

Stephenson: AT&T's 1Q was Disappointing

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AT&T CEO Randall Stephenson says he expects the company's mobility business to improve "markedly" in the coming quarter.

Delivering the morning keynote at the J.P. Morgan investor conference that was broadcast online, Stephenson covered a number of topics. He addressed AT&T's first quarter, where the company reported a net loss of 69,000 subscribers, saying AT&T could do better in the coming months.

Stephenson admitted that he didn't think AT&T executed well in the first quarter. "It was disappointing to me," he said.

While AT&T Mobility did manage to grow its margins even as it reported a first-quarter record of 6 million smartphone sales, the company's consolidated revenues slipped 1.5 percent over the same quarter last year. Overall net income hit \$3.7 billion on total revenues of \$31.4 billion, which was off 1.4 percent annually.

Stephenson also said consumers can expect new business models that would see content providers subsidizing content for end users.

"Models will emerge were they defray consumer charges by paying for it themselves or by advertising," Stephenson said.

Those comments were made within the context of a Wall Street Journal [report \[1\]](#) that surfaced earlier this week, which said sports network ESPN was in talks with and unspecified carrier to craft a deal that would allow ESPN to wholesale data as a way of subsidizing their content for subscribers to its programming.

Stephenson's comments make it official that both AT&T and Verizon are looking into this kind of business model. Earlier this week, Verizon CEO Dan Mead, speaking at investor conference hosted by Jeffries, said that his company was also "actively exploring" these types of opportunities.

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