

AT&T INC.
Form 424B3
November 16, 2016
Table of Contents

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-214535

PROSPECTUS

AT&T Inc.

Offers to Exchange

Up to \$4,499,999,000 aggregate principal amount of new 4.500% Global Notes due 2048 registered under the Securities Act of 1933, for any and all outstanding unregistered 4.500% Global Notes due 2048, and

Up to \$2,500,000,000 aggregate principal amount of new 4.550% Global Notes due 2049 registered under the Securities Act of 1933, for any and all outstanding unregistered 4.550% Global Notes due 2049

AT&T Inc. ("AT&T") is offering to exchange (i) new registered 4.500% Global Notes due 2048 (the "2048 Exchange Notes") for its outstanding unregistered 4.500% Global Notes due 2048 (the "2048 Original Notes") and (ii) new registered 4.550% Global Notes due 2049 (the "2049 Exchange Notes" and, together with the 2048 Exchange Notes, the "Exchange Notes") for its outstanding unregistered 4.550% Global Notes due 2049 (the "2049 Original Notes" and, together with the 2048 Original Notes, the "Original Notes"). The Original Notes and the Exchange Notes are sometimes referred to in this prospectus together as the "Notes" . The terms of each series of the Exchange Notes are substantially identical to the terms of the applicable series of Original Notes, except that the Exchange Notes are registered under the Securities Act of 1933, as amended (the "Securities Act"), and the transfer restrictions and registration rights and related special interest provisions applicable to the Original Notes do not apply to the Exchange Notes. The Original Notes may only be tendered in an amount equal to \$2,000 in principal amount and in integral multiples of \$1,000 thereafter. Interest on the Exchange Notes will accrue from the date of original issuance of the Original Notes (September 7, 2016) or from the most recent date on which interest on the Original Notes has been paid, whichever is later, and will be payable semi-annually in arrears on March 9 and September 9, commencing on March 9, 2017. We will deem the right to receive any interest accrued but unpaid on the Original Notes waived by you if we accept your Original Notes for exchange. Accordingly, holders whose tenders are accepted for exchange will not receive any payment in respect of accrued interest on such Original Notes, unless the record date for any such interest payment occurs before the completion of the Exchange Offers. We refer to these offers as the "Exchange Offers" . For a more detailed description of the Exchange Notes, see "Description of Exchange Notes" .

We are not asking you for a proxy and you are requested not to send us a proxy. You do not have dissenters' rights of appraisal in connection with the Exchange Offers. See [The Exchange Offers](#) [Absence of Dissenters' Rights of Appraisal](#) .

No public market currently exists for the Original Notes and we cannot assure you that any public market for the Exchange Notes will develop. The Exchange Notes will not be listed on any national securities exchange.

Each broker-dealer that receives Exchange Notes for its own account pursuant to the Exchange Offers must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for Original Notes where such Original Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 90 days after the Expiration Date (as defined herein), we will make this prospectus available to any broker-dealer for use in connection with any such resale. See [Plan of Distribution](#) below.

Holder may withdraw their tendered Original Notes at any time at or prior to the Expiration Date (as defined below) of the Exchange Offers. The Exchange Offers will expire at 5:00 p.m., New York City time, on December 15, 2016, unless extended or earlier terminated by us (such date, as the same may be extended or earlier terminated with respect to either or both series of Exchange Notes, the Expiration Date). The Exchange Offers are subject to customary conditions discussed under [The Exchange Offers](#) [Conditions to the Exchange Offers](#) . Neither Exchange Offer is conditioned upon the other Exchange Offer, and we may terminate or extend either Exchange Offer without terminating or extending the other Exchange Offer.

Investing in the Exchange Notes involves risks. See [Risk Factors](#) beginning on page 34 of our 2015 Annual Report to Stockholders, portions of which are filed as Exhibit 13 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and [Risk Factors](#) beginning on page 51 of our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016, which are incorporated by reference herein, and on [page 8](#) of this prospectus, to read about factors you should consider before investing in the Exchange Notes.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated November 16, 2016.

Table of Contents**TABLE OF CONTENTS**

	Page
<u>About This Prospectus</u>	i
<u>Forward-Looking Statements</u>	ii
<u>Where You Can Find More Information</u>	ii
<u>Incorporation of Certain Information by Reference</u>	iii
<u>Summary</u>	1
<u>Risk Factors</u>	8
<u>Use of Proceeds</u>	10
<u>Ratio of Earnings to Fixed Charges</u>	11
<u>The Exchange Offers</u>	12
<u>Description of Exchange Notes</u>	22
<u>Certain U.S. Federal Income Tax Considerations</u>	34
<u>Plan of Distribution</u>	35
<u>The Exchange Agent</u>	36
<u>Validity of Notes</u>	37
<u>Experts</u>	37

ABOUT THIS PROSPECTUS

No person has been authorized to give any information or any representation concerning us or the Exchange Offers (other than as contained in this prospectus or the related letter of transmittal) and we take no responsibility for, nor can we provide any assurance as to the reliability of, any other information that others may give you. You should not assume that the information contained or incorporated by reference in this prospectus is accurate as of any date other than the date on the front cover of this prospectus or the date of the incorporated document, as applicable.

In making an investment decision, prospective investors must rely on their own examination of us, and the terms of the Exchange Offers, including the merits and risks involved. Prospective investors should not construe anything in this prospectus 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 Exchange 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 prospectus and the accompanying letter of transmittal. Tendering holders must tender their Original Notes in accordance with the procedures set forth under The Exchange Offers Procedures for Tendering Original Notes.

This prospectus 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. See Where You Can Find More Information.

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

Table of Contents

FORWARD-LOOKING STATEMENTS

We have included or incorporated by reference in this prospectus statements that may constitute forward-looking statements. These estimates and statements are subject to risks and uncertainties, and actual results might differ materially. Such estimates and statements include, but are not limited to, statements about AT&T's plans, objectives, expectations and intentions, and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of the management of AT&T and are subject to significant risks and uncertainties outside of our control.

Statements included in or incorporated by reference into this prospectus or any prospectus supplement, that are not historical facts, including statements about the beliefs and expectations of the management of AT&T, are forward-looking statements. Words such as believes, anticipates, estimates, expects, intends, aims, potential, would, could, considered, likely, estimate and variations of these words and similar future or conditional expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. While AT&T believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the control of AT&T. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon future circumstances that may or may not occur. Actual results may differ materially from the current expectations of AT&T depending upon a number of factors affecting its businesses and risks associated with the successful completion of the Exchange Offers. These factors include, but are not limited to, risks and uncertainties detailed in AT&T's periodic public filings with the SEC, including those discussed under the sections entitled Risk Factors in AT&T's 2015 Annual Report to Stockholders, portions of which are filed as Exhibit 13 to AT&T's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and in AT&T's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016, and the factors contained or incorporated by reference into such documents and in subsequent filings by AT&T with the SEC, and in this prospectus, including in the section captioned Risk Factors.

Except as otherwise required by law, AT&T is not under any obligation, and expressly disclaims any obligation, to update, alter, or otherwise revise any forward-looking statements, that may be made from time to time, whether as a result of new information, future events, or otherwise. Persons reading this prospectus are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date hereof.

WHERE YOU CAN FIND MORE INFORMATION

We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any documents filed by us at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room. Our filings with the SEC are also available to the public through the SEC's Internet site at <http://www.sec.gov>.

We have filed with the SEC a registration statement on Form S-4 relating to the securities covered by this prospectus. This prospectus is a part of the registration statement and does not contain all of the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document of ours, please be aware that the reference is only a summary and that you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC's Public Reference Room in Washington, D.C., as well as through the SEC's Internet site.

This prospectus incorporates by reference business and financial information about us that is not included in or delivered with this prospectus. This information is available without charge upon written or oral request directed to:

Edgar Filing: AT&T INC. - Form 424B3

AT&T, Attention: Stockholder Services, One AT&T Plaza, 208 South Akard Street, Dallas, Texas 75202, Telephone (210) 821-4105.

-ii-

Table of Contents

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and information that we file later with the SEC and incorporate herein will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we will make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), after the filing of the registration statement to which this prospectus relates and prior to the effectiveness of such registration statement and all such future filings that we make with the SEC until the Expiration Date (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with the SEC rules):

1. Our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 filed with the SEC on February 18, 2016 (the Annual Report);
2. Our quarterly reports on Form 10-Q for the months ended March 31, 2016 filed with the SEC on May 5, 2016; for the months ended June 30, 2016 filed on August 4, 2016; and for the months ended September 30, 2016 filed on November 3, 2016;
3. The portions of our Proxy Statement on Schedule 14A for our 2016 annual meeting of stockholders filed with the SEC on March 11, 2016 that are incorporated by reference into our Annual Report on Form 10-K for the fiscal year ended December 31, 2015; and
4. Our current reports on Form 8-K filed on January 22, 2016, January 26, 2016, February 9, 2016, February 19, 2016, March 22, 2016, April 26, 2016, May 2, 2016, May 12, 2016, May 12, 2016 June 2, 2016, June 24, 2016, July 21, 2016, August 5, 2016, August 19, 2016, September 2, 2016, September 8, 2016, October 24, 2016, October 24, 2016 and November 15, 2016.

Documents incorporated by reference are available from the SEC as described above or from us without charge, excluding exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit in this document. You may request a copy of this prospectus and any of the documents incorporated by reference into this prospectus or other information concerning AT&T, without charge, by written or telephonic request directed to AT&T, Attention: Stockholder Services, One AT&T Plaza, 208 South Akard Street, Dallas, Texas 75202, Telephone (210) 821-4105; or from the SEC through the SEC website at the address provided above.

To receive timely delivery of the documents prior to the Expiration Date, you should make your request no later than five business days before the date you must make your investment decision, or December 8, 2016.

Table of Contents

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 prospectus, including the section entitled Risk Factors , as well as the information incorporated by reference in this prospectus. See the sections of this prospectus entitled Where You Can Find More Information and Incorporation of Certain Information by Reference .

AT&T Inc.

AT&T is a holding company whose subsidiaries and affiliates operate in the communications and digital entertainment services industry. Our subsidiaries and affiliates provide services and equipment that deliver voice, video and broadband services both domestically and internationally. Our principal executive offices are located at One AT&T Plaza, 208 S. Akard St., Dallas, Texas 75202. Our telephone number is (210) 821-4105. We maintain an Internet site at the following location: <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 are a leading provider of telecommunications services in the United States and the world. We offer our services and products to consumers, businesses and other providers of telecommunications services worldwide.

The services and products that we offer vary by market, and include: wireless communications, data/broadband and Internet services, video, local exchange services, long-distance services, telecommunications equipment, managed networking, and wholesale services. We manage our business through four operating segments: business solutions, entertainment group, consumer mobility and international. With continuing advances in technology and in response to changing demands from our customers, we have focused on providing broadband, video and voice services over both our wireless and wireline platforms. In 2015 we closed our acquisition of DIRECTV to expand our offerings to satellite technology. We make our customers lives more convenient and productive and foster competition and further innovation in the communications and entertainment industry.

Table of Contents

The Exchange Offers

Offeror

AT&T Inc.

The Exchange Offers

We are offering to exchange our 2048 Exchange Notes which have been registered under the Securities Act for a like principal amount of our outstanding unregistered 2048 Original Notes, and our 2049 Exchange Notes which have been registered under the Securities Act for a like principal amount of our outstanding unregistered 2049 Original Notes. Original Notes may only be tendered in an amount equal to \$2,000 in principal amount and in integral multiples of \$1,000 thereafter. See The Exchange Offers for more information on the terms of the Exchange Offers.

Resale of Exchange Notes

Based upon the position of the staff of the SEC as described in previous no-action letters and subject to the immediately following sentence, we believe that Exchange Notes issued pursuant to the Exchange Offers in exchange for Original Notes may be offered for resale, resold and otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that you will acknowledge in writing at the time of the consummation of the Exchange Offers that:

you are not a broker-dealer tendering Original Notes that you acquired directly from us for your own account;

you are acquiring the Exchange Notes in the ordinary course of your business;

you have not participated in, do not intend to participate in, and have no arrangement or understanding with any person to participate in, a distribution of the Exchange Notes; and

you are not our affiliate as defined under Rule 405 of the Securities Act.

However, any purchaser of Exchange Notes who is an affiliate of ours or who intends to participate in the Exchange Offers for the purpose of distributing the Exchange Notes (i) will not be able to rely on the

interpretations of the SEC staff set forth in the above-mentioned no-action letters, (ii) will not be entitled to tender its Original Notes in the Exchange Offers and (iii) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any sale or transfer of the Exchange Notes unless such sale or transfer is made pursuant to an exemption from such requirements.

Any broker-dealer who holds Original Notes acquired for its own account as a result of market-making activities or other trading activities and who receives Exchange Notes in exchange for such Original Notes pursuant to the Exchange Offers may be a statutory underwriter and must deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Notes. See Plan of Distribution .

Table of Contents

Purpose of the Exchange Offers	The purpose of the Exchange Offers is to satisfy our obligations under a registration rights agreement, dated as of September 7, 2016 (the Registration Rights Agreement).
Consequences If You Do Not Exchange Your Original Notes	<p>Original Notes that are not tendered in the Exchange Offers or are not accepted for exchange will continue to bear legends restricting their transfer. You will not be able to offer or sell such Original Notes unless:</p> <p>you are able to rely on an exemption from the requirements of the Securities Act; or</p> <p>the Original Notes are registered under the Securities Act.</p> <p>To the extent that Original Notes are tendered and accepted in the Exchange Offers, the trading market for any remaining Original Notes may (and likely will) be adversely affected. See Risk Factors Risks Relating to Participation in the Exchange Offers If you fail to exchange your Original Notes, they will continue to be restricted securities and may become less liquid .</p> <p>After the Exchange Offers are complete, you will not have any further rights under the Registration Rights Agreement, including any right to require us to register any outstanding Original Notes that you do not exchange (except under limited circumstances) or to pay you the additional interest we agreed to pay to holders of Original Notes if we failed to timely commence and complete the Exchange Offers.</p>
Accrued and Unpaid Interest	The Exchange Notes will bear interest from the date of original issuance of the Original Notes (September 7, 2016) or from the most recent date on which interest on the Original Notes has been paid, whichever is later. If your Original Notes are accepted for exchange, you will receive interest on the corresponding Exchange Notes and not on the Original Notes. Any Original Notes not tendered will remain outstanding and continue to accrue interest according to their terms.
Expiration Date	The Expiration Date of the Exchange Offers will be 5:00 p.m., New York City time, on December 15, 2016, unless extended or earlier terminated by us. The term Expiration Date means such date and time or, if we extend either Exchange Offer, the latest date and time to which we extend such Exchange Offer.

Settlement Date

The settlement of the Exchange Offers will occur promptly after the Expiration Date.

Conditions to the Exchange Offers

Each of the Exchange Offers is subject to customary conditions described in The Exchange Offers Conditions to the Exchange Offers , including, among other things, the condition that no stop order has been issued for the registration statement of which this

Table of Contents

prospectus forms a part, or any proceedings for that purpose, and 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. Neither Exchange Offer is conditioned upon the other Exchange Offer, and we may terminate either Exchange Offer without terminating the other Exchange Offer.

Extension; Waivers and Amendments

Subject to applicable law, we reserve the right to (1) extend either Exchange Offer; (2) waive any and all conditions to or amend either Exchange Offer in any respect (except as to the condition that the registration statement of which this prospectus forms a part not being subject to a stop order or any proceedings for that purpose, which condition we cannot waive); or (3) terminate either Exchange Offer. Neither Exchange Offer is conditioned upon the other Exchange Offer, and we may terminate or extend either Exchange Offer without terminating or extending the other Exchange Offer. 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. See The Exchange Offers Expiration Date; Extension; Termination; Amendment .

Terms of Exchange Notes

The terms of the Exchange Notes are described in this prospectus under Description of Exchange Notes .

Procedures for Tendering the Original Notes

You may tender your Original Notes by transferring them through The Depository Trust Company's (the DTC) Automated Tender Offer Program (ATOP) or following the other procedures described under The Exchange Offers Procedures for Tendering Original Notes .

For further information, call the Exchange Agent at the telephone numbers set forth under The Exchange Agent or consult your broker, dealer, commercial bank, trust company or other nominee for assistance.

If you are a beneficial owner of Original 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 Original Notes in order to participate in the Exchange Offers, you should contact your intermediary entity promptly and instruct it to tender the Original 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 Expiration Date in order for such entity to tender Original Notes on your behalf at or prior to the Expiration Date in accordance with the terms of the Exchange Offers. See The Exchange Offers Procedures for Tendering Original Notes .

Table of Contents

If you are a beneficial owner of Original Notes through Euroclear or Clearstream Luxembourg (each as defined herein) and wish to tender your Original Notes, you must instruct Euroclear or Clearstream Luxembourg, as the case may be, to block the account in respect of the tendered Original 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 Original Notes.

Withdrawal Rights; Non-Acceptance

You may withdraw your tender of Original Notes at any time prior to the Expiration Date. In the event that tendered Original Notes are not withdrawn and not accepted by us for exchange, such Original 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 computer-generated message. See [The Exchange Offers](#) [Withdrawal of Tenders](#) and [The Exchange Offers](#) [Terms of the Exchange Offers](#) .

Absence of Dissenters' Rights of Appraisal

You do not have dissenters' rights of appraisal with respect to the Exchange Offers. See [The Exchange Offers](#) [Absence of Dissenters' Rights of Appraisal](#) .

Certain U.S. Federal Income Tax Considerations

The exchange of notes pursuant to the Exchange Offers generally should not be a taxable event for U.S. federal income tax purposes. See [Certain U.S. Federal Income Tax Considerations](#) .

Accounting Treatment

The Exchange Notes will be recorded at the same carrying value as the Original Notes as reflected in our accounting records on the date of the exchange. Accordingly, we will not recognize any gain or loss for accounting purposes upon the completion of the Exchange Offers. Payments made to other third parties will be expensed as incurred in accordance with generally accepted accounting principles. See [The Exchange Offers](#) [Accounting Treatment](#) .

Exchange Agent

The Bank of New York Mellon Trust Company, N.A. is the Exchange Agent for the Exchange Offers. See [The Exchange Agent](#) herein.

Further Information

See [The Exchange Offers](#) for more information concerning the Exchange Offers.

Table of Contents

The Exchange Notes

The following summary contains basic information about the Exchange 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 Exchange Notes, see Description of Exchange Notes .

Issuer	AT&T Inc.
Exchange Notes	<p>The terms of each series of the Original Notes and the applicable series of Exchange Notes are identical, except the Exchange Notes offered in the Exchange Offers:</p> <p>will have been registered under the Securities Act;</p> <p>will not have transfer restrictions and registration rights that relate to the Original Notes; and</p> <p>will not have rights relating to the payment of additional interest to holders of Original Notes if we fail to timely commence and complete the Exchange Offers.</p>
Notes Offered	4.500% Global Notes due 2048 (the 2048 Exchange Notes) and 4.550% Global Notes due 2049 (the 2049 Exchange Notes).
Maturity Date	<p>March 9, 2048 for the 2048 Exchange Notes.</p> <p>March 9, 2049 for the 2049 Exchange Notes.</p>
Interest Rate	<p>The 2048 Exchange Notes will bear interest at the rate of 4.500% per annum, payable semi-annually in arrears in two equal payments.</p> <p>The 2049 Exchange Notes will bear interest at the rate of 4.550% per annum, payable semi-annually in arrears in two equal payments.</p> <p>Interest on the Exchange Notes will accrue from September 7, 2016.</p>

Interest Payment Dates

March 9 and September 9 of each year, commencing on March 9, 2017.

Optional Redemption

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

Table of Contents

equal to 100% of the principal amount of such series of Exchange Notes to be redeemed. Accrued interest will be payable to the redemption date.

Series	Par Call Date	Make-Whole Spread
2048 Exchange Notes	September 9, 2047	35 bps
2049 Exchange Notes	September 9, 2048	35 bps

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

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

Form and Settlement

The Exchange 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 & Co., DTC's nominee. Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global notes through either DTC (in the United States), Clearstream Banking, Société Anonyme (Clearstream Luxembourg), or Euroclear Bank S.A./N.V., as operator of the Euroclear System (Euroclear) (outside of the United States), if they are participants in these systems, or indirectly through organizations which are participants in these systems. Cross-market transfers between persons holding directly or indirectly through DTC participants, on the one hand, and directly or indirectly through Clearstream 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 Exchange Notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 thereafter.

Listing

The Exchange Notes will not be listed for trading on any national securities exchange.

Governing Law

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

Table of Contents**RISK FACTORS**

Any investment in the Exchange 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 2015 Annual Report to Stockholders, portions of which are filed as Exhibit 13 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016 (the Quarterly Report), as well as the other information incorporated by reference in this prospectus. 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 the following risks actually occur, our business, financial condition and results of operations could suffer. As a result, the trading price of the Exchange 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 Exchange Notes

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

The Exchange Notes are senior 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 Exchange 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 Exchange 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 Exchange Notes. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the Exchange Notes. As a result, holders of the Exchange Notes may receive less, ratably, than holders of our secured indebtedness.

We are a holding company that conducts all of our business through our subsidiaries. Holders of the Exchange Notes will be structurally subordinated to our subsidiaries' third-party indebtedness and obligations.

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 Exchange 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 Exchange 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 Exchange Notes are obligations of AT&T Inc. exclusively and not of any of our subsidiaries. A significant portion of our operations is conducted through our subsidiaries. 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 Original 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 Exchange Notes. Consequently, the Exchange 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.

Table of Contents

Risks Relating to Participation in the Exchange Offers

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

Our board of directors has not made, and will not make, any recommendation as to whether holders of Original Notes should tender their Original Notes in exchange for Exchange 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 Original 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 Original Notes, you may not receive more than or as much value as if you chose to keep them. Holders of Original Notes must make their own independent decisions regarding their participation in the Exchange Offers.

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 **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 prospectus. Accordingly, holders participating in the Exchange Offers may have to wait longer than expected to receive their Exchange Notes during which time those holders of the Original Notes will not be able to effect transfers of their Original Notes tendered for exchange.

If you fail to exchange your Original Notes, they will continue to be restricted securities and may become less liquid.

Original Notes that you do not tender or that we do not accept will, following the Exchange Offers, continue to be restricted securities, and you may not offer to sell them except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities law. We will issue Exchange Notes in exchange for the Original Notes pursuant to the Exchange Offers only following the satisfaction of the procedures and conditions set forth in **The Exchange Offers** **Conditions to the Exchange Offers** and **The Exchange Offers** **Procedures for Tendering Original Notes** . These procedures and conditions include timely receipt by the Exchange Agent of such Original Notes (or a confirmation of book-entry transfer) and of a properly completed and duly executed letter of transmittal (or an agent's message from DTC).

Because we anticipate that most holders of Original Notes will elect to exchange their Original Notes, we expect that the liquidity of the market for any Original Notes remaining after the completion of the Exchange Offers will be substantially limited. Any Original Notes tendered and exchanged in the Exchange Offers will reduce the aggregate principal amount of the applicable series of Original Notes outstanding. Following the Exchange Offers, if you do not tender your Original Notes, you generally will not have any further registration rights, and your Original Notes will continue to be subject to certain transfer restrictions. Accordingly, the liquidity of the market for the Original Notes could be adversely affected.

If an active trading market does not develop for the Exchange Notes, you may be unable to sell the Exchange Notes or to sell them at a price you deem sufficient.

The Exchange Notes are a new issue of securities for which there is currently no public trading market. We do not intend to list the Exchange Notes on any national securities exchange. Accordingly, there can be no assurances that an

active trading market will develop upon completion of the Exchange Offers or, if it develops, that such market will be sustained, or as to the liquidity of any market. If an active trading market does not develop or is not sustained, the market price and the liquidity of the Exchange Notes may be adversely affected. In addition, the liquidity of the trading market for the Exchange Notes, if it develops, and the market price quoted for the Exchange Notes, may be adversely affected by changes in the overall market for those securities and by changes in our financial performance or prospects or in the prospects for companies in our industry generally.

Table of Contents

USE OF PROCEEDS

These Exchange Offers are intended to satisfy our obligations under the Registration Rights Agreement entered into in connection with the issuance of the Original Notes. We will not receive any cash proceeds from the issuance of the Exchange Notes in the Exchange Offers. The Original Notes surrendered and exchanged for the Exchange Notes will be retired and canceled.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our historical ratio of earnings to fixed charges for the periods indicated. This information should be read in conjunction with the consolidated financial statements and the accompanying notes incorporated by reference in this prospectus.

For purposes of computing these ratios, Earnings consists of income from continuing operations before provisions for taxes on income, noncontrolling interests and cumulative effect of a change in accounting principles less noncontrolling interest plus fixed charges, distributed income of equity-method investments, amortizations of capitalized interest, excluding capitalized interest and equity income from equity-method investments. Fixed Charges consists of interest expense (which includes amortization of debt premium, discount and other debt costs), one-third of rental expense, which we believe to be a conservative estimate of an interest factor in our leases, which are not material, and capitalized interest. The ratio was calculated by dividing the sum of the earnings (as defined above) by the sum of the fixed charges (as defined above).

	Nine Months Ended September 30, (unaudited)		Year Ended December 31,				
	2016	2015	2015	2014	2013	2012	2011
Earnings:							
Income from continuing operations before income taxes	\$ 16,621	\$ 14,385	\$ 20,692	\$ 10,355	\$ 28,050	\$ 10,496	\$ 6,998
Equity in net income of affiliates included above	(57)	(48)	(79)	(175)	(642)	(752)	(784)
Fixed charges	5,465	4,834	6,592	5,295	5,452	4,876	4,835
Distributed income of equity affiliates	35	12	30	148	318	137	161
Interest capitalized	(669)	(566)	(797)	(234)	(284)	(263)	(162)
Earnings, as adjusted	\$ 21,395	\$ 18,617	\$ 26,438	\$ 15,389	\$ 32,894	\$ 14,494	\$ 11,048
Fixed Charges:							
Interest expense	\$ 3,689	\$ 2,977	\$ 4,120	\$ 3,613	\$ 3,940	\$ 3,444	\$ 3,535
Interest capitalized	669	566	797	234	284	263	162
Portion of rental expense representative of interest factor	1,107	1,291	1,675	1,448	1,228	1,169	1,138
Fixed Charges	\$ 5,465	\$ 4,834	\$ 6,592	\$ 5,295	\$ 5,452	\$ 4,876	\$ 4,835
Ratio of Earnings to Fixed Charges	3.91	3.85	4.01	2.91	6.03	2.97	2.29

Table of Contents**THE EXCHANGE OFFERS****Purpose of the Exchange Offers**

We are offering to exchange our (i) 4.500% Global Notes due 2048, which have been registered under the Securities Act and which we refer to as the 2048 Exchange Notes , for our outstanding 4.500% Global Notes due 2048, which have not been so registered and which we refer to as the 2048 Original Notes , and (ii) 4.550% Global Notes due 2049, which have been registered under the Securities Act and which we refer to as the 2049 Exchange Notes , for our outstanding 4.550% Global Notes due 2049, which have not been so registered and which we refer to as the 2049 Original Notes . We refer to these exchange offers as the Exchange Offers .

On September 7, 2016, we consummated previous exchange offers to exchange (i) 6.450% Global Notes due June 15, 2034 of AT&T Inc., 6.800% Notes due 2036 of AT&T Inc., 6.400% Global Notes due 2038 of AT&T Inc., 6.150% Global Notes due 2034 of AT&T Inc., 6.300% Global Notes due 2038 of AT&T Inc., 6.500% Global Notes due 2037 of AT&T Inc., 6.550% Global Notes due 2039 of AT&T Inc., 5.550% Global Notes due 2041 of AT&T Inc. and 8.250% Senior Notes due November 15, 2031 of AT&T Corp. for \$4,499,999,000 aggregate principal amount of 2048 Original Notes and (ii) 6.650% Zero-to-Full Debentures, due December 15, 2095 of BellSouth Telecommunications, LLC, 7.120% Debentures, due July 15, 2097 of BellSouth, LLC, 7.000% Debentures, due December 1, 2095 of BellSouth Telecommunications, LLC, 6.550% Notes due 2034 of BellSouth, LLC, 6.000% Notes due 2034 of BellSouth, LLC, 7.875% Debentures due 2030 of BellSouth, LLC, 6.875% Notes due 2031 of BellSouth, LLC, 5.350% Global Notes due 2040 of AT&T Inc., 6.375% Debentures, due June 1, 2028 of BellSouth Telecommunications, LLC, 6.550% Debentures due January 15, 2028 of Ameritech Capital Funding Corporation, 8.750% Senior Notes due 2031 of New Cingular Wireless Services, Inc. and 7.125% Senior Notes due 2031 of AT&T Mobility LLC for \$2,500,000,000 aggregate principal amount of 2049 Original Notes and cash. In connection with the previous exchange offers, we entered into the Registration Rights Agreement, with Deutsche Bank Securities Inc., Goldman, Sachs & Co., Wells Fargo Securities, LLC, Barclays Capital Inc., Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, RBC Capital Markets, LLC, Santander Investment Securities Inc., UBS Securities LLC, BBVA Securities Inc., Commerz Markets LLC, Loop Capital Markets LLC, Mizuho Securities USA Inc., MUFG Securities Americas Inc., TD Securities (USA) LLC, Academy Securities, Inc., Apto Partners, LLC, Blaylock Beal Van, LLC, CastleOak Securities, L.P., C.L. King & Associates, Inc., Drexel Hamilton, LLC, Lebenthal & Co., LLC, MFR Securities, Inc., Mischler Financial Group, Inc., Samuel A. Ramirez & Company, Inc., Siebert Cisneros Shank & Co., L.L.C., and The Williams Capital Group, L.P. , whom we refer to collectively as the Dealer Managers . Under the Registration Rights Agreement, we agreed to file and to use our reasonable efforts to have declared effective the exchange offers registration statement under the Securities Act and to consummate the Exchange Offers.

We are making the Exchange Offers in reliance on the position of the SEC as set forth in *Exxon Capital Holdings Corporation* and similar no-action letters. However, we have not sought our own no-action letter. Based upon these interpretations by the SEC, we believe that a holder of Exchange Notes who is not our affiliate within the meaning of Rule 405 of the Securities Act and who exchanges Original Notes for Exchange Notes in the Exchange Offers generally may offer the Exchange Notes for resale, sell the Exchange Notes and otherwise transfer the Exchange Notes without further registration under the Securities Act and without delivery of a prospectus that satisfies the requirements of Section 10 of the Securities Act. This does not apply, however, to a holder who is our affiliate within the meaning of Rule 405 of the Securities Act. We also believe that a holder may offer, sell or transfer the Exchange Notes only if the holder acknowledges that the holder is acquiring the Exchange Notes in the ordinary course of its business and is not participating, does not intend to participate and has no arrangement or understanding with any person to participate in a distribution of the Exchange Notes.

Any holder of the Original Notes using the Exchange Offers to participate in a distribution of Exchange Notes cannot rely on the no-action letters referred to above. Any broker-dealer who holds Original Notes acquired for its own account as a result of market-making activities or other trading activities and who receives

Table of Contents

Exchange Notes in exchange for such Original Notes pursuant to the Exchange Offers may be a statutory underwriter and must deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Notes. See Plan of Distribution . You may not participate in the Exchange Offers if you are a broker-dealer tendering Original Notes that you acquired directly from us for your own account.

Except as set forth in this prospectus, this prospectus may not be used for an offer to resell, resale or other transfer of Exchange Notes.

The Exchange Offers are not being made to, nor will we accept tenders for exchange from, holders of Original Notes in any jurisdiction in which the Exchange Offers or the acceptance of them would not be in compliance with the securities or blue sky laws of such jurisdiction.

Each broker-dealer that receives Exchange Notes for its own account in exchange for Original Notes, where such Original Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for Original Notes where such Original Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 90 days after the Expiration Date (as defined herein), we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution below.

Terms of the Exchange Offers

Based on the terms and subject to the conditions of the Exchange Offers, we will accept any and all Original Notes validly tendered prior to 5:00 p.m., New York City time, on the Expiration Date for the Exchange Offers. Subject to the minimum denomination requirements of the Exchange Notes, we will issue \$1,000 principal amount of Exchange Notes in exchange for each \$1,000 principal amount of outstanding Original Notes validly tendered pursuant to the Exchange Offers on or before the Expiration Date and not validly withdrawn. Holders may tender some or all of the Original Notes pursuant to the Exchange Offers. However, Original Notes may be tendered only in minimum denominations of \$2,000 and integral multiples of \$1,000 thereafter. Promptly after the Expiration Date (unless extended as described in this prospectus), we will issue an aggregate principal amount of up to \$4,499,999,000 of 2048 Exchange Notes for a like principal amount of outstanding 2048 Original Notes tendered and accepted and up to \$2,500,000,000 of 2049 Exchange Notes for a like principal amount of outstanding 2049 Original Notes tendered and accepted in connection with the Exchange Offers. The Exchange Notes issued in connection with the Exchange Offers will be delivered promptly after the Expiration Date.

The terms of the Exchange Notes will be substantially identical to the terms of the Original Notes, except that:

the Exchange Notes will have been registered under the Securities Act and, therefore, the Exchange Notes will not bear legends restricting the transfer of the Exchange Notes; and

holders of the Exchange Notes will not be entitled to any rights under the Registration Rights Agreement, which rights will terminate upon the consummation of the Exchange Offers, or to the additional interest

provisions of the Registration Rights Agreement.

The Exchange Notes will evidence the same debt as the Original Notes and will be issued under the same indenture and be entitled to the same benefits under that indenture as the Original Notes being exchanged. As of the date of this prospectus, \$6,999,999,000 in aggregate principal amount of the Original Notes is outstanding.

Table of Contents

In connection with the issuance of the Original Notes, we arranged for the Original Notes purchased by qualified institutional buyers and those sold in reliance on Regulation S under the Securities Act to be issued and transferable in book-entry form through the facilities of DTC, acting as depositary. Except as described under Description of Exchange Notes Form and Title , Exchange Notes will be issued in the form of one or more global notes registered in the name of DTC or its nominee and each beneficial owner's interest in it will be transferable in book-entry form through DTC. See Description of Exchange Notes Form and Title .

Holders of Original Notes do not have any appraisal or dissenters' rights in connection with the Exchange Offers. Original Notes that are not tendered for exchange or are tendered but not accepted in connection with the Exchange Offers will remain outstanding and be entitled to the benefits of our Indenture (as defined below), but certain registration and other rights under the Registration Rights Agreement will terminate and holders of the Original Notes will generally not be entitled to any registration rights under the Registration Rights Agreement. See Consequences of Failure to Properly Tender Original Notes in the Exchange Offers .

We shall be considered to have accepted validly tendered Original Notes if and when we have given oral (to be followed by prompt written notice) or written notice to the Exchange Agent. The Exchange Agent will act as agent for the tendering holders for the purposes of receiving the Exchange Notes from us.

If any tendered Original Notes are not accepted for exchange because of an invalid tender, the occurrence of certain other events described in this prospectus or otherwise, we will return the Original Notes, without expense, to the tendering holder promptly after the Expiration Date for the Exchange Offers.

Holders who tender Original Notes will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes on exchange of Original Notes in connection with the Exchange Offers. We will pay all charges and expenses, other than certain applicable taxes described below, in connection with the Exchange Offers. See Fees and Expenses .

Expiration Date; Extension; Termination; Amendment

The Exchange Offers will remain open for at least 20 full business days. The Expiration Date for the Exchange Offers is 5:00 p.m., New York City time, on December 15, 2016, unless extended by us in our sole discretion, in which case the term Expiration Date shall mean the latest date and time to which the Exchange Offers are extended with respect to either or both series of Exchange Notes.

Subject to applicable law, we reserve the right, in our sole discretion:

to delay accepting any Original Notes, to extend either Exchange Offer or to terminate either Exchange Offer if, in our reasonable judgment, any of the conditions described below shall not have been satisfied, by giving oral (to be followed by prompt written notice) or written notice of the delay, extension or termination to the Exchange Agent; or

to amend the terms of either Exchange Offer in any manner.

If we amend either Exchange Offer in a manner that we consider material, we will disclose such amendment by means of a prospectus supplement, and we will extend such Exchange Offer for a period of five to ten business days. Neither Exchange Offer is conditioned upon the other Exchange Offer, and we may terminate either Exchange Offer without

terminating the other Exchange Offer.

If we determine to extend, amend or terminate either Exchange Offer, we will publicly announce this determination by making a timely release through an appropriate news agency.

If we delay accepting any Original Notes or terminate either Exchange Offer, we promptly will pay the consideration offered, or return any Original Notes deposited, pursuant to the Exchange Offers as required by Rule 14e-1(c).

Table of Contents

Interest on the Exchange Notes

The 2048 Exchange Notes will bear interest at the rate of 4.500% per annum and the 2049 Exchange Notes will bear interest at the rate of 4.550% per annum, each from the date of original issuance of the Original Notes (September 7, 2016) or from the most recent date on which interest on the Original Notes has been paid, whichever is later. Interest will be payable semiannually in arrears on March 9 and September 9 of each year, commencing on March 9, 2017.

Conditions to the Exchange Offers

Notwithstanding any other provisions of the Exchange Offers, or any extension of the Exchange Offers, we will not be required to accept for exchange, or to exchange any Exchange Notes for, any Original Notes and we may terminate either Exchange Offer or, at our option, modify, extend or otherwise amend either Exchange Offer, if any of the following conditions are not satisfied at or prior to the Expiration Date:

(1) In our reasonable judgment, no action or event has occurred or been threatened (including a default under an agreement, indenture or other instrument or obligation to which we or one of our affiliates is a party or by which we or on of our affiliates is bound), no action is pending, no action has been taken, and no statute, rule, regulation, judgment, order, stay, decree or injunction has been promulgated, enacted, entered, enforced or deemed applicable to the Exchange Offers or the exchange of Original Notes for Exchange Notes under the Exchange Offers by or before any court or governmental regulatory or administrative agency, authority, or tribunal, which either:

challenges the making of the Exchange Offers or the exchange of Original Notes for Exchange Notes under the Exchange Offers or might, directly or indirectly, prohibit, prevent, restrict or delay consummation of, or might otherwise adversely affect in any material manner, the Exchange Offers or the exchange of Original Notes for Exchange Notes under the Exchange Offers; or

in our reasonable judgment, could materially affect the business, condition (financial or otherwise), income, operations, properties, assets, liabilities or prospects of AT&T and its subsidiaries, taken as a whole, or materially impair the contemplated benefits to AT&T of the Exchange Offers or the exchange of Original Notes for Exchange Notes under the Exchange Offers;

(2) None of the following has occurred:

the SEC has issued a stop order which would suspend the effectiveness of the registration statement of which this prospectus forms a part or the qualification of the applicable indenture governing the Exchange Notes under the Trust Indenture Act of 1939;

any general suspension of, or limitation on, trading in securities on any United States national securities exchanges or in the over the counter market (whether or not mandatory);

a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in the United States (whether or not mandatory);

any material adverse change in the United States securities or financial markets generally; or

in the case of any of the foregoing existing at the time of the commencement of the Exchange Offers, a material acceleration or worsening thereof; and

(3) The Trustee (as defined below) under our Indenture has not objected in any respect to, or taken any action that could in our reasonable judgment adversely affect the consummation of, either of the Exchange Offers, nor has the Trustee taken any action that challenges the validity or effectiveness of the procedures used by us in making the Exchange Offers.

We expressly reserve the right to amend or terminate either Exchange Offer and to reject for exchange any Original Notes not previously accepted for exchange, upon the occurrence of any of the conditions of the

Table of Contents

Exchange Offers specified above. 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 except as set forth below, may be waived by us, in whole or in part in our sole discretion. Any determination made by us concerning these events, developments or circumstances shall be conclusive and binding. We may, at our option and in our sole discretion, waive any such conditions except for the condition that the registration statement of which this prospectus forms a part is not subject to a stop order or any proceedings for that purpose.

All conditions to the Exchange Offers must be satisfied or, where permitted, waived, at or by the Expiration Date. In addition, we may in our absolute discretion, subject to applicable law, terminate either Exchange Offer for any other reason.

If any of the foregoing conditions are not satisfied, we may, at any time at or prior to the Expiration Date:

- (1) terminate either Exchange Offer and promptly return all tendered Original Notes with respect to that Exchange Offer to the respective tendering holders;
- (2) modify, extend or otherwise amend either Exchange Offer and retain all tendered Original Notes with respect to that Exchange Offer until the Expiration Date, as extended, subject, however, to the withdrawal rights of holders; or
- (3) waive the unsatisfied conditions, except for the condition that the registration statement of which this prospectus forms a part is not subject to a stop order or any proceedings for that purpose, with respect to either Exchange Offer and accept all Original Notes tendered and not previously validly withdrawn.

Effect of Tender

Any tender by a holder, and our subsequent acceptance of that tender, of Original 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 prospectus and in the letter of transmittal. The participation in the Exchange Offers by a tendering holder of Original Notes will constitute the agreement by that holder to deliver good and marketable title to the tendered Original Notes, free and clear of any and all liens, restrictions, charges, pledges, security interests, encumbrances or rights of any kind of third parties.

Absence of Dissenters Rights of Appraisal

Holders of the Original Notes do not have any dissenters rights of appraisal in connection with the Exchange Offers.

Procedures for Tendering Original Notes

If you hold Original Notes and wish to have those notes exchanged for Exchange Notes, you must validly tender (or cause the valid tender of) your Original Notes using the procedures described in this prospectus and in the accompanying letter of transmittal.

The procedures by which you may tender or cause to be tendered Original Notes will depend upon the manner in which you hold the Original Notes, as described below.

If you are a beneficial owner which holds Original Notes through Euroclear or Clearstream Luxembourg and wish to tender your Original Notes, you must instruct Euroclear or Clearstream Luxembourg, as the case may

Table of Contents

be, to block the account in respect of the tendered Original Notes in accordance with the procedures established by Euroclear or Clearstream Luxembourg. You are encouraged to contact Euroclear and Clearstream Luxembourg directly to ascertain their procedure for tendering Original Notes.

Original Notes Held with DTC by a DTC Participant

Pursuant to authority granted by DTC, if you are a DTC participant that has Original Notes credited to your DTC account and thereby held of record by DTC's nominee, you may directly tender your Original Notes as if you were the record holder. Accordingly, references herein to record holders include DTC participants with Original Notes credited to their accounts. Within two business days after the date of this prospectus, the Exchange Agent will establish accounts with respect to the Original Notes at DTC for purposes of the Exchange Offers.

Tenders of Original Notes will be accepted only in minimum denominations of \$2,000 and integral multiples of \$1,000 thereafter. No alternative, conditional or contingent tenders will be accepted. Holders who tender less than all of their Original Notes must continue to hold Original Notes in at least the minimum authorized denomination of \$2,000 principal amount.

Any DTC participant may tender Original Notes by effecting a book-entry transfer of the Original Notes to be tendered in the Exchange Offers into the account of the Exchange Agent at DTC and either (1) electronically transmitting its acceptance of the Exchange Offers through DTC's ATOP procedures for transfer or (2) completing and signing the letter of transmittal according to the instructions contained therein and delivering it, together with any signature guarantees and other required documents, to the Exchange Agent at its address on the back cover page of this prospectus, in either case before the Expiration Date of the Exchange Offers.

If ATOP procedures are followed, DTC will verify each acceptance transmitted to it, execute a book-entry delivery to the Exchange Agent's account at DTC and send an agent's message to the Exchange Agent. An agent's message is a message, transmitted by DTC to and received by the Exchange Agent and forming part of a book-entry confirmation, which states that DTC has received an express acknowledgement from a DTC participant tendering Original Notes that the participant has received and agrees to be bound by the terms of the letter of transmittal and that AT&T may enforce the agreement against the participant. DTC participants following this procedure should allow sufficient time for completion of the ATOP procedures prior to the Expiration Date of the Exchange Offers. A letter of transmittal need not accompany tenders effected through ATOP; however, you will be bound by its terms just as if you had signed it.

The letter of transmittal (or facsimile thereof), with any required signature guarantees, or (in the case of book-entry transfer) an agent's message in lieu of the letter of transmittal, and any other required documents, must be transmitted to and received by the Exchange Agent prior to the Expiration Date of the Exchange Offers at one of its addresses set forth on the back cover page of this prospectus. Delivery of these documents to AT&T or DTC does not constitute delivery to the Exchange Agent.

Original Notes Held Through a Nominee by a Beneficial Owner

Currently, all of the Original Notes are held in book-entry form and can only be tendered by following the procedures described under Procedures for Tendering Original Notes Original Notes Held with DTC by a DTC Participant . However, any beneficial owner whose Original 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

Expiration Date in order for such entity to tender Original Notes on your behalf at or prior to the Expiration Date in accordance with the terms of the Exchange Offers.

Table of Contents

Beneficial owners should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadlines for participation in the Exchange Offers. Accordingly, beneficial owners wishing to participate in the Exchange Offers should contact their broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to determine the times by which such owner must take action in order to participate in the Exchange Offers.

Letter of Transmittal

Subject to and effective upon the acceptance for exchange and issuance of Exchange Notes, in exchange for Original Notes tendered by a letter of transmittal in accordance with the terms and subject to the conditions set forth in this prospectus, by executing and delivering a letter of transmittal (or agreeing to the terms of a letter of transmittal pursuant to an agent's message) a tendering holder of Original Notes:

irrevocably sells, assigns and transfers to or upon the order of AT&T all right, title and interest in and to, and all claims in respect of or arising or having arisen as a result of the holder's status as a holder of, the Original Notes tendered thereby;

represents and warrants that the Original Notes tendered were owned as of the date of tender, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind; and

irrevocably constitutes and appoints the Exchange Agent the true and lawful agent and attorney-in-fact of the holder with respect to any tendered Original Notes (with full knowledge that the Exchange Agent also acts as the agent of AT&T and an affiliate of the Exchange Agent acts as Trustee under the Indenture), with full powers of substitution and revocation (such power of attorney being deemed to be an irrevocable power coupled with an interest) to cause the Original Notes tendered to be assigned, transferred and exchanged in the Exchange Offers.

Proper Execution and Delivery of Letter of Transmittal

If you wish to participate in the Exchange Offers, delivery of your Original Notes, signature guarantees and other required documents are your responsibility. Delivery is not complete until the required items are actually received by the Exchange Agent. If you mail these items, we recommend that you (1) use registered mail properly insured with return receipt requested and (2) mail the required items in sufficient time to ensure timely delivery.

Except as otherwise provided below, all signatures on the letter of transmittal or a notice of withdrawal must be guaranteed by a recognized participant in the Securities Transfer Agents Medallion Program, the NYSE Medallion Signature Program or the Stock Exchange Medallion Program. Signatures on the letter of transmittal need not be guaranteed if:

the letter of transmittal is signed by a DTC participant whose name appears on a security position listing of DTC as the owner of the Original Notes and the portion entitled "Special Issuance Instructions" on the letter of transmittal has not been completed; or

the Original Notes are tendered for the account of an eligible institution. See Instruction 4 in the letter of transmission.

No alternative, conditional, irregular or contingent tenders will be accepted. By executing the letter of transmittal, or facsimile thereof, the tendering holders of Original Notes waive any right to receive any notice of the acceptance for exchange of their Original Notes. Tendering holders should indicate in the applicable box in the letter of transmittal the name, address and DTC participant number to which unexchanged Original Notes should be delivered by book-entry transfer, if different from the name and address of the person signing the letter of transmittal. If those instructions are not given, Original Notes not tendered or exchanged will be returned by book-entry transfer to the tendering holder.

Table of Contents

Miscellaneous

All questions as to the validity, form, eligibility, including time of receipt, and acceptance and withdrawal of tendered Original Notes will be determined by us in our absolute discretion, which determination will be final and binding. We reserve the absolute right to reject any and all tendered Original Notes determined by us not to be in proper form or not to be tendered properly or any tendered Original Notes our acceptance of which would, in the opinion of our counsel, be unlawful. We also reserve the right to waive, in our absolute discretion, any defects, irregularities or conditions of tender as to particular Original Notes, whether or not waived in the case of other Original Notes. Our interpretation of the terms and conditions of the Exchange Offers, including the terms and instructions in the letter of transmittal, will be final and binding on all parties.

Unless waived, any defects or irregularities in connection with tenders of Original Notes must be cured within the time we determine. Although we intend to notify holders of defects or irregularities with respect to tenders of Original Notes, none of us, the Exchange Agent or any other person will be under any duty to give that notification or shall incur any liability for failure to give that notification. Tenders of Original Notes will not be deemed to have been made until any defects or irregularities therein have been cured or waived.

In addition, we reserve the right, as set forth above under the caption *Conditions to the Exchange Offers*, to terminate either Exchange Offer. By tendering, each holder represents and acknowledges to us, among other things, that:

it has full power and authority to tender, sell, assign and transfer the Original Notes it is tendering and that we will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claim when the same are accepted by us;

the Exchange Notes acquired in connection with the Exchange Offers are being obtained in the ordinary course of business of the person receiving the Exchange Notes;

at the time of commencement of the Exchange Offers it had no arrangement with any person to participate in a distribution of such Exchange Notes;

it is not an affiliate (as defined in Rule 405 under the Securities Act) of our company; and

if the holder is a broker-dealer, it is not engaged in, and does not intend to engage in, a distribution of the Exchange Notes, and that it will receive Exchange Notes for its own account in exchange for Original Notes that were acquired by such broker-dealer as a result of market-making activities or other trading activities and that it will be required to acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. See *Plan of Distribution*.

There are no guaranteed delivery procedures for the Exchange Offers. Holders must tender their Original Notes via the ATOP system in accordance with the procedures of the letter of transmittal by the Expiration Date.

Withdrawal of Tenders

Tenders of Original Notes in the Exchange Offers may be validly withdrawn at any time prior to the Expiration Date.

Beneficial owners desiring to withdraw a tender of Original Notes previously tendered through the ATOP procedures should contact the DTC participant through which they hold their Original Notes. In order to withdraw Original Notes previously tendered, a DTC participant may, prior to the Expiration Date of the Exchange Offers, withdraw its instruction previously transmitted through ATOP by (1) withdrawing its acceptance through ATOP, or (2) delivering to the Exchange Agent by mail, hand delivery or facsimile transmission, notice of withdrawal of such instruction. The withdrawal notice must:

specify the name of the tendering holder of Original Notes;

Table of Contents

bear a description, including the series, of the Original Notes to be withdrawn;

specify the aggregate principal amount represented by those Original Notes;

specify the name and number of the account at DTC to be credited with the withdrawn Original Notes; and

be signed by the holder of those Original Notes in the same manner as the original signature on the letter of transmittal, including any required signature guarantees, or be accompanied by evidence satisfactory to us that the person withdrawing the tender has succeeded to the beneficial ownership of those Original Notes.

The signature on any notice of withdrawal must be guaranteed by an eligible guarantor institution, unless the Original Notes have been tendered for the account of an eligible guarantor institution.

Withdrawal of tenders of Original Notes may not be rescinded, and any Original Notes validly withdrawn will thereafter be deemed not to have been validly tendered for purposes of the Exchange Offers. Validly withdrawn Original Notes may, however, be re-tendered by again following one of the procedures described in Procedures for Tendering Original Notes at or prior to the Expiration Date.

Exchange Agent

The Bank of New York Mellon Trust Company, N.A. has been appointed as Exchange Agent in connection with the Exchange Offers. Questions and requests for assistance, as well as requests for additional copies of this prospectus or of the letter of transmittal, should be directed to the Exchange Agent at its offices at The Bank of New York Mellon Trust Company, N.A., as Exchange Agent, c/o The Bank of New York Mellon Corporation, Corporate Trust Operations Reorganization Unit, Allissa L. Overton, 111 Sanders Creek Corporate Center (Bldg), East Syracuse, NY 13057. The Exchange Agent's telephone number is (315) 414-3362 and facsimile number is (732) 667-9408.

Fees and Expenses

We will not make any payment to brokers, dealers or others soliciting acceptances of the Exchange Offers. We will pay certain other expenses to be incurred in connection with the Exchange Offers, including the fees and expenses of the Exchange Agent and certain accounting and legal fees.

Holders who tender their Original Notes for exchange generally will not be obligated to pay transfer taxes. If, however,

Exchange Notes are to be delivered to, or issued in the name of, any person other than the registered holder of the Original Notes tendered,

tendered Original Notes are registered in the name of any person other than the person signing the letter of transmittal, or

a transfer tax is imposed for any reason other than the exchange of Original Notes in connection with the Exchange Offers, then the amount of any such transfer taxes (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption from them is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed directly to the tendering holder.

Accounting Treatment

The Exchange Notes will be recorded at the same carrying value as the Original Notes as reflected in our accounting records on the date of the exchange. Accordingly, we will not recognize any gain or loss for

Table of Contents

accounting purposes upon the completion of the Exchange Offers. Payments made to other third parties will be expensed as incurred in accordance with generally accepted accounting principles.

Consequences of Failure to Properly Tender Original Notes in the Exchange Offers

Issuance of the Exchange Notes in exchange for the Original Notes under the Exchange Offers will be made only after timely receipt by the Exchange Agent of a properly completed and duly executed letter of transmittal (or an agent's message from DTC through ATOP) and the certificate(s) representing such Original Notes (or confirmation of book-entry transfer), and all other required documents. Therefore, holders of the Original Notes desiring to tender such Original Notes in exchange for Exchange Notes should allow sufficient time to ensure timely delivery. We are under no duty to give notification of defects or irregularities of tenders of Original Notes for exchange. Original Notes that are not tendered or that are tendered but not accepted by us will, following completion of the Exchange Offers, continue to be subject to the existing restrictions upon transfer thereof under the Securities Act, and, upon completion of the Exchange Offers, certain registration rights under the Registration Rights Agreement will terminate.

In the event the Exchange Offers are completed, we generally will not be required to register the remaining Original Notes. Remaining Original Notes will continue to be subject to the following restrictions on transfer:

the remaining Original Notes may be resold only if registered pursuant to the Securities Act, if any exemption from registration is available, or if neither such registration nor such exemption is required by law; and

the remaining Original Notes will bear a legend restricting transfer in the absence of registration or an exemption.

We do not currently anticipate that we will register the remaining Original Notes under the Securities Act. To the extent that Original Notes are tendered and accepted in connection with the Exchange Offers, any trading market for remaining Original Notes could be adversely affected. See Risk Factors Risks Relating to Participation in the Exchange Offers If you fail to exchange your Original Notes, they will continue to be restricted securities and may become less liquid .

Table of Contents**DESCRIPTION OF EXCHANGE NOTES**

For purposes of this section Description of Exchange 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 Exchange Notes will include those stated in the Indenture 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 Exchange Notes will be issued under our 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 prospectus. The Exchange Notes will be our unsecured and unsubordinated obligations and will rank pari passu with all other indebtedness issued under our Indenture. The Exchange Notes will constitute two separate series under the Indenture. We will issue the Exchange Notes in fully registered form only and in minimum denominations of \$2,000 and integral multiples of \$1,000 thereafter.

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

The Exchange Notes

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

The 2048 Exchange Notes offered in the Exchange Offers will bear interest at the rate of 4.500% per annum. The 2049 Exchange Notes offered in the Exchange Offers will bear interest at the rate of 4.550% per annum. We will pay interest on our 2048 Exchange Notes and 2049 Exchange Notes in arrears on each March 9 and September 9, commencing on March 9, 2017, to the persons in whose names the 2048 Exchange Notes and 2049 Exchange Notes, respectively, are registered at the close of business on the fifteenth day preceding the respective interest payment date. The 2048 Exchange Notes will mature on March 9, 2048 and the 2049 Exchange Notes will mature on March 9, 2049.

Optional Redemption of the Exchange Notes

Each of the 2048 Exchange Notes and 2049 Exchange Notes may be redeemed at any time prior to the applicable Par Call Date (as set forth in the table below), as a whole or in part, at our option, at any time and from time to time, on at

least 30 days , but not more than 60 days , prior notice mailed (or otherwise transmitted

Table of Contents

in accordance with DTC procedures) to the registered address of each holder of the Exchange 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 Exchange Notes of such series to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) of principal and interest discounted to the redemption date, on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months), at a rate equal to the sum of the Treasury Rate (as defined below) plus a number of basis points equal to the applicable Make-Whole Spread (as set forth in the table below). In the case of each of clauses (1) and (2), accrued interest will be payable to the redemption date. Each of the 2048 Exchange Notes and 2049 Exchange Notes may be redeemed at any time on or after the applicable Par Call Date, in whole or in part, on at least 30 days , but not more than 60 days , prior notice mailed (or otherwise transmitted in accordance with DTC procedures) to the registered address of each holder of the Exchange Notes of such series, at a redemption price equal to 100% of the principal amount of such series of Exchange Notes to be redeemed. Accrued interest will be payable to the redemption date.

Series	Par Call Date	Make-Whole Spread
2048 Exchange Notes	September 9, 2047	35 bps
2049 Exchange Notes	September 9, 2048	35 bps

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

Comparable Treasury Issue means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Exchange 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 Exchange 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 Exchange 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 Exchange 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 Deutsche Bank Securities Inc., Goldman, Sachs & Co. and Wells Fargo Securities, LLC, and their respective affiliates and, at the option of AT&T, one other nationally recognized investment banking firm that is a primary U.S. Government Securities dealer in the United States (a Primary Treasury Dealer); provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, AT&T will substitute therefor another Primary Treasury Dealer.

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

Table of Contents

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

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

Form and Title

The Exchange Notes will be issued in the form of one or more fully registered global notes which will be deposited with, or on behalf of, The Depository Trust Company, known as DTC, as the depository, and registered in the name of Cede & Co., DTC's nominee. Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global notes through either DTC (in the United States), Clearstream 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 the circumstances described below, the Exchange Notes will not be issuable in definitive form. The laws of some states require that certain purchasers of securities take physical delivery of their securities in definitive form. These limits and laws may impair the ability to transfer beneficial interests in the global notes.

So long as the 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 Exchange 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 Exchange Notes represented by the global notes registered in their names, will not receive or be entitled to receive physical delivery of the Exchange Notes in definitive form and will not be considered the owners or holders thereof under the Indenture.

Principal and interest payments on the Exchange 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 Exchange 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 Exchange 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 Exchange Notes of that series in definitive form in exchange for the global notes of that series. We will also issue the Exchange Notes in definitive

form in exchange for the global notes of that series if an event of default has occurred with regard to the Exchange Notes represented by the global notes and has not been cured or waived. In addition, we may at any

Table of Contents

time and in our sole discretion determine not to have the Exchange Notes of a series represented by the global notes and, in that event, will issue the Exchange 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 Exchange Notes represented by the global notes equal in principal amount to such beneficial interest and to have such Exchange Notes registered in its name. The Exchange 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 Exchange Notes can be transferred by presentation for registration to the registrar at its New York office and must be duly endorsed by the holder or his attorney duly authorized in writing, or accompanied by a written instrument or instruments of transfer in form satisfactory to us or the Trustee duly executed by the holder or his attorney duly authorized in writing. We may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any exchange or registration of transfer of definitive Exchange 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 Exchange Notes in definitive form for any reason, including to sell Exchange 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.

The Clearing Systems

DTC. The depositary has advised us as follows: the depositary is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. The depositary holds securities deposited with it by its participants and facilitates the settlement of transactions among its participants in such securities through electronic computerized book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. The depositary's participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own the depositary. Access to the depositary's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

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

Clearstream Luxembourg. Clearstream Luxembourg advises that it is incorporated under the laws of Luxembourg as a professional depositary. Clearstream Luxembourg holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between Clearstream Luxembourg participants through electronic book-entry changes in accounts of Clearstream Luxembourg participants, thereby eliminating the need for physical movement of certificates. Clearstream Luxembourg provides to Clearstream Luxembourg participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream Luxembourg interfaces with domestic markets in several countries. As a professional depositary, Clearstream Luxembourg is subject to regulation by the Luxembourg Monetary Institute. Clearstream Luxembourg participants are recognized financial institutions around the world, including underwriters,

securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. 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.

Table of Contents

Distributions with respect to each series of the Exchange 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 S.A./N.V., a bank incorporated under the laws of the Kingdom of Belgium as the Euroclear operator.

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

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

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

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 Exchange 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

We expect that the Exchange Notes will trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in the Exchange Notes will, therefore, be required by DTC to be settled in immediately available funds. Secondary market trading between DTC participants will occur in accordance with DTC rules. Secondary market trading between Clearstream Luxembourg participants and/or Euroclear participants will occur 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,

Table of Contents

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 Exchange 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 Exchange 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 Exchange 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 Exchange 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 Exchange 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 Exchange 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 Exchange 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

Table of Contents

(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 Exchange 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 Exchange 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 any paying agent (which term may include us) must withhold from any payment of principal of or interest on any Exchange 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 Exchange 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 Exchange 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 Exchange Notes of each series to any amounts in respect of the Exchange 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 Exchange 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

Table of Contents

amendment is announced or becomes effective on or after August 5, 2016, or (b) a taxing authority of the United States takes an action on or after August 5, 2016, 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 Exchange Notes on any interest payment date on not less than 30 nor more than 60 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 Exchange 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 Exchange 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 Exchange Notes of the applicable series. Any further Exchange 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 Exchange Notes will be given only to the depositary, 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 Exchange Notes will be governed by and interpreted in accordance with the laws of the State of New York.

Special Situations

Mergers and Similar Transactions

We are generally permitted to consolidate or merge with another company. We are also permitted to sell 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 other company may not be organized under the laws of a foreign country. It must be a corporation organized under the laws of a State or the District of Columbia or under federal law.

Table of Contents

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 Exchange 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 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 Exchange 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 Exchange Notes without your specific approval. The following is a list of those types of changes:

to reduce the percentage of holders of Exchange Notes who must consent to a waiver or amendment of the Indenture;

to reduce the rate of interest on either Exchange Note or change the time for payment of interest;

to reduce the principal due on either Exchange Note or change the fixed maturity of any security;

to waive a default in the payment of principal or interest on either Exchange Note;

to change the currency of payment on an Exchange Note, unless the Exchange Note provides for payment in a currency that ceases to exist;

in the case of convertible or exchangeable Exchange Notes, 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 Exchange 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 Exchange Notes. This type includes, among others, clarifications of ambiguous contract terms, changes to make Exchange Notes 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.

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

Table of Contents

For Exchange 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.

Exchange 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. An Exchange Note does not cease to be outstanding because we or an affiliate of us is holding the Exchange Note.

We will generally be entitled to set any day as a record date for the purpose of determining the holders of outstanding Exchange 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 Exchange Notes, that vote or action may be taken only by persons who are holders of outstanding Exchange Notes of that series on the record date and must be taken within 90 days following the record date.

Street Name and other indirect holders, including holders of any Exchange 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 Exchange Notes of either series if we make a deposit for you with the Trustee. 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.

If we accomplish full discharge, as described above, you will have to rely solely on the trust deposit for repayment of the Exchange 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 Exchange Notes are not secured by any of our property or assets. Accordingly, your ownership of Exchange Notes means you are one of our unsecured creditors. The Exchange 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 Exchange 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.

Table of Contents

What Is an Event of Default? The term event of default with respect to either series of the Exchange Notes means any of the following:

We fail to make any interest payment on the Exchange Notes of such series 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 such series of Exchange Notes or upon redemption.

We fail to comply with any of our other agreements regarding a particular series of Exchange 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 Exchange Notes of the affected series may declare the entire principal amount of and any accrued interest on all the Exchange 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 Exchange Notes of the affected series, if all events of default have been cured or waived.

Special Duties of Trustee. If an event of default occurs, the Trustee will have some special duties. In that situation, 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 Exchange 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 Exchange 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 Exchange 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 Exchange Notes of that series do not give the Trustee a direction inconsistent with the request.

Table of Contents

However, you are entitled at any time to bring an individual lawsuit for the payment of the money due on your Exchange Note on or after its due date.

Waiver of Default

The holders of a majority in principal amount of the relevant series of Exchange 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 Exchange Note, 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.

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.

Table of Contents

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion summarizes the material U.S. federal income tax consequences of the Exchange Offers. It applies to you only if you tender your Original Notes for Exchange Notes in this offering. This section is based on the Code, its legislative history, existing and proposed regulations, and published rulings and court decisions, all as currently in effect and subject to change, possibly with retroactive effect.

YOU SHOULD CONSULT WITH YOUR TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF PARTICIPATING IN THE EXCHANGE OFFERS.

Treatment of the Exchange

For U.S. federal income tax purposes, you should not be treated as having disposed of Original Notes in a taxable exchange solely because you exchanged Original Notes for Exchange Notes, and you therefore should not recognize gain or loss as a result of this exchange. Accordingly, for U.S. federal income tax purposes, your tax basis in the Exchange Notes should equal your basis in your Original Notes, your holding period in the Exchange Notes should include your holding period in your exchanged Original Notes, and payments or accrual of interest, premium and principal on the Exchange Notes should be treated in the same manner as such payments or accruals were treated with respect to the Original Notes.

Table of Contents

PLAN OF DISTRIBUTION

If you want to participate in the Exchange Offers, you must represent, among other things, that you:

are not a broker-dealer tendering Original Notes that you acquired directly from us for your own account;

are acquiring the Exchange Notes in the ordinary course of your business;

have not participated in, do not intend to participate in, and have no arrangement or understanding with any person to participate in, a distribution of the Exchange Notes; and

are not an affiliate as defined under Rule 405 of the Securities Act.

If you fail to satisfy any of these conditions, you cannot rely on the position of the SEC set forth in the no-action letters referred to above under Summary The Exchange Offers Resale of Exchange Notes and you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a resale of the Exchange Notes.

Each broker-dealer that receives Exchange Notes for its own account pursuant to the Exchange Offers must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for Original Notes where such Original Notes were acquired as a result of market-making activities or other trading activities. AT&T has agreed that, for a period of 90 days after the Expiration Date, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale.

AT&T will not receive any proceeds from any sale of Exchange Notes by broker-dealers. Exchange Notes received by broker-dealers for their own account pursuant to the Exchange Offers may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such Exchange Notes. Any broker-dealer that resells Exchange Notes that were received by it for its own account pursuant to the Exchange Offers and any broker or dealer that participates in a distribution of such Exchange Notes may be deemed to be an underwriter within the meaning of the Securities Act and any profit on any such resale of Exchange Notes and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act.

For a period of 90 days after the Expiration Date, AT&T will promptly send additional copies of this prospectus and any amendment or supplement to this prospectus to any broker-dealer that requests such documents in the letter of transmittal. We have agreed to pay all expenses incident to the Exchange Offers other than commissions or concessions of any brokers or dealers, and will indemnify the holders of the Exchange Notes (including any

broker-dealers) against certain liabilities, including liabilities under the Securities Act.

Table of Contents

THE EXCHANGE AGENT

The Bank of New York Mellon Trust Company, N.A. has been appointed as the Exchange Agent for the Exchange Offers. Letters of transmittal and all correspondence in connection with the Exchange Offers should be sent or delivered by each holder of Original 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 prospectus.

Questions concerning tender procedures and requests for additional copies of this prospectus or the letter of transmittal should be directed to the Exchange Agent at the address and telephone numbers listed below. Holders of Original 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 reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses.

The address for The Bank of New York Mellon Trust Company, N.A. is:

The Bank of New York Mellon Trust Company, N.A., as Exchange Agent

c/o The Bank of New York Mellon Corporation

Corporate Trust Operations Reorganization Unit

111 Sanders Creek Corporate Center (Bldg),

East Syracuse, NY 13057

Attention: Allissa L. Overton

Telephone: (315) 414-3362

Fax: (732) 667-9408

Questions and requests for assistance related to the Exchange Offers or for additional copies of this prospectus and the letter of transmittal may be directed to the Exchange Agent at the telephone number and address listed above.

DELIVERY OF A LETTER OF TRANSMITTAL OR 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 PROSPECTUS DOES NOT CONSTITUTE VALID DELIVERY.

Table of Contents

VALIDITY OF NOTES

Mr. Wayne Wirtz, Vice President, Associate General Counsel and Assistant Secretary of AT&T, is passing upon the validity of the Exchange Notes for us. As of November 9, 2016, Mr. Wirtz owned less than 1% of the outstanding shares of AT&T.

EXPERTS

The consolidated financial statements of AT&T Inc. incorporated by reference in AT&T's Annual Report on Form 10-K (including the schedule appearing therein) for the year ended December 31, 2015, and the effectiveness of AT&T's internal control over financial reporting as of December 31, 2015, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon incorporated by reference or included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The consolidated financial statements, and the related financial statement schedule of DIRECTV and subsidiaries, as of December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, incorporated in this prospectus by reference from AT&T Inc.'s Current Report on Form 8-K dated February 19, 2016 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference. Such financial statements and financial statement schedule have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

Table of Contents

AT&T Inc.

OFFERS TO EXCHANGE

PROSPECTUS

The Exchange Agent for the Exchange Offers is:

The Bank of New York Mellon Trust

Company, N.A.

By Facsimile (Eligible Institutions Only):

(732) 667-9408

By Mail or Hand:

c/o The Bank of New York Mellon Corporation

Corporate Trust Operations Reorganization Unit

111 Sanders Creek Corporate Center (Bldg),

East Syracuse, NY 13057

Attention: Allissa L. Overton

Telephone: (315) 414-3362

Requests for additional copies of this prospectus and the letter of transmittal may be directed to the Exchange Agent at the address or telephone number set forth above. Beneficial owners may also contact their custodian for assistance concerning the Exchange Offers.

Until December 26, 2016, all dealers that effect transactions in the Exchange Notes, whether or not participating in the Exchange Offers, may be required to deliver a prospectus. This is in addition to the dealers obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.