

AT&T INC.
Form 10-Q
November 05, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2009

or

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 1-8610

AT&T INC.

Incorporated under the laws of the State of Delaware
I.R.S. Employer Identification Number 43-1301883

208 S. Akard St., Dallas, Texas 75202
Telephone Number: (210) 821-4105

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No []

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer," "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

[X] Accelerated filer []

Large accelerated
filer

Non-accelerated [] (Do not check if a smaller reporting Smaller reporting []
filer company) company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [] No [X]

At October 31, 2009, there were 5,901 million common shares outstanding.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

AT&T INC.

CONSOLIDATED STATEMENTS OF INCOME

Dollars in millions except per share amounts

(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Operating Revenues				
Wireless service	\$12,372	\$11,227	\$35,978	\$32,726
Voice	7,940	9,313	24,702	28,525
Data	6,424	6,144	18,981	18,170
Directory	1,162	1,333	3,622	4,114
Other	2,957	3,325	8,877	9,417
Total operating revenues	30,855	31,342	92,160	92,952
Operating Expenses				
Cost of sales (exclusive of depreciation and amortization shown separately below)	12,885	13,022	37,605	36,914
Selling, general and administrative	7,672	7,724	23,225	23,034
Depreciation and amortization	4,910	4,978	14,699	14,839
Total operating expenses	25,467	25,724	75,529	74,787
Operating Income	5,388	5,618	16,631	18,165
Other Income (Expense)				
Interest expense	(853)	(858)	(2,581)	(2,577)
Equity in net income of affiliates	181	257	549	712
Other income (expense) – net	27	(23)	43	97
Total other income (expense)	(645)	(624)	(1,989)	(1,768)
Income Before Income Taxes	4,743	4,994	14,642	16,397
Income taxes	1,468	1,705	4,890	5,746
Net Income	3,275	3,289	9,752	10,651
Less: Net Income Attributable to Noncontrolling Interest	(83)	(59)	(236)	(188)
Net Income Attributable to AT&T	\$3,192	\$3,230	\$9,516	\$10,463
Basic Earnings Per Share Attributable to AT&T	\$0.54	\$0.55	\$1.61	\$1.76
Diluted Earnings Per Share Attributable to AT&T	\$0.54	\$0.55	\$1.61	\$1.75
Weighted Average Number of Common Shares Outstanding – Basic (in millions)	5,901	5,893	5,899	5,938
Dividends Declared Per Common Share	\$0.410	\$0.400	\$1.230	\$1.200

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED BALANCE SHEETS

Dollars in millions except per share amounts

September 30,
2009

December 31,
2008