

METRO ONE TELECOMMUNICATIONS INC
Form 10-Q
May 10, 2005

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, 2005

**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 6, 2005: 25,098,853 shares, no par value per share.

METRO ONE TELECOMMUNICATIONS, INC.

INDEX TO FORM 10 - Q

Part I **Financial Information**

Item 1. Financial Statements (Unaudited)

Condensed Consolidated Statements of Operations for the three months ended March 31, 2005 and 2004

Condensed Consolidated Balance Sheets as of March 31, 2005 and December 31, 2004

Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2005 and 2004

Notes to Condensed Consolidated Financial Statements

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Item 4. Controls and Procedures

Part II **Other Information**

-

Item 6.

Exhibits

Signatures

Metro One Telecommunications, Inc.

Condensed Consolidated Statements of Operations (Unaudited)

(In thousands, except per share data)	Three Months Ended March 31,	
	2005	2004
Revenues	\$ 18,379	\$ 43,529
Costs and expenses:		
Direct operating	17,220	25,543
Selling, general and administrative	14,829	25,954
	32,049	51,497
Loss from operations	(13,670)	(7,968)
Other income, net	295	119
Loss before income taxes	(13,375)	(7,849)
Income tax benefit	(31)	
Net loss	\$ (13,344)	\$ (7,849)
Net loss per common share:		
Basic	\$ (0.53)	\$ (0.32)
Diluted	\$ (0.53)	\$ (0.32)
Weighted average shares outstanding:		
Basic	24,984	24,775
Diluted	24,984	24,775

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

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

(In thousands)	March 31, 2005	December 31, 2004
Assets		
Current assets:		
Cash and cash equivalents	\$ 15,525	\$ 24,093
Short-term investments, available for sale	25,325	25,375
Restricted cash	4,900	4,900
Accounts receivable, net	12,348	17,524
Prepaid costs and other current assets	6,599	4,850
Total current assets	64,697	76,742
Furniture, fixtures and equipment, net	12,248	12,701
Intangible assets	6,216	5,916
Other assets	471	471
Total assets	\$ 83,632	\$ 95,830
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,131	\$ 1,107
Accrued liabilities	1,768	2,003
Accrued payroll and related costs	12,490	12,125
Total current liabilities	16,389	15,235
Other long-term liabilities	1,150	1,158
Total liabilities	17,539	16,393
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, no par value; 10,000 shares authorized, no shares issued or outstanding		