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DIRECTV  
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The following is a slide presentation from a webcast hosted by AT&T and DIRECTV to discuss the transaction.

May 19, 2014

AT&T to Acquire DIRECTV

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Michael White  
Chairman, President and Chief Executive Officer, DirecTV, Inc.

Call Participants

Randall Stephenson  
Chairman, President and Chief Executive Officer, AT&T, Inc.

Wayne Watts  
AT&T Senior Executive Vice President and General Counsel

John Stephens  
AT&T Senior Executive Vice President and Chief Financial Officer

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Cautionary Language Concerning

Forward-Looking Statements

Information set forth in this communication, including financial estimates and statements as to the expected

timing, completion and effects of the proposed merger between AT&T and DirecTV, constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

These estimates and statements are subject to risks and uncertainties, and actual results might differ materially.

Such estimates and statements include, but are not limited to, statements about the benefits of the merger,

including future financial and operating results, the combined company's plans, objectives, expectations and

intentions, and other statements that are not historical facts. Such statements are based upon the current beliefs

and expectations of the management of AT&T and DirecTV and are subject to significant risks and uncertainties outside of our control.

This presentation may contain certain non-GAAP financial measures. Reconciliations between the non-GAAP

financial

measures

and

the

GAAP

financial

measures

are

available

on

the

company's

website

at [www.AT&T.com/investor.relations](http://www.AT&T.com/investor.relations)

Among the risks and uncertainties that could cause actual results to differ from those described in the forward-

looking statements are the following: (1) the occurrence of any event, change or other circumstances that could

give rise to the termination of the merger agreement, (2) the risk that DirecTV stockholders may not adopt the

merger agreement, (3) the risk that the necessary regulatory approvals may not be obtained or may be obtained

subject to conditions that are not anticipated, (4) risks that any of the closing conditions to the proposed merger

may not be satisfied in a timely manner, (5) risks related to disruption of management time from ongoing business

operations due to the proposed merger, (6) failure to realize the benefits expected from the proposed merger and

(7)

the

effect

of

the

announcement

of

the

proposed

merger

on

the  
ability  
of  
DirecTV  
and  
AT&T  
to  
retain  
customers

and retain and hire key personnel and maintain relationships with their suppliers, and on their operating results and businesses generally. Discussions of additional risks and uncertainties are contained in AT&T's and DirecTV's filings with the Securities and Exchange Commission. Neither AT&T nor DirecTV is under any obligation, and each expressly disclaim any obligation, to update, alter, or otherwise revise any forward-looking statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events, or otherwise. Persons reading this announcement are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date hereof.

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**Additional Information and Where to Find It**

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. This communication may be deemed to be solicitation material in respect of

the proposed merger between AT&T and DirecTV. In connection with the proposed merger, AT&T intends to file a registration statement on Form S-4, containing a proxy statement/prospectus with the Securities and Exchange Commission ( SEC ). **STOCKHOLDERS OF DirecTV ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED THE SEC, INCLUDING THE PROXY STATEMENT/PROSPECTUS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER.** Investors and security holders will be able to obtain copies of the

proxy statement/prospectus as well as other filings containing information about AT&T and DirecTV, without charge, at the SEC's website, <http://www.sec.gov>. Copies of documents filed with the SEC by AT&T will be made available free of charge on AT&T's website at <http://www.AT&T.com>. Copies of documents filed with the SEC by DirecTV will be made available free of charge on DirecTV's website at <http://www.DirecTV.com>.

#### Participants in Solicitation

AT&T and its directors and executive officers, and DirecTV and its directors and executive officers, may be deemed to be participants in the solicitation of proxies from the holders of DirecTV common stock in respect of the proposed merger. Information about the directors and executive officers of AT&T is set forth in the proxy statement for AT&T's 2014 Annual Meeting of Stockholders, which was filed with the SEC on March 11, 2014. Information about the directors and executive officers of DirecTV is set forth in the proxy statement for DirecTV's 2014 Annual Meeting of Stockholders, which was filed with the SEC on March 20, 2014. Investors may obtain additional information regarding the interest of such participants by reading the proxy statement/prospectus regarding the proposed merger when it becomes available.

Transaction Delivers Significant Value

\$95 per share -  
\$66.50 in AT&T stock and \$28.50 cash per share

\$48.5B equity value; \$67.1B transaction value

Implies multiple\*of 7.7x 2014E EBITDA and 6.5x 2014E EBITDA including  
cost synergies

Unique combination of two industry leaders with complementary market  
positions

Creates content distribution leader across mobile, video and broadband  
platforms



Adjusted EPS accretive within 12 months\*\*

Free cash flow per share accretive within 12 months

Cost synergies expected to exceed \$1.6 billion annual run rate by year three

DirecTV stockholders

DOJ, FCC, a few states, and some Latin American countries

Closing expected within approximately 12 months

DirecTV

Premier Video Customer Base

Unique Set of Assets

2013 Financial Results

\* Adjusted for value of non-consolidated assets

\*\* Adjusted to exclude non-cash purchase accounting adjustments

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US: 20.3 million

Latin America: 18.1 million

World's largest pay TV  
provider

Leading Latin American  
presence

Highly skilled workforce

Market-leading video content

NFL Sunday Ticket

Efficient video delivery  
platform

\$31.8 billion revenues

\$8.0 billion EBITDA

\$2.6 billion free cash flow

Consideration to DirecTV Stockholders

Growth Opportunities

AT&T Financial Expectations

Approvals Required

Content Distribution Leader Across Multiple Platforms

DirecTV Premier Assets and Capabilities

Combination Creates a Unique Business Model

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\* 4G LTE build expected to be substantially complete by summer 2014.

Premier TV brand with strongest content relationships

Best-in-class video distribution platform with OTT capabilities

Capital-efficient video model with strong cash flows

Leadership team skilled in content, marketing and platform development

Unique competitor with distribution scale and innovative bundling opportunities

Nationwide video reach

Nationwide

wireless

300

million

4G

LTE

POPs\*

Broadband expansion to 70 million customer locations

Unparalleled video content opportunities across mobile, video and broadband

Significant growth opportunities with Latin America's leading pay TV provider

Diversifies

revenue

base

accelerates

broadband

growth,

immediate

video

lift

and

significant geographic diversification

Compelling Benefits to Customers  
More Competitive Choice  
Commitment to Expand and Enhance Broadband Build  
Consumer Commitments Upon Closing

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Better customer experience and stronger competitive alternative to cable

Convenience and efficiency of a single provider for mobility, broadband and video

Scale to drive product innovation including OTT alternatives

Builds off existing Project VIP initiative to increase high-speed broadband coverage to about 70 million customer locations nationwide

Expands  
and  
enhances  
broadband  
by  
15  
million  
customer  
locations,  
mostly  
rural  
households

AT&T's IP broadband service offered standalone at guaranteed prices for 3 years

DirecTV's standalone video packages offered at a consistent nationwide price for 3 years

Continued commitment to FCC Open Internet protections for 3 years after close

AT&T  
continues  
to  
expect  
to  
meaningfully  
participate  
in  
spectrum  
auctions

### Significant Upside for DirecTV Stockholders

Transaction creates immediate and long-term value

30% premium to DirecTV's unaffected closing share price of \$73.17 on March 25, 2014\*

\$95 per share represents a 185% total return to DirecTV stockholders since Jan 1, 2010

Attractive consideration mix:

o

30% cash and 70% stock, with value protection via:

Symmetrical collar (+/-

5%) helps protect value during the pendency of the

transaction while providing the ability to share in strong upside potential

Solid AT&T dividend (~5% yield) that has been increased every year for 30 years

DirecTV stockholders to own approximately 15% of the pro forma entity

o

Continue to participate in the benefits and growth of the combined company

Significant cross selling opportunities, expanded competitive bundles, and innovative new services

o

Participate in annual pre-tax synergies to exceed \$1.6 billion by year three

o

AT&T's operating and financial resources complement DirecTV's leading Latin American Pay TV business and fixed wireless broadband expansion

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\*Prior to Bloomberg article speculating on DISH to approach DIRECTV post Comcast/Time Warner Cable merger announcement

Compelling Benefits to DirecTV Customers and Employees

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Positions DirecTV to further capitalize on evolving preferences for bundles and

viewing

anytime

anywhere

on

any

screen

smartphone,

laptop,

TV

or

tablet

Win-Win for Customers

Creates a unique combination of a premium content distributor with a truly integrated mobile video platform both inside and outside of the home  
Leverages the content experience of DirecTV with AT&T's significant broadband coverage and nationwide mobile reach, redefining how customers experience video entertainment  
Most extensive bundle of top-quality broadband, video and mobile services  
Accelerates innovation to provide revolutionary products across complementary nationwide networks  
Enhances DirecTV's leading distribution network with an established retail presence  
Delivers Value to Employees  
Similar cultures of innovation and customer service, expanded career benefits and enhanced growth opportunities  
Commitment to keeping HQ in El Segundo demonstrates recognition that employees are best asset  
AT&T has successful track record of integration  
  
expect seamless transition

Equity Value at \$95 share price  
\$48.5  
Consideration to Equity Holders  
\$48.5  
AT&T/DirecTV  
Deal  
Summary  
(\$in  
billions)  
Net Debt  
\$18.6  
Current AT&T Shares Outstanding  
5,190M\*  
AT&T Stock  
\$34.0



Adjusted EPS accretive within  
12 months\*\*  
Free cash flow per share accretive  
within 12 months  
Continued financial strength to  
participate in upcoming spectrum  
auctions  
Expect to maintain strongest balance  
sheet in the telecom industry  
2014 guidance largely unchanged

Post-Closing AT&T Shares Outstanding

6,114M\*

DirecTV Net Debt

\$18.6

Incremental Debt from Transaction

\$26.1

Financial Expectations

Less: Cash from Asset Monetization

~\$7.0

Net Cash Funding

\$7.5

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\* At

April

30,

2014,

there

were

5,190

million

AT&T

common

shares

outstanding.

Post-closing

is

proforma

for

transaction

shares

issued,

based

on

AT&T May 15 closing price of \$36.74

\*\* Adjusted to exclude non-cash purchase accounting adjustments

Free cash flow is cash from operations less capital expenditures. Net debt is total debt less cash and cash equivalents. EBITDA

before depreciation and amortization. Numbers may not foot due to rounding.

Intention to sell América Móvil requires  
cost accounting

Expect reduction in 2014 equity income of  
approximately 5 cents per share

Gain from sale of shares will be adjusted

EPS growth guidance expected at low-  
end of mid-single-digit growth range

DirecTV Transaction Value

\$67.1

Cash Consideration

\$14.5

Transaction Creates Unique Competitor Across Mobile, Video  
and Broadband Platforms

Combined Scale & Capabilities:

Nationwide Mobile Broadband

4G LTE network

300 million LTE POPs\*

Nationwide Video Reach

High speed broadband -

70 million customer locations

\*\*

Proven management team with

a track record of integrating

large acquisitions

Strong position in evolving market

Large-scale provider of mobile, video and

broadband with strong customer relationships

Scale pay TV business with OTT optionality

Unparalleled relationship with content  
aggregators, best positioned to participate in  
evolving product offerings including OTT  
Expanded distribution and sales capabilities  
Nationwide retail presence, extensive dealer  
network and national installation capabilities  
Valuable Latin American operations  
Significant upside in Latin America, with  
untapped penetration and prepaid opportunity

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\* 4G LTE build expected to be substantially complete by summer 2014

\*\* With proposed expansion

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Q&A

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