

WATTS DONALD W  
Form 4  
February 02, 2012

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
WATTS DONALD W

(Last) (First) (Middle)  
208 S. AKARD STREET  
(Street)

DALLAS, TX 75202

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
AT&T INC. [T]

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/31/2012

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Sr. Exec. VP and Gen. Counsel

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	Price	
Common Stock	01/31/2012		A <sup>(1)</sup>		803.145	A \$ 29.41	27,706.52 I By Benefit Plan
Common Stock	02/01/2012		M		21,857	A \$ 24.44	128,051 D
Common Stock	02/01/2012		M		2,948	A \$ 25.28	130,999 D
Common Stock	02/01/2012		M		1,781	A \$ 25.8	132,780 D
Common Stock	02/01/2012		S <sup>(2)</sup>		26,586	D \$ 29.7281	106,194 D

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Common Stock 6,384.0611 I By 401(k)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (Right to Buy) - 01 IP	\$ 24.44	02/01/2012		M	21,857	(3) 01/31/2013	Common Stock 21,857
Employee Stock Option (Right to Buy) - SSP	\$ 25.28	02/01/2012		M	2,948	02/03/2004 02/01/2013	Common Stock 2,948
Employee Stock Option (Right to Buy) - SSP	\$ 25.8	02/01/2012		M	1,781	06/02/2004 05/31/2013	Common Stock 1,781

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
	Sr. Exec. VP and Gen. Counsel

WATTS DONALD W  
208 S. AKARD STREET  
DALLAS, TX 75202

## Signatures

/s/ Ann E. Meuleman, Secy.,  
Attorney-in-fact

02/02/2012

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Represents deferred stock units purchased by the reporting person with automatic payroll deductions and partial company matching contributions. Deferred stock units are settled only in stock on a 1-for-1 basis.

The price is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$29.72 to \$29.74. The reporting person undertakes to provide upon request by the SEC, the issuer, or a security holder of the issuer, full information regarding the number of shares sold at each separate price.

(3) Options vest in three equal annual increments beginning on 01/31/2004, the first anniversary date of the grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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