

**AT&T Inc.**  
**Financial Data**

Consolidated Statements of Income						
<i>Dollars in millions except per share amounts</i>						
<i>Unaudited</i>	Second Quarter		Percent	Six-Month Period		Percent
	2020	2019	Change	2020	2019	Change
<b>Operating Revenues</b>						
Service	\$ 37,051	\$ 41,023	(9.7) %	\$ 75,934	\$ 81,707	(7.1) %
Equipment	3,899	3,934	(0.9) %	7,795	8,077	(3.5) %
<b>Total Operating Revenues</b>	<b>40,950</b>	<b>44,957</b>	<b>(8.9) %</b>	<b>83,729</b>	<b>89,784</b>	<b>(6.7) %</b>
<b>Operating Expenses</b>						
Cost of revenues						
Equipment	3,978	4,061	(2.0) %	8,070	8,563	(5.8) %
Broadcast, programming and operations	5,889	7,730	(23.8) %	12,643	15,382	(17.8) %
Other cost of revenues (exclusive of depreciation and amortization shown separately below)	8,116	8,721	(6.9) %	16,458	17,306	(4.9) %
Selling, general and administrative	9,831	9,844	(0.1) %	18,591	19,493	(4.6) %
Impairments	2,319	-	- %	2,442	-	- %
Depreciation and amortization	7,285	7,101	2.6 %	14,507	14,307	1.4 %
<b>Total Operating Expenses</b>	<b>37,418</b>	<b>37,457</b>	<b>(0.1) %</b>	<b>72,711</b>	<b>75,051</b>	<b>(3.1) %</b>
<b>Operating Income</b>	<b>3,532</b>	<b>7,500</b>	<b>(52.9) %</b>	<b>11,018</b>	<b>14,733</b>	<b>(25.2) %</b>
<b>Interest Expense</b>	<b>2,041</b>	<b>2,149</b>	<b>(5.0) %</b>	<b>4,059</b>	<b>4,290</b>	<b>(5.4) %</b>
<b>Equity in Net Income (Loss) of Affiliates</b>	<b>(10)</b>	<b>40</b>	<b>- %</b>	<b>(16)</b>	<b>33</b>	<b>- %</b>
<b>Other Income (Expense) - Net</b>	<b>1,017</b>	<b>(318)</b>	<b>- %</b>	<b>1,820</b>	<b>(32)</b>	<b>- %</b>
<b>Income Before Income Taxes</b>	<b>2,498</b>	<b>5,073</b>	<b>(50.8) %</b>	<b>8,763</b>	<b>10,444</b>	<b>(16.1) %</b>
<b>Income Tax Expense</b>	<b>935</b>	<b>1,099</b>	<b>(14.9) %</b>	<b>2,237</b>	<b>2,122</b>	<b>5.4 %</b>
<b>Net Income</b>	<b>1,563</b>	<b>3,974</b>	<b>(60.7) %</b>	<b>6,526</b>	<b>8,322</b>	<b>(21.6) %</b>
<b>Less: Net Income Attributable to Noncontrolling Interest</b>	<b>(282)</b>	<b>(261)</b>	<b>(8.0) %</b>	<b>(635)</b>	<b>(513)</b>	<b>(23.8) %</b>
<b>Net Income Attributable to AT&amp;T</b>	<b>\$ 1,281</b>	<b>\$ 3,713</b>	<b>(65.5) %</b>	<b>\$ 5,891</b>	<b>\$ 7,809</b>	<b>(24.6) %</b>
<b>Less: Preferred Stock Dividends</b>	<b>(52)</b>	<b>-</b>	<b>- %</b>	<b>(84)</b>	<b>-</b>	<b>- %</b>
<b>Net Income Attributable to Common Stock</b>	<b>\$ 1,229</b>	<b>\$ 3,713</b>	<b>(66.9) %</b>	<b>\$ 5,807</b>	<b>\$ 7,809</b>	<b>(25.6) %</b>
<b>Basic Earnings Per Share Attributable to Common Stock</b>						
	\$ 0.17	\$ 0.51	(66.7) %	\$ 0.81	\$ 1.06	(23.6) %
Weighted Average Common Shares Outstanding (000,000)	7,145	7,323	(2.4) %	7,166	7,318	(2.1) %
<b>Diluted Earnings Per Share Attributable to Common Stock</b>						
	\$ 0.17	\$ 0.51	(66.7) %	\$ 0.81	\$ 1.06	(23.6) %
Weighted Average Common Shares Outstanding with Dilution (000,000)	7,170	7,353	(2.5) %	7,192	7,347	(2.1) %

**AT&T Inc.**  
**Financial Data**

Consolidated Balance Sheets			
<i>Dollars in millions</i>			
<i>Unaudited</i>		<b>Jun. 30,</b>	Dec. 31,
		<b>2020</b>	<b>2019</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$	<b>16,941</b>	\$ 12,130
Accounts receivable - net of related allowances for credit loss of \$1,606 and \$1,235		<b>19,127</b>	22,636
Prepaid expenses		<b>1,439</b>	1,631
Other current assets		<b>19,048</b>	18,364
Total current assets		<b>56,555</b>	54,761
Noncurrent Inventories and Theatrical Film and Television Production Costs		<b>14,514</b>	12,434
Property, Plant and Equipment – Net		<b>128,945</b>	130,128
Goodwill		<b>143,651</b>	146,241
Licenses – Net		<b>98,763</b>	97,907
Trademarks and Trade Names – Net		<b>23,757</b>	23,567
Distribution Networks – Net		<b>14,704</b>	15,345
Other Intangible Assets – Net		<b>18,452</b>	20,798
Investments in and Advances to Equity Affiliates		<b>2,302</b>	3,695
Operating Lease Right-of-Use Assets		<b>24,692</b>	24,039
Other Assets		<b>21,563</b>	22,754
Total Assets	\$	<b>547,898</b>	\$ 551,669
<b>Liabilities and Stockholders' Equity</b>			
<b>Current Liabilities</b>			
Debt maturing within one year	\$	<b>15,576</b>	\$ 11,838
Accounts payable and accrued liabilities		<b>41,881</b>	45,956
Advanced billings and customer deposits		<b>5,723</b>	6,124
Accrued taxes		<b>2,548</b>	1,212
Dividends payable		<b>3,741</b>	3,781
Total current liabilities		<b>69,469</b>	68,911
Long-Term Debt		<b>153,388</b>	151,309
<b>Deferred Credits and Other Noncurrent Liabilities</b>			
Deferred income taxes		<b>58,387</b>	59,502
Postemployment benefit obligation		<b>18,167</b>	18,788
Operating lease liabilities		<b>22,230</b>	21,804
Other noncurrent liabilities		<b>32,804</b>	29,421
Total deferred credits and other noncurrent liabilities		<b>131,588</b>	129,515
<b>Stockholders' Equity</b>			
Preferred stock		<b>-</b>	-
Common stock		<b>7,621</b>	7,621
Additional paid-in capital		<b>130,046</b>	126,279
Retained earnings		<b>56,045</b>	57,936
Treasury stock		<b>(17,945)</b>	(13,085)
Accumulated other comprehensive income		<b>129</b>	5,470
Noncontrolling interest		<b>17,557</b>	17,713
Total stockholders' equity		<b>193,453</b>	201,934
Total Liabilities and Stockholders' Equity	\$	<b>547,898</b>	\$ 551,669

**AT&T Inc.**  
**Financial Data**

Consolidated Statements of Cash Flows			
<i>Dollars in millions</i>		Six-Month Period	
<i>Unaudited</i>		2020	2019
<b>Operating Activities</b>			
Net income	\$	6,526	\$ 8,322
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		14,507	14,307
Amortization of film and television costs		3,985	5,199
Undistributed earnings from investments in equity affiliates		64	76
Provision for uncollectible accounts		1,199	1,216
Deferred income tax expense (benefit)		653	1,080
Net (gain) loss on assets, net of impairments		(705)	(905)
Pension and postretirement benefit expense (credit)		(1,495)	(808)
Actuarial (gain) loss on pension and postretirement benefits		-	2,131
Asset abandonments and impairments		2,442	-
Changes in operating assets and liabilities:			
Receivables		2,522	3,584
Other current assets, inventories and theatrical film and television production costs		(5,592)	(5,422)
Accounts payable and other accrued liabilities		(3,847)	(3,056)
Equipment installment receivables and related sales		226	1,144
Deferred customer contract acquisition and fulfillment costs		322	(614)
Postretirement claims and contributions		(228)	(424)
Other - net		346	(494)
Total adjustments		14,399	17,014
Net Cash Provided by Operating Activities		20,925	25,336
<b>Investing Activities</b>			
Capital expenditures:			
Purchase of property and equipment		(9,372)	(10,542)
Interest during construction		(60)	(112)
Acquisitions, net of cash acquired		(1,174)	(320)
Dispositions		347	3,593
(Purchases), sales and settlement of securities and investments, net		47	396
Advances to and investments in equity affiliates, net		(66)	(314)
Net Cash Used in Investing Activities		(10,278)	(7,299)
<b>Financing Activities</b>			
Net change in short-term borrowings with original maturities of three months or less		498	119
Issuance of other short-term borrowings		8,440	3,067
Repayment of other short-term borrowings		(5,975)	(3,148)
Issuance of long-term debt		21,060	10,030
Repayment of long-term debt		(17,284)	(16,124)
Payment of vendor financing		(1,354)	(1,836)
Issuance of preferred stock		3,869	-
Purchase of treasury stock		(5,480)	(240)
Issuance of treasury stock		84	455
Dividends paid		(7,474)	(7,436)
Other		(2,295)	330
Net Cash Used in Financing Activities		(5,911)	(14,783)
Net increase (decrease) in cash and cash equivalents and restricted cash		4,736	3,254
Cash and cash equivalents and restricted cash beginning of year		12,295	5,400
<b>Cash and Cash Equivalents and Restricted Cash End of Period</b>	<b>\$</b>	<b>17,031</b>	<b>\$ 8,654</b>

**AT&T Inc.**  
**Consolidated Supplementary Data**

Supplementary Financial Data						
<i>Dollars in millions except per share amounts</i>						
<i>Unaudited</i>						
	Second Quarter		Percent	Six-Month Period		Percent
	2020	2019	Change	2020	2019	Change
Capital expenditures						
Purchase of property and equipment	\$ 4,434	\$ 5,421	(18.2) %	\$ 9,372	\$ 10,542	(11.1) %
Interest during construction	32	51	(37.3) %	60	112	(46.4) %
Total Capital Expenditures	\$ 4,466	\$ 5,472	(18.4) %	\$ 9,432	\$ 10,654	(11.5) %
Dividends Declared per Common Share	\$ 0.52	\$ 0.51	2.0 %	\$ 1.04	\$ 1.02	2.0 %
End of Period Common Shares Outstanding (000,000)				7,125	7,305	(2.5) %
Debt Ratio				46.6 %	46.8 %	(20) BP
Total Employees				243,350	257,790	(5.6) %

Supplementary Operating Data				
<i>Subscribers and connections in thousands</i>				
<i>Unaudited</i>				
	June 30,		Percent	
	2020	2019	Change	
<b>Broadband Connections</b>				
IP	14,548	14,860	(2.1)	%
DSL	653	838	(22.1)	%
Total Broadband Connections	15,201	15,698	(3.2)	%
<b>Voice Connections</b>				
Network Access Lines	7,878	9,207	(14.4)	%
U-verse VoIP Connections	4,058	4,766	(14.9)	%
Total Retail Voice Connections	11,936	13,973	(14.6)	%
	Second Quarter		Percent	
	2020	2019	Change	
<b>Broadband Net Additions</b>				
IP	(79)	8	-	%
DSL	(35)	(47)	25.5	%
Total Broadband Net Additions	(114)	(39)	-	%

## COMMUNICATIONS SEGMENT

The Communications segment provides wireless and wireline telecom, video and broadband services to consumers located in the U.S. and businesses globally. The Communications segment contains three reporting units: Mobility, Entertainment Group, and Business Wireline.

Segment Results						
<i>Dollars in millions</i>						
<i>Unaudited</i>						
	Second Quarter		Percent	Six-Month Period		Percent
	2020	2019	Change	2020	2019	Change
<b>Segment Operating Revenues</b>						
Mobility	\$ 17,149	\$ 17,292	(0.8) %	\$ 34,551	\$ 34,655	(0.3) %
Entertainment Group	10,069	11,368	(11.4) %	20,584	22,696	(9.3) %
Business Wireline	6,374	6,607	(3.5) %	12,706	13,085	(2.9) %
<b>Total Segment Operating Revenues</b>	<b>33,592</b>	<b>35,267</b>	<b>(4.7) %</b>	<b>67,841</b>	<b>70,436</b>	<b>(3.7) %</b>
<b>Segment Operating Contribution</b>						
Mobility	5,805	5,767	0.7 %	11,593	11,076	4.7 %
Entertainment Group	1,030	1,514	(32.0) %	2,365	2,992	(21.0) %
Business Wireline	1,277	1,390	(8.1) %	2,357	2,614	(9.8) %
<b>Total Segment Operating Contribution</b>	<b>\$ 8,112</b>	<b>\$ 8,671</b>	<b>(6.4) %</b>	<b>\$ 16,315</b>	<b>\$ 16,682</b>	<b>(2.2) %</b>

### Mobility

Mobility provides nationwide wireless service and equipment.

Mobility Results							
<i>Dollars in millions</i>							
<i>Unaudited</i>							
	Second Quarter		Percent	Six-Month Period		Percent	
	2020	2019	Change	2020	2019	Change	
<b>Operating Revenues</b>							
Service	\$ 13,669	\$ 13,824	(1.1) %	\$ 27,637	\$ 27,453	0.7 %	
Equipment	3,480	3,468	0.3 %	6,914	7,202	(4.0) %	
<b>Total Operating Revenues</b>	<b>17,149</b>	<b>17,292</b>	<b>(0.8) %</b>	<b>34,551</b>	<b>34,655</b>	<b>(0.3) %</b>	
<b>Operating Expenses</b>							
Operations and support	9,332	9,522	(2.0) %	18,901	19,563	(3.4) %	
Depreciation and amortization	2,012	2,003	0.4 %	4,057	4,016	1.0 %	
<b>Total Operating Expenses</b>	<b>11,344</b>	<b>11,525</b>	<b>(1.6) %</b>	<b>22,958</b>	<b>23,579</b>	<b>(2.6) %</b>	
<b>Operating Income</b>	<b>5,805</b>	<b>5,767</b>	<b>0.7 %</b>	<b>11,593</b>	<b>11,076</b>	<b>4.7 %</b>	
<b>Equity in Net Income (Loss) of Affiliates</b>	<b>-</b>	<b>-</b>	<b>- %</b>	<b>-</b>	<b>-</b>	<b>- %</b>	
<b>Operating Contribution</b>	<b>\$ 5,805</b>	<b>\$ 5,767</b>	<b>0.7 %</b>	<b>\$ 11,593</b>	<b>\$ 11,076</b>	<b>4.7 %</b>	
<b>Operating Income Margin</b>	<b>33.9 %</b>	<b>33.4 %</b>	<b>50 BP</b>	<b>33.6 %</b>	<b>32.0 %</b>	<b>160 BP</b>	
<b>Supplementary Operating Data</b>							
<i>Subscribers and connections in thousands</i>							
<i>Unaudited</i>							
	June 30,		Percent			Percent	
	2020	2019	Change			Change	
<b>Mobility Subscribers</b>							
Postpaid	74,919	75,478	(0.7) %				
Prepaid	18,008	17,434	3.3 %				
Reseller	6,718	7,323	(8.3) %				
Connected Devices	71,762	58,387	22.9 %				
<b>Total Mobility Subscribers<sup>1</sup></b>	<b>171,407</b>	<b>158,622</b>	<b>8.1 %</b>				
	Second Quarter		Percent	Six-Month Period		Percent	
	2020	2019	Change	2020	2019	Change	
<b>Mobility Net Additions</b>							
Postpaid Phone Net Additions	(151)	74	- %	12	153	(92.2) %	
<b>Total Phone Net Additions</b>	<b>(16)</b>	<b>357</b>	<b>- %</b>	<b>104</b>	<b>525</b>	<b>(80.2) %</b>	
Postpaid	(154)	(146)	(5.5) %	(127)	(353)	64.0 %	
Prepaid	165	341	(51.6) %	120	442	(72.9) %	
Reseller	(58)	(204)	71.6 %	(248)	(446)	44.4 %	
Connected Devices	2,255	3,959	(43.0) %	5,773	7,047	(18.1) %	
<b>Total Mobility Net Additions<sup>1</sup></b>	<b>2,208</b>	<b>3,950</b>	<b>(44.1) %</b>	<b>5,518</b>	<b>6,690</b>	<b>(17.5) %</b>	
Postpaid Churn <sup>1</sup>	1.05 %	1.07 %	(2) BP	1.06 %	1.12 %	(6) BP	
Postpaid Phone-Only Churn <sup>1</sup>	0.84 %	0.86 %	(2) BP	0.85 %	0.89 %	(4) BP	

<sup>1</sup> The second quarter and six-month period ended June 30, 2020, excludes 466 (338 phone) and 521 (382 phone) customers, respectively, who we have agreed not to terminate service under the FCC's "Keep Americans Connected Pledge."

## Entertainment Group

Entertainment Group provides video, including over-the-top (OTT) services, broadband and voice communication services primarily to residential customers. This business unit also sells advertising on video distribution platforms.

Entertainment Group Results								
<i>Dollars in millions</i>								
<i>Unaudited</i>								
	Second Quarter		Percent			Six-Month Period		Percent
	2020	2019	Change			2020	2019	Change
<b>Operating Revenues</b>								
Video entertainment	\$ 6,976	\$ 8,035	(13.2)	%	\$	14,371	\$ 16,109	(10.8) %
High-speed internet	2,092	2,109	(0.8)	%		4,201	4,179	0.5 %
Legacy voice and data services	560	658	(14.9)	%		1,141	1,341	(14.9) %
Other service and equipment	441	566	(22.1)	%		871	1,067	(18.4) %
<b>Total Operating Revenues</b>	<b>10,069</b>	<b>11,368</b>	<b>(11.4)</b>	<b>%</b>		<b>20,584</b>	<b>22,696</b>	<b>(9.3) %</b>
<b>Operating Expenses</b>								
Operations and support	7,730	8,515	(9.2)	%		15,621	17,042	(8.3) %
Depreciation and amortization	1,309	1,339	(2.2)	%		2,598	2,662	(2.4) %
<b>Total Operating Expenses</b>	<b>9,039</b>	<b>9,854</b>	<b>(8.3)</b>	<b>%</b>		<b>18,219</b>	<b>19,704</b>	<b>(7.5) %</b>
<b>Operating Income</b>	<b>1,030</b>	<b>1,514</b>	<b>(32.0)</b>	<b>%</b>		<b>2,365</b>	<b>2,992</b>	<b>(21.0) %</b>
<b>Equity in Net Income (Loss) of Affiliates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>%</b>		<b>-</b>	<b>-</b>	<b>- %</b>
<b>Operating Contribution</b>	<b>\$ 1,030</b>	<b>\$ 1,514</b>	<b>(32.0)</b>	<b>%</b>	<b>\$</b>	<b>2,365</b>	<b>\$ 2,992</b>	<b>(21.0) %</b>
<b>Operating Income Margin</b>	<b>10.2 %</b>	<b>13.3 %</b>	<b>(310)</b>	<b>BP</b>		<b>11.5 %</b>	<b>13.2 %</b>	<b>(170) BP</b>

Supplementary Operating Data						
<i>Subscribers and connections in thousands</i>						
<i>Unaudited</i>						
	June 30,				Percent	
	2020	2019			Change	
<b>Video Connections</b>						
Premium TV	17,690	21,581	(18.0)		%	
AT&T TV Now	720	1,340	(46.3)		%	
Total Video Connections	18,410	22,921	(19.7)		%	
Total Broadband Connections	13,944	14,420	(3.3)		%	
Fiber Broadband Connections	4,321	3,378	27.9		%	
<b>Voice Connections</b>						
Retail Consumer Switched Access Lines	3,096	3,630	(14.7)		%	
U-verse Consumer VoIP Connections	3,480	4,211	(17.4)		%	
Total Retail Consumer Voice Connections <sup>1</sup>	6,576	7,841	(16.1)		%	
	Second Quarter		Percent		Six-Month Period	
	2020	2019	Change		2020	
					2019	
					Percent	
					Change	
<b>Video Net Additions</b>						
Premium TV <sup>1</sup>	(886)	(778)	(13.9)	%	(1,783)	(1,322)
AT&T TV Now	(68)	(168)	59.5	%	(206)	(251)
Total Video Net Additions <sup>1</sup>	(954)	(946)	(0.8)	%	(1,989)	(1,573)
<b>Broadband Net Additions</b>						
Net Broadband Net Additions <sup>1</sup>	(102)	(34)	-	%	(175)	11
Fiber Broadband Net Additions	225	318	(29.2)	%	434	615

<sup>1</sup> The second quarter and six-month period ended June 30, 2020, excludes 91 and 157 premium TV and 159 and 194 broadband connections, respectively, who we have agreed not to terminate service under the FCC's "Keep Americans Connected Pledge."

## Business Wireline

Business Wireline unit provides advanced IP-based services, as well as traditional data services to business customers.

Business Wireline Results							
<i>Dollars in millions</i>							
<i>Unaudited</i>							
	Second Quarter		Percent		Six-Month Period		Percent
	2020	2019	Change		2020	2019	Change
<b>Operating Revenues</b>							
Strategic and managed services	\$ 3,943	\$ 3,834	2.8 %		\$ 7,822	\$ 7,613	2.7 %
Legacy voice and data services	2,067	2,324	(11.1) %		4,196	4,721	(11.1) %
Other service and equipment	364	449	(18.9) %		688	751	(8.4) %
<b>Total Operating Revenues</b>	<b>6,374</b>	<b>6,607</b>	<b>(3.5) %</b>		<b>12,706</b>	<b>13,085</b>	<b>(2.9) %</b>
<b>Operating Expenses</b>							
Operations and support	3,779	3,975	(4.9) %		7,730	8,007	(3.5) %
Depreciation and amortization	1,318	1,242	6.1 %		2,619	2,464	6.3 %
<b>Total Operating Expenses</b>	<b>5,097</b>	<b>5,217</b>	<b>(2.3) %</b>		<b>10,349</b>	<b>10,471</b>	<b>(1.2) %</b>
<b>Operating Income</b>	<b>1,277</b>	<b>1,390</b>	<b>(8.1) %</b>		<b>2,357</b>	<b>2,614</b>	<b>(9.8) %</b>
<b>Equity in Net Income (Loss) of Affiliates</b>	<b>-</b>	<b>-</b>	<b>- %</b>		<b>-</b>	<b>-</b>	<b>- %</b>
<b>Operating Contribution</b>	<b>\$ 1,277</b>	<b>\$ 1,390</b>	<b>(8.1) %</b>		<b>\$ 2,357</b>	<b>\$ 2,614</b>	<b>(9.8) %</b>
<b>Operating Income Margin</b>	<b>20.0 %</b>	<b>21.0 %</b>	<b>(100) BP</b>		<b>18.6 %</b>	<b>20.0 %</b>	<b>(140) BP</b>

## Business Solutions

As a supplemental presentation to our Communications segment operating results, we are providing a view of our AT&T Business Solutions results which includes both wireless and fixed operations. This combined view presents a complete profile of the entire business customer relationship and underscores the importance of mobile solutions to serving our business customers. Results have been recast to conform to the current period's classification of consumer and business wireless subscribers.

Business Solutions Results							
<i>Dollars in millions</i>							
<i>Unaudited</i>							
	Second Quarter		Percent		Six-Month Period		Percent
	2020	2019	Change		2020	2019	Change
<b>Operating Revenues</b>							
Wireless service	\$ 1,884	\$ 1,881	0.2 %		\$ 3,833	\$ 3,658	4.8 %
Strategic and managed services	3,943	3,834	2.8 %		7,822	7,613	2.7 %
Legacy voice and data services	2,067	2,324	(11.1) %		4,196	4,721	(11.1) %
Other service and equipment	364	449	(18.9) %		688	751	(8.4) %
Wireless equipment	585	617	(5.2) %		1,295	1,207	7.3 %
<b>Total Operating Revenues</b>	<b>8,843</b>	<b>9,105</b>	<b>(2.9) %</b>		<b>17,834</b>	<b>17,950</b>	<b>(0.6) %</b>
<b>Operating Expenses</b>							
Operations and support	5,424	5,512	(1.6) %		11,134	11,126	0.1 %
Depreciation and amortization	1,637	1,545	6.0 %		3,262	3,070	6.3 %
<b>Total Operating Expenses</b>	<b>7,061</b>	<b>7,057</b>	<b>0.1 %</b>		<b>14,396</b>	<b>14,196</b>	<b>1.4 %</b>
<b>Operating Income</b>	<b>1,782</b>	<b>2,048</b>	<b>(13.0) %</b>		<b>3,438</b>	<b>3,754</b>	<b>(8.4) %</b>
<b>Equity in Net Income (Loss) of Affiliates</b>	<b>-</b>	<b>-</b>	<b>- %</b>		<b>-</b>	<b>-</b>	<b>- %</b>
<b>Operating Contribution</b>	<b>\$ 1,782</b>	<b>\$ 2,048</b>	<b>(13.0) %</b>		<b>\$ 3,438</b>	<b>\$ 3,754</b>	<b>(8.4) %</b>
<b>Operating Income Margin</b>	<b>20.2 %</b>	<b>22.5 %</b>	<b>(230) BP</b>		<b>19.3 %</b>	<b>20.9 %</b>	<b>(160) BP</b>



## WARNERMEDIA SEGMENT

The WarnerMedia segment develops, produces and distributes feature films, television, gaming and other content in various physical and digital formats globally, and also includes our Xandr business, which utilizes data analytics to provide targeted advertising services. Results from Turner, Home Box Office and Warner Bros. businesses are combined with AT&T's Regional Sports Network (RSN), Otter Media Holdings and Xandr in the WarnerMedia segment. All previously reported periods have been recast to include Xandr, which was a separate reportable segment prior to the second quarter of 2020.

Segment Results									
<i>Dollars in millions</i>									
<i>Unaudited</i>									
	Second Quarter		Percent		Six-Month Period		Percent		
	2020	2019	Change		2020	2019	Change		
<b>Segment Operating Revenues</b>									
Turner	\$ 2,988	\$ 3,410	(12.4)	%	\$ 6,150	\$ 6,853	(10.3)	%	
HBO	1,627	1,716	(5.2)	%	3,124	3,226	(3.2)	%	
Warner Bros.	3,256	3,389	(3.9)	%	6,496	6,907	(6.0)	%	
Eliminations and other	(1,057)	320	-	%	(1,108)	654	-	%	
<b>Total Segment Operating Revenues</b>	<b>6,814</b>	<b>8,835</b>	<b>(22.9)</b>	<b>%</b>	<b>14,662</b>	<b>17,640</b>	<b>(16.9)</b>	<b>%</b>	
<b>Cost of revenues</b>									
Turner	965	1,796	(46.3)	%	2,285	3,476	(34.3)	%	
HBO	1,095	839	30.5	%	1,911	1,509	26.6	%	
Warner Bros.	2,233	2,492	(10.4)	%	4,579	4,922	(7.0)	%	
Selling, general and administrative	1,324	1,344	(1.5)	%	2,788	2,716	2.7	%	
Eliminations and other	(883)	(35)	-	%	(1,142)	(34)	-	%	
Depreciation and amortization	167	104	60.6	%	330	260	26.9	%	
<b>Total Operating Expenses</b>	<b>4,901</b>	<b>6,540</b>	<b>(25.1)</b>	<b>%</b>	<b>10,751</b>	<b>12,849</b>	<b>(16.3)</b>	<b>%</b>	
<b>Operating Income</b>	<b>1,913</b>	<b>2,295</b>	<b>(16.6)</b>	<b>%</b>	<b>3,911</b>	<b>4,791</b>	<b>(18.4)</b>	<b>%</b>	
Equity in Net Income of Affiliates	4	55	(92.7)	%	19	122	(84.4)	%	
<b>Total Segment Operating Contribution</b>	<b>\$ 1,917</b>	<b>\$ 2,350</b>	<b>(18.4)</b>	<b>%</b>	<b>\$ 3,930</b>	<b>\$ 4,913</b>	<b>(20.0)</b>	<b>%</b>	

## Turner

Turner creates and programs branded news, entertainment, sports and kids multi-platform content that is sold to various distribution affiliates. Turner also sells advertising on its networks and digital properties.

Turner Results									
<i>Dollars in millions</i>									
<i>Unaudited</i>									
	Second Quarter		Percent		Six-Month Period		Percent		
	2020	2019	Change		2020	2019	Change		
<b>Operating Revenues</b>									
Subscription	\$ 1,804	\$ 1,943	(7.2)	%	\$ 3,853	\$ 3,908	(1.4)	%	
Advertising	796	1,266	(37.1)	%	1,753	2,527	(30.6)	%	
Content and other	388	201	93.0	%	544	418	30.1	%	
<b>Total Operating Revenues</b>	<b>2,988</b>	<b>3,410</b>	<b>(12.4)</b>	<b>%</b>	<b>6,150</b>	<b>6,853</b>	<b>(10.3)</b>	<b>%</b>	
<b>Operating Expenses</b>									
Cost of revenues	965	1,796	(46.3)	%	2,285	3,476	(34.3)	%	
Selling, general and administrative	382	421	(9.3)	%	772	877	(12.0)	%	
Depreciation and amortization	69	39	76.9	%	138	99	39.4	%	
<b>Total Operating Expenses</b>	<b>1,416</b>	<b>2,256</b>	<b>(37.2)</b>	<b>%</b>	<b>3,195</b>	<b>4,452</b>	<b>(28.2)</b>	<b>%</b>	
<b>Operating Income</b>	<b>1,572</b>	<b>1,154</b>	<b>36.2</b>	<b>%</b>	<b>2,955</b>	<b>2,401</b>	<b>23.1</b>	<b>%</b>	
Equity in Net Income of Affiliates	-	11	-	%	6	36	(83.3)	%	
<b>Operating Contribution</b>	<b>\$ 1,572</b>	<b>\$ 1,165</b>	<b>34.9</b>	<b>%</b>	<b>\$ 2,961</b>	<b>\$ 2,437</b>	<b>21.5</b>	<b>%</b>	
<b>Operating Income Margin</b>	<b>52.6 %</b>	<b>33.8 %</b>	<b>1,880</b>	<b>BP</b>	<b>48.0 %</b>	<b>35.0 %</b>	<b>1,300</b>	<b>BP</b>	



## Home Box Office

Home Box Office consists of premium pay television and OTT services domestically and premium pay, basic tier television and OTT services internationally, as well as content licensing and home entertainment.

Home Box Office Results									
<i>Dollars in millions</i>									
<i>Unaudited</i>									
	Second Quarter		Percent		Six-Month Period		Percent		
	2020	2019	Change		2020	2019	Change		
<b>Operating Revenues</b>									
Subscription	\$ 1,441	\$ 1,516	(4.9)	%	\$ 2,779	\$ 2,850	(2.5)	%	
Content and other	186	200	(7.0)	%	345	376	(8.2)	%	
<b>Total Operating Revenues</b>	<b>1,627</b>	<b>1,716</b>	<b>(5.2)</b>	<b>%</b>	<b>3,124</b>	<b>3,226</b>	<b>(3.2)</b>	<b>%</b>	
<b>Operating Expenses</b>									
Cost of revenues	1,095	839	30.5	%	1,911	1,509	26.6	%	
Selling, general and administrative	394	292	34.9	%	631	543	16.2	%	
Depreciation and amortization	25	12	-	%	46	34	35.3	%	
<b>Total Operating Expenses</b>	<b>1,514</b>	<b>1,143</b>	<b>32.5</b>	<b>%</b>	<b>2,588</b>	<b>2,086</b>	<b>24.1</b>	<b>%</b>	
<b>Operating Income</b>	<b>113</b>	<b>573</b>	<b>(80.3)</b>	<b>%</b>	<b>536</b>	<b>1,140</b>	<b>(53.0)</b>	<b>%</b>	
<b>Equity in Net Income (Loss) of Affiliates</b>	<b>(5)</b>	<b>15</b>	<b>-</b>	<b>%</b>	<b>15</b>	<b>30</b>	<b>(50.0)</b>	<b>%</b>	
<b>Operating Contribution</b>	<b>\$ 108</b>	<b>\$ 588</b>	<b>(81.6)</b>	<b>%</b>	<b>\$ 551</b>	<b>\$ 1,170</b>	<b>(52.9)</b>	<b>%</b>	
<b>Operating Income Margin</b>	<b>6.9 %</b>	<b>33.4 %</b>	<b>(2,650)</b>	<b>BP</b>	<b>17.2 %</b>	<b>35.3 %</b>	<b>(1,810)</b>	<b>BP</b>	

## Warner Bros.

Warner Bros. consists of the production, distribution and licensing of television programming and feature films, the distribution of home entertainment products and the production and distribution of games.

Warner Bros. Results									
<i>Dollars in millions</i>									
<i>Unaudited</i>									
	Second Quarter		Percent		Six-Month Period		Percent		
	2020	2019	Change		2020	2019	Change		
<b>Operating Revenues</b>									
Theatrical product	\$ 1,029	\$ 1,527	(32.6)	%	\$ 2,135	\$ 3,033	(29.6)	%	
Television product	1,876	1,310	43.2	%	3,645	2,923	24.7	%	
Video games and other	351	552	(36.4)	%	716	951	(24.7)	%	
<b>Total Operating Revenues</b>	<b>3,256</b>	<b>3,389</b>	<b>(3.9)</b>	<b>%</b>	<b>6,496</b>	<b>6,907</b>	<b>(6.0)</b>	<b>%</b>	
<b>Operating Expenses</b>									
Cost of revenues	2,233	2,492	(10.4)	%	4,579	4,922	(7.0)	%	
Selling, general and administrative	350	426	(17.8)	%	954	915	4.3	%	
Depreciation and amortization	40	31	29.0	%	81	83	(2.4)	%	
<b>Total Operating Expenses</b>	<b>2,623</b>	<b>2,949</b>	<b>(11.1)</b>	<b>%</b>	<b>5,614</b>	<b>5,920</b>	<b>(5.2)</b>	<b>%</b>	
<b>Operating Income</b>	<b>633</b>	<b>440</b>	<b>43.9</b>	<b>%</b>	<b>882</b>	<b>987</b>	<b>(10.6)</b>	<b>%</b>	
<b>Equity in Net Income (Loss) of Affiliates</b>	<b>(19)</b>	<b>-</b>	<b>-</b>	<b>%</b>	<b>(27)</b>	<b>6</b>	<b>-</b>	<b>%</b>	
<b>Operating Contribution</b>	<b>\$ 614</b>	<b>\$ 440</b>	<b>39.5</b>	<b>%</b>	<b>\$ 855</b>	<b>\$ 993</b>	<b>(13.9)</b>	<b>%</b>	
<b>Operating Income Margin</b>	<b>19.4 %</b>	<b>13.0 %</b>	<b>640</b>	<b>BP</b>	<b>13.6 %</b>	<b>14.3 %</b>	<b>(70)</b>	<b>BP</b>	

## LATIN AMERICA SEGMENT

The Latin America segment provides entertainment and wireless service outside of the U.S. Our international subsidiaries conduct business in their local currency and operating results are converted to U.S. dollars using official exchange rates. The Latin America segment contains two business units: Vrio and Mexico.

Segment Results								
<i>Dollars in millions</i>								
<i>Unaudited</i>								
	Second Quarter		Percent		Six-Month Period		Percent	
	2020	2019	Change		2020	2019	Change	
<b>Segment Operating Revenues</b>								
Vrio	\$ 752	\$ 1,032	(27.1)	%	\$ 1,639	\$ 2,099	(21.9)	%
Mexico	480	725	(33.8)	%	1,183	1,376	(14.0)	%
<b>Total Segment Operating Revenues</b>	<b>1,232</b>	<b>1,757</b>	<b>(29.9)</b>	<b>%</b>	<b>2,822</b>	<b>3,475</b>	<b>(18.8)</b>	<b>%</b>
<b>Segment Operating Contribution</b>								
Vrio	(28)	(2)	-	%	(67)	30	-	%
Mexico	(173)	(207)	16.4	%	(318)	(412)	22.8	%
<b>Total Segment Operating Contribution</b>	<b>\$ (201)</b>	<b>\$ (209)</b>	<b>3.8</b>	<b>%</b>	<b>\$ (385)</b>	<b>\$ (382)</b>	<b>(0.8)</b>	<b>%</b>

### Vrio

Vrio provides entertainment services to customers utilizing satellite technology in Latin America and the Caribbean.

Vrio Results								
<i>Dollars in millions</i>								
<i>Unaudited</i>								
	Second Quarter		Percent		Six-Month Period		Percent	
	2020	2019	Change		2020	2019	Change	
<b>Operating Revenues</b>	<b>\$ 752</b>	<b>\$ 1,032</b>	<b>(27.1)</b>	<b>%</b>	<b>\$ 1,639</b>	<b>\$ 2,099</b>	<b>(21.9)</b>	<b>%</b>
<b>Operating Expenses</b>								
Operations and support	661	881	(25.0)	%	1,444	1,747	(17.3)	%
Depreciation and amortization	127	165	(23.0)	%	274	334	(18.0)	%
<b>Total Operating Expenses</b>	<b>788</b>	<b>1,046</b>	<b>(24.7)</b>	<b>%</b>	<b>1,718</b>	<b>2,081</b>	<b>(17.4)</b>	<b>%</b>
<b>Operating Income</b>	<b>(36)</b>	<b>(14)</b>	<b>-</b>	<b>%</b>	<b>(79)</b>	<b>18</b>	<b>-</b>	<b>%</b>
<b>Equity in Net Income of Affiliates</b>	<b>8</b>	<b>12</b>	<b>(33.3)</b>	<b>%</b>	<b>12</b>	<b>12</b>	<b>-</b>	<b>%</b>
<b>Operating Contribution</b>	<b>\$ (28)</b>	<b>\$ (2)</b>	<b>-</b>	<b>%</b>	<b>\$ (67)</b>	<b>\$ 30</b>	<b>-</b>	<b>%</b>
<b>Operating Income Margin</b>								
	<b>(4.8) %</b>	<b>(1.4) %</b>	<b>(340)</b>	<b>BP</b>	<b>(4.8) %</b>	<b>0.9 %</b>	<b>(570)</b>	<b>BP</b>

Supplementary Operating Data				
<i>Subscribers and connections in thousands</i>				
<i>Unaudited</i>				
	June 30,		Percent	
	2020	2019	Change	
<b>Vrio Video Subscribers</b>	<b>10,664</b>	<b>13,473</b>	<b>(20.8)</b>	<b>%</b>
	Second Quarter		Percent	
	2020	2019	Change	
<b>Vrio Video Net Additions<sup>1</sup></b>	<b>(312)</b>	<b>(111)</b>	<b>-</b>	<b>%</b>

<sup>1</sup> The second-quarter and six-month period ended June 30, 2020, exclude the impact of 2.2 million subscriber disconnections resulting from the closure of our DIRECTV operations in Venezuela.

## Mexico

Mexico provides wireless services and equipment to customers in Mexico.

Mexico Results								
<i>Dollars in millions</i>								
<i>Unaudited</i>								
	Second Quarter		Percent Change		Six-Month Period		Percent Change	
	2020	2019			2020	2019		
<b>Operating Revenues</b>								
Wireless service	\$ 345	\$ 479	(28.0)	%	\$ 812	\$ 921	(11.8)	%
Wireless equipment	135	246	(45.1)	%	371	455	(18.5)	%
<b>Total Operating Revenues</b>	<b>480</b>	<b>725</b>	<b>(33.8)</b>	<b>%</b>	<b>1,183</b>	<b>1,376</b>	<b>(14.0)</b>	<b>%</b>
<b>Operating Expenses</b>								
Operations and support	538	813	(33.8)	%	1,252	1,538	(18.6)	%
Depreciation and amortization	115	119	(3.4)	%	249	250	(0.4)	%
<b>Total Operating Expenses</b>	<b>653</b>	<b>932</b>	<b>(29.9)</b>	<b>%</b>	<b>1,501</b>	<b>1,788</b>	<b>(16.1)</b>	<b>%</b>
<b>Operating Income (Loss)</b>	<b>(173)</b>	<b>(207)</b>	<b>16.4</b>	<b>%</b>	<b>(318)</b>	<b>(412)</b>	<b>22.8</b>	<b>%</b>
<b>Equity in Net Income of Affiliates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>%</b>
<b>Operating Contribution</b>	<b>\$ (173)</b>	<b>\$ (207)</b>	<b>16.4</b>	<b>%</b>	<b>\$ (318)</b>	<b>\$ (412)</b>	<b>22.8</b>	<b>%</b>
<b>Operating Income Margin</b>	<b>(36.0) %</b>	<b>(28.6) %</b>	<b>(740)</b>	<b>BP</b>	<b>(26.9) %</b>	<b>(29.9) %</b>	<b>300</b>	<b>BP</b>

Supplementary Operating Data								
<i>Subscribers and connections in thousands</i>								
<i>Unaudited</i>								
	June 30,				Percent			
	2020	2019			Change			
<b>Mexico Wireless Subscribers</b>								
Postpaid	4,771	5,489	(13.1)	%				
Prepaid	12,777	12,180	4.9	%				
Reseller	425	352	20.7	%				
Total Mexico Wireless Subscribers	17,973	18,021	(0.3)	%				
	Second Quarter		Percent		Six-Month Period		Percent	
	2020	2019	Change		20202019		Change	
<b>Mexico Wireless Net Additions<sup>1</sup></b>								
Postpaid	(191)	(153)	(24.8)	%	(332)	(222)	(49.5)	%
Prepaid	(915)	401	-	%	(807)	515	-	%
Reseller	21	51	(58.8)	%	53	99	(46.5)	%
Total Mexico Wireless Net Additions	(1,085)	299	-	%	(1,086)	392	-	%

<sup>1</sup> The second-quarter and six-month period ended June 30, 2020, exclude the impact of 101 subscriber disconnections resulting from conforming our policy on reporting of fixed wireless resellers.

## Supplemental AT&T Advertising Revenues

As a supplemental presentation, we are providing a view of total advertising revenues generated by AT&T, which combines the advertising revenues recorded across all operating segments. This combined view presents the entire portfolio of revenues generated from AT&T assets.

Advertising Revenues								
<i>Dollars in millions</i>								
<i>Unaudited</i>								
	Second Quarter		Percent Change		Six-Month Period		Percent Change	
	2020	2019			2020	2019		
<b>Operating Revenues</b>								
Turner	\$ 796	\$ 1,266	(37.1)	%	\$ 1,753	\$ 2,527	(30.6)	%
Entertainment Group	294	399	(26.3)	%	707	749	(5.6)	%
Xandr	362	485	(25.4)	%	851	911	(6.6)	%
Other	75	90	(16.7)	%	173	175	(1.1)	%
Eliminations	(294)	(399)	26.3	%	(707)	(749)	5.6	%
<b>Total Advertising Revenues</b>	<b>\$ 1,233</b>	<b>\$ 1,841</b>	<b>(33.0)</b>	<b>%</b>	<b>\$ 2,777</b>	<b>\$ 3,613</b>	<b>(23.1)</b>	<b>%</b>

## SUPPLEMENTAL SEGMENT RECONCILIATION

Three Months Ended								
Dollars in millions								
Unaudited								
June 30, 2020								
							Equity in Net	
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)		Income (Loss) of Affiliates	Segment Contribution
Communications								
Mobility	\$ 17,149	\$ 9,332	\$ 7,817	\$ 2,012	\$ 5,805	\$ -	\$ 5,805	
Entertainment Group	10,069	7,730	2,339	1,309	1,030	-	1,030	
Business Wireline	6,374	3,779	2,595	1,318	1,277	-	1,277	
Total Communications	33,592	20,841	12,751	4,639	8,112	-	8,112	
WarnerMedia								
Turner	2,988	1,347	1,641	69	1,572	-	1,572	
Home Box Office	1,627	1,489	138	25	113	(5)	108	
Warner Bros.	3,256	2,583	673	40	633	(19)	614	
Eliminations and other	(1,057)	(685)	(372)	33	(405)	28	(377)	
Total WarnerMedia	6,814	4,734	2,080	167	1,913	4	1,917	
Latin America								
Vrio	752	661	91	127	(36)	8	(28)	
Mexico	480	538	(58)	115	(173)	-	(173)	
Total Latin America	1,232	1,199	33	242	(209)	8	(201)	
Segment Total	41,638	26,774	14,864	5,048	9,816	\$ 12	\$ 9,828	
Corporate and Other								
Corporate	437	933	(496)	93	(589)			
Acquisition-related items	-	211	(211)	2,145	(2,356)			
Certain significant items	-	3,084	(3,084)	-	(3,084)			
Eliminations and consolidations	(1,125)	(869)	(256)	(1)	(255)			
AT&T Inc.	\$ 40,950	\$ 30,133	\$ 10,817	\$ 7,285	\$ 3,532			
June 30, 2019								
							Equity in Net	
	Revenues	Operations and Support Expenses	EBITDA	Depreciation and Amortization	Operating Income (Loss)		Income (Loss) of Affiliates	Segment Contribution
Communications								
Mobility	\$ 17,292	\$ 9,522	\$ 7,770	\$ 2,003	\$ 5,767	\$ -	\$ 5,767	
Entertainment Group	11,368	8,515	2,853	1,339	1,514	-	1,514	
Business Wireline	6,607	3,975	2,632	1,242	1,390	-	1,390	
Total Communications	35,267	22,012	13,255	4,584	8,671	-	8,671	
WarnerMedia								
Turner	3,410	2,217	1,193	39	1,154	11	1,165	
Home Box Office	1,716	1,131	585	12	573	15	588	
Warner Bros.	3,389	2,918	471	31	440	-	440	
Eliminations and other	320	170	150	22	128	29	157	
Total WarnerMedia	8,835	6,436	2,399	104	2,295	55	2,350	
Latin America								
Vrio	1,032	881	151	165	(14)	12	(2)	
Mexico	725	813	(88)	119	(207)	-	(207)	
Total Latin America	1,757	1,694	63	284	(221)	12	(209)	
Segment Total	45,859	30,142	15,717	4,972	10,745	\$ 67	\$ 10,812	
Corporate and Other								
Corporate	450	765	(315)	170	(485)			
Acquisition-related items	(30)	316	(346)	1,960	(2,306)			
Certain significant items	-	94	(94)	-	(94)			
Eliminations and consolidations	(1,322)	(961)	(361)	(1)	(360)			
AT&T Inc.	\$ 44,957	\$ 30,356	\$ 14,601	\$ 7,101	\$ 7,500			

## SUPPLEMENTAL SEGMENT RECONCILIATION

Six Months Ended								
Dollars in millions								
Unaudited								
June 30, 2020								