

AT&T CORP
Form PRER14A
March 27, 2001

QuickLinks -- Click here to rapidly navigate through this document

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No. 1)

Filed by the Registrant /x/
Filed by a Party other than the Registrant //

Check the appropriate box:

- /x/ Preliminary Proxy Statement
- // Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- // Definitive Proxy Statement
- // Definitive Additional Materials
- // Soliciting Material Pursuant to §240.14a-12

AT&T CORP.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- /x/ No fee required
 - // Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11
- | | |
|-----|---|
| (1) | Title of each class of securities to which transaction applies: |
| | <hr/> |
| (2) | Aggregate number of securities to which transaction applies: |
| | <hr/> |
| (3) | Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): |
| | <hr/> |
| (4) | Proposed maximum aggregate value of transaction: |
| | <hr/> |
| (5) | Total fee paid: |
| | <hr/> |

// Fee paid previously with preliminary materials.
// Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Edgar Filing: AT&T CORP - Form PRER14A

- (1) Amount Previously Paid:

- (2) Form, Schedule or Registration Statement No.:

- (3) Filing Party:

- (4) Date Filed:

-

*2001
Notice of
Annual Meeting
and
Proxy Statement*

Wednesday, May 23, 2001
at 9:30 a.m. local time
Cincinnati Convention Center
525 Elm Street
Cincinnati, Ohio 45202

NOTICE OF MEETING

The 116th Annual Meeting of Shareholders of AT&T Corp. (the "Company") will be held at the Cincinnati Convention Center, 525 Elm Street, Cincinnati, Ohio, on Wednesday, May 23, 2001, at 9:30 a.m. local time, for the following purposes:

To elect Directors for the ensuing year (page 5);

To ratify the appointment of auditors to examine the Company's accounts for the year 2001 (page 14);

To approve and adopt an amendment to our charter to enable a majority of the voting power of the shareholders of AT&T Corp. to authorize any merger, consolidation, or dissolution of AT&T, or any sale, lease, exchange, or other disposition of all or substantially all of the assets of AT&T (page 14);

To approve the Amended AT&T 1996 Employee Stock Purchase Plan including approval of issuance of an additional 30,000,000 shares of AT&T common stock under the Plan (page 16); and

Edgar Filing: AT&T CORP - Form PRER14A

To act upon such other matters, including shareholder proposals (page 18), as may properly come before the meeting.

Holders of voting shares at the close of business on March 29, 2001 will be entitled to vote with respect to this solicitation.

Marilyn J. Wasser
Vice President Law and Secretary

March 29, 2001

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

C. Michael Armstrong

Chairman of the Board

March 29, 2001

Dear Shareholder:

It is a pleasure to invite you to our Company's 2001 Annual Meeting of Shareholders in Cincinnati, Ohio on Wednesday, May 23, beginning at 9:30 a.m. local time, at the Cincinnati Convention Center. This will be AT&T's 116th Annual Meeting of Shareholders. If you plan to join us at the meeting, an admission ticket will be required and is attached to the proxy card. For your convenience, a map of the area and directions to the Convention Center are printed on the back of the proxy card.

Whether you own a few or many shares of stock and whether or not you plan to attend, it is important that your shares be voted on matters that come before the meeting. Registered and many broker-managed shareholders can vote their shares by using a toll-free telephone number or via the Internet. Instructions for using these convenient services are provided on the proxy card. Of course, you may still vote your shares by marking your votes on the proxy card, signing and dating it, and mailing it in the envelope provided. If you sign and return your proxy card without specifying your choices, it will be understood that you wish to have your shares voted in accordance with the Directors' recommendations.

I look forward to seeing you on May 23 in Cincinnati.

Sincerely,

AT&T Corp.
Executive Offices

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

PROXY STATEMENT

This proxy statement and the accompanying proxy/voting instruction card (proxy card) were mailed after March 29, 2001 to holders of voting shares in connection with the solicitation of proxies by the Board of Directors for the 2001 Annual Meeting of Shareholders in Cincinnati, Ohio. Proxies are solicited to give all shareholders of record at the close of business on March 29, 2001 an opportunity to vote on matters that come before the meeting. This procedure is necessary because shareholders live in all states and abroad and most will not be able to attend. Shares can be voted only if the shareholder is present in person or is represented by proxy.

Registered shareholders (those who hold shares directly or through Company plans rather than a bank or broker) can simplify their voting and save the Company expense by calling **1-800-273-1174** or voting via the Internet at <http://att.proxyvoting.com/>. Telephone and Internet voting information is provided on the proxy card. A Control Number is designed to verify shareholders' identities and allow them to vote their shares and confirm that their voting instructions have been properly recorded. It is located above the shareholder's name and address in the lower left section of the proxy card. If you hold your shares through a bank or broker, you will receive separate instructions on the form you receive. Although most banks and brokers now offer telephone and Internet voting, availability and specific processes will depend on their voting arrangements.

Proxy Materials and Annual Report

AT&T's shareholders can access AT&T's Notice of Annual Meeting and Proxy Statement and annual report via the Internet on the AT&T Investor Relations Website at <http://www.att.com/ir/>. For future shareholder meetings, AT&T's registered shareholders can further save the Company expense by consenting to access their proxy statement and annual report electronically. You can choose this option by marking the "Electronic Access" box on your proxy card or by following the instructions provided when you vote by telephone or via the Internet. If you choose this option, you will, prior to each shareholder meeting, receive your proxy card in the mail along with a notice of the meeting and instructions for voting by mail, telephone, or the Internet. You do not need to select this option each year; however, you may want to choose this option for more than one account held in your name. Your choice will remain in effect unless you revoke it by contacting our transfer agent, EquiServe, at 1-800-348-8288 or visiting the AT&T Investor Relations Website at <http://www.att.com/ir/>.

If you do not choose to vote by telephone or the Internet, you may still return your proxy card, properly signed, and the shares represented will be voted in accordance with your directions. You can specify your choices by marking the appropriate boxes on the proxy card. **If your proxy card is signed and returned without specifying your choices, the shares will be voted as recommended by the Directors.** Abstentions marked on the proxy card are voted neither "for" nor "against," but are counted in the determination of a quorum for each of the proposals. Abstentions have the effect of a vote against the Directors' Proposal to approve and adopt an amendment to our charter to enable a majority of the voting power of the shareholders of AT&T Corp. to authorize any merger, consolidation, or dissolution of AT&T, or any sale, lease, exchange, or other disposition of all or substantially all of the assets of AT&T, but have no effect on the other items to be voted on. **If you vote by telephone or the Internet, it is not necessary to return your proxy card.**

If you wish to give your proxy to someone other than the Proxy Committee, all three names that appear on the proxy card must be crossed out and the name of another person or persons (not more than three) inserted. The signed card must be presented at the meeting by the person or persons representing you. You may revoke your proxy at any time before it is voted at the meeting by executing a later-voted proxy by telephone, the Internet, or

mail, by voting by ballot at the meeting, or by filing an instrument of revocation with the inspector of election in care of the Vice President - Law and Secretary of the Company.

Your vote is important. Accordingly, you are urged to vote by telephone, the Internet, or by signing and returning the accompanying proxy card whether or not you plan to attend the meeting. If you do attend, you may vote by ballot at the meeting, thereby canceling any proxy previously voted.

Confidential Voting

Edgar Filing: AT&T CORP - Form PRER14A

For many years, AT&T has had a confidential voting policy. The Company has formalized its policy by amending its By-Laws so that all proxies and other voting materials, including telephone and Internet voting, are kept confidential and are not disclosed to the Company or its officers and Directors, subject to standard exceptions. Such documents are available for examination only by the inspector of election and certain personnel associated with processing proxy cards and tabulating the vote. This By-Law provision cannot be amended, rescinded, or waived except by a shareholder vote. One independent inspector of election, an officer of IVS Associates, Inc., has been appointed.

Voting Shares Held in Dividend Reinvestment and Savings Plans

For participants in the AT&T Shareowner Dividend Reinvestment and Stock Purchase Plan ("DRISPP") or the AT&T 1996 Employee Stock Purchase Plan ("ESPP"), your shares will be voted as specified on your proxy card and will not be voted if the proxy card is not returned. For employee shareholders participating in the AT&T Employee Stock Ownership Plan, the AT&T Long Term Savings Plan for Management Employees, the AT&T Long Term Savings and Security Plan, the AT&T Retirement Savings and Profit Sharing Plan, the AT&T of Puerto Rico, Inc. Long Term Savings Plan for Management Employees, the AT&T of Puerto Rico, Inc. Long Term Savings and Security Plan, the Liberty Media 401(k) Savings Plan, the Liberty Media 401(k) Savings Plan of Puerto Rico, the AT&T Broadband Long Term Savings Plan, the AT&T Long Term Savings Plan - San Francisco, the AT&T Wireless Services 401(k) Retirement Plan, or the MediaOneGroup 401(k) Savings Plan, your shares will be voted as specified on your proxy card. If the proxy cards are not returned, the Trustee of the plan will vote those shares in the same proportion as the shares for which instructions were received from all other participants in that plan. If you wish to abstain from voting on a shareholder matter, you must indicate this when you vote by proxy card, telephone, or the Internet.

Annual Meeting Admission

If you are a registered shareholder and plan to attend the meeting in person, please detach and retain the admission ticket and map which are attached to your proxy card. If you will attend the meeting, please be sure to respond to the "I/We plan to attend the Annual Meeting" question when you vote. A beneficial owner who plans to attend the meeting may obtain an admission ticket in advance by sending a written request, with proof of ownership, such as a bank or brokerage firm account statement, to: Manager - Proxy, AT&T Corp., 295 North Maple Avenue, Room 1216L2, Basking Ridge, New Jersey 07920-1002. Admittance to the annual meeting will be based upon availability of seating.

Shareholders who do not present admission tickets at the meeting will be admitted upon verification of ownership at the admissions counter.

The Cincinnati Convention Center is fully accessible to disabled persons, and sign interpretation and wireless headsets will be available for our hearing-impaired shareholders.

Highlights of the meeting will be available on the AT&T Investor Relations Website at <http://www.att.com/ir/> and will also be included in a midyear report to shareholders. Information on obtaining a full transcript of the meeting will also be included in the midyear report.

Securities and Exchange Commission ("SEC") rules require that an annual report precede or be included with proxy materials. Shareholders with multiple accounts may be receiving more than one annual report which is costly to AT&T and may be inconvenient to these shareholders. Such shareholders who vote by mail may authorize AT&T to discontinue mailing extra annual reports for selected accounts by marking the "Annual Report" box on the proxy

2

card. If you vote by telephone or the Internet, you will also have the opportunity to indicate that you wish to discontinue receiving extra annual reports. Eliminating these duplicate mailings will not affect receipt of future proxy statements and proxy cards. To resume the mailing of an annual report to an account, please call the **AT&T shareowner services number, 1-800-348-8288.**

Comments from shareholders about the proxy material or about other aspects of the business are welcomed. Space is provided on the back of the proxy card and on the Internet screen for this purpose. Although such comments will not be answered on an individual basis, they are analyzed and used to determine what additional information should be furnished in various Company communications.

Voting Rights

On January 1, 2001, there were 3,760,174,834 shares of AT&T common stock, 361,814,400 shares of AT&T Wireless Group tracking stock, 2,363,738,170 shares of Class A Liberty Media Group tracking stock, and 206,221,288 shares of Class B Liberty Media Group tracking stock outstanding. On January 22, 2001, AT&T issued 812,511,788 shares of a new class of AT&T preferred stock, par value \$1.00 ("DoCoMo wireless tracking stock") (see page ___). Each share of AT&T common stock has one vote and each share of AT&T Wireless Group tracking stock has 0.5 of a vote on each matter properly brought before the meeting. Each share of Class B Liberty Media Group tracking stock has 0.375

Edgar Filing: AT&T CORP - Form PRER14A

of a vote and each share of Class A Liberty Media Group tracking stock has 0.0375 of a vote on each matter properly brought before the meeting. Each share of the DoCoMo wireless tracking stock is entitled to 250 votes on each matter properly brought before the meeting. The number of shares of Class A and Class B Liberty Media Group tracking stock outstanding and per share data reflects the two-for-one stock split paid on June 9, 2000.

BOARD OF DIRECTORS

The Board of Directors is responsible for establishing broad corporate policies and monitoring the overall performance of the Company. However, in accordance with corporate legal principles, the Board of Directors is not involved in day-to-day operating matters. Members of the Board are kept informed of the Company's business by participating in Board and committee meetings, by reviewing analyses and reports sent to them each month, and through discussions with the Chairman and other officers.

The Board of Directors held 15 meetings and the committees held 24 meetings in 2000. The average attendance in the aggregate of the total number of meetings of the Board and the total number of committee meetings was 94.4%.

COMMITTEES OF THE BOARD

The Board has established a number of committees, including the Audit Committee, the Liberty Capital Stock Committee, the Wireless Group Capital Stock Committee, the Compensation and Employee Benefits Committee, the Finance Committee, and the Governance and Nominating Committee, each of which is briefly described below. Another committee of the Board is the Proxy Committee (that votes the shares represented by proxies at the annual meeting of shareholders).

The Audit Committee meets with management to consider the adequacy of the internal controls and the objectivity of financial reporting. The committee also meets with the independent auditors and with appropriate Company financial personnel and internal auditors concerning these matters. The committee recommends to the Board the appointment of the independent auditors, subject to ratification by the shareholders at the annual meeting. Both the internal auditors and the independent auditors periodically meet alone with the committee and always have unrestricted access to the committee. The committee, which consists of six non-employee Directors, met five times in 2000.

The Liberty Capital Stock Committee advises and makes recommendations to the Board concerning the interpretation and implementation of policies regarding Liberty Media Group tracking stock matters, including the authorization of the issuance of shares of Liberty Media Group tracking stock. The committee, which consists of three non-employee Directors and Dr. John C. Malone, Chairman of Liberty Media Corporation, met three times in 2000.

3

The Wireless Group Capital Stock Committee advises and makes recommendations to the Board concerning the interpretation and implementation of policies regarding the AT&T Wireless Group tracking stock matters, including the authorization of the issuance of shares of the AT&T Wireless Group tracking stock. The committee, which consists of three non-employee Directors, and Dr. John C. Malone, Chairman of Liberty Media Corporation, met four times in 2000.

The Compensation and Employee Benefits Committee administers incentive compensation plans, including stock option plans, and keeps informed and advises the Board regarding employee benefit plans. The committee establishes the compensation structure for senior managers of the Company and makes recommendations to the Board with respect to compensation of the officers as listed on page . The committee, which consists of six non-employee Directors, met six times in 2000.

The Finance Committee meets with management to review the financial policy and procedures of the Company, including the Company's Financing Plan, Capital and Investment Program, and Dividend Policy. The committee advises the Board on the Company's financial condition and makes recommendations concerning the dividend policy and payments of the Company. The committee, which consists of seven non-employee Directors, met four times in 2000.

The Governance and Nominating Committee advises and makes recommendations to the Board on all matters concerning directorship and corporate governance practices, including compensation of Directors and the selection of candidates as nominees for election as Directors, and it provides guidance with respect to matters of public policy. The committee, which consists of three non-employee Directors, met two times in 2000. The committee recommended this year's Director candidates at the January 2001 Board Meeting.

In recommending AT&T Board candidates, the Governance and Nominating Committee seeks individuals of proven judgment and competence who are outstanding in their respective fields. The committee considers such factors as experience, education, employment history, special talents or personal attributes, anticipated participation in AT&T Board activities, and geographic and other diversity factors.

Edgar Filing: AT&T CORP - Form PRER14A

Shareholders who wish to recommend qualified candidates should write to: Vice President - Law and Secretary, AT&T Corp., 32 Avenue of the Americas, New York, New York 10013-2412, stating in detail the qualifications of such persons for consideration by the committee.

COMPENSATION OF DIRECTORS

In 2000, Directors who were not employees received an annual cash retainer of \$45,000 and AT&T common stock units with a then-current market value of \$45,000, which were deferred automatically and credited to a portion of a deferred compensation account, pursuant to the Company's Deferred Compensation Plan for Non-Employee Directors. The chairpersons of the Audit Committee, Liberty Capital Stock Committee, Compensation and Employee Benefits Committee, Finance Committee, and Wireless Group Capital Stock Committee each received an additional annual retainer of \$7,500. The chairperson of the Governance and Nominating Committee received an additional annual retainer of \$5,000. No fees are paid for attendance at regularly scheduled Board and Committee meetings. Directors received a fee of \$1,500 for each special Board or committee meeting attended. In addition, non-employee Directors received a stock option grant to purchase 10,000 shares of AT&T Wireless Group tracking stock.

Directors may elect to defer the receipt of all or part of their cash retainer and other compensation into the AT&T common stock portion or the cash portion of the deferred compensation account. The AT&T common stock portion (the value of which is measured from time to time by the market value of AT&T common stock) is credited on each dividend payment date for AT&T common stock with a number of deferred shares of AT&T common stock equivalent in market value to the amount of the quarterly dividend on the shares then credited in the accounts. The cash portion of the deferred compensation account, representing amounts deferred prior to January 1, 2001, earns interest, compounded quarterly, at an annual rate equal to the average interest rate for ten-year United States Treasury Notes for the previous quarter, plus 5%. Thereafter, amounts deferred to the cash portion of the deferred compensation account earn interest, compounded quarterly, at an annual rate equal to the average interest rate for ten-year United States Treasury Notes for the previous quarter, plus 2%.

4

Effective December 31, 1996, the Company terminated its Pension Plan for Non-Employee Directors. The Pension Plan now covers only those non-employee Directors who retired prior to December 31, 1996. Benefits accrued for then-active Directors were valued and converted into a deferred annuity. The Company also provides non-employee Directors with travel accident insurance when on Company business. A non-employee Director may purchase life insurance sponsored by the Company. The Company will share the premium expense with the Director; however, all the Company contributions will be returned to the Company at the earlier of (a) the Director's death or (b) the later of age 70 or 15 years from the policy's inception. This benefit will continue after the non-employee Director's retirement from the Board.

Effective December 1997, the Board adopted AT&T stock ownership targets equal to five times the total value of the annual cash retainer and annual stock unit amounts. Directors generally have five years to attain the ownership goal. Ten of the non-employee Directors have met their targets. Directors who are employees of the Company receive no compensation for serving as Directors, but also have ownership targets.

ELECTION OF DIRECTORS (Item 1 on Proxy Card)

The Proxy Committee intends to vote for the election of the fifteen nominees listed on the following pages unless otherwise instructed by the shareholders on the proxy card or by telephone or Internet voting. These nominees have been selected by the Board on the recommendation of the Governance and Nominating Committee. If you do not wish your shares to be voted for particular nominees, please identify the exceptions in the designated space provided on the proxy card or, if you are voting by telephone or the Internet, follow the system instructions. Directors will be elected by a plurality of the votes cast. Any shares not voted (whether by abstention, broker non-vote, or otherwise) have no impact on the vote.

If at the time of the meeting one or more of the nominees have become unavailable to serve, shares represented by proxies will be voted for the remaining nominees and for any substitute nominee or nominees designated by the Governance and Nominating Committee or, if none, the size of the Board will be reduced. Except as noted below in cases of Directors moving to new boards in conjunction with restructuring activities, the Governance and Nominating Committee knows of no reason why any of the nominees will be unavailable or unable to serve.

Directors elected at the meeting will hold office until the next annual meeting or until their successors have been elected and qualified, except as noted below for those Directors moving to new boards in conjunction with restructuring activities. For each nominee there follows a brief listing of principal occupation for at least the past five years, other major affiliations, and age as of March 29, 2001.

On October 25, 2000 and November 15, 2000, AT&T announced a restructuring plan that includes the proposed split-offs of AT&T Wireless Services, Inc. and Liberty Media Corporation, which are both current subsidiaries of the Company. At the time of the split-off of AT&T Wireless Services, Inc., it is contemplated that Messrs. Elisha, Fites, Yoshikawa, and Zeglis will leave the AT&T Board of Directors. It is expected that Dr. Malone will leave the AT&T Board of Directors at the time of the Liberty Media Corporation split-off. It is expected that

Edgar Filing: AT&T CORP - Form PRER14A

initially the size of the Board will be reduced after these departures. If either split-off occurs before the 2001 Annual Meeting, it is expected that the nominations of the affected individuals will be withdrawn.

NOMINEES FOR ELECTION AS DIRECTORS

C. Michael Armstrong, Chairman and Chief Executive Officer of AT&T since 1997. Chairman and Chief Executive Officer of Hughes Electronics (1992-1997). Chairman of the President's Export Council. Past Chairman of FCC Network Reliability and Interoperability Council. Chairman of U.S.-Japan Business Council. Member of the Council on Foreign Relations, the National Security Telecommunications Advisory Committee, and the Defense Policy Advisory Committee on Trade. Member of The Business Roundtable and the Business Council. Director of National Cable Television Association (NCTA) and member of its Executive Committee. Director of Citigroup Inc. and member of the supervisory board of the Thyssen-Bornemisza Group. Trustee of John Hopkins University and Chairman of the Board of Visitors of John Hopkins University School of Medicine. Member of the Advisory Board of the Yale School of Management. Director of AT&T since 1997; member of the Proxy Committee. Age 62.

5

Kenneth T. Derr, Retired Chairman of the Board of Chevron Corporation (international oil company); Chairman and Chief Executive Officer (1989-1999). Director of Citigroup Inc. and Potlatch Corporation. Director of AT&T since 1995; member of the Audit Committee and the Compensation and Employee Benefits Committee. Age 64.

M. Kathryn Eickhoff, President of Eickhoff Economics Inc. (economic consultants) since 1987. Associate Director for Economic Policy, U.S. Office of Management and Budget (1985-1987). Director of Pharmacia Corporation and Tenneco Automotive Inc. Director of AT&T since 1987; member of the Audit Committee and the Finance Committee. Age 61.

Walter Y. Elisha, Retired Chairman and Chief Executive Officer of Springs Industries (textile manufacturing); Chairman (1983-1998), and Chief Executive Officer (1981-1997). Director of Cummins Engine Company, Inc. Trustee of Wabash College. Member of the Business Council and former Member of the President's Advisory Committee for Trade Policy and Negotiations. Director of AT&T since 1987; Chairman of the Governance and Nominating Committee; member of the Finance Committee. Age 68. It is expected that Mr. Elisha will leave AT&T's Board at the time of the proposed split-off of AT&T Wireless Services, Inc.

George M. C. Fisher, Retired Chairman and CEO of Eastman Kodak Company (imaging company). Served as Chairman of the Board, Eastman Kodak Company from January to December 2000. Before this, he held the Kodak positions of Chairman, President, and CEO (December 1993 to January 1997), and Chairman and CEO (January 1997 to January 2000). Chairman of the Board, Motorola, Inc., (1990-1993); Chief Executive Officer (1988-1993). Formerly Chairman of the Boards of Directors of: the University of Illinois Foundation (1997-1999), the U.S.-China Business Council (1997-1999), and the U.S. Council on Competitiveness (1991-1993). Member of The Business Council. Elected to the American Academy of Arts and Sciences and the National Academy of Engineers (Chairman, 2000-2002). Member of President's Advisory Committee for Trade Policy and Negotiations. Director of Delta Airlines, Inc., Eli Lilly and Company, and General Motors Corporation. Director of AT&T since 1997; Chairman of the Compensation and Employee Benefits Committee; member of the Finance Committee, the Liberty Capital Stock Committee, and the Wireless Group Capital Stock Committee. Age 60.

Donald V. Fites, Retired Chairman and Chief Executive Officer of Caterpillar Inc. (manufacturer of construction and mining equipment, diesel and natural gas engines, and industrial gas turbines); Chairman and Chief Executive Officer (1990-1999), President and Chief Operating Officer (1989-1990). Past Chairman of The Business Roundtable, the U.S.-Japan Business Council, the National Foreign Trade Council, and the Equipment Manufacturers' Institute. Director of the National Association of Manufacturers. Member of the Business Council and former Member of the President's Advisory Committee for Trade Policy and Negotiations. Director of Oshkosh Truck Corporation, AK Steel Corporation, Exxon Mobil Corporation, Georgia-Pacific Corporation, and Wolverine World Wide, Inc. Director of AT&T since 1997; Chairman of the Liberty Capital Stock Committee and the Wireless Group Capital Stock Committee; member of the Governance and Nominating Committee and the Finance Committee. Age 67. It is expected that Mr. Fites will leave AT&T's Board at the time of the proposed split-off of AT&T Wireless Services, Inc.

Amos B. Hostetter, Jr., Former Chairman and Chief Executive Officer of Continental Cablevision, Inc. (a cable communications company); Co-founder and Chief Financial Officer of Continental Cablevision, Inc. (1963-1980). Past Chairman of the Board (1973-74) and Director (1968-1998) of the National Cable Television Association. Founding member and past Chairman of the Cable-Satellite Public Affairs Network (C-SPAN) and current member of C-SPAN's Board and Executive Committee. Chairman of the Board of Trustees of Amherst College. Trustee of the Museum of Fine Arts, Boston and WGBH-TV. Director of AT&T since 1999; member of the Compensation and Employee Benefits Committee. Age 64.

Ralph S. Larsen, Chairman and Chief Executive Officer of Johnson & Johnson (pharmaceutical, medical, and consumer products) since 1989. Former Chairman and a member of the Executive Committee of The Business Council and member of the Policy Committee of The Business Roundtable. Director of Johnson & Johnson and Xerox Corporation. Director of AT&T since 1995; Chairman of the Finance

Edgar Filing: AT&T CORP - Form PRER14A

Committee; member of the Audit Committee. Age 62.

John C. Malone, Chairman of Liberty Media Corporation ("Liberty," a diversified media and communications company) since 1990. Former Chairman (1996-1999), Chief Executive Officer (1994-1999), and President

6

(1994-1997) of Tele-Communications, Inc. Director of Liberty Media Corporation, The Bank of New York, 360 Networks, Inc., the CATO Institute, TCI Satellite Entertainment, Inc., UnitedGlobalCom, Inc., USANi, LLC, and Cendant Corporation. Director of AT&T since 1999; member of the Liberty Capital Stock Committee, the Finance Committee, and the Wireless Group Capital Stock Committee. Age 60. It is expected that Dr. Malone will leave AT&T's Board at the time of the proposed Liberty Media Corporation split-off. If the Liberty split-off precedes the 2001 Annual Meeting, Dr. Malone will not stand for re-election at the 2001 Annual Meeting.

Donald F. McHenry, President of IRC Group LLC (international relations consultants) since 1981. Distinguished Professor in the Practice of Diplomacy, Georgetown University, since 1981. Director of Fleet Boston Corp. and its subsidiary, Fleet Bank, Coca-Cola Co., International Paper Co., and GlaxoSmithKline plc (U.K.). Director of AT&T since 1986; member of the Audit Committee, the Compensation and Employee Benefits Committee, the Governance and Nominating Committee, and the Proxy Committee. Age 64.

Louis A. Simpson, President and Chief Executive Officer Capital Operations, GEICO Corporation (a national property and casualty insurance company) since 1993; Vice Chairman of the Board (1985-1993); Senior Vice President and Chief Investment Officer (1979-1993). President and Chief Executive Officer of Western Asset Management, a subsidiary of Western Bancorporation. Partner at Stein Roe and Farnham. Instructor of Economics at Princeton University. Director of MediaOne Group (1998-2000), Pacific American Income Shares Inc., LM Institutional Fund Advisors 1, Inc., and Science Applications International Corporation. Director of AT&T since July 2000; member of the Audit Committee and the Compensation and Employee Benefits Committee. Age 64.

Michael I. Sovern, Chairman of Sotheby's Holdings, Inc. President Emeritus and Chancellor Kent Professor of Law at Columbia University; President (1980-1993). President and Director of Shubert Foundation and Director of Shubert Organization. Director of Sequa Corp., Sotheby's Holdings, Inc., and Pfizer, Inc. Chairman of the Japan Society. Chairman of the American Academy in Rome. Director of AT&T since 1984; Chairman of the Audit Committee; member of the Compensation and Employee Benefits Committee, the Liberty Capital Stock Committee, and the Proxy Committee. Age 69.

Sanford I. Weill, Chairman and Chief Executive Officer of Citigroup Inc. (a financial services company) since October 1998. Chairman and Chief Executive Officer of Travelers Group and its predecessor, Commercial Credit Company (1986 to 1998). President of American Express Company (1983-1985). Chairman and Chief Executive Officer of the Fireman's Fund Insurance Company subsidiary (1984-1985). Chairman of the Board of Trustees of Carnegie Hall. Chairman of the Board of Overseers for Cornell University's Joan and Sanford I. Weill Medical College and Graduate School of Medical Sciences. Founder and Chairman of the National Academy Foundation. Director of E. I. du Pont de Nemours and Company, New York Presbyterian Hospital, Memorial Sloan-Kettering Cancer Center, United Technologies Corporation, and Federal Reserve Bank of New York. Member of the Business Council. Director of AT&T since 1998; member of the Finance Committee and the Wireless Group Capital Stock Committee. Age 68.

Masaki Yoshikawa, President and Chief Executive Officer of NTT DoCoMo USA Inc. (a wireless telecommunications company) since February 2000. Executive Director of NTT DoCoMo (1999-2000). General Manager, Treasury Division, of The Long-Term Credit Bank of Japan, Ltd. (1998-1999); Deputy General Manager, Treasury Division (1996-1998); and Senior Manager, Controller Division (1991-1996). Age 47. It is expected that Mr. Yoshikawa will leave AT&T's Board at the time of the proposed split-off of AT&T Wireless Services, Inc.

John D. Zeglis, Chairman and Chief Executive Officer of AT&T Wireless Group since December 1999. President (1997-1999), Vice Chairman (June-November 1997), General Counsel and Senior Executive Vice President (1996-1997), and Senior Vice President and General Counsel (1986-1996) of AT&T. Director of Helmerich and Payne Corporation and Sara Lee Corporation. Director of AT&T since 1997. Age 53. It is expected that Mr. Zeglis will leave AT&T's Board at the time of the proposed split-off of AT&T Wireless Services, Inc.

7

STOCK OWNERSHIP OF MANAGEMENT AND DIRECTORS

The following table sets forth information concerning the beneficial ownership of AT&T common stock, AT&T Wireless Group tracking stock ("AT&T Wireless Stock"), Class A Liberty Media Group tracking stock ("Class A Liberty Stock"), and Class B Liberty Media Group tracking stock ("Class B Liberty Stock") as of January 1, 2001 for (a) each current Director elected to the Board in 2000 and each nominee for election as a Director in 2001; (b) each of the officers named in the Summary Compensation Table herein ("Named Officers") not listed as a

Edgar Filing: AT&T CORP - Form PRER14A

Director; and (c) Directors and executive officers as a group. No Director or executive officer owns any AT&T preferred shares. Except as otherwise noted, the nominee or family members had sole voting and investment power with respect to such securities. The number of shares of Class A Liberty Stock and Class B Liberty Stock reflects the two-for-one stock split paid on June 9, 2000.

Name	Title of Stock Class	Beneficially Owned	Deferral Plans(1)	Total	Percent of Class
(a)					
C. Michael Armstrong(2)	AT&T common stock	1,112,025(3)	15,729	1,127,754	*
	AT&T Wireless Stock	47,687(3)	0	47,687	*
	Class A Liberty Stock	0	0	0	*
	Class B Liberty Stock	0	0	0	*
Kenneth T. Derr	AT&T common stock	5,450	9,462	14,912	*
	AT&T Wireless Stock	24,785(4)	0	24,785	*
	Class A Liberty Stock	5,645	0	5,645	*
	Class B Liberty Stock	0	0	0	*
M. Kathryn Eickhoff(5)	AT&T common stock	7,000	6,837	13,837	*
	AT&T Wireless Stock	4,125(4)	0	4,125	*
	Class A Liberty Stock	0	0	0	*
	Class B Liberty Stock	0	0	0	*
Walter Y. Elisha	AT&T common stock	16,643	34,503	51,146	*
	AT&T Wireless Stock	13,125(4)	0	13,125	*
	Class A Liberty Stock	0	0	0	*
	Class B Liberty Stock	0	0	0	*
George M. C. Fisher	AT&T common stock	15,000	10,885	25,885	*
	AT&T Wireless Stock	13,125(4)	0	13,125	*
	Class A Liberty Stock	0	0	0	*
	Class B Liberty Stock	0	0	0	*
Donald V. Fites	AT&T common stock	4,500	8,721	13,221	*
	AT&T Wireless Stock	13,125(4)	0	13,125	*
	Class A Liberty Stock	0	0	0	*
	Class B Liberty Stock	0	0	0	*
Amos B. Hostetter, Jr.(6)	AT&T common stock	53,529,753(7)	3,652	53,533,405	1.42%
	AT&T Wireless Stock	31,935(4)	0	31,935	*
	Class A Liberty Stock	1,103,600	0	1,103,600	*
	Class B Liberty Stock	0	0	0	*
Ralph S. Larsen	AT&T common stock	4,800	15,039	19,839	*
	AT&T Wireless Stock	8,125(4)	0	8,125	*
	Class A Liberty Stock	0	0	0	*
	Class B Liberty Stock	0	0	0	*
John C. Malone(8)	AT&T common stock	26,377,706(9)(10)	2,505	26,380,211	*
	AT&T Wireless Stock	27,910(4)	0	27,910	*
	Class A Liberty Stock	6,837,578(9)(10)	0	6,837,578	*
	Class B Liberty Stock	196,256,844(9)(10)(11)	0	196,256,844	95.17%
Donald F. McHenry	AT&T common stock	4,863	10,852	15,715	*
	AT&T Wireless Stock	5,125(4)	0	5,125	*
	Class A Liberty Stock	0	0	0	*
	Class B Liberty Stock	0	0	0	*

8

Name	Title of Stock Class	Beneficially Owned	Deferral Plans(1)	Total	Percent of Class
Louis A. Simpson	AT&T common stock	144,869(12)	1,673	146,542	*
	AT&T Wireless Stock	2,500(13)	0	2,500	*
	Class A Liberty Stock	0	0	0	*
	Class B Liberty Stock	0	0	0	*
Michael I. Sovern	AT&T common stock	2,400	7,739	10,139	*
	AT&T Wireless Stock	7,125(4)	0	7,125	*
	Class A Liberty Stock	3,000	0	3,000	*
	Class B Liberty Stock	0	0	0	*
Sanford I. Weill	AT&T common stock	75,000	2,697	77,697	*
	AT&T Wireless Stock	23,125(4)	0	23,125	*
	Class A Liberty Stock	0	0	0	*
	Class B Liberty Stock	0	0	0	*

Edgar Filing: AT&T CORP - Form PRER14A

Name	Title of Stock Class	Beneficially Owned	Deferral Plans(1)	Total	Percent of Class
Masaki Yoshikawa(14)	AT&T common stock	0	0	0	*
	AT&T Wireless Stock	0	0	0	*
	Class A Liberty Stock	0	0	0	*
	Class B Liberty Stock	0	0	0	*
John D. Zeglis	AT&T common stock	1,224,360(15)	206,307	1,430,667	*
	AT&T Wireless Stock	478,850(15)	0	478,850	*
	Class A Liberty Stock	0	0	0	*
	Class B Liberty Stock	0	0	0	*

Name	Title of Stock Class	Beneficially Owned	Deferral Plans(1)	Total	Percent of Class
(b)					
Daniel E. Somers	AT&T common stock	321,206(16)	24,681	345,887	*
	AT&T Wireless Stock	22,187(16)	0	22,187	*
	Class A Liberty Stock	0	0	0	*
	Class B Liberty Stock	0	0	0	*
Charles H. Noski	AT&T common stock	751,548(17)	55,034	806,582	*
	AT&T Wireless Stock	21,875(17)	0	21,875	*
	Class A Liberty Stock	0	0	0	*
	Class B Liberty Stock	0	0	0	*
Frank Ianna	AT&T common stock	428,004(18)	9,204	437,209	*
	AT&T Wireless Stock	22,218(18)	0	22,218	*
	Class A Liberty Stock	0	0	0	*
	Class B Liberty Stock	0	0	0	*

Name	Title of Stock Class	Beneficially Owned	Deferral Plans(1)	Total	Percent of Class
(c)					
Directors and Executive Officers as a group	AT&T common stock	86,086,155(19)	478,064	86,564,219	2.29%
	AT&T Wireless Stock	858,695(19)	0	858,695	*
	Class A Liberty Stock	7,949,823	0	7,949,823	*
	Class B Liberty Stock	196,256,844	0	196,256,844	95.17%

*Less than one percent

Footnotes

- Share units held in deferred compensation accounts that do not constitute beneficially owned securities.
- Also beneficially owns 10,000 shares of At Home Corporation Series A common stock. At December 31, 2000, AT&T had an approximate 23% economic interest and a 74% voting interest in At Home Corporation.
- Includes beneficial ownership of 903,210 shares of AT&T common stock and 47,687 shares of AT&T Wireless Group tracking stock, both of which shares may be acquired within 60 days pursuant to stock options awarded under employee incentive compensation plans.
- Includes beneficial ownership of 3,125 shares that may be acquired within 60 days pursuant to stock options awarded under employee incentive compensation plans.

Edgar Filing: AT&T CORP - Form PRER14A

5. Includes 2,000 shares of AT&T common stock and 600 shares of AT&T Wireless stock held by a trust, as to which Ms. Eickhoff has disclaimed beneficial ownership. Also beneficially owns 500 shares of At Home Corporation Series A common stock. At December 31, 2000, AT&T had an approximate 23% economic interest and a 74% voting interest in At Home Corporation.
6. Also beneficially owns 4,216 shares of At Home Corporation Series A common stock. At December 31, 2000, AT&T had an approximate 23% economic interest and a 74% voting interest in At Home Corporation.
7. Includes 9,720,739 shares of AT&T common stock as to which Mr. Hostetter has disclaimed beneficial ownership.
8. Also beneficially owns 18,276 shares of At Home Corporation Series A common stock. At December 31, 2000, AT&T had an approximate 23% economic interest and a 74% voting interest in At Home Corporation.
9. Includes beneficial ownership of the following shares which may be acquired within 60 days pursuant to stock options granted in tandem with stock appreciation rights: (a) 325,794 shares of AT&T common stock; (b) 5,048,920 shares of Class A Liberty Stock; and (c) 3,494,400 shares of Class B Liberty Stock.
10. Includes 1,004,620 shares of AT&T common stock, 50,904 shares of Class A Liberty Stock, and 3,409,436 shares of Class B Liberty Stock held by Dr. Malone's wife, Mrs. Leslie Malone, as to which Dr. Malone has disclaimed beneficial ownership, and includes 721,564 shares of AT&T Common stock held by the Malone Foundation.
11. In connection with the merger of Tele-Communications, Inc. ("TCI") into AT&T, TCI assigned to Liberty Media Group ("Liberty") its rights under a call agreement with Dr. Malone and Dr. Malone's wife (the "Malones") and a call agreement with the estate of Bob Magness, the Estate of Betsy Magness, Gary Magness (individually and in certain representative capacities) and Kim Magness (individually and in certain representative capacities) (collectively, the "Magness Group"). As a result, Liberty has the right, under certain circumstances, to acquire the Class B Liberty Stock owned by the Malones and the Magness Group. Further, in connection with the AT&T merger, TCI assigned to Liberty its rights under a shareholders agreement with the Magness Group and the Malones, pursuant to which, among other things, Dr. Malone has an irrevocable proxy, under certain circumstances, to vote the Class B Liberty Stock or any super voting class of equity securities issued by Liberty held by the Magness Group. As a result of certain provisions of the shareholders agreement referred to above, Dr. Malone's beneficial ownership of Class B Liberty Stock includes 95,582,332 shares held by the Magness Group. (See footnotes 6, 7, 8 and 9 in the section entitled "Ownership of Voting Securities In Excess of Five Percent by Beneficial Owners.")
12. Includes beneficial ownership of 62,631 shares that may be acquired within 60 days pursuant to an existing MediaOne Group Inc. stock option that was converted into a fully vested option for AT&T common stock expiring on June 16, 2008 at an exercise price of \$18.9446. (See section entitled "Simpson Transactions" under "Certain Relationships and Related Transactions.")
13. Includes beneficial ownership of 2,500 shares that may be acquired within 60 days pursuant to stock options awarded under employee incentive compensation plans.
14. Effective March 21, 2001, Mr. Yoshikawa was elected to the AT&T Board of Directors.
15. Includes beneficial ownership of 1,216,217 shares of AT&T common stock and 468,750 shares of AT&T Wireless Group tracking stock, both of which shares may be acquired within 60 days pursuant to stock options awarded under employee incentive compensation plans.
16. Includes beneficial ownership of 319,500 shares of AT&T common stock and 21,187 shares of AT&T Wireless Group tracking stock, both of which shares may be acquired within 60 days pursuant to stock options awarded under employee incentive compensation plans.
17. Includes beneficial ownership of 439,042 shares of AT&T common stock and 19,875 shares of AT&T Wireless Group tracking stock, both of which shares may be acquired within 60 days pursuant to stock options awarded under employee incentive compensation plans.
18. Includes beneficial ownership of 415,796 shares of AT&T common stock and 17,218 shares of AT&T Wireless Group tracking stock, both of which shares may be acquired within 60 days pursuant to stock options awarded under employee incentive compensation plans.
19. Includes beneficial ownership of 4,801,675 shares of AT&T common stock and 679,840 shares of AT&T Wireless Group tracking stock, both of which shares may be acquired within 60 days pursuant to stock options awarded under employee incentive compensation plans.

OWNERSHIP OF VOTING SECURITIES IN EXCESS OF FIVE PERCENT BY BENEFICIAL OWNERS

The following table sets forth information as to the beneficial ownership of AT&T common stock, AT&T Wireless Group tracking stock ("AT&T Wireless Stock"), AT&T Preferred Stock, Class A Liberty Media Group tracking stock ("Class A Liberty Stock"), and Class B Liberty Media Group tracking stock ("Class B Liberty Stock") by each person or group known by the Company, based upon filings pursuant to Section 13(d) or (g) under the Securities Exchange Act of 1934 (the "Exchange Act"), to own beneficially more than 5% of the outstanding shares of AT&T common stock, AT&T Wireless Stock, Class A Liberty Stock or Class B Liberty Stock as of January 1, 2001. The number of shares of Class A Liberty Stock and Class B Liberty Stock reflects the two-for-one stock split paid on June 9, 2000.

Name and Address of Beneficial Owner	Title of Stock Class	Number of Shares	Percent of Class
NTT DoCoMo, Inc (1) Sanno Park Tower, 11-1, Nagata-cho 2-chome, Chiyoda-ku Tokyo 100-6150, Japan	AT&T Preferred Stock	896,008	100%
	AT&T Wireless Stock	448,004,162	55.32%
AXA (2)(3) 9 Place Vendome 75001 Paris France	AT&T Wireless Stock	136,725,587	37.79%
	Class A Liberty Stock	251,926,535	10.66%
FMR Corp., Edward C. Johnson 3d and Abigail P. Johnson (4) 82 Devonshire Ave Boston, MA 02109	AT&T Wireless Stock	30,912,803	8.54%
Janus Capital Corporation and Thomas H. Bailey (5) 100 Fillmore Street Denver, CO 80206	Class A Liberty Stock	120,095,676	5.08%
Gary Magness (6) c/o Baker & Hostetler LLP Suite 1100 303 East 17th Avenue Denver, CO 80203	AT&T common stock	56,211,956	1.49%
	Class A Liberty Stock	131,965,136	5.58%
	Class B Liberty Stock	93,954,636	45.56%
Kim Magness (7) c/o Baker & Hostetler LLP Suite 1100 303 East 17th Avenue Denver, CO 80203	AT&T common stock	56,089,908	1.49%
	Class A Liberty Stock	131,581,360	5.57%
	Class B Liberty Stock	94,109,904	45.64%
Estate of Bob Magness (8) c/o Baker & Hostetler LLP Suite 1100 303 East 17th Avenue Denver, CO 80203	AT&T common stock	40,866,614	1.09%
	Class A Liberty Stock	97,183,024	4.11%
	Class B Liberty Stock	70,850,112	34.36%
Magness Securities, LLC (9) c/o Baker & Hostetler LLP Suite 1100 303 East 17th Avenue Denver, CO 80203	AT&T common stock	14,181,380	0.38%
	Class A Liberty Stock	31,128,720	1.32%
	Class B Liberty Stock	21,632,096	10.49%

Footnotes

1.

According to a Schedule 13D filed on January 8, 2001 by Nippon Telegraph and Telephone Corporation ("Nippon") on its own behalf and on behalf of NTT DoCoMo, Inc. ("DoCoMo") and DCM Capital USA (UK) Limited ("DCM Capital"), DoCoMo agreed to acquire shares of a new series of AT&T Preferred Stock from AT&T which are convertible into shares of AT&T Wireless Stock and to acquire warrants to acquire additional shares of AT&T Preferred Stock that are also convertible into shares of AT&T Wireless Stock. Nippon owns approximately 67% of the outstanding shares of DoCoMo, which in turn owns 100% of the voting shares of DCM Capital. On January 22, 2001, DoCoMo purchased 812,511.778 shares of AT&T Preferred Stock convertible into 406,255,889 shares of AT&T Wireless Stock and 83,496.546 warrants convertible into 41,748,273 additional shares of AT&T Preferred Stock. See "Certain Relationships and Related Transactions: DoCoMo Strategic Alliance." Nippon, DoCoMo and DCM Capital beneficially own and have shared voting and dispositive power with respect to 896,008 shares of AT&T Preferred Stock, convertible into 448,004,162 shares of AT&T Wireless Stock. The AT&T Preferred Stock and the warrants represent approximately 17.4% of the economic interest in the AT&T Wireless Group. DoCoMo and DCM Capital share the same address. Nippon is located at 3-1 Otemachi 2-chome,

Chiyoda-ku Tokyo 100-8116, Japan.

2.

According to a Schedule 13G/A jointly filed on February 12, 2001 by AXA Assurances I.A.R.D. Mutuelle ("IARD"), AXA Assurances Vie Mutuelle ("AAVM"), AXA Conseil Vie Assurance Mutuelle ("ACVAM"), AXA Courtage Assurance Mutuelle ("ACAM"), AXA ("AXA"), and AXA Financial, Inc. ("AFI"): (a) IARD, AAVM, ACVAM, ACAM, and AXA each beneficially own 136,725,587 shares of AT&T Wireless Stock and have sole voting power with respect to 54,896,309 shares, shared voting power with respect to 53,171,158 shares, sole dispositive power with respect to 136,704,229 shares, and shared dispositive power with respect to 21,358 shares, including the following AXA entities having sole voting and dispositive power: AXA, 37,756 shares, AXA Investment Managers - France, 1,367,943 shares; AXA Investment Managers - Hong Kong, 322,615 shares; AXA Investment Managers - Den Haag, 46,000 shares; AXA Investment Managers - U.K., 3,637,338 shares; and AXA Colonia Konzern AG (Germany), 60,000 shares; (b) AFI beneficially owns 131,253,935 of AT&T Wireless Stock, has sole voting power with respect to 49,424,657 shares, shared voting power with respect to 53,571,158 shares, sole dispositive power with respect to 131,232,577 shares, and shared dispositive power with respect to 21,358 shares; and (c) the following AFI subsidiaries beneficially own shares of AT&T Wireless stock: (i) Alliance Capital Management L.P. (130,308,035 shares, with sole voting power with respect to 49,417,757 shares, shared voting power with respect to 52,632,158 shares, sole dispositive power with respect to 130,286,677 shares, and shared dispositive power with respect to 21,358 shares), and (ii) The Equitable Life Insurance Society of the United States (945,900 shares, with sole voting power with respect to 6,900 shares, shared voting power with respect to 939,000 shares, and sole dispositive power with respect to 945,900 shares. Addresses of the joint filers: IARD and AAVM, 21, rue de Chateaudun, 75009 Paris France; ACVAM, 100-101 Terrasse Boieldieu, 92042 Paris La Defense France; ACAM, 26, rue Louis le Grand, 75002 Paris France; and AFI, 1290 Avenue of the Americas, New York NY 10104.

3.

According to a Schedule 13G/A jointly filed on February 12, 2001 by AXA Assurances I.A.R.D. Mutuelle ("IARD"), AXA Assurances Vie Mutuelle ("AAVM"), AXA Conseil Vie Assurance Mutuelle ("ACVAM"), AXA Courtage Assurance Mutuelle ("ACAM"), AXA ("AXA"), and AXA Financial, Inc. ("AFI"): (a) IARD, AAVM, ACVAM, ACAM, and AXA each beneficially own 251,926,535 shares of Class A Liberty Stock and have sole voting power with respect to 101,846,151 shares, shared voting power with respect to 100,945,408 shares, sole dispositive power with respect to 251,658,296 shares, and shared dispositive power with respect to 268,239 shares, including the following AXA entities having sole voting and dispositive power: AXA Investment Managers - Hong Kong, 32,010 shares; AXA Investment Managers - U.K., 5,350 shares; AXA Investment Managers - Den Haag, 3,500 shares; and AXA Colonia Konzern AG (Germany), 2,000 shares; (b) AFI beneficially owns 251,883,675 shares of Class A Liberty Stock and has sole voting power with respect to 101,803,291 shares, shared voting power with respect to 100,945,408 shares, sole dispositive power with respect to 251,615,436 shares, and shared dispositive power with respect to 268,239 shares; and (c) the following AFI subsidiaries beneficially own shares of Class A Liberty Stock: (i) Alliance Capital Management L.P. (249,800,504 shares, plus an additional 400,000 shares which may be acquired upon exercise of options, with sole voting power with respect to 101,680,941 shares, shared voting power with respect to 98,984,587 shares, sole dispositive power with respect to 249,532,265 shares, and shared dispositive power with respect to 268,239 shares); and (ii) The Equitable Life Insurance Society of the United States (2,083,171 shares, with sole voting power with respect to 122,350 shares, shared voting power with respect to 1,960,821 shares, and sole dispositive power with respect to 2,083,171 shares). Addresses of the joint filers: IARD and AAVM, 21, rue de Chateaudun, 75009 Paris France; ACVAM, 100-101 Terrasse Boieldieu, 92042 Paris La Defense France; ACAM, 26, rue Louis le Grand, 75002 Paris France; and AFI, 1290 Avenue of the Americas, New York NY 10104.

4.

According to a Schedule 13G jointly filed on February 13, 2001, FMR Corp., Edward C. Johnson 3d, and Abigail P. Johnson, beneficially own and have sole dispositive power with respect to 30,912,803 shares of AT&T Wireless Stock; FMR Corp. has sole voting power with respect to 3,210,513 shares; and Edward C. Johnson 3d has sole voting power with respect to 76,000 shares. The following FMR Corp. subsidiaries have beneficial ownership: Fidelity Management & Research Company, 27,493,990 shares, with Edward C. Johnson 3d having sole dispositive power over such shares; and Fidelity Management Trust Company, 2,747,465 shares with Edward C. Johnson and FMR Corp. each having sole dispositive over such shares and sole voting power over 2,539,165 shares. Edward C. Johnson 3d owns 12.0% and Abigail P. Johnson owns 24.5% of the outstanding stock of FMR Corp. The Johnson family represents 49% of the voting power of FMR Corp. Edward C. Johnson 3d has sole voting and dispositive power over 76,000 shares. Fidelity International Limited is the beneficial owner of 595,348 shares and the Johnson family has voting power over 39.89% of the shares of Fidelity International Limited.

5.

According to a Schedule 13G filed on February 15, 2001, Janus Capital Corporation and Thomas H. Bailey beneficially own 120,095,676 shares of Class A Liberty Stock and have sole voting and dispositive power over all such shares. Thomas H. Bailey owns approximately 12.2% of Janus Capital Corporation, serves as President and Chairman of the Board, and may be deemed to have voting

and dispositive power with respect to shares held by the managed portfolios of Janus Capital Corporation.

6.

According to a Schedule 13D filed on April 10, 1999 but reflecting subsequent two-for-one stock splits paid on June 11, 1999 and June 9, 2000, Gary Magness beneficially owns (a) 56,211,956 shares of AT&T common stock and has sole voting power with respect to 1,163,960 shares, shared voting power with respect to 40,866,614 shares, sole dispositive power with respect to 1,163,960 shares, and shared dispositive power with respect to 55,047,996 shares; (b) 131,965,136 shares of Class A Liberty Stock with sole voting power with respect to 2,609,400 shares, shared voting power with respect to 97,183,024 shares, sole dispositive power with respect to 2,609,400 shares, and shared dispositive power with respect to 129,355,736 shares; and (c) 93,954,636 shares of Class B Liberty Stock with sole voting power with respect to 1,472,428 shares, shared voting power with respect to 70,850,112 shares, sole dispositive power with respect to 1,472,428 shares, and shared dispositive power with respect to 92,482,208 shares. Gary Magness is the holder of a 50% membership interest in Magness Securities, LLC. The following shares beneficially owned by Magness Securities, LLC are reflected in full in Gary Magness' share information: 14,181,380 shares of AT&T common stock, 31,128,720 shares of Class A Liberty Stock, and 21,632,096 shares of Class B Liberty Stock.

12

7.

According to a Schedule 13D filed on April 10, 1999 but reflecting subsequent two-for-one stock splits paid on June 11, 1999 and June 9, 2000, Kim Magness beneficially owns (a) 56,089,908 shares of AT&T common stock and has sole voting power with respect to 15,223,292 shares, shared voting power with respect to 40,866,614 shares, sole dispositive power with respect to 1,041,912 shares, and shared dispositive power with respect to 55,047,996 shares; (b) 131,581,360 shares of Class A Liberty Stock with sole voting power with respect to 34,398,336 shares, shared voting power with respect to 97,183,024 shares, sole dispositive power with respect to 2,225,624 shares, and shared dispositive power with respect to 129,355,736 shares; and (c) 94,109,904 shares of Class B Liberty Stock with sole voting power with respect to 23,259,792 shares, shared voting power with respect to 70,850,112 shares, sole dispositive power with respect to 1,627,696 shares, and shared dispositive power with respect to 92,482,208 shares. Kim Magness is the manager and a holder of a 50% membership interest in Magness Securities, LLC. The following shares beneficially owned by Magness Securities, LLC are reflected in full in Kim Magness' share information: 14,181,380 shares of AT&T common stock, 31,128,720 shares of Class A Liberty Stock, and 21,632,096 shares of Class B Liberty Stock.

8.

According to a Schedule 13D filed on April 10, 1999 but reflecting subsequent two-for-one stock splits paid on June 11, 1999 and June 9, 2000, the Estate of Bob Magness beneficially owns (a) 40,866,614 shares of AT&T common stock with sole voting power and sole dispositive power with respect to all such shares; (b) 97,183,024 shares of Class A Liberty Stock with sole voting power, and sole dispositive power with respect to all such shares and (c) 70,850,112 shares of Class B Liberty Stock with sole voting power and sole dispositive power with respect to all such shares. Kim Magness and Gary Magness are the co-personal representatives of the Bob Magness Estate and share both voting and dispositive power over the shares held by the Bob Magness Estate.

9.

According to a Schedule 13D filed on April 10, 1999 but reflecting subsequent two-for-one stock splits paid on June 11, 1999 and June 9, 2000, Magness Securities, LLC beneficially owns (a) 14,181,380 shares of AT&T common stock with sole voting power and sole dispositive power with respect to all such shares; (b) 31,128,720 shares of Class A Liberty Stock with sole voting power and sole dispositive power with respect to all such shares; and (c) 21,632,096 shares of Class B Liberty Stock with sole voting power and sole dispositive power with respect to all such shares. Kim Magness is the manager and a holder of a 50% membership interest in Magness Securities, LLC. Gary Magness is also a holder of a 50% membership interest in Magness Securities, LLC.

13

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's Directors and executive officers, and persons who own more than 10 percent of a registered class of the Company's equity securities, to file with the SEC and the New York Stock Exchange ("NYSE"), initial reports of ownership and reports of changes in beneficial ownership of such equity securities of the Company.

To the Company's knowledge, based upon the reports filed and written representations that no other reports were required, during the fiscal year ended December 31, 2000, none of its Directors and executive officers failed to file on a timely basis reports required by Section 16(a) with the following exceptions: Kenneth T. Derr, two reports regarding two transactions; M. Kathryn Eickhoff, five reports regarding one holding and five transactions; Michael G. Keith, one report regarding one transaction; and Richard J. Martin, one report regarding one transaction.

RATIFICATION OF APPOINTMENT OF AUDITORS
(Item 2 on Proxy Card)

Subject to shareholder ratification, the Board of Directors, upon recommendation of the Audit Committee, has reappointed the firm of PricewaterhouseCoopers LLP ("PwC") as the independent auditors to examine the Company's financial statements for the year 2001. PwC has audited the Company's books for many years. **Your Directors recommend that shareholders vote FOR such ratification.** Ratification of the appointment of auditors requires a majority of the votes cast. Any shares not voted (whether by abstention, broker non-vote, or otherwise) have no impact on the vote. If the shareholders do not ratify this appointment, other independent auditors will be considered by the Board upon recommendation of the Audit Committee.

Representatives of PwC are expected to attend the annual meeting and will have the opportunity to make a statement if they desire and to respond to appropriate questions.

For the year 2000, PwC also examined the financial statements of the Company's subsidiaries and provided other audit services to the Company and subsidiaries in connection with SEC filings, review of financial statements, and audits of pension plans.

DIRECTORS' PROPOSAL TO APPROVE AND ADOPT AN AMENDMENT TO OUR CHARTER TO LOWER FROM TWO-THIRDS TO A MAJORITY THE VOTE REQUIRED FOR SHAREHOLDERS TO AUTHORIZE ANY MERGER, CONSOLIDATION, OR DISSOLUTION OF AT&T OR ANY SALE, LEASE, EXCHANGE, OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE ASSETS OF AT&T

(Item 3 on Proxy Card)

The Board of Directors recommends an amendment to the Company's charter to lower from two-thirds to a majority of the voting power the vote required for shareholders of AT&T to authorize any merger, consolidation, or dissolution of AT&T or any sale, lease, exchange, or other disposition of all or substantially all of the assets of AT&T. This amendment will ensure that the AT&T shareholder approval process for any of these transactions will conform to that of most major modern corporations.

AT&T is a New York corporation, governed both by the provisions of its charter and by the New York Business Corporation Law (BCL). Amendments to the BCL effective in 1998 provide that, for new corporations, the required shareholder vote to authorize these specified transactions is a majority of the outstanding voting power. The BCL amendments also permit AT&T, or any other pre-existing New York corporation, to amend its charter to reduce the shareholder vote required for such specified transactions from two-thirds to a majority of the outstanding voting power.

Currently, by virtue of NY law, a vote of two-thirds of the voting power of the shareholders of AT&T is required to authorize a merger or consolidation; sale, lease, exchange, or other disposition of all or substantially all of the assets of the Company; or a dissolution of the Company. AT&T's charter is silent on the required vote level and the Board recommends an amendment to the charter to permit authorization of any of these transactions by a vote of a

14

majority of the voting power consistent with requirements for new corporations organized in New York and corporations in numerous other states.

The Board believes this amendment is advisable because it would give the Company greater flexibility in approving any of these specified transactions, would limit the ability of a minority of the shareholders to block a transaction approved by the majority, and would make it easier to solicit the required positive votes to approve any of these transactions. Many states, including Delaware (the jurisdiction of the incorporation of many major corporations), only require a majority vote unless a company's certificate of incorporation provides to the contrary.

The Board also believes that AT&T's extraordinarily broad shareholder base makes this amendment particularly appropriate and desirable for AT&T. Because AT&T has approximately 1.8 million registered shareholders, including approximately 1.5 million shareholders who hold fewer than 500 shares, AT&T typically experiences a lower percentage of shares voted at annual and special meetings than many major companies. This lower vote could make it difficult for AT&T to receive approval for any particular transaction that requires the approval of two-thirds of the total outstanding voting power, even if the vast majority of those shareholders voting are in favor of the transaction. Changing the required vote to a majority of the voting power will increase the likelihood of gaining approval for a transaction supported by most of the shareholders.

AT&T has proposed a broad-ranging restructuring. The initial steps in our plan are the proposed split-off of AT&T Wireless Group from AT&T and the proposed distribution of all the common stock of Liberty Media Corporation in exchange for all the outstanding shares of Liberty

Media Group tracking stock. AT&T also plans to create and issue new tracking stocks intended to reflect the financial performance and economic value of our AT&T Broadband unit and our AT&T Consumer Services unit. Within about a year after the issuance of these new tracking stocks, we expect to separate AT&T Broadband fully from the rest of AT&T. Upon that separation, the AT&T Business Services unit and the separately tracked AT&T Consumer Services unit would constitute one publicly traded company, and AT&T Broadband would constitute a separate publicly traded company. In addition, AT&T and British Telecommunications plc are currently engaged in discussions that could lead to a variety of strategic alternatives to their Concert joint venture, including transactions that could require a shareholder vote. The various elements of the plan are not conditioned on the successful completion of all elements of the plan. We plan to hold a special shareholder meeting to vote on the establishment of the AT&T Broadband and AT&T Consumer Services tracking stocks, and to obtain other votes, if necessary or deemed desirable, for other transactions.

The full separation of AT&T Wireless Services and of Liberty Media Corporation, the first of our planned steps, are not being submitted for shareholder approval and are more certain as to timing and completion than the remaining steps. All of these steps, however, are subject to conditions, including IRS rulings, some shareholder votes and other uncertainties. If we fail to satisfy any conditions, or if other unforeseen events intervene, or if discussions with BT result in a transaction (although we cannot assure you that any transaction with BT will occur), some or all of our currently planned steps could occur on a different timetable or on different terms than we currently contemplate, or might not occur at all.

Each of the proposed tracking stock amendments will require a majority vote regardless of whether this charter amendment proposal is adopted. Should it be determined, in connection with any other part of the restructuring or other future corporate actions, including a possible transaction involving BT, that a shareholder vote is required under any of the foregoing BCL provisions, this proposed charter amendment would reduce the required vote from two-thirds to a majority of the voting power.

AT&T believes that the approval of the charter amendment requires the affirmative vote of a majority of the combined voting power of all outstanding shares of AT&T Corp. common stock, AT&T Wireless Group tracking stock, Liberty Media Group tracking stock, and DoCoMo wireless tracking stock voting together as a single class. Any shares not voted (whether by abstention, broker non-vote, or otherwise) have the effect of a vote against the charter amendment proposal.

On March 19, 2001, Amalgamated Bank, as trustee for three union pension funds, filed an action in New York Supreme Court alleging that approval of the charter amendment requires the affirmative vote of two-thirds of the combined voting power of the Company. *Amalgamated Bank v. AT&T Corp.*, Index Number: 601354-01 (Sup. Ct.

N.Y. Co.). The plaintiffs seek among other things a declaratory judgment that AT&T may not amend its charter without a two-thirds vote and related injunctive relief.

The Company believes that it should prevail in this action and intends to defend it vigorously. It is possible that this matter will not be resolved until after the Annual Meeting. AT&T will issue a press release describing any court decision relating to the issue of what vote is required for the charter amendment. AT&T will post the press release on its website at www.att.com and will file a Form 8-K with the Securities and Exchange Commission attaching the press release.

If a court determines that a two-thirds vote is required, AT&T will not proceed with the charter amendment unless it receives a two-thirds vote or the decision is reversed. AT&T will make the public disclosure described above but may not resolicit its shareholders. The relief requested by the plaintiffs does not alter the changes contemplated by the charter amendment proposal but only the vote required to adopt that amendment. As is the case prior to any shareholder vote, shareholders would have the opportunity to change their vote by following the procedures described in this Proxy Statement prior to the time of the Annual Meeting. If the charter amendment receives a two-thirds vote at the Annual Meeting, the charter amendment will become effective regardless of the outcome of the litigation.

In making your decision on how to vote on this proposal, you should consider that while AT&T believes this proposal only requires a majority vote, it is possible that the charter amendment may not become effective absent a two-thirds vote. You should also consider that you may not know the vote required to adopt the proposal until after the Annual Meeting.

AT&T believes that these charter changes are key to maintaining its flexibility to restructure the company and take other important actions and that they better align the company's governance structure with that of more modern corporations.

Your Directors recommend a vote FOR the adoption of the proposed charter amendment.

DIRECTORS' PROPOSAL TO APPROVE THE AMENDED AT&T 1996 EMPLOYEE STOCK PURCHASE PLAN INCLUDING APPROVAL OF THE ISSUANCE OF AN ADDITIONAL 30,000,000 SHARES OF AT&T COMMON STOCK UNDER THE PLAN (Item 4 on Proxy Card)

The Company's 1996 Employee Stock Purchase Plan was initially adopted in 1996 and authorized the issuance of 75,000,000 shares of AT&T common stock (adjusted for the Company's three-for-two stock split paid on April 15, 1999.) The Board of Directors has approved, subject to shareholder approval, an Amended AT&T 1996 Employee Stock Purchase Plan (the "Plan"). If approved by shareholders, the Plan provides eligible employees (defined below) with an opportunity to purchase AT&T common stock (the "Common Stock") through payroll deductions. The Plan is intended to assist eligible employees in acquiring a stock ownership interest in the Company pursuant to a plan that is intended to qualify as an "employee stock purchase plan" under Section 423 of the Internal Revenue Code of 1986, as amended (the "Code") to help eligible employees provide for their future security and to encourage them to remain in the employment of the Company and participating subsidiaries. A description of the Plan is outlined below. The full text of the Plan appears as Appendix B to this proxy statement, and the following outline is qualified in its entirety by reference to such text.

Shares Reserved for the Plan

The aggregate number of shares of Common Stock, which may be purchased under the Plan during the period of July 1, 2001 through June 30, 2006, shall not exceed 30 million, subject to adjustment in the event of stock dividends, stock splits, combination of shares, recapitalizations, or other changes in the outstanding Common Stock. Any such adjustment will be made by the Board. Shares issued under the Plan may consist, in whole or in part, of authorized and unissued shares or treasury shares. Additionally, any shares remaining as of June 30, 2001 or the shares previously reserved to the AT&T 1996 Employee Stock Purchase Plan will continue to be available for issuance under the Plan through June 30, 2006. On January 1, 2001, 18,474,247 shares remained available for issuance under the AT&T 1996 Employee Stock Purchase Plan.

16

Eligible Participants

All employees of the Company (or a subsidiary designated by the Company) are eligible if they meet certain conditions. To be eligible the employee must have completed one month of continuous employment. Part-time employees are eligible to participate.

Approximately 160,000 employees would have been eligible to participate as of December 31, 2000.

On the first day of each month beginning July 1, 2001, except as otherwise determined by the Committee (as defined herein), the Company shall grant options under the Plan. The term of each option shall end on the last day of the month containing the date on which the option was granted.

Each eligible employee on a date of exercise shall be entitled to purchase shares of Common Stock at a purchase price equal to 85% of the average of the reported highest and lowest sale prices of shares of Common Stock on the NYSE on the applicable date of exercise. Dates of exercise shall take place on the last day of each month Common Stock is traded on the NYSE during the applicable option period.

Payment for shares of Common Stock purchased under the Plan will be made by authorized payroll deductions from an eligible employee's Eligible Compensation (as defined herein) or, when authorized by the Committee, an eligible employee may pay an equivalent amount for such shares. "Eligible Compensation" means an eligible employee's total regular compensation payable from the Company or a participating subsidiary of the Company during an option period.

Eligible employees who elect to participate in the Plan will designate a stated whole percentage equaling at least 1%, but no more than 10% of Eligible Compensation, to be deposited into a periodic deposit account. On each date of exercise, the entire periodic deposit account of each participant in the Plan is used to purchase whole and/or fractional shares of Common Stock. The Company shall maintain a stock purchase account for each participant to reflect the shares of Common Stock purchased under the Plan by each participant. No participant in the Plan is permitted to purchase Common Stock under the Plan at a rate that exceeds \$25,000 in fair market value of Common Stock, determined at the time options are granted, for each calendar year.

All funds received by the Company from the sale of Common Stock under the Plan may be used for any corporate purpose.

New Plan Benefits

Edgar Filing: AT&T CORP - Form PRER14A

It is not possible to determine how many eligible employees will participate in the Plan in the future. Therefore, it is not possible to determine with certainty the dollar value or number of shares of Common Stock that will be distributed under the Plan. On the average, approximately 5 million shares of Common Stock have been distributed annually during the prior five-year term of the Plan.

The following table sets forth certain information with respect to shares purchased under the 1996 AT&T Employee Stock Purchase Plan during 2000 by the only one of the five most highly compensated executive officers who participated in the Plan, all current executive officers as a group, and all employees as a group (excluding executive officers).

AMENDMENT TO AT&T 1996 EMPLOYEE STOCK PURCHASE PLAN

Name and Position	Dollar Value (1)	Number of Shares Purchased
Daniel E. Somers	\$ 7,661.00	451.444
President, AT&T Broadband		
All current executive officers as a group	\$ 38,120.32	2,246.336
All employees as a group (excluding current executive officers)	\$ 84,874,074.73	5,001,418.664

17

Footnotes:

1. Based upon \$16.97 per share, the fair value of AT&T common stock on December 29, 2000.

Tax Treatment

The Plan is intended to qualify as an employee stock purchase plan within the meaning of Section 423 of the Code. Under the Code, an employee who elects to participate in an offering under the Plan will not realize income at the time the offering commences or when the shares purchased under the Plan are transferred to him or her. If an employee disposes of such shares after two years from the date the offering of such shares commences and after one year from the date of the transfer of such shares to him or her, the employee will be required to include in income, as compensation for the year in which such disposition occurs, an amount equal to the lesser of (i) the excess of the fair market value of such shares at the time of disposition over the purchase price, or (ii) 15% of the fair market value of such shares at the time the offering commenced. The employee's basis in the shares disposed of will be increased by an amount equal to the amount so includable in his or her income as compensation, and any gain or loss computed with reference to such adjusted basis which is recognized at the time of the disposition will be a capital gain or loss, either short term or long term, depending on the holding period for such shares. In such event, the Company (or the subsidiary by which the employee is employed) will not be entitled to any tax deduction from income.

If any employee disposed of the shares purchased under the Plan within such two-year or one-year period, the employee will be required to include in income, as compensation for the year in which such disposition occurs, an amount equal to the excess of the fair market value of such shares on the date of purchase over the purchase price. The employee's basis in such shares disposed of will be increased by an amount equal to the amo