



# Financial and Operational Trends

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

OCTOBER 28, 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	9/30/19
<b>Operating Revenues</b>	\$ 39,365	\$ 39,837	\$ 39,668	\$ 41,676	\$ 160,546	\$ 38,038	\$ 38,986	\$ 45,739	\$ 47,993	\$ 170,756	\$ 44,827	\$ 44,957	\$ 44,588
<b>Operating Expenses</b>													
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	4,484
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	7,066
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	8,604
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	9,584
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	6,949
<b>Total Operating Expenses</b>	33,009	33,311	33,861	40,395	140,576	31,837	32,520	38,470	41,833	144,660	37,594	37,457	36,687
<b>Operating Income</b>	6,356	6,526	5,807	1,281	19,970	6,201	6,466	7,269	6,160	26,096	7,233	7,500	7,901
<b>Interest Expense</b>	1,293	1,395	1,686	1,926	6,300	1,771	2,023	2,051	2,112	7,957	2,141	2,149	2,083
<b>Equity in Net Income (Loss) of Affiliates</b>	(173)	14	11	20	(128)	9	(16)	(64)	23	(48)	(7)	40	3
<b>Other Income (Expense) – Net</b>	488	925	842	(658)	1,597	1,702	2,353	1,053	1,674	6,782	286	(318)	(935)
<b>Income (Loss) Before Income Taxes</b>	5,378	6,070	4,974	(1,283)	15,139	6,141	6,780	6,207	5,745	24,873	5,371	5,073	4,886
<b>Income Tax Expense (Benefit)</b>	1,804	2,056	1,851	(20,419)	(14,708)	1,382	1,532	1,391	615	4,920	1,023	1,099	937
<b>Net Income</b>	3,574	4,014	3,123	19,136	29,847	4,759	5,248	4,816	5,130	19,953	4,348	3,974	3,949
<b>Less: Net Income Attributable to Noncontrolling Interest</b>	(105)	(99)	(94)	(99)	(397)	(97)	(116)	(98)	(272)	(583)	(252)	(261)	(249)
<b>Net Income Attributable to AT&amp;T</b>	\$ 3,469	\$ 3,915	\$ 3,029	\$ 19,037	\$ 29,450	\$ 4,662	\$ 5,132	\$ 4,718	\$ 4,858	\$ 19,370	\$ 4,096	\$ 3,713	\$ 3,700
<b>Diluted Earnings Per Share Attributable to AT&amp;T</b>	\$ 0.56	\$ 0.63	\$ 0.49	\$ 3.08	\$ 4.76	\$ 0.75	\$ 0.81	\$ 0.65	\$ 0.66	\$ 2.85	\$ 0.56	\$ 0.51	\$ 0.50
<b>Adjusted Diluted Earnings Per Share Attributable to AT&amp;T</b>	\$ 0.74	\$ 0.79	\$ 0.74	\$ 0.78	\$ 3.05	\$ 0.85	\$ 0.91	\$ 0.90	\$ 0.86	\$ 3.52	\$ 0.86	\$ 0.89	\$ 0.94
<b>EBITDA<sup>1</sup></b>	\$ 12,483	\$ 12,673	\$ 11,849	\$ 7,352	\$ 44,357	\$ 12,195	\$ 12,844	\$ 15,435	\$ 14,052	\$ 54,526	\$ 14,439	\$ 14,601	\$ 14,850
<b>Adjusted EBITDA<sup>1</sup></b>	\$ 12,572	\$ 13,049	\$ 12,398	\$ 11,259	\$ 49,278	\$ 12,442	\$ 13,316	\$ 15,872	\$ 15,029	\$ 56,659	\$ 14,802	\$ 15,041	\$ 15,079
<b>Adjusted EBITDA Margin<sup>1</sup></b>	31.9%	32.8%	31.2%	26.9%	30.6%	32.7%	34.2%	34.7%	31.3%	33.2%	33.0%	33.4%	33.8%
<b>Pro Forma Operating Revenues<sup>2</sup></b>	\$ 46,333	\$ 46,401	\$ 46,501	\$ 49,534	\$ 188,769	\$ 45,222	\$ 44,697	\$ 45,739	\$ 47,993	\$ 183,651	\$ 44,827	\$ 44,957	\$ 44,588
<b>Adjusted Pro Forma EBITDA<sup>2</sup></b>	\$ 15,506	\$ 15,469	\$ 15,209	\$ 13,482	\$ 59,666	\$ 14,756	\$ 14,921	\$ 15,872	\$ 15,029	\$ 60,578	\$ 14,802	\$ 15,041	\$ 15,079
<b>Adjusted Pro Forma EBITDA - Prior Methodology<sup>2</sup></b>	\$ 14,894	\$ 14,978	\$ 14,823	\$ 13,217	\$ 57,912	\$ 14,592	\$ 14,789	\$ 15,100	\$ 14,484	\$ 58,965	\$ 14,652	\$ 14,929	\$ 14,971

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	9/30/19
<b>Capital Expenditures:</b>													
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	\$ 5,141
Interest during construction	231	242	245	185	903	161	106	137	89	493	61	51	48
<b>Dividends Declared Per Share</b>	\$ 0.49	\$ 0.49	\$ 0.49	\$ 0.50	\$ 1.97	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.51	\$ 2.01	\$ 0.51	\$ 0.51	\$ 0.51
<b>Annual Dividend Per Share Growth</b>	2.1%	2.1%	2.1%	2.0%		2.0%	2.0%	2.0%	2.0%		2.0%	2.0%	2.0%
<b>End of Period Common Shares Outstanding (000,000)</b>	6,147	6,140	6,139	6,139		6,148	7,261	7,270	7,282		7,297	7,305	7,303
<b>Debt Ratio</b>	51.6%	53.3%	56.4%	53.6%		52.6%	50.8%	49.8%	47.7%		47.4%	46.8%	45.9%
<b>Total Employees</b>	264,530	260,480	256,800	254,000		249,240	273,210	269,280	268,220		262,290	257,790	251,840

See Notes to Financial and Operational Trends on page 15.



### Consolidated Statements of Cash Flows<sup>3</sup>

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

See Notes to Financial and Operational Trends on page 15.



**AT&T Inc.**

**Free Cash Flow & Capital Investment Detail**

Dollars in millions

Unaudited

**Cash Flow Detail**

	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
Net cash provided by operating activities	\$ 10,803	\$ 9,537	\$ 8,947	\$ 10,229	\$ 12,346	\$ 12,080	\$ 11,052	\$ 14,284	\$ 11,389
Less: Capital expenditures	(5,251)	(5,076)	(6,118)	(5,108)	(5,873)	(4,152)	(5,182)	(5,472)	(5,189)
<b>Free Cash Flow<sup>1</sup></b>	<b>5,552</b>	<b>4,461</b>	<b>2,829</b>	<b>5,121</b>	<b>6,473</b>	<b>7,928</b>	<b>5,870</b>	<b>8,812</b>	<b>6,200</b>

**Capital Investment Detail**

Capital expenditures	\$ 5,251	\$ 5,076	\$ 6,118	\$ 5,108	\$ 5,873	\$ 4,152	\$ 5,182	\$ 5,472	\$ 5,189
Add: Vendor financing payments	124	118	171	86	90	213	819	1,017	765
<b>Capital Investment<sup>1</sup></b>	<b>5,375</b>	<b>5,194</b>	<b>6,289</b>	<b>5,194</b>	<b>5,963</b>	<b>4,365</b>	<b>6,001</b>	<b>6,489</b>	<b>5,954</b>
Add: FirstNet capital expenditures reimbursement	17	262	-	302	-	1,127	-	103	-
<b>Gross Capital Investment</b>	<b>\$ 5,392</b>	<b>\$ 5,456</b>	<b>\$ 6,289</b>	<b>\$ 5,496</b>	<b>\$ 5,963</b>	<b>\$ 5,492</b>	<b>\$ 6,001</b>	<b>\$ 6,592</b>	<b>\$ 5,954</b>

**AT&T Inc.**

**FirstNet - Capital Expenditures and Reimbursements**

Dollars in millions

Unaudited

**Capital Expenditures Impact**

Capital expenditures	\$ 5,251	\$ 5,076	\$ 6,118	\$ 5,108	\$ 5,873	\$ 4,152	\$ 5,182	\$ 5,472	\$ 5,189
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	5,189

**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	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
<b>Operating Revenues</b>	\$ 39,365	\$ 39,837	\$ 39,668	\$ 41,676	\$ 38,038	\$ 38,986	\$ 45,739	\$ 47,993	\$ 44,827	\$ 44,957	\$ 44,588
<b>Communications<sup>12</sup></b>	36,679	37,041	36,906	38,831	35,305	35,186	36,007	37,223	35,169	35,267	35,401
Mobility <sup>12</sup>	16,905	17,259	17,183	18,912	17,151	17,079	17,735	18,556	17,363	17,292	17,701
Entertainment Group	12,467	12,501	12,467	12,560	11,431	11,478	11,589	11,962	11,328	11,368	11,197
Business Wireline <sup>12</sup>	7,307	7,281	7,256	7,359	6,723	6,629	6,683	6,705	6,478	6,607	6,503
<b>WarnerMedia</b>	105	111	107	107	112	1,393	8,204	9,232	8,379	8,350	7,846
Turner	105	111	107	107	112	667	2,988	3,212	3,443	3,410	3,007
Home Box Office	-	-	-	-	-	281	1,644	1,673	1,510	1,716	1,819
Warner Bros.	-	-	-	-	-	507	3,720	4,476	3,518	3,389	3,333
Eliminations and other	-	-	-	-	-	(62)	(148)	(129)	(92)	(165)	(313)
<b>Latin America</b>	1,929	2,026	2,099	2,215	2,025	1,951	1,833	1,843	1,718	1,757	1,730
Vrio	1,341	1,361	1,363	1,391	1,354	1,254	1,102	1,074	1,067	1,032	1,013
Mexico	588	665	736	824	671	697	731	769	651	725	717
<b>Xandr</b>	321	338	333	381	337	392	445	566	426	485	504
<b>Corporate, Acquisition Related and Significant Items<sup>12</sup></b>	624	609	502	465	561	544	531	465	391	420	407
<b>Eliminations<sup>4</sup></b>	25	45	50	54	32	(93)	(880)	(863)	(906)	(923)	(879)
<b>Consolidation<sup>4</sup></b>	(318)	(333)	(329)	(377)	(334)	(387)	(401)	(473)	(350)	(399)	(421)
<b>Adjusted EBITDA</b>	\$ 12,572	\$ 13,049	\$ 12,398	\$ 11,259	\$ 12,442	\$ 13,316	\$ 15,872	\$ 15,029	\$ 14,802	\$ 15,041	\$ 15,079
<b>Communications<sup>12</sup></b>	12,752	13,108	12,581	11,355	12,534	12,965	12,726	12,175	12,569	13,255	12,634
Mobility <sup>12</sup>	7,149	7,306	7,282	6,205	7,193	7,538	7,631	7,469	7,322	7,770	7,753
Entertainment Group	2,955	3,106	2,663	2,368	2,620	2,821	2,434	2,155	2,801	2,853	2,400
Business Wireline <sup>12</sup>	2,648	2,696	2,636	2,782	2,721	2,606	2,661	2,551	2,446	2,632	2,481
<b>WarnerMedia</b>	42	(4)	9	48	30	482	2,701	2,762	2,386	2,061	2,679
<b>Latin America</b>	170	254	162	279	221	148	87	38	127	63	105
Vrio	291	363	288	342	353	238	225	225	201	151	162
Mexico	(121)	(109)	(126)	(63)	(132)	(90)	(138)	(187)	(74)	(88)	(57)
<b>Xandr</b>	278	302	294	330	287	333	336	386	266	338	342
<b>Corporate<sup>12</sup></b>	(391)	(309)	(353)	(415)	(332)	(254)	390	96	(228)	(315)	(296)
<b>Eliminations and Consolidation<sup>4</sup></b>	(279)	(302)	(296)	(337)	(298)	(357)	(368)	(429)	(318)	(361)	(385)

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<sup>12</sup>

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
<b>Operating Revenues</b>											
Service	\$ 14,307	\$ 14,310	\$ 14,317	\$ 14,089	\$ 13,246	\$ 13,520	\$ 13,828	\$ 13,700	\$ 13,629	\$ 13,824	\$ 13,930
Equipment	2,598	2,949	2,866	4,823	3,905	3,559	3,907	4,856	3,734	3,468	3,771
<b>Total Operating Revenues</b>	<b>\$ 16,905</b>	<b>\$ 17,259</b>	<b>\$ 17,183</b>	<b>\$ 18,912</b>	<b>\$ 17,151</b>	<b>\$ 17,079</b>	<b>\$ 17,735</b>	<b>\$ 18,556</b>	<b>\$ 17,363</b>	<b>\$ 17,292</b>	<b>\$ 17,701</b>
<b>Operating Expenses</b>											
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
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
<b>Total Operating Expenses</b>	<b>11,727</b>	<b>11,920</b>	<b>11,888</b>	<b>14,713</b>	<b>12,030</b>	<b>11,630</b>	<b>12,161</b>	<b>13,132</b>	<b>12,054</b>	<b>11,525</b>	<b>11,959</b>
<b>Operating Income</b>	<b>\$ 5,178</b>	<b>\$ 5,339</b>	<b>\$ 5,295</b>	<b>\$ 4,199</b>	<b>\$ 5,121</b>	<b>\$ 5,449</b>	<b>\$ 5,574</b>	<b>\$ 5,424</b>	<b>\$ 5,309</b>	<b>\$ 5,767</b>	<b>\$ 5,742</b>
<b>Operating Income Margin</b>											
	30.6%	30.9%	30.8%	22.2%	29.9%	31.9%	31.4%	29.2%	30.6%	33.4%	32.4%
<b>EBITDA<sup>1</sup></b>	<b>\$ 7,149</b>	<b>\$ 7,306</b>	<b>\$ 7,282</b>	<b>\$ 6,205</b>	<b>\$ 7,193</b>	<b>\$ 7,538</b>	<b>\$ 7,631</b>	<b>\$ 7,469</b>	<b>\$ 7,322</b>	<b>\$ 7,770</b>	<b>\$ 7,753</b>
<b>EBITDA Margin<sup>1</sup></b>	<b>42.3%</b>	<b>42.3%</b>	<b>42.4%</b>	<b>32.8%</b>	<b>41.9%</b>	<b>44.1%</b>	<b>43.0%</b>	<b>40.3%</b>	<b>42.2%</b>	<b>44.9%</b>	<b>43.8%</b>
<b>EBITDA Service Margin<sup>1</sup></b>	<b>50.0%</b>	<b>51.1%</b>	<b>50.9%</b>	<b>44.0%</b>	<b>54.3%</b>	<b>55.8%</b>	<b>55.2%</b>	<b>54.5%</b>	<b>53.7%</b>	<b>56.2%</b>	<b>55.7%</b>

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<sup>12</sup>

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

See Notes to Financial and Operational Trends on page 15.



## Communications

### Entertainment Group Results

Dollars in millions

Unaudited	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
<b>Operating Revenues</b>									
Video Entertainment	\$ 9,052	\$ 9,200	\$ 8,225	\$ 8,173	\$ 8,283	\$ 8,676	\$ 8,074	\$ 8,035	\$ 7,933
High-Speed Internet	1,916	1,890	1,878	1,981	2,045	2,052	2,070	2,109	2,117
Legacy Voice and Data Services	913	878	806	772	739	724	683	658	628
Other Service and Equipment	586	592	522	552	522	510	501	566	519
<b>Total Operating Revenues</b>	<b>\$ 12,467</b>	<b>\$ 12,560</b>	<b>\$ 11,431</b>	<b>\$ 11,478</b>	<b>\$ 11,589</b>	<b>\$ 11,962</b>	<b>\$ 11,328</b>	<b>\$ 11,368</b>	<b>\$ 11,197</b>
<b>Operating Expenses</b>									
Operations and support	9,804	10,192	8,811	8,657	9,155	9,807	8,527	8,515	8,797
Depreciation and amortization	1,379	1,367	1,310	1,345	1,331	1,329	1,323	1,339	1,316
<b>Total Operating Expenses</b>	<b>11,183</b>	<b>11,559</b>	<b>10,121</b>	<b>10,002</b>	<b>10,486</b>	<b>11,136</b>	<b>9,850</b>	<b>9,854</b>	<b>10,113</b>
<b>Operating Income</b>	<b>\$ 1,284</b>	<b>\$ 1,001</b>	<b>\$ 1,310</b>	<b>\$ 1,476</b>	<b>\$ 1,103</b>	<b>\$ 826</b>	<b>\$ 1,478</b>	<b>\$ 1,514</b>	<b>\$ 1,084</b>
<b>Operating Income Margin</b>	<b>10.3%</b>	<b>8.0%</b>	<b>11.5%</b>	<b>12.9%</b>	<b>9.5%</b>	<b>6.9%</b>	<b>13.0%</b>	<b>13.3%</b>	<b>9.7%</b>
<b>EBITDA<sup>1</sup></b>	<b>\$ 2,663</b>	<b>\$ 2,368</b>	<b>\$ 2,620</b>	<b>\$ 2,821</b>	<b>\$ 2,434</b>	<b>\$ 2,155</b>	<b>\$ 2,801</b>	<b>\$ 2,853</b>	<b>\$ 2,400</b>
<b>EBITDA Margin<sup>1</sup></b>	<b>21.4%</b>	<b>18.9%</b>	<b>22.9%</b>	<b>24.6%</b>	<b>21.0%</b>	<b>18.0%</b>	<b>24.7%</b>	<b>25.1%</b>	<b>21.4%</b>

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	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
<b>Total Video Connections<sup>9</sup></b>									
Premium TV	25,083	25,244	25,369	25,449	25,152	24,494	23,867	22,921	21,563
Over-the-Top <sup>10</sup>	24,296	24,089	23,902	23,640	23,294	22,903	22,359	21,581	20,418
	787	1,155	1,467	1,809	1,858	1,591	1,508	1,340	1,145
<b>Video Net Adds<sup>9</sup></b>									
Premium TV	(385)	(207)	(187)	(262)	(346)	(391)	(544)	(778)	(1,163)
Over-the-Top	296	368	312	342	49	(267)	(83)	(168)	(195)
<b>Premium TV ARPU<sup>8,11</sup></b>			<b>\$ 112.45</b>	<b>\$ 112.19</b>	<b>\$ 114.90</b>	<b>\$ 121.76</b>	<b>\$ 114.98</b>	<b>\$ 117.49</b>	<b>\$ 121.35</b>
<b>Total Broadband Connections</b>									
IP	14,331	14,350	14,432	14,455	14,441	14,409	14,454	14,420	14,301
DSL	13,367	13,462	13,616	13,692	13,723	13,729	13,822	13,822	13,739
	964	888	816	763	718	680	632	598	562
<b>Total Broadband Net Adds</b>	<b>29</b>	<b>19</b>	<b>82</b>	<b>23</b>	<b>(14)</b>	<b>(32)</b>	<b>45</b>	<b>(34)</b>	<b>(119)</b>
IP	125	95	154	76	31	6	93	0	(83)
DSL	(96)	(76)	(72)	(53)	(45)	(38)	(48)	(34)	(36)
<b>Fiber Broadband Connections (included in IP)</b>			<b>1,955</b>	<b>2,204</b>	<b>2,504</b>	<b>2,763</b>	<b>3,060</b>	<b>3,378</b>	<b>3,696</b>
<b>Fiber Broadband Net Adds (included in IP)</b>			<b>226</b>	<b>249</b>	<b>300</b>	<b>259</b>	<b>297</b>	<b>318</b>	<b>318</b>
<b>IP Broadband ARPU<sup>11</sup></b>	<b>\$ 48.00</b>	<b>\$ 46.94</b>	<b>\$ 46.27</b>	<b>\$ 48.32</b>	<b>\$ 49.78</b>	<b>\$ 49.83</b>	<b>\$ 50.10</b>	<b>\$ 50.82</b>	<b>\$ 51.21</b>

See Notes to Financial and Operational Trends on page 15.





## Communications

### Business Wireline Results<sup>12</sup>

Dollars in millions

Unaudited	3/31/17	6/30/17	9/30/17	12/31/17
<b>Operating Revenues</b>				
Strategic and Managed Services <sup>13</sup>	\$ 3,351	\$ 3,428	\$ 3,491	\$ 3,610
Legacy Voice and Data Services	3,620	3,489	3,395	3,287
Equipment	164	181	194	238
Other	172	183	176	224
<b>Total Operating Revenues</b>	<b>\$ 7,307</b>	<b>\$ 7,281</b>	<b>\$ 7,256</b>	<b>\$ 7,359</b>
<b>Operating Expenses</b>				
Operations and support	4,659	4,585	4,620	4,577
Depreciation and amortization	1,174	1,201	1,179	1,202
<b>Total Operating Expenses</b>	<b>5,833</b>	<b>5,786</b>	<b>5,799</b>	<b>5,779</b>
<b>Operating Income</b>	<b>\$ 1,474</b>	<b>\$ 1,495</b>	<b>\$ 1,457</b>	<b>\$ 1,580</b>
<b>Operating Income Margin</b>	<b>20.2%</b>	<b>20.5%</b>	<b>20.1%</b>	<b>21.5%</b>
<b>EBITDA<sup>1</sup></b>	<b>\$ 2,648</b>	<b>\$ 2,696</b>	<b>\$ 2,636</b>	<b>\$ 2,782</b>
<b>EBITDA Margin<sup>1</sup></b>	<b>36.2%</b>	<b>37.0%</b>	<b>36.3%</b>	<b>37.8%</b>

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)<sup>12</sup>

Dollars in millions

Unaudited	3/31/17	6/30/17	9/30/17	12/31/17
<b>Operating Revenues</b>	<b>\$ 9,574</b>	<b>\$ 9,622</b>	<b>\$ 9,596</b>	<b>\$ 9,871</b>
<b>Operating Income</b>	<b>\$ 2,158</b>	<b>\$ 2,127</b>	<b>\$ 2,079</b>	<b>\$ 2,064</b>
<b>EBITDA<sup>1</sup></b>	<b>\$ 3,605</b>	<b>\$ 3,598</b>	<b>\$ 3,534</b>	<b>\$ 3,550</b>

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.

	3/31/18	6/30/18	9/30/18	12/31/18	3/31/19	6/30/19	9/30/19
\$	3,583	\$ 3,589	\$ 3,677	\$ 3,811	\$ 3,779	\$ 3,834	\$ 3,900
	2,854	2,720	2,602	2,498	2,397	2,324	2,252
	170	199	197	257	159	178	199
	116	121	207	139	143	271	152
\$	6,723	\$ 6,629	\$ 6,683	\$ 6,705	\$ 6,478	\$ 6,607	\$ 6,503
	4,002	4,023	4,022	4,154	4,032	3,975	4,022
	1,161	1,172	1,187	1,194	1,222	1,242	1,271
	5,163	5,195	5,209	5,348	5,254	5,217	5,293
\$	1,560	\$ 1,434	\$ 1,474	\$ 1,357	\$ 1,224	\$ 1,390	\$ 1,210
	23.2%	21.6%	22.1%	20.2%	18.9%	21.0%	18.6%
\$	2,721	\$ 2,606	\$ 2,661	\$ 2,551	\$ 2,446	\$ 2,632	\$ 2,481
	40.5%	39.3%	39.8%	38.0%	37.8%	39.8%	38.2%


**WarnerMedia**  
**WarnerMedia Results**

Dollars in millions Unaudited	Non-GAAP Comparable Basis <sup>14*</sup>				Three Months Ended				
	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
<b>Segment Operating Revenues</b>									
Turner	\$ 2,875	\$ 3,230	\$ 3,456	\$ 3,345	\$ 2,988	\$ 3,212	\$ 3,443	\$ 3,410	\$ 3,007
Home Box Office	1,605	1,680	1,619	1,667	1,644	1,673	1,510	1,716	1,819
Warner Bros.	3,460	4,053	3,238	3,306	3,720	4,476	3,518	3,389	3,333
Eliminations and other	(238)	(245)	(205)	(405)	(148)	(129)	(92)	(165)	(313)
<b>Total Segment Operating Revenues<sup>15</sup></b>	<b>\$ 7,702</b>	<b>\$ 8,718</b>	<b>\$ 8,108</b>	<b>\$ 7,913</b>	<b>\$ 8,204</b>	<b>\$ 9,232</b>	<b>\$ 8,379</b>	<b>\$ 8,350</b>	<b>\$ 7,846</b>
<b>Segment Operating Expenses</b>									
Operations and support	5,180	6,557	5,927	5,958	5,503	6,470	5,993	6,289	5,167
Depreciation and amortization	170	192	172	169	134	139	143	91	150
<b>Total Segment Operating Expenses</b>	<b>5,350</b>	<b>6,749</b>	<b>6,099</b>	<b>6,127</b>	<b>5,637</b>	<b>6,609</b>	<b>6,136</b>	<b>6,380</b>	<b>5,317</b>
<b>Segment Operating Income<sup>15</sup></b>	<b>\$ 2,352</b>	<b>\$ 1,969</b>	<b>\$ 2,009</b>	<b>\$ 1,786</b>	<b>\$ 2,567</b>	<b>\$ 2,623</b>	<b>\$ 2,243</b>	<b>\$ 1,970</b>	<b>\$ 2,529</b>
<b>Equity in Net Income (Loss) of Affiliates</b>									
Segment Contribution					(39)	80	67	55	15
	\$ 2,528	\$ 2,703	\$ 2,310	\$ 2,025	\$ 2,528	\$ 2,703	\$ 2,310	\$ 2,025	\$ 2,544
<b>Segment Operating Income Margin<sup>15</sup></b>									
EBITDA	\$ 2,522	\$ 2,161	\$ 2,181	\$ 1,955	\$ 2,701	\$ 2,762	\$ 2,386	\$ 2,061	\$ 2,679
EBITDA Margin	32.7%	24.8%	26.9%	24.7%	32.9%	29.9%	28.5%	24.7%	34.1%
<b>Total Programming and Production Costs<sup>16</sup></b>	<b>\$ 2,876</b>	<b>\$ 3,874</b>	<b>\$ 3,515</b>	<b>\$ 3,595</b>	<b>\$ 3,188</b>	<b>\$ 3,828</b>	<b>\$ 3,622</b>	<b>\$ 3,670</b>	<b>\$ 2,915</b>

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

**WarnerMedia**  
**Turner Results**

Dollars in millions Unaudited	Non-GAAP Comparable Basis <sup>14*</sup>				Three Months Ended				
	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
<b>Operating Revenues</b>									
Subscription	\$ 1,756	\$ 1,779	\$ 1,888	\$ 1,870	\$ 1,855	\$ 1,844	\$ 1,965	\$ 1,943	\$ 1,927
Advertising	980	1,226	1,340	1,324	944	1,149	1,261	1,266	913
Content and other	139	225	228	151	189	219	217	201	167
<b>Total Operating Revenues<sup>15</sup></b>	<b>\$ 2,875</b>	<b>\$ 3,230</b>	<b>\$ 3,456</b>	<b>\$ 3,345</b>	<b>\$ 2,988</b>	<b>\$ 3,212</b>	<b>\$ 3,443</b>	<b>\$ 3,410</b>	<b>\$ 3,007</b>
<b>Operating Expenses</b>									
Operations and support	1,544	2,104	2,234	2,283	1,487	1,861	2,136	2,217	1,460
Depreciation and amortization	55	56	57	59	59	60	60	39	68
<b>Total Operating Expenses</b>	<b>1,599</b>	<b>2,160</b>	<b>2,291</b>	<b>2,342</b>	<b>1,546</b>	<b>1,921</b>	<b>2,196</b>	<b>2,256</b>	<b>1,528</b>
<b>Operating Income<sup>15</sup></b>	<b>\$ 1,276</b>	<b>\$ 1,070</b>	<b>\$ 1,165</b>	<b>\$ 1,003</b>	<b>\$ 1,442</b>	<b>\$ 1,291</b>	<b>\$ 1,247</b>	<b>\$ 1,154</b>	<b>\$ 1,479</b>
<b>Operating Income Margin<sup>15</sup></b>									
Programming Costs <sup>16</sup>	\$ 852	\$ 1,284	\$ 1,511	\$ 1,552	\$ 817	\$ 1,111	\$ 1,445	\$ 1,533	\$ 795

\* 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 <sup>14</sup>				Three Months Ended				
	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
<b>Operating Revenues</b>									
Subscription	\$ 1,418	\$ 1,458	\$ 1,429	\$ 1,529	\$ 1,517	\$ 1,414	\$ 1,334	\$ 1,516	\$ 1,533
Content and other	187	222	190	138	127	259	176	200	286
<b>Total Operating Revenues<sup>15</sup></b>	<b>\$ 1,605</b>	<b>\$ 1,680</b>	<b>\$ 1,619</b>	<b>\$ 1,667</b>	<b>\$ 1,644</b>	<b>\$ 1,673</b>	<b>\$ 1,510</b>	<b>\$ 1,716</b>	<b>\$ 1,819</b>
<b>Operating Expenses</b>									
Operations and support	1,012	1,167	1,054	1,070	991	1,025	921	1,131	1,072
Depreciation and amortization	26	29	30	28	25	26	22	12	33
<b>Total Operating Expenses</b>	<b>1,038</b>	<b>1,196</b>	<b>1,084</b>	<b>1,098</b>	<b>1,016</b>	<b>1,051</b>	<b>943</b>	<b>1,143</b>	<b>1,105</b>
<b>Operating Income<sup>15</sup></b>	<b>\$ 567</b>	<b>\$ 484</b>	<b>\$ 535</b>	<b>\$ 569</b>	<b>\$ 628</b>	<b>\$ 622</b>	<b>\$ 567</b>	<b>\$ 573</b>	<b>\$ 714</b>
<b>Operating Income Margin<sup>15</sup></b>	<b>35.3%</b>	<b>28.8%</b>	<b>33.0%</b>	<b>34.1%</b>	<b>38.2%</b>	<b>37.2%</b>	<b>37.5%</b>	<b>33.4%</b>	<b>39.3%</b>
<b>Programming Costs<sup>18</sup></b>	<b>\$ 554</b>	<b>\$ 645</b>	<b>\$ 596</b>	<b>\$ 589</b>	<b>\$ 579</b>	<b>\$ 561</b>	<b>\$ 482</b>	<b>\$ 606</b>	<b>\$ 622</b>

**WarnerMedia**  
**Warner Bros. Results**

Dollars in millions Unaudited	Non-GAAP Comparable Basis <sup>14</sup>				Three Months Ended				
	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
<b>Operating Revenues</b>									
Theatrical product	\$ 1,697	\$ 1,613	\$ 1,336	\$ 1,346	\$ 1,694	\$ 2,085	\$ 1,506	\$ 1,527	\$ 1,375
Television product	1,308	1,758	1,498	1,528	1,591	1,827	1,613	1,310	1,461
Games and other	455	682	404	432	435	564	399	552	497
<b>Total Operating Revenues<sup>15</sup></b>	<b>\$ 3,460</b>	<b>\$ 4,053</b>	<b>\$ 3,238</b>	<b>\$ 3,306</b>	<b>\$ 3,720</b>	<b>\$ 4,476</b>	<b>\$ 3,518</b>	<b>\$ 3,389</b>	<b>\$ 3,333</b>
<b>Operating Expenses</b>									
Operations and support	2,800	3,438	2,778	2,893	3,104	3,623	2,919	2,918	2,706
Depreciation and amortization	82	99	77	75	40	42	52	31	39
<b>Total Operating Expenses</b>	<b>2,882</b>	<b>3,537</b>	<b>2,855</b>	<b>2,968</b>	<b>3,144</b>	<b>3,665</b>	<b>2,971</b>	<b>2,949</b>	<b>2,745</b>
<b>Operating Income<sup>15</sup></b>	<b>\$ 578</b>	<b>\$ 516</b>	<b>\$ 383</b>	<b>\$ 338</b>	<b>\$ 576</b>	<b>\$ 811</b>	<b>\$ 547</b>	<b>\$ 440</b>	<b>\$ 588</b>
<b>Operating Income Margin<sup>15</sup></b>	<b>16.7%</b>	<b>12.7%</b>	<b>11.8%</b>	<b>10.2%</b>	<b>15.5%</b>	<b>18.1%</b>	<b>15.5%</b>	<b>13.0%</b>	<b>17.6%</b>
<b>Film and Television Production Costs<sup>16</sup></b>	<b>\$ 1,656</b>	<b>\$ 2,101</b>	<b>\$ 1,574</b>	<b>\$ 1,729</b>	<b>\$ 1,909</b>	<b>\$ 2,238</b>	<b>\$ 1,746</b>	<b>\$ 1,626</b>	<b>\$ 1,618</b>

See Notes to Financial and Operational Trends on page 15.



**Latin America**

**Statement of Segment Income**

Dollars in millions

Unaudited	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
<b>Segment Operating Revenues</b>									
Video Entertainment	\$ 1,363	\$ 1,391	\$ 1,354	\$ 1,254	\$ 1,102	\$ 1,074	\$ 1,067	\$ 1,032	\$ 1,013
Wireless Service	536	501	404	417	440	440	442	479	455
Wireless Equipment	200	323	267	280	291	329	209	246	262
<b>Total Segment Operating Revenues</b>	<b>\$ 2,099</b>	<b>\$ 2,215</b>	<b>\$ 2,025</b>	<b>\$ 1,951</b>	<b>\$ 1,833</b>	<b>\$ 1,843</b>	<b>\$ 1,718</b>	<b>\$ 1,757</b>	<b>\$ 1,730</b>
<b>Segment Operating Expenses</b>									
Operations and support	1,937	1,936	1,804	1,803	1,746	1,805	1,591	1,694	1,625
Depreciation and amortization	304	313	332	313	297	296	300	284	284
<b>Total Segment Operating Expenses</b>	<b>2,241</b>	<b>2,249</b>	<b>2,136</b>	<b>2,116</b>	<b>2,043</b>	<b>2,101</b>	<b>1,891</b>	<b>1,978</b>	<b>1,909</b>
<b>Segment Operating Income (Loss)</b>	<b>(142)</b>	<b>(34)</b>	<b>(111)</b>	<b>(165)</b>	<b>(210)</b>	<b>(258)</b>	<b>(173)</b>	<b>(221)</b>	<b>(179)</b>
<b>Equity in Net Income (Loss) of Affiliates</b>	<b>17</b>	<b>25</b>	<b>-</b>	<b>15</b>	<b>9</b>	<b>10</b>	<b>-</b>	<b>12</b>	<b>13</b>
<b>Segment Contribution</b>	<b>\$ (125)</b>	<b>\$ (9)</b>	<b>\$ (111)</b>	<b>\$ (150)</b>	<b>\$ (201)</b>	<b>\$ (248)</b>	<b>\$ (173)</b>	<b>\$ (209)</b>	<b>\$ (166)</b>
<b>Segment Operating Income Margin</b>	<b>-6.8%</b>	<b>-1.5%</b>	<b>-5.5%</b>	<b>-8.5%</b>	<b>-11.5%</b>	<b>-14.0%</b>	<b>-10.1%</b>	<b>-12.6%</b>	<b>-10.3%</b>
<b>EBITDA<sup>1</sup></b>	<b>\$ 162</b>	<b>\$ 279</b>	<b>\$ 221</b>	<b>\$ 148</b>	<b>\$ 87</b>	<b>\$ 38</b>	<b>\$ 127</b>	<b>\$ 63</b>	<b>\$ 105</b>
<b>EBITDA Margin<sup>1</sup></b>	<b>7.7%</b>	<b>12.6%</b>	<b>10.9%</b>	<b>7.6%</b>	<b>4.7%</b>	<b>2.1%</b>	<b>7.4%</b>	<b>3.6%</b>	<b>6.1%</b>

**Latin America**

**Vrio and Mexico Results**

Dollars in millions

Unaudited	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
<b>Vrio EBITDA<sup>1</sup></b>	<b>\$ 288</b>	<b>\$ 342</b>	<b>\$ 353</b>	<b>\$ 238</b>	<b>\$ 225</b>	<b>\$ 225</b>	<b>\$ 201</b>	<b>\$ 151</b>	<b>\$ 162</b>
<b>Vrio EBITDA Margin<sup>1</sup></b>	<b>21.1%</b>	<b>24.6%</b>	<b>26.1%</b>	<b>19.0%</b>	<b>20.4%</b>	<b>20.9%</b>	<b>18.8%</b>	<b>14.6%</b>	<b>16.0%</b>
<b>Mexico EBITDA<sup>1</sup></b>	<b>\$ (126)</b>	<b>\$ (63)</b>	<b>\$ (132)</b>	<b>\$ (90)</b>	<b>\$ (138)</b>	<b>\$ (187)</b>	<b>\$ (74)</b>	<b>\$ (88)</b>	<b>\$ (57)</b>
<b>Mexico EBITDA Margin<sup>1</sup></b>	<b>-17.1%</b>	<b>-7.6%</b>	<b>-19.7%</b>	<b>-12.9%</b>	<b>-18.9%</b>	<b>-24.3%</b>	<b>-11.4%</b>	<b>-12.1%</b>	<b>-7.9%</b>

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	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
<b>Vrio Video Connections<sup>17</sup></b>	<b>13,490</b>	<b>13,629</b>	<b>13,573</b>	<b>13,713</b>	<b>13,640</b>	<b>13,838</b>	<b>13,584</b>	<b>13,473</b>	<b>13,306</b>
<b>Vrio Video Net Adds<sup>17</sup></b>	<b>(132)</b>	<b>139</b>	<b>(15)</b>	<b>140</b>	<b>(73)</b>	<b>198</b>	<b>(32)</b>	<b>(111)</b>	<b>(167)</b>
<b>Mexico Wireless Subscribers<sup>18</sup></b>	<b>13,779</b>	<b>15,099</b>	<b>15,642</b>	<b>16,398</b>	<b>17,305</b>	<b>18,321</b>	<b>17,722</b>	<b>18,021</b>	<b>18,619</b>
Postpaid	5,316	5,498	5,607	5,749	5,822	5,805	5,642	5,489	5,352
Prepaid	8,231	9,397	9,857	10,468	11,270	12,264	11,779	12,180	12,848
Other	232	204	178	181	213	252	301	352	419
<b>Mexico Wireless Net Adds</b>	<b>697</b>	<b>1,320</b>	<b>543</b>	<b>756</b>	<b>907</b>	<b>1,016</b>	<b>93</b>	<b>299</b>	<b>598</b>
<b>Mexico Wireless Churn<sup>6</sup></b>	<b>7.65%</b>	<b>7.90%</b>	<b>7.02%</b>	<b>6.82%</b>	<b>6.59%</b>	<b>7.08%</b>	<b>6.69%</b>	<b>7.16%</b>	<b>7.32%</b>
<b>Mexico Wireless ARPU<sup>7</sup></b>	<b>\$11.14</b>	<b>\$9.88</b>	<b>\$8.18</b>	<b>\$8.31</b>	<b>\$8.32</b>	<b>\$7.97</b>	<b>\$7.99</b>	<b>\$8.61</b>	<b>\$7.86</b>

See Notes to Financial and Operational Trends on page 15.



**Xandr**

**Statement of Segment Income**

Dollars in millions

Unaudited	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
<b>Segment Operating Revenues</b>	\$ 333	\$ 381	\$ 337	\$ 392	\$ 445	\$ 566	\$ 426	\$ 485	\$ 504
<b>Segment Operating Expenses</b>									
Operations and support	39	51	50	59	109	180	160	147	162
Depreciation and amortization	-	1	1	-	3	5	13	13	15
<b>Total Segment Operating Expenses</b>	39	52	51	59	112	185	173	160	177
<b>Segment Operating Income</b>	294	329	286	333	333	381	253	325	327
<b>Equity in Net Income of Affiliates</b>	-	-	-	-	-	-	-	-	-
<b>Segment Contribution</b>	\$ 294	\$ 329	\$ 286	\$ 333	\$ 333	\$ 381	\$ 253	\$ 325	\$ 327
<b>Segment Operating Income Margin</b>	88.3%	86.4%	84.9%	84.9%	74.8%	67.3%	59.4%	67.0%	64.9%
<b>EBITDA<sup>1</sup></b>	\$ 294	\$ 330	\$ 287	\$ 333	\$ 336	\$ 386	\$ 266	\$ 338	\$ 342
<b>EBITDA Margin<sup>1</sup></b>	88.3%	86.6%	85.2%	84.9%	75.5%	68.2%	62.4%	69.7%	67.9%

**AT&T Inc.**

**Supplemental Total Advertising Revenues**

Dollars in millions

Unaudited	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
<b>Operating Revenues</b>									
WarnerMedia	\$ 17	\$ 13	\$ 14	\$ 225	\$ 983	\$ 1,239	\$ 1,279	\$ 1,285	\$ 945
Communications	368	420	375	431	478	543	417	470	495
Xandr	333	381	337	392	445	566	426	485	504
Eliminations <sup>4</sup>	(329)	(377)	(334)	(387)	(401)	(473)	(350)	(399)	(421)
<b>Total Advertising Revenues</b>	\$ 389	\$ 437	\$ 392	\$ 661	\$ 1,505	\$ 1,875	\$ 1,772	\$ 1,841	\$ 1,523

See Notes to Financial and Operational Trends on page 15.



**Corporate**

**Supplemental Results - Corporate<sup>12,19</sup>**

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

**Corporate**

**Supplemental Reconciliation of Operations and Support<sup>12</sup>**

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
<b>Operations and Support</b>	\$ 1,015	\$ 918	\$ 944	\$ 1,034	\$ 893	\$ 798	\$ 141	\$ 418	\$ 661	\$ 765	\$ 703
Reclassification of amortization of prior service credits	(367)	(385)	(420)	(420)	(428)	(442)	(442)	(442)	(454)	(454)	(454)
Reclassification of WarnerMedia amortization of production costs to Depreciation and Amortization <sup>19</sup>						98	772	545	150	112	108
<b>Operations and Support excluding segment reclassifications</b>	\$ 648	\$ 533	\$ 524	\$ 614	\$ 465	\$ 454	\$ 471	\$ 521	\$ 357	\$ 423	\$ 357

**AT&T Inc.**

**Other Income (Expense) - Net**

Dollars in millions

Unaudited	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
Interest income and other gain/(loss) items	\$ 246	\$ 263	\$ 205	\$ -	\$ 538	\$ 328	\$ 210	\$ 708	\$ 237
Special termination charges	-	-	-	-	-	-	(93)	-	12
Net pension and postretirement credit, excluding actuarial gain/(loss)	596	596	567	557	515	660	601	673	733
Actuarial gain/(loss)	-	(1,517)	930	1,796	-	686	(432)	(1,699)	(1,917)
<b>Other Income (Expense) - Net</b>	\$ 842	\$ (658)	\$ 1,702	\$ 2,353	\$ 1,053	\$ 1,674	\$ 286	\$ (318)	\$ (935)

See Notes to Financial and Operational Trends on page 15.



## Notes to Financial and Operational Trends

### AT&T Inc.

<sup>1</sup> See Discussion and Reconciliation of Non-GAAP Measures in the Investor Briefing or exhibit 99.1 to Form 8-K dated October 28, 2019.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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 \$421M revenues in 3Q19). This reconciling item also includes conforming adjustment to the historical presentation of our advertising business.

<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> 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.

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

<sup>9</sup> 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.

<sup>10</sup> 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 3Q19 include 12 thousand free or substantially free trial-period subscribers. AT&T has successfully retained many subscribers after the expiration of their trial period.

<sup>11</sup> 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.

<sup>12</sup> 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.

<sup>13</sup> 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.

<sup>14</sup> 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.

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

<sup>16</sup> Programming and production costs are included in Operations & Support expenses.

<sup>17</sup> 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.

<sup>18</sup> 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.

<sup>19</sup> 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 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.