

Edgar Filing: AT&T CORP - Form 8-K

Exhibit 99.1 - Press release dated December 11, 2003

Exhibit 99.2 - Press release dated December 11, 2003.

ITEM 12. Results of Operations and Financial Disclosure

What are we disclosing?

On December 11, 2003, David W. Dorman, our Chairman and Chief Executive Officer, publicly disclosed in a speech at the Credit Suisse First Boston Media and Telecom Week Conference in New York City that as of September 30, 2003, our Net Debt to EBITDA ratio was 1.1.

Net debt is defined as total debt, less cash, restricted cash and net foreign debt fluctuations:
(dollars in millions)

| | |
|-------------------------------|----------|
| Total debt | \$17,405 |
| Cash | 6,751 |
| Restricted cash | 464 |
| Net foreign debt fluctuations | 899 |
| | ----- |
| AT&T Net Debt | \$ 9,291 |
| | ----- |

Reconciliation of EBITDA to net income for the 12 months ended September 30, 2003:
(dollars in millions)

| | |
|---|---------|
| AT&T EBITDA | \$8,637 |
| Depreciation and amortization | (4,864) |
| AT&T Latin America impairment charge | (1,029) |
| | ----- |
| Subtotal Operating Income | 2,744 |
| Other income (expense), net | 297 |
| Interest (expense) | (1,278) |
| (Provision) for taxes | (902) |
| Minority interest income | 34 |
| Net earnings (losses) related to equity investments | 17 |
| | ----- |
| Net income from continuing operations | 912 |
| Net (loss) from discontinued operations | (210) |
| Gain on disposition of discontinued operations | 1,324 |
| Cumulative effect of accounting change | 15 |
| | ----- |
| AT&T Net income | \$2,041 |
| | ----- |

Our senior management believes that our Net Debt to EBITDA ratio is relevant in assessing our financial performance.

Mr. Dorman also disclosed in his speech that our year to date debt reduction was more than \$8.0 billion through November 30, 2003, which yields approximately \$0.5 billion in annualized interest savings.

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The information in this Item 12 of this Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AT&T CORP.

/s/ Robert S. Feit

By: Robert S. Feit
Vice President - Law and Secretary

December 11, 2003