

For Release 7:35 a.m. PDT
June 30, 2021

AT&T to run its mobility network on Microsoft's Azure for Operators cloud, delivering cost-efficient 5G services at scale

Microsoft to acquire AT&T's Network Cloud technology and talent to help operators increase competitive advantage through streamlined operations and service differentiation

DALLAS, and REDMOND, Wash. — June 30, 2021 — AT&T will move its 5G mobile network to the Microsoft cloud. This strategic alliance provides a path for all of AT&T's mobile network traffic to be managed using Microsoft Azure technologies. The companies will start with AT&T's 5G core, the software at the heart of the 5G network that connects mobile users and IoT devices with internet and other services. Bringing existing and future network workloads to Azure for Operators will enable AT&T to increase productivity and cost efficiency while focusing on the delivery of large-scale network services that meet its customers' evolving needs.

In turn, Microsoft will gain access to AT&T's intellectual property and technical expertise to grow its telecom flagship offering, [Azure for Operators](#). Microsoft is acquiring AT&T's carrier-grade Network Cloud platform technology, which AT&T's 5G core network runs on. AT&T's Network Cloud platform has been running AT&T's 5G core at scale since the company launched 5G in 2018. This move brings real-world production 5G workloads to Azure for Operators. The Network Cloud platform engineering team will receive offers to join Microsoft. The move is aligned with Microsoft's commitment to continuous, customer-driven innovation. Azure for Operators will help operators across the world deliver highly reliable, cost-effective and secure 5G services to consumer and enterprise customers.

“AT&T has one of the world's most powerful global backbone networks serving hundreds of millions of subscribers. Our Network Cloud team has proved that running a network in the cloud drives speed, security, cost improvements and innovation. Microsoft's decision to acquire these assets is a testament to AT&T's leadership in network virtualization, culture of innovation, and realization of a telco-grade cloud stack,” said Andre Fuetsch,

executive vice president and chief technology officer, AT&T. “The next step is making this capability accessible to operators around the world and ensuring it has the resources behind it to continue to evolve and improve. And do it securely. Microsoft’s cloud expertise and global reach make them the perfect fit for this next phase.”

AT&T will continue to operate its network and retain its customer relationships. By using Microsoft’s hybrid and hyperscale infrastructure, AT&T can substantially reduce engineering and development costs. Early access to Microsoft’s cloud, AI and edge technology will provide AT&T with the flexibility it needs to rapidly innovate and launch new services and customer experiences enabled by 5G.

“With Azure, operators can provide a more flexible and scalable service model, save infrastructure cost, and use AI to automate operations and differentiate customer offerings,” said Jason Zander, executive vice president Azure, Microsoft. “Through our collaboration with AT&T, Microsoft will expand its telecom portfolio to support operators with a carrier-grade cloud that provides seamless experiences across Microsoft’s cloud and the operator’s network.”

As AT&T design, development and engineering experts join its ranks, Microsoft can apply its knowledge to expand the technology skills it obtained from the 2020 acquisitions of Affirmed Networks and Metaswitch Networks to enable operators to run a secure telecom network in the cloud. Additionally, Microsoft will acquire AT&T engineering and lifecycle management software used to develop and deploy a carrier-grade cloud that runs containerized or virtualized network services. Microsoft will make the platform applicable to other carriers through Azure for Operators and invest in an ecosystem to enable simpler and faster transition of network workloads to cloud.

Microsoft will assume responsibility for both software development and deployment of AT&T’s Network Cloud immediately and bring AT&T’s existing network cloud to Azure over the next three years. The companies are not disclosing details on financial terms.

The increasing demand for highly reliable mobile services at competitive prices requires operators to redefine their service models, streamline operations and unlock industry-specific 5G opportunities from connected factories and digital retail to autonomous transportation and entertainment-from-anywhere.

According to the [GSMA](#), operators are expected to spend \$900 billion worldwide between 2021 and 2025 in mobile capital expenditures (CapEx), roughly 80% of which will be in 5G and much of it could run on cloud infrastructure. Operators moving to the cloud can save on hardware and development, benefit from cloud-enabled automation and data analytics, and manage real-time responses and peak traffic on demand. The delivery of new services can be accelerated through cloud-driven AI and IoT.

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About Microsoft

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