

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

MetroPCS Communications Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Michael McCormack - JP Morgan.

Michael McCormack – JP Morgan

A couple of things, Braxton can you try to quantify for us the impact of RPU, I'm sorry, of the MetroFLASH and RPU this quarter? I'm assuming it was the activation revenues that you're not seeing that were flowing through RPU and if we could get quantification on that, that might be helpful.

And then secondly, I know you've been pretty vocal historically about Sprint's entry into the marketplace and they obviously put up some pretty impressive numbers on Boost, but maybe just circling back in your thoughts on what demographic you think they might be targeting and what impact it might have on yourself.

Braxton Carter

Sure, Mike. I'll touch base on RPU and then I'll have Roger address the question on the competition. First of all, the full change in RPU, we're decreased \$0.12 was related to the change in MetroFLASH and you're absolutely right, the activation revenue's related to MetroFLASH. But I think there's a couple other pieces to the story here, first of all, that really accounts for it being flat on a sequential basis.

The rest of the story is we just launched two very major markets that are ramping, and when you look at the distribution of ads during the quarter, it doesn't follow the normal distribution that we typically see in the first quarter, because you're ramping and you have better marks and that does have a dilutive impact on RPU, as we discussed in the fourth quarter.

The second thing we have seen, which we think is a real positive, is a higher take rate on our family plan during a non-promotional period than what we've experienced on a historical basis. And if you remember, Roger's talked about some of the branding that we did in the prior year for family plan and its really resonating with our consumers, so that really kind of fills out the picture of RPU.

Michael McCormack – JP Morgan

Braxton, just quickly on that, your thoughts going into second and third quarter in the legacy markets, do you expect any additional promotional activity on the family share?

Tom Keys

This is Tom. We will always look at what's the right thing to pulse the market with, so I think if you just watch our offering, you'll find that family plan has always been part of our offerings. It's never gone away. It's always been there for the consumer to take advantage of.

Copyright © 2009 CBS Interactive, Inc. All Rights Reserved.