



## Quarterly Report Analysis – Q1 2005

### Cable VoIP Deployment Update

Since our last update Comcast, the nation’s largest cable operator, has provided additional details about its VoIP plans, while Time Warner Cable (TWC), the second largest operator, closed the year with VoIP service available in all of its markets.

Cablevision, which has been offering VoIP service across its entire footprint since late 2003, closed the year with nearly 273,000 VoIP customers, followed by TWC’s 220,000.

Cox, a pioneer in offering cable-delivered voice service and the “triple-play” bundle, closed the year with voice service available to 60% of its base, with plans to launch VoIP service in another five markets this year, pushing its voice coverage to 70%. Cox also revealed details about plans to deploy Nortel TDM/VoIP hybrid switches to support new customer growth using lower-cost VoIP technology.

Charter, facing video subscriber losses, debt burdens and management shakeups, continued expanding its VoIP footprint, but fell short of its year-end goal of making the service available to a million homes. It also reported a sequential decline in voice net adds.

The table below provides an updated summary of VoIP deployments by cable operators. It is followed by a company-by-company review of significant new developments among the top tier of operators since our last cable-VoIP update.

**U. S. Cable Operator VoIP Deployments**

| Company        | Total Company Homes Passed (mil.) | VoIP Deployments                                                                                                                                                                       | Notes                                                                                                                                    |
|----------------|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Comcast</b> | 40.8                              | Coatesville, PA (near Philadelphia); Springfield, MA; Indianapolis, IN; circuit switched voice available to 25.6% of homes passed at yearend, with 11.7% penetration among these homes | 3 trial markets in 2004; broad rollout begins 2005; Has selected Cedar Point as one primary vendor; expected to work w/Level 3 & Sprint. |



**Quarterly Report Analysis – Q1 2005**

|                          |      |                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                |
|--------------------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Time Warner Cable</b> | 19.2 | By yearend, had launched VoIP service in all markets, though coverage was not complete in every market.                                                                                                                                                                      | Obtaining interconnection and other services from MCI & Sprint .                                                                                                                                                               |
| <b>Charter</b>           | 12.1 | Wausau , WI ; St. Louis , MO. Worcester , MA scheduled for launch in 4Q04.                                                                                                                                                                                                   | As of YE04, VoIP passed 900k homes w/45.4k voice subs. Working w/Level 3, Sprint (interconnection, etc.) and Accenture (provisioning)                                                                                          |
| <b>Cox</b>               | 10.6 | Roanoke , VA launched 4Q03; 10/04 launches in Tulsa , OK ; Lubbock , Amarillo , Midland , TX ; and Baton Rouge , LA. 11/04 launches in Lafayette , LA , and Abilene , TX . Five more market launches planned for 2005, which will bring total voice coverage to 70% by YE05. | Including circuit switched and VoIP, voice was available at yearend to roughly 60% of Cox footprint, with more than 1.3 mil. voice customers, more than 20% of homes w/access to service and more than 12% of total Cox homes. |
| <b>Adelphia</b>          | 10.2 | None                                                                                                                                                                                                                                                                         | VoIP on hold pending bankruptcy/sale                                                                                                                                                                                           |
| <b>Cablevision</b>       | 4.4  | Available company-wide since late 2003                                                                                                                                                                                                                                       | 83.5k VoIP subs added in 4Q04, bringing total to 272.7k w/VoIP penetration of total homes at                                                                                                                                   |



**Quarterly Report Analysis – Q1 2005**

|                                  |      |                                                                               |                                                                                                            |
|----------------------------------|------|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
|                                  |      |                                                                               | 6.1%.                                                                                                      |
| <b>Mediacom</b>                  | 2.8  | Technical tests in Des Moines , IA                                            | Working wi/Sprint; expects to reach about 70% of homes passed by Q2 06, with deployments starting in 2Q05. |
| <b>Insight</b>                   | 2.3  | No VoIP deployments; circuit switched voice available to 31% of homes passed. | Focused on circuit-switched transition; VoIP rollouts expected to begin in first half of 2005.             |
| <b>Bright House</b>              | 2.1  | Tampa Bay and Central Florida                                                 | Launched in company's two largest markets.                                                                 |
| <b>Liberty Cablevision</b>       | 0.3  | System-wide in Puerto Rico                                                    | Working with Net2Phone                                                                                     |
| <b>Bresnan Comm.</b>             | 0.58 | Testing in Grand Junction , CO , with launch planned for 1Q05                 | Working with Net2Phone                                                                                     |
| <b>Cebridge Connections</b>      | 0.35 | TX & MO market launches expected in 2005                                      | Working with Net2Phone                                                                                     |
| <b>Northland Cable</b>           | 0.32 | Planned for small systems in GA, SC, NC, MS, AL, TX, WA, CA, ID               | Working with Net2Phone                                                                                     |
| <b>Mid-Hudson Cablevision</b>    | 0.03 | Companywide; small systems in NY state                                        | Working with Vonage                                                                                        |
| <b>CableAmerica</b>              | 0.07 | Companywide; small systems in AZ, MO, CA, MI                                  | Working with Vonage                                                                                        |
| <b>Advanced Cable Comm.</b>      | na   | Coral Springs, Weston , FL                                                    | Working with Vonage                                                                                        |
| <b>Coldwater Board of Public</b> | na   | Coldwater , MI                                                                | Working with                                                                                               |



### Quarterly Report Analysis – Q1 2005

---

| <b>Utilities</b>       |      |                               | Vonage              |
|------------------------|------|-------------------------------|---------------------|
| <b>Armstrong Cable</b> | 0.22 | Systems in PA, OH, MD, WV, KY | Working with Vonage |

Source: CMA Group © 2005.