



# LRG

Leichtman Research Group

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## **BROADBAND INTERNET GROWS TO 25 MILLION IN THE U.S.**

### ***Top Providers Added a Record 7.4 Million Broadband Subscribers in 2003***

***Durham, NH – March 8, 2004*** – Leichtman Research Group, Inc. (LRG) found that, as of the end of 2003, the leading US cable and DSL providers accumulated over 24.6 million high-speed Internet subscribers. The year also saw record growth for broadband as the twenty largest cable and DSL providers in the US – representing about 98% of the market – added a combined 7.4 million high-speed Internet subscribers in 2003.

Additional broadband provider results include:

- The top cable companies netted 60% of the broadband additions in 2003, with cable adding about 4.5 million broadband Internet subscribers compared to close to 3 million added by the major DSL providers over the same time period
- The top cable broadband providers now have a 63% share of the overall market versus DSL and account for over 15.5 million high-speed Internet subscribers compared to 9.1 million for DSL
- The fourth quarter of 2003 was the best quarter ever for DSL providers, with DSL adding nearly 870,000 net additional subscribers, capturing 45% of the net high-speed Internet additions for the quarter compared to 55% for cable

A new LRG study, *Broadband Internet Access & Services in the Home 2004*, based on a survey of 1,600 households nationwide, reveals details on the usage and opinions of these broadband subscribers and other online households.

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Key findings include:

- 62% of residential households subscribe to an online service at home, and about one-third of this group subscribes to broadband
- 73% of broadband subscribers are “very satisfied” with their Internet service compared to 49% of narrowband/dial-up subscribers
- About 30% of current narrowband subscribers are interested in getting broadband

“Clearly the market for broadband has become more competitive in the past year, and competition will only intensify as the number of broadband subscribers in the US doubles over the next four years,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “Yet it is premature to proclaim that DSL is catching up to cable. As the totals indicate, this would be akin to congratulating a basketball team that was losing by 20 points after the 1<sup>st</sup> quarter for only being down by 24 points at halftime.”

Broadband Internet	Subscribers at end of 2003	Net adds in 2003
<b>Cable</b>		
Comcast	5,283,900	1,663,600
Time Warner	3,228,000	802,000
Cox	1,988,527	580,577
Charter	1,565,600	427,500
Cablevision	1,057,020	286,895
Adelphia*	951,406	324,236
Bright House Networks**	620,000	130,000
Mediacom	280,000	89,000
Insight	230,000	85,200
RCN**	195,000	42,669
Cable One	133,800	54,400
<b>Total Top cable</b>	<b>15,533,253</b>	<b>4,486,077</b>
<b>DSL</b>		
SBC	3,516,000	1,317,000
Verizon	2,319,000	649,000
Bell South	1,462,000	441,000
Qwest	637,000	127,000
Covad	517,000	136,000
Sprint	304,000	153,000
ALLTEL	153,028	82,846
Cincinnati Bell**	99,000	24,400
CenturyTel	83,400	31,100
<b>Total Top DSL</b>	<b>9,090,428</b>	<b>2,961,346</b>
<b>Total Broadband***</b>	<b>24,623,681</b>	<b>7,447,423</b>

Sources: The Companies and Leichtman Research Group, Inc.

\* Adelphia subscriber counts do not include properties owned by the Rigas family

\*\* Bright House Networks, RCN and Cincinnati Bell subscriber counts are estimates

\*\*\* Top cable and DSL providers represent approximately 98% of all subscribers  
Company subscriber counts may not represent solely residential households

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**About Leichtman Research Group, Inc.**

Leichtman Research Group, Inc. (LRG) specializes in research and consulting on the impact and adoption of broadband products and services. LRG combines on-going surveys and analysis with years of hands-on industry experience to provide companies with a richer understanding of the opportunities and challenges in today's broadband market. For more information about LRG, please call (603) 397-5400 or visit [www.LeichtmanResearch.com](http://www.LeichtmanResearch.com).

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