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Press Release

Source: AT&T

AT&T CallVantage Service Expands to 21 New Markets in Seven States in Nationwide Deployment

Thursday August 19, 9:35 am ET

AT&T Adds Unlimited Calls to Canada to Flat Rate Plan and extends \$19.99 Promotional Offering

Introduces Wiring Solution to 'Light' the Entire Home

BEDMINSTER, N.J., Aug. 19 /PRNewswire/ -- Building on the support of its new brand advertising campaign, AT&T today continued its aggressive rollout of residential Voice over Internet Protocol (VoIP) phone service, called AT&T CallVantage(SM) Service, providing consumers in 21 additional markets a high- tech alternative for their personal communications needs.

In addition, the company announced that calling to Canada will now be included as part of the unlimited nationwide service at no extra charge and that it is extending the special six-month introductory rate of \$19.99 a month through September 30, 2004. The cost of service is then \$34.99 a month.

AT&T also introduced an inside wiring service for residential subscribers that makes it easier for consumers to hook up multiple home phones to AT&T CallVantage Service replicating the traditional home calling environment.

"These are exciting developments for consumers as we continue an aggressive transformation of our business to an IP-based technology leader," said Cathy Martine, AT&T senior vice president for Internet Telephony. "Our size and reach allows AT&T to make AT&T CallVantage Service available from coast to coast so that consumers can more quickly reap the benefits of this exciting new technology."

The company's latest AT&T CallVantage news comes as AT&T promotes the groundbreaking service through a series of ads that are running throughout the Olympic Games. The ads feature the AT&T inventors who developed the rich features, such as Do Not Disturb, Locate Me and Personal Conferencing, that set AT&T CallVantage apart in the market. "Through the words of its inventors, our advertising campaign is demonstrating the convenience, innovation and value that AT&T CallVantage delivers to customers," Martine said.

AT&T is expanding its service footprint in the metropolitan areas of New Orleans and Baton Rouge, La.; Albuquerque, N.M.; Las Vegas, Nev.; Oklahoma City, Okla.; and Greenville and Columbia, S.C.

The company today also made service available to residents of Huntsville, Ala.; Tucson, Ariz.; Colorado Springs, Colo.; Daytona Beach, Fla.; August- Aiken, Ga.; Louisville, Ky.; Grand Rapids, Mich.; Akron and Dayton, Ohio; Harrisburg, Pa.; Memphis, Tenn., and neighboring communities in Arkansas and Mississippi; El Paso, Texas; Norfolk, Va.; and Madison, Wis.

"Today's market entries place us in 39 states and Washington, D.C. -- that's 121 major markets since we introduced the service in late March," said Martine. "However, because the breadth of our footprint cuts so wide, we actually offer customers the ability to maintain their existing phone numbers in some 170 overlapping markets today. This demonstrates our commitment to get IP technology into the hands of consumers just as fast as possible."

While VoIP is an exciting technology with great promise, it is not a complete substitute for traditional telephone service because it does not serve the needs of millions of Americans who cannot obtain or afford the high-speed Internet

Stoia - Sch. 3 1 of 14

http://biz.yahoo.com/prnews/040819/nyth083 1.html?printer=1

connection required for AT&T CallVantage Service. Though a growing number of households have access to these broadband connections through their cable or local telephone company, only about 25 percent subscribe nationally.

"VoIP applications might just be the catalyst that consumers are seeking to justify their investment in broadband," said Martine.

VoIP is an innovative technology that promises to change the way people communicate. A core concept of AT&T CallVantage Service, which is built on AT&T Labs patented technology, is its ability to quickly introduce new features and capabilities to the platform.

"AT&T continues to lead the adoption of VoIP services by both businesses and consumers as it delivers the next generation of communications that our customers demand." said Martine. "We're going to use every channel possible to introduce consumers to this exciting technology."

Broad array of features

AT&T CallVantage Service is different than traditional phone services because, through the use of IP-based networks, it can offer customers typical features such as call waiting, three-way calling, and call forwarding, and far more advanced ones as well. Indeed, consumers will get unprecedented convenience and control with innovative features including:

- "Call Logs," to track incoming and outgoing;
- "Do Not Disturb," to receive calls only when wanted;
- "Locate Me," which rings up to five phones, all at once, or sequentially;
- "Voicemail with eFeatures," to listen to messages from any phone or PC and forward them to anyone on the Web; and
- "Personal Conferencing," to set up meetings with up to nine additional callers.

All that is required for service is an easy-to-connect, plug-in telephone adapter (TA) provided by AT&T, a broadband Internet connection and regular telephone supplied by the customer. It is simple to use and easy for consumers to install-typically in 10 minutes.

AT&T CallVantage Service works with most cable modem or digital subscriber line (DSL) broadband connections. The TA is compatible with most home computer networks and may be used in conjunction with various home network routers. And the adapter can be used from almost any location where there is a telephone and a broadband connection. That gives customers the ability to stay connected by taking this service with them when they travel.

The service includes a complete calling solution that provides unlimited local and long-distance domestic calling, including unlimited calls to Canada, Puerto Rico and the U.S. Virgin Islands, discount rates for international calling, and a suite of advanced features that customers have never experienced before.

"We're delighted to offer consumers even greater value by including unlimited calls to Canada as a standard part of the service and extending our popular promotional offer," said Martine. "AT&T CallVantage Service is certainly giving customers more of what they want in broadband phone service -- competitive rates, advanced services and the industry's best call quality."

As a special incentive, the company will offer AT&T CallVantage customers an opportunity to participate in its program that provides up to one month of free service (maximum of 12 months) for each referral and sale, where permissible by state law.

New inside wiring service

AT&T also introduced an inside wiring service designed to connect a customer's existing home telephone configuration to AT&T CallVantage Service and activate extensions throughout the home. For a fee, AT&T will dispatch a trained technician to the customer's home. The technician will reconfigure existing lines and telephone jacks, install additional jacks if required, and provide limited assistance with service set-up. The interval for scheduling service is two to five days.

http://biz.yahoo.com/prnews/040819/nyth083_1.html?printer=1

Stoia - Sch. 3 2 of 14 "We established the benchmark for voice quality and innovative features when we launched AT&T CallVantage Service. Now we're replicating the familiar home phone environment that everyone is comfortable with and making the service even more user-friendly," added Martine.

For "do-it-yourselfers," AT&T plans to introduce an easy-to-follow home wiring guide for VoIP service. The guide will offer customers step-by-step instructions and tips to make the most efficient use of their existing configuration for AT&T CallVantage Service.

To learn more about AT&T CallVantage Service, consumers can visit <u>http://www.CallVantage.com</u> or call 1-866-816-3815, extension 70339.

About AT&T

For more than 125 years, AT&T (NYSE: <u>T</u> - <u>News</u>) has been known for unparalleled quality and reliability in communications. Backed by the research and development capabilities of AT&T Labs, the company is a global leader in local, long distance, Internet and transaction-based voice and data services.

AT&T 'Safe Harbor'

The foregoing contain 'forward-looking statements' which are based on management's beliefs as well as on a number of assumptions concerning future events made by and information currently available to management. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside AT&T's control, that could cause actual results to differ materially from such statements. For a more detailed description of the factors that could cause such a difference, please see AT&T's filings with the Securities and Exchange Commission. AT&T disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This information is presented solely to provide additional information to further understand the results of AT&T.

(Logo: <u>http://www.newscom.com/cgi-bin/prnh/19991018/ATT</u>)

Source: AT&T



News Home - Help

AT&T dials up VoIP service with cable deals

LISATODAY.com

Thu Aug 19, 8:57 AM ET

By Leslie Cauley, USA TODAY

AT&T (T) is teaming with America's big cable TV operators to offer phone service over their broadband Internet lines, marking the telecom giant's first big move since it announced plans to abandon its traditional consumer long-distance business.

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New PC? No Problem! Get old files onto a new PC. Plus, how to buy <u>a new</u> computer, and ditch <u>your old</u> one. To drive deployment of its CallVantage Internet-phone service, AT&T has struck marketing agreements with Comcast (CMCSA), Time Warner (TWX), Cox (COX) and Charter Communications (CHTR). Mediacom (MCCC), a New York-based cable TV operator with 1.5 million customers in 23 states, also is participating. The five cable operators together have more than 40 million customers.

Under the plan, AT&T will refer callers seeking to sign up for its CallVantage package to the appropriate cable operator to set up broadband Internet access. With Voice over Internet Protocol (VoIP) calling, the phone is connected to a broadband line rather than a traditional copper phone line. AT&T sales representatives will ask for the caller's ZIP code and direct them accordingly. "As many customers as they'll drive our way, we'll take them," says Dave Andersen of Charter.

Boyd Peterson, an analyst with Yankee Group, thinks the plan makes good business sense. "It's a pretty simple thing to do that benefits both parties."

The VoIP push comes less than a month after AT&T announced plans to stop marketing long-distance services to residential customers. Though consumer long-distance has been the cornerstone of AT&T's business for more than 125 years, revenue is plummeting 20% annually. That, along with a string of unfavorable federal regulatory rulings, has forced AT&T to rethink its business strategy.

CallVantage will, to some extent, compete with the cable operators' own Internetbased phone offerings. But they are willing to take that risk because the alliance may help drive overall broadband sales. "It's a good thing for both of us," says Mark Harrad, a spokesman for Time Warner Cable, a division of media giant Time Warner. The company has partnerships with MCI and Sprint for its own VoIP product, called Digital Phone.

Still, the AT&T pact is unusual in that it is aimed at promoting the rollout of a competing product. AT&T is "a partner on one side and potential competitor on the other," Harrad notes.

Cable operators' phone offerings have long suffered from the perception that their networks are inferior to the Bells, and they appear to be using AT&T to help ease those concerns. Verizon and other telecom giants now face the prospect of competing against cable operators fortified by the fading but still iconic AT&T brand.

"AT&T's selection of Comcast and other cable providers is a strong endorsement of the value, capability and reliability of our high-speed Internet service," says Dave

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Watson, an executive vice president at Comcast.

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Press Release

AT&T CallVantage Service To Be Available in More T Buy Stores Nationwide

Monday August 23, 10:27 am ET

First Distribution Agreement to Spur Growth and Adoption of New A_ Telephone Service

BEDMINSTER, N.J., Aug. 23 /PRNewswire/ -- AT&T today announced that Best Buy will be retailers to offer AT&T's residential Voice over Internet Protocol (VoIP) phone service, AT&T in its 628 stores nationwide and online at <u>www.bestbuy.com</u>.

AT&T CallVantage Service will be available in Best Buy stores nationwide beginning this fal agreement, Best Buy and AT&T will promote AT&T CallVantage Service through in-store ma broadcast and online advertising.

"We're delighted to launch our retail strategy for AT&T CallVantage Service with Best Buy, respected brand name and the nation's leading specialty retailer of technology and entertair services," said Cathy Martine, AT&T senior vice president for Internet Telephony, Consume "This is one of a series of retail agreements we intend to announce that will make AT&T Call widely and conveniently available to as many consumers as possible."

"Voice-over IP is an exciting technology and service offering for consumers and small busin – Sprosty, vice president of subscription services at Best Buy. "The consumer value propositic People can save money utilizing this feature-rich service. We're excited to add AT&T CallV VoIP, telephony and networking products and services and provide our consumers with moron our website."

AT&T CallVantage Service is different from traditional phone services because, through the it offers customers a complete calling solution that delivers unlimited local and long-distance features such as call waiting, three-way calling, and call forwarding, and many more as well get unprecedented convenience, cost savings and control with innovative features including

- "Call Logs," to track incoming and outgoing;
- "Do Not Disturb," to receive calls only when wanted;
- "Locate Me," which rings up to five phones, all at once, or sequentially;
- "Voicemail with eFeatures," to listen to messages from any phone or PC and forwarcs
 Web; and
- "Personal Conferencing," to set up meetings with up to nine additional callers.

All that is required for service is the easy-to-connect Telephone Adaptor (TA) included in the broadband Internet connection and regular telephone supplied by the customer. It is simple consumers to install -- typically in 10 minutes.

AT&T CallVantage Service works with most cable modem or digital subscriber line (DSL) bracks TA is compatible with most home computer networks and may be used in conjunction with variable routers. The adapter can be used from almost any location where there is a telephone and \equiv

http://biz.yahoo.com/prnews/040823/nym100_1.html?printer=1

Traveling with the TA and AT&T CallVantage Service gives customers the ability to stay connected by taking this service with them as they travel.

The nationwide service is generally available to consumers wanting local area codes and numbers in 39 states and Washington, D.C.

To learn more about AT&T CallVantage Service, consumers can visit <u>http://www.CallVantage.com</u> or call 1-866-816-3815, extension 70339.

About AT&T

For more than 125 years, AT&T (NYSE "T") has been known for unparalleled quality and reliability in communications. Backed by the research and development capabilities of AT&T Labs, the company is a global leader in local, long distance, Internet and transaction-based voice and data services.

AT&T 'Safe Harbor'

The foregoing contain 'forward-looking statements' which are based on management's beliefs as well as on a number of assumptions concerning future events made by and information currently available to management. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside AT&T's control, that could cause actual results to differ materially from such statements. For a more detailed description of the factors that could cause such a difference, please see AT&T's filings with the Securities and Exchange Commission. AT&T disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This information is presented solely to provide additional information to further understand the results of AT&T.

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Press Release

Source: AT&T

AT&T CallVantage Service To Be Available in More Than 600 Best Buy Stores Nationwide

Monday August 23, 10:27 am ET

First Distribution Agreement to Spur Growth and Adoption of New AT&T Broadband Telephone Service

BEDMINSTER, N.J., Aug. 23 /PRNewswire/ -- AT&T today announced that Best Buy will be among the first national retailers to offer AT&T's residential Voice over Internet Protocol (VoIP) phone service, AT&T CallVantage(SM) Service, in its 628 stores nationwide and online at <u>www.bestbuy.com</u>.

AT&T CallVantage Service will be available in Best Buy stores nationwide beginning this fall. Under terms of the agreement, Best Buy and AT&T will promote AT&T CallVantage Service through in-store marketing as well as print, broadcast and online advertising.

"We're delighted to launch our retail strategy for AT&T CallVantage Service with Best Buy, a well-known and respected brand name and the nation's leading specialty retailer of technology and entertainment products and services," said Cathy Martine, AT&T senior vice president for Internet Telephony, Consumer Marketing and Sales. "This is one of a series of retail agreements we intend to announce that will make AT&T CallVantage Service more widely and conveniently available to as many consumers as possible."

"Voice-over IP is an exciting technology and service offering for consumers and small businesses alike," said David Sprosty, vice president of subscription services at Best Buy. "The consumer value proposition of VoIP service is clear. People can save money utilizing this feature-rich service. We're excited to add AT&T CallVantage to our assortment of VoIP, telephony and networking products and services and provide our consumers with more options in our stores and on our website."

AT&T CallVantage Service is different from traditional phone services because, through the use of IP-based networks, it offers customers a complete calling solution that delivers unlimited local and long-distance domestic calling, typical features such as call waiting, three-way calling, and call forwarding, and many more as well. Indeed, consumers will get unprecedented convenience, cost savings and control with innovative features including:

- "Call Logs," to track incoming and outgoing;
- "Do Not Disturb," to receive calls only when wanted;
- "Locate Me," which rings up to five phones, all at once, or sequentially;
- "Voicemail with eFeatures," to listen to messages from any phone or PC and forward them to anyone on the Web; and
- "Personal Conferencing," to set up meetings with up to nine additional callers.

All that is required for service is the easy-to-connect Telephone Adaptor (TA) included in the Welcome Package, a broadband Internet connection and regular telephone supplied by the customer. It is simple to use and easy for consumers to install -- typically in 10 minutes.

AT&T CallVantage Service works with most cable modem or digital subscriber line (DSL) broadband connections. The TA is compatible with most home computer networks and may be used in conjunction with various home network routers. The adapter can be used from almost any location where there is a telephone and a broadband connection.

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AUGUST 25, 2004



Amazon.com Offers AT&T CallVantage

BEDMINSTER, N.J. -- AT&T (NYSE: <u>T</u> - <u>message board</u>) today announced that Amazon.com (Nasdaq: <u>AMZN</u> - <u>message board</u>), a leading retailing Website (http://www.amazon.com), will offer AT&T CallVantage(SM) Service, the company's residential Voice over Internet Protocol (VoIP) broadband phone service, to consumers.

Amazon.com customers can find AT&T CallVantage in the Electronics Store at Amazon.com by searching for VoIP or CallVantage. "Tech-savvy shoppers know Amazon.com to be one source where they can find all of their online purchases quickly and easily," said Cathy Martine, AT&T senior vice president for Internet Telephony. "We're delighted to launch our e-tail strategy for AT&T CallVantage Service online with Amazon.com. Our goal is to make our service widely and conveniently available to as many consumers as possible."

AT&T CallVantage Service is now available to consumers in 170 U.S. markets coast to coast and is currently being trialed overseas for use by remote workers of U.S. multinational corporations. All that's required to use AT&T CallVantage is a telephone adapter provided by AT&T and a broadband connection, which lets consumers talk over high-speed Internet connections instead of traditional circuit-switched phone networks.

AT&T CallVantage Service is different than traditional phone services because, through the use of IP-based networks, it can offer customers typical features such as call waiting, three-way calling, and call forwarding, and far more advanced ones as well. Indeed, consumers will get unprecedented convenience, cost savings and control with innovative features including:

- "Call Logs," to track incoming and outgoing;
- "Do Not Disturb," to receive calls only when wanted;
- "Locate Me," which rings up to five phones, all at once, or sequentially;
- "Voicemail with eFeatures," to listen to messages from any phone or PC and forward them to anyone on the Web; and
- "Personal Conferencing," to set up meetings with up to nine additional callers.

The agreement continues the momentum behind AT&T CallVantage. In addition to AT&T's direct marketing and advertising efforts, the company sees opportunities to expand its distribution channels through co-marketing, distributor and additional retail/e-tail relationships.

AT&T Corp.

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Press Release

Circuit City Signs On to Sell AT&T CallVantage Service

Wednesday September 29, 10:12 am ET

Agreement Expands Retail Distribution Base of AT&T's Voice over IP Offer

BEDMINSTER, N.J., Sept. 29 /PRNewswire/ -- AT&T today announced that beginning October 1, Circuit City Stores, Inc. will sell AT&T CallVantage(SM) Service through its stores in markets where AT&T offers its new broadband phone service and online at <u>http://www.circuitcity.com</u>.

AT&T CallVantage Service is now available to consumers in more than 170 markets in 39 states and Washington, D.C., which covers 80 percent of Circuit City's existing retail footprint.

Under terms of the agreement, Circuit City and AT&T will promote AT&T CallVantage Service through in-store marketing, print, and online advertising.

"Voice over IP is an emerging technology, and we are excited to offer customers choices when it comes to purchasing Internet telephony," said Doug Moore, senior vice president, merchandising at Circuit City. "Voice over IP offers consumers convenience and savings on their local and long-distance calling needs."

"Circuit City is one of the nation's top consumer electronics retailers," said Cathy Martine, AT&T senior vice president for Internet Telephony. "By expanding our retail distribution base into Circuit City stores and making the service more widely available, we're well-positioned for the holiday shopping season."

AT&T CallVantage Service is different from traditional phone services because, through the use of IP-based networks, it offers customers a complete calling solution that delivers unlimited local and long-distance domestic calling, and offers typical features such as call waiting, three-way calling, and call forwarding. Consumers will get convenience, cost savings and control with innovative features including:

- * "Call Logs," to track incoming and outgoing;
- * "Do Not Disturb," to receive calls only when wanted;
- * "Locate Me," which rings up to five phones, all at once, or sequentially;
- * "Voicemail with eFeatures," to listen to messages from any phone or PC and forward them to anyone on the Web;
- * "Simple Reach(SM) Number, which enables AT&T CallVantage Service customers to add up to nine additional telephone numbers anywhere in the country where AT&T offers residential VoIP service; and
- * "Personal Conferencing," to set up meetings with up to nine additional callers.

All that is required for service is the easy-to-connect Telephone Adaptor (TA) included in the Welcome Package, a broadband Internet connection and a regular telephone supplied by the customer. It is simple to use and easy for consumers to install-typically in 10 minutes.

AT&T CallVantage Service works with most cable modem or digital subscriber line (DSL) broadband connections. The TA is compatible with most home computer networks and may be used in conjunction with various home network routers. The adapter can be used from almost any location where there is a telephone and a broadband connection giving customers the ability to stay connected by taking this service with them as they travel.

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Source: AT&T

To learn more about AT&T CallVantage Service, consumers can visit <u>http://www.CallVantage.com</u> or call 1-866-816-3815, extension 70339.

About Circuit City Stores, Inc.

Richmond, Va.-based Circuit City Stores (NYSE: <u>CC</u> - <u>News</u>) is a leading specialty retailer of consumer electronics. Circuit City operates 608 Superstores and five mall-based stores in 158 U.S. markets. Its International segment operates through more than 1,000 retail stores and dealer outlets in Canada. Circuit City also operates a Web site at http://www.circuitcity.com.

About AT&T

For more than 125 years, AT&T (NYSE "T") has been known for unparalleled quality and reliability in communications. Backed by the research and development capabilities of AT&T Labs, the company is a global leader in local, long distance, Internet and transaction-based voice and data services.

AT&T 'Safe Harbor'

The foregoing contains 'forward-looking statements' which are based on management's beliefs as well as on a number of assumptions concerning future events made by and information currently available to management. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside AT&T's control, that could cause actual results to differ materially from such statements. For a more detailed description of the factors that could cause such a difference, please see AT&T's filings with the Securities and Exchange Commission. AT&T disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. This information is presented solely to provide additional information to further understand the results of AT&T.

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Source: AT&T

washingtonpost.com AT&T, Vonage Cut Prices on Internet Calling

Reuters Thursday, September 30, 2004; 1:51 PM

By Justin Hyde

WASHINGTON (Reuters) - AT&T Corp. and Internet telephone provider Vonage said on Thursday they were cutting prices for their residential Internet calling services by \$5 per month, the strongest signs yet of a price war in the nascent market.

AT&T, which made Internet calling services a priority after announcing its retreat from traditional residential telephone services in July, said it was lowering the price on its CallVantage service by \$5 per month to \$29.99. It said the cut, along with an offer of one free month for some new subscribers, was meant to spur demand ahead of the holiday season.

Vonage, the largest U.S. Internet calling service with 270,000 subscribers, announced a few hours later that it would lower the price of its unlimited service by \$5 to \$24.99 per month. Vonage also said it would upgrade customers on a limited plan that had cost \$24.99 to the unlimited service for free.

More than a dozen companies currently offer voice over Internet Protocol, or VOIP, services to U.S. residential customers. Most offer unlimited local and long-distance calls for \$30 per month or less, with some as low as \$19.95, although those fees do not include the broadband Internet connection that VOIP requires. Comparable plans for traditional service from the dominant U.S. telephone carriers typically cost about \$60 to \$70 per month.

The rise of consumer VOIP has been driven by the growing number of U.S. households with broadband Internet access, as well as steep declines in the

cost of the infrastructure necessary to run VOIP services. Vonage, a New Jersey start-up, was able to garner more than 200,000 subscribers for about \$103 million in venture capital and raised another \$105 million last month for expanding into foreign markets.

While industry experts estimate the current residential VOIP market has less than 1 million subscribers, they expect sharp growth starting in 2005 as large cable companies such as Comcast Corp. roll out their VOIP services. Communications consulting firm Yankee Group forecasts VOIP services will win 17.5 million residential users by 2008.

Analysts say more VOIP competitors will add even more pricing pressure that may imperil some small companies. Before Thursday's moves, AT&T had already lowered the price of CallVantage once, and other providers offer free months, or limited calling plans for as little as \$10 per month.

"The low barriers to entry makes the business all the more competitive and currently all players are competing on price with very little differentiation," UBS analyst John Hodulik said in a research note.

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Press Release

AT&T Introduces New Residential VoIP Plan

Thursday October 14, 8:13 am ET

Feature-rich Unlimited Local Service for \$19.99 per month

BEDMINSTER, N.J., Oct. 14 /PRNewswire/ -- Providing customers a choice in voice over Internet Protocol (VoIP) calling plans, AT&T today introduced an unlimited local version of its popular residential broadband phone service called AT&T CallVantageSM Local Plan.

For \$19.99 per month, customers receive unlimited local calling and access to the entire AT&T CallVantage Service advanced feature set. All local toll and long distance calling in the U.S. and to Canada will be billed at \$0.04 a minute. International calling will be billed by the minute at rates on average 50 percent less than the company's leading offers. The new calling plan will become available October 17.

"The AT&T CallVantage Local Plan was designed to serve the needs of those customers who make relatively few long distance calls, but who are looking for an economical, feature-rich, local service alternative," said Cathy Martine, AT&T senior vice president for Internet Telephony. "This plan provides the best of all worlds, unlimited local calling, very competitive long distance rates and access to a complete suite of powerful calling features including voicemail."

The AT&T CallVantage Local Plan is available to consumers in more than 170 markets coast-to-coast representing 62 percent of the nation's households.

Upon signing up, all that's required to use AT&T CallVantage Local is a telephone adapter provided by AT&T or its valued retailers, and a broadband connection, which lets consumers talk over high-speed Internet connections.

The AT&T CallVantage Local Plan is different than traditional phone services because, through the use of IP-based networks, it can offer customers typical features such as call waiting, three-way calling, and call forwarding, and far more advanced ones as well. Indeed, consumers will get unprecedented convenience, cost savings and control with innovative features including:

• "Call Logs," to track incoming and outgoing calls; - "Do Not Disturb," to receive calls only when wanted; - "Voicemail with eFeatures," to listen to messages from any phone or PC

and forward them to anyone on the Web;

- "Simple Reach(SM) Number, which enables customers to add up to nine telephone numbers with area codes anywhere in the country where AT&T offers residential VoIP service for \$4.99 per number;
- "Personal Conferencing," to set up meetings with up to nine additional callers; and,
- "Locate Me," which rings up to five phones, all at once, or sequentially (long distance charges will apply to calls forwarded to non-local numbers).

All AT&T CallVantage Service customers also receive a "Home Wiring Do-It- Yourself Guide" with each self-install kit that provides step-by-step instructions for connecting the service to multiple home phones to replicate the traditional home calling environment and make the most efficient use of their existing telephone equipment.

For those homeowners who prefer that a trained technician perform the work, AT&T has a fee-based inside wiring service to reconfigure existing lines and telephone jacks, install additional jacks if required, and provide limited assistance with service set-up.

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"Now customers can choose between an unlimited local plan for \$19.99 a month or the original unlimited local and long distance plan for \$29.99 a month," said Martine.

Both AT&T CallVantage Service plans are available through many of the nation's leading retailers including Amazon.com, Best Buy, Circuit City and TigerDirect.com.

To learn more about AT&T CallVantage Service, consumers can visit <u>http://www.CallVantage.com</u>, call 1-866-816-3815, extension 70339, or visit one of these retailers.

About AT&T

For more than 125 years, AT&T (NYSE "T") has been known for unparalleled quality and reliability in communications. Backed by the research and development capabilities of AT&T Labs, the company is a global leader in local, long distance, Internet and transaction-based voice and data services.

The foregoing contains "forward-looking statements" which are based on management's beliefs as well as on a number of assumptions concerning future events made by and information currently available to management. Readers are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties and other factors, many of which are outside AT&T's control, that could cause actual results to differ materially from such statements. For a more detailed description of the factors that could cause such a difference, please see AT&T's filings with the Securities and Exchange Commission. AT&T disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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