286	$ (318)	$ (935)	**$ (104)**

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 January 29, 2020.

[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 amounts have been recast to conform to current-period reporting methodology. Additionally, distributions paid on the Mobility preferred equity interest are reflected in Financing Activities beginning with the quarter ended 12/31/18.

[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 $500M revenues in 4Q19). 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.

[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] Premium TV connections and net adds include AT&T TV, which launched in 3Q19. 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.

[9] Over-the-top connections include AT&T TV NOW and exclude WatchTV, which launched near end of June 2018, during its promotional period. AT&T TV NOW connections as of 4Q19 include 8K free or substantially free trial-period subscribers. AT&T has successfully retained many subscribers after the expiration of their trial period.

[10] 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.

[11] Prior-period amounts have been recast to conform to current-period reporting methodology. Historical results in the Mobility and Business Wireline business units of the Communications segment have been recast to remove operations in Puerto Rico and the U.S. Virgin Islands. We began held-for-sale accounting in 3Q19 for these operations, which are now reported in Corporate & Other.

[12] 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.

[13] 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.

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

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

[16] 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.

[17] 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.

[18] 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 instangible 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 Puerto Rico and U.S. Virgin Islands mobility and business wireline operations (held for sale), other wholesale operations, hosting colocation (divested December 31, 2018), National Mass Markets, Digital Life, and Consumer Information Services.

[19] 4Q19 Interest income and other gain/(loss) items include ($278M) debt redemption costs and $69M gain on sale of an equity method investment. See Adjusting Items in the Discussion and Reconciliation of Non-GAAP Measures in the Investor Briefing.