



Investor Briefing

August 6, 2003 | No. 238

SBC Communications To Deploy Wi-Fi Hot Spots in 6,000 Venues, Create Integrated Wi-Fi/3G Service to Deliver Unprecedented Wireless Broadband Coverage

- *SBC companies will use existing network infrastructure, Cingular Wireless assets and roaming agreements to provide customers with consistent high-speed wireless Internet experience*
- *Wi-Fi rollout strengthens SBC bundling strategy, enhances value of SBC Yahoo! DSL service*

SAN ANTONIO, Aug. 6, 2003 — SBC Communications Inc. (NYSE:SBC) today announced a groundbreaking initiative to deploy more than 20,000 Wi-Fi (wireless fidelity) hot spots in 6,000 venues over the next three years and create an integrated Wi-Fi and third-generation (3G) wireless service to deliver unprecedented coverage that enables customers to enjoy a comparable broadband experience at home, in the office and on the road.

The new Wi-Fi service, to be called FreedomLinkSM, will be available by the end of 2006 in more than 6,000 hotels, airports, convention centers and other venues throughout the SBC 13-state region. SBC companies plan to augment this extensive deployment through a roaming agreement with Wayport, Inc., a leading Wi-Fi service provider. The roaming agreement will give SBC customers access to Wayport

services in more than 650 locations nationwide, including 565 hotels, eight airports and 75 restaurants. Wayport will also provide services that include Wayport's access control and customized SBC splash pages. To give subscribers access to additional hot spots, SBC companies will also pursue roaming agreements with other Wi-Fi service providers.

"What sets us apart from other companies currently offering Wi-Fi is the breadth of our deployment strategy, the pricing flexibility and our history of reliable service that we'll bring to consumers and businesses. With our existing network infrastructure, Cingular assets, brand awareness and large base of DSL customers, SBC companies are in the best position to meet the growing demand for a consistent, wireless broadband experience."

Edward E. Whitacre Jr.
SBC Chairman and CEO

“SBC companies have a legacy of aggressively deploying important emerging technologies that our customers want, and our Wi-Fi deployment continues that tradition,” said Edward E. Whitacre Jr., SBC chairman and CEO. “What sets us apart from other companies currently offering Wi-Fi is the breadth of our deployment strategy, the pricing flexibility and our history of reliable service that we’ll bring to consumers and businesses. With our existing network infrastructure, Cingular assets, brand awareness and large base of DSL customers, SBC companies are in the best position to meet the growing demand for a consistent, wireless broadband experience.”

LEVERAGING EXISTING NETWORK INFRASTRUCTURE

To address customers’ need for access to corporate LANs, the Internet and broadband applications, SBC companies will use their various assets to deploy the Wi-Fi hot spots. Where possible, the companies plan to use their public telephone infrastructure to establish access points and use SBC DSL or T1 service to transport data from the access point to the network.

Capital costs and fixed expenses associated with deploying the hot spots will be relatively low. By using the existing SBC network infrastructure, the companies will be able to deploy Wi-Fi quickly and cost-effectively.

SBC companies plan to deploy more than 1,000 Wi-Fi hot spots in several hundred venues by year-end, more than 9,000 hot spots in 2,000 venues by the end of 2004 and more than 20,000 hot spots in 6,000 venues by the end of 2006. The company will continue deploying hot spots after 2006, and the availability of an integrated Wi-Fi and 3G service will further enhance the customer experience.

SBC Wi-Fi Initiative in Brief

DEPLOYMENT

- Deployment planned in hotels, airports, convention centers, and other venues
- Hundreds of venues – 1,000 hot spots – by EOY 2003
- More than 2,000 venues – 9,000 hot spots – by EOY 2004
- More than 6,000 venues – 20,000 hot spots – by EOY 2006
- Deployment augmented with roaming agreements:
 - Wayport, a leading Wi-Fi service provider – 565 hotels, eight airports, and 75 restaurants
 - Seeking agreements with other providers, aggregators

INTEGRATION WITH CINGULAR WIRELESS

- SBC and Cingular will create an integrated Wi-Fi/3G service that allows customers to enjoy a seamless, consistent broadband experience
- Initiative will combine the strengths of Wi-Fi and Cingular’s GPRS/EDGE network
- Will enable roaming between DSL, Wi-Fi and GPRS/EDGE networks, giving subscribers speed, mobility, service consistency and simplicity
- Subscribers will enjoy Wi-Fi network speeds of 2 to 5 Mbps and 3G speeds of up to 170 Kbps
- The integrated service is expected to be available in late 2004 or early 2005

TARGET MARKET

- Frequent business travelers
- SBC DSL subscribers, currently totaling 2.8 million
- WLAN business customers

BUNDLING AND PRICING

- The service will initially be offered to consumers on a transactional basis with a one-time fee for 24-hour access to any SBC hot spot
- Shortly after the initial service launch, SBC will introduce a subscription-based model that will offer subscribers unlimited access for a monthly fee
- For businesses, SBC will develop a solution that extends the corporate WLAN, enabling employees to experience the same productivity benefits while on the road
- Subscribers who bundle the service with other SBC services will receive the most attractive monthly pricing

COSTS

- Deployment leverages existing network infrastructure to lower costs and speed time to market, using public telephone infrastructure whenever possible
- SBC DSL or T1 service will transport data from access point to network
- Relatively low capital costs; incremental capital required to deploy Wi-Fi hot spots will not impact the overall capital budget for SBC

INTEGRATING WI-FI AND 3G SERVICE

SBC Communications will use its relationship with Cingular to bring to market a service that combines the strengths and benefits of Wi-Fi hot spots and 3G wireless data services. The service will allow subscribers to move between their home or office SBC broadband service, SBC FreedomLink Wi-Fi hot spots and Cingular’s network, while experiencing not only speed and mobility, but service consistency and simplicity as well.

To provide true 3G wireless data services and speeds, Cingular is currently deploying Enhanced Datarate for Global Evolution (EDGE) technology. EDGE is a software enhancement to Cingular’s General Packet

Radio Service (GPRS) data network. To deliver an integrated Wi-Fi and 3G service, SBC companies and Cingular are working on a solution to allow roaming between home and office LANs, Wi-Fi hot spots and the Cingular GPRS/EDGE network so that subscribers can experience broadband Internet access regardless of where they are. Users could experience speeds between 2 and 5 megabits per second between access points and their Wi-Fi-enabled devices on the SBC FreedomLink Wi-Fi network and up to 170 kilobits per second on Cingular’s EDGE network. The integrated service is expected to be available in late 2004 or early 2005.

ADDING VALUE THROUGH BUNDLING

Initially, the FreedomLink service will be offered to customers on a transactional basis with a one-time fee for daily sessions. Shortly after the initial service launch, the companies will introduce a subscription service that will offer subscribers unlimited access for a monthly fee, with deeply discounted pricing for customers who combine FreedomLink with other SBC services and packages, including SBC Yahoo! DSL and SBC Total Connections, the company's flagship bundle, which includes local, wireless, DSL and long distance (where available) service. Final pricing will be announced when the service becomes available.

"Adding Wi-Fi to the SBC service portfolio will make our bundling strategy even more powerful and successful," said Ray Wilkins, president, SBC marketing and sales.

"The FreedomLink service will generate incremental revenue and significantly improve our ability to attract and retain customers, and the pricing will reflect our bundling strategy – the more customers spend with us, the more they will save."

The initial target market for the FreedomLink service is frequent business travelers and the large embedded base of SBC broadband customers. SBC companies are the nation's leading DSL provider with 2.8 million subscribers. Targeting the existing SBC customer base will lower acquisition costs and speed Wi-Fi adoption.

BUSINESS WI-FI OFFERINGS

SBC companies are exploring a comprehensive solution that will allow businesses to use the mobility of wireless broadband to improve employee productivity in the office and on the road. Today, SBC companies offer wireless LAN products and services to business customers, including site surveys, installation, wireless LAN equipment and VPN solutions for enhanced security. Businesses can use wireless LANs for voice and data services, enabling their employees to experience the productivity benefits that mobility provides in the office. Once employees become "untethered" in the office, they often want the same benefits in their homes and on the road.

SBC companies will meet this emerging business need by creating a potential bundle solution that allows Wi-Fi public hot spots to serve as an extension of a corporate wireless LAN, enabling employees to enjoy a consistent, secure online experience wherever they go.

The comprehensive solution will include Wi-Fi access and consulting and network support services, including VPN solutions that provide the level of security that businesses require. By offering this solution to companies and not merely pursuing individual end users, SBC will accelerate the adoption of Wi-Fi in the marketplace.

In addition to establishing hot spots at primary venues, SBC companies also plan to provide a turnkey product that enables small-business customers to quickly become a hot spot and differentiate themselves in the marketplace. The businesses would then offer Wi-Fi access to their customers.

BUILDING UPON CURRENT WI-FI SUCCESS

SBC companies are already a significant player in the Wi-Fi market, and the public hot spot deployment will build upon the success they have experienced with enterprise and residential customers. Today, SBC companies provide wireless LANs to businesses and colleges, and home Wi-Fi gateways to SBC Yahoo! DSL customers.

"We're currently selling 2,000 home Wi-Fi gateways a day," said Wilkins. "Our aggressive efforts to enable SBC Yahoo! DSL and enterprise customers to enjoy the benefits of wireless broadband access have paved the way for the FreedomLink service. Now, customers can come to one source to get a single, consistent broadband experience in the home, office or on the road."

Cautionary Language Concerning Forward-Looking Statements

Information set forth in this *Investor Briefing* contains financial estimates and other forward-looking statements that are subject to risks and uncertainties. A discussion of factors that may affect future results is contained in SBC's filings with the Securities and Exchange Commission. SBC disclaims any obligation to update or revise statements contained in this *Investor Briefing* based on new information or otherwise.

SBC Investor Briefing

The SBC *Investor Briefing* is published by the Investor Relations staff of SBC Communications Inc. Requests for further information may be directed to one of the Investor Relations managers by phone at (210) 351-3327 or fax at (210) 351-2071.

Written correspondence should be sent to:

Investor Relations
SBC Communications Inc.
175 E. Houston, Room 8-A-60
San Antonio, TX 78205

Internet address: <http://www.sbc.com>

Managing Director of Investor Relations

Mike Coffey

Investor Relations Staff

Todd Brockwell	Shelly Mathews
Chantel Camarillo	Mike Porter
Jeff Fancher	Jerrell Ross
Lisa Forkin	Blake Steward
John Lamprecht	