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BROADBAND PENETRATION DIVIDED INTO “RED STATES AND BLUE STATES”

37.5 Million Nationwide Subscribe to Broadband from Top Cable and DSL Providers

Durham, NH – August 17, 2005 – Leichtman Research Group, Inc. (LRG) found that at the beginning of 2005 broadband penetration of households in the US stood at close to 29% nationwide. Significant state-by-state disparities in broadband penetration remain, however. While these disparities are largely related to variations in household income across the states, these differences are strikingly similar to the state-by-state splits in the 2004 presidential election.

- Eight states had broadband penetration over 35% – all voted for John Kerry in 2004
- Eleven states had broadband penetration at or below 20% – all voted for George Bush in 2004
- Cumulative broadband penetration in states that voted for Kerry was 33% – compared to 25% in states that voted for Bush

	Broadband Penetration**^
States voting for Kerry in 2004	33.0%
States voting for Bush in 2004	25.1%
US Overall	28.6%

Sources: Federal Communications Commission and Leichtman Research Group, Inc.

** Residential and small business subscribers divided by total US Postal Service residential mailing addresses*

^ Cumulative average of the states

These findings are from LRG's updated report, *Broadband, Cable and DBS Across the US 2005*, that analyzes state-by-state penetration of high-speed Internet, and DBS television service. The report is based on recent information culled from a variety of sources, including the Federal Communications Commission (FCC) and others.

In related broadband research, LRG found that as of the end of the second quarter of 2005, the twenty largest cable and DSL providers in the US, that represent 94% of the broadband market for cable and DSL, accounted for about 37.6 million high-speed Internet subscribers. Combined net additions for these providers in the second quarter of 2005 totaled 1.8 million subscribers – the fewest of any quarter in the past year.

Other key findings for the quarter include:

- The top DSL providers added about 938,000 subscribers, representing 52% of the net broadband additions for the quarter versus cable, which added about 866,000 broadband subscribers
- The top cable broadband providers maintain a 6.4 million subscriber advantage over DSL, representing a 59% share of the total market versus DSL

Broadband Internet	Subscribers at end of 2Q 2005	Net Adds in 2Q 2005
Cable		
Comcast	7,705,000	297,000
Time Warner	4,323,000	201,000
Cox	2,846,438	97,779
Charter	2,022,200	43,800
Adelphia	1,556,567	70,537
Cablevision	1,519,864	79,285
Bright House Networks*	785,000	22,000
Mediacom	426,000	19,000
Insight	391,300	23,500
RCN	229,000	0
Cable One	209,600	12,200
Total Top Cable	22,013,969	866,101
DSL		
SBC	5,968,000	360,000
Verizon**	4,142,000	278,000
Bell South	2,473,000	124,000
Qwest	1,190,000	68,000
Sprint	590,000	39,000
Covad	554,400	7,000
All Tel	319,315	36,189
CenturyTel	194,847	21,079
Cincinnati Bell	145,000	4,400
Total Top DSL	15,576,562	937,668
Total Broadband	37,590,531	1,803,769

Sources: The Companies and Leichtman Research Group, Inc.

* Bright House Networks totals are estimates

** Verizon's totals are adjusted from last quarter to reflect the sale of some access lines – total includes Fios wireline broadband connections along with DSL

Top cable and DSL providers represent 94% of all subscribers

Company subscriber counts may not represent solely residential households

“Despite a seasonal slow down in net additions in the second quarter of 2005, in the first half of the year the top cable and DSL providers added nearly 4.4 million broadband subscribers,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “Nationwide, broadband continues to be one of the fastest adopted services in US history, but adoption is not yet consistent across all states.”

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.

Broadband, Cable and DBS Across the US compiles and analyzes state-by-state and nationwide statistics related to high-speed Internet and Direct Broadcast Satellite (DBS) television service. The tables and charts in this report are based on recent information culled from a variety of sources. This report is produced by LRG twice a year.

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