



AT&T Completes Acquisition of Centennial Communications

Acquisition Enhances AT&T's Wireless Network Coverage in Rural Areas, Service for Businesses Operating in Puerto Rico

DALLAS, Nov 06, 2009 (BUSINESS WIRE) -- AT&T* today announced that it has completed its acquisition of Centennial Communications Corp. (Nasdaq:CYCL). The acquisition enhances AT&T's network coverage across the Midwest and Southeast United States and in Puerto Rico and the U.S. Virgin Islands.

The combination of the two companies' wireless networks will allow AT&T to deliver broader wireless coverage, including to approximately 893,000 former Centennial wireless subscribers.¹ With the addition of Centennial, AT&T also expands its wired network coverage to Puerto Rico, enhancing service for its business customers with operations there.

"The addition of Centennial will enhance AT&T's assets in wireless -- a strategic priority and one of our biggest growth drivers - and service for customers of both companies," said Ralph de la Vega, president and chief executive officer of AT&T Mobility and Consumer Markets. "We're excited to give Centennial wireless subscribers access to the nation's fastest 3G network plus our premier lineup of smartphones and unmatched portfolio of applications and services.

"We'll also improve network reliability for our wireless subscribers who will be able to make on-network calls in the Centennial footprint," said de la Vega. "And as Centennial's broadband network in Puerto Rico is integrated with AT&T's extensive global network and advanced service offerings, we'll offer corporations that operate in Puerto Rico the benefits of end-to-end service over a single network."

Integration Plans

AT&T plans to integrate Centennial's networks and products with AT&T's networks and product portfolio. The transaction extends AT&T's wireless network coverage in primarily rural areas of Indiana, Louisiana, Michigan, Ohio and Texas as well as enhances coverage in Puerto Rico and the U.S. Virgin Islands.

In the mainland U.S., AT&T will move quickly to rebrand Centennial as AT&T and to make AT&T's innovative products and services available to Centennial's customers.² By late January 2010, AT&T products and services will be available at more than 100 Centennial retail locations. Within the same timeframe, AT&T signage will be installed in all Centennial locations. Former Centennial wireless subscribers may keep their existing rate plans, but they will also have the opportunity to migrate to AT&T rate plans without activation or upgrade fees. Existing AT&T customer contracts will not change.

In Puerto Rico, the Centennial brand will continue through mid-2010. AT&T will honor the current rate plans and contracts of Centennial wireless subscribers. AT&T expects to make the full portfolio of AT&T products and services available in Centennial locations in Puerto Rico in the third quarter of 2010. At that point, Centennial customers will have the opportunity to migrate to AT&T rate plans without activation or upgrade fees. Existing AT&T customer contracts in Puerto Rico will not change.

To provide the best experience possible for Centennial customers who choose to migrate to AT&T service, prior to the transition, AT&T plans to deploy 3G at more than 200 sites in Centennial's markets. This deployment plan includes adding 3G capabilities at more than 100 sites and expanding 3G coverage and capacity at approximately 100 sites.

Centennial customers who choose AT&T plans will enjoy significant benefits as they join the AT&T network. AT&T offers the best wireless coverage worldwide, with more phones working in more places; more applications running over its network; and access to the nation's fastest 3G network, which will get even faster as AT&T rolls out HSPA 7.2 technology in advance of its deployment of 4G LTE service. And unlike other wireless networks, AT&T's network enables subscribers to talk and e-mail or surf the Web at the same time -- one of the reasons, along with the industry's leading lineup of devices, that significantly more smartphone users have chosen AT&T over other wireless carriers. Centennial customers who choose select smartphones and LaptopConnect cards will have access to AT&T's Wi-Fi hot spot network, the largest in the U.S. with more than 20,000 hot spots, at no additional charge. AT&T will also offer Centennial subscribers Rollover^(R) Minutes, a feature exclusive to AT&T, as well as a mobile-to-mobile calling community of nearly 82 million³ members.

Centennial's wired network assets in Puerto Rico will also allow AT&T to better serve business customers with a presence in Puerto Rico. AT&T will continue to provide switched voice, high-capacity data and Internet Protocol solutions for business customers in Puerto Rico. Existing Centennial customers will now have access to new technologies, to AT&T's innovative

products and to both wireline and wireless services from AT&T.

Merger Synergies and Financials

The acquisition of Centennial will provide AT&T opportunities for synergies in areas such as corporate functions, advertising, customer care and network operations. AT&T expects upfront integration costs will result in minimal dilution to EPS and cash flow in 2009. As previously announced, Centennial stockholders will receive \$8.50 per share in cash. Including net debt, the transaction is valued at \$2.7 billion. AT&T will take prompt actions to redeem all of Centennial's outstanding debt under its indentures and credit agreement.

Regulatory Approval Process

AT&T's acquisition of Centennial has been reviewed and approved by the Federal Communications Commission (FCC). Pursuant to a consent decree, the U.S. Department of Justice (DOJ) and the Attorney General of the State of Louisiana have agreed to permit the merger to close.

As a result of the FCC and DOJ review processes, AT&T agreed to divest operations in eight service areas: Alexandria, La., Lafayette, La., LA-3 (DeSoto), LA-5 (Beauregard), LA-6 (Iberville), LA-7 (West Feliciana), MS-8 (Claiborne) and MS-9 (Copiah). Per the terms of a definitive agreement signed in May 2009, AT&T has agreed to divest to Verizon Wireless five of the Centennial service areas covered under the DOJ ruling. These five service areas are Lafayette, La., LA-5 (Beauregard), LA-6 (Iberville), LA-7 (West Feliciana) and MS-8 (Claiborne). AT&T now expects that this transaction will close in the first quarter of 2010, once the companies obtain regulatory approvals. AT&T also has a definitive agreement with Verizon Wireless to acquire wireless properties Verizon Wireless is divesting as a result of its acquisition of Alltel. That transaction is also subject to regulatory approvals and is expected to close in the fourth quarter of 2009.

To secure FCC approval of the transaction, AT&T committed to honor agreements for roaming on Centennial's network. AT&T will honor existing roaming agreements with other carriers for the life of the contract -- or, for carriers with fewer than 10 million subscribers, will maintain the roaming agreement for at least four years or the full term of the agreement with Centennial, whichever is longer. AT&T also agreed to certain measures restricting the flow of competitive information between AT&T and América Móvil. AT&T is a minority shareholder in América Móvil, which also provides telecommunications services in Puerto Rico.

¹ Centennial subscriber figure represents the subscriber base after divestitures of Centennial operations in eight service areas: Alexandria, La., Lafayette, La., LA-3 (DeSoto), LA-5 (Beauregard), LA-6 (Iberville), LA-7 (West Feliciana), MS-8 (Claiborne) and MS-9 (Copiah).

² Any discussion of integration of Centennial into AT&T's operations excludes the eight service areas to be divested.

³ Mobile-to-mobile calling community includes the addition of Centennial subscribers.

*AT&T products and services are provided or offered by subsidiaries and affiliates of AT&T Inc. under the AT&T brand and not by AT&T Inc.

About AT&T

AT&T Inc. (NYSE:T) is a premier communications holding company. Its subsidiaries and affiliates, AT&T operating companies, are the providers of AT&T services in the United States and around the world. Among their offerings are the world's most advanced IP-based business communications services, the nation's fastest 3G network and the best wireless coverage worldwide, and the nation's leading high speed Internet access and voice services. In domestic markets, AT&T is known for the directory publishing and advertising sales leadership of its Yellow Pages and YELLOWPAGES.COM organizations, and the AT&T brand is licensed to innovators in such fields as communications equipment. As part of their three-screen integration strategy, AT&T operating companies are expanding their TV entertainment offerings. In 2009, AT&T again ranked No. 1 in the telecommunications industry on FORTUNE(R) magazine's list of the World's Most Admired Companies. Additional information about AT&T Inc. and the products and services provided by AT&T subsidiaries and affiliates is available at <http://www.att.com>.

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Cautionary Language Concerning Forward-Looking Statements

Information set forth in this news release 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 is contained in AT&T's filings with the Securities and Exchange Commission. AT&T disclaims any obligation to update or revise statements contained in this news release based on new information or otherwise.

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