

AT&T (USA) Spin-off and Merger with Discovery Series A (USA) - Informative Notice

18 March 2022

FTSE Russell notes the distribution of WarnerMedia (unlisted) from AT&T (USA, 2831811, GEIS Large Cap) and immediate merger with Discovery Series A (USA, B3D7K31, GEIS Mid Cap).

In the event, shareholders of AT&T common stock will receive 0.24 of a share of WarnerMedia for every AT&T share held, which will immediately be exchanged for one share of Discovery Series A. Additionally, immediately prior to the WarnerMedia distribution, Discovery Inc. will reclassify its Series A and Series C share classes on a one for one basis into one share class of common stock.

FTSE Russell anticipates the following treatment:

On the Effective Date (To Be Determined)

Immediately prior to the WarnerMedia distribution, Discovery Inc will automatically reclassify Discovery Series C (USA, B3D7KG4, GEIS Mid Cap) into Discovery Series A on a one for one basis. As a result, Discovery Series A will remain in its respective indexes with an increased weight based on the terms received and in line with section 4.16 of the Corporate Actions and Events Guide. Discovery Series C will be removed from all indexes. As a result of the reclassification, Discovery Inc will undergo name and ID changes where Discovery Inc will change corporate names to Warner Bros. Discovery and trade under the symbol WBD.

A temporary line representing shares of WarnerMedia distributed to AT&T holders will be added to all of AT&T's indexes, with the open price equal to Discovery Series A's close price. The close price of the temporary line will be updated daily to align with the price of the ordinary line of Discovery Series A. AT&T's price will be adjusted by the value of the WarnerMedia distribution ($0.24 \times \text{close price of Discovery Series A}$).

T+2 from Settlement (To Be Determined)

After settlement, with a minimum of T+2 notice, the temporary line of WarnerMedia will be removed from all indexes. Concurrently, the newly reclassified ordinary line will be up-weighted as a result of the amalgamation. The aggregation of the temporary line and newly reclassified ordinary line will be a market capitalization neutral event within shared indexes.

FTSE Russell will issue further notices in due course.

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