

# AT&T NEWS UPDATE

## **John Walter of R.R. Donnelley Will Become President and Chief Operating Officer of AT&T**

Just after the enclosed edition of the Quarterly Shareowners Report went to press, the AT&T Board of Directors announced the election of John R. Walter, CEO of R.R. Donnelley, as president, chief operating officer and a member of the Board effective November 1.

In announcing Walter's election, Chairman and CEO Bob Allen said he has recommended to the Board that Walter succeed him as chairman and CEO. Allen said the company intends to split the chairman and CEO functions on January 1, 1998, and he expects that the 49-year-old Walter will become CEO then, and succeed Allen as chairman by the time of the AT&T Shareowners Meeting later that year.

As CEO of R.R. Donnelley for the last seven years, Walter led the conversion of that company from the world's largest printing company to a technologically advanced global leader in the distribution of information in whatever forms its customers need — from magazines to software disks to on-line services. Ironically, under Walter's leadership Donnelley became a leader in applying the digital technology that was threatening the company's future as a traditional printer.

Clearly pleased that the well publicized search for a president had ended with Walter's selection, Allen conceded that the choice will be a surprise to some but stressed that Walter's experience, style and track record made him an ideal candidate for the new AT&T.

"The AT&T Board and I are convinced that he is the right person for the job at this point in our history," Allen said. "And we share that conviction after considering a number of candidates who might have had more 'marquee value.'

"He's had the experience of transforming a large old-line company challenged by new technologies and changing markets into a tough global competitor," added Allen.

The new president was enthusiastic about the future of AT&T, and made it clear that he's ready to jump into the hard work required to secure the company's future.

"I plan to immediately dive into the nuts and bolts of the business plan for next year and the years beyond," Walter said. "I have few illusions. This will be no walk in the park. But no company is better positioned than AT&T to capitalize on the changes taking place in the communications and information services industry."

