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Leichtman Research Group

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1.7 MILLION ADDED MULTI-CHANNEL VIDEO SERVICES OVER THE PAST YEAR

Little Indication of Consumers “Cutting the Cord” to Video Services

Durham, NH – June 10, 2010 – Leichtman Research Group, Inc. (LRG) found that the largest cable, satellite, and Telco TV providers in the US acquired over 1.7 million net additional multi-channel video subscribers over the past year. While the top ten cable companies cumulatively lost about 1.4 million cable TV subscribers in the year-long period through the end of the first quarter of 2010, these losses were more than offset by a gain of 1.33 million satellite TV subscribers (from DirecTV and Dish Network), and 1.78 million subscribers to Telco TV services (from Verizon FiOS and AT&T U-verse). In the first quarter of 2010 alone, the multi-channel video industry as a whole added about 580,000 subscribers.

New consumer research from LRG complements these figures:

- In areas where cable TV is available, 89% of households with a TV set subscribe to some form of multi-channel video service – an all-time high
- In areas where cable TV is available, 66% of multi-channel video subscribers get cable – compared to 79% in 2004
- The mean annual household income of multi-channel video subscribers (where cable is available) is 59% higher than that of non-subscribers
- Just 1% of current non-subscribers to a TV service do not subscribe because they can watch all that they want on the Internet or in other ways. None of these non-subscribers reported dropping a video service in the past year

- 11% of satellite TV subscribers, 9% of cable TV subscribers, and 5% of Telco TV subscribers are likely to switch from their current provider in the next six months – figures that are similar to previous surveys
- Less than 1% of cable subscribers who are likely to switch mention getting all the programs they want on the Internet or in other ways as a reason for potentially switching

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, *Cable, DBS & Telcos: Competing for Customers 2010*. This is LRG's eighth annual study of this topic.

“The number of US households subscribing to some form of multi-channel video service is at an all-time high,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “Multi-channel video industry gains will likely be slower in the coming year than they were in the past year, due to the saturated market, coupled with tepid new housing growth, and a slowdown in the rollout of Telco TV services. Consumers’ decisions to disconnect from multi-channel video services to only watch video from other sources are unlikely to have a substantial impact on the market in the near-term.”

About Leichtman Research Group, Inc.

Leichtman Research Group, Inc. (LRG) 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.

Cable, DBS & Telcos: Competing for Customers 2010 is based on a telephone survey of 1,600 adults age 18+ from throughout the continental US that was conducted in March-April 2010. The random sample of respondents was distributed and weighted 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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