



Wi-Fi: Unprecedented Broadband Coverage

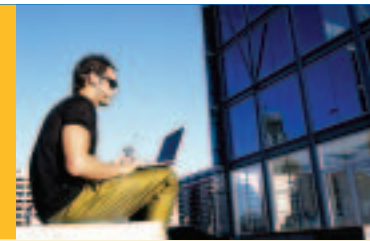
"What sets us apart from other companies currently offering Wi-Fi is the breadth of our deployment strategy, the pricing flexibility, and our history of reliable service that we'll bring to consumers and businesses. With our existing network infrastructure, Cingular assets, brand awareness and large 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

Chairman and CEO, SBC Communications Inc.



Broadening the Reach of Broadband



HIGH-SPEED INTERNET CONNECTIONS – ANYTIME, ANYWHERE

SBC Communications Inc. is taking the benefits of broadband beyond the home and office through a groundbreaking initiative that will deliver unprecedented wireless broadband coverage. Soon, SBC customers will be able to access their services and enjoy a consistent broadband Internet experience at home, in the office and on the road.

The cornerstone of the SBC initiative is the largest deployment of Wi-Fi (wireless fidelity) technology ever undertaken. SBC companies are deploying more than 20,000 Wi-Fi hot spots in 6,000 venues over the next three years; working with Cingular Wireless, they will also create an integrated Wi-Fi and third-generation (3G) wireless service to meet the growing demand for ubiquitous broadband access. SBC companies plan to augment the extensive Wi-Fi deployment through roaming agreements with other Wi-Fi service providers.

The new SBC Wi-Fi service is called FreedomLinkSM and will be available by the end of this year. By the end of 2004, Wi-Fi hot spots will be in thousands of hotels, airports, convention centers and other venues throughout the



SBC 13-state region. *Hot spots* refers to areas where Wi-Fi service is available.

WHAT IS WI-FI?

Wi-Fi enables computers and other wireless devices, such as Personal Digital Assistants (PDAs), to connect to the Internet using a radio frequency instead of a wire or cable. While its premise is simple, its promise is tremendous.

Many people already use Wi-Fi for their home or office networks to connect to the Internet without the need for a wired connection. Now, that same technology is being applied to public venues, such as airports and hotels, giving Wi-Fi users the freedom and flexibility to enjoy the benefits of a high-speed Internet connection even when they travel away from the home or office. This increases their personal and business productivity and helps them stay connected with family and friends.

Wi-Fi speeds vary depending on a number of factors such as the distance from the hot spot's access point and the number of people using the Wi-Fi network. Several hot spots are deployed in a single location to give better range and coverage. Average Wi-Fi speeds usually range between 2 megabits and 5 megabits per second, which is comparable to today's wireline broadband speeds.

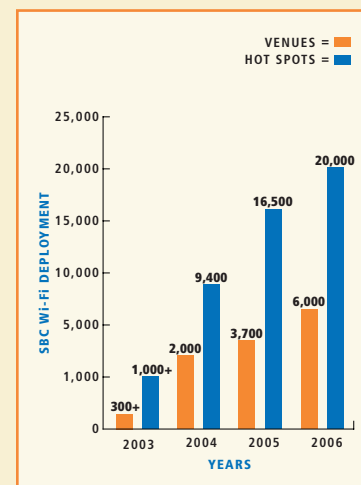
According to Gartner Inc., a global research firm, the popularity of Wi-Fi is expected to soar in the next few years. Gartner estimates that 4.7 million people in North America will use Wi-Fi hot spots this year, and it forecasts 31 million users by 2007.

BREADTH OF DEPLOYMENT

SBC companies will use a wide range of assets to provide customers with consistent high-speed Wi-Fi service. Plans include the following:

> **Establish the hot spots** by using, where possible, SBC public telephones that already exist in the venues. The company will also use SBC DSL and T1 service to transport data from the access point to the network. Using the existing SBC network infrastructure will enable the company to deploy Wi-Fi quickly and cost-effectively.

> **Use the SBC relationship with Cingular Wireless** to create an integrated Wi-Fi and 3G wireless service that enables customers to have high-speed Internet access virtually everywhere they go. To deliver the integrated 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 network, so that subscribers can experience broadband Internet access wherever they are. Subscribers will be able to move between nearly any location while enjoying speed, mobility, and a consistent portal and

logon experience. Users can experience speeds between 2 Mbps and 5 Mbps between access points and their Wi-Fi-enabled devices and up to 170 kilobits per second on the Cingular network.

> **Augment this extensive Wi-Fi deployment** through roaming agreements with other Wi-Fi service providers. For instance, a roaming agreement SBC has already signed with Wayport, Inc. will enable SBC FreedomLink subscribers to access Wayport's services in more than 650 locations nationwide, including 565 hotels, eight airports and 75 restaurants.

BUILDING UPON CURRENT SUCCESS

BROADBAND LEADERSHIP

Leading DSL provider with more than 3 million lines in service

SBC companies sell an average of 2,000 home Wi-Fi gateways a day

While the FreedomLink service is new, SBC Communications is already a significant player in the Wi-Fi market. The public hot spots deployment builds upon the success that SBC companies are experiencing 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.

The aggressive effort to bring SBC Yahoo! DSL and enterprise customers the benefits of wireless broadband access are paving the way for the FreedomLink service.

The initial target market for the FreedomLink service is frequent business travelers and the large embedded base of SBC broadband subscribers. And for enterprise customers who want to use the mobility of wireless broadband to improve employee productivity on the road, SBC companies will create a bundled solution that allows Wi-Fi public hot spots to serve as an extension of a corporate wireless LAN. The comprehensive solution will include virtual private network solutions that provide the level of security that businesses require.

GREATER VALUE THROUGH BUNDLING

For SBC Communications, taking its broad array of communications services and launching bold, new bundled offerings that give customers a greater level of value, choice and simplicity is a key to attracting and retaining customers. Adding Wi-Fi to the SBC service portfolio will make the company's bundling strategy even more powerful. No other company in its service areas will be able to match the SBC service portfolio, which creates a significant advantage over competitors.

Initial pricing for SBC FreedomLink service will be a per-day usage fee; later, customers may select either a monthly subscription or may bolt-on the service at a discount with SBC Total Connections.

The number of customers purchasing SBC service bundles continues to climb. At the end of June 2003, nearly 66 percent of SBC residential customers subscribed to an SBC bundle.

CONTINUED COMMITMENT

The record-breaking deployment of Wi-Fi is one more example of the SBC commitment to service. Now, customers can come to one source to get a single, consistent broadband experience in the home, office or on the road. By continuing to introduce exciting new services, SBC Communications has significantly enhanced its ability to meet all of its customers' communications needs.

Industry research firm Gartner predicts that **99 million** people will have Wi-Fi-capable computers by 2006 and **31 million** Wi-Fi users by 2007.