

First Quarter 2006 Financial and Operational Results

April 19, 2006

More signal bars
in more places.



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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, and indirectly those of AT&T and BellSouth, and cause its results to differ materially from those discussed herein is contained in Cingular's most recent Form 8-K filing 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 1Q06	Sequential Change	Annual Change
Service Revenue (M)	\$8,005	2.9%	7.9%
Total Revenue (M)	\$8,980	1.5%	9.1%
Normalized OIBDA Margin	31.9%	90 bps	640 bps
Normalized OI Margin	15.6%	120 bps	700 bps
ARPU	\$48.48	(0.8%)	(2.3%)
Postpaid Churn	1.6%	-30 bps	-30 bps
Total Churn	1.9%	-20 bps	-30 bps

Network quality is driving lower churn – the key to improved customer growth, revenue growth and margins

Normalizing Items – First Quarter 2006

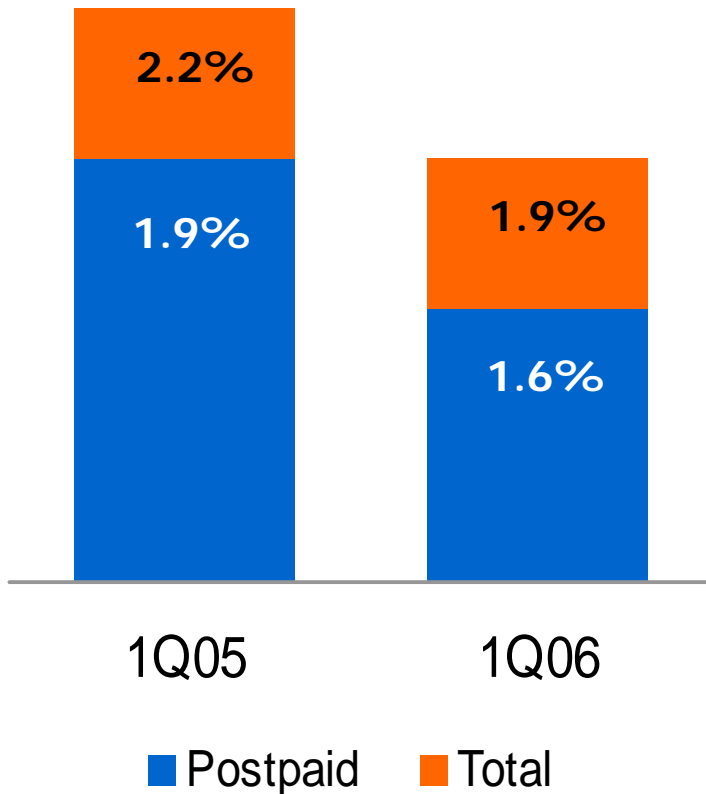


	OIBDA		Operating Income	
	Amount (\$M)	Margin ¹	Amount (\$M)	Margin ²
Reported	\$2,487	31.1%	\$807	9.0%
Integration Costs	\$64	0.8%	\$234	2.6%
Non-cash Intangible Amortization Costs	\$0	0.0%	\$359	4.0%
Normalized	\$2,551	31.9%	\$1,400	15.6%

Churn



Cingular Total and Postpaid Churn



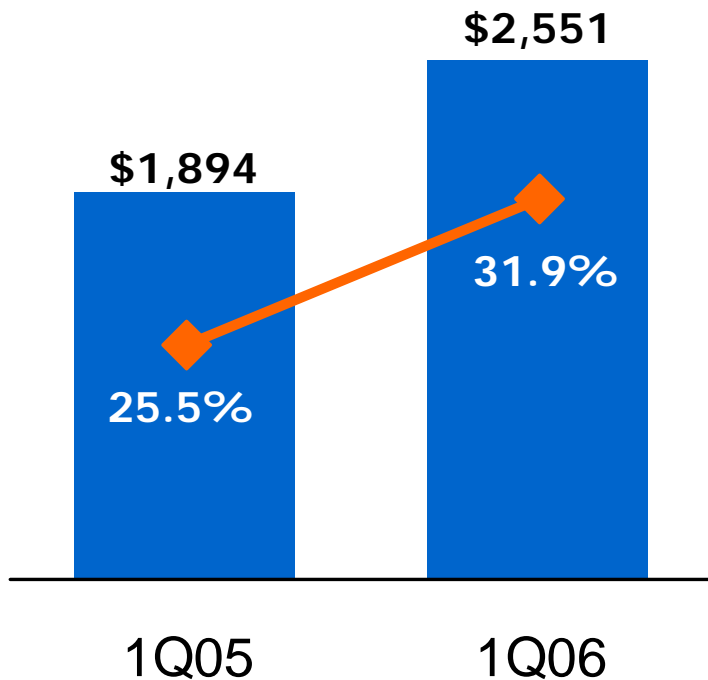
- Total and Postpaid Churn at record low levels during the first quarter
- Major drivers:
 - Improved Network Quality
 - Enhanced Customer Service
 - Compelling Products and Services

More Satisfied Customers!

Margin Expansion



Cingular Normalized
OIBDA Margin*
(\$ in millions)

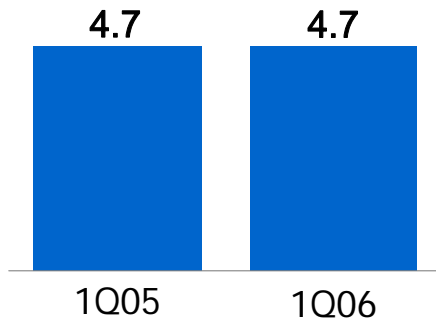


- 640 basis point improvement in Normalized OIBDA margin over past twelve months
- Major drivers:
 - Merger synergies are being extracted
 - Stronger revenue growth
 - Continued churn reduction
 - Improving acquisition cost structure
 - T-Mobile JV unwind progressing

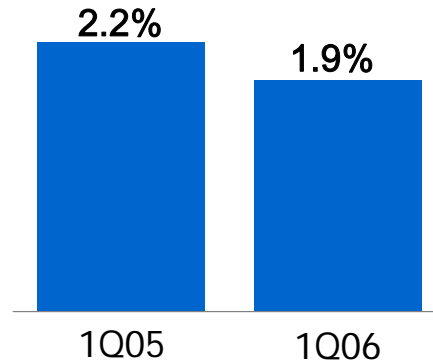
Subscriber Growth



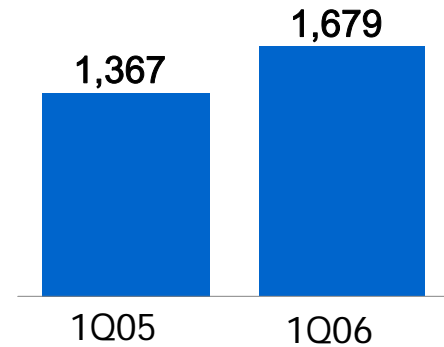
**Cingular Gross
Subscriber Additions**
(in millions)



Cingular Churn



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

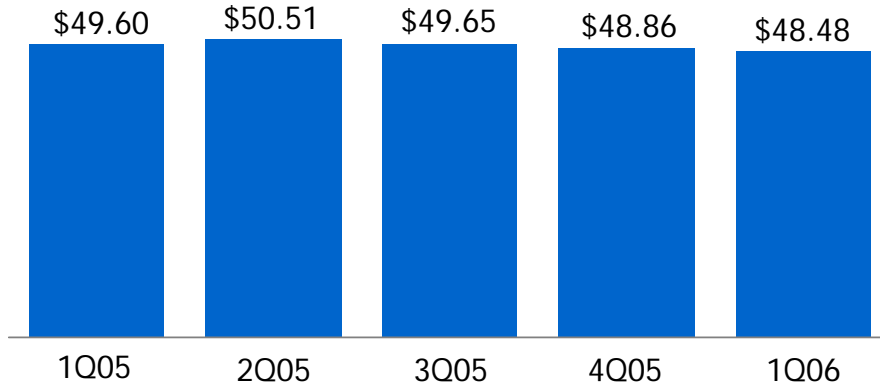


- Strong sales momentum continues despite distribution rationalization
- Record low churn is fueling higher subscriber growth
- Over 8 million subscribers added since the merger to total 55.8 million

Stabilizing ARPU



Service ARPU

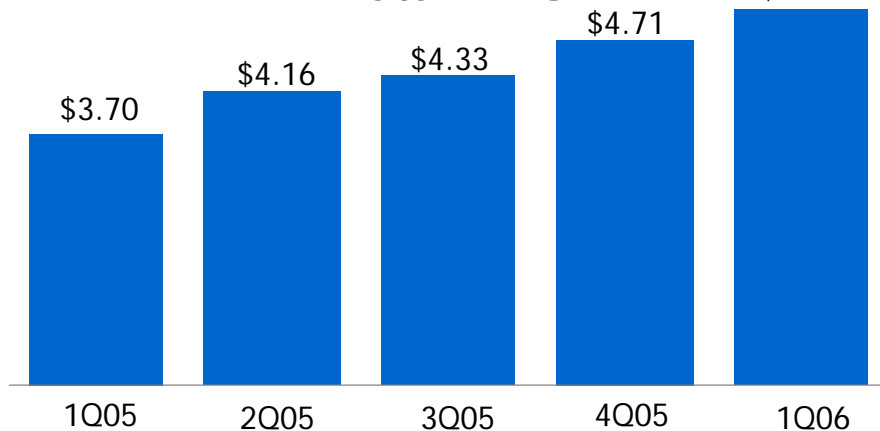


Service ARPU is stabilizing - down 2.3% yr/yr

- Continued price discipline
- Rate plan migrations are maturing:

	4Q05	1Q06
Rollover Plans ¹	> 65%	> 72%
Region/Nation Plans ¹	> 75%	> 82%

Data ARPU



- Year/year retail ARPU increase
- Strong growth in data revenue
 - 11% of total ARPU
 - 53% year/year growth
- UMTS/HSDPA will drive new data revenue opportunities

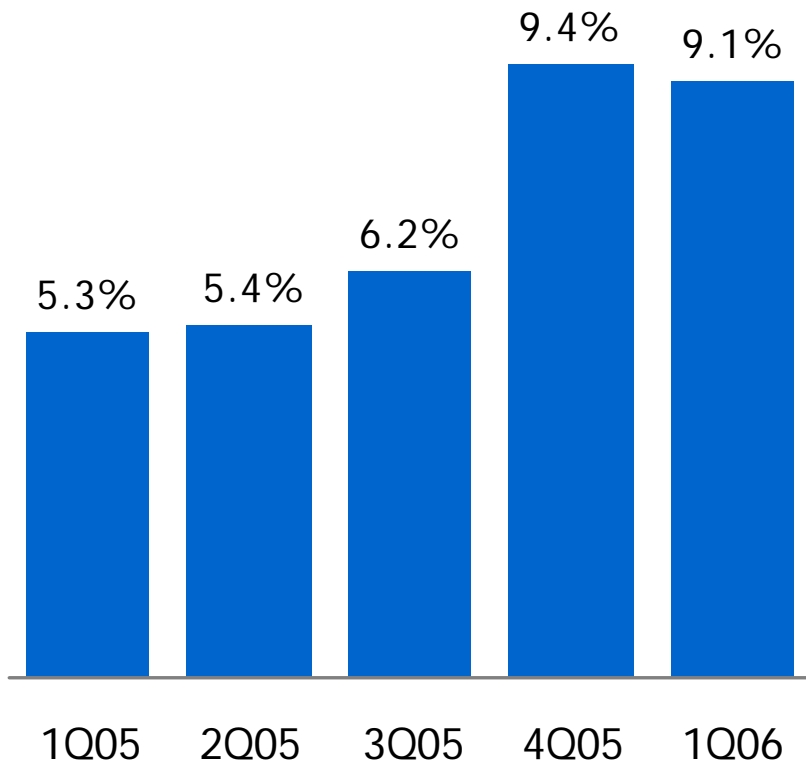
¹⁰ As a % of postpaid base.

Revenue Growth



Total Annual Revenue Growth

(vs. prior year revenue)



- High single digit revenue growth
- Double digit subscriber growth
- Service ARPU stabilization
- Strong contribution from legacy data products
- Robust pipeline of new products and services will fuel future growth:
 - UMTS/HSDPA
 - Next generation data products (Video, Music, etc.)

Summary



- Our distribution channels continue to drive strong gross additions
- Churn continues to improve as our customer experience gets better and better
- Rebound in postpaid net add growth
- Improved revenue growth continues to be fueled by growth in customers and data
- Margins are expanding at a steady pace
- Merger integration activities are on schedule and driving results

Ralph de la Vega

Chief Operating Officer

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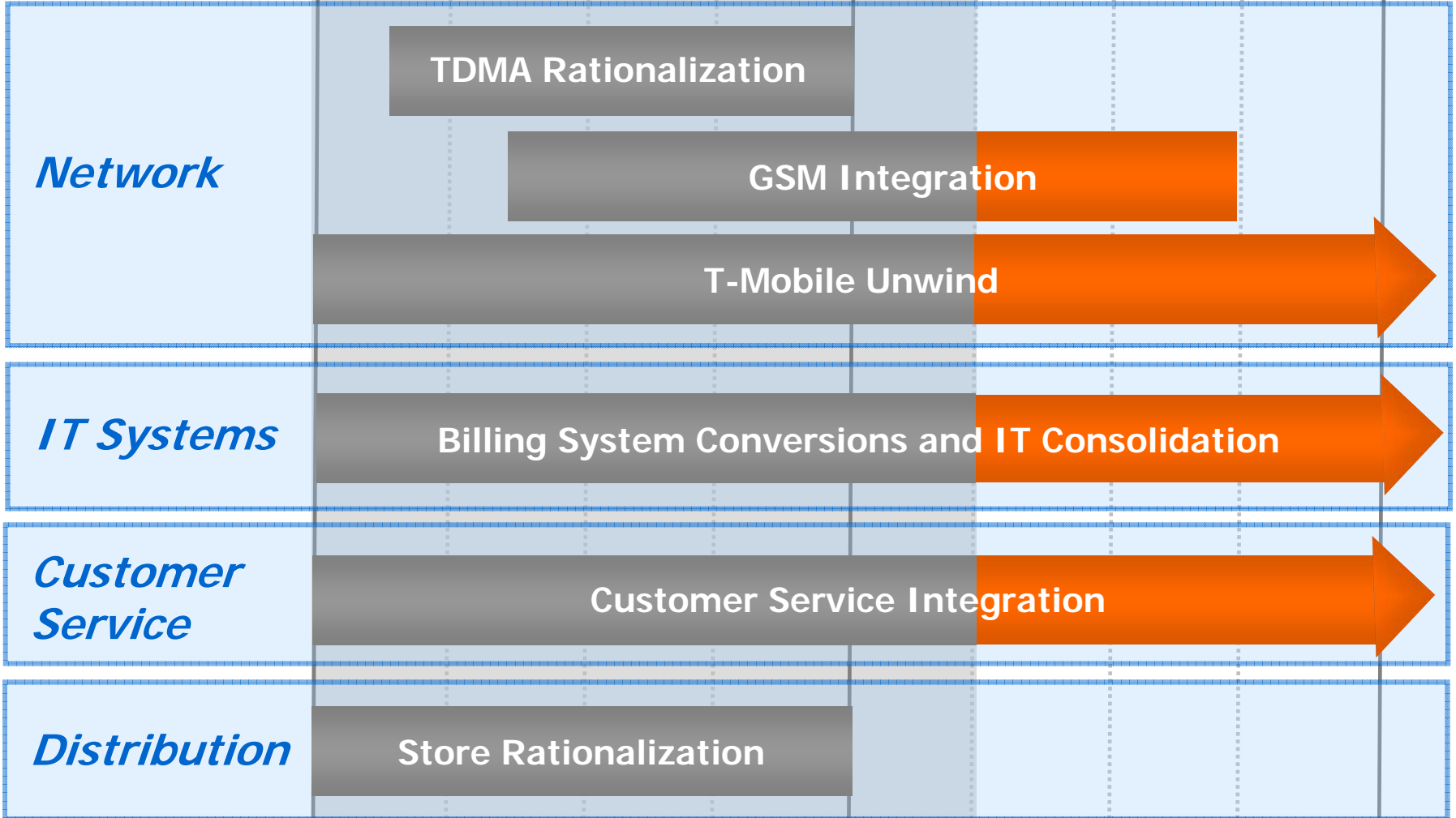
Integration Progress



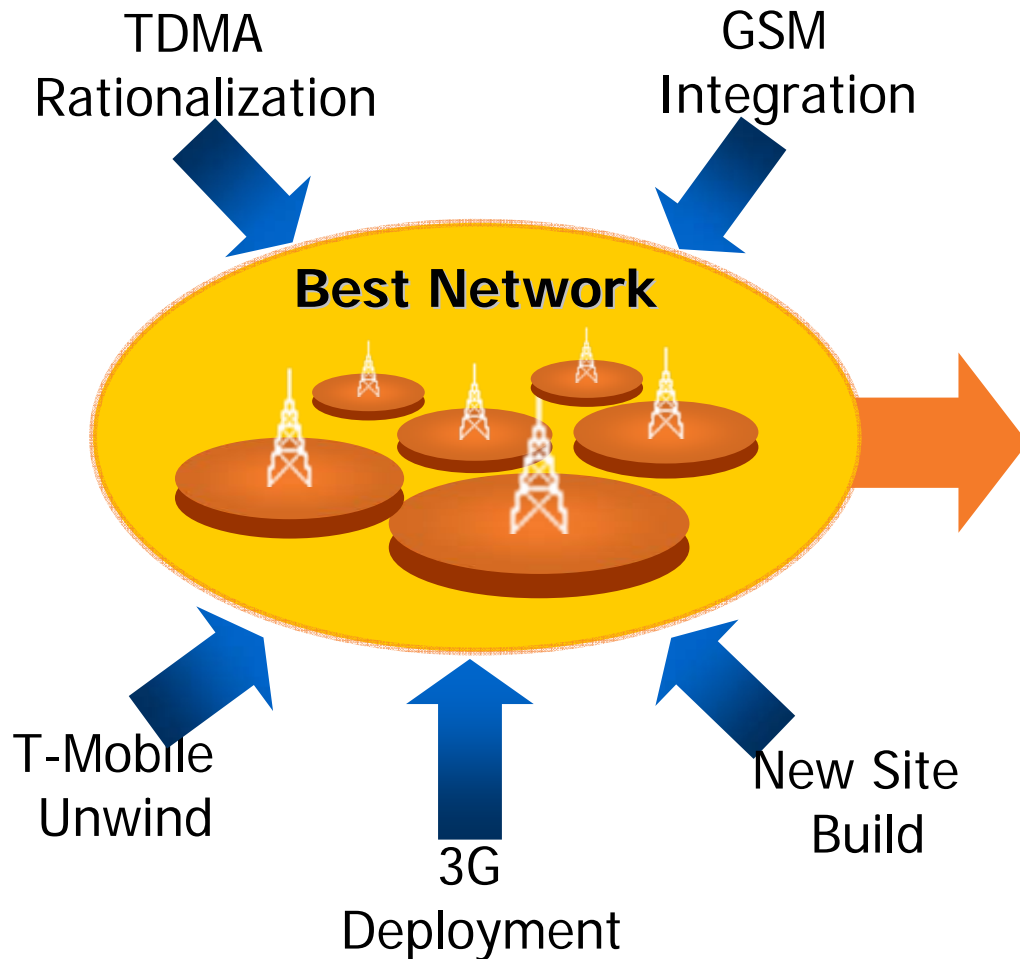
2005

2006

2007



Building the Best Network

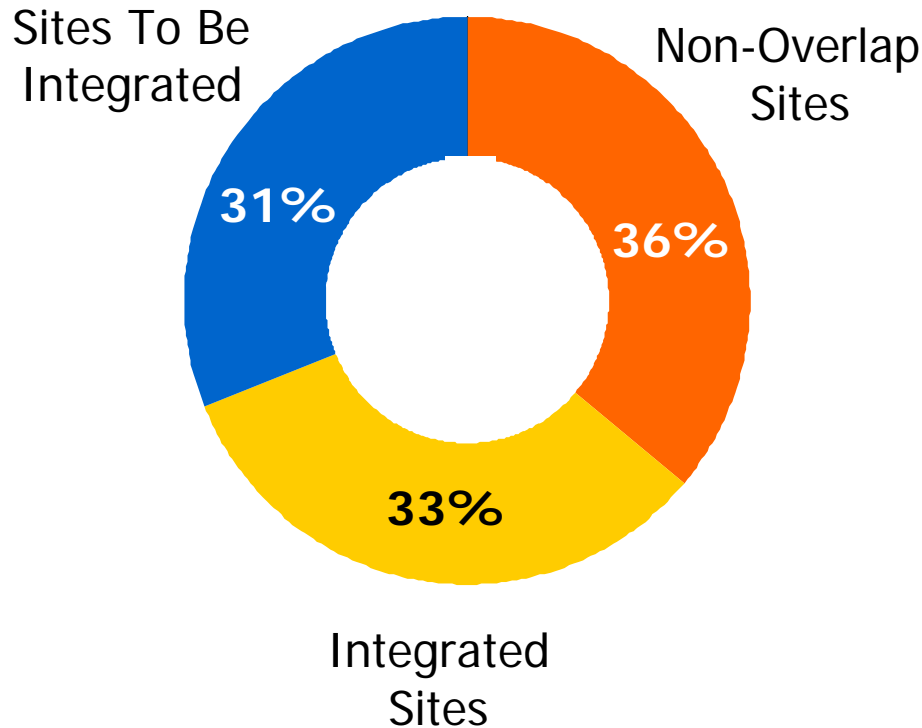


- More coverage
- Better performance
- Enhanced capabilities
- Lower costs

Network Integration



Integration Status

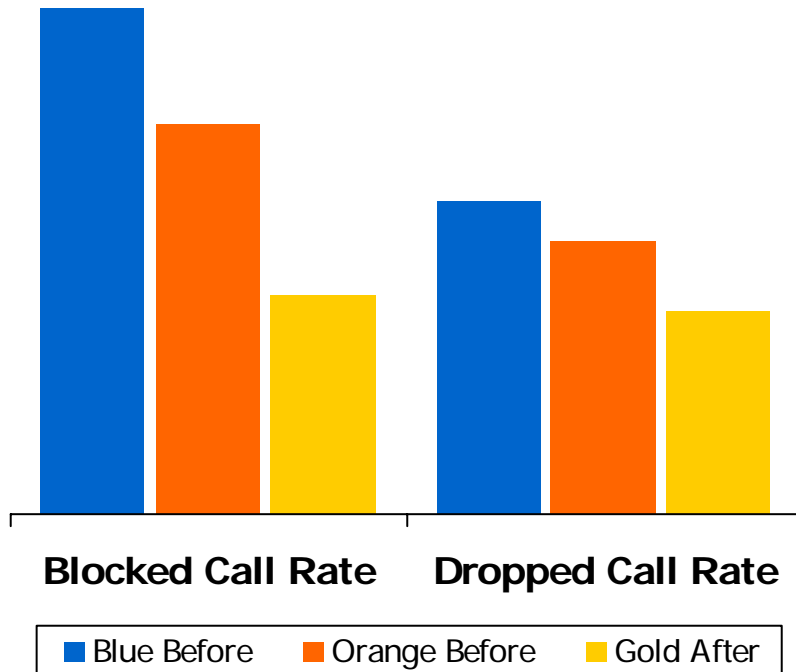


- Integration is on schedule
- 51% of overlapping GSM cell sites are integrated
- Most cost savings will be realized in 2H06
- Significant service improvement

Network Performance



Georgia Before and After Integration



raising the bar

Cingular has the **fewest dropped calls** of any wireless carrier.

The leading independent research company has concluded that Cingular has the fewest dropped calls of any wireless carrier.

That's no surprise. In the past year, we invested over \$5.5 billion in the network. And we have over 47,000 cell sites in America, more than any other wireless network.

Our promise has been to improve your wireless experience every day. And we're delivering.

More bars in more places. That's the goal of the ALLOVER™ network, providing the largest digital voice and data coverage in America.

Cingular. The only true leader in wireless.

iPhone + cingular
 • Best Overall Quality (IQV)
 • Most phones covered
 • Best overall value overall
ONLY FROM CINGULAR
\$199.99
 with open enrollment

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Network Modernization



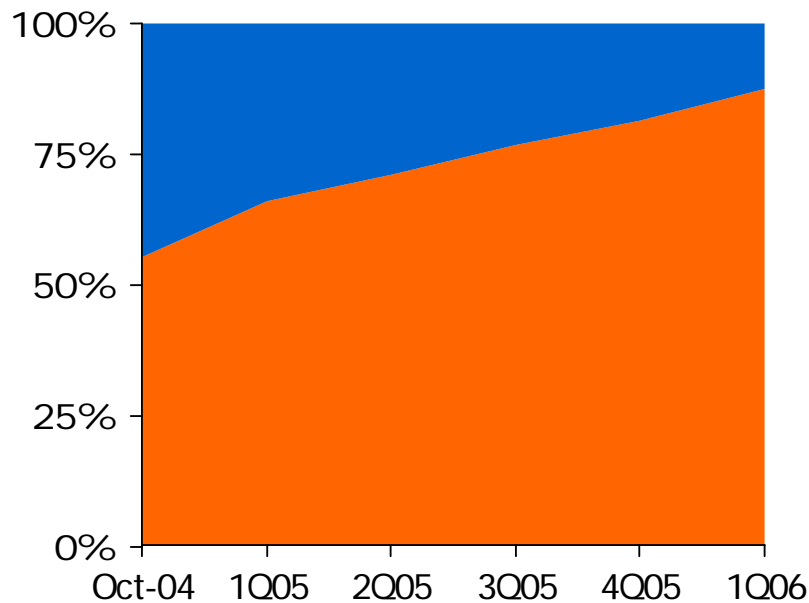
UMTS/HSDPA Deployment

- Launched 16 markets in 2005
- Most major markets in 2H06
- Launched Broadband Connect
- First in the world to offer a single 3G PC card for domestic and international use
- Launched UMTS handsets and Cingular Video
- Simultaneous voice and data
- Improved cost efficiency

IT Systems Integration



Percent of Subscriber Base by Billing System



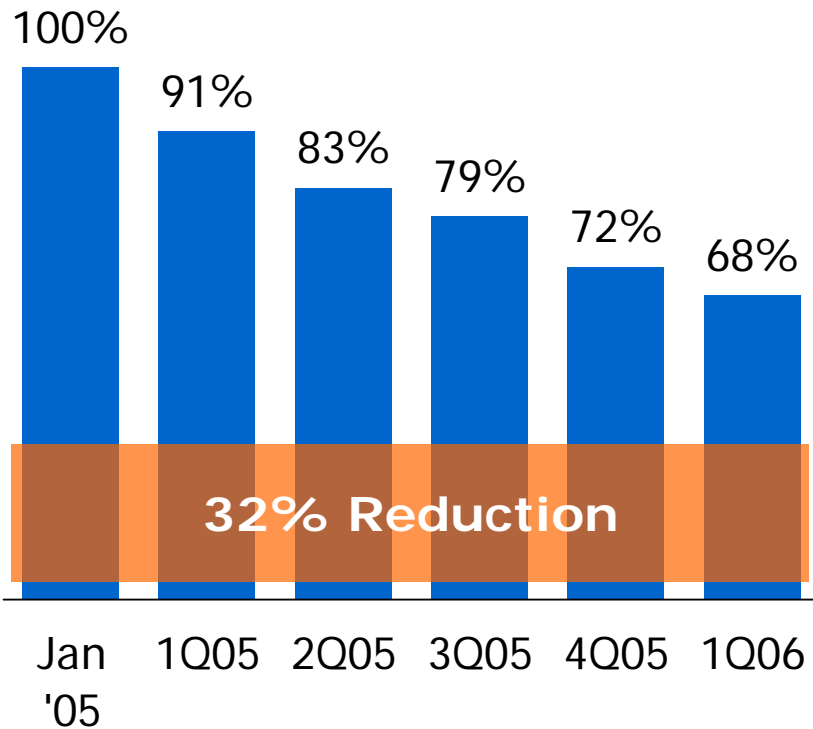
■ End State Billing Systems ■ Blue Billing Systems

- 88% of customers are on End State Billing Systems
- GSM conversions will be completed in 2006
- The number of IT systems are down 25% since the merger
- Cost savings tie to billing system decommissioning

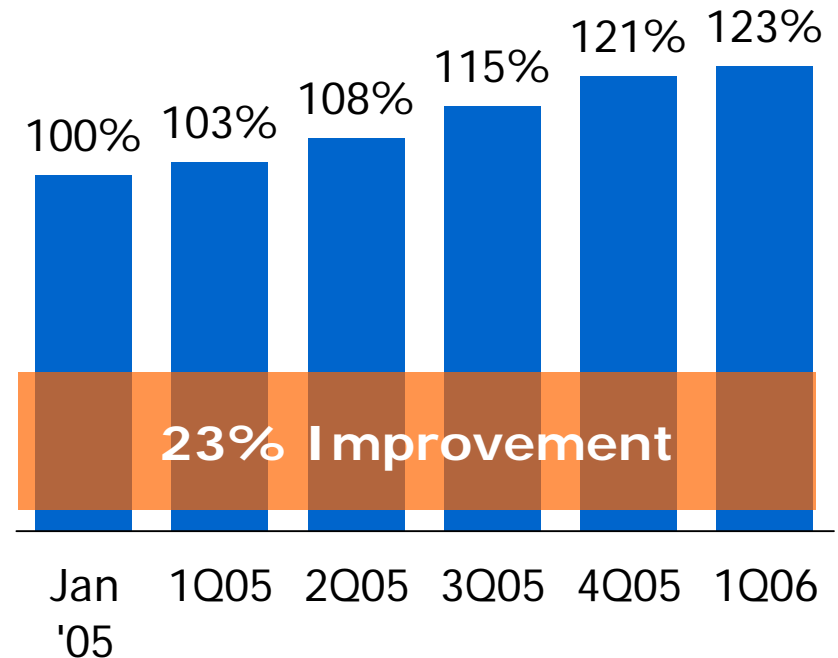
Customer Service



Customer Service Calls
as a % of Jan. '05 Volume

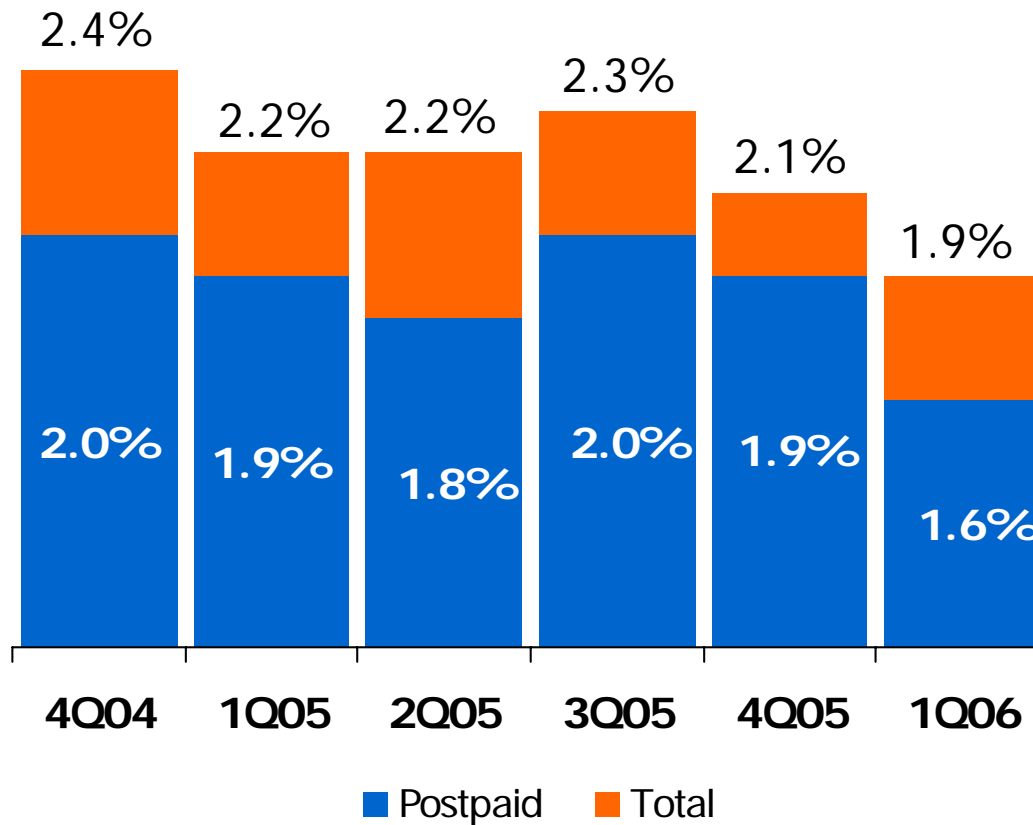


First Call Resolution
as a % of Jan. '05 Rate





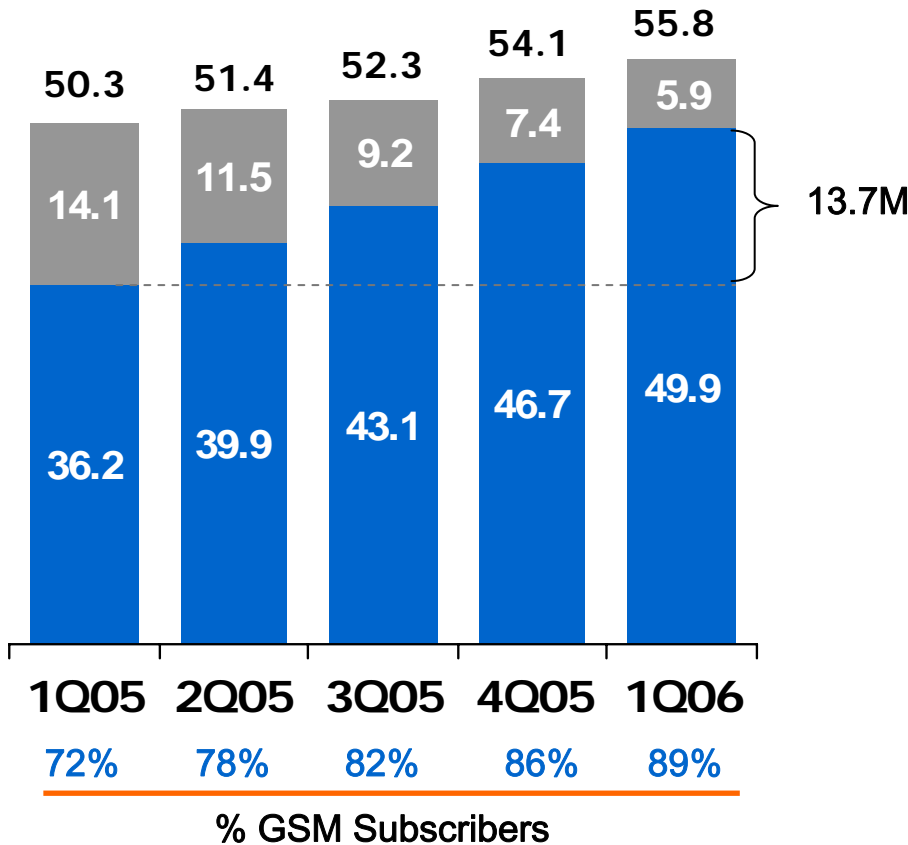
Churn is at an All Time Low



Subscriber Growth



Customer Growth By Technology (in Millions)

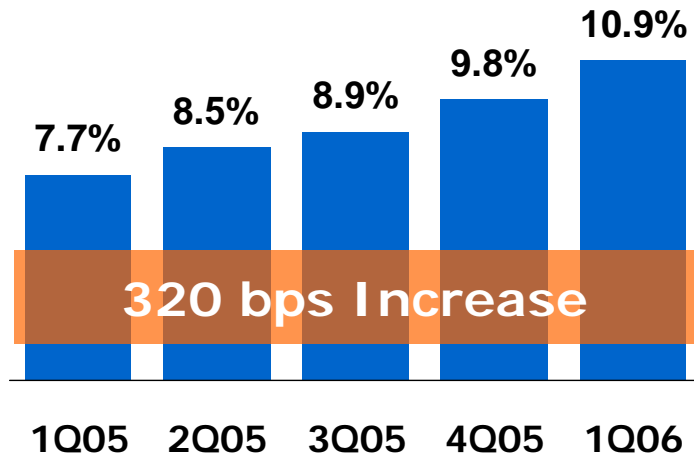


- Strong subscriber growth
 - 5.5M new customers in the last year
- Success in moving subscribers to GSM
 - 89% of customers on GSM
 - 97% of minutes on GSM
 - 8.2M migrations
 - Added 13.7M GSM customers

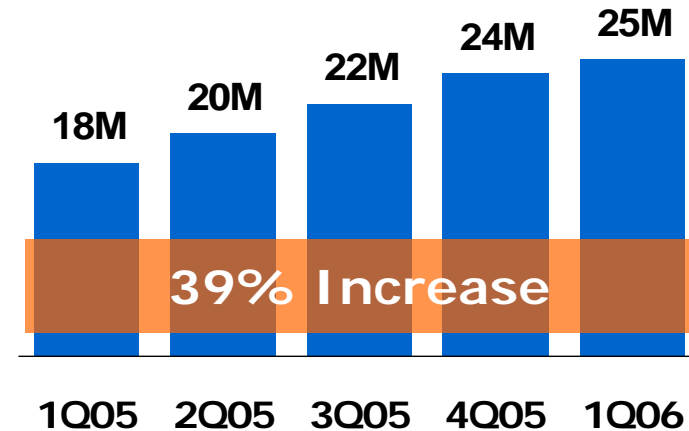
Data Growth



Data Percent of Service Revenue

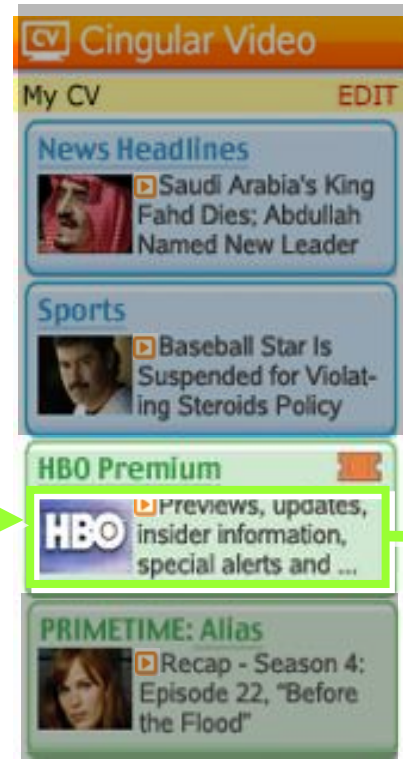
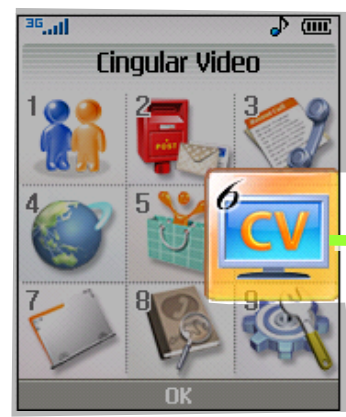
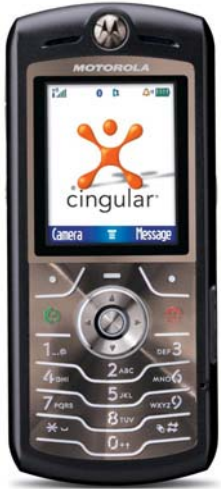


Data Customers

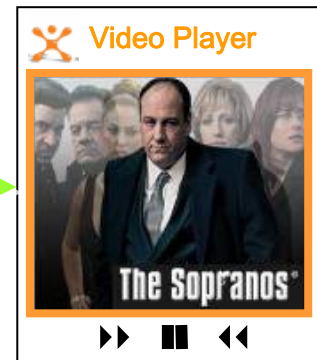


- Continued growth in data customers, usage and revenue
 - 6.75B Text messages
 - 91M MMS messages

New Products and Services



- SLVR
- HTC 8125
- Option PC Card
- Cingular Video



Summary



- Integration activities are on schedule and are improving margins
- We will see additional margin improvements as integration continues
- Network quality is improving
- Customer Satisfaction is improving
- Churn is at an all time low
- Maintained strong growth while executing integration plans