"By integrating wireline and wireless services, we give our customers the ability to access needed information and applications from any connected device. This is true convergence — access anytime, anywhere."

Edward E. Whitacre Jr.
Chairman and CEO
SBC Communications Inc.

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Following the Cingular Wireless acquisition of AT&T Wireless on Oct. 26, SBC Communications Inc. — a 60 percent owner of Cingular — will capitalize on a growing number of strengths to advance a strategy that will change how customers access and use communications services.

With the nation’s largest wireline-wireless network overlap, a growing DSL footprint and an expanding Wi-Fi network, SBC will create unprecedented connections between communications devices and services — from wireline and wireless phones to laptop computers. This product strategy will, ultimately, provide business and residential customers with greater convenience, value and productivity.

ADVANCING INTEGRATED SERVICES FOR RESIDENTIAL AND BUSINESS CUSTOMERS

This groundbreaking SBC initiative will bring to market new products that blur the distinctions between wireline, wireless and Internet services and enable true communications convergence. By integrating the features and functionality of both wireline and wireless services, these new products will create marketplace distinction and spur customer acquisitions.

Wireline and wireless product integration also moves beyond today’s bundling strategy, which allows SBC customers to order services with a single call and to receive discounted SBC wireline and Cingular Wireless services on one bill.

More important, the initiative builds on the significant advances that SBC companies have made to enhance their services, including:

> **Enhanced Network Infrastructure.** The initiative combines one of the largest broadband footprints in the nation (which makes SBC Yahoo! DSL service available to more than 39 million homes and businesses in the 13-state SBC region) with Cingular’s Edge wireless data network reaching 85 percent of all potential subscribers.

> **Simplified Ordering and Billing.** Joint tools, processes and systems enable wireless sales through the SBC wireline sales channels and give SBC customers the convenience and simplicity of one-stop shopping and a single bill.

> **Extensive Distribution Channels.** SBC call centers and Cingular retail locations cross-sell the companies’ services and extend their reach. For example, SBC Yahoo! DSL is available in select Cingular retail stores.

> **Bundled Services.** Bundles provide one-stop shopping, a single bill and discounted communications services.

BEYOND BUNDLING WITH INTEGRATED PRODUCTS

The SBC wireline-wireless communications platform may allow services such as a single wireline-wireless phone number and interoperability between wireline and wireless instant messaging services. Integrated voice-activated services, such as voice-activated dialing and voice portal services, will allow customers to verbally request Internet content.

Examples of integrated products today include FastForward, a cradle device that automatically forwards wireless calls to a preprogrammed landline home or work phone. FastForward allows customers to conserve their wireless minutes on their primary Cingular phone while enjoying the clarity and quality of a wireline network.

This commitment to integration recently brought to market a first-of-its-kind service, SBC Unified Communications. Unified Communications integrates wireline and wireless voice messages, faxes and e-mail into a common mailbox, which is accessible anywhere that Internet access is available or via any phone.

“Imagine just one account where all e-mail and voicemail went,” said Steve Hilton, an analyst at Yankee Group (a Boston-based industry research firm). “If you’re on the road and have only your cell phone, you can tap into your account and listen as your e-mail is transformed into voice.”

Industry analysts have noted that SBC Unified Communications is a significant advancement beyond the company’s successful bundling strategy. “What’s going on here is not just another bundled service. It’s connecting the dots in the services already in the bundle,” said William Stofega, a senior analyst at International Data Corp., a marketing and research firm in Framingham, Mass.²

CINGULAR WIRELESS BECOMES NATION’S LARGEST WIRELESS CARRIER

Following its acquisition of AT&T Wireless, Cingular Wireless became the largest wireless carrier in the United States, with more than 47.6 million subscribers. The new Cingular now operates the largest digital voice and data network in the nation.


² Ibid.