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Leichtman Research Group

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BROADBAND INTERNET REBOUNDS WITH RECORD QUARTER

30.9 Million Subscribe to Broadband From Top Cable and DSL Providers

Durham, NH – November 10, 2004 – Just when broadband growth in the US appeared to be waning, Leichtman Research Group, Inc. (LRG) found that the twenty largest cable and DSL providers in the US – representing about 95% of the market – achieved record net additions in the third quarter of 2004. Combined net additions for the quarter totaled over 2.3 million subscribers – a total that slightly exceeded the previous record set in the first quarter of 2004.

The top broadband providers now account for over 30.9 million high-speed Internet subscribers, with cable having nearly 18.8 million broadband subscribers, and DSL having close to 12.2 million subscribers.

Other key findings include:

- The top cable providers added 1.28 million subscribers, representing 55% of the net broadband additions for the quarter versus DSL – rebounding from last quarter when DSL, for the first quarter ever, had a greater share of net additions than cable
- Comcast alone added a record 549,000 net additional subscribers in the quarter – representing 43% of total additions for the top cable operators, and nearly a quarter of all broadband adds in the quarter
- The top cable broadband providers retain a 6.6 million subscriber advantage over DSL and have a 61% share of the total market versus DSL
- In the past year, from the end of the third quarter of 2003 to the end of the third quarter of 2004, cable and DSL added 8.3 million net subscribers – a record for any one-year period

“Cable and DSL providers responded to the slight downturn in the market last quarter by aggressively marketing broadband services with discounted introductory offers to woo new subscribers and returning college students,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “The seasonal variations in the broadband market that have taken place this year are likely to continue in the future, but without further slashing of prices, total net additions similar to this quarter may be difficult to replicate.”

Broadband Internet	Subscribers at end of Q3 2004	Net adds in Q3 2004
Cable		
Comcast	6,554,000	549,000
Time Warner	3,716,000	168,000
Cox	2,430,555	184,446
Charter	1,819,900	108,500
Adelphia**	1,253,407	85,605
Cablevision	1,259,024	79,984
Bright House Networks*	700,000	25,000
Mediacom	350,000	23,000
Insight	311,500	37,600
RCN*	215,000	5,000
Cable One	165,600	13,300
Total Top Cable	18,774,986	1,279,435
DSL		
SBC	4,679,000	402,000
Verizon	3,253,000	309,000
Bell South	1,872,000	134,000
Qwest	956,000	103,000
Covad	524,900	10,555
Sprint	432,000	49,000
All Tel	216,885	22,351
Cincinnati Bell	123,000	6,000
CenturyTel	120,869	12,049
Total Top DSL	12,177,654	1,047,955
Total Broadband	30,952,640	2,327,390

Sources: *The Companies and Leichtman Research Group, Inc.*

* *Bright House Networks and RCN subscriber counts are estimates*

** *Adelphia subscriber counts do not include properties owned by the Rigas family*

Top cable and DSL providers represent approximately 95% 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 consulting on the impact and adoption of broadband products and services. LRG combines on-going surveys and analysis with years of hands-on industry experience to provide companies with a richer understanding of the opportunities and challenges in today's broadband market. For more information about LRG, please call (603) 397-5400 or visit www.LleichtmanResearch.com.

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