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SBC COMMUNICATIONS INC
Form 8-K
June 10, 2004

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: June 9, 2004

SBC COMMUNICATIONS INC.

(Exact name of registrant as specified in its charter)

1-8610

(Commission File Number)

DELAWARE

(State or other jurisdiction of incorporation)

43-1301883

(I.R.S. Employer Identification Number)

175 E. Houston, San Antonio, Texas, 78205

(Address of principal executive offices and zip code)

(210) 821-4105

(Registrant's telephone number, including area code)

Item 5. Other Events

SBC Communications Inc. ("SBC") today sold 69,436,344 million shares of Danish telecommunications approximately 12.96 billion Danish Kroners (approximately U.S.\$2.1 billion at a recent exchange rate) were sold to certain institutional investors located in Europe, the U.S. and elsewhere. TDC also sold 20,563,656 shares. As a result of this transaction, SBC now owns 20,563,656 shares of TDC. SBC has agreed to repurchase 180 days subject to exceptions for sales pursuant to: a public tender offer; TDC's share repurchase program; or to SBC's written consent of the investment banks conducting the sale to institutional investors; or to SBC's written consent.

SBC expects to report in its second-quarter 2004 financial results a net after-tax loss of approximately \$10 million.

As a result of this transaction, SBC will change from the equity method of accounting to the cost of sales method of accounting. Accordingly, SBC will no longer record proportionate results from TDC's results. In the first quarter of 2004, SBC recorded \$280 million in equity income from TDC. This income was primarily due to TDC's disposition of Belgacom, S.A (Belgacom), \$16 million related to Belgacom results reported in the first quarter of 2004, and \$51 million for TDC's restructuring charges and impairment of our goodwill associated with a TDC acquisition. If SBC had continued to use the equity method, equity income from TDC would have been \$64 million.

Information set forth in this report contains financial estimates and other forward-looking statements. Actual results may differ materially. A discussion of factors that may affect SBC's filings with the Securities and Exchange Commission. SBC disclaims any obligation to update this report based on new information or otherwise.

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The securities referred to in this report have not been and will not be registered under the U.S. and may not be offered or sold in the United States, except pursuant to an applicable exemption from offering of securities is being made into the United States.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused to be signed by the undersigned hereunto duly authorized.

SBC COMMUNICATIONS INC.

Date: June 9, 2004

By: ___/s/ John J. Stephens
John J. Stephens
Vice President and Cont