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Leichtman Research Group

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ABOUT 260,000 ADD BROADBAND IN THE SECOND QUARTER OF 2012

Net Broadband Additions Fewer Than in any Previous Quarter

Durham, NH – August 14, 2012 – Leichtman Research Group, Inc. (LRG) found that the seventeen largest cable and telephone providers in the US – representing about 93% of the market – acquired about 260,000 net additional high-speed Internet subscribers in the second quarter of 2012. Net broadband additions in the quarter were the fewest of any quarter in the eleven years LRG has been tracking the industry.

Other broadband findings for the quarter include:

- Overall, broadband additions in 2Q 2012 amounted to 71% of those in 2Q 2011
- The top cable companies added about 330,000 subscribers, representing 118% as many additions as in 2Q 2011
- The top telephone companies lost about 70,000 subscribers – compared to a gain of about 80,000 in 2Q 2011
- AT&T and Verizon added 669,000 fiber subscribers in the quarter (via U-verse and FiOS), while having a net loss of 763,000 DSL subscribers
- Both AT&T and Verizon had fewer net broadband adds in Q2 2012 than in any previous quarter in the past eleven years
- The top cable broadband providers have a 57% share of the overall market, with nearly 11 million more subscribers than the top telephone companies – compared to about 9 million at this time a year ago

“The seasonally weak second quarter again proved to be a slow quarter for industry growth. Net broadband additions in 2Q 2012 were over one million less than in 1Q 2011, and about 100,000 fewer than in last year’s second quarter, making 2Q 2012 the

weakest on record,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “Yet, over the past year, the top broadband providers have added nearly three million subscribers, with cable providers accounting for 83% of the net additions.”

Broadband Internet	Subscribers at end of 2Q 2012	Net Adds in 2Q 2012
<i>Cable Companies</i>		
Comcast	18,738,000	156,000
Time Warner	11,208,000	72,000
Cox*	4,555,000	25,000
Charter	3,839,000	37,000
Cablevision	3,032,000	25,000
Suddenlink	979,400	(3,200)
Mediacom	894,000	7,000
Cable ONE	462,426	(1,017)
Other major private cable companies**	1,951,000	10,000
Total Top Cable	45,658,826	327,738
<i>Telephone Companies</i>		
AT&T	16,434,000	(96,000)
Verizon	8,776,000	2,000
CenturyLink^	5,763,000	18,000
Frontier^^	1,751,000	5,000
Windstream	1,361,600	(2,200)
FairPoint	320,812	2,302
Cincinnati Bell	257,600	400
Total Top Telephone Companies	34,664,012	(70,498)
Total Broadband	80,332,838	257,285

Sources: The Companies and Leichtman Research Group, Inc.

* LRG estimate

** Includes LRG estimates for Bright House Networks, and RCN

^ CenturyLink modified broadband reporting to include wholesale subscribers

^^ LRG estimate, does not include wireless subscribers

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.LleichtmanResearch.com.

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