

Fourth Quarter 2005 Financial and Operational Results

January 24, 2006

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Agenda



Introduction

Kent Evans

Executive Director – Investor Relations

Financial Results

Pete Ritcher

Chief Financial Officer

Operations

Ralph de la Vega

Chief Operating Officer

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. Discussion of factors that may affect future results of Cingular, AT&T and BellSouth and cause results to differ materially from those discussed herein is contained in the companies' most recent Form 8-K filings with the Securities and Exchange Commission. Cingular, AT&T and BellSouth 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 our Investor Relations website, www.cingular.com/investors

Pete Ritcher

Chief Financial Officer

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Financial Summary



	Reported 4Q05	Sequential Change	Annual Change
Service Revenue (M)	\$7,779	0.8%	8.1% ¹
Total Revenue (M)	\$8,849	1.2%	9.4% ¹
Normalized OIBDA Margin	31.0%	-60 bps	760 bps ²
ARPU	\$48.86	(1.6%)	(2.2%) ¹
Postpaid Churn	1.9%	-10 bps	-30 bps
Total Churn ³	2.1%	-20 bps	-30 bps

Revenue growth, margin expansion and churn progress continue

¹Annual change calculated against prior period pro forma results.

5 ²Annual change calculated against prior period reported results which excludes AT&T Wireless' results for the first 25 days of 4Q04.

³Annual change in total churn reflects 1Q05 change in reseller methodology as if it had occurred in 4Q04.

Normalizing Items – Fourth Quarter 2005

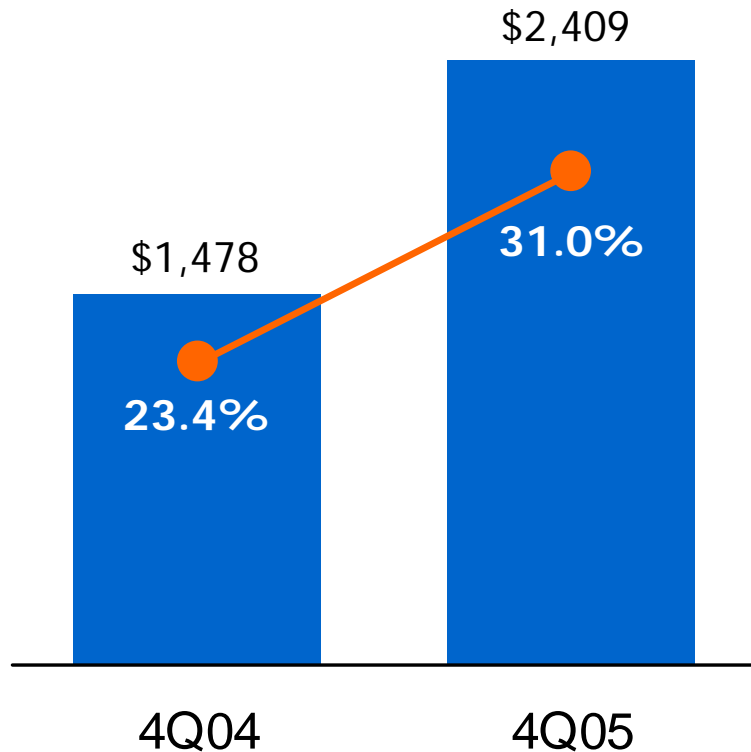


	OIBDA		Operating Income	
	Amount (\$M)	Margin ¹	Amount (\$M)	Margin ²
Reported	\$2,279	29.3%	\$549	6.2%
Integration Costs	\$110	1.4%	\$326	3.7%
Noncash Intangible Amortization Costs	\$0	0.0%	\$381	4.3%
Hurricane Costs	\$20	0.3%	\$20	0.2%
Normalized	\$2,409	31.0%	\$1,276	14.4%

Margin Expansion



Cingular Normalized
OIBDA Margin*
(\$ in millions)

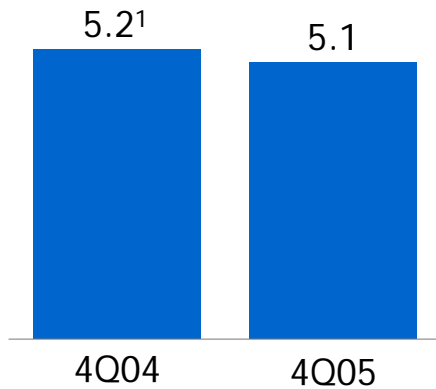


- 760 basis point improvement in Normalized OIBDA margin over past twelve months
- Major drivers:
 - Merger synergies are being extracted
 - Over 14K FTEs eliminated YTD
 - Improving acquisition cost structure
 - T-Mobile JV unwind progressing

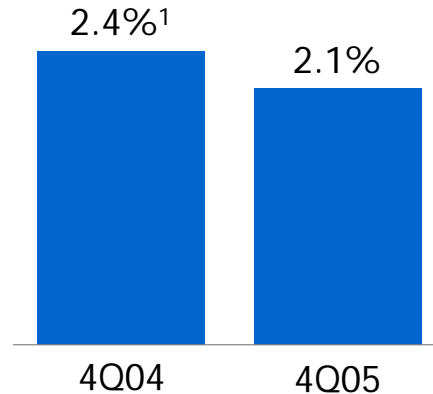
Subscriber Growth



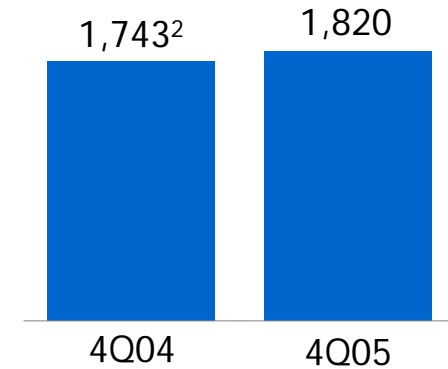
**Cingular Gross
Subscriber Additions**
(in millions)



**Cingular Average
Monthly churn**



**Cingular Net
Subscriber Additions**
(in thousands)

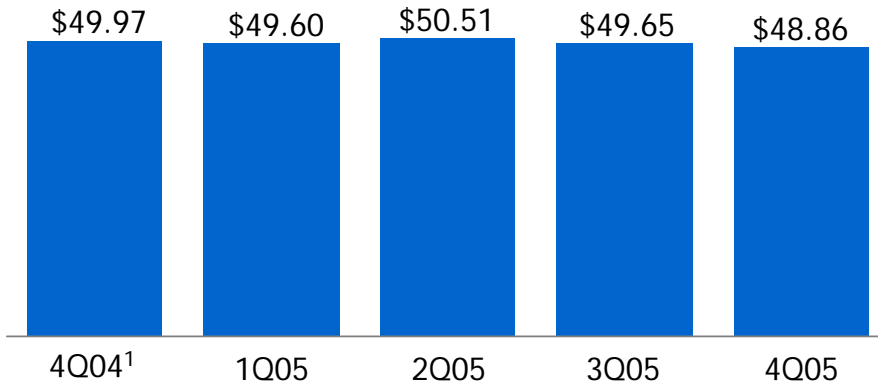


- Maintaining sales momentum despite distribution rationalization
- Subscriber base of over 54 million has grown by nearly 7 million since the merger
- Migrations to Cingular rate plans continue
 - 1.1 million migrations in 4th quarter
 - Approaching 7 million since merger

Stabilizing ARPU

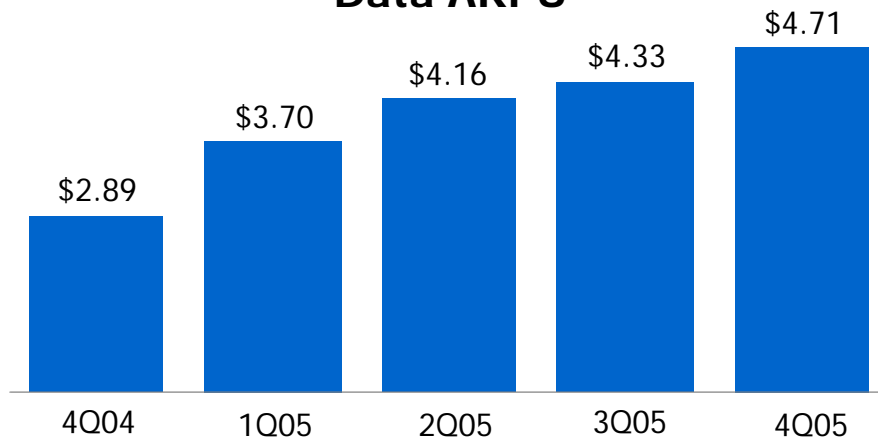


Service ARPU



Service ARPU down 2.2% vs. 5.2% last quarter

Data ARPU



- Rate plan migrations are maturing

	3Q05	4Q05
Rollover Plans ²	> 60%	> 65%
Region/Nation Plans ²	> 75%	> 80%
AT&T Wireless Plans	< 25%	< 20%

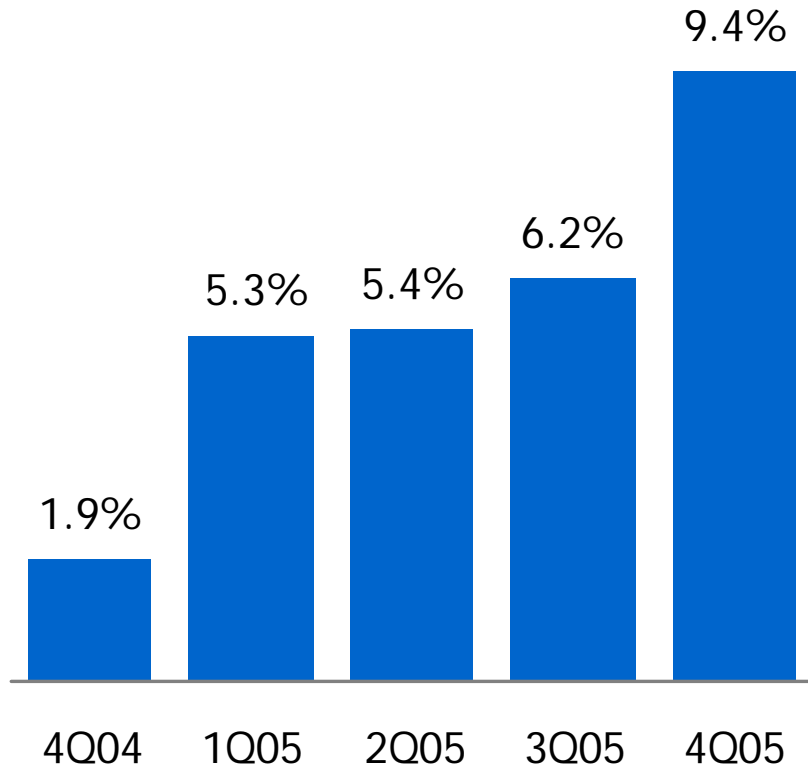
- Continued price discipline
- Strong growth in data revenue driven by:
 - Messaging / Email
 - MEdia Net Bundles
 - Internet Access
- UMTS/HSDPA will drive new data revenue opportunities

Revenue Growth



Total Annual Revenue Growth

(vs. prior year pro forma revenue)



- 4 straight quarters of improving revenue growth
- Double digit subscriber growth
- Strong contribution from legacy data products
- Robust pipeline of new products and services:
 - UMTS/HSDPA
 - Push-to-talk
 - Next generation data products (Video, Music, etc.)

2005 Network Progress



- Nearly 4,000 new cell sites added
- Increased capacity to support more than 14 million new GSM subscribers on our network
- 1 TDMA network completely eliminated
- Over 30% of overlapping GSM cell sites integrated
- 16 markets launched with UMTS/HSDPA
- All of New York customers now on Cingular network; 69% of California/Nevada customers on Cingular network
- These activities drove \$2.97 billion in capital expenditures in Q4 and \$7.48 billion for 2005
- 2006 Capital Expenditure Guidance: \$7.0 - \$7.5 billion

Summary



- Subscriber base has grown nearly 7 million since the merger
- Churn continues to fall even as integration activities are ongoing
- 4 straight quarters of improving revenue growth
- Margins are expanding at a steady pace
- Merger integration activities remain on or ahead of schedule
- We are just over half way done – much more to come in 2006.

Bottom line - the merger is working and we are executing our plans as we committed

Ralph de la Vega

Chief Operating Officer

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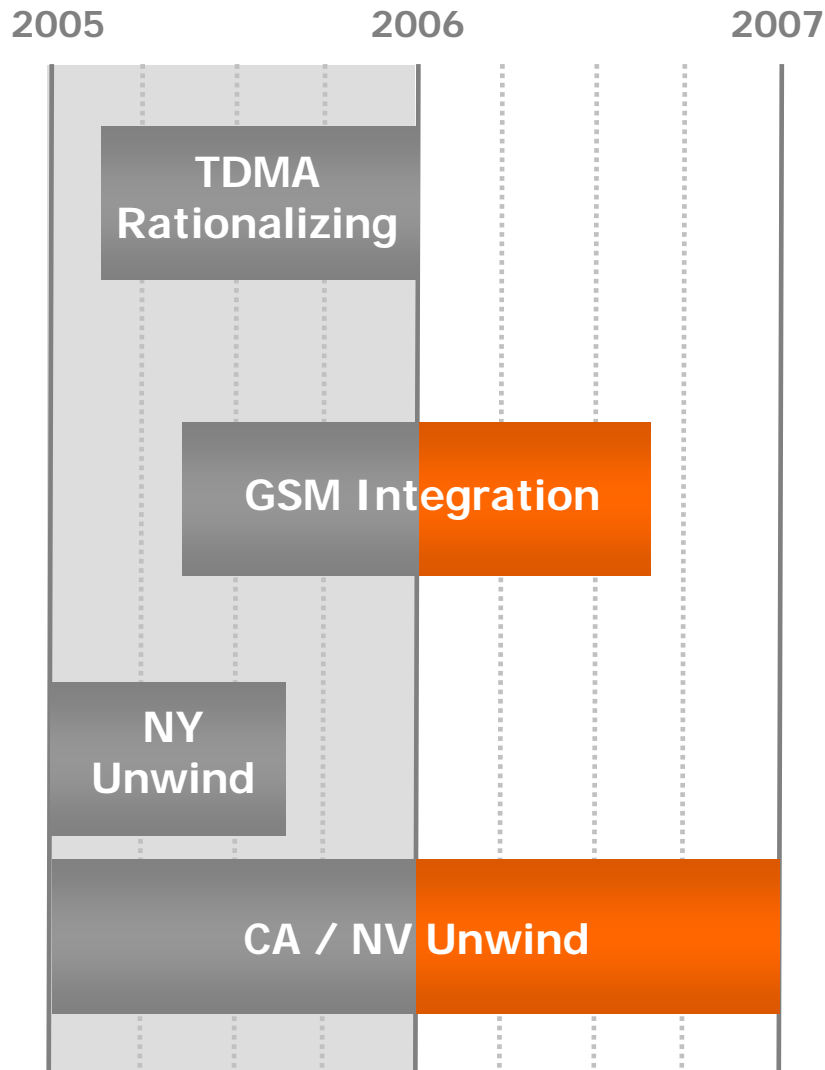
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Operations Scorecard



	Ahead	On Track	Behind
Network Integration & Modernization		✓	
Distribution Rationalization	✓		
Information Systems Integration		✓	
Productivity Improvement	✓		
Subscriber Growth	✓		
Growth through New Services		✓	

Network Integration



TDMA Rationalization

- Completed major TDMA turndowns
- Removed radios from more than 10,000 sites
- Operating a single TDMA network

GSM Integration

- Over 30% of overlapping cell sites are integrated
- Service improvement in integrated market clusters
 - Blocked calls down 45%
 - Dropped calls down 35%

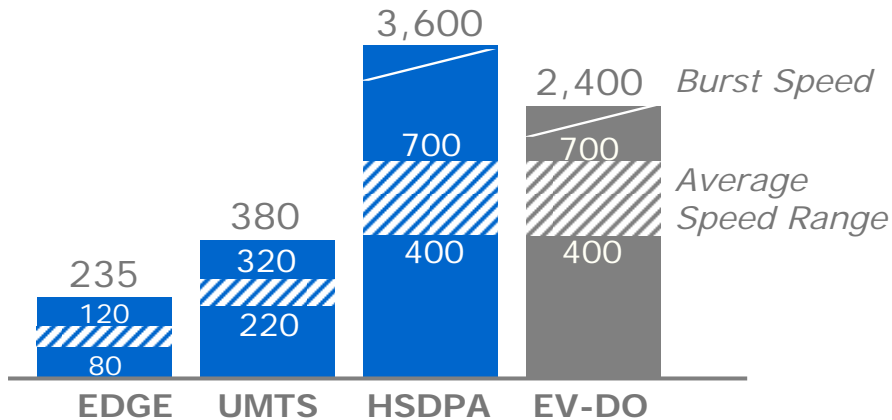
Unwind

- 69% of customers in California and Nevada are on the Cingular network

Network Modernization



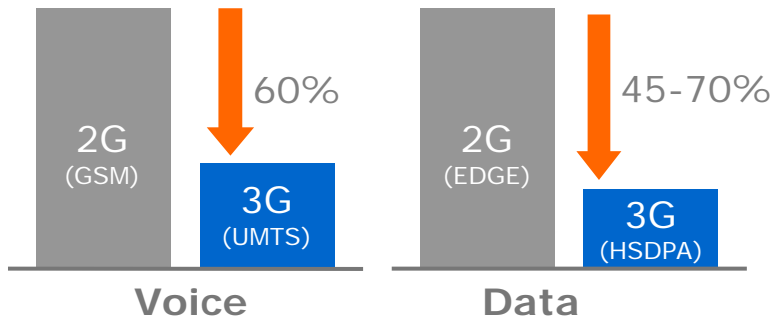
Data Throughput Comparison (in kbps)



UMTS/HSDPA Differentiators

- Supercharges national EDGE network with broadband speeds
 - First in the world to complete a data call using a 3.6 mbps HSDPA device and its commercial 3G network
- The only 3G technology to support simultaneous voice and data
 - Improved cost efficiency on both voice and data platform

Fully Loaded Network Cost



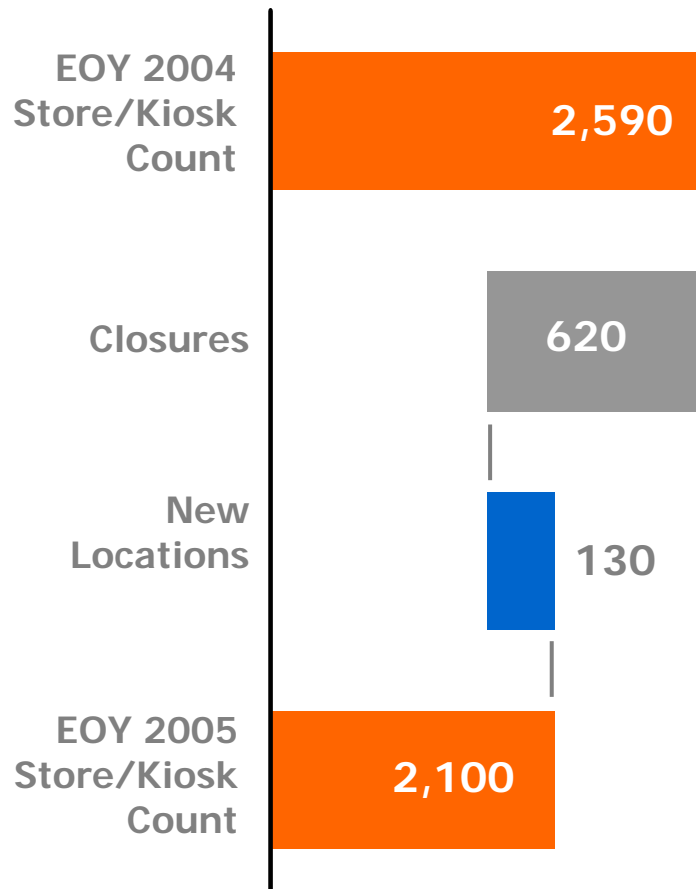
3G Deployment

- 16 markets launched in 2005
- Most major markets in 2006

Distribution Rationalization



Company Owned Retail Store Footprint



2005 Rationalization

- 620 store and kiosk closures
- Built 130 new, more productive locations
- Net reduction of 490 locations while maintaining strong customer growth

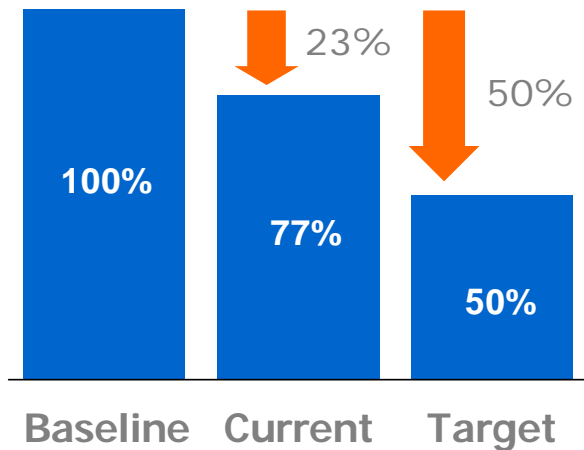
2006 Plans

- Complete remaining company owned retail store rationalization
- Focus on Indirect Optimization
- Distribution through RadioShack

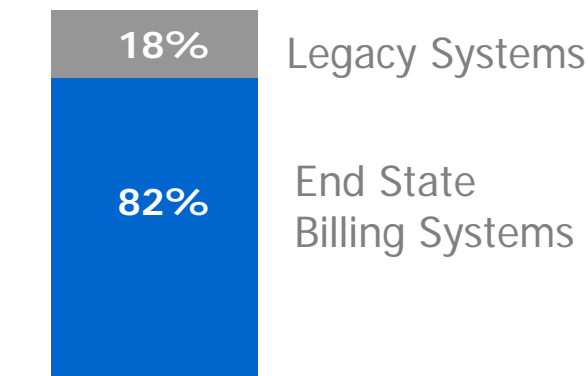
IT Systems Integration



Reduction in Systems



Percent of Subscriber Base on Billing Systems

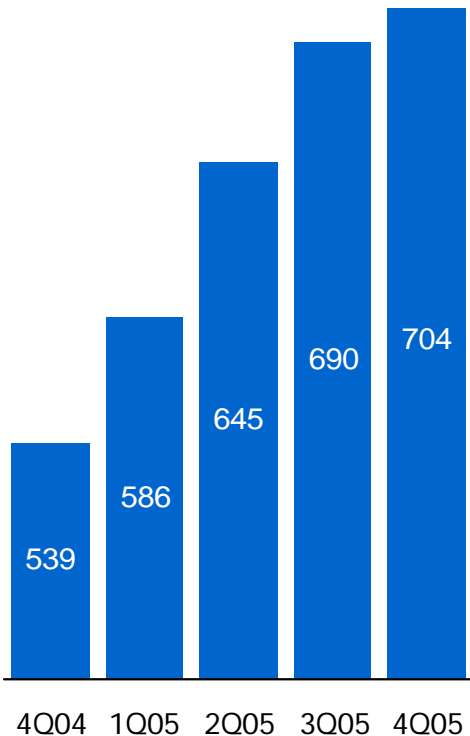


- Drive synergies through front and back office consolidation
 - Integrated financial, supply chain and HR Payroll systems
 - Consolidated retail systems across distribution channels
- Consolidate from three Customer Care and Billing systems to one per market
 - Converted or migrated 55% of the legacy AT&T Wireless customer base to Cingular's end-state billing systems
 - 82% of subscriber base now on end-state customer care and billing systems

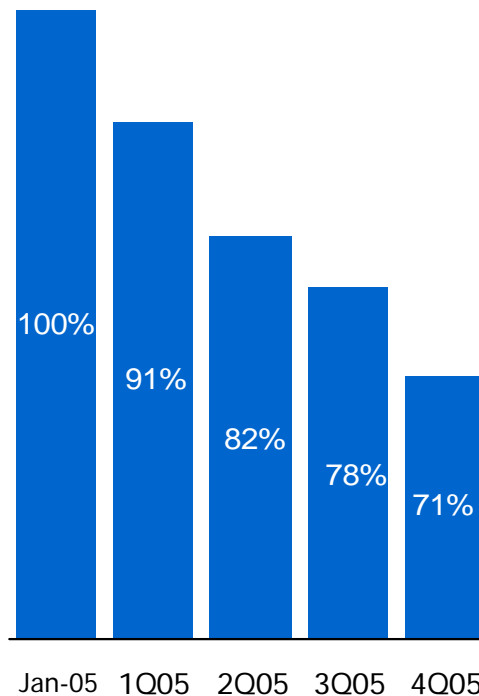
Productivity Improvement



Customers per FTE¹



Reduction in Calling Rates²



- 31% productivity improvement
- Over 14,000 fewer FTEs
 - Almost 9,000 fewer FTEs in Customer Service
 - 29% reduction in calling rates
- Reducing complexity through integration
- 5 million more customers YTD
- Lowest churn in company history

Growing more customers with fewer FTEs while reducing churn

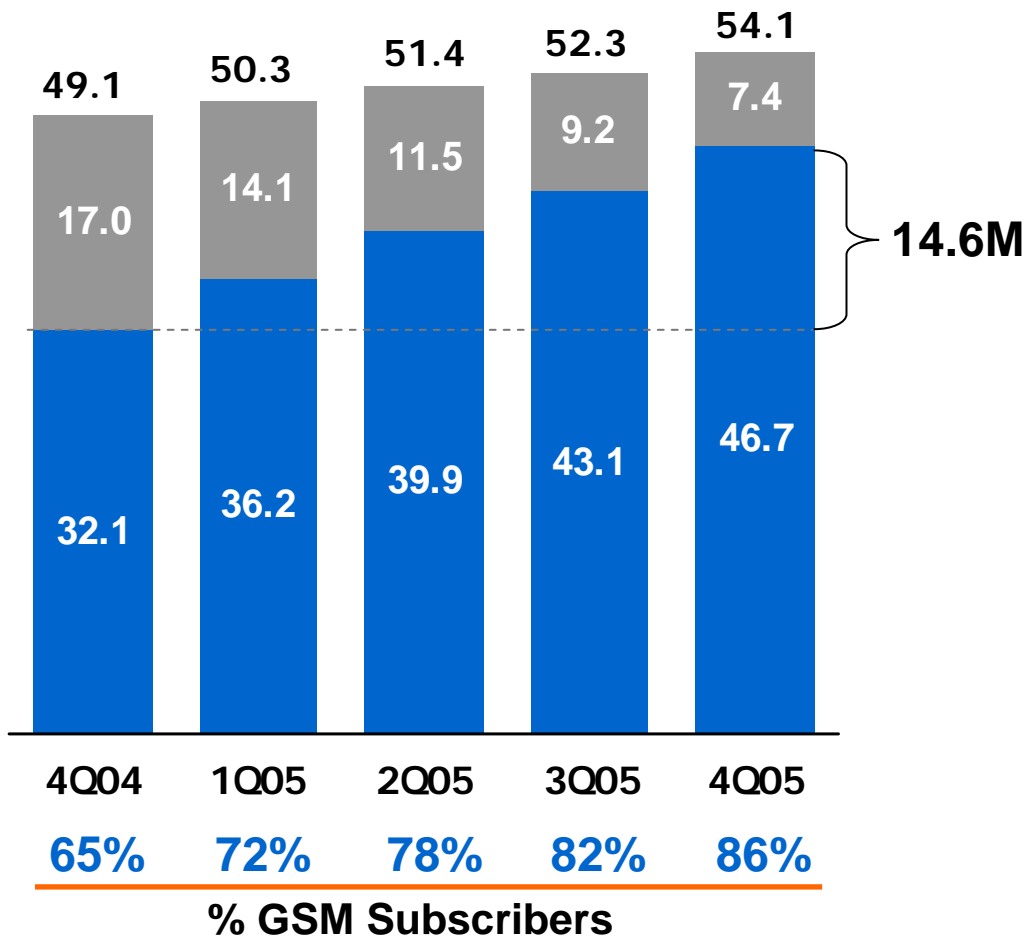
19 ¹ Full Time Equivalent

² Calls per customer vs January-05 results

Subscriber Growth



Customer Growth by Technology
(in millions)

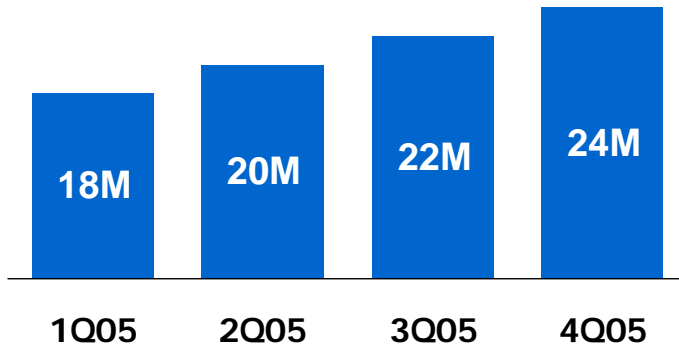


- Strong subscriber growth - 5M customers in 2005
- Success in moving subscribers to GSM
 - 86% of customers on GSM
 - 9.6M migrations in 2005
- Added 14.6M GSM subscribers in 2005
- GSM platform enables data growth and more robust voice products

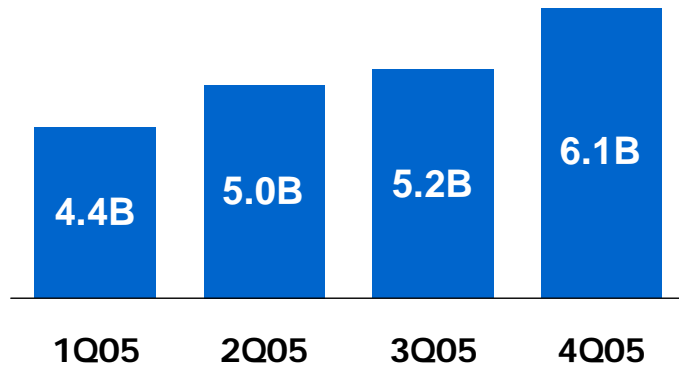
Data Growth



Data Customers



Text Messages



- Continued growth in data customers, usage and revenue
- 3G network will enable increased data usage
- New data products will continue to drive growth
 - Exclusive data devices
 - Consumer email
 - BroadbandConnect
 - MediaNet 3.0
 - Live Ticker
 - Exclusive content – Yahoo and HBO

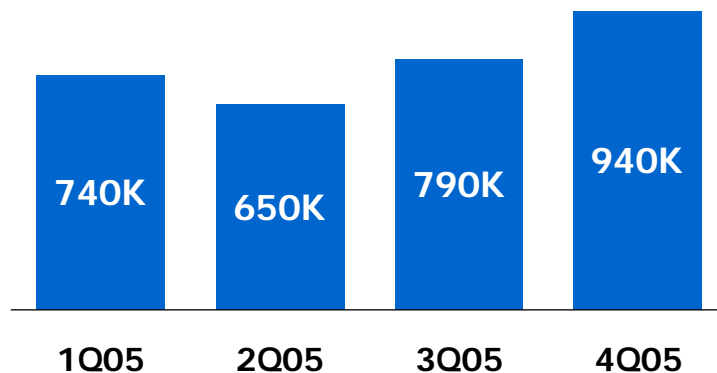
Growth through New Services



push to talk

Features	Cingular	Nextel	Sprint	Verizon
Availability Info	✓	-	-	-
Quick Group Calling	✓	-	-	-
Convert to Cellular	✓	-	-	-
Voice Message	✓	-	-	-
Call Me Alert	✓	✓	-	✓
Call Waiting	✓	-	-	-

Prepaid Gross Adds



Push-to-Talk

- Largest coverage area with over 270M Pops
- Fastest voice thru speed
- Most innovative, friendly features

Prepaid

- Differentiated GoPhone® products
- Focus on distribution and execution
- Continued subscriber growth
 - 2M customers on new products in the first 8 months
 - New products have higher ARPU and lower churn than legacy products

Summary



- Grew by 5M subscribers while executing integration plans
- Integration activities are delivering results and improving margins
 - Network integration is on schedule
 - We are rationalizing distribution while growing the business
 - We are simplifying the business and delivering solid improvements in productivity
- New products and services are driving growth
 - Plan to launch 3G in most major markets in 2006
 - New voice and data products are fueling subscriber and revenue growth

Bottom line - we are executing our plans as we committed and continuing to grow the business