

AT&T INC.
 Form 424B2
 May 05, 2016
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Filed Pursuant to Rule 424(b)(2)
 Registration No. 333-209718

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount	Maximum	Proposed Maximum	Amount of Registration Fee (1)(2)
	to be Registered	Offering Price Per Unit	Aggregate Offering Price	
2.300% Global Notes due 2019	\$750,000,000	101.817%	\$763,627,500.00	\$76,897.29
2.800% Global Notes due 2021	\$750,000,000	102.259%	\$766,942,500.00	\$77,231.11
3.600% Global Notes due 2023	\$1,100,000,000	104.003%	\$1,144,033,000.00	\$115,204.12
4.125% Global Notes due 2026	\$900,000,000	106.671%	\$960,039,000.00	\$96,675.93
4.800% Global Notes due 2044	\$500,000,000	100.745%	\$503,725,000.00	\$50,725.11

- (1) Pursuant to Rule 457(r) of the Securities Act of 1933, as amended (the Securities Act), the total registration fee for this offering is \$416,733.56.
- (2) The registration fee for the securities registered herein is offset in part pursuant to Rule 457(p) of the Securities Act by registration fees previously paid with respect to \$831,634,658 aggregate principal amount of unsold securities registered pursuant to a Registration Statement on Form S-4 (Registration No. 333-209597) which became effective on March 11, 2016. The offering made under that registration statement has been completed, and the registration fees of \$83,745.61 paid in connection with the initial filing of that registration statement was unutilized at the time of completion. The entire amount of such previously paid and unutilized registration fee is being applied to offset the \$416,733.56 registration fee for the securities registered herein. Accordingly, a registration fee of \$332,987.95 is being paid in connection with this offering.

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Prospectus Supplement

May 3, 2016

(To Prospectus dated February 25, 2016)

U.S.\$4,000,000,000

AT&T Inc.

U.S.\$750,000,000 2.300% Global Notes due 2019

U.S.\$750,000,000 2.800% Global Notes due 2021

U.S.\$1,100,000,000 3.600% Global Notes due 2023

U.S.\$900,000,000 4.125% Global Notes due 2026

U.S.\$500,000,000 4.800% Global Notes due 2044

We will pay interest on the 2.300% global notes due 2019 (the 2019 Notes) on March 11 and September 11 of each year, we will pay interest on the 2.800% global notes due 2021 (the 2021 Notes), the 3.600% global notes due 2023 (the 2023 Notes) and the 4.125% global notes due 2026 (the 2026 Notes) on February 17 and August 17 of each year and we will pay interest on the 4.800% Global Notes due 2044 (the 2044 Notes) and, together with the 2019 Notes, 2021 Notes, 2023 Notes and the 2026 Notes, the Notes) on June 15 and December 15 of each year. The 2019 Notes will mature on March 11, 2019, the 2021 Notes will mature on February 17, 2021, the 2023 Notes will mature on February 17, 2023, the 2026 Notes will mature on February 17, 2026 and the 2044 Notes will mature on June 15, 2044. The 2019 Notes constitute a further issuance of, and will form a single series with, the U.S.\$1,100,000,000 2.300% Global Notes due 2019 issued on March 10, 2014. The 2021 Notes constitute a further issuance of, and will form a single series with, the U.S.\$1,250,000,000 2.800% Global Notes due 2021 issued on February 9, 2016. The 2023 Notes constitute a further issuance of, and will form a single series with, the U.S.\$1,500,000,000 3.600% Global Notes due 2023 issued on February 9, 2016. The 2026 Notes constitute a further issuance of, and will form a single series with, the U.S.\$1,750,000,000 4.125% Global Notes due 2026 issued on February 9, 2016. The 2044 Notes constitute a further issuance of, and will form a single series with, the U.S.\$2,000,000,000 4.800% Global Notes due 2044 issued on June 10, 2014.

We may redeem some or all of the Notes at any time and from time to time at the prices and at the times indicated for each series under the heading Description of the Notes The Notes Optional Redemption beginning on page S-5 of this prospectus supplement. The Notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000.

See Risk Factors beginning on page 34 of our 2015 Annual Report to Stockholders, portions of which are filed as Exhibit 13 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, which is incorporated by reference herein, to read about factors you should consider before investing in the Notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

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	Per 2019 Note	Total	Per 2021 Note	Total	Per 2023 Note	Total	Per 2026 Note	Total	Per 2044 Note	Total
Initial public offering price	101.817%	\$ 763,627,500.00	102.259%	\$ 766,942,500.00	104.003%	\$ 1,144,033,000.00	106.671%	\$ 960,039,000.00	100.745%	\$ 503,725,000.00
Underwriting discounts	0.200%	\$ 1,500,000.00	0.300%	\$ 2,250,000.00	0.350%	\$ 3,850,000.00	0.400%	\$ 3,600,000.00	0.750%	\$ 3,750,000.00
Proceeds, before expenses, to AT&T (1)(2)	101.617%	\$ 765,050,416.67	101.959%	\$ 770,117,500.00	103.653%	\$ 1,150,413,000.00	106.271%	\$ 966,029,625.00	99.995%	\$ 509,775,000.00

(1) The underwriters have agreed to reimburse us for certain of our expenses. See Underwriting.

(2) Includes accrued interest of \$2,922,916.67, for the 2019 Notes from March 11, 2016, accrued interest of \$5,425,000.00, \$10,230,000.00 and \$9,590,625.00, for each of the 2021 Notes, 2023 Notes and 2026 Notes, respectively, from February 9, 2016 and accrued interest of \$9,800,000.00, for the 2044 Notes from December 15, 2015, which is payable by the purchasers.

The initial public offering prices set forth above do not include accrued interest, if any. Interest on the 2019 Notes will accrue from March 11, 2016, interest on the 2021 Notes, 2023 Notes and 2026 Notes will accrue from February 9, 2016 and interest on the 2044 Notes will accrue from December 15, 2015.

The underwriters expect to deliver the Notes through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, Société Anonyme and Euroclear Bank S.A./N.V., against payment in New York, New York on May 12, 2016.

Joint Book-Running Managers

BNP PARIBAS

Mizuho Securities

Morgan Stanley

RBC Capital Markets

Senior Co-Managers

BNY Mellon Capital Markets, LLC

Regions Securities LLC

US Bancorp

Co-Managers

CastleOak Securities, L.P.

C.L. King & Associates

Loop Capital Markets

Mischler Financial Group, Inc.

MFR Securities, Inc.

Ramirez & Co., Inc.

Siebert Brandford Shank & Co., L.L.C.

The Williams Capital Group, L.P.

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We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, we take no responsibility for, nor can we provide any assurance as to the reliability of, any other information that others may give you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus, as well as information we previously filed with the Securities and Exchange Commission and incorporated by reference, is accurate as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus, on the other hand, the information contained in this prospectus supplement shall control. If any statement in this prospectus supplement conflicts with any statement in a document which we have incorporated by reference, then you should consider only the statement in the more recent document.

In this prospectus supplement, we, our, us and AT&T refer to AT&T Inc. and its consolidated subsidiaries.

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SUMMARY OF THE NOTES OFFERING

Issuer	AT&T Inc.
Securities Offered	<p>U.S.\$750,000,000 aggregate principal amount of 2.300% global notes due 2019 (the 2019 Notes).</p> <p>U.S.\$750,000,000 aggregate principal amount of 2.800% global notes due 2021 (the 2021 Notes).</p> <p>U.S.\$1,100,000,000 aggregate principal amount of 3.600% global notes due 2023 (the 2023 Notes).</p> <p>U.S.\$900,000,000 aggregate principal amount of 4.125% global notes due 2026 (the 2026 Notes).</p> <p>U.S.\$500,000,000 aggregate principal amount of 4.800% global notes due 2044 (the 2044 Notes and, together with the 2019 Notes, 2021 Notes, 2023 Notes and 2026 Notes, the Notes)</p>
Maturity Date	<p>March 11, 2019, at par, for the 2019 Notes.</p> <p>February 17, 2021, at par, for the 2021 Notes.</p> <p>February 17, 2023, at par, for the 2023 Notes.</p> <p>February 17, 2026, at par, for the 2026 Notes.</p> <p>June 15, 2044, at par, for the 2044 Notes.</p>
Interest Rate	<p>The 2019 Notes will bear interest from March 11, 2016 at the rate of 2.300% per annum, the 2021 Notes will bear interest from February 9, 2016 at the rate of 2.800% per annum, the 2023 Notes will bear interest from February 9, 2016 at the rate of 3.600% per annum, the 2026 Notes will bear interest from February 9, 2016 at the rate of 4.125% per annum and the 2044 Notes will bear interest from December 15, 2015 at the rate of 4.800% per annum. Accrued interest on the Notes to but excluding the original issue date must be paid by the purchaser. Interest on each series of Notes will be payable semi-annually in arrears in two equal payments.</p>

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Interest Payment Dates

March 11 and September 11 of each year, commencing on September 11, 2016 for the 2019 Notes.

February 17 and August 17 of each year, commencing on August 17, 2016 for the 2021 Notes, 2023 Notes and 2026 Notes.

June 15 and December 15 of each year, commencing on June 15, 2016 for the 2044 Notes.

Optional Redemption

2019 Notes: At any time in whole or from time to time in part, at a make-whole call equal to the greater of (i) 100% of the principal amount of the 2019 Notes to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and

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interest discounted to the redemption date, on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months), at a rate equal to the sum of the Treasury Rate plus 15 basis points. Accrued interest will be payable to the redemption date.

2021 Notes, 2023 Notes, 2026 Notes and 2044 Notes: Each of the 2021 Notes, 2023 Notes, 2026 Notes and 2044 Notes may be redeemed at any time prior to the applicable Par Call Date (as set forth in the table below), in whole or from time to time in part, at a make-whole call equal to the greater of (i) 100% of the principal amount of the Notes of such series to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest discounted to the redemption date, on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months), at a rate equal to the sum of the Treasury Rate plus a number of basis points equal to the applicable Make-Whole Spread (as set forth in the table below). Each of the 2021 Notes, 2023 Notes, 2026 Notes and 2044 Notes may be redeemed at any time on or after the applicable Par Call Date, in whole or in part, at a redemption price equal to 100% of the principal amount of such series of Notes to be redeemed. Accrued interest will be payable to the redemption date.

Series	Par Call Date	Make-Whole Spread
2021 Notes	January 17, 2021	25 bps
2023 Notes	December 17, 2022	30 bps
2026 Notes	November 17, 2025	35 bps
2044 Notes	December 15, 2043	25 bps

See Description of the Notes The Notes Optional Redemption of the Notes.

The Notes of each series are also redeemable at our option in connection with certain tax events. See Description of the Notes Redemption Upon a Tax Event.

Markets

The Notes are offered for sale in those jurisdictions in the United States, Canada, Europe and Asia where it is legal to make such offers. See Underwriting.

No Listing

The Notes are not being listed on any organized exchange or market.

Form and Settlement

The Notes will be issued in the form of one or more fully registered global notes which will be deposited with, or on behalf of, The Depository Trust Company known as DTC as the depository, and registered in the name of Cede & Co., DTC's nominee. Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global notes through either DTC (in the United States), Clearstream Banking, Société Anonyme or Euroclear Bank S.A./N.V., as operator of the Euroclear System (outside of the United

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States), if they are participants in these systems, or indirectly through organizations which are participants in these systems. Cross-market transfers between persons holding directly or indirectly through DTC participants, on the one hand, and directly or indirectly through Clearstream or Euroclear participants, on the other hand, will be effected in accordance with DTC rules on behalf of the relevant international clearing system by its U.S. depository.

Governing Law

The Notes will be governed by the laws of the State of New York.

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USE OF PROCEEDS

The net proceeds to AT&T from the Notes offering will be approximately \$4,161,385,541.67, including accrued interest of \$2,922,916.67 on the 2019 Notes from March 11, 2016, accrued interest of \$5,425,000.00 on the 2021 Notes, accrued interest of \$10,230,000.00 on the 2023 Notes and accrued interest of \$9,590,625.00 on the 2026 Notes, each from February 9, 2016 and accrued interest of \$9,800,000.00 on the 2044 Notes from December 15, 2015, which is payable by the purchasers, and after deducting the underwriting discount and our estimated offering expenses, net of reimbursement from the underwriters. These proceeds will be used to pay down amounts outstanding under AT&T's \$9.155 billion credit agreement containing (i) a \$6.286 billion term loan facility (the Tranche A Facility) and (ii) a \$2.869 billion term loan facility (the Tranche B Facility), with certain investment and commercial banks and Mizuho Bank, Ltd., as administrative agent. Advances borrowed under the Tranche A Facility bear interest at LIBOR plus an applicable margin of 1.000% and will be due on March 2, 2018. Advances borrowed under the Tranche B Facility bear interest at LIBOR plus an applicable margin of 1.125% and will be subject to amortization from March 2, 2018, with 25% of the aggregate principal amount thereof being payable prior to March 2, 2020, and all remaining principal amount due on March 2, 2020.

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The following table sets forth the capitalization of AT&T as of March 31, 2016 and as adjusted solely to reflect the issuance of \$4,000,000,000 of the Notes, but excluding aggregate accrued interest of \$37,968,541.67 on the Notes as described herein under the heading "Use of Proceeds", and net of the underwriting discounts and our estimated offering expenses (net of reimbursements from the underwriters). The table reflects certain unaudited consolidated financial information as of March 31, 2016 that was included in our Current Report on Form 8-K filed on April 26, 2016. AT&T's total capital consists of debt (long-term debt and debt maturing within one year) and stockholders' equity.

	As of March 31, 2016	
	Actual (Unaudited)	As Adjusted
	(In millions)	
Long-term debt (1)	\$ 122,104	\$ 122,104
Debt maturing within one year (2)	8,399	8,399
Stockholders' equity:		
Common shares (\$1 par value, 14,000,000,000 authorized)	6,495	6,495
Capital in excess of par value	89,414	89,414
Retained earnings	34,506	34,506
Treasury shares	(12,163)	(12,163)
Other adjustments	6,153	6,153
Stockholders' equity	\$ 124,405	\$ 124,405
Total Capitalization	\$ 254,908	\$ 254,908

- (1) Long-term debt does not include effects of this offering since the proceeds will be used to pay down amounts outstanding.
(2) Debt maturing within one year consists of the current portion of long-term debt and commercial paper and other short-term borrowings.

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DESCRIPTION OF THE NOTES

The following description of the general terms of the Notes should be read in conjunction with the statements under **Description of Debt Securities We May Offer** in the accompanying prospectus. If this summary differs in any way from the **Summary Description of the Securities We May Issue** in the accompanying prospectus, you should rely on this summary.

General

The Notes will be issued under our indenture, dated as of May 15, 2013, with The Bank of New York Mellon Trust Company, N.A., acting as trustee, as described under **Description of Debt Securities We May Offer** in the accompanying prospectus. The Notes will be our unsecured and unsubordinated obligations and will rank *pari passu* with all other indebtedness issued under our indenture. The 2019 Notes will constitute a further issuance of, and will form a single series with, the U.S.\$1,100,000,000 2.300% Global Notes due 2019 issued on March 10, 2014. The 2021 Notes will constitute a further issuance of, and will form a single series with, the U.S.\$1,250,000,000 2.800% Global Notes due 2021 issued on February 9, 2016. The 2023 Notes constitute a further issuance of, and will form a single series with, the U.S.\$1,500,000,000 3.600% Global Notes due 2023 issued on February 9, 2016. The 2026 Notes constitute a further issuance of, and will form a single series with, the U.S.\$1,750,000,000 4.125% Global Notes due 2026 issued on February 9, 2016. The 2044 Notes will constitute a further issuance of, and will form a single series with, the U.S.\$2,000,000,000 4.800% Global Notes due 2044 issued on June 10, 2014. We will issue the Notes in fully registered form only and in minimum denominations of \$2,000 and integral multiples of \$1,000 thereafter.

We may issue definitive Notes in the limited circumstances set forth in **Form and Title** below. If we issue definitive Notes, principal of and interest on our Notes will be payable in the manner described below, the transfer of our Notes will be registrable, and our Notes will be exchangeable for Notes bearing identical terms and provisions, at the office of The Bank of New York Mellon Trust Company, N.A., the paying agent and registrar for our Notes, currently located at 601 Travis Street, 16th Floor, Houston, Texas 77002. However, payment of interest, other than interest at maturity, or upon redemption, may be made by check mailed to the address of the person entitled to the interest as it appears on the security register at the close of business on the regular record date corresponding to the relevant interest payment date. Notwithstanding this, (1) the depository, as holder of our Notes, or (2) a holder of more than \$5 million in aggregate principal amount of Notes in definitive form can require the paying agent to make payments of interest, other than interest due at maturity, or upon redemption, by wire transfer of immediately available funds into an account maintained by the holder in the United States, by sending appropriate wire transfer instructions as long as the paying agent receives the instructions not less than ten days prior to the applicable interest payment date. The principal and interest payable in U.S. dollars on a Note at maturity, or upon redemption, will be paid by wire transfer of immediately available funds against presentation of a Note at the office of the paying agent.

The Notes

For purposes of the Notes, a business day means a business day in The City of New York and London.

The 2019 Notes offered by this prospectus supplement will bear interest at a rate of 2.300% per annum, the 2021 Notes offered by this prospectus supplement will bear interest at the rate of 2.800% per annum, the 2023 Notes offered by this prospectus supplement will bear interest at the rate of 3.600% per annum, the 2026 Notes offered by this prospectus supplement will bear interest at the rate of 4.125% per annum and the 2044 Notes offered by this prospectus supplement will bear interest at the rate of 4.800% per annum. We will pay interest on our 2019 Notes in arrears on each of March 11 and September 11, commencing on September 11, 2016, to the persons in whose names the 2019 Notes are registered at the close of business on the March 1 and September 1 preceding the respective interest payment date. We will pay interest on our 2021 Notes, 2023 Notes and 2026 Notes in arrears on each February 17 and August 17, commencing on August 17, 2016, to the persons in whose

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names the 2021 Notes, 2023 Notes and 2026 Notes, respectively, are registered at the close of business on the fifteenth day preceding the respective interest payment date. We will pay interest on our 2044 Notes in arrears on each of June 15 and December 15, commencing on June 15, 2016, to the persons in whose names the 2044 Notes are registered at the close of business on the June 1 and December 1 preceding the respective interest payment date. The 2019 Notes will mature on March 11, 2019, the 2021 Notes will mature on February 17, 2021, the 2023 Notes will mature on February 17, 2023, the 2026 Notes will mature on February 17, 2026 and the 2044 Notes will mature on June 15, 2044.

Optional Redemption

The 2019 Notes may be redeemed, as a whole or in part, at our option, at any time and from time to time, on at least 30 days , but not more than 60 days , prior notice mailed (or otherwise transmitted in accordance with DTC procedures) to the registered address of each holder of 2019 Notes. The redemption price will be calculated by us and will be equal to the greater of (1) 100% of the principal amount of the 2019 Notes to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) discounted to the redemption date, on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months), at a rate equal to the sum of the Treasury Rate (as defined below) and 15 basis points. In the case of each of clauses (1) and (2), accrued interest will be payable to the redemption date.

Each of the 2021 Notes, 2023 Notes, 2026 Notes and 2044 Notes may be redeemed at any time prior to the applicable Par Call Date (as set forth in the table below), as a whole or in part, at our option, at any time and from time to time, on at least 30 days , but not more than 60 days , prior notice mailed (or otherwise transmitted in accordance with DTC procedures) to the registered address of each holder of the Notes of such series to be redeemed. The redemption price will be calculated by us and will be equal to the greater of (1) 100% of the principal amount of the Notes of such series to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) of principal and interest discounted to the redemption date, on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months), at a rate equal to the sum of the Treasury Rate (as defined below) plus a number of basis points equal to the applicable Make-Whole Spread (as set forth in the table below). In the case of each of clauses (1) and (2), accrued interest will be payable to the redemption date. Each of the 2021 Notes, 2023 Notes, 2026 Notes and 2044 Notes may be redeemed at any time on or after the applicable Par Call Date, in whole or in part, on at least 30 days , but not more than 60 days , prior notice mailed (or otherwise transmitted in accordance with DTC procedures) to the registered address of each holder of the Notes of such series, at a redemption price equal to 100% of the principal amount of such series of Notes to be redeemed. Accrued interest will be payable to the redemption date.

Series	Par Call Date	Make-Whole Spread
2021 Notes	January 17, 2021	25 bps
2023 Notes	December 17, 2022	30 bps
2026 Notes	November 17, 2025	35 bps
2044 Notes	December 15, 2043	25 bps

Treasury Rate means, with respect to any redemption date for the Notes, the rate per annum equal to the semiannual equivalent yield to maturity or interpolation (on a day count basis) of the interpolated Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, as determined by AT&T or an Independent Investment Banker appointed by AT&T.

Comparable Treasury Issue means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Notes of that series to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Notes.

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Independent Investment Banker means one of the Reference Treasury Dealers, appointed by AT&T.

Comparable Treasury Price means, with respect to any redemption date for a series of the Notes, (1) the average of the Reference Treasury Dealer Quotations for such redemption date after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if AT&T obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such quotations.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date for a series of the Notes, the average, as determined by AT&T, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to AT&T by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third business day preceding such redemption date.

Reference Treasury Dealer means (a) with respect to the 2019 Notes, each of Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and a Primary Treasury Dealer (defined herein) selected by Wells Fargo Securities, LLC and their respective affiliates and, at the option of AT&T, one other nationally recognized investment banking firm that is a primary U.S. Government Securities dealer in the United States (a Primary Treasury Dealer); provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, AT&T will substitute therefor another Primary Treasury Dealer, with respect to the 2019 Notes, (b) with respect to each of the 2021 Notes, 2023 Notes and 2026 Notes, each of Barclays Capital Inc., BNP Paribas Securities Corp. and J.P. Morgan Securities LLC and their respective affiliates and, at the option of AT&T, one other Primary Treasury Dealer; provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, AT&T will substitute therefor another Primary Treasury Dealer, with respect to the 2021 Notes, 2023 Notes or 2026 Notes and (c) with respect to the 2044 Notes, each of J.P. Morgan Securities LLC, Morgan Stanley & Co. LLC and RBC Capital Markets, LLC and their respective affiliates and, at the option of AT&T, one other Primary Treasury Dealer; provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, AT&T will substitute therefor another Primary Treasury Dealer, with respect to the 2044 Notes.

Remaining Scheduled Payments means, with respect to each Note of a series to be redeemed, the remaining scheduled payments of principal of and interest on such Notes that would be due after the related redemption date but for the redemption. If that redemption date is not an interest payment date with respect to the applicable series of Notes, the amount of the next succeeding scheduled interest payment on the Notes will be reduced by the amount of interest accrued on the Notes to the redemption date.

On and after the redemption date, interest will cease to accrue on the Notes or any portion of the Notes called for redemption, unless we default in the payment of the redemption price and accrued interest. On or before the redemption date, we will deposit with a paying agent or the trustee money sufficient to pay the redemption price of and accrued interest on the Notes to be redeemed on that date.

In the case of any partial redemption, selection of the Notes of a series to be redeemed will be made in accordance with applicable procedures of DTC.

Form and Title

The Notes of each series will be issued in the form of one or more fully registered global notes which will be deposited with, or on behalf of, The Depository Trust Company, known as DTC, as the depository, and registered in the name of Cede & Co., DTC's nominee. Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global notes through either DTC (in the United States), Clearstream Banking, Société Anonyme, which we refer to as Clearstream Luxembourg, or Euroclear Bank S.A./N.V., as operator of the Euroclear System (outside of the United States), if they are participants in these systems, or indirectly through organizations which are participants in these systems. Clearstream

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Luxembourg and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream Luxembourg and Euroclear's names on the books of their respective depositaries, which in turn will hold these interests in customers' securities accounts in the names of their respective U.S. depositaries on the books of DTC. Citibank, N.A. will act as the U.S. depositary for Clearstream Luxembourg, and JPMorgan Chase Bank, N.A. will act as the U.S. depositary for Euroclear. Except under circumstances described below, the Notes will not be issuable in definitive form. The laws of some states require that certain purchasers of securities take physical delivery of their securities in definitive form. These limits and laws may impair the ability to transfer beneficial interests in the global notes.

So long as the depositary or its nominee is the registered owner of the global notes, the depositary or its nominee will be considered the sole owner or holder of the Notes represented by the global notes for all purposes under the indenture. Except as provided below, owners of beneficial interests in the global notes will not be entitled to have the Notes represented by the global notes registered in their names, will not receive or be entitled to receive physical delivery of the Notes in definitive form and will not be considered the owners or holders thereof under the indenture.

Principal and interest payments on the Notes registered in the name of the depositary or its nominee will be made to the depositary or its nominee, as the case may be, as the registered owner of the global notes. None of us, the trustee, any paying agent or registrar for the Notes will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in the global notes or for maintaining, supervising or reviewing any records relating to these beneficial interests.

We expect that the depositary for the Notes or its nominee, upon receipt of any payment of principal or interest, will credit the participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global notes as shown on the records of the depositary or its nominee. We also expect that payments by participants to owners of beneficial interest in the global notes held through these participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of these participants.

If the depositary is at any time unwilling or unable to continue as depositary for the global notes of a series and a successor depositary is not appointed by us within 90 days, we will issue the Notes of that series in definitive form in exchange for the global notes of that series. We will also issue the Notes in definitive form in exchange for the global notes of that series if an event of default has occurred with regard to the Notes represented by the global notes and has not been cured or waived. In addition, we may at any time and in our sole discretion determine not to have the Notes of a series represented by the global notes and, in that event, will issue the Notes of that series in definitive form in exchange for the global notes. In any such instance, an owner of a beneficial interest in the global notes will be entitled to physical delivery in definitive form of the Notes represented by the global notes equal in principal amount to such beneficial interest and to have such Notes registered in its name. The Notes so issued in definitive form will be issued as registered in minimum denominations of \$2,000 and integral multiples of \$1,000 thereafter, unless otherwise specified by us. Our definitive form of the Notes can be transferred by presentation for registration to the registrar at its New York office and must be duly endorsed by the holder or his attorney duly authorized in writing, or accompanied by a written instrument or instruments of transfer in form satisfactory to us or the trustee duly executed by the holder or his attorney duly authorized in writing. We may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any exchange or registration of transfer of definitive notes.

The Clearing Systems

DTC. The depositary has advised us as follows: the depositary is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform

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Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. The depositary holds securities deposited with it by its participants and facilitates the settlement of transactions among its participants in such securities through electronic computerized book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. The depositary's participants include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own the depositary. Access to the depositary's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

According to the depositary, the foregoing information with respect to the depositary has been provided to the financial community for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind.

Clearstream Luxembourg. Clearstream Luxembourg advises that it is incorporated under the laws of Luxembourg as a professional depositary. Clearstream Luxembourg holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between Clearstream Luxembourg participants through electronic book-entry changes in accounts of Clearstream Luxembourg participants, thereby eliminating the need for physical movement of certificates. Clearstream Luxembourg provides to Clearstream Luxembourg participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream Luxembourg interfaces with domestic markets in several countries. As a professional depositary, Clearstream Luxembourg is subject to regulation by the Luxembourg Monetary Institute. Clearstream Luxembourg participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to Clearstream Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Luxembourg participant either directly or indirectly.

Distributions with respect to each series of the Notes held beneficially through Clearstream Luxembourg will be credited to cash accounts of Clearstream Luxembourg participants in accordance with its rules and procedures, to the extent received by the U.S. depositary for Clearstream Luxembourg.

Euroclear. Euroclear has advised that it was created in 1968 to hold securities for its participants and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, eliminating the need for physical movement of certificates and eliminating any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. The Euroclear System is owned by Euroclear Clearance System Public Limited Company (ECSplc) and operated through a license agreement by Euroclear Bank S.A./N.V., a bank incorporated under the laws of the Kingdom of Belgium as the Euroclear operator.

The Euroclear operator holds securities and book-entry interests in securities for participating organizations and facilitates the clearance and settlement of securities transactions between Euroclear participants, and between Euroclear participants and participants of certain other securities intermediaries through electronic book-entry changes in accounts of such participants or other securities intermediaries.

The Euroclear operator provides Euroclear participants, among other things, with safekeeping, administration, clearance and settlement, securities lending and borrowing, and related services.

Non-participants of Euroclear may hold and transfer book-entry interests in the securities through accounts with a direct participant of Euroclear or any other securities intermediary that holds a book-entry interest in the securities through one or more securities intermediaries standing between such other securities intermediary and the Euroclear operator.

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The Euroclear operator is regulated and examined by the Belgian Banking and Finance Commission and the National Bank of Belgium.

Securities clearance accounts and cash accounts with the Euroclear operator are governed by the Terms and Conditions Governing Use of Euroclear and the related operating procedures of the Euroclear System, and applicable Belgian law, which are collectively referred to as the terms and conditions. The terms and conditions govern transfers of notes and cash within Euroclear, withdrawals of notes and cash from Euroclear, and receipts of payments with respect to notes in Euroclear. All notes in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear operator acts under the terms and conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding through Euroclear participants.

Distributions with respect to each series of the Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participant