

METRO ONE TELECOMMUNICATIONS INC  
Form 10-Q  
May 15, 2007

**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 March 31, 2007

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

**93-0995165**  
(I.R.S. Employer  
Identification No.)

**11200 Murray Scholls Place, Beaverton, Oregon 97007**

(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 a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

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

11200 Murray Scholls Place, Beaverton, Oregon 97007

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Number of shares of common stock outstanding as of May 11, 2007: 6,233,326 shares, no par value per share.

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**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, 2007 and 2006

Condensed Consolidated Balance Sheets as of March 31, 2007 and December 31, 2006

Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2007 and 2006

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

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2007</b>	<b>2006</b>
	<b>(In thousands, except per share data)</b>	
Revenues	\$ 4,902	\$ 15,229
Costs and expenses:		
Direct operating	3,926	7,765
Selling, general and administrative	3,762	7,107
Depreciation and amortization	614	1,235
Restructuring charges	482	5,016
	8,784	21,123
Loss from operations	(3,882 )	(5,894 )
Other income, net	165	187
Loss before income taxes	(3,717 )	(5,707 )
Income tax (benefit) expense	(15 )	)
Net loss	\$ (3,702 )	\$ (5,707 )
Net loss per common share:		
Basic	\$ (0.59 )	\$ (0.92 )
Diluted	\$ (0.59 )	\$ (0.92 )
Weighted average shares outstanding:		
Basic	6,233	6,234
Diluted	6,233	6,234

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

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

	<b>March 31, 2007 (In thousands)</b>	<b>December 31, 2006</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 7,248	\$ 11,965
Restricted cash	4,741	4,741
Accounts receivable, net	2,666	2,179
Prepaid costs and other current assets	706	961
<b>Total current assets</b>	<b>15,361</b>	<b>19,846</b>
Furniture, fixtures and equipment, net	2,590	3,014
Intangible assets, net	4,510	4,666
Other assets	86	86
<b>Total assets</b>	<b>\$ 22,547</b>	<b>\$ 27,612</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 352	\$ 983
Accrued liabilities	1,801	1,685
Accrued payroll and related costs	3,082	3,898
<b>Total current liabilities</b>	<b>5,235</b>	<b>6,566</b>
Other long-term liabilities	438	470
<b>Total liabilities</b>	<b>5,673</b>	<b>7,036</b>