

AT&T REPORTS FOURTH-QUARTER PROFIT DROP



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AT&T reported their fourth-quarter profit fell 23 percent, due in large part to customers cutting home-phone lines out of their budget. Many customers are making due with just their mobile devices. AT&T has been doing well off of its relationship with Apple's iPhone 3G, the most popular phone among adults last quarter, but its iPhone related revenue was not enough to counter the 3.3 percent drop in fixed-line business. A loss of 1.02 million-home customers caused revenue in fixed-line business to fall to \$17.1 billion. Wireless-service sales, comprising a third of the total sales, rose to \$11.5 billion. AT&T's revenue from video downloads and web surfing increased 51 percent. Much of this increase comes from iPhone customers. On the whole, AT&T fell 47 cents, or 1.8 percent, to \$25.46 in the New York Stock Exchange on Wednesday. With gains in the wireless industry, analysts expect AT&T to experience 1.5 percent growth this year. Last month, AT&T cut 12,000 workers, 4 percent of their total employees, and pledged to reduce their expenditures in the face of slowing consumer spending. Follow the status of AT&T and other telecommunications companies at [Employment Crossing](#).

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