

METRO ONE TELECOMMUNICATIONS INC
Form 10-Q
May 10, 2004

**United States
Securities and Exchange Commission**

Washington, D.C. 20549

Form 10-Q

**ý QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 31, 2004

**o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 0-27024

METRO ONE TELECOMMUNICATIONS, INC.

(Exact name of registrant as specified in its charter)

OREGON

93-0995165

Edgar Filing: METRO ONE TELECOMMUNICATIONS INC - Form 10-Q

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

11200 Murray Scholls Place, Beaverton, Oregon 97007

Edgar Filing: METRO ONE TELECOMMUNICATIONS INC - Form 10-Q

(Address of principal executive offices) (zip code)

(503) 643-9500

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant has (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of common stock outstanding as of May 5, 2004: 24,775,341 shares, no par value per share.

METRO ONE TELECOMMUNICATIONS, INC.

INDEX TO FORM 10 - Q

	Page No.
Part I	Financial Information
Item 1.	Financial Statements (Unaudited)
	<u>Condensed Statements of Operations for the three months ended March 31, 2004 and 2003</u>
	<u>Condensed Balance Sheets as of March 31, 2004 and December 31, 2003</u>
	<u>Condensed Statements of Cash Flows for the three months ended March 31, 2004 and 2003</u>
	<u>Notes to Condensed Financial Statements</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>
<u>Part II</u>	<u>Other Information</u>

Item 6. Exhibits and Reports on Form 8-K

Signatures

Metro One Telecommunications, Inc.
Condensed Statements of Operations (Unaudited)

(In thousands, except per share data)	Three Months Ended March 31,	
	2004	2003
Revenues	\$ 43,529	\$ 59,336
Costs and expenses:		
Direct operating	25,543	33,513
Selling, general and administrative	25,954	19,199
	51,497	52,712
(Loss) income from operations	(7,968)	6,624
Other income, net	119	212
(Loss) income before income taxes	(7,849)	6,836
Income tax expense		2,726
Net (loss) income	\$ (7,849)	\$ 4,110
Net (loss) income per common share:		
Basic	\$ (0.32)	\$.17
Diluted	\$ (0.32)	\$.17
Weighted average shares outstanding:		
Basic	24,775	24,682
Diluted	24,775	24,709

The accompanying notes are an integral part of these condensed financial statements.

Metro One Telecommunications, Inc.
Condensed Balance Sheets (Unaudited)

(In thousands)	March 31, 2004	December 31, 2003
Assets		
Current assets:		
Cash and cash equivalents	\$ 49,252	\$ 44,381
Restricted cash	4,900	4,900
Accounts receivable	30,420	32,078
Prepaid costs and other current assets	6,914	15,944
Total current assets	91,486	97,303
Furniture, fixtures and equipment, net	58,679	62,187
Intangible assets	5,032	4,819
Other assets	490	575
Total assets	\$ 155,687	\$ 164,884
Liabilities and Shareholders Equity		
Current liabilities:		
Accounts payable	\$ 1,952	\$ 3,146
Accrued liabilities	1,883	2,634
Accrued payroll and related costs	12,857	12,297
Total current liabilities	16,692	18,077
Deferred tax liabilities	3,799	3,799
Other long-term liabilities	707	670
Total liabilities	21,198	22,546
Commitments and contingencies		
Shareholders equity:		
Preferred stock, no par value; 10,000 shares authorized, no shares issued or outstanding		
Common stock, no par value; 50,000 shares authorized, 24,775 and 24,682 shares issued and outstanding at March 31, 2004 and December 31, 2003, respectively	119,683	119,683
Retained earnings	14,806	22,655
Total shareholders equity	134,489	142,338

Edgar Filing: METRO ONE TELECOMMUNICATIONS INC - Form 10-Q

Total liabilities and shareholders' equity	\$	155,687	\$	164,884
--	----	---------	----	---------

The accompanying notes are an integral part of these condensed financial statements.

Metro One Telecommunications, Inc.
Condensed Statements of Cash Flows (Unaudited)

(In thousands) **Three Months Ended March 31,**
2004 **2003**