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SureWest Communications Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions)

Your first call is from the line of Jonathan Levine of Jeffries please proceed.

Jonathan Levine – Jeffries

I just wanted to ask a question in regards to dividend. I was hoping you could give us some more color there. Specifically in light of the significant amount of debt that matures in 2009. It looks like that's probably about 75 million, which includes the 16 million and the term debt, obviously, keeping in mind that has a revolver as well. Would you give us a little bit more in terms of how you are thinking about all that would be greatly appreciated, thanks.

Steve Oldham

This is Steve Oldham, Jonathan. A couple of things, we can just consider very important to remind investors that the Board regularly reviews the dividend policy and they will continue to do so.

With regard to the maturities of various security and yes, we feel very comfortable with our ability to handle those maturities and have plans in place to do so.

Jonathan Levine – Jeffries

Could you talk a little bit more in terms of high-speed data, the net assets you picked up, I assume you mentioned it. Obvious, the first half of the year was a lot stronger than the second half. You talked about December being particularly strong. Can you talk a little bit more about than. Is that how we should think about 2008 or should we dial it back a bit and think a little bit more in the way you have second half of '07, thanks.

Fred Arcuri

Jonathan, this is Fred Arcuri. December 2007 did have one rather unique factor and that was the release of the HD DVR and along with that release and the pent up demand for that service, we increased our video sales. Voice and data sales during the month, rode the coattail of the vast wave. December is a little bit unique with regards to that pent up demand and the fact that we got that DVR right at the beginning of the month.

Relative to what we expect in the rest of the year, data services have been increasing at a pretty consistent rate the last three or four years not just in new subscribers but also in increased and with the existing subscribers. In the ILEC for example, the number of customers that we constantly have on data speeds of above 1 meg on DSL is considerably greater than it was in the beginning of 2006. So we are seeing new customer add momentum as well as the increased in the data needs in the existing customer base. We expect to continue to see that trend through the rest of this year.

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