



June 20, 2018

Dear Stockholder:

On June 14, 2018 AT&T Inc. completed its historic acquisition of Time Warner Inc. Each share of Time Warner Inc. common stock was converted into 1.437 shares of AT&T common stock plus the right to receive \$53.75.

Our records indicate that you hold Time Warner Inc. common stock in both certificated and uncertificated (book entry) form. Any shares that you held in uncertificated form were automatically exchanged. A Transaction Advice confirming the exchange and a check for the cash consideration will be sent to you under separate cover. Your AT&T shares were credited to your account in uncertificated form.

**With respect to the original Time Warner stock certificates you hold, you must submit your original Time Warner Inc. stock certificates to the exchange agent, Computershare, in order to complete the exchange of the certificated shares.** Enclosed is an Exchange Form with instructions on how to complete the exchange process for your certificated shares.

**Note: Under the terms of the agreement governing the acquisition, AT&T will withhold the cash consideration from the merger as well as all dividends and distributions on AT&T common stock until your related certificate(s) are exchanged.**

For your information, we have also enclosed commonly asked questions and answers together with your Exchange Form. Please take a few minutes to read these materials. If you have any questions, please call Computershare at 1-800-351-7221 or 1-781-575-4729. For additional information, you may also go to their website, [www.computershare.com/att](http://www.computershare.com/att).

On behalf of the AT&T Board of Directors, I thank you for being a valued stockholder and look forward to your continued investment in AT&T.

Sincerely,

Randall Stephenson

Chairman and Chief Executive Officer

Enclosures

## **Information for Stockholders Receiving AT&T Inc. Stock as a Result of the Acquisition of Time Warner Inc. on June 14, 2018**

Frequently Asked Questions about the Exchange Process:

### **When was the acquisition completed?**

The acquisition of Time Warner Inc. by AT&T was completed on June 14, 2018.

### **What will I receive in exchange for Time Warner Inc. common stock shares?**

Pursuant to the acquisition, each share of Time Warner Inc. was converted into 1.437 shares of AT&T common stock plus the right to receive \$53.75 in cash. No fractional shares of AT&T will be issued for your Time Warner Inc. common stock; instead, you will receive cash-in-lieu of the fractional share. The cash consideration (\$53.75/share) plus the cash-in-lieu will be paid in a single check.

<b>ARE YOU REQUIRED TO TAKE ANY ACTION?</b>	
For your uncertificated Time Warner Inc. shares: <b>NO</b>	For your Time Warner Inc. shares represented by certificates: <b>YES</b>
Your uncertificated shares were automatically converted to AT&T shares. You will receive a transaction advice confirming this exchange along with your cash consideration and cash-in-lieu of a fractional share, if applicable.	Your original certificate(s) representing Time Warner Inc. common stock must be submitted for exchange before you can receive dividends or distributions on these shares. Please refer to the enclosed Exchange Form for further information on exchanging your Time Warner Inc. certificate(s). Upon receipt of your Time Warner Inc. certificate(s) and properly completed Exchange Form by Computershare, you will receive another Transaction Advice reflecting your new AT&T ownership in about 10 business days. <b>Until these certificate(s) are exchanged, AT&amp;T will withhold the cash consideration from the merger as well as all dividends and distributions related to these certificate(s).</b>



### **Should I sign my old Time Warner Inc. common stock certificate(s)?**

No. For your protection, do not endorse your stock certificate(s).

### **What if I can't locate all of my Time Warner Inc. common stock certificate(s)?**

If you have lost any of your Time Warner Inc. stock certificate(s), please refer to the Exchange Form for additional information.

### **In what form will AT&T issue my new shares?**

Your AT&T shares will be credited to your account in uncertificated form.

### **What are uncertificated shares?**

Uncertificated shares (also referred to as book entry shares) are shares that are recorded on AT&T's books and have the same rights and benefits as certificated shares but without the risk of certificate loss or misplacement.

### **What if my address has changed?**

Please contact Computershare at 1-800-351-7221.

### **How do I determine the amount of any taxable gain on this transaction as well as the tax basis in my newly acquired AT&T shares?**

Your gain from this transaction (if any) will generally be the smaller of the following amounts: (a) the amount by which the sum of cash and the fair market value of the AT&T shares you received exceeds your tax basis in your Time Warner Inc. shares or (b) the amount of cash you received in exchange for your Time Warner Inc. stock (in each case treating any cash received in lieu of a fractional AT&T share as if such fractional AT&T share was actually received and then sold for cash as described below). You will not recognize any loss from this transaction other than a potential loss from the fractional share being converted to cash. The tax basis in your newly acquired AT&T shares (including any fractional AT&T shares) will generally equal the tax basis in your Time Warner Inc. shares less the cash you receive as part of the exchange (\$53.75 per Time Warner Inc. share and excluding cash received in lieu of a fractional AT&T share), plus the amount of any gain recognized from the transaction (excluding any gain recognized with respect to a fractional AT&T share). If you receive cash in lieu of a fractional AT&T share, you will generally be treated as having received the share and then as having sold such fractional AT&T share for the cash you received in lieu of such fractional AT&T shares. As a result, you will generally recognize gain or loss equal to the difference between the amount of cash received and the tax basis allocated to such fractional AT&T share. Please consult your tax advisor about your situation.

### **What will happen if I do not send in my original Time Warner Inc. common stock certificate(s) for the exchange?**

Under the terms of the agreement governing the acquisition, AT&T will withhold the cash consideration from the merger as well as all dividends and distributions on AT&T common stock

until your unexchanged Time Warner Inc. certificate(s) are exchanged.

***NOTE: If you do not exchange your certificate(s), at some point we may be required to remit the shares and any withheld dividends or distributions to your state of residence as required under the applicable unclaimed property laws. If your shares are remitted to the state, you will need to go to the unclaimed property division of your state to receive the value of your shares.***

### **When will I receive dividends from AT&T?**

The decision whether to pay a dividend, as well as its amount and frequency, is determined by the AT&T Board of Directors. Historically, AT&T has paid dividends on the first business day of February, May, August, and November. The record date (the date you must hold shares to be entitled to the dividend) is typically around the 10th day of the prior month. Should the AT&T Board of Directors continue this schedule and you continue to hold your AT&T shares, your first dividend would be paid in August 2018.

Note: you will not receive any dividends or other distributions on your AT&T shares that are represented by Time Warner Inc. certificate(s) until those certificates are returned with a properly completed Exchange Form.

### **Can I use direct deposit for my dividends?**

AT&T encourages its stockholders to sign up for Direct Deposit for future dividend payments. Direct deposit ensures dividend payments are received on the payable date. Contact Computershare at 1-800-351-7221 to request more information.

### **Can I reinvest my dividends?**

Under the DirectSERVICE Investment Program, sponsored and administered by AT&T's transfer agent, Computershare Trust Company, N.A. you can elect to have your dividends automatically reinvested in additional shares of AT&T stock. If you are interested in reinvesting dividends, call Computershare at 1-800-351-7221 to request information or visit [www.computershare.com/att](http://www.computershare.com/att) to view the program material.

### **How do I contact Computershare if I have any questions?**

You can contact them as follows:

*By Telephone – 9 a.m. to 8 p.m. Eastern time, Monday through Friday:*

From within the United States, Canada or Puerto Rico: 1-800-351-7221 (Toll-free)

From outside the United States: +1-781-575-4729 (Collect)

*By Mail:*

Computershare Trust Company, N.A.  
Attn: Corporate Actions  
PO Box 505004  
Louisville, KY 40233-5004

*By Overnight Delivery:*

Computershare Trust Company, N.A.  
Attn: Corporate Actions  
462 South Fourth Street, Suite 1600  
Louisville, KY 40202