

Sprint loss widens on Nextel, iPhone lifts sales

April 25 2012, By PETER SVENSSON , AP Technology Writer

(AP) -- The impending shutdown of the Nextel network doubled Sprint Nextel Corp.'s loss in the first quarter, it said Wednesday, as it wrote down the value of the network and subscribers kept leaving it.

Investors, however, were cheered by a big jump in wireless service fees, due to new iPhone subscribers and a \$10 monthly surcharge Sprint instituted for smartphones last year. Sprint shares rose 19 cents, or 7.7 percent, to \$2.66 in premarket trading. The shares are still close to a three-year low of \$2.10 hit in January.

Since buying Nextel in 2005, Sprint has struggled with the cost of running two disparate [wireless networks](#), even as Nextel customers have cancelled service in droves. The Nextel network, with its signature walkie-talkie-like "push-to-talk" capability, is set to shut down at the end of the year. Nextel subscribers stepped up their cancellations in the first quarter.

The Overland Park, Kan., company used to lose customers from the [Sprint network](#) as well, but CEO Dan Hesse has turned that trend around, with a focus on customer service. In the [fourth quarter](#) of last year, Sprint got a big boost when it started to sell the iPhone.

In the latest quarter, the [iPhone](#) effect faded a bit, and Sprint missed [analyst expectations](#) for an all-important figure: The number of new subscribers under contract. It lost a net 192,000, including Nextel. Looking solely on the Sprint side, the net gain was 263,000, up just a

smidge from last year's figure.

Sprint's net loss from January through March was \$863 million, or 29 cents per share. In the same quarter last year, the Overland Park, Kan., company's loss was \$439 million, or 15 cents per share.

Analysts polled by FactSet were on average expecting a loss of 42 cents per share.

Revenue was \$8.73 billion, up 5 percent from a year ago. Analysts were expecting \$8.71 billion.

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