

AT&T INC.
Form 11-K
June 30, 2009

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

FORM 11-K

☒ ANNUAL REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2008

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 1-8610

A. Full title of the plan and the address of the plan, if different from that
of the issuer named below:

AT&T SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the
address of its principal executive office:

AT&T INC.

208 S. Akard, Dallas, Texas 75202

Financial Statements, Supplemental Schedule and Exhibit

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

AT&T Inc., Plan Administrator
for AT&T Savings Plan

We have audited the accompanying statements of net assets available for benefits of AT&T Savings Plan as of December 31, 2008 and 2007, and the related statement of changes in net assets available for benefits for the year ended December 31, 2008. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2008 and 2007, and the changes in its net assets available for benefits for the year ended December 31, 2008, in conformity with US generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2008, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to auditing procedures applied in our audits of the financial statements, and in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ ERNST & YOUNG LLP

Dallas, Texas
June 26, 2009

AT&T SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(Dollars in Thousands)

	December 31,	
	2008	2007
ASSETS		
Investments, at fair value	\$ -	\$ 7,094,375
Participant loans	419,963	200,412
Investment in AT&T Savings Group Investment Trust	-	1,458,461
Investment in AT&T Savings Plan Master Trust	15,186,020	-
Investment in Cingular Wireless Savings Plan Master Trust	1,695,241	-
Total Investments (See Notes 3 and 4)	17,301,224	8,753,248
Dividends and interest receivable	-	36
Receivable for investments sold	-	1,169
Other receivables	-	30
Total Assets	17,301,224	8,754,483
LIABILITIES		
Overdrafts	-	1,695
Administrative expenses payable	-	16,607
Payable for investments purchased	-	4,904
Total Liabilities	-	23,206
Net assets reflecting investments at fair value	17,301,224	8,731,277
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	77,816	2,523
Net Assets Available for Benefits	\$ 17,397,040	\$ 8,733,800

See Notes to Financial Statements.

AT&T SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2008
(Dollars in Thousands)

Net Assets Available for Benefits, December 31, 2007	\$ 8,733,800
Additions to Net Assets:	
Contributions:	
Participant contributions	631,682
Employer contributions	240,886
	872,568
Investment Income (Loss):	
Net depreciation in fair value of investments	(860,571)
Dividends on AT&T common shares	33,426
Interest	26,540
Net loss from investment in AT&T Savings Plan Master Trust	(3,408,573)
Net income from investment in AT&T Savings Group Investment Trust	14,490
	(4,194,688)
Total Additions, net of investment loss	(3,322,120)
Deductions from Net Assets:	
Administrative expenses	4,195
Distributions	1,708,583
Total Deductions	1,712,778
Net decrease before transfers	(5,034,898)
Transfers from affiliated plans (See Note 1)	13,680,138
Net Assets Available for Benefits, December 31, 2008	\$ 17,379,040

See Notes to Financial Statements.

AT&T SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (continued)
(Dollars in Thousands)

1. Plan Description - The AT&T Savings Plan (Plan) was established by SBC Communications Inc. (SBC) to provide a convenient way for eligible management and certain non-management, non-collectively-bargained for employees of participating AT&T Inc. companies to save for retirement on a regular and long-term basis. In connection with the November 2005 merger of AT&T Corp., SBC changed its name to AT&T Inc. (AT&T or the Company). The following description of the Plan provides only general information. The Plan has detailed provisions covering participant eligibility, participant allotments from pay, participant withdrawals, participant loans, employer contributions and related vesting of contributions and Plan expenses. The Plan text and prospectus include complete descriptions of these and other Plan provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

In 2008, AT&T amended the Plan to merge the participant account balances and assets of the following plans into the Plan:

Plan Name	Effective Date
AT&T Retirement Savings Plan (certain assets only)	March 1, 2008
AT&T Long Term Savings Plan for Management Employees	May 1, 2008
AT&T Retirement Savings and Profit Sharing Plan (certain assets only)	May 1, 2008
AT&T Mergers and Acquisitions Savings Plan	May 1, 2008
Interwise USA LLC 401(k) Savings Plan	September 2, 2008
AT&T GSI Deferred Income Plan	November 1, 2008
Dobson Communications Corp 401(k) Plan (certain assets only)	December 19, 2008
Cingular Wireless 401(k) Retirement Savings Plan	December 31, 2008
Cingular Wireless 401(k) Savings Plan (certain assets only)	December 31, 2008

On March 1, 2008, the single trust holding only the assets of the Plan became a master trust with the transfer in of certain assets from the AT&T Retirement Savings Plan (ARSP). Therefore, the AT&T Savings Plan Master Trust (AT&T Master Trust) was created effective March 1, 2008. In October 2007, AT&T established the

AT&T Savings Group Investment Trust (Group Trust) to manage assets of pooled investment options between the Plan and other AT&T sponsored employee benefit plans. The Plan had a direct investment in the Group Trust through March 1, 2008, at which time the Plan's investment in the Group Trust transferred to the AT&T Master Trust. The Bank of New York Mellon (BNY Mellon) serves as trustee for both the Group Trust and the AT&T Master Trust. Due to the mergers of the Cingular Wireless 401(k) Retirement Savings Plan and the Cingular Wireless 401(k) Savings Plan (collectively the Legacy Cingular Savings Plans), the Plan acquired an interest in the Cingular Wireless Savings Master Trust (CWMT) on December 31, 2008. State Street Bank and Trust Company (State Street) serves as trustee of the CWMT. The assets of the CWMT were transferred to the AT&T Master Trust in January 2009 (See Note 4)

During 2008, participants could invest their contributions in one or more of eleven funds in 1% increments:

- AT&T Total Return Bond Fund*
- AT&T U.S. Stock Fund*
- AT&T International Stock Fund*
- AT&T Stable Value Fund*
- AT&T Age-Based Asset Allocation Funds (based on retirement date)**
- Total U.S. Stock Market Index Fund**
- Small and Mid-Sized U.S. Stock Index Fund**
- International Stock Index Fund**
- Large Cap U.S. Stock Index Fund**
- AT&T Shares Fund**
- Fidelity BrokerageLink®**

* Fund option became an investment fund option of the Group Trust effective November 1, 2007.

** Fund option became an investment fund option of the AT&T Master Trust effective March 1, 2008.

Participants contribute to the Plan through payroll allotments. The Company contributes to the Plan by matching the participants' contributions based on the provisions of the Plan. Some matching contributions were participant directed through December 31, 2008 and others are made solely in the form of shares of AT&T's common stock held in an Employee Stock Ownership Plan (ESOP) which is a separate investment account of this Plan. Effective January 1, 2007, vested Company contributions made to the Plan that are invested in the ESOP can be immediately diversified into any of the fund options above. Company contributions made to the Plan prior to December 31, 2006 can only be diversified into other fund options at varying percentages based on whether or not the participant is vested in the matching contributions. Generally, all vested amounts in the ESOP will be available for diversification into other funds by January 1, 2009.

AT&T SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (continued)
(Dollars in Thousands)

Dividends on shares in the AT&T Shares Fund and the ESOP can either be reinvested in the AT&T Shares Fund on a quarterly basis, or paid into a separate fund known as a Dividend Fund Account (DFA) for distribution at the end of the year. Interest earned on dividends held in the DFA purchases additional units of the AT&T Shares Fund in the participant's account. During 2008, Plan participants elected to receive \$25,552 in dividend distributions. This amount is included in distributions on the statement of changes in net assets available for benefits.

Although it has not expressed any intent to do so, AT&T has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event that the Plan is terminated, subject to the conditions set forth by ERISA, the account balances of all participants shall be 100% vested.

2. Accounting Policies – The accompanying financial statements were prepared in conformity with U.S. generally accepted accounting principles, which require management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Benefits are recorded when paid.

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements. Investments in securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. If no sale was reported on that date, they are valued at the last reported bid price. Shares of registered investment companies are valued based on quoted market prices, which represent the net asset value of shares held at year-end. Over-the-counter securities and government obligations are valued at the bid price or the average of the bid and asked price on the last business day of the year from published sources where available and, if not available, from other sources considered reliable. Cash and temporary assets are stated at fair value. The guaranteed investment contracts (GICs) and the Synthetic GICs hold asset backed securities.

Common/collective trust funds are valued at quoted redemption values that represent the net asset values of units held at year-end which management has determined approximates fair value. Publicly traded partnerships are valued using trades on a national securities exchange on the last reported sales price on the last business day of the year. Participant loans are reported at cost, which approximates fair value.

As required by Financial Accounting Standards Board Staff Position AAG INV-1 and SOP 94-4-1, "Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans" (the FSP), investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Group Trust invests in fully benefit-responsive guaranteed investment contracts (GICs) and Synthetic investment contracts (Synthetic GICs). The underlying investments of the Synthetic GICs are valued at quoted redemption values on the last business day of the Plan's year-end. The fair value of the wrap contracts for the Synthetic GICs is determined using the market approach discounting methodology that incorporates the difference between current market level rates for contract level wrap fees and the wrap fee being charged. The difference is calculated as a dollar value and discounted by the prevailing interpolated swap rate as of period end. The contract value of the fully benefit-responsive investment contracts represents contributions plus earnings, less participant withdrawals and administrative expenses.

AT&T SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (continued)
(Dollars in Thousands)

Purchases and sales of securities are reflected as of the trade date. Dividend income is recognized on the ex-dividend date. Interest earned on investments is recognized on the accrual basis.

All expenses incident to the administration of the Plan will be paid from the Plan, Group Trust or AT&T Master Trust except to the extent such expenses are paid by the Company. To the extent that expenses incident to the administration of the Plan are paid from the Plan, Group Trust, or AT&T Master Trust, the plan administrator (as defined by the Plan) will determine which expenses are to be charged to and paid from participant's individual accounts, which expenses are to be charged to and paid from the accounts of all participants (and how they are to be allocated among such accounts), and which expenses are to be charged to and paid from the accounts of one or more identified groups of participants (and how they are to be allocated among such accounts). In 2008, AT&T amended the Plan to charge certain fees directly to the account of the participant incurring the expense, instead of being charged to the Plan.

Certain prior year balances have been reclassified to conform to current year presentation. Specifically, the participant loan account balance is shown as its own line item on the statement of net assets available for benefits at December 31, 2008 and 2007.

3. Fair Value Measurements – In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 157 Fair Value Measurements (FASB Statement No. 157). FASB Statement No. 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. The provisions of FASB Statement No. 157 are effective for fiscal years beginning after November 15, 2007. The Plan adopted this standard as of January 1, 2008 and the impact of the adoption was not significant.

The FASB Statement No. 157 framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS Statement No. 157 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted market prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level with the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described in Note 2 may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2008 and 2007.

AT&T SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (continued)
(Dollars in Thousands)

The only investment held by the Plan (outside of the Group, AT&T Master, and CWMT Trusts) is participant loans, and is classified as a Level 3 investment in the fair value hierarchy at December 31, 2008. There are no realized or unrealized gains or losses on participant loans. The change from the December 31, 2007 balance of \$200,412 consists solely of net issuances and settlements. See Note 4 for fair value hierarchy for the Group Trust's, AT&T Master Trust's, and CWMT's investments.

4. Investments – During 2008, the Plan held investments in its own trust through March 1, 2008, in the Group Trust (for certain investment fund options as disclosed in Note 1) for the year ended December 31, 2008, and the AT&T Master Trust (for certain investment fund options as disclosed in Note 1) from March 1, 2008 to December 31, 2008. In addition, due to the mergers of the Legacy Cingular Savings Plans, the Plan owns an interest in the CWMT on December 31, 2008.

Plan Investments

As disclosed in Note 1, the trust funding the plan was a single trust holding only the assets of the Plan until March 1, 2008. On March 1, 2008 the AT&T Master Trust was created when certain assets of the AT&T Retirement Savings Plan were transferred to the trust.

Investments representing 5% or more of Plan net assets at December 31, 2007 were:

	2007
Employee Stock Ownership Plan 1	
AT&T common shares	\$ 1,934,470
AT&T Shares Fund	
AT&T common shares	1,542,915
Large Cap U.S. Stock Index Fund	
Barclays Global Investors Intermediate Equity Index Fund F	1,447,931
Small and Mid-Sized U.S. Stock Index Fund	
Barclays Global Investors Intermediate	
Extended Equity Market Fund F	676,692
International Stock Index Fund	
Barclays Global Investors Intermediate	
MSCI ACWI Ex-US Index Superfund F	709,009

1 Nonparticipant-directed

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value as follows for the period from January 1, 2008 to March 1, 2008:

Common stock	\$ (563,495)
Common/collective trust funds	(297,076)

Total

\$ (860,571)

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AT&T SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (continued)
(Dollars in Thousands)

AT&T Savings Plan Master Trust Investments

In March 2008, AT&T established the AT&T Master Trust to manage assets of pooled investment options among various AT&T sponsored plans. The Plan began participating in the AT&T Master Trust on March 1, 2008. Certain underlying assets of participant fund options available to participants prior to March 1, 2008 that were held in a single trust funding only the Plan became assets of the AT&T Master Trust when certain assets of the ARSP were transferred to the trust.

Each participating plan's interest in the investment fund options (i.e., separate accounts) of the AT&T Master Trust is based on account balances of the participants and their elected investment fund options. The AT&T Master Trust assets are allocated among the participating plans by assigning to each plan those transactions (primarily contributions, benefit payments, and plan-specific expenses) that can be specifically identified and by allocating among all plans, in proportion to the fair value of the assets assigned to each plan, income and expenses resulting from the collective investment of the assets of the AT&T Master Trust.

Investment income and administrative expenses related to the AT&T Master Trust are allocated to the individual plans on a daily basis based on each participant's account balance within each investment fund option.

The participating entity and ownership percentages of the AT&T Master Trust are listed below:

December 31, 2008

AT&T Savings Plan	99.13%
AT&T Retirement Savings Plan	0.84%
AT&T Puerto Rico Savings Plan (formerly AT&T of Puerto Rico, Inc. Long Term Savings Plan for Management Employees)	0.03%
Total	100.0%

The Plan's percentage interest in each of the investment fund options within the AT&T Master Trust is disclosed below.

	December 31, 2008
Total U.S. Stock Market Index Fund	99.64%
Large Cap U.S. Stock Index Fund	99.16%
Small and Mid-Sized U.S. Stock Index Fund	99.47%
International Stock Index Fund	99.51%
AT&T Shares Fund	98.66%
AT&T Age-Based Asset Allocation Funds	
AT&T Age-Based Allocation 2000 Fund	99.91%
AT&T Age-Based Allocation 2005 Fund	99.97%
AT&T Age-Based Allocation 2010 Fund	99.69%
AT&T Age-Based Allocation 2015 Fund	99.73%

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AT&T Age-Based Allocation 2020 Fund	99.38%
AT&T Age-Based Allocation 2025 Fund	99.69%
AT&T Age-Based Allocation 2030 Fund	99.36%
AT&T Age-Based Allocation 2035 Fund	98.97%
AT&T Age-Based Allocation 2040 Fund	97.81%
AT&T Age-Based Allocation 2045 Fund	95.92%
AT&T Age-Based Allocation 2050 Fund	99.31%
Fidelity BrokerageLink®	98.78%

The financial position of the AT&T Master Trust at December 31, 2008 was as follows:

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AT&T SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (continued)
(Dollars in Thousands)

Type of AT&T Master Trust Investment

	2008
Interest bearing cash	\$ 11,155
Common stocks	3,395,900
Common/collective trust funds	4,259,005
Investment in Group Trust	7,658,152
AT&T Master Trust investments, at fair value	\$ 15,324,212
Net other assets and liabilities	(4,534)
Adjustment from fair value to contract value for fully benefit responsive investment contracts	74,669
Net assets available for benefits	15,394,347

Net Appreciation (Depreciation) in Fair Value of AT&T Master Trust Investments and Total Investment Income for the period from March 1, 2008 to December 31, 2008

	2008
Interest bearing cash	\$ 38
Common stocks	(99,829)
Common/collective trust funds	(2,199,425)
Investment in Group Trust	(1,256,285)
Total net depreciation in fair value of AT&T Master Trust Investments	\$ (3,555,501)
Investment income:	
Interest	\$ 25
Dividends	129,545
Total investment income	\$ 129,570

The following table sets forth by level, within the fair value hierarchy, the AT&T Master Trust's assets at fair value as of December 31, 2008, excluding its investment in the Group Trust.

	AT&T Master Trust Assets at Fair Value as of December 31, 2008			
	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ 11,155	\$ -	\$ -	\$ 11,155
Common stocks	3,395,900	-	-	3,395,900
Common/collective trust funds	-	4,259,005	-	4,259,005
Total assets at fair value	\$ 3,407,055	\$ 4,259,005	\$ -	\$ 7,666,060

AT&T Savings Group Investment Trust

In October 2007, AT&T established the Group Trust to manage assets of pooled investment options between the Plan and other AT&T sponsored employee benefit plans. The Plan began participating in the Group Trust on November 1, 2007. With the creation of the AT&T Master Trust, the Plan's investment in the Group Trust was transferred to the AT&T Master Trust on March 1, 2008. Prior to March 1, 2008, the Plan had a direct interest ownership in the Group Trust, whereas after March 1, 2008 the Plan had an indirect interest ownership in the Group Trust through the AT&T Master Trust.

AT&T SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (continued)
(Dollars in Thousands)

Each participating plan's interest in the investment fund options (i.e., separate accounts) of the Group Trust is based on account balances of the participants and their elected investment fund options. The Group Trust assets are allocated among the participating plans by assigning to each plan those transactions (primarily contributions, benefit payments, and plan-specific expenses) that can be specifically identified and by allocating among all plans, in proportion to the fair value of the assets assigned to each plan, income and expenses resulting from the collective investment of the assets of the Group Trust.

Investment income and administrative expenses related to the Group Trust are allocated to the individual plans on a daily basis based on each participant's account balance within each investment fund option.

The participating entities and ownership percentages of the Group Trust are listed below:

December 31, 2008

AT&T Savings Plan Master Trust	83.4%
AT&T Savings Master Trust	7.4%
BellSouth Savings and Security Plan	9.2%
Total	100.0%

December 31, 2007

AT&T Savings Plan	26.9%
AT&T Savings Master Trust	73.1%
Total	100.0%

AT&T SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (continued)
(Dollars in Thousands)

The AT&T Master Trust's percentage interest in each of the investment fund options within the Group Trust is disclosed below.

December 31, 2008	AT&T Total Return Bond Fund	AT&T U.S. Stock Fund	AT&T Inter-national Stock Fund	AT&T Stable Value Fund	Group Trust
Interest bearing cash	\$ -	\$ 43	\$ 7,426	\$ -	7,469
Common/collective trust funds	-	492,060	143,162	-	635,222
Corporate and other bonds and notes	-	-	171	-	171
Equities	-	1,174,101	250,366	-	1,424,467
Equities – loaned	-	(73,570)	(13,993)	-	(87,563)
Publicly traded partnerships	-	1,242	-	-	1,242
Registered investment companies	752,426	23,407	4,793	5,062	785,688
Registered investment companies – loaned	(37,925)	-	-	-	(37,925)
Investment contracts (at fair value):					
Guaranteed investment contracts	-	-	-	23,996	23,996
Synthetic investment contracts					
Common/collective trust funds	-	-	-	26,927	26,927
Corporate and other bonds and notes	-	-	-	2,739,026	2,739,026
Corporate and other bonds and notes – loaned	-	-	-	(8,955)	(8,955)
Government securities	-	-	-	3,765,673	3,765,673
Government securities – loaned	-	-	-	(796,733)	(796,733)
Investments short sold (proceeds of \$97,067)	-	-	-	(97,762)	(97,762)
Wrap contracts	-	-	-	17,863	17,863
Common/collective trust funds	-	-	-	3,120	3,120
Unsettled trades and other	-	-	-	(158,963)	(158,963)
Market value of securities on loan	37,925	73,570	13,993	805,688	931,176
AT&T Savings Group Investment Trust	752,426	1,690,853	405,918	6,324,942	9,174,139

investments at fair value					
Unsettled trades and other	3,469	(636)	2,292	(5,499)	(374)
Adjustment from fair value					
to contract value for fully					
benefit-responsive					
investment contracts	-	-	-	96,719	96,719
AT&T Savings Group					
Investment Trust					
investments	\$ 755,895	1,690,217	408,210	6,416,162	9,270,484
AT&T Savings Plan					
Master Trust's percentage					
ownership interest of					
investments	98.2%	96.9 %	97.9 %	77.2%	83.4%

AT&T SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (continued)
(Dollars in Thousands)

The Plan's percentage interest in each of the investment fund options within the Group Trust is discussed below.

December 31, 2007	AT&T Total Return Bond Fund	AT&T U.S. Stock Fund	AT&T Inter-national Stock Fund	AT&T Stable Value Fund	Group Trust
Interest bearing cash	\$ -	\$ 12,771	\$ 4,289	\$ -	17,060
Common/collective trust funds	-	353,432	60,426	-	413,858
Corporate and other bonds and notes	-	445	-	-	445
Equities	-	504,399	162,289	-	666,688
Equities – loaned	-	(33,064)	(9,098)	-	(42,162)
Publicly traded partnerships	-	2,622	-	-	2,622
Registered investment companies	378,875	76,596	1,358	-	456,829
Registered investment companies – loaned	(157,449)	-	-	-	(157,449)
Investment contracts (at fair value):					
Guaranteed investment contracts	-	-	-	64,698	64,698
Synthetic investment contracts					
Common/collective trust funds	-	-	-	48,414	48,414
Corporate and other bonds and notes	-	-	-	2,341,762	2,341,762
Corporate and other bonds and notes – loaned	-	-	-	(16,828)	(16,828)
Government securities	-	-	-	1,559,752	1,559,752
Government securities – loaned	-	-	-	(455,383)	(455,383)
Investments short sold (proceeds of \$81,273)	-	-	-	(81,541)	(81,541)
Wrap contracts	-	-	-	267	267
Common/collective trust funds	-	-	-	31,637	31,637
Unsettled trades and other	-	-	-	(98,909)	(98,909)
Market value of securities on loan	157,449	33,064	9,098	472,211	671,822
AT&T Savings Group Investment Trust investments at fair value	378,875	950,265	228,362	3,866,080	5,423,582

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Unsettled trades and other	1,760	3,905	152	(17,518)	(11,701)
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	-	-	-	8,346	8,346
AT&T Savings Group Investment Trust investments	\$ 380,635	\$ 954,170	\$ 228,514	\$ 3,856,908	\$ 5,420,227
Plan's percentage ownership interest of investments	69.6 %	1.1 %	6.6 %	30.2%	26.9%

Certain prior year balances have been reclassified to conform to current year presentation. Specifically, the unsettled trades and other account balance are shown below the investments at fair value as these items relate primarily to due to/due from broker receivables and payables.

AT&T SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (continued)
(Dollars in Thousands)

Net Appreciation (Depreciation) in Fair Value of AT&T Savings Group Investment Trust Investments and Total Investment Income for the year ended December 31, 2008

	AT&T Total Return Bond Fund	AT&T U.S. Stock Fund	AT&T Inter-national Stock Fund	AT&T Stable Value Fund	Group Trust
Interest bearing cash	\$ -	\$ -	\$ 73	\$ -	73
Common/collective trust funds	-	(262,119)	(69,429)	-	(331,548)
Corporate and other bonds and notes	-	-	(7)	-	(7)
Equities	-	(785,039)	(292,308)	-	(1,077,347)
Publicly traded partnerships	-	(1,991)	-	-	(1,991)
Registered investment companies	(59,157)	2,002	-	-	(57,155)
Total net appreciation (depreciation) in fair value of Group Trust Investments	\$(59,157)	\$ (1,047,147)	\$ (361,671)	\$ -	\$(1,467,975)

Investment income:

Interest	\$ -	\$ 1,085	\$ 1,784	\$ 271,823	\$ 274,692
Dividends	51,532	23,597	13,572	35	88,736
Securities lending	-	1,632	487	-	2,119
Total investment income of Group Trust Investments	\$ 51,532	\$ 26,314	\$ 15,843	\$ 271,858	\$ 365,547

The following table sets forth by level, within the fair value hierarchy, the Group Trust's assets at fair value as of December 31, 2008.

Group Trust Assets at Fair Value as of December 31, 2008

	Level 1	Level 2	Level 3	Total
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Interest bearing cash	\$ 7,426	\$ 43	\$ -	\$ 7,469
Common/collective trust funds	-	665,269	-	665,269
Corporate and other bonds and notes	171	-	-	171
Equities	1,334,229	2,675	-	1,336,904
Publicly traded partnerships	1,242	-	-	1,242
Registered investment companies	742,701	5,062	-	747,763
Investment contracts:				
Guaranteed investment contracts	-	23,996	-	23,996
Synthetic investment contracts:				
Common/collective trust fund	-	30,047	-	30,047

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Corporate and other bonds and notes	208,230	2,521,841	-	2,730,071
Government securities	-	2,968,940	-	2,968,940
Wrap contracts	-	17,863	-	17,863
Other	-	(256,725)	-	(256,725)
Market value of securities on loan	125,488	805,688	-	931,176
Total assets and liabilities at fair value	\$ 2,419,487	\$ 6,754,652	\$ -	\$ 9,174,139

AT&T SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (continued)
(Dollars in Thousands)

Cingular Wireless Savings Master Trust Investments

As discussed in Note 1, the Plan acquired an interest in the CWMT on December 31, 2008. Due to the mergers of the Legacy Cingular Savings Plans, the assets held by the CWMT (pending transfer to the AT&T Master Trust) are owned by the Plan and the ARSP. The assets of the CWMT were transferred to the AT&T Master Trust in January 2009.

The Legacy Cingular Savings Plans maintained various investment fund options in which the participants could invest their accounts. All underlying investments of the investment fund options were held by the CWMT.

Each participating plan's interest in the investment fund options (i.e., separate accounts) of the CWMT was based on account balances of the participants and their elected investment fund options. The CWMT assets are allocated to the Plan and ARSP based on account balances of participants who have become eligible for either the Plan or the ARSP effective December 31, 2008. At December 31, 2008, the Plan's interest in the net assets of the CWMT was approximately 88%, with a fair value of \$1,695,241.

Because the Legacy Cingular Savings Plans merged into the Plan and ARSP on December 31, 2008, there was no income or expenses recorded on the Plan's statement of changes in net assets available for benefits for the year ended December 31, 2008.

AT&T SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS (continued)
(Dollars in Thousands)

The CWMT investments presented as of December 31, 2008 are those held by State Street, as trustee.

Type of CWMT Investment	2008
Investments at fair value:	
Interest bearing cash	5,980
Common/collective trust funds	1,286,149
Common stock	73,518
Cingular Stable Value Fund	
Interest bearing cash	47,878
Guaranteed investment contracts	36,013
Synthetic investment contracts:	
Asset-backed securities	108,286
Common/collective trust funds	149,379
Corporate bond	9,353
Government securities	76,856
Wrapper contracts	242
Total investments at fair value	1,793,654
Receivables and payables	124,384
Net assets held in Cingular Wireless Savings Master Trust, at fair value	1,918,038
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	4,266
Net assets held in Cingular Wireless Savings Master Trust	\$ 1,922,304

The following table sets forth by level, within the fair value hierarchy, the CWMT's assets at fair value as of December 31, 2008.

CWMT Assets at Fair Value as of December 31, 2008			
Level 1	Level 2	Level 3	Total