Sprint Posts 3Q Profit While Slowing Customer Losses

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Sprint Wednesday posted a profit in the first official quarter of the SoftBank era [1]. The net income of $383 million righted the ship somewhat after a net loss of $767 million was posted a year ago.

The Sprint platform lost 360,000 postpaid subscribers but that was well down from the more than one million postpaid subs the carrier lost in the previous quarter. Sprint managed to add 84,000 prepaid subscribers and 181,000 wholesale and affiliate subscribers during the quarter.

After the shutdown of the Nextel iDEN network lead to a $1.6 billion net loss in the previous quarter [2], CEO Dan Hesse had sunnier news in regards to Sprint's Network Vision.

"We expect our network investments will bring customers greater speeds and capacity," Hesse said in the earnings release.

Sprint promised to show off some of its next-generation network technology later today but in the meantime it laid out a timeline for its network buildout and the rollout of compatible technology.

800 MHz LTE deployment will begin in the fourth quarter while tri-band handsets will begin to show up around the same time. Sprint plans to finish Clearwire's 5,000 2.5 GHz sites by year's end and begin 2.5 GHz LTE overlay in 2014. Hesse said he hopes to have 100 million POPs of LTE in 2.5 GHz by the end of 2014.

With its current network though—still on schedule to cover 200 million customers with LTE by year's end—Sprint managed to sell five million smartphones (1.4 million iPhones) in the quarter, with smartphones representing 92 percent of the sales mix.

Today's report marks the first quarter of operations since Sprint closed both the Clearwire acquisition and the merger deal with SoftBank. Besides accelerating its Network Vision in the wake of closing those deals, Sprint has also made some service changes, specifically in offering Unlimited for Life plans and its One Up early upgrade program.

Sprint's stock was up more than three percent in pre-market trading following the quarterly report.

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