



DSL

INTERNET

Update

SBC Communications is committed to broadband, providing customers with reliable, high-quality DSL (Digital Subscriber Line) Internet Access Service. With several thousand orders daily and more than 1.3 million customers at the end of 2001, SBC continues to be the nation's leading DSL Internet Access Service provider. As more consumers and businesses turn to DSL Internet Access Service, SBC is well-positioned to accommodate significant subscriber growth, offering service from more than 5,800 neighborhood broadband gateways and nearly 1,400 central offices, with service available to more than 60 percent of its customers. ●●●●●●●●●●

SBC/Yahoo! Join Forces To Deliver Superior Internet Experience

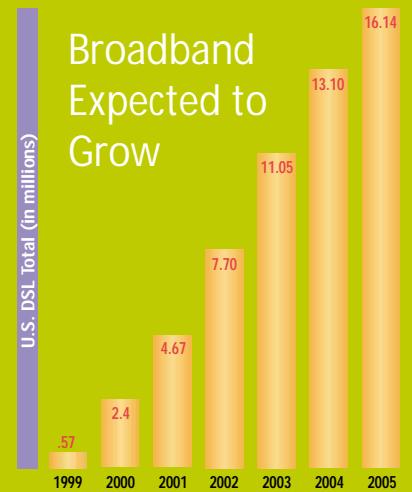
As technology and the Internet evolve, SBC will provide consumers with the best and most reliable broadband experience in the marketplace. SBC and Yahoo! have announced an alliance to bring together access with portal services in a first-of-its-kind service. SBC customers will experience an exciting new look and feel, compelling personalized broadband content and premium services, and continuous innovation and access via the largest, most reliable broadband network in the country. The alliance allows SBC and Yahoo! to focus on their individual areas of expertise.



- SBC is the largest DSL Internet Access Service provider in the country with high-speed broadband available to more than 25 million customers
- Yahoo!, the No. 1 global Internet destination, brings to the alliance the strength of the Yahoo! brand and a compelling suite of premium broadband content

Home Networking To Help Drive Broadband in 2002

SBC's Home Networking offering is helping to further expand the broadband market for consumers wanting to network the equipment in their home or office over a single DSL Internet connection. Home Networking is a powerful tool for future broadband-enabled applications such as security monitoring, online games, and video on demand. Launched in June 2001, SBC has seen strong demand for its Home Gateway products. In fact, sales last year far exceeded the company's original expectations. With Home Networking from SBC, families and small businesses with up to 10 computers can share one DSL Internet connection. SBC offers a wireless and wired home gateway, with or without an internal modem. The gateways can be self-installed by customers in about an hour.



A recent study by Gartner Dataquest says demand for high-speed Internet has never been better. Gartner says high-speed Internet access has reached 25 percent of online households and that nearly 20 percent of dial-up households reported that they planned to subscribe to a high-speed service by mid-2002. According to Gartner, the broadband market is expected to grow to nearly 35 million customers in 2005, with DSL Internet service representing more than 16 million of those customers.



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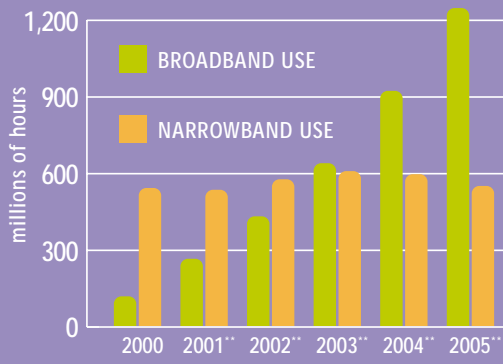
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SBC Internet Services Among The Nation's Best ISPs

SBC Internet Services, provided regionally by Southwestern Bell Internet Services Inc., Pacific Bell Internet Services, Ameritech Interactive Media Services, and SNET Diversified Group Inc., is now the nation's 4th largest Internet Access service provider, with more than 3.1 million narrowband and broadband customers across the country. Additionally, SBC Internet Services affiliates consistently rank among the top ISPs for reliability and performance in benchmarking studies by *Network World Fusion*.

- SBCIS consistently maintains a 99.9 percent network reliability standard – giving our customers the peace of mind that their connection will be there when they need it
- SBCIS works to provide a secure experience for its customers with 24-hour-a-day network and security intrusion monitoring. Additionally, SBC offers customers a McAfee security-monitoring package including anti-virus, firewall and privacy-protection software
- With the SBC/Yahoo! alliance, our customers will be the first to experience an exciting suite of new services. From online games to music and video services, SBCIS customers will have access to the most compelling, personalized content and innovation to hit the access market to date
- SBCIS offers all of its DSL Internet Access Service customers unlimited dial Internet access from virtually anywhere they travel in the country

AGGREGATE TIME SPENT ONLINE PER EACH MONTH* (Residential Use)



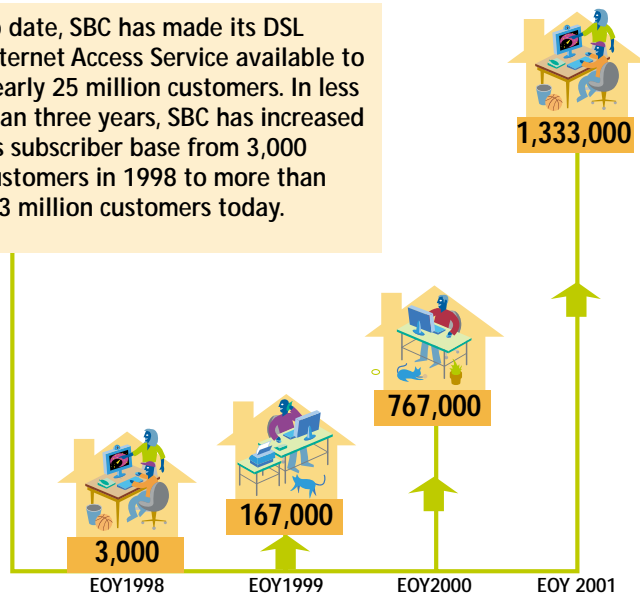
* Assumes one online user for each household.
** Forecast

Broadband Users Spending More Time Online

According to Jupiter Media Research, broadband users are spending 27 percent more time online overall and average 37 percent more sessions a month. By 2003 users with broadband connections will account for a majority of online users.

SBC DSL Internet Subscriber Growth

To date, SBC has made its DSL Internet Access Service available to nearly 25 million customers. In less than three years, SBC has increased its subscriber base from 3,000 customers in 1998 to more than 1.3 million customers today.



Source: SBC Communications Inc.

SBC Receives International Award for Its Broadband Self-Install Solution

SBC's self-install kit has been recognized for its customer benefits and market impact by the International Engineering Consortium with a prestigious InfoVision Award for technology. SBC became the first broadband provider to implement a self-install solution, making high-speed DSL Internet Access Service available to customers faster, and easier to install. Today, SBC continues to be an industry leader in the self-install solution, with 90 percent of customers enjoying the convenience of self-installation.