

RECENT PRICE	29.04	P/E RATIO	12.2 (Trailing: 12.5 Median: 14.0)	RELATIVE P/E RATIO	0.88	DIV'D YLD	6.1%	VALUE LINE
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1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16	
10.40	11.58	13.63	14.69	14.42	15.75	16.19	15.60	12.36	12.36	11.31	16.24	19.83	21.05	20.84	21.05	21.30	21.80	Revenues per sh ^E	23.75	
3.33	3.62	4.18	4.63	4.59	5.04	5.32	5.14	3.91	3.77	3.42	4.63	5.36	5.56	5.46	5.60	5.70	6.00	"Cash Flow" per sh	6.85	
1.55	1.73	1.84	2.08	2.15	2.26	2.35	2.16	1.52	1.47	1.72	2.34	2.76	2.16	2.12	2.29	2.30	2.55	Earnings per sh ^A	3.35	
.83	.86	.90	.94	.97	1.01	1.02	1.07	1.37	1.25	1.29	1.33	1.42	1.60	1.64	1.68	1.72	1.76	Div'ds Decl'd per sh ^B	2.00	
1.92	2.52	3.14	3.03	3.03	3.88	3.34	2.05	1.58	1.54	1.44	2.14	2.93	3.34	2.81	3.30	3.40	3.50	Cap'l Spending per sh	3.75	
5.13	5.70	5.38	6.52	7.87	9.00	9.69	10.01	11.57	12.29	14.11	29.76	19.09	16.35	17.34	18.94	19.25	21.30	Book Value per sh ^C	25.80	
1218.7	1199.7	1837.3	1959.3	3395.4	3386.0	3354.2	3317.6	3305.2	3300.9	3876.9	3882.0	6043.5	5893.0	5901.9	5911.1	5925.0	5875.0	Common Shs Outst'g ^D	5700.0	
15.4	14.7	16.2	20.2	24.4	20.3	18.3	14.2	15.6	17.2	13.9	12.6	14.2	15.4	12.1	11.7	Bold figures are Value Line estimates			Avg Ann'l P/E Ratio	14.0
1.03	.92	.93	1.05	1.39	1.32	.94	.78	.89	.91	.74	.68	.75	.93	.81	.74				Relative P/E Ratio	.95
3.5%	3.4%	3.0%	2.2%	1.8%	2.2%	2.4%	3.5%	5.8%	5.0%	5.4%	4.5%	3.6%	4.8%	6.4%	6.3%				Avg Ann'l Div'd Yield	4.3%

Cash Assets	3802	1437	10762	BUSINESS: AT&T Inc., formerly SBC Communications Inc., is one of the world's largest telecom holding companies and is the largest in the U.S. Its traditional (SBC only) wireline subsidiaries provide services in 13 states, including California, Texas, Illinois, Michigan, Ohio, Missouri, Connecticut, Indiana, Wisconsin, Oklahoma, Kansas, Arkansas, and Nevada. Also owns Cingular (now AT&T Wireless). Acq. PacTel, 4/97; SNET, 10/98; Ameritech, 10/99; AT&T Corp., 11/05; BellSouth, 12/06. Total Consumer Revenue Connections: 41.9 mill. 10 sales mix: Voice, 23%; Data, 22%; Directory advertising, 3%; Wireless & Other, 52%. Has 256,210 empl. Chrmn. & CEO: Randall Stephenson. Inc. DE. Addr.: 208 S. Akard St., Dallas, Texas, 75202. Tel.: 210-821-4105. Internet: www.att.com.
Other	20532	18514	17843	
Current Assets	24334	19951	28605	
Accts Payable	20999	20055	17860	
Debt Due	7361	7196	8900	
Other	8345	6700	7271	
Current Liab.	36705	33951	44031	

Calendar	QUARTERLY REVENUES (\$ mill.) ^E					Full Year
	Mar.31	Jun.30	Sep.30	Dec.31		
2008	30744	30866	31342	31076		124028
2009	30571	30734	30855	30858		123018
2010	30649	30808	31581	31361		124399
2011	31247	31495	31478	31880		126100
2012	31800	31900	32050	32350		128100

Calendar	Quarterly Dividends Paid ^B	Full Year
	Mar.31 Jun.30 Sep.30 Dec.31	
2007	.355 .355 .355 .355	1.42
2008	.40 .40 .40 .40	1.60
2009	.41 .41 .41 .41	1.64
2010	.42 .42 .42 .42	1.68
2011	.43 .43 .43 .43	

(A) Basic earnings thru '97; diluted thereafter. Excl. nonrecurring gains/(losses): '95, (\$2.32); '97, (\$1.04); '98, (\$0.05); '03, \$1.04; '04, \$0.32; '05, (\$0.30); '06, (\$0.45). Next earnings report due late Jan. (B) Div'ds paid in Feb., May, Aug., and Nov. Incl. one-time div'ds: in '03, \$0.25. ■ Div'd reinvestment plan avail. (C) Incl. goodwill: '10: \$73601 mill., \$12.45/sh. (D) In mill., adjusted for splits. (E) Starting in '03, proportionate rev. from Cingular no longer incl. in top line.	Company's Financial Strength Stock's Price Stability Price Growth Persistence Earnings Predictability	A+ 100 40 85
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less). Acq. PacTel, 4/97; SNET, 10/98; Ameritech, 10/99; AT&T Corp., 11/05; BellSouth, 12/06. Total Consumer Revenue Connections: 41.9 mill. '10 sales mix: Voice, 23%; Data, 22%; Directory advertising, 3%; Wireless & Other, 52%. Has 256,210 empl. Chrmn. & CEO: Randall Stephenson. Inc.: DE. Addr.: 208 S. Akard St., Dallas, Texas, 75202. Tel.: 210-821-4105. Internet: www.att.com.

Deutsche Telekom consider revising the original deal terms.) Then, if it can overcome the DOJ's challenge, the company would presumably resubmit a merger application to the FCC and attempt to close the deal by late 2012.

Even without T-Mobile, prospects appear bright. The addition of T-Mobile, now something of a long shot, would help AT&T improve its network and leapfrog Verizon to become the nation's largest wireless operator. Nonetheless, the company is thriving on its own, benefiting from strong smartphone sales (it sold a record six million units through the first two months of the fourth quarter), greater broadband usage, and healthy demand for its *U-verse* video service. And we see the momentum persisting well into the future.

This Dow component is timely, and offers conservative investors good risk-adjusted returns through mid-decade. Though the T-Mobile deal is in serious jeopardy, because the objections of both the FCC and DOJ, AT&T should still be able to grow earnings at a solid mid-single-digit clip and pay a generous cash dividend.

Justin Hollman *December 23, 2011*

Starting in '03, program no longer incl. in	Company's Financial Strength	A+
	Stock's Price Stability	100
	Price Growth Persistence	40
	Earnings Predictability	85