

# AT&T Inc.



## Offers to Exchange Old Notes (as defined below) for up to \$3,000,000,000 in Aggregate Principal Amount of New 2057 Notes (as defined below) and Cash (as specified below) and up to \$2,500,000,000 in Aggregate Principal Amount of New 2033 Notes (as defined below) and Cash (as specified below), as applicable

The exchange offers with respect to the Old Notes (as defined below) will expire at 11:59 p.m., New York City time, on December 15, 2020, unless extended or earlier terminated by us (such date and time, as the same may be extended or earlier terminated, the "Expiration Date"). In order to be eligible to receive the Early Participation Payment (as defined below), holders of Old Notes must validly tender their Old Notes at or prior to 5:00 p.m., New York City time, on December 1, 2020, unless extended by us (such date and time, as it may be extended, the "Early Participation Date"). Tenders of Old Notes may be validly withdrawn at any time at or prior to 5:00 p.m., New York City time, on December 1, 2020, unless extended by us (such date and time, as it may be extended, the "Withdrawal Deadline"), but tenders will thereafter be irrevocable, except in certain limited circumstances where we determine additional withdrawal rights are required by law. The Early Participation Date can be extended independently of the Withdrawal Deadline.

### The Exchange Offers

Upon the terms and subject to the conditions set forth in this offering memorandum, AT&T Inc., a Delaware corporation ("AT&T" or the "Company"), is offering to exchange (the "Pool 1 Offer") the four series of notes described in the below table (collectively, the "Pool 1 Notes") for a new series of AT&T's senior notes due December 1, 2057 (the "New 2057 Notes") and the applicable Cash Payment (as defined below), in each case as provided herein. The aggregate principal amount of Pool 1 Notes of each series that is accepted for exchange will be based on the order of acceptance priority for such series as set forth in the table below, such that the aggregate principal amount of Pool 1 Notes accepted in the Pool 1 Offer results in the issuance of New 2057 Notes in an amount not exceeding the 2057 Notes Cap (as defined below).

Title of Security	Issuer	CUSIP Number(s)	Principal Amount Outstanding (MM) <sup>(1)</sup>	Reference UST Security	Fixed Spread (basis points) <sup>(2)</sup>	Cash Payment Percent of Premium <sup>(3)</sup>	Acceptance Priority Level
Pool 1 Notes							
4.800% Global Notes due 2044*	AT&T Inc.	00206RCG5	\$1,749.9	1.375% due 8/15/2050	170	0%	1
4.500% Global Notes due 2048*	AT&T Inc.	00206RDL3 / 00206RDJ8	\$4,176.4	1.375% due 8/15/2050	180	0%	2
4.35% Global Notes due 2045*	AT&T Inc.	00206RBK7 / U04644AE7	\$1,896.1	1.375% due 8/15/2050	170	0%	3
4.30% Global Notes due 2042*	AT&T Inc.	00206RBH4 / 00206RBG6	\$1,956.1	1.375% due 8/15/2050	160	0%	4

(1) Rounded to the nearest tenth of a million.

(2) The Early Participation Payment, as defined herein, for the Pool 1 Offer will be \$50 of principal amount of New 2057 Notes per \$1,000 principal amount of Pool 1 Notes and is included in the Total Consideration (as defined below).

(3) The Cash Payment Percent of Premium is the percent of the amount by which the Total Consideration exceeds \$1,000 in principal amount and cash per \$1,000 principal amount of such Old Notes.

\*Denotes a series of Old Notes for which the Total Consideration and Exchange Consideration will be determined taking into account the par call date, instead of the maturity date, in accordance with standard market practice.

Upon the terms and subject to the conditions set forth in this offering memorandum and, with respect to the Certificated Notes (as defined below), the related letter of transmittal, the Company is also offering to exchange (the "Pool 2 Offer" and, together with the Pool 1 Offer, the "Exchange Offers") the nine series of notes described in the below table (collectively, the "Pool 2 Notes" and, together with the Pool 1 Notes, the "Old Notes") for a new series of AT&T's senior notes due December 1, 2033 (the "New 2033 Notes" and, together with the New 2057 Notes, the "New Notes"), as provided herein, and the applicable Cash Payment (as defined below). The aggregate principal amount of Pool 2 Notes of each series that is accepted for exchange will be based on the order of acceptance priority for such series as set forth in the below table, such that the aggregate principal amount of Pool 2 Notes accepted in the Pool 2 Offer results in the issuance of New 2033 Notes in an amount not exceeding the 2033 Notes Cap (as defined below).

Title of Security	Issuer	CUSIP Number(s)	Principal Amount Outstanding (MM) <sup>(1)</sup>	Reference UST Security	Fixed Spread (basis points) <sup>(2)</sup>	Cash Payment Percent of Premium <sup>(3)</sup>	Acceptance Priority Level
Pool 2 Notes							
7 1/8% Debentures due March 15, 2026 <sup>**+</sup>	Pacific Bell Telephone Company <sup>(4)(5)</sup>	694032AT0	\$223.0	0.250% due 10/31/2025	80	100%	1
4.125% Global Notes due 2026*	AT&T Inc.	00206RCT7	\$2,650.0	0.250% due 10/31/2025	45	0%	2
3.875% Global Notes due 2026*	AT&T Inc.	00206RHT2	\$541.1	0.250% due 10/31/2025	45	0%	3
2.950% Global Notes due 2026*	AT&T Inc.	00206RHV7	\$707.3	0.250% due 10/31/2025	50	0%	4
6.55% Debentures due January 15, 2028 <sup>+</sup>	Ameritech Capital Funding Corporation <sup>(6)</sup>	030955AN8	\$100.2	0.875% due 11/15/2030	85	55%	5
6 3/8% Debentures, due June 1, 2028	BellSouth Telecommunications, LLC <sup>(7)</sup>	079867AW7	\$197.2	0.875% due 11/15/2030	90	40%	6
4.100% Global Notes due 2028*	AT&T Inc.	00206RGL0 / 00206RER9 / U04644BB2	\$2,449.0	0.875% due 11/15/2030	50	0%	7
4.250% Global Notes due 2027*	AT&T Inc.	00206RDQ2	\$2,000.0	0.875% due 11/15/2030	35	0%	8
3.800% Global Notes due 2027*	AT&T Inc.	00206RHW5	\$1,329.2	0.875% due 11/15/2030	35	0%	9

(1) Rounded to the nearest tenth of a million.

(2) The Early Participation Payment, as defined herein, for the Pool 2 Offer will be \$50 of principal amount of New 2033 Notes per \$1,000 principal amount of Pool 2 Notes and is included in the Total Consideration (as defined below).

(3) The Cash Payment Percent of Premium is the percent of the amount by which the Total Consideration exceeds \$1,000 in principal amount and cash per \$1,000 principal amount of such Old Notes.

(4) Pacific Bell Telephone Company was formerly known as Pacific Bell.

(5) The 7 1/8% Debentures due March 15, 2026 are unconditionally and irrevocably guaranteed by AT&T.

(6) The 6.55% Debentures due January 15, 2028 are unconditionally and irrevocably guaranteed by AT&T, with the full amount payable by AT&T so long as all of the outstanding shares of stock of this subsidiary are owned, directly or indirectly, by AT&T. In the event AT&T sells, transfers or otherwise disposes of any percentage of its stock ownership and this subsidiary is no longer wholly-owned, then the guarantee will expire immediately and AT&T will be released immediately from any and all of its obligations.

(7) BellSouth Telecommunications, LLC converted from BellSouth Telecommunications, Inc.

\*Denotes a series of Old Notes for which the Total Consideration and Exchange Consideration will be determined taking into account the par call date, instead of the maturity date, in accordance with standard market practice.

\*\* Denotes a series of Old Notes, a portion of which is held in physical certificated form (such portion, the "Certificated Notes") and is not held through The Depository Trust Company ("DTC"). Such Certificated Notes may only be tendered in accordance with the terms and conditions of the accompanying letter of transmittal. With respect to the Certificated Notes, all references to the offering memorandum herein shall also include the letter of transmittal.

+ Denotes a series of Notes with respect to which, as a result of a prior consent solicitation and execution of a supplemental indenture, substantially all restrictive covenants, certain events of default and other provisions were eliminated from the indenture governing this series.

Set forth below is a table summarizing the terms of the New Notes:

Title of Series	Maturity Date	Aggregate Principal Amount of Old Notes Accepted for Tender	Benchmark Security	Spread to Benchmark Security	Redemption at Option of the Company
New 2057 Notes	December 1, 2057	An amount of Pool 1 Notes such that the aggregate principal amount of New 2057 Notes issued does not exceed \$3,000,000,000	1.375% U.S. Treasury Notes due August 15, 2050	210 bps	The New 2057 Notes may be redeemed in accordance with the Optional Redemption provisions set forth in this offering memorandum. See "Description of New Notes—The New Notes—Optional Redemption of the New Notes."
New 2033 Notes	December 1, 2033	An amount of Pool 2 Notes such that the aggregate principal amount of New 2033 Notes issued does not exceed \$2,500,000,000	0.875% U.S. Treasury Notes due November 15, 2030	160 bps	The New 2033 Notes may be redeemed in accordance with the Optional Redemption provisions set forth in this offering memorandum. See "Description of New Notes—The New Notes—Optional

Redemption of the New Notes.”

Eligible Holders (as defined below) who validly tender and do not validly withdraw their Old Notes at or prior to the Early Participation Date, and whose Old Notes are accepted by us pursuant to the terms of the Exchange Offers, will receive consideration in the Exchange Offers equal to the Total Consideration. The Total Consideration for the Exchange Offers, as determined in the manner described in this offering memorandum, will be in an amount equal to the discounted value of the remaining payments of principal and interest through the maturity date or, if applicable, the par call date, of the applicable series of Old Notes (excluding accrued and unpaid interest to, but not including, the applicable Settlement Date), using a yield equal to the sum of (i) the bid-side yield on the applicable Reference UST Security (as set forth in the tables above for such series of Old Notes) as calculated by the joint-lead dealer managers (the “Joint-Lead Dealer Managers”) in accordance with standard market practice, as of 11:00 a.m. New York City time on December 2, 2020 (such date and time, the “Pricing Time”), as displayed on the Bloomberg Government Pricing Monitor Page PX1 (or any recognized quotation source selected by the Joint-Lead Dealer Managers in their sole discretion if such page is not available or is manifestly erroneous) and (ii) the Fixed Spread set forth in the tables above with respect to such series of Old Notes. The Total Consideration includes the Early Participation Payment set forth in the footnotes to the tables above. Eligible Holders who validly tender their Old Notes after the Early Participation Date, but prior to the Expiration Date, will receive an amount reflecting the Total Consideration less the Early Participation Payment (the “Exchange Consideration”).

The Total Consideration (which includes the Early Participation Payment) for each of the Exchange Offers for holders tendering and not validly withdrawing their Old Notes at or prior to the Early Participation Date will be divided into (i) a cash payment equal to the product of (x) the applicable Cash Payment Percent of Premium set forth in the table above for such series of Old Notes and (y) the applicable Total Consideration for such series of Old Notes less \$1,000 (the “Cash Payment”) and (ii) a principal amount of the New Notes determined by multiplying each \$1,000 principal amount of Old Notes tendered by an exchange ratio equal to the quotient obtained by dividing (a) the Total Consideration of the series of outstanding Old Notes tendered minus such Cash Payment by (b) the New Issue Price (as defined below) (the “Exchange Ratio”).

The Exchange Consideration (which excludes the Early Participation Payment) for each of the Exchange Offers for holders tendering and not validly withdrawing their Old Notes after the Early Participation Date, but at or prior to the Expiration Date, will be divided into (i) a cash amount equal to the applicable Cash Payment and (ii) a principal amount of the applicable series of New Notes determined by multiplying each \$1,000 principal amount of Old Notes tendered by the Exchange Ratio, less the Early Participation Payment.

As set forth in this offering memorandum, the New Notes will bear interest at a rate per annum to be determined as of the Pricing Time, rounded down to the nearest 0.05%, such that the New Issue Price for the New Notes will be at or below, but as close as possible, to par. The New Issue Price for each series of the New Notes will equal the discounted value of the payments of principal and interest on \$1,000 principal amount of such New Notes through their maturity date using a yield equal to the sum of (a) the bid-side yield on the Benchmark Security (1.375% U.S. Treasury Notes due August 15, 2050 for the New 2057 Notes or 0.875% U.S. Treasury Notes due November 15, 2030 for the New 2033 Notes) as calculated by the Joint-Lead Dealer Managers in accordance with standard market practice, as of the Pricing Time as displayed on the Bloomberg Government Pricing Monitor Page PX1 (or any recognized quotation source selected by the Joint-Lead Dealer Managers in their sole discretion if such page is not available or is manifestly erroneous), plus (b) 2.10% for the New 2057 Notes and 1.60% for the New 2033 Notes.

We may elect to increase the amount of the Cash Payment for any series of Old Notes in the Pool 1 Offer by up to \$100 per \$1,000 principal amount of such Old Notes. This would affect the composition, but not the amount, of the Total Consideration or Exchange Consideration, as applicable, for such Pool 1 Notes in the Pool 1 Offer. Any such election will be determined at the Pricing Time and, if made, will be announced on December 2, 2020 after the Pricing Time.

We may elect to increase or decrease the amount of the Cash Payment for any series of Old Notes in the Pool 2 Offer by up to \$100 per \$1,000 principal amount of such Old Notes. This would affect the composition, but not the amount, of the Total Consideration or Exchange Consideration, as applicable, for such Pool 2 Notes in the Pool 2 Offer. Any such election will be determined at the Pricing Time and, if made, will be announced on December 2, 2020 after the Pricing Time.

In addition, in our sole discretion and subject to applicable law, we reserve the right to remove one or more series of Old Notes from the Exchange Offers if the desired accounting and tax treatment are not achieved. Any such decision will be determined at the Pricing Time and, if made, will be announced on December 2, 2020 after the Pricing Time. In the event that we remove a particular series of Old Notes, the acceptance priority level for any series of Old Notes below such series of notes removed will be adjusted accordingly.

The maximum aggregate principal amount of New 2057 Notes that will be issued is \$3,000,000,000 (the “2057 Notes Cap”) and the maximum aggregate principal amount of New 2033 Notes that will be issued is \$2,500,000,000 (the “2033 Notes Cap”). The maximum aggregate principal amount of Pool 1 Notes that we will accept for tender is an amount of Pool 1 Notes that results in the issuance of New 2057 Notes in an amount not exceeding the 2057 Notes Cap. The maximum aggregate principal amount of Pool 2 Notes that we will accept for tender is an amount of Pool 2 Notes that results in the issuance of the New 2033 Notes in an amount not exceeding the 2033 Notes Cap. We also intend to pay in cash accrued and unpaid interest on the Old Notes accepted for exchange from the last applicable interest payment date to, but excluding, the date on which the exchange of Old Notes accepted for exchange is settled (such date is referred to herein as a “Settlement Date”), less the amount of any pre-issuance interest on the New Notes exchanged therefor, and amounts due in lieu of fractional amounts of New Notes. If less than \$1,000,000,000 of New 2057 Notes would be issued, then all Pool 1 Note tenders will be cancelled and no New 2057 Notes will be created. If less than \$1,000,000,000 of New 2033 Notes would be issued, then all Pool 2 Note tenders will be cancelled and no New 2033 Notes will be created.

As of November 17, 2020, the aggregate principal amounts of Pool 1 Notes and Pool 2 Notes outstanding were \$9,778,610,000 and \$10,197,000,000, respectively. We may increase (or upsize) the 2057 Notes Cap (the “Upsized 2057 Notes Cap”) and/or the 2033 Notes Cap (the “Upsized 2033 Notes Cap”) in our sole discretion. In the event of an Upsized 2057 Notes Cap or an Upsized 2033 Notes Cap after the Withdrawal Deadline, we are not required to reinstate withdrawal rights nor must we extend the Expiration Date. Please see “Description of the Exchange Offers—Expiration Date; Extension; Termination; Amendment” and “Description of the Exchange Offers—Maximum Issuance Amount; Proration; Acceptance Priority Levels” for more information.

All Old Notes that are tendered for exchange in the Exchange Offers on or before the Early Participation Date will have priority over Old Notes that are tendered for exchange after the Early Participation Date. If the principal amount of Old Notes validly tendered and not validly withdrawn on or before the Early Participation Date constitutes a principal amount of Old Notes that, if accepted by us, would result in us issuing New 2057 Notes having an aggregate principal amount equal to or in excess of the 2057 Notes Cap and/or issuing New 2033 Notes having an aggregate principal amount equal to or in excess of the 2033 Notes Cap, we will not accept any Pool 1 Notes or Pool 2 Notes, as applicable, tendered for exchange after the Early Participation Date (even if they are of acceptance priority level 1) unless we elect, in our sole discretion, to increase the 2057 Notes Cap and/or the 2033 Notes Cap, as applicable.

The New Notes have not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or with any securities regulatory authority of any State or other jurisdiction. The Exchange Offers will only be made, and the New Notes are only being offered and will only be issued, to holders of Old Notes either (a) in the United States, that are “qualified institutional buyers,” or “QIBs,” as that term is defined in Rule 144A under the Securities Act, in a private transaction in reliance upon an exemption from the registration requirements of the Securities Act or (b) (i) outside the United States, that are persons other than “U.S. persons,” as that term is defined in Rule 902 under the Securities Act, in offshore transactions in reliance upon Regulation S under the Securities Act, or a dealer or other professional fiduciary organized, incorporated or (if an individual) residing in the United States holding a discretionary account or similar account (other than an estate or a trust) for the benefit or account of a non-“U.S. person,” (ii) if located or resident in any Member State of the European Economic Area or in the United Kingdom, who are persons other than “retail investors” (for these purposes, a retail investor means a person who is one (or more) of: (1) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); (2) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution

Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (3) not a “qualified investor” as defined in Regulation (EU) 2017/1129 (as amended, the “Prospectus Regulation”) and the Luxembourg Prospectus Law), and consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the New Notes or otherwise making them available to retail investors in the European Economic Area or in the United Kingdom has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the European Economic Area or in the United Kingdom may be unlawful under the PRIIPs Regulation; and (iii) if located or resident in Canada, is located or resident in a province of Canada and is an “accredited investor” as such term is defined in National Instrument 45-106 – *Prospectus Exemptions*, and, if resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario), in each case, that is not an individual unless that person is also a “permitted client” as defined in National Instrument 31-103 - *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. We refer to holders of Old Notes who certify to us that they are eligible to participate in the Exchange Offers pursuant to at least one of the foregoing conditions as “Eligible Holders.” **Only Eligible Holders who have completed and returned the eligibility certification are authorized to receive or review this offering memorandum or to participate in the Exchange Offers. For Canadian Eligible Holders tendering Old Notes, such participation is also conditioned upon the receipt of beneficial ownership information, including a completed certification form which is required if tendering Old Notes.**

*Joint-Lead Dealer Managers*

**Credit Suisse**

**Deutsche Bank Securities**

The date of this offering memorandum is November 17, 2020.

### **Early Participation Payment**

We want to encourage Eligible Holders (as defined above) of Old Notes to tender early. Accordingly, the Total Consideration, for each \$1,000 principal amount of Old Notes tendered and accepted, includes an Early Participation Payment, which will be \$50 principal amount of New Notes (the “Early Participation Payment”). Only Eligible Holders who validly tender their Old Notes at or prior to the Early Participation Date, who do not validly withdraw their tenders and whose tenders are accepted for exchange will receive the Early Participation Payment as part of the Total Consideration. Eligible Holders who validly tender their Old Notes after the Early Participation Date and whose Old Notes are accepted for exchange will receive the Exchange Consideration, which reflects the Total Consideration less the portion of the Total Consideration attributable to the Early Participation Payment.

### **Determination of the Total Consideration and Exchange Consideration**

The Total Consideration for each \$1,000 principal amount of each series of the Old Notes validly tendered pursuant to the Pool 1 Offer or the Pool 2 Offer, as the case may be, at or prior to the Early Participation Date and accepted for purchase by us will be calculated as of the Pricing Time and will equal (rounded to the nearest cent) the discounted value (calculated in accordance with the formula set forth in Annex A to this offering memorandum) of the remaining payments of principal and interest on \$1,000 principal amount of such series of Old Notes through their maturity date or, if applicable, their par call date (excluding accrued and unpaid interest through the applicable Settlement Date) at a discount rate equal to the sum of (a) the bid-side yield (the “Reference Yield”) on the applicable reference U.S. Treasury Notes (the “Reference UST Security”) listed in the tables set forth on the cover pages for such series of Old Notes and based on the bid-side price for such applicable Reference UST Security, as calculated by the Joint-Lead Dealer Managers in accordance with standard market practice as of the Pricing Time as displayed on the Bloomberg Government Pricing Monitor Page PX1 (for each series of Old Notes, the “Old Notes Quotation Report”) (or any recognized quotation source selected by the Joint-Lead Dealer Managers in their sole discretion if the Old Notes Quotation Report for that series of Old Notes is not available or is manifestly erroneous), plus (b) the Fixed Spread listed in the tables set forth on the cover pages for such series of Old Notes. The Total Consideration for each series of Old Notes will be rounded to the nearest cent per \$1,000 principal amount of such Old Notes, and includes an Early Participation Payment of \$50 principal amount of New Notes per \$1,000 principal amount of such Old Notes tendered and accepted and not validly withdrawn, to be paid in the form of New Notes.

We may elect to increase the principal amount of the Cash Payment (as defined below) for any series of Old Notes in the Pool 1 Offer by up to \$100 per \$1,000 principal amount of such Old Notes. This would affect the composition, but not the amount, of the Total Consideration or Exchange Consideration, as applicable, for such Pool 1 Notes in the Pool 1 Offer. Any such election will be determined at the Pricing Time and, if made, will be announced on December 2, 2020 after the Pricing Time.

We may elect to increase or decrease the principal amount of the Cash Payment (as defined below) for any series of Old Notes in the Pool 2 Offer by up to \$100 per \$1,000 principal amount of such Old Notes. This would affect the composition, but not the amount, of the Total Consideration or Exchange Consideration, as applicable, for such Pool 2 Notes in the Pool 2 Offer. Any such election will be determined at the Pricing Time and, if made, will be announced on December 2, 2020 after the Pricing Time.

The Exchange Consideration for each of the Exchange Offers for each \$1,000 principal amount of each series of Old Notes validly tendered pursuant to the Exchange Offers after the Early Participation Date and at or before the Expiration Date will equal the Total Consideration for each \$1,000 principal amount of the applicable series of Old Notes less the Early Participation Payment.

In addition, in our sole discretion and subject to applicable law, we reserve the right to remove one or more series of Old Notes from the Exchange Offers if the desired accounting and tax treatment are not achieved. Any such decision will be determined at the Pricing Time and, if made, will be announced on December 2, 2020 after the Pricing Time. In the event that we remove a particular series of Old Notes, the acceptance priority level for any series of Old Notes below such series of notes removed will be adjusted accordingly.

Eligible Holders who receive New Notes in exchange for Old Notes on the Final Settlement Date (as defined herein) will receive New Notes that will, if the Early Settlement Date (as defined herein) has occurred, have an embedded entitlement to pre-issuance interest for the period from, and including, the Early Settlement Date to, but not including, the Final Settlement Date. As a result, the cash payable for accrued and unpaid interest on the Old

Notes exchanged on the Final Settlement Date will be reduced by the amount of pre-issuance interest on the New Notes exchanged therefor.

### **Determination of Cash Payment and Amount of New Notes to be Issued**

If you validly tender Old Notes at or prior to the Early Participation Date, and do not validly withdraw, you will receive for each \$1,000 principal amount of outstanding Old Notes validly tendered and accepted by us the Total Consideration consisting of:

- A cash amount equal to the product of (x) the applicable Cash Payment Percent of Premium set forth in the tables on the cover pages for such series of Old Notes and (y) the applicable Total Consideration for such series of Old Notes, less \$1,000 (the “Cash Payment”); plus
- A principal amount of a series of New Notes (as set forth in the following table) determined by multiplying such \$1,000 principal amount of Old Notes tendered by an exchange ratio equal to the quotient obtained by dividing (a) the Total Consideration of the applicable series of outstanding Old Notes tendered minus the Cash Payment by (b) the New Issue Price (as determined under “—The New Notes”) of the applicable series of New Notes (the “Exchange Ratio”).

<u>Series of Old Notes</u>	<u>Series of New Notes</u>
Pool 1 Notes	New 2057 Notes
Pool 2 Notes	New 2033 Notes

If you validly tender Old Notes after the Early Participation Date, but at or prior to the Expiration Date, you will receive for each \$1,000 principal amount of outstanding Old Notes tendered and accepted by us the Exchange Consideration consisting of:

- A cash amount equal to the applicable Cash Payment; plus
- A principal amount of a series of New Notes (as set forth in the table above) determined by multiplying such \$1,000 principal amount of Old Notes tendered by the applicable Exchange Ratio, less the Early Participation Payment.

In addition, Eligible Holders whose Old Notes are accepted for exchange will receive a cash payment representing accrued and unpaid interest on such Old Notes to, but not including, the applicable Settlement Date, less the amount of any pre-issuance interest on the New Notes exchanged therefor, and amounts due in lieu of fractional amounts of New Notes.

Each Series of New Notes will be issued to Eligible Holders in minimum denominations of \$2,000 and integral multiples of \$1,000.

We expect to fund the Cash Payment, payment of accrued and unpaid interest on Old Notes and payment of any cash in lieu of fractional amount of New Notes through cash on hand or short-term commercial paper borrowings.

### **The New Notes**

The New 2057 Notes will mature on December 1, 2057 and the New 2033 Notes will mature on December 1, 2033. Each series will bear interest at a rate per annum to be determined at the Pricing Time, rounded down to the nearest 0.05%, such that the New Issue Price for the New Notes will be at or below, but as close as possible to, par. The New Issue Price for each series of the New Notes will equal the discounted value of the payments of principal and interest on \$1,000 principal amount of such New Notes, as applicable, through their maturity date using a yield equal to the sum of (a) the bid-side yield on the 1.375% U.S. Treasury Notes due August 15, 2050 for the New 2057 Notes or 0.875% U.S. Treasury Notes due November 15, 2030 for the New 2033 Notes (as applicable, the “Benchmark Security”), as calculated by the Joint-Lead Dealer Managers in accordance with standard market practice, as of the Pricing Time as displayed on the Bloomberg Government Pricing Monitor Page PX1 (the “New Notes Quotation Report”) (or any recognized quotation source selected by the Joint-Lead Dealer Managers in their sole discretion if the New Notes Quotation Report is not available or is manifestly erroneous), plus (b) 2.10% for the New 2057 Notes and 1.60% for the New 2033 Notes.

The New Issue Price for the New 2057 Notes and the New 2033 Notes will be rounded to the nearest cent per \$1,000 principal amount of such New 2057 Notes and New 2033 Notes, respectively. Interest on the New 2057 Notes and the New 2033 Notes will accrue from the first Settlement Date and will be payable semi-annually, in arrears on June 1 and December 1 of each year, commencing on June 1, 2021. The New Notes will be senior unsecured obligations and will rank equally with our other senior unsecured obligations. See “Description of New Notes.”

We may redeem some or all of the New Notes at any time at the redemption price described under “Description of New Notes—The New Notes—Optional Redemption of the New Notes.”

### **Settlement Dates**

We reserve the right, but are under no obligation, at any point following the Early Participation Date and before the Expiration Date to accept for exchange any Old Notes validly tendered at or prior to the Early Participation Date (the date of such exchange, the “Early Settlement Date”). The Early Settlement Date will be determined at our option and is currently expected to occur on December 7, 2020, the fourth business day immediately following the Early Participation Date. If, after the Early Participation Date, we choose to exercise our option to have an Early Settlement Date and all conditions to the relevant Exchange Offers have been or are concurrently satisfied or waived by us, we will, subject to the terms of the Exchange Offers, accept for exchange all Old Notes validly tendered in the Exchange Offers prior to the Early Participation Date, and the exchange for such Old Notes will be made on the Early Settlement Date.

Whether or not we choose to exercise our option to have an Early Settlement Date, if, at or prior to the Expiration Date, all conditions to the relevant Exchange Offer have been or concurrently are satisfied or waived by us, we will, subject to the terms of the Exchange Offers, accept for exchange all Old Notes validly tendered in such Exchange Offer at or prior to the Expiration Date, and not validly withdrawn at or prior to the Withdrawal Deadline (the date of such exchange, the “Final Settlement Date”). The Final Settlement Date will be promptly after the Expiration Date and is currently expected to occur on December 17, 2020, the second business day immediately following the Expiration Date. Each of the Early Settlement Date and the Final Settlement Date is referred to as a “Settlement Date.” See “Description of the Exchange Offers—Settlement Dates.”

### **Conditions; Withdrawal Rights**

Each of the Exchange Offers is subject to the conditions discussed under “Description of the Exchange Offers—Conditions to the Exchange Offers,” including that (i) if less than \$1,000,000,000 of New 2057 Notes would be issued, then all Pool 1 Note tenders will be cancelled and no New 2057 Notes will be created, (ii) if less than \$1,000,000,000 of New 2033 Notes would be issued, then all Pool 2 Note tenders will be cancelled and no New 2033 Notes will be created, (iii) at the Pricing Time, the combination of the yield of the New Notes and the Total Consideration or Exchange Consideration, as applicable, for the applicable series of Old Notes would, in our reasonable judgment, result in the New Notes and such Old Notes not being treated as “substantially different” under ASC 470-50 and (iv) with respect to any Old Notes validly tendered pursuant to either Exchange Offer that will be exchanged on the Final Settlement Date, we determine that the New Notes to be issued on the Final Settlement Date in such Exchange Offer will be treated as part of the same issue as the New Notes, if any, issued on the Early Settlement Date for U.S. federal income tax purposes pursuant to specified tests (see “Certain U.S. Federal Income Tax Consequences—Tax Consequences to Exchanging U.S. Holders—Holders that Exchange Old Notes on the Final Settlement Date”). We expressly reserve the right, at any time or at various times, to waive any of the conditions of either or both of the Exchange Offers, in whole or in part, and we may terminate either or both of the Exchange Offer at any time. Neither of the Exchange Offers is conditioned upon the other Exchange Offer, and we may terminate either Exchange Offer without terminating the other Exchange Offer.

Tenders of Old Notes in the Exchange Offer may be validly withdrawn at any time prior to the Withdrawal Deadline, but thereafter will be irrevocable, except in certain limited circumstances where we determine additional withdrawal rights are required by law. Tenders submitted in the Exchange Offer after the Withdrawal Deadline will be irrevocable except in the limited circumstances referred to in the preceding sentence. See “Description of the Exchange Offers—Withdrawal Rights.”

## **Registration Rights**

The New Notes have not been registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction. We will enter into a registration rights agreement pursuant to which we will agree to file an exchange offer registration statement and, under some circumstances, a shelf registration statement, with the Securities and Exchange Commission (the “SEC”) with respect to the New Notes. If we fail to comply with certain of our obligations under the registration rights agreement, we will pay additional interest on the New Notes.

**None of us, the Dealer Managers, the Exchange Agent, the Information Agent or any other person is making any recommendation as to whether or not you should tender your Old Notes for exchange in the Exchange Offer. You must make your own decision whether to tender your Old Notes in the Exchange Offer, and, if so, the amount of your Old Notes, as the case may be, to tender.**

This offering memorandum incorporates important business and financial information about us from reports we file with the SEC. This incorporated information is not printed in or attached to this offering memorandum. We explain how you can find this information in “Where You Can Find More Information.” We urge you to review this offering memorandum, together with the incorporated information, carefully.

**Investing in the New Notes involves risks. See “Risk Factors” beginning on page 17 of this offering memorandum.**

---

**Neither the SEC nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this offering memorandum. Any representation to the contrary is a criminal offense.**

---



## TABLE OF CONTENTS

	<u>Page</u>
Forward-Looking Statements .....	ii
Securities and Exchange Commission Filings .....	ii
Where You Can Find More Information .....	ii
Incorporation of Certain Information by Reference .....	ii
Important Dates .....	iv
Summary.....	1
Risk Factors .....	17
Use of Proceeds .....	21
Description of the Exchange Offers.....	22
Description of New Notes .....	42
Notice to Investors; Transfer Restrictions .....	56
Certain U.S. Federal Income Tax Considerations .....	59
The Dealer Managers.....	69
The Exchange Agent and Information Agent .....	69
Validity of Securities.....	70
Independent Registered Public Accounting Firm .....	70
Annex A.....	A-1

---

This offering memorandum has been prepared by us solely for use in connection with the Exchange Offers. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire securities. Distribution of this offering memorandum to any person other than the Eligible Holders and any person retained to advise such Eligible Holders with respect to its exchange is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each Eligible Holder, by accepting delivery of this offering memorandum, agrees to the foregoing and to make no copies, electronic or otherwise, of this offering memorandum or any documents referred to in this offering memorandum.

No person has been authorized to give any information or any representation concerning us or the Exchange Offers (other than as contained in this offering memorandum) and, if any such other information or representation is given or made, you should not rely on it as having been authorized by us. You should not assume that the information contained or incorporated by reference in this offering memorandum is accurate as of any date other than the date on the front cover of this offering memorandum or the date of the incorporated document, as applicable.

The Dealer Managers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the Dealer Managers as to the past or future. We have furnished the information contained in this offering memorandum.

The New Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws pursuant to registration or exemption therefrom. As a prospective investor in the New Notes, you should be aware that you may be required to bear the financial risks of this investment through the maturity of the New Notes. Please refer to the section in this offering memorandum entitled “Notice to Investors; Transfer Restrictions.”

In making an investment decision, prospective investors must rely on their own examination of us, and the terms of the Exchange Offers and the New Notes, including the merits and risks involved. Prospective investors should not construe anything in this offering memorandum as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to participate in the Exchange Offers and to invest in the New Notes under applicable legal investment or similar laws or regulations.

There are no guaranteed delivery provisions provided for in conjunction with the Exchange Offers under the terms of this offering memorandum. Eligible Holders must tender their Old Notes in accordance with the procedures set forth under “Description of the Exchange Offers—Procedures for Tendering Old Notes.”

This offering memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of documents referred to herein will be made available to prospective investors upon request to us or the Joint-Lead Dealer Managers.

Investors subject to the U.S. Employee Retirement Income Security Act of 1974, as amended, or section 4975 of the U.S. Internal Revenue Code of 1986, as amended, should consult with their advisors as to the appropriateness of their investments in the New Notes.

When we refer to “we,” “our” or “us” in this offering memorandum, we mean AT&T Inc. and its consolidated subsidiaries unless the context explicitly otherwise requires.

---

## **FORWARD-LOOKING STATEMENTS**

We have included or incorporated by reference in this offering memorandum statements that may constitute “forward-looking statements.” These forward-looking statements are not historical facts but instead represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside of our control. It is possible that our actual results may differ, possibly materially, from the anticipated results indicated in or implied by these forward-looking statements. See “Risk Factors” below for information regarding important factors that could cause actual results to differ, perhaps materially, from those in our forward-looking statements.

## **SECURITIES AND EXCHANGE COMMISSION FILINGS**

In connection with the registration statement that we will agree to file with the SEC relating to the New Notes or with other filings, we may be required to make changes to the information and financial data included or incorporated by reference in this offering memorandum. Comments by the SEC on the financial data and other information included or incorporated by reference in the registration statement required by the registration rights agreement may require modification or reformulation of the data we present or incorporate by reference in this offering memorandum, and any required modification or reformulation could be significant.

## **WHERE YOU CAN FIND MORE INFORMATION**

We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. The SEC maintains an internet site that has reports, proxy and information statements and other information about AT&T. The address of that site is <http://www.sec.gov>. The reports and other information filed by AT&T with the SEC are also available at its internet website, [www.att.com](http://www.att.com). This website address is for information only and is not intended to be an active link or to incorporate any website information into this document.

Copies of the materials referred to in the preceding paragraph, as well as copies of the form of the registration rights agreement described herein and any current amendment or supplement to the offering memorandum, may also be obtained from the Information Agent at its address set forth on the back cover of this offering memorandum.

## **INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

We have chosen to “incorporate by reference” the information we file with the SEC under the Securities and Exchange Act of 1934 (the “Exchange Act”), which means that we disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this offering memorandum. We incorporate by reference the documents listed below:

1. Our annual report on Form 10-K for the fiscal year ended December 31, 2019 (the “Annual Report”);
2. Our quarterly reports on Form 10-Q for the fiscal quarters ended March 31, 2020, June 30, 2020 and September 30, 2020;

3. Portions of our definitive proxy statement on Schedule 14A, filed on March 11, 2020, that are incorporated by reference into our Annual Report; and

4. Our current reports on Form 8-K or Form 8-K/A filed on January 10, 2020, January 29, 2020 (only with respect to the items “filed” and not “furnished”), February 18, 2020, February 27, 2020, March 20, 2020, April 7, 2020, April 22, 2020 (only with respect to the items “filed” and not “furnished”), April 28, 2020, May 27, 2020, May 28, 2020, June 16, 2020, June 24, 2020, June 26, 2020, July 23, 2020 (an 8-K and 8-K/A) (only with respect to the items “filed” and not “furnished”), July 27, 2020, August 3, 2020, August 4, 2020, August 10, 2020, August 19, 2020, August 31, 2020, September 16, 2020, September 18, 2020, October 22, 2020 (only with respect to the items “filed” and not “furnished”) and November 17, 2020.

Documents incorporated by reference are available from the SEC as described above or from us without charge, or from the Information Agent, excluding exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit in this document. The Information Agent may be contacted at its address set forth on the back cover of this offering memorandum. You may make your request by calling us at (210) 821-4105, or by writing to us at the following address:

AT&T Inc.  
Attention: Stockholder Services  
208 S. Akard St.  
Dallas, Texas 75202

## IMPORTANT DATES

Please take note of the following important dates and times in connection with the Exchange Offers. These dates assume no extension of the Early Participation Date, the Withdrawal Deadline, the Pricing Time or the Expiration Date.

Date	Time and Calendar Date	Event
Launch Date .....	November 17, 2020	The commencement of the Exchange Offers.
Early Participation Date .....	5:00 p.m., New York City time, on December 1, 2020, unless extended with respect to an Exchange Offer	The deadline for Eligible Holders to tender Old Notes in order to qualify for the payment of the Total Consideration.
Withdrawal Deadline .....	5:00 p.m., New York City time, on December 1, 2020	The deadline for Eligible Holders who validly tendered Old Notes to validly withdraw tenders of Old Notes.
Pricing Time .....	11:00 a.m., New York City time, on December 2, 2020	The date and time when the interest rate on the New Notes, Total Consideration and the Exchange Consideration will be determined.
Early Settlement Date .....	The Early Settlement Date will be determined at our option and is currently expected to be the fourth business day following the Early Participation Date or as soon as practicable thereafter, subject to the satisfaction of certain conditions as described herein	If, at any point following the Early Participation Date, we choose to exercise our option to have an Early Settlement Date and all conditions to the relevant Exchange Offers have been or are concurrently satisfied or waived by us, we will, subject to the terms of the Exchange Offers, accept for exchange Old Notes validly tendered at or prior to the Early Participation Date and not validly withdrawn pursuant to the Exchange Offers. We will deposit with The Depository Trust Company (“DTC”), upon the direction of the Exchange Agent, with respect to any Old Notes tendered and accepted at or prior to the Early Participation Date, the principal amount of the applicable New Notes, together with an amount of cash sufficient to pay the accrued and unpaid interest on the Old Notes accepted for exchange from the last applicable interest payment date to, but excluding, the Early Settlement Date. A combination of cash and a principal amount of New Notes will be issued in exchange for any Old Notes tendered and accepted in such Exchange Offers.

Expiration Date .....	11:59 p.m., New York City time, on December 15, 2020, unless extended with respect to an Exchange Offer	The deadline for Eligible Holders to tender Old Notes.
Final Settlement Date .....	Expected to be the second business day following the Expiration Date or as soon as practicable thereafter, subject to the satisfaction of certain conditions as described herein	Whether or not we choose to exercise our option to have an Early Settlement Date, if, at or prior to the Expiration Date, all conditions to the relevant Exchange Offer have been or concurrently are satisfied or waived by us, we will, subject to the terms of the Exchange Offers, accept for exchange all Old Notes validly tendered in such Exchange Offers at or prior to the Expiration Date, and not validly withdrawn at or prior to the Withdrawal Deadline, and the exchange for such Old Notes will be made promptly thereafter. We will deposit with DTC, upon the direction of the Exchange Agent, with respect to any Old Notes tendered and accepted on the Final Settlement Date, the principal amount of the applicable New Notes, together with an amount of cash sufficient to pay the accrued and unpaid interest on the Old Notes accepted for exchange from the last applicable interest payment date to, but excluding, the Final Settlement Date. Eligible Holders who receive New Notes in exchange for Old Notes on the Final Settlement Date will receive New Notes that will, if the Early Settlement Date has occurred, have an embedded entitlement to pre-issuance interest for the period from, and including, the Early Settlement Date to, but not including, the Final Settlement Date. As a result, the cash payable for accrued and unpaid interest on the Old Notes exchanged on the Final Settlement Date will be reduced by the amount of pre-issuance interest on the New Notes exchanged therefor.

## SUMMARY

*This summary provides an overview of selected information. Because this is only a summary, it may not contain all of the information that may be important to you in understanding the Exchange Offers. You should carefully read this entire offering memorandum, including the section entitled “Risk Factors,” as well as the information incorporated by reference in this offering memorandum. See the sections of this offering memorandum entitled “Where You Can Find More Information” and “Incorporation of Certain Information by Reference.”*

### **AT&T Inc.**

AT&T is a diversified, global leader in telecommunications, media and entertainment, and technology. We were incorporated under the laws of the State of Delaware in 1983 and have our principal executive offices at 208 S. Akard St., Dallas, Texas, 75202 (telephone number (210) 821-4105). We maintain an internet website at [www.att.com](http://www.att.com). This website address is for information only and is not intended to be an active link or to incorporate any website information into this document.

We manage our business through three reportable segments: Communications, WarnerMedia and Latin America. The Communications segment provides wireless and wireline telecom, video and broadband services to consumers located in the U.S. and businesses globally. The WarnerMedia segment develops, produces and distributes feature films, television, gaming and other content in various physical and digital formats globally. The Latin America segment provides entertainment and wireless services outside of the U.S. Prior to the second quarter of 2020, Xandr was a separate reportable segment. Beginning in the second quarter of 2020, historical financial results from Xandr have been combined with the WarnerMedia segment.

For a description of our business, financial condition, results of operations and other important information regarding us, see our filings with the SEC incorporated by reference in this offering memorandum. For instructions on how to find copies of these and our other filings incorporated by reference in this offering memorandum, see “Where You Can Find More Information” above.

**The Exchange Offers**

Offeror..... AT&T Inc.

The Exchange Offers..... Upon the terms and subject to the conditions set forth in this offering memorandum, we are offering in two separate Exchange Offers to Eligible Holders to exchange Old Notes for the applicable New Notes and the applicable Cash Payment as set forth in the tables on the cover pages of this offering memorandum, in the manner and the amounts described herein. The Old Notes consist of (i) the Pool 1 Notes (as set forth in the table below), issued by AT&T, with the maximum aggregate principal amount of Pool 1 Notes that we can accept in the Pool 1 Offer being an amount of Pool 1 Notes that would result in the issuance of an aggregate principal amount of \$3,000,000,000 of New 2057 Notes (the “2057 Notes Cap”); and (ii) the Pool 2 Notes (as set forth in the table below), issued by (x) AT&T and (y) Ameritech Capital Funding Corporation, BellSouth Telecommunications, LLC (converted from BellSouth Telecommunications, Inc.) and Pacific Bell Telephone Company (formerly known as Pacific Bell) (each, a “Subsidiary Issuer”), as applicable, with the maximum aggregate principal amount of Pool 2 Notes that we can accept in the Pool 2 Offer being an amount of Pool 2 Notes that would result in the issuance of an aggregate principal amount of \$2,500,000,000 of New 2033 Notes (the “2033 Notes Cap”).

We reserve the right, but are not obligated, to increase (or upsize) the 2057 Notes Cap (the “Upsized 2057 Notes Cap”) and/or the 2033 Notes Cap (the “Upsized 2033 Notes Cap”) in our sole discretion. Neither of the Pool 1 Offer or the Pool 2 Offer is conditioned upon the other Exchange Offer. The Exchange Offers are conditioned upon certain conditions (as described below under “Description of the Exchange Offers—Conditions to the Exchange Offers”), including that (i) if less than \$1,000,000,000 of New 2057 Notes would be issued, then all Pool 1 Note tenders will be cancelled and no New 2057 Notes will be created, (ii) if less than \$1,000,000,000 of New 2033 Notes would be issued, then all Pool 2 Note tenders will be cancelled and no New 2033 Notes will be created, (iii) at the Pricing Time, the combination of the yield of the New Notes and the Total Consideration or Exchange Consideration, as applicable, for the applicable series of Old Notes would, in our reasonable judgment, result in the New Notes and such Old Notes not being treated as “substantially different” under ASC 470-50 and (iv) with respect to any Old Notes validly tendered pursuant to either Exchange Offer that will be exchanged on the Final Settlement Date, we determine that the New Notes to be issued on the Final Settlement Date in such Exchange Offer will be treated as part of the same issue as the New Notes, if any, issued on the Early Settlement Date for U.S. federal income tax purposes pursuant to specified tests (see “Certain U.S. Federal Income Tax Consequences—Tax Consequences to Exchanging U.S. Holders—Holders that Exchange Old Notes on the Final Settlement Date”). We expressly reserve the right, in our sole and absolute discretion, subject to applicable law, to terminate the Pool 1 Offer and/or the Pool 2 Offer at any time at or prior to the Expiration Date, or to waive any condition of either Exchange Offer.

The following table sets forth, for each series of Old Notes, the security description for and issuer of such series of Old Notes, the CUSIP number(s) and the aggregate principal amount outstanding for that series of Old Notes:

Title of Security	Issuer	CUSIP Number(s)	Principal Amount Outstanding (\$MM) <sup>(1)</sup>
<b>Pool 1 Notes</b>			
4.800% Global Notes due 2044	AT&T Inc.	00206RCG5	\$1,749.9
4.500% Global Notes due 2048	AT&T Inc.	00206RDL3 / 00206RDJ8	\$4,176.4
4.35% Global Notes due 2045	AT&T Inc.	00206RBK7 / U04644AE7	\$1,896.1
4.30% Global Notes due 2042	AT&T Inc.	00206RBH4 / 00206RBG6	\$1,956.1
<b>Pool 2 Notes</b>			
7 1/8% Debentures due March 15, 2026	Pacific Bell Telephone Company <sup>(2)(3)</sup>	694032AT0	\$223.0
4.125% Global Notes due 2026	AT&T Inc.	00206RCT7	\$2,650.0
3.875% Global Notes due 2026	AT&T Inc.	00206RHT2	\$541.1
2.950% Global Notes due 2026	AT&T Inc.	00206RHV7	\$707.3
6.55% Debentures due January 15, 2028	Ameritech Capital Funding Corporation <sup>(4)</sup>	030955AN8	\$100.2
6 3/8% Debentures, due June 1, 2028	BellSouth Telecommunications, LLC <sup>(5)</sup>	079867AW7	\$197.2
4.100% Global Notes due 2028	AT&T Inc.	00206RGL0 / 00206RER9 / U04644BB2	\$2,449.0
4.250% Global Notes due 2027	AT&T Inc.	00206RDQ2	\$2,000.0
3.800% Global Notes due 2027	AT&T Inc.	00206RHW5	\$1,329.2

(1) Rounded to the nearest tenth of a million.

(2) Pacific Bell Telephone Company was formerly known as Pacific Bell.

(3) The 7 1/8% Debentures due March 15, 2026 are unconditionally and irrevocably guaranteed by AT&T.

(4) The 6.55% Debentures due January 15, 2028 are unconditionally and irrevocably guaranteed by AT&T, with the full amount payable by AT&T so long as all of the outstanding shares of stock of this subsidiary are owned, directly or indirectly, by AT&T. In the event AT&T sells, transfers or otherwise disposes of any percentage of its stock ownership and this subsidiary is no longer wholly-owned, then the guarantee will expire immediately and AT&T will be released immediately from any and all of its obligations.

(5) BellSouth Telecommunications, LLC converted from BellSouth Telecommunications, Inc.

No Guaranteed Delivery Procedures ..... No guaranteed delivery procedures are available in connection with the Exchange Offers. You must tender your Old Notes by the Expiration Date in order to participate in the Exchange Offers.

Form of Consideration..... Subject to the limitations described in this offering memorandum, in each Exchange Offer, Eligible Holders who validly tender and do not validly withdraw their Old Notes before December 1, 2020 at 5:00 p.m. New York City time (such date and time, the "Early Participation Date") and whose Old Notes are accepted by us pursuant to the terms of the Exchange Offers, will receive a combination of the Cash Payment and New Notes in an amount equal to the Total Consideration (as described below). The New Notes to be exchanged in the Pool 1 Offer will be the New 2057 Notes. The New Notes to be exchanged in the Pool 2 Offer will be the New 2033 Notes.



We will also pay in cash accrued and unpaid interest on the Old Notes accepted for exchange from the last applicable interest payment date to, but excluding, the applicable Settlement Date (as defined under “Description of the Exchange Offers—Terms of the Exchange Offers”) and amounts due in lieu of fractional amounts of New Notes. Eligible Holders who receive New Notes in exchange for Old Notes on the Final Settlement Date will receive New Notes that will, if the Early Settlement Date has occurred, have an embedded entitlement to pre-issuance interest for the period from, and including, the Early Settlement Date to, but not including, the Final Settlement Date. As a result, the cash payable for accrued and unpaid interest on the Old Notes exchanged on the Final Settlement Date will be reduced by the amount of pre-issuance interest on the New Notes exchanged therefor. As previously noted, we refer to the Pool 1 Offer and the Pool 2 Offer collectively as the “Exchange Offers.”

Eligible Holders who validly tender Old Notes after the Early Participation Date, but at or prior to the Expiration Date (as defined under “—Expiration Date”) and whose Old Notes are accepted by us pursuant to the terms of the Exchange Offers will receive the Exchange Consideration (as described below).

Subject to the satisfaction or waiver of all conditions to the Exchange Offers, Old Notes that are validly tendered and not validly withdrawn will be accepted for exchange in accordance with the terms of the Exchange Offers, including, with respect to each of the Pool 1 Offer and the Pool 2 Offer, the acceptance priorities described herein.

See “Description of the Exchange Offers” for more information on the terms of the Exchange Offers.

Total Consideration ..... Eligible Holders who validly tender and do not validly withdraw their Old Notes at or prior to the Early Participation Date, and whose Old Notes are accepted by us pursuant to the terms of the Exchange Offers, will receive consideration in the Exchange Offers equal to the Total Consideration.

The “Total Consideration” for each of the Pool 1 Offer and the Pool 2 Offer for each \$1,000 principal amount of each series of Old Notes validly tendered pursuant to the Pool 1 Offer or the Pool 2 Offer, as the case may be, at or prior to the Early Participation Date and accepted for purchase by us (subject to proration, if any) will be equal to an amount (calculated in accordance with the formula set forth in Annex A to this offering memorandum), that would reflect a yield to maturity date or, if applicable, the par call date of such series of Old Notes (excluding accrued and unpaid interest to, but not including the applicable Settlement Date) equal to the sum of (i) the bid-side yield on the applicable Reference UST Security listed in the tables set forth on the cover pages for such series of Old Notes as calculated by the Joint-Lead Dealer Managers in accordance with standard market practice as of the Pricing Time, plus (ii) the Fixed Spread set forth in the tables on the cover pages of this offering memorandum with respect to such series of Old Notes.

The Total Consideration (which includes the Early Participation Payment) for each of the Exchange Offers for holders tendering and not validly withdrawing their Old Notes at or prior to the Early Participation Date will be divided into (i) a cash payment equal to the Cash Payment and (ii) a principal amount of the New Notes determined by multiplying

each \$1,000 principal amount of Old Notes tendered by the applicable Exchange Ratio.

We may elect to increase the principal amount of the Cash Payment for any series of Old Notes in the Pool 1 Offer by up to \$100 per \$1,000 principal amount of such Old Notes. This would affect the composition, but not the amount, of the Total Consideration for such Pool 1 Notes in the Pool 1 Offer. Any such election will be determined at the Pricing Time and, if made, will be announced on December 2, 2020 after the Pricing Time.

We may elect to increase or decrease the principal amount of the Cash Payment for any series of Old Notes in the Pool 2 Offer by up to \$100 per \$1,000 principal amount of such Old Notes. This would affect the composition, but not the amount, of the Total Consideration for such Pool 2 Notes in the Pool 2 Offer. Any such election will be determined at the Pricing Time and, if made, will be announced on December 2, 2020 after the Pricing Time.

In addition, in our sole discretion and subject to applicable law, we reserve the right to remove one or more series of Old Notes from the Exchange Offers if the desired accounting and tax treatment are not achieved. Any such decision will be determined at the Pricing Time and, if made, will be announced on December 2, 2020 after the Pricing Time. In the event that we remove a particular series of Old Notes, the acceptance priority level for any series of Old Notes below such series of notes removed will be adjusted accordingly.

The Total Consideration in each of the Pool 1 Offer and the Pool 2 Offer includes the Early Participation Payment (as defined below). The Total Consideration will be rounded to the nearest cent per \$1,000 principal amount of Old Notes.

Eligible Holders must validly tender and not validly withdraw their Old Notes at or prior to the Early Participation Date in order to be eligible to receive the Total Consideration, which includes the Early Participation Payment. Eligible Holders validly tendering their Old Notes after the Early Participation Date and at or prior to the Expiration Date will be eligible to receive only the Exchange Consideration (as defined below) and will not be eligible to receive the Early Participation Payment.

Early Participation Payment ..... We want to encourage Eligible Holders to tender early. Accordingly, the Total Consideration per series of Old Notes in the Exchange Offers includes an Early Participation Payment equal to \$50 of principal amount of New Notes per \$1,000 principal amount of Old Notes, to be paid in the form of New Notes. The Early Participation Payment will be paid in the Exchange Offers only to Eligible Holders who validly tender their Old Notes at or prior to the Early Participation Date and do not validly withdraw their tenders. Eligible Holders who validly tender their Old Notes after the applicable Early Participation Date and do not validly withdraw their tenders will receive, for each \$1,000 principal amount of Old Notes tendered, the Total Consideration for that series of Old Notes less the applicable Early Participation Payment. See “Description of the Exchange Offers—Early Participation Payment.”

Exchange Consideration ..... Eligible Holders who validly tender Old Notes after the Early Participation Date, but at or prior to the Expiration Date and whose Old Notes are accepted by us pursuant to the terms of the Exchange Offers will receive the Exchange Consideration.

The Exchange Consideration for each of the Exchange Offers for each \$1,000 principal amount of each series of Old Notes validly tendered pursuant to the Exchange Offers tendered after the Early Participation Date and at or before the Expiration Date will equal the Total Consideration for each \$1,000 principal amount of Old Notes less the Early Participation Payment.

The Exchange Consideration for each of the Exchange Offers for holders tendering and not validly withdrawing their Old Notes after the Early Participation Date but at or prior to the Expiration Date will be divided into (i) a cash payment equal to the applicable Cash Payment and (ii) a principal amount of the New Notes determined by multiplying each \$1,000 principal amount of Old Notes tendered by the applicable Exchange Ratio, less the Early Participation Payment.

Reference Yield..... The “Reference Yield” will be calculated in accordance with standard market practice and will correspond to the bid-side yield on the applicable Reference UST Security listed in the tables set forth on the cover pages for such series of Old Notes as displayed on the Old Notes Quotation Report as of the Pricing Time (11:00 a.m. New York City time, on December 2, 2020, unless extended). If the Joint-Lead Dealer Managers determine that the Old Notes Quotation Report is not available or is manifestly erroneous at that time, the bid-side price of the applicable Reference UST Security determined at or around the Pricing Time shall be determined by such other means as the Joint-Lead Dealer Managers in their sole discretion may consider appropriate under the circumstances.

Pool 1 Offer Acceptance Priority Levels. The aggregate principal amount of Old Notes that are accepted for exchange in the Pool 1 Offer will be based on the order of acceptance priority for such series as follows:

- first, the maximum aggregate principal amount of 4.800% Global Notes due 2044 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 4.800% Global Notes due 2044 in a principal amount other than \$2,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- second, the maximum aggregate principal amount of 4.500% Global Notes due 2048 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 4.500% Global Notes due 2048 in a principal amount other than \$2,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- third, the maximum aggregate principal amount of 4.35% Global Notes due 2045 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 4.35% Global Notes due 2045 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis; and
- fourth, the maximum aggregate principal amount of 4.30% Global Notes due 2042 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 4.30% Global Notes due 2042 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;

such that the aggregate principal amount of Pool 1 Notes accepted in the Pool 1 Offer is an amount of Pool 1 Notes that results in the issuance of New 2057 Notes in an amount not exceeding the 2057 Notes Cap, subject to our right, in our sole discretion, to upsize the 2057 Notes Cap.

If acceptance of all validly tendered Pool 1 Notes of a particular series (together with all validly tendered Pool 1 Notes with a greater acceptance priority to such series) would cause us to issue a principal amount of New 2057 Notes greater than the 2057 Notes Cap, then the Pool 1 Offer will be oversubscribed and if we accept any of such series of Pool 1 Notes in the Pool 1 Offer, we will accept for purchase tendered Pool 1 Notes of such series on a prorated basis, with the aggregate principal amount of each holder's validly tendered Pool 1 Notes of such series accepted for purchase determined by multiplying each holder's tender by the applicable proration factor, and rounding the product down to the nearest \$1,000 principal amount for such series. In that event, no Pool 1 Notes of any series with an acceptance priority level lower than the prorated series of Pool 1 Notes will be accepted for purchase. Depending on the amount tendered and the proration factor applied, if the principal amount of Old Notes returned to a holder as a result of proration would result in less than the minimum denomination being returned to such holder, we will either accept or reject all of such holder's validly tendered Old Notes.

As of November 17, 2020, the aggregate principal amounts of Pool 1 Notes outstanding are set forth in the following table:

Title of Security	Principal Amount Outstanding (SMM) <sup>(1)</sup>
4.800% Global Notes due 2044	\$1,749.9
4.500% Global Notes due 2048	\$4,176.4
4.35% Global Notes due 2045	\$1,896.1
4.30% Global Notes due 2042	\$1,956.1

(1) Rounded to the nearest tenth of a million.

See "Description of the Exchange Offers—Maximum Issuance Amount; Proration; Acceptance Priority Levels" for more information on priority of purchase and proration, as well as our ability to increase the size of the 2057 Notes Cap.

**Pool 2 Offer Acceptance Priority Levels.** The aggregate principal amount of Old Notes that are accepted for exchange in the Pool 2 Offer will be based on the order of acceptance priority for such series as follows:

- first, the maximum aggregate principal amount of 7 1/8% Debentures due March 15, 2026 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 7 1/8% Debentures due March 15, 2026 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- second, the maximum aggregate principal amount of 4.125% Global Notes due 2026 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 4.125% Global Notes due 2026 in a principal amount other than \$2,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;

- third, the maximum aggregate principal amount of 3.875% Global Notes due 2026 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 3.875% Global Notes due 2026 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- fourth, the maximum aggregate principal amount of 2.950% Global Notes due 2026 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 2.950% Global Notes due 2026 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- fifth, the maximum aggregate principal amount of 6.55% Debentures due January 15, 2028 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 6.55% Debentures due January 15, 2028 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- sixth, the maximum aggregate principal amount of 6 3/8% Debentures, due June 1, 2028 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 6 3/8% Debentures, due June 1, 2028 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- seventh, the maximum aggregate principal amount of 4.100% Global Notes due 2028 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 4.100% Global Notes due 2028 in a principal amount other than \$2,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- eighth, the maximum aggregate principal amount of 4.250% Global Notes due 2027 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 4.250% Global Notes due 2027 in a principal amount other than \$2,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis; and
- ninth, the maximum aggregate principal amount of 3.800% Global Notes due 2027 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 3.800% Global Notes due 2027 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;

such that the aggregate principal amount of Pool 2 Notes accepted in the Pool 2 Offer is an amount of Pool 2 Notes that results in the issuance of New 2033 Notes in an amount not exceeding the 2033 Notes Cap, subject to our right, in our sole discretion, to upsize the 2033 Notes Cap.

If acceptance of all validly tendered Pool 2 Notes of a particular series (together with all validly tendered Pool 2 Notes with a greater acceptance priority to such series) would cause us to issue a principal amount of New 2033 Notes greater than the 2033 Notes Cap, then the Pool 2 Offer will be oversubscribed and if we accept any of such series of Pool 2 Notes in

the Pool 2 Offer, we will accept for purchase tendered Pool 2 Notes of such series on a prorated basis, with the aggregate principal amount of each holder’s validly tendered Pool 2 Notes of such series accepted for purchase determined by multiplying each holder’s tender by the applicable proration factor, and rounding the product down to the nearest \$1,000 principal amount for such series. In that event, no Pool 2 Notes of any series with an acceptance priority level lower than the prorated series of Pool 2 Notes will be accepted for purchase. Depending on the amount tendered and the proration factor applied, if the principal amount of Old Notes returned to a holder as a result of proration would result in less than the minimum denomination being returned to such holder, we will either accept or reject all of such holder’s validly tendered Old Notes.

As of November 17, 2020, the aggregate principal amounts of Pool 2 Notes outstanding are set forth in the following table:

Title of Security	Principal Amount Outstanding (\$MM) <sup>(1)</sup>
7 1/8% Debentures due March 15, 2026	\$223.0
4.125% Global Notes due 2026	\$2,650.0
3.875% Global Notes due 2026	\$541.1
2.950% Global Notes due 2026	\$707.3
6.55% Debentures due January 15, 2028	\$100.2
6 3/8% Debentures, due June 1, 2028	\$197.2
4.100% Global Notes due 2028	\$2,449.0
4.250% Global Notes due 2027	\$2,000.0
3.800% Global Notes due 2027	\$1,329.2

(1) Rounded to the nearest tenth of a million.

See “Description of the Exchange Offers—Maximum Issuance Amount; Proration; Acceptance Priority Levels” for more information on priority of purchase and proration, as well as our ability to increase the size of the 2033 Notes Cap.

Purpose of the Exchange Offers .....	The primary purpose of the Exchange Offers is to take advantage of favorable market conditions to adjust our debt maturity structure by extending the average maturity of our outstanding debt.
Determination of New Issue Price.....	The “New Issue Price” for each series of the New Notes will equal the discounted value of the payments of principal and interest on \$1,000 principal amount of such New Notes through their maturity date using a yield equal to the sum of (a) the bid-side yield on the applicable Benchmark Security, as calculated by the Joint-Lead Dealer Managers in accordance with standard market practice, as of the Pricing Time as displayed on the New Notes Quotation Report (or any recognized quotation source selected by the Joint-Lead Dealer Managers in their sole discretion if the New Notes Quotation Report is not available or is manifestly erroneous), plus (b) 2.10% for the New 2057 Notes and 1.60% for the New 2033 Notes. The New Issue Price of the New Notes will be rounded to the nearest cent per \$1,000 principal amount of New Notes.  See “Description of the Exchange Offers—New Issue Price.”
Determination of New Notes Coupon .....	The New Notes will bear interest at a rate per annum to be determined at the Pricing Time, which will be rounded down to the nearest 0.05%, such that the New Issue Price for each series of the New Notes will be at or below, but as close as possible to, par.

Early Participation Date .....	The Early Participation Date will be 5:00 p.m., New York City time, on December 1, 2020, unless extended by us.
Withdrawal Deadline.....	The Withdrawal Deadline for the Exchange Offers will be 5:00 p.m., New York City time, on December 1, 2020, unless extended by us.
Pricing Time.....	The Pricing Time will be 11:00 a.m., New York City time, on December 2, 2020.
Expiration Date.....	The Expiration Date of the Exchange Offers will be 11:59 p.m., New York City time, on December 15, 2020, unless extended or earlier terminated by us.
Settlement Dates.....	<p>We reserve the right, but are under no obligation, at any point following the Early Participation Date and before the Expiration Date to accept for exchange any Old Notes validly tendered at or prior to the Early Participation Date on the Early Settlement Date. The Early Settlement Date will be determined at our option and is currently expected to occur on December 7, 2020, the fourth business day immediately following the Early Participation Date. If, after the Early Participation Date, we choose to exercise our option to have an Early Settlement Date and all conditions to the relevant Exchange Offers have been or are concurrently satisfied or waived by us, we will, subject to the terms of the Exchange Offers, accept for exchange all Old Notes validly tendered in the Exchange Offers prior to the Early Participation Date, and the exchange for such Old Notes will be made on the Early Settlement Date.</p> <p>Whether or not we choose to exercise our option to have an Early Settlement Date, if, at or prior to the Expiration Date, all conditions to the relevant Exchange Offer have been or concurrently are satisfied or waived by us, we will, subject to the terms of the Exchange Offers, accept for exchange all Old Notes validly tendered in the Exchange Offers at or prior to the Expiration Date, and not validly withdrawn at or prior to the Withdrawal Deadline, and the exchange for such Old Notes will be made promptly thereafter on the Final Settlement Date. The Final Settlement Date will be promptly after the Expiration Date and is currently expected to occur on December 17, 2020, the second business day immediately following the Expiration Date. See “Description of the Exchange Offers—Settlement Dates.”</p>
Market Trading.....	The Old Notes are not admitted to trading on any securities exchange. Investors are urged to consult with their bank, broker or financial advisor in order to obtain information regarding the market prices for the Old Notes. We do not intend to have the New Notes listed on any securities exchange.
Acceptance of Old Notes and Delivery of New Notes .....	<p>Subject to the satisfaction or, where permitted, waiver of the conditions to the Exchange Offers, AT&amp;T will accept for exchange all the Old Notes that are validly tendered at or prior to the Expiration Date and not validly withdrawn (provided that the tender of Old Notes will only be in accordance with the acceptance priority and will be accepted in the minimum denominations and integral multiples noted above, in amounts not exceeding either of the 2057 Notes Cap or the 2033 Notes Cap, respectively). All Old Notes exchanged will be retired and cancelled.</p> <p>The New Notes issued pursuant to the Exchange Offers will be issued and delivered, and any cash amounts payable in connection therewith, will be delivered, through the facilities of DTC promptly on the applicable Settlement Date. We will return to you any Old Notes that are</p>

	not accepted for exchange for any reason without expense to you promptly after the Expiration Date. See “Description of the Exchange Offers—Acceptance of Old Notes for Exchange; Delivery of Exchange Offer Consideration.”
Conditions to the Exchange Offers.....	Each of the Exchange Offers is subject to the conditions described in “Description of the Exchange Offers—Conditions to the Exchange Offers,” including, among other things, the condition that there shall not have occurred or be reasonably likely to occur any material adverse change to our business, operations, properties, condition, assets, liabilities, prospects or financial affairs, and that nothing has occurred or may occur, including an increase in prevailing interest rates, that would or might, in our reasonable judgment, prohibit, prevent or delay the Exchange Offers or impair us from realizing the anticipated benefits of the Exchange Offers.
Extension; Waivers and Amendments.....	Subject to applicable law, we reserve the right to: (1) extend any of the Exchange Offers; (2) waive any and all conditions to or amend the Exchange Offers in any respect; or (3) terminate any of the Exchange Offers. Any extension, waiver, amendment or termination will be followed as promptly as practicable by a public announcement thereof, such announcement, in the case of an extension, to be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled Expiration Date to the extent required by the rules and regulations of the SEC. See “Description of the Exchange Offers—Expiration Date; Extension; Termination; Amendment.”
Eligible Holders Only.....	We have not registered the New Notes under the Securities Act. Prior to distributing this offering memorandum to any Eligible Holder, we distributed to holders of outstanding Old Notes a letter explaining that we are considering a transaction involving the outstanding Old Notes and requiring a certification from holders of outstanding Old Notes either (a) in the United States, that they are “qualified institutional buyers,” or “QIBs,” as that term is defined in Rule 144A under the Securities Act or (b) (i) outside the United States, that they are persons other than “U.S. persons,” as that term is defined in Rule 902 under the Securities Act, eligible to tender Old Notes and acquire New Notes pursuant to Regulation S under the Securities Act, or a dealer or other professional fiduciary organized, incorporated or (if an individual) residing in the United States holding a discretionary account or similar account (other than an estate or a trust) for the benefit or account of a non-“U.S. person,” (ii) if located or resident in any Member State of the European Economic Area or in the United Kingdom, that they are persons other than “retail investors” (for these purposes, a retail investor means a person who is one (or more) of: (1) a retail client as defined in point (11) of Article 4(1) of MiFID II; (2) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (3) not “qualified investors” as defined in the Prospectus Regulation and the Luxembourg Prospectus Law) and (iii) if located or resident in Canada, is located or resident in a province of Canada and is an “accredited investor” as such term is defined in National Instrument 45-106 – <i>Prospectus Exemptions</i> , and, if resident in Ontario, section 73.3(1) of the <i>Securities Act</i> (Ontario), in each case, that is not an individual unless that person is also a “permitted client” as defined in National Instrument 31-103 - <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i> . <b>Only Eligible Holders who have completed</b>



**and returned the eligibility certification are authorized to receive or review this offering memorandum or to participate in the Exchange Offers. For Canadian Eligible Holders tendering Old Notes, such participation is also conditioned upon the receipt of beneficial ownership information, including a completed certification form which is required if tendering Old Notes (the “Canadian beneficial holder form”).**

Procedures for Tendering the Old Notes . You may tender your Old Notes (other than the Certificated Notes) by transferring them through DTC’s Automated Tender Offer Program (“ATOP”) or following the other procedures described under “Description of the Exchange Offers—Procedures for Tendering Old Notes” and “Description of the Exchange Offers—Book-Entry Transfer.”

Holders of the Certificated Notes may only tender such Old Notes in accordance with the procedures set forth in the letter of transmittal. A portion of the 7 1/8% Debentures due March 15, 2026, issued by Pacific Bell Telephone Company (formerly known as Pacific Bell), are held as Certificated Notes. With respect to the Certificated Notes, all references to the offering memorandum herein shall also include the letter of transmittal.

For further information, call the Information Agent at the telephone numbers set forth on the back cover of this offering memorandum or consult your broker, dealer, commercial bank, trust company or other nominee for assistance.

If you are a beneficial owner of Old Notes that are held by or registered in the name of a broker, dealer, commercial bank, trust company or other nominee or custodian and you wish to tender your Old Notes in order to participate in the Exchange Offers, you should contact your intermediary entity promptly and instruct it to tender the Old Notes on your behalf. You should keep in mind that your intermediary may require you to take action with respect to the Exchange Offers a number of days before the Early Participation Date or the Expiration Date in order for such entity to tender Old Notes on your behalf at or prior to the Early Participation Date or the Expiration Date in accordance with the terms of the Exchange Offers.

If you are a beneficial owner of Old Notes through Euroclear Bank SA/NV (“Euroclear”) or Clearstream Banking S.A. (“Clearstream Luxembourg”) and wish to tender your Old Notes, you must instruct Euroclear or Clearstream Luxembourg, as the case may be, to block the account in respect of the tendered Old Notes in accordance with the procedures established by Euroclear or Clearstream Luxembourg. You are encouraged to contact Euroclear or Clearstream Luxembourg directly to ascertain their procedures for tendering Old Notes.

Consequences of Failure to Participate  
in the Exchange Offers .....

Any Old Notes that are not exchanged in the Exchange Offers will remain outstanding and continue to accrue interest and will be entitled to the rights and benefits their holders have under the applicable governing indenture. If a sufficiently large aggregate principal amount of any series of Old Notes does not remain outstanding after the Exchange Offers, the trading markets for the remaining outstanding aggregate principal amount of such series of Old Notes, as the case may be, may be less liquid. See “Description of the Exchange Offers—Consequences of Failure to Participate in the Exchange Offers” and “Risk Factors.”

Withdrawal Rights; Non-Acceptance.....	You may withdraw your tender of Old Notes at any time at or prior to the Withdrawal Deadline, but thereafter tenders will be irrevocable, except in certain limited circumstances where we determine additional withdrawal rights are required by law. Tenders submitted in the Exchange Offers after the Withdrawal Deadline will be irrevocable except in the limited circumstances referred to in the preceding sentence. In the event that tendered Old Notes are not validly withdrawn, not exchanged by us due to proration or otherwise not accepted by us for exchange, such Old Notes will be promptly returned to such holders or credited to such holders' DTC account in the same manner as tendered to us, unless a holder has indicated other delivery instructions in the related letter of transmittal or a computer-generated message. See "Description of the Exchange Offers—Withdrawal Rights."
Certain U.S. Federal Income Tax Considerations .....	For a summary of certain U.S. federal income tax consequences of the Exchange Offers, see "Certain U.S. Federal Income Tax Considerations."
Use of Proceeds .....	We will not receive any cash proceeds from the Exchange Offers. See "Use of Proceeds."
Risk Factors.....	For risks related to the Exchange Offers, please read the section entitled "Risk Factors" beginning on page 17 of this offering memorandum.
Joint-Lead Dealer Managers.....	Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc. are the joint-lead dealer managers for the Exchange Offers (as previously defined, the "Joint-Lead Dealer Managers" and collectively with any other dealer managers, the "Dealer Managers"). Questions and requests for assistance can be addressed to Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc. at the addresses and telephone numbers that are listed on the back cover page of this offering memorandum.
Exchange Agent and Information Agent .....	Global Bondholder Services Corporation ("GBS") is the "Exchange Agent" and the "Information Agent" for the Exchange Offers. The address and telephone numbers of GBS are listed on the back cover page of this offering memorandum.
Further Information .....	Additional copies of this offering memorandum, the related letter of transmittal, the eligibility certification, the Canadian beneficial holder form and other materials related to this Exchange Offers, including the form of notice of withdrawal, may be obtained by contacting the Information Agent. For questions regarding the procedures to be followed for tendering your Old Notes, please contact the Information Agent. For all other questions, please contact any of the Joint-Lead Dealer Managers. The contact information for each of these parties is set forth on the back cover of this offering memorandum.

### The New Notes

*The following summary contains basic information about the New Notes. It does not contain all of the information that may be important to you. For a more complete description of the terms of the New Notes, see “Description of New Notes.”*

Issuer ..... AT&T Inc.

Securities Offered..... Global Notes due 2057 (the “New 2057 Notes”) and Global Notes due 2033 (the “New 2033 Notes”), each up to the aggregate principal amount as determined in accordance with the terms of this offering memorandum.

Maturity Date ..... December 1, 2057 for the New 2057 Notes.  
December 1, 2033 for the New 2033 Notes.

Interest Rate..... The New Notes will bear interest at a rate per annum to be determined at the Pricing Time, which will be rounded down to the nearest 0.05%, such that the New Issue Price for the New Notes will be at or below, but as close as possible to, par.

Interest Payment Dates ..... Interest will accrue from the first Settlement Date and will be payable semi-annually, in arrears, on June 1 and December 1 of each year, commencing on June 1, 2021.

Optional Redemption ..... Each series of New Notes may be redeemed at any time prior to the applicable Par Call Date (as set forth in the table below), each series of New Notes may be redeemed as a whole or in part, at our option, at any time and from time to time on at least 10 days’, but not more than 40 days’ prior notice, at a make-whole call equal to the greater of (i) 100% of the principal amount of the New 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 the applicable Make-Whole Spread (as set forth in the table below), calculated by AT&T. At any time on or after the applicable Par Call Date, each series of New Notes may be redeemed as a whole or in part, at our option, at any time and from time to time on at least 10 days’, but not more than 40 days’ prior notice, at a redemption price equal to 100% of the principal amount of such series of New Notes to be redeemed. In each case, accrued but unpaid interest will be payable to the redemption date.

<u>Series</u>	<u>Par Call Date</u>	<u>Make-Whole Spread</u>
New 2057 Notes	June 1, 2057	35 bps
New 2033 Notes	September 1, 2033	25 bps

See “Description of New Notes—The New Notes—Optional Redemption of the New Notes.”

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

Transfer Restrictions .....	<p>The New Notes have not been registered under the Securities Act or any other applicable securities laws. The New Notes may not be offered or sold except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and the applicable state securities laws. The New Notes are only being offered and will only be issued, to holders of Old Notes either (a) in the United States, that are “qualified institutional buyers,” or “QIBs,” as that term is defined in Rule 144A under the Securities Act, in a private transaction in reliance upon an exemption from the registration requirements of the Securities Act or (b) (i) outside the United States, that are persons other than “U.S. persons,” as that term is defined in Rule 902 under the Securities Act, in offshore transactions in reliance upon Regulation S under the Securities Act, or a dealer or other professional fiduciary organized, incorporated or (if an individual) residing in the United States holding a discretionary account or similar account (other than an estate or a trust) for the benefit or account of a non-“U.S. person,” (ii) if located or resident in any Member State of the European Economic Area or the United Kingdom, who are persons other than “retail investors” (for these purposes, a retail investor means a person who is one (or more) of: (1) a retail client as defined in point (11) of Article 4(1) of MiFID II; (2) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (3) not “qualified investors” as defined in the Prospectus Regulation and the Luxembourg Prospectus Law) and (iii) if located or resident in Canada, is located or resident in a province of Canada and is an “accredited investor” as such term is defined in National Instrument 45-106 – <i>Prospectus Exemptions</i>, and, if resident in Ontario, section 73.3(1) of the <i>Securities Act</i> (Ontario), in each case, that is not an individual unless that person is also a “permitted client” as defined in National Instrument 31-103 - <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i>. See “Notice to Investors; Transfer Restrictions.”</p>
Registration Rights .....	<p>We will enter into a registration rights agreement pursuant to which we will agree to file an exchange offer registration statement with the SEC to allow you to exchange the New Notes for the same principal amount of a new issue of notes, which we refer to as the exchange notes, with substantially identical terms, except that the exchange notes will generally be freely transferable under the Securities Act and will not provide for any increase in the interest rate thereon as described below. In addition, under certain circumstances in the registration rights agreement, we will agree to file, or designate an existing registration statement filed with the SEC as, a shelf registration statement to cover resales of the New Notes. If we fail to satisfy these obligations, we will be required to pay additional interest on the New Notes. See “Description of New Notes—Registered Exchange Offers; Registration Rights.”</p>
Form and Settlement .....	<p>The New Notes will be issued in the form of one or more fully registered global notes which will be deposited with, or on behalf of DTC as the depository, and registered in the name of Cede &amp; 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 Luxembourg or Euroclear, 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</p>

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 Luxembourg 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.

The New Notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Further Issues ..... We may from time to time, without notice to, or the consent of, the holders of any series of the New Notes, create and issue further notes ranking equally and ratably with such series in all respects, or in all respects except for the payment of interest accruing prior to the issue date or except for the first payment of interest following the issue date of those further notes. Any further notes will have the same terms as to status, redemption or otherwise as, and will be fungible for United States federal income tax purposes with, the New Notes of the applicable series. Any further New Notes shall be issued pursuant to a resolution of our board of directors, a supplement to the Indenture (as defined in "Description of New Notes"), or under an officers' certificate pursuant to the Indenture.

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

Trustee..... The trustee for the New Notes will be The Bank of New York Mellon Trust Company, N.A.

## RISK FACTORS

*Any investment in the New Notes involves a high degree of risk, including but not limited to the risks described below. In addition, you should carefully consider, among other things, the matters discussed under “Risk Factors” in our 2019 Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2020, which are incorporated by reference herein, as well as the other information incorporated by reference in this offering memorandum. The risks and uncertainties described below and in our Annual Report and Quarterly Report are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these risks actually occur, our business, financial condition and results of operations could suffer. As a result, the trading price of the New Notes could decline, perhaps significantly, and you could lose all or part of your investment. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See “Forward-Looking Statements.”*

### **Risks Relating to the New Notes**

#### ***The New Notes are subject to transfer restrictions.***

Unless and until the New Notes are exchanged for notes registered pursuant to the registration rights agreement or sold pursuant to a shelf registration statement, the New Notes may not be offered or sold in the United States, except pursuant to an exemption from registration under the Securities Act. Accordingly, unless and until the New Notes are registered or exchanged for registered notes, the New Notes will have limited liquidity and a limited trading market for the duration of the relevant holding period required by U.S. securities laws, except as to any trading market that may develop among QIBs and non-U.S. persons. As a result, you may not be able to sell your New Notes when you wish to or at a price that is acceptable to you. You should refer to “Notice to Investors; Transfer Restrictions” for a description of the restrictions that apply to acquisitions, offers, transfers and sales of the New Notes.

#### ***The New Notes are unsecured and will be effectively junior to our secured indebtedness to the extent of the collateral therefor.***

The New Notes are unsecured general obligations of AT&T. Holders of our secured indebtedness, if any, will have claims that are prior to your claims as holders of the New Notes, to the extent of the assets securing such indebtedness. Thus, in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding, our pledged assets would be available to satisfy obligations of our secured indebtedness before any payment could be made on the New Notes. To the extent that such assets cannot satisfy in full our secured indebtedness, the holders of such indebtedness would have a claim for any shortfall that would rank equally in right of payment with the New Notes. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the New Notes. As a result, holders of the New Notes may receive less, ratably, than holders of our secured indebtedness.

#### ***There are limited covenants in the Indenture.***

The New Notes will be issued under the Indenture, dated as of May 15, 2013 (the “Indenture”), with The Bank of New York Mellon Trust Company, N.A., acting as trustee (the “Trustee”). The Indenture has less restrictive covenants and terms and affords reduced protections to the holders of the New Notes compared to those currently in the indentures governing some of the series of Old Notes. Neither we nor any of our subsidiaries is restricted from incurring additional debt or other liabilities, including secured debt or additional senior debt, under the Indenture. If we or any of our subsidiaries incur additional debt or liabilities, our ability to pay our obligations on the New Notes could be adversely affected. We expect that we and our subsidiaries will, from time to time, incur additional debt and other liabilities. In addition, we and our subsidiaries are not restricted under the Indenture from granting security interests in our assets or from entering into sale or leaseback transactions and the Indenture does not provide for increases in interest rate in the event that the credit rating of our debt securities is lowered. Further, we are generally not restricted under the Indenture from consolidating or merging with another company, selling all or substantially all of our assets to another company or buying all or substantially all of the assets of another company, as described in “Description of New Notes—Special Situations Covered by the Indenture—Mergers and Similar Transactions.” Holders of New Notes will not be entitled to the benefit of any such restrictive covenants.

***We are a holding company that conducts all of our business through our subsidiaries. Eligible Holders of the New Notes will be structurally subordinated to our subsidiaries' third-party indebtedness and obligations, including any Old Notes issued by the Subsidiary Issuers that are not exchanged.***

We conduct all of our business through our subsidiaries. Our cash flow and, consequently, our ability to pay interest and to service our debt, including the New Notes, are dependent upon the cash flow of our subsidiaries and the payment of funds to us by those subsidiaries in the form of loans, dividends or otherwise. Our subsidiaries are separate and distinct legal entities and will have no obligation, contingent or otherwise, to pay any amounts due on the New Notes or to make cash available to us for that purpose. In addition, many of our operating subsidiaries are highly regulated and may be subject to restrictions on their ability to pay dividends to us. These subsidiaries may use the earnings they generate, as well as their existing assets, to fulfill any existing or future direct debt service requirements of such subsidiaries.

The New Notes are obligations of AT&T Inc. exclusively and not of any of our subsidiaries, including the Subsidiary Issuers and the subsidiaries of any Subsidiary Issuer that guarantee the series of Old Notes issued by such Subsidiary Issuer. The New Notes are not guaranteed by any of our subsidiaries. Our subsidiaries are separate legal entities that have no obligation to pay any amounts due under the New Notes or to make any funds available therefor, whether by dividends, loans or other payments. Except to the extent we are a creditor with recognized claims against our subsidiaries, all claims of third-party creditors (including trade creditors and holders of any Old Notes issued by our subsidiaries not exchanged) and holders of preferred stock, if any, of our subsidiaries will have priority with respect to the assets of such subsidiaries over the claims of our creditors, including holders of the New Notes. Consequently, the New Notes will be structurally subordinated to all existing and future liabilities of any of our subsidiaries and any subsidiaries that we may in the future acquire or establish.

***The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market prices of the New Notes.***

The trading prices of the New Notes will be directly affected by the prevailing interest rates being paid by companies similar to us, and the overall condition of the financial and credit markets. It is impossible to predict the prevailing interest rates or the condition of the financial and credit markets. The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future.

#### **Risks Relating to Participation in the Exchange Offers**

***Our board of directors has not made a recommendation as to whether you should tender your Old Notes in exchange for New Notes in the Exchange Offers, and we have not obtained a third-party determination that the Exchange Offers are fair to holders of our Old Notes.***

Our board of directors has not made, and will not make, any recommendation as to whether holders of Old Notes should tender their Old Notes in exchange for New Notes pursuant to the Exchange Offers. We have not retained, and do not intend to retain, any unaffiliated representative to act solely on behalf of the holders of the Old Notes for purposes of negotiating the terms of these Exchange Offers, or preparing a report or making any recommendation concerning the fairness of these Exchange Offers. Therefore, if you tender your Old Notes, you may not receive more than or as much value as if you chose to keep them. Eligible Holders of Old Notes must make their own independent decisions regarding their participation in the Exchange Offers.

***Upon consummation of the Exchange Offers, holders who exchange Old Notes will lose their rights under such Old Notes.***

If you tender Old Notes and your Old Notes are accepted for exchange pursuant to the Exchange Offers, you will lose all of your rights as a holder of the exchanged Old Notes, including, without limitation, your right to future interest and principal payments with respect to the exchanged Old Notes. Among other things, the indentures under which the Old Notes were issued contain certain covenants for the benefit of the holders of the Old Notes, and no similar covenants will be provided with respect to the New Notes. In addition, certain of the Old Notes are issued by subsidiaries of ours and, as such, are structurally senior to the New Notes. See "Risk Factors—Risks Relating to the New Notes." We are a holding company that conducts all of our business through our subsidiaries. Holders of the New Notes will be structurally subordinated to our subsidiaries' third-party indebtedness and obligations, including any Old Notes issued by our subsidiaries that are not exchanged.

***Eligible Holders that exchange their Old Notes for New Notes in the Exchange Offers ultimately may find that we would have been able to repay such Old Notes when they otherwise would have matured but are unable to repay or refinance the New Notes when they mature.***

If you tender your Old Notes and such Old Notes are accepted for exchange, you will receive New Notes, which are not puttable and which have a later maturity than such Old Notes that you presently own. It is possible that holders of such Old Notes who participate in the Exchange Offers will be adversely affected by the extension of maturity. Following the maturity dates or, if applicable, the par call dates, of such Old Notes, but prior to the maturity date of the New Notes, we may become subject to a bankruptcy or similar proceeding or we may otherwise be in a position in which we are unable to repay or refinance the New Notes when they mature. If so, holders of such Old Notes who opted not to participate in the Exchange Offers may have been paid in full, and there is a risk that the holders of the New Notes will not be paid in full. If you decide to tender such Old Notes, you will be exposed to the risk of nonpayment for a longer period of time.

***The liquidity of any trading market that currently exists for the Old Notes may be adversely affected by the Exchange Offers, and holders of Old Notes who fail to participate in the Exchange Offers may find it more difficult to sell their Old Notes after the Exchange Offers are completed.***

To the extent that Old Notes of any series are tendered and accepted for exchange pursuant to the Exchange Offers, the trading markets for the remaining Old Notes of such series will become more limited or may cease to exist altogether. A debt security with a small outstanding aggregate principal amount or “float” may command a lower price than would a comparable debt security with a larger float. Therefore, the market price for the unexchanged Old Notes of the applicable series may be adversely affected. The reduced float may also make the trading prices of the remaining Old Notes of the applicable series more volatile.

We do not intend to have the New Notes listed on any securities exchange or market.

***Certain credit ratings for the Old Notes may be withdrawn following the exchange offers.***

Certain credit ratings on the unexchanged Old Notes may be withdrawn after the completion of the exchange offers, which could materially adversely affect the market price and liquidity for each series of unexchanged Old Notes.

***The Exchange Offers may be cancelled or delayed.***

The consummation of the Exchange Offers is subject to, and conditional upon, the satisfaction or waiver of the conditions discussed under “Description of the Exchange Offers—Conditions to the Exchange Offers.” We may, at our option and in our sole discretion, waive any such conditions. Even if the Exchange Offers are completed, the Exchange Offers may not be completed on the schedule described in this offering memorandum. Accordingly, holders participating in the Exchange Offers may have to wait longer than expected to receive their New Notes and Cash Payments during which time those holders of the Old Notes will not be able to effect transfers of their Old Notes tendered for exchange.

***Your tender of Old Notes for exchange may not be accepted if the applicable procedures for the Exchange Offers are not followed.***

We will issue the New Notes and make the Cash Payments in exchange for your Old Notes only if you tender your Old Notes and deliver properly completed documentation for the applicable Exchange Offer and if your Old Notes are accepted for exchange pursuant to the Exchange Offers. For each Exchange Offer, you must deliver a properly completed and duly executed letter of transmittal (with respect to the Certificated Notes) or an electronic transmittal through DTC’s ATOP (with respect to Old Notes other than Certificated Notes) and, as applicable in each case, other required documents before expiration of the Exchange Offers. See “Description of the Exchange Offers—Procedures for Tendering Old Notes” for a description of the procedures to be followed to tender your Old Notes.

You should allow sufficient time to ensure delivery of the necessary documents. None of us, the Dealer Managers, the Information Agent, the Exchange Agent or any other person is under any duty to give notification of defects or irregularities with respect to the tenders of the Old Notes for exchange.

***If you tender your Old Notes after the Early Participation Date, and your Old Notes are accepted for exchange, you will only receive the Exchange Consideration.***



Eligible Holders who validly tender their Old Notes after the Early Participation Date and whose Old Notes are accepted for exchange will only receive the Exchange Consideration.

Eligible Holders who receive New Notes in exchange for Old Notes on the Final Settlement Date will receive New Notes that will, if the Early Settlement Date has occurred, have an embedded entitlement to pre-issuance interest for the period from, and including, the Early Settlement Date to, but not including, the Final Settlement Date. As a result, the cash payable for accrued and unpaid interest on the Old Notes exchanged on the Final Settlement Date will be reduced by the amount of pre-issuance interest on the New Notes exchanged therefor.

***Failure to complete either of the Exchange Offers successfully could negatively affect the prices of the applicable Old Notes.***

Several conditions must be satisfied or waived in order to complete each of the Exchange Offers, including that (i) there shall not have occurred or be reasonably likely to occur any material adverse change to our business, operations, properties, condition, assets, liabilities, prospects or financial affairs, (ii) at the Pricing Time, the combination of the yield of the New Notes and the Total Consideration or Exchange Consideration, as applicable, for the applicable series of Old Notes would, in our reasonable judgment, result in the New Notes and such Old Notes not being treated as “substantially different” under ASC 470-50 and (iii) with respect to any Old Notes validly tendered pursuant to either Exchange Offer that will be exchanged on the Final Settlement Date, we determine that the New Notes to be issued on the Final Settlement Date in such Exchange Offer will be treated as part of the same issue as the New Notes, if any, issued on the Early Settlement Date for U.S. federal income tax purposes pursuant to specified tests (see “Certain U.S. Federal Income Tax Consequences—Tax Consequences to Exchanging U.S. Holders—Holders that Exchange Old Notes on the Final Settlement Date”). In addition, if less than \$1,000,000,000 of New 2057 Notes would be issued, then all Pool 1 Note tenders will be cancelled and no New 2057 Notes will be created; and if less than \$1,000,000,000 of New 2033 Notes would be issued, then all Pool 2 Note tenders will be cancelled and no New 2033 Notes will be created. The conditions to either of the Exchange Offers may not be satisfied, and if not satisfied or waived, to the extent that the conditions may be waived, such Exchange Offer may not occur or may be delayed. If an Exchange Offer is not completed or is delayed, the respective market prices of any or all of the series of Old Notes subject to such Exchange Offer may decline to the extent that the respective current market prices reflect an assumption that such Exchange Offer has been or will be completed.

***During the pendency of the Exchange Offers, it is likely that the market prices of the Old Notes will be volatile.***

Eligible Holders of Old Notes may terminate all or a portion of any hedging arrangements they have entered into in respect of their Old Notes, which may lead to increased purchase activity by or on behalf of such holders during the Exchange Offers. In addition, holders wishing to exchange their Old Notes in the Exchange Offers may seek to establish hedging positions with respect to the New Notes, which may lead to increased selling activity by or on behalf of such holders during the Exchange Offers. Such purchase or selling activity may lead to unusually high trading volumes and volatile pricing during the period of the Exchange Offers.

***We may in the future repurchase any Old Notes that are not tendered in the Exchange Offers on terms that are more favorable to the holders of the Old Notes than the terms of the Exchange Offers.***

We or our affiliates may, to the extent permitted by applicable law, after the Expiration Date of the Exchange Offers, acquire Old Notes that are not tendered and accepted in the Exchange Offers through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemption or otherwise, upon such terms and at such prices as we may determine, which with respect to the Old Notes may be more or less favorable to holders than the terms of the Exchange Offers. There can be no assurance as to which, if any, of these alternatives or combinations thereof we or our affiliates may choose to pursue in the future.

***U.S. holders may recognize gain on the exchange of Old Notes for New Notes.***

Although the matter is not free from doubt, we believe that the exchange of the Old Notes for the New Notes pursuant to the exchange offers will be treated as a disposition of such Old Notes in exchange for New Notes for U.S. federal income tax purposes. In the case of Old Notes that are issued by AT&T, a U.S. Holder (as defined in “Certain U.S. Federal Income Tax Considerations—Tax Consequences to Exchanging U.S. Holders”) may recognize gain (but not loss) for tax purposes upon the exchange of Old Notes for New Notes under special rules applicable to recapitalization transactions. In the case of Old Notes that are not issued by AT&T, a U.S. Holder will generally recognize gain or loss for tax purposes upon the exchange of Old Notes for New Notes.

### **USE OF PROCEEDS**

We will not receive any proceeds from the exchanges of the New Notes for the Old Notes pursuant to the Exchange Offers. In exchange for issuing New Notes and paying the Cash Payment, we will receive the tendered Old Notes.

## DESCRIPTION OF THE EXCHANGE OFFERS

### Terms of the Exchange Offers

Upon the terms and subject to the conditions set forth in this offering memorandum, we are offering in two separate exchange offers to Eligible Holders to exchange applicable New Notes and the Cash Payment, in the manner and the amounts described herein, for (i) the Pool 1 Notes, issued by AT&T, with the maximum aggregate principal amount of the Pool 1 Notes that we can accept in the Pool 1 Offer being an amount of Pool 1 Notes that results in the issuance of New 2057 Notes in an amount not exceeding the 2057 Notes Cap, and (ii) the Pool 2 Notes, issued by AT&T and the Subsidiary Issuers, as applicable, with the maximum aggregate principal amount of the Pool 2 Notes that we can accept in the Pool 2 Offer being an amount of Pool 2 Notes that results in the issuance of New 2033 Notes in an amount not exceeding the 2033 Notes Cap.

The maximum aggregate principal amount of New 2057 Notes that will be issued is \$3,000,000,000 (the “2057 Notes Cap”) and the maximum aggregate principal amount of New 2033 Notes that will be issued is \$2,500,000,000 (the “2033 Notes Cap”). We also intend to pay in cash accrued and unpaid interest on the Old Notes accepted for exchange from the last applicable interest payment date to, but excluding, the date on which the exchange of Old Notes accepted for exchange is settled (such date is referred to herein as a “Settlement Date”), less the amount of any pre-issuance interest on the New Notes exchanged therefor, and amounts due in lieu of fractional amounts of New Notes. If less than \$1,000,000,000 of New 2057 Notes would be issued, then all Pool 1 Note tenders will be cancelled and no New 2057 Notes will be created. If less than \$1,000,000,000 of New 2033 Notes would be issued, then all Pool 2 Note tenders will be cancelled and no New 2033 Notes will be created.

We reserve the right, but are not obligated, to increase (or upsize) the 2057 Notes Cap (the “Upsized 2057 Notes Cap”) and/or the 2033 Notes Cap (the “Upsized 2033 Notes Cap”) in our sole discretion without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights.

The following table sets forth, for each series of Old Notes, the security description for and issuer of such series of Old Notes, the CUSIP number(s), the aggregate principal amount outstanding for that series of Old Notes and the minimum denominations for tenders of each series of Old Notes. Old Notes of a given series may be tendered and accepted for payment only in principal amounts equal to the authorized denominations of such series, as set forth in the following table. Eligible Holders who tender less than all of their Old Notes must continue to hold Old Notes in at least the Minimum Authorized Denomination illustrated below:

<u>Title of Security</u>	<u>Issuer</u>	<u>CUSIP Number(s)</u>	<u>Principal Amount Outstanding (\$MM)<sup>(1)</sup></u>	<u>Minimum Authorized Denominations for Tender of Old Notes</u>
<b>Pool 1 Notes</b>				
4.800% Global Notes due 2044	AT&T Inc.	00206RCG5	\$1,749.9	\$2,000 and integral multiples of \$1,000 in excess thereof
4.500% Global Notes due 2048	AT&T Inc.	00206RDL3 / 00206RDJ8	\$4,176.4	\$2,000 and integral multiples of \$1,000 in excess thereof
4.35% Global Notes due 2045	AT&T Inc.	00206RBK7 / U04644AE7	\$1,896.1	\$1,000 and integral multiples of \$1,000 in excess thereof
4.30% Global Notes due 2042	AT&T Inc.	00206RBH4 / 00206RBG6	\$1,956.1	\$1,000 and integral multiples of \$1,000 in excess thereof
<b>Pool 2 Notes</b>				
7 1/8% Debentures due March 15, 2026	Pacific Bell Telephone Company <sup>(2)(3)</sup>	694032AT0	\$223.0	\$1,000 and integral multiples of \$1,000 in excess thereof
4.125% Global Notes due 2026	AT&T Inc.	00206RCT7	\$2,650.0	\$2,000 and integral multiples of \$1,000 in excess thereof
3.875% Global Notes due 2026	AT&T Inc.	00206RHT2	\$541.1	\$1,000 and integral multiples of \$1,000 in excess thereof
2.950% Global Notes due 2026	AT&T Inc.	00206RHV7	\$707.3	\$1,000 and integral multiples of

				\$1,000 in excess thereof
6.55% Debentures due January 15, 2028	Ameritech Capital Funding Corporation <sup>(4)</sup>	030955AN8	\$100.2	\$1,000 and integral multiples of \$1,000 in excess thereof
6 3/8% Debentures, due June 1, 2028	BellSouth Telecommunications, LLC <sup>(5)</sup>	079867AW7	\$197.2	\$1,000 and integral multiples of \$1,000 in excess thereof
4.100% Global Notes due 2028	AT&T Inc.	00206RGL0 / 00206RER9 / U04644BB2	\$2,449.0	\$2,000 and integral multiples of \$1,000 in excess thereof
4.250% Global Notes due 2027	AT&T Inc.	00206RDQ2	\$2,000.0	\$2,000 and integral multiples of \$1,000 in excess thereof
3.800% Global Notes due 2027	AT&T Inc.	00206RHW5	\$1,329.2	\$1,000 and integral multiples of \$1,000 in excess thereof

(1) Rounded to the nearest tenth of a million.

(2) Pacific Bell Telephone Company was formerly known as Pacific Bell.

(3) The 7 1/8% Debentures due March 15, 2026 are unconditionally and irrevocably guaranteed by AT&T.

(4) The 6.55% Debentures due January 15, 2028 are unconditionally and irrevocably guaranteed by AT&T, with the full amount payable by AT&T so long as all of the outstanding shares of stock of this subsidiary are owned, directly or indirectly, by AT&T. In the event AT&T sells, transfers or otherwise disposes of any percentage of its stock ownership and this subsidiary is no longer wholly-owned, then the guarantee will expire immediately and AT&T will be released immediately from any and all of its obligations.

(5) BellSouth Telecommunications, LLC converted from BellSouth Telecommunications, Inc.

Eligible Holders of Old Notes accepted for exchange in each Exchange Offer will be eligible to receive the Total Consideration as determined and as described under “—Total Consideration; Exchange Consideration” below for Old Notes validly tendered at or before the Early Participation Date and not validly withdrawn. The Total Consideration includes the Early Participation Payment. For Old Notes validly tendered after the Early Participation Date and at or before the Expiration Date, the Eligible Holders of Old Notes accepted for exchange will be eligible to receive the applicable Exchange Consideration as described under “—Total Consideration; Exchange Consideration” below. Each series of the New Notes will only be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. Any fractional portions of New Notes not received by Eligible Holders will be paid in cash on the applicable Settlement Date. Tendering holders of Old Notes must tender Old Notes in an amount equal to the minimum denominations of such Old Notes tendered, as set forth in the table above. Any tender of Old Notes that would result in the issuance of New Notes to a holder below the minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof of New Notes will be rejected by us, and such Old Notes will be returned to the holder. In addition, Eligible Holders whose Old Notes are accepted for exchange pursuant to the Exchange Offers will receive a cash payment representing accrued and unpaid interest on their accepted Old Notes from the latest interest payment date in respect of the Old Notes to, but not including, the applicable Settlement Date, less the amount of any pre-issuance interest on the New Notes exchanged therefor.

Each of the Exchange Offers is conditioned upon certain conditions, as described under “—Conditions to the Exchange Offers,” and we expressly reserve the right, subject to applicable law, to terminate any of the Exchange Offers at any time prior to the Expiration Date. Neither of the Exchange Offers is conditioned upon the other Exchange Offer, and we may terminate either Exchange Offer without terminating the other Exchange Offer. Our obligation to accept for exchange, and to exchange, any Old Notes validly tendered and not validly withdrawn pursuant to the Exchange Offers is subject to the condition that, (i) if less than \$1,000,000,000 of New 2057 Notes would be issued, then all Pool 1 Note tenders will be cancelled and no New 2057 Notes will be created, (ii) if less than \$1,000,000,000 of New 2033 Notes would be issued, then all Pool 2 Note tenders will be cancelled and no New 2033 Notes will be created, (iii) at the Pricing Time, the combination of the yield of the New Notes and the Total Consideration or Exchange Consideration, as applicable, for the applicable series of Old Notes would, in our reasonable judgment, result in the New Notes and such Old Notes not being treated as “substantially different” under ASC 470-50 and (iv) with respect to any Old Notes validly tendered pursuant to either Exchange Offer that will be exchanged on the Final Settlement Date, we determine that the New Notes to be issued on the Final Settlement Date in such Exchange Offer will be treated as part of the same issue as the New Notes, if any, issued on the Early Settlement Date for U.S. federal income tax purposes pursuant to specified tests (see “Certain U.S. Federal Income Tax Consequences—Tax Consequences to Exchanging U.S. Holders—Holders that Exchange Old Notes on the Final Settlement Date”).

### **Total Consideration; Exchange Consideration**

Eligible Holders who validly tender and do not validly withdraw their Old Notes at or prior to the Early Participation Date, and whose Old Notes are accepted by us pursuant to the terms of the Exchange Offers, will receive consideration in the Exchange Offers equal to the Total Consideration. The “Total Consideration” for each Exchange Offer for each \$1,000 principal amount of each series of Old Notes validly tendered pursuant to the applicable Exchange Offer at or prior to the Early Participation Date and accepted for purchase by us (subject to proration, if any) will be equal to an amount (calculated in accordance with the formula set forth in Annex A to this offering memorandum), that would reflect a yield to maturity date or, if applicable, the par call date of such series of Old Notes (excluding accrued and unpaid interest to, but not including the applicable Settlement Date) equal to the sum of (i) the bid-side yield on the applicable Reference UST Security for such series of Old Notes, plus (ii) the Fixed Spread for such series of Old Notes as set forth in the tables on the cover pages of this offering memorandum. The Total Consideration will be rounded to the nearest cent per \$1,000 principal amount of Old Notes.

The “Exchange Consideration” for each \$1,000 principal amount of each series of Old Notes validly tendered pursuant to either Exchange Offer after the Early Participation Date and at or prior to the Expiration Date and accepted for purchase by us (subject to proration) will consist of the Total Consideration for that series of Old Notes *less* the Early Participation Payment.

The tables set forth on the cover pages of this offering memorandum describe, for each series of Old Notes, the CUSIP number(s), outstanding principal amount, Fixed Spread, the Reference UST Security and the Acceptance Priority Level.

Eligible Holders must validly tender and not validly withdraw their Old Notes at or prior to the Early Participation Date in order to be eligible to receive the Total Consideration, which includes the Early Participation Payment. Eligible Holders validly tendering their Old Notes after the Early Participation Date and at or prior to the Expiration Date will be eligible to receive only the Exchange Consideration and will not be eligible to receive the Early Participation Payment.

If you validly tender Old Notes at or prior to the Early Participation Date, and do not validly withdraw, you will receive for each \$1,000 principal amount of outstanding Old Notes tendered and accepted Total Consideration consisting of:

- A cash amount equal to the applicable Cash Payment; plus
- A principal amount of New Notes (as set forth in the tables on the cover page of this offering memorandum) determined by multiplying such \$1,000 principal amount of Old Notes tendered by the applicable Exchange Ratio.

If you validly tender Old Notes after the Early Participation Date, but at or prior to the Expiration Date, you will receive for each \$1,000 principal amount of outstanding Old Notes tendered and accepted Exchange Consideration consisting of:

- A cash amount equal to the applicable Cash Payment; plus
- A principal amount of New Notes (as set forth in the tables on the cover page of this offering memorandum) determined by multiplying such \$1,000 principal amount of Old Notes tendered by the applicable Exchange Ratio, less the Early Participation Payment.

In addition, holders whose Old Notes are accepted for exchange will receive a cash payment representing accrued and unpaid interest on such Old Notes to, but not including, the applicable Settlement Date and amounts due in lieu of fractional amounts of New Notes. Eligible Holders who receive New Notes in exchange for Old Notes on the Final Settlement Date will receive New Notes that will, if the Early Settlement Date has occurred, have an embedded entitlement to pre-issuance interest for the period from, and including, the Early Settlement Date to, but not including, the Final Settlement Date. As a result, the cash payable for accrued and unpaid interest on the Old Notes exchanged on the Final Settlement Date will be reduced by the amount of pre-issuance interest on the New Notes exchanged therefor.

Our obligation to pay the Total Consideration or the Exchange Consideration, as applicable, plus any accrued and unpaid interest, is conditioned, among other things, on the satisfaction or waiver of certain conditions set forth in the section titled “—Conditions to the Exchange Offers” in this offering memorandum. We reserve the right, in

our sole and absolute discretion, to waive or modify any one or more of the conditions to the Pool 1 Offer and/or the Pool 2 Offer in whole or in part at any time at or prior to the date that any notes in such offer are first accepted for purchase or to increase the 2057 Notes Cap and/or the 2033 Notes Cap without extending the Withdrawal Deadline or otherwise reinstating withdrawal rights. Neither of the Exchange Offers is conditioned upon the other Exchange Offer, and we may terminate either Exchange Offer without terminating the other Exchange Offer.

We will announce any increase in the 2057 Notes Cap or the 2033 Notes Cap by a press release during the Pool 1 Offer or the Pool 2 Offer, as applicable. If the 2057 Notes Cap or the 2033 Notes Cap is increased and there are fewer than ten business days until the scheduled Expiration Date, we will extend the Pool 1 Offer or the Pool 2 Offer, as applicable, so that at least ten business days remain until the Expiration Date if required by applicable rules and regulations of the SEC. In the event of such extension, we do not currently intend to extend the Withdrawal Deadline or the Early Participation Date.

Payment of the Total Consideration or the Exchange Consideration, as applicable, and an amount equal to any accrued and unpaid interest for Old Notes exchanged pursuant to the Exchange Offers will be made on the applicable Settlement Date. See “—Acceptance of Old Notes for Exchange; Delivery of Exchange Offer Consideration.”

The term “Early Participation Date” means 5:00 p.m., New York City time, on December 1, 2020, subject to our right to extend that time and date in our sole and absolute discretion, in which case the Early Participation Date means the latest time and date to which the ability to obtain the Early Participation Payment with respect to tenders of Old Notes in the Pool 1 Offer or the Pool 2 Offer, as applicable, is extended.

The term “Withdrawal Deadline” means 5:00 p.m., New York City time, on December 1, 2020, subject to our right to extend that time and date in our sole and absolute discretion, in which case the Withdrawal Deadline means the latest time and date to which a holder’s right to withdraw its tender in the Pool 1 Offer or the Pool 2 Offer, as applicable, is extended. The Withdrawal Deadline for each Exchange Offer initially coincides with the Early Participation Date.

The term “Expiration Date” means 11:59 p.m., New York City time, on December 15, 2020, subject to our right to extend that time and date in our sole and absolute discretion, in which case the Expiration Date means the latest time and date to which the Pool 1 Offer or the Pool 2 Offer, as applicable, is extended.

Assuming that we have not previously elected to terminate any of the Exchange Offers, Old Notes validly tendered in accordance with the procedures set forth in this offering memorandum at or prior to 11:59 p.m., New York City time, on the Expiration Date (or, if we choose to exercise our option to have an Early Settlement Date, at or prior to the Early Participation Date), will, upon the terms and subject to the conditions of such Exchange Offer (including the proration provisions), be accepted for exchange and payment by us of the Total Consideration and the Exchange Consideration, and payments will be made therefor on the applicable Settlement Date, which will be promptly after the Expiration Date (or, if we choose to exercise our option to have an Early Settlement Date, promptly after the Early Participation Date).

This offering memorandum is being sent to all Eligible Holders of Old Notes who confirm their eligibility pursuant to the procedures described in “—Procedures for Tendering Old Notes.” There will be no fixed record date for determining Eligible Holders of Old Notes entitled to participate in the Exchange Offers.

Any Old Notes that are accepted for exchange in the Exchange Offers will be cancelled and retired. Any Old Notes tendered but not accepted due to proration or because they were not validly tendered or were validly withdrawn shall be returned to holders and shall remain outstanding upon completion of the Exchange Offers. These Old Notes that are not exchanged in the Exchange Offers will remain outstanding and continue to accrue interest and will be entitled to the rights and benefits their holders have under the applicable governing indenture.

We shall be deemed to have accepted for exchange Old Notes validly tendered and not validly withdrawn when we have given oral or written notice of the acceptance to the Exchange Agent. The Exchange Agent will act as agent for the holders of Old Notes who tender their Old Notes in the Exchange Offers for the purposes of receiving the Exchange Offer consideration from us and delivering the Exchange Offer consideration to the exchanging holders. We expressly reserve the right to amend or terminate the Exchange Offers, and not to accept for exchange any Old Notes not previously accepted for exchange, upon the occurrence of any of the conditions specified below under “—Conditions to the Exchange Offers.”

We will notify Eligible Holders of Old Notes by press release or other public announcement of the actual exchange offer yield, the Total Consideration, the Cash Payment and the Exchange Ratio for each series of the Old Notes, and the actual interest rate, price and yield for the New Notes promptly after they are determined by the Joint-Lead Dealer Managers.

You can obtain recently calculated hypothetical quotes of the yield for the applicable Reference UST Security, the hypothetical exchange offer yield and the Total Consideration for Old Notes prior to the Pricing Time, and can obtain the actual yield for the applicable Reference UST Security, exchange offer yield and the Total Consideration for Old Notes after the Pricing Time, by contacting Credit Suisse Securities (USA) LLC at (800) 820-1653 and Deutsche Bank Securities Inc. at (866) 627-0391.

### **Form of Consideration**

Subject to the limitations described in this offering memorandum, in each Exchange Offer, we will exchange for each \$1,000 principal amount of Old Notes tendered and accepted by us, a cash amount equal to the applicable Cash Payment, plus a principal amount of New Notes (the series of which will be dependent upon the pool of Old Notes being exchanged). The New Notes to be issued in the Pool 1 Offer will be the New 2057 Notes and the New Notes to be issued in the Pool 2 Offer will be the New 2033 Notes.

If you validly tender Old Notes at or prior to the Early Participation Date, and do not validly withdraw, you will receive for each \$1,000 principal amount of outstanding Old Notes tendered and accepted in such Exchange Offer, (i) a cash amount equal to the applicable Cash Payment and (ii) a principal amount of New Notes (as set forth in the table on the cover pages of this offering memorandum) determined by multiplying such \$1,000 principal amount of Old Notes tendered by the applicable Exchange Ratio.

If you validly tender Old Notes after the Early Participation Date, but at or prior to the Expiration Date, you will receive for each \$1,000 principal amount of Old Notes tendered and accepted in such Exchange Offer, (i) a cash amount equal to the applicable Cash Payment and (ii) a principal amount of New Notes (as set forth in the tables on the cover pages of this offering memorandum) determined by multiplying such \$1,000 principal amount of Old Notes tendered by the applicable Exchange Ratio, less the Early Participation Payment.

We will also pay in cash accrued and unpaid interest on the Old Notes accepted for exchange from the last applicable interest payment date to, but excluding, the applicable Settlement Date, less the amount of any pre-issuance interest on the New Notes exchanged therefor and amounts due in lieu of fractional amounts of New Notes.

Subject to the satisfaction or waiver of all conditions to the Exchange Offers, Old Notes that are validly tendered and not validly withdrawn will be accepted for exchange in accordance with the terms of the Exchange Offers, including the acceptance priority for such Exchange Offers described herein.

### **New Issue Price**

The New Notes will bear interest at a rate per annum to be determined at the Pricing Time, rounded down to the nearest 0.05%, such that the New Issue Price for the New Notes will be at or below, but as close as possible to, par. The New Issue Price for each series of the New Notes will equal the discounted value of the payments of principal and interest on \$1,000 principal amount of such New Notes through their maturity date using a yield equal to the sum of (a) the bid-side yield on the 1.375% U.S. Treasury Notes due August 15, 2050 for the New 2057 Notes or 0.875% U.S. Treasury Notes due November 15, 2030 for the New 2033 Notes (as applicable, the “Benchmark Security”), as calculated by the Joint-Lead Dealer Managers in accordance with standard market practice, as of the Pricing Time as displayed on the Bloomberg Government Pricing Monitor Page PX1 (the “New Notes Quotation Report”) (or any recognized quotation source selected by the Joint-Lead Dealer Managers in their sole discretion if the New Notes Quotation Report is not available or is manifestly erroneous), plus (b) 2.10% for the New 2057 Notes and 1.60% for the New 2033 Notes.

The New Issue Price for the New 2057 Notes and the New 2033 Notes will be rounded to the nearest cent per \$1,000 principal amount of such New 2057 Notes, and New 2033 Notes, respectively. Interest on the New 2057 Notes and the New 2033 Notes will accrue from the first Settlement Date and will be payable semi-annually, in arrears on June 1 and December 1 of each year, commencing on June 1, 2021.

### Maximum Issuance Amount; Proration; Acceptance Priority Levels

We may increase (or upsize) the 2057 Notes Cap (the “Upsized 2057 Notes Cap”) and/or the 2033 Notes Cap (the “Upsized 2033 Notes Cap”) in our sole discretion. In the event of an Upsized 2057 Notes Cap or an Upsized 2033 Notes Cap after the Withdrawal Deadline, we are not required to reinstate withdrawal rights nor must we extend the Expiration Date. Please see “—Expiration Date; Extension; Termination; Amendment” below for more information.

#### *Acceptance Priority Levels of the Pool 1 Offer*

The aggregate principal amount of Pool 1 Notes that are accepted for exchange in the Pool 1 Offer will be based on the order of acceptance priority for such series as follows:

- (1) first, the maximum aggregate principal amount of 4.800% Global Notes due 2044 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 4.800% Global Notes due 2044 in a principal amount other than \$2,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- (2) second, the maximum aggregate principal amount of 4.500% Global Notes due 2048 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 4.500% Global Notes due 2048 in a principal amount other than \$2,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- (3) third, the maximum aggregate principal amount of 4.35% Global Notes due 2045 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 4.35% Global Notes due 2045 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis; and
- (4) fourth, the maximum aggregate principal amount of 4.30% Global Notes due 2042 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 4.30% Global Notes due 2042 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;

such that the aggregate principal amount of Pool 1 Notes accepted in the Pool 1 Offer is an amount of Pool 1 Notes that results in the issuance of New 2057 Notes in an amount not exceeding the 2057 Notes Cap, subject to our right, in our sole discretion, to upsize the 2057 Notes Cap. For the avoidance of doubt, in the event we are unable to accept all of the Pool 1 Notes of a particular series because doing so would result in acceptance of Pool 1 Notes in an amount that would result in the issuance of New 2057 Notes in an aggregate principal amount above the 2057 Notes Cap, we will pro rate our acceptance of such series and accept only an amount of such series of Pool 1 Notes that would result in the issuance of New 2057 Notes in the aggregate principal amount of the 2057 Notes Cap, and we will return all excess Pool 1 Notes of such series and all Pool 1 Notes of any series having a lower acceptance priority level.

If acceptance of all validly tendered Pool 1 Notes of a particular series (together with all validly tendered Pool 1 Notes with a greater acceptance priority to such series) would cause us to issue a principal amount of New 2057 Notes greater than the 2057 Notes Cap, then the Pool 1 Offer will be oversubscribed and if we accept any of such series of Pool 1 Notes in the Pool 1 Offer, we will accept for purchase tendered Pool 1 Notes of such series on a prorated basis, with the aggregate principal amount of each holder’s validly tendered Pool 1 Notes of such series accepted for purchase determined by multiplying each holder’s tender by the applicable proration factor, and rounding the product down to the nearest \$1,000 principal amount for such series. In that event, no Pool 1 Notes of any series with an acceptance priority level lower than the prorated series of Pool 1 Notes will be accepted for purchase. Depending on the amount tendered and the proration factor applied, if the principal amount of Old Notes returned to a holder as a result of proration would result in less than the minimum denomination being returned to such holder, we will either accept or reject all of such holder’s validly tendered Old Notes.

As of November 17, 2020, the aggregate principal amounts of Pool 1 Notes outstanding are set forth in the following table:

<u>Title of Security</u>	<u>Principal Amount Outstanding (\$MM)<sup>(1)</sup></u>	<u>Acceptance Priority Level</u>
4.800% Global Notes due 2044	\$1,749.9	1
4.500% Global Notes due 2048	\$4,176.4	2



4.35% Global Notes due 2045	\$1,896.1	3
4.30% Global Notes due 2042	\$1,956.1	4

(1) Rounded to the nearest tenth of a million.

*Acceptance Priority Levels of the Pool 2 Offer*

The aggregate principal amount of Pool 2 Notes that are accepted for exchange in the Pool 2 Offer will be based on the order of acceptance priority for such series as follows:

- (1) first, the maximum aggregate principal amount of 7 1/8% Debentures due March 15, 2026 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 7 1/8% Debentures due March 15, 2026 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- (2) second, the maximum aggregate principal amount of 4.125% Global Notes due 2026 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 4.125% Global Notes due 2026 in a principal amount other than \$2,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- (3) third, the maximum aggregate principal amount of 3.875% Global Notes due 2026 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 3.875% Global Notes due 2026 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- (4) fourth, the maximum aggregate principal amount of 2.950% Global Notes due 2026 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 2.950% Global Notes due 2026 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- (5) fifth, the maximum aggregate principal amount of 6.55% Debentures due January 15, 2028 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 6.55% Debentures due January 15, 2028 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- (6) sixth, the maximum aggregate principal amount of 6 3/8% Debentures, due June 1, 2028 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 6 3/8% Debentures, due June 1, 2028 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- (7) seventh, the maximum aggregate principal amount of 4.100% Global Notes due 2028 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 4.100% Global Notes due 2028 in a principal amount other than \$2,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;
- (8) eighth, the maximum aggregate principal amount of 4.250% Global Notes due 2027 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 4.250% Global Notes due 2027 in a principal amount other than \$2,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis; and
- (9) ninth, the maximum aggregate principal amount of 3.800% Global Notes due 2027 validly tendered and not validly withdrawn (with adjustments downward to avoid the exchange of 3.800% Global Notes due 2027 in a principal amount other than \$1,000 and integral multiples of \$1,000 in excess thereof) on a pro rata basis;

such that the aggregate principal amount of Pool 2 Notes accepted in the Pool 2 Offer is an amount of Pool 2 Notes that results in the issuance of New 2033 Notes in an amount not exceeding the 2033 Notes Cap, subject to our right, in our sole discretion, to upsize the 2033 Notes Cap. For the avoidance of doubt, in the event we are unable to accept all of the Pool 2 Notes of a particular series because doing so would result in acceptance of Pool 2 Notes in an amount that would result in the issuance of New 2033 Notes in an aggregate principal amount above the 2033 Notes Cap, we will pro rate our acceptance of such series and accept only an amount of such series of Pool 2 Notes that would result in the issuance of New 2033 Notes in the aggregate principal amount of the 2033 Notes Cap, and we will return all excess Pool 2 Notes of such series and all Pool 2 Notes of any series having a lower acceptance priority level.

If acceptance of all validly tendered Pool 2 Notes of a particular series (together with all validly tendered Pool 2 Notes with a greater acceptance priority to such series) would cause us to issue a principal amount of New 2033 Notes greater than the 2033 Notes Cap, then the Pool 2 Offer will be oversubscribed and if we accept any of such series of Pool 2 Notes in the Pool 2 Offer, we will accept for purchase tendered Pool 2 Notes of such series on a prorated basis, with the aggregate principal amount of each holder's validly tendered Pool 2 Notes of such series accepted for purchase determined by multiplying each holder's tender by the applicable proration factor, and rounding the product down to the nearest \$1,000 principal amount for such series. In that event, no Pool 2 Notes of any series with an acceptance priority level lower than the prorated series of Pool 2 Notes will be accepted for purchase. Depending on the amount tendered and the proration factor applied, if the principal amount of Old Notes returned to a holder as a result of proration would result in less than the minimum denomination being returned to such holder we will either accept or reject all of such holder's validly tendered Old Notes.

As of November 17, 2020, the aggregate principal amounts of Pool 2 Notes outstanding are set forth in the following table:

<u>Title of Security</u>	<u>Principal Amount Outstanding (\$MM)<sup>(1)</sup></u>	<u>Acceptance Priority Level</u>
7 1/8% Debentures due March 15, 2026	\$223.0	1
4.125% Global Notes due 2026	\$2,650.0	2
3.875% Global Notes due 2026	\$541.1	3
2.950% Global Notes due 2026	\$707.3	4
6.55% Debentures due January 15, 2028	\$100.2	5
6 3/8% Debentures, due June 1, 2028	\$197.2	6
4.100% Global Notes due 2028	\$2,449.0	7
4.250% Global Notes due 2027	\$2,000.0	8
3.800% Global Notes due 2027	\$1,329.2	9

(1) Rounded to the nearest tenth of a million.

### **Early Participation Payment**

We want to encourage Eligible Holders to tender early. Accordingly, the Total Consideration per series of Old Notes in the Exchange Offers includes an Early Participation Payment of \$50 of principal amount of New Notes per \$1,000 principal amount of Old Notes, which will be paid in the form of New Notes. The Early Participation Payment will be given in the Exchange Offers only to Eligible Holders who validly tender their Old Notes at or prior to the Early Participation Date and do not validly withdraw their tenders and whose Old Notes are accepted for exchange. Eligible Holders who validly tender their Old Notes after the Early Participation Date will receive only the Exchange Consideration.

### **Resale of New Notes Received Pursuant to the Exchange Offers**

The New Notes have not been registered under the Securities Act or any other applicable securities laws. The New Notes may not be offered or sold except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and the applicable state securities laws. See "Notice to Investors; Transfer Restrictions" for a discussion of the restrictions on offers, resales, pledges or transfers of the New Notes.

### **Consequences of Failure to Participate in the Exchange Offers**

Any Old Notes that are not exchanged in the Exchange Offers will remain outstanding and continue to accrue interest and will be entitled to the rights and benefits their holders have under the applicable governing indenture. If a sufficiently large aggregate principal amount of any series of Old Notes does not remain outstanding after the Exchange Offers, the trading markets for the remaining outstanding aggregate principal amount of such series of Old Notes, as the case may be, may be less liquid.

Neither the Old Notes nor the New Notes provide for our repurchase of such notes at the option of the holder at any particular future date.

### **Expiration Date; Extension; Termination; Amendment**

The Exchange Offers will expire at 11:59 p.m., New York City time, on December 15, 2020, unless we have extended the period of time that the Exchange Offers are open.

We reserve the right to:

- terminate or amend the Exchange Offers and not to accept for exchange any Old Notes not previously accepted for exchange upon the occurrence of any of the events specified below under “—Conditions to the Exchange Offers” that have not been waived by us; and
- amend the terms of the Exchange Offers in any manner permitted or not prohibited by law.

If we terminate or amend the Exchange Offers, we will notify the Exchange Agent by oral or written notice (with any oral notice to be promptly confirmed in writing) and will issue a timely press release or other public announcement regarding the termination or amendment.

If either Exchange Offer is amended in a manner that we determine constitutes a material change, to the extent required by the rules and regulations of the SEC, we will extend the applicable Exchange Offer for a period of two to ten business days, depending upon the significance of the amendment and the manner of disclosure to the holders, if the Exchange Offers would otherwise have expired during that two to ten-business-day period. Any change in the consideration offered to holders of any series of Old Notes pursuant to either Exchange Offer will be paid to all holders of such series whose Old Notes have been previously tendered and not validly withdrawn. We will promptly announce any extension, amendment or termination of the Exchange Offers by issuing a press release. We will announce any extension of the Expiration Date no later than 9:00 a.m., New York City time, on the first business day after the previously scheduled Expiration Date. We have no other obligation to publish, advertise or otherwise communicate any information about any extension, amendment or termination. In the event of an Upsized 2057 Notes Cap or an Upsized 2033 Notes Cap after the Withdrawal Deadline, we will not be required to reinstate withdrawal rights nor must we extend the Expiration Date.

### **Settlement Dates**

We will deliver the New Notes and pay cash amounts with respect to the Exchange Offers on the applicable Settlement Date. We will not be obligated to deliver New Notes or pay any cash amounts unless the applicable Exchange Offer is consummated.

We reserve the right, but are under no obligation, at any point following the Early Participation Date and before the Expiration Date to accept for exchange any Old Notes validly tendered at or prior to the Early Participation Date on the Early Settlement Date. The Early Settlement Date will be determined at our option and is currently expected to occur on December 7, 2020, the fourth business day immediately following the Early Participation Date. If, after the Early Participation Date, we choose to exercise our option to have an Early Settlement Date and all conditions to the relevant Exchange Offers have been or are concurrently satisfied or waived by us, we will, subject to the terms of the Exchange Offers, accept for exchange all Old Notes validly tendered in the Exchange Offers prior to the Early Participation Date, and the exchange for such Old Notes will be made on the Early Settlement Date.

Whether or not we choose to exercise our option to have an Early Settlement Date, if, at or prior to the Expiration Date, all conditions to the relevant Exchange Offer have been or concurrently are satisfied or waived by us, we will, subject to the terms of the Exchange Offers, accept for exchange all Old Notes validly tendered in such Exchange Offer at or prior to the Expiration Date, and not validly withdrawn at or prior to the Withdrawal Deadline, and the exchange for such Old Notes will be made promptly thereafter on the Final Settlement Date. The Final Settlement Date will be promptly after the Expiration Date and is currently expected to occur on December 17, 2020, the second business day immediately following the Expiration Date.

### **Procedures for Tendering Old Notes**

If you hold the Certificated Notes, we have forwarded to you, along with this offering memorandum, a letter of transmittal relating to the Certificated Notes. Holders of the Certificated Notes may only tender such Old Notes in accordance with the procedures set forth in the letter of transmittal. A portion of the 7 1/8% Debentures due March 15, 2026, issued by Pacific Bell Telephone Company (formerly known as Pacific Bell), are held as Certificated

Notes. With respect to the Certificated Notes, all references to the offering memorandum herein shall also include the letter of transmittal.

An Eligible Holder need not submit a letter of transmittal if the holder tenders Old Notes (other than the Certificated Notes) in accordance with the procedures mandated by ATOP, which includes the distribution of an agent's message. The term "agent's message" means a message, transmitted by DTC and received by the Exchange Agent and forming part of a book-entry confirmation, which states that DTC has received an express acknowledgment from a participant tendering Old Notes that are the subject of the book-entry confirmation that the participant has received and agrees to be bound by the terms of, and to make all of the representations contained in, this offering memorandum, the eligibility certification and the Canadian beneficial holder form, as applicable, and that AT&T may enforce that agreement against the participant. If you are a Canadian Eligible Holder, the transmittal of your letter of transmittal or acceptance through ATOP, as applicable, must be accompanied by the Canadian beneficial holder form provided by the Information Agent for your Old Notes to be accepted for exchange by AT&T.

A separate letter of transmittal is required for any tender of the Certificated Notes. An Eligible Holder tendering through ATOP does not need to and should not complete a letter of transmittal. Old Notes other than the Certificated Notes may not be tendered by delivery of the letter of transmittal and any tenders of such Notes via the letter of transmittal will not constitute a valid tender.

Only an Eligible Holder of record of Old Notes may tender Old Notes in the Exchange Offers. To tender in the Exchange Offers, a holder must:

(1) either:

- with respect to the Certificated Notes, properly complete, duly sign and date the letter of transmittal, or a facsimile of the letter of transmittal, have the signature on the letter of transmittal guaranteed if the letter of transmittal so requires and deliver the letter of transmittal or facsimile together with any other documents required by the letter of transmittal, to the Exchange Agent at or prior to the Expiration Date; or
- with respect to Old Notes other than the Certificated Notes, instruct DTC to transmit an agent's message to the Exchange Agent, which agent's message and any other required documents must be received by the Exchange Agent at or prior to 11:59 p.m., New York City time, on the Expiration Date; and

(2) deliver to the Exchange Agent at or prior to the Expiration Date confirmation of book-entry transfer of your Old Notes into the Exchange Agent's account at DTC pursuant to the procedure for book-entry transfers described below.

For Certificated Notes to be tendered effectively, the Exchange Agent must receive any physical delivery of the letter of transmittal and other required documents at the address set forth in the letter of transmittal on or prior to the Expiration Date. To receive confirmation of valid tender of Old Notes, a holder should contact the Exchange Agent at its telephone number listed on the back cover of this offering memorandum.

The tender of Old Notes by an Eligible Holder that is not validly withdrawn prior to expiration of the Exchange Offers will constitute an agreement between that holder and us in accordance with the terms and subject to the conditions set forth in this offering memorandum. Such agreement will be governed by, and construed in accordance with, the laws of the State of New York.

With respect to the Certificated Notes, if the related letter of transmittal or any other required documents are physically delivered to the Exchange Agent, the method of delivery is at the holder's election and risk. Rather than mail these items, we recommend that holders use an overnight or hand delivery service, properly insured. In all cases, holders should allow sufficient time to assure delivery to the Exchange Agent before expiration of the Exchange Offers. Eligible Holders should not send letters of transmittal to us, the Dealer Managers or the Information Agent. Eligible Holders may request their respective brokers, dealers, commercial banks, trust companies or other nominees to effect the above transactions for them.

Any beneficial owner whose Old Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact the registered holder promptly and instruct it to tender on the owner's behalf if it wishes to participate in the Exchange Offers. You should keep in mind that your

intermediary may require you to take action with respect to the Exchange Offers a number of days before the Early Participation Date or the Expiration Date in order for such entity to tender Old Notes on your behalf at or prior to the Early Participation Date or the Expiration Date in accordance with the terms of the Exchange Offers.

If the applicable letter of transmittal is signed by a participant in DTC, the signature must correspond with the name as it appears on the security position listing as the holder of the Old Notes.

A signature on a letter of transmittal or a notice of withdrawal must be guaranteed by an eligible institution in certain circumstances. As used in this offering memorandum, “eligible institution” means a bank, broker, dealer, municipal securities dealer, municipal securities broker, government securities dealer, government securities broker, credit union, securities exchange, registered securities association, clearing agency or savings association. The signature need not be guaranteed by an eligible institution if the Old Notes are tendered:

- with respect to the Certificated Notes, by a registered holder who has not completed either of the boxes entitled “Special Payment Instructions” on the letter of transmittal; or
- with respect to Old Notes other than the Certificated Notes, for the account of an eligible institution.

If the letter of transmittal is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, these persons should so indicate when signing. Unless we waive this requirement, they should also submit evidence satisfactory to us of their authority to deliver the letter of transmittal.

We will determine in our sole discretion all questions as to the validity, form, eligibility, including time of receipt, acceptance and withdrawal, of tendered Old Notes. Our determination will be final and binding, absent a finding to the contrary by a court of competent jurisdiction. We reserve the absolute right to reject any Old Notes not validly tendered or any Old Notes the acceptance of which would, in the opinion of our counsel, be unlawful.

We also reserve the right to waive any defects, irregularities or conditions of tender as to particular Old Notes. A waiver of any defect or irregularity with respect to the tender of one tendered security shall not constitute a waiver of the same or any other defect or irregularity with respect to the tender of any other tendered securities except to the extent we may otherwise so provide. Our interpretation of the terms and conditions of the Exchange Offers, including the instructions in the letter of transmittal, will be final and binding on all parties, absent a finding to the contrary by a court of competent jurisdiction.

Unless waived, any defects or irregularities in connection with tenders of Old Notes must be cured within the time that we determine. Although we intend to notify holders of defects or irregularities with respect to tenders of Old Notes, none of us, the Dealer Managers, the Information Agent, the Exchange Agent or any other person will incur any liability for failure to give notification. Tendere of Old Notes will not be deemed made until those defects or irregularities have been cured or waived. Any Old Notes received by the Exchange Agent that are not validly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the Exchange Agent without cost to the tendering holder, unless otherwise provided in the letter of transmittal, if applicable, promptly following the Expiration Date.

In all cases, we will accept Old Notes for exchange pursuant to the Exchange Offers only after the Exchange Agent timely receives:

- a timely book-entry confirmation that Old Notes have been transferred into the Exchange Agent’s account at DTC; and
- a properly completed and duly executed letter of transmittal and all other required documents (with respect to the Certificated Notes) or a properly transmitted agent’s message to the Exchange Agent.

Eligible Holders of the Certificated Notes should receive copies of the letter of transmittal with the offering memorandum. A holder may obtain additional copies of the letter of transmittal for the Certificated Notes from the Information Agent at its offices listed on the back cover of this offering memorandum.

By tendering Old Notes pursuant to an Exchange Offer, an Eligible Holder will be deemed to have represented, warranted and agreed that such Eligible Holder is the beneficial owner of, or a duly authorized representative of one or more such beneficial owners of, and has full power and authority to tender, sell, assign and transfer, the Old Notes tendered thereby and that when such Old Notes are accepted for exchange, we will acquire good, indefeasible, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances of any

kind and not subject to any adverse claim or right and that such Eligible Holder will cause such Old Notes to be delivered in accordance with the terms of the relevant Exchange Offer. The Eligible Holder by tendering Old Notes will also have agreed (a) not to sell, pledge, hypothecate or otherwise encumber or transfer any Old Notes tendered from the date of such tender and that any such purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect and (b) to execute and deliver such further documents and give such further assurances as may be required in connection with such Exchange Offer and the transactions contemplated thereby, in each case on and subject to the terms and conditions of such Exchange Offer. In addition, by tendering Old Notes an Eligible Holder will also have released us and our affiliates from any and all claims that Eligible Holders may have arising out of or relating to the Old Notes.

### **Book-Entry Transfer**

The Exchange Agent has established accounts with respect to the Old Notes at DTC for purposes of the Exchange Offers. If you are a DTC participant that has Old Notes which are credited to your DTC account by book-entry and which are held of record by DTC, Euroclear or Clearstream Luxembourg's nominee, as applicable, you may tender your Old Notes by book-entry transfer as if you were the record holder. Because of this, references herein to registered or record holders include DTC, Euroclear and Clearstream Luxembourg participants with Old Notes credited to their accounts. If you are not a DTC, Euroclear or Clearstream Luxembourg participant, you may tender your Old Notes by book-entry transfer by contacting your broker, dealer or other nominee or by opening an account with a DTC, Euroclear or Clearstream Luxembourg participant, as the case may be.

The Exchange Agent and DTC have confirmed that any financial institution that is a participant in DTC may utilize DTC's ATOP procedures to tender Old Notes.

Any participant in DTC may make book-entry delivery of Old Notes by causing DTC to transfer the Old Notes into the Exchange Agent's applicable account in accordance with DTC's ATOP procedures for transfer.

### **No Guaranteed Delivery**

There are no guaranteed delivery provisions applicable to the Exchange Offers under the terms of this offering memorandum or any other of the offer materials. Eligible Holders must tender their Old Notes in accordance with the procedures set forth above under "—Procedures for Tendering Old Notes."

### **Withdrawal Rights**

You may withdraw your tender of Old Notes at any time at or prior to the Withdrawal Deadline, but tenders will thereafter be irrevocable, except in certain limited circumstances where we determine additional withdrawal rights are required by law. Tenders submitted in the Exchange Offers after the Withdrawal Deadline will be irrevocable except in the limited circumstances referred to in the preceding sentence.

To be effective, the Exchange Agent must receive a computer-generated notice of withdrawal, transmitted by DTC on behalf of the holder in accordance with the standard operating procedure of DTC, or a written notice of withdrawal, sent by facsimile transmission, receipt confirmed by telephone, or letter prior to the Withdrawal Deadline. A form of notice of withdrawal may be obtained from the Information Agent. Any notice of withdrawal must:

- specify the name of the person that tendered the Old Notes to be withdrawn;
- identify the Old Notes to be withdrawn, including the certificate number or numbers, if physical certificates were tendered, and principal amount of such Old Notes;
- include a statement that the holder is withdrawing its election to tender the Old Notes;
- be signed by the holder in the same manner as the original signature on the letter of transmittal by which the Old Notes were tendered (with respect to the Certificated Notes), or by the same entity previously delivering the related agent's message, including any required signature guarantees, and, in the case of certificated securities, be accompanied by documents of transfer sufficient to have the trustee under the applicable indenture register the transfer of the Old Notes into the name of the person withdrawing the tender; and

- specify the name in which any of the Old Notes are to be registered, if different from that of the person that tendered the Old Notes.

Any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn Old Notes or otherwise comply with DTC's procedures, or, in the case of certificated securities, the name and address to which such withdrawn Old Notes are to be sent.

If the Old Notes to be withdrawn have been delivered or otherwise identified to the Exchange Agent, a signed notice of withdrawal is effective immediately upon receipt by the Exchange Agent of written or facsimile transmission of the notice of withdrawal even if physical release is not yet effected. A withdrawal of Old Notes can only be accomplished in accordance with the foregoing procedures. AT&T will have the right, which may be waived, to reject the defective withdrawal of Old Notes as invalid and ineffective.

Any Old Notes validly withdrawn will not have been validly tendered for exchange for purposes of the Exchange Offers. Any Old Notes that have been tendered for exchange but which are not exchanged for any reason will be credited to an account with DTC specified by the holder, or, in the case of certificated securities, if any, returned to the tendering holder, as soon as practicable after withdrawal, rejection of tender or termination of the Exchange Offers. Properly withdrawn Old Notes may be re-tendered by following one of the procedures described under "—Procedures for Tendering Old Notes" and "—Book-Entry Transfer" above at any time at or prior to the Expiration Date.

In the event of an Upsized 2057 Notes Cap or Upsized 2033 Notes Cap after the Withdrawal Deadline, we are not required, nor do we intend, to reinstate withdrawal rights nor must we extend the Expiration Date.

#### **Acceptance of Old Notes for Exchange; Delivery of Exchange Offer Consideration**

Upon satisfaction or waiver of all of the conditions to the Exchange Offers and upon the terms and subject to the conditions of the Exchange Offers, we will promptly accept such Old Notes validly tendered that have not been validly withdrawn in accordance with the acceptance priority for each series. We will issue New Notes and pay the Cash Payment in exchange for such Old Notes accepted for exchange on the applicable Settlement Date. For purposes of the Exchange Offers, we will be deemed to have accepted Old Notes for exchange when we give oral (promptly confirmed in writing) or written notice of acceptance to the Exchange Agent.

In all cases, we will issue New Notes and make Cash Payments in exchange for Old Notes that are accepted for exchange pursuant to the Exchange Offers only after the Exchange Agent timely receives a book-entry confirmation of the transfer of the Old Notes into the Exchange Agent's account at DTC, a properly completed and duly executed letter of transmittal and all other required documents (with respect to the Certificated Notes), or a properly transmitted agent's message.

Settlement will not occur until after any final proration factor is determined.

We will deliver New Notes and make Cash Payments in exchange for Old Notes accepted for exchange in the Exchange Offers and pay cash in respect of accrued and unpaid interest on Old Notes accepted for exchange, less the amount of any pre-issuance interest on the New Notes exchanged therefor, and amounts due in lieu of fractional amounts of New Notes, promptly after the expiration of the Exchange Offers (or, if we choose to exercise our option to have an Early Settlement Date, promptly after the Early Participation Date), by issuing the New Notes and paying cash on the applicable Settlement Date to the Exchange Agent (or upon its instructions, to DTC), which will act as agent for you for the purpose of receiving the New Notes and such cash payments and transmitting the New Notes and such cash payments to you. Tendering holders of the Old Notes should indicate in the applicable box in the letter of transmittal (with respect to the Certificated Notes) or to the book-entry transfer facility in the case of holders who electronically transmit their acceptance through ATOP the name and address to which delivery of the New Notes and payment of such cash amounts is to be sent, if different from the name and address of the person signing the letter of transmittal or transmitting such acceptance through ATOP.

We expressly reserve the right, subject to applicable law, to (1) delay acceptance for exchange of Old Notes tendered under the Exchange Offers or the delivery of New Notes and cash for the Old Notes accepted for purchase (subject to Rule 14e-1 under the Exchange Act, which requires that we pay the consideration offered or return the Old Notes deposited by or on behalf of the holders promptly after the termination or withdrawal of either Exchange Offer), or (2) terminate either or both of the Exchange Offers at any time.

**The Company will not be liable for any interest as a result of a delay by the Exchange Agent or DTC in distributing the consideration for the Exchange Offers.**

### **Conditions to the Exchange Offers**

If less than \$1,000,000,000 of New 2057 Notes would be issued, then all Pool 1 Note tenders will be cancelled and no New 2057 Notes will be created. If less than \$1,000,000,000 of New 2033 Notes would be issued, then all Pool 2 Note tenders will be cancelled and no New 2033 Notes will be created.

In addition, we will not be required to accept for exchange, or to pay the offer consideration in exchange for, any Old Notes and may terminate or amend the Exchange Offers, by oral or written notice (with any oral notice to be promptly confirmed in writing) to the Exchange Agent, followed by a timely press release, at any time before accepting any of the Old Notes for exchange, if, in our reasonable judgment:

- there shall have been instituted, threatened in writing or be pending any action or proceeding before or by any court, governmental, regulatory or administrative agency or instrumentality, or by any other person, in connection with the Exchange Offers, that is, or is reasonably likely to be, in our reasonable judgment, materially adverse to our business, operations, properties, condition, assets, liabilities or prospects, or which would or might, in our reasonable judgment, prohibit, prevent, restrict or delay consummation of the Exchange Offers or materially impair the contemplated benefits to us (as set forth under “Summary—The Exchange Offers—Purpose of the Exchange Offers”) of the Exchange Offers;
- an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality, or there shall have occurred any development, that, in our reasonable judgment, would or would be reasonably likely to prohibit, prevent, restrict or delay consummation of the Exchange Offers or materially impair the contemplated benefits to us of the Exchange Offers, or that is, or is reasonably likely to be, materially adverse to our business, operations, properties, condition, assets, liabilities or prospects;
- there shall have occurred or be reasonably likely to occur any material adverse change to our business, operations, properties, condition, assets, liabilities, prospects or financial affairs, or an increase in prevailing interest rates that would or might prohibit, prevent or delay the Exchange Offers or impair us from realizing the anticipated benefits of the Exchange Offers;
- at the Pricing Time, the combination of the yield of the New Notes and the Total Consideration or Exchange Consideration, as applicable, for the applicable series of Old Notes would, in our reasonable judgment, result in the New Notes and such Old Notes not being treated as “substantially different” under ASC 470-50;
- with respect to any Old Notes validly tendered pursuant to either Exchange Offer that will be exchanged on the Final Settlement Date, we determine that the New Notes to be issued on the Final Settlement Date in such Exchange Offer will be treated as part of the same issue as the New Notes, if any, issued on the Early Settlement Date for U.S. federal income tax purposes pursuant to specified tests (see “Certain U.S. Federal Income Tax Consequences—Tax Consequences to Exchanging U.S. Holders—Holders that Exchange Old Notes on the Final Settlement Date”);

there shall have occurred:

- any general suspension of, or limitation on prices for, trading in securities in U.S. securities or financial markets;
- a declaration of a banking moratorium or any suspension of payments in respect to banks in the United States;
- any limitation (whether or not mandatory) by any government or governmental, regulatory or administrative authority, agency or instrumentality, domestic or foreign, or other event that, in our reasonable judgment, would or would be reasonably likely to affect the extension of credit by banks or other lending institutions; or



- a commencement or significant worsening of a war or armed hostilities or other national or international calamity, including but not limited to, catastrophic terrorist attacks against the United States or its citizens.

We expressly reserve the right to amend or terminate either or both of the Exchange Offers and to reject for exchange any Old Notes not previously accepted for exchange, upon the occurrence of any of the conditions of the Exchange Offers specified above. In addition, we expressly reserve the right, at any time or at various times, to waive any of the conditions of either or both of the Exchange Offers, in whole or in part. We will give oral or written notice (with any oral notice to be promptly confirmed in writing) of any amendment, non-acceptance, termination or waiver to the Exchange Agent as promptly as practicable, followed by a timely press release.

These conditions are for our sole benefit, and we may assert them regardless of the circumstances that may give rise to them or waive them in whole or in part at any or at various times in our sole discretion. If we fail at any time to exercise any of the foregoing rights, this failure will not constitute a waiver of such right. Each such right will be deemed an ongoing right that we may assert at any time or at various times.

All conditions to the Exchange Offers must be satisfied or, to the extent permitted by the terms of the Exchange Offers, waived, prior to the Expiration Date. In addition, we may in our absolute discretion terminate the Exchange Offers for any other reason.

### **Fees and Expenses**

We will bear the expenses of soliciting tenders of the Old Notes. The principal solicitation is being made by mail. Additional solicitations may, however, be made by e-mail, facsimile transmission, telephone or in person by the Dealer Managers, as well as by our officers and other employees and those of our affiliates.

Tendering holders of Old Notes will not be required to pay any fee or commission to the Dealer Managers. If, however, a tendering holder handles the transaction through its broker, dealer, commercial bank, trust company or other institution, that holder may be required to pay brokerage fees or commissions.

### **Transfer Taxes**

You will not be obligated to pay any transfer taxes in connection with the tender of Old Notes in the Exchange Offers unless you instruct us to issue New Notes, or request that Old Notes not tendered or accepted in the Exchange Offers be returned, to a person other than the tendering holder. In those cases, you will be responsible for the payment of any applicable transfer taxes.

### **Future Purchases and Exchanges**

Following completion of the Exchange Offers, we may acquire additional Old Notes that remain outstanding in the open market, in privately negotiated transactions, in new exchange offers, by redemption or otherwise. Future purchases, exchanges or redemptions of Old Notes that remain outstanding after the Exchange Offers may be on terms that are more or less favorable than the Exchange Offers. Future purchases, exchanges and redemptions, if any, will depend on many factors, which include market conditions and the condition of our business.

### **Effect of Tender**

Any tender by a holder, and our subsequent acceptance of that tender, of Old Notes will constitute a binding agreement between that holder and us upon the terms and subject to the conditions of the Exchange Offers described in this offering memorandum. The participation in the Exchange Offers by a tendering holder of Old Notes will constitute the agreement by that holder to deliver good and marketable title to the tendered Old Notes, free and clear of any and all liens, restrictions, charges, pledges, security interests, encumbrances or rights of any kind of third parties.

### **Letter of Transmittal; Representations, Warranties and Covenants of Eligible Holders of Old Notes**

Upon the submission of the letter of transmittal or the agreement to the terms of this offering memorandum pursuant to an agent's message, as applicable, a holder, or the beneficial holder of Old Notes on behalf of which the holder has tendered, will, subject to that holder's ability to withdraw its tender, and subject to the terms and conditions of the Exchange Offers generally, be deemed, among other things, to:

(1) irrevocably sell, assign and transfer to or upon our order or the order of our nominee all right, title and interest in and to, and any and all claims in respect of or arising or having arisen as a result of the holder's status as a holder of, all Old Notes tendered thereby, such that thereafter the holder shall have no contractual or other rights or claims in law or equity against us or any fiduciary, trustee, fiscal agent or other person connected with the Old Notes arising under, from or in connection with those Old Notes;

(2) waive any and all rights with respect to the Old Notes tendered thereby, including, without limitation, any existing or past defaults and their consequences in respect of those Old Notes; and

(3) release and discharge us and the trustees for the Old Notes from any and all claims that the holder may have, now or in the future, arising out of or related to the Old Notes tendered thereby, including, without limitation, any claims that the holder is entitled to receive additional principal or interest payments with respect to the Old Notes tendered thereby, other than accrued and unpaid interest on the Old Notes, amounts due in lieu of fractional amounts of New Notes or as otherwise expressly provided in this offering memorandum, or to participate in any redemption or defeasance of the Old Notes tendered thereby.

In addition, each holder of Old Notes tendered in the Exchange Offers upon the submission of a letter of transmittal or an agent's message, as applicable, will be deemed to represent, warrant and agree that:

(1) it has received this offering memorandum as an Eligible Holder and has reviewed it;

(2) the Old Notes being tendered thereby were owned as of the date of tender, free and clear of any liens, restrictions, charges and encumbrances of any kind, and we will acquire good title to those Old Notes, free and clear of all liens, restrictions, charges and encumbrances of any kind, when we accept the same;

(3) it will, upon request, execute and deliver any additional documents deemed by the Exchange Agent or us to be necessary or desirable to complete the sale, assignment and transfer of the Old Notes tendered hereby;

(4) the deemed representations, acknowledgements and agreements under the heading "Notice to Investors; Transfer Restrictions" in this offering memorandum are true and correct and are hereby made and confirmed in all respects;

(5) in evaluating the Exchange Offers and in making its decision whether to participate in the Exchange Offers by submitting an agent's message or a letter of transmittal, if applicable, and tendering its Old Notes, it has made its own independent appraisal of the matters referred to in this offering memorandum and the letter of transmittal, as applicable, and in any related communications and it is not relying on any statement, representation or warranty, express or implied, made to it by us, the Information Agent, the Exchange Agent or the Dealer Managers, other than those contained in this offering memorandum, as amended or supplemented through the Expiration Date;

(6) it will, upon request, execute and deliver any additional documents deemed by the Exchange Agent or us to be necessary or desirable to complete the sale, assignment and transfer of the Old Notes tendered hereby;

(7) if the holder is a retirement "plan" within the meaning of Department of Labor Regulations Section 29 C.F.R. 2510.3-21(g)(6), then the requirements of the independent fiduciary exception under Department of Labor Regulations Section 29 C.F.R. 2510.3-21(c) are satisfied with respect to the Exchange Offers;

(8) it hereby irrevocably constitutes and appoints the Exchange Agent as the true and lawful agent and attorney-in-fact of the undersigned (with full knowledge that the Exchange Agent also acts as the agent of AT&T), with full powers of substitution and revocation (such power-of-attorney being deemed to be an irrevocable power coupled with an interest), to (1) present the Old Notes and all evidences of transfer and authenticity to, or transfer ownership of, the Old Notes on the account books maintained by Euroclear, Clearstream Luxembourg, or DTC to, or upon the order of, us, (2) present the Old Notes for transfer of ownership on the books of the relevant security register and (3) receive all benefits and otherwise exercise all rights of beneficial ownership of the Old Notes all in accordance with the terms of and conditions to the Exchange Offers as set forth in this offering memorandum; and

(9) with respect to the Certificated Notes, the terms and conditions of the Exchange Offers shall be deemed to be incorporated in, and form a part of, the letter of transmittal, which shall be read and construed accordingly.

The representations, warranties and agreements of a holder tendering Old Notes will be deemed to be repeated and reconfirmed on and as of the Expiration Date and the applicable Settlement Date. All authority conferred or agreed to be conferred by the letter of transmittal or the submission of an agent's message, an eligibility certification or a Canadian beneficial holder form, as applicable, shall not be affected by, and shall survive, the death or incapacity of the undersigned, and every obligation of the undersigned under this offering memorandum, the letter of transmittal, the eligibility certification or the Canadian beneficial holder form, as applicable, shall be binding upon the undersigned's heirs, personal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives.

### **Compliance with "Short Tendering" Rule**

It is a violation of Rule 14e-4 under the Exchange Act for a person, directly or indirectly, to tender Old Notes for such person's own account unless the person so tendering (a) has a net long position equal to or greater than the aggregate principal amount of the securities being tendered and (b) will cause such securities to be delivered in accordance with the terms of the Exchange Offers. Rule 14e-4 provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person.

A tender of Old Notes (and acceptance by AT&T) in response to the Exchange Offers under any of the procedures described above will constitute a binding agreement between the tendering holder and us with respect to the Exchange Offers upon the terms and subject to the conditions of the Exchange Offers, including the tendering holder's acceptance of the terms and conditions of the Exchange Offers, as well as the tendering holder's representation and warranty that (a) such holder has a net long position in the Old Notes being tendered pursuant to the Exchange Offers within the meaning of Rule 14e-4 under the Exchange Act and (b) the tender of such Old Notes complies with Rule 14e-4.

### **Compliance with "Blue Sky" Laws**

We are making the Exchange Offers to Eligible Holders only. We are not aware of any jurisdiction in which the making of the Exchange Offers is not in compliance with applicable law. If we become aware of any jurisdiction in which the making of the Exchange Offers would not be in compliance with applicable law, we will make a good faith effort to comply with any such law. If, after such good faith effort, we cannot comply with any such law, the Exchange Offers will not be made to, nor will tenders of Old Notes be accepted from or on behalf of, the holders of such Old Notes residing in any such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Exchange Offers to be made by a licensed broker or dealer, the Exchange Offers will be deemed to be made on our behalf by one of the Dealer Managers if licensed under the laws of that jurisdiction.

No action has been or will be taken in any jurisdiction that would permit a public offering of the New Notes, or the possession, circulation or distribution of this offering memorandum or any material relating to AT&T, the Old Notes or the New Notes in any jurisdiction where action for that purpose is required. Accordingly, the New Notes included in this offering may not be offered, sold or exchanged, directly or indirectly, and neither this offering memorandum or any other offering material or advertisements in connection with this offering may be distributed or published, in or from any such country or jurisdiction, except in compliance with any applicable rules or regulations of any such country or jurisdiction.

### **European Economic Area and United Kingdom**

In relation to each Member State of the European Economic Area and the United Kingdom (each, a "Relevant State"), no offer of New Notes has been or will be made in that Relevant State to any retail investor. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - i. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or
  - ii. a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

- iii. not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “Prospectus Regulation”) and the Luxembourg Prospectus Law; and

(b) For the purposes of this provision, the expression an “offer of New Notes” in relation to any New Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the New Notes to be offered so as to enable an investor to decide to purchase or subscribe the New Notes.

The European Economic Area and United Kingdom selling restriction is in addition to any other selling restrictions set out below.

### **United Kingdom**

Neither the communication of this offering memorandum nor any other offering material relating to the Exchange Offers is being made, and this offering memorandum has not been approved, by an authorized person for the purposes of Section 21 of the Financial Services and Markets Act 2000. Accordingly, this offering memorandum is only being distributed to and is only directed at: (i) persons who are outside the United Kingdom; (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”); or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). The New Notes will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such notes will be engaged in only with, relevant persons. Any person who is not a relevant person may not act or rely on this offering memorandum or any of its contents.

### **Luxembourg**

The New Notes may not be offered or sold to the public within the territory of the Grand Duchy of Luxembourg unless:

(a) a prospectus has been duly approved by the *Commission de Surveillance du Secteur Financier* (the “CSSF”) pursuant to part II of the Luxembourg law dated July 10, 2005 on prospectuses for securities, as amended (the “Luxembourg Prospectus Law”), implementing the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the “Prospectus Directive”), as amended through Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010, amending inter alia Directive 2003/71/EC, if Luxembourg is the home Member State as defined under the Luxembourg Prospectus Law; or

(b) if Luxembourg is not the home Member State, the CSSF and the European Securities and Markets Authority have been notified by the competent authority in the home Member State that a prospectus in relation to the New Notes has been duly approved in accordance with the Prospectus Directive, as amended; or

(c) the offer of New Notes benefits from an exemption to or constitutes a transaction not subject to, the requirement to publish a prospectus pursuant to the Luxembourg Prospectus Law.

### **Belgium**

Neither this offering memorandum nor any other documents or materials relating to the Exchange Offers have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority and, accordingly, the Exchange Offers may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of April 1, 2007 on public takeover bids (the “Belgian Takeover Law”) or as defined in Article 3 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (the “Belgian Prospectus Law”), both as amended or replaced from time to time. Accordingly, the Exchange Offers may not be advertised and the Exchange Offers will not be extended, and neither this offering memorandum nor any other documents or materials relating to the Exchange Offers (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than (i) to persons which are “qualified investors” in the sense of Article 10 of the Belgian Prospectus Law, acting on their own account; or (ii) in any other circumstances set out in Article 6, §4 of the Belgian Takeover Law and Article 3, §4 of the Belgian Prospectus Law. This offering memorandum has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Exchange Offers. Accordingly, the information

contained in this offering memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

### **France**

The Exchange Offers are not being made, directly or indirectly, to the public in the Republic of France (“France”). Neither this offering memorandum nor any other documents or materials relating to the Exchange Offers have been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers) and/or (ii) qualified investors (investisseurs qualifiés) other than individuals, in each case acting on their own account and all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code Monétaire et Financier, are eligible to participate in the Exchange Offers. This offering memorandum and any other document or material relating to the Exchange Offers have not been and will not be submitted for clearance to nor approved by the Autorité des marchés financiers.

### **Italy**

None of the Exchange Offers, this offering memorandum or any other documents or materials relating to the Exchange Offers or the New Notes have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”).

The Exchange Offers are being carried out in the Republic of Italy as exempted offers pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the “Financial Services Act”) and article 35-bis, paragraph 3 and 4, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “Issuers’ Regulation”), as the case may be.

Noteholders or beneficial owners of the Old Notes can offer to exchange Old Notes pursuant to the Exchange Offers through authorized persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Old Notes, the New Notes, the Exchange Offers or this offering memorandum.

### **Hong Kong**

The New Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (“Companies (Winding Up and Miscellaneous Provisions) Ordinance”) or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“Securities and Futures Ordinance”), or (ii) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the New Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

### **Singapore**

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Notes may not be circulated or distributed, nor may the New Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and

Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person, or any person pursuant to Section 257(1A), and in accordance with the conditions, specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Whether the Notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures, and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the Notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, we have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **Japan**

The New Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The New Notes may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

## DESCRIPTION OF NEW NOTES

*For purposes of this section “Description of New Notes,” the terms “we,” “us,” “our” and “AT&T” shall refer to AT&T Inc. and not any of its subsidiaries. The terms of the New Notes will include those stated in the Indenture (as defined below) and those made part of the Indenture by reference to the Trust Indenture Act of 1939. The following is a summary of the material provisions of the Indenture. Because this is a summary, it may not contain all the information that is important to you. You should read the Indenture in its entirety. See “Where You Can Find More Information.”*

### General

The New Notes are being offered and issued by us pursuant to an exemption from the registration requirements of the Securities Act provided under Section 4(2) of the Securities Act. The New Notes will be “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act, and can only be sold in compliance with the registration requirements of the Securities Act or an applicable exemption therefrom. The New Notes are being offered and issued only to Eligible Holders. Please see “Notice to Investors; Transfer Restrictions” herein. The New Notes will be issued on the applicable Settlement Date only in exchange for the Old Notes validly tendered and not validly withdrawn in the Exchange Offers.

The New Notes will be issued under the indenture, dated as of May 15, 2013 (the “Indenture”), with The Bank of New York Mellon Trust Company, N.A., acting as trustee (the “Trustee”), as described in this offering memorandum. The New Notes will be our unsecured and unsubordinated obligations and will rank pari passu with all other indebtedness issued under the Indenture. The New Notes will constitute two separate series under the Indenture. We will issue the New Notes in fully registered form only and in minimum denominations of \$2,000 and integral multiples of \$1,000 thereafter.

We may issue definitive New Notes in the limited circumstances set forth in “—Form and Title” below. If we issue definitive New Notes, principal of and interest on our New Notes will be payable in the manner described below, the transfer of our New Notes will be registrable, and our New Notes will be exchangeable for New 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 New 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 New Notes, or (2) a holder of more than \$5 million in aggregate principal amount of New 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 New Note at maturity, or upon redemption, will be paid by wire transfer of immediately available funds against presentation of a New Note at the office of the paying agent.

### The New Notes

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

The New Notes offered by this offering memorandum will bear interest at the rate per annum to be determined at the Pricing Time, which will be rounded down to the nearest 0.05%, such that the New Issue Price for the New Notes will be at or below, but as close as possible to, par. We will pay interest on our New 2057 Notes and New 2033 Notes in arrears on each June 1 and December 1, commencing on June 1, 2021, to the persons in whose names the New 2057 Notes and New 2033 Notes are registered at the close of business on the fifteenth day preceding the respective interest payment date. The New 2057 Notes will mature on December 1, 2057 and the New 2033 Notes will mature on December 1, 2033.

#### *Optional Redemption of the New Notes*

Each of the New 2057 Notes and New 2033 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 10 days’, but not more than 40 days’, prior notice mailed (or otherwise transmitted in accordance with DTC

procedures) to the registered address of each holder of the New 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 New Notes of such series 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) plus the applicable Make-Whole Spread (as set forth in the table below). In the case of each of clauses (1) and (2), accrued but unpaid interest will be payable to the redemption date. At any time on or after the applicable Par Call Date (as set forth in the table below), the New Notes may be redeemed, as a whole or in part, at our option, at any time and from time to time on at least 10 days', but not more than 40 days', prior notice mailed (or otherwise transmitted in accordance with DTC procedures) to the registered address of each holder of the New Notes of such series to be redeemed, at a redemption price equal to 100% of the principal amount of the New Notes to be redeemed. Accrued interest will be payable to the redemption date.

Series	Par Call Date	Make-Whole Spread
New 2057 Notes	June 1, 2057	35 bps
New 2033 Notes	September 1, 2033	25 bps

“*Treasury Rate*” means, with respect to any redemption date for the New 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 or Par Call Date, as applicable, of the New 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 New Notes.

“*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 New 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 New 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 each of Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc. 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 (each, 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.

“*Remaining Scheduled Payments*” means, with respect to each New Note of a series to be redeemed, the remaining scheduled payments of principal of and interest on such New Notes that would be due after the related redemption date through the applicable Par Call Date but for the redemption, assuming the applicable series of New Notes matured on the Par Call Date (not including any portion of payments of interest accrued as of the redemption date). If that redemption date is not an interest payment date with respect to the applicable series of New Notes, the amount of the next succeeding scheduled interest payment on the New Notes will be reduced by the amount of interest accrued on the New Notes to the redemption date.

On and after the redemption date, interest will cease to accrue on the New Notes or any portion of the New 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 New Notes to be redeemed on that date.



Any redemption or notice may, at our discretion, be subject to one or more conditions precedent and, at our discretion, the redemption date may be delayed until such time as any or all such conditions precedent included at our discretion shall be satisfied (or waived by us) or the redemption date may not occur and such notice may be rescinded if all such conditions precedent included at our discretion shall not have been satisfied (or waived by us).

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

### **Form and Title**

The New Notes offered to QIBs in exchange for the Old Notes, which New Notes may be re-sold in compliance with Rule 144A will be issued in the form of one or more fully registered global notes (the “Rule 144A 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. New Notes issued outside the United States to persons that are not U.S. persons in reliance on Regulation S under the Securities Act will initially be issued in the form of registered notes in global form (the “Regulation S Global Notes” and, together with the Rule 144A Global Notes, the “global notes”). The global notes will be deposited on behalf of the subscribers of the Notes represented thereby with a common depository for Euroclear, as operator of the Euroclear system, and/or Clearstream Luxembourg and registered in the name of a common depository for Euroclear and/or Clearstream Luxembourg or its nominee, as the case may be, for the accounts of Euroclear and/or Clearstream Luxembourg.

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 Luxembourg or Euroclear, if they are participants in these systems, or indirectly through organizations which are participants in these systems. Clearstream Luxembourg and Euroclear will hold interests on behalf of their participants through customers’ securities accounts in Clearstream Luxembourg’s and Euroclear’s names on the books of their respective depositories, which in turn will hold these interests in customers’ securities accounts in the names of their respective U.S. depositories on the books of DTC. Citibank, N.A. will act as the U.S. depository for Clearstream Luxembourg, and JPMorgan Chase Bank, N.A. will act as the U.S. depository for Euroclear. Except under circumstances described below, the New 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. Prior to the 40<sup>th</sup> day after the later of the commencement of this offering and the applicable Settlement Date (the “Distribution Compliance Period”), interests in a Regulation S Global Note may only be held through Euroclear or Clearstream Luxembourg.

So long as the depository or its nominee is the registered owner of the global notes, the depository or its nominee will be considered the sole owner or holder of the New 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 New Notes represented by the global notes registered in their names, will not receive or be entitled to receive physical delivery of the New Notes in definitive form and will not be considered the owners or holders thereof under the Indenture.

Principal and interest payments on the New Notes registered in the name of the depository or its nominee will be made to the depository 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 New 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 depository for the New 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 depository 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 depository is at any time unwilling or unable to continue as depository for the global notes of a series and a successor depository is not appointed by us within 90 days, we will issue the New Notes of that series in definitive

form in exchange for the global notes of that series. We will also issue the New Notes in definitive form in exchange for the global notes of that series if an event of default has occurred with regard to the New 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 New Notes of a series represented by the global notes and, in that event, will issue the New 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 New Notes represented by the global notes equal in principal amount to such beneficial interest and to have such New Notes registered in its name. The New 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 New 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, subject to transfer restrictions described under the heading “Notice to Investors; Transfer Restrictions” below, if any. 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 New Notes.

## **Transfers**

Transfers between participants in DTC will be effected in accordance with DTC rules and will be settled in immediately available funds. If a holder requires physical delivery of New Notes in definitive form for any reason, including to sell New Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder must transfer its interest in the global notes in accordance with the normal procedures of DTC and in accordance with the procedures set forth in the Indenture.

Book-entry interests in the global notes will be subject to the restrictions on transfers and certification requirements discussed under the heading “Notice to Investors; Transfer Restrictions” below.

During the Distribution Compliance Period, any sale or transfer of ownership of a book-entry interest in the Regulation S Global Note (an “Unrestricted Book-Entry Interest”) to U.S. persons shall not be permitted unless such resale or transfer is made pursuant to Rule 144A. Accordingly, Unrestricted Book-Entry Interests may be transferred to a person who takes delivery in the form of a book-entry interest in a Rule 144A Global Note (a “Restricted Book-Entry Interest”) only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under the heading “Notice to Investors; Transfer Restrictions” below, and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. After the Distribution Compliance Period, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of the Rule 144A Global Note, as set forth under the heading “Notice to Investors; Transfer Restrictions” below.

Transfer of Restricted Book-Entry Interests to persons wishing to take delivery of Restricted Book-Entry Interests will at all times be subject to such transfer restrictions.

Restricted Book-Entry Interest may be transferred to a person who takes delivery in the form of any Unrestricted Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144A (if available under the Securities Act).

Transfers involving an exchange of an Unrestricted Book-Entry Interest for a Restricted Book-Entry Interest will be effected in DTC by means of an instruction originated by the Trustee through the DTC Deposit/Withdrawal at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note. The policies and practices of DTC may prohibit transfers of Unrestricted Book-Entry Interests in the Regulation S Global Notes prior to the expiration of the Distribution Compliance Period. Any book-entry interest in one of the global notes that is transferred to a person who takes delivery in the form of a book-entry interest in the other global note will, upon transfer, cease to be a book-entry interest in the first-mentioned global note and become a book-entry interest in such other global note, and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to book-entry interests in such other global note for as long as it remains such a book-entry interest.

## The Clearing Systems

*DTC.* The depository has advised us as follows: the depository 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 Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. The depository 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 depository’s participants include securities brokers and dealers (including the Dealer Managers), banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own the depository. Access to the depository’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 depository, the foregoing information with respect to the depository 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 depository. 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 depository, 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 Dealer Managers. 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 New 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. depository 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 SA/NV, 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.

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 New Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the terms and conditions, to the extent received by the U.S. depository for Euroclear.

### **Global Clearance and Settlement Procedures**

Initial settlement for the New Notes will be made in same-day U.S. dollar funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules. Secondary market trading between Clearstream Luxembourg participants and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream Luxembourg and Euroclear and will be settled using the procedures applicable to conventional eurobonds.

Cross-market transfers between persons holding directly or indirectly through DTC participants, on the one hand, and directly or indirectly through Clearstream Luxembourg or Euroclear participants, on the other hand, will be effected in DTC in accordance with DTC rules on behalf of the relevant international clearing system by its U.S. depository. However, cross-market transactions will require delivery of instructions to the relevant international clearing system by the counterparty in that system in accordance with its rules and procedures and within its established deadlines (European time). The relevant international clearing system will, if a transaction meets its settlement requirements, deliver instructions to its U.S. depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC. Clearstream Luxembourg participants and Euroclear participants may not deliver instructions directly to the respective U.S. depository.

Because of time-zone differences, credits of New Notes received in Clearstream Luxembourg or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. These credits or any transactions in the New Notes settled during the processing will be reported to the relevant Clearstream Luxembourg or Euroclear participants on that business day. Cash received in Clearstream Luxembourg or Euroclear as a result of sales of New Notes by or through a Clearstream Luxembourg participant or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream Luxembourg or Euroclear cash account only as of the business day following settlement in DTC.

Although it is expected that DTC, Clearstream Luxembourg and Euroclear will follow the foregoing procedures in order to facilitate transfers of New Notes among participants of DTC, Clearstream Luxembourg and Euroclear, they are under no obligation to perform or continue such procedures and such procedures may be changed or discontinued at any time.

### **Payment of Additional Amounts**

We will, subject to the exceptions and limitations set forth below, pay as additional interest on the New Notes such additional amounts as are necessary so that the net payment by us or our paying agent of the principal of and interest on the New Notes to a person that is a United States Alien, after deduction for any present or future tax, assessment or governmental charge of the United States or a political subdivision or taxing authority thereof or therein, imposed by withholding with respect to the payment, will not be less than the amount that would have been payable in respect of the New Notes had no withholding or deduction been required. As used herein, “United States Alien” means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust.

Our obligation to pay additional amounts shall not apply:

(1) to any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner, or a fiduciary, settlor, beneficiary or member of the beneficial owner if the beneficial owner is an estate, trust or partnership, or a person holding a power over an estate or trust administered by a fiduciary holder:

(a) is or was present or engaged in a trade or business in the United States, has or had a permanent establishment in the United States, or has any other present or former connection with the United States or any political subdivision or taxing authority thereof or therein;

(b) is or was a citizen or resident or is or was treated as a resident of the United States;

(c) is or was a foreign or domestic personal holding company, a passive foreign investment company or a controlled foreign corporation with respect to the United States or is or was a corporation that has accumulated earnings to avoid United States federal income tax;

(d) is or was a bank receiving interest described in Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the “Code”); or

(e) is or was an actual or constructive owner of 10% or more of the total combined voting power of all classes of stock of AT&T entitled to vote;

(2) to any holder that is not the sole beneficial owner of the New Notes, or a portion thereof, or that is a fiduciary or partnership, but only to the extent that the beneficial owner, a beneficiary or settlor with respect to the fiduciary, or a member of the partnership would not have been entitled to the payment of an additional amount had such beneficial owner, beneficiary, settlor or member received directly its beneficial or distributive share of the payment;

(3) to any tax, assessment or governmental charge that is imposed or withheld solely because the beneficial owner or any other person failed to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the New Notes, if compliance is required by statute, by regulation of the United States Treasury Department or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;

(4) to any tax, assessment or governmental charge that is imposed other than by deduction or withholding by AT&T or a paying agent from the payment;

(5) to any tax, assessment or governmental charge that is imposed or withheld solely because of a change in law, regulation, or administrative or judicial interpretation that is announced or becomes effective after the day on which the payment becomes due or is duly provided for, whichever occurs later;

(6) to an estate, inheritance, gift, sales, excise, transfer, wealth or personal property tax or any similar tax, assessment or governmental charge;

(7) to any tax, assessment or other governmental charge that any paying agent (which term may include us) must withhold from any payment of principal of or interest on any New Note, if such payment can be made without such withholding by any other paying agent; or

(8) in the case of any combination of the above items.

In addition, any amounts to be paid on the New Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and no additional amounts will be required to be paid on account of any such deduction or withholding.

The New Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable. Except as specifically provided under this heading “—Payment of Additional Amounts” and under the heading “—Redemption Upon a Tax Event,” we do not have to make any payment with respect to any tax, assessment or governmental charge imposed by any government or a political subdivision or taxing authority.

Any reference in the terms of the New Notes of each series to any amounts in respect of the New Notes shall be deemed also to refer to any additional amounts which may be payable under this provision.

### **Redemption Upon a Tax Event**

If (a) we become or will become obligated to pay additional amounts with respect to any New Notes as described herein under the heading “—Payment of Additional Amounts” as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the United States (or any political subdivision or taxing authority thereof or therein), or any change in, or amendments to, any official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after the date of this offering memorandum, or (b) a taxing authority of the United States takes an action on or after the date of this offering memorandum, whether or not with respect to us or any of our affiliates, that results in a substantial probability that we will or may be required to pay such additional amounts, then we may, at our option, redeem, as a whole, but not in part, the applicable series of New Notes on any interest payment date on not less than 10 nor more than 40 calendar days’ prior notice, at a redemption price equal to 100% of their principal amount, together with interest accrued thereon to the date fixed for redemption. No redemption pursuant to (b) above may be made unless we shall have received an opinion of independent counsel to the effect that an act taken by a taxing authority of the United States results in a substantial probability that we will or may be required to pay the additional amounts described herein under the heading “—Payment of Additional Amounts” and we shall have delivered to the Trustee a certificate, signed by a duly authorized officer, stating that based on such opinion we are entitled to redeem the New Notes pursuant to their terms.

### **Further Issues**

We may from time to time, without notice to or the consent of the holders of any series of the New Notes, create and issue further notes ranking equally and ratably with such series in all respects, or in all respects except for the payment of interest accruing prior to the issue date or except for the first payment of interest following the issue date of those further notes. Any further notes will have the same terms as to status, redemption or otherwise as, and will be fungible for United States federal income tax purposes with, the New Notes of the applicable series. Any further New Notes shall be issued pursuant to a resolution of our board of directors, a supplement to the Indenture, or under an officers’ certificate pursuant to the Indenture.

### **Notices**

Notices to holders of the New Notes will be given only to the depository, in accordance with its applicable policies as in effect from time to time.

### **Prescription Period**

Any money that we deposit with the Trustee or any paying agent for the payment of principal or any interest on any global note of any series that remains unclaimed for two years after the date upon which the principal and interest are due and payable will be repaid to us upon our request unless otherwise required by mandatory provisions of any applicable unclaimed property law. After that time, unless otherwise required by mandatory provisions of any unclaimed property law, the holder of the global note will be able to seek any payment to which that holder may be entitled to collect only from us.

### **Governing Law**

The New Notes will be governed by and interpreted in accordance with the laws of the State of New York.

### **Special Situations Covered by the Indenture**

#### ***Mergers and Similar Transactions***

We are generally permitted to consolidate or merge with another company. We are also permitted to sell all or substantially all of our assets to another company. However, we may not take any of these actions unless all the following conditions are met:

- Where we merge out of existence or sell our assets, the company we merge into or sell to may not be organized under the laws of a foreign country. It must be a corporation organized under the laws of the United States, any State thereof, or the District of Columbia.
- The company we merge into or sell to must agree to be legally responsible for our debt securities.
- The merger, sale of assets or other transaction must not cause a default on the New Notes, and we must not already be in default, unless the merger or other transaction would cure the default. For purposes of this no-default test, a default would include an event of default that has occurred and not been cured, as described below under “—Default and Related Matters—Events of Default—What Is an Event of Default?” A default for this purpose would also include any event that would be an event of default if the requirements for giving us default notice or our default having to exist for a specific period of time were disregarded.

Further, we may buy all or substantially all of the assets of another company without complying with any of the foregoing conditions.

### ***Modification and Waiver of Your Contractual Rights***

Under certain circumstances, we can make changes to the Indenture and the New Notes. Some types of changes require the approval of each security holder affected, some require approval by a majority vote, and some changes do not require any approval at all.

*Changes Requiring Your Approval.* First, there are changes that cannot be made to your New Notes without your specific approval. The following is a list of those types of changes:

- to reduce the percentage of holders of New Notes who must consent to a waiver or amendment of the Indenture;
- to reduce the rate of interest on any New Note or change the time for payment of interest;
- to reduce the principal due on any New Note or change the fixed maturity of any security;
- to waive a default in the payment of principal or interest on any New Note;
- to change the currency of payment on an New Note, unless the New Note provides for payment in a currency that ceases to exist;
- in the case of convertible or exchangeable New Note, to make changes to your conversion or exchange rights that would be adverse to your interests;
- to change the right of holders to waive an existing default by majority vote;
- to reduce the amount of principal or interest payable to you following a default or change your conversion or exchange rights, or impair your right to sue for payment; and
- to make any change to this list of changes that requires your specific approval.

*Changes Requiring a Majority Vote.* The second type of change to the Indenture and the New Notes is the kind that requires a vote in favor by security holders owning a majority of the principal amount of the particular series affected. Most changes fall into this category, except as set forth in the following paragraph. The same vote would be required for us to obtain a waiver of an existing default. However, we cannot obtain a waiver of a payment default unless we obtain your individual consent to the waiver.

*Changes Not Requiring Your Approval.* The third type of change does not require any vote by holders of New Notes. This type includes, among others, clarifications of ambiguous contract terms, changes to make securities payable in U.S. dollars (if the stated denomination ceases to exist) and other changes that would not materially adversely affect holders of the securities.

*Further Details Concerning Voting.* When taking a vote, we will use the following rules to decide how much principal amount to attribute to a security:

- For original issue discount New Notes, we will use the principal amount that would be due and payable on the voting date if the maturity of the New Notes were accelerated to that date because of a default.

- For New Notes denominated in one or more foreign currencies or currency units, we will use the U.S. dollar equivalent determined on the date of original issuance of these securities.

New Notes will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust for you money for their payment or redemption. A New Note does not cease to be outstanding because we or an affiliate of us is holding the New Note.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding New Notes that are entitled to vote or take other action under the Indenture. However, the Indenture does not oblige us to fix any record date at all. If we set a record date for a vote or other action to be taken by holders of a particular series of New Notes, that vote or action may be taken only by persons who are holders of outstanding New Notes of that series on the record date and must be taken within 90 days following the record date.

*Holders who hold in “street name” and other indirect holders, including holders of any New Notes issued as global securities, should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the Indenture or the securities or request a waiver.*

### **Discharge of Our Obligations**

We can fully discharge ourselves from any payment or other obligations on the New Notes of any series if we make a deposit for you with the Trustee and certain other conditions are met. The deposit must be held in trust for your benefit and the benefit of all other direct holders of the securities and must be a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the securities on their various due dates.

However, we cannot discharge ourselves from the obligations under any convertible or exchangeable New Notes, unless we provide for it in the terms of these New Notes.

If we accomplish full discharge, as described above, you will have to rely solely on the trust deposit for repayment of the New Notes. You could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent.

We will indemnify the Trustee and you against any tax, fee or other charge imposed on the U.S. government obligations we deposited with the Trustee or against the principal and interest received on these obligations.

### **Liens on Assets**

The Indenture does not restrict us from pledging or otherwise encumbering any of our assets and those of our subsidiaries.

### **Default and Related Matters**

#### ***Ranking Compared to Other Creditors***

The New Notes are not secured by any of our property or assets. Accordingly, your ownership of New Notes means you are one of our unsecured creditors. The New Notes are not subordinated to any of our other debt obligations and therefore they rank equally with all our other unsecured and unsubordinated indebtedness. However, the Trustee has a right to receive payment for its administrative services prior to any payment to holders of the New Notes after a default.

#### ***Events of Default***

You will have special rights if an event of default occurs and is not cured, as described later in this subsection.

*What Is an Event of Default?* The term “event of default” with respect to any series of the New Notes means any of the following:

- We fail to make any interest payment on the New Notes when it is due, and we do not cure this default within 90 days.
- We fail to make any payment of principal when it is due at the maturity of any New Note or upon redemption.



- We fail to comply with any of our other agreements regarding a particular series of New Notes or with a supplemental indenture, and after we have been notified of the default by the Trustee or holders of 25% in principal amount of the series, we do not cure the default within 90 days.
- We file for bankruptcy, or other events in bankruptcy, insolvency or reorganization occur.

***Remedies if an Event of Default Occurs***

You and the Trustee will have the following remedies if an event of default occurs:

*Acceleration.* If an event of default has occurred and has not been cured or waived, then the Trustee or the holders of 25% in principal amount of the New Notes of the affected series may declare the entire principal amount of and any accrued interest on all the New Notes of that series to be due and immediately payable. An acceleration of maturity may be cancelled by the holders of at least a majority in principal amount of the New Notes of the affected series, if all events of default have been cured or waived.

*Duties of Trustee.* If an event of default occurs, the Trustee will be obligated to use those of its rights and powers under the Indenture, and to use the same degree of care and skill in doing so, that a prudent person would use in that situation in conducting his or her own affairs.

*Other Remedies of Trustee.* If an event of default occurs, the Trustee is authorized to pursue any available remedy to collect defaulted principal and interest and to enforce other provisions of the securities and the Indenture, including bringing a lawsuit.

*Majority Holders May Direct the Trustee to Take Actions to Protect Their Interests.* The Trustee is not required to take any action under the Indenture at the request of any holders unless the holders offer the Trustee reasonable protection from expenses and liability. This is called an “indemnity.” If the Trustee is provided with an indemnity reasonably satisfactory to it, the holders of a majority in principal amount of the relevant series of the New Notes may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the Trustee. These majority holders may also direct the Trustee in performing any other action under the Indenture.

*Individual Actions You May Take if the Trustee Fails to Act.* Before you bypass the Trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the New Notes, the following must occur:

- You must give the Trustee written notice that an event of default has occurred and remains uncured.
- The holders of 25% in principal amount of all outstanding New Notes of the relevant series must make a written request that the Trustee take action because of the default, and must offer indemnity reasonably satisfactory to the Trustee against the cost and other liabilities of taking that action.
- The Trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity.
- During the 60-day period, the holders of a majority in principal amount of the New Notes of that series do not give the Trustee a direction inconsistent with the request.

However, you are entitled at any time to bring an individual lawsuit for the payment of principal or interest due on your New Notes on or after its due date.

***Waiver of Default***

The holders of a majority in principal amount of the relevant series of New Notes may waive a default for all the relevant series. If this happens, the default will be treated as if it had not occurred. No one can waive a payment default on your New Notes, however, without your individual approval.

***We Will Give the Trustee Information About Defaults Annually***

Every year we will give to the Trustee a written statement of one of our officers certifying that to the best of his or her knowledge we are in compliance with the Indenture and all securities under it, or else specifying any default.

The Trustee may withhold from you notice of any uncured default, except for payment defaults, if it determines that withholding notice is in your interest.

*Holders who hold in “street name” and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the Trustee and how to make or cancel a declaration of acceleration.*

## **Registered Exchange Offers; Registration Rights**

The following description of the registration rights agreement is a summary and does not describe every aspect of the registration rights agreement. This summary is subject to and is qualified in its entirety by reference to all the provisions of the registration rights agreement. The form of registration rights agreement is incorporated by reference in this offering memorandum. See “Where You Can Find More Information” for more information on how to obtain a copy.

We will enter into a registration rights agreement with the Dealer Managers on the Early Settlement Date, or if there is no such settlement date, the Final Settlement Date, pursuant to which we will agree, for the benefit of the holders of the New Notes, at our cost to use our commercially reasonable efforts, to:

- file a registration statement with the SEC, which we refer to as the “exchange offer registration statement,” with respect to the registered offers, which we refer to as the “registered exchange offers,” to exchange each series of New Notes for a series of exchange notes, which will have terms identical in all material respects to such series of New Notes, except that each series of exchange notes will not contain transfer restrictions and will not provide for any increase in the interest rate thereon in the circumstances described below;
- cause the exchange offer registration statement to be declared effective within 330 days after the Early Settlement Date, or if there is no such settlement date, the Final Settlement Date; and
- complete the registered exchange offers within 360 days after the Early Settlement Date, or if there is no such settlement date, the Final Settlement Date.

The registration rights agreement will provide that, promptly after the exchange offer registration statement has been declared effective, we will commence the registered exchange offers thereafter (but in any event not later than 30 days after such effectiveness). We will agree to keep the registered exchange offers open for not less than 30 business days after commencement of the registered exchange offers, or longer if required by applicable law.

Interest on each exchange note will accrue from the last interest payment date on which interest was paid on the New Notes surrendered in exchange therefor or, if no interest has been paid on the New Notes, from the date of their original issuance. The exchange notes will vote and consent together with the New Notes on all matters on which holders of New Notes or exchange notes are entitled to vote and consent.

Under existing interpretations of the staff of the SEC, we believe the exchange notes would generally be freely tradable after the completion of the registered exchange offer without further compliance with the registration and prospectus delivery requirements of the Securities Act. Any purchaser of New Notes, however, who is an affiliate of ours or who intends to participate in the registered exchange offer for the purpose of distributing the exchange notes, or any participating broker-dealer who purchased Old Notes for its own account, other than as a result of market-making activities or other trading activities, to resell pursuant to Rule 144A or any other available exemption under the Securities Act and who exchanges Old Notes for New Notes in the Exchange Offers described in this offering memorandum:

- will not be able to rely on the interpretations of the staff of the SEC;
- will not be entitled to participate in the registered exchange offer; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the New Notes, unless that sale or transfer is made pursuant to an exemption from those requirements.

Each holder of New Notes who wishes to exchange New Notes for exchange notes pursuant to the registered exchange offer will be required to represent to us in writing at the time of the consummation of the registered exchange offer that:

- it is not an affiliate of ours;

- it is not a broker-dealer tendering New Notes that it acquired in exchange for Old Notes acquired directly from us for its own account;
- the New Notes being exchanged, and any exchange notes to be received by it, have been or will be acquired in the ordinary course of its business; and
- it is not engaged and does not intend to engage in and has no arrangement or understanding with any person to participate in the distribution, within the meaning of the Securities Act, of the exchange notes.

Our consummation of the registered exchange offer will be subject to certain conditions described in the registration rights agreement including, without limitation, our receipt of the representations from participating holders as described above and in the registration rights agreement.

In addition, in connection with any resales of the exchange notes, any broker-dealer that acquired exchange notes for its own account as a result of market-making or other trading activities, which we refer to as “exchanging broker-dealers,” must deliver a prospectus meeting the requirements of the Securities Act. The SEC has taken the position that exchanging broker-dealers may fulfill their prospectus delivery requirements with respect to the exchange notes with the prospectus contained in the exchange offer registration statement. Under the registration rights agreement, we will be required for a limited period to allow exchanging broker-dealers and other persons, if any, subject to similar prospectus delivery requirements, to use the prospectus contained in the exchange offer registration statement in connection with the resale of exchange notes.

The registration rights agreement will also provide that if:

- due to a change in law or in applicable interpretations of the staff of the SEC, we determine that we are not permitted to effect the registered exchange offer;
- any holder of New Notes notifies us prior to the 20th day following completion of the registered exchange offer that it is not eligible to participate in the registered exchange offer or does not receive fully tradeable exchange notes pursuant to the registered exchange offer (other than solely due to the status of such holder as an affiliate of ours within the meaning of the Securities Act or as a broker-dealer);
- for any other reason, the registered exchange offer is not completed within 360 days after the Early Settlement Date, or if there is no such settlement date, the Final Settlement Date; or

we so elect; we will, at our reasonable cost:

- as promptly as practicable, but not more than 180 days after so required or requested pursuant to the registration rights agreement, file with the SEC a shelf registration statement, which we refer to as the “shelf registration statement,” covering resales of the New Notes;
- if permitted by Rule 430B under the Securities Act, otherwise designate an existing effective shelf registration statement for use by the holders of the New Notes as a shelf registration statement relating to the resales of such New Notes by the holders thereof;
- use our commercially reasonable efforts to cause the shelf registration statement to become effective under the Securities Act within 270 days after we are required or requested pursuant to the registration rights agreement; and
- use our commercially reasonable efforts to keep the shelf registration statement effective until the earlier of the date that is one year from effectiveness of the shelf registration statement or the time that all New Notes eligible to be sold under the shelf registration statement have been sold pursuant to the shelf registration statement.

For each relevant holder, we will agree to:

- provide copies of the prospectus that is part of the shelf registration statement;
- notify each such holder when the shelf registration statement has been filed and when it has become effective; and
- take certain other actions as are required to permit unrestricted resales of the New Notes.

A holder that sells New Notes pursuant to the shelf registration statement generally will be required to be named as a selling security holder in the related prospectus and to deliver a prospectus to purchasers, will be subject to certain of the civil liability provisions under the Securities Act in connection with such sales and will be bound by the provisions of the registration rights agreement that are applicable to such holder, including certain indemnification obligations. No holder shall be entitled to be named as a selling security holder in the shelf registration statement or to use the prospectus forming a part thereof for resales of the New Notes unless such holder has signed and returned to us a notice and questionnaire as distributed by us consenting to such holder's inclusion in the shelf registration statement and related prospectus as a selling security holder and providing further information to us. In addition, a holder of New Notes will be required to deliver information to be used in connection with the shelf registration statement to benefit from the provisions set forth in the following paragraph.

If:

- the exchange offer registration statement is not declared effective by the SEC on or prior to 330 days after the Early Settlement Date, or if there is no such settlement date, the Final Settlement Date;
- neither the registered exchange offer is completed within 360 days after the Early Settlement Date, or if there is no such settlement date, the Final Settlement Date, nor the shelf registration has been declared effective within 270 days after the date, if any, on which we became obligated to file the shelf registration statement;
- the exchange offer registration statement has been declared effective but ceases to be effective or usable prior to the consummation of the registered exchange offer (unless such ineffectiveness is cured within the 330-day period described above); or
- the shelf registration statement, if applicable, has been both filed and effective but ceases to be effective or usable for a period of time that exceeds 180 days in the aggregate in any 12-month period in which it is required to be effective under the registration rights agreement, each such event referred to in this bullet point and any of the previous three bullet points we refer to as a "registration default;"

then we will be required to pay additional interest as liquidated damages to the holders of the New Notes affected thereby, and additional interest will accrue on the principal amount of the New Notes affected thereby, in addition to the stated interest on the New Notes, from and including the date on which any registration default shall occur to, but not including, the date on which all registration defaults have been cured. Additional interest will accrue at a rate of 0.25% per annum while any registration default is continuing, until all registration defaults have been cured.

Following the cure of all registration defaults, the accrual of additional interest on the New Notes will cease and the interest rate will revert to the original rate on the New Notes. Any additional interest will constitute liquidated damages and will be the exclusive remedy, monetary or otherwise, available to any holder of New Notes with respect to any registration default. In no event shall AT&T be obligated to pay additional interest (i) for more than one registration default under the registration rights agreement at any one time, (ii) for a period of more than one year (or for such longer period as extended pursuant to the registration rights agreement) from the issue date for any registration default referred to in the registration rights agreement with respect to a shelf registration statement or (iii) on any securities that, at the time of such registration default, are not transfer restricted securities.

The registration rights agreement will provide that a holder of New Notes is deemed to have agreed to be bound by the provisions of the registration rights agreement whether or not the holder has signed the registration rights agreement.

## NOTICE TO INVESTORS; TRANSFER RESTRICTIONS

Because of the following restrictions, each Eligible Holder who acquires New Notes in exchange for Old Notes that it tendered is advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the New Notes. See “Description of New Notes.”

The New Notes have not been registered under the Securities Act and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Notes are being offered and sold only (a) in the United States, to “qualified institutional buyers,” or “QIBs,” as that term is defined in Rule 144A under the Securities Act, in a private transaction in reliance upon an exemption from the registration requirements of the Securities Act and (b) (i) outside the United States, to persons other than “U.S. persons,” as that term is defined in Rule 902 under the Securities Act, in offshore transactions in reliance upon Regulation S under the Securities Act, or a dealer or other professional fiduciary organized, incorporated or (if an individual) residing in the United States holding a discretionary account or similar account (other than an estate or a trust) for the benefit or account of a non-“U.S. person,” (ii) if located or resident in any Member State of the European Economic Area or the United Kingdom, to persons other than “retail investors” (for these purposes, a retail investor means a person who is one (or more) of: (1) a retail client as defined in point (11) of Article 4(1) of MiFID II; (2) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (3) not a “qualified investor” as defined in the Prospectus Regulation and the Luxembourg Prospectus Law) and (iii) if located or resident in Canada, to a holder located or resident in a province of Canada and is an “accredited investor” as such term is defined in National Instrument 45-106 – *Prospectus Exemptions*, and, if resident in Ontario, section 73.3(1) of the *Securities Act* (Ontario), in each case, that is not an individual unless that person is also a “permitted client” as defined in National Instrument 31-103 - *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. The New Notes will constitute “restricted securities” as defined in Rule 144 under the Securities Act. By submitting a letter of transmittal or an agent’s message, as applicable, each holder who tenders its Old Notes in exchange for New Notes will be required to, by its submission thereof, be deemed to have acknowledged, represented to and agreed us as follows:

- (1) It understands and acknowledges that the New Notes, which have not been registered under the Securities Act or any other applicable securities law, are being offered in transactions not requiring registration under the Securities Act or any other securities law, including sales pursuant to Rule 144A under the Securities Act, and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities law or pursuant to an exemption therefrom and in each case in compliance with the conditions for transfer set forth in paragraph (4) below.
- (2) Either
  - (a) it is a QIB and aware that any offer of New Notes to it will be made in reliance on Rule 144A and such acquisition will be for its own account or for the account of another QIB; or
  - (b) it is a non-U.S. person purchasing the New Notes in an offshore transaction within the meaning of Regulation S.
- (3) It acknowledges that neither we nor the Information Agent, the Exchange Agent, the Dealer Managers or any person acting on behalf of any of the foregoing, has made any representations to it with respect to us or the offering of any New Notes, other than in this offering memorandum, which has been delivered to it and upon which it is relying in making its investment decision with respect to the New Notes. Accordingly, it acknowledges that no representation or warranty is made by us as to the accuracy or completeness of such materials and it has had access to such financial and other information concerning us and the New Notes as it has deemed necessary in connection with its decision to purchase any of the New Notes, including an opportunity to ask questions of and request information from us.
- (4) It is purchasing the New Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times

within its or their control and subject to its or their ability to resell such New Notes pursuant to Rule 144A, Regulation S or any exemption from registration available under the Securities Act. It agrees on its own behalf and on behalf of any investor account for which it is purchasing the New Notes, and each subsequent holder of the New Notes, by its acceptance thereof will agree, to offer, sell or otherwise transfer such New Notes prior to the date that is one year after the later of the date of original issue and the last date on which we or any of our affiliates were the owner of such New Notes (or any predecessor thereto) (the “Resale Restriction Termination Date”) only (a) to us or any of our subsidiaries, (b) pursuant to a registration statement that has been declared effective under the Securities Act, (c) for so long as the New Notes are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A, (d) pursuant to offers and sales to non-U.S. purchasers that occur outside the United States within the meaning of Regulation S under the Securities Act, (e) to an institutional “accredited investor” within the meaning of subparagraph (a)(1), (2), (3) or (7) of Rule 501 under the Securities Act that is acquiring the New Notes for its own account, or for the account of such an institutional accredited investor, for investment purposes or (f) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date (except in the case of our affiliates). If any resale or other transfer of the New Notes is proposed to be made pursuant to clause (f) above prior to the Resale Restriction Termination Date, the transferor shall deliver a letter from the transferee substantially in the form required under the Indenture to the Trustee under the Indenture. Each purchaser acknowledges that we and the Trustee, as the case may be, reserve the right prior to any offer, sale or other transfer prior to the Resale Restriction Termination Date pursuant to clause (d), (e) or (f) above to require the delivery of an opinion of counsel, certifications and/or information satisfactory to us and the Trustee, as the case may be. Each purchaser agrees that it will not directly or indirectly engage in any hedging transactions with regard to the New Notes, except as permitted by the Securities Act. Each purchaser acknowledges that each New Note will contain a legend substantially to the following effect:

THIS SECURITY (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF REPRESENTS THAT IT IS (1) A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (2) NOT A U.S. PERSON AND IS ACQUIRING ITS NOTE IN AN “OFFSHORE TRANSACTION” PURSUANT TO RULE 904 OF REGULATION S UNDER THE SECURITIES ACT.

THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF AT&T INC. THAT (A) PRIOR TO THE DATE (THE “RESALE RESTRICTION TERMINATION DATE”) WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (I) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (III) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE

SECURITIES ACT, (IV) TO AN INSTITUTIONAL “ACCREDITED INVESTOR” WITHIN THE MEANING OF SUBPARAGRAPH (a)(1), (2), (3) OR (7) OF RULE 501 UNDER THE SECURITIES ACT THAT IS ACQUIRING THIS SECURITY FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL “ACCREDITED INVESTOR,” FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, (V) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (VI) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS SECURITY OF THE RESALE RESTRICTIONS REFERRED TO IN CLAUSE (A) ABOVE. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THIS SECURITY PURSUANT TO CLAUSE (A)(VI) ABOVE OR REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER THE TRANSFER OF THIS SECURITY IN VIOLATION OF THE FOREGOING RESTRICTION.

- (5) It agrees that the Regulation S global notes for the New Notes will bear a legend to the follow effect unless otherwise agreed by us and the holder thereof:

UNTIL 40 DAYS AFTER THE LATER OF COMMENCEMENT OR COMPLETION OF THE OFFERING, AN OFFER OR SALE OF NOTES WITHIN THE UNITED STATES BY A DEALER (AS DEFINED IN THE SECURITIES ACT) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IF SUCH OFFER OR SALE IS MADE OTHERWISE THAN IN ACCORDANCE WITH RULE 144A THEREUNDER.

- (6) It acknowledges that we and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and represents that, with respect to any of the acknowledgements, representations and agreements deemed to have been made by the purchaser of the New Notes as a fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (7) It confirms that neither we nor the Information Agent, the Exchange Agent, the Dealer Managers or any person acting on behalf on any of the foregoing has offered to sell the New Notes by, and that it has not been made aware of the offering of the New Notes by, any form of general solicitation or general advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio.

## CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion summarizes certain U.S. federal income tax consequences of the Exchange Offers and the ownership of the New Notes acquired in the Exchange Offers. It applies to you only if you acquire your New Notes in the Exchange Offers and you hold your Old Notes and New Notes as capital assets for U.S. federal income tax purposes. This discussion addresses only United States federal income taxation and does not discuss all of the tax consequences that may be relevant to you in light of your individual circumstances, including foreign, state or local tax consequences, estate and gift tax consequences, tax consequences arising under the Medicare contribution tax on net investment income, or the alternative minimum tax.

This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

- dealers in securities or currencies,
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings,
- banks,
- life insurance companies,
- tax exempt organizations,
- persons holding the Old Notes or the New Notes as a position in a hedging transaction, “straddle,” “conversion transaction” or other risk reduction transaction,
- persons that purchase or sell the Old Notes or the New Notes as part of a wash sale for tax purposes, or
- U.S. Holders (as defined below) whose functional currency for tax purposes is not the U.S. dollar.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) holds the Old Notes or the New Notes, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding the Old Notes or the New Notes, you should consult your tax advisor regarding the tax consequences of the Exchange Offers and the ownership of New Notes.

This summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing and proposed regulations under the Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

**Please consult your own tax advisor concerning the consequences of the Exchange Offers and of owning the New Notes in your particular circumstances under the Code and the laws of any other taxing jurisdiction.**

### **Tax Consequences to Non-Exchanging Holders**

Because the terms of the Old Notes will not be modified in connection with the Exchange Offers, the exchange of some of the Old Notes should not have any U.S. federal income tax consequences for holders of the Old Notes who do not tender their Old Notes or whose Old Notes are not accepted for exchange in the Exchange Offers.

### **Tax Consequences to Exchanging U.S. Holders**

This subsection describes the tax consequences to a U.S. Holder whose Old Notes are accepted for the exchange in the Exchange Offers. You are a “U.S. Holder” if you are a beneficial owner of the Old Notes and you are, for U.S. federal income tax purposes:

- a citizen or resident of the United States,
- a domestic corporation,
- an estate the income of which is subject to U.S. federal income taxation regardless of its source, or
- a trust if a U.S. court can exercise primary supervision over the trust’s administration and one or more U.S. persons are authorized to control all substantial decisions of the trust.

If you are not a U.S. Holder, this subsection does not apply to you and you should refer to “Tax Consequences to Exchanging Non-U.S. Holders” below.



Except as discussed below under “—Holders that Exchange Old Notes on the Final Settlement Date,” the discussion in this section only applies (a) if there is a single Settlement Date or (b) if there are two Settlement Dates, to a U.S. Holder that exchanges Old Notes for New Notes on the Early Settlement Date.

### **The Exchange Offers**

*Characterization of the Exchange of Old Notes for New Notes.* Under U.S. federal income tax law, the exchange of old debt instruments for new debt instruments constitutes a disposition of the old debt instruments for U.S. federal income tax purposes if the exchange constitutes a “significant modification” of the terms of the old debt instruments. Generally, the modification of a debt instrument is a significant modification if, based on all the facts and circumstances and taking into account all modifications of the debt instrument, the legal rights and obligations under the debt instrument are altered in a manner that is economically significant. Treasury regulations provide that the substitution of a new obligor on a recourse debt instrument generally is a significant modification. Treasury regulations also provide that a change in the yield of a debt instrument is a significant modification if the yield of the modified instrument (determined by taking into account any payments made by the issuer to the holder as consideration for a modification) varies from the yield on the unmodified instrument (determined as of the date of the modification) by more than the greater of 25 basis points or 5% of the annual yield of the unmodified instrument. Lastly, Treasury regulations provide that an extension of the final maturity date of a debt instrument or deferral of any payment pursuant to a debt instrument is a significant modification if it results in the material deferral of scheduled payments. The materiality of the deferral depends on all the facts and circumstances, including the length of the deferral, the original term of the instrument, the amounts of the payments that are deferred, and the time period between the modification and the actual deferral of payments. Treasury regulations provide a safe harbor whereby a deferral of a payment is *not* a material deferral if the payment is deferred no later than the lesser of five years or 50 percent of the original term of the debt instrument.

Although the matter is not free from doubt, the Company believes, and intends to take the position, that any exchange of Old Notes issued by AT&T (the “AT&T Old Notes”) for New Notes pursuant to the Exchange Offers will constitute a significant modification of the terms of the AT&T Old Notes under either the “change in yield” test described above or the “material deferral” test described above. The discussion below assumes that the exchange of AT&T Old Notes for New Notes will be treated as a significant modification under either of these tests.

Under the Treasury regulations described above, any exchange of Old Notes that are not issued by AT&T (the “non-AT&T Old Notes”) for New Notes pursuant to the Exchange Offers will constitute a significant modification of the terms of the Old Notes under the “change in obligor” test described above.

*Tax Consequences of the Early Participation Payment.* The tax treatment of the Early Participation Payment is uncertain. The Early Participation Payment may be treated as additional consideration received for the Old Notes, in which case it will be taken into account in determining your amount realized in respect of the exchange. The Early Participation Payment could conceivably be treated, however, as a separate fee, in which case the Early Participation Payment would be treated as ordinary income and separately taxable. While the proper treatment of the Early Participation Payment is not free from doubt, we believe that the Early Participation Payment should be treated for U.S. federal income tax purposes as consideration for the Old Notes and, except as otherwise noted below, the remainder of this discussion assumes that the Early Participation Payment will be so treated.

*Tax Consequences of Exchange of AT&T Old Notes with an Initial Maturity of More than 10 Years for New Notes.* This discussion applies to the 4.800% Global Notes due 2044, the 4.500% Global Notes due 2048, the 4.35% Global Notes due 2045, the 4.30% Global Notes due 2042, the 4.125% Global Notes due 2026, the 4.100% Global Notes due 2028 and the 4.250% Global Notes due 2027. The tax treatment of exchanges of such AT&T Old Notes for New Notes pursuant to the Exchange Offers depends upon whether the exchanges qualify as recapitalizations for U.S. federal income tax purposes. In order for an exchange to qualify as a recapitalization, such AT&T Old Notes and the New Notes must both be treated as “securities” under the relevant provisions of the Code. We believe that the AT&T Old Notes with an initial maturity of more than 10 years and the corresponding New Notes should be treated as securities for this purpose, and that accordingly the exchange of the AT&T Old Notes for New Notes should be treated as a recapitalization for U.S. federal income tax purposes, and the discussion herein assumes that the exchanges will be so treated.

Under the rules that govern a recapitalization, you will recognize gain (but not loss), if any, on an exchange of AT&T Old Notes for New Notes in an amount equal to the lesser of (i) the excess of (a) the “issue price” of the New Notes (including any fractional amounts for which you receive cash) that you receive in the exchange for New Notes

plus any cash (other than cash in lieu of fractional amounts of New Notes and cash received with respect to accrued but unpaid interest on the AT&T Old Notes) that you receive in the exchange, over (b) your tax basis in the AT&T Old Notes and (ii) the sum of (a) any cash (other than cash in lieu of fractional amounts of New Notes and cash received for accrued interest) that you receive in the exchange and (b) the fair market value of the excess of the principal amount of the New Notes (including any fractional amounts for which you receive cash) that you receive in the exchange over the principal amount of the AT&T Old Notes that you surrender in the exchange (the “Excess Principal Amount”).

Your adjusted tax basis in the Old Notes will generally equal your initial tax basis in the Old Notes, increased by any original issue discount (“OID”) or market discount previously included in income with respect to your Old Notes and decreased (but not below zero) by bond premium that you have amortized with respect to the Old Notes. The issue price of the New Notes will depend on whether the New Notes are treated as publicly traded for U.S. federal income tax purposes. We believe that the New Notes will be treated as publicly traded for U.S. federal income tax purposes, and the remainder of the discussion assumes such treatment. We accordingly believe, and intend to take the position, that the issue price of the New Notes will equal the fair market value of the New Notes on the Settlement Date. If there is more than one Settlement Date, the issue price of the New Notes will equal the fair market value of the New Notes on the Early Settlement Date.

The Company will provide investors with information regarding its determination of the issue price of the New Notes within 90 days of the Settlement Date in a manner consistent with the applicable Treasury Regulations. The Company’s determination of the issue price of the New Notes is binding upon a U.S. holder unless such holder explicitly discloses to the Internal Revenue Service, on a timely filed U.S. federal income tax return for the taxable year that includes the date of the Exchange, that its determination is different from the Company’s determination, the reasons for the different determination, and how such U.S. holder determined the issue price. The Internal Revenue Service may disagree with the Company’s determination of the issue price of the New Notes.

A holder of AT&T Old Notes who receives cash in lieu of fractional amounts of New Notes will generally be treated as having received the fractional amounts pursuant to the Exchange Offers and then as having sold those fractional amounts of New Notes for cash. As a result, a holder of AT&T Old Notes will generally recognize gain or loss equal to the difference between the amount of cash received and the tax basis allocated to such fractional amounts of New Notes. Gain or loss recognized with respect to cash received in lieu of fractional amounts of New Notes will generally be capital gain or loss, and will be long-term capital gain or loss, if as of the applicable Settlement Date, your holding period for such AT&T Old Notes is greater than one year. The deductibility of capital losses is subject to limitations.

Subject to the discussion below regarding accrued market discount, any gain that you recognize in the exchange will be capital gain. Capital gain will be long-term capital gain if you held the AT&T Old Notes for more than one year prior to the date of the exchange. Long-term capital gain of non-corporate U.S. Holders is generally taxed at preferential rates.

You will be considered to have acquired an AT&T Old Note with “market discount” if the stated principal amount of such AT&T Old Note (or, in the case of any AT&T Old Note that was issued with OID, the “revised issue price” of the AT&T Old Note) exceeded your initial tax basis for such AT&T Old Note by more than a de minimis amount. If your AT&T Old Notes were acquired with market discount, any gain that you recognize on the exchange of AT&T Old Notes for the New Notes will be treated as ordinary income to the extent of the market discount that accrued during your period of ownership, unless you previously had elected to include market discount in income as it accrued for U.S. federal income tax purposes. In addition, (i) any accrued market discount on such AT&T Old Notes that was not previously included in income and is not included in income upon the exchange will generally carry over to the New Notes and (ii) the New Notes you receive would also be treated as acquired at a market discount (in addition to, and without duplication of, any market discount from clause (i)) if the principal amount of the New Notes exceeds your initial tax basis for such New Notes by more than a de minimis amount.

Your initial tax basis in the New Notes will be equal to your adjusted tax basis in the AT&T Old Notes exchanged, increased by any gain that you recognize on the exchange and decreased by any cash that you receive in the exchange, excluding any cash you receive with respect to accrued but unpaid interest on the AT&T Old Notes but including cash that you receive in lieu of fractional amounts of New Notes. Your holding period for such New Notes will include the period during which you held the Old Notes surrendered in the exchange, except that your holding period in the portion of the New Notes that is attributable to Excess Principal Amount will begin on the day after the exchange.

If you hold Old Notes with differing tax bases and/or holding periods, the preceding rules must be applied separately to each identifiable block of Old Notes.

The cash that you receive with respect to accrued and unpaid interest on the AT&T Old Notes will be treated as ordinary income for U.S. federal income tax purposes to the extent not previously included in income.

*Tax Consequences of Exchange of AT&T Old Notes with an Initial Maturity of Between 5 and 10 Years for New Notes.* This discussion applies to the 3.875% Global Notes due 2026, the 2.950% Global Notes due 2026 and the 3.800% Global Notes due 2027. The tax treatment of exchanges of such AT&T Old Notes for New Notes pursuant to the Exchange Offers depends upon whether the exchanges qualify as recapitalizations for U.S. federal income tax purposes. In order for an exchange to qualify as a recapitalization, such AT&T Old Notes and the New Notes must both be treated as “securities” under the relevant provisions of the Code. While we believe the New Notes should be treated as securities for this purposes, it is unclear whether such AT&T Old Notes should be treated as securities for this purpose. If such AT&T Old Notes were treated as securities, the exchange of such AT&T Old Notes for New Notes would be treated as a recapitalization and would be subject to the tax treatment described above under “—*Tax Consequences of Exchange of AT&T Old Notes with an Initial Maturity of More than 10 Years for New Notes.*” If such AT&T Old Notes were not treated as securities, the exchange of such AT&T Old Notes for New Notes would not be treated as a recapitalization and would be subject to the tax treatment described below under “—*Tax Consequences of Exchange of non-AT&T Old Notes for New Notes.*”

*Tax Consequences of Exchange of non-AT&T Old Notes for New Notes.* You will recognize gain or loss on the exchange of non-AT&T Old Notes for New Notes in an amount equal to the difference between the amount you realize on the exchange and your adjusted tax basis in the Old Notes. The amount you realize in the exchange will equal the sum of (a) the issue price of the New Notes you receive in the exchange (determined in the manner described below), and (b) any cash that you receive in the exchange, excluding any cash you receive with respect to accrued but unpaid interest on the non-AT&T Old Notes but including any cash that you receive in lieu of fractional amounts of New Notes. Your adjusted tax basis in the Old Notes will generally equal your initial tax basis in the Old Notes, increased by any OID or market discount previously included in income with respect to your Old Notes and decreased (but not below zero) by bond premium that you have amortized with respect to the Old Notes. Except as described below with respect to accrued market discount, gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if your holding period for the Old Notes is more than one year at the time of the exchange. Capital gain of a non-corporate U.S. holder is generally taxed at preferential rates where the property is held for more than one year. The deductibility of capital losses is subject to limitations.

The issue price of the New Notes will depend on whether the New Notes are treated as publicly traded for U.S. federal income tax purposes. We believe that the New Notes will be treated as publicly traded for U.S. federal income tax purposes, and the remainder of the discussion assumes such treatment. We accordingly believe, and intend to take the position, that the issue price of the New Notes will equal the fair market value of the New Notes on the Settlement Date. If there is more than one Settlement Date, the issue price of the New Notes will equal the fair market value of the New Notes on the Early Settlement Date.

The Company will provide investors with information regarding its determination of the issue price of the New Notes within 90 days of the Settlement Date in a manner consistent with the applicable Treasury Regulations. The Company’s determination of the issue price of the New Notes is binding upon a U.S. holder unless such holder explicitly discloses to the Internal Revenue Service, on a timely filed U.S. federal income tax return for the taxable year that includes the date of the Exchange, that its determination is different from the Company’s determination, the reasons for the different determination, and how such U.S. holder determined the issue price. The Internal Revenue Service may disagree with the Company’s determination of the issue price of the New Notes.

Your holding period for the New Notes will not include your holding period for the Old Notes exchanged and will begin on the day after the applicable Settlement Date. Your initial tax basis in the New Notes will be the issue price of the New Notes.

You will be considered to have acquired an Old Note with “market discount” if the stated principal amount of such Old Note exceeded your initial tax basis for such Old Note by more than a de minimis amount. If your Old Notes were acquired with market discount, any gain that you recognize on the exchange of Old Notes for the New Notes will be treated as ordinary income to the extent of the market discount that accrued during your period of ownership, unless you previously had elected to include market discount in income as it accrued for U.S. federal income tax purposes.

The cash that you receive with respect to accrued and unpaid interest on the Old Notes will be treated as ordinary income for U.S. federal income tax purposes to the extent not previously included in income.

### **Ownership of the New Notes**

*Additional Interest.* We may be required to pay additional interest or principal on the New Notes in certain circumstances described above (see “Description of New Notes—The New Notes—Optional Redemption of the New Notes” and “Description of New Notes—Registered Exchange Offers; Registration Rights”). We believe (and the rest of this discussion assumes) there is only a remote possibility that we will be obligated to make any such additional payments on the New Notes and the New Notes therefore will not be treated as contingent payment debt instruments. Assuming our position is respected, any such additional payments would generally be taxable to a U.S. Holder at the time such payments are received or accrued, in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

Our determination that the New Notes are not contingent payment debt instruments is not binding on the Internal Revenue Service. If the Internal Revenue Service were to successfully challenge our determination and the New Notes were treated as contingent payment debt instruments, U.S. Holders would be required, among other things, to accrue interest income (regardless of the holder’s method of accounting for U.S. federal income tax purposes) at a rate higher than the rate reflecting the stated interest and OID, if any, on the New Notes, and treat as ordinary income (rather than capital gain) any gain recognized on a sale, exchange or other taxable disposition of a New Note. Our determination that the New Notes are not contingent payment debt instruments is binding on U.S. Holders unless they disclose their contrary positions to the Internal Revenue Service in the manner that is required by applicable Treasury regulations. U.S. Holders should consult their tax advisors concerning the tax effects of the possibility of payments of additional interest.

*Payments of Interest.* Stated interest on the New Notes generally will be taxable to you as ordinary income at the time that it is paid or accrued in accordance with your method of accounting for U.S. federal income tax purposes.

*Original Issue Discount.* If the issue price of a series of New Notes (in each case, determined in the manner described above under “The Exchange Offers—Tax Consequences of Exchange of AT&T Old Notes for New Notes with an Initial Maturity of More than 10 Years” and “The Exchange Offers—Tax Consequences of Exchange of non-AT&T Old Notes for New Notes”) is less than their principal amount by an amount that is more than or equal to the *de minimis* amount, such New Notes would be treated as issued with OID equal to such difference. The *de minimis* amount equals  $\frac{1}{4}$  of 1 percent of the applicable New Notes’ principal amount multiplied by the number of complete years to maturity. You will be required to include such OID in income on a constant yield method over the term of the New Notes. However, if your basis in the New Notes exceeds the issue price of such New Notes, such excess would reduce or eliminate your OID accruals.

*Market Discount.* If your New Note has market discount (see “The Exchange Offers—Tax Consequences of Exchange of AT&T Old Notes for New Notes with an Initial Maturity of More than 10 Years” above), you will be required to treat any gain on the sale, exchange or other taxable disposition of the New Note as ordinary income to the extent of the market discount that is treated as having accrued on the New Note at the time of the sale, exchange or other taxable disposition, and which you have not previously included in income. In addition, if you are treated as having acquired New Notes at a market discount, you may be required to defer, until the maturity of the New Notes or their earlier disposition in a taxable transaction, the deduction of all or a portion of the interest expense on any indebtedness attributable to the New Notes.

Any market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the New Notes unless you elect to accrue on a constant yield method. You may elect to include market discount in income currently as it accrues, on either a ratably or constant yield method, in which case the rules described above regarding the treatment of gain to the extent of market discount and the deferral of interest deductions will not apply.

*Bond Premium.* If immediately after the exchange you have an adjusted tax basis in the New Notes in excess of the stated principal amount of the New Notes, the New Notes will be treated as issued with bond premium. Generally, you may elect to amortize such bond premium as an offset to stated interest income in respect of the New Notes, using a constant yield method prescribed under applicable Treasury regulations, over the remaining term of the New Notes. However, because the New Notes may be redeemed by us prior to maturity at a premium, special

rules apply that may reduce, eliminate or defer the amount of premium that you may amortize with respect to a New Note. You should consult your tax advisor about these special rules. If you elect to amortize bond premium you must reduce your basis in the New Notes by the amount of the premium used to offset stated interest. You should consult your tax advisor regarding the availability of an election to amortize bond premium for U.S. federal income tax purposes.

*Sale, Redemption or Other Disposition of the New Notes.* Upon the sale, redemption or other disposition of New Notes, you will recognize gain or loss equal to the difference, if any, between the amount realized on the sale, exchange or other disposition (excluding accrued but unpaid stated interest, which generally will be taxable as interest to the extent not previously included in income) and your adjusted tax basis in the New Notes. Your adjusted tax basis in the New Notes will equal your initial tax basis in the New Notes, increased by any OID or market discount previously included in income with respect to your New Notes and decreased (but not below zero) by bond premium that you have amortized with respect to the New Notes. Except to the extent attributable to accrued market discount that you have not previously included in income, such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if your holding period for the New Notes is more than one year at the time of the sale, redemption or other disposition. Capital gain of a non-corporate U.S. holder is generally taxed at preferential rates where the property is held for more than one year. The deductibility of capital losses is subject to limitations.

*Discharge of the New Notes.* If we discharge our payment obligations under a series of New Notes as provided under “Description of New Notes—Discharge of Our Obligations,” you should be treated as disposing of the applicable New Notes in exchange for an interest in property held in trust with the Trustee. In such case you may recognize gain or loss for U.S. federal income tax purposes in respect of the applicable New Notes, and your amount realized in the deemed exchange may exceed the principal amount of the New Note.

#### **Holders that Exchange Old Notes on the Final Settlement Date**

A U.S. Holder that exchanges Old Notes for New Notes on the Final Settlement Date should be treated in the same manner as described above, and should be subject to tax with respect to the New Notes in the same manner as described above, subject to the following modifications.

Any New Notes that are issued in exchange for the Old Notes on the Final Settlement Date will be treated for tax purposes as part of the same “issue” as the New Notes that are issued on the Early Settlement Date, and thus will have the same issue price for tax purposes as the New Notes that are issued on the Early Settlement Date. Accordingly, the amount realized by U.S. Holder that exchanges Old Notes on the Final Settlement Date will be based on the fair market value of the New Notes on the Early Settlement Date, notwithstanding that such amount may differ from the fair market value of the New Notes on the date the U.S. Holder actually disposes of the Old Notes.

In addition, a U.S. Holder that exchanges Old Notes on the Final Settlement Date will include the accrued interest on the Old Notes at such time in ordinary income, even though the amount of accrued interest that it will actually receive at such time will be reduced by the pre-issuance accrued interest on the New Notes on the Final Settlement Date. The U.S. Holder would then reduce the amount of interest income that it recognizes in respect of the first interest payment on the New Notes by the amount of such pre-issuance accrued interest, and it would reduce its basis in the New Notes by such amount.

#### **Tax Consequences to Exchanging Non-U.S. Holders**

This subsection describes the tax consequences to a Non-U.S. Holder. You are a “Non-U.S. Holder” if you are a beneficial owner of Old Notes and you are, for U.S. federal income tax purposes:

- a nonresident alien individual,
- a foreign corporation, or
- an estate or trust that in either case is not subject to U.S. federal income tax on a net income basis on income or gain from an Old Note.

Special rules may apply to certain Non-U.S. Holders such as “controlled foreign corporations” and “passive foreign investment companies.” Such Non-U.S. Holders should consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

If you are a U.S. Holder, this subsection does not apply to you.

### **The Exchange Offers**

*Gain.* If you are a Non-U.S. Holder of Old Notes, subject to the discussion of backup withholding below and to the discussion below in respect of the receipt of the Early Participation Payment, you generally will not be subject to U.S. federal income tax on gain realized through the Exchange Offers, unless:

- the gain is effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment that you maintain);
- you are an individual, you are present in the United States for 183 or more days during the taxable year in which the gain is realized and certain other conditions exist; or
- you are subject to Code provisions applicable to certain former citizens or residents.

Such Non-U.S. Holders should refer to the discussion in “Tax Consequences to Exchanging U.S. Holders—The Exchange Offers” to determine gain with respect to the Exchange Offers.

As discussed above, however, the Early Participation Payment could conceivably be treated as a separate fee, in which case the receipt of the Early Participation Payment by a Non-U.S. Holder could possibly be subject to U.S. federal withholding tax of 30%, unless reduced or eliminated by an applicable treaty. We believe, and we intend to take the position, that the Early Participation Payment paid to Non-U.S. Holders should be treated as additional consideration for the Old Notes that is not subject to withholding tax. It is possible, however, that another withholding agent could take a different position and impose withholding tax in respect of the Early Participation Payment.

*Interest Income.* If you are a Non-U.S. Holder of Old Notes, and subject to the discussion of FATCA and backup withholding below, you generally will not be subject to U.S. federal withholding tax on your receipt of accrued interest on the Old Notes provided you qualify for the exemption from U.S. federal income tax with respect to such interest. For the general requirements of the exemption, see “—Ownership of the New Notes—Payments of Interest,” below. For this purpose, a Non-U.S. Holder that exchanges Old Notes on the Final Settlement Date will be deemed to receive the entire amount of the accrued interest on the Old Notes, even though the payment of such amount will be reduced by the pre-issuance accrued interest on the New Notes as of the Final Settlement Date.

### **Ownership of the New Notes**

*Payments of Interest.* Under U.S. federal income tax law, and subject to the discussion of backup withholding and FATCA below, if you are a Non-U.S. Holder of New Notes acquired through the Exchange Offers, interest on the New Notes paid to you is exempt from U.S. federal income tax, including withholding tax, if:

- (1) you do not actually or constructively own 10% or more of the total combined voting power of all classes of our stock that are entitled to vote;
- (2) you are not a controlled foreign corporation that is related to us through stock ownership;
- (3) the interest on the New Notes is not effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is not attributable to a U.S. permanent establishment that you maintain);
- (4) you are not subject to Code provisions applicable to certain former citizen or residents; and
- (5) the U.S. payor does not have actual knowledge or reason to know that you are a United States person and:
  - (a) you have furnished to the U.S. payor an Internal Revenue Service Form W-8BEN or Internal Revenue Service Form W-8BEN-E or an acceptable substitute form upon which you certify, under penalties of perjury, that you are a non-United States person;
  - (b) in the case of payments made outside the United States to you at an offshore account (generally, an account maintained by you at a bank or other financial institution at any location outside the United States), you have furnished to the U.S. payor documentation that establishes your identity and your status

as the beneficial owner of the payment for U.S. federal income tax purposes and as a non-United States person;

(c) the U.S. payor has received a withholding certificate (furnished on an appropriate Internal Revenue Service Form W-8 or an acceptable substitute form) from a person claiming to be:

(i) a withholding foreign partnership (generally a foreign partnership that has entered into an agreement with the Internal Revenue Service to assume primary withholding responsibility with respect to distributions and guaranteed payments it makes to its partners);

(ii) a qualified intermediary (generally a non-U.S. financial institution or clearing organization or a non-U.S. branch or office of a U.S. financial institution or clearing organization that is a party to a withholding agreement with the Internal Revenue Service); or

(iii) a U.S. branch of a non-U.S. bank or one of certain other non-U.S. financial institutions;

and the withholding foreign partnership, qualified intermediary or U.S. branch has received documentation upon which it may rely to treat the payment as made to a non-United States person that is, for U.S. federal income tax purposes, the beneficial owner of the payment on the New Notes in accordance with Treasury regulations (or, in the case of a qualified intermediary, in accordance with its agreement with the Internal Revenue Service);

(d) the U.S. payor receives a statement from a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business;

(i) certifying to the U.S. payor under penalties of perjury that an Internal Revenue Service Form W-8BEN or Internal Revenue Service Form W-8BEN-E or an acceptable substitute form has been received from you by it or by a similar financial institution between it and you; and

(ii) to which is attached a copy of the Internal Revenue Service Form W-8BEN Internal Revenue Service Form W-8BEN-E or acceptable substitute form; or

(e) the U.S. payor otherwise possesses documentation upon which it may rely to treat the payment as made to a non-United States person that is, for U.S. federal income tax purposes, the beneficial owner of the payments on the New Notes in accordance with Treasury regulations

*Sale, Exchange or Other Disposition of the New Notes.* If you are a Non-U.S. Holder of New Notes acquired through the Exchange Offers, you generally will not be subject to U.S. federal income tax on gain realized on the sale, exchange or other disposition of such New Notes, unless you fall into one of the exceptions discussed above under “—The Exchange Offers—Gain.”

### **FATCA Withholding**

A 30% withholding tax (“FATCA withholding”) may be imposed on certain payments to you or to certain foreign financial institutions, investment funds and other non-U.S. persons receiving payments on your behalf if you or such persons fail to comply with certain information reporting requirements. Payments of interest that you receive upon an exchange of Old Notes that were issued on or after July 1, 2014, or in respect of the New Notes, could be affected by this withholding if you are subject to the FATCA information reporting requirements and fail to comply with them or if you hold New Notes through a non-U.S. person (e.g., a foreign bank or broker) that fails to comply with these requirements (even if payments to you would not otherwise have been subject to FATCA withholding). You should consult your own tax advisors regarding the relevant U.S. law and other official guidance on FATCA withholding.

We will not pay any additional amounts in respect of FATCA withholding, so if this withholding applies, you will receive significantly less than the amount that you would have otherwise received with respect to your Notes. Depending on your circumstances, you may be entitled to a refund or credit in respect of some or all of this withholding. However, even if you are entitled to have any such withholding refunded, the required procedures could be cumbersome and significantly delay the holder's receipt of any amounts withheld.

## Information Reporting and Backup Withholding

In general, if you are a non-corporate U.S. Holder, we and other payors may be required to report to the Internal Revenue Service cash that you receive pursuant to the Exchange Offers, payments of principal of and any premium and interest on your New Notes, and the accrual of OID, if any, on a New Note. In addition, we and other payors may be required to report to the Internal Revenue Service any payment of proceeds of the sale of your New Notes before maturity within the United States. Additionally, backup withholding will apply to any payments, including payments of OID, if you fail to provide an accurate taxpayer identification number, or you are notified by the Internal Revenue Service that you have failed to report all interest and dividends required to be shown on your federal income tax returns.

In general, if you are a Non-U.S. Holder, payments of amounts received pursuant to the Exchange Offers and payments of principal, premium, if any, or interest, including OID, made by us and other payors to you will not be subject to backup withholding and information reporting, provided that the certification requirements described above under “—Tax Consequences to Exchanging Non-U.S. Holders—Ownership of the New Notes—Payments of Interest” are satisfied or you otherwise establish an exemption. However, we and other payors are required to report payments of interest on your New Notes on Internal Revenue Service Form 1042-S even if the payments are not otherwise subject to information reporting requirements. In addition, payment of the proceeds from the sale of New Notes effected at a United States office of a broker will not be subject to backup withholding and information reporting, provided that:

- you have furnished to the payor or broker:
  - an appropriate Internal Revenue Service Form W-8 or an acceptable substitute form upon which you certify, under penalties of perjury, that you are not a United States person; or
  - other documentation upon which it may rely to treat the payment as made to a non-United States person in accordance with Treasury regulations; or
- you otherwise establish an exemption.

If you fail to establish an exemption and the broker does not possess adequate documentation of your status as a non-United States person, the payments may be subject to information reporting and backup withholding. However, backup withholding will not apply with respect to payments made to an offshore account maintained by you unless the broker has actual knowledge that you are a United States person.

In general, payment of the proceeds from the sale of New Notes effected at a foreign office of a broker will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker will be subject to information reporting and backup withholding if:

- the proceeds are transferred to an account maintained by you in the United States;
- the payment of proceeds or the confirmation of the sale is mailed to you at a U.S. address; or
- the sale has some other specified connection with the United States as provided in Treasury regulations,
- unless, in each case, the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above (relating to a sale of New Notes effected at a U.S. office of a broker) are met or you otherwise establish an exemption. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a United States person.

In addition, payment of the proceeds from the sale of New Notes effected at a foreign office of a broker will be subject to information reporting if the broker is:

- a United States person;
- a controlled foreign corporation for U.S. tax purposes;
- a foreign person 50% or more of whose gross income is effectively connected with the conduct of a U.S. trade or business for a specified three-year period; or
- a foreign partnership, if at any time during its tax year:



- one or more of its partners are “U.S. persons,” as defined in Treasury regulations, who in the aggregate hold more than 50% of the income or capital interest in the partnership; or
- such foreign partnership is engaged in the conduct of a U.S. trade or business,

unless the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above (relating to a sale of New Notes effected at a U.S. office of a broker) are met or you otherwise establish an exemption. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a United States person.

## **THE DEALER MANAGERS**

We have retained Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc. to serve as the Joint-Lead Dealer Managers of the Exchange Offers. We will pay a fee to the Dealer Managers for soliciting acceptances of the Exchange Offers. That fee is based on the size and success of the Exchange Offers and will be payable on completion of the Exchange Offers. We will pay the fees and expenses relating to the Exchange Offers. The Dealer Managers have agreed to reimburse certain of our estimated expenses in connection with the Exchange Offers. The obligations of the Joint-Lead Dealer Managers to perform their functions is subject to various conditions. We have agreed to indemnify the Dealer Managers, and the Dealer Managers have agreed to indemnify us, against various liabilities, including various liabilities under the federal securities laws. The Dealer Managers may contact holders of Old Notes by mail, telephone, facsimile transmission, personal interviews and otherwise may request broker dealers and the other nominee holders to forward materials relating to the Exchange Offers to beneficial holders. Questions regarding the terms of the Exchange Offers may be directed to the Joint-Lead Dealer Managers at their addresses and telephone numbers listed on the back cover page of this offering memorandum. At any given time, the Dealer Managers may trade the Old Notes or other of our securities for their own accounts or for the accounts of their customers and, accordingly, may hold a long or short position in the Old Notes. To the extent the Dealer Managers hold Old Notes during the Exchange Offers, they may tender such Old Notes under the Exchange Offers.

The Dealer Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Dealer Managers and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Dealer Managers and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The Dealer Managers and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

## **THE EXCHANGE AGENT AND INFORMATION AGENT**

GBS has been appointed as the Exchange Agent and Information Agent for the Exchange Offers. Letters of transmittal in respect of the Certificated Notes should be sent or delivered by each holder of Old Notes, or a beneficial owner's commercial bank, broker, dealer, trust company or other nominee, to the Exchange Agent at the address and telephone number set forth in the letter of transmittal. All other correspondence in connection with the Exchange Offers should be sent or delivered by each holder of Old Notes, or a beneficial owner's commercial bank, broker, dealer, trust company or other nominee, to the Exchange Agent at the address and telephone number set forth on the back cover of this offering memorandum.

Questions concerning tender procedures and requests for additional copies of this offering memorandum, the letter of transmittal, the eligibility certification or the Canadian beneficial holder form should be directed to the Information Agent at the address and telephone numbers listed on the back cover page of this offering memorandum. Eligible Holders of Old Notes may also contact their commercial bank, broker, dealer, trust company or other nominee for assistance concerning the Exchange Offers.

We will pay the Exchange Agent and the Information Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses.

**DELIVERY OF A LETTER OF TRANSMITTAL TO AN ADDRESS OR FACSIMILE NUMBER OTHER THAN THAT OF THE EXCHANGE AGENT AS SET FORTH IN THE LETTER OF TRANSMITTAL DOES NOT CONSTITUTE A VALID DELIVERY. TRANSMISSION OF INSTRUCTIONS TO AN ADDRESS OR FACSIMILE NUMBER OTHER THAN THAT OF THE**

**EXCHANGE AGENT AS SET FORTH ON THE BACK COVER OF THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE A VALID DELIVERY.**

**VALIDITY OF SECURITIES**

Mr. Wayne A. Wirtz, Vice President – Associate General Counsel and Assistant Secretary of AT&T, is passing upon the validity of the New Notes for us. As of November 17, 2020, Mr. Wirtz owned less than 1% of the outstanding shares of AT&T. The validity of the New Notes will be passed upon for the Dealer Managers by Sullivan & Cromwell LLP, New York, New York. Sullivan & Cromwell LLP from time to time performs legal services for AT&T Inc.

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The consolidated financial statements of AT&T included in AT&T's Annual Report on Form 10-K (including the schedule appearing therein) as of December 31, 2019 and for the year then ended, incorporated herein by reference, and the effectiveness of AT&T's internal control over financial reporting as of December 31, 2019, have been audited by Ernst & Young LLP, independent registered public accounting firm, as stated in their reports included therein, and incorporated herein by reference.

---

**No person has been authorized to give any information or to make any representations other than those contained in this offering memorandum, and, if given or made, such information and representations must not be relied upon as having been authorized. This offering memorandum does not constitute an offer to purchase or sell or the solicitation of an offer to buy or tender any securities other than the securities to which it relates or any offer to sell or purchase or the solicitation of an offer to buy or tender such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this offering memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been change in our affairs since the date hereof or that the information contained herein is correct as of any time subsequent the date hereof.**

---

## ANNEX A

### FORMULA TO DETERMINE TOTAL CONSIDERATION FOR EXCHANGE OFFERS

<b>YLD</b>	=	The exchange offer yield equals the sum of (x) the bid-side yield on the applicable Reference UST Security listed in the tables set forth on the cover pages for such series of Old Notes, as calculated by the Joint-Lead Dealer Managers in accordance with standard market practice, as of the Pricing Time, as reported on the applicable Bloomberg Government Pricing Monitor Page or any recognized quotation source selected by the Joint-Lead Dealer Managers in their sole discretion if the applicable Bloomberg Government Pricing Monitor Page is not available or is manifestly erroneous, plus (y) applicable fixed spread in basis points, expressed as a decimal number (as set forth in the table on the cover of this offering memorandum for the Old Notes).
<b>CFi</b>		The aggregate amount of cash per \$1,000 principal amount scheduled to be paid on the “ith” out of the N remaining cash payment dates, assuming for this purpose that Old Notes are redeemed on the par call date or paid down on the maturity date, as applicable.*
<b>CPN</b>	=	The contractual rate of interest payable on the outstanding such Old Note expressed as a decimal number, to maturity (or, if applicable, to the par call date).
<b>N</b>	=	The number of semi-annual interest payments on the outstanding Old Note, based on its maturity date (or, if applicable, on the par call date), from (but not including) the expected settlement date to (and including) the maturity date (or, if applicable, the par call date), except that in some cases N does not need to be a whole number.
<b>S</b>	=	The number of days from and including the semi-annual interest payment date immediately preceding the expected settlement date up to, but not including, the expected settlement date. The number of days is computed using the 30/360 day-count method.
$\sum_{i=1}^N$	=	Summate. The term in the brackets to the right of the summation symbol is separately calculated “N” times (substituting for “i” in that term each whole number shown between 1 and N, inclusive, except that in some cases N need not be a whole number), and the separate calculations are then added together.
<b>exp</b>	=	Exponentiate. The term to the left of “exp” is raised to the power indicated by the term to the right of “exp.”
<b>Early Participation Payment</b>	=	Included in the Total Consideration is the Early Participation Payment, equal to \$50 of principal amount of New Notes per \$1,000 principal amount of Old Notes.
<b>Exchange Consideration</b>	=	Total Consideration less the Early Participation Payment.
<b>Exchange Ratio</b>	=	The quotient obtained by dividing (a) the Total Consideration minus the Cash Payment by (b) the New Issue Price.
<b>Cash Payment</b>	=	Cash Payment Percent of Premium multiplied by the difference between the Total Consideration and \$1,000.
<b>Principal Amount of New Notes</b>	=	Principal amount of New Notes is \$1,000 per Old Note multiplied by the Exchange Ratio.
<b>Total Consideration</b>	=	The applicable consideration (including the Early Participation Payment) of an outstanding note per \$1,000 principal amount of an outstanding Old Note, if such outstanding Old Note is tendered at or prior to 5:00 p.m., New York City time, on the applicable Early Participation Date. The Total Consideration is rounded to the nearest cent.

$$\text{Total Consideration} = \sum_{i=1}^N \left[ \frac{CF_i}{(1 + YLD/2)^{i - S/180}} \right] - \$1,000(CPN)(S/360)$$

\*For the applicable Old Notes, if the applicable exchange offer yield as determined in accordance with this Offering Memorandum is less than the contractual annual rate of interest for such Old Notes, then such Total Consideration will be calculated based on the par call date; if the applicable exchange offer yield as determined in accordance with this Offering Memorandum is higher than or equal to the contractual annual rate of interest for such Old Notes, then such Total Consideration will be calculated based on the maturity date.

Manually signed copies of the letter of transmittal will be accepted. The letter of transmittal and any other required documents should be sent or delivered by each eligible holder or such eligible holder's broker, dealer, commercial bank or other nominee to the exchange agent at the address set forth in the letter of transmittal.

Questions and requests for assistance related to the Exchange Offers or for additional copies of this offering memorandum, the letter of transmittal, the eligibility certification or the Canadian beneficial holder form may be directed to the Information Agent at the telephone number and address listed below.

*The Exchange Agent and Information Agent for the Exchange Offers is:*

**Global Bondholder Services Corporation**

*By Facsimile (Eligible Institutions Only):*  
(212) 430-3775 or (212) 430-3779

*By Mail or Hand (other than letter of transmittal):*  
65 Broadway—Suite 404  
New York, New York 10006  
Banks and Brokers Call Collect: (212) 430-3774

*By Mail or Hand (letter of transmittal):*  
See the address set forth  
in the letter of transmittal

All Others, Please Call Toll-Free: (866) 470-3900

*By E-mail:*

[contact@gbsc-usa.com](mailto:contact@gbsc-usa.com)

You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Exchange Offers. Questions regarding the terms of the Exchange Offers may be directed to the following Dealer Managers at their respective addresses and telephone numbers listed below.

**Credit Suisse Securities (USA) LLC**  
Eleven Madison Avenue  
New York, New York 10010  
Attn: Liability Management Group  
Collect: (212) 325-2476  
Toll-Free: (800) 820-1653

**Deutsche Bank Securities Inc.**  
60 Wall Street  
New York, New York 10005  
Attn: Liability Management Group  
Collect: (212) 250-2955  
Toll-free: (866) 627-0391