

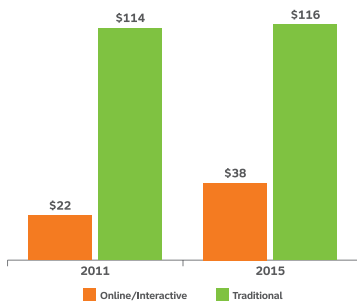
AT&T Interactive Industry Brief: Corporate Overview

Learn about AT&T Interactive and how the [YP] Local Ad Network delivers solutions for advertisers and publishers.

AT&T Interactive Key Metrics

- Nearly 1 billion dollars in annual revenue
- Over 2 billion local online and mobile searches annually⁵
- Over 75 million monthly unique users in our network⁶
- Over 14 million monthly unique visitors across our mobile search network⁷
- Over 16 million business listings across 4,600 categories
- 5,000+ team of local sales representatives

Figure 1: Local Ad Spending



BIA/Kelsey's Annual U.S. Local Media Forecast, 2010-2015, April 2011

AT&T Interactive: Connecting Local Advertisers, Publishers and Consumers

AT&T Interactive, a subsidiary of AT&T Inc., offers advertisers significant reach and return across the many platforms and devices consumers use today. AT&T Interactive develops advertising platform technology products that deliver timely and relevant information to consumers while providing substantial reach and engagement opportunities for advertisers. AT&T Interactive's [YP] Local Ad Network helps advertisers grow their business and distributes ads to a distinguished list of top publishers. Leveraging its long history in local search advertising, AT&T Interactive provides solutions for engagement on three platforms: online, mobile and IPTV.

Search Is Increasingly Local

Local online ad spending is forecast to nearly double between 2011 and 2015, while local traditional ad spending growth will be relatively flat (see Figure 1). This local ad spending trend reflects the growing importance of local online search advertising to advertisers and publishers looking to profit from consumers seeking local information. According to recent data, the number of people who sought local content on a mobile device grew 33 percent compared to the prior year.¹ BIA/Kelsey predicts by 2014 local searches will comprise one-third of searches on mobile devices²; local will comprise 70 percent of all mobile search revenue by 2015.³

The local advertising net increase suggests that online and mobile advertising represent a significant growth opportunity for local businesses. As consumers connect to the Internet from an increasing number of locations and devices, new business opportunities for local search advertising emerge. These new media channels and interfaces, designed to help consumers make daily buying decisions, also offer advertisers and publishers the opportunity to connect with consumers when they are engaged and ready to buy.

Ad Serving Platform Drives Local Ad Network

AT&T Interactive is innovative because it is constantly incubating core technologies. This increasing array of products and services help advertisers connect with local consumers. These products and services include:

- AT&T Interactive owned and operated properties, including the YP.com site, YPmobile® products, MEdia™ Net and ATT.net deliver highly targeted local search results.
- The AT&T Interactive Ad Serving Platform delivers advertising content in text and display formats to publisher websites across the [YP] Local Ad Network. The platform ensures advertiser listings receive optimal exposure across numerous web properties. It also delivers the timely and relevant ad content to support monetization opportunities for publishers who partner with AT&T Interactive.
- AT&T Interactive's in-app local ads enable mobile application developers and publishers to generate revenue by serving local display ads from the [YP] Local Ad Network. AT&T Interactive's in-app local ads are available on iOS, Android, and other major mobile platforms and provide an easy way for developers to access a large volume of high quality local ads.

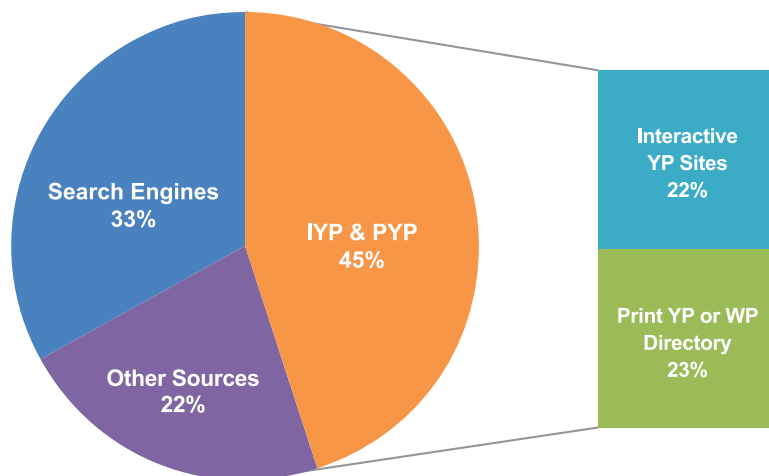
AT&T Interactive continues to advance core platform technology while augmenting its online, mobile, and IPTV product portfolios with advanced functionality to help consumers discover local businesses.

The Advantage of Consumer Immediacy

AT&T Interactive technology provides relevant search results and display ads that enable consumers to search, connect, save, and buy from local businesses where and when they like.

- **Search and Find:** The YP.com site, AT&T Interactive flagship local business search site, delivers the accuracy of an Internet yellow pages combined with the flexibility of a search engine. According to eMarketer, there were 77 million mobile web users and 60 million smartphones in use in the United States in 2010.⁴ The YP.com site, as well as the [YP] app, are available to those users. With the YP.com site, agencies and local and national businesses alike can purchase sponsored search listings, display ads, and video profiles. Consumers continue to rely on our portfolio as they transition from print to online discovery. Consumers seeking local business information rely on the combination of interactive and print yellow pages more often than they turn to search engines (see Figure 2).

Figure 2: Primary Source of Local Business Information



TMP Directional Marketing/15miles & comScore, Local Search Usage Study, Q3 2010

AT&T Interactive Industry Brief: Corporate Overview

- **YP Local Ad Network:** Local information is delivered to millions of additional mobile users across the [YP] Local Ad Network, including ATT.net, the CityGrid® network as well as major mobile publishers like Yahoo!, Bing, Local.com, AOL, and more. In addition to search, advertisers can also serve targeted mobile display ads and utilize innovative Pay Per Call® services.
- **Mobile Apps:** AT&T Interactive's YPmobile® products are available for download on iPad and iPhone. YPmobile® products are also available across all wireless providers and major operating systems, including Blackberry and Palm. The [YP] app's native device support enables consumers to find local information where and when they are ready to spend. The [YP] app has a pre-activation presence, or has been downloaded through digital app stores, on over 40 million mobile phones.⁵ In addition, AT&T Wireless subscribers can take advantage of MEdia™ Net, the installed browser available on most AT&T phones. MEdia™ Net allows users to check mail, send and receive instant messages, stay on top of news, weather and entertainment, and more.
- **IPTV':** The YPtv® service is an interactive feature of AT&T's digital IPTV service on AT&T U-verse® TV. Located on Channel 97 on U-verse® TV, YPtv® uses fiber optic technology to deliver over 16 million business listings to consumers on IPTV screens in the comfort of their living rooms. Listings are optimized for IPTV and include general information, address, phone number, maps and hours of operation.
- **Value-Added Services:** In addition to selling media to our customer database of one million and growing, our experienced AT&T Advertising Solutions team offers high-impact services that help agencies and local businesses establish an interactive presence. Services include website and mobile website creation and management, display ad creation,

¹Internet Protocol Television is a system through which Internet television services are being delivered using the architecture and networking methods of the Internet Protocol Suite over a packet-switched network infrastructure, instead of being delivered through traditional radio frequency.

AT&T Interactive Industry Brief: Corporate Overview

landing page design, search engine optimization, and subscription-based search engine marketing buys across all major search properties.

About AT&T Interactive

AT&T Interactive products and services enable consumers to discover, connect and transact with businesses across the devices and platforms consumers use most: online, mobile, and TV. AT&T Interactive's [YP] Local Ad Network offers potential reach of over 80 million monthly unique visitors⁶ across its online search network, and over 15 million unique visitors⁷ across its mobile search network.

For more information about AT&T interactive, its products and mobile solutions, please visit: www.attinteractive.com

Maximum Relevance and Reach

The [YP] Premier Local Ad Network helps advertisers reach a potential audience of over 75 million monthly unique local consumers and drives advertiser value via relationships with locally relevant properties and services across PC, mobile devices and U-verse.

In addition to the YP.com site, the [YP] Local Ad Network features a growing family of premium third-party media such as Yahoo!, Bing, Local.com, AOL, Citysearch, Urbanspoon and more. Over the past year, visitors to these sites experienced connection to timely and relevant local search results by conducting over two billion local searches on the [YP] Local Ad Network.⁵

More than 5,000 sales specialists at AT&T Advertising Solutions, a subsidiary of AT&T, support advertisers in their online ad buys. The goal of the Advertising Solutions team is to maintain quality partnerships with over one million advertisers, while cultivating new local business relationships daily. Other publishers, such as Dex One and Local Insight Media, extend our advertiser reach by reselling our products in select markets.

Combining reach, relevance and innovative technology, AT&T Interactive offers extensive opportunities for advertisers to deliver highly targeted relevant messages to millions of potential buyers whether they are on the go, in the office or in the comfort of their living room.⁷

¹ comScore, 3 month average ending April 2010 vs April 2011; local mobile content includes maps, movies, business directories, or restaurants

² BIA/Kelsey U.S. Mobile Advertising Forecast 2009-2014, published December 2010

³ BIA/Kelsey U.S. Mobile Advertising Forecast 2010-2015, published April 2011

AT&T Interactive Industry Brief: Corporate Overview

⁴eMarketer, Smart and Getting Smarter: Key Mobile Device Trends for Marketers, February 2011

⁵AT&T Interactive Analytics, January 2011. Data have not been subject to third party review and are not subject to audit.

⁶comScore, AT&T Interactive Network (Online Search), August 2011

⁷Nielsen, Custom User-Defined Report, July 2011

© 2011 AT&T Intellectual Property. All rights reserved. AT&T, the AT&T logo and all other AT&T marks contained herein are trademarks of AT&T Intellectual Property and/or AT&T affiliated companies.