

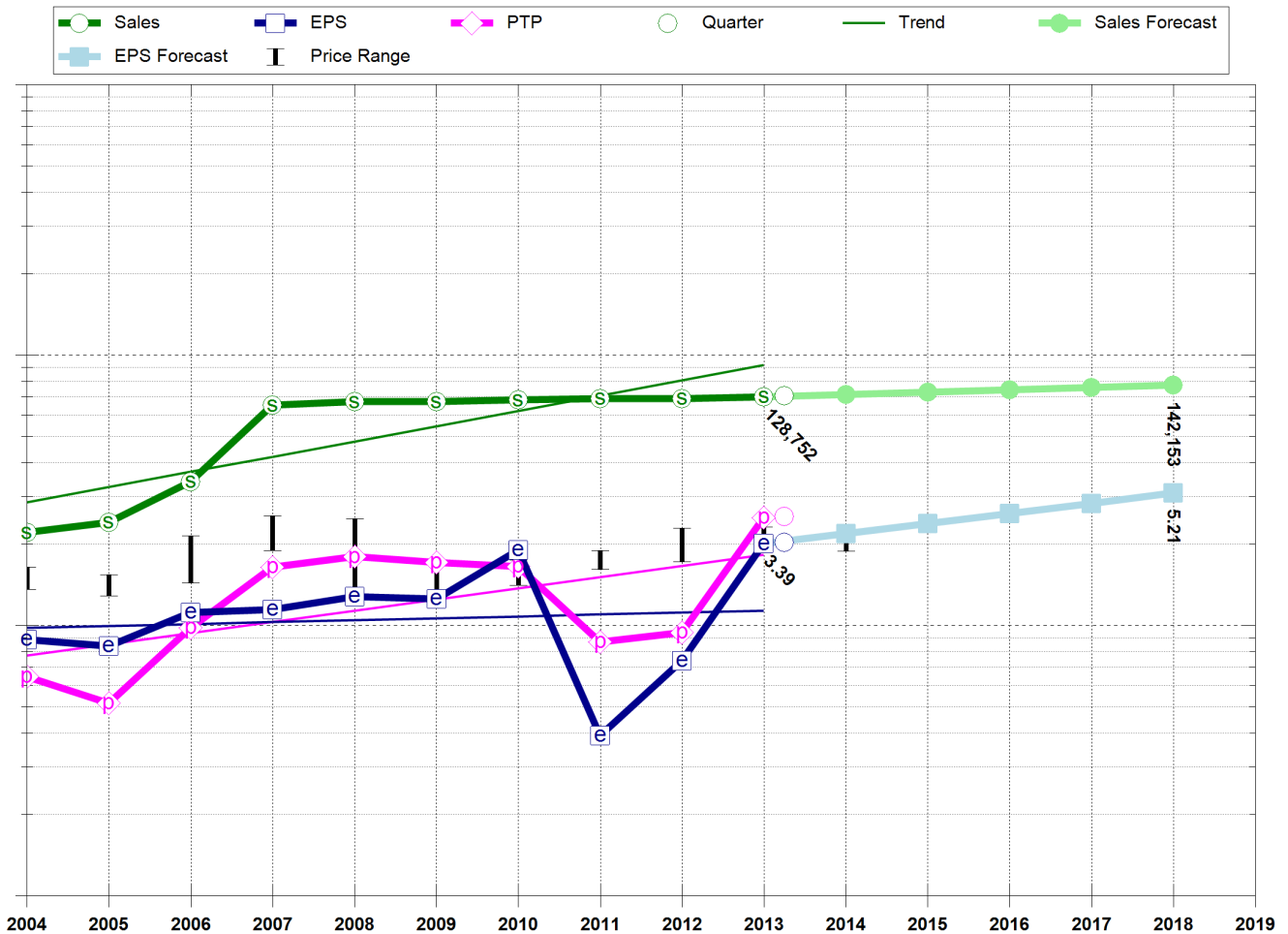
Company	AT&T Inc		Date	5/20/2014	
Prepared by	WRIGHT		Data taken from	BI Stock Data	
Where traded	NYSE	Industry	Telecom Services		
Capitalization ---	Outstanding Amounts	Reference			
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	5,222.0	0.1	54.5		
Debt (\$M)	79,876.0	% to Tot Cap	46.8	% Pot Dil	0.3

Stock Selection Guide

Symbol: T

1 VISUAL ANALYSIS of Sales, Earnings, and Price

FY2013 Quarter Ending (03/14)	Sales (\$M)	Earnings Per Share
Latest Quarter	32,476.0	0.70
Year Ago Quarter	31,356.0	0.67
Percentage Change	3.6%	4.2%



(1) Historical Sales Growth	13.9%	(3) Historical Earnings Per Share Growth	1.6%
(2) Estimated Future Sales Growth	2.0%	(4) Estimated Future Earnings Per Share Growth	9.0%

2 EVALUATING Management

AT&T Inc

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Last 5 Year Avg.
Pre-tax Profit on Sales	17.6%	13.0%	17.3%	15.3%	16.0%	15.4%	14.7%	7.6%	8.2%	21.6%	13.5%
% Earned on Equity	12.3%	8.5%	6.3%	10.2%	13.2%	12.3%	17.0%	3.7%	7.6%	19.5%	12.0%
% Debt To Capital	40.0%	35.9%	34.1%	35.7%	45.0%	42.8%	38.6%	38.0%	43.1%	45.1%	41.5%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

PRESENT PRICE 35.5

HIGH THIS YEAR 37.44

LOW THIS YEAR 31.74

	A	B	C	D	E	F	G	H	
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield	
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100	
1 2009	29.5	21.4	2.12	13.9	10.1	1.65	78.0	7.7	
2 2010	29.6	23.8	3.22	9.2	7.4	1.69	52.5	7.1	
3 2011	31.9	27.2	0.66	48.4	41.2	1.73	262.1	6.4	
4 2012	38.6	29.0	1.25	30.9	23.2	1.77	141.6	6.1	
5 2013	39.0	32.8	3.39	11.5	9.7	1.81	53.4	5.5	
AVERAGE		26.8		22.8	18.3		117.5		
CURRENT/TTM			3.43			1.84	53.7		
AVERAGE PRICE EARNINGS RATIO 20.5					CURRENT PRICE EARNINGS RATIO 10.4				

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 10.65 X Estimate High Earnings/Share 5.21 = Forecasted High Price \$ 55.5

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 10.65 X Estimate Low Earnings/Share 3.39 = Forecasted Low Price \$ 36.1

(b) Avg. Low Price of Last 5 Years 26.8

(c) Recent Market Low Price 29.02

(d) Price Dividend Will Support $\frac{\text{Present Dividend}}{\text{High Yield}} = \frac{1.840}{5.50\%} = 33.5$

Selected Forecasted Low Price \$ 36.1

C ZONING using 25%-50%-25%

Forecasted High Price 55.5 Minus Forecasted Low Price 36.1 = 19.4 Range. 25% of Range 4.8

Buy Zone 36.1 to 40.9

Hold Zone 40.9 to 50.6

Sell Zone 50.6 to 55.5

Present Market Price of 35.50 is in the **Buy** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{55.5 - 35.50}{35.50 - 36.1} = \frac{19.99}{-0.60} = \text{Invalid To 1}$

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Present Market Price}}{\text{Present Market Price}} = \frac{55.5 - 35.50}{35.50} = 1.56 \times 100 = 156.30 - 100 = 56.3 \% \text{ Appreciation}$

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Present Full Year's Dividend } \$ 1.84}{\text{Present Price of Stock } 35.50} = 0.05 = 5.2 \% \text{ Present Yield}$

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout } 117.5 \%}{\text{Forecast High PE } 10.65} = 11.0 \%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 9.3 %

Average Yield 11.0 %

Annualized Rate of Return 20.4 %