

Leap Wireless International Inc. (NASDAQ: LEAP) + 15%

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Tallahassee, FL 11/1/2011 ([StreetBeat](#)) --Shares of Leap Wireless International Inc. ([NASDAQ: LEAP](#)), the parent of the Cricket cellular service, rose Tuesday morning after the company reported gaining subscribers in the third quarter. Analysts expected a loss. Currently, the stock is trading at \$8.00, up 15% on the day.

The gain of subscribers was small, at a net 10,000 subscribers, but was a big improvement over the net loss of nearly 200,000 recorded in the third quarter of last year. Most of the gains were due to Leap subscribers being more inclined to keep their service, rather than an inflow of new customers. Executives said users with smartphones, a new phone category for Leap, are less inclined to cancel. Average monthly fees per user were also up.

"To be sure, a single quarter is hardly a definitive reading, but it is striking that Leap outperformed on every key metric, both financial and operational," said Sanford Bernstein analyst Craig Moffett. The shares rose 45 cents, or 6.5 percent, at \$7.40 in premarket trading.

On Monday Leap reported a net loss of \$68.8 million, or 90 cents per share. That compares with a net loss of \$536.3 million, or \$7.06 per share, in the year-ago quarter, when it took goodwill impairment charges and charges for the write-off of network expansion costs. Revenue rose 20 percent to \$763.3 million.

Leap ended the quarter with 5.8 million subscribers, making it the seventh-largest cellular phone company in the U.S.

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