AT&T INC.
Form 11-K
June 23, 2006

File No. 1-8610

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15(d) of the

Securities Exchange Act of 1934

For the fiscal year ended December 31, 2005

Commission File Number l-8610

AT&T SAVINGS PLAN

AT&T INC.

175 E. Houston, San Antonio, Texas 78205

Financial Statements, Supplemental Schedules 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 (formerly SBC Savings Plan) as of December 31, 2005 and 2004, and the related statement of changes in net assets available for benefits for the year ended December 31, 2005. 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 at December 31, 2005 and 2004, and the changes in its net assets available for benefits for the year ended December 31, 2005, 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 schedules of assets (held at end of year) as of December 31, 2005, and reportable transactions for the year then ended are presented for purposes of additional analysis and are not a required part of the financial statements but are 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. These supplemental schedules are the responsibility of the Plan s management. The supplemental schedules have been subjected to auditing procedures applied in our audits of the financial statements, and in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ ERNST & YOUNG LLP

San Antonio, Texas

June 20, 2006

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AT&T SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

(Dollars in Thousands)

	December 31, **2005**	2004
ASSETS		
Investments	**$ 6,489,357**	$ 6,321,424
Market value of securities on loan	**160,544**	141,190
Total Investments (See Note 3)	**6,649,901**	6,462,614
Securities lending collateral	**163,643**	144,331
Dividends and interest receivable	**134**	50
Receivable for investments sold	**321**	537
Other receivables	**2**	1
Total Assets	**6,814,001**	6,607,533
LIABILITIES		
Overdrafts	**78**	-
Payable for investments purchased	**2,065**	-
Administrative expenses payable	**1,378**	1,859
Securities lending payable	**163,643**	144,331
Total Liabilities	**167,164**	146,190
Net Assets Available for Benefits	**$ 6,646,837**	$ 6,461,343

See Notes to Financial Statements.

AT&T SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2005

(Dollars in Thousands)

Net Assets Available for Benefits, December 31, 2004	$	6,461,343
Additions to Net Assets:		
Contributions:		
Participant contributions		333,432
Employer contributions		160,847
		494,279
Investment Income:		
Dividends on AT&T common shares		111,202
Net appreciation in value of investments		93,958
Interest		60,073
Income on collateralized securities		301
		265,534
Total Additions		759,813
Deductions from Net Assets:		
Administrative expenses		6,350
Distributions		562,534
Transfer to other plans (see Note 1)		5,435
Total Deductions		574,319
Net Assets Available for Benefits, December 31, 2005	$	6,646,837

See Notes to Financial Statements.

AT&T SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

(Dollars in Thousands)

1. Plan Description - The AT&T Savings Plan (Plan), formerly known as the SBC Savings 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 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 (ERISA).

Certain participants of the Plan transferred to positions that provide for employees to save for retirement under the AT&T Savings and Security Plan. These transfers totaled $15 during 2005. Additionally, in November 2005, AT&T sold its paging subsidiary, American Messaging Services (AMS). Plan assets of $5,420 associated with the AMS participants were transferred out of the plan on December 1, 2005.

Participants can invest their contributions in one or more of the following funds in 1% increments: the AT&T Shares Fund, the Bond Fund, the Large Cap Stock Fund, the Interest Income Fund, the Asset Allocation Fund, the Global Equity Fund, the Mid and Small Cap Stock Fund and the International Stock Fund.

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. Interest earned on dividends held in the DFA will be paid into the AT&T Shares Fund. During 2005, Plan participants elected to receive $26,880 in dividend distributions. This amount is included in distributions on the statement of changes in net assets.

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 values of investments are determined as follows: AT&T common shares on the basis of the closing price as reported on the New York Stock Exchange; contracts with insurance companies and other financial institutions at principal plus reinvested interest which approximates fair value; common collective trust funds at values obtained from fund managers; and temporary cash investments at cost which approximates fair value; assets supporting synthetic contracts are valued at quoted market prices. 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 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.

Certain prior year balances related to securities lending have been reclassified to conform to the current year presentation.

AT&T SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (continued)

(Dollars in Thousands)

3. Investments - Investments representing 5% or more of Plan net assets at either December 31, 2005 or 2004 were:

		2005		2004
Employee Stock Ownership Plan*				
AT&T common shares	$	**1,149,595**	$	1,139,261
AT&T Shares Fund				
AT&T common shares	$	**941,148**	$	1,060,087
Large Cap Stock Fund				
Barclays Global Investors Equity Index Fund F	$	**1,354,113**	$	1,395,114
Asset Allocation Fund				
Barclays Global Investors U.S. Tactical Asset Allocation Fund F	$	**480,979**	$	446,586
Mid and Small Cap Stock Fund				
Extended Equity Market Fund F	$	**551,163**	$	431,957

* Nonparticipant-directed

During 2005, the Plan s investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

Common Stock	$	(110,768)
Common Collective Trusts		204,726
Total	$	93,958

The Interest Income Fund consists of 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 may be periodically reset. For the years ended December 31, 2005 and 2004, the average interest rates earned on these contracts were 4.23% and 4.21%. At December 31, 2005 and 2004, the fixed crediting interest rates on these contracts ranged from 1.66% to 7.62%. No valuation reserves were recorded to adjust contract amounts as of December 31, 2005 or 2004.

The Interest Income Fund invests in both guaranteed investment contracts (GICs) and synthetic investment contracts (SICs). However, as of December 31, 2005 the Interest Income Fund no longer held investments in GICs. SICs differ from GICs in that the assets supporting the SICs are owned by the Plan. A bank or insurance company issues a wrapper contract that allows participant directed transactions to be made at contract value. Wrapper contracts are valued as the difference between the fair value of the supporting assets and the contract value. The assets supporting the GICs and SICs generally consist of high quality fixed income securities with a fair value of $1,156,725 and $1,177,818 at December 31, 2005 and 2004.

The Plan provides for investments in various investment securities, which in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of net assets available for benefits and participant account balances.

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

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AT&T SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS (continued)

(Dollars in Thousands)

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, 2005 and 2004 are reported on the accompanying statements of net assets available for benefits. The reported collateral includes noncash holdings of $570 and $13,776 at December 31, 2005 and 2004. Income earned on securities lending is used to offset the administrative expenses of the Plan and was $301 for the year ended December 31, 2005.

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:

	2005	2004
Assets		
AT&T common shares	$ **1,149,595**	$ 1,139,261
Temporary cash investments	**623**	