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Leichtman Research Group

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BROADBAND GROWTH SLOWS IN THE SECOND QUARTER OF 2008

Cable Gets Three-Quarters of the Additional Broadband Subscribers

Durham, NH – August 11, 2008 – Leichtman Research Group, Inc. (LRG) found that the twenty largest cable and telephone providers in the US – representing about 94% of the market – acquired 887,000 net additional high-speed Internet subscribers in the second quarter of 2008. These top broadband providers now account for 65.1 million subscribers – with cable companies having 35.3 million broadband subscribers, and telephone companies having over 29.7 million subscribers.

Other broadband findings for the quarter include:

- The top cable companies added over 670,000 subscribers, representing 76% of the net broadband additions for the quarter versus the top telephone companies
- Overall, broadband additions in 2Q 2008 amounted to 51% of those in 2Q 2007 – with cable having 85% as many additions as a year ago, and Telcos 23%
- The top cable broadband providers have a 54% share of the overall market, with a 5.6 million subscriber advantage over the top telephone companies

“Net broadband additions in the quarter were the fewest of any quarter in the seven years LRG has been tracking the industry,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “While the relative number of quarterly broadband adds has certainly peaked, the decline in additions this quarter compared to the same period last year was exacerbated by Verizon and AT&T’s emphasis on selling higher speed FiOS and U-verse bundled services, often at the expense of the traditional DSL service.”

Broadband Internet	Subscribers at end of 2Q 2008	Net Adds in 2Q 2008
Cable Companies		
Comcast	14,357,000	279,000
Time Warner	8,125,000	201,000
Cox*	3,885,000	40,000
Charter	2,787,300	19,300
Cablevision	2,395,000	52,000
Mediacom	702,000	14,000
Insight	424,600	12,400
Cable ONE	361,269	4,726
RCN	295,000	4,000
Other major private cable companies**	2,000,000	45,000
Total Top Cable	35,332,169	671,426
Telephone Companies		
AT&T	14,693,000	46,000
Verizon^	8,330,000	54,000
Qwest	2,732,000	31,000
Embarq	1,364,000	24,000
Windstream	934,300	23,300
CenturyTel	607,000	21,000
Frontier^^	559,300	16,280
FairPoint^^^	294,412	(1,166)
Cincinnati Bell	229,000	1,100
Total Top Telephone Companies	29,743,102	215,514
Total Broadband	65,075,184	886,940

Sources: The Companies and Leichtman Research Group, Inc.

* LRG estimate

** Includes LRG estimates for Bright House Networks and Suddenlink

^ No longer includes Northern New England properties now part of FairPoint Communications

^^ Citizens Communications Company has changed its name to Frontier Communications Corporation

^^^ FairPoint Communications added to the list this quarter

Totals reflect pro forma results from system sales and acquisitions

Top cable and telephone companies represent approximately 94% of all subscribers

Company subscriber counts may not represent solely residential households

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.

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