

AT&T INC.
Form 11-K
June 25, 2010

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, 2009

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

To Plan Administrator of the
AT&T Savings Plan

We have audited the accompanying statements of net assets available for benefits of the AT&T Savings Plan as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. 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, 2009 and 2008, and the changes in its net assets available for benefits for the year ended December 31, 2009, in conformity with U.S. 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, 2009, is presented for purposes of additional analysis 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, as amended. 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.

Dallas, Texas
June 25, 2010

/s/ Ernst & Young LLP

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

	December 31,	
	2009	2008
ASSETS		
Participant loans	\$455,093	\$419,963
Investment in AT&T Savings Plan Master Trust	19,499,212	15,186,020
Investment in Cingular Wireless Savings Plan Master Trust	-	1,695,241
Total Investments (at fair value) (See Note 4)	19,954,305	17,301,224
Net Assets at fair value	19,954,305	17,301,224
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(102,825)	77,816
Net Assets Available for Benefits	\$19,851,480	\$17,379,040
See Notes to Financial Statements.		

AT&T SAVINGS PLAN
 STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 FOR THE YEAR ENDED DECEMBER 31, 2009
 (Dollars in Thousands)

Net Assets Available for Benefits, December 31, 2008	\$17,379,040
Additions to Net Assets:	
Contributions:	
Participant contributions	772,623
Employer contributions	364,290
	1,136,913
Investment Income:	
Net income from investment in AT&T Savings Plan Master Trust	2,711,180
Interest on participant loans	27,262
Net income from investment in Cingular Wireless Savings Master Trust	(4,789)
Total Additions	3,870,566
Deductions from Net Assets:	
Administrative expenses	10,005
Distributions	1,424,576
Total Deductions	1,434,581
Net increase before transfers	2,435,985
Transfers from affiliated plans (See Note 1)	36,455
Net Assets Available for Benefits, December 31, 2009	\$19,851,480

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) is a defined contribution plan originally 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 2009, AT&T amended the Plan to merge the participant account balances and assets of the following plans into the Plan:

Plan Name	Effective Date
USInternetworking, Inc. 401k Profit Sharing Plan	October 1, 2009
Wayport, Inc. 401k Plan	December 29, 2009

The Plan participates in the AT&T Savings Plan Master Trust (AT&T Master Trust) for certain participant investment fund options as described below. The AT&T Master Trust invests in the AT&T Savings Group Investment Trust (Group Trust) for the remaining participant investment fund options. The Bank of New York Mellon Corporation (BNY Mellon) serves as trustee for both the AT&T Master Trust and Group Trust. Fidelity Investments Institutional Operations Company, Inc. (Fidelity) serves as record keeper for the Plan. Effective December 31, 2008, the Cingular Wireless 401(k) Savings Plan and Cingular Wireless 401(k) Retirement Savings Plan (collectively, the Legacy Cingular Plans) merged assets attributable to all employees into either the Plan or the AT&T Retirement Savings Plan (ARSP) based on the employment status of the participant and eligibility requirements under the Plan and ARSP. Due to the mergers of the Legacy Cingular 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) served 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 2009, participants could invest their contributions in one or more of 11 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®**

* Investment fund option of the Group Trust.

** Investment fund option of the AT&T Master Trust.

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 are made in the form of cash and are participant directed immediately upon allocation. The majority of Company matching contributions 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 component 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 became available for diversification into other funds on 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 2009, Plan participants elected to receive \$36,072 in dividend distributions. This amount is included in distributions on the statement of changes in net assets available for benefits.

Each participant is entitled to exercise voting rights attributable to the AT&T shares allocated to their account and is notified by the Company prior to the time that such rights may be exercised. The trustee is not permitted to vote any allocated shares for which instructions have not been given by a participant. The trustee votes any unallocated shares in the same proportion as those shares that were allocated, unless the Committee directs the trustee otherwise. Participants have the same voting rights in the event of a tender or exchange offer.

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.

Administrative Expenses 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).

2. **Accounting Policies** – The accompanying financial statements were prepared in conformity with U.S. generally accepted accounting principles (GAAP), 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. Distributions are recorded when paid.

Investment Valuation and Income Recognition 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.

Common/collective trust funds are valued at redemption values that represent the net asset values of units held at year-end in accordance with Accounting Standards Update (ASU) 2009-12, "Investments in Certain Entities That Calculate Net Asset Value Per Share (or Its Equivalent)," as discussed below. 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.

Under GAAP, 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 and CWMT invest in fully benefit-responsive guaranteed investment contracts (GICs) and synthetic investment contracts (Synthetic GICs). GICs are valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. The underlying investments of the Synthetic GICs are owned by the Group Trust and CWMT and are comprised of common/collective trust funds, corporate bonds and notes, registered investment companies and government securities and are also valued as described above. The fair value of the wrapper 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.

Recent Accounting Standards

Accounting Standards Codification In June 2009, the Financial Accounting Standards Board (FASB) issued standards that established the FASB Accounting Standards Codification (ASC or Codification) as the source of authoritative GAAP by the FASB for nongovernmental entities. The ASC supersedes all non-SEC accounting and reporting standards that existed at the ASC's effective date. The FASB uses ASUs to amend the ASC. The Plan's financial statements refer to ASUs throughout the footnotes where deemed relevant and make general references to pre-Codification standards. These standards were effective for periods ending after September 15, 2009 (i.e. year ended December 31, 2009, for the Plan). There was no impact to the Plan's financial statements in the adoption of these standards, except for updating the appropriate references to the guidance that was codified in these standards.

Fair Value Measurements and Disclosures In April 2009, ASC Topic 820, Fair Value Measurements and Disclosures (ASC 820), was amended to provide additional guidance on estimating fair value when the volume and level of activity for an asset or liability have significantly decreased in relation to normal market activity for the asset or liability. This amendment (ASC 820-10-65) also provides additional guidance on circumstances that may indicate that a transaction is not orderly and on defining major categories of debt and equity securities in meeting the disclosure requirements of ASC 820. Per ASC 820-10-65, this amendment is effective for reporting periods ending after June 15, 2009 (i.e., the year ended December 31, 2009, for the Plan), and the Plan has adopted this amendment. Adoption of ASC 820-10-65 did not have a material effect on the Plan's net assets available for benefits or its changes in net assets available for benefits.

In September 2009, the FASB issued "Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)" (ASU 2009-12), which provides guidance for an investor on using the net asset value (NAV) per share provided by an investee to estimate the fair value of an alternative investment when the fair value for the primary investment is not readily determinable. It affects certain investments that are required or permitted by GAAP to be measured or disclosed at fair value on a recurring or nonrecurring basis. It requires disclosures by major category of investment about certain attributes (e.g., applicable redemption restrictions, unfunded commitments to the issuer of the investments, and the investment strategies of that issuer). ASU 2009-12 was effective for interim and annual periods ending on or after December 15, 2009 (i.e., the year ended December 31, 2009, for the Plan). See Note 4 for the impact of the Plan's adoption of ASU 2009-12. Adoption of ASU 2009-12 did not have a material effect on the Plan's net assets available for benefits or its changes in net assets available for benefits.

In January 2010, the FASB issued "Fair Value Measurements and Disclosures—Improving Disclosures about Fair Value Measurements" (ASU 2010-06), which requires new disclosures and reasons for transfers of financial assets and liabilities between Levels 1, 2 and 3. ASU 2010-06 also clarifies that fair value measurement disclosures are required for each class of financial asset and liability, and those disclosures should include a discussion of inputs and valuation techniques. It further clarifies that the reconciliation of Level 3 measurements should separately present purchases, sales, issuances, and settlements instead of netting these changes. With respect to matters other than Level 3 measurements, ASU 2010-06 is effective for fiscal years and interim periods beginning on or after December 15, 2009 (i.e., the year ending December 31, 2010, for the Plan). New guidance related to Level 3 measurements is effective for fiscal years and interim periods beginning on or after December 15, 2010 (i.e., the year ending December 31, 2011,

for the Plan). The Plan management is currently evaluating the impact of ASU 2010-06 on the Plan's financial statements.

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

Derivative Instruments and Hedging Activities Disclosures In March 2008, the FASB amended the disclosure requirements for derivative instruments and hedging activities. This guidance was later codified in ASC 815-10-50. The new guidance requires enhanced disclosures about an entity's derivative and hedging activities to improve the transparency of financial reporting. The Plan adopted the new guidance as of January 1, 2009, which increased the Plan's disclosures (see Note 4) but did not have an impact on the Plan's statement of net assets available for benefits or statement of changes in net assets available for benefits.

3. Fair Value Measurements – ASC 820 establishes a framework for measuring fair value. That 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 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 must 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 Plan management 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, 2009 and 2008.

The only investments held by the Plan (outside of the Group, AT&T Master Trust and CWMT Trusts) are participant loans, and are classified as a Level 3 investment in the fair value hierarchy. There are no realized or unrealized gains or losses on participant loans. The change of \$35,130 from the December 31, 2008, balance consisted solely of net

issuances and settlements. See Note 4 for fair value hierarchy for the Group Trust's, AT&T Master Trust's, and, at December 31, 2008, CWMT's investments.

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

4. Investments – The Plan held investments in the AT&T Master Trust (for certain investment fund options as disclosed in Note 1), and the AT&T Master Trust held an investment in the Group Trust as of December 31, 2009 and 2008, and for the year ended December 31, 2009. In addition, due to the mergers of the Legacy Cingular Savings Plans, the Plan owned an interest in the CWMT from December 31, 2008 until its transfer into the AT&T Master Trust in January 2009.

AT&T Savings Plan Master Trust Investments

AT&T established the AT&T Master Trust to manage assets of pooled investment options among various AT&T sponsored employee benefit plans.

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 plans and ownership percentages of the AT&T Master Trust are listed below:

	December 31,			
	2009		2008	
AT&T Savings Plan	97.67	%	99.13	%
AT&T Retirement Savings Plan	2.24	%	0.84	%
AT&T Puerto Rico Savings Plan	0.07	%	0.03	%
AT&T Puerto Rico Retirement Savings Plan	0.02	%	-	
Total	100.0	%	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,			
	2009		2008	
Total U.S. stock market index fund	99.560	%	99.635	%
Large cap U.S. stock index fund	96.289	%	99.159	%
Small and mid-sized U.S. stock index fund	97.326	%	99.470	%
International stock index fund	96.942	%	99.507	%
AT&T shares fund	98.560	%	98.658	%
AT&T age-based asset allocation funds:				
AT&T Age-Based Allocation 2000 Fund	93.094	%	99.914	%
AT&T Age-Based Allocation 2005 Fund	99.856	%	99.967	%

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AT&T Age-Based Allocation 2010 Fund	96.665	%	99.692	%
AT&T Age-Based Allocation 2015 Fund	99.514	%	99.730	%
AT&T Age-Based Allocation 2020 Fund	95.870	%	99.379	%
AT&T Age-Based Allocation 2025 Fund	98.994	%	99.692	%
AT&T Age-Based Allocation 2030 Fund	94.389	%	99.356	%
AT&T Age-Based Allocation 2035 Fund	96.572	%	98.972	%
AT&T Age-Based Allocation 2040 Fund	85.857	%	97.814	%
AT&T Age-Based Allocation 2045 Fund	62.685	%	95.917	%
AT&T Age-Based Allocation 2050 Fund	73.360	%	99.314	%
Fidelity BrokerageLink®	98.843	%	98.780	%

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

The financial position of the AT&T Master Trust was as follows:

	December 31,	
	2009	2008
Interest bearing cash	\$ 6,291	\$ 11,155
AT&T common stock	3,612,637	3,395,900
Common/collective trust funds	6,029,823	3,354,027
Short-term investments	12,063	-
Fidelity BrokerageLink:		
Registered investment companies	906,251	685,674
Common stock	168,495	90,026
Corporate debt instruments	1,060	367
Government bonds	1,274	1,790
Interest bearing cash	127,076	127,120
Other	11	1
Investment in Group Trust	9,108,208	7,658,152
AT&T Master Trust investments, at fair value	\$ 19,973,189	\$ 15,324,212
Net other assets and liabilities	(7,575)	(4,534)
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(105,004)	74,669
Net assets available for benefits	\$ 19,860,610	\$ 15,394,347

Net Appreciation (Depreciation) in Fair Value of AT&T Master Trust Investments and Total Investment Income for the year ended December 31, 2009:

	2009
Interest bearing cash	\$ 285
AT&T common stock	(39,005)
Common/collective trust funds	1,545,413
Fidelity BrokerageLink:	
Registered investment companies	298,153
Common stock	1,350
Corporate debt instruments	25
Government bonds	(253)
Interest bearing cash	(115)
Other	29
Investment in Group Trust	769,292
Total net appreciation in fair value of AT&T Master Trust Investments	\$ 2,575,174
Investment income:	
Interest	\$ 76
Dividends in Group Trust	205,015
Total investment income	\$ 205,091

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

In accordance with ASC 820-10-65, the AT&T Master Trust expanded its disclosures to include the major categorization for debt and equity securities on the basis of the nature and risks of the investments. The following table sets forth by level, within the fair value hierarchy, the AT&T Master Trust's assets at fair value, excluding its investment in the Group Trust:

	AT&T Master Trust Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ 6,291	\$ -	\$ -	\$ 6,291
Blended equity and debt:				
Asset allocation funds ¹	-	1,700,741	-	1,700,741
U.S. equity securities:				
AT&T common stock	3,612,637	-	-	3,612,637
Total U.S. stock market index fund ²	-	302,781	-	302,781
Large cap U.S. stock index fund ³	-	2,282,746	-	2,282,746
Small and mid-sized U.S. stock index fund ⁴	-	932,150	-	932,150
International equity securities:				
International stock index fund ⁵	-	811,405	-	811,405
Fidelity BrokerageLink:			-	
Registered investment companies	-	906,251	-	906,251
Common stock	168,495	-	-	168,495
Corporate debt instruments	-	1,060	-	1,060
Government bonds	-	1,274	-	1,274
Interest bearing cash	127,076	-	-	127,076
Other	-	11	-	11
Short-term investments	12,063	-	-	12,063
Total assets at fair value	\$ 3,926,562	\$ 6,938,419	\$ -	\$ 10,864,981

¹This category includes 11 common/collective trust funds also known as Aged-Based Asset Allocation Funds which are well diversified portfolios that adjust the mix of the various underlying investments over time. The change in allocation of investments is designed to move from a more aggressive investment strategy to a more conservative strategy as the participants come closer to retirement. The year associated with the fund identification denotes the projected year of retirement of the participant selecting the fund. There are currently no redemption restrictions on these investments. The fair values of the investments in this category have been estimated using the net asset value per share.

²This category includes a common/collective trust fund with an objective of providing investment results that approximate the overall performance of the common stocks included in the Dow Jones Wilshire 5000 Index. There are currently no redemption restrictions on this investment. The fair value of the investment in this category has been estimated using the net asset value per share.

³This category includes a common/collective trust fund with an objective of providing investment results that approximate the overall performance of the common stocks included in the Standard and Poor's Composite Stock

Price Index of 500 stocks (the S&P 500®). There are currently no redemption restrictions on this investment. The fair value of the investment in this category has been estimated using the net asset value per share.

4This category includes a common/collective trust fund with an objective of providing investment results that approximate the overall performance of the common stocks included in the Dow Jones Wilshire 4500 Index. There are currently no redemption restrictions on this investment. The fair value of the investment in this category has been estimated using the net asset value per share.

5This category includes a common/collective trust fund with an objective of providing investment results that approximate the overall performance of the common stocks included in the All Country World Index ex U.S. Index. There are currently no redemption restrictions on this investment. The fair value of the investment in this category has been estimated using the net asset value per share.

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

The following table sets forth by level, within the fair value hierarchy, the AT&T Master Trust's assets at fair value at 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
AT&T common stock	3,395,900	-	-	3,395,900
Common/collective trust funds	-	3,354,027	-	3,354,027
Fidelity BrokerageLink:				
Registered investment companies	-	685,674	-	685,674
Common stock	90,026	-	-	90,026
Corporate debt instruments	-	367	-	367
Government bonds	-	1,790	-	1,790
Interest bearing cash	127,120	-	-	127,120
Other	-	1	-	1
Total assets at fair value	\$ 3,624,201	\$ 4,041,859	\$ -	\$ 7,666,060

AT&T Savings Group Investment Trust Investments

AT&T established the Group Trust to manage assets of pooled investment options among various AT&T sponsored employee benefit plans.

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, distributions, 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,			
	2009	%	2008	%
AT&T Master Trust	85.9	%	83.4	%
AT&T Savings Master Trust	6.6	%	7.4	%
BellSouth Savings and Security Plan	7.5	%	9.2	%
Total	100.0	%	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, 2009	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	\$ -	\$ 59	\$ 3,631	\$ 461	\$ 4,151
Common/collective trust funds	-	555,780	256,331	-	812,111
Corporate and other bonds and notes	-	-	1,131	-	1,131
Equities	-	1,509,879	263,219	-	1,773,098
Equities – loaned	-	(86,639)	(5,511)	-	(92,150)
Publicly traded partnerships	-	3,245	-	-	3,245
Registered investment companies	1,115,939	40,042	2,976	9,842	1,168,799
Registered investment companies – loaned	(8,735)	-	-	-	(8,735)
Investment contracts (at fair value):					
Guaranteed investment contracts	-	-	-	28,986	28,986
Synthetic GICs:					
Interest bearing cash	-	-	-	19,469	19,469
Corporate preferred stock	-	-	-	3,213	3,213
Corporate and other bonds and notes	-	-	-	2,868,793	2,868,793
Corporate and other bonds and notes – loaned	-	-	-	(71,918)	(71,918)
Registered investment companies	-	-	-	262,154	262,154
Futures	-	-	-	2,253	2,253
Other investments	-	-	-	64,171	64,171
Government securities	-	-	-	3,682,357	3,682,357
Government securities – loaned	-	-	-	(613,841)	(613,841)
Wrapper contracts	-	-	-	9,724	9,724
Market value of securities on loan	8,735	86,639	5,511	685,759	786,644
Collateral received for securities loaned (held in common/collective trust funds)	8,765	88,311	5,660	688,669	791,405
Group Trust investments at fair value	1,124,704	2,197,316	532,948	7,640,092	11,495,060
Unsettled trades and other	3,853	(1,719)	653	(87,909)	(85,122)
	-	-	-	(132,112)	(132,112)

Adjustment from fair value to
contract value for fully
benefit-responsive investment
contracts

Obligation to return collateral on loaned securities	(8,914)	(89,817)	(5,757)	(700,413)	(804,901)
Group Trust net assets	\$ 1,119,643	\$ 2,105,780	\$ 527,844	\$ 6,719,658	\$ 10,472,925
AT&T Master Trust's percentage ownership interest of investments	98.5 %	96.9 %	98.1 %	79.5 %	85.9 %

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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 discussed 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 GICs:					
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)
Wrapper 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
Group Trust investments at fair value	752,426	1,690,853	405,918	6,324,942	