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Leichtman Research Group

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BROADBAND NOW ACCOUNTS FOR 60% OF ONLINE HOUSEHOLDS

Household Income a Factor in Choice Between Cable and DSL

Durham, NH – May 31, 2006 – New consumer research from Leichtman Research Group, Inc. (LRG) finds that 69% of all US households now subscribe to an online service at home, and high-speed Internet services now account for about 60% of all online subscribers.

Overall, cable remains the most common source for residential broadband – driven by its strength among higher income households, but DSL now has a greater market share than cable among middle-income households.

- Thirty-seven percent of all households with annual household incomes over \$75,000 subscribe to cable broadband and 27% subscribe to DSL
- Among all households earning \$30,000-\$75,000 per year, 21% subscribe to DSL and 18% to cable

These findings are based on a telephone survey of 1,600 randomly selected households from throughout the United States and are part of a new LRG study, *Broadband Access and Services in the Home 2006*. This is LRG's fourth annual study of this topic.

Other key findings include:

- The mean annual household income of cable broadband subscribers is 12% higher than their DSL counterparts
- The mean income of broadband subscribers is 35% greater than narrowband/dial-up subscribers
- 40% of current narrowband/dial-up subscribers are interested in getting broadband

- 80% of all US households have at least one computer, but just 58% of those with annual household incomes under \$30,000 have a computer at home

“The percent of US households that subscribe to an online service is higher than ever, and broadband’s share of the online market continues to grow,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “LRG forecasts that by the end of the year 2010, there will be over 105 million residential online subscribers in the US – with over 80% subscribing to broadband.”

About Leichtman Research Group, Inc.

Leichtman Research Group, Inc. (LRG) is an independent firm that specializes in research and analysis on broadband, media and entertainment industries. LRG combines on-going surveys and analysis with years of hands-on industry experience to provide companies with a richer understanding of the potential impact and adoption of new products and services. For more information about LRG, please call (603) 397-5400 or visit www.LeichtmanResearch.com.

Broadband Access and Services in the Home 2006 is based on a telephone survey of 1,600 adults age 18+ from throughout the continental US that was conducted in March 2006. The random sample of respondents was distributed to best reflect the demographic and geographic make-up of the US. The overall sample has a statistical margin of error of +/- 2.5%.

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