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AIRGATE PCS INC /DE/
Form 425
December 08, 2004

Filed by Alamosa Holdings, Inc. pursuant to Rule 425 under the Securities Act of 1933, as amended, and deemed filed pursuant to Rule 14a-12 under the Securities Exchange Act of 1934, as amended

Subject Company: AirGate PCS, Inc.
Exchange Act File Number of
Subject Company: 000-27455

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, (1) statements about the benefits of the proposed merger between Alamosa Holdings, Inc. ("Alamosa") and AirGate PCS, Inc. ("AirGate"), including future financial and operating results; (2) statements with respect to Alamosa's plans, objectives, expectations and intentions and other statements that are not historical facts; and (3) other statements identified by words such as "believes," "expects," "anticipates," "estimates," "intends," "plans," "targets," "projects" and similar expressions. Such statements are based upon the current beliefs and expectations of Alamosa's and AirGate's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements.

The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: (1) the businesses of Alamosa and AirGate may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; (2) expected combination benefits from the Alamosa/AirGate transaction may not be fully realized or realized within the expected time frame; (3) the failure of AirGate and Alamosa stockholders to approve the merger and/or the failure to obtain approvals from regulators or other groups; (4) disruption from the merger making it more difficult to maintain relationships with clients, employees or suppliers; (5) Alamosa's and AirGate's dependence on their affiliation with Sprint; (6) shifts in populations or network focus; (7) changes or advances in technology; (8) changes in Sprint's national service plans or fee structure with Alamosa or AirGate; (9) change in population; (10) difficulties in network construction; (11) increased competition in Alamosa's and AirGate's markets; and (12) adverse changes in financial position, condition or results of operations. Additional factors that could cause Alamosa's and AirGate's results to differ materially from those described in the forward-looking statements can be found in the 2003 Annual Report on Form 10-K and in the Quarterly Reports on Form 10-Q of Alamosa and AirGate filed with the Securities and Exchange Commission (the "Commission") and available at the Commission's internet site (<http://www.sec.gov>). The forward-looking statements in this document speak only as of the date of the document, and Alamosa and AirGate assume no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those contained in the forward-looking statements.

STOCKHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED TRANSACTION WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. Stockholders will be able to obtain a free copy of the joint proxy statement/prospectus, as well as other filings containing information about Alamosa and AirGate, without charge, at the Securities and Exchange Commission's internet site (<http://www.sec.gov>). Copies of the joint proxy statement/prospectus and the filings with the Securities and Exchange Commission that will be incorporated by reference in the joint proxy statement/prospectus can also be obtained without charge, when they become

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available, by directing a request to Alamosa Holdings, Inc., 5225 S. Loop 289, Lubbock, Texas 79424, Attention: Jon Drake (806-722-1100); or AirGate PCS, Inc., Harris Tower, 233 Peachtree Street, N.E. Suite 1700, Atlanta, Georgia 30303, Attention: Bill Loughman (404-525-7272).

The respective directors and executive officers of Alamosa and AirGate and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed merger. Information regarding Alamosa's directors and executive officers is available in the proxy statement filed with the Securities and Exchange Commission by Alamosa on April 23, 2004, and information regarding AirGate's directors and executive officers is available in the proxy statement filed with the Securities and Exchange Commission by AirGate on March 5, 2004. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the Securities and Exchange Commission when they become available.

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The following is a joint press release issued by Alamosa Holdings, Inc. and AirGate PCS, Inc. on December 8, 2004:

Alamosa Holdings, Inc. to Combine With AirGate PCS, Inc. to Create The Premier Sprint PCS Affiliate

- o Combined Company With More Than 23 Million Total POPs;
Over 18 Million Covered POPs and Over 1.25 Million
Subscribers in 19 States
- o Conference Call planned for December 9, 2004 to Discuss
Combination

LUBBOCK, Texas (December 8, 2004) - Alamosa Holdings, Inc. (NASDAQ: APCS) and AirGate PCS, Inc. (Nasdaq: PCSA) today announced that their Boards of Directors have approved a definitive agreement under which AirGate will merge with and into a wholly-owned subsidiary of Alamosa. The Company plans to schedule a conference call for December 9, 2004 to discuss the combination. The time of the call, along with other appropriate call-in and web cast information, will be provided by the Company later today in a press release.

Under the terms of the definitive agreement, AirGate shareholders will receive 2.87 Alamosa shares for every share of AirGate common stock they hold. Based on Alamosa's share price, as of the close of business on December 7, 2004, the transaction is valued at \$33 per AirGate share. Including the assumption of net debt of approximately \$238 million, the aggregate purchase price is approximately \$630 million. In addition, AirGate shareholders will have the option to elect cash consideration in place of Alamosa stock, up to an aggregate amount of \$100 million, with the per share cash consideration based on the average closing price of Alamosa stock in the ten trading days prior to the completion of the transaction multiplied by 2.87.

David E. Sharbutt, Chairman and Chief Executive Officer of Alamosa, said, "We believe that this combination creates the premier Sprint PCS Affiliate with over 23 million total POPs, over 18 million covered POPs and approximately 1.25 million subscribers. We believe that the increased scale of our combined company will provide meaningful operational and financial benefits, and will be a platform for future growth and value creation. In addition, with the significantly increased market capitalization, the combined company's common

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stock should appeal to a broader investor group going forward and provide AirGate's stockholders with a substantially more liquid market."

Thomas M. Dougherty, Chief Executive Officer of AirGate, said, "Alamosa and AirGate share a common culture of building shareholder value. With Alamosa's proven track record of delivering results and successful acquisition integration, we believe that with our attractive markets, larger scale and the strong support of Sprint, we have the formula for success."

The transaction is subject to customary regulatory review, approval by Sprint and approval of the shareholders of AirGate and Alamosa. The transaction is expected to close in the second quarter of 2005.

ABOUT ALAMOSA

Alamosa Holdings, Inc. is the largest (based on number of subscribers) PCS Affiliate of Sprint (NYSE: FON), which operates the largest all-digital, all-CDMA Third-Generation (3G) wireless network in the United States. Alamosa has the exclusive right to provide digital wireless mobile communications network services under the Sprint brand name throughout its designated territory located in Texas, New Mexico, Oklahoma, Arizona, Colorado, Utah, Wisconsin, Minnesota, Missouri, Washington, Oregon, Arkansas, Kansas, Illinois and California. Alamosa's territory includes licensed population of 15.8 million residents.

ABOUT AIRGATE PCS

AirGate PCS, Inc. is the PCS Affiliate of Sprint with the right to sell wireless mobility communications network products and services under the Sprint brand in territories within three states located in the Southeastern United States. The territories include over 7.4 million residents in key markets such as Charleston, Columbia, and Greenville-Spartanburg, South Carolina; Augusta and Savannah, Georgia; and Asheville, Wilmington and the Outer Banks of North Carolina.

ADVISORS

Alamosa's financial advisor was UBS Investment Bank and its legal advisor was Skadden, Arps, Slate, Meagher & Flom LLP. AirGate's financial advisor was Banc of America Securities LLC, and its legal advisor was Winston & Strawn LLP.

FORWARD LOOKING STATEMENTS AND OTHER INFORMATION

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