

AT&T CORP  
Form DEFA14A  
March 24, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of the Securities  
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**AT&T Corp.**

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**News Release**

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**AT&T CHAIRMAN SAYS COMMUNICATIONS INDUSTRY RESTRUCTURING WILL HEIGHTEN  
COMPETITION, DRIVE  
RENEWED INVESTMENT AND STABILITY**

FOR RELEASE THURSDAY, MARCH 24, 2005

Washington, D.C. The restructuring of the telecommunications industry that is now underway will bring added competition and renewed investment and stability to the sector, AT&T Chairman and CEO David Dorman said this afternoon during his keynote address at the American Enterprise Institute (AEI).

Today, 21 years after the break-up of AT&T and nine years after the Telecom Act, the industry has arrived at a critical inflection point in the form of much-needed restructuring, Dorman said. Given the profound challenges and technological advances that have taken place within this industry in recent years, change of this sort is not only necessary but inevitable, and a very positive development for the future of the sector.

As the industry reinvents itself, he continued, this is truly a time of opportunity for service providers, for communications customers and for our country's standing as a global leader in telecom services.

Mr. Dorman used his AEI appearance to share his views on the pending merger of AT&T and SBC Communications, which he characterized as being in the public interest and the broader competitive and economic interests of the nation as a whole.

We see this union as a natural response to industry trends and the rapid advance in communications technologies in recent years, Dorman said. This merger will drive greater levels of competition, and it will allow the consumers of telecom services to determine the industry's ultimate winners and losers as it should be in a free marketplace.

Dorman noted that the AT&T-SBC merger would create a flagship national carrier that will enable a more rapid transformation to a unified, IP-based global service platform for both businesses and government users. The combined AT&T-SBC will provide improved and

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innovative voice, data and video services for enterprises and greater choice in the residential marketplace, which is seeing growing competition across communications platforms.

Mr. Dorman also stated that the merger will be good for the economy and the state of competition in the country. The merger will drive increased inter-modal competition from cable providers and wireless carriers and lead to greater competition between the Bells themselves, Dorman said. Today the Bells compete more for wireless customers than business customers, and with this merger they will more aggressively compete in the enterprise market. Dorman noted that the proposed Verizon-MCI combination validates the impact that the pending AT&T-SBC merger will have in driving the Bells into more direct competition with one another going forward.

Dorman added that AT&T's residential Voice over Internet Protocol (VoIP) service, AT&T CallVantage, would remain an important component of the combined AT&T-SBC consumer bundle, helping drive broadband adoption rates while adding to the list of services where the Bells compete in each other's regions.

A fundamental restructuring of the telecom industry is long overdue and it will help ring in a new era of innovation and growth, with customers emerging as the primary beneficiaries, he said. We once again have reason to be optimistic with the future of the telecom sector, and with the advancement of communications services and choice for customers of all sizes.

#### **About AT&T**

For more than 125 years, AT&T (NYSE: T) has been known for unparalleled quality and reliability in communications. Backed by the research and development capabilities of AT&T Labs, the company is a global leader in local, long distance, Internet and transaction-based voice and data services.

#### **AT&T Safe Harbor**

The foregoing contains forward-looking statements which are based on management's beliefs as well as on a number of assumptions concerning future events made by and information currently available to management. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside AT&T's control, that could cause actual results to differ materially from such statements. These risk factors include the impact of increasing competition, continued capacity oversupply, regulatory uncertainty and the effects of technological substitution, among other risks. For a more detailed description of the factors that could cause such a difference, please see AT&T's 10-K, 10-Q, 8-K and other filings with the Securities and Exchange Commission. AT&T disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This information is presented solely to provide additional information to further understand the results of AT&T.

#### **Additional Information.**

In connection with the proposed transaction, on March 11, 2005, SBC Communications Inc. (SBC) filed a registration statement (File no.: 333-123283), including a preliminary proxy statement of AT&T Corp., with the Securities and Exchange Commission (the SEC). **Investors and AT&T shareholders are urged to read the registration statement, including the preliminary proxy statement, and other materials (including the definitive proxy statement) when they are available because they contain important information.** Investors may obtain free copies of the registration statement and proxy statement, as well as other filings containing information about SBC and AT&T Corp., without charge,

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at the SEC's Internet site (<http://www.sec.gov>). These documents may also be obtained for free from SBC's Investor Relations web site ([www.sbc.com/investor\\_relations](http://www.sbc.com/investor_relations)) or by directing a request to SBC Communications Inc., Stockholder Services, 175 E. Houston, San Antonio, Texas 78205. AT&T Corp.'s filings may be accessed and downloaded for free at the AT&T Investor Relations Web Site ([www.att.com/ir/sec](http://www.att.com/ir/sec)) or by directing a request to AT&T Corp., Investor Relations, One AT&T Way, Bedminster, New Jersey 07921.

SBC, AT&T Corp. and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from AT&T shareholders in respect of the proposed transaction. Information regarding SBC's directors and executive officers is available in SBC's proxy statement for its 2005 annual meeting of stockholders, dated March 11, 2005, and information regarding AT&T Corp.'s directors and executive officers is available in AT&T's preliminary proxy statement included in the registration statement. Additional information regarding the interests of such potential participants will be included in the registration and proxy statement and the other relevant documents filed with the SEC when they become available.

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