



# LRG

Leichtman Research Group

**FOR IMMEDIATE RELEASE**

## **A RECORD 2.3 MILLION ADD BROADBAND IN FIRST QUARTER OF 2004**

*Cable and DSL Split Quarterly Market Share*

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**Durham, NH – May 11, 2004** – Leichtman Research Group, Inc. (LRG) found that the twenty largest cable and DSL providers in the US – representing about 98% of the market – added a combined total of over 2.34 million subscribers in the first quarter of 2004. Net broadband additions for the quarter were the largest ever, bringing the total number of high-speed Internet subscribers for the leading US cable and DSL providers to over 26.9 million at the end of the first quarter of 2004.

DSL providers had their best quarter ever with about 1.17 million net additions – a figure that exceeded the fourth quarter of 2003, the now second-best quarter for DSL net additions, by 300,000 subscribers. This surge in subscriber additions brought DSL to a virtual dead-heat with cable in terms of market share of net additions for the quarter, improving upon DSL's fourth quarter 2003 market share of net additions of 45%.

Other key findings include:

- The top cable companies maintained a 6.4 million subscriber advantage over DSL, with cable now accounting for 16.67 million high-speed Internet subscribers compared to 10.26 million for DSL
- The top cable broadband providers now have a 62% share of the total market versus 38% for DSL – this is a slight change from a year ago when cable had 64% market share versus 36% for DSL

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- Cable's cumulative 1.17 million net additions in the quarter marked the sixth quarter out of the last seven that cable has achieved over one million net adds

“Over the past few quarters DSL providers have increased their focus on broadband with an emphasis on lower pricing. This message, along with extended availability of DSL, has clearly impacted consumer demand for DSL,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “Thus far, it appears that DSL's new found success has expanded the overall broadband market, rather than solely coming at the expense of cable's growth.”

Broadband Internet	Subscribers at end of Q1 2004	Net adds in Q1 2004
<b>Cable</b>		
Comcast	5,678,000	394,100
Time Warner	3,421,000	193,000
Cox	2,149,969	161,442
Charter*	1,653,000	125,200
Cablevision	1,128,930	71,910
Adelphia**	1,071,938	120,532
Bright House Networks***	650,000	30,000
Mediacom	302,000	22,000
Insight	258,000	28,000
RCN**	208,000	10,457
Cable One	147,300	13,500
<b>Total Top cable</b>	<b>16,668,137</b>	<b>1,170,141</b>
<b>DSL</b>		
SBC	3,962,000	446,000
Verizon	2,664,000	345,000
Bell South	1,618,000	156,000
Qwest	744,000	107,000
Covad***	545,000	28,000
Sprint	349,000	45,000
ALLTEL	174,489	21,461
Cincinnati Bell	110,000	11,000
CenturyTel	97,092	13,692
<b>Total Top DSL</b>	<b>10,263,581</b>	<b>1,173,153</b>
<b>Total Broadband****</b>	<b>26,931,718</b>	<b>2,343,294</b>

Sources: The Companies and Leichtman Research Group, Inc.

\* Charter totals reflect the closing of sales of some systems

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

\*\*\* Bright House Networks, RCN and Covad 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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