

Creating value

Inside the new AT&T: one brand, four gems, new value.



A Company in Transition

Three years ago, it was clear that technology and regulation would transform the communications industry. AT&T had to act. We needed to move beyond long distance. So we improved the margins of our core business and used the cash flow to help fund our own transformation. Through acquisitions and internal development we created three of the most sophisticated end-to-end networks in the world for digital wireless, broadband cable and data. We also made good progress in attracting customers to these new networks. Through our actions, three years later, AT&T boasts four businesses each a leader in its industry.

A new look:

We're presenting this annual report in two sections: the familiar company overview and a financial section printed on thinner paper to make it less bulky. We hope you find this new cost-efficient format more convenient and easier to read. You can also check out the entire report on the Internet by visiting www.att.com/ir.

Contents

2	Letter to Shareholders
6	AT&T Business
8	AT&T Broadband
10	AT&T Wireless
12	AT&T Consumer
14	A Quartet of Companies
16	Senior Leadership Team
17	Board of Directors and Corporate Information

AT&T Group* Highlights

Dollars in millions, except per share amounts and stock prices	2000	1999	Change
Revenue**	\$ 65,981	\$ 62,600	5.4%
Income available to common shareowners	3,181	5,450	(41.6)%
Capital expenditures	14,566	13,511	7.8%
Total assets	208,114	130,973	58.9%
Total debt	65,039	35,850	81.4%
Shareowners' equity	\$ 68,964	\$ 40,406	70.7%
AT&T Common Stock Group:			
Earnings	\$ 3,105	5,450	(43.0)%
Earnings per diluted share	0.88	1.74	(49.4)%
Stock price	\$ 17.25	\$ 50.81	(66.0)%
AT&T Wireless Group:			
Earnings	\$ 76	—	—
Earnings per diluted share	0.21	—	—
Stock price	\$ 17.31	—	—

*AT&T Group excludes the results of Liberty Media Group.

**Represents revenue on an as reported basis. Pro forma revenue, which adjusts for the acquisitions of MediaOne Group, Inc., Telecommunications, Inc., and the IBM Global Network, the impact of the formation of Concert, the elimination of PICC (Primary Interexchange Carrier Charges), the consolidation of Excite@Home, certain international divestments, and closed cable partnerships, increased 4.1% in 2000.

A Timeless Strand

AT&T Business is an enterprise communications and networking leader. AT&T Wireless is one of the fastest-growing wireless businesses in the United States. AT&T Consumer is a leading consumer communications and marketing business. And AT&T Broadband is the largest cable broadband services business — and one of the fastest-growing. Our restructuring plan is designed to provide AT&T share-owners with publicly-traded securities that reflect each of these four businesses. They're linked with a common vision yet will have the focus and flexibility of separate businesses.



The Transformation of AT&T

Three years ago it was clear that technology and regulatory policy were transforming the communications industry and AT&T had to make a transformation of its own. We had to move AT&T from just handling the long-haul portion of long distance voice to providing the next generation of end-to-end broadband communications and information services, in whatever combinations customers wanted. We certainly weren't walking away from long distance, but it needed to become a smaller percentage of our total revenue as we grew in new areas.



C. Michael Armstrong
Chairman and
Chief Executive Officer

Dear Shareowners: Transitions are tough, and 2000 was a major transition year for the communications industry and for AT&T. It was a year when the decline in long distance prices accelerated sharply throughout the industry while newer segments of our company such as data, wireless and broadband services grew in double digits.

The world's networks carried increasingly more data than voice. More long distance and calling card calls were replaced by wireless calls and e-mail. The lack of widespread competition in local phone service made it clear that the regional Bell companies are not opening their local monopolies to competition as the Telecommunications Act of 1996 required. Yet those companies are entering the long distance market.

Fortunately, we recognized three years ago that we had to prepare AT&T for a very different future, and we took decisive action.

Early in 1998 we set out to make AT&T a leader in end-to-end broadband communications and information services. Since then, we have invested more than \$100 billion in acquisitions, new technology and capacity for all four of our businesses, as we cut more than \$4 billion in costs to improve our competitiveness.

- For business customers, we invested more than \$35 billion over the last three years to upgrade our networks, acquire the Teleport Communications Group and the IBM Global Network, expand our international ventures including AT&T Canada, AT&T Latin America, and Alestra, open 16 new Internet data centers, and install 16,500 route miles of next-generation fiber. Now we have one of the world's leading data/Internet networks.

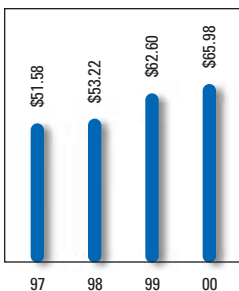
- In wireless, we made more than \$15 billion worth of acquisitions and investments that converted a patchwork of local analog cellular operations into a national digital wireless network with more than 15 million customers.

- Our acquisitions of cable TV companies TCI and MediaOne got a lot of headlines, but more importantly we invested in critical upgrades of our cable networks, converting them from a one-way entertainment medium to an interactive broadband highway carrying high-speed Internet, digital cable and local and long distance telephone services.

- And we continued to maintain and upgrade our long distance voice network to best protect

Broadband and boundless

More than \$100 billion in investments later, AT&T is truly broadband and boundless. We fundamentally expanded our customer offers through focused, strategic acquisitions, including TCG, TCI, MediaOne, Vanguard, Wireless One, and the IBM Global Network. We also created Concert, a global joint venture with BT, to serve our multinational customers. And we invested on average about \$12 billion annually over the past three years in capital spending to upgrade our networks, lay optical fiber and create data centers. We're building a bright future in the fastest growing segments of the communications market.



Revenue
(1997-2000 annual figures)
(\$ in billions)

our consumer revenue stream and market leadership. We focused our marketing efforts on acquiring high-value customers with innovative offers and invested in initiatives such as local service, product bundles and award-winning Internet access.

The benefits of these investments have become increasingly clear.

- AT&T Business is a leader in providing corporate customers with sophisticated global service, as volume on our advanced data/IP network doubled in 2000.
- AT&T Wireless grew its customer base by 58 percent last year, fueled by key acquisitions and effective marketing. And it's well positioned to introduce the next generation of advanced wireless data services.
- AT&T Broadband, the country's largest cable TV company, has the strongest lineup of broadband services in the industry. It's now also one of the fastest growing.
- AT&T Consumer retains its number one position in the competitive consumer long distance market. Our long distance service and our AT&T WorldNet® Service each won first-place awards for customer satisfaction in J.D. Power and Associates 2000 studies.

But the economic difficulties of long distance voice are masking the progress of our growth businesses. As a result, AT&T's stock price took a pounding last year along with the rest of the long distance carriers. It was tough for our shareowners as well as all of us, but in a painful way it confirmed AT&T's decision to move well beyond long distance voice.

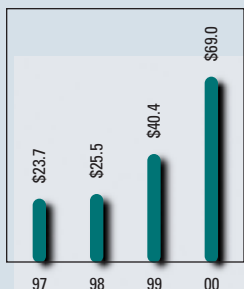
As long distance voice declined, we expanded our newer growth businesses by an average of 20 percent. As a result, we reduced long distance voice from about 80 percent of our revenue in 1997 down to about 50 percent last year. Even then, too many investors and analysts still thought of and analyzed AT&T as primarily a long distance company.

It was time to unlock the value of AT&T's growth businesses. So in October 2000, we announced a plan to create a family of four businesses, each a leader in its market segment and each represented by either a tracking or asset-based stock. Establishing these equities will better enable the businesses to grow and compete, while enabling their shareowners to benefit from the value they create.

Our intent is to provide current AT&T shareowners with shares designed to reflect each

AT&T brings it to you

In just three years AT&T has developed the technology and the market offers to bring customers the digital broadband services they want, and bring investors the growth in value they deserve. With both those goals in mind, we took another step in our transition last October when we announced plans to restructure AT&T and create a family of four investment securities.



**AT&T Group
Shareowners' Equity**
(1997-2000 at year end)
(\$ in billions)

of these four powerful businesses. And this restructuring is intended to give investors the ability to select the parts of AT&T that best match their investment needs.

AT&T Wireless and AT&T Broadband are growth businesses that increased revenue 37.0 percent and 10.4 percent, respectively, last year. AT&T Business is a combination of growth and income businesses, reflecting the mix of data, outsourcing and long distance voice services it offers business customers. And AT&T Consumer, with its declining but still large and profitable revenue stream, is today an income and dividend investment.

We believe our four businesses can better manage shareowner value and compete more effectively as publicly-held businesses, each with the focus, speed and flexibility to win in its individual market.

Each business will be able to use stock, whether asset-based or tracking, as currency to invest in other opportunities and raise capital. Shareowners will find it easier to see and compare the results of each business to its competition. And each business will be able to motivate employees with an equity compensation system tailored to its own market conditions and needs.

You'll get a close-up look at each of these businesses in the following pages of this annual report. And while their new independence of action will be a critical asset, their continuing relationship will be an unmatched strength.

These four businesses share the world-class AT&T brand, with all the quality and customer acceptance it represents. They share a common vision of the broadband future, with shared access to the technology to deliver on that vision.

Taken together or separately, the four businesses of the new AT&T will represent a future that is broadband and boundless. For us, that future offers new opportunities to expand the value of your investment in AT&T.

C. Michael Armstrong
Chairman and Chief Executive Officer

March 19, 2001

With four leading communications businesses

Each of the four is a leader in a different segment of the communications industry and each will have the freedom to meet the unique needs of its individual market. But, as a family of AT&T businesses, all four will share the power of the AT&T brand, networks and technology.



att.com/homedepot

AT&T Integrated Network Connection Services lets Home Depot manage inventories in real time. Providing 24/7 links to critical data, building supplies can get to storm-threatened areas well before the storm. Truly stirring, isn't it?



AT&T Business

The biggest of our four businesses, AT&T Business meets the global communications needs of 5 million corporate customers. Its lineup of services ranges from data networking at speeds of up to 10 gigabits per second — the fastest commercially available — to providing companies with global telephony and advanced services. A \$28.5 billion business last year, it's focused on satisfying the world's appetite for faster, smarter network services.



AT&T Business means business. The largest of AT&T's four businesses with \$28.5 billion in revenue last year, AT&T Business is the high-speed, high-tech reality behind the grand concepts of e-commerce and a global economy supported by digital technology.

We're the prime global communications provider for 5 million corporations, from entrepreneurial start-ups to world famous multinationals. AT&T Business meets their needs with the most complete port-

folio of services in the industry, from broadband data and Internet Protocol (IP) networking to web hosting, virtual private networks, e-commerce support, local telephony and business long distance service, in the U.S. and around the world.

These services are bundled according to the needs of our corporate customers. Our networks move an incredible 675 trillion bytes of data on a typical business day. The AT&T Solutions unit of AT&T Business advises customers on their business communications needs. To date, it has won contracts worth \$14 billion in potential revenue.

Typical of the industry, revenue from our advanced services is growing dramatically while revenue from business long distance service is declining, even as volumes increase. The big challenge for the future is to grow new services and international revenue fast enough to offset declining prices in long distance voice and to keep improving end-to-end customer service.

We created nearly 1 million square feet of Internet data centers and provide web hosting for more than 10,000

companies. In the United States, our new coast-to-coast 10-gigabit OC-192 fiber network uses the fastest data transmission technology in commercial use today, and we're laying the groundwork for a network that's four times faster.

Concert, our joint venture with BT, serves more than 270 multinational business customers with seamless, global communications services. In addition, AT&T has joint ventures in Canada, Mexico and Japan to serve the needs of global business customers.

In August, AT&T Latin America completed its merger with FirstCom, creating a facilities-based

networking company providing high-speed services to customers in Argentina, Brazil, Chile, Colombia and Peru. And in December, AT&T formed the first joint venture ever in China's fast-growing telecom service industry, to bring broadband, value-added IP services to business customers in Shanghai.

We're well positioned to feed corporations' boundless appetite for speed and sophistication in networking services, anywhere they're needed.

att.com/broadbandtv

AT&T's broadband technology can bring hundreds of channels, with thousands of hours of programming featuring an enormous selection of movies, directly into millions of homes every day. Want a little butter with that?



 **AT&T** | B O U N D L E S S

AT&T Broadband

AT&T Broadband is a world leader in delivering high-growth services that weren't part of AT&T's experience just two years ago, from basic cable and digital TV, to high-speed Internet access and cable telephony, with video-on-demand and other advanced services on the way. This business is bringing the broadband future to its customers.



Becoming the leading cable TV provider in the United States might be an end in itself for some companies, but not for AT&T Broadband.

We passed that milestone in 2000 when we completed our acquisition of MediaOne. Today we serve 16 million basic cable customers on a network that passes 28 million homes. But we didn't invest in

broadband technology just to deliver one-way entertainment.

We're rapidly upgrading our networks to offer more customers interactive digital broadband services that combine the power of TV, telephone service and the Internet. These products are the high-growth segments of the broadband market, and we're providing them faster than anyone else.

In cable telephone service, our facilities-based alternative to the local phone monopolies offers packages of bet-

ter value at lower prices. Customer acceptance has been undeniable. Over the course of the year we went from 73,000 cable telephony customers to 547,000.

We also became the industry leader in digital video. By year-end we were serving more than 2.8 million customers. We provided more than 1 million customers with high-speed data services at the end of

2000. And we acquired a controlling interest in Excite@Home, the world's leading provider of online broadband services with 2.96 million customers at the end of last year.

So AT&T Broadband is moving into 2001 with strong momentum, focused on the future. We're all about today and tomorrow.

att.com/pocketnet

Lost? Hungry? Terrified your pork-belly futures are tanking? With enabled sites like MapQuest, Zagat Survey and Charles Schwab, you'll find AT&T's wireless web service can put the most useful tools on the Internet in the palm of your hand. Or in your purse, briefcase or pocket.



AT&T Wireless

AT&T Wireless served a total of more than 15 million people last year as its customer base increased by 58 percent. Now this business, in a strategic alliance with NTT DoCoMo, is well-positioned for leadership in the new and growing market for wireless multi-media services. No wonder AT&T Wireless grew revenue by 37 percent last year. It is a prime mover in the fast-moving wireless world.



Being wireless means never having to find a phone. It's always there, in your pocket or the palm of your hand, anywhere, anytime you need it. Affordable and dependable wireless service has permanently changed the lifestyles of people around the world.

And AT&T Wireless is a leader in bringing growth and excitement to this surging industry.

We've got people talking. Including acquisitions, we expanded

our customer base by 58 percent last year, to more than 15 million customers on our nationwide digital network. We extended our service footprint through building new facilities and strategic acquisitions. Together, including partnerships and affiliates, as well as roaming agreements, we cover 95 percent of the U.S. population.

Now we're gearing up to be a leader in the wireless industry's giant step into the future with "3G," the next generation of advanced wireless services. 3G will mean you can enjoy

video-e-mail, high-quality music downloads and high-speed interactive services over a wireless phone instead of a wired computer.

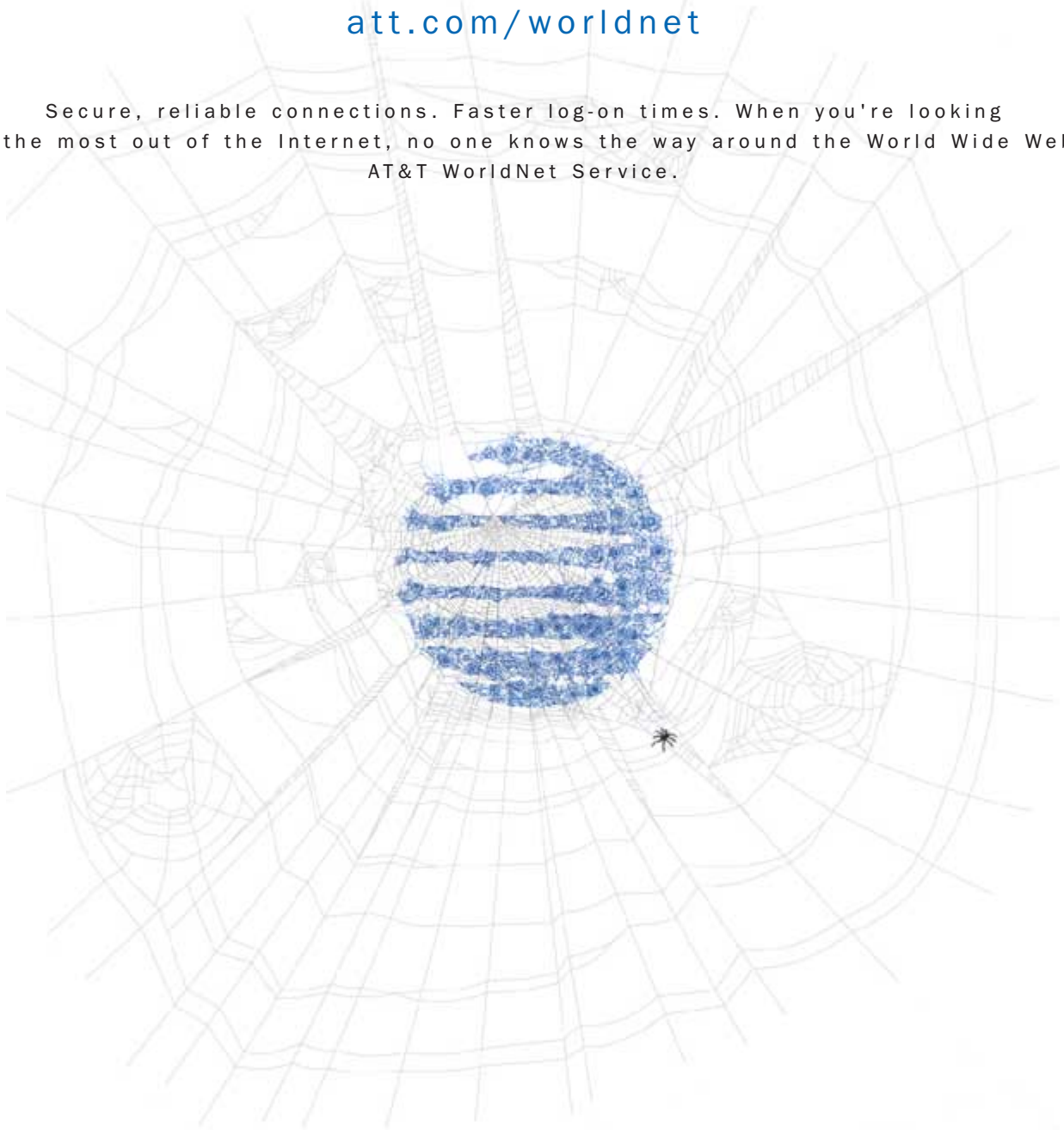
We formed an alliance with NTT DoCoMo of Japan, a leader in advanced wireless services. We're working with them to develop the next generation of mobile multi-media services on a global-standard, high-speed wireless network. NTT DoCoMo also invested

\$9.8 billion to acquire shares of AT&T preferred tracking stock, equivalent to 406 million shares of AT&T Wireless tracking stock (an approximate 16 percent economic interest).

The public sale of a portion of AT&T Wireless Group (AWE) tracking stock last April was the biggest in U.S. history, attracting \$10.6 billion in investment for 15.6 percent of the stock. These investors share our excitement about the future of AT&T Wireless. It's more than just talk.

att.com/worldnet

Secure, reliable connections. Faster log-on times. When you're looking to get the most out of the Internet, no one knows the way around the World Wide Web like AT&T WorldNet Service.



AT&T Consumer

With 60 million customers, AT&T Consumer is by far the largest and most profitable major carrier in the market, and an award-winning leader in customer satisfaction. As we compete for long distance voice business with innovative customer offers, we're also working to create new value by expanding our consumer Internet service, introducing new packages of integrated services and making full use of our expertise in consumer marketing, customer care and billing.



As the leader of the vigorously competitive consumer long distance market, AT&T Consumer felt that market's rough ride in 2000.

But even with revenue dropping in 2000, AT&T Consumer was a large and profitable business with 60 million customers. AT&T Consumer had revenue of \$19 billion with an EBIT (Earnings Before Interest and Taxes) margin of 37.4 percent, the best in the industry.

AT&T Consumer's cash flow and earnings

have contributed to the growth of AT&T's newer businesses. Now AT&T Consumer is becoming a new business itself. We're not abandoning consumer long distance — not when AT&T handles 300 million voice calls a day and not when the J.D. Power and Associates 2000 Residential Long Distance Customer Satisfaction StudySM says our long distance service ranked number one among high-volume users. But we are combining long distance with newer data services that respond to changing customer life-styles and create new growth potential.

Earlier this year we launched the popular AT&T 7/7 offer that combines interstate long distance with AT&T WorldNet[®] Internet access service, which also ranked number one in the J.D. Power and Associates 2000 National Internet Service Provider Customer Satisfaction StudySM. AT&T Consumer is investing now to expand our consumer Internet service, introduce voice, data, local and long distance integrated service packages, and

fully utilize our expertise in such areas as customer care, billing and marketing. We will offer local phone service in markets where the wholesale cost of leasing capacity on the local monopoly networks is not prohibitively overpriced.

With experience and a customer base that no competitor can match, a rigorous cost-reduction program that has already saved billions, and a market focus on high-value, high-margin services, AT&T Consumer is poised to maintain its leadership in this marketplace.

AT&T: a quartet of businesses

The AT&T quartet is a combination of top performers, each one a leader in its own market. From business to broadband to wireless to consumer services. As solo performers, they have the potential to move faster and go farther as they meet the different needs of their customers. But their unique strength is in their harmony.



A Single Brand: Each of the four AT&T businesses will share the AT&T brand. In 2000 that brand was once again rated number one in brand image, a composite of brand awareness and confidence, by the International Data Corporation (IDC) assessment of U.S. consumer telecom brands. The Interbrand annual survey of the world's most valuable brands ranked AT&T 10th among the top 75 companies, the only communications services company in the top half of that prestigious listing. Our brand is an unwritten but powerful contract with customers that they can trust us to meet their high expectations. And should we ever stumble, they can trust us to own up to our mistakes and fix them. It's a great brand, and each of the four businesses is ready to enhance it.

The Network: Every 45 minutes the AT&T Worldwide Intelligent Network transmits information equivalent to the content of all the books in the Library of Congress. This is the network that our other specialized networks depend on, and it will be a shared resource of the four new AT&T businesses. It is the world's largest, most sophisticated communications network, handling more combined data, voice and Internet traffic than any other carrier, while connecting the United States with virtually every country in the world. All of this traffic is managed centrally from the state-of-the-art Global Network Operations Center we opened in New Jersey last year. On a typical business day the network carries 675 trillion bytes of data and 300 million voice calls. We offer local business services in 71 major markets using 5,100 metropolitan SONET rings. The super-fast lane of this digital highway is our coast-to-coast OC-192 digital service launched last year. This OC-192 — 10-gigabit per-second — technology is the fastest commercially available in the world today, capable of transmitting 25 feature-length movies across the continent in two minutes. Not only are we adding more capacity, but hang on, the network is now gearing up for 40-gigabit service which will be four times faster than OC-192.

Performing in harmony

That harmony comes from powerful shared resources: a globally respected brand, a worldwide network, a conscientious and caring workforce, and an unmatched customer base, all backed up by an R&D organization that is synonymous with leadership in networking technology. We're working to create a newer, faster AT&T, but you will also find us reassuringly familiar.



AT&T Labs: Take 2,500 of the industry's best scientists and engineers. Charge them with developing new broadband, wireless and Internet Protocol (IP) services. And you've got AT&T Labs. You've also got lots of action, with research and development that generates an average of two patents every business day. This is the team that invented a way for cable operators to offer their customers a choice of Internet Service Providers, developed new speech technology to improve customer service, and made it possible to put new business customers on the network in hours instead of days. This is the organization that is a leader in fundamental research, tools and technology for secure, high-quality, large-scale global networks.

Our People: AT&T's 165,000 people keep us going and growing. Over the past 120 years it's been the commitment of our people that built our brand, preserved our quality and kept customers coming back. And AT&T people are caring as well as competent. Caring enough that last year AT&T employees and retirees recorded 1.2 million hours of volunteer service in communities across America. You'll find them wiring schools for the Internet in California or cleaning beaches in New Jersey. Giving something extra of yourself is an old tradition of AT&T people. It's still going strong.

A Customer Base: Our customer base ranges from small families to big businesses and government agencies. More than 60 million families depend on us for their long distance service. So do 5 million businesses. Like AT&T itself, our customer base is shifting and growing. We had a 58 percent increase in wireless customers last year, bringing us to more than 15 million subscribers. We lead the new and growing digital video market with more than 2.8 million customers. And by the end of last year we were adding customers for high-speed Internet access at the rate of 3,800 per day, and 3,000 customers each day for cable telephony.

AT&T Senior Leadership Team

Robert M. Aquilina
Co-President
AT&T Consumer

C. Michael Armstrong
Chairman of the Board and
Chief Executive Officer

James W. Cicconi
General Counsel and
Executive Vice President
Law and Government Affairs

David W. Dorman
President

Mirian Graddick-Weir
Executive Vice President
Human Resources

Frank Ianna
President
AT&T Network Services

Richard J. Martin
Executive Vice President
Public Relations & Employee
Communications

Howard E. McNally
Co-President
AT&T Consumer

David C. Nagel
Chief Technology Officer and
President
AT&T Labs

Charles H. Noski
Senior Executive Vice President
and Chief Financial Officer

John C. Petrillo
Executive Vice President
Corporate Strategy & Business
Development

Daniel E. Somers
President
AT&T Broadband

AT&T Wireless Group

Mohan Gyani
President
AT&T Wireless Services

Michael Keith
President
AT&T Fixed Wireless Services

John D. Zeglis
Chairman and Chief Executive
Officer

Other Corporate Officers

Nicholas S. Cyprus
Vice President and Controller

Edward M. Dwyer
Vice President and Treasurer

Marilyn J. Wasser
Vice President
Law and Secretary

Constance K. Weaver
Vice President
Investor Relations

Pictured left to right:
John Zeglis, Dan Somers,
David Dorman, Mike
Armstrong and Chuck Noski.



Board of Directors

Corporate Headquarters
32 Avenue of the Americas
New York, NY 10013-2412

C. Michael Armstrong, 62

Chairman of the Board and Chief Executive Officer of AT&T since 1997.

Kenneth T. Derr, 64

Chairman of the Board, Retired, Chevron Corporation, an international oil company. Director since 1995. 1,2

M. Kathryn Eickhoff, 61

President, Eickhoff Economics, Inc., economic consultants. Elected to Board in 1987. 1,4

Walter Y. Elisha, 68

Retired Chairman and Chief Executive Officer, Springs Industries Inc., a textile manufacturer. Director since 1987. 3,4

George M.C. Fisher, 60

Retired Chairman and CEO, Eastman Kodak Company, an imaging company. Elected to Board in 1997. 2,4,5,6

Donald V. Fites, 66

Chairman, Retired, Caterpillar Inc., an equipment manufacturer. Director since 1997. 3,4,5,6

Amos B. Hostetter, Jr., 63

Former Chairman and Chief Executive Officer, Continental Cablevision, Inc., a cable communications company. Elected to Board in 1999. 2

Ralph S. Larsen, 62

Chairman and Chief Executive Officer, Johnson & Johnson, a pharmaceutical, medical and consumer-products company. Director since 1995. 1,4

John C. Malone, 59

Chairman, Liberty Media Corporation, a cable programming company. Elected to Board in 1999. 4,5,6

Donald F. McHenry, 64

President, IRC Group, international relations consultants; former U.S. Ambassador to the United Nations. Director since 1986. 1,2,3

Louis A. Simpson, 64

President and CEO, Capital Operations, GEICO Corporation, an insurance company. Director since 2000. 1,2

Michael I. Sovern, 69

President Emeritus and Chancellor Kent Professor of Law, Columbia University. Elected to Board in 1984. 1,2,5

Sanford I. Weill, 67

Chairman and Chief Executive Officer, Citigroup, a financial services company. Director since 1998. 4,6

John D. Zeglis, 53

Chairman and Chief Executive Officer, AT&T Wireless Group. Director of AT&T since 1997.

1. Audit Committee
2. Compensation and Employee Benefits Committee
3. Governance and Nominating Committee
4. Finance Committee
5. Liberty Capital Stock Committee
6. Wireless Capital Stock Committee

Ages are as of January 1, 2001.

Corporate Information

AT&T on the World Wide Web

The AT&T home page – www.att.com – and the AT&T Wireless home page – www.attwireless.com – are your entry points for a vast array of information, including company news and details on products and services. You're also encouraged to visit the AT&T Investor Relations Web site (www.att.com/ir/) or for AT&T Wireless (www.att.com/wirelessir/) for up-to-the-minute information for shareowners and the financial community.

Stock Information

AT&T (ticker symbol "T") is listed on the New York Stock Exchange, as well as the Boston, Chicago, Cincinnati, Pacific and Philadelphia exchanges in the United States, and on stock exchanges in Brussels, London, Paris and Geneva. As of December 31, 2000, AT&T had 3.8 billion shares outstanding, held by more than 4.8 million shareowners. AT&T Wireless Group common stock (ticker symbol "AWE"), tracking stock of AT&T, is listed on the New York Stock Exchange. As of December 31, 2000, AT&T Wireless had 361.8 million shares outstanding held by 3,681 registered shareowners. Liberty Media Group Class A and Class B common stock (ticker symbols "LMG.A" and "LMG.B"), tracking stock of AT&T, are listed on the New York Stock Exchange. As of December 31, 2000, Liberty Media Class A had 2.4 billion shares outstanding, held by 6,842 shareowners; Liberty Media Class B had 206.2 million shares outstanding, held by 375 shareowners.

Electronic Access to Proxy Materials

In an effort to reduce the printing, enclosing, and mailing costs associated with the distribution of the AT&T Annual Report and Proxy Statement, AT&T registered shareholders can now elect to electronically access, view, and download the AT&T Annual Report and Proxy Statement as well as other materials via the AT&T Investor Relations Website at www.att.com/ir or by calling 1-800-348-8288. With this option, shareholders will continue to receive the Notice of Meeting, proxy card, and a prepaid return envelope via U.S. mail. Beneficial owners can request electronic access by contacting their bank or broker.

Annual Meeting

The 116th Annual Meeting of Shareowners will convene at 9:30 a.m. at the Cincinnati Convention Center, Cincinnati, Ohio, on May 23, 2001.

Supplier Diversity Initiative

As part of AT&T's Supplier Diversity Initiative, approximately \$1.7 billion of AT&T's total purchases in 2000 were made from minority-, women- and service-disabled-veteran-owned business enterprises. More information is available online at www.att.com/supplier_diversity/.

AT&T Giving

For more than 100 years, AT&T has built a tradition of investing in local communities through our ongoing support for education, civic and community service, the environment, public policy and the arts. In 2000, the AT&T Foundation donated \$44 million to nonprofit organizations in local communities throughout the United States and around the world. Also in 2000, AT&T employees volunteered nearly one million hours of community service through the AT&T CARES program. And, the AT&T Learning Network, an online program, helped teachers, community members and families improve teaching and learning through the effective use of technology. For more information on the AT&T Foundation, AT&T CARES and the AT&T Learning Network, visit our Web site at www.att.com/giving/.

Telephone Pioneers of America

Since 1911, AT&T has been a sponsor of The Telephone Pioneers of America, the world's largest, industry-based volunteer organization. AT&T employees and retirees comprise 60,000 of its members. For more information, visit www.telephone-pioneers.org/.

Environment, Health & Safety

AT&T is dedicated to creating a safe and healthy workplace for AT&T employees and strives to maintain our reputation as one of the top corporate environmental champions. More information about AT&T's environment, health and safety initiatives may be found online at www.att.com/ehs/.





32 Avenue of the Americas / New York, NY 10013-2412 / 212-387-5400 / www.att.com