

AT&T Announces \$100 million 'AT&T AccessAll' Signature Program — Nation's Largest to Provide In-Home Technology Access to Underserved Populations

Centerpiece of Umbrella Program Will Connect 50,000 Low-Income Families to the Internet at Home Through Unique Collaboration With One Economy Corporation

CHICAGO, June 14, 2006 — AT&T Inc. (NYSE: T) and its philanthropic arm, the AT&T Foundation, today announced that they will launch a landmark three-year \$100 million signature program called AT&T *AccessAll* — the nation's largest program designed to provide in-home Internet and technology access to benefit low-income families and underserved communities across the country. The inaugural and most significant AT&T *AccessAll* initiative is a three-year program that will provide technology packages, including Internet access, to 50,000 low-income families through a unique collaboration with One Economy Corporation, Habitat for Humanity affiliates and other low-income housing providers.

AT&T Chairman and CEO Edward E. Whitacre will announce the program in a speech today at the 35 th Annual Rainbow PUSH Coalition & Citizen Education Fund Conference in Chicago. In addition to AT&T *AccessAll*, Whitacre will pledge that, provided the company's merger with BellSouth closes this year, AT&T will increase its spending with minority-, women- and disabled veteran-owned businesses by \$250 million in the coming year.

"We are committed to making affordable technology available to as many homes as possible, and AT&T *AccessAll* will make a positive impact on underserved communities for many years to come," Whitacre said. "We will continue to invest in next-generation technologies and in programs that help people of all backgrounds benefit from the opportunities created by technology."

AT&T *AccessAll* builds on the AT&T Foundation's existing investment in technology for the underserved, which totals nearly \$83 million.

AT&T *AccessAll* consists of approximately \$70 million in grants and contributions from AT&T and the AT&T Foundation and a \$30 million in-kind donation of Internet access from AT&T Inc. In the first initiative announced under the program, nearly half of the funding will be directed through One Economy Corporation to enable affordable technology solutions, including Internet access, to 50,000 low-income single-family and multifamily homes using a two-phased approach:

- One Economy Corporation, a national nonprofit organization dedicated to providing technology access to low-income families, will work with local Habitat for Humanity affiliates to equip up to 15,000 households with an AT&T Foundation-subsidized technology package which includes a computer, printer, desktop software, and an in-kind donation of Internet access. All 589 Habitat for Humanity affiliates in the AT&T service territory will be eligible for the program.
- In addition, One Economy will work with state housing finance agencies, developers of multifamily housing, local governments and community-based organizations in various communities around the country to provide 35,000 household units with Internet access and access to a similar discounted technology package.

Habitat for Humanity affiliates and other low-income housing providers identified by One Economy will screen applicants to ensure that they meet eligibility requirements. AT&T *AccessAll* participants must be current or future residents of these Habitat for Humanity or low-income housing communities.

The initiative will also provide families with technology training. Skilled members of the AT&T Pioneers, which is AT&T's volunteer organization of employees and retirees, will provide one-on-one technology instruction in many locations. The company-sponsored volunteer organization consists of active and retired employees who perform community outreach projects throughout the country. The AT&T Pioneers have a long history with Habitat for Humanity, having assisted in building hundreds of homes in local communities.

Other partners who have joined the program to contribute in the outreach effort include Dell, Siemens, Intel, and the Corporation for National and Community Service (AmeriCorps* VISTA).

Despite an overall increase in the number of U.S. households with computers and/or Internet access, low-income Americans remain significantly less likely to be online than middle- or high-income households, according to Rey Ramsey, CEO of One Economy.

"Getting low-income Americans online is critically important to their economic well-being," Ramsey said. "Once online, they are more likely than upper-income Americans to use it to find a better job, get quality child care or help their children succeed in school. AT&T's commitment to helping 50,000 families is extraordinary."

One Economy serves as the nation's major connector between low-income people and the telecommunications and technology industries. The organization has acted as a catalyst to create wired and Wi-Fi/wireless solutions around the country for developers, public housing authorities, nonprofits, Native American tribes and municipalities. Its online self-help Web site, theBeehive.org, helps 2 million low-income people a year to connect to the economic mainstream.

The approach taken by AT&T *AccessAll*, combining computer equipment, Internet access, training, and content has already proved effective in a pilot program conducted by One Economy. Based on a comparison with a national study of Internet users conducted by the Pew Internet & American Life Project, participants in One Economy's Digital Communities program are:

- Using the Internet at nearly twice the rate of other low-income Americans.
- Improving job performance, health outcomes, and community connections through engaging in specific online activities — such as enrolling in Web-based courses — at rates higher than other low-income Internet users.

"Habitat for Humanity's ultimate goal is to eliminate poverty housing and homelessness from the face of the earth by building homes," said Jonathan Reckford, CEO, Habitat for Humanity International. "We are grateful for programs such as AT&T *AccessAll* and One Economy that are working to strengthen communities in partnership with local Habitat affiliates."

In coming weeks, the AT&T *AccessAll* program will launch in several initial communities across the country.

About the AT&T Foundation

The AT&T Foundation, the philanthropic arm of AT&T Inc., supports programs that build communities and improve access to information technologies, technology training and professional skills development. The AT&T Foundation will provide more than \$60 million in 2006 in charitable contributions, thereby placing it among the top five largest corporate foundations in the country. The AT&T Foundation combines over 40 years and \$1.7 billion of philanthropic commitment to communities across the country.

About AT&T

AT&T Inc. is one of the world's largest telecommunications holding companies and is the largest in the United States. Operating globally under the AT&T brand, AT&T companies are recognized as the leading worldwide providers of IP-based communications services to business and as leading U.S. providers of high speed DSL Internet, local and long distance voice, and directory publishing and advertising services. AT&T Inc. holds a 60 percent ownership interest in Cingular Wireless, which is the No. 1 U.S. wireless services provider with 55.8 million wireless customers. Additional information about AT&T Inc. and AT&T products and services is available at www.att.com. AT&T products and services are provided in specific geographic areas by subsidiaries and affiliates of AT&T Inc.

One Economy is a national non-profit organization created to be a catalyst for innovation and change. One Economy helps bring access to technology into the homes of low-income people around the country, using that technology to connect low-income people to thebeehive.org which provides information and tools they can use to build assets and improve their lives. One Economy's primary market is the 12 million people living in 5.5 million units of government-supported affordable housing across the US. The organization's secondary market is the 15 million people living in non-government supported affordable housing. Together, these 27 million low-income people represent \$250 billion in annual purchasing power, or about 2.5% of the GDP.

The in-kind donation is provided by the AT&T local service affiliate for the region in which the recipient lives.