

Qwest 1Q earnings rise 37 pct after cost cuts

April 29 2009, By PETER SVENSSON , AP Technology Writer

(AP) -- First-quarter earnings at Qwest Communications International Inc. rose 37 percent, as the phone company was helped by cost-cutting and strong results from its business services unit.

Denver-based Qwest said Wednesday its [net income](#) was \$206 million, or 12 cents per share, for the first three months of the year. That rose from \$150 million, or 8 cents per share, a year ago.

Revenue fell 7 percent from a year ago to \$3.2 billion, as consumers continued to cancel landline service. Qwest has also stopped selling wireless service under its own brand. Excluding that change, revenue fell 5 percent from a year ago. Qwest is now reselling [Verizon Wireless](#) service, which doesn't add to its revenue in the same way.

Thomson Reuters says analysts had been expecting earnings of 8 cents per share on \$3.2 billion in revenue.

Qwest shares rose 26 cents, or 7.3 percent, to \$3.83 in premarket trading after the release of the results.

Cost-cutting at the company has mainly been in the form of job cuts: Qwest has slashed 10 percent of its work force since last year, ending the quarter with 32,800 employees.

Qwest's local-phone service business, which serves parts of 14 states, had revenue of \$1.3 billion, a decline of 11 percent from a year ago. It added 42,000 [broadband](#) customers but lost 259,000 phone lines.

Business services were the bright spot for the company, despite a challenging market because of the economy. Revenue rose 3 percent to \$1 billion.

Qwest's long-haul business, which carries calls and [Internet traffic](#) across the country, saw its revenue decline 11 percent to \$752 million, partly due to lower prices.

Qwest said it was sticking to its 2009 projections, still expecting earnings before interest, taxes, depreciation and amortization to be \$4.2 billion to \$4.4 billion this year. It made the same projection three months ago.

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