

Edgar Filing: AT&T CORP - Form PRER14A

AT&T CORP
Form PRER14A
September 26, 2002

AMENDMENT NO. 1 TO
SCHEDULE 14A INFORMATION

PRELIMINARY PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934

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 Section 240.14a-12

AT&T CORP.

(Name of Registrant as Specified In Its Charter)

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

(2) Aggregate number of securities to which transaction applies:

(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):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- [] Fee paid previously with preliminary materials.

Edgar Filing: AT&T CORP - Form PRER14A

[] 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.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND WE ARE NOT SOLICITING OFFERS TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

PRELIMINARY PROSPECTUS DATED SEPTEMBER 26, 2002 (SUBJECT TO COMPLETION)

AT&T CORP.
OFFER TO EXCHANGE

We are making this exchange offer in connection with the planned combination of Comcast Corporation and our broadband business. The offer involves two kinds of exchanges. The following table identifies which of our notes are eligible for which kind of exchange and sets forth other important economic terms of the exchange offer:

	CUSIP NO.	PRORATION PERCENTAGE	EXCHANGE SPREAD	
	-----	-----	-----	
BROADBAND ELIGIBLE NOTES				NEW BROADBAND NOTES
7.00% Notes Due May 15, 2005.....	001957AS8	%	%	
7.50% Notes Due 2006.....	001957AP4	%	%	
7.75% Notes Due March 1, 2007.....	001957AR0	%	%	Notes Due , 2013
6.00% Notes Due 2009.....	001957AV1	%	%	
8.125% Debentures Due January 15, 2022.....	001957AJ8	%	%	
8.125% Debentures Due July 15, 2024....	001957AK5	%	%	
8.35% Debentures Due 2025.....	001957AQ2	%	%	Notes Due , 2022
8.625% Debentures Due December 1, 2031.....	001957AL3	%	%	

Edgar Filing: AT&T CORP - Form PRER14A

	CUSIP NO. -----	
AT&T ELIGIBLE NOTES		NEW AT&T NOTES
5.625% Notes Due 2004.....	001957AU3.....	% Notes Due March 2025
6.75% Notes Due 2004.....	001957AM1.....	% Notes Due April 2025
7.75% Medium-Term Notes, Series A Due May 15, 2025.....	00206QAP9.....	% Medium-Term Notes Due May 15, 2025
8.00% Medium-Term Notes, Series A Due May 15, 2025.....	00206QAN4.....	% Medium-Term Notes Due May 15, 2025
6.50% Notes Due 2029.....	001957AW9.....	% Notes Due March 2029
FRN Medium-Term Notes, Series A Due 2054	00206QAE4.....	FRN Medium-Term Notes Due 2054
(spread over commercial paper: -.15%)		(spread over commercial paper: -.15%)

In the first kind of exchange, we are offering to exchange Broadband Eligible Notes for notes that, upon completion of the AT&T Comcast transaction, will become New Broadband Notes. The New Broadband Notes will be obligations of AT&T Broadband Corp. and will be fully and unconditionally guaranteed by AT&T Comcast Corporation and the other cable guarantors described in this prospectus. We will announce the exchange ratios and interest rates for the New Broadband Notes by press release two business days prior to the expiration of the exchange offer. The exchange ratios and interest rates will be based upon spreads over the relevant reference U.S. Treasury rates as described in this prospectus.

In the second kind of exchange, we are offering to exchange AT&T Eligible Notes for New AT&T Notes. The New AT&T Notes will remain solely our obligations and, upon completion of the AT&T Comcast transaction, will have the revised terms described in this prospectus, including the revised maturity date and/or interest rates set forth in the table above.

To participate in either kind of exchange, you must consent to an amendment to the terms of your original notes to the extent your notes are accepted for exchange. This amendment will provide, among other things, that in the AT&T Comcast transaction, neither AT&T Comcast Corporation nor any of its affiliates needs to assume our obligations on the original notes. The amendment will amend any series of notes so long as more than 50% by principal amount of that series consents. THE TERMS OF AND THE LIQUIDITY OF THE TRADING MARKET FOR YOUR ORIGINAL NOTES MAY BE AFFECTED BY THE EXCHANGE OFFER EVEN IF YOU DO NOT PARTICIPATE.

We will not accept any notes unless more than 50% of the principal amount of that series of notes has been validly tendered and not withdrawn by the applicable expiration date. If more than the proration percentage of any series of Broadband Eligible Notes is tendered and not withdrawn by the applicable expiration date, notes of that series will be accepted for exchange on a prorated basis. The exchange offer for AT&T Eligible Notes is for all notes and is not subject to proration. The exchange offer is subject to significant conditions that are described in this prospectus.

Edgar Filing: AT&T CORP - Form PRER14A

THE EXCHANGE OFFER WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON , 2002 UNLESS EXTENDED AS TO ANY SERIES OF ELIGIBLE NOTES IN OUR DISCRETION. YOU MAY WITHDRAW ANY NOTES TENDERED UNTIL THE EXPIRATION OF THE EXCHANGE OFFER FOR THAT SERIES OF NOTES. THE EXCHANGE OFFER IS DESCRIBED IN DETAIL IN THIS PROSPECTUS AND WE URGE YOU TO READ IT CAREFULLY, INCLUDING THE RISK FACTORS STARTING ON PAGE 45. NEITHER THE BOARD OF DIRECTORS OF AT&T NOR ANY OTHER PERSON IS MAKING ANY RECOMMENDATION AS TO WHETHER YOU SHOULD TENDER ELIGIBLE NOTES IN THE EXCHANGE OFFER.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE EXCHANGE OFFER OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Dealer Managers for the exchange offer are, in alphabetical order, as follows:

CREDIT SUISSE FIRST BOSTON DEUTSCHE BANK SECURITIES GOLDMAN, SACHS & CO.
JPMORGAN MERRILL LYNCH & CO. MORGAN STANLEY

This prospectus is dated , 2002, and is first being mailed to noteholders on or about , 2002.

This illustration consists of two diagrams. The first diagram is a simplified diagram of the proposed AT&T Comcast transaction. The right side of the diagram shows that AT&T will spin off its broadband business, referred to as "AT&T Broadband Group," to a newly formed company, AT&T Broadband Corp., referred to as "Broadband," and that Broadband Acquisition Corp., a wholly owned subsidiary of AT&T Comcast Corporation, referred to as "AT&T Comcast," will merge with and into Broadband, with Broadband continuing as the surviving corporation and a wholly owned subsidiary of AT&T Comcast. The left side of the diagram shows that Comcast Acquisition Corp., a wholly owned subsidiary of AT&T Comcast, will merge with and into Comcast Corporation, with Comcast Corporation continuing as the surviving corporation and a wholly owned subsidiary of AT&T Comcast. The second diagram is a simplified diagram of the corporate structure of AT&T Comcast, and the primary obligors and guarantors of the New Broadband Notes, assuming the AT&T Comcast transaction is completed. The diagram shows AT&T Comcast, which will guarantee the New Broadband Notes, and two of its subsidiaries, Broadband, which will be the issuer of the New Broadband Notes, and Comcast Corporation. The diagram shows two subsidiaries of Broadband, MediaOne Group, Inc., referred to as "MediaOne," and AT&T Broadband, LLC, formerly known as Tele-Communications, Inc. and referred to as "TCI," each of which will guarantee the New Broadband Notes, as well as an additional Broadband subsidiary named AT&T Broadband Overseas, and that MediaOne and TCI will have various operating subsidiaries. The diagram also shows Comcast Cable Communications, Inc., referred to as "Comcast Cable," which will guarantee the New Broadband Notes, and that Comcast Cable will have various operating subsidiaries. The diagram shows that Comcast Corporation will also have various non-cable subsidiaries.

TABLE OF CONTENTS

Edgar Filing: AT&T CORP - Form PRER14A

QUESTIONS AND ANSWERS ABOUT THE EXCHANGE	
OFFER.....	1
SUMMARY.....	5
The AT&T Comcast Transaction.....	5
The Exchange Offer.....	5
The Companies.....	10
Description of the Broadband Exchange	
Notes.....	12
Description of the New Broadband Notes	
and the Cable Guarantees.....	12
Description of the New AT&T Notes.....	14
United States Federal Income Tax	
Consequences.....	15
The Dealer Managers.....	16
The Information Agent.....	16
The Exchange Agent.....	16
The Luxembourg Exchange Agent.....	16
Retail Solicitation Fee.....	17
Recent Developments.....	17
SELECTED FINANCIAL DATA OF AT&T.....	18
SUMMARY PRO FORMA COMBINED CONDENSED	
FINANCIAL INFORMATION OF AT&T.....	21
SELECTED FINANCIAL DATA OF AT&T	
BROADBAND GROUP.....	22
SELECTED FINANCIAL DATA OF BROADBAND.....	23
UNAUDITED PRO FORMA COMBINED CONDENSED	
FINANCIAL STATEMENTS OF AT&T COMCAST	
CORPORATION.....	24
SELECTED FINANCIAL DATA OF COMCAST.....	34
SELECTED FINANCIAL DATA OF COMCAST	
CABLE.....	37
RATIOS OF EARNINGS TO FIXED CHARGES.....	39
PRO FORMA RATIO OF EARNINGS TO FIXED	
CHARGES.....	40
MARKETS AND MARKET PRICES.....	40
RISK FACTORS.....	45
Risks Relating to the Exchange	
Offer.....	45
Risks Relating to the AT&T Comcast	
Transaction.....	47
Risks For AT&T Relating to the AT&T	
Comcast Transaction.....	51
Risks Relating to the Business of AT&T	
Comcast.....	52
Risks Relating to AT&T's Credit	
Rating.....	57
Risks Relating to the Businesses of	
AT&T Consumer Services Group and	
AT&T Business Services Group.....	59
DESCRIPTION OF THE EXCHANGE OFFER.....	66
Purpose of the Exchange Offer.....	66
Terms of the Exchange Offer; Period	
for Tendering.....	66
Important Reservation of Rights	
Regarding the Exchange Offer.....	68
Exchange Ratio for the New Broadband	
Notes.....	68
Interest Rate for the New Broadband	
Notes.....	71
Other Terms of the Broadband Exchange	
Notes, New Broadband Notes and the	

Edgar Filing: AT&T CORP - Form PRER14A

New AT&T Notes.....	71
Conditions to the Exchange Offer.....	72
Proration.....	74
Fractional Notes.....	74
Required Consent.....	75
Procedures for Tendering.....	75
Book-Entry Transfer.....	76
Guaranteed Delivery Procedures.....	76
Acceptance of Eligible Notes and Delivery of New Notes.....	77
Withdrawal Rights.....	78
The Dealer Managers.....	79
Retail Solicitation Fee.....	80
Information Agent.....	81
Exchange Agent.....	81
Luxembourg Exchange Agent.....	81
Fees and Expenses.....	82
Transfer Taxes.....	82
Material United States Federal Income Tax Consequences of the Exchange Offer.....	82
Consequences of Failures to Properly Tender Broadband Eligible Notes and AT&T Eligible Notes in the Exchange Offer.....	90
Use of Proceeds.....	90
DESCRIPTION OF THE NOTE AMENDMENT.....	91
The Note Amendment.....	91
Terms of the Note Amendment.....	91
Conditions to the Note Amendment.....	92

Requisite Consents; Outstanding Notes.....	92
No Consent Fee.....	92
Expiration Date; Extension of the Exchange Offer; Amendment; Termination.....	93
Consequences to Non-Consenting Holders; Dissenters' Rights.....	93
Consent Procedures.....	93
Revocation of Consents.....	93
DESCRIPTION OF THE BROADBAND EXCHANGE NOTES.....	94
Basic Terms of the Broadband Exchange Notes.....	94
Mandatory Exchange Upon Completion of the AT&T Comcast Transaction.....	95
Interest Payments.....	96
Additional Terms Pertaining Only to the 6.00% Broadband Exchange Notes Due March 15, 2009.....	96
Optional Redemption.....	98
No Mandatory Redemption or Sinking Fund.....	101
Additional Debt.....	101

Edgar Filing: AT&T CORP - Form PRER14A

Certain Covenants.....	101
Modification of the AT&T Indenture....	103
Events of Default.....	103
Discharge and Defeasance.....	103
No Personal Liability of Stockholders, Officers, Directors or Employees...	104
Concerning the Trustee.....	104
Governing Law.....	104
Book-Entry System.....	104
Certificated Notes.....	104
Same-Day Payment.....	105
Certain Definitions.....	105
DESCRIPTION OF THE NEW BROADBAND NOTES	
AND THE CABLE GUARANTEES.....	108
Basic Terms of the New Broadband Notes.....	108
Interest Payments.....	108
Cable Guarantees.....	108
Optional Redemption.....	109
No Mandatory Redemption or Sinking Fund.....	109
Additional Debt.....	109
Certain Covenants.....	110
Modification and Waiver.....	114
Events of Default.....	115
Discharge and Defeasance.....	117
No Personal Liability of Incorporators, Stockholders, Officers, Directors or Employees...	119
Concerning the Trustee.....	119
Governing Law.....	119
Book-Entry System.....	119
Certificated Notes.....	121
Same-Day Payment.....	121
COMPARISON OF THE NEW BROADBAND NOTES	
AND THE BROADBAND EXCHANGE NOTES.....	122
Comparison of Basic Terms.....	122
Elimination of Payment of Additional Amounts; Redemption Upon a Tax Event.....	123
Optional Redemption.....	123
Covenants.....	123
Modification and Waiver.....	125
Events of Default.....	125
DESCRIPTION OF THE NEW AT&T NOTES.....	
Basic Terms of the New AT&T Notes.....	127
Interest Payments.....	128
Additional Terms Pertaining Only to the New AT&T Notes Due 2004 (Series 1) and New AT&T Notes Due 20	131
Optional Redemption.....	133
Optional Repayment Terms Pertaining Only to the New FRN Medium-Term Notes, Series A Due 2054.....	136
No Mandatory Redemption or Sinking Fund.....	137
Notices.....	137
Luxembourg Listing.....	137

Edgar Filing: AT&T CORP - Form PRER14A

DESCRIPTION OF AT&T COMCAST	
TRANSACTION.....	138
Structure of the Transaction.....	138
Timing of Closing.....	138
The Merger Agreement.....	138
Covenants.....	138
Post-Transaction Governance	
Arrangements.....	140
Employee Benefits Matters.....	141
Covenant Regarding Comcast's AT&T	
Stock.....	141
Representations and Warranties...	142
Conditions to the Completion of	
the Mergers.....	142
Termination of the Merger	
Agreement.....	143
ii	
Expenses.....	144
Amendments and Waivers.....	144
The Separation and Distribution	
Agreement.....	145
The Separation.....	145
Timing of the Separation and the	
Broadband Spin-Off.....	146
Repayment of Intracompany Debt...	146
Post-Spin-Off Transactions.....	146
Conditions to the Completion of	
the Broadband Spin-Off.....	146
Mutual Release;	
Indemnification.....	147
Termination.....	148
Amendments and Waivers.....	148
The Exchange Agreement and Instrument	
of Admission.....	148
QUIPS Exchange.....	149
Covenants.....	149
Conditions to the Completion of	
the Microsoft Transaction.....	150
Interactive Technology	
Agreement.....	151
The Tax Sharing Agreement.....	151
The Ancillary Agreements.....	152
Material Federal Income Tax	
Consequences of the AT&T Comcast	
Transaction.....	153
OTHER INDEBTEDNESS AND THE	
CROSS-GUARANTEES.....	154
Description of New Credit	
Facilities.....	154
Other Indebtedness and the Proposed	
Cross-Guarantees.....	155
LEGAL MATTERS.....	157

Edgar Filing: AT&T CORP - Form PRER14A

EXPERTS.....	157
INFORMATION REGARDING FORWARD-LOOKING STATEMENTS.....	158
WHERE YOU CAN FIND MORE INFORMATION.....	159
INDEX TO FINANCIAL STATEMENTS.....	F-1

You should rely only on information contained in this prospectus. No one is authorized to provide you with information that is different from that contained in this prospectus. We do not intend the contents of any websites referred to in this prospectus to be part of this prospectus.

We are offering to sell, and are seeking offers to buy, the Broadband Exchange Notes, the New Broadband Notes and the New AT&T Notes only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of its date regardless of the time of delivery of this prospectus or of any sale of the new notes.

We refer to AT&T Corp. in this prospectus as "AT&T" or "we," "us," "our" or comparable terms. We refer to Comcast Corporation as "Comcast," Comcast Cable Communications, Inc. as "Comcast Cable," AT&T Comcast Corporation as "AT&T Comcast," AT&T Broadband Corp. as "Broadband," MediaOne Group, Inc. as "MediaOne," AT&T Broadband, LLC (formerly known as Tele-Communications, Inc.) as "TCI," and the AT&T broadband business as "AT&T Broadband Group."

iii

QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFER

The following questions and answers respond to some of the most basic questions that holders of the notes eligible for the exchange offer may have but likely will not contain all of the information that is important to you. To better understand the exchange offer, you should read the summary following the questions and answers, as well as the rest of this prospectus.

WHAT IS THE AT&T COMCAST TRANSACTION?

Comcast and AT&T are planning to combine Comcast with the AT&T broadband business. Comcast and AT&T believe that the combined strengths of Comcast and AT&T's broadband business will enable them to create the world's premier broadband communications company.

The AT&T Comcast transaction will occur in several steps. First, AT&T will transfer the assets and liabilities of its broadband business to Broadband, a company newly formed for the purpose of effectuating the AT&T Comcast transaction. Second, AT&T will spin off Broadband to its shareholders. Third, Comcast and Broadband will each merge with a different, wholly owned subsidiary of AT&T Comcast. The merger agreement entered into in connection with the AT&T Comcast transaction provides for all of the steps described above to occur on the closing date for the mergers. The AT&T Comcast transaction remains subject to regulatory and other approvals and other conditions, including the receipt of specified note consents as described in this prospectus, and is expected to close by the end of 2002.

None of AT&T, Broadband or any other party will receive any proceeds from

Edgar Filing: AT&T CORP - Form PRER14A

the issuance of the new notes in the exchange offer. The amount that Broadband would otherwise be required to pay to AT&T upon completion of the AT&T Comcast transaction to satisfy intercompany indebtedness then outstanding will be reduced based upon the aggregate principal amount of New Broadband Notes issued in the mandatory exchange in an amount to be mutually agreed upon.

For purposes of this prospectus, the AT&T Comcast transaction is defined as the transactions contemplated by the AT&T Comcast merger agreement and the related separation and distribution agreement, in each case as amended, supplemented or otherwise modified from time to time, including after the date of this prospectus.

WHAT IS THE EXCHANGE OFFER?

If you hold Broadband Eligible Notes set forth on the cover of this prospectus, you are being asked to exchange those notes for Broadband Exchange Notes that will initially be obligations of AT&T and Broadband. Upon completion of the AT&T Comcast transaction, the Broadband Exchange Notes will be mandatorily exchanged at the relevant exchange ratio for New Broadband Notes that are primary obligations only of Broadband fully and unconditionally guaranteed by Comcast Cable, AT&T Comcast, MediaOne and TCI, whose guarantees we refer to as the cable guarantees. AT&T will not be an obligor on the New Broadband Notes. If the AT&T Comcast transaction is terminated, Broadband will be released as an obligor on the Broadband Exchange Notes, which will cease to be exchangeable for New Broadband Notes.

If you hold AT&T Eligible Notes set forth on the cover of this prospectus, you are being asked to exchange those notes for New AT&T Notes that will be obligations solely of AT&T.

Holders of Broadband Eligible Notes and AT&T Eligible Notes accepted in exchange must consent to the note amendment described below.

WHEN WILL I RECEIVE ACCRUED INTEREST ON THE BROADBAND ELIGIBLE NOTES, THE BROADBAND EXCHANGE NOTES, THE NEW BROADBAND NOTES, THE AT&T ELIGIBLE NOTES OR THE NEW AT&T NOTES?

You should refer to the specific terms of the notes described in this prospectus to determine who will be eligible to receive accrued and unpaid interest and when accrued and unpaid interest will be paid. Interest on each of the new notes will accrue from the date of original issuance of that series of notes, which will be on the date the exchange offer is completed with respect to the Broadband Exchange Notes and the New AT&T Notes and which will be on the date of mandatory

1

exchange with respect to the New Broadband Notes. However:

- interest accrued and unpaid on any Broadband Eligible Notes accepted in an exchange offer (a) will be paid along with the first payment of interest on the relevant series of Broadband Exchange Notes or (b) if the mandatory exchange of the Broadband Exchange Notes occurs prior to that first payment of interest, will be paid at the time of mandatory exchange;
- interest accrued and unpaid on the Broadband Exchange Notes will be paid at the time of mandatory exchange;
- interest accrued and unpaid on any AT&T Eligible Notes accepted in an exchange offer will be paid along with the first payment of interest on the relevant series of New AT&T Notes; and

Edgar Filing: AT&T CORP - Form PRER14A

- interest accrued and unpaid on any Broadband Eligible Notes or AT&T Eligible Notes not accepted in an exchange offer will be paid on the same interest payment dates as previously scheduled for the respective series.

WILL YOU ACCEPT ALL NOTES TENDERED? WILL THERE BE PRORATION?

We will not accept any eligible notes of a series unless more than 50% of that series of notes has been validly tendered and not withdrawn by the expiration of the exchange offer for that series. For these purposes, all of the Series A Medium-Term Notes outstanding will be treated as part of a single series.

We will not necessarily accept all Broadband Eligible Notes tendered. If more than the relevant proration percentage of the principal amount of a series of Broadband Eligible Notes, as set forth on the cover of this prospectus, is tendered, we will accept Broadband Eligible Notes of that series for exchange on a prorated basis.

The exchange offer for each series of AT&T Eligible Notes is for all notes of that series and is not subject to proration.

WHAT IS THE NOTE AMENDMENT?

Holders of Broadband Eligible Notes and AT&T Eligible Notes must consent to an amendment of the terms of those notes to the extent their notes are accepted for exchange. The note amendment would clarify that in connection with the AT&T Comcast transaction, the successor formed by the consolidation or merger, or to which AT&T shall have transferred its property, need not assume the obligations of AT&T under the notes of that series and that the successor shall not succeed to and be substituted for AT&T under the notes of that series.

WILL I BE PAID FOR CONSENTING TO THE NOTE AMENDMENT?

Holders of Broadband Eligible Notes or AT&T Eligible Notes, to the extent their notes are accepted for exchange, must consent to the note amendment and will not receive any consent payment. Notes of any series not accepted for exchange will not receive any payment but will be bound by the note amendment, provided that more than 50% of the notes of that series have been accepted for exchange. For these purposes, all of the Series A Medium-Term Notes outstanding will be treated as part of a single series.

WHAT IS REQUIRED FOR THE NOTE AMENDMENT TO BE EFFECTIVE? WILL I HAVE ANY DISSENTERS' RIGHTS IN CONNECTION WITH THE NOTE AMENDMENT?

The note amendment will be effective as to each series of notes if more than 50% by principal amount of the notes of that series are accepted for exchange. For these purposes, all of the Series A Medium-Term Notes outstanding will be treated as part of a single series. You will not be entitled to any dissenters' rights if the note amendment becomes effective without your consent.

DO I NEED TO SEPARATELY CONSENT TO THE NOTE AMENDMENT IN ORDER TO BE ELIGIBLE FOR THE EXCHANGE OFFER?

Yes. However, completing the letter of transmittal for the exchange offer will constitute your consent to the note amendment to the extent we accept your Broadband Eligible Notes or AT&T Eligible Notes for exchange. If the requisite consents are received, the note amendment will be binding on the relevant series of Broadband Eligible Notes or AT&T Eligible Notes that remain outstanding.

Edgar Filing: AT&T CORP - Form PRER14A

2

WHAT HAPPENS IF I DO NOT EXCHANGE MY NOTES OR MY NOTES ARE NOT ELIGIBLE FOR OR ACCEPTED IN THE EXCHANGE OFFER?

If you do not exchange your notes, they will remain obligations of AT&T and, in the case of the Broadband Eligible Notes, will not be obligations of Broadband and will not be entitled to the cable guarantees of AT&T Comcast, Comcast Cable, MediaOne and TCI. The terms of your notes will be subject to the note amendment as a result of the exchange offer whether or not you exchange your notes so long as more than 50% of the notes of that series have been accepted for exchange.

WHY ARE YOU MAKING THE EXCHANGE OFFER AND WHAT IS THE PURPOSE OF THE NOTE AMENDMENT?

The note amendment will satisfy the condition to the AT&T Comcast transaction that AT&T obtain the consent of, or defease, purchase, retire or acquire, its debt in respect of series representing at least 90% in aggregate principal amount outstanding on December 19, 2001, which was approximately \$12.7 billion, of debt securities issued under the indenture pursuant to which the Broadband Eligible Notes and the AT&T Eligible Notes were issued. We refer to this indenture, which is dated as of September 7, 1990, between AT&T and The Bank of New York, as trustee, as amended by the First Supplemental Indenture, dated as of October 30, 1992, as amended, between AT&T and the trustee, as the AT&T Indenture. As of the date of this prospectus, approximately \$11.8 billion of these debt securities, including the Broadband Eligible Notes and the AT&T Eligible Notes, remained outstanding. We sometimes refer to the Broadband Eligible Notes and the AT&T Eligible Notes as the AT&T Notes. AT&T and Comcast could mutually agree to waive this condition with respect to all or any portion of the AT&T Notes for which consents are not obtained.

If the AT&T Comcast transaction were to occur and if holders of the AT&T Notes were to assert successfully that completing the AT&T Comcast transaction required Broadband or one of its affiliates to assume AT&T's obligations under the AT&T Notes and that did not occur, then AT&T could be required to refinance the AT&T Notes. Thus, while AT&T and Comcast could jointly waive the consent condition to the AT&T Comcast transaction, AT&T is making the exchange offer primarily to facilitate the AT&T Comcast transaction and to optimize the respective capital structures of AT&T and AT&T Comcast in an economic and tax efficient manner.

WHAT HAPPENS IF THE AT&T COMCAST TRANSACTION IS TERMINATED?

If the AT&T Comcast transaction is terminated:

- the Broadband Exchange Notes will not be exchanged for New Broadband Notes, will become obligations only of AT&T with Broadband released as an obligor and will not be entitled to the benefits of the cable guarantees; and
- the maturity date and/or interest rate on the New AT&T Notes will not change.

ARE THERE ANY RISKS THAT I SHOULD CONSIDER IN CONNECTION WITH THE EXCHANGE OFFER AND CONSENT SOLICITATION?

Yes. You should carefully consider the risk factors starting on page 45, as well as the risk factors discussed in AT&T's and Comcast Cable's filings with the Securities and Exchange Commission incorporated by reference in this prospectus.

Edgar Filing: AT&T CORP - Form PRER14A

WHEN DOES THE EXCHANGE OFFER EXPIRE?

THE EXCHANGE OFFER WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON
, 2002 UNLESS EXTENDED AS TO ANY ONE OR MORE SERIES OF NOTES IN OUR
DISCRETION.

WE WILL ANNOUNCE ANY EXTENSIONS BY PRESS RELEASE OR OTHER PERMITTED MEANS
NO LATER THAN 9:00 A.M., NEW YORK CITY TIME, THE DAY AFTER EXPIRATION OF THE
EXCHANGE OFFER FOR THAT SERIES OF NOTES.

IF I HOLD BROADBAND ELIGIBLE NOTES OR AT&T ELIGIBLE NOTES, HOW DO I TENDER OR
WITHDRAW THOSE NOTES IN THE EXCHANGE OFFER?

In order to tender eligible notes in the exchange offer, you must properly
submit your notes and a completed letter of transmittal and the other agreements
and documents described in this prospectus. If you own notes held through a
broker or other third party, or in "street name,"

3

you will need to follow the instructions in the letter of transmittal on how to
instruct them to tender the notes on your behalf, as well as submit a completed
letter of transmittal and the other agreements and documents described in this
prospectus. Completing the letter of transmittal will constitute your consent to
the note amendment to the extent we accept your Broadband Eligible Notes or AT&T
Eligible Notes for exchange, unless you subsequently withdraw those notes prior
to the expiration of the exchange offer for the notes of that series. If the
requisite consents are received, the note amendment will be binding on the
relevant series of Broadband Eligible Notes or AT&T Eligible Notes that remain
outstanding.

You may withdraw tendered notes at any time prior to the expiration of the
exchange offer for the notes of that series. Validly withdrawing your notes will
revoke the associated consent to the note amendment.

HOW DO I TENDER BROADBAND ELIGIBLE NOTES OR AT&T ELIGIBLE NOTES THROUGH THE
LUXEMBOURG EXCHANGE AGENT?

For any 5.625% AT&T Eligible Notes Due 2004 (ISIN No. US 001957AU39), 6.00%
Broadband Eligible Notes Due 2009 (ISIN No. US 00195AV12) or 6.50% AT&T Eligible
Notes Due 2029 (ISIN No. US 001957AW94), referred to collectively as the
Luxembourg Notes, letters of transmittal may be submitted in accordance with
procedures that may be obtained by contacting the Luxembourg exchange agent at
the telephone number listed on the back cover page of this prospectus.

INSTRUCTIONS ON HOW TO TENDER OR WITHDRAW BROADBAND ELIGIBLE NOTES OR AT&T
ELIGIBLE NOTES FOR EXCHANGE ARE SET FORTH ON PAGE 75 AND IN THE LETTER OF
TRANSMITTAL.

4

SUMMARY

Edgar Filing: AT&T CORP - Form PRER14A

This summary highlights selected information from this prospectus and may not contain all of the information that is important to you. To better understand the exchange offer, you should read this entire document carefully, as well as those additional documents to which we refer you. See "Where You Can Find More Information."

THE AT&T COMCAST TRANSACTION

Comcast and AT&T are planning to combine Comcast with the AT&T broadband business. Comcast and AT&T believe that the combined strengths of Comcast and AT&T's broadband business will enable them to create the world's premier broadband communications company.

The AT&T Comcast transaction will occur in several steps. First, AT&T will transfer the assets and liabilities of AT&T's broadband business to Broadband, a company newly formed for the purpose of effectuating the AT&T Comcast transaction. Second, AT&T will spin off Broadband to its shareholders. Third, Comcast and Broadband will each merge with a different, wholly owned subsidiary of AT&T Comcast. Comcast and AT&T shareholders will receive the shares of AT&T Comcast. The merger agreement entered into in connection with the AT&T Comcast transaction provides for all of the steps described above to occur on the closing date for the AT&T Comcast transaction. The AT&T Comcast transaction remains subject to regulatory and other approvals and other conditions, including the receipt of specified note consents as described in this prospectus, and is expected to close by the end of 2002.

See "Description of AT&T Comcast Transaction" for a description of the principal agreements governing the AT&T Comcast transaction, the conditions to completion of the AT&T Comcast transaction and more information.

THE EXCHANGE OFFER

THE EXCHANGE OFFER

AT&T is offering to exchange its Broadband Eligible Notes for a like principal amount of Broadband Exchange Notes. The Broadband Exchange Notes will be obligations of both AT&T and Broadband. Except as described in this prospectus, the Broadband Exchange Notes will have terms substantially identical to the Broadband Eligible Notes as amended by the note amendment. The Broadband Exchange Notes are summarized under "Description of the Broadband Exchange Notes" below. Upon consummation of the AT&T Comcast transaction, however, the Broadband Exchange Notes will be mandatorily exchanged for New Broadband Notes at the relevant exchange ratio. The exchange ratio will be announced by press release two business days prior to the expiration of the exchange offer and will be based on the relevant exchange spreads set forth on the cover of this prospectus over the relevant reference U.S. Treasury rates. The exchange ratio will be calculated as the exchange price per \$1,000 principal amount of the Broadband Eligible Notes divided by \$1,000, and the exchange price is equal to the present value of the Broadband Eligible Notes on the exchange settlement date in accordance with standard market practice assuming the Broadband Eligible Notes would be repaid at \$1,000 at maturity, determined on the basis of a yield to maturity equal to the sum of the relevant exchange spread set forth on the cover of this prospectus and the related reference U.S. Treasury yield. The related reference U.S. Treasury yield will be calculated by the dealer managers in accordance with standard market practice based on the bid side price for such reference security, as of 2:00 p.m., New York City time, two business days prior to the expiration date of the exchange offer, as displayed in Bloomberg Government Pricing Monitor, or any other recognized quotation source selected by the dealer managers. The method for determining the exchange ratio is described

Edgar Filing: AT&T CORP - Form PRER14A

in detail under "Description of the Exchange Offer -- Exchange Ratio for the New Broadband Notes."

The New Broadband Notes will be primary obligations only of Broadband, fully and unconditionally guaranteed by Comcast Cable, AT&T Comcast, MediaOne and TCI. The interest rates for each series of New Broadband Notes will be announced by press release two business days prior to the expiration of the exchange offer for that series and will be based on a credit spread over the relevant reference U.S.

5

Treasury rates. The reference U.S. Treasury rate with respect to each series of New Broadband Notes will be calculated, by the dealers managers, in accordance with standard market practice, based on the bid side price of the relevant reference U.S. Treasury as listed on the relevant Bloomberg Government Pricing Monitor or any other recognized quotation source selected by the dealer managers at 2:00 p.m., New York City time, two business days prior to the expiration of the exchange offer. The relevant reference U.S. Treasury has been selected to approximate the maturity characteristics of the applicable series of New Broadband Notes. The method for determining the interest rate is described in detail under "Description of the Exchange Offer -- Interest Rate for the New Broadband Notes" and the other terms of the New Broadband Notes are summarized under "Description of the New Broadband Notes and the Cable Guarantees."

AT&T is also offering to exchange its AT&T Eligible Notes for a like principal amount of New AT&T Notes. The New AT&T Notes will be obligations only of AT&T. Except as described in this prospectus, the New AT&T Notes will have terms substantially identical to the AT&T Eligible Notes as amended by the note amendment. Upon completion of the AT&T Comcast transaction, however, the interest rates for each applicable series of New AT&T Notes will be adjusted automatically as set forth on the cover of this prospectus and the maturity date of the New AT&T Notes issued in exchange for the 6.50% AT&T Eligible Notes due March 15, 2029 will be changed to March 15, 20 . The material terms of the New AT&T Notes are summarized under "Description of the New AT&T Notes" below.

Holders of Broadband Eligible Notes and AT&T Eligible Notes must consent to the note amendment described below to the extent their notes are accepted for exchange. Notes of any series not tendered for exchange and notes of any series of Broadband Eligible Notes not accepted for exchange due to proration will remain obligations only of AT&T, will not become obligations of Broadband, and will not be subject to the cable guarantees but will be bound by the note amendment if more than 50% by principal amount of that series consents to the note amendment by participating in the exchange. For these purposes, all of the Series A Medium Term Notes outstanding will be treated as part of a single series. THE TERMS OF YOUR NOTES MAY BE AMENDED AS A RESULT OF THE EXCHANGE OFFER WHETHER OR NOT YOU PARTICIPATE IN THE EXCHANGE.

The exchange offer is subject to a number of conditions summarized below under "-- Conditions to the Exchange Offer" and in detail under "Description of the Exchange Offer -- Conditions to the Exchange Offer."

Even if the exchange offer is completed, if the AT&T Comcast transaction is terminated:

- the Broadband Exchange Notes will not be exchanged for New Broadband Notes, will become obligations only of AT&T with Broadband released as an obligor and will not be entitled to the benefits of the cable guarantees;

Edgar Filing: AT&T CORP - Form PRER14A

and

- the maturity date and interest rate on the New AT&T Notes will not change.

PAYMENT OF INTEREST ACCRUED ON THE BROADBAND ELIGIBLE NOTES, THE BROADBAND EXCHANGE NOTES, THE NEW BROADBAND NOTES, THE AT&T ELIGIBLE NOTES AND THE NEW AT&T NOTES

You should refer to the specific terms of the notes described in this prospectus to determine who will be eligible to receive accrued and unpaid interest and when accrued and unpaid interest will be paid. Interest on each of the notes will accrue from the date of original issuance of that series of new notes, which will be on the date the exchange offer is completed with respect to the Broadband Exchange Notes and the New AT&T Notes and which will be on the date of mandatory exchange with respect to the New Broadband Notes. However:

- interest accrued and unpaid on any Broadband Eligible Notes accepted in the exchange offer (a) will be paid along with the first payment of interest on the relevant series of Broadband Exchange Notes or (b) if the mandatory exchange of the Broadband Exchange Notes occurs prior to that first payment of interest, will be paid at the time of mandatory exchange;
- interest accrued and unpaid on any series of Broadband Exchange Notes will be paid at the time of mandatory exchange;

6

- interest accrued and unpaid on any AT&T Eligible Notes accepted in the exchange offer will be paid along with the first payment of interest on the relevant series of New AT&T Notes; and
- interest accrued and unpaid on any Broadband Eligible Notes or AT&T Eligible Notes not accepted in the exchange offer will be paid on the same interest payment dates as previously scheduled for the respective series.

FRACTIONAL NOTES

Notes will be issued only in denominations of \$1,000 and multiples of \$1,000. If the exchange of a series of Broadband Eligible Notes is subject to proration and proration would result in your being entitled to receive a fractional interest in the relevant series of Broadband Exchange Notes, the principal amount of Broadband Eligible Notes accepted in the exchange will be rounded to the nearest \$1,000. This rounding will result in your receiving only whole Broadband Exchange Notes in exchange for your Broadband Eligible Notes.

If the mandatory exchange of a series of Broadband Exchange Notes into New Broadband Notes would result in your being entitled to receive a fractional interest in the relevant series of New Broadband Notes, the principal amount you receive will be rounded down to the nearest \$1,000 multiple and you will receive cash in lieu of a fractional New Broadband Note for the balance.

Because the exchange offer of New AT&T Notes for AT&T Eligible Notes is not subject to proration and New AT&T Notes will be issued in a like principal amount as the AT&T Eligible Notes accepted in exchange, there will not be any need to pay cash in lieu of fractional New AT&T Notes.

Edgar Filing: AT&T CORP - Form PRER14A

MINIMUM AMOUNT OF NOTES TENDERED; PRORATION OF BROADBAND ELIGIBLE NOTES

No Broadband Eligible Notes or AT&T Eligible Notes of a series will be accepted for exchange unless more than 50% of the principal amount of that series of eligible notes has been validly tendered and not withdrawn by the expiration of the exchange offer for that series. For these purposes, all of the Series A Medium-Term Notes outstanding will be treated as part of a single series. If more than the relevant proration percentage of the principal amount of any series of Broadband Eligible Notes, as set forth on the cover of this prospectus, is tendered and not withdrawn, notes of that series will be accepted for exchange on a prorated basis. The exchange offer for each series of AT&T Eligible Notes is for all notes of that series and is not subject to proration.

PURPOSE OF THE EXCHANGE OFFER AND NOTE AMENDMENT

The AT&T Comcast transaction is conditioned on AT&T's obtaining the consent of, or having defeased, purchased, retired or acquired its debt in respect of series representing at least 90% in aggregate principal amount outstanding on December 19, 2001, which was approximately \$12.7 billion, of debt securities issued under the AT&T Indenture. As of the date of this prospectus, approximately \$11.8 billion of these debt securities, including the Broadband Eligible Notes and the AT&T Eligible Notes, remained outstanding. AT&T and Comcast could mutually agree to waive this condition with respect to all or any portion of the AT&T Notes for which consents are not obtained.

If the AT&T Comcast transaction were to occur and if holders of the AT&T Notes were to assert successfully that completing the AT&T Comcast transaction required Broadband or one of its affiliates to assume AT&T's obligations under the AT&T Notes and that did not occur, then AT&T could be required to refinance the AT&T Notes. Thus, while AT&T and Comcast could jointly waive the consent condition to the AT&T Comcast transaction, AT&T is making the exchange offer primarily to facilitate the AT&T Comcast transaction and to optimize the respective capital structures of AT&T and AT&T Comcast in an economic and tax efficient manner.

THE CABLE GUARANTEES

The New Broadband Notes issued in exchange for Broadband Exchange Notes upon completion of the AT&T Comcast transaction will be fully and unconditionally guaranteed by Comcast Cable, AT&T Comcast, MediaOne and TCI, which we collectively refer to as the cable guarantors. The cable guarantees will rank equally with all other general unsecured and unsubordinated obligations of the cable guarantors,

7

including approximately 14.9 billion of outstanding indebtedness as of June 30, 2002 and up to \$12.8 billion of new indebtedness which will be guaranteed by the cable guarantors in connection with the closing of the AT&T Comcast transaction. For more information regarding the cable guarantees, see "Description of the New Broadband Notes and the Cable Guarantees" and "Other Indebtedness and the Cross-Guarantees."

The New AT&T Notes will be obligations only of AT&T and will not be subject to the cable guarantees.

THE NOTE AMENDMENT

Edgar Filing: AT&T CORP - Form PRER14A

If the requisite consents are received, the note amendment will clarify that in connection with the AT&T Comcast transaction, the successor formed by the consolidation or merger, or to which AT&T shall have transferred its property, need not assume the obligations of AT&T under the notes of that series and that the successor shall not succeed to and be substituted for AT&T under the notes of that series.

Holders of the Broadband Eligible Notes and the AT&T Eligible Notes, to the extent their notes are accepted for exchange, must consent to the note amendment. The note amendment is designed to satisfy a condition to the AT&T Comcast transaction.

Effectiveness of Note Amendment; Dissenters' Rights

The note amendment will be effective as to a series of notes if more than 50% by principal amount of the notes of that series consent. For these purposes, all of the Series A Medium Term Notes outstanding will be treated as part of a single series. You will not be entitled to any dissenters' rights if the note amendment becomes effective without your consent.

Description of the Note Amendment

The note amendment clarifies the covenant in the AT&T Indenture regarding the consolidation, merger with, or sale or conveyance of all or substantially all of the property of AT&T. The note amendment will be effective with respect to each series of notes that consents to the amendment and will provide that the AT&T Comcast transaction, including all transactions completed as steps in the AT&T Comcast transaction, (1) will not result in a consolidation, merger, sale, conveyance or other transfer of property of AT&T (including stock of subsidiaries) as an entirety or substantially as an entirety for purposes of the AT&T Indenture, and (2) will not violate the successor clause of the AT&T Indenture or any other provision of the AT&T Indenture or any security issued under the AT&T Indenture, regardless of whether any person assumes any of the indebtedness outstanding under the AT&T Indenture or any other obligation under the AT&T Indenture or any security issued under the AT&T Indenture.

The merger covenant applicable to the Broadband Exchange Notes and the New AT&T Notes will be the AT&T Indenture merger covenant as so amended.

EXPIRATION OF THE EXCHANGE OFFER

THE EXCHANGE OFFER WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON _____, 2002 UNLESS IT IS EXTENDED AS TO ONE OR MORE SERIES OF NOTES IN OUR DISCRETION.

WE WILL ANNOUNCE ANY EXTENSIONS BY PRESS RELEASE OR OTHER PERMITTED MEANS NO LATER THAN 9:00 A.M., NEW YORK CITY TIME, THE DAY AFTER EXPIRATION OF THE EXCHANGE OFFER FOR THAT SERIES OF NOTES.

AMENDMENT OF THE EXCHANGE OFFER

We reserve the right to determine whether the conditions of the exchange offer have been satisfied and not to accept any of the notes of one or more series we determine have not been validly tendered, and to otherwise interpret or modify the terms of this exchange offer. We will comply with applicable laws that require us to extend the period during which notes may be tendered or withdrawn as a result of changes in the terms of or information relating to the exchange offer.

Edgar Filing: AT&T CORP - Form PRER14A

TENDERS AND WITHDRAWALS OF NOTES

In order to tender eligible notes in the exchange offer, you must properly submit the notes and a completed letter of transmittal and the other agreements and documents described in this prospectus and the letter of transmittal. Completing the letter of transmittal will evidence your consent to the note amendment to the extent your notes are accepted for exchange. If you own notes held through a broker or other third party, or in "street name," you will need to follow the instructions in the letter of transmittal on how to instruct them to tender the notes on your behalf, as well as submit a completed letter of transmittal and the other documents described in this prospectus and the letter of transmittal. In addition, letters of transmittal may be submitted for any Luxembourg Notes in accordance with the procedures that may be obtained by contacting the Luxembourg exchange agent at the telephone number listed under "-- Luxembourg Exchange Agent." We will determine in our sole discretion whether any notes have been validly tendered. Please carefully follow the instructions on how to tender your notes contained in this prospectus and the letter of transmittal.

If you decide to tender eligible notes in the exchange offer, you may withdraw them at any time prior to the expiration of the exchange offer for the notes of that series. Validly withdrawing your notes will revoke your consent to the note amendment with respect to those notes withdrawn.

If we decide for any reason not to accept any eligible notes for exchange, those eligible notes will be returned without expense promptly after the exchange offer expires.

PLEASE SEE PAGE 75 AND THE LETTER OF TRANSMITTAL FOR PROCEDURES ON HOW TO TENDER OR WITHDRAW YOUR NOTES.

CONDITIONS TO THE EXCHANGE OFFER

The exchange offer is subject to various conditions, including that AT&T will not accept any eligible notes of a series unless more than 50% of the aggregate principal amount of that series of notes has been validly tendered and not withdrawn by the expiration of the exchange offer for that series. In addition, AT&T is not required to complete the exchange offer, if on or before the expiration date, among other things:

- we have not received, as of the expiration of the exchange offer, the valid and unrevoked consents to the note amendment of the holders of more than 50% in aggregate principal amount of those series of AT&T Notes which will result in AT&T's obtaining the consent of, or having defeased, purchased, retired or acquired debt in respect of series representing at least 90% in aggregate principal amount outstanding on December 19, 2001, which was approximately \$12.7 billion, of debt securities issued under the AT&T Indenture. As of the date of this prospectus, approximately \$11.8 billion of these debt securities, including the AT&T Notes, remained outstanding;
- there has occurred any specified adverse change with respect to AT&T, Comcast or Broadband -- or with respect to the expected benefits of the exchange offer;
- there has occurred any specified adverse changes in the financial or

Edgar Filing: AT&T CORP - Form PRER14A

capital markets or in political, market, economic or financial conditions in the United States or abroad; or

- the AT&T Comcast transaction has been terminated.

USE OF PROCEEDS

None of AT&T, Broadband or any other party will receive any proceeds from the issuance of the new notes in the exchange offer. The amount that Broadband would otherwise be required to pay to AT&T upon completion of the AT&T Comcast transaction to satisfy intercompany indebtedness then outstanding will be reduced based upon the aggregate principal amount of New Broadband Notes issued in the exchange in an amount to be mutually agreed.

9

THE COMPANIES

AT&T CORP.

900 Routes 202/206 North

Bedminster, NJ 07921-0752

(908) 221-2000
<http://www.att.com>

AT&T is a New York corporation incorporated in 1885. AT&T currently consists primarily of AT&T Broadband Group, AT&T Consumer Services Group and AT&T Business Services Group. These AT&T groups are not separate companies, but, rather, are parts of AT&T. The AT&T Comcast transaction would separate and spin off the AT&T Broadband Group into a separate company, Broadband, that immediately would be combined with and become a subsidiary of AT&T Comcast.

Upon completion of the AT&T Comcast transaction, AT&T will consist of AT&T Consumer Services Group, the leading provider of domestic and international long distance service to residential customers in the United States, and AT&T Business Services Group, one of the nation's largest business services communications providers, providing a variety of global communications services to over 4 million customers and operating one of the largest telecommunications networks in the United States.

The table below sets forth the approximate percentages of consolidated revenue, operating income, net loss, assets and indebtedness of AT&T, giving prior effect to the split-off of the AT&T Wireless Services Group, that were attributable to each of AT&T Broadband Group and AT&T excluding the AT&T Broadband Group at or for the six month period ended June 30, 2002 and the year ended December 31, 2001. These percentages will vary in the future with the relative performance of the different AT&T groups. In addition, the actual debt levels of each of the AT&T groups in the future will depend on a variety of other factors, including the progress AT&T makes on its various debt reduction activities. The table also should be read in the context of the financial and other information set forth in this prospectus.

	% OF	% OF AT&T	% OF AT&T	% OF
--	------	-----------	-----------	------

Edgar Filing: AT&T CORP - Form PRER14A

	AT&T REVENUE	OPERATING INCOME/LOSS	NET LOSS*	AT&T ASSETS	% OF AT& DEBT
	-----	-----	-----	-----	-----
AT&T Broadband Group					
At or for the year ended December 31, 2001.....	19.3%	(111.4)%	61.0%	62.4%	43.5%
At or for the six month period ended June 30, 2002.....	20.6%	124.3%	107.6%	59.3%	50.8%
AT&T Corp. (excluding AT&T Broadband Group)**					
At or for the year ended December 31, 2001.....	81.2%	211.4%	(1.9)%	37.7%	56.5%
At or for the six month period ended June 30, 2002.....	80.1%	(23.9)%	(7.6)%	41.1%	49.2%

* Based on net loss from continuing operations before extraordinary gain and cumulative effect of accounting change.

** Includes AT&T Business Services Group and AT&T Consumer Services Group and excludes Liberty Media Group and AT&T Wireless Services Group.

AT&T BROADBAND CORP.
188 Inverness Drive West
Englewood, Colorado 80112
(303) 858-3000

AT&T Broadband Corp. is a Delaware corporation newly formed for purposes of effectuating the AT&T Comcast transaction. Throughout this prospectus, we refer to AT&T Broadband Corp. as Broadband. As part of the AT&T Comcast transaction, AT&T will transfer to Broadband substantially all

10

the assets, liabilities and businesses represented by AT&T Broadband Group, an integrated business of AT&T Corp.

AT&T Broadband Group is one of the nation's largest broadband communications businesses, providing cable television, high-speed cable Internet services and communications services over one of the most extensive broadband networks in the country. At or for the six month period ended June 30, 2002, AT&T Broadband Group:

- owned and operated cable systems aggregating approximately 13.26 million analog video subscribers;
- had approximately \$5.0 billion in combined revenue;
- had approximately \$14.7 billion in net loss;

Edgar Filing: AT&T CORP - Form PRER14A

- had debt of approximately \$21.9 billion; and
- had investments in companies, joint ventures and partnerships, including Time Warner Entertainment Company, L.P., Insight Midwest, L.P. and Texas Cable Partners, L.P.

AT&T COMCAST CORPORATION
1500 Market Street
Philadelphia, Pennsylvania 19102-2148
(215) 665-1700

AT&T Comcast is a newly formed Pennsylvania corporation that has not, to date, conducted any activities other than those incident to its formation, the financing and other matters contemplated by or incident to the merger agreement entered into in connection with the AT&T Comcast transaction, and the preparation of this prospectus. Upon completion of the AT&T Comcast transaction, Comcast and Broadband will each become a wholly owned subsidiary of AT&T Comcast. The business of AT&T Comcast will be the combined businesses currently conducted by Comcast and the AT&T Broadband Group.

COMCAST CORPORATION
1500 Market Street
Philadelphia, Pennsylvania 19102-2148
(215) 665-1700

Comcast is a Pennsylvania corporation incorporated in 1969. Comcast is involved principally in three lines of business:

- cable -- through the development, management and operation of broadband communications networks and regional sports programming networks;
- commerce -- through QVC, its electronic retailing subsidiary; and
- content -- through its consolidated subsidiaries, Comcast-Spectacor, E! Entertainment Television, The Golf Channel and Outdoor Life Network, and through its other programming investments.

Upon completion of the AT&T Comcast transaction, Comcast will become a wholly owned subsidiary of AT&T Comcast.

COMCAST CABLE COMMUNICATIONS, INC.
1500 Market Street
Philadelphia, Pennsylvania 19102-2148
(215) 665-1700

Comcast Cable is a Delaware corporation incorporated in 1981 and a wholly owned subsidiary of Comcast. Comcast Cable is currently the third largest cable operator in the United States and has deployed digital cable applications and high-speed Internet access service to the vast majority of its cable communications systems to expand the products available on its broadband communications networks.

11

Comcast's consolidated cable operations served approximately 8.5 million subscribers and passed approximately 14.0 million homes as of June 30, 2002.

Comcast Cable will remain a wholly owned subsidiary of Comcast, and will

Edgar Filing: AT&T CORP - Form PRER14A

become an indirect wholly owned subsidiary of AT&T Comcast after completion of the AT&T Comcast transaction.

MEDIAONE GROUP, INC.
188 Inverness Drive West
Englewood, Colorado 80112
(303) 858-3000

MediaOne is a Delaware corporation incorporated in 1999. MediaOne is a subsidiary of AT&T and, upon completion of the AT&T Comcast transaction, will become a wholly owned subsidiary of Broadband.

AT&T BROADBAND, LLC
188 Inverness Drive West
Englewood, Colorado 80112
(303) 858-3000

AT&T Broadband, LLC, referred to in this prospectus as TCI, is a Delaware limited liability company formerly known as Tele-Communications, Inc., a Delaware corporation that was formed in 1994. TCI is a subsidiary of AT&T that holds the former Tele-Communications, Inc. business, and upon completion of the AT&T Comcast transaction, will become a wholly owned subsidiary of Broadband.

DESCRIPTION OF THE BROADBAND EXCHANGE NOTES

The Broadband Exchange Notes will be entitled to the benefits and subject to the terms and conditions of the AT&T Indenture as amended by the note amendment and a supplemental indenture that will have the purpose of, among other things, making Broadband a co-obligor on the Broadband Exchange Notes. Except as described in this prospectus, the Broadband Exchange Notes will have terms substantially identical to the Broadband Eligible Notes as amended by the note amendment. Upon completion of the AT&T Comcast transaction, however, each series of Broadband Exchange Notes will be mandatorily exchanged at the relevant exchange ratio for New Broadband Notes, which will be primary obligations only of Broadband, fully and unconditionally guaranteed by the cable guarantors, and will not be obligations of AT&T.

AT&T intends to apply for listing of the Broadband Exchange Notes on the New York Stock Exchange. If the AT&T Comcast transaction is terminated, AT&T will use commercially reasonable efforts to list the 6.00% Broadband Exchange Notes Due March 15, 2009 additionally on the Luxembourg Stock Exchange.

If the AT&T Comcast transaction is terminated, Broadband's obligations under the Broadband Exchange Notes will be released and discharged and the Broadband Exchange Notes will become solely obligations of AT&T and cease to be exchangeable for New Broadband Notes.

DESCRIPTION OF THE NEW BROADBAND NOTES AND THE CABLE GUARANTEES

The New Broadband Notes will be entitled to the benefits and subject to the terms and conditions of an indenture among Broadband, the cable guarantors and The Bank of New York, as trustee. We refer to this indenture as the New Broadband Indenture.

Edgar Filing: AT&T CORP - Form PRER14A

BASIC TERMS

The New Broadband Notes:

- will rank equally with all of Broadband's other unsecured and unsubordinated debt and will be entitled to the benefits of the cable guarantees described below; and

12

- will be issued in an aggregate principal amount not exceeding \$
comprised as follows:

- o up to \$ in principal amount of New Broadband Notes Due 2013, maturing on , 2013, with interest payable semiannually on each and beginning on the first or occurring after the initial issuance of the New Broadband Notes Due 2013, to holders of record on the preceding and ; and

- o up to \$ in principal amount of New Broadband Notes Due 2022, maturing on , 2022, with interest payable semiannually on each and , beginning on the first or occurring after the initial issuance of the New Broadband Notes Due 2022, to holders of record on the preceding and .

The interest rate on each series of New Broadband Notes will be announced by press release two business days prior to the expiration of the exchange offer and will be based on spreads over the relevant reference U.S. Treasury rates as described in "Description of the Exchange Offer -- Interest Rate for the New Broadband Notes."

CABLE GUARANTEES

Broadband's obligations under the New Broadband Notes will be fully and unconditionally guaranteed, on an unsecured and unsubordinated basis, by each of Comcast Cable, AT&T Comcast, MediaOne and TCI. See "Description of the New Broadband Notes and the Cable Guarantees -- Cable Guarantees."

MARKET FOR THE NEW BROADBAND NOTES; LISTING

Although Broadband intends to list the New Broadband Notes on the New York Stock Exchange, and expects that they will be eligible for trading in the PORTAL market, there is currently no public market for the New Broadband Notes. In addition, Broadband does not intend to apply for listing of the New Broadband Notes on the Luxembourg Stock Exchange. There can be no assurance as to the development of any market for the New Broadband Notes.

OPTIONAL REDEMPTION

Broadband will have the right at its option to redeem the New Broadband Notes Due 2022, at any time or from time to time on or after , 20 ,

Edgar Filing: AT&T CORP - Form PRER14A

on at least 30 days, but not more than 60 days, prior notice mailed to the registered address of each holder of New Broadband Notes Due 2022. The optional redemption terms for the New Broadband Notes Due 2022 are described under "Description of the New Broadband Notes and the Cable Guarantees -- Optional Redemption." The New Broadband Notes Due 2013 will not be subject to optional redemption by Broadband.

COVENANTS

The New Broadband Indenture under which Broadband will issue the New Broadband Notes will contain covenants that, among other things, limit Broadband's ability and the cable guarantors' ability to create secured indebtedness and engage in sale and leaseback transactions and Broadband's ability to enter into some types of mergers and consolidations. See "Description of the New Broadband Notes and the Cable Guarantees -- Certain Covenants." Neither the New Broadband Notes nor the cable guarantees will contain financial covenants.

13

DESCRIPTION OF THE NEW AT&T NOTES

The New AT&T Notes will be entitled to the benefits and subject to the terms and conditions of the AT&T Indenture, as amended by a supplemental indenture that will have the purpose of, among other things, effecting the note amendment with respect to each series of New AT&T Notes.

The terms of the New AT&T Notes and the AT&T Eligible Notes are substantially identical, except that:

- the interest rate on the applicable New AT&T Notes will be adjusted automatically upon completion of the AT&T Comcast transaction, as described in further detail under "Description of the New AT&T Notes -- Interest Payments;"
- the maturity date of the New AT&T Notes issued in exchange for the 6.50% AT&T Eligible Notes Due March 15, 2029 will be changed automatically to March 15, 20 upon completion of the AT&T Comcast transaction; and
- the merger covenant applicable to the New AT&T Notes will be the AT&T Indenture merger covenant as amended by the note amendment, which is described in greater detail under "Description of the Broadband Exchange Notes -- Certain Covenants -- Consolidation, Merger or Sale."

BASIC TERMS

The New AT&T Notes:

- will rank equally with all of AT&T's other unsecured and unsubordinated debt;
- will be obligations only of ATT
- will be issued in an aggregate principal amount not exceeding \$5,485,563,000 comprised as follows:

Edgar Filing: AT&T CORP - Form PRER14A

- up to \$2,000,000,000 in principal amount of New AT&T Notes Due 2004 (Series 1), maturing on March 15, 2004, with interest payable semiannually on each March 15 and September 15, beginning the first March 15 or September 15 occurring after the initial issuance of the New AT&T Notes Due 2004 (Series 1), to holders of record on the preceding March 1 and September 1;
- up to \$400,000,000 in principal amount of New AT&T Notes Due 2004 (Series 2), maturing on April 1, 2004, with interest payable semiannually on each April 1 and October 1, beginning the first April 1 or October 1 occurring after the initial issuance of the New AT&T Notes Due 2004 (Series 2), to holders of record on the preceding March 15 and September 15;
- up to \$25,000,000 in principal amount of New Medium-Term Notes, Series A (subseries 1) Due May 15, 2025, maturing on May 15, 2025, with interest payable semiannually on each May 15 and November 15, beginning the first May 15 or November 15 occurring after the initial issuance of the New Medium-Term Notes, Series A (subseries 1) Due May 15, 2025, to holders of record on the preceding May 1 and November 1;
- up to \$50,000,000 in principal amount of New Medium-Term Notes, Series A (subseries 2) Due May 15, 2025, maturing on May 15, 2025, with interest payable semiannually on each May 15 and November 15, beginning the first May 15 or November 15 occurring after the initial issuance of the New Medium-Term Notes, Series A (subseries 2) Due May 15, 2025, to holders of record on the preceding May 1 and November 1;
- up to \$3,000,000,000 in principal amount of New AT&T Notes Due 20 , maturing on March 15, 2029, however, upon completion of the AT&T Comcast transaction, the maturity will be changed automatically to March 15, 20 , with interest payable semiannually on each March 15 and September 15, beginning the first March 15 or September 15 occurring after the

14

initial issuance of the New AT&T Notes Due 20 , to holders of record on the preceding March 1 and September 1;

- up to \$10,563,000 in principal amount of New FRN Medium-Term Notes, Series A Due 2054, maturing on December 28, 2054, with interest payable semiannually on each June 28 and December 28, beginning the first June 28 or December 28 occurring after the initial issuance of the New FRN Medium-Term Notes, Series A Due 2054, to holders of record on the preceding June 13 and December 13.

MARKET FOR THE NEW AT&T NOTES; LISTING

Although AT&T intends to list each series of the New AT&T Notes, other than the Series A Medium-Term Notes, on the New York Stock Exchange, there is currently no public market for the New AT&T Notes. AT&T also intends to list the New AT&T Notes Due 2004 (Series 1) and the New AT&T Notes Due 20 additionally on the Luxembourg Stock Exchange. AT&T does not intend to apply for listing of the Series A Medium-Term Notes on any national exchange. There can be no assurance as to the development of any market for the New AT&T Notes.

OPTIONAL REDEMPTION

Edgar Filing: AT&T CORP - Form PRER14A

AT&T will have the right at its option to redeem certain of the New AT&T Notes, other than the New AT&T Notes Due 2004 (Series 2), at any time or from time to time, on at least 30 days, but not more than 60 days, prior notice mailed to the registered address of each holder of the applicable series of New AT&T Notes. The optional redemption terms for each series of New AT&T Notes is described under "Description of the New AT&T Notes -- Optional Redemption."

COVENANTS

The AT&T Indenture under which AT&T will issue the New AT&T Notes contains covenants that, among other things, limit AT&T's ability and its subsidiaries' ability to create secured indebtedness and engage in sale and leaseback transactions. See "Description of the New AT&T Notes."

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The U.S. federal income tax consequences to a holder of Broadband Eligible Notes or AT&T Eligible Notes vary depending on which type of notes are held, whether or not the holder participates in the exchange offer and whether or not the AT&T Comcast transaction is completed. Depending on those facts, a holder of eligible notes may recognize gain or loss for U.S. federal income tax purposes in connection with the exchange and the modification of certain terms of such notes upon consummation of the AT&T Comcast transaction. Please see "Description of the Exchange Offer -- Material United States Federal Income Tax Consequences of the Exchange Offer" beginning on page 82 of this prospectus.

15

THE DEALER MANAGERS

The following firms, listed in alphabetical order, will act as dealer managers for the exchange offer, and can be reached at the addresses and telephone numbers set forth on the back cover of this prospectus:

Credit Suisse First Boston Corporation

Deutsche Bank Securities Inc.

Goldman, Sachs & Co.

J.P. Morgan Securities Inc.

Merrill Lynch, Pierce, Fenner & Smith

Incorporated

Morgan Stanley & Co. Incorporated

THE INFORMATION AGENT

We have engaged D.F. King & Co., Inc. as the information agent for the exchange offer. Requests for additional copies of this prospectus or the letter of transmittal and for assistance in tendering eligible notes should be directed to the information agent below.

D.F. King & Co., Inc.

77 Water Street, 20th Floor

Edgar Filing: AT&T CORP - Form PRER14A

New York, New York 10005

Banks and Brokers Call Collect:

(212) 269-5550

All Others Call Toll Free:

(866) 868-2409

D.F. King (Europe) Limited

2 London Wall Building -- 2nd Floor

London EC2 M5PP

Telephone: 44 207 920 9700

THE EXCHANGE AGENT

We have engaged The Bank of New York as the exchange agent for purposes of processing tenders and withdrawals of eligible notes in the exchange offer. The address and telephone number of the exchange agent are as follows:

The Bank of New York

Corporate Trust Reorganization Unit
101 Barclay Street, 7E
New York, New York 10286

Attn: Kin Lau

Toll Free: (800) 254-2826

Telephone: (212) 815-3750

Facsimile: (212) 298-1915

THE LUXEMBOURG EXCHANGE AGENT

We have engaged The Bank of New York (Luxembourg) S.A. as the Luxembourg exchange agent in connection with the exchange offer. In Luxembourg, you should contact the Luxembourg exchange agent for all services in connection with the exchange offer, including to obtain copies of this prospectus and the letter of

Edgar Filing: AT&T CORP - Form PRER14A

transmittal or answers to questions about the terms and procedures of the exchange offer, to have a letter of transmittal submitted on your behalf, or to have the Luxembourg Notes delivered on your behalf. The address and telephone number of the Luxembourg exchange agent are as follows:

The Bank of New York (Luxembourg) S.A.

Aerogolf Center -- 1A, Hoehenhof

L-1736 Senningerberg, Luxembourg

Attn: Jacqueline Geisen

Telephone: 44 207 964 7306

Facsimile: 44 207 964 6399

16

RETAIL SOLICITATION FEE

We will pay soliciting dealers named in a qualifying letter of transmittal with respect to eligible notes as having solicited and obtained the tender a retail solicitation fee of \$ per \$1,000 of eligible notes tendered by a beneficial holder of less than \$ in principal amount of eligible notes and accepted in the exchange offer. See "Description of the Exchange Offer -- Retail Solicitation Fee."

RECENT DEVELOPMENTS

On August 21, 2002, AT&T and Comcast announced that they had entered into an agreement with AOL Time Warner providing for the restructuring of Time Warner Entertainment Company L.P., or TWE. The restructuring agreement, which has been publicly filed by AT&T as an exhibit to its Current Report on Form 8-K, dated August 23, 2002, is intended to provide for a more orderly and timely disposition of AT&T Broadband Group's entire stake in TWE than would likely be available under the registration rights provisions of the TWE partnership agreement, which AT&T Broadband Group has been pursuing. Under the restructuring agreement, which is expected to close in the first half of 2003, for its 27.64% interest in TWE, AT&T Broadband Group will receive \$1.5 billion in common stock of AOL Time Warner Inc. (valued at the time of the closing and subject to certain limitations) and an effective 21% passive equity interest in all of AOL Time Warner's cable properties, including those already in TWE, and AT&T Broadband Group will also receive \$2.1 billion in cash. As part of the restructuring, TWE will distribute to AOL Time Warner all of TWE's major content assets, which include Home Box Office (HBO), Warner Bros., and stakes in The WB Network, Comedy Central and Court TV. Upon consummation of the AT&T Comcast transaction, AT&T Comcast will assume all of AT&T's interest in TWE and in the restructuring agreement. Time Warner Cable, which will own substantially all of AOL Time Warner's cable interests, is expected to conduct an initial public offering of common stock following the restructuring. Under the restructuring agreement, AT&T Broadband Group will have registration rights enabling it to

Edgar Filing: AT&T CORP - Form PRER14A

dispose of its shares in Time Warner Cable and in AOL Time Warner.

In connection with the transactions, AT&T Broadband Group and Comcast will also enter into a three-year non-exclusive agreement with AOL Time Warner under which AOL High-Speed Broadband service would be made available on certain of AT&T's, or AT&T Comcast's, cable systems which pass approximately 10 million homes.

AT&T and Comcast intend, at or prior to the closing of the AT&T Comcast transaction, to place AT&T's entire interest in TWE in trust for orderly disposition. Any non-cash consideration received in respect of such interest, including the AOL Time Warner common stock to be issued to AT&T Broadband Group and AT&T Broadband Group's entire economic and voting interest in Time Warner Cable will remain in trust until disposed of or regulatory approval is obtained to remove such interests from the trust.

AT&T acquired its stake in TWE as part of its June 2000 acquisition of the MediaOne Group. In February of 2001, AT&T requested that TWE convert from a limited partnership into a corporation and create equity securities for registration with the Securities and Exchange Commission. On July 30, 2002, AT&T and TWE agreed to suspend the registration process to explore alternative approaches that led to the transactions contemplated by the restructuring agreement.

In connection with the Broadband spin-off, all of AT&T Broadband Group's interests and rights with respect to TWE will be transferred to Broadband or its subsidiaries.

The TWE restructuring is subject to receipt of certain regulatory approvals and other closing conditions, certain of which are outside the control of AT&T and Comcast. There can be no assurance that the transactions contemplated by the TWE restructuring agreement will be consummated. If the restructuring agreement is terminated without the restructuring being consummated, the parties will return to the registration rights process under the TWE partnership agreement.

If the AT&T Comcast transaction is not completed, the TWE restructuring agreement will remain in place between AT&T and AOL Time Warner, although certain changes would be made to the Internet service provider carriage agreement between them.

SELECTED FINANCIAL DATA OF AT&T

The consolidated income statement data below for the three years ended December 31, 2001, and the consolidated balance sheet data at December 31, 2001 and 2000, were derived from audited consolidated financial statements of AT&T Corp. incorporated by reference in this prospectus. The remaining data was

Edgar Filing: AT&T CORP - Form PRER14A

derived from AT&T's unaudited consolidated financial statements.

	AT OR FOR THE SIX MONTHS ENDED JUNE 30,		AT OR FOR THE YEARS ENDED DECEMBER 31,			
	2002 (1)	2001	2001	2000 (2)	1999 (3)	1998
(UNAUDITED)						
(DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)						
RESULTS OF OPERATIONS AND EARNINGS PER SHARE:						
Revenue.....	\$ 24,088	\$26,738	\$ 52,550	\$ 55,533	\$ 54,973	\$47,800
Operating (loss) income.....	(13,691)	2,178	3,754	4,228	11,458	7,100
(Loss) income from continuing operations before extraordinary gain and cumulative effect of accounting changes.....	(12,909)	(3,356)	(6,842)	4,133	3,861	5,000
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE EXTRAORDINARY GAIN AND CUMULATIVE EFFECT OF ACCOUNTING CHANGES:						
AT&T Common Stock Group:						
(Loss) income.....	(12,909)	(534)	(4,131)	2,645	5,883	5,000
(Loss) earnings per basic share.....	(3.59)	(0.28)	(1.33)	0.76	1.91	1.50
(Loss) earnings per diluted share.....	(3.59)	(0.28)	(1.33)	0.75	1.87	1.48
Dividends declared per share.....	0.075	0.075	0.15	0.6975	0.88	0.88
Liberty Media Group(4):						
(Loss) income.....	--	(2,822)	(2,711)	1,488	(2,022)	--
(Loss) earnings per basic and diluted share.....	--	(1.09)	(1.05)	0.58	(0.80)	--
ASSETS AND CAPITAL:						
Property, plant and equipment, net....	\$ 41,460	--	\$ 41,322	\$ 41,269	\$ 33,366	\$21,300
Total assets -- continuing operations.....	137,895	--	165,282	207,136	146,094	40,000
Total assets.....	137,895	--	165,282	234,360	163,457	54,000
Long-term debt.....	37,271	--	40,527	33,089	23,214	5,000
Total debt.....	43,160	--	53,485	64,927	35,694	6,000
Mandatorily redeemable preferred securities.....	858	--	2,400	2,380	1,626	--
Shareowners' equity.....	42,755	--	51,680	103,198	78,927	25,000
Debt ratio(5).....	47.6%	--	47.7%	57.2%	54.3%	--
Gross capital expenditures.....	3,278	--	8,388	10,462	11,194	6,000

(1) During the second quarter of 2002, AT&T recorded non-cash franchise and goodwill impairment charges of \$16.5 billion (\$11.8 billion after taxes).

(2) AT&T Common Stock Group continuing operations results exclude Liberty Media Group (LMG). In addition, on June 15, 2000, AT&T completed the acquisition of MediaOne Group, Inc.

Edgar Filing: AT&T CORP - Form PRER14A

(3) In connection with the March 9, 1999 merger with Tele-Communications, Inc., AT&T issued separate tracking stock for LMG. LMG was accounted for as an equity investment prior to its split-off from AT&T on August 10, 2001.

(4) No dividends have been declared for LMG tracking stocks.

(5) Debt ratio reflects debt from continuing operations as a percent of total capital (debt plus equity, excluding LMG and AT&T Wireless Group). For purposes of this calculation, equity includes convertible quarterly trust preferred securities as well as redeemable preferred stock of subsidiary.

Effective January 1, 2002, AT&T adopted SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 142 requires that goodwill and indefinite-lived intangible assets no longer be amortized, but instead be tested for impairment at least annually. Intangible assets that have finite useful lives will continue to be amortized over their useful lives. In addition, the amortization period of intangible assets with finite lives will no longer be limited to 40 years. We have determined that our franchise costs are

18

indefinite-lived assets, as defined in SFAS No. 142, and therefore are not subject to amortization beginning in 2002.

The following table presents the impact of SFAS No. 142 on net (loss) income and (loss) earnings per share had the standard been in effect for the three years ended December 31, 2001. AT&T Wireless Group tracking stock was issued in April, 2000, therefore data for this group is not applicable for 1999.

	AT&T COMMON STOCK GROUP			AT&T WIRELESS GROUP		LIBERTY
	2001	2000	1999	2001(1)	2000	2001(2)
(DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)						
FOR THE YEAR ENDED DECEMBER 31,						
Net (loss) income:						
Reported (loss) income from continuing operations before cumulative effect of accounting change.....	\$ (4,131)	\$ 2,645	\$ 5,883	\$ --	\$ --	\$ (2,711)
Dividend requirements of preferred stock.....	(652)	--	--	--	--	--
Premium on wireless tracking stock exchange.....	(80)	--	--	--	--	--
Reported (loss) from continuing operations available to common shareowners.....	(4,863)	2,645	5,883	--	--	(2,711)
Add back amortization, net of tax:						
Goodwill *.....	766	687	135	--	--	350
Equity method excess basis.....	128	337	294	--	--	346
Franchise costs.....	754	645	445	--	--	4

Edgar Filing: AT&T CORP - Form PRER14A

Adjusted (loss) income from continuing operations before cumulative effect of accounting change.....	\$ (3,215)	\$4,314	\$6,757	\$ --	\$ --	\$ (2,011)
Reported income (loss) from discontinued operations.....	115	460	(433)	35	76	--
Add back discontinued operations amortization, net of tax.....	152	222	204	36	27	--
Gain on disposition of discontinued operations.....	13,503	--	--	--	--	--
Cumulative effect of accounting change.....	359	--	--	--	--	545
ADJUSTED NET INCOME (LOSS).....	\$10,914	4,996	\$6,528	\$ 71	\$ 103	\$ (1,466)
BASIC (LOSS) EARNINGS PER SHARE:						
Reported basic (loss) earnings per share from continuing operations before cumulative effect of accounting change.....	\$ (1.33)	\$ 0.76	\$ 1.91	\$ --	\$ --	\$ (1.05)
Add back amortization, net of tax:						
Goodwill *.....	0.21	0.20	0.04	--	--	0.14
Equity method excess basis.....	0.03	0.10	0.10	--	--	0.13
Franchise costs.....	0.21	0.18	0.14	--	--	--
Adjusted basic (loss) earnings per share from continuing operations before cumulative effect of accounting change.....	\$ (0.88)	\$ 1.24	\$ 2.19	\$ --	\$ --	\$ (0.78)
Reported earnings (loss) per share from discontinued operations.....	0.03	0.13	(0.14)	0.08	0.21	--
Add back discontinued operations amortization, net of tax.....	0.04	0.06	0.07	0.08	0.08	--
Gain on disposition of discontinued operations.....	3.70	--	--	--	--	--
Cumulative effect of accounting change.....	0.10	--	--	--	--	0.21
ADJUSTED BASIC EARNINGS (LOSS) PER SHARE.....	\$ 2.99	\$ 1.43	\$ 2.12	\$0.16	\$0.29	\$ (0.57)

19

AT&T COMMON STOCK GROUP			AT&T WIRELESS GROUP		LIBERTY
2001	2000	1999	2001(1)	2000	2001(2)

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

FOR THE YEAR ENDED DECEMBER 31,

DILUTED (LOSS) EARNINGS PER SHARE:						
Reported diluted (loss) earnings per share from continuing operations before cumulative effect of accounting change.....	\$ (1.33)	\$ 0.75	\$ 1.87	\$ --	\$ --	\$ (1.05)
Add back amortization, net of tax:						

Edgar Filing: AT&T CORP - Form PRER14A

Goodwill *.....	0.21	0.19	0.04	--	--	0.14
Equity method excess basis.....	0.03	0.10	0.10	--	--	0.13
Franchise costs.....	0.21	0.18	0.14	--	--	--
	-----	-----	-----	-----	-----	-----
Adjusted diluted (loss) earnings per share from continuing operations before cumulative effect of accounting change.....	\$ (0.88)	\$ 1.22	\$ 2.15	\$ --	\$ --	\$ (0.78)
Reported earnings (loss) per share from discontinued operations.....	0.03	0.13	(0.13)	0.08	0.21	--
Add back discontinued operations amortization, net of tax.....	0.04	0.06	0.07	0.08	0.08	--
Gain on disposition of discontinued operations.....	3.70	--	--	--	--	--
Cumulative effect of accounting change.....	0.10	--	--	--	--	0.21
	-----	-----	-----	-----	-----	-----
ADJUSTED DILUTED EARNINGS (LOSS) PER SHARE.....	\$ 2.99	\$ 1.41	\$ 2.09	\$0.16	\$0.29	\$ (0.57)
	=====	=====	=====	=====	=====	=====

* Goodwill amortization is net of the Excite@Home minority interest impact on goodwill.

(1) AT&T Wireless Group was split off from AT&T on July 9, 2001.

(2) Liberty Media Group was split off from AT&T on August 10, 2001.

20

SUMMARY PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION OF AT&T

The summary unaudited pro forma combined condensed financial information set forth below for AT&T gives effect to:

- the Liberty Media Group distribution; and
- the AT&T Broadband Group distribution

as if such events had been completed on January 1, 1999 for income statement purposes, and at June 30, 2002 for balance sheet purposes. Since Liberty Media Group was split off from AT&T on August 10, 2001, no balance sheet or 2002 income statement pro forma adjustments were made for Liberty Media Group. The unaudited selected pro forma financial information does not necessarily represent what AT&T's financial position or results of operations would have been had the Broadband distribution or the Liberty Media Group distribution occurred on such dates.

We have included detailed unaudited pro forma financial statements starting on page F-3 of this prospectus.

AT OR FOR THE
SIX MONTHS
ENDED JUNE 30,

AT OR FOR THE YEARS
ENDED DECEMBER 31,

Edgar Filing: AT&T CORP - Form PRER14A

	2002	2001	2001	2000	1999
	(UNAUDITED)				
	(DOLLARS IN MILLIONS, EXCEPT PER SHARE AMOUNTS)				
INCOME STATEMENT DATA:					
Revenue.....	\$19,298	\$21,602	\$42,665	\$47,204	\$49,925
Operating income.....	3,278	4,772	7,937	12,884	12,635
(Loss) income from continuing operations -- attributable to AT&T common stock group....	(6)	30	(3,475)	3,903	3,450
Weighted average AT&T common shares -- basic.....	3,598	3,789	3,695	3,526	3,115
(Loss) earnings per AT&T common share -- basic(1).....	0.00	0.01	(0.94)	1.11	1.11
Weighted average AT&T common shares -- diluted.....	3,598	3,796	3,695	3,545	3,152
(Loss) earnings per AT&T common share -- diluted(1).....	0.00	0.01	(0.94)	1.10	1.09
Cash dividends declared per AT&T common share.....	0.075	0.075	0.15	0.6975	0.88
BALANCE SHEET DATA:					
Total assets.....	\$56,618	--	--	--	--
Long-term debt.....	21,218	--	--	--	--
Total shareowners' equity.....	12,667	--	--	--	--

(1) Adjusted for the proposed one-for-five reverse stock split of AT&T common stock, (loss) earnings per basic share would have been \$(0.01) and \$0.04 for the six months ended June 30, 2002 and 2001, respectively, and \$(4.70), \$5.53 and \$5.54 for the years ended December 31, 2001, 2000 and 1999, respectively. (Loss) earnings per diluted share on the same basis would have been \$(0.01) and \$0.04 for the six months ended June 30, 2002 and 2001, respectively, and \$(4.70), \$5.50 and \$5.47 for the years ended December 31, 2001, 2000 and 1999, respectively.

SELECTED FINANCIAL DATA OF AT&T BROADBAND GROUP

Presented in the table below is selected financial data of AT&T Broadband Group. AT&T Broadband Group is an integrated business of AT&T and not a stand-alone entity. AT&T Broadband Group represents the assets, liabilities and businesses that AT&T will assign and transfer to Broadband, a newly formed company for AT&T's broadband business, in connection with the AT&T Comcast transaction. AT&T Broadband Group consists primarily of the assets, liabilities and business of AT&T Broadband, LLC (formerly known as Tele-Communications, Inc.), acquired by AT&T on March 9, 1999, and MediaOne Group, Inc., acquired by AT&T on June 15, 2000.

The combined income statement data of AT&T Broadband Group for the years ended December 31, 2001 and 2000 and the ten months ended December 31, 1999 and the combined balance sheet data of AT&T Broadband Group at December 31, 2001 and 2000 were derived from the audited combined financial statements of AT&T Broadband Group. The remaining data was derived from unaudited combined financial statements of AT&T Broadband Group.

Edgar Filing: AT&T CORP - Form PRER14A

The financial data presented below is not necessarily comparable from period to period as a result of several transactions, including the acquisition and dispositions of cable systems, primarily the TCI and MediaOne acquisitions. For this and other reasons, you should read the selected historical financial data provided below in conjunction with the combined financial statements and accompanying notes beginning on page F-13 of this prospectus.

	AT OR FOR THE SIX MONTHS ENDED JUNE 30,		AT OR FOR THE YEARS ENDED DECEMBER 31,		AT OR FOR THE TEN MONTHS ENDED DECEMBER 31,
	2002	2001	2001	2000 (1)	1999 (2)
	(UNAUDITED)				
	(DOLLARS IN MILLIONS)				
INCOME STATEMENT DATA:					
Revenue.....	\$ 4,965	\$ 5,256	\$ 10,132	\$ 8,445	\$ 5,080
Operating loss.....	(17,015)	(2,594)	(4,183)	(8,656)	(1,177)
Loss before extraordinary gain and cumulative effect of accounting changes.....	(13,884)	(2,529)	(4,171)	(5,370)	(2,200)
BALANCE SHEET DATA:					
Total assets.....	\$ 81,840	--	\$103,187	\$117,534	\$58,228
Total debt.....	21,942	--	23,285	28,420	14,900
Minority interest.....	1,210	--	3,302	4,421	2,327
Company-Obligated Convertible Quarterly Preferred Securities.....	4,725	--	4,720	4,710	4,700

- (1) Effective June 15, 2000, AT&T acquired MediaOne Group, Inc. which is attributed to AT&T Broadband Group. The acquisition was accounted for under the purchase method of accounting.
- (2) Effective March 1, 1999, AT&T acquired TCI which is attributed to AT&T Broadband Group. The acquisition was accounted for under the purchase method of accounting.

22

SELECTED FINANCIAL DATA OF BROADBAND

AT&T Broadband Corp. is a newly formed entity for purposes of effectuating the AT&T Comcast transaction. From the date of inception on December 14, 2001 through June 30, 2002, AT&T Broadband Corp. had no operations.

The balance sheet data at December 31, 2001, was derived from the audited balance sheet of AT&T Broadband Corp. The balance sheet data at June 30, 2002, was derived from an unaudited balance sheet.

Edgar Filing: AT&T CORP - Form PRER14A

	AT JUNE 30, 2002	AT DECEMBER 31, 2001
	-----	-----
	(UNAUDITED)	
BALANCE SHEET DATA:		
Total assets.....	\$--	\$--
Total debt.....	--	--

23

UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS
OF AT&T COMCAST CORPORATION

The following Unaudited Pro Forma Combined Condensed Balance Sheet of AT&T Comcast as of June 30, 2002 and the Unaudited Pro Forma Combined Condensed Statements of Operations of AT&T Comcast for the six months ended June 30, 2002 and the year ended December 31, 2001 give effect to the AT&T Comcast transaction. The pro forma financial statements account for the AT&T Comcast transaction under the purchase method of accounting.

The Unaudited Pro Forma Combined Condensed Balance Sheet assumes the AT&T Comcast transaction occurred on June 30, 2002. The Unaudited Pro Forma Combined Condensed Statements of Operations assume the AT&T Comcast transaction occurred on January 1, 2001. The unaudited pro forma financial data is based on the historical consolidated financial statements of Comcast and the historical combined financial statements of AT&T Broadband Group under the assumptions and adjustments set forth in the accompanying explanatory notes.

AT&T and Comcast have determined that the AT&T Comcast transaction will be accounted for as an acquisition by Comcast of AT&T Broadband Group. See Note 5 to the consolidated financial statements of Comcast for the year ended December 31, 2001 included in this prospectus. As Comcast is considered the accounting acquiror, the historical basis of Comcast's assets and liabilities will not be affected by the AT&T Comcast transaction. For purposes of developing the Unaudited Pro Forma Combined Condensed Balance Sheet as of June 30, 2002, AT&T Broadband Group's assets, including identifiable intangible assets, and liabilities have been recorded at their estimated fair values and the excess purchase price has been assigned to goodwill. No adjustment has been made to AT&T Broadband Group's franchise rights. The fair values assigned in these pro forma financial statements are preliminary and represent management's best estimates of current fair value which are subject to revision upon completion of the AT&T Comcast transaction. Management of both companies currently knows of no events or circumstances other than those disclosed in these pro forma notes that would require a material change to the preliminary purchase price allocation. However, a final determination of required purchase accounting adjustments will be made upon the completion of a study to be undertaken by AT&T Comcast in conjunction with independent appraisers to determine the fair value of certain of AT&T Broadband Group's assets, including identifiable intangible assets, and liabilities. Assuming completion of the AT&T Comcast transaction, the actual financial position and results of operations will differ, perhaps significantly,

Edgar Filing: AT&T CORP - Form PRER14A

from the pro forma amounts reflected herein due to a variety of factors, including access to additional information, changes in value not currently identified and changes in operating results between the dates of the pro forma financial data and the date on which the AT&T Comcast transaction takes place. See Note (b) to Unaudited Pro Forma Combined Condensed Balance Sheet.

Comcast shareholders will receive shares of AT&T Comcast Class A common stock, AT&T Comcast Class B common stock and AT&T Comcast Class A Special common stock in exchange for shares of Comcast Class A common stock, Comcast Class B common stock and Comcast Class A Special common stock, respectively, based on an exchange ratio of 1 to 1. AT&T Comcast will issue stock options to purchase shares of AT&T Comcast common stock in exchange for all outstanding stock options of Comcast, based on an exchange ratio of 1 to 1.

The consideration to complete the AT&T Comcast transaction will consist of shares of AT&T Comcast common stock, assumed debt of AT&T Broadband Group, the intercompany indebtedness Broadband must pay AT&T upon closing and Comcast's transaction costs. If the closing date of the AT&T Comcast transaction were as of June 30, 2002 and the exchange offer is completed, the estimated aggregate consideration to complete the AT&T Comcast transaction would be \$54,929 million, consisting of \$33,026 million of AT&T Comcast common stock based upon a per share price of \$24.20, \$21,273 million of assumed debt at estimated fair value, and \$630 million of Comcast's transaction costs directly related to the AT&T Comcast transaction.

24

The consideration in the form of assumed debt includes the short-term debt due to AT&T, which is due at closing, of \$6,486 million, as well as \$14,787 million of long-term debt, including current portion, of AT&T Broadband Group. If the exchange offer is successful, then upon completion of the AT&T Comcast transaction a portion of AT&T's debt securities will cease being AT&T obligations and become Broadband obligations (New Broadband Notes) guaranteed by AT&T Comcast and a number of its cable subsidiaries. The AT&T debt securities that become Broadband obligations will reduce the intercompany indebtedness Broadband must pay AT&T in an amount to be mutually agreed. Absent additional deleveraging activities and the effect of the exchange offer, it is expected that the amount of short-term debt due to AT&T will increase to fund capital expenditures, operations and third party debt maturities and redemptions through the completion of the AT&T Comcast transaction. The amount of short-term and long-term debt may be lower or higher at the closing date of the AT&T Comcast transaction.

The consideration in the form of AT&T Comcast common stock includes the fair value of the issuance of approximately 1,234 million shares of AT&T Comcast common stock to AT&T shareholders in exchange for all of AT&T's interests in the AT&T Broadband Group, the fair value of the issuance of 115 million shares of AT&T Comcast common stock to Microsoft Corporation in exchange for Broadband shares that Microsoft will receive immediately prior to the completion of the AT&T Comcast transaction for settlement of its \$5 billion aggregate principal amount in quarterly income preferred securities (QUIPS), and the fair value of AT&T Comcast stock options and stock appreciation rights issued in exchange for Broadband stock options and stock appreciation rights.

Edgar Filing: AT&T CORP - Form PRER14A

The unaudited pro forma financial statements assume that completion of the exchange offer results in a new measurement date for accounting purposes. Assuming the exchange offer is completed, the fair value of the shares to be issued for the AT&T Broadband Group would be based on the weighted average market price of Comcast common stock during the period beginning two days before and ending two days after the new measurement date. Further, in limited circumstances, the number of shares of AT&T Comcast stock to be issued to certain AT&T security holders in connection with the AT&T Comcast transaction is subject to adjustment. If this occurs, the fair value of all of the shares to be issued would be based on the market price of Comcast Class A common stock on the closing date. The unaudited pro forma financial statements assume a measurement date of June 30, 2002. Accordingly, the fair value of the shares to be issued for the AT&T Broadband Group is based on a price per share of \$24.20 which reflects the reported last sale price of Comcast Class A common stock on June 30, 2002.

A \$1.00 increase/decrease in the per share price of Comcast Class A common stock would result in a \$1,349 million increase/decrease in the recorded value of the estimated aggregate consideration in the form of AT&T Comcast common stock.

If the exchange offer is terminated, the fair value of the shares to be issued for the AT&T Broadband Group would be based on a price per share of \$35.97 which reflects the weighted average market price of the Comcast common stock during the period beginning two days before and ending two days after the date the AT&T Comcast transaction was announced. Assuming the stock price is \$35.97 per share, the recorded value of the estimated aggregate consideration in the form of AT&T Comcast common stock would be increased by approximately \$16,336 million, thereby increasing the amount of goodwill to be recorded upon closing of the AT&T Comcast transaction.

Subsequent to the adoption of SFAS 142 on January 1, 2002, goodwill and franchise rights are no longer amortized. An increase or decrease in goodwill and/or franchise rights as a result of a change in the measurement date or in the allocation of fair value through the appraisal process would not affect AT&T Comcast's future results of operations other than in periods in which AT&T Comcast may recognize an impairment charge. A change in the recorded value of these intangible assets could increase or decrease the likelihood that AT&T Comcast will recognize an impairment charge related to these intangible assets at some time in the future.

AT&T Comcast intends to review the synergies of the combined business, which may result in a plan to realign or reorganize certain of AT&T Broadband Group's existing operations. The costs of implementing such a plan, if it were to occur, have not been reflected in the accompanying pro forma financial statements. The impact of a potential realignment, assuming such a plan were in place at the consummation date of the AT&T Comcast transaction, could increase or decrease the amount of goodwill and intangible assets recognized by AT&T Comcast in accordance with Emerging Issues Task Force No. 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination." The Unaudited Combined Condensed Statements of Operations exclude any benefits that may result

Edgar Filing: AT&T CORP - Form PRER14A

from synergies that may be derived, or the elimination of duplicative efforts.

Among the provisions of Statement of Financial Accounting Standards No. 141, "Business Combinations," new criteria have been established for determining whether intangible assets should be recognized separately from goodwill. Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets," provides, among other guidelines, that goodwill and intangible assets with indefinite lives will not be amortized, but rather will be tested for impairment on at least an annual basis. Management of both companies believes that cable franchise rights have indefinite lives based upon an analysis utilizing the criteria in paragraph 11 of SFAS No. 142. The pro forma adjustments to the Unaudited Pro Forma Combined Condensed Statement of Operations for the year ended December 31, 2001 reflect the elimination of AT&T Broadband Group's amortization expense related to goodwill and cable franchise rights since this acquisition will be accounted for under the provisions of SFAS No. 142.

Comcast incurred goodwill and cable and sports franchise rights amortization expense of approximately \$2,002 million for the year ended December 31, 2001. The historical consolidated financial statements of Comcast included in the Unaudited Pro Forma Combined Condensed Statement of Operations for the year ended December 31, 2001 include the amortization expense related to Comcast's goodwill and cable and sports franchise rights, which has not been eliminated in the pro forma adjustments. Effective January 1, 2002, Comcast, in accordance with the provisions of SFAS No. 142, no longer amortizes goodwill and cable and sports franchise rights.

Management of both companies believes that the assumptions used provide a reasonable basis on which to present the unaudited pro forma financial data. Both companies have completed other acquisitions and dispositions that are not significant, individually or in the aggregate, and, accordingly, have not been included in the accompanying unaudited pro forma financial data. The unaudited pro forma financial data may not be indicative of the financial position or results that would have occurred if the AT&T Comcast transaction had been in effect on the dates indicated or which may be obtained in the future.

The unaudited pro forma financial data should be read in conjunction with the historical consolidated financial statements and accompanying notes thereto for Comcast, and the historical combined financial statements and accompanying notes thereto for AT&T Broadband Group, which have been included herein.

26

AT&T COMCAST CORPORATION

UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET

AS OF JUNE 30, 2002

HISTORICAL COMCAST (A)	HISTORICAL AT&T BROADBAND (A)	PRO FORMA ADJUSTMEN
-----	-----	-----

(AMOUNTS IN MILLION)

Edgar Filing: AT&T CORP - Form PRER14A

ASSETS

Current Assets

Cash and cash equivalents.....	\$ 557.8	\$	\$
Investments.....	1,057.6		414.0
Accounts receivable, net.....	957.0		592.0
Inventories, net.....	414.0		
Deferred income taxes.....	135.9		
Other current assets.....	337.7		420.0
			57.

Total current assets.....	3,460.0		1,426.0	57.
---------------------------	---------	--	---------	-----

INVESTMENTS.....	727.6		17,896.0	(19.
------------------	-------	--	----------	------

PROPERTY AND EQUIPMENT, NET.....	7,023.1		14,861.0	(1,144.
----------------------------------	---------	--	----------	---------

GOODWILL.....	6,446.3		15,134.0	(367.
---------------	---------	--	----------	-------

FRANCHISE RIGHTS.....	16,599.4		29,083.0	
-----------------------	----------	--	----------	--

OTHER INTANGIBLE ASSETS, NET.....	1,471.7		1,465.0	
-----------------------------------	---------	--	---------	--

OTHER NON-CURRENT ASSETS, NET.....	390.7		1,975.0	57.
------------------------------------	-------	--	---------	-----

	\$36,118.8		\$ 81,840.0	\$ (1,416.
--	------------	--	-------------	------------

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities

Accounts payable.....	\$ 680.1	\$	712.0	(40.
-----------------------	----------	----	-------	------

Accrued expenses and other current liabilities.....	1,371.7		2,244.0	1,547.
---	---------	--	---------	--------

Deferred income taxes.....	121.8		488.0	57.
----------------------------	-------	--	-------	-----

Short-term debt.....			6,486.0	(1,993.
----------------------	--	--	---------	---------

Current portion of long-term debt.....	206.9		2,050.0	(1,681.
--	-------	--	---------	---------

Total current liabilities.....	2,380.5		11,980.0	(2,110.
--------------------------------	---------	--	----------	---------

LONG-TERM DEBT, LESS CURRENT PORTION.....	10,543.5		13,406.0	572.
---	----------	--	----------	------

DEFERRED INCOME TAXES.....	6,755.2		19,906.0	(669.
----------------------------	---------	--	----------	-------

OTHER NON-CURRENT LIABILITIES.....	1,421.1		836.0	(179.
------------------------------------	---------	--	-------	-------

MINORITY INTEREST.....	986.7		1,210.0	(6.
------------------------	-------	--	---------	-----

Company-Obligated Convertible Quarterly Income Preferred

Securities of Subsidiary Trust Holding Solely				
---	--	--	--	--

Subordinated Debt Securities of AT&T.....			4,725.0	(4,725.
---	--	--	---------	---------

STOCKHOLDERS' EQUITY

Common stock.....	946.7			1,348.
-------------------	-------	--	--	--------

				(47.
--	--	--	--	------

Additional capital.....	11,791.5			(1,097.
-------------------------	----------	--	--	---------

Retained earnings.....	1,317.3			31,677.
------------------------	---------	--	--	---------

Accumulated other comprehensive loss.....	(23.7)			
---	--------	--	--	--

Combined attributed net assets.....			29,777.0	(29,777.
-------------------------------------	--	--	----------	----------

Total stockholders' equity.....	14,031.8		29,777.0	2,105.
---------------------------------	----------	--	----------	--------

	\$36,118.8		\$ 81,840.0	\$ (1,416.
--	------------	--	-------------	------------

=====

See Notes to Unaudited Pro Forma Combined Condensed Balance Sheet
27

AT&T COMCAST CORPORATION

NOTES TO UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET
(AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)

- (a) These columns reflect the historical balance sheets of the respective companies. Certain reclassifications have been made to the combined historical financial statements of AT&T Broadband Group to conform to the presentation expected to be used by AT&T Comcast.
- (b) This entry reflects the preliminary allocation of the purchase price to identifiable net assets acquired and the excess purchase price to goodwill.

	COMMON STOCK	ADDITIONAL CAPITAL	TOTAL
	-----	-----	-----
Calculation of consideration			
Issuance of common stock to AT&T shareholders (1,233.6 million shares x \$24.20).....	\$1,233.6	\$28,619.5	\$ 29,8
Issuance of common stock to Microsoft Corporation (115.0 million shares x \$24.20).....	115.0	2,668.0	2,7
Fair value of AT&T Comcast stock options resulting from the conversion of AT&T Broadband Group stock options in the merger based on Black-Scholes option pricing model.....			