between the U.S. and China.

The China-U.S. cable network is planned to be the most technologically advanced of its kind in the world, employing a state-of-the-art fiber-optic submarine cable system between participating nations through the year 2015. The cable system is expected to be completed by the year 2000 at a cost of more than $1 billion.

This network will provide SBC with low-cost capacity for international long-distance traffic to China and other fast-growing Asian markets.

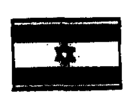
France

In 1994, SBC Communications entered into a strategic partnership with Compagnie Generale des Eaux (CGE), following a competitive review of potential partners for one of France's two national GSM wireless companies. SBC invested approximately $626 million to gain an effective 10 percent equity stake in Societe Francaise de Radiotelephone (SFR).

Under SBC's guidance, SFR completed the most aggressive cellular capital investment program in Europe, adding 1,200 new base station sites in one year alone. As a result, SFR has doubled its market share from 20 percent to 40 percent and signs up more than 3,000 new customers each day. As of June 1997, SFR had more than 1.4 million subscribers.

SBC has now expanded its joint venture with CGE to become a broad-based provider of telecommunications services when the French market opens up to competition in 1998. The new company, Cegetel, includes SBC (15 percent stake); CGE (44 percent stake); Mannessmann (15 percent stake); and British Telecom (26 percent stake).

Israel



SBC's joint venture with the Aurec Group is its longest-standing international partnership, beginning in 1985. SBC has a 50 percent stake in Aurec, which has interests in cable TV, directory publishing and software development. SBC also owns a 41.7 percent interest in Amdocs Limited, a software development company providing services throughout the world.

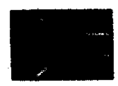
Mexico

Through a consortium formed in 1990 with France Telecom and Grupo Carso, SBC International, a subsidiary of SBC Communications Inc., acquired an interest in Telefonos de Mexico - Telmex - one of the world's fastest growing telecommunications companies. SBC retains a 9.57 percent stake in Telmex. Currently, Telmex serves more than 8.9 million access lines and 900,000 wireless customers in Mexico.

With SBC's assistance, since 1990 access lines have increased more than 60 percent; cellular customers have increased from 35,000 to 900,000; and more than 10,000 urban and rural areas have telephone service for the first time.

More than 50 percent of all telecommunications traffic between the U.S. and Mexico originates in SBC's markets.

South Africa



In March 1997, the South African government finalized an agreement with the consortium of SBC Communications and Telekom Malaysia Berhad for the consortium to purchase a 30 percent stake in Telkom South Africa, the state-owned telecommunications company of South Africa. The consortium will conduct a major expansion and liberalization of South Africa's telephone network. With more than 4 million access lines, Telkom South Africa has a countrywide franchise to provide local service and domestic and international long distance. In addition, it owns a 50 percent stake in Vodacom, one of two national cellular service providers, with 900,000 customers.

SBC's 18 percent stake in Telkom South Africa represents an investment of $757 million, the company's second largest international investment, after Telmex in Mexico.

In August 1995, SBC Communications became the first former Bell system company to make an investment in the continent of Africa when it invested $90 million in MTN of South Africa, the country's second GSM wireless company.

South Korea

SBC owns a 7.8 percent stake in Shinsegi Mobile Communications Company Ltd., which is designing, building and operating the second nationwide digital cellular network in the Republic of Korea. Operations began in April 1996 with service initially to Seoul and surrounding areas. During the second half of 1996 alone, 230,000 subscribers were added. Shinsegi now has more than 840,000 customers. SBC is the lead foreign partner for Shinsegi consortium in the areas of marketing and services.

With one of Asia's most rapidly growing economies and a wireless penetration of less than four percent, South Korea represents a very attractive growth market for SBC.

Switzerland

SBC has an approximate 40 percent ownership stake in Diax, a partnership between SBC and the six largest electric utilities in Switzerland. SBC is the telecommunications operating partner in the venture.

Upon the liberalization of the Swiss market in 1998, Diax will begin providing a full range of communications services to residential and business customers. Diax also plans to bid on wireless licenses when they become available.

Switzerland represents an excellent market for SBC. The Swiss telecommunications market is the world's twelfth largest, and Switzerland's annual revenues per telephone line of $1,700 are the highest in the world.

Taiwan

SBC International, in partnership with Formosa Plastics Group and the Goldsun Group, was awarded a GSM cellular license from the government of Taiwan in January 1997 covering the southern region of the country, a market of nearly 7 million people. The consortium partners have formed a new company called TransAsia Telecommunications, in which SBC has an approximate 20 percent ownership. Service is scheduled to begin in late 1997.

SBC believes Taiwan represents an exciting growth opportunity because of its high population density, strong local economy and a cellular penetration rate of less than 4 percent.

United Kingdom

In October 1995, SBC merged its United Kingdom cable television and telephony operations (jointly owned with Cox Communications Inc.) with TeleWest, the leading U.K. cable operator and a publicly held joint venture between TCI and US West. The merger created the largest cable television operator in the U.K., with expanded interest in 31 franchises covering 4.1 million homes.

ATTACHMENT D

PACIFIC BELL SERVICE BEFORE AND AFTER SBC MERGER: MONTH BEFORE MERGER CLOSED AND MONTH ONE YEAR AFTER

	March 1997	March 1998	Service After Merger
Held Orders – Primary	0	0	Same
Installation - % Commitments	98.8%	99.0%	**Improved**
Repair Reports – 100 Lines	1.3	1.8	Declined
Dial Service	98.4%	100%	**Improved**
Trouble Service Answer	81.7%	82.0%	**Improved**
OA Answer	91.9%	93.5%	**Improved**
DA Answer	93.4%	94.4%	**Improved**
Business Office Answer	76.4%	81.9%	**Improved**

Source: Monthly Service Reports submitted by Pacific Bell to the California PUC in response to General Order 133-B. See attached reports for a more detailed description of the individual measured service indicators and related reporting levels.

ATTACHMENT E

PACIFIC BELL SERVICE BEFORE AND AFTER SBC MERGER: 12 MONTHS BEFORE MERGER AND 12 MONTHS AFTER

	12 Month Average **Before** Merger Closed	12 Month Average **After** Merger Closed	Service After Merger
Held Orders – Primary	4.0	.08	**Improved**
Installation - % Commitments	99.2%	98.8%	About the same
Repair Reports – 100 Lines	1.42	1.54	About the same
Dial Service	98.9%	99.9%	**Improved**
Trouble Service Answer	65.2%	77.7%	**Improved**
OA Answer	91.8%	93.6%	**Improved**
DA Answer	92.0%	93.9%	**Improved**
Business Office Answer	72.7%	83.5%	**Improved**

Source: Monthly Service Reports submitted by Pacific Bell to the California PUC in response to General Order 133-B. See attached reports for a more detailed description of the individual measured service indicators and related reporting levels.

ATTACHMENT F

PACIFIC BELL SUCCESS IN MEETING SERVICE GOALS FOR 12 MONTHS AFTER SBC MERGER CLOSED:

Service	PUC Goal	Number of Months PB Exceeded Goal	Percent of Months Goal Met
Installation - % Commitments	95% Commitments Met	12	100%
Repair Reports	Less than 6	12	100%
Dial Service	98% Without Equipment Failure	12	100%
Trouble Serv. Ans.	80% Answered in 20 Seconds	9	75%[12]
OA Answer	85% Answered in 10 Seconds	12	100%
DA Answer	85% Answered in 12 Seconds	12	100%
Bus. Office Answer	80% Answered in 20 Seconds	12	100%

Source: Monthly Service Reports submitted by Pacific Bell to the California PUC in response to General Order 133-B. See attached reports for a more detailed description of the individual measured service indicators and related CPUC established goals..

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1 In the previous 12 months before the SBC merger, PacBell had only met the Trouble Service Answer goal in 7 of those 12 months (58%).

ATTACHMENT G

South Africa

Investment
18 percent stake in Telkom South Africa, South Africa's national telecommunications company, representing SBC's largest investment in a privatization effort

With this investment, SBC is likely to sell its 15.5% stake in MTN, South Africa's second cellular provider

Strategic Partner
Telekom Malaysia Berhad, Malaysia's national telecommunications provider

Business Segments
Local service and long distance

Economic Profile	1996 GDP growth	1996 GDP per Capita	5-year projected real GDP CAGR
	3.6%	$4,800	3.6%

Customer and Network Profile

	1995	1996
Population (thousands)	[illegible]	41,700
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Telkom South Africa access lines (in millions)	[illegible]	3.9
Telkom South Africa access line penetration	9%	9.3%

	1996
Wireless Network Technology	GSM

Population data source: U.S. Bureau of the Census

Market Characteristics

South Africa's population of 41.7 million is about equal to Texas, New York and Missouri combined. Only 10 percent of South Africa's non-white households – 87 percent of the population – have telephone service.

Investment Opportunity

Build and greatly expand Telkom South Africa's network infrastructure and add to its management expertise.

The investment also positions SBC to pursue other opportunities on the African continent. SBC was the first regional Bell operating company to invest there. Telekom Malaysia has ties to projects in other African nations.

Management Role in Operations

Telkom South Africa. With 30 percent ownership, the consortium leads Telkom's Operating Committee and is responsible for business plans, training programs, management structure and network buildout. The consortium appoints key executives, including the chief operating officer, chief financial officer and chief technical officer.

MTN. SBC managers hold the roles of CEO and senior marketing and network manager in MTN's wireless operations.

Near-term Priorities

- Align the employee workforce more closely with South Africa's demographics.
- Initiate network architecture development to add 340,000 access lines this year, primarily reaching underserved segments of the population.
- Create detailed business and operational plans for adding more than 2.5 million access lines within five years.
- Develop and initiate customer service and customer care programs.

AFFIDAVIT OF MARTIN A. KAPLAN

STATE OF TEXAS	)	
	)	SS
COUNTY OF BEXAR	)	

MARTIN A. KAPLAN, being duly sworn, deposes and says:

1. My name is Martin A. Kaplan. I am Executive Vice President - Pacific Telesis Group ("TELESIS") a business unit of SBC Communications Inc. ("SBC"). I make this affidavit to describe the synergies SBC expects to derive from its merger with Ameritech Corporation ("Ameritech").

2. SBC estimates that its merger with Ameritech will produce synergy benefits. Estimating synergy benefits that may occur in future years is not an exact science, and there is potential for under- or overestimating such estimates. Nevertheless, it is our best estimate that the SBC/Ameritech merger will create opportunities for revenue growth, and costs savings, estimated to have a value of approximately $2.5 billion by 2003. These synergies will produce substantial benefits for both SBC's existing customer base and for Ameritech's customers in Illinois, Michigan, Wisconsin, Ohio and Indiana and will help provide the financial base needed to support the investments required to implement the planned "National-Local" Strategy.

PERSONAL BACKGROUND

3. I received a Bachelor of Science degree in engineering from the California Institute of Technology in 1960. I have thirty-eight (38) years of experience with Pacific Bell and Pacific Telesis. I was elected an officer of Pacific Bell in November 1983. I was appointed Executive Vice President of Pacific Bell in 1986 and for most of the period after that, was responsible for Pacific Bell's operations until the approval of the merger between Pacific Telesis and SBC. Also, from 1993-1997 as part of my ongoing responsibilities I was responsible for the re-engineering project at Pacific Bell focusing on Pacific Bell's efforts to reduce the cost and increase revenue of its telephone company operations.

4. After the SBC and Pacific Telesis merger agreement was executed, I was assigned the responsibility of coordinating the integration of Telesis with SBC. I have been assigned to play a similar role in planning for and implementing the integration of Ameritech and SBC.

5. In mid-April 1998, I was asked to join the team evaluating the Ameritech merger for the sole purpose of analyzing and developing the potential synergies which might be produced as a result of that merger.

Synergies from the Telesis Merger

6. After approval of the Telesis merger, SBC formed more than 50 teams to focus on revenue increases and cost reduction; specifically the teams were asked to determine where (i) duplicative administrative support and business functions could be combined, (ii) economies of scale could reduce costs, (iii) duplicative expenditures on new programs could be avoided, and (iv) the best practices of each company should be shared and implemented throughout the combined company. These teams identified areas where they believed savings were possible, quantified the savings and developed plans to realize these savings. Once the savings were approved, the savings were then included in the projected budgets of the appropriate business unit. The managers of these business units, many of whom had served on or led the teams which developed the estimates, are measured by how successfully they managed these business units to obtain the budgeted savings. In estimating synergies which can be derived from the SBC/Ameritech merger I assumed that (i) the same disciplined integration process would be used in this merger as was applied in the SBC/Pacific Telesis merger, (ii) that similar types of improvements, though not necessarily similar results could be achieved in applying that process to the integration of SBC and Ameritech, and (iii) that in those instances where Ameritech's operating characteristics were better than those of SBC/Ameritech, best practices could result in improvements at SBC's subsidiaries.

THE SBC/AMERITECH MERGER

Estimated Revenue Growth

7. SBC sees significant potential opportunities for revenue growth as a result of combining SBC with Ameritech. I estimated increased revenue of $778 million by 2003. In estimating the increased revenues achievable as a result of the merger, we assumed there would be no increases in price. Rather, this growth is attainable through the adoption of the best practices of each company in expanding our opportunities with existing customers and reaching new customers through more effective marketing and sales techniques. This revenue growth is, therefore, an excellent measure of consumer benefits anticipated to be derived from this merger. Without increased prices, the only way a company can significantly increase its revenues is to provide services and packages of services which consumers see as providing value. This in turn results in increased sales and increased revenues. This is what SBC expects to achieve as a result of the SBC/Ameritech merger.

Vertical Features

8. Our experience since the Telesis merger has shown that by offering customers products and services that they need and want, and by effectively offering customers the opportunity to purchase those products and services, the vertical services purchased per access line will increase. The Pacific experience is that the residence features per line has increased since the merger from about .7 per

line to .9. SBC leads the industry with a penetration of 2.45 vertical features per access line. The Ameritech performance is closer to Pacific's performance and, therefore, provides a significant opportunity for improved penetration through more effective marketing of available products and through the development and marketing of new products, services and features. By utilizing SBC's research and development and marketing capabilities and expertise in developing and marketing attractive packages of services, significant new revenue opportunities can be obtained at Ameritech. I estimated additional revenues of $230 million from the increased sales of vertical features such as call waiting, call return and voice mail. Caller ID provides an additional $81 million.

9. Southwestern Bell has demonstrated that caller ID is a product that many customers value tremendously as evidenced by the approximately 50% penetration of this service across the Southwestern Bell region. The product has recently been enhanced significantly by offering caller ID with call waiting along with the previously introduced caller name identification. In the short time since the SBC/Pacific Telesis merger was announced, Pacific has increased Caller ID penetration from less than 1% to over 9%. On July 16, 1998, SBC announced its second quarter earnings. In describing the reasons behind another quarter of double digit earnings growth, SBC's employee newsletter, *SBC.dot.Com* stated that, "Pacific Bell, with an enhanced marketing and sales focus based on merger related synergies, added 164,000 Caller ID subscribers during the second quarter and raised Caller ID residential line penetration to 9.4% from 2.6% a year

ago." Ameritech's penetrations are roughly half that of Southwestern Bell and represents, combined with Pacific, a significant continuing opportunity for increased revenue.

Additional Lines

10. I estimated added revenues of approximately $134 million from the sale of additional lines. Pacific is the industry leader with approximately 28% second line penetration. The penetration rates for both Ameritech and Southwestern Bell are in the range of 15-17%. This presents significant revenue opportunity if by applying Pacific's experience, Ameritech and Southwestern Bell's second line penetration can be moved toward Pacific's.

Directory Publishing

11. The combined directory company resulting from the merger of SBC and Ameritech would likely have total revenues in the range of $3.5 billion. I estimated increased revenues of $98 million dollars or about 3% from directory publishing through the application of best practices that produced revenue growth in Telesis' and Southwestern Bell's directory publishing businesses. These best practices included better use of color enhanced, back cover advertising, use of inserts and improved sales methods. I also assumed best practices in Ameritech would be found and applied to the SBC directory

companies.

Data Services

12. I estimated revenue growth of approximately $65 million in data services for such products as frame relay, ISDN, ADSL, Highcap, and ATM as a result of the combined best practices of all companies in the Southwestern Bell family. This opportunity is enhanced by the explosion of the demand for data products and services.

Wireless

13. Both SBC and Ameritech have been successful wireless carriers as measured by penetration rates. SBC has been successful in bringing its best practices to the Telesis PCS Company, and increasing their revenues as a result of management marketing and sales method. I believe the same opportunity exists for taking the best practices among all of the SBC companies including Ameritech and applying them across the companies. Based on this, I estimated approximately $50 million in additional revenue growth from our wireless services.

Centrex and other services

14. I estimated revenue growth of $120 million from all of the other products and services that the companies offer. In particular, Ameritech is an industry leader in Centrex and provides the opportunity to transfer best practices to both Pacific Bell and Southwestern Bell to improve the penetration of Centrex services in their respective markets. Ameritech has had considerable success in selling Centrex, and it can bring resources and know-how to help increase Centrex penetration in SBC's traditional service territory. Similarly, Southwestern Bell is a leader in public pay phone revenues. The combination of best practices in the marketing of inside wire maintenance plans has led to improved revenues in both Pacific Bell and Southwestern Bell.

15. The calculation of each of these new estimated revenue enhancements is based on our past experience in successfully integrating Pacific Bell and Southwestern Bell and reasonable estimates of the result of applying that experience to the merger of SBC and Ameritech. Applying this experience also suggests that these estimates are reasonable and achievable, but no one can predict with 100 percent certainty when or if all the estimated synergy benefits will occur.

16. These estimated revenue gains do not reflect any benefits which may be derived from the implementation of the National-Local Strategy made possible by this merger as described in the affidavit of Mr. Kahan. Over the long term, by expanding SBC's reach into many major markets across the country and around

the world, permitting SBC to serve millions of new customers and expanding the relationship with SBC's existing customers, the merger will be a tremendous engine for additional revenue growth not reflected in these estimates.

Estimated Projected Cost Savings

17. I also expect the merger with Ameritech to reduce the combined costs of the two companies and to produce substantial efficiencies that will make the combined company a more effective competitor better able to serve customers and provide new and improved services to its customers. I estimated total cost savings at $1.43 billion, which includes $1.17 billion in expense savings and $260 million in capital savings. Gross savings, i.e. savings before investment, begin the first year after closing. Net savings, i.e. savings after investment, begin the second year after closing. Based on our Pacific Telesis experience, I estimated the investment necessary to achieve these savings as being in excess of $1.45 billion. These investments must be made before the full savings can be realized. In general, the efficiencies will come from increased economies of scale; the ability to combine a variety of administrative, support functions and businesses that can more efficiently be provided on a combined basis such as holding company functions, procurement and the wireless business; the avoidance of duplicative expenditures on new initiatives where combined efforts will be more efficient; and the adoption and implementation of the best practices of each company.

18. My analysis of estimated cost savings was undertaken using the same categorization as we used in analyzing the Pacific merger. I broke the business functions down between Support Functions, Administrative Functions, Telephone Company Operations, and Other Lines Of Business. These four categories were then further broken down into various smaller units to provide the estimates on a unit-by-unit basis which were then rolled-up to the total estimated savings. The following paragraphs provide the explanations for how the various estimates were calculated.

19. All of these estimates are based on my experience in the Telesis merger, my understanding of the Ameritech and SBC operations and my general understanding of our business. Each specific estimate was based on the available data -- some of which was pulled directly from FCC ARMIS Reports, my own experience gained in leading Pacific Bell's re-engineering efforts prior to the SBC/PTG merger and significant experience gained in planning for and ultimately implementing the integration of SBC and PTG. This last point is of particular value since I was personally involved in planning these efforts for PTG and in planning and carrying out the implementation of these plans for SBC. This activity has resulted in the generation of significant savings for SBC following the Telesis merger.

Support

20. I estimated a reduction of the combined company's expenditures on support functions of totaling approximately $771 million due to improved economies of scale, elimination of redundancy and the adoption of best practices. These support functions include:

a) Purchasing: The increased scale of the combined company should provide additional opportunities for savings in procurement. I estimated savings of $381 million in this area of, which about $260 million was expected to be derived from reduced capital expenditures and $121 million from expense reductions. In the SBC/Telesis merger, we estimated $500 million of savings in procurement, nearly 40% of which are already reflected in contracts which have been negotiated since the merger and another 30% of which are pending completion. While the additional procurement savings from the Ameritech merger will not be as large, overall we still expect to derive significant savings from total SBC/Ameritech purchasing expenditures that I estimated to be in the range of $11 billion a year.

b) Information Technology: SBC and Ameritech spend about $2.5 billion annually on information technology on a combined basis. These expenditures relate to the maintenance and development of billing systems, operating support systems, other management information systems and the printing, issuance and receipt of bills from customers. The Pacific and Southwestern Bell companies run their own data centers on a very efficient basis, while Ameritech outsources its data centers to a third party. SBC will benefit from the best of these approaches. Additionally, by consolidating these functions, eliminating duplication of overhead, adopting one approach to new applications, standardizing existing ones and many other best practices, I estimated annual savings of $227 million.

c) Marketing, Product Development and Advertising: I estimated a reduction in cost of approximately $85 million by combining the marketing efforts of the two companies. Additionally, combining research and testing of new products will spread development costs across a broader base of access lines and accelerate the delivery of new services to the market. SBC has a subsidiary called Technology Resources Inc. ("TRI"). TRI has, for example, helped SBC solve many of the problems encountered in deploying DSL technology. Ameritech does not have such an affiliate. Currently both Ameritech and Southwestern Bell are offering DSL services in test markets while Pacific is in full scale offering in 200 cities. A combined company would avoid duplicative costs of testing and technical consulting for the development of this service by relying on TRI, at no incremental cost to SBC. In general, TRI conducts laboratory tests on new services and features, prepares engineering design specifications and other related efforts to develop a new products as well as evaluate new technologies. TRI can and will fulfill the same role for SBC/Ameritech after the merger for network enhancements that might be considered by either company.

d) Real Estate: I estimated savings of $54 million from real estate operations. On a combined basis, SBC and Ameritech occupy about 125 million square feet of building space. By consolidating functions and implementing best practices, we will be able to reduce our space needs and overall expenditures. Along with our experience in the Pacific Telesis merger, and considering the huge volume of space to work with, the opportunities to reduce real estate costs are substantial.

e) Other Support Savings: I estimated approximately $24 million in additional savings from more efficient motor vehicle operations and the administrative component of procurement operations.

Telephone Company Operations

21. I estimated cost savings of $313 million from the combined operations of the SBC and Ameritech telephone operating companies. These savings will result largely from adoption of best practices with some elimination of duplication. It is important to note that both Pacific and Ameritech are considered industry leaders

in cost performance which is reflected in my estimates. These savings will be derived from:

a) Provisioning and Maintenance: I estimated $115 million in savings from provisioning and maintenance. Pacific has had substantially fewer trouble reports and field dispatches than either Ameritech or SWBT. By Ameritech and Southwestern Bell adopting best practices developed at Pacific Bell, we expect to reduce trouble reports and field dispatches at both of these companies. We expect to improve technician productivity, reduce dispatches and implement other best practices to generate cost savings. A reduction in trouble reports and field dispatches plus enhanced technician productivity will also produce better customer service. In the SBC/Pacific merger, we expect to produce about $250 million in expense savings for SBC from similar improvements.

b) Switching Operations and Network Engineering: SBC has over 2,700 local switches and 81 tandem switches, while Ameritech has about 1,435 switches and 47 tandems. Ameritech outsources its switch capacity engineering. SBC performs this work internally. By adopting the best practices such as in capacity management, consolidating appropriate functions such as architecture planning and how we operate networks, SBC can achieve substantial efficiencies and cost savings which I estimated to be about $45 million.

National-Local Implementation

22. As SBC implements the National-Local Strategy, and applies the combined experience of Ameritech, Southwestern Bell and Pacific Bell in network operations and engineering, SBC will have significant capabilities to effectively manage the deployment of SBC's networks in these new territories. Additionally, SBC's procurement scale will enable it to make very economical investments in the network facilities purchased for these territories. These synergies are not included in the calculations described in this Affidavit.

Other Savings:

23. The balance of the Telco savings (approximately $153 million) comes from virtually all other aspects of the telephone companies' operations and were estimated as follows:

- Telemarketing - $10 million
- Outside Sales - $15 million
- Demand Sales - $35 million
- Collections - $10 million
- Network Administration - $17 million
- Operator Services - $22 million
- Public payphone operations - $13 million

- Industry Markets - $31 million.

24. Administration: I also studied the savings that can result from combining holding company and related business unit operations administrative functions such as accounting and finance, external affairs, human resources, corporate development and strategy, legal and executive management. For example, in business development and strategic planning, elimination of duplication results in annual savings of $20 million a year by 2003. Based on my own analysis of each of these functions and SBC's experience with Pacific Telesis I estimated annual savings of $201 million from the merger of SBC and Ameritech.

25. Other Business: Adopting best practices and where appropriate, combining the two companies' activities in other lines of business, including Yellow Pages, wireless services, Internet service, international operations and long distance are estimated to produce an additional $146 million in cost savings. Once again, in calculating these estimates savings, I relied on experience gained as a result of the integration of SBC and Pacific Telesis and all other available information about these businesses.

Long Distance

26. As SBC and Ameritech jointly enter the long distance business out-of-region and, in the future, we estimated $300 million of synergies from combining our