

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

WESTERN WIRELESS CORP

CIK: **930738** | IRS No.: **911638901** | State of Incorporation: **WA** | Fiscal Year End: **1231**
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SIC: **4812** Radiotelephone communications

Mailing Address
2001 NW SAMMAMISH RD
ISSAQUAH WA 98027

Business Address
3650 131 ST AVENUE SE
SUITE 400
BELLEVUE WA 98006
4255868700

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report
July 26, 1999

WESTERN WIRELESS CORPORATION

(Exact Name of Registrant as Specified in Charter)

Washington

(State or Other Jurisdiction of Incorporation)

000-28160

(Commission File Number)

91-1638901

(IRS Employer Identification No.)

3650 131st Avenue SE
Bellevue, WA 98006

(Address of Principal Executive Offices)
(Zip Code)

Registrant's telephone number, including area code: (425) 586-8700

(Former Name or Former Address, if Changed Since Last Report)

ITEM 5. OTHER EVENTS

On July 26, 1999, Western Wireless Corporation issued the following press release:

FOR IMMEDIATE RELEASE
FOR FURTHER INFORMATION CONTACT:

Investment Community:
Gina Haggerty
(425) 586-8671
gina.haggerty@wwireless.com

Media:
John Snyder
Snyder Buscher Group
(206) 652-9704
jsnyder@sbgir.com

WESTERN WIRELESS ANNOUNCES SECOND QUARTER 1999 FINANCIAL RESULTS
- CASH FLOW OF \$61.7 MILLION FOR THE SECOND QUARTER -
- 42,100 INCREASE IN SUBSCRIBERS DURING THE SECOND QUARTER OF 1999 -

BELLEVUE, Wash. (July 26, 1999) -- Western Wireless Corporation (NASDAQ: WWCA), a leading provider of cellular services, announced today its financial and operating results for the second quarter ended June 30, 1999.

"Our partnership with rural America continues to thrive. The demand for accessible and quality telecommunication service in rural markets has never been stronger, and our ability to deliver has never been better," said John W. Stanton, chairman and chief executive officer of Western Wireless. "The company

experienced increased subscriber growth, higher average revenue and record cash flow. EBITDA (operating income before non-cash charges) exceeded \$60 million and we achieved a 47% margin during the second quarter of 1999, a 72 percent increase from the same quarter in 1998."

"Internationally, we achieved two milestones this quarter," continued Stanton. "Western Wireless International celebrated the one year anniversary of service in Iceland and also noted the achievement of more than 120,000 subscribers in 3 countries."

Mikal Thomsen, president and chief operating officer of Western Wireless, added, "Our recent acquisition of the McAllen and Brownsville MSA's provides us with additional growth opportunities in Texas. We continue to grow our footprint as well as our cashflow and subscribers." The purchase of the Rio Grande Valley was completed at a cost of \$96 million.

COMPANY RESULTS

At the end of the second quarter 1999, the company reported total revenues of \$136.6 million, up 39 percent over the same quarter a year ago. Net loss from continuing operations was \$55.7 million for the quarter ended June 30, 1999, a loss of \$0.73 per share. Net loss for the

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quarter ended June 30, 1999 was \$47.9 million, a loss of \$0.63 per share. A non-cash expense of \$66.5 million was recognized for the restructuring of employee stock options in connection with the spin-off of VoiceStream Wireless on May 3, 1999; a favorable adjustment to the prior estimated loss from the VoiceStream discontinued operations in the amount of \$7.7 million was also recognized.

Subscribers increased by 42,100, including 5,200 from the Rio Grande Valley acquisition, to 737,600 during the second quarter of 1999, a 27 percent year to year increase. Service revenues for the second quarter of 1999 increased 38 percent from the same quarter a year ago to \$131 million. EBITDA for the quarter was \$61.7 million, a 72 percent increase over the second quarter of 1998. Capital expenditures were \$38.3 million for the quarter. Over \$23 million in free cash flow (EBITDA less capital expenditures) was generated during the second quarter of 1999.

Western Wireless International operating companies in Latvia, Georgia, and Iceland continued their impressive growth in the second quarter of 1999, increasing subscribers by over 25% to 120,000. The Iceland operation celebrated its first anniversary in May, achieving record penetration. WWI launched service in Croatia on July 1st and the Haiti launch is on schedule for third quarter 1999.

Based in Bellevue, Wash., Western Wireless Corp. is a leading provider of wireless communications services in the western United States and international locations. It currently offers cellular service marketed under the Cellular One(R) name in 17 western states. Through its subsidiaries, Western Wireless holds licenses to offer wireless service in 7 countries.

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WESTERN WIRELESS CORPORATION
SUPPLEMENTARY FINANCIAL AND OPERATIONAL DATA
(Dollars in thousands, except per share data)
(Unaudited)

<TABLE>
<CAPTION>

	Three months ended June 30,		Six months ended June 30,	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Revenues:				
Subscriber revenues	\$ 95,268	\$ 80,757	\$ 182,202	\$ 156,860
Roamer revenues	34,431	13,210	57,681	23,697
Equipment sales and other revenues	6,852	4,437	12,531	8,477
	136,551	98,404	252,414	189,034
Total revenues	136,551	98,404	252,414	189,034

Operating expenses:				
Cost of service	15,448	13,711	30,952	25,598
Cost of equipment sales	8,061	7,525	15,824	14,977
General and administrative	28,848	21,786	55,552	42,048
Sales and marketing	22,446	19,444	43,906	36,935
Depreciation and amortization	26,604	17,492	49,045	35,042
Stock based compensation	66,496		66,496	
	-----	-----	-----	-----
Total operating expenses	167,903	79,958	261,775	154,600
	-----	-----	-----	-----
Operating income (loss) from continuing operations	(31,352)	18,446	(9,361)	34,434
	-----	-----	-----	-----
Other income (expense):				
Interest and financing expense, net	(23,504)	(24,276)	(46,800)	(44,297)
Equity in net loss of unconsolidated affiliates	(2,924)	(2,524)	(7,685)	(4,605)
Other, net	1,380	807	2,027	1,319
	-----	-----	-----	-----
Total other income (expense)	(25,048)	(25,993)	(52,458)	(47,583)
	-----	-----	-----	-----
Minority interest in net loss of consolidated subsidiaries	747		939	
	-----		-----	
Net loss from continuing operations	\$ (55,653)	\$ (7,547)	(60,880)	(13,149)
	=====	=====	=====	=====
Net (loss) from discontinued operations	7,709	(45,493)	(82,152)	(104,041)
Cost of discontinuance			(18,500)	
	-----	-----	-----	-----
Total discontinued operations	7,709	(45,493)	(100,652)	(104,041)
	-----	-----	-----	-----
Net loss	\$ (47,944)	\$ (53,040)	\$ (161,532)	\$ (117,190)
	=====	=====	=====	=====
Basic loss per common share				
Continuing operations	(0.73)	(0.10)	(0.79)	(0.17)
Total discontinued operations	0.10	(0.60)	(1.31)	(1.37)
	-----	-----	-----	-----
Basic loss per common share	\$ (0.63)	\$ (0.70)	\$ (2.10)	\$ (1.54)
	=====	=====	=====	=====
Weighted average common shares used in computing basic loss per common share				
	76,611,000	75,831,000	76,734,000	75,804,000
	=====	=====	=====	=====
Comprehensive income (loss)				
Net loss	(47,944)		(161,532)	
Other comprehensive income:				
Foreign currency translation adjustment	(333)		(181)	
	-----		-----	
Total Comprehensive loss	\$ (48,277)		\$ (161,713)	
	=====		=====	
Supplemental data:				
EBITDA (operating income before non-cash charges)	\$ 61,748	\$ 35,938	\$ 106,180	\$ 69,476
	=====	=====	=====	=====
Ending Subscribers	737,600	583,300	737,600	583,300
	=====	=====	=====	=====

</TABLE>

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WESTERN WIRELESS CORPORATION

Dated: July 26, 1999

By /s/ Alan R. Bender

Alan R. Bender
Senior Vice President,
General Counsel and Secretary