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Leap Wireless International, Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question will come from the line of Simon Flannery – Morgan Stanley.

Simon Flannery – Morgan Stanley

I wanted to come back to the launch timing if I could please. In the past calls you talked about up to 12 million by the end of the summer and you had also given sort of the year end 08 targets. If you could just talk about how the new guidance relates to the old guidance? And also, if you decided not to raise additional funding, what would you think your ability to build by mid 09 would be without reaching external funding?

S. Doug Hutches

First off on our last call we had said up to 12 million by the end of the summer and what we've highlights is in fact we've been able to pull in the launches and get up to eight million done in the second quarter. We'll update you on when the next launches are as we progress ahead. As far as the change on the guidance from 30 million by the end of the year to 36 million by the middle of 2009 throughout that I've said some of those markets are pretty big that we'll be launching and small changes in timing may affect when we actually launch those markets. So, what we're trying to do is rather than have an annual year-end make it hard for people to figure out exactly where it is, what we did is we moved to the other side of any variability we'll see on that to provide you the 36 million covered POPs by mid 2009. With that remember, the 36 million does include the eight million covered POPs that we already discussed.

From a self funded standpoint we're a little bit better than 20 million in a position to do that and that 20 million covered POPs could include not only new market launches but based on the results we're seeing on the footprint expansion we may decide to also continue to do some additional coverage there.

Simon Flannery – Morgan Stanley

So you're basically going full steam ahead on up to 20 million right now and then the other stuff will be more gated. Is that right?

S. Doug Hutches

We'll certainly have launch activities going on in a number of markets and are fully funded to launch up to about 20 million covered POPs.

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