



John R. Walter
President &
Chief Operating Officer

295 North Maple Avenue
Basking Ridge, NJ 07920

November 5, 1996

Dear Fellow Shareowner:

Having just been elected President of AT&T, I want to introduce myself. I am honored at the trust that the Board of Directors has in my ability to lead the company, and excited about the tremendous opportunities in this growing industry. It's been a pleasure to join our seasoned senior management team. AT&T has been one of the great companies of the 20th century and there is every reason to expect that it will be a global leader in the 21st century.

You will understand, I'm sure, that having been here only a few days, it is premature for me to speculate about future plans. There is, however, one essential point that I want to share with you right now: my principal and guiding objective is **to build and deliver value for AT&T shareowners.** To achieve this we will establish a business plan to execute our growth strategy and position AT&T as the most effective customer-focused competitor in our industry. We will place a premium on the flawless execution of that strategy in the marketplace.

I joined AT&T because it is one of the world's greatest companies with unlimited opportunities. AT&T has a powerful global brand name, substantial financial resources, knowledgeable, dedicated employees and one of the world's most envied customer bases...and this unexcelled strength is just the starting point. Our business plan, when it is introduced, will be designed to take full advantage of our many strengths, and capitalize on the changes created by telecommunications legislation, technology, and customer needs.

I understand fully that the job will be challenging, complex and often difficult. But the senior leadership and all the people of AT&T are experienced and ready for the task. Together, we will concentrate our resources and strengths on the job ahead.

We will keep you posted on our progress.

Sincerely,

A handwritten signature in black ink, reading "John R. Walter". The signature is written in a cursive, flowing style.