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STATE TREASURER
DENISE L. NAPIER**

NEWS

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Tuesday, May 14, 2002

NAPIER CALL FOR TWO SEPARATE SHAREHOLDER VOTES IN AT&T – COMCAST CABLE MERGER IS HEARD BY COMPANIES

***AT&T, Comcast had planned single vote on all merger-related issues;
Nappier had urged SEC to ensure separate votes on merger and governance***

Responding to concerns expressed to the Securities and Exchange Commission (SEC) by Connecticut Treasurer Denise L. Nappier and other shareholders, AT&T reluctantly agreed today to permit shareholders to vote separately on the proposed corporate governance structure when they consider approval of the spin-off of AT&T Broadband and its merger with Comcast.

AT&T and Comcast had contended that a separate vote was not necessary or required by SEC rules, and that the governance structure could be included as part of the merger vote. The companies did not include provisions for a separate vote by shareholders in their initial proxy statement submitted to the SEC earlier this year.

Connecticut Treasurer Denise L. Nappier, in an April 2, 2002 letter to the SEC, said that “unbundling” the merger and governance issues was required by SEC rules, and urged the SEC “to require the company to separate the corporate governance provisions from the merger provisions, which should be voted upon separately by shareholders.”

Today’s announcement by AT&T and Comcast is a “clear indication that the SEC would not accept a plan that did not allow shareholders to vote separately on the governance issues,” said Nappier. In an amended proxy statement issued today, AT&T will now split the merger into two votes, one to approve the merger, which spins off AT&T Broadband and merges it with Comcast, and one to approve the new charter which includes the governance provisions.

“This is an important victory for shareholders, who deserve an opportunity to vote on the merger separately from how a merged company would be run,” Nappier said. “The corporate governance plan that has been proposed is a dramatic shift from past practice and raises significant concerns which shareholders can now vote up or down.”

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Nappier's request had been strongly opposed by AT&T, which told SEC Chairman Harvey L. Pitt in an April 19, 2002 letter that the Treasurer was "wrong in asserting that there is any basis in the proxy rules to require a separate vote on governance." The company also said that the "governance arrangements do not constitute, and have never been viewed as constituting, a separate 'matter to be acted upon' by the shareholders."

Nappier is principal fiduciary of the Connecticut Retirement Plans and Trust Funds, which is a shareholder of both AT&T and Comcast, holding 1,315,000 shares of AT&T and 516,000 shares of Comcast.

Nappier said that the corporate governance structure proposed for the new company differs from the existing structure at both companies. The Treasurer also noted that in its letter to the SEC, AT&T pointed out that "AT&T's board still views the AT&T Comcast governance arrangements as a 'negative factor'" in the proposed merger.

Among the "extensive corporate governance changes," proposed, Nappier said, are the creation of dual class stock, reduction of shareholder rights to amend the corporate bylaws, no members of the new board will stand for election until 2005 (the company has since modified that to 2004). In addition, the merger agreement designates the specific individuals that will serve as chairman and CEO through 2010, without any further shareholder approval of the positions on the board.

The Council of Institutional Investors, Comptroller of the City of New York, and the AFL-CIO also urged the SEC to require a separate vote on the corporate governance structure.

In December 2001, AT&T agreed to sell its cable television unit, AT&T Broadband, to Comcast. The combined company, AT&T Comcast, would become the largest cable TV operator in the United States, with more than 22 subscribers. Both the AT&T and the Comcast annual shareholder meetings will be held on July 10.

Copies of correspondence available upon request.