

AT&T INC.  
Form 11-K  
June 27, 2008

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, 2007

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 AND  
SECURITY PLAN

Byname of issuer of the securities held pursuant to the plan and the  
address of its principal executive office:

AT&T INC.

175 E. Houston, San Antonio, Texas 78205

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying statements of net assets available for benefits of AT&T Savings and Security Plan as of December 31, 2007 and 2006, and the related statement of changes in net assets available for benefits for the year ended December 31, 2007. 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, 2007 and 2006, and the changes in its net assets available for benefits for the year ended December 31, 2007, 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, 2007, 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. 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

San Antonio, Texas  
June 26, 2008

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

	December 31,	
	2007	2006
<b>ASSETS</b>		
Investments (at fair value)	\$ 7,105,534	\$ 6,382,912
Market value of securities on loan	173,988	130,909
Total Investments (See Note 3)	7,279,522	6,513,821
Securities lending collateral	177,620	133,350
Dividends and interest receivable	144	104
Receivable for investments sold	1,183	863
<b>Total Assets</b>	<b>7,458,469</b>	<b>6,648,138</b>
<b>LIABILITIES</b>		
Overdrafts	4,178	197
Payable for security purchased	2,416	-
Administrative expenses payable	2,497	4,742
Securities lending payable	177,620	133,350
<b>Total Liabilities</b>	<b>186,711</b>	<b>138,289</b>
<b>Net Assets Available for Benefits (at fair value)</b>	<b>7,271,758</b>	<b>6,509,849</b>
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(4,213)	9,571
<b>Net Assets Available for Benefits</b>	<b>\$ 7,267,545</b>	<b>\$ 6,519,420</b>
See Notes to Financial Statements.		

AT&T SAVINGS AND SECURITY PLAN  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
FOR THE YEAR ENDED DECEMBER 31, 2007  
(Dollars in Thousands)

Net Assets Available for Benefits, December 31, 2006	\$ 6,519,420
Additions to Net Assets:	
Contributions:	
Participant contributions	302,292
Employer contributions	165,031
	467,323
Investment Income:	
Net appreciation in value of investments	694,168
Dividends on AT&T common shares	134,193
Interest	59,471
Income on collateralized securities	512
	888,344
Transfer from merged plans (see Note 1)	104,527
Total Additions	1,460,194
Deductions from Net Assets:	
Administrative expenses	9,704
Distributions	702,365
Total Deductions	712,069
Net Assets Available for Benefits, December 31, 2007	\$ 7,267,545

See Notes to Financial Statements.

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

1. Plan Description - The AT&T Savings and Security Plan (Plan) was established by SBC Communications Inc. (SBC) to provide a convenient way for eligible employees 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 majority of eligible employees are represented by the Communications Workers of America or the International Brotherhood of Electrical Workers. 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 2007, AT&T amended the Plan (noted as SSP in the table below) and the AT&T Savings Plan (SP) to merge the participant balances and assets of the AT&T PAYSOP (PAYSOP), Pacific Telesis Group Employee Stock Ownership Plan (ESOP) and the Southern New England Telephone Company Tax Reduction Act Stock Ownership Plan (TRASOP) into the AT&T Shares Fund on August 1, 2007 as follows:

Employment Status as of 7/31/2007	As of 7/31/2007, account in:	Transferred to:
Nonbargained Employee	Active	SP
		SP and SSP
		SSP
		Neither Plan
Bargained Employee	Inactive	SP (create account)
		SP
		SP and SSP
		SSP
	Active	SSP
		Neither Plan
		SP (create account)
		SSP
	Inactive	SSP
		SP
		SP and SSP
		Neither Plan
		SSP (create account)

Following the transfer of the participant balances and assets of the Plan, participants are able to withdraw their transferred balances, transfer those investments from the AT&T Shares Fund to other plan investment options (subject to normal fund transfer rules) or take loans against the balances.

Participants can invest their contributions in one or more of the following funds in either five dollar or 1% increments (depending upon applicable collective bargaining agreements): the AT&T Shares Fund, the Bond Fund, the Large Cap Stock Fund, the Interest Income Fund, the Global Equity Fund, the Mid and Small Cap Stock Fund and the International Stock Fund, altogether referred to as the Trust. The trustee is Mellon Trust of New England, National Association.

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 separate investment account of this Plan.

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. At the end of the year, dividends held in the DFA are paid out to the participant. Interest earned on dividends held in the DFA is paid into the AT&T Shares Fund. During 2007, Plan participants elected to receive \$28,047 in dividend distributions. This amount is included in distributions on the statement of changes in net assets.

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

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 and collective bargaining obligations. 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.

Investments are stated at fair value. 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. 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.

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. 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 Plan invests in fully benefit-responsive 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.

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.

The reasonable expenses of plan administration may be charged to the Trust in accordance with procedures adopted by the plan administrator (as defined by the Plan). Brokerage fees, transfer taxes and other expenses incident to the purchase of sale or securities by the Trustee shall be deemed to be part of the cost of such securities, or deducted in computing the proceeds, as the case may be. Taxes, if any, on any assets held or income received by the Trustee will be charged appropriately against the accounts of Plan participants as determined by the plan administrator. All expenses of administering the Plan that are not charged to the Trust will be borne by the respective participating companies in the Plan as determined by the plan administrator.

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" (FAS 157). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosures about the use of fair value measurements. FAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. Plan management is currently evaluating the impact of FAS 157.





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

## 3. Investments - Investments representing 5% or more of Plan net assets at December 31 were:

	2007	2006
Employee Stock Ownership Plan *		
AT&T common shares	\$ 1,909,818	\$ 1,644,967
<b>AT&amp;T Shares Fund</b>		
AT&T common shares	2,000,334	1,746,210
<b>Large Cap Stock Fund</b>		
Barclays Global Investors Equity Index Fund F	898,683	704,811
<b>Mid and Small Cap Stock Fund</b>		
Barclays Global Investors EAFE Equity Extended Equity Market Fund F	365,035	346,715
<b>International Fund</b>		
Barclays Global Investors EAFE Equity Index Fund F	402,308	325,450

\* Nonparticipant-directed

During 2007, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

Common Stock	\$ 551,047
Common Collective Trusts	143,121
Total	\$ 694,168

**Fully Benefit-Responsive Investment Contracts**

The Interest Income Fund consists of fully benefit-responsive investment contracts with various financial institutions and insurance companies that promise to repay principal plus accrued income at contract maturity, subject to the creditworthiness of the issuer. Interest crediting rates are generally established when the contract is purchased and are periodically reset. The Interest Income Fund invests in Synthetic GICs, also referred to as wrapper contracts. The assets supporting the Synthetic GICs are owned by the Plan and generally consist of high quality fixed income securities. At December 31, 2007 the underlying assets had a fair value of \$846,296 and a contract value of \$842,083. At December 31, 2006 the underlying assets had a fair value of and a contract value of \$800,096 and \$809,667. For the years ended December 31, 2007 and 2006, the average yield earned by the Plan on these contracts was 4.31% and 5.21%, and, the average yield earned by the Plan adjusted to reflect actual interest rate credited to participants, was 4.73% and 4.24%. No valuation reserves were recorded to adjust contract amounts as of December 31, 2007 or 2006.

A bank or insurance company issues a wrapper contract that provides preservation of principal, maintains a stable interest rate and provides daily liquidity at contract value for participant directed transactions, in accordance with the provisions of the Plan. Wrapper contracts amortize the realized and unrealized gains and losses on the underlying fixed income investments through adjustments to the future interest crediting rate. The issuer of the wrapper contract provides assurance that the adjustments to the interest crediting rate do not result in a future interest crediting rate that is less than zero, which would result in a loss of principal or accrued interest. The fair value of the wrapper contracts

were \$0 at December 31, 2007 and \$32 at December 31, 2006.

Wrapper contracts' interest crediting rates are typically reset on a monthly or quarterly basis and are based on the characteristics of the underlying fixed income securities. Other key factors that influence the interest crediting rates are market interest rates, the amount and timing of participant transactions into and out of the wrapper contract, investment returns on the underlying fixed income securities and the duration of those investments. All wrapper contracts provide for minimum interest crediting rate of zero percent. In the event that the interest crediting rate should fall to zero and the requirements of the wrapper contract are satisfied, the wrapper issuer will pay the Plan the shortfall needed to maintain the rate at zero, ensuring participants' principal and accrued interest is protected.

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

Changes in market interest rates can affect the yield to maturity and the market value of the underlying investment, and can have a material impact on the wrapper contract's interest crediting rate. Additionally, participant withdrawals and transfers from the Interest Income Fund are paid at contract value but funded through the market value liquidation of the underlying investments, which also impacts the interest crediting rate. The resulting gains and losses in the market value of the underlying investments relative to the wrapper contract value are represented on the Plan's Statements of Net Assets Available for Benefits as the "Adjustment from fair value to contract value for fully-benefit responsive investment contracts," and totaled \$(4,213) at December 31, 2007 and \$9,571 at December 31, 2006. If this adjustment is positive, it indicates that the wrapper contract value is greater than the market value of the underlying investments and the embedded market value losses will be amortized in the future through a lower interest crediting rate. If the adjustment is negative, the embedded market gains would cause the future interest crediting rate to be higher.

In certain circumstances, the amount withdrawn from the wrapper contract could be payable at fair value rather than at contract value. These events include termination of the Plan, a material adverse change to the provisions of the Plan, if AT&T elects to withdraw from a wrapper contract in order to switch to a different investment provider or, in the event of a spin-off or sale of a division, if the terms of the successor plan do not meet the contract issuers' underwriting criteria for issuance of a clone wrapper contract. Events that would permit a wrapper contract issuer to terminate a wrapper contract upon short notice include the Plan's loss of its qualified status, un-cured material breaches of responsibilities or material and adverse changes to the provisions of the Plan. The Company does not believe any of the events are probable of occurring in the foreseeable future.

#### Securities Lending

The Plan is authorized to engage in the lending of certain Interest Income Fund assets. Securities lending is an investment management enhancement that utilizes the existing securities (fixed income investments) of the Plan to earn additional income. Securities lending involves the loaning of securities to a selected group of approved banks and broker-dealers. In return for the loaned securities, the trustee, prior to or simultaneous with delivery of the loaned securities to the borrower, receives collateral in the form of cash or U.S. Government securities as a safeguard against possible default of any borrower on the return of the loan. Each loan is initially collateralized, in the case of: (a) loaned securities denominated in U.S. dollars or whose primary trading market is located in the U.S., or (b) loaned securities not denominated in U.S. dollars or whose primary trading market is not located in the U.S. to the extent of 105% of the market value of the loaned securities. The collateral is marked to market on a daily basis. Securities on loan and collateral held under this program at December 31, 2007 and 2006 are reported on the accompanying statements of net assets available for benefits. The reported collateral includes noncash holdings of \$8,534 and \$23,775 at December 31, 2007 and 2006. Income earned on securities lending is used to offset the administrative expenses of the Plan and was \$512 for the year ended December 31, 2007.

#### Investment Risk

Investments held by the Plan are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments could occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefit. Plan participants' accounts that are invested in the Company stock fund option are exposed to market risk in the event of a significant decline in the value of AT&T stock.

Additionally, the Plan invests in securities with contractual cash flows, such as asset backed securities, collateralized mortgage obligations and commercial mortgage backed securities, including securities backed by subprime mortgage loans. The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate value, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.



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

4. Nonparticipant-Directed Investments - Information about the net assets and the significant components of the changes in net assets relating to the nonparticipant-directed investments as of December 31 is as follows:

	2007	2006
Assets		
AT&T common shares	\$ 1,909,818	\$ 1,644,967
Temporary cash investments	1,766	395
Dividends and interest receivable	10	6
Receivable for investments sold	869	863
Total Assets	1,912,463	1,646,231
Liabilities		
Overdrafts	503	-
Administrative expenses payable	418	1,119
Payables for securities purchased	2,416	-
Total Liabilities	3,337	1,119
Net Assets Available for Benefits	\$ 1,909,126	\$ 1,645,112

	2007
Net Assets Available for Benefits, December 31, 2006	\$ 1,645,112
Employer contributions 1	165,031
Interest income	69
Dividends	17
Net appreciation in fair value of investments	267,425
Administrative expenses	(2,494)
Distributions	(134,473)
Transfers to other fund(s)	(31,561)
	264,014
Net Assets Available for Benefits, December 31, 2007	\$ 1,909,126

1 Employer contributions includes forfeitures allocated from the AT&T Shares Fund.

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

5. Tax Status - The Plan has received a determination letter from the Internal Revenue Service (IRS) dated March 25, 2004, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (IRC) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Company has indicated that it will take the necessary steps, if any, to maintain the Plan's qualified status.

6. Reconciliation of Financial Statements to Form 5500 - The following is a reconciliation of Net Assets Available for Benefits per the financial statements to the Form 5500 as of December 31:

	2007	2006
Net Assets Available for Benefits per the financial statements	\$ 7,267,545	\$ 6,519,420
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	4,213	(9,571)
Distribution payable to participants	(196)	(123)
Net Assets Available for Benefits per the Form 5500	\$ 7,271,562	\$ 6,509,726

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500 for the year ended December 31, 2007:

Distributions to participants per the financial statements	\$ 702,365
Distributions payable to participants at December 31, 2007	196
Distributions payable to participants at December 31, 2006	(123)
Distributions to participants per the Form 5500	\$ 702,438

Distributions payable to participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, but not yet paid as of that date.

The following is a reconciliation of total additions per the financial statements to total income per the Form 5500 for the year ended December 31, 2007:

Total additions per the financial statements	\$ 1,460,194
Adjustment from contract value to fair value for fully benefit-responsive investment contracts at December 31, 2006	9,571
Adjustment from contract value to fair value for fully benefit-responsive investment contracts at December 31, 2007	4,213
Total income per the Form 5500	\$ 1,473,978

Fully benefit-responsive contracts are recorded on the Form 5500 at fair value versus contract value on the financial statements.

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AT&T SAVINGS AND SECURITY PLAN  
EIN 43-1301883, PLAN NO. 004

SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2007  
(Dollars in Thousands)

Identity of Issue	Description of Investment	Cost	Current Value
<b>Employee Stock Ownership Plan</b>			
*	AT&T common shares	45,953,278 shares	\$ 1,145,216 \$ 1,909,818
*	Mellon Trust of New England, National Association Total Employee Stock Ownership Plan	Temporary cash investment	1,766 1,766
	Total Employee Stock Ownership Plan		1,146,982 1,911,584
<b>AT&amp;T Shares Fund</b>			
*	AT&T common shares	48,131,231 shares	2,000,334
*	Mellon Trust of New England, National Association	Temporary cash investment	6,077
	Total Shares Fund		** 2,006,411
<b>Bond Fund</b>			
*	Barclays Global Investors Intermediate Government/Credit Bond Index Fund F	13,896,027 units	** 268,193
<b>Large Cap Stock Fund</b>			
*	Barclays Global Investors Equity Index Fund F	41,073,273 units	** 898,683
<b>Interest Income Fund</b>			
	Bank of America Wrapper	Synthetic GIC #99-086, IR, ***	-
	Cabellas Credit Card Master Trust	Monoline Credit Card	7,222
	Chase Insurance Trust	Bank Credit Card	8,058
	Credit Suisse First Boston	Collateralized Mtg Obligation	5,988
	Countrywide Home Loans	Home Equity SrSub	5,567
	Countrywide Asset-backed Certificates	Home Equity SrSub	3,542
	Federal Home Loan Mortgage Company	Agency CMO	4,367
****	Federal Home Loan Mortgage Company	Agency CMO	7,547
	Federal National Mtg Assn. - Adj Rate Mtg.	Agency Hybrid	2,752
		Agency MF Fix	8,636

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Federal National Mtg Assn. - GTD REMIC.		
Federal National Mtg Assn. - GTD REMIC.	Agency MF Fix	4,558
Federal National Mtg Assn. - GTD REMIC.	Home Equity Agency	1,835
Federal National Mtg Assn. - GTD REMIC.	Agency PAC	6,897
Federal National Mtg Assn. - GTD REMIC.	Agency PAC	4,811
MBNA Master Credit Card Trust	Monoline Credit Card	1,700
MBNA Master Credit Card Trust	Monoline Credit Card	6,021
Marriot Vacation Club Owner	Collateralized Mtg Obligation	
	Commercial/Corporate	851
Residential Funding Mtg Sec	Home Equity 2nd Monoline	4,385

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AT&T SAVINGS AND SECURITY PLAN  
EIN 43-1301883, PLAN NO. 004

SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR) - (continued)  
December 31, 2007  
(Dollars in Thousands)

Identity of Issue	Description of Investment	Cost	Current Value
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Sierra Timeshare Receivables Funding, LLC	Collateralized Mtg Obligation	
	Commercial/Corporate	3,351
**** United States Treasury	Treasury Note	4,200
**** United States Treasury	Treasury Note	8,465
**** United States Treasury	Treasury Note	19,932
TBC Inc PooledEmpDailyLiquidity	STIF	5,613
Cash on Hand	Cash	-
		126,298
ING Life & Annuity	Synthetic GIC	
	#60127, IR, ***	-
Amex Optima CC MT	Monoline Credit Card	5,492
Capital One Master Trust	Monoline Credit Card	7,931
Federal Home Loan Mtg Multiclass	Agency	3,220
Federal Home Loan Mtg Multiclass	Agency NAS	6,545
Federal Home Loan Mtg Multiclass	Agency	5,412
Federal National Mtg. Assn.	Agency MF BLN	4,837
Federal National Mtg Assn GTD Remic	Home Equity Agency	3,769
GSAA	Home Equity SrSub	4,328
Household Auto Trust	SubPrime Auto	7,140
Household Auto Trust	SubPrime Auto	3,949
Nomura Asset Securities Corporation	Conduit	5,075
United States Treasury	Treasury Note	3,482
**** United States Treasury	Treasury Note	4,003
**** United States Treasury	Treasury Note	8,015
**** United States Treasury	Treasury Note	4,200
**** United States Treasury	Treasury Note	8,392
**** United States Treasury	Treasury Note	6,497
Bear Stearns Commercial Mortgage	Non-Agency Comm Mort	
	Backed	8,515
General Electric Capital Corp Sr Unsec	Corporate Bond	2,066
TBC Inc PooledEmpDailyLiquidity	STIF	8,804
Cash on Hand	Cash	(8,511)
		103,161
JP Morgan Chase Wrapper	Synthetic GIC	
	#426424-T, IR, ***	-
Carmax Auto Owner Trust	NonPrime Auto	3,595
Daimler Chrysler NA hldg	Prime Auto	4,237
FHR	Agency NAS	4,100
Federal National Mtge Assn	Agency Hybrid	2,287
Federal National Mtge Assn	Agency Hybrid	6,499
Federal National Mtge Assn GTD Remic	Agency Fix	3,890
Federal National Mtge Assn	Agency Fix	8,238
**** Federal National Mtge Assn	Agency Debenture	15,076

SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR) - (continued)  
December 31, 2007  
(Dollars in Thousands)

Identity of Issue	Description of Investment	Cost	Current Value
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Federal National Mtge Assn Whole Loan	Agency RP ARM	1,250
GE Commercial Mortgage Corp.	Conduit	8,305
Navistar Financial	NonPrime Auto	4,008
Sallie Mae Student Loan Trust	Agency Student Loan	3,970
**** United States Treasury	Treasury Note	2,015
**** United States Treasury	Treasury Note	6,254
**** United States Treasury	Treasury Note	7,090
WFS Financial Owner Trust	Non-Agency MBS Floating	4,420
**** United States Treasury	Treasury Note	4,233
**** United States Treasury	Treasury Note	12,588
Federal Home Loan Mtg - Adj Rate Mtg.	US Agency Pass-Through	7,556
Greenwich Capital Commercial Funding Corp.	Non-Agency Comm Mort Bkd	6,948
TBC Inc PooledEmpDailyLiquidity	STIF	7,624
Cash on Hand	Cash	(6,815)
		117,368
Monumental Wrapper	Synthetic GIC	
	#MDA00292TR, IR, ***	-
Citibank Credit Card IT	Bank Credit Card	5,950
Capital One Master Trust	Monoline Credit Card	8,256
Countrywide Asset-backed Certificates	Home Equity SrSub	1,952
FGCI	Agency Fix	5,026
Federal Home Loan Mtg - Adj Rate Mtg.	Agency Hybrid	1,096
FHR	Agency Seq	5,795
Federal National Mtg Assn	Agency MF BLN	4,594
Federal National Mtg Assn - Adj Rate Mtg.	Agency Hybrid	916
Federal National Mtg Assn. - GTD REMIC.	Agency PAC	4,052
Federal National Mtg Assn. - GTD REMIC.	Agency PAC	6,166
Federal National Mtg Assn Whole Loan	Home Equity Agency	4,104
FSPC	Home Equity Agency	1,161
Household Auto Trust	Subprime Auto	5,576
MBNA Master Trust	Monoline Credit Card	5,577
Morgan Stanley Auto Loan Trust	Prime Auto	7,311
New Century Home Equity Loan	Home Equity Monoline	3,581
Pinnacle CBO Ltd	Corp Fin Other	72
Res Asset Mtg Products	Home Equity Monoline	2,724
USAA Auto Owners Trust	Prime Auto	6,017
**** United States Treasury	Treasury Note	1,017
**** United States Treasury	Treasury Note	3,002
**** United States Treasury	Treasury Note	10,423
**** United States Treasury	Treasury Note	5,250
World Omni Auto Receivables Trust	Mfg HsgSrSub	2,326
**** United States Treasury	Treasury Note	8,103
JP Morgan Chase Commercial Mortgage Sec.	Non-Agency Comm Mort Bkd	8,044

AT&T SAVINGS AND SECURITY PLAN  
EIN 43-1301883, PLAN NO. 004

SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR) - (continued)

December 31, 2007

(Dollars in Thousands)

Identity of Issue	Description of Investment	Cost	Current Value
TBC Inc PooledEmpDailyLiquidity	STIF		7,282
Cash on Hand	Cash		123
			125,496
Rabobank Nederland	Synthetic GIC		
	SBC-060201, IR, ***		-
Chase Manhattan First Union	Conduit		7,727
Credit Suisse First Boston	Conduit		2,470
Federal Home - Adj Rate Mtg.	Agency Hybrid		2,422
**** Federal Home Loan Mtg - Adj Rate Mtg	Agency Hybrid		16,455
Federal Home Loan Mtg Multiclass	Agency NAS		11,628
Federal Nationl Mtg Assn - Adj Rate Mtg	Agency HYB PP		1,150
**** Federal National Mtg Assn Debs	Agency Debenture		4,526
Federal National Mtg Assn Whole Loan	Home Equity Agency		1,952
Federal National Mtg Assn Whole Loan	Agency RPF Fix		2,526
GMACC Commercial Mtg. Securities	Conduit		5,425
MBNA Master Trust	Monoline Credit Card		8,005
Nissan Auto Receivables Trust	Prime Auto		4,695
**** United States Treasury	Treasury Note		3,023
Wachovia Auto Owner Trust	Prime Auto		2,102
**** United States Treasury	Treasury Note		8,392
**** Federal National Mtg Assn	US Agency		4,121
Federal Home - Adj Rate Mtg.	Agency Passthru		7,556
Greenwich Capital Commercial Funding Corp.	Non-Agency Comm Mort		8,119
TBC Inc PooledEmpDailyLiquidity	STIF		5,509
Cash on Hand	Cash		157
			107,960
State Street Wrapper	Synthetic GIC		
	#99039, IR, ***		-
Bank One Insurance Trust	Bank Credit Card		9,950
Cendant Timeshare Receivables Funding	Collateralized Mtg Obligation		
	Commercial/Corporate		272
Chase Insurance Trust	Bank Credit Card		8,075
Commercial Mtg Acceptance Corp	Collateralized Mtg Obligation		4,121
Countrywide Asset-backed Certificates	Home Equity SrSub		6,494
Federal Home Loan Mtg Corp	Agency Hybrid		53
Federal Home Loan Mtg Corp	Agency PAC		2,150
Federal Home Loan Mtg Corp	Agency NAS		6,178

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Federal Home Loan Mtg Corp	Agency PAC	4,018
Federal National Mtg Assn - Adj Rate Mtg	Agency HYB PP	5,933
Fannie Mae Grantor Trust	Agency MF Fix	8,345
Federal National Mtg Assn Whole Loan	Home Equity Agency	1,762

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AT&T SAVINGS AND SECURITY PLAN  
EIN 43-1301883, PLAN NO. 004

SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR) - (continued)  
December 31, 2007  
(Dollars in Thousands)

Identity of Issue	Description of Investment	Cost	Current Value
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FSPC	Home Equity Agency	1,984
GE Commercial Equipment Financing Lease	Large Equipment Loan	660
GE Equipment Small Ticket LLC	Small Equipment Lease	4,749
GMACC Commercial MTG Securities	Conduit	8,324
GSR Mortgage Loan Trust	Nag PT Arm	6,830
Sallie Mae Student Loan Trust	Agency Student Loan	5,397
**** United States Treasury	Treasury Note	2,015
Wells Fargo Mortgage-backed Securities Trust	Nag PT Arm	7,858
Wells Fargo Mortgage-backed Securities Trust	Nag PT Arm	5,791
LB-UBS Commercial Mortgage Trust	Non-Agency Comm Mortg	6,044
Federal National Mtg Assn	Us Agency	4,121
**** United States Treasury	Treasury Note	5,250
Bank of America Credit Card Trust	Credit Card	12,493
TBC Inc PooledEmpDailyLiquidity	STIF	9,113
Cash on Hand	Cash	(6,033)
		131,947
UBS Wrapper	Synthetic GIC #5029, IR, ***	-
Americredit Auto Rec	SubPrime Auto	1,287
Adjustable Rate Mortgage Trust	Nag PT Arm	5,566
Cabellas Credit Card MT	Retail Credit Card	3,165
Caterpillar Fin Asset Trust	Large Equipment Loan	5,457
Capital One Auto Finance Trust	SubPrime Auto	4,515
Commercial Mtg Pass-Thru Cert	Conduit	5,647
Federal Home Loan Mtg - Adj Rate Mtg	Agency Hybrid	54
**** Federal Home Loan Mortgage Corporation	Agency Debenture	3,766
Federal Home Loan Mortgage Corporation	Agency PAC	981
Federal Home Loan Mortgage Corporation	Agency NAS	8,672
Federal Home Loan Mortgage Corporation	Agency PAC	8,033
Federal National Mtg Assn - Adj Rate Mtg	Agency HYB PP	4,488
Federal National Mtg Assn - Adj Rate Mtg	Agency HYB PP	4,913
Federal National Mtg Assn Whole Loan	Home Equity Agency	2,052
Federal National Mtg Assn Whole Loan	Home Equity Agency	1,762
John Deere Owner Trust	Large Equipment Loan	7,483
Morgan Stanley Capital	Conduit	5,219
Res Asset Mtg Products	Home Equity Monoline	2,043
Structured Adjustable Rate Mortgage Loan	Collateralized Mtg Obligation	
	Commercial/Corporate	2,735
**** United States Treasury	Treasury Note	5,211
**** United States Treasury	Treasury Note	7,997
Nissan Auto Lease Trust	Auto Lease	8,040





AT&T SAVINGS AND SECURITY PLAN  
EIN 43-1301883, PLAN NO. 004

SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR) - (continued)

December 31, 2007  
(Dollars in Thousands)

Identity of Issue	Description of Investment	Cost	Current Value
General Electric Capital Corp Sr Unsec		Corporate Bond	2,066
TBC Inc PooledEmpDailyLiquidity		STIF	2,998
Cash on Hand		Cash	1
			104,151
*Mellon Trust of New England, National Association		Temporary cash investment	29,915
Total Interest Income Fund			** 846,296
Global Equity Fund			
	*Barclays Global Investors U.S. Equity Market Fund F	3,950,646 units	159,369
	*Barclays Global Investors EAFE Equity Index Fund F	1,884,302 units	64,424
	Total Global Equity Fund		** 223,793
Mid and Small Cap Stock Fund			
	*Barclays Global Investors EAFE Equity Extended Equity Market Fund F	13,615,634 units	** 365,035
International Stock Fund			
	*Barclays Global Investors EAFE Equity Index Fund F	11,766,827 units	** 402,308
Loan Fund			
	*Loans to Plan Participants	8.25% - 9.25%	** 357,219
	TOTAL		\$7,279,522

\* Party-in-Interest.

\*\* Participant-directed investment, cost not required

\*\*\* Synthetic Insurance Contracts, no stated maturity.

\*\*\*\* Investment balances have been adjusted to include the market value of securities on loan, which are reclassified for financial statement presentation.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustee (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed by the undersigned thereunto duly authorized.

AT&T SAVINGS AND SECURITY  
PLAN

By AT&T Inc.,  
Plan Administrator for the Foregoing Plan

By/s/ John J. Stephens  
John J. Stephens  
Senior Vice President and  
Controller

Date: June 27, 2008

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EXHIBIT INDEX

Exhibit identified below, Exhibit 23 is filed herein as an exhibit hereto.

Exhibit  
Number

23 Consent of Independent Registered Public Accounting Firm