

Vonage current situation

Finance



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It has a large customer base in the USA and other nations like Canada and the United Kingdom and it is reported that approximately 2.5 million subscribers use the technology from Vonage as of 31st December 2008. The company claims that its technology is unique as it allows higher flexibility, more features, low cost and ease in operation and size. It has reached a higher number of customers due to the announcement of free unlimited calling to landline phones in all cities and locations in more than 60 countries. It also provides important facilities like call waiting and call forwarding at an affordable price. It is in touch with all the customers of different nations through the web and it connects to people in the USA through national retailers like Best Buy and Wal-Mart Stores Inc. Recently it launched Vonage Mobile which is its first mobile calling service and it is considered to be a free downloadable service that enables low-cost international calling through cellular network or Wi-Fi. Vonage Holdings Corp. has its headquarter in Holmdel, New Jersey.

Current financial performance of Vonage

Its financial status has been improved considerably relative to previous year. Through its operating revenue recorded for the second quarter i. e. April-June 2009 was lesser (\$222 million) than that recorded in the second quarter of 2008 (\$227.5 million), it recorded a net profit of \$2.28 million in 2009 compared to a net loss of \$6.88 million in 2008. This is due to a reduction in operating expenses in 2009. The average monthly direct costs of telephony services per line were reduced to \$6.76 in 2008 from \$7.22 in 2009 resulting in a reduction in operating expenditure which in turn resulted in higher net profit.

Vonage has gone to the public in May 2006 through IPO for raising \$250

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million and registered as a public company with the New York Stock Exchange. Around 13.5% of its shares were sold to the public and 60% of its shares were retained with the directors of the company.

Stock performance

It was quoted at \$1.76 on 7th October 2009. Its 52 week high and low values were \$2.63 and \$0.31 respectively which indicate that the stock was highly volatile in nature and subjected to diverse market fluctuations. Its market capitalization value as on 8th October 2009 is \$314 million.