

BOINGO WIRELESS INC  
Form 10-Q  
August 11, 2011  
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# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## FORM 10-Q

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

For the quarterly period ended June 30, 2011

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-35155

**BOINGO WIRELESS, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**95-4856877**  
(I.R.S. Employer  
Identification No.)

**10960 Wilshire Blvd., Suite 800**  
**Los Angeles, California**  
(Address of principal executive offices)

**90024**  
(Zip Code)

**(310) 586-5180**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer   
(Do not check if a smaller reporting company)

Smaller Reporting Company

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

As of August 11, 2011, there were 33,141,564 shares of the registrant's common stock outstanding

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****Boingo Wireless, Inc.****Condensed Consolidated Balance Sheets****(Unaudited)****(In thousands, except per share amounts)**

	<b>June 30,</b>		<b>December 31,</b>
	<b>2011</b>		<b>2010</b>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 71,693	\$	25,721
Restricted cash	1,053		1,001
Marketable securities	9,373		9,373
Accounts receivable, net of allowances of \$221 and \$107, respectively	7,485		7,946
Prepaid expenses and other current assets	1,573		1,306
Deferred tax assets	3,572		3,572
Total current assets	94,749		48,919
Property and equipment, net	39,253		36,024
Goodwill	25,512		25,512
Other intangible assets, net	10,020		10,992
Deferred tax assets	6,381		6,697
Other assets	4,588		4,891
Total assets	\$ 180,503	\$	133,035
<b>Liabilities, convertible preferred stock and stockholders equity (deficit)</b>			
Current liabilities:			
Accounts payable	\$ 3,985	\$	4,596
Accrued expenses and other liabilities	10,020		13,531
Deferred revenue	11,841		10,829
Current portion of capital leases	183		420
Total current liabilities	26,029		29,376
Deferred revenue, net of current portion	29,560		28,149
Other liabilities	1,303		2,181
Total liabilities	56,892		59,706
Commitments and contingencies (Note 9)			
Convertible preferred stock:			
Series A convertible preferred stock, \$0.0001 par value; 5,053 shares authorized, issued and outstanding at December 31, 2010			22,263
Series A-2 convertible preferred stock, \$0.0001 par value; 1,105 shares authorized, issued and outstanding at December 31, 2010			6,868

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Series B convertible preferred stock, \$0.0001 par value; 3,500 shares authorized, and 3,433 shares issued and outstanding at December 31, 2010		13,948	
Series C convertible preferred stock, \$0.0001 par value; 10,992 shares authorized, 10,983 shares issued and outstanding at December 31, 2010		79,890	
Total convertible preferred stock		122,969	
Stockholders' equity (deficit):			
Preferred stock, \$0.0001 par value, 5,000 shares authorized, no shares issued and outstanding			
Common stock, \$0.0001 par value; 34,900 shares authorized, 34,390 and 7,092 shares issued, 33,133 and 5,835 shares outstanding at June 30, 2011 and December 31, 2010, respectively	3		
Treasury stock at cost, 1,257 shares	(4,575)		(4,575)
Note receivable from stockholder			(103)
Additional paid in capital	172,125		
Accumulated deficit	(44,096)		(45,159)
Total common stockholders' equity (deficit)	123,457		(49,837)
Non-controlling interests	154		197
Total stockholders' equity (deficit)	123,611		(49,640)
Total liabilities, convertible preferred stock and stockholders' equity (deficit)	\$	180,503	\$ 133,035

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

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	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Revenue	\$ 22,943	\$ 20,298	\$ 43,971	\$ 38,797
Costs and operating expenses:				
Network access	9,169	8,347	17,506	15,536
Network operations	3,944	3,172	7,668	6,489
Development and technology	2,259	2,047	4,743	4,216
Selling and marketing	1,826	1,381	3,455	2,779
General and administrative	2,810	2,344	5,374	4,583
Amortization of intangible assets	508	618	1,069	1,349
Total costs and operating expenses	20,516	17,909	39,815	34,952
Income from operations	2,427	2,389	4,156	3,845
Interest and other (expense) income, net	(239)	68	(305)	92
Income before income taxes	2,188	2,457	3,851	3,937
Income taxes	213	306	873	487
Net income	1,975	2,151	2,978	3,450
Net income attributable to non-controlling interests	145	121	282	232
Net income attributable to Boingo Wireless, Inc.	1,830	2,030	2,696	3,218
Accretion of convertible preferred stock	(438)	(1,315)	(1,633)	(2,631)
Net income attributable to common stockholders, basic	\$ 1,392	\$ 715	\$ 1,063	\$ 587
Net income per share attributable to common stockholders:				
Basic	\$ 0.06	\$ 0.12	\$ 0.07	\$ 0.10
Diluted	\$ 0.05	\$ 0.07	\$ 0.06	\$ 0.07
Weighted average shares used in computing net income per share attributable to common stockholders:				
Basic	23,258	5,834	14,927	5,837
Diluted	35,570	30,916	18,919	8,074

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



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**Boingo Wireless, Inc.**

**Condensed Consolidated Statements of Convertible Preferred Stock and Stockholders Equity (Deficit)**

(Unaudited)

(In thousands)

	Convertible preferred stock								Total	Common	Additional	Note	Non-	Total		
	Series A	Series B	Series C	Series D	Series E	Series F	Series G	Series H	Convertible	Stock	Paid-in	Receivable	controlling	Stockholders		
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Preferred	Stock	Capital	Stock	Stockholder	Equity		
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Preferred	Stock	Capital	Stock	Stockholder	Equity		
<b>Balance at December 31, 2010</b>	5,053	\$ 22,263	1,105	\$ 6,868	4,433	\$ 13,948	10,983	\$ 79,890	\$ 122,969	\$ 5,835	\$ -	\$ (4,575)	\$ (103)	\$ (45,159)	\$ 197	\$ (49,640)
Accretion of convertible preferred stock		258														