

AT&T INC.
Form 424B5
July 27, 2017
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Registration No. 333-209718

This prospectus supplement relates to an effective registration statement under the Securities Act of 1933, but is not complete and may be changed. This prospectus supplement and the accompanying prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement Dated July 27, 2017

Prospectus Supplement , 2017

(To Prospectus dated February 25, 2016)

U.S.\$

AT&T Inc.

U.S.\$ % Global Notes due 2023

U.S.\$ % Global Notes due 2024

U.S.\$ % Global Notes due 2027

U.S.\$ % Global Notes due 2037

U.S.\$ % Global Notes due 2050

U.S.\$ % Global Notes due 2058

U.S.\$ Floating Rate Global Notes due 2023

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We will pay interest on the % global notes due 2023 (the 2023 Notes), the % global notes due 2024 (the 2024 Notes), the % global notes due 2027 (the 2027 Notes), the % global notes due 2037 (the 2037 Notes), the % global notes due 2050 (the 2050 Notes) and the % global notes due 2058 (the 2058 Notes and, together with the 2023 Notes, the 2024 Notes, the 2027 Notes, the 2037 Notes and the 2050 Notes, the Fixed Rate Notes) on and of each year, commencing on , 2018. We will pay interest on the floating rate global notes due 2023 (the Floating Rate Notes and, together with the Fixed Rate Notes, the Notes) at a rate equal to the Applicable LIBOR Rate (as defined herein, based on the three-month LIBOR), reset quarterly, plus basis points, on , and of each year. The first such payment will be made on , 2017. The 2023 Notes will mature on , 2023, the 2024 Notes will mature on , 2024, the 2027 Notes will mature on , 2027, the 2037 Notes will mature on , 2037, the 2050 Notes will mature on , 2050, the 2058 Notes will mature on , 2058 and the Floating Rate Notes will mature on , 2023.

We may redeem some or all of the Fixed Rate Notes at any time and from time to time at the prices and at the times indicated for each series under the heading Description of the Notes The Fixed Rate Notes Optional Redemption beginning on page S-9 of this prospectus supplement. The Notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 thereafter.

On October 22, 2016, we entered into an Agreement and Plan of Merger (the Merger Agreement) with Time Warner Inc. (Time Warner). Time Warner will become our wholly-owned subsidiary subject to the satisfaction or waiver of the conditions to closing contained in the Merger Agreement. We intend to use the net proceeds of this offering for general corporate purposes, including funding the cash consideration for the Time Warner acquisition. This offering is not contingent on the consummation of the acquisition of Time Warner. However, if such acquisition is not consummated on or prior to April 22, 2018 or, if prior to such date, the Merger Agreement for such acquisition is terminated, then in either case we will be required to redeem all of the Notes at a special mandatory redemption price equal to 101% of the principal amount of the Notes, plus accrued but unpaid interest to, but excluding, the redemption date, as described under Description of the Notes Special Mandatory Redemption.

See Risk Factors beginning on page 34 of our 2016 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, 2016, which are incorporated by reference herein, to read about factors you should consider before investing in the Notes.

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

	Per 2023 Note	Total	Per 2024 Note	Total	Per 2027 Note	Total	Per 2037 Note	Total	Per 2050 Note	Total	Per 2058 Note	Total	Per Floating Rate Note	Total
Initial public offering	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$
Underwriting	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$
counts	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$

proceeds, before expenses, to AT&T(1)	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$
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(1) The underwriters have agreed to reimburse us for certain of our expenses. See Underwriting. The initial public offering prices set forth above do not include accrued interest, if any. Interest on the Notes will accrue from _____, 2017.

The underwriters expect to deliver the Notes in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking, Société Anonyme and Euroclear Bank S.A./N.V., against payment in New York, New York on _____, 2017.

Joint Book-Running Managers

BofA Merrill Lynch Goldman Sachs & Co. LLC J.P. Morgan Mizuho Securities MUFG

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

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

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

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

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SUMMARY OF THE FIXED RATE NOTES OFFERING

Issuer	AT&T Inc.
Securities Offered	<p>U.S.\$ aggregate principal amount of % global notes due 2023 (the 2023 Notes).</p> <p>U.S.\$ aggregate principal amount of % global notes due 2024 (the 2024 Notes).</p> <p>U.S.\$ aggregate principal amount of % global notes due 2027 (the 2027 Notes).</p> <p>U.S.\$ aggregate principal amount of % global notes due 2037 (the 2037 Notes).</p> <p>U.S.\$ aggregate principal amount of % global notes due 2050 (the 2050 Notes).</p> <p>U.S.\$ aggregate principal amount of % global notes due 2058 (the 2058 Notes and, together with the 2023 Notes, the 2024 Notes, the 2027 Notes, the 2037 Notes and the 2050 Notes, the Fixed Rate Notes).</p>
Maturity Date	<p>, 2023, at par, for the 2023 Notes.</p> <p>, 2024, at par, for the 2024 Notes.</p> <p>, 2027, at par, for the 2027 Notes.</p> <p>, 2037, at par, for the 2037 Notes.</p> <p>, 2050, at par, for the 2050 Notes.</p> <p>, 2058, at par, for the 2058 Notes.</p>

Interest Rate

The 2023 Notes will bear interest from _____, 2017 at the rate of _____ % per annum, the 2024 Notes will bear interest from _____, 2017 at the rate of _____ % per annum, the 2027 Notes will bear interest from _____, 2017 at the rate of _____ % per annum, the 2037 Notes will bear interest from _____, 2017 at the rate of _____ % per annum, the 2050 Notes will bear interest from _____, 2017 at the rate of _____ % per annum and 2058 Notes will bear interest from _____, 2017 at the rate of _____ % per annum. Interest on each series of the Fixed Rate Notes will be payable semi-annually in arrears in two equal payments.

Interest Payment Dates

_____ and _____ of each year, commencing on _____, 2018.

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Special Mandatory Redemption

If the Time Warner acquisition is not consummated on or prior to April 22, 2018 or, if prior to such date, the Merger Agreement for such acquisition is terminated, then in either case we will be required to redeem all of the Fixed Rate Notes at a special mandatory redemption price equal to 101% of the principal amount of the Fixed Rate Notes, plus accrued but unpaid interest to, but excluding, the redemption date. See Description of the Notes Special Mandatory Redemption.

Optional Redemption

Each series of the Fixed Rate 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, at a make-whole call equal to the greater of (i) 100% of the principal amount of the Fixed Rate 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 Fixed Rate Notes may be redeemed at any time on or after the applicable Par Call Date, 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, at a redemption price equal to 100% of the principal amount of such series of Fixed Rate Notes to be redeemed. Accrued interest will be payable to the redemption date.

Series	Par Call Date	Make-Whole Spread
2023 Notes		bps
2024 Notes		bps
2027 Notes		bps
2037 Notes		bps
2050 Notes		bps
2058 Notes		bps

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

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

Markets

The Fixed Rate Notes are offered for sale in those jurisdictions in the United States, Canada, Europe, Asia and elsewhere where it is legal to

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make such offers. See Underwriting.

No Listing

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

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Form and Settlement

The Fixed Rate Notes will be issued in the form of one or more fully registered global notes which will be deposited with, or on behalf of, The Depository Trust Company known as DTC as the depository, and registered in the name of Cede & Co., DTC's nominee. Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global notes through either DTC (in the United States), Clearstream Banking, Société Anonyme or Euroclear Bank S.A./N.V., as operator of the Euroclear System (outside of the United States), if they are participants in these systems, or indirectly through organizations which are participants in these systems. Cross-market transfers between persons holding directly or indirectly through DTC participants, on the one hand, and directly or indirectly through Clearstream or Euroclear participants, on the other hand, will be effected in accordance with DTC rules on behalf of the relevant international clearing system by its U.S. depository.

Governing Law

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

Table of Contents**SUMMARY OF THE FLOATING RATE NOTES OFFERING**

Issuer	AT&T Inc.
Securities Offered	U.S.\$ aggregate principal amount of floating rate global notes due 2023 (the Floating Rate Notes).
Maturity Date	, 2023, at par.
Interest Rate	The Floating Rate Notes will bear interest from , 2017 at a floating rate equal to the Applicable LIBOR Rate (as defined herein, based on the three-month LIBOR), reset quarterly, plus basis points, payable quarterly in arrears.
Interest Payment Dates	Quarterly on each , , and of each year, commencing on , 2017; provided however, that if any such interest payment date would fall on a day that is not a LIBOR business day (as defined herein), other than the interest payment date that is also the date of maturity, that interest payment date will be postponed to the next succeeding LIBOR business day, unless the next succeeding LIBOR business day is in the next succeeding calendar month, in which case such interest payment date shall be the immediately preceding LIBOR business day; and provided further, that if the date of maturity is not a LIBOR business day, payment of principal and interest will be made on the next succeeding business day and no interest will accrue for the period from and after such date of maturity.
Special Mandatory Redemption	If the Time Warner acquisition is not consummated on or prior to April 22, 2018 or, if prior to such date, the Merger Agreement for such acquisition is terminated, then in either case we will be required to redeem the Floating Rate Notes at a special mandatory redemption price equal to 101% of the principal amount of the Floating Rate Notes, plus accrued but unpaid interest to, but excluding, the redemption date. See Description of the Notes Special Mandatory Redemption.
Optional Redemption	Except in connection with certain tax events, the Floating Rate Notes are not redeemable at our option. See Description of the Notes Redemption Upon a Tax Event.

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Markets	The Floating Rate Notes are offered for sale in those jurisdictions in the United States, Canada, Europe, Asia and elsewhere where it is legal to make such offers. See Underwriting.
No Listing	The Floating Rate Notes are not being listed on any organized exchange or market.
Form and Settlement	The Floating Rate Notes will be issued in the form of one or more fully registered global notes which will be deposited with, or on

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behalf of, The Depository Trust Company known as DTC as the depository, and registered in the name of Cede & Co., DTC's nominee. Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global notes through either DTC (in the United States), Clearstream Banking, Société Anonyme or Euroclear Bank S.A./N.V., as operator of the Euroclear System (outside of the United States), if they are participants in these systems, or indirectly through organizations which are participants in these systems. Cross-market transfers between persons holding directly or indirectly through DTC participants, on the one hand, and directly or indirectly through Clearstream or Euroclear participants, on the other hand, will be effected in accordance with DTC rules on behalf of the relevant international clearing system by its U.S. depository.

Governing Law

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

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USE OF PROCEEDS

The net proceeds to AT&T from the Notes offering will be approximately \$ after deducting the underwriting discount and our estimated offering expenses, net of reimbursement from the underwriters. These proceeds will be used for general corporate purposes, including funding the cash consideration for the Time Warner acquisition.

The completion of this offering is not contingent on the Time Warner acquisition. However, if for any reason the Time Warner acquisition is not consummated on or prior to April 22, 2018 or, if prior to such date, the Merger Agreement for such acquisition is terminated, then in either case we will be required to redeem all of the Notes at a special mandatory redemption price equal to 101% of the principal amount of the Notes, plus accrued but unpaid interest to, but excluding, the redemption date, as described under Description of the Notes Special Mandatory Redemption.

Table of Contents**CAPITALIZATION**

The following table sets forth the capitalization of AT&T as of June 30, 2017 and as adjusted solely to reflect the issuance of \$ of the Notes and the application of the net proceeds as described under Use of Proceeds above assuming that all of the net proceeds from the sale of the Notes would be used for general corporate purposes, including funding the cash consideration for the Time Warner acquisition. The table reflects certain unaudited consolidated financial information as of June 30, 2017 that was included in our Current Report on Form 8-K filed on July 25, 2017. AT&T's total capital consists of debt (long-term debt and debt maturing within one year) and stockholders' equity.

	As of June 30, 2017	
	Actual	As Adjusted
	(Unaudited)	
	(In millions)	
Long-term debt	\$ 132,824	\$
Debt maturing within one year (1)	10,831	
Stockholders' equity:		
Common shares (\$1 par value, 14,000,000,000 authorized)	6,495	
Capital in excess of par value	89,471	
Retained earnings	36,067	
Treasury shares	(12,697)	
Other adjustments	6,522	
Stockholders' equity	\$ 125,858	\$
 Total Capitalization (2)	 \$ 269,513	 \$

- (1) Debt maturing within one year consists of the current portion of long-term debt and commercial paper and other short-term borrowings.
- (2) In addition to our other credit agreements, we have engaged certain banks to provide lines of credit for the purpose of providing financing in connection with our contemplated acquisition of Time Warner, which includes a \$10 billion term loan credit agreement with JPMorgan Chase Bank, N.A., as agent, and a \$30 billion bridge loan facility, with certain investment and commercial banks and JPMorgan Chase Bank, N.A., as agent. As of the date of this prospectus supplement, we had no borrowings under the term loan credit agreement or bridge loan facility; however, we have reduced the bridge loan facility commitment by \$9 billion as a result of net proceeds received from our debt offerings in June 2017. We will reduce the commitments under the bridge loan facility in an amount equal to a significant amount of the proceeds.

Table of Contents**DESCRIPTION OF THE NOTES**

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

General

The Notes will be issued under our indenture, dated as of May 15, 2013, with The Bank of New York Mellon Trust Company, N.A., acting as trustee, as described under Description of Debt Securities We May Offer in the accompanying prospectus. The Notes will be our unsecured and unsubordinated obligations and will rank *pari passu* with all other indebtedness issued under our indenture. The Notes will constitute seven separate series under the indenture. We will issue the Notes in fully registered form only and in minimum denominations of \$2,000 and integral multiples of \$1,000 thereafter.

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

Special Mandatory Redemption

We expect to use the net proceeds from this offering for general corporate purposes, including funding the cash consideration of the Time Warner acquisition, as described under the heading Use of Proceeds. If the Time Warner acquisition is not consummated on or prior to April 22, 2018, or, if prior to such date, the Merger Agreement for such acquisition is terminated (each, a Special Mandatory Redemption Event), the provisions set forth below will be applicable.

Upon the occurrence of a Special Mandatory Redemption Event, each series of the Notes will be redeemed in whole at a special mandatory redemption price (the Special Mandatory Redemption Price) equal to 101% of the aggregate principal amount of the applicable series of Notes, plus accrued but unpaid interest on the principal amount of such series of the Notes to, but not including, the Special Mandatory Redemption Date (as defined below).

Upon the occurrence of a Special Mandatory Redemption Event, we will promptly (but in no event later than 5 business days following such Special Mandatory Redemption Event) notify the trustee in writing of such event, and will, no later than 5 business days following such notice to the trustee, mail a notice of redemption to the registered address of each holder of the applicable series of Notes (such date of notification to the holders, the Redemption

Notice Date), that the Notes will be redeemed on the 30th day following the Redemption Notice Date (such date, the Special Mandatory Redemption Date), in each case in accordance with the applicable provisions of the indenture. We will notify each holder in accordance with the applicable provisions of the

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indenture that all of the outstanding Notes of the applicable series shall be redeemed at the Special Mandatory Redemption Price on the Special Mandatory Redemption Date automatically and without any further action by the holders of any series of the Notes to be redeemed. At or prior to 12:00 p.m. (New York City time) on the business day immediately preceding the Special Mandatory Redemption Date, the Company shall deposit with the trustee funds sufficient to pay the Special Mandatory Redemption Price for each series of Notes to be redeemed. If such deposit is made as provided above, all of the Notes to be redeemed will cease to bear interest on and after the Special Mandatory Redemption Date.

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

The Fixed Rate Notes

The 2023 Notes offered by this prospectus supplement will initially be limited to \$ aggregate principal amount and will bear interest at the rate of % per annum, the 2024 Notes offered by this prospectus supplement will initially be limited to \$ aggregate principal amount and will bear interest at the rate of % per annum, the 2027 Notes offered by this prospectus supplement will initially be limited to \$ aggregate principal amount and will bear interest at the rate of % per annum, the 2037 Notes offered by this prospectus supplement will initially be limited to \$ aggregate principal amount and will bear interest at the rate of % per annum, the 2050 Notes offered by this prospectus supplement will initially be limited to \$ aggregate principal amount and will bear interest at the rate of % per annum and the 2058 Notes offered by this prospectus supplement will initially be limited to \$ aggregate principal amount and will bear interest at the rate of % per annum. We will pay interest on our Fixed Rate Notes in arrears on each and , commencing on , 2018 to the persons in whose names the Fixed Rate Notes are registered at the close of business on the fifteenth day preceding the respective interest payment date. The 2023 Notes will mature on , 2023, the 2024 Notes will mature on , 2024, the 2027 Notes will mature on , 2027, the 2037 Notes will mature on , 2037, the 2050 Notes will mature on , 2050 and the 2058 Notes will mature on , 2058.

Optional Redemption

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

Series**Par Call Date****Make-Whole Spread**

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2023 Notes	bps
2024 Notes	bps
2027 Notes	bps
2037 Notes	bps
2050 Notes	bps
2058 Notes	bps

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Treasury Rate means, with respect to any redemption date for the Fixed Rate 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 Fixed Rate 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 Fixed Rate 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 Fixed Rate 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 Fixed Rate 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 Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Mizuho Securities USA 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 Fixed Rate Note of a series to be redeemed, the remaining scheduled payments of principal of and interest on such Fixed Rate 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 Fixed Rate Notes, the amount of the next succeeding scheduled interest payment on the Fixed Rate Notes will be reduced by the amount of interest accrued on the Fixed Rate Notes to the redemption date.

On and after the redemption date, interest will cease to accrue on the Fixed Rate Notes or any portion of the Fixed Rate 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 our paying agent or the trustee money sufficient to pay the redemption price of and accrued interest on the Fixed Rate Notes to be redeemed on that date.

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

The Floating Rate Notes

The Floating Rate Notes offered by this prospectus supplement will initially be limited to \$ _____ aggregate principal amount and will mature on _____, 2023 (the Floating Rate Maturity Date). If the Floating Rate Maturity Date falls on a day that is not a LIBOR business day, the payment of interest and principal will be made on the next succeeding LIBOR business day, and no interest will accrue for the period from and after the Floating Rate Maturity Date.

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The Floating Rate Notes offered by this prospectus supplement will bear interest from _____, 2017 at a floating rate determined in the manner provided below, payable on _____, _____ and _____ of each year (each such day, a Floating Rate Interest Payment Date), commencing on _____, 2017, to the persons in whose names the Floating Rate Notes were registered at the close of business on the 15th day preceding the respective Floating Rate Interest Payment Date, subject to certain exceptions.

The per annum interest rate on the Floating Rate Notes (the Floating Interest Rate) in effect for each day of an Floating Rate Interest Period (as defined below) will be equal to the Applicable LIBOR Rate plus _____ basis points (_____ %). The Floating Interest Rate for each Floating Rate Interest Period will be reset on _____, _____, _____ and _____ of each year, and will be set for the initial Floating Rate Interest Period on _____, 2017 (each such date, a Floating Interest Reset Date) until the principal on the Floating Rate Notes is paid or made available for payment (the Floating Rate Principal Payment Date). If any Floating Interest Reset Date (other than the initial Floating Interest Reset Date occurring on _____, 2017) and Floating Rate Interest Payment Date would otherwise be a day that is not a LIBOR business day, such Floating Interest Reset Date and Floating Rate Interest Payment Date shall be the next succeeding LIBOR business day, unless the next succeeding LIBOR business day is in the next succeeding calendar month, in which case such Floating Interest Reset Date and Floating Rate Interest Payment Date shall be the immediately preceding LIBOR business day.

LIBOR business day means any day that is not a Saturday or Sunday and that, in The City of New York or the City of London, is not a day on which banking institutions are generally authorized or obligated by law to close.

Floating Rate Interest Period shall mean the period from and including a Floating Interest Reset Date to but excluding the next succeeding Floating Interest Reset Date and, in the case of the last such period, from and including the Floating Interest Reset Date immediately preceding the Floating Rate Maturity Date or Floating Rate Principal Payment Date, as the case may be, to but not including such Floating Rate Maturity Date or Floating Rate Principal Payment Date, as the case may be. If the Floating Rate Principal Payment Date or Floating Rate Maturity Date is not a LIBOR business day, then the principal amount of the Floating Rate Notes plus accrued and unpaid interest thereon shall be paid on the next succeeding LIBOR business day and no interest shall accrue for the Floating Rate Maturity Date, Floating Rate Principal Payment Date or any day thereafter.

The Applicable LIBOR Rate shall mean the rate determined in accordance with the following provisions:

(1) On the second day on which dealings in deposits in U.S. dollars are transacted in the London interbank market preceding each Floating Interest Reset Date (each such date, an Interest Determination Date), The Bank of New York Mellon Trust Company, N.A. (the Calculation Agent), as agent for AT&T, will determine the Applicable LIBOR Rate which shall be the rate for deposits in U.S. dollars having a maturity of three months commencing on the first day of the applicable interest period that appears on the Bloomberg Screen BBAM Page (or any successor page) as of 11:00 a.m., London time, on such Interest Determination Date. If the Applicable LIBOR Rate on such Interest Determination Date does not appear on the Bloomberg Screen BBAM Page (or any successor page), the Applicable LIBOR Rate will be determined as described in (2) below.

(2) With respect to an Interest Determination Date for which the Applicable LIBOR Rate does not appear on the Bloomberg Screen BBAM Page (or any successor page) as specified in (1) above, the Applicable LIBOR Rate will be determined on the basis of the rates at which deposits in U.S. dollars are offered by four major banks in the London interbank market selected by AT&T (the Reference Banks) at approximately 11:00 a.m., London time, on such Interest Determination Date to prime banks in the London interbank market having a maturity of three months, and in a principal amount equal to an amount of not less than U.S.\$1,000,000 that is representative for a single transaction in such market at such time. The Calculation Agent, upon direction from AT&T, will request the principal London office

of each of such Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the

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Applicable LIBOR Rate on such Interest Determination Date will be the arithmetic mean (rounded upwards) of such quotations. If fewer than two quotations are provided, the Applicable LIBOR Rate on such Interest Determination Date will be the arithmetic mean (rounded upwards) of the rates quoted by three major banks in New York City selected by AT&T at approximately 11:00 a.m., New York City time, on such Interest Determination Date for loans in U.S. dollars to leading European banks, having a maturity of three months, and in a principal amount equal to an amount of not less than U.S.\$1,000,000 that is representative for a single transaction in such market at such time; provided, however, that if the banks in New York City selected as aforesaid by AT&T are not quoting as mentioned in this sentence, the relevant Floating Interest Rate for the Floating Rate Interest Period commencing on the Floating Interest Reset Date following such Interest Determination Date will be the Floating Interest Rate in effect on such Interest Determination Date (i.e., the same as the rate determined for the immediately preceding Interest Reset Date).

The amount of interest for each day that the Floating Rate Notes are outstanding (the Daily Interest Amount) will be calculated by dividing the Floating Interest Rate in effect for such day by 360 and multiplying the result by the principal amount of the Floating Rate Notes (known as the Actual/360 day count). The amount of interest to be paid on the Floating Rate Notes for any Floating Rate Interest Period will be calculated by adding the Daily Interest Amounts for each day in such Floating Rate Interest Period.

The Floating Interest Rate on the Floating Rate Notes will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application. Additionally, the Floating Interest Rate on the Floating Rate Notes will in no event be lower than zero.

The Floating Interest Rate and amount of interest to be paid on the Floating Rate Notes for each Floating Rate Interest Period will be determined by the Calculation Agent. The Calculation Agent will, upon the request of any holder of the Floating Rate Notes, provide the interest rate then in effect with respect to the Floating Rate Notes. All calculations made by the Calculation Agent shall in the absence of manifest error be conclusive for all purposes and binding on AT&T and the holders of the Floating Rate Notes. So long as the Applicable LIBOR Rate is required to be determined with respect to the Floating Rate Notes, there will at all times be a Calculation Agent. In the event that any then acting Calculation Agent shall be unable or unwilling to act, or that such Calculation Agent shall fail duly to establish the Applicable LIBOR Rate for any Floating Rate Interest Period, or that AT&T proposes to remove such Calculation Agent, AT&T shall appoint itself or another person which is a bank, trust company, investment banking firm or other financial institution to act as the Calculation Agent.

Form and Title

The Notes of each series will be issued in the form of one or more fully registered global notes which will be deposited with, or on behalf of, The Depository Trust Company, known as DTC, as the depository, an