



**2006 Frost & Sullivan Award for Vertical
Market Penetration Leadership
Award Recipient: AT&T Inc.**

Frost & Sullivan presents its 2006 Vertical Market Penetration Leadership Award in the Retail Vertical to AT&T Inc (formerly SBC). AT&T Inc. is the largest telecommunications company in the U.S. and is the largest U.S. provider of broadband DSL and long distance and local voice services. It has one of the world's most advanced and powerful IP backbone networks, carrying 4.6 petabytes (4.9 billion megabytes) of traffic on an average business day with up to 99.999% availability. AT&T Inc. provides international voice service in 240 countries, linking 400 carriers and offering remote access via 19,500 points of presence in 149 countries across the world.

The U.S. retail industry has immense potential for telecommunication services. Key areas of impact include transaction processing, data transfer, and customer service and security measures. Connectivity solutions aimed at interconnecting store locations with headquarters and high-speed data networks targeting faster transaction processing with added functionality are fueling the growth of telecom services in the retail market.

AT&T Inc. has a strong focus on the retail vertical, and offers custom-made solutions for various distinct sub-segments. AT&T Inc.'s client base includes customers ranging from drugstore chain, animal supplies and electronics retail. In 2005, AT&T Inc. bagged several prestigious projects from several top retailers including:

- Walgreen, the nation's largest drugstore chain, signed a contract that provides voice, data, networking and managed services to more than 2000 Walgreen locations
- PETCO, uses AT&T Inc.'s MPLS based NVPN services to connect more than 700 PETCO locations. Additionally, AT&T Inc. provides network management and support services such as network monitoring and day-to-day services to assist PETCO's IT staff
- H.E.B, one of the largest food retailers, signed a deal with AT&T Inc. to connect all of its stores and corporate offices using VPN services. Along with

MPLS based networking services, AT&T Inc. provided H.E.B with local access, long distance voice and Dedicated Internet Access services

AT&T Inc. uses a number of market strategies to penetrate the retail vertical. In addition to enjoying strong customer references within the industry, the recent acquisition of AT&T by SBC is aimed at increasing market penetration, given the robust IP network presence of former AT&T. The strength of the brand name of former AT&T is further highlighted by the fact that AT&T won the 2003 Frost and Sullivan Award for Marketing Strategy in Retail Vertical, clearly outlining the company's efforts towards robust marketing and branding initiatives.

AT&T Inc. has also collaborated with several retailers such as Barnes & Noble and Coffee Bean and Tea Leaf and other service providers such as Wayport to popularize their FreedomLink services.

AT&T Inc. offers a range of services across voice & data services, managed services and consulting. AT&T Inc., while offering solutions to its customers, bundles several product offerings to suit the requirements of the client. In the case of H.E.B, while offering NVPN services, AT&T also provided H.E.B with local voice services, long distance and Internet access services. The solutions offered to PETCO provided the retailer with connectivity across 700 locations and additional network maintenance and monitoring services.

Most retailers prefer to turn to a single point-of-contact for network maintenance and management needs. The award specifically recognizes AT&T Inc. for its ability to match up to top retailers in terms of its scale, offering the benefit of being a single point-of-contact for network management, maintenance and CPE services at a national scale. Using MPLS technology as its primary network architecture, AT&T Inc., along with providing reliable WAN connectivity, also provides additional level of redundancy to support mission critical applications for its customers.

Considering several factors such as AT&T's commitment and focus towards the retail vertical, bundled offerings to the retail industry to suit different market segments and their priorities, the extent of customer patronization and projects won, Frost & Sullivan is proud to present its 2006 Vertical Market Penetration Leadership Award in the retail vertical to AT&T Inc.