

RECENT PRICE	34.15	P/E RATIO	13.8 (Trailing: 14.8 Median: 14.0)	RELATIVE P/E RATIO	0.91	DIV'D YLD	5.3%	VALUE LINE
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TIMELINESS3

Lowered 12/14/12

SAFETY1

Raised 3/28/08

TECHNICAL3

Lowered 11/23/12

BETA.70

(1.00 = Market)

2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	+45%	14%
Low	40	+15%	9%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	1	0	0	
Options	1	6	1	3	7	0	2	0	
to Sell	2	5	0	2	0	1	0	0	

Institutional Decisions

	1Q2012	2Q2012	3Q2012
to Buy	706	668	591
to Sell	601	658	734

Hld's(000)324659629197112906015

High:53.141.031.727.726.036.243.041.929.529.631.938.6

Low:36.519.618.823.021.824.232.720.921.423.827.229.0

LEGENDS

—0.90 x Dividends p sh divided by Interest Rate

.....Relative Price Strength

Options: Yes

Shaded areas indicate recessions

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
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	21.38	22.50	23.00	Revenues per sh ^E	24.80
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	5.31	5.55	5.80	"Cash Flow" per sh	6.95
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	2.20	2.40	2.55	Earnings per sh ^A	3.35
.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	1.80	Div'ds Decl'd per sh ^B	2.00
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	3.39	3.25	3.50	Cap'l Spending per sh	4.00
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	17.85	17.90	18.95	Book Value per sh ^C	23.80
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	5926.5	5650.0	5600.0	Common Shs Outst'g ^D	5500.0
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	13.4	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	14.0
.92	.93	1.05	1.39	1.32	.94	.78	.89	.91	.74	.68	.75	.93	.81	.74	.84			Relative P/E Ratio	.95
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%	5.8%			Avg Ann'l Div'd Yield	4.3%

CAPITAL STRUCTURE as of 9/30/12	51755	40843	40787	43862	63055	119839	124028	123018	124399	126723	127200	128900	Revenues (\$mill) ^E	136500
Total Debt \$63747 mill. Due in 5 Yrs \$22500 mill.	7219.0	5051.0	4884.0	5803.0	9014.0	17040	12867	12535	13612	13103	13600	14300	Net Profit (\$mill)	18400
LT Debt \$60314 mill. LT Interest \$3000 mill. (Total interest coverage: 6.6x)	33.0%	32.9%	31.1%	32.1%	32.6%	34.2%	35.4%	32.4%	39.3%	33.6%	33.5%	35.0%	Income Tax Rate	35.0%
	13.9%	12.4%	12.0%	13.2%	14.3%	14.2%	10.4%	10.2%	10.9%	10.3%	10.7%	11.1%	Net Profit Margin	13.5%
Pension Assets-12/11 \$45907 mill. Oblig. \$56110 mill.	35.8%	29.6%	34.4%	32.3%	30.2%	33.2%	38.7%	38.7%	34.5%	36.7%	37.5%	36.5%	Long-Term Debt Ratio	33.0%
	64.2%	70.4%	65.6%	67.7%	69.8%	66.8%	61.3%	61.3%	65.5%	63.3%	62.5%	63.5%	Common Equity Ratio	67.0%
Pfd Stock None	51735	54308	61801	80805	165603	172622	157219	167045	170921	167097	161500	167500	Total Capital (\$mill)	196000
	48490	52128	50046	58727	94596	95890	99088	100093	103196	107087	111000	115000	Net Plant (\$mill)	130000
Common Stock 5,680 mill. shares as of 10/31/12	15.1%	10.4%	8.7%	7.8%	5.9%	10.9%	9.3%	8.5%	8.8%	8.9%	9.5%	9.5%	Return on Total Cap'l	10.0%
	21.7%	13.2%	12.0%	10.6%	7.8%	14.8%	13.4%	12.3%	12.2%	12.4%	13.5%	13.5%	Return on Shr. Equity	14.0%
	21.7%	13.2%	12.0%	10.6%	7.8%	14.8%	13.4%	12.3%	12.2%	12.4%	13.5%	13.5%	Return on Com Equity	14.0%
MARKET CAP: \$194 billion (Large Cap)	11.0%	1.3%	1.8%	2.8%	3.3%	7.2%	3.5%	2.8%	3.3%	2.8%	3.5%	4.0%	Retained to Com Eq	5.5%
CURRENT POSITION	2010	2011	9/30/12										All Div'ds to Net Prof	60%
	49%	90%	85%	73%	57%	51%	74%	77%	73%	78%	73%	70%		

(SMILC)				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 service 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: 39.7 mill. '11 sales mix: Voice, 20%; Data, 23%; Directory advertising, 3%; Wireless & Other, 54%. Has 241,130 empl. Chrmn. & CEO: Randall Stephenson. Inc. DE. Addr.: 208 S. Akard St., Dallas, Texas, 75202. Tel.: 210-821-4105. Internet: www.att.com.
Cash Assets	1437	3185	227	
Other	18514	19842	16741	
Current Assets	19951	23027	18958	
Accts Payable	20055	19858	18936	
Debt Due	7196	3453	3433	
Other	6700	7483	6425	
Current Liab.	33951	30794	30798	

Fin. Chng. Cov.	657%	639%	733%
ANNUAL RATES	Past	Past	Est'd '09-'11
of change (per sh)	10 Yrs.	5 Yrs.	'10-'15-'17
Revenues	3.0%	9.5%	2.5%
"Cash Flow"	1.0%	6.5%	4.0%
Earnings	-	3.5%	7.5%
Dividends	5.5%	5.5%	3.0%
Book Value	7.5%	-5%	4.5%

Calendar	QUARTERLY REVENUES (\$ mill.) ^E				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	30571	30734	30855	30858	123018
2010	30649	30808	31581	31361	124399
2011	31247	31495	31478	32503	126723
2012	31822	31575	31459	32344	127200
2013	32250	32000	31900	32750	128900

Calendar	EARNINGS PER SHARE ^A					Full Year
	Mar.31	Jun.30	Sep.30	Dec.31		
2009	.53	.54	.54	.51	2.12	<p>projection and less than the 319,000 signed up the year before. Moreover, wireline business revenues remained under pressure against a still-challenging macroeconomic backdrop. This offset steady advances by <i>U-verse</i>, AT&T's relatively new video and broadband offering.</p> <p><i>U-verse</i> platform, the deployment of fiber to more large enterprise customers, and a significant widening of AT&T's LTE coverage footprint. These initiatives will likely be good for margins over time. And they ought to drive revenues by enabling the company to offer a greater range of solu-</p>
2010	.59	.61	.54	.55	2.29	
2011	.57	.60	.61	.42	2.20	
2012	.60	.66	.63	.51	2.40	
2013	.63	.70	.67	.55	2.55	

Calendar	QUARTERLY DIVIDENDS PAID ^a				Full Year	<p>The wireless business, the company's primary growth engine at this point, should improve as we head into 2013. Indeed, we look for post paid subscriber growth to pick up in the coming quarters, as the <i>iPhone</i> supply situation gets better, new shared data plans gain traction, and</p>	<p>tions to both consumers and businesses. This Dow stock is now ranked 3 (Average). We like these high-quality shares as a defensive play, however, given the 5%-plus yield, and AT&T's strong finances and stable, subscription-based business.</p>
	Mar.31	Jun.30	Sep.30	Dec.31			
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	1.72		
2012	.44	.44	.44	.44			

<p>(A) Basic earnings thru '97; diluted thereafter. Excl. nonrecurring gains/(losses): '97, \$(1.04); '98, \$(0.05); '03, \$1.04; '04, \$0.32; '05, \$(0.30); '06, \$(0.45). Next earnings report due late Jan.</p>	<p>(B) Div'ds paid in Feb., May, Aug., and Nov. Incl. one-time div'd in '03, \$0.25. ■ Div'd reinvestment plan avail. (C) Incl. goodwill: '11: \$70842 mill., \$11.95/sh. (D) In mill., adjusted</p>	<p>for splits. (E) Starting in '03, proportionate rev. from Cingular no longer incl. in top line.</p>	<table border="1"> <tr> <td>Company's Financial Strength</td> <td>A++</td> </tr> <tr> <td>Stock's Price Stability</td> <td>100</td> </tr> <tr> <td>Price Growth Persistence</td> <td>55</td> </tr> <tr> <td>Earnings Predictability</td> <td>85</td> </tr> </table>	Company's Financial Strength	A++	Stock's Price Stability	100	Price Growth Persistence	55	Earnings Predictability	85
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