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Leichtman Research Group

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UNDER 350,000 ADD BROADBAND IN THE SECOND QUARTER OF 2010

Top Telephone Companies Report a Cumulative Net Loss of Broadband Subscribers

Durham, NH – August 11, 2010 – Leichtman Research Group, Inc. (LRG) found that the nineteen largest cable and telephone providers in the US – representing about 93% of the market – acquired 336,000 net additional high-speed Internet subscribers in the second quarter of 2010. Net broadband additions in the quarter were the fewest of any quarter in the nine years LRG has been tracking the industry.

Other broadband findings for the quarter include:

- The top phone companies had a net loss of about 7,500 subscribers – compared to a gain of 385,000 subscribers in 2Q 2009
- AT&T had a net loss of 92,000 subscribers in the quarter – this is the first time that *any* of the top ten broadband providers reported a quarterly net subscriber loss
- AT&T and Verizon added 451,000 fiber subscribers in the quarter (via U-verse and FiOS), while having a net loss of 515,000 DSL subscribers
- The top cable companies added over 340,000 broadband subscribers – about 140% of the additions of a year ago
- Overall, broadband additions in 2Q 2010 amounted to 53% of those in 2Q 2009
- The top broadband providers now account for about 73.5 million subscribers – with cable companies having 40.5 million broadband subscribers, and telephone companies having over 32.9 million subscribers
- The top cable broadband providers now have a 55% share of the overall market – a slight increase from the 54% share of the market they had at the end of 2Q 2009

“While the second quarter is traditionally slower for broadband growth, the weakness in 2Q 2010 was compounded by the market continuing to mature, as well as AT&T and Verizon focusing on selling multi-service fiber offerings, often at the expense of their traditional DSL services,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “Cable was able to add broadband subscribers at a faster pace than a year ago, accounting for all of the net broadband additions in the quarter.”

Broadband Internet	Subscribers at end of 2Q 2010	Net Adds in 2Q 2010
Cable Companies		
Comcast	16,448,000	119,000
Time Warner	9,606,000	96,000
Cox*	4,285,000	35,000
Charter	3,187,900	21,900
Cablevision	2,637,000	27,000
Mediacom	814,000	10,000
Insight	517,500	1,200
Cable ONE	406,900	1,589
RCN	316,000	1,000
Other major private cable companies**	2,320,000	31,000
Total Top Cable	40,538,300	343,689
Telephone Companies		
AT&T	15,952,000	(92,000)
Verizon	9,338,000	28,000
Qwest	2,859,000	7,000
CenturyLink	2,336,000	30,000
Windstream^	1,274,800	14,700
Frontier	647,487	3,427
FairPoint*	295,000	0
Cincinnati Bell	249,000	1,400
Total Top Telephone Companies	32,951,287	(7,473)
Total Broadband	73,489,587	336,216

Sources: The Companies and Leichtman Research Group, Inc.

* LRG estimate

** Includes LRG estimates for Bright House Networks and Suddenlink

^ Windstream total includes the purchase of Iowa Telecom

Company subscriber counts may not represent solely residential households

Totals reflect pro forma results from system sales and acquisitions

Top cable and telephone companies represent approximately 93% of all subscribers

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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