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TowerStream Corporation Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Your first question comes from the line of David Lambert from Canaccord Adams. Please proceed.

David Lambert – Canaccord Adams

Thank you. HI, Jeff. Just on churn can you break it down I assuming that something – you calculate your churn as a percentage of revenue instead of customers and I was wondering if you can break it down in terms of how much of that churn would come from re-pricing your [Sybase] with your new 8 Mbps Product and then from there can you comment on how of much of your base is in that 8 Mbps Product and how much are using sort of high capacity customers with point to point service?

Jeff Thompson

Yeah, we – turning to the first question we do not see any churn coming from because of the new 8 Mbps Products we are seeing it's quite the up we are actually seeing upgrades, you know, the products brand new has started in December and it has been a great product for us. It was about 41% of new revenue in the fourth quarter '07.

And the point to point revenue are in the same quarter whilst 24%, the rest was multi point, as you know we break it out most product ranges.

David Lambert – Canaccord Adams

Okay, alright. So, how is your 2% -- I was assuming that some of the spike in the 2% churn came from maybe a customer or existing customers using a 8 Mbps product for \$1,500/\$1,600 dollars a month coming down to \$1,000?

Jeff Thompson

I can give you the anomaly that's pretty simple for us the anomaly was basically it was two customers, one was Raytheon with a quite a big revenue and it did a multi locations in the three year security project, which was ended a few months but the contract was done in October. That was a significant portion of the churn and another customer up there was the Big Dig that was also no longer needed the service because the project was over and we look at the churns last three months its well below the 1.5% that we are used to. So, it's with anomaly it's something that's not continuing obviously we are obviously keeping an eye on our churn that's one of the most important numbers we look at everyday but you can expect it to be back to those normal levels from now on.

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