



Connected Car and Digital Life

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The 'quiet period' for FCC Spectrum Auction 97 (also known as the AWS-3 Auction) is now in effect. During the quiet period, auction applicants are required to avoid discussions of bids, bidding strategy, and post auction market structure with other auction applicants. We will not be talking about this today or answering any questions on this topic.



Agenda

Opening Comments

- John Stephens, Senior Executive Vice President and CFO
- Ralph de la Vega, President & CEO Mobile & Business Solutions
- Glenn Lurie, President & CEO AT&T Mobility

AT&T's Drive Studio

Digital Life Home



John Stephens

Senior Executive Vice President and Chief Financial Officer



State of the Business – Progress since Project VIP Launch

Financial Foundation



- Strengthened the balance sheet
 - Asset sales: Towers, AMX, Connecticut
 - Working capital improvements
 - Debt refinancing and fully funded pension
- Health care costs controlled

A Premier Network



- LTE build complete ahead of schedule
 - Nation's most reliable
 - 300 million people
- U-verse build on track; enhanced with AT&T GigaPowerSM; expanding IP broadband to 70M with DTV, upon approval
- Fiber to more than 500,000 businesses

Mobility



- Tiered data and Mobile Share[®] Value
 - 80% of postpaid subs on usage-based plans
 - ~Half of MSV accounts on 10GB plans or higher
- AT&T NextSM changes the subsidy model
- Smartphones 80% of the base and growing
- Record-low churn in 2Q14



Ralph de la Vega

President & CEO AT&T Mobile & Business Solutions



Mobility is Changing Everything

Mobile & Business Solutions



- Changing the way business does business
- Connecting everything – GE to GM to Timex
- Focus: Growing strategic revenues, wireless revenues, reducing cost structure

Emerging Businesses



- Invested in Emerging Devices Business
- Invested early, aggressively in growth segments
 - Connected Car
 - Connected Home (Digital Life)
- Now investing to deliver connections globally

Global Opportunity

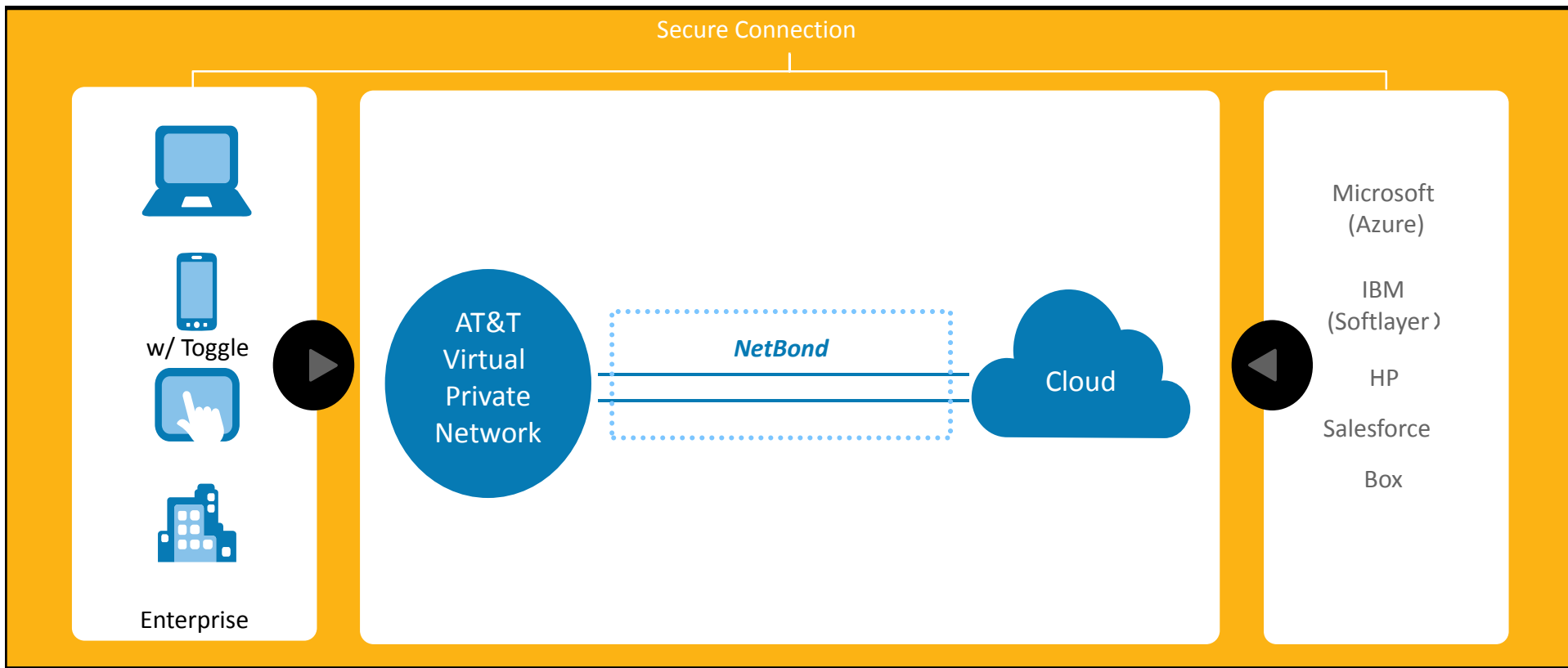


- Network: 300M 4G LTE Pops; Global SIM
- Platforms: M2M; VPN for 7700+ companies worldwide
- Partner Ecosystem: NetBond, Connected Car, M2M



AT&T NetBondSM

The Foundation of our Cloud Networking Strategy



Glenn Lurie

President & CEO AT&T Mobility

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Mobility is Changing Everything

Mobilizing Your World



- Connecting everything seamlessly
- Deliver platforms that create seamless experience
- Smartphone as remote control of life

Connected Car



Digital Life



Mobility is Changing Everything

Mobilizing Your World



Connected Car



- Increasing number of Connected Cars; 6 million today growing to 10 million in 2017
- Wholesale and retail opportunities
- Global upside

Digital Life



Mobility is Changing Everything

Mobilizing Your World



Connected Car



Digital Life



- Starting to scale; 82 markets
- Approximately 1/3 automation attach rate
- Additional opportunities as the platform evolves





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