4Q06 Wireless Financial and Operational Results

January 24, 2007

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Agenda

Introduction	Kent Evans Executive Director – Investor Relations
Financial Results	Pete Ritcher Chief Financial Officer - Wireless
Operations	Stan Sigman President and CEO - Wireless
Q & A	

Cautionary Language Concerning Forward-Looking Statements

Information set forth in this presentation contains financial estimates and other forward-looking statements that are subject to risks and uncertainties and actual results may differ materially. A discussion of factors that may affect future results of Cingular, which is also known as AT&T Mobility, and indirectly those of AT&T, are contained in AT&T's filings with the Securities and Exchange Commission (SEC). As of January 19, 2007, Cingular is no longer required to file reports with the SEC; accordingly, information in Cingular's past filings will not be updated and may become obsolete. Cingular and AT&T disclaim any obligation to update and revise statements contained in this presentation based on new information or otherwise. Furthermore, we will be providing certain non-GAAP financial measures; the explanations and reconciliations to GAAP are contained on the AT&T Investor Relations website at www.att.com/investor.relations

Pete Ritcher

Chief Financial Officer - Wireless
AT&T Inc.

Financial Summary

	Reported 4Q06	Sequential Change	Annual Change
Service Revenue (M)	$8,795	1.5%	13.1%
Total Revenue (M)	$9,755	2.1%	10.2%
Normalized OIBDA Margin	34.4%	-120 bps	340 bps
Normalized OI Margin	18.9%	-70 bps	450 bps
ARPU	$49.29	-0.9%	0.9%
Postpaid Churn	1.5%	0 bps	-40 bps
Total Churn	1.8%	0 bps	-30 bps

Execution Continues to Drive Solid Growth and Strong Results

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4Q06 Normalizing Items

	OIBDA		Operating Income	
	Amount (M)	Margin[1]	Amount (M)	Margin[2]
Reported	$2,909	33.1%	$1,327	13.6%
Integration Costs	$115	1.1%	$224	2.3%
Non-cash Intangible Amortization Costs	$0	0.0%	$292	3.0%
Normalized	**$3,024**	**34.4%**	**$1,843**	**18.9%**

[1]As a % of Service Revenue. [2]As a % of Total Revenue.

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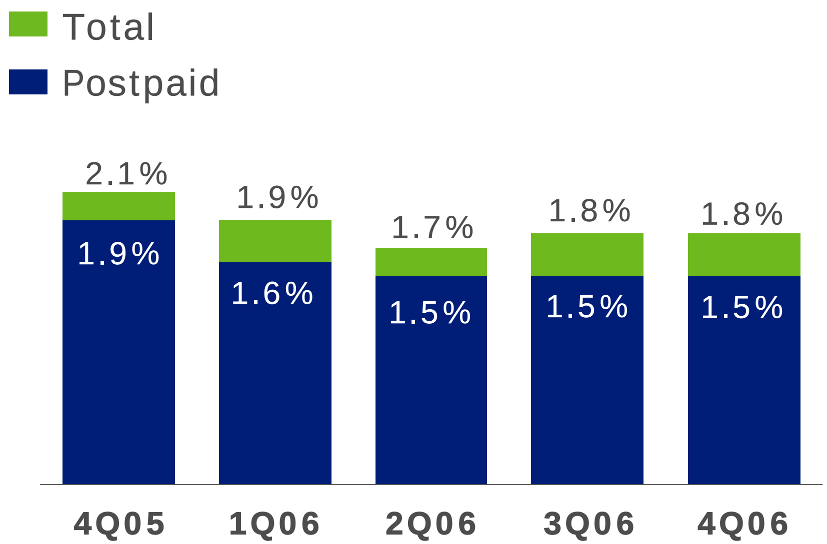
Continued Low Churn

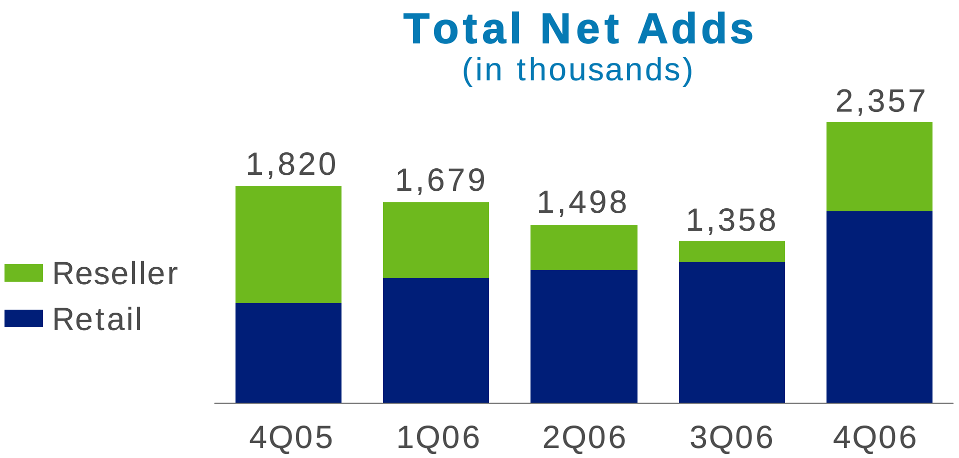
Postpaid and Total Average Monthly Churn

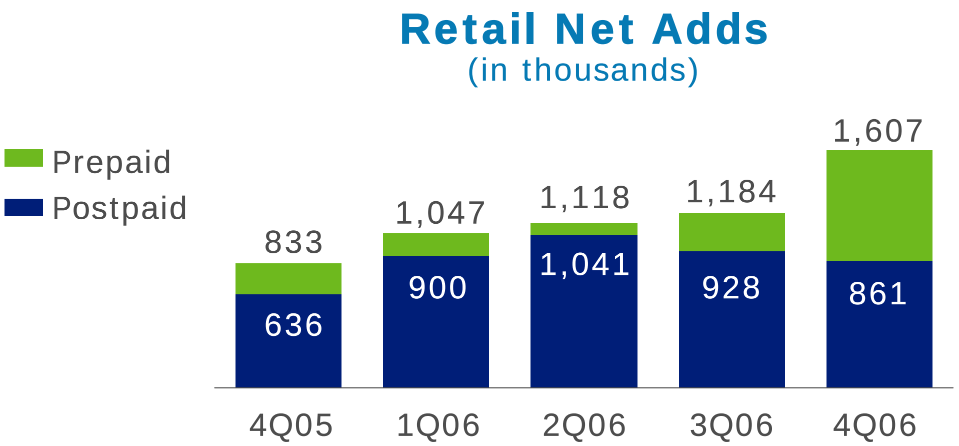


Network quality continues to be the primary driver of rising customer satisfaction scores

- Customer Care continues to improve
- Sequentially, overall churn remained flat in spite of continued prepaid platforms rationalization and TDMA migration initiatives

Strong Subscriber Growth



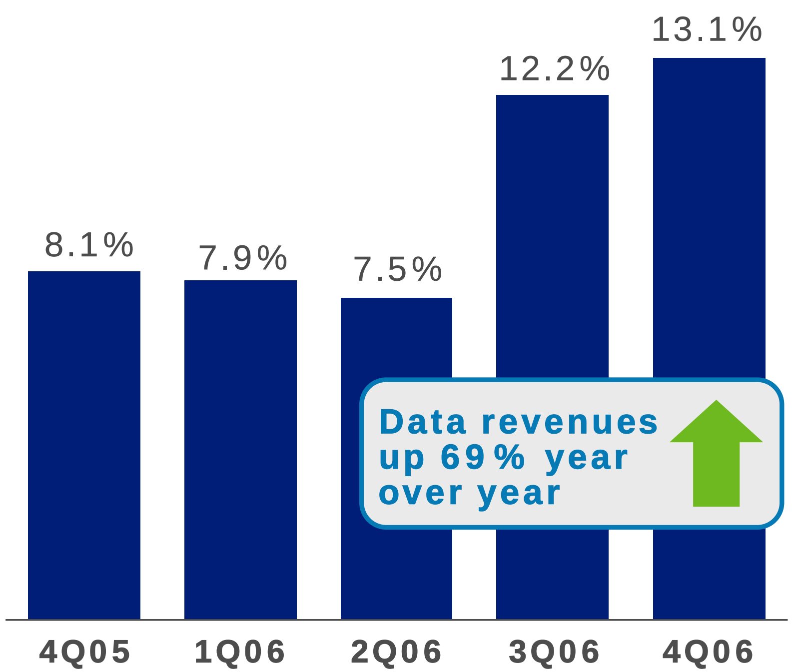


Strength in distribution continues to lead the industry as gross adds equaled a record high of 5.5 million

- Churn levels remained low while network migrations continue
- Postpaid net adds increased year over year
- GoPhone® continues to gain share, generating record gross and net adds
- Resellers benefited from the seasonal strength in prepaid

Revenue Growth

Service Revenue Growth
Year-over-year Growth Rates

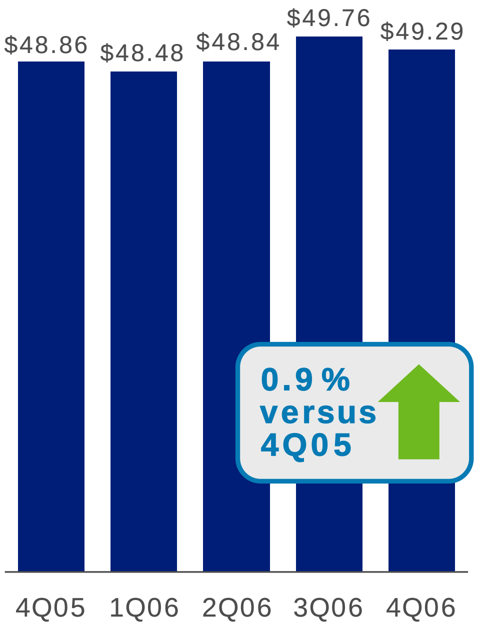


Second consecutive quarter of double-digit service revenue growth – driven by solid subscriber gains and strong contribution from data

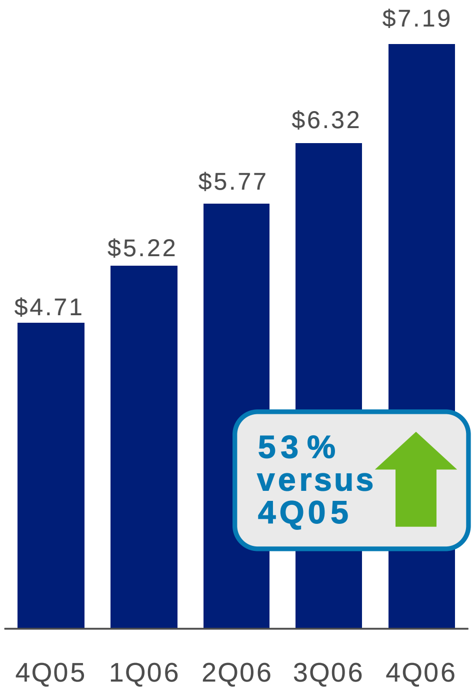
- Service revenues up more than $1 billion versus 4Q05, more than half of the increase from data services
- Traditional data products continue to grow while UMTS/HSDPA is driving higher data utilization
- Impact of national 3G footprint provides additional upside going forward

ARPU Growth

Service ARPU



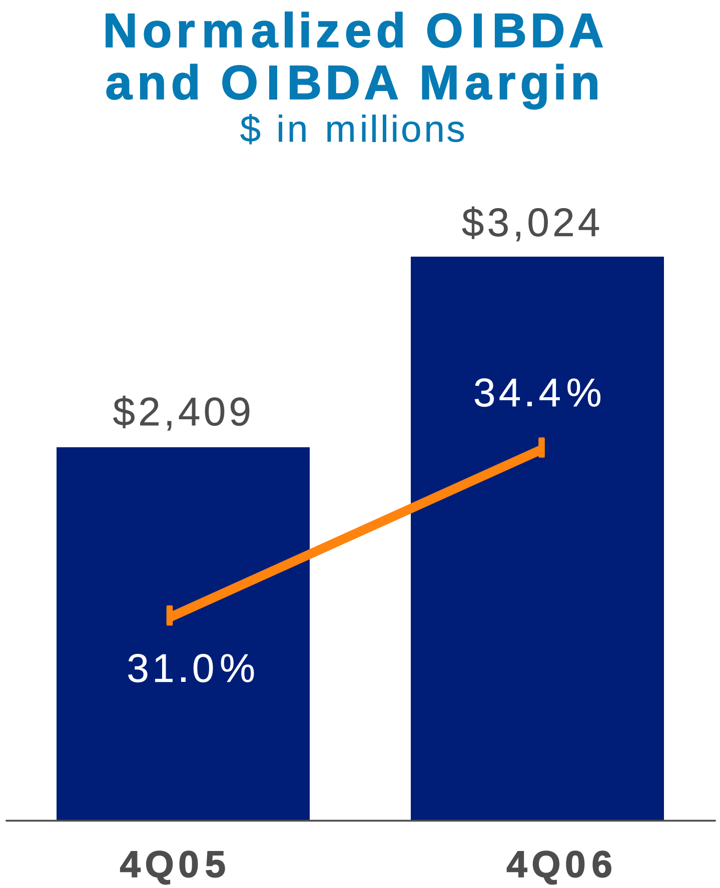
Data ARPU



Second consecutive quarter of year-over-year ARPU growth

- Stabilizing voice
- Accelerating data growth
  - Sequential data ARPU increase of $.87
  - Data revenue up 69% year over year
  - More than 32 million active data users
  - 3G devices are adding to growth
- Total ARPU sequential decline reflects typical seasonality

Margin Expansion

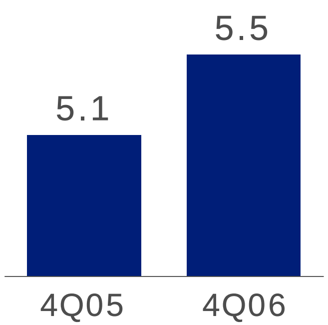


Nearly $600 million increase in normalized OIBDA versus 4Q05 and 340 basis point improvement in normalized OIBDA margin

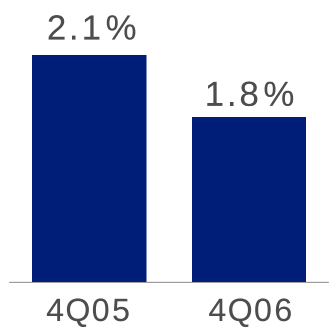
- Revenue growth continues to expand
- Merger synergies coming to fruition
- T-Mobile JV unwind progressing
- Synergies tied to convergence and ownership structure will create even more opportunities to expand margins

4Q06 Summary

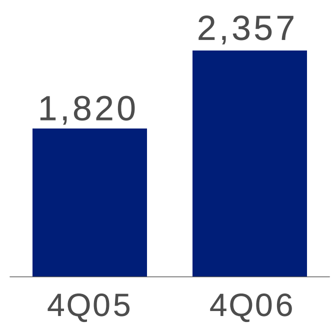
Gross Adds
millions



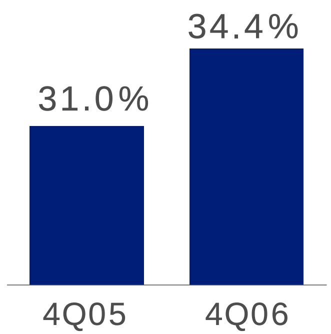
Total Churn



Net Adds
thousands



Normalized OIBDA Margin



- **Strong sales momentum** continues with record level of gross adds
- Record net adds as **churn remains low** despite migration issues
- **ARPU increased** year over year driven by data growth and voice stabilization
- **Margin expansion** continues to be fueled by revenue growth and integration synergies

Stan Sigman

President and Chief Executive Officer - Wireless
AT&T Inc.

Strategic Imperatives

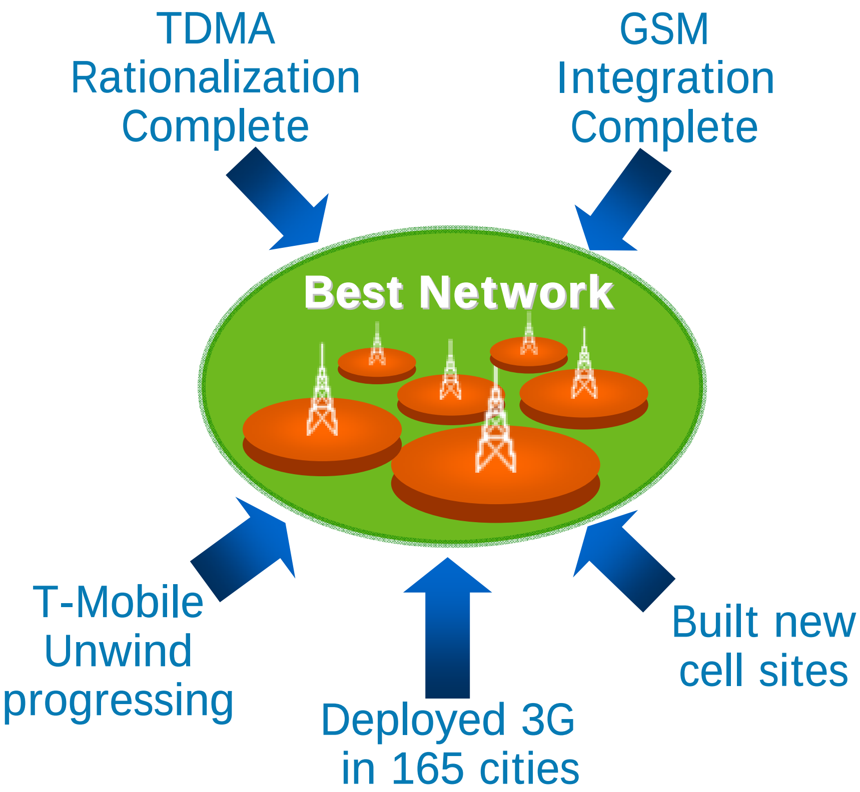
1 Build the best network

2 Provide great customer service

3 Create unmatched distribution

4 Deliver compelling products and services

1. Build the Best Network

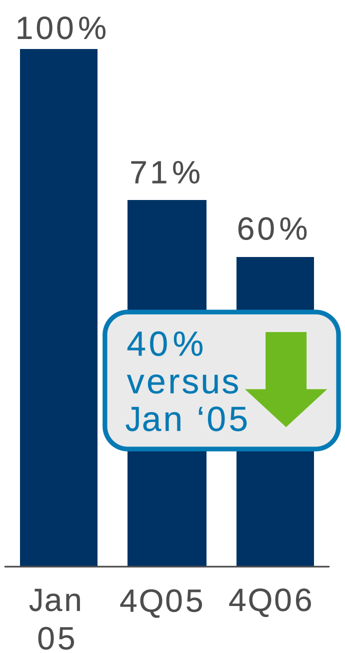


2007 Plan

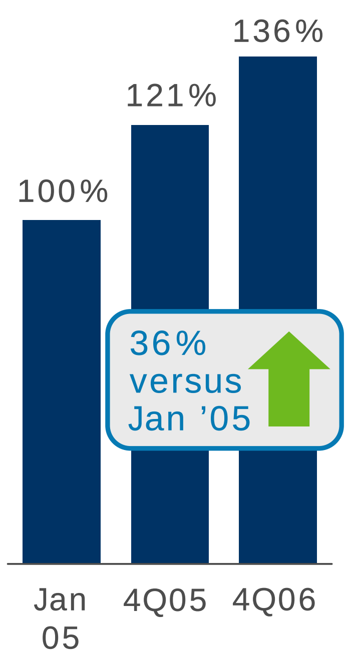
- Further strengthen network **coverage and reliability**
- Continue aggressive **3G deployment**
- Continue TDMA **customer migrations** to GSM and UMTS
- Optimize utilization of network assets to **reduce costs**

2. Provide Great Customer Service

Customer Calling Rate as a % of Jan '05 Rate



First Call Resolution as a % of Jan. '05 Rate

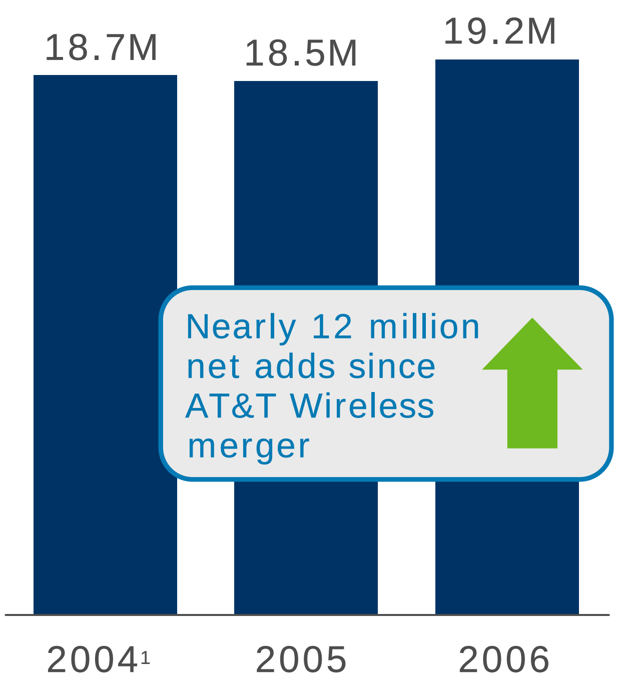


2007 Plan

- Continued steady **improvement** in customer service metrics
- Prepaid **platform consolidation**
- Sunset another **80 systems**
- Continue to **reduce churn**

3. Create Unmatched Distribution

Industry Leading Gross Adds



2007 Plan

- Execute the AT&T **brand transition**
- Expand **wireline product offerings**
- Upgrade **company-owned stores**
- Expand distribution through **Apple relationship**
- Deliver world class **B2B services**

[1] Pro Forma

4. Deliver Compelling Products and Services

2007 Plan

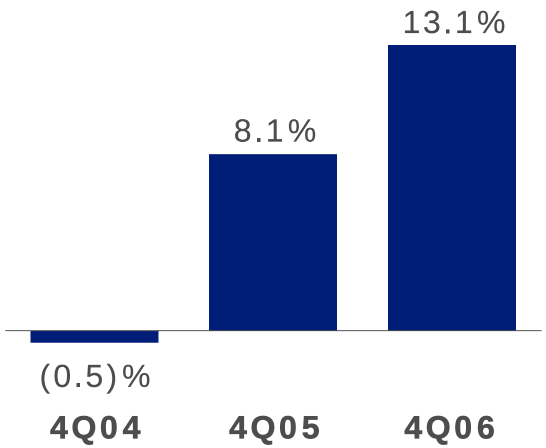
- Innovate and drive continued growth in **data services**
- Expand array of attractive **3G devices**
- Launch the **iPhone** with Apple
- Introduce new products and offers **across the AT&T portfolio**

Progress Report and Outlook

Strong Ramp Up in Revenue Growth

Service Revenue Growth

(year-over-year growth rates, 4Q04 and 4Q05 based on pro forma)

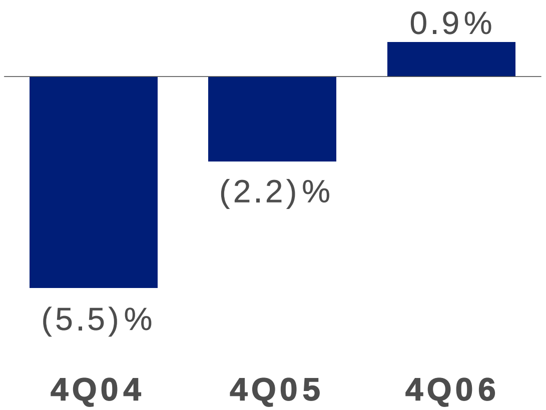


Outlook: continued low double-digit service revenue growth in 2007

ARPU Growing as Data Accelerates

Service ARPU Growth

(year-over-year growth rates, 4Q04 and 4Q05 based on pro forma)



Outlook: continued year-over-year ARPU stabilization in 2007

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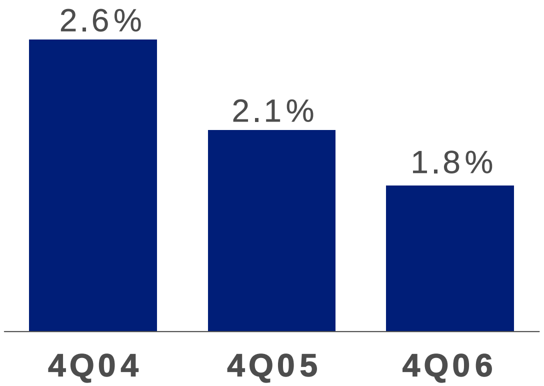
Progress Report and Outlook

Significant Churn Reduction

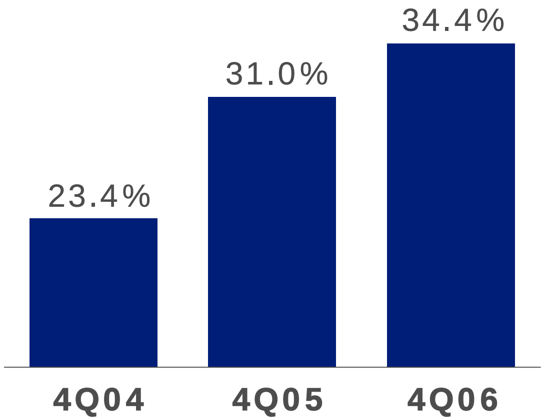
Total Average Monthly Churn



Outlook: continued improvement in overall and postpaid churn in 2007

Substantial Margin Expansion

Normalized OIBDA Margin



Outlook: OIBDA margins in the high 30% range for 2007 and above 40% for 2008

OIBDA margin is defined as operating income plus depreciation and amortization divided by wireless service revenue. Adjusted OIBDA margin excludes $245 million of cash merger integration in 4Q04, cash merger integration charges of $110 million and storm costs of $20 million in 4Q05, and $115 million of cash merger integration charges in 4Q06.

Summary

- We have a solid plan and solid execution
- Most AT&T Wireless integration activities are complete
- Additional synergy opportunities from the AT&T and BellSouth merger
- We will continue to focus on our strategic imperatives to achieve industry leadership