



INVESTOR SERVICES

Direct Registration the security and convenience of certificateless share ownership

The Direct Registration System (DRS) is a service within the securities industry that allows your shares in a company to be held in your name and tracked electronically. You retain full ownership of your shares, without having to hold a stock certificate. Similar to keeping money in a bank, you will have an account number and receive statements that detail your account activity and your share balance. This paperless form of stock ownership is commonly referred to as "uncertificated" because your shares are accounted for on the company's books or records; however, you may request a certificate at anytime. Computershare Shareholder Services, Inc. ("Computershare") through its wholly-owned subsidiary, Computershare Trust Company, N.A. ("Computershare"), is the record-keeping agent responsible for maintaining your shares.

Shares held in uncertificated form have all the same traditional rights and privileges as shares held in certificate form. You will receive all corporate communications, dividends, annual reports and proxy material directly from the company. Plus, by keeping your shares in uncertificated form, you don't have to worry about protecting your stock certificates from loss, theft, or destruction. Uncertificated ownership also allows for convenient electronic share transactions, such as ownership transfers, sales, and moving shares to or from a broker.

Since being introduced in 1996, uncertificated ownership through the DRS has become widespread. Uncertificated ownership provides for more streamlined processing within the securities industry and reduces the overall cost. Not all publicly traded companies currently offer Direct Registration to their stockholders.

Can I access my account via the Internet?

Yes, you can access your account and request transactions via the Internet. To do this, please go to www.computershare.com/ATT and select the "Register now" link to become an Investor Centre member. There is also a link on this page where you can "Find out more about the benefits of becoming a member."

For your first-time member registration, you will need to enter:

- Our company name or ticker
- The Social Security Number or Taxpayer Identification Number for your AT&T Inc. account
- The zip code for your account

NOTE: If you do not have an SSN or TIN, you will need your family name as shown on your account statement.

Once you have established your User ID and password, you will be asked to select three security questions and answers for added protection of your investment accounts. These security questions will aid you in recovering access if you lose or forget your password. Subsequent logins require only your member User ID and password to access your full portfolio of Computershare-managed holdings.

Can I sell my uncertificated shares through Computershare?

Yes, Computershare offers two methods to sell all or a portion of your uncertificated shares, Market Order or a Batch Order. The following describes the two types of sales.

Market Order. A market order sale is a request to sell shares promptly at market price. Market order sales are only available at www.computershare.com/ATT through Investor Centre or by calling Computershare at 1-800-351-7221 or 1-781-575-4729. **A service fee of \$20.00 and a processing fee currently at \$0.10 per whole share and fraction sold will be charged by Computershare for each sale.**

Batch Order. A batch order sale is an accumulation of all sales requests for a security submitted together as an aggregated request. Sale instructions for batch orders received by Computershare will be processed no later than five business days after the date on which the order is received (except where deferral is required under applicable federal or state laws or regulations), assuming the applicable market is open for trading and sufficient market liquidity exists. All sale requests received in writing, including on the Transaction Request Form, will automatically be treated as batch order sale requests. Batch Order Sales can always be placed over the internet at www.computershare.com/ATT or by calling Computershare at 1-800-351-7221 or 1-781-575-4729. **A service fee of \$10.00 and a processing fee, currently at \$0.10 per whole share and fraction sold will be charged by Computershare for each sale.**

For more information about the timing, processing, pricing of sale requests, see the Terms and Conditions of Sales Facility on the back of this page. Note: Market Order and Batch Order sale requests are subject to different fees.

Does holding shares in uncertificated form have an effect on my dividends?

No. Your dividends will not be affected by holding shares in uncertificated form, whether your account is set-up for dividends to be reinvested or paid to you by check or by direct deposit.

When will I receive statements?

You will receive a statement or confirmation detailing any activity affecting your uncertificated shares shortly after a transaction has taken place. You may also receive statements at other points in time. Plus, you can contact Computershare customer service and request a statement. It is important to keep your statements for tax purposes. *And remember, you can also view your account balance and account activity at any time online at www.computershare.com/ATT; follow the instructions as noted before.*

Can I convert my certificate shares into uncertificated shares?

Yes, you can convert your shares held in certificate form into uncertificated shares by mailing your certificates to Computershare together with a letter of instruction. *The certificates should not be endorsed.* By depositing your shares in uncertificated form, you will eliminate the risk of loss or theft of your certificates.

Certificates should be sent to Computershare at the address below by registered or certified mail, with return receipt requested, or some other form of traceable mail. We recommend you insure the mailing for 1½% of the value of the shares. The insured amount represents the replacement cost that will be charged to you if your certificates are lost in transit to Computershare. Send your certificates to Computershare, P.O. Box 505005, Louisville, KY 40233-5005.

How do I transfer my uncertificated shares?

The requirements for transferring ownership of uncertificated shares are the same as for certificate shares. In order to complete a transfer, you must submit written instructions and proper documentation, along with a Medallion Guarantee. For more information, or to request a Transfer of Ownership Form, please go to www.computershare.com/ATT and follow the instructions as noted before, or call Computershare customer service at the number appearing on your statement.

Is it possible to move shares from my broker to an uncertificated account at Computershare?

Yes. Your broker can move shares electronically from your brokerage account to either a new or an existing account at Computershare. Please contact your broker for more information.

Can I get a certificate for my shares?

Yes, you can request a certificate for all or a portion of your whole shares by accessing your account via the Internet at www.computershare.com/ATT and following the instructions as noted before. You may also request a certificate by calling Computershare at 1-800-488-2954 using a touch-tone telephone and selecting the option "to issue shares" or by sending a written request to Computershare. Please allow seven to ten business days for the certificate to be printed and delivered by first class mail. If you choose to have a stock certificate issued for all of your uncertificated shares, any fractional share held in the Direct Service Program by Computershare as custodian will be sold and you will receive a check for the sale proceeds of that fractional share less any applicable fees as noted before. Computershare recommends that your certificates be placed in a safety deposit box in a secure financial institution. If the certificates are accidentally lost, there is a surety bond fee based upon a percentage of the current market value as of the time the shares are reported lost, plus any applicable processing fees. If you are planning to sell your shares, Computershare offers the sales facility as noted before.

How do I deliver my uncertificated shares to my broker?

Your uncertificated shares can be moved to your brokerage account electronically through the DRS. If your broker does not participate in the DRS, you will have to request physical certificates, and then deliver the physical certificates to your broker. If your broker does participate in the DRS, you will need to supply your broker with specific information about your uncertificated account at Computershare in order for your broker to move your shares. The information you will need is printed on your statement. Please contact your broker for more information.

Can I still sell shares through my broker?

Yes, you can still sell shares through your broker. First, your shares must be delivered to your broker. Please read the instructions immediately above to move shares to your broker.

Whom should I contact if I have additional questions?

If you have any additional questions on your uncertificated shares or require other assistance, please call Computershare at the number appearing on your statement. You may also contact us via the Internet at www.computershare.com/ATT and follow instructions as before.

TERMS AND CONDITIONS

1. Computershare Shareholder Services, Inc. ("Computershare") has engaged its wholly-owned subsidiary, Computershare Trust Company, N.A. ("Computershare") to act as an independent sales order service agent for stockholders pursuant to the following Terms and Conditions.
2. Computershare, in accordance with your authorization, will sell all or a portion of the whole shares of stock credited to your uncertificated account at any time, upon request. The authorization to sell includes an authorization to transfer your shares as necessary to complete the sale, including transferring shares to a nominee account of Computershare and to Computershare's broker. You can request a sale by accessing your account via the Internet at www.computershare.com/ATT by calling Computershare at 1-800-351-7221 or 1-781-575-4729, or in writing. For security reasons your telephone transactions will be recorded.
3. If you would like to sell your shares via the Internet or by telephone, you should note that Computershare limits such sales to an anticipated market value of no more than \$100,000. This limitation is set to protect your account against unauthorized sales. If you wish to sell your shares that have an anticipated market value of more than \$100,000, you are expected to submit your request in written form. In addition, any sale request within thirty (30) days of an address change to your account is expected to be submitted in written form. Computershare may, for any reason at its sole discretion and at any time, refuse to execute a transaction request submitted by telephone or Internet and in its place require written submission of such request.
4. In making a request to sell by telephone, you agree to the terms and conditions of the Direct Registration System (DRS) and agree that the authorization to sell constitutes an authorization to transfer the shares as necessary to complete the sale, including transferring shares to a nominee account of Computershare and to Computershare's broker. By making a request to sell by telephone, you further agree that your phone call request constitutes an effective and binding instruction on which Computershare may rely. Sales requests made via the Internet are subject to the Computershare Investor Centre Terms and Conditions.
5. All shares that are subject to sales requests will be sold within five trading days from the date the request was received. The proceeds of the sale will be mailed directly to you, less all applicable sales order service fees and processing fees. The processing fees include any applicable brokerage commissions Computershare is required to pay. Market Order sale requests received at www.computershare.com/ATT through Investor Centre or by telephone will be placed promptly upon receipt during market hours (normally 9:30 a.m. to 4:00 p.m. Eastern Time). Any orders received after 4:00 p.m. Eastern Time will be placed promptly on the next day the market is open. The price shall be the market price of the sale obtained by Computershare's broker net of fees. Batch Order sales requests received by 1:00 p.m., Eastern Time, on any trading day will be treated as received on that day. Sales requests received after 1:00 p.m., Eastern Time, on a trading day will be treated as received on the next trading day. Sales requests received on a non-trading day will be deemed to have been received on the next trading day. The price shall be the market price of the sale obtained by Computershare's broker net of fees. Shares are sold in date order unless otherwise submitted in writing, and may be a combination of DRS and Plan shares.
6. To maximize cost savings, Computershare will make every effort to sell orders in round lot transactions. For this purpose, it may combine one selling stockholder's order with those of others. Computershare's broker may be required by market conditions to execute more than one transaction in filling a given aggregate order for Computershare, and those trades may occur at different prices. In every case, the price to each selling stockholder will be the weighted average sales price, net of fees, obtained by Computershare's broker for each aggregate order placed by Computershare.
7. Computershare will instruct its broker, which may be an affiliate of Computershare, to effect sales on any securities exchange where the AT&T Inc. shares are traded, in the over-the-counter market, or by negotiated transactions, subject to such terms with respect to price, delivery, etc., as Computershare may agree. Stockholders may not direct the time or price at which shares may be sold, or select the broker or dealer through whom sales are to be made.
8. For processing all sales instructions submitted by a stockholder, you will be charged the fees set forth in the current fee schedule which consists of a service fee of \$20.00 per transaction and a processing fee of \$0.10 per each whole share and fraction sold for a market order sale and \$10.00 per transaction and a processing fee of \$0.10 per whole share and fraction sold for a batch order sale, which includes any applicable brokerage commissions Computershare is required to pay. The fees will be deducted from the proceeds of the sale. Fees are subject to change at any time and any stockholder considering a sale should inquire about the applicable fees before requesting a sale. Any account with an uncertified U.S. Social Security Number or U.S. Taxpayer Identification Number will be subject to backup withholding.
9. The Tax Equity and Fiscal Responsibility Act of 1982 imposes certain reporting obligations on brokers and other intermediaries. As a result, Computershare is required to report to the Internal Revenue Service and you any sale of shares made on your behalf.
10. The sale of shares through Computershare is not available to any stockholder who is considered an "affiliate" of AT&T Inc. as that term is used in Rule 144 under the Securities Act of 1933.
11. No order by you to sell shares recently acquired will be accepted until the shares have been definitively posted to your uncertificated account.
12. Neither Computershare nor AT&T Inc. shall be liable in connection with Computershare's sales order processing through the DRS for any act done in good faith or for any good faith omission to act including, without limitation, any claims for liability (1) arising out of processing an order subsequent to a stockholder's death but prior to receipt of written notice of death from an appropriate fiduciary, and (2) with respect to the prices or times at which shares are sold for your account. Computershare will have no responsibility for the market value of shares in your uncertificated account, and no liability for failed executions due to reasons beyond Computershare's control. Computershare shall not be liable for any loss or damage resulting from its inability to comply with these Terms and Conditions by reason of events beyond its reasonable control, including acts of war, terrorism, riots, civil emergencies, acts of God or nature, local or regional electrical or communications system breakdowns, or acts of civil or military authority. You agree to indemnify and hold harmless Computershare and its service providers from and against any loss or liability Computershare incurs (and all expenses reasonably incurred in defending against claims arising out of such losses or liabilities) for actions Computershare and its service providers take or omit in respect of your account (other than actions and omissions constituting willful misconduct or gross negligence of Computershare or its service providers). *Neither Computershare nor AT&T Inc. recommends any transaction. Decisions to sell shares are entirely under your control and subject to your own research and judgment.*
13. The laws of the Commonwealth of Massachusetts govern sales order processing by Computershare through the DRS.
14. Computershare reserves the right to amend or modify the provisions of this agreement for Sales Order Processing at any time by mailing a copy of such amendment or modification (that may be included with other AT&T Inc. mailings to you) to all stockholders in the DRS.