

Citing wireless trends, AT&T raises sales outlook

June 3 2014

AT&T boosted its full-year revenue forecast Tuesday, citing strong wireless trends.

The company said it expects a second-quarter net addition of more than 800,000 in "post-paid" plans. Those are high-value customers who have contracts or long-term installment plans. It's also 175,000 more than the number added during the previous quarter.

AT&T also said it foresees second-quarter Next smartphone sales of about 3.2 million. Next is an installment plan that permits frequent phone upgrades. Although customers in the installment plan aren't locked into traditional two-year service contracts, they pay the entire cost of phones in installments. As a result, AT&T doesn't have to pay hundreds of dollars per customer in subsidies. In return, customers can get a new phone as often as every year instead of every other year.

The Dallas communications company now anticipates a full-year revenue increase in "the 5 percent range," a percentage point greater than it forecast in April and much better than its initial guidance of 2 percent to 3 percent growth.

AT&T also reiterated its outlook for full-year adjusted earnings-per-share growth at the low end of the mid-single digit range.

Shares of AT&T Inc. fell slightly in premarket trading.

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