

Frost & Sullivan Recognizes BellSouth's Product Line Strategy in the North American Metro Ethernet Services Market**Date Published:** 5 Oct 2006

Palo Alto, Calif. — October 5, 2006 — *Frost & Sullivan* selected BellSouth as the recipient of the 2006 Frost & Sullivan Award for Product Line Strategy in recognition of its ability to utilize strategic technology and introduce new Metro Ethernet services that are positioned to balance their product line.

BellSouth announced in July 2006 that it would deploy Ethernet over copper technology from Hatteras Networks. Considered the mid-band Ethernet market leader, BellSouth can now provide 2 Mbps, 4 Mbps and 8 Mbps Metro Ethernet services in addition to its existing 10 Mbps, 100 Mbps and 1 Gbps offerings (currently provisioned over fiber).

Small and medium-sized businesses (SMBs) without fiber access can thus obtain lower-cost Metro Ethernet services, and larger businesses can benefit by migrating remote offices and telecommuters to Ethernet.

"Although a handful of other service providers in the United States announced implementing Ethernet over copper solutions, BellSouth is the first Regional Bell Operating Company (RBOC) to deploy such technology and offer these services," says Frost & Sullivan Research Analyst Maria Zeppetella. "The company is clearly differentiating itself from other providers by utilizing its copper infrastructure assets to deliver Ethernet services to customers."

Many large service providers struggle with how to respond to the demand for sub-10 Mbps Metro Ethernet from SMB customers since most of them do not have fiber access. BellSouth made a commitment to deliver these services over copper. Now, many of these customers can migrate from T1 (1.5 Mbps) to 2 Mbps or 4 Mbps of Ethernet.

"Without the option offered by BellSouth, customers desiring a bandwidth upgrade would have had to move to DS3 speed of 45 Mbps – an enormous increase in both bandwidth and price that most SMBs do not need nor can afford," adds Zeppetella.

Overall, the introduction of the copper over Ethernet technology from Hatteras has allowed BellSouth to tap into the SMB market for Ethernet service delivery.

This segment has been largely untouched by major U.S. service providers with a Metro Ethernet services portfolio since Ethernet relies primarily upon fiber for service delivery.

Only recent advances with technology such as Hatteras' Ethernet service edge platform have allowed providers to focus on enterprises without fiber access as well as the SMB segment.

In recognition of its innovative product strategy that has enabled BellSouth to pull together its product line, reach out to new users, and gain market share, Frost & Sullivan presents it with the 2006 Product Line Strategy Award.

Each year Frost & Sullivan presents this Award to a company that has demonstrated the most insight into customer needs and product demands. The recipient company should have optimized its product line by leveraging products with the various price, performance and feature points required by the market.

Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as

leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis and extensive secondary research in order to identify best practices in the industry.

About BellSouth

BellSouth Corporation is a Fortune 500 communications company headquartered in Atlanta, Georgia. BellSouth has joint control and 40 percent ownership of Cingular Wireless, the nation's largest wireless voice and data provider with 57.3 million customers.

Backed by award-winning customer service, BellSouth offers the most comprehensive and innovative package of voice and data services available in the market. Through BellSouth Answers®, residential and small business customers can bundle their local and long distance service with dial-up and high-speed DSL Internet access, satellite television and Cingular® Wireless service. For businesses, BellSouth provides secure, reliable local and long distance voice and data networking solutions. BellSouth also offers print and online directory advertising through The Real Yellow Pages® and YELLOWPAGES.COM™ from BellSouth.

BellSouth believes that diversity and fostering an inclusive environment are critical in maintaining a competitive advantage in today's global marketplace. More information about BellSouth can be found at <http://www.bellsouth.com/>.

About Frost & Sullivan

Frost & Sullivan, a global growth consulting company, has been partnering with clients to support the development of innovative strategies for more than 40 years. The company's industry expertise integrates growth consulting, growth partnership services, and corporate management training to identify and develop opportunities. Frost & Sullivan serves an extensive clientele that includes Global 1000 companies, emerging companies, and the investment community by providing comprehensive industry coverage that reflects a unique global perspective and combines ongoing analysis of markets, technologies, econometrics, and demographics. For more information, visit www.awards.frost.com or www.ict.frost.com

Contact:

Stacie Jones
210.247.2450
Stacie.jones@frost.com