

## **IBM And AT&T Announce Multi-Year Strategic Alliance**

### **Companies to expand relationship to enable moving AT&T Business applications to IBM Cloud**

#### **IBM to make AT&T Business Primary Provider of Software Defined Networking**

ARMONK, N.Y. and DALLAS, July 16, 2019 /[PRNewswire](#)/ -- IBM (NYSE: [IBM](#)) and AT&T (NYSE: T) today announced a multi-year strategic alliance. Under the agreement AT&T Communications will use IBM's expertise to modernize AT&T Business Solutions' internal software applications, enabling migrations to the IBM Cloud. In addition, IBM will provide infrastructure to support AT&T Business's applications. AT&T Business will utilize Red Hat's open source platform to manage workloads and applications. The improvements will allow AT&T Business to better serve enterprise customers.

IBM will also make AT&T Business its primary provider of software defined networking. AT&T Business will help transform IBM's networking solutions with their latest technologies including 5G, Edge Compute, and IOT as well as multi-cloud capabilities using Red Hat. This builds on the existing relationship where AT&T Business is IBM's strategic global networking provider.

"In AT&T Business, we're constantly evolving to better serve business customers around the globe by securely connecting them to the digital capabilities they need," said Thaddeus Arroyo, CEO of AT&T Business. "This includes optimizing our core operations and modernizing our internal business applications to accelerate innovation. Through our collaboration with IBM, we're adopting open, flexible, cloud technologies, that will ultimately help accelerate our business leadership."

IBM will be the primary developer and cloud provider for AT&T Business's operational applications and will help manage the AT&T Communications IT infrastructure, on and off-premises and across different clouds –private and public. This approach will enable AT&T Business to build and deploy internal application workloads, and deliver new, innovative services.

The two companies will also collaborate on edge computing platforms, which will help enterprise clients capitalize on the power of 5G network speeds and the internet-connected devices and sensors at the edge of the network. Using 5G, enterprises will one day be able to rapidly transmit data to and from multiple clouds and billions of edge devices with increased reliability and security, reduced latency and dramatic improvements in bandwidth. This will eventually help businesses transform the user experience for their customers and optimize processes across industries from retail to financial services, transportation to manufacturing, to healthcare and beyond.

AT&T Business has a strong commitment to utilizing open source technologies. As part of the relationship, AT&T Business will continue to use Red Hat's open source platform to manage the workloads associated with AT&T Business's internal applications. On the heels of IBM's recent Red Hat acquisition, AT&T Business will have even greater access to Red Hat Enterprise Linux and OpenShift platforms as the foundation for workload portability and interoperability across any vendor's cloud, on or off premises.

"Building on IBM's 20-year relationship with AT&T, today's agreement is another major step forward in delivering flexibility to AT&T Business so it can provide IBM and its customers with innovative services at a faster pace than ever before," said Arvind Krishna, Senior Vice President, Cloud and Cognitive Software, IBM. "We are proud to collaborate with AT&T Business, provide the scale and performance of our global footprint of cloud data centers, and deliver a common environment on which they can build once and deploy in any one of the appropriate footprints to be faster and more agile."

The agreement between IBM and AT&T was signed in IBM's Q2, 2019.

### **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 might 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 and revise statements contained in this news release based on new information or otherwise.

This news release may contain certain non-GAAP financial measures. Reconciliations between the non-GAAP financial measures and the GAAP financial measures are available on the AT&T website at <https://investors.att.com>.

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### **\*About AT&T Communications**

We help family, friends and neighbors connect in meaningful ways every day. From the first phone call 140+ years ago to mobile video streaming, we innovate to improve lives. We have the nation's fastest wireless network.\*\* And according to America's biggest test, we have the nation's best wireless network.\*\*\* We're building [FirstNet](#) just for first responders and creating next-generation mobile 5G. With [DIRECTV](#), [DIRECTV NOW](#) and [WatchTV](#), we deliver entertainment people love to talk about. Our smart, highly secure solutions serve nearly 3 million global businesses –nearly all of the Fortune 1000. And worldwide, our spirit of service drives employees to give back to their communities.

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\*\*Based on analysis by Ookla® of Speedtest Intelligence® data average download speeds for Q2 2019.

\*\*\*GWS OneScore, September 2018.

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