

Qwest Communications 3Q earnings fall 6 pct

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(AP) -- Qwest Communications International Inc. reported a 6 percent drop in third-quarter profit Wednesday as customers continue to give up traditional landline telephones.

Qwest has been struggling to find ways to grow sales as its industry shrinks. It offers local phone service in 14 Western states and customers have been siphoned off by competition from cable and cell phone providers.

This summer it fell behind CenturyLink into fourth place among U.S. phone companies by number of lines in service. AT&T Inc. and Verizon Communications Inc. are the two largest.

Qwest ended the third quarter with roughly 7 million lines, down 12 percent from a year ago. It pointed to progress expanding its broadband service. It added 28,000 subscribers, bringing the total up 6 percent to nearly 3 million.

The company, based in Denver, said it earned \$136 million, or 8 cents per share, in the three months ended Sept. 30, down from \$145 million, or 8 cents per share, a year ago.

Excluding a penny-per-share charge for severance costs and other unusual expenses, the company would have earned 9 cents. On that basis, earnings edged past expectations. Analysts polled by Thomson Reuters, who typically exclude special items, expected earnings of 7 cents per

share.

The company's stock rose a penny to \$3.46 in morning trading.

Revenue fell 10 percent to \$3.05 billion from \$3.38 billion a year ago, shy of the average forecast of \$3.07 billion.

The company also said it expects full-year earnings before interest, taxes, depreciation and amortization to hit the top end of its previous forecast, which called for a range between \$4.25 billion and \$4.4 billion.

It trimmed its full-year forecast for capital spending to \$1.6 billion from \$1.7 billion.

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