

Final Term Sheet
March 2, 2017

U.S.\$1,430,000,000

AT&T Inc.
5.500% GLOBAL NOTES DUE 2047

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| ISSUER: | AT&T Inc. (“AT&T”) |
| TITLE OF SECURITIES: | 5.500% Global Notes due 2047 (the “Notes”) |
| PRICING DATE: | March 2, 2017 |
| SETTLEMENT DATE (T+13): | March 21, 2017 (T+13 Taiwanese Business Days) |
| MATURITY DATE: | June 15, 2047, at par |
| AGGREGATE PRINCIPAL AMOUNT OFFERED: | \$1,430,000,000 |
| PRICE TO PUBLIC (ISSUE PRICE): | 100% |
| GROSS SPREAD: | 0.100% |
| PRICE TO AT&T: | 99.900% |
| NET PROCEEDS: | \$1,428,570,000 |
| USE OF PROCEEDS: | General corporate purposes. |
| REIMBURSEMENT OF AT&T’S EXPENSES | Structuring Agents to reimburse \$2,860,000 of AT&T’s expenses. |
| INTEREST RATE: | 5.500% per annum |
| INTEREST PAYMENT DATES: | Semiannually on each June 15 and December 15, commencing on December 15, 2017 |
| DENOMINATIONS: | Minimum of \$100,000 and integral multiples of \$1,000 in excess thereof |
| DAY COUNT FRACTION: | 30 / 360 |
| OPTIONAL REDEMPTION: | We have the option to redeem all, but not less than all, of the Notes then outstanding on each June 15 on or after June 15, 2020. Any redemption described in this paragraph must be on not less than 10 nor more than 40 days’ notice and will be at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus accrued and unpaid interest to the date of redemption. In addition, we may at any time purchase the Notes by tender, in the open market or by private agreement, subject to applicable law. |
| REDEMPTION FOR CHANGES IN TAX LAW: | Comparable to prior AT&T transactions. |
| INDENTURE AND RANKING: | The Notes will be issued under an indenture, dated as of May 15, 2013, between AT&T and The Bank of New York Mellon Trust Company, N.A., as trustee. The Notes will be AT&T’s unsecured and unsubordinated obligations and will rank <i>pari passu</i> with all other indebtedness issued under the indenture. |

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| RATINGS: | Moody's: Baa1 (Review for downgrade) S&P: BBB+ (CreditWatch Negative) Fitch: A- (Negative Watch) |
| JOINT BOOKRUNNING MANAGERS AND STRUCTURING AGENTS: | BNP Paribas, Taipei Branch and Deutsche Bank AG, Taipei Branch |
| STRUCTURING AGENT: | Morgan Stanley & Co. LLC |
| JUNIOR STRUCTURING AGENT: | EA Markets Securities LLC |
| STRUCTURING AGENTS' FEE: | \$9,295,000 |
| ISIN NUMBER: | XS1572325683 |
| LISTING: | The Notes will be listed on the Taipei Exchange (the "TPEX"). |
| ROC SELLING RESTRICTIONS: | The Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly to investors other than "professional institutional investors" as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC. |
| REFERENCE DOCUMENT: | Preliminary Prospectus Supplement, dated March 1, 2017; Prospectus, dated February 25, 2016. |

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AT&T INC.
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