

Southwestern Bell



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Residential Products and Services

Missouri

All Products and Services Money Savers Phone Service Enhancements Improving Internet Access Home Equipment Lines, Wiring and Jacks

Improving Internet Access: Digital Subscriber Line (DSL)

[CONTINUE SHOPPING](#)

Digital Subscriber Line (DSL)

Get a lightning-fast connection to the Internet

[01039 1004](#)

A Digital Subscriber Line (DSL) provides instant Internet and network access at speeds up to 50 times faster than a 28.8 Kbps modem on a standard phone line. What used to take minutes or hours to download will take just seconds or minutes. Experience the Internet the way it was meant to be!

For connectivity to the Internet, DSL transport service must be packaged with Internet access service from an Internet Service Provider (ISP). Numerous ISPs, including Southwestern Bell Internet Services, offer these packages.

Southwestern Bell offers a convenient and money saving package of DSL transport* and Internet access.**

[Basic DSL Internet Access Package](#)

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Basic DSL Internet Access Package

Get Basic DSL Internet access from Southwestern Bell Internet Services** for only \$49.95 per month. This package combines the standard speed DSL transport offering (384 Kbps - 1.5 Mbps downstream connection speed and 128 Kbps upstream connection speed) with unlimited Internet access from Southwestern Bell Internet Services. This offer is available in either month-to-month or annual term agreements.

Equipment charge of \$99 includes DSL modem, Network Interface Card (NIC) and splitter (if required).

Special limited-time offer: Choose annual term ONLY, now through June 30, 2001, and get a \$149 rebate or your choice of SBC Value Reward selections.¹

Service activation is free if the customer "self-installs" their service. If a technician installs the service, the first technician visit for service activation and installation is \$200. Subsequent visits on failed customer attempt at self-installation are \$150. Maintenance fees of \$120 per jack apply for any additional work required on multiple jacks.

Southwestern Bell Internet Services** Basic DSL Internet Package includes:

- Southwestern Bell DSL*.
- Unlimited Internet access.
- One dynamic IP address.
- One primary email box.
- Two extra email boxes and two extra email aliases.
- Personal Home page account (up to 3MB).
- Nationwide roaming access (extra usage charges apply).

For more information about this offer, contact our DSL Order Center at 1-888-SWB-DSL1 (792-3751), Monday through Friday, 8 am to 6 pm (CT). Or [order Basic DSL Internet service now](#).

Advantages

DSL enables you to work at home more efficiently, without time lags in information download or annoying busy signals.

- Telecommuters have virtually the same LAN speed as on-site workers.
- Connects instantly at the click of an icon - eliminating the time spent waiting for call setup and busy signals.
- Carries voice conversations and data connections at the same time, on the same analog phone line, so you can be talking about the data while it's coming in, with no time wasted waiting for downloads.
- Uses your existing phone line
- DSL is a dedicated digital line that's "instantly available", so you won't be slowed down by heavy traffic dialing into an ISP.
- Comes in two speeds to fit your specific needs.

Applications

- High-speed Internet access - download data, graphics, or audio and video files at high speeds.
- Telecommuting - you will have virtually the same LAN speed as on-site workers. If your office network has ATM Cell Relay Service you can access that network directly with your DSL service as easily as if you were at the office.
- Real-time interactive multimedia, broadcast quality video, video conferencing, and video-on-demand.
- Distance learning.

Speeds

Two DSL transport speeds are available:

1) Under optimal conditions, downstream speed may reach up to 1.5 Mbps. This is up to 50 times faster than a 28.8 Kbps analog modem. Upstream speed is 128 Kbps.

2) Under optimal conditions, downstream speeds may reach up to 6 Mbps. This is up to 200 times faster than a 28.8 Kbps analog modem. Upstream speed is 384 Kbps.

One line carries both voice and data signals while the data line is continuously connected. Actual speed depends on your distance from the serving central office, and the quality of the line you're using.

Note: Connection speeds may be higher under optimal conditions. Actual data transfer or "throughput" may be lower due to Internet congestion, server or router speeds, protocol overheads and other factors which cannot be controlled by Southwestern Bell. Other speed options may be available.

DSL v. Cable Modem

- Faster than cable modem service***
- DSL service is flexible enough to grow with the skills and interests of our users
- Customers can dial up services remotely
- DSL is as reliable as your phone
- DSL speed stays consistent as more users sign up

***In a month-long benchmarking study by Keynote Systems, DSL was found to be 11% faster than cable modems. Connection speed is between customer's premises and the DSL-equipped serving central office or DSL gateway. Actual speeds will vary.

Ordering

Southwestern Bell offers convenient ways to order DSL:

- DSL Internet Package - combines the DSL transport* with unlimited Internet access provided by Southwestern Bell Internet Services. Packages offer complete solutions including all necessary equipment and on-site installation services. See our [current promotion](#).

Pricing

Pricing for the DSL solution varies depending on who you purchase Internet Access from. Southwestern Bell Internet Services is offering a [special promotion](#) for the Basic DSL Internet access service, or you may choose one of our [ISP partners](#) whose service you can subscribe to in order to connect to the Internet.

Equipment and Installation

A single-user DSL connection requires:

- DSL modem
- Network Interface Card (NIC)
- Splitter
- Inside wire

The standard DSL equipment package includes the modem, splitter and NIC, although some ISPs may offer special promotions that cover this cost. With the addition of a router or hub, you can connect multiple computers together to share DSL service on a LAN. Inside wiring is free for single user environments only. Installations requiring routers, hubs, or non-standard wiring will incur additional charges.

What you need to get started

Before you place your DSL order, we need information about your PC's configuration to see if it meets or exceeds the minimum standards and to determine what type of DSL modem will work with your equipment. DSL will not work if these minimum computer requirements are not met. You will have two options:

- Run the PC Qualification wizard, a software application that will run on your computer.
- Answer questions about you PC configuration on our web page.

Please [Check Your PC](#)

Macintosh Users

A Wizard to qualify your Mac for DSL service is not currently available, please make sure your Macintosh computer meets these minimum requirements.

	Operating System (OS):	CPU	RAM	Available Hard Disk Space
DOS or Windows	Windows 95, 98, 2000, NT (the OS disk will be needed to install ADSL)	Pentium-class, 166 MHz or faster (including Celeron, AMD K6-2 or K7-x or faster)	32 MB	25 MB
Macintosh	Macintosh OS 7.6 – 9.0 and Open Transport 1.2 – 2.6 (OS disk may be needed to install ADSL)	Power PC, G3, G4, and iMac	32 MB (64 MB for OS 9.0)	35 MB

FAQs About DSL

Check out our [Frequently Asked Questions](#) page if you want to know what kind of connection speeds you can expect with your dedicated DSL line, or if you have questions about compatibility with voice services, or availability in your area.

More Information About DSL

To get more information about DSL, consult our [FAQs](#) section. You can also contact your Southwestern Bell Account Representative or call the DSL Center at 1-888-SWB-DSL1 (792-3751) Monday through Friday, 8 am to 6 pm (CT).

You can also visit these DSL websites:

- [TeleChoice](#)
- [DSL Forum](#)

Connection speeds may be higher under optimal conditions. Actual data transfer or "throughput" may be lower due to Internet congestion, server or router speeds, protocol overheads and other factors which cannot be controlled by Southwestern Bell. Other speed options may be available.

For customers who sign up for one-year term agreements, early termination fees will apply if service is cancelled before the term expires. Voice telephone line and service charges are not included. DSL service may not be available in some areas. Charges may

apply for non-standard inside wiring or other inside wiring work required. DSL pricing is based on customer self-installation of DSL on existing line. Minimum additional charge of \$150 applies if technician install is required. If your line is not eligible for self-installation, or if you choose not to self-install, the installation charge is \$200.

** Southwestern Bell DSL is provided by SBC Advanced Solutions, Inc. (SBC-ASI), an affiliate of Southwestern Bell Telephone Company.*

*** Internet Access service is provided by Southwestern Bell Internet Services. Pricing for Southwestern Bell Internet Services' Internet access product includes charges for the Global Service Provider. Long distance or toll charges may apply. Terms and conditions subject to change without notice. Additional fees apply for roaming and other optional features, if available. Equipment available separately. DSL billing will begin when we have activated your DSL service on our network.*

¹ Early termination fee applies. NEW DSL INTERNET SERVICE SUBSCRIBERS ONLY. After your DSL order request is processed, you will receive a letter with instructions on applying for your SBC Value Reward. You can apply for your choice of one SBC Value Reward selections online after installing DSL. Allow 4-6 weeks for mail delivery of SBC Value Reward selections. Offer expires 6/30/01. Terms and conditions subject to change without notice. Other restrictions may apply.

Glossary

56K

The term 56K refers to a new generation of modems that improve the speed of communication between personal computers and the Internet. The previous speed standard of v.34 provided communication at speeds as high as 33,600 bits per second (bps). The new 56K modems increase that speed to a theoretical maximum of 57,600 or 56 Kbps. In the past, two different technologies emerged enabling 56K communication: K56flex and x2. They have been replaced by a new, international standard for 56K data communications known as v.90.

ADSL

Asymmetric Digital Subscriber Line (ADSL) is the most popular form of DSL technology.

ADSL Lite

A lower data rate version of Asymmetric Digital Subscriber Line (ADSL).

Broadband

A term for high-speed, high-capacity Internet and data connections.

CAP

Carrier-less Amplitude/Phase (CAP) modulation; incoming data modulates a single carrier that is then transmitted down a telephone line. The carrier itself is suppressed before transmission (it contains no information, and can be reconstructed at the receiver), hence the adjective "carrier-less." CAP and DMT are two modulation systems currently on the market for ADSL.

CDSL

Consumer Digital Subscriber Line (CDSL) is a proprietary technology trademarked by Rockwell International.

DMT

Discrete Multi-Tone (DMT) multicarrier modulation uses 256 QAM

modulation tones simultaneously to create the ADSL signal. DMT is the basis of ANSI Standard T1.413, and has the support of other world standards bodies. CAP and DMT are two modulation systems currently on the market for ADSL.

DSL

Digital Subscriber Line (DSL) provides a dedicated digital circuit between a residence and a telephone company's central office, allowing high-speed data transport over existing twisted copper telephone lines. We offer two ADSL (Asymmetric Digital Subscriber Line) product options to support information transfer rates of 1.5+Mbps downstream and 384Kbps upstream, or 384+Kbps downstream and 128Kbps upstream.

EtherLoop

EtherLoop is currently a proprietary technology from Nortel, short for Ethernet Local Loop.

HDSL

High Bit-rate Digital Subscriber Line (HDSL) is generally used as a substitute for T1/E1.

IDSL

ISDN based DSL developed originally by Ascend Communications.

LAN

Local Area Networks.

MSO

Multiple service operator synonymous with cable provider.

NAP

Network Access Point (NAP) is a high-speed interconnection service that gives Internet Service Providers access to the new Internet infrastructure.

POTS splitter

A Plain Old Telephone Service (POTS) splitter, also known as a low-pass/high-pass filter, separates the voice and data portions of the DSL line. Current DSL technology requires two POTS splitters: one in our central office, and one in the customer's premises.

PVC

Private Virtual Circuit (PVC) is a point-to-point circuit from the customer premise equipment to either their Internet Service Provider (ISP) or Enterprise Network.

RADSL

Rate Adaptive Digital Subscriber Line (RADSL) is any rate adaptive DSL modem, but may specifically refer to a proprietary modulation standard designed by Globespan Semiconductor.

SDSL

Symmetric Digital Subscriber Line (SDSL) is a 2-wire implementation of (HDSL).

T-1

Digital Transmission Level 1 (1.544Mbps)

v.90

A new, international standard for 56K data communications.

VDSL

Very High Bit-rate Digital Subscriber Line (VDSL) is proposed for shorter local loops, perhaps up to 3000 ft.

WAN

Wide area networks.

XDSL

Refers to the family of digital subscriber line technologies, such as ADSL, HDSL and RADSL.

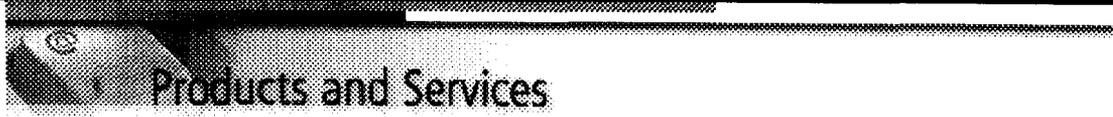
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Products and Services

Internet Access Services Program

Please choose a state below:

- [Arkansas](#)
- [Kansas](#)
- [Missouri](#)
- [Oklahoma](#)
- [Texas](#)

Through this program, independent ISPs and Network Integrators act as authorized DSL sales representatives for Southwestern Bell DSL transport services. These authorized representatives offer a choice of providers for Internet access.

Prices and service offerings may vary by ISP. Please check with your choice of provider for details.

If you are an Internet Service Provider and you would like more information regarding the Internet Access Services Program please contact [the program director](#).

DSL Compatible Internet Service Providers

Choose a city to view:

- [Cape Girardeau](#) | [Fulton](#) | [Joplin](#) | [Kansas City](#) | [Mexico](#) | [Pond](#) | [Sedalia](#) | [Springfield](#) | [St. Joseph](#) | [St. Louis](#) | [Washington](#)

Missouri

Cape Girardeau

Access Technologies	1-800-374-9251
Brick Network	314-645-5550
CLAS Computers	573-334-5529
First Class Solutions, Inc.	314-997-8998
Socket Internet	1-800-SOCKET3
Southwestern Bell Internet Services	1-888-792-0999
Valuenet Corp.	314-731-2860
goINET	314-504-4300

Fulton

Bluecherry Internet Services	573-592-0800
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Joplin

Protel Systems and Supplies Inc.	417-875-5852
Southwestern Bell Internet Services	1-888-792-0999

Kansas City

Coast International	913-859-9000
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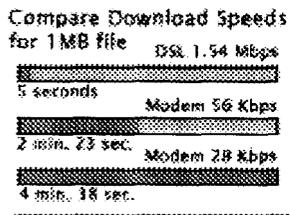
<u>Commercial Open Systems Inc.</u>	816-410-1771
<u>Cooks Computers</u>	888-638-2271
<u>DSL OnRamp</u>	816-472-4747
<u>Grapevine.net (A service of Internet Direct Communications, Inc.)</u>	1-800-238-3052 x.211
<u>Planet KC / Web One, Inc.</u>	913-599-1200
<u>RMI.NET</u>	913-319-7700
<u>Socket Internet</u>	1-800-SOCKET3
<u>Southwestern Bell Internet Services</u>	1-888-792-0999
<u>Vaughn's Computer</u>	816-833-4114
<u>Web One, Inc./Planet KC</u>	913-599-1200
Mexico	
<u>Bluecherry Internet Services</u>	573-592-0800
Pond	
<u>Access Technologies</u>	1-800-374-9251
<u>Brick Network</u>	314-645-5550
<u>First Class Solutions, Inc.</u>	314-997-8998
<u>Socket Internet</u>	1-800-SOCKET3
<u>Southwestern Bell Internet Services</u>	1-888-792-0999
<u>Valuenet Corp.</u>	314-731-2860
<u>goINET</u>	314-504-4300
Sedalia	
<u>I-Land Computers</u>	660-829-4638
<u>Murlin Computers</u>	660-827-6868
Springfield	
<u>Atlas Communications</u>	417-883-1700
<u>Protel</u>	417-876-6000
<u>Protel Systems and Supplies Inc.</u>	417-875-5852
<u>Southwestern Bell Internet Services</u>	1-888-792-0999
<u>Tritel Communications, Inc.</u>	417-877-9500
St. Joseph	
<u>Commercial Open Systems Inc.</u>	816-410-1771
<u>Cooks Computers</u>	888-638-2271
<u>Socket Internet</u>	1-800-SOCKET3
<u>Southwestern Bell Internet Services</u>	1-888-792-0999
<u>Web One, Inc./ Planet KC</u>	913-599-1200
St. Louis	
<u>Access Technologies</u>	1-800-374-9251
<u>Brick Network</u>	314-645-5550

CLAS Computers	573-334-5529
<u>First Class Solutions, Inc.</u>	314-997-8998
<u>Marz, Inc.</u>	314-231-8200
<u>Poplar Bluff</u>	573-686-9114
<u>Socket Internet</u>	1-800-SOCKET3
<u>Southwestern Bell Internet Services</u>	1-888-792-0999
<u>Telocity</u>	1-800-553-4568
<u>Valuenet Corp.</u>	314-731-2860
<u>goINET</u>	314-504-4300
Washington	
<u>Access Technologies</u>	1-800-374-9251
<u>Brick Network</u>	314-645-5550
<u>First Class Solutions, Inc.</u>	314-997-8998
<u>Socket Internet</u>	1-800-SOCKET3
<u>Southwestern Bell Internet Services</u>	1-888-792-0999
<u>Valuenet Corp.</u>	314-731-2860
<u>goINET</u>	314-504-4300

ADSL

Asymmetrical Digital Subscriber Line

ADSL is a new service that allows superfast internet connections over an ordinary phone line. ADSL (it stands for Asymmetric Digital Subscriber Line) uses a special modem on a standard analog phone line to give you data download transfer speeds of up to 6.0 mbps. That's fast!



Do you want superfast internet access? If the answer's yes then sign up for Brick Network high speed ADSL service.

Our ADSL service gives you: Much faster access - at speeds of up to 50 times faster than normal dial-up access, and several times faster than ISDN. This will mean that you can benefit from much better bandwidth. No more waiting ages for music or videos to download.

'Always on' connection - for a flat rate monthly fee with no call charges - so you can be connected to the internet permanently, or as long as you like. You won't have to dial up all the time either. And you can still use your phone and fax while you're online.

How do I get ADSL service?

Check availability & sign up!

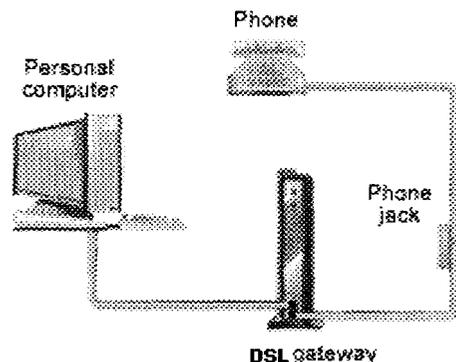
First, begin processing your order so we can check for availability. Just give us a call at 314-645-5550 and we'll check to see if you qualify. We'll ask you for the address and phone number (must be a SWB billed phone number) at the location where you want the DSL installed. Once you're cleared for service, which only takes a day or two, you will be able to finalize your order.

Leave the connection to us!

Next, we'll set up a DSL connection to your current phone line. Since DSL and voice can share a single line, you don't need new wiring inside your home, so there's no waiting around for technicians to show up. We'll have the phone company come around to make a few adjustments to your existing phone line, but you don't have to pay extra or be at home for this.

Plug in the DSL gateway and fly!

When your connection is ready, we'll send you your DSL gateway, which you can set up yourself in minutes. Just plug it in to your computer and phone jack, make a few simple settings, and fire up the Web.



ADSL Internet access is available in selected St. Louis areas at this time.

(See MAP of Access Areas)

Access to the internet using ADSL requires the purchase of two services. You purchase the ADSL telephone service from Southwestern Bell which will provide you a high-speed connection for Internet service with Brick Network. You then purchase your internet service from Brick Network. The Southwestern Bell service pricing information is at the bottom of this page. The next two sections identify the different options you may select regarding the internet services you purchase. You must purchase and sign a contract for both services. Brick Network will coordinate the ordering of your ADSL telephone circuits. We take care of everything for you!

ADSL Options

Level 1 ADSL Service

Account Type	Annual	Setup Fee
Basic Unlimited - Low Speed*	\$100	None

*-The Basic Unlimited service is only available with the \$35.00 per month SWB ADSL product. A one year contract is required with Brick Network.

Level 2 ADSL Service (Monthly Fees)

Account Type**	Low Speed	High Speed	Setup Fee
Static IP (1 IP address)	\$25	\$50	None
Small Block (5 ip addresses)	\$35	\$60	None
Large Block (16 or more ip's)	\$180	\$180	None
Fee for Additional ip block	\$75	\$75	None
Bandwidth Block	\$250	\$250	None

** - These accounts are available with:

1. Brick News Server Access
2. Each account is allocated two E-Mail Accounts.
3. Additional E-Mail accounts \$10 per year
4. Each E-Mail account is allocated 10 megabytes of disk space.
5. E-Mail Spooling
6. Level 2 Accounts - Brick will perform Primary DNS for One Domain.
7. Level 2 Accounts - Brick will perform Secondary DNS for One Domain.
8. Virtual Domain Registration with Internic \$95 for 2 years
9. Static IP and Small Block accounts with traffic in excess of a statistical factor outside of normal will be converted to a Large Block.
10. No credit for canceled accounts.

Telephone Component Pricing



Agency Agreement

Southwestern Bell DSL Monthly Pricing Components*				
Access Speed			Southwestern Bell Telephone Company DSL Feature on Your Telephone Line	Total Monthly Price
	Downstream	Upstream		
Low Speed	384 Kbps-1.5 Mbps	128 Kbps	\$35	\$35
High Speed	1.5 Mbps-6 Mbps	384 Kbps	\$129	\$129

* All pricing requires a one (1) year term contract from both Southwestern Bell Telephone Company and Brick Network Internet Services. Prices do not include charges for your telephone line. A one-time charge of \$75 applies to early termination of the Brick Network Internet Services term agreement. Does not include Southwestern Bell Telephone Company early termination charges which may also apply.

Hardware Requirements

For only **\$99.00**** Southwestern Bell offers a self-install equipment package to get you up and running with DSL Internet Access. This equipment package includes the following:

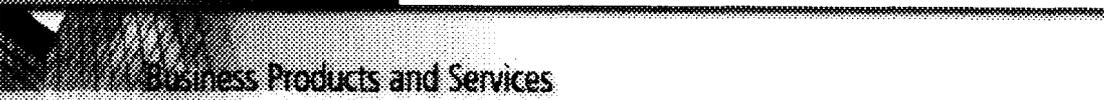
- Alcatel 1000 ADSL modem
- Alcatel POTS Splitter
- Kingston KNE40T Network Interface Card
- On-site DSL Equipment Installation

** Equipment package pricing requires a one (1) year term agreement with both Southwestern Bell Telephone Company and Brick Network Internet Services

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- Site Map
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- Contact Us



Missouri

- All Products and Services
- Money Savers
- Internet, Data and Video
- Emergency Services
- Phone Equipment
- Phone Service

Internet, Data, and Video: Digital Subscriber Line (DSL)

CONTENTS

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Equipment charge of \$99 includes DSL modem, Network Interface Card (NIC) and splitter (if required).

Special limited-time offer: Choose annual term ONLY, now through June 30, 2001 and get a \$149 rebate or your choice of SBC Value Reward selections.¹

Service activation is free if the customer "self-installs" their service. If a

technician installs the service, the first technician visit for service activation and installation is \$200. Subsequent visits on failed customer attempt at self-installation are \$150. Maintenance fees of \$120 per jack apply for any additional work required on multiple jacks.

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- Connects instantly at the click of an icon - eliminating the time spent waiting for call setup and busy signals.
- Carries voice conversations and data connections at the same time, on the same analog phone line, so you can be talking about the data while it's coming in, with no time wasted waiting for downloads.
- Uses your existing phone line
- DSL is a dedicated digital line that's "instantly available", so you won't be slowed down by heavy traffic dialing into an ISP.
- Comes in two speeds to fit your specific needs.

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- High-speed Internet access - download data, graphics, or audio and video files at high speeds.
- Telecommuting - you will have virtually the same LAN speed as on-site workers. If your office network has ATM Cell Relay Service you can access that network directly with your DSL service as easily as if you were at the office.
- Real-time interactive multimedia, broadcast quality video, video conferencing, and video-on-demand.
- Distance learning.

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One line carries both voice and data signals while the data line is continuously connected. Actual speed depends on your distance from the serving central office, and the quality of the line you're using.

Note: Connection speeds may be higher under optimal conditions. Actual data transfer or "throughput" may be lower due to Internet congestion, server or router speeds, protocol overheads and other factors which cannot be controlled by Southwestern Bell. Other speed options may be available.

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- DSL Internet Package - combines the DSL transport* with unlimited Internet access provided by Southwestern Bell Internet Services. Packages offer complete solutions including all necessary equipment and on-site installation services. See our [current promotion](#).
- DSL Transport* only - Order just the DSL feature and use your current Internet Service Provider (ISP) or an ISP from our [ISP Partners Program](#).

Pricing

Pricing for the DSL solution varies depending on who you purchase Internet Access from. Southwestern Bell Internet Services is offering a [special promotion](#) for the Basic DSL Internet access service, or you may choose one of our [ISP partners](#) whose service you can subscribe to in order to connect to the Internet.

Equipment and Installation

A single-user DSL connection requires:

- DSL modem
- Network Interface Card (NIC)
- Splitter
- Inside wire

The standard DSL equipment package includes the modem, splitter and NIC, although some ISPs may offer special promotions that cover this cost. With the addition of a router or hub, you can connect multiple computers together to share DSL service on a LAN. Inside wiring is free for single user environments only. Installations requiring routers, hubs, or non-standard wiring will incur additional charges.

What you need to get started

Before you place your DSL order, we need information about your PC's configuration to see if it meets or exceeds the minimum standards and to determine what type of DSL modem will work with

your equipment. DSL will not work if these minimum computer requirements are not met. You will have two options:

- Run the PC Qualification wizard, a software application that will run on your computer.
- Answer questions about you PC configuration on our web page.

Please [Check Your PC](#)

Macintosh Users

A Wizard to qualify your Mac for DSL service is not currently available, please make sure your Macintosh computer meets these minimum requirements.

	Operating System (OS):	CPU	RAM	Available Hard Disk Space
DOS or Windows	Windows 95, 98, 2000, NT (the OS disk will be needed to install ADSL)	Pentium-class, 166 MHz or faster (including Celeron, AMD K6-2 or K7-x or faster)	32 MB	25 MB
Macintosh	Macintosh OS 7.6 – 9.0 and Open Transport 1.2 – 2.6 (OS disk may be needed to install ADSL)	Power PC, G3, G4, and iMac	32 MB (64 MB for OS 9.0)	35 MB

FAQs About DSL

Check out our [Frequently Asked Questions](#) page if you want to know what kind of connection speeds you can expect with your dedicated DSL line, or if you have questions about compatibility with voice services, or availability in your area.

More Information About DSL

To get more information about DSL, consult our [FAQs](#) section. You can also contact your Southwestern Bell Account Representative or call the DSL Center at 1-888-SWB-DSL1 (792-3751) Monday through Friday, 8 am to 6 pm (CT).

You can also visit these DSL websites:

- [TeleChoice](#)
- [DSL Forum](#)

Connection speeds may be higher under optimal conditions. Actual data transfer or "throughput" may be lower due to Internet congestion, server or router speeds, protocol overheads and other factors which cannot be controlled by Southwestern Bell. Other speed options may be available.

For customers who sign up for one-year term agreements, early termination fees will apply if service is cancelled before the term expires. Voice telephone line and service charges are not included. DSL service may not be available in some areas. Charges may apply for non-standard inside wiring or other inside wiring work required. DSL pricing is based on customer self-installation of DSL on existing line. Minimum additional charge of \$150 applies if technician install is required. If your line is not eligible for self-installation, or if you choose not to self-install, the installation charge is \$200.

** Southwestern Bell DSL is provided by SBC Advanced Solutions, Inc. (SBC-ASI), an affiliate of Southwestern Bell Telephone Company.*

*** Internet Access service is provided by Southwestern Bell Internet Services. Pricing for Southwestern Bell Internet Services' Internet access product includes charges for the Global Service Provider. Long distance or toll charges may apply. Terms and conditions subject to change without notice. Additional fees apply for roaming and other optional features, if available. Equipment available separately. DSL billing will begin when we have activated your DSL service on our network.*

¹ Early termination fee applies. NEW DSL INTERNET SERVICE SUBSCRIBERS ONLY. After your DSL order request is processed, you will receive a letter with instructions on applying for your SBC Value Reward. You can apply for your choice of one SBC Value Reward selections online after installing DSL. Allow 4-6 weeks for mail delivery of SBC Value Reward selections. Offer expires 6/30/01. Terms and conditions subject to change without notice. Other restrictions may apply.

Contact me with more information





Investor Briefing

April 23, 2001 No. 225

Strong Growth in Data, Wireless and Long Distance Highlights SBC's First-Quarter Results

Economy Impacts Outlook for Remainder of 2001

SAN ANTONIO, April 23, 2001 — SBC Communications Inc. (NYSE: SBC) today reported that its primary growth drivers — data, wireless and long distance — performed strongly during the first quarter.

Highlights included:

- 39.9 percent growth in data revenues
- A net gain of 854,000 subscribers at Cingular, SBC's nationwide wireless joint venture with BellSouth
- 2.2 million long-distance lines in Texas, Oklahoma and Kansas; SBC entered the Texas long-distance market in July 2000, and the two other states in March of this year

As expected, the timing of SBC's investments in its growth initiatives during 2000 impacted first-quarter expense and earnings comparisons. The slowing U.S. economy also dampened growth. First-quarter earnings were \$1.7 billion, or \$0.51 per diluted share, before one-time

items, compared with \$1.9 billion, or \$0.56 per diluted share, in the first quarter a year ago. Operating revenues for the quarter, including results from Cingular, increased 4.7 percent to \$13.1 billion.

First-quarter revenue growth was adversely impacted by SBC's sale of Ameritech's security-monitoring business. Excluding results from this divestiture as well as shifts in directory publishing dates and the pro forma effect on the year-ago quarter of the Cingular venture, first-quarter revenues increased 6.7 percent.

Primarily because of weakening U.S. economic conditions, SBC expects earnings per share for 2001, before one-time items, in the \$2.35 to \$2.40 range.

"The economy is having a greater impact on our business than we projected," said Edward E. Whitacre Jr., SBC chairman and CEO. "We handled the first-quarter revenue

shortfall well, thanks to very disciplined expense management. Going forward, we are determined not to lose sight of our larger strategic mission — including fully developing our broadband capabilities and obtaining long-distance relief in our states as quickly as possible — and we will not compromise our long-term future to preserve near-term projections.

"Broadband is the foundation for a host of new value-added services, and we will continue to pursue it aggressively," Whitacre said. "Long distance complements our broadband strategy, and this year we have the potential to increase our long-distance opportunity from two states to eight states. Looking ahead, we will continue playing to our strengths, and our adjusted game plan for 2001 should yield a much more stable and predictable growth profile for the future."

FIRST-QUARTER RESULTS

(Dollars in millions, except per-share amounts. Results exclude one-time items. First-quarter 2001 results include proportionate Cingular results. First-quarter 2000 not restated.)

(Volumes in thousands)	2001	2000	Change
Total operating revenues	\$13,144	\$12,553	4.7%
EBITDA	\$ 5,164	\$ 5,291	-2.4%
Earnings before extraordinary item	\$ 1,739	\$ 1,910	-9.0%
Diluted earnings per share	\$ 0.51	\$ 0.56	-8.9%
Data revenues	\$ 2,127	\$ 1,521	39.9%
Wireless subscriber revenues	\$ 1,688	\$ 1,500	12.5%
Domestic wireless subscribers ¹	20,535	17,294	18.7%
Proportionate international revenue ²	\$ 1,795	\$ 1,464	22.6%

1 - Represents total Cingular pro forma subscribers in both periods.

2 - Amounts for 2000 have been restated to exclude investments that have been sold or are no longer accounted for under the equity method.

Revenue *and* Expense trends

SBC achieves significant sequential expense and margin improvement, strong results in major growth drivers — data, wireless, long distance

SBC's first-quarter financial performance was defined by: (1) continued strong results in its major growth drivers — data, wireless and long distance; (2) solid expense management as total operating expenses declined 6.1 percent from fourth-quarter 2000 levels; and (3) lower-than-expected revenue growth due to a weakened U.S. economy and increased competition, particularly in the Ameritech region.

In the first quarter:

- Data revenues increased 39.9 percent.
- Cingular Wireless recorded a net subscriber gain of 854,000, compared with a pro forma gain of 695,000 in the first quarter a year ago.
- Total long-distance lines in Texas, Kansas and Oklahoma increased to 2.2 million, up from 1.7 million at the end of the fourth quarter. SBC began selling long-distance services in Texas in July 2000, and in Kansas and Oklahoma this March.
- Compared with the first quarter a year ago, cash operating expenses increased 9.9 percent, reflecting the timing of investments in major growth drivers in 2000. However, from fourth-quarter 2000 levels, cash operating expenses declined 7.1 percent, and SBC's EBITDA margin increased 50 basis points. These sequential improvements occurred despite the fact that first-quarter results included significant expenses to support Cingular's national branding campaign, launched in January, as well as expenses for initiatives to integrate SBC's and BellSouth's formerly separate wireless operations.
- Wireline cash operating expenses declined 7.2 percent, and the company's wireline EBITDA margin increased to 38.8 percent, up 420 basis points from fourth-quarter levels.
- Revenues grew 6.7 percent excluding the impact of the sale of Ameritech's security monitoring business, directory publishing date shifts and the year-ago pro forma effect

of Cingular. Wireline revenues increased 5.0 percent compared with the first quarter a year ago.

REVENUE DYNAMICS

SBC's lower than-expected first-quarter revenue growth in both residential and business markets was caused principally by a weakened U.S. economy, increased competitive inroads and the divestiture of Ameritech's security monitoring business.

SBC has experienced the impacts of a slower economy across its regions, with impacts in February and March being more severe than in the previous months and more severe than the company had anticipated. Across the company, inward call volumes to service centers declined with access line growth trends, particularly in residential markets. Broader economic trends — including housing starts, layoffs and bankruptcies — mirror SBC's business indicators. In California, the largest state in SBC's in-region territory, the macroeconomic impact on access line growth was exacerbated by California's energy crisis and the failure of many dot-com and high-tech startups.

AN IMPORTANT YEAR

SBC is confident in its long-term growth strategies — in data, DSL, wireless and long distance — and its focus is on building platforms in these high-potential areas that are capable of driving sustainable growth in 2002 and the years ahead.

SBC also believes that 2001 is an important year in the telecommunications industry's transformation and in its own development.

- SBC, which started this year providing long distance in two states, hopes to end the year as a long-distance provider in eight states, including the two largest in this country — Texas and California. Long distance is a linchpin to having a full set of products in both the residential and business markets.

SBC Major Revenue Growth Drivers

- Data
- Wireless
- Long Distance

- SBC also has made rapid progress in broadband and believes that in the quarters ahead it has the opportunity to expand substantially its DSL customer base. Demand for broadband services is robust, and SBC plans to be aggressive in expanding its DSL growth platform.
- At the same time, while SBC has made substantial progress on service quality issues at Ameritech, finalizing those efforts while improving the regulatory and competitive climate in the region will require continued effort.

YEAR 2001 PRIORITIES

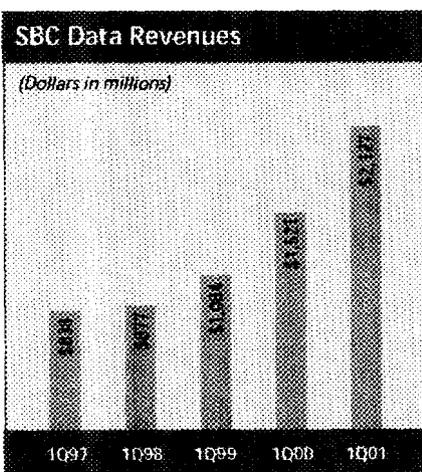
In light of these opportunities and commitments, SBC's priorities in 2001 are:

- Aggressive execution of major growth drivers — data services, mass market broadband (DSL), nationwide wireless and long distance.
- Superior customer service — SBC believes that delivering the market's best customer service provides a critical competitive edge and forms a foundation for future growth initiatives.
- Financial strength — SBC views its financial strength and flexibility as key strategic assets. It is committed to enhancing its already strong balance sheet and solid cash flow through disciplined expense management and investment strategies designed to yield returns well in excess of the cost of capital.

Data growth

SBC's wireline data revenues grew 39.9 percent in the first quarter — driven by high-speed transport, network integration and Internet services

In the first quarter, SBC extended its strong growth record in wireline data. Total data revenues increased 39.9 percent compared with the first quarter a year ago and exceeded \$2.1 billion dollars — nearly double SBC's data revenue stream just two years ago.



Data revenues represented 21 percent of SBC's total wireline revenues in the quarter, up from 16 percent in the first quarter a year ago.

SBC's first-quarter data growth highlights included:

- Core data transport products, including DS3s and ATM, sustained their strong growth rates.
- SONET revenues also continued their strong growth, as demand from enterprise customers for high-bandwidth solutions continues to expand rapidly.
- Revenues from integration services were up as well, as enterprise companies continue to turn to SBC for a range of network analysis, planning and security solutions.

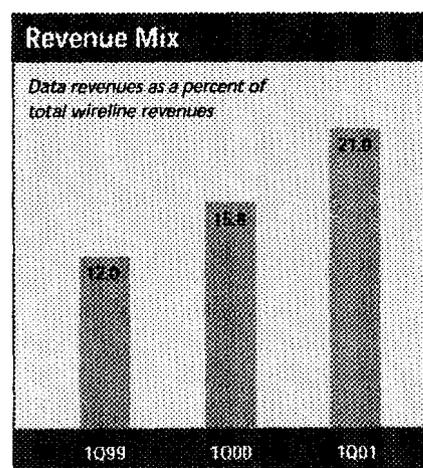
- Strong growth in Internet services revenues also continued as SBC and its subsidiary Sterling Commerce expanded e-business solutions for the small-business market while SBC added to its Web-hosting operations. SBC currently hosts the Web sites of more than 21,000 businesses, nearly double its total a year ago.

DATA GROWTH INITIATIVES

SBC continues to drive growth by migrating customers to higher-speed services and longer-term commitments and by expanding capabilities in attractive market segments.

For example, in the first quarter SBC:

- Launched GigaMAN service in the Southwestern Bell and Pacific Bell regions. The service, which provides high-bandwidth LAN links within a metropolitan area, already has proven very successful in the Ameritech region.
- Expanded sales of its "OnLine Office" bundle of DSL, Internet access, e-mail accounts and Web-hosting services for small businesses. This high-value package helps a wide range of businesses participate more easily in the e-economy through informational Web sites, online catalogs and transaction tools. Sales of OnLine Office have increased dramatically during the past two quarters due in part to mainstreaming the product's sales force to include more than 4,000 general sales people.



- Continued to see strong results from its major sales and marketing alliance with Cisco Systems, which was launched in the second quarter of 2000.
- Launched its second Internet Data Center (IDC). The newest center, in Irvine, California, follows the successful opening of its sister IDC in Dallas in the third quarter of last year. In addition, SBC launched its new WebHosting.com line of dedicated hosting products. SBC acquired a controlling interest in the parent company of WebHosting.com in the third quarter of last year.
- Moved to increase its international data capabilities by developing a frame relay service to Mexico, which is expected to be available in the second quarter, and by adding three virtual border crossings along the Rio Grande region of Texas, which should further increase the sale of private lines to Mexico.

SBC Data Revenues
(Dollars in millions)

	1Q01	1Q00	Change
Data transport	\$1,534	\$1,190	28.9%
Advanced services	\$ 593	\$ 331	79.4%
Total data revenues	\$2,127	\$1,521	39.9%

DSL growth

Total DSL subscribers reach 954,000 at end of quarter; systems advances improve provisioning, quality of customer experience

In the first quarter, SBC made substantial advances in broadband, further strengthening its position as the nation's leading provider of DSL services.

SBC views DSL as a key growth platform for the future — capable of delivering a host of entertainment, information and time management services as well as high-speed Internet access to both residential and business customers. During the past few months, SBC's conviction that DSL holds huge potential as a strategic growth driver has been reinforced by market research.

During the first quarter, SBC:

- Expanded its DSL in-service subscriber base to 954,000.
- Achieved significant improvements in provisioning, operating efficiency and overall customer experience. Due date intervals now average less than 10 business days, and 90 percent of orders are completed on or before their original due dates.
- Further broadened its addressable market through its Project Pronto network build-out. At the end of first quarter, SBC was able to reach 21.7 million customer locations, or more than 50 percent of the company's customer base with its DSL service, up from 12.9 million locations just one year ago.

"Over the past two quarters, SBC has elevated the quality of customers' broadband experience," said Ed Whitacre. "While we are only two years into broadband and still have considerable work to do, demand is strong, per-customer financial metrics are improving, and we are confident in our business model — which is every bit as promising as wireless was in its first years. SBC plans to continue to be aggressive in expanding its DSL growth platform."

"Over the past two quarters, SBC has elevated the quality of customers' broadband experience. While we are only two years into broadband and still have considerable work to do, demand is strong, per-customer financial metrics are improving, and we are confident in our business model — which is every bit as promising as wireless was in its first years."

EDWARD E. WHITACRE JR.
CHAIRMAN AND CEO

CUSTOMER GROWTH

SBC's emphasis in the first quarter has been on improved operating efficiencies and enhanced quality for the overall customer experience — both critical foundations for aggressive growth in DSL.

Gross install levels in the first quarter were consistent with results in the fourth quarter, and SBC's net subscriber gain of 187,000 represents a solid extension of recent momentum in light of two factors. Database reconciliations made possible by enhancements to automated systems added to the number of disconnects attributed to this quarter. In addition, during the first quarter, SBC changed its bundled offer of a DSL-ready Compaq PC plus Internet access over DSL, launched in July 2000, so that customers purchased the PC from Compaq rather than as part of a seamless offer. This change resulted in significantly slower sales of the bundle. Excluding the impact of these two factors, SBC's daily net gain in subscribers would have been in the 3,500 – 4,000 range, as expected.

Market trends continue to be positive.

The company's most recent research found that in the competitive broadband marketplace SBC maintains its composite leading position in five key service areas — Dallas, Houston, Los Angeles, San Francisco and San Antonio.

Going forward, SBC anticipates volatility in quarterly customer growth numbers as it completes the transition of its customer base to automated systems and as a limited number of ISP (Internet Service Provider) resellers and DSL providers work their way through widely reported financial difficulties. Because more than 80 percent of its DSL customer base obtains Internet access service directly from an SBC entity or affiliate, SBC has limited exposure to ISP financial failure. Nevertheless, a few ISPs' restructuring or closing operations in a quarter could significantly distort that quarter's growth statistics. Over time, SBC expects to continue to be the DSL provider for many of these ISPs' customers — including temporarily displaced customers — whether these ISPs successfully restructure, transition their customers to more stable ISPs or cease operations altogether.

STRONG DEMAND

Demand for DSL services continues to be robust and is expected to grow significantly over the next few years. At the end of 2000, there were more than 6 million U.S. residential customers accessing the Internet through a broadband connection and that number is expected to grow to more than 28 million customers in 2004, according to industry analyst firm Gartner Dataquest. Other recent independent studies have projected even higher totals for residential and small-business customers combined.

Moreover, customers who adopt broadband are passionate in their commitment to the service. Broadband Watch, a new survey

sponsored by SBC Communications designed to check the pulse of today's broadband users, found that residential DSL users spend an average of 25 hours a week online, compared with just 7.5 hours with dial-up Internet service. Broadband Watch, which surveyed customers in SBC's 13-state region, also found that DSL service and the PC have already become the two most important household technologies for customers. Nearly all respondents (96 percent) consider their high-speed Internet access to be an important household technology, more significant than the microwave (88 percent), remote control (87 percent), VCR (81 percent), cable TV (70 percent), and their garage door opener (59 percent).

Looking ahead, the research found that there is growing anticipation for emerging high-speed Internet access products and services. More than two-thirds of the respondents expressed interest in future applications and content such as distance learning (71 percent), video-on-demand (70 percent), videoconferencing (69 percent) and home networking (66 percent).

SUSTAINED DSL LEADERSHIP: MAJOR FOCUS AREAS

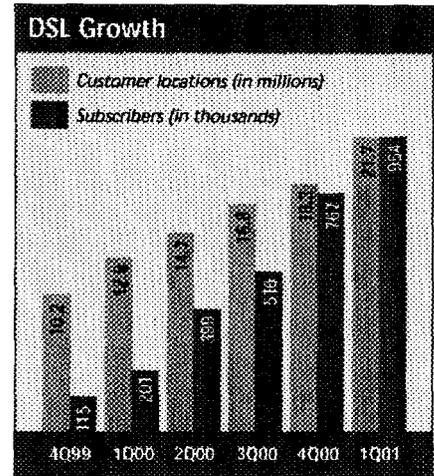
In addition to continued expansion of its customer base, SBC continues to make excellent progress in areas that are critical to realizing the tremendous potential of its DSL platform:

Improved Financial Metrics —

Improved provisioning and added scale already have improved significantly the economics of DSL, and SBC expects continued advances over the next two years. During the past six months, SBC's DSL subscriber acquisition costs have declined more than 25 percent. Going forward, expenses are expected to decline further due to additional process improvements and declining costs for modems and other DSL equipment. At the same time, per-customer revenue growth is expected to be driven by new revenue-generating applications and by a shift in subscriber mix to higher-revenue business customers who purchase premium speeds and multiple IP services.

Expanded Addressable Market — SBC continues to move rapidly with Project Pronto, and the central thrusts of this deployment for its DSL service are reaching more potential customers and moving many more customers into the 14,000-foot-and-under zone. This zone offers superior financial characteristics and a greatly enhanced overall broadband customer experience. Because of regulatory delays, SBC was behind plan in remote terminal deployment in 2000, which impacted both the pace and the initial economics of its DSL initiative.

At the end of first quarter, SBC's total potential broadband customer base reached 21.7 million locations, up from 12.9 million locations just one year ago. SBC has deployed DSL enabling equipment in nearly 1,300 of its central offices, representing more than 90 percent of the company's targeted level for this aspect of Project



Pronto, and all of these central offices have capacity to support new orders. In addition, SBC now has nearly 3,000 Broadband Neighborhood Gateways in service but has suspended their DSL-related deployment in Illinois due to regulatory issues in that state.

Enhanced Customer Experience — SBC continues to make good progress making DSL easier, faster and more efficient to install. In the first quarter, nearly 70 percent of new subscribers used self-install. Over the past six months, the percentage of automated order flow-through at SBC's data subsidiary has more than doubled. These process improvements combined with the success of self-installs has enabled SBC to reduce average due date intervals more than 50 percent since September. A key to further enhancing customers' broadband experience is the availability of new applications, and SBC expects to begin trials of several in the coming months.

Wireless *growth*

Cingular adds 854,000 subscribers in quarter to reach 20.5 million, service revenues increase 14.8 percent

Cingular Wireless delivered strong growth in the first quarter as it introduced new services and launched a national campaign establishing its new brand. A joint venture of SBC and BellSouth, Cingular is the United States' second-largest wireless provider, has 20.5 million subscribers and covers markets encompassing a total population of 192 million. SBC owns 60 percent of the joint venture.

Cingular first-quarter highlights include:

- An 854,000 net gain in subscribers, compared with a 695,000 pro forma net gain in the first quarter a year ago and 814,000 subscribers added in the fourth quarter of 2000. Cingular's cellular and PCS customer base grew 18.7 percent from pro forma levels at the end of the first quarter a year ago.
- A 14.8 percent increase in wireless service revenues to \$3.1 billion, compared with pro forma results for the first quarter of 2000.
- An 84,000 increase in subscribers at Cingular Interactive. Over the past year, Cingular Interactive's customer base has more than doubled. Cingular Interactive, formerly BellSouth Wireless Data, provides advanced two-way messaging, customized content services and transaction applications to customers throughout the United States, and it covers more than 93 percent of the urban business population.

Cingular's first-quarter EBITDA margin was 31.7 percent, up more than 300 basis points from fourth-quarter 2000 levels and down from a pro forma 35 percent in the first quarter a year ago. This lower EBITDA margin was driven primarily by higher levels of gross subscriber additions as well as higher cash expenses for marketing and advertising related to Cingular's national branding campaign and for merger-related and integration initiatives. Cingular began operation in the fourth quarter of last year and kicked off its branding initiative in January.

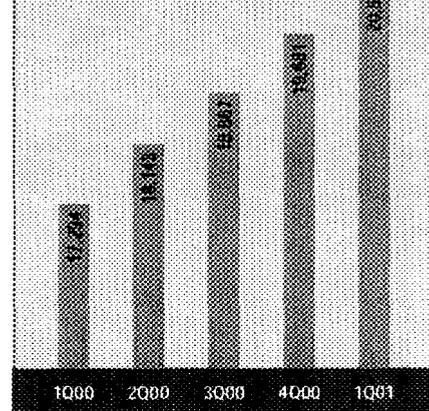
NEW SERVICES, MARKET EXPANSION

In addition to its strong subscriber growth, during the past three months Cingular took important steps to expand its growth potential:

- In January the company launched its nationwide brand with high-profile and highly effective mass media advertising.
- To broaden its geographic reach, in early March, Cingular launched service in the Seattle and Spokane markets with an all-digital GSM (global system for mobile communications) network and 50 stores, more than any other carrier in this market.
- Also in the first quarter, Salmon PCS, of which Cingular is an 85 percent non-controlling equity owner, was a winner of spectrum in the recent 1900 MHz band auction covering approximately 77 million POPs; 28 million of these POPs are in markets where Cingular currently has no presence. The additional spectrum has the potential to add capacity in major existing Cingular markets such as Atlanta, Boston, Dallas, Houston and Washington, D.C., as well as in new markets including Denver, Minneapolis and Pittsburgh.

Cingular: Total Domestic Wireless Subscribers

Pro forma subscribers (in 000s)



- In early April, Cingular advanced its integration and customer service objectives by announcing plans to consolidate and streamline customer service functions. New, multifunctional regional centers will replace small centers and will handle inbound and outbound customer service, collections, credit, activations, roaming and technical support. Cingular also is consolidating regional distribution centers into a single, more efficient facility.
- In March, the company announced "Cingular Wireless Internet Express," the first operational standards-based General Packet Radio Service (GPRS) in the United States. The service provides customers in Cingular's GSM markets with faster wireless access to e-mail, Internet, games and other services.
- Cingular also announced the launch of the first Hispanic wireless Internet portal offered by a wireless carrier in the United States. Cingular already is a leading wireless provider in nine of the country's top 10 Hispanic metropolitan area markets.

Cingular Focus

- 20.5 million subscribers
- 192 million POPs
- 43 of top 50 U.S. markets
- \$3.3 billion in revenues (1Q01)
- \$972 million EBITDA (1Q01)
- SBC ownership - 60 percent

x cingular
WIRELESS

x cingular
WIRELESS

Cingular pro forma financial statements are available in the Investor Relations section of SBC's Web site.
www.sbc.com

Long-Distance *growth*

SBC launches long-distance service in two states, ends first quarter with 2.2 million lines in Texas, Kansas and Oklahoma

In the first quarter, SBC sustained its strong growth in the Texas long-distance market, launched service in two additional states — Kansas and Oklahoma — and won state commission approval to file with the FCC (Federal Communications Commission) to enter the Missouri market. SBC is the first of the former regional Bell companies to gain long-distance approvals in multiple states.

SBC views interLATA long distance as a key growth driver for the future — adding to its bundles of services for residential and small-business customers and greatly expanding its ability to deliver packages of data services for larger enterprises with more sophisticated communications requirements.

SBC's long-distance business model is built on positive economics — combining increased revenues per customer with an attractive cost structure. The company's long-distance support systems for billing and customer service are already in place, its mix of sales channels is efficient, and SBC has an attractive nationwide transport alliance with Williams Communications Group, the United States' largest next-generation long-distance network.

WINNING WITH CUSTOMERS

SBC's Southwestern Bell Long Distance unit began marketing services in Texas on July 10, 2000. At the end of the first quarter, less than nine months after launch, it had won more than 2.1 million lines. Southwestern Bell has approximately 10 million access lines in Texas, and the state's total long-distance market is estimated at \$7.7 billion annually.

In March, Southwestern Bell Long Distance added to its array of services for customers in Texas with its introduction of SuperMexico "block-of-time" monthly plans that offer calls to neighboring Mexico for flat, highly competitive rates. According to the FCC, Mexico is the second most frequently called international destination by U.S. consumers. Currently more than 50 percent of Southwestern Bell Long Distance international calls are placed to Mexico, making it the most called country by the company's subscribers in Texas.

On March 7, the company launched long-distance service in Kansas and Oklahoma, and on a percentage basis its initial sales pace in these states has been comparable to its early growth in Texas. Southwestern Bell has more than 3 million access lines in the two states.

Southwestern Bell's flagship offer in Kansas and Oklahoma is a stand-alone basic rate of 10 cents a minute. Customers who purchase Southwestern Bell long distance as part of a "Simple Solutions" package of vertical calling services receive a rate of 8 cents a minute. The company also offers calling-card services, international calling and a range of plans for business customers.

MISSOURI APPLICATION, ADDITIONAL STATES

On April 4, SBC formally asked the FCC for permission to offer long-distance services in Missouri. The filing followed unanimous endorsement of SBC's application by the Missouri Public Service Commission in March. SBC expects the FCC to rule by July.

SBC continues to make good progress in additional states and expects to gain approvals for long-distance launches in California, Nevada and Arkansas this year. Independent systems testing is under way in each of the Ameritech states, and based on current progress, Michigan is expected to be the first of those states to file an application with the FCC.

Long-Distance Market Estimates
(SBC's in-region, 12-state)

Region	Estimated total long-distance market revenues
SOUTHWESTERN BELL	
Texas, Kansas, Oklahoma	\$8.7 billion
Missouri, Arkansas	\$2.0 billion
PACIFIC BELL/NEVADA BELL	
California, Nevada	\$16.9 billion
AMERITECH	
Illinois, Indiana, Ohio, Michigan, Wisconsin	\$21.2 billion
TOTAL 12-STATES	\$48.8 billion

International *growth*

Increases in customers and revenues expand platforms for growth and value creation

In the first quarter, SBC's broad international holdings continued to generate strong gains in customers and revenues, expanding their growth platforms for the future.

First-quarter highlights from SBC's directly held international investments, excluding the impacts of divestitures during the past year, include:

- 55.4 percent growth in total wireless subscribers to 34.9 million
- 4.4 percent growth in total landline access lines to 38.2 million
- 18.3 percent growth in total revenues to \$10.7 billion

Equity income from SBC's international holdings declined primarily because of the sale of assets during the past year.

GROWTH INITIATIVES

During the first quarter, the companies in which SBC is an investor continued to generate solid growth, particularly in wireless and data services, and they took important steps to expand their growth potential.

First-quarter highlights include:

- Telecom Americas, the Latin American joint venture among SBC, Mexico's América Móvil and Bell Canada International, acquired an equity interest in the São Paulo State cellular company Tess. Tess serves approximately 940,000 subscribers in the

SBC International Highlights

(Dollars in millions) (Volumes in 000s)	1999	2000	Change
Equity income	\$ 177	\$ 199	-11.1%
Total access lines	38,239	36,611	4.4%
Total wireless customers	34,855	22,423	55.4%
Total revenues	\$10,720	\$ 9,065	18.3%
Proportionate access lines	6,644	6,595	0.7%
Proportionate wireless customers	4,401	2,917	50.9%
Proportionate revenues	\$ 1,795	\$ 1,464	22.6%

Amounts for 2000 have been restated to exclude investments that have been sold or are no longer accounted for under the equity method.

Brazilian State of São Paulo excluding the Metropolitan São Paulo region — an area with a population of 18.4 million.

- Belgacom's wireless operation reached more than 3.6 million subscribers at the end of March, up 385,000 during the past three months.
- TDC announced that it plans to accelerate the rollout of ADSL broadband service in Denmark so that more than 95 percent of Danish households will have the opportunity to sign up for ADSL within the next 17 months.

NORTH AMERICAN GROWTH PLATFORM

SBC's international alliances with and investments in Telmex, América Móvil, Bell Canada and Williams Communications Group form a high-potential North American growth platform. Telmex is Mexico's premier telecommunications company. América Móvil, Latin America's largest wireless communications provider, owns Telcel in Mexico and telecommunications investments in several countries throughout the region. Bell Canada is the largest communication provider in Canada. Williams has completed the United States' largest next-generation network connecting 125 U.S. cities.

Core *growth*

Vertical service features in service increased 17.2 percent; VGEs grew 17 percent

A solid core business continues to be the foundation for SBC's major growth strategies. In the first quarter, SBC's core operations — which include wireline voice, switched access, vertical services, directory and wholesale services — delivered essentially flat revenue growth, reflecting a weakened U.S. economy and declines in access revenues largely due to

slightly reduced minutes of use and regulatory mandated price decreases. First-quarter core revenues exclude the impacts of shifts in directory publication dates as well as the sale of Ameritech's security monitoring business.

First-quarter highlights include:

- 17 percent growth in VGEs (voice grade equivalents) to 107 million. Traditional access lines increased slightly to 61.3 million.

- 17.2 percent growth in vertical service features, and more than 20 percent growth in total household penetration of packages.
- Directory revenues excluding the impacts of shifts in publication dates increased 2.7 percent.

SBC VGE Line Growth

<i>(in thousands)</i>	1Q03	1Q02	Change
Business VGEs	64,154	52,053	23.2%
Residence VGEs	42,279	38,722	9.2%
Other VGEs	625	730	-14.4%
Total VGEs	107,058	91,505	17.0%

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 Communications Inc.**Consolidated Statements of Income (Unaudited)**

(Dollars in Millions, Except per Share Amounts)

	Three Months Ended		
	3/31/01	3/31/00	% Change
Operating Revenues			
Landline local service	\$ 5,568	\$ 5,124	8.7%
Wireless subscriber	54	1,500	—
Network access	2,603	2,665	-2.3%
Long distance service	793	803	-1.2%
Directory advertising	830	882	-5.9%
Other	1,342	1,579	-15.0%
Total Operating Revenues	11,190	12,553	-10.9%
Operating Expenses			
Operations and support	6,083	7,214	-15.7%
EBITDA*	5,107	5,339	-4.3%
Depreciation and amortization	2,448	2,263	8.2%
Total Operating Expenses	8,531	9,477	-10.0%
Operating Income	2,659	3,076	-13.6%
Interest Expense	459	356	28.9%
Interest Income	178	24	—
Equity in Net Income of Affiliates	401	200	—
Other Income (Expense) – Net	106	17	—
Income Before Income Taxes	2,885	2,961	-2.6%
Income Taxes	1,021	1,139	-10.4%
Income Before Extraordinary Item	1,864	1,822	2.3%
Extraordinary Item, net of tax	(10)	—	—
Net Income	\$ 1,854	\$ 1,822	1.8%
Basic Earnings Per Share:			
Income Before Extraordinary Item	\$ 0.55	\$ 0.54	1.9%
Net Income	\$ 0.55	\$ 0.54	1.9%
Weighted Average Common Shares Outstanding (000,000)	3,377	3,396	-0.6%
Diluted Earnings Per Share:			
Income Before Extraordinary Item	\$ 0.55	\$ 0.53	3.8%
Net Income	\$ 0.54	\$ 0.53	1.9%
Weighted Average Common Shares Outstanding with Dilution (000,000)	3,413	3,432	-0.6%
Diluted Earnings Per Share Before Goodwill Charges:			
Income Before Extraordinary Item	\$ 0.57	\$ 0.57	—
Net Income	\$ 0.57	\$ 0.57	—

*EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization.

SBC Communications Inc.**Consolidated Statements of Income - Normalized (Unaudited)**

(Dollars in Millions, Except per Share Amounts)

	Three Months Ended		
	3/31/01	3/31/00	% Change
Operating Revenues			
Landline local service	\$ 5,568	\$ 5,124	8.7%
Wireless subscriber	1,688	1,500	12.5%
Network access	2,592	2,665	-2.7%
Long distance service	793	803	-1.2%
Directory advertising	830	882	-5.9%
Other	1,673	1,579	6.0%
Total Operating Revenues	13,144	12,553	4.7%
Operating Expenses			
Operations and support	7,980	7,262	9.9%
EBITDA*	5,164	5,291	-2.4%
Depreciation and amortization	2,408	2,192	9.9%
Total Operating Expenses	10,388	9,454	9.9%
Operating Income	2,756	3,099	-11.1%
Interest Expense	483	356	35.7%
Interest Income	79	24	—
Equity in Net Income of Affiliates	188	200	-6.0%
Other Income (Expense) - Net	136	17	—
Income Before Income Taxes	2,676	2,984	-10.3%
Income Taxes	937	1,074	-12.8%
Income Before Extraordinary Item	1,739	1,910	-9.0%
Extraordinary Item, net of tax	(10)	—	—
Net Income	\$ 1,729	\$ 1,910	-9.5%
Basic Earnings Per Share:			
Income Before Extraordinary Item	\$ 0.52	\$ 0.56	-7.1%
Net Income	\$ 0.51	\$ 0.56	-8.9%
Weighted Average Common Shares Outstanding (000,000)	3,377	3,396	-0.6%
Diluted Earnings Per Share:			
Income Before Extraordinary Item	\$ 0.51	\$ 0.56	-8.9%
Net Income	\$ 0.51	\$ 0.56	-8.9%
Weighted Average Common Shares Outstanding with Dilution (000,000)	3,413	3,432	-0.6%
Diluted Earnings Per Share Before Goodwill Charges:			
Income Before Extraordinary Item	\$ 0.54	\$ 0.58	-6.9%
Net Income	\$ 0.53	\$ 0.58	-8.6%

The first quarter of 2001 reflects 60% proportional consolidation of Cingular actual results plus the residual wireless properties we hold that have not yet been contributed to Cingular. First quarter 2000 results reflect the historical results of our wireless businesses that have been or will be contributed to Cingular.

*EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization.

Normalized 2001 net income excluded the following special items:

Pension settlement gains of (\$330) related to management employees, primarily resulting from a voluntary retirement program net of costs associated with that program.

Combined charges of \$205 related to impairment of our cable operations.

Normalized 2000 net income excluded the following special items:

Pension settlement gains of (\$161) primarily related to employees who terminated employment during 1999.

A charge of \$132 related to in-process research and development from the March 2000 acquisition of Sterling.

Costs of \$117 associated with strategic initiatives and other adjustments resulting from the merger integration process with Ameritech.

SBC Communications Inc.**Consolidated Statements of Income - Normalized (Unaudited)**

(Dollars in Millions, Except per Share Amounts)

	Three Months Ended		
	3/31/01	3/31/00	% Change
Wireline			
Operating Revenues			
Local service	\$ 5,564	\$5,128	8.5%
Network access	2,603	2,688	-3.2%
Long distance service	748	763	-2.0%
Other	1,192	1,046	14.0%
Total Operating Revenues	10,107	9,625	5.0%
Operating Expenses			
Operations and support	6,182	5,408	14.3%
EBITDA*	3,925	4,217	-6.9%
Depreciation and amortization	1,967	1,787	10.1%
Total Operating Expenses	8,149	7,195	13.3%
Operating Income	1,958	2,430	-19.4%
Interest Expense	333	317	5.0%
Other Income (Expense) - Net	15	22	-31.8%
Income Before Income Taxes	\$ 1,640	\$2,135	-23.2%
Wireless**			
Operating Revenues			
Subscriber Revenues	\$ 1,688	\$1,500	12.5%
Other	343	326	5.2%
Total Operating Revenues	2,031	1,826	11.2%
Operating Expenses			
Operations and support	1,455	1,173	24.0%
EBITDA*	576	653	-11.8%
Depreciation and amortization	287	279	2.9%
Total Operating Expenses	1,742	1,452	20.0%
Operating Income	289	374	-22.7%
Interest Expense	142	39	—
Equity in Net Income of Affiliates	7	1	—
Other Income (Expense) - Net	35	(35)	—
Income Before Income Taxes	\$ 189	\$ 301	-37.2%
Directory			
Operating Revenues	\$ 824	\$ 871	-5.4%
Operating Expenses			
Operations and support	440	482	-8.7%
EBITDA*	384	389	-1.3%
Depreciation and amortization	9	8	12.5%
Total Operating Expenses	449	490	-8.4%
Operating Income	375	381	-1.6%
Interest Expense	—	3	—
Other Income (Expense) - Net	5	5	—
Income Before Income Taxes	\$ 380	\$ 383	-0.8%
International			
Operating Revenues	\$ 70	\$ 61	14.8%
Operating Expenses	75	89	-15.7%
Operating Income (Loss)	(5)	(28)	82.1%
Interest Expense	1	70	-98.6%
Equity in Net Income of Affiliates	177	199	-11.1%
Other Income (Expense) - Net	107	138	-22.5%
Income Before Income Taxes	\$ 278	\$ 239	16.3%

*EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization.

SBC Communications Inc.**Consolidated Balance Sheets (Unaudited)**

(Dollars in Millions, Except per Share Amounts)

	3/31/01	12/31/00
Assets		
Current Assets		
Cash and cash equivalents	\$ 551	\$ 643
Accounts receivable - net of allowances for uncollectibles of \$1,008 and \$1,032	9,315	10,144
Prepaid expenses	999	550
Deferred income taxes	612	671
Notes receivable from Cingular Wireless	9,138	9,568
Other current assets	1,099	1,640
Total current assets	21,714	23,216
Property, Plant and Equipment - at cost	121,365	119,753
Less: Accumulated depreciation and amortization	73,815	72,558
Property, Plant and Equipment - Net	47,550	47,195
Intangible Assets - Net of Accumulated Amortization of \$557 and \$746	5,022	5,475
Investments in Equity Affiliates	11,399	12,378
Other Assets	11,640	10,387
Total Assets	97,325	\$ 98,651
Liabilities and Shareowners' Equity		
Current Liabilities		
Debt maturing within one year	\$ 10,643	\$ 10,470
Accounts payable and accrued liabilities	13,770	15,432
Accrued taxes	2,645	3,592
Dividends payable	867	863
Total current liabilities	27,925	30,357
Long-Term Debt	16,561	15,492
Deferred Credits and Other Noncurrent Liabilities		
Deferred income taxes	7,288	6,806
Postemployment benefit obligation	9,811	9,767
Unamortized investment tax credits	302	318
Other noncurrent liabilities	4,622	4,448
Total deferred credits and other noncurrent liabilities	22,023	21,339
Corporation-obligated mandatorily redeemable preferred securities of subsidiary trusts	500	1,000
Shareowners' Equity		
Common shares issued (\$1 par value)	3,433	3,433
Capital in excess of par value	12,105	12,125
Retained earnings	19,333	18,341
Guaranteed obligations of employee stock ownership plans	(21)	(21)
Deferred Compensation - LESOP	(33)	(37)
Treasury shares (at cost)	(2,933)	(2,071)
Accumulated other comprehensive income	(1,568)	(1,307)
Total shareowners' equity	30,316	30,463
Total Liabilities and Shareowners' Equity	\$ 97,325	\$ 98,651

SBC Communications Inc.**Consolidated Statement of Cash Flows (Unaudited)**

(Dollars in Millions, Increase [Decrease] in Cash and Cash Equivalents)

	Three months ended	
	3/31/01	3/31/00
Operating Activities		
Net income	\$ 1,854	\$ 1,822
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,448	2,263
Undistributed earnings from investments in equity affiliates	216	(152)
Provision for uncollectible accounts	230	211
Amortization of investment tax credits	(16)	(18)
Deferred income tax expense	649	352
Gain on sale of investments	(129)	(191)
Extraordinary item, net of tax	10	—
Changes in operating assets and liabilities:		
Accounts receivable	574	408
Other current assets	(386)	(508)
Accounts payable and accrued liabilities	(2,468)	(581)
Other - net	(1,032)	(657)
Total adjustments	96	1,127
Net Cash Provided by Operating Activities	1,950	2,949
Investing Activities		
Construction and capital expenditures	(2,807)	(2,349)
Investments in affiliates	1,158	(103)
Proceeds from short-term investments	510	—
Dispositions	244	215
Acquisitions	—	(3,663)
Other	1	1
Net Cash Used in Investing Activities	(894)	(5,899)
Financing Activities		
Net change in short-term borrowings with original maturities of three months or less	(84)	4,867
Issuance of long-term debt	2,238	—
Repayment of long-term debt	(980)	(526)
Early extinguishment of corporation-obligated mandatorily redeemable preferred securities of subsidiary trusts	(500)	—
Purchase of treasury shares	(1,065)	(284)
Issuance of treasury shares	90	60
Dividends paid	(859)	(834)
Other	12	29
Net Cash Provided by (Used in) Financing Activities	(1,148)	3,312
Net increase (decrease) in cash and cash equivalents	(92)	362
Cash and cash equivalents beginning of year	643	495
Cash and Cash Equivalents End of Period	\$ 551	\$ 857

SBC Communications Inc.**Supplementary Financial and Operating Data (Unaudited)**

(Dollars in Millions, Except per Share Amounts)

	Three Months Ended		
	3/31/01	3/31/00	% Change
Capital Expenditures	\$ 2,807	\$ 2,349	19.5%
Dividends Declared Per Share ¹	\$0.25625	\$0.25375	1.0%
End of Period Common Shares Outstanding (000,000)	3,369	3,400	-0.9%
Pretax interest coverage ^{1,4}	6.8	9.4	-27.3%
Net cash flow to average total debt ²	11.8%	11.2%	62 BP
Funds from operations interest coverage ³	9.7	11.1	-13.0%
Debt Ratio	46.9%	46.7%	21 BP
Total Employees	216,180	208,380	3.7%
Access Lines Served (000)	61,254	61,154	0.2%
Residence	36,568	37,517	-2.5%
Business	24,061	22,907	5.0%
Other	625	730	-14.4%
Voice Grade Equivalents (000) ⁴	107,058	91,505	17.0%
Residence	42,279	38,722	9.2%
Business	64,154	52,053	23.2%
Other	625	730	-14.4%
Resold Lines (000)	1,597	1,562	2.2%
Access Minutes of Use (000,000)	69,388	69,475	-0.1%
Cingular Wireless (Pro Forma) ⁵			
Wireless Voice Customers (000)	20,535	17,294	18.7%
Net Adds (000)	854	695	22.9%
POPs (000,000)	192	192	—
SBC International ⁶			
Total customers of SBC International's affiliates			
Access Lines (000) ⁵	38,239	36,611	4.4%
Wireless (000):			
Subscribers	34,855	22,423	55.4%
Net Adds	4,111	3,842	7.0%
Total Revenues	\$ 10,720	\$ 9,065	18.3%
SBC's proportionate interest of SBC International's affiliates			
Access Lines (000) ⁵	6,644	6,595	0.7%
Wireless (000):			
Subscribers	4,401	2,917	50.9%
Net Adds	383	350	9.4%
Total Revenues	\$ 1,795	\$ 1,464	22.6%

¹Normalized pretax income and interest, excluding the 60 percent proportional consolidation of Cingular interest.²Net cash flow equals funds from operations (cash flow from operations before working capital changes) less dividends paid.³The sum of funds from operations and cash paid for interest on debt divided by interest incurred on debt.⁴Prior year amounts restated to conform with current period reporting methodology.⁵Amounts represent the 100% pro forma results of Cingular Wireless as if Cingular had existed for all periods presented.⁶Amounts for 2001 and 2000 include our investments accounted for under the equity method in 2001. Amounts for 2000 have been restated to exclude investments no longer accounted for under the equity method.

SBC Investor Briefing

SBC *Investor Briefing* is published by the Investor Relations staff of SBC Communications Inc.

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Growth Drivers Highlight SBC's First-Quarter Earnings

Economy Impacts Earnings Expectations for Remainder of 2001

San Antonio, Texas, April 23, 2001

[First-Quarter Earnings Package](#)
Our newest [Investor Briefing](#)

SBC Communications Inc. (NYSE: SBC) today reported that its primary growth drivers - data, wireless and long distance - performed strongly during the first quarter. Highlights included:

- 39.9 percent growth in data revenues
- A net gain of 854,000 subscribers at Cingular, SBC's nationwide wireless joint venture with BellSouth
- 2.2 million long-distance lines in Texas, Oklahoma and Kansas; SBC entered the Texas long-distance market in July 2000 and the other two states in March of this year

As expected, the timing of SBC's investments in its growth initiatives during 2000 impacted first-quarter expense and earnings comparisons. The slowing U.S. economy also dampened growth. First-quarter earnings were \$1.7 billion, or \$0.51 per diluted share, before one-time items, compared with \$1.9 billion, or \$0.56 per diluted share, in the first quarter a year ago. Operating revenues for the quarter, including results from Cingular, increased 4.7 percent to \$13.1 billion.

First-quarter revenue growth was adversely impacted by SBC's sale of Ameritech's security-monitoring business. Excluding results from this divestiture as well as shifts in directory publishing dates and the pro forma effect on the year-ago quarter of the Cingular venture, first-quarter revenues increased 6.7 percent.

Primarily because of weakening U.S. economic conditions, SBC expects earnings per share for 2001, before one-time items, in the \$2.35 to \$2.40 range.

"The economy is having a greater impact on our business than we projected," said Edward E. Whitacre Jr., SBC chairman and CEO. "We handled the first-quarter revenue shortfall well, thanks to very disciplined expense management. Going forward, we are determined not to lose sight of our larger strategic mission - including fully developing our broadband capabilities and obtaining long-distance relief in our states as quickly as possible - and we will not compromise our long-term future to preserve near-term projections.

"Broadband is the foundation for a host of new value-added services, and we will continue to pursue it aggressively," Whitacre said. "Long distance complements our broadband strategy, and this year we have the potential to increase our long-distance opportunity



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from two states to eight states. Looking ahead, we will continue playing to our strengths, and our adjusted game plan for 2001 should yield a much more stable and predictable growth profile for the future."

Highlights of SBC's first quarter include:

- **Data:** SBC's data revenues increased 39.9 percent to \$2.1 billion, compared with \$1.5 billion in the year-ago quarter. The company's data revenue stream has nearly doubled in the past two years. **SBC added 187,000 new DSL (Digital Subscriber Line) customers during the first quarter, for a total of 954,000 DSL subscribers, as strong demand continues for high-speed Internet access and bandwidth-hungry applications.** Revenue from data products and services accounted for 21 percent of SBC's first-quarter total wireline revenues, compared with 16 percent in the year-ago period. The company's DSL initiative continues to roll out, making DSL available to 21.7 million of SBC's metro-area wireline customer locations, up from 12.9 million a year ago. SBC's core data transport products, including SONET, DS3s, and ATM, also showed strong first-quarter growth that was driven by enterprise customers whose increased use of sophisticated applications requires significantly more bandwidth.
- **Wireless:** A net gain of 854,000 wireless subscribers at Cingular Wireless during the first quarter brings the company's subscriber total to 20.5 million at the end of the first quarter. Cingular's wireless services revenues increased 14.8 percent to \$3.1 billion compared with pro forma levels in the year-ago quarter. Cingular also added 84,000 new subscribers to its Cingular Interactive operation, which includes two-way messaging and other wireless data services. Cingular successfully launched its nationwide brand in January with the support of a national advertising campaign. Also during the first quarter, Cingular expanded its geographic reach to the Seattle and Spokane markets where the company has an all-digital GSM (global system for mobile communications) operation supported by 50 retail stores.
- **Long Distance:** SBC's long-distance business expanded during the first quarter as the company on March 7 began offering long-distance service to customers in Kansas and Oklahoma. At the end of the first quarter, the company had 2.2 million long-distance lines in Texas, Kansas and Oklahoma. SBC has filed an application at the Federal Communications Commission to enter the long-distance market in Missouri, and the company expects a decision in the coming weeks. Also, the company has applications pending with regulators in California, Nevada and Arkansas.

Results including one-time items

Including one-time items, SBC's reported net income for the first quarter of 2001 was \$1.9 billion, or \$0.54 diluted earnings per share, compared with \$1.8 billion, or \$0.53 per share, in the first quarter of 2000.

Reported net income for the first quarter of 2001 includes the following one-time items: pension settlement gains of \$330 million related to management employees, primarily resulting from a previously announced voluntary retirement program net of costs associated with that program; and combined charges of \$205 million related to impairment of the company's cable operations.

Cautionary Language Concerning Forward-Looking Statements

Information set forth in this news release 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 news release based on new information or otherwise.

SBC Communications Inc. (www.sbc.com) is a global communications leader. Through its subsidiaries' trusted brands -

Southwestern Bell, Ameritech, Pacific Bell, Nevada Bell, SNET and Sterling Commerce - and world-class network, SBC and its affiliated companies provide a full range of voice, data, networking and e-business services, including local and long-distance voice, high-speed Internet access and data transport, voice and data network integration, software and process integration, Web site and application hosting, e-marketplace development, paging and messaging, as well as cable and satellite television, and directory advertising and publishing. In the United States, the company currently has 61.3 million access lines and is undertaking a national expansion program under SBC Telecom that will bring SBC service to new U.S. markets. SBC has a 60 percent equity interest in Cingular Wireless, its joint venture with BellSouth, which serves more than 20 million wireless customers. Internationally, SBC has telecommunications investments in 28 countries and has annual revenues that rank it among the largest Fortune 500 companies.

For more detailed information on SBC's first-quarter results, visit our Web site at http://www.sbc.com/Investor/Financial/Earning_Info/.

SBC Communications Inc.
Financial Summary and Comparisons
(dollars in millions, except per share amounts)
(unaudited)

-- FIRST-QUARTER RESULTS --

<u>EXCLUDING ONE-TIME ITEMS¹:</u>	<u>2001</u>	<u>2000</u>	<u>CHANGE</u>
Operating revenues	\$13,144	\$12,553	4.7%
Operating expenses	\$10,388	\$9,454	9.9%
Income before extraordinary item	\$1,739	\$1,910	-9.0%
Diluted earnings per share before extraordinary item	\$0.51	\$.56	-8.9%
<u>AS REPORTED</u>			
Operating revenues	\$11,190	\$12,553	-10.9%
Operating expenses	\$8,531	\$9,477	-10.0%
Income before extraordinary item	\$1,864	\$1,822	2.3%
Extraordinary item, net of tax	\$(10)	-	-
Net Income	\$1,854	\$1,822	1.8%
Diluted earnings per share	\$0.54	\$0.53	1.9%
Weighted average common shares outstanding (in millions)	3,377	3,396	-0.6%
Weighted average common shares outstanding with dilution (in millions)	3,413	3,432	-0.6%

¹ Includes proportionate share of Cingular Wireless revenues.

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