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Leichtman Research Group

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MAJOR PAY-TV PROVIDERS ADDED ABOUT 10,000 SUBSCRIBERS IN 1Q 2015

Pay-TV Net Adds Down Over 240,000 from Last Year's First Quarter

Durham, NH – May 14, 2015 – Leichtman Research Group, Inc. (LRG) found that the thirteen largest pay-TV providers in the US – representing about 95% of the market – added fewer than 10,000 net video subscribers in 1Q 2015, compared to a gain of over 250,000 video subscribers in 1Q 2014. This marked the weakest first quarter for pay-TV net adds since LRG began tracking the industry over a decade ago.

The top pay-TV providers account for nearly 95.2 million subscribers – with the top nine cable companies having about 49.2 million video subscribers, satellite TV companies having over 34.2 million subscribers, and top telephone companies having over 11.7 million subscribers.

Other key findings for the quarter include:

- The top nine cable companies lost about 60,000 video subscribers in 1Q 2015 – similar to a loss of about 50,000 subscribers in 1Q 2014
- Satellite TV providers lost 74,000 subscribers in 1Q 2015 – compared to a gain of 52,000 in 1Q 2014
 - Total DBS net adds in 1Q 2015 were the fewest in any first quarter, and fourth lowest in any quarter, since LRG began tracking the industry
- The top telephone providers added 140,000 video subscribers in 1Q 2015 – compared to 251,000 net additions in 1Q 2014
 - Net video adds for the Telcos in 1Q 2015 were the fewest in any quarter since 4Q 2006
- Over the past year, pay-TV providers lost about 370,000 subscribers – compared to a loss of about 65,000 subscribers over the prior year

“The traditionally strong first quarter for the pay-TV industry did not prove to be so this year. Despite virtually breaking even in the quarter, the first quarter of 2015 marked the first significant sign of an acceleration in pay-TV subscriber losses,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “In addition to changes in consumer demand for video services spurred by competition from alternatives, the decline of about 0.4% of subscribers over the past year was also driven by several providers becoming more discerning in customer acquisition and retention, focusing on higher-value/lower-churn customers at the expense of the volume of subscribers.”

Pay-TV Provider	Subscribers at the end of 1Q 2015	Net Adds in 1Q 2015	Net Adds in 1Q 2014
Cable Companies			
Comcast	22,375,000	(8,000)	24,000
Time Warner	11,025,000	33,000	(34,000)
Charter	4,288,000	(5,000)	13,000
Cablevision	2,653,000	(28,000)	(14,000)
Suddenlink	1,132,000	(6,400)	2,400
Mediacom	891,000	1,000	(8,000)
Cable ONE	421,333	(29,884)	(14,331)
Other major private companies*	6,435,000	(15,000)	(20,000)
Total Top Cable	49,220,333	(58,284)	(50,931)
Satellite TV Companies (DBS)			
DirecTV	20,412,000	60,000	12,000
DISH	13,844,000	(134,000)	40,000
Total Top DBS	34,256,000	(74,000)	52,000
Telephone Companies			
AT&T U-verse**	5,993,000	50,000	194,000
Verizon FiOS	5,739,000	90,000	57,000
Total Top Phone	11,732,000	140,000	251,000
Total Top Pay-TV Providers	95,208,333	7,716	252,069

Sources: The Companies and Leichtman Research Group, Inc.

* Includes LRG estimates for Cox and Bright House Networks

** Net additions reflect pro forma results from system sales and acquisitions

Top cable companies do not include overbuilder WOW with 606,500 subscribers

Top pay-TV providers represent approximately 95% of all subscribers

Company subscriber counts may not solely represent residential households

Note that LRG consumer research finds that about 1% of households subscribe to both cable and DBS

About Leichtman Research Group, Inc.

Leichtman Research Group, Inc. (LRG) specializes in research and analysis on the broadband, media and entertainment industries. LRG combines ongoing consumer research studies with industry tracking and analysis, to provide companies with a richer understanding of current market conditions, and the adoption and impact of new products and services. For more information about LRG, please call (603) 397-5400 or visit www.LleichtmanResearch.com.

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