



SBC, Yahoo! Announce Landmark Strategic Alliance To Introduce Co-Branded, Customized High-Speed DSL Internet Service

Provide Co-Branded Dial-Up Service Nationwide

Agreement Joins Nation's No. 1 DSL Internet Provider with No. 1 Global Internet Company

San Antonio, TX and Sunnyvale, CA -- Nov. 14, 2001 -- SBC Communications Inc. (NYSE:SBC), a global communications leader, and Yahoo! Inc. (Nasdaq:YHOO), a leading global Internet company, today announced they have formed a landmark strategic alliance to provide broadband access to millions of consumers in SBC's 13-state region. The agreement also calls for the companies to provide co-branded dial-up service nationwide.

Pairing the strengths of the No. 1 global Internet destination with the nation's leading DSL Internet provider and one of the largest Internet service providers, the two companies will offer a co-branded, premium DSL Internet and dial-up service. Expected to launch beginning in mid 2002, this service, the first of its kind, will include a suite of Yahoo! and SBC customized products and services, including many optimized for broadband.

"Teaming with Yahoo! is another strategic milestone that strengthens SBC's position as a world-class voice, data and Internet services provider," said Edward E. Whitacre, Jr., chairman and CEO, SBC Communications. "This alliance gives both companies a competitive edge in delivering the best possible online experience for our customers and it strengthens both of our leadership positions in the broadband and Internet services market."

"This alliance enables Yahoo! and SBC to create deeper relationships with millions of broadband and dial-up subscribers, and provides the 30 million Yahoo! users in SBC's region with a unique, integrated access and premium service offering on a subscription basis," said Terry Semel, chairman and CEO, Yahoo! Inc. "As access relationships become a more important part of our strategy, we could not ask for a more solid partner than SBC."

Together, Yahoo! and SBC will promote the co-branded service in extensive online and offline marketing programs to attract new customers as well as transition SBC's existing customers to the co-branded service. SBC will include the co-branded service in its offline and online advertising; Yahoo! will promote the co-branded service on the Yahoo! network, reaching many of the more than 23 million DSL-eligible homes and businesses within SBC's 13-state region.

For Yahoo!, the agreement provides monthly per-subscriber payments from SBC; promotion through SBC's powerful sales channels and customer service teams, which reach millions of consumers every day; and the ability to offer bundled premium services by leveraging SBC's communications and billing infrastructure. An example of one premium service the companies plan to offer is Unified Messaging, a powerful and convenient tool that enables users to check, store, manage and reply to voicemail, faxes and e-mail received from multiple sources through an interface on their home/start page. Key terms for SBC include a share of Yahoo! non-subscriber revenue on advertising, e-commerce and premium features and services on the portal, and Yahoo!'s commitment to DSL as its preferred broadband solution.

"The winner of the broadband war will be the company that delivers the best broadband-powered content, communication services and features to its customers," said James S. Kahan, senior executive vice president-corporate development, SBC Communications. "Together, we'll provide SBC's Internet customers with superior information and communications services."

"Yahoo! believes the strength of this alliance will rapidly accelerate the growth of DSL in the broadband market, and we have partnered with the leading provider in the country," said Jim Brock, senior vice president, major initiatives, Yahoo! Inc. "As more and more consumers transition to broadband, we believe this alliance will position us to capture market share from our competitors."

A New Yahoo! Experience for SBC Broadband Subscribers and Prodigy Users

For SBC subscribers, the agreement will result in a significantly enhanced online experience for both DSL Internet and dial-up users. Both SBC DSL subscribers and Prodigy dial-up subscribers will receive a premium co-branded product, which will provide consumers with a new SBC and Yahoo! experience, and a range of options that will allow them to build their own personalized service and easily upgrade to additional SBC and Yahoo! premium services. Customers will receive a special, premium version of Yahoo! that includes a package of compelling Yahoo! premium services, including superior new WebCam functionality, enhanced parental controls, multi-player games, and additional storage space in Yahoo! Mail and Yahoo! Photos. A multiple user interface easily serves families. The companies will also undertake joint development efforts to integrate and extend SBC and Yahoo! services in other areas, which may include broadband services for SBC's small and medium enterprise customers.

The DSL and dial-up products will be bundled with all SBC consumer Internet sales, and every existing and new

subscriber to SBC's retail DSL and dial-up Internet offerings will receive the joint service and become a registered SBC and Yahoo! member. The companies will jointly develop an ordering tool for customers interested in registering online for DSL Internet service. SBC will retain the retail relationship with its broadband and dial-up subscribers and will continue to handle provisioning, service and billing.

This agreement will help SBC's Internet customers take greater advantage of the company's high-speed DSL Internet service. With its acquisition of Prodigy, SBC now serves more than 3.6 million Internet customers. Also, through Prodigy, SBC gained a reliable, high-quality dial-up network that serves 90 percent of the nation. This national network makes SBC one of the only broadband Internet providers that offers its broadband customers the ability to access their Internet service virtually nationwide while traveling.

About SBC

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, satellite television, and directory advertising and publishing. In the United States, the company currently has 60.6 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 21 million wireless customers. Internationally, SBC has telecommunications investments in 28 countries and has annual revenues that rank it among the largest Fortune 500 companies.

About Yahoo!

Yahoo! Inc. is a leading global Internet communications, commerce and media company that offers a comprehensive branded network of services to more than 200 million individuals each month worldwide. As the first online navigational guide to the Web, www.yahoo.com is the leading guide in terms of traffic, advertising, household and business user reach. Yahoo! is the No. 1 Internet brand globally and reaches the largest audience worldwide. The company also provides online business and enterprise services designed to enhance the productivity and Web presence of Yahoo!'s clients. These services include Corporate Yahoo!, a popular customized enterprise portal solution; audio and video streaming; store hosting and management; and Web site tools and services. The company's global Web network includes 24 World properties. Yahoo! has offices in Europe, Asia, Latin America, Australia, Canada and the United States, and is headquartered in Sunnyvale, Calif.

For Yahoo!

- Helena Maus, Yahoo! Inc., 408-349-7085, helena@yahoo-inc.com
- Nicole Waddell, Fleishman Hillard, 415-356-1037, waddelln@fleishman.com

For SBC

- Bill Noble, SBC, 210-352-6959
- Joe Izbrand, SBC, 210-352-6973
- Shawn Ramsey, SBC, 210-352-6979

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