

AT&T INC.
Form 424B3
May 15, 2013
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Registration No. 333-188382

PROSPECTUS

Offers to Exchange

up to \$1,956,149,000 aggregate principal amount of new 4.30% Global Notes due 2042 registered under the Securities Act of 1933, for any and all outstanding unregistered 4.30% Global Notes due 2042, and

up to \$3,043,850,000 aggregate principal amount of new 4.35% Global Notes due 2045 registered under the Securities Act of 1933, for any and all outstanding unregistered 4.35% Global Notes due 2045

AT&T Inc. ("AT&T") is offering to exchange (i) new registered 4.30% Global Notes due 2042 (the "2042 Exchange Notes") for its outstanding unregistered 4.30% Global Notes due 2042 (the "2042 Original Notes"), and (ii) new registered 4.35% Global Notes due 2045 (the "2045 Exchange Notes" and, together with the 2042 Exchange Notes, the "Exchange Notes") for its outstanding unregistered 4.35% Global Notes due 2045 (the "2045 Original Notes" and, together with the 2042 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 \$1,000 in principal amount or in integral multiples of \$1,000 in excess thereof. Original Notes accepted for exchange will cease to accrue interest from and after the Settlement Date. 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. 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.

Holders may withdraw their tendered Original Notes at any time on 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, June 18, 2013, 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 of the Exchange Offers is conditioned upon the other Exchange Offer, and we may terminate or extend one Exchange Offer without terminating or extending the other Exchange Offer.

Investing in the Exchange Notes involves risks. See "Risk Factors" beginning on page 54 of our 2012 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, 2012, which is 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 other regulatory body 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 May 14, 2013.

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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 this offering, 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.

FORWARD-LOOKING STATEMENTS

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

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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.

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, 2012 filed on February 22, 2013 (the Annual Report);
2. Our quarterly report on Form 10-Q for the months ended March 31, 2013 filed on May 3, 2013; and
3. Our current reports on Form 8-K filed on January 17, 2013, January 24, 2013, January 25, 2013, February 4, 2013, February 12, 2013, March 5, 2013, March 13, 2013, April 11, 2013, April 23, 2013 and April 29, 2013.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been or may be incorporated by reference into this prospectus excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You may make your request by calling us at (210) 351-3049, or by writing to us at the following address:

AT&T Inc.'s Specialist External Reporting AT&T Inc.

208 S. Akard St.

Dallas, Texas 75202

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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 Inc. ("AT&T") is a holding company incorporated under the laws of the State of Delaware in 1983. Through our subsidiaries and affiliates, we provide wireline and wireless telecommunications services and equipment, and other products and services. Our principal executive offices are located at 208 S. Akard St., Dallas, Texas 75202. Our telephone number is (210) 821-4105. We maintain an Internet website at 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 in the U.S. and services and products to businesses and other providers of telecommunications services worldwide.

The services and products that we offer vary by market, and include: wireless communications, local exchange services, long-distance services, data/broadband and Internet services, video services, telecommunications equipment, managed networking, and wholesale services. We group our operating subsidiaries as follows, corresponding to our operating segments for financial reporting purposes:

wireless subsidiaries provide both wireless voice and data communications services across the U.S. and, through roaming agreements, in a substantial number of foreign countries;

wireline subsidiaries provide primarily landline voice and data communication services, AT&T U-verse[®] TV, high-speed broadband and voice services (U-verse) and managed networking to business customers; and

other subsidiaries include results from corporate and other operations, our portion of results from our equity investments and impacts from corporate-wide decisions for which the individual operating segments are not being evaluated.

Our local exchange subsidiaries operate as the incumbent local exchange carrier in 22 states: Alabama, Arkansas, California, Connecticut, Illinois, Indiana, Florida, Georgia, Kentucky, Louisiana, Kansas, Michigan, Mississippi, Missouri, Nevada, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Texas and Wisconsin (22-state area). Our local exchange subsidiaries are subject to regulation by each state in which they operate and by the Federal Communications Commission ("FCC"). Wireless service providers are regulated by the FCC. Additional information relating to regulation applicable to us is contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 under the heading "Government Regulation" and in our 2012 Annual Report under the heading "Operating Environment and Trends of the Business", and is incorporated herein by reference.

With the expansion of our company through acquisitions and the resulting ownership consolidation of AT&T Mobility, and with continuing advances in technology, our services offerings now combine our traditional wireline and wireless services. We make our customers' lives more convenient and productive and foster competition and further innovation in the communications and entertainment industry.

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The Exchange Offers

Offeror AT&T Inc.

The Exchange Offers We are offering to exchange our 2042 Exchange Notes which have been registered under the Securities Act for a like principal amount of our outstanding unregistered 2042 Original Notes and our 2045 Exchange Notes which have been registered under the Securities Act for a like principal amount of our outstanding unregistered 2045 Original Notes. Original Notes may only be tendered in an amount equal to \$1,000 in principal amount or in integral multiples of \$1,000 in excess thereof. 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 .

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Purpose of the Exchange Offers	The purpose of the Exchange Offers is to satisfy our obligations under a registration rights agreement, dated as of December 17, 2012 (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 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	Original Notes accepted for exchange will cease to accrue interest from and after the Settlement Date. 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.
Expiration Date	The Expiration Date of the Exchange Offers will be 5:00 p.m., New York City time, on June 18, 2013, 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 the registration statement of which this prospectus forms a part shall have become effective 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 of the Exchange Offers is

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conditioned upon the other Exchange Offer, and we may terminate one 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 having been declared effective and not being subject to a stop order or any proceedings for that purpose, which conditions we cannot waive); or (3) terminate either Exchange Offer. Neither of the Exchange Offers is conditioned upon the other Exchange Offer, and we may terminate or extend one 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 Deposit 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 and The Exchange Offers Book-Entry Delivery Procedures for Tendering Original Notes Held with DTC .

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 on or prior to the Expiration Date in accordance with the terms of the Exchange Offers. See The Exchange Offers Book-Entry Delivery Procedures for Tendering Original Notes Held with DTC .

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

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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.

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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>
Maturity Date	December 15, 2042 for the 2042 Exchange Notes.
June 15, 2045 for the 2045 Exchange Notes.	
Interest Rate	<p>The 2042 Exchange Notes will bear interest from the most recent date to which interest on the Original Notes has been paid or, if no interest has been paid on such Original Notes, from December 17, 2012 at the rate of 4.30% per annum, payable semi-annually in arrears in two equal payments.</p> <p>The 2045 Exchange Notes will bear interest from the most recent date to which interest on the Original Notes has been paid or, if no interest has been paid on such Original Notes, from December 17, 2012 at the rate of 4.35% per annum, payable semi-annually in arrears in two equal payments.</p>
Interest Payment Dates	June 15 and December 15 of each year, commencing on June 15, 2013.
Optional Redemption	Each series of the Exchange Notes will be redeemable, 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 to the registered address of each holder of the applicable series of Exchange Notes at a redemption price equal to their principal amount plus a make-whole premium, if any, and accrued and unpaid interest to the redemption date. See Description of Exchange Notes Optional Redemption of the Exchange Notes .

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At any time on or after June 15, 2042, the Company has the option to redeem the 2042 Exchange Notes, as a whole or in part, on at least 30 days , but not more than 60 days , prior notice mailed to the registered address of each holder of the 2042 Exchange Notes, at a

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redemption price equal to 100% of the principal amount of the 2042 Exchange Notes to be redeemed. Accrued interest will be payable to the redemption date.

At any time on or after December 15, 2044, the Company has the option to redeem the 2045 Exchange Notes, as a whole or in part, on at least 30 days , but not more than 60 days , prior notice mailed to the registered address of each holder of the 2045 Exchange Notes at a redemption price equal to 100% of the principal amount of the 2045 Exchange Notes to be redeemed. Accrued interest will be payable to the redemption date.

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

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.

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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 Annual Report, as well as the other information incorporated by reference in this prospectus. The risks and uncertainties described below and in our Annual 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 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 or as much value than if you chose to keep them. Holders of Original Notes must make their own independent decisions regarding their 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.

Original Notes that you do not tender or 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

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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.

Risks Relating to the Exchange Notes

We are a holding company that conducts all of our business through our subsidiaries. The debt and other liabilities of our subsidiaries will be effectively senior to the Exchange Notes.

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 will be our senior unsecured obligations and will rank equally in right of payment with all existing and future senior unsecured indebtedness of AT&T. The Exchange Notes will be effectively junior to all existing and future indebtedness and other liabilities of our subsidiaries, which means that creditors of our subsidiaries will be paid from their assets before holders of the Exchange Notes would have any claims to those assets.

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.

RATIO OF EARNINGS TO FIXED CHARGES

AT&T's consolidated ratio of earnings to fixed charges for each of the fiscal years or fiscal quarters indicated is as follows:

	Three Months Ending		For the Years Ended				
	2013	2012	2012	2011	2010	2009	2008
Ratio of earnings to fixed charges ¹	5.19	5.24	2.93	2.21	4.52	4.42	

¹ Earnings were not sufficient to cover fixed charges in 2008. The deficit was \$943.

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The following consolidated selected financial and operating data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and the consolidated financial statements and related notes of AT&T incorporated by reference therein. The consolidated selected financial data as of December 31, 2012, December 31, 2011, December 31, 2010, December 31, 2009, and December 31, 2008 and for the fiscal years then ended were derived from the audited consolidated financial statements and notes thereto of AT&T. Dollars in millions except per share amounts.

	2012	At December 31 or for the Year Ended:			2008
		2011	2010 As Adjusted	2009	
Financial Data					
Operating revenues	\$ 127,434	\$ 126,723	\$ 124,280	\$ 122,513	\$ 123,443
Operating expenses	\$ 114,437	\$ 117,505	\$ 104,707	\$ 101,513	\$ 125,133
Operating income (loss)	\$ 12,997	\$ 9,218	\$ 19,573	\$ 21,000	\$ (1,690)
Interest expense	\$ 3,444	\$ 3,535	\$ 2,994	\$ 3,368	\$ 3,369
Equity in net income of affiliates	\$ 752	\$ 784	\$ 762	\$ 734	\$ 819
Other income (expense) net	\$ 134	\$ 249	\$ 897	\$ 152	\$ (332)
Income tax expense (benefit)	\$ 2,900	\$ 2,532	\$ (1,162)	\$ 6,091	\$ (2,210)
Net Income (Loss)	\$ 7,539	\$ 4,184	\$ 20,179	\$ 12,447	\$ (2,364)
Less: Net Income Attributable to Noncontrolling Interest	\$ (275)	\$ (240)	\$ (315)	\$ (309)	\$ (261)
Net Income (Loss) Attributable to AT&T	\$ 7,264	\$ 3,944	\$ 19,864	\$ 12,138	\$ (2,625)
Earnings (Loss) Per Common Share:					
Net Income (Loss) Attributable to AT&T	\$ 1.25	\$ 0.66	\$ 3.36	\$ 2.06	\$ (0.44)
Earnings (Loss) Per Common Share Assuming Dilution:					
Net Income (Loss) Attributable to AT&T	\$ 1.25	\$ 0.66	\$ 3.35	\$ 2.05	\$ (0.44)
Total assets ⁽¹⁾	\$ 272,315	\$ 270,442	\$ 269,473	\$ 268,312	\$ 264,700
Long-term debt	\$ 66,358	\$ 61,300	\$ 58,971	\$ 64,720	\$ 60,872
Total debt	\$ 69,844	\$ 64,753	\$ 66,167	\$ 72,081	\$ 74,990
Construction and capital expenditures	\$ 19,728	\$ 20,272	\$ 20,302	\$ 17,294	\$ 20,290
Dividends declared per common share	\$ 1.77	\$ 1.73	\$ 1.69	\$ 1.65	\$ 1.61
Book value per common share	\$ 16.61	\$			