



News Release

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IKANO COMMUNICATIONS INC. SIGNS NEW DSL AGREEMENT WITH AT&T WORTH \$26 MILLION

SALT LAKE CITY, June 13, 2007 — AT&T Inc. (NYSE: T) has announced that IKANO Communications Inc., a leading provider of private-label, wholesale, and retail Internet services, has signed a 30-month multiservices agreement (MSA) worth \$26 million with AT&T.

The MSA includes a new DSL commercial agreement for AT&T DSL Internet Service, which enables IKANO to provide broadband access to its end users, as well as the AT&T Wholesale Roaming Service, which provides dial-up Internet access and Internet Protocol (IP) backbone connectivity by using the AT&T IP dial-up network.

In concert with these services, IKANO will become an aggregator for lower-volume Internet service provider (ISP) customers who are seeking competitive rates. Additionally, AT&T will work with IKANO to enhance its Layer 2 backbone for concentration of the DSL services through AT&T's Advanced Broadband Service, an end-to-end dedicated interstate Internet information access service.

AT&T is the nation's largest broadband provider. The agreement with AT&T allows IKANO to sell services in a wide footprint that includes 13 states (Missouri, Michigan, Arkansas, Ohio, Wisconsin, Indiana, California, Texas, Oklahoma, Connecticut, Nevada, Kansas and Illinois). IKANO will be able to offer three tiers of DSL including 1.5 Mbps, 3 Mbps and 6 Mbps.

"The agreement with AT&T allows IKANO to increase network services to our customers and gives us a 13-state expansion and a competitive DSL access product for potential new customers in those territories," said George Naspo, president and CEO, IKANO. "The new agreement also helps us to expand our retail and wholesale offerings simultaneously, which is extremely positive for our business."

"We are pleased to enter into the next level of our relationship with IKANO," said Thomas Harvey, vice president, Emerging Markets for AT&T Wholesale, AT&T Operations, Inc. "This agreement enables both IKANO and AT&T to explore new opportunities in a changing market."

IKANO has established relationships with some of the largest telecommunications carriers in the United States and Canada. The agreement with AT&T also allows IKANO to grow other segments of its business, including Internet networking infrastructure, wholesale access, private-label and consumer Internet services. Its private-label platform supports turnkey dial-up, DSL, wireless access solutions, e-mail/Webmail, instant messaging, hosting, billing and branded customer service. The company expects further growth as the infrastructure for broadband service expands nationwide. IKANO is backed by a number of industry-leading investors, including Insight Venture Partners at www.insightpartners.com.

AT&T is a global leader in delivering a full portfolio of reliable and highly secure network, data and IP solutions to the six wholesale industry segments it serves. As a leading provider of wholesale services, AT&T provides complete end-to-end solutions locally and globally for carriers, wireless operators, cable providers, systems integrators, Internet service providers and content providers. The company helps businesses grow by extending their footprint, strengthening their network infrastructure, making their internal business operations more efficient and complementing their existing offers with value-added application services.

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About IKANO Communications, Inc.

IKANO Communications was founded over 10 years ago as a regional Internet service provider in the Intermountain West and since then has flourished to become the industry leader in private-label, wholesale, and retail Internet services. IKANO leverages its ISP platform to provide outstanding services at highly competitive prices. The company's rapid growth and excellence in the field have resulted in IKANO's ranking in the Inc. 500, Technology Fast 500, Inner City 100, Utah 100, and Call Center of the Year. For more information, please visit www.ikano.com. Companies interested in learning more about IKANO should contact info@ikano.com, or call 877.492.0121.

About AT&T

AT&T Inc. (NYSE: T) is a premier communications holding company. Its subsidiaries and affiliates, AT&T

operating companies, are the providers of AT&T services in the United States and around the world. Among their offerings are the world's most advanced IP-based business communications services and the nation's leading wireless, high speed Internet access and voice services. In domestic markets, AT&T is known for the directory publishing and advertising sales leadership of its Yellow Pages and YELLOWPAGES.COM organizations, and the AT&T brand is licensed to innovators in such fields as communications equipment. As part of its three-screen integration strategy, AT&T is expanding its TV entertainment offerings. Additional information about AT&T Inc. and the products and services provided by AT&T subsidiaries and affiliates is available at <http://www.att.com>.

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